



CPUC Public Agenda 3435
Thursday, March 28, 2019 9:30 a.m.
San Francisco, CA



Commissioners:
Michael Picker, President
Liane M. Randolph
Martha Guzman Aceves
Clifford Rechtschaffen
Genevieve Shiroma

www.cpuc.ca.gov





The Pledge of Allegiance



“I pledge allegiance to the Flag of the
United States of America,
and to the Republic for which it stands,
one nation under God,
indivisible,
with liberty and justice for all.”





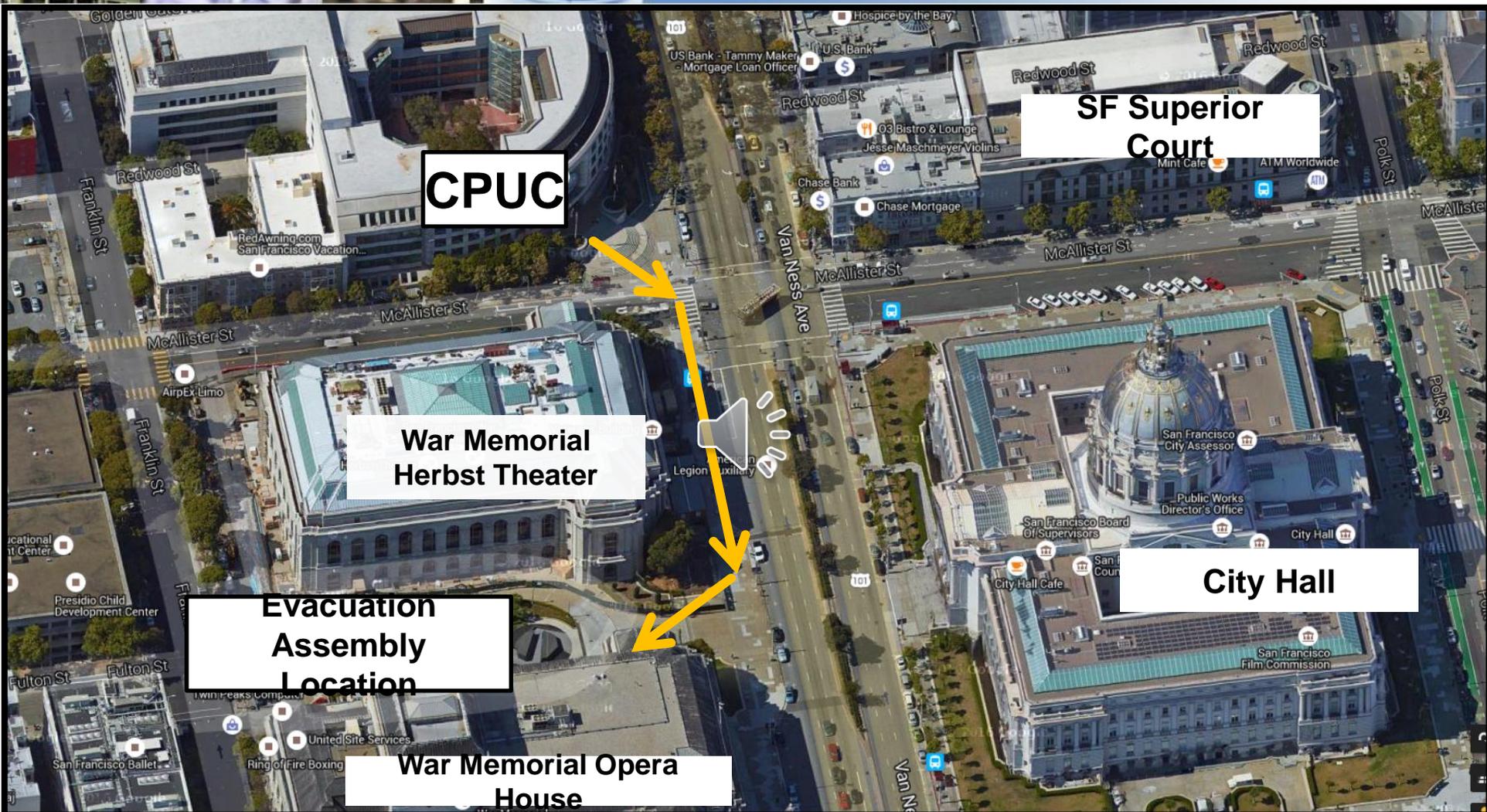
Emergency Evacuation

Safety is our number one priority:

Please listen to the emergency evacuation instructions for this location.



Evacuation Assembly Location





CPUC Mission

The CPUC regulates services and utilities, protects consumers, safeguards the environment, and assures Californians' access to safe and reliable utility infrastructure and services.





CPUC Core Values

Accountability
Excellence
Integrity
Open Communication
Stewardship





Commissioner Code of Conduct

- **I. Commissioners should conduct themselves in a manner that demonstrates respect for the public, for fellow Commissioners, and for Commission staff.**
- **II. Commission meetings should be opportunities for a full and respectful exchange of ideas and the responsible execution of Commission duties.**
- **III. Serving on the Commission is an honor and Commissioners should treat their colleagues at the Commission with respect for the varied backgrounds, skills and interests that each one brings.**
- **IV. Commissioners are public officials who should uphold the integrity of their office at all times.**





Public Comment

- Per Resolution ALJ-252, any member of the public (excluding parties and their representatives) who wishes to address the CPUC about matters before the Commission must sign up with the Public Advisor's Office table before the meeting begins. If an individual has signed up using the electronic system on the Commission's website, they must check in with the Public Advisor's Office on the day of the meeting, by the sign-up deadline.
- Once called, each speaker has up to 3 minutes at the discretion of the Commission President. Depending on the number of speakers, the time limit may be reduced to 1 minute.
- A sign will be posted when 1 minute remains.
- A bell will ring when time has expired.
- At the end of the Public Comment Section, the Commission President will ask if there are any additional individuals who wish to speak. Individuals who wish to speak but did not sign up by the deadline, will be granted a maximum of one minute to make their comments.

Public Comment is not permitted on the following items:

- **42 and 45.**
- All items on the Closed Session Agenda





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- Once called, each speaker has up to 2 minutes at the discretion of the Commission President. Depending on the number of speakers, the time limit may be reduced to 1 minute.
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Public Agenda Changes

Items shown on the Consent Agenda will be taken up and voted on as a group in one of the first items of business of each CPUC meeting.

- Items on Today's Consent Agenda are: **1, 2, 6, 7, 10, 11, 12, 13, 14, 15, 16, 17, 21, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 36, and 37.**
- Any Commissioner, with consent of the other Commissioners, may request an item from the Regular Agenda be moved to the Consent Agenda prior to the meeting.
- **Items 40 and 41** from the Regular Agenda have been added to the Consent Agenda.
- Any Commissioner may request an item be removed from the Consent Agenda for discussion on the Regular Agenda prior to the meeting.
- **No Item** has been moved to the Regular Agenda.
- **Item 51** has been withdrawn.
- The following items have been held to future Commission Meetings:
Held to 4/25/19: **3, 4, 5, 5A, 8, 9, 18, 19, 20, 22, 35, 35A, and 39.**





Regular Agenda

- Each item on the Regular Agenda (and its alternate if any) will be introduced by the assigned Commissioner or CPUC staff and discussed before it is moved for a vote.
- For each agenda item, a summary of the proposed action is included on the agenda; the CPUC's final decision may, however, differ from that proposed.
- The complete text of every Proposed Decision or Draft Resolution is available for download on the CPUC's website: www.cpuc.ca.gov.
- Late changes to agenda items are available on the Escutia Table.





Regular Agenda- Energy Orders

Item # 38 [16574] – Intervenor Compensation to Clean Coalition

R.14-10-003

Order Instituting Rulemaking to Create a Consistent Regulatory Framework for the Guidance, Planning and Evaluation of Integrated Distributed Energy Resources.

Ratesetting

Comr Picker - Judge Hymes

PROPOSED OUTCOME :

- Awards Clean Coalition \$69,902.50 for substantial contribution to Decision D.15-09-022 and D.16-12-036. Decision 15-09-022 adopted an expanded scope, definition, and goal for the integration of distributed energy resources. Decision 16-12-036 adopted the consensus recommendations from the Competitive Solicitation Framework Working Group August 1, 2016 Report. Clean Coalition originally requested \$69,902.50.

SAFETY CONSIDERATIONS :

- Substantial contribution by intervenors, as found here, enhances the Commission's ability to resolve safety and other issues under Public Utilities Code Section 451 to take all actions necessary to promote the safety, health, comfort, and convenience of its patrons, employees, and the public.

ESTIMATED COST :

- \$69,902.50 plus interest paid by Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Edison Company ratepayers.





Regular Agenda- Energy Orders (Continued)

Item # 38A [17193] – Commissioner Randolph's Alternate to Item 16574

R.14-10-003

Order Instituting Rulemaking to Create a Consistent Regulatory Framework for the Guidance, Planning and Evaluation of Integrated Distributed Energy Resources.

Ratesetting

Comr Randolph

PROPOSED OUTCOME:

- Denies intervenor compensation award to Clean Coalition for failure to demonstrate eligibility for intervenor compensation. Clean Coalition requested compensation for substantial contribution to Decisions 16-12-036 and 15-09-022. Decision 16-12-036 adopts the consensus recommendations from the Competitive Solicitation Framework Working Group August 1, 2016 Report, and a regulatory incentive mechanism pilot, based upon a proposed pilot, the outcomes of the Working Group and party comments. Decision 15-09-022 establishes a foundation for this proceeding and for the integration of demand-side resources. Clean Coalition requested intervenor compensation in the amount of \$69,902.50.

SAFETY CONSIDERATIONS:

- There are no safety considerations associated with this decision.

ESTIMATED COST:

- None.





Regular Agenda- Orders Extending Statutory Deadline

Item # 42 [17275] – Order Extending Statutory Deadline

C.17-08-003, C.18-01-005 - Related matters.

Pacific Bell Telephone Company d/b/a AT&T California vs. TruConnect Communications, Inc.
f/k/a Telscape Communications, Inc. and Blue Casa Telephone, LLC.

Adjudicatory

Comr Rechtschaffen - Judge Haga

PROPOSED OUTCOME:

- Extends the Statutory Deadline for these proceedings until October 11, 2019.

SAFETY CONSIDERATIONS:

- There are no safety considerations implicated with this Order Extending Statutory Deadline.

ESTIMATED COST:

- There is no cost associated with this Order Extending Statutory Deadline.





Regular Agenda- Orders Extending Statutory Deadline (continued)

Item # 43 [17279] – Order Extending Statutory Deadline

R.13-01-010

Order Instituting Rulemaking to Conduct a Comprehensive Examination of the California Teleconnect Fund.

Quasi-Legislative

Comr Randolph - Judge Fortune - Judge Park

PROPOSED OUTCOME:

- Extends the statutory deadline for completion of this proceeding until July 15, 2019.
- This proceeding remains open.

SAFETY CONSIDERATIONS:

- There are no safety considerations associated with this order.

ESTIMATED COST:

- There are no costs associated with this order.





Regular Agenda- Orders Extending Statutory Deadline (continued)

Item # 44 [17280] – Order Extending Statutory Deadline

A.17-10-003

In the Matter of Application of Ducor Telephone Company to Review Intrastate Rates and Charges, Establish a New Intrastate Revenue Requirement and Rate Design, and Modify Selected Rates.

Ratesetting

Comr Randolph - Judge Miles

PROPOSED OUTCOME:

- Extends the statutory deadline for completion of this proceeding until October 3, 2019.

SAFETY CONSIDERATIONS:

- There are no safety considerations implicated with this Order Extending Statutory Deadline.

ESTIMATED COST:

- There are no costs associated with this Order Extending Statutory Deadline.





Regular Agenda- Orders Extending Statutory Deadline (continued)

Item # 45 [17198] – Order Extending Statutory Deadline

C.10-10-010

Michael Hetherington and Janet Hetherington vs. Pacific Gas and Electric Company.

Adjudicatory

Comr Guzman Aceves - Judge Roscow

PROPOSED OUTCOME:

- Extends the statutory deadline for completion of this proceeding until October 13, 2019.

SAFETY CONSIDERATIONS:

- There are no safety considerations implicated with this Order Extending Statutory Deadline.

ESTIMATED COST:

- There are no costs associated with this Order Extending Statutory Deadline.





Regular Agenda- Orders Extending Statutory Deadline (continued)

Item # 46 [17199] – Order Extending Statutory Deadline

R.17-10-010

Order Instituting Rulemaking Proceeding to Consider Amendments to General Order 95.

Quasi-Legislative

Comr Picker - Judge Mason

PROPOSED OUTCOME:

- Extends the statutory deadline for completion of this proceeding until October 13, 2019.

SAFETY CONSIDERATIONS:

- This Order Extending Statutory Deadline will ensure that all safety considerations are adequately/appropriately identified and addressed in the proposed decision.

ESTIMATED COST:

- There are no costs associated with this Order Extending Statutory Deadline.





Regular Agenda- Orders Extending Statutory Deadline (continued)

Item # 47 [17284] – Order Extending Statutory Deadline

A.17-10-002

Application of Southern California Gas Company and San Diego Gas & Electric Company
Regarding Feasibility of Incorporating Advanced Meter Data Into the Core Balancing Process.

Ratesetting

Comr Picker - Judge Stevens

PROPOSED OUTCOME:

- Extends Statutory Deadline for completion of this proceeding until October 3, 2019.

SAFETY CONSIDERATIONS:

- There are no safety considerations implicated with this Order Extending Statutory Deadline.

ESTIMATED COST:

- There are no costs associated with this Order Extending Statutory Deadline.





Regular Agenda- Orders Extending Statutory Deadline (continued)

Item # 48 [17285] – Order Extending Statutory Deadline

R.11-03-013

Order Instituting Rulemaking Regarding Revisions to the California Universal Telephone Service (LifeLine) Program.

Quasi-Legislative

Comr Guzman Aceves - Judge MacDonald

PROPOSED OUTCOME:

- Extends statutory deadline for completion of this proceeding until October 23, 2019.

SAFETY CONSIDERATIONS:

- There are no safety considerations implicated with this Order Extending Statutory Deadline.

ESTIMATED COST:

- There is no cost associated with this Order Extending Statutory Deadline.





Regular Agenda- Orders Extending Statutory Deadline (continued)

Item # 49 [17286] – Order Extending Statutory Deadline

A.17-10-016

Joint Application of California-American Water Company and Cook Endeavors d/b/a Fruitridge Vista Water Company for an Order Authorizing Cook Endeavors to Sell and California-American Water Company to Purchase the water utility assets of Cook Endeavors.

Ratesetting

Comr Shiroma - Judge Miles

PROPOSED OUTCOME:

- Extends Statutory Deadline for completion of these proceedings until October 24, 2019.

SAFETY CONSIDERATIONS:

- There are no safety considerations implicated with this order extending statutory deadline.

ESTIMATED COST:

- There are no costs associated with this order extending statutory deadline.





Regular Agenda- Orders Extending Statutory Deadline (continued)

Item # 50 [17287] – Order Extending Statutory Deadline

A.17-10-007, A.17-10-008 - Related matters.

Application of San Diego Gas & Electric Company for Authority, Among Other Things, to Update its Electric and Gas Revenue Requirement and Base Rates Effective on January 1, 2019.

Ratesetting

Comr Randolph - Judge Lirag

PROPOSED OUTCOME:

- Extends Statutory Deadline for completion of these proceedings until October 7, 2019.

SAFETY CONSIDERATIONS:

- There are no safety considerations implicated with this order extending statutory deadline.

ESTIMATED COST:

- There are no costs associated with this order extending statutory deadline.





Commissioners' Reports





Management Reports





Regular Agenda – Management Reports and Resolutions

Item # 53 [17291]

Management Report on Administrative Activities





Klamath Renewal

Presentation to California PUC

March 28, 2019

Restoring the natural vitality of the Klamath River



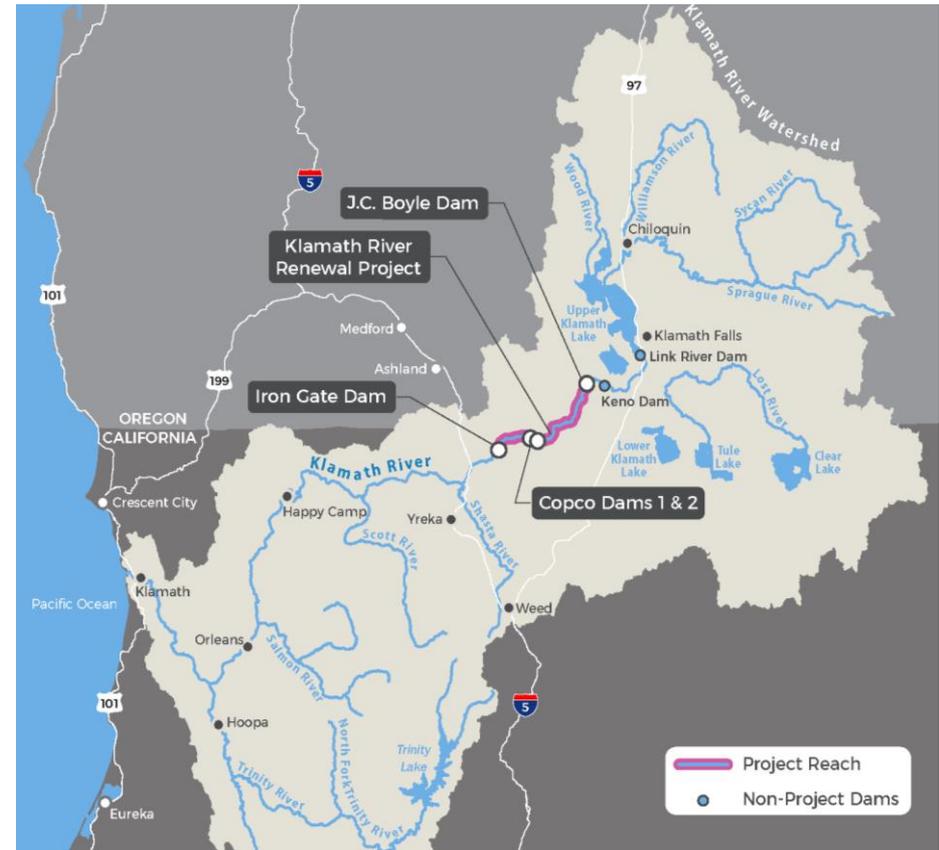
1 – Introduction

Purpose of Today's Presentation

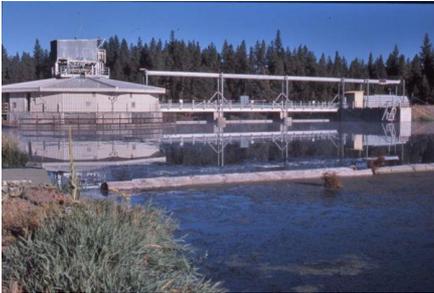
- Overview
- Provide update on implementation of CPUC Funding Agreement D.17-11-019
 - authorizes the expenditure of \$16 million of PacifiCorp customer funds by Klamath River Renewal Corporation (KRRC) to implement the amended Klamath Hydroelectric Settlement Agreement (KHSA)
- Provide a high-level financial overview
- Review KRRC accomplishments to date, focusing primarily on 2018
- Look ahead to future activities
- Answer Commissioner and staff questions

What is KRRC?

- A 501(c)(3) non-profit organization, governed by a 14-person Board
- Charged to implement the KHSA
 - Transfer of Federal Energy Regulatory Commission (FERC) license from PacifiCorp to KRRC
 - License surrender and decommissioning by KRRC



Which Hydroelectric Dams Will Be Removed, and Why?



JC Boyle



Copco No. 1

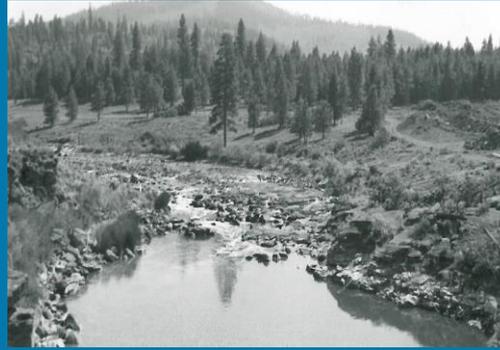


Copco No. 2



Iron Gate

- **Privately-owned and operated by PacifiCorp**
- **Not operated to provide flood control, irrigation diversion, or storage**
- **License surrender and decommissioning consistent with KHSA's terms**
 - The KHSA provides cost certainty and liability protection for PacifiCorp and its customers relative to uncertain costs and risks of relicensing
 - Restoration of free-flow conditions of Klamath River for 235 miles to Pacific Ocean; benefits for anadromous fisheries



2 – Financial Overview

Project Funds Available

- **PacifiCorp customer funds via PUC funding agreements**
 - Oregon: \$184M
 - California: \$16M
- **California Prop. 1 Bond Funds**
 - Up to \$250M

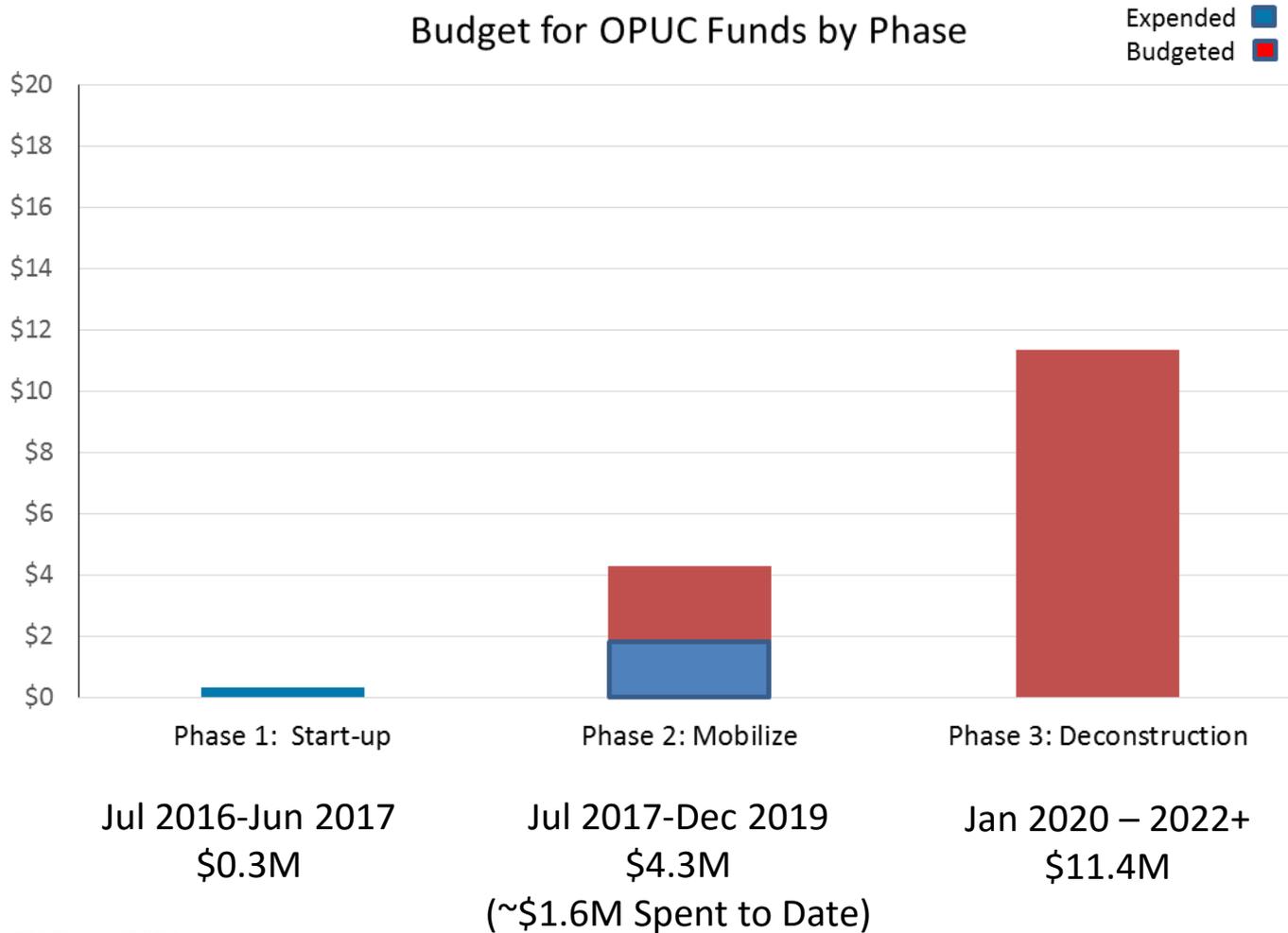


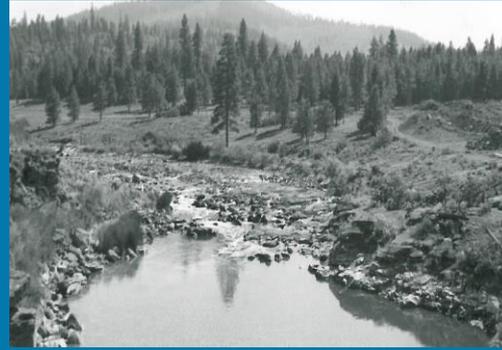
Klamath River between JC Boyle Dam and Powerhouse

CPUC Expenses through Dec 2018

Phase	Key Activities	Dates	Total Costs	CPUC Costs
1	Start Up (completed) <ul style="list-style-type: none"> Board appointments Set up legal, technical, and administrative operations Hired CEO 	Jul 2016 through Jun 2017	\$3.9M spent	\$0.3M spent
2	Mobilize (in progress) <ul style="list-style-type: none"> Complete Definite Plan Complete regulatory filings Hire staff Risk management plan Prepare procurement documents Engage contractor Design Establish GMP 	Jul 2017 through Dec 2019	\$19.6M spent (\$58.1M budget)	\$1.6M spent (\$4.3M budget)
3	Deconstruction/Facilities Removal (not started) <ul style="list-style-type: none"> Remove dams Restore native habitat Adaptive management Monitoring and reporting 	Jan 2020 through 2022 and beyond	\$388M budget	\$ 11.4M budget
	Total Budget		\$450M	\$16M

Expected Allocation of CPUC's \$16M





3 – 2018 Activities and Accomplishments

KRRC 2018 Accomplishments

Financial & Administrative Management

- ✓ Completed clean FY 18 audit by external, independent CPA firm
- ✓ Hired CFO
- ✓ Thorough review of policies, adding new ones where necessary (e.g., procurement, sexual harassment, employee handbook)
- ✓ Risk review (e.g., cyber security, insurance)
- ✓ Annual OPUC Presentation



KRRC 2018 Accomplishments

Procurement

✓ **Definite Plan**

- Completed Definite Plan as basis for regulatory approvals and design-build contract
- Detailed methods for implementation, including deconstruction, mitigation, and risk management

✓ **Engagement of Progressive Design-Build (PDB) contractor**

- Issued Request for Qualifications (RFQ) for PDB contractor for dam removal
- Issued Request for Proposals (RFP) to three finalists

✓ **Insurance**

- Developed comprehensive insurance approach to dam removal project
- Identified new indemnification options to optimize use of Liability Transfer Corporation (LTC)

✓ **Preparation for mitigation after dam removal**

- Executed contract for native seed collection
- Selected contractor for construction of vegetation test plots
- Issued RFQP for native seed propagation

KRRC 2018 Accomplishments

Stakeholder & Community Engagement

- ✓ Participated in events with tribal nations, elected officials, agricultural and conservation groups
- ✓ Connected with property owners on well monitoring, flood risks, and slope stability risks
- ✓ Met with recreation groups and businesses to understand impacts from dam removal, discuss potential mitigations
- ✓ Coordinated with local Chambers of Commerce and Economic Development agencies to promote job opportunities
- ✓ Launched media campaigns to expand outreach to key basin stakeholders
- ✓ Messaged project benefits through website, newsletters, local press and social media



FERC/Yurok Consultation

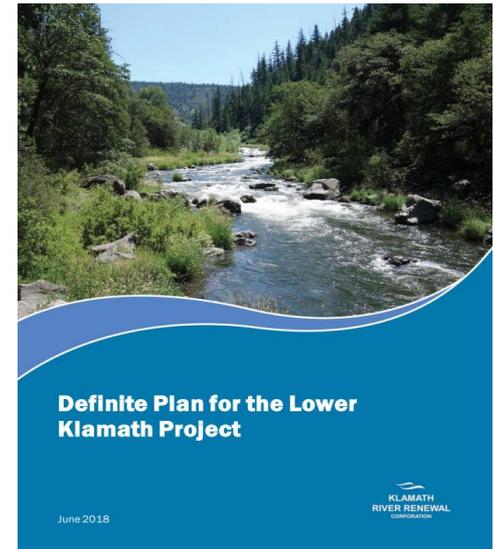
KRRC 2018 Accomplishments

Regulatory

- ✓ **Federal Energy Regulatory Commission (FERC)**
 - Received order creating Lower Klamath Project; stayed order pending approval of license transfer
 - Responded to FERC's information requests related to license transfer
 - Convened Board of Consultants to provide peer review; responded to first report on KRRC's capacity

- ✓ **Oregon Department of Environmental Quality**
 - Received final water quality certification

- ✓ **California Water Resources Control Board**
 - Received draft water quality certification
 - Agreed to tribal cultural resources mitigation under CA law
 - Review/respond to Draft Environmental Impact Report (DEIR) for California Water Quality Certification



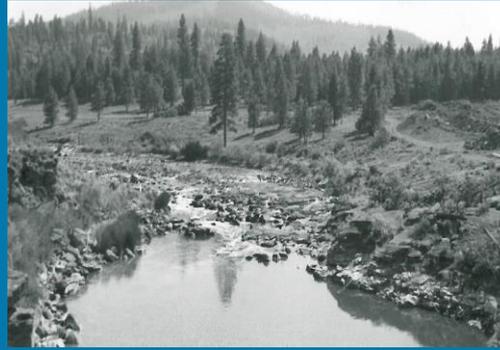
KRRC 2018 Accomplishments

Regulatory (continued)

- ✓ **U.S. Army Corps of Engineers**
 - Continued cooperation to prepare Clean Water Act 404 permit application

- ✓ **U.S. Fish & Wildlife Service, National Marine Fisheries Service (Endangered Species Act)**
 - Drafted Biological Assessment (BA)
 - Submitted to agencies for informal review
 - Submitted to PacifiCorp
 - Continue informal consultation with NMFS and USFWS regarding Biological Assessment





4 – Next Steps

Next Steps

- **April 2019:**
 - Determine liability protection arrangement for PacifiCorp and states, including Liability Transfer Corporation
 - Engage Progressive Design-Build Contractor, with Guaranteed Maximum Price due later in 2019
 - Contractor begins preliminary work after negotiations are complete
 - Submit revised Definite Plan to FERC and Board of Consultants
 - Submit Clean Water Act Sec. 404 Application to Army Corps of Engineers
 - Respond to further recommendations from BOC in future reports





5 – Questions



Credit: Ecoflight

Thank you!



Regular Agenda – Management Reports and Resolutions

Item # 53 [17291]

Management Report on Administrative Activities





Employee Recognition of CPUC Employees



Alice Stebbins
Executive Director

California Public Utilities Commission

March 28, 2019



Employee of the Quarter – 4th Qtr. of 2018

- **Jacqueline Lau - Building Morale**
- **Darryl Gruen - Collaboration**
- **Sarah Perrin - Embodying Core Values**
- **David Jimenez - Excelling at Customer Service**





Employee of the Quarter – 4th Qtr. of 2018

- **Brandon Gerstle - Innovation**
- **Nathaniel Skinner - Leadership**





Retirement Resolution

Michael C. Amato





Regular Agenda – Management Reports and Resolutions

Item # 53 [17291]

Management Report on Administrative Activities





Management Reports





The CPUC Thanks You For Attending Today's Meeting

**The Public Meeting is adjourned.
The next Public Meeting will be:**

**April 25, 2019 at 9:30 a.m.
in San Francisco, CA**

