



# Working for California

A MONTHLY NEWSLETTER FROM THE CPUC

November 2018 edition

Produced by the CPUC's News & Outreach Office | [outreach@cpuc.ca.gov](mailto:outreach@cpuc.ca.gov)

## Moving Quickly on Wildfire Safety Planning



*There are many safety initiatives underway at the California Public Utilities Commission (CPUC) as it works to assure Californians' access to safe and reliable utility infrastructure and services. Safety-related articles will be featured again in future issues.*

The tragic wildfires this month are being investigated by the appropriate authorities. But it is already evident that the loss of life and property due to the wildfires in Northern and Southern California in November 2018 exceed historical marks by any measure.

The California Public Utilities Commission (CPUC) is one of the government agencies tasked with ensuring that investor-owned utilities operate a safe and reliable grid. This includes developing regulations that establish the minimum requirements for utilities to maintain safety of their equipment, including mitigating risks of electric facilities igniting wildfires. CPUC staff perform audits and field inspections to monitor utility compliance with CPUC require-

ments, as well as continuously work with utilities to understand their operational practices and identify opportunities for improvement. In situations in which there is indication that utility facilities may have caused a major fire, CPUC staff conducts an investigation in parallel and in collaboration

with the California Department of Forestry and Fire Protection (CAL FIRE). When CPUC staff identifies violations appropriate enforcement actions are taken, which can include fines of \$50,000 per violation per day and additional penalties.

The CPUC works continu-

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*Utility wildfire planning is a focus of new legislation*

## Rail Transit Safety Program Gets Federal Certification

The CPUC's Rail Transit Safety Program received some good news last month when it was notified by the U.S. Department of Transportation's Federal Transit Administration (FTA) that the program is now certified by the federal agency.

FTA certification is crucial for a number of reasons, not the least of which is that it's required by law. The CPUC State Safety Oversight Program, (SSO) achieved its designation well ahead of the April 2019 deadline, which—also by federal

law—cannot be waived or extended.

The certification is considered to be the highest level of safety for rail transit riders and workers and enables the CPUC to continue receiving federal funds for its rail safety

program.

California's rail transit safety program has long been considered the gold standard of state rail transit safety programs, but federal certification is crucial because without it, more than \$1 billion in FTA tran-



**California Public Utilities Commission**

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## Wildfire Safety: *continued from page 1*

ously to improve our safety regulations and over the past four years we have adopted more than 20 decisions to strengthen wildfire prevention requirements. But we need to do much more. Acting on one of the major bills to emerge from the last legislative session, the CPUC has begun a new proceeding on wildfire mitigation plans required from the state's regulated electric utilities.

Approved on a 5-0 vote, the CPUC's action at its Oct. 25, 2018 Voting Meeting in San Francisco will, according to the adopted [decision](#), "provide guidance on the form and content of the initial wildfire mitigation plans, provide a venue for review of the initial plans, and develop and refine the content of and process for review and implementation of wildfire mitigation plans to be filed in future years."

CPUC President Michael Picker, in a press release that went out after the vote, said, "This is the first of many steps the CPUC will take to implement [Senate Bill \(SB\) 901](#), which addresses a number of issues in our jurisdiction related to wildfires. Our immediate task is to develop the first round of the annual utility wildfire mitigation plans and to consider requirements for subsequent plans in the future. This issue is vital for the safety of California and we will work quickly and diligently to get it done."

The state's investor-owned utilities have been required by the CPUC to develop wildfire mitigation plans since 2017. SB 901 modified those existing requirements to include a more nuanced and detailed list of information utilities must provide in their plans. Among other elements, the 20-point plans are required by law to include details regarding vegetation management to

keep electric lines free from trees and other vegetation and details about planning and community outreach when utilities shut off power preemptively during especially hazardous, high-wind conditions.

The CPUC will review and eventually adopt the plans, making modifications when needed. The legislation also directs the CPUC to pursue enforcement actions for non-compliance with the plans.

The Legislature and Governor Brown's office were focused on the growing threat from wildfires and related issues for much of the past legislative session as the frequency of highly destructive and deadly fires has increased significantly in recent years.

"Wildfires represent a serious and pervasive threat to the State, which will only intensify as our climate further changes," Commissioner Clifford Rechtschaffen said. "The proceeding we opened today is the first step in ensuring that the wildfire mitigation plans of our electric utilities meet the very high standards set forth in Senate Bill 901."

In brief remarks at the meeting, Commissioner Martha Guzman

Aceves called the proceeding "one of the largest adaptation measures we'll be taking and adding to as one of our efforts to mitigate against climate change and adapt to it." With the vote coming shortly after a recent CPUC hearing on diversity contracting by utilities, she also repeated her earlier comments that more detailed safety and mitigation plans should also result in additional opportunities for utilities to do business with contractors that have female, minority, veteran or LBGQTQ ownership.

Required to participate in the mitigation plan proceeding are Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), San Diego Gas & Electric Company (SDG&E), Liberty Utilities/CalPeco Electric (Liberty), Bear Valley Electric Service, a division of Golden State Water Company (Bear Valley), and Pacific Power, a division of PacifiCorp (PacifiCorp).

The CPUC is also inviting input from stakeholders in helping guide the mitigation planning process. The CPUC has long worked with CAL FIRE on improving wildfire mitigation. Based on that work and input from the parties and agencies like the Governor's Office of Emergency Services, the proceeding will help determine exactly what the electric utilities' wildfire mitigation plans should contain.

### **Moving "Very Quickly"**

Because of the growing threat from wildfires that now seems to exist year-round, the CPUC also emphasized a sense of urgency.

"Accordingly, at times this proceeding may move very quickly, with either shortened deadlines or fewer rounds of input," the decision noted. "All parties should be prepared to act on short deadlines

and be as cooperative and forthcoming as possible, so we can meet the legislative mandate, consistent with due process." The goal is to have the initial set of wildfire mitigation plans approved as close to the beginning of next summer as possible.

Although SB 901 focuses on a number of issues related to wildfire safety, including improved forest management and utility liability, the CPUC was also careful to point out that this proceeding will only deal with utility mitigation plans as described in Public Utilities Code 8386, which is included as Appendix A in the approved decision.

As amended by the legislation, Section 8386 contains a three month window for CPUC approval of the wildfire mitigation plans from those utilities that are required to participate. As the decision noted, "This timeframe is extremely ambitious for a matter of this magnitude and far shorter than typical deadlines applicable to Commission proceedings. The scope and schedule for this proceeding will reflect this short statu-

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***In conjunction with other state entities and private partners, on March 20-21, 2019, in Sacramento the CPUC will host the state's first convening of thought leaders and practitioners from state and local governments, academia, and the technology industry to discuss the challenges of wildfires and tools that can help better manage these devastating disasters. Visit <http://FireTechSummit.cpuc.ca.gov> for information on cost of attendance, and more information, such as a draft agenda, as it becomes available.***

## Supplier Diversity Program Tops \$10 Billion

In 1988, when the CPUC launched its voluntary Utility Supplier Diversity Program so California's regulated utilities would procure more goods and services from firms owned by women, minorities and disabled veterans, the first-year totaled approximately \$7 million in procurement from these groups by utilities.

In 2017, that number topped

\$10 billion, an impressive new benchmark for a program CPUC President Michael Picker recently called "a great accomplishment" and one of the largest business-driven social justice programs in the state.

"While the goal is to increase competition and allow new entrepreneurs to compete on an even playing field, (the program) also

enriches the same communities these companies sell their products and services to," President Picker said during his opening remarks at an Oct. 4 hearing on the program in Richmond that was attended by about 200 people. "It's a way to prevent utility dollars from leaking out of the state. It's a way to help build a business infrastructure that lasts and persists and sustains in

communities."

He and his fellow Commissioners heard from utility executives, diversity vendors and interest groups, community activists, and others about the program to encourage investor-owned utilities, water companies, telecommunication service providers, and other CPUC-regulated entities to

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## Supplier Diversity: *continued from page 2*

procure or contract goods and services from women, minority, disabled veteran and/or LGBT-owned businesses.

Launched after a series of statutes passed by the Legislature 30 years ago, 34 California utilities and telecommunications companies now participate in the program.

In the process, the program has become a critical driver of economic development and job creation in diverse communities across California, serving as a template for other states.

As an invitation to attend this year's hearing said: "The CPUC's leadership has transformed the way the state's largest utility and telecommunication companies contract with minority owned firms. In turn, these diverse business enterprises are building wealth and employing people across various communities. More importantly, they are also contributing to California's vital economy."

Each fall, the CPUC sends to the Legislature a progress report on the program from the prior year. The most recent submittal showed that the program has grown so much that the three largest utilities regulated by the CPUC—Pacific Gas and Electric Company, San Diego Gas & Electric (SDG&E), and Southern California Edison—spent more than 40 percent of their procurement dollars with diverse suppliers.

"We've been at this a good while," Scott Drury, President of SDG&E, said during one of the afternoon panel discussions. "It's very integrated into our values and our culture and it's reflected in our performance."

### Diversity Spending "Not Just a Given"

That's not to say everything works smoothly when it comes to encouraging utilities and other regulated entities to spread dollars around to diverse businesses.

Utility executives spoke of challenges locating companies that can secure the bonding and level of insurance needed on big, costly jobs. Some diverse suppliers said access to capital and getting paid in a timely fashion can also be a challenge for them.

Ron Nichols, President of Edison, said his utility is on track for a 6th consecutive year when "diversity spend" is 40 percent or more. "But it's taken more effort," he said. "That's not just a given."

Part of the reason for that, Nichols explained, is that rapid changes occurring within the industry are providing both new opportunities and new challenges.

Some of the changes he cited included grid modernization, data analytics, electric vehicle charging infrastructure, and community solar. Edison has nine people in its supplier diversity program and the company is constantly reaching out to diverse suppliers and contractors in some



80 workshops it holds annually to showcase, among other things, what skills and expertise are needed for specific projects.

Results seemed more mixed in the telecommunications industry, noted Commissioner Carla J. Peterman. She and Commissioner Clifford Rechtschaffen have had numerous face-to-face meetings with telecom companies regarding diversity spending and Commissioner Peterman has come away with two primary observations.

"There is a group of companies that are trying very hard but facing some structural issues to increasing their supplier diversity spend," she said. "The other camp is companies that just aren't trying at all."

The most successful firms, she added, have a specific person assigned to diversity spending, with sufficient staff and compensation. And the job must be seen as valuable within the company, not a siloed position or one that won't lead to career advancement.

Sharing such observations—about successes and frustrations—is a main focus of the annual En Banc that Commissioners hold to spotlight the program.

### Holding Utilities Accountable

"While much has been accomplished," President Picker said, "profound changes in the way electric companies sell and distribute electricity and technology advancement in the telecom industry are reshaping the standard for diverse suppliers and how they can continue to do business with the utilities."

The annual hearing, he went on, is a chance to focus on the program's successes and some utilities' best practices, but it's "also an opportunity for people to be held accountable. In this voluntary environment, there's sort of a measuring of who really cares about building this important infrastructure in these fragile communities. Who really cares about making sure utility dollars stay in the communities. The supplier diversity program is a very, very important part of what we do so we want to really monitor it, but we also want to make sure that everyone understands

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## Wildfire Safety: *continued from page 2*

tory deadline for approval of the plans."

The regulatory process is designed for careful consideration of facts and various points of views of interested parties and impacted stakeholders. The regulatory evaluation of long-term plans and further improvement of regulations is an ongoing process, but the utilities are required to take necessary steps to ensure safety of their facilities and adopt known best practices to mitigate wildfire risks that are responsive to the local conditions in which they operate. If the utilities identify regulatory barriers

to effectively mitigating wildfire threat they are expected to notify the CPUC and request relief. The CPUC is committed to working diligently to ensure a regulatory environment that holds safety as the top priority. The catastrophic wildfires that are currently impacting California once again show we are facing an unprecedented challenge and that more needs to be done to address the conditions that are resulting in these tragic events.

## Supplier Diversity: *continued from page 3*

when they measure up and when they don't."

Commissioner Rechtschaffen said he plans to hold more direct meetings with companies not doing a lot of diversity hiring or purchasing, adding that he's been encouraged by what he called "an uptick" in contracts and services delivered by LGBT firms.

Commissioner Liane M. Randolph said the annual En Banc is valuable so whatever problems people share, "It's important to understand it at a high level so we can spend the next year really drilling down and trying to solve the problems."

But if there was one overriding takeaway from this year's hearing it seemed to be that proactively seeking out diverse companies and entrepreneurs for goods and services is not just socially right. It's good for business, too.

As Commissioner Martha Guzman Aceves noted, California's demo-

graphics are a big reason why.

"We are in a time in our nation that not everybody in leadership celebrates diversity, so I also want to thank you all for being here and being dedicated to the importance to making sure that our corporations and our governments reflect the diversity of our population," she said.

With the state's growing diversity, people of color are now the majority of California's population, she pointed out. No single race or ethnic group is 50 percent. Latinos, she said, are 39 percent of the population. Whites are 38 percent, Asians 14, African-Americans six, three percent are multi-racial, and less than one percent are American Indian or Pacific Islander. Women, she added, are just over half the population.

"This is a reminder to us there is no longer a reference to minority in the state of California. It is really an issue of majority."

## Meet the CPUC's Cybersecurity Manager

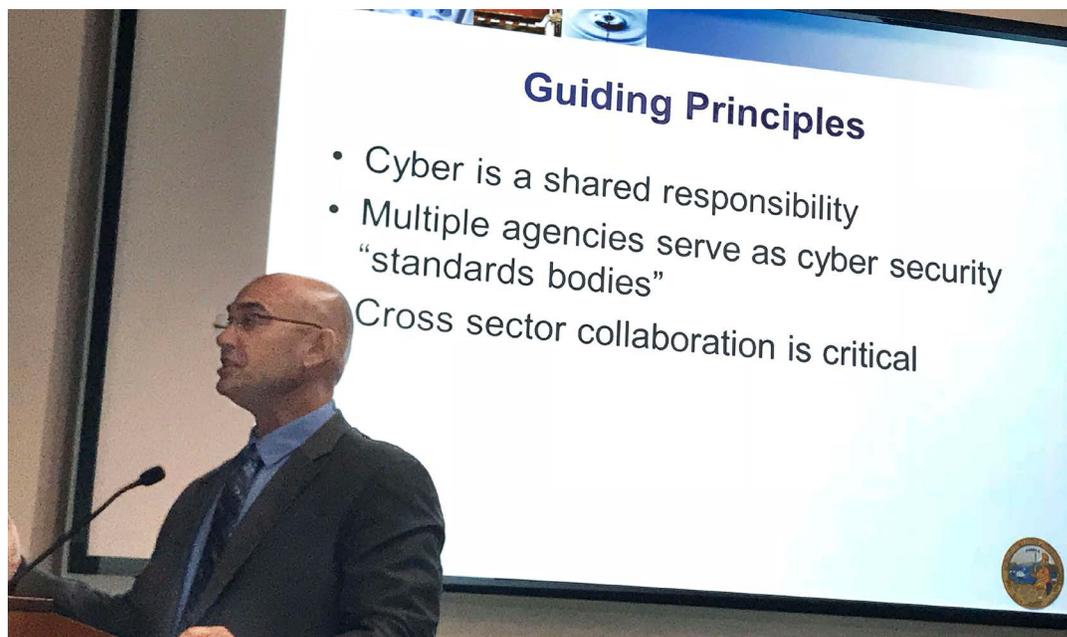
Danjel Bout, the CPUC's new Utility Cybersecurity Project Manager, wasn't born when the film "2001: A Space Odyssey" introduced into the mainstream the notion of weaponized Artificial Intelligence and human vulnerability from what is now known as the "Internet of Things."

But in the short 50 years since those notions were dismissed as science fiction, Americans have become dependent on the Internet working properly for such things as electricity, food and service delivery schedules, water delivery and purification, medical research and services, vehicle manufacturing, government subsidies and tax refunds, pension payouts, telephone service, national defense, and social connectivity.

"Cyber threats to infrastructure pose an almost existential threat," Bout says. "We cannot rely on simply learning from experience. We have to anticipate and proactively address the risks we collectively face."

Bout's mission is to not only address threats to utility cybersecurity directly but also to ensure that threats to other sectors do not affect utility services. That means coordinating with every level of government and business at each step of policy creation and implementation – all while insuring that discussing threats does not tip off hackers to vulnerabilities.

"The security engineering mantra 'Security Through Obscurity' is more challenging with government entities who must operate with transparency," Bout says. He speaks with considerable experience when it comes to interagency



*Bout at the Oct. 25 Commission Voting Meeting presenting on his plans for the Utility Cyber Security Branch*

coordination.

### "Panic is Contagious"

Most recently, Bout headed the Governor's Office of Emergency Services (Cal OES) Response Division, leading more than 120 agencies in more than 60 state and federal disasters, including Southern California Gas Company's Aliso Canyon Natural Gas Storage Facility leak, the San Bernardino terrorist attack, Oroville Dam spillway failure, and the 2017 wildfire siege and mud slides that followed. In addition, he supervised the creation, development, and launch of the California Cybersecurity Integration Center, bringing together multiple jurisdictions to increase

cyber resilience.

When asked how he deals with such a vast, multi-jurisdictional, interconnected set of issues and threats, he credits mindfulness of posture and breathing patterns, commonly referred to in the combat branches of the Armed Services as "tactical breathing." He learned early that "panic is contagious" and profoundly undermines brain processing. He chooses to face a situation directly, ask how much time there is to make a decision, and what information he can gather in that time.

Eventually, however, the constant action on disasters throughout the state started to take its toll. One reason he came to the CPUC was to have more time with

his daughters, who are three and seven. The family lives on a hobby farm in Cool raising vegetables, an orchard, and a small menagerie of chickens, ducks, sheep, and horses. Bout says he is also pleased to have some time to get back into Brazilian jiu-jitsu and reading. He is currently engrossed in *The Decline and Fall of the Roman Empire*, with an eye toward similarities to current-day situations.

### Willing—and Ready—to Serve

He appreciates those work-life balances to provide respite from the rapidly expanding world of

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## Cybersecurity: *continued from page 4*

cybercrime. The number of cyberattacks has increased. Anti-trust and non-disclosure agreements create legal barriers to sharing information. Even though no fewer than nine federal agencies oversee various aspects of cybersecurity, the CPUC has determined that 90 percent of electric infrastructure falls outside of those federal policies and standards. Recent breaches at some of the largest and wealthiest high-tech companies illustrate how much work is yet to be done.

But Bout comes to these challenges well prepared. He is a decorated Army Ranger with a Ph.D. in Industrial and Organizational Psychology, two Master's degrees in Psychology and International Security, as well as leadership certificates from NATO, FEMA Executive Academy, and Harvard Kennedy School for Public Leadership. He has numerous professional affiliations and is a guest lecturer at UC Berkeley Goldman School of Public Policy.

However, Bout states that his father, an Indonesian immigrant, admonished him early on that it was not enough to be studious. "To find true meaning in life, you have to be willing to serve," he says.

After becoming one of the few individuals to enlist in the Army and eventually move up to commissioned officer, Lt. Colonel Bout served on a number of overseas deployments and remains an active member of the

Army Reserves. He was the California Anti-terrorism Information Center's team leader for the first review of state-wide critical infrastructure interdependencies. He also was a strategist for the California National Guard and military liaison to Cal OES.

Currently, Bout and his two staff members – a technical engineer and a cybersecurity expert – are developing an inventory of cyber partners and existing policies as a foundation for the CPUC's next steps. They are preparing to identify a process to prioritize assets and security efforts,

establish practices for exchange of highly confidential information, and confirm the adequacy of reporting requirements.

These early activities of the Utility Cyber Security Branch support its mission to assure Californian's access to safe and reliable utility infrastructure and services by developing strategies to reduce the likelihood and severity of cyber-

attacks on regulated utilities and to foster inter-agency, cross-sector cyber coordination to increase overall resilience.

It's a monumental task, but Bout approaches it with his signature combination of excitement and matter-of-fact calmness. "We just need to make the smart grid a brilliant grid," he says.

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***The Mission of the CPUC's Utility Cyber Security Branch is to assure Californian's access to safe and reliable utility infrastructure and services by developing strategies to reduce the likelihood and severity of cyber-attacks on regulated utilities and to foster inter-agency, cross-sector cyber coordination to increase overall resilience.***

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## Rebuilding Transportation Enforcement

***By Commissioner Liane M. Randolph***

In February 2017, the CPUC received the results of an independent consultant's study of our Transportation Enforcement Branch (TEB) that—by any measure—were sobering. As the report by Crowe LLP noted, people inside and outside the CPUC knew of a "widespread awareness that the branch has been struggling to meet its statutory mandates to protect consumers and ensure public safety on California's roadways."

An earlier review in 2014 by the Board of State Auditors had reached the same general conclusion, citing high turnover and vacancies in key management positions among the reasons that "the Commission's oversight of passenger carriers is insufficient to address complaints against passenger carriers." This was a problem that cried out to be addressed.

During the three years I have been a CPUC Commissioner, the rise of Transportation Network Companies (TNCs) like Uber and Lyft and the move toward driverless vehicles have disrupted the for-hire transportation industry and made the TEB's shortcomings

even more acute. But as I shared at our Oct. 25, 2018 Voting Meeting in San Francisco, I believe we've been able to make some

ties, enforcement, and more.

We've also been able to transfer several regulatory responsibilities to other state agencies that were

### **Adding Staff**

One major theme of the Crowe report was staffing: we needed to achieve adequate staffing overall,



significant strides in under two years.

With strong direction from the Legislature and the provisions of Sen. Jerry Hill's Senate Bill (SB) 541, we have been adding staff, expertise, management capabili-

a better fit, allowing us to more quickly strengthen our core areas of responsibility. There's more work to be done, but I believe are well on our way toward rebuilding our TEB.

reposition and realign existing staff or positions, and provide professional development opportunities for employees in the branch.

Since 2017, for instance, we

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## Transportation Enforcement: *continued from page 5*

have brought down the vacancy rate in the branch from 26 percent to 19 percent. The nine vacancies that remain are in various stages of the hiring process and should be filled by the end of the year.

The report also benchmarked our staffing ratios against an average of five other jurisdictions. Our staffing levels were at half or less of that benchmark. In January 2017, we had one enforcement officer for 476 for-hire transportation carriers. Today we have one enforcement staff for every 307 carriers. We hope to bring that down further in the future, but it is a significant improvement.

For licensing, we have a staff person per every 600 carriers, which is exactly the benchmark that Crowe recommended.

We have also added management level positions that are needed to oversee the more complex work that our transportation analysts are carrying out. And we've created three new analyst positions and converted six limited-term positions to permanent ones. We have reclassified existing vacancies to regulatory analysts, and their duties include developing for-hire carrier policy, carrying out special investigations, implementing autonomous vehicle programs, and conducting research and financial and data analysis.

In 2016 we worked intensively with the California Transportation Agency and the Department of Consumer Affairs to transfer areas of regulation to agencies with a better fit. As a result, we transferred regulatory authority over household goods movers to the Bureau of Electronic and Appliance Repair, Home Furnishings and Thermal Insulation. We moved authority over private passenger carriers to the California Transportation Agency. Authority over for-hire vessels is now under the Department of Boating and Waterways. And we transferred for-hire air operators to local jurisdictions.

We did all of this without disturbing our Constitutional authority over common carriers – and I believe these transfers should make us more effective at carrying out our ongoing responsibilities, which are still significant.

### **Expanding and Modernizing Transportation Enforcement**

Another major theme of the Crowe report and the Board of State Auditors' audit was the need to modernize and expand our staff enforcement tools.

In response to the audit, we developed staff enforcement, citation, and complaint procedures to enforce violations by licensed carriers more quickly. Staff began to proactively issue on-the-spot citations in 2015. Since then, assisted by Legal Division, our staff have successfully litigated dozens of citation appeal hearings at the CPUC.

SB 1474, also by Senator Hill, was enacted into law this year and enables further coordination between the CPUC and the California High-

way Patrol or local sheriffs to carry out court orders to impound vehicles on the CPUC's behalf.

By bringing in senior analysts to the branch, we improved our data analysis skills, and to date staff and attorneys have litigated three Orders Instituting Investigation, two against Uber and one against Lyft, for failure to comply with CPUC regulations.

We've also improved our ability to enforce against unlicensed carriers. In 2018, through partnerships with Napa Valley law enforcement and Napa County prosecutors, TEB successfully impounded more than 60 vehicles belonging to illegal and unlawful passenger carriers.

In Southern California, our staff regularly train law enforcement officers, and have entered partnerships with the Beverly Hills, Hollywood, and Santa Monica police departments.

### **What's Coming: New Areas of Activity and Regulation**

Interest in transportation has been growing exponentially, especially with the shift in thinking about electric vehicles and their possible role in the electric grid as we look to reach California's ambitious greenhouse gas emissions reduction goals.

There is also strong interest in expanding the benefits of on-demand transportation to people across California who use wheelchairs or otherwise need paratransit. As a result, there are several new laws that will affect for-hire transportation and the work we do. These include:

- SB 1014 (Skinner), which calls for the CPUC and the Air Resources Board to establish a 2018 baseline for greenhouse gas emissions from vehicles used by TNCs such as Uber and Lyft on a per-passenger-mile basis. We will then set an emissions reduction target for TNC vehicles, and our job will be to implement the reductions over time.
- SB 1376 (Hill), which seeks to bring improved on-demand transportation service to persons who require wheelchair-accessible vehicles. The law sets up a fund, paid by a surcharge on TNC rides, and a series of geographically driven implementation plans. Local providers will be able to access the new fund on a competitive basis, and must provide on-demand transportation service to meet the needs of persons with disabilities. We are planning our first workshop for December 5 at the CPUC in San Francisco with stakeholders. We'll be holding five more workshops around the state in the first half of 2019.

The work is ongoing, but I believe the CPUC is now in the position to do a much more effective job in regulating the for-hire passenger carriers that are part of our transportation system and to advance public safety.

## **The Docket: Proceedings Filed at the CPUC in Oct. 2018**

### **PROCEEDING NUMBER • FILED DATE • FILER**

C1809016 • 26-Sept-2018 • American Sand Association  
American Sand Association, and Ecologic Partners, Inc., Complainants, vs. Union Pacific Railroad, Defendant [ for Relief from Unlawful Closure of Public or Publicly-Used Crossings in violation of Pub. Util. Code Section 1202.] <http://docs.cpuc.ca.gov/SearchRes.aspx?DocFormat=All&DocID=230593688>

A0701031, A0704028 • 1-Oct-2018 • Southern California Edison Company (U 338 E)  
Applications for rehearing of Decision 18-08-026 (Valley-Ivy-glen 115 kV Subtransmission Line Project).  
City of Lake Elsinore: <http://docs.cpuc.ca.gov/SearchRes.aspx?DocFormat=All&DocID=230585870>

### **PROCEEDING NUMBER • FILED DATE • FILER**

Forest Residents Opposing New Transmission Lines: <http://docs.cpuc.ca.gov/SearchRes.aspx?DocFormat=All&DocID=230815076>

A1810002 • 03-Oct-2018 • Ednetics, Inc.  
Application of Ednetics, Inc. for Registration as an Interexchange Carrier Telephone Corporation pursuant to the Provisions of Public Utilities Code Section 1013. <http://docs.cpuc.ca.gov/SearchRes.aspx?DocFormat=All&DocID=231128869>

R1407002 • 05-Oct-2018 • ALJ/KAO/McKENZIECPUC  
Decision granting petition for modification of decision 14-05-

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## Rail Certification: *continued from page 1*

sit grant funds could be withheld throughout the state.

Daren Gilbert, manager of the Rail Transit Safety Branch (RTSB) located in the CPUC's Safety and Enforcement Division (SED), called the federal certification "a big milestone for the CPUC and our Branch."

"The CPUC program is the largest in the nation," Gilbert said, "with the most staff and the most transit agencies under our jurisdiction. It is one of the few rail transit oversight agencies to employ field inspectors who inspect operations, vehicles, track and signal/train control systems. We have always been a leader relative to our transit safety oversight program and have frequently been held out by the FTA as a model to other states on an effective safety oversight program. We are quite proud of our staff and the Division's leadership and the agency's commitment to safety."

### A Host of Federal Requirements

To secure the federal designation, CPUC's program had to meet a host of federal safety requirements, undergo FTA on-site verification, and provide clarity around the program's funding mechanism.

According to the FTA, to achieve certification, a state's SSO program must meet several federal statutory requirements, including:

- Establishment of an SSO agency financially and legally



*CPUC workers inspecting a rail yard in Richmond*

independent from the rail transit agencies it oversees.

- Adopting and enforcing federal and state safety laws, with investigatory authority, and appropriate financial and human resources for the number, size, and complexity of the rail transit systems within the state's jurisdiction.
- SSO agency personnel responsible for performing safety oversight activities must be appropriately trained.

The CPUC provides safety oversight of the following rail transit agencies:

- San Francisco Bay Area Rapid Transit (BART) District heavy rail, light rail, and au-

tomated guideway systems;

- San Francisco Municipal Transportation Agency (MUNI) light rail, cable car, and streetcar systems;
- Sacramento Regional Transit District light rail system;
- Santa Clara Valley Transportation Authority light rail system
- San Diego Metropolitan Transportation System light rail system;
- Los Angeles County Metropolitan Transportation Authority light rail and heavy rail systems; and
- North County Transit District light rail (trolley) system.

The CPUC also has safety over-

sight authority over fledgling urban streetcar systems now under development in Los Angeles, Orange County, and Sacramento.

The CPUC's Office of Rail Safety has 117 employees working on railroad safety in three rail safety Branches that cover freight trains, rail crossings, and light rail transit and subways. It also has safety jurisdiction over the state's high-speed rail system now under construction in the Central Valley.

"The CPUC's leadership and strong voice relative to rail transit safety generate confidence by RTSB staff and other CPUC safety staff that the CPUC's top officials place a high level of importance in the work that we do," Gilbert said.

## Docket: Oct. Filings, *continued from page 6*

033 regarding direct current-coupled solar plus storage system. <http://docs.cpuc.ca.gov/SearchRes.aspx?DocFormat=All&DocID=230914615>

R1807003 • 05-Oct-2018 • ALJ/ATAMTURK/CPUC  
Proposed Decision implementing Assembly Bill 1923 provisions related to interconnection rules for the Bioenergy Feed-In Tariff under the California Renewables Portfolio Standard. <http://docs.cpuc.ca.gov/SearchRes.aspx?DocFormat=All&DocID=230912571>

A1704010 • 08-Oct-2018 • ALJ/KLINE/CPUC  
This decision grants Pacific Gas and Electric Company's (PG&E) motion to withdraw this application without prejudice on condition that PG&E disclose Application 17-04-010

and this Decision in any subsequent application requesting a CPCN to provide telecommunications services filed by PG&E or brought by any of the applicant's current directors, officers, or owners of more than 10% of its outstanding shares. <http://docs.cpuc.ca.gov/SearchRes.aspx?DocFormat=All&DocID=231128170>

I1704009 • 08-Oct-2018 • ALJ/MASON/CPUC  
Proposed Decision adopting the Settlement Agreement, as amended, between Rasier-CA, LLC and the Consumer Protection and Enforcement Division regarding zero tolerance rules in Safety Requirement D of Decision 13-09-045. <http://docs.cpuc.ca.gov/SearchRes.aspx?DocFormat=All&DocID=231128172>

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# Ensuring an Equitable Electric Market for Customers

By Commissioner Carla J. Peterman

During the six years I've had the privilege of serving on the CPUC, few decisions have been more closely watched or anticipated than the votes we took last month regarding an updated methodology for what's known in California's regulated electricity markets as the PCIA, which is short for Power Charge Indifference Adjustment.

Because the issue is so impactful and technical, as the Commissioner assigned to the proceeding I'd like to offer some perspective on my goals for what the decision seeks to accomplish.

Simply put, the PCIA ensures that customers who leave traditional utilities like Pacific Gas and Electric Company (PG&E) for community choice aggregators (CCAs) or energy service providers (ESPs) do not pay more than their fair share of costs for power that was bought on their behalf. The PCIA works the other way, too – ensuring that customers who stay with a utility don't have to pay all of the costs for power that was bought for customers now served by a CCA. In an environment of electricity choice, the PCIA is a mechanism, required by law, to protect against cost shifts



between customers.

The PCIA gets complicated, among other reasons, because most utility planning happens on 10 and 20-year planning horizons. That means a utility must anticipate what its customers will demand far in the future and make investments based on that planning.

Many of the big costs taken on by the investor-owned utilities were incurred to bring online thousands of megawatts of renewable solar and wind energy in the early years of California's renewable energy program. Valuable projects with long lifespans, these investments created California

jobs and are still producing renewable energy that benefits our entire state today. Because these projects were financed with long-term power purchase agreements, the obligation to pay for them and the benefits they provide remains, even as customers transition to other providers.

We needed to update the PCIA formula because everyone familiar with it agreed it was not working as intended. With more communities forming CCAs, there's far too much at stake to get this wrong. Next year, more than half the customers in PG&E's territory are forecast to be served by other providers. For Southern California

Edison's territory, that number is more than 30 percent. It's also rising significantly for customers now served by San Diego Gas & Electric.

The decision ultimately adopted by the CPUC found that the current PCIA methodologies overestimated the market value of the utilities' portfolios, thereby undercollecting the fees that should be charged when customers leave a utility for a new electricity provider.

It is also important to note what this decision does not do – it does not increase overall costs or allow

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## Docket: Oct. Filings, *continued from page 7*

A1810003 • 09-Oct-2018 • Pacific Gas and Electric Company  
Application of Pacific Gas And Electric Company to increase its authority to finance short-term borrowing needs and procurement-related collateral costs by \$2.0 billion to an aggregate amount not to exceed \$6.0 billion. (U39M) <http://docs.cpuc.ca.gov/SearchRes.aspx?DocFormat=All&DocID=231128579>

A1810004 • 10-Oct-2018 • Crown Castle NG WEST LLC  
Application of Crown Castle NG West LLC (U6745C), pursuant to Decision 98-10-058 for Arbitration of Dispute over Denial by Pacific Gas and Electric Company (U-39-E) of Access to Utility Support Structures. <http://docs.cpuc.ca.gov/SearchRes.aspx?DocFormat=All&DocID=232193592>

A1810005 • 11-Oct-2018 • Miron Enterprises LLC  
Application of Miron Enterprises, LLC for Registration as an Interexchange Carrier Telephone Corporation pursuant to the Provisions of Public Utilities Code Section 1013. <http://docs.cpuc.ca.gov/SearchRes.aspx?DocFormat=All&Doc>

[ID=231934398](http://docs.cpuc.ca.gov/SearchRes.aspx?DocFormat=All&DocID=231934398)

A1705007, A1705008 • 16-Oct-2018 • ALJ/SEM CER/CPUC  
Proposed Decision dismissing Applications of Southern California Gas Company (U 904-G) for Approval to Extend the Mobile-home Park Utility Upgrade Program without prejudice. <http://docs.cpuc.ca.gov/SearchRes.aspx?DocFormat=All&DocID=232183408>

A1608006 • 16-Oct-2018 • ALJ/ALLEN/CPUC  
Proposed Decision implementing Senate Bill 1090 and Modifying Decision 18-01-022, as regards to Diablo Canyon nuclear plant community impact mitigation program. <http://docs.cpuc.ca.gov/SearchRes.aspx?DocFormat=All&DocID=232193652>

A1801004 • 16-Oct-2018 • ALJ/BEMESDERFER/CPUC  
Proposed Decision amending Partial Settlement Agreement

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## Electric Market: *continued from page 8*

the utilities to increase their profits. Rather, the decision seeks to resolve which customers pay which costs for resources bought on their behalf.

As with everything the CPUC does, we carefully considered the impact on our state's environmental targets and vulnerable populations. For residential customers in PG&E's territory, the expected bill impacts are modest. The decision does not disproportionately increase costs for low income customers, including vulnerable populations still served by traditional utilities, nor does the updated PCIA methodology compromise California's aggressive environmental goals. Instead, the decision is intended to ensure that no customer gets left behind in the clean energy transition.

The main difference between the adopted decision and an earlier proposal from the assigned Administrative Law Judge was that mine determined that utility owned generation, such as the soon-to-close Diablo Canyon Nuclear Power Plant and large hydroelectric facilities, should remain in PCIA calculations. These facilities were built to serve

all customers' needs, so it is only right that all customers continue to share in those costs.

It is important for me and my fellow Commissioners to do everything we can to be fair to the broad range of California ratepayers in the decisions we make, and be respectful of individual needs and community values as customers exercise greater energy choice. I understand how the outcome may be viewed differently among different interest groups, but ensuring equality, and a smooth and sustainable transition to enable greater customer choice, is precisely what we set out to do with this decision.

Going forward, the CPUC will examine how we can make these costs lower for everyone overall and tackle other obstacles that might impede all customers' ability to make informed choices about their energy future. Collectively, we still have a lot to accomplish to serve all of California with clean and reliable power, but I believe we are now one step closer to realizing this shared future.

## Docket: Oct. Filings, *continued from page 8*

between San Jose Water Company and CPUC's Office of Ratepayer Advocates. <http://docs.cpuc.ca.gov/SearchRes.aspx?DocFormat=All&DocID=232379783>

A1810006 • 16-Oct-2018 • Chariot Transit Inc.  
Application of Chariot Transit Inc. (PSG0035485) for authority to operate as a scheduled passenger stage corporation between points in the Cities of Berkeley, Emeryville, and Oakland and the City and County of San Francisco; and to establish a Zone of Rate Freedom. <http://docs.cpuc.ca.gov/SearchRes.aspx?DocFormat=All&DocID=235399861>

A1506020 • 18-Oct-2018 • ALJ/KELLY/CPUC  
Proposed Decision granting the Joint Parties' Petition for Modification of Decision 17-11-021 to extend the Second Daily Balancing Settlement. <http://docs.cpuc.ca.gov/SearchRes.aspx?DocFormat=All&DocID=233591633>

A1706030 • 19-Oct-2018 • ALJ/DOHERTY/CPUC  
Proposed Decision on Southern California Edison Company's proposed rate designs and related issues. Opening comments, which shall not exceed 25 pages, are due no later than November 8, 2018. Reply comments, which shall not exceed 5 pages, are due 5 days after the last day for filing opening comments. <http://docs.cpuc.ca.gov/SearchRes.aspx?DocFormat=All&DocID=233818732>

A1801004 • 19-Oct-2018 • ALJ/DOHERTY/CPUC  
Proposed Decision on Southern California Edison Company's proposed rate designs and related issues. Opening comments, which shall not exceed 25 pages, are due no later than November 8, 2018. Reply comments, which shall not exceed 5 pages, are due 5 days after the last day for filing opening comments. <http://docs.cpuc.ca.gov/SearchRes.aspx?DocFormat=All&DocID=233818732>

A1810008 • 19-Oct-2018 • Pacific Gas and Electric Company  
Application of Pacific Gas and Electric Company in Compli-

ance with Ordering Paragraph 37, Resolution E-4906. (U39E). <http://docs.cpuc.ca.gov/SearchRes.aspx?DocFormat=All&DocID=235193847>

A1810009 • 19-Oct-2018 • San Diego Gas & Electric Company  
Application of San Diego Gas & Electric Company (U902E) Providing Information as Directed by Resolution E-4906, Ordering Paragraph 37. <http://docs.cpuc.ca.gov/SearchRes.aspx?DocFormat=All&DocID=235697363>

A1810010 • 19-Oct-2018 • Southern California Edison Company  
Application of Southern California Edison Company (U338E) in Compliance with Ordering Paragraph 37, Resolution E-4906, To Allow Appropriate Consideration and Evidentiary Development on the Issue of Loggers and Meters for the Prohibited Resources Verification Plan. <http://docs.cpuc.ca.gov/SearchRes.aspx?DocFormat=All&DocID=235193848>

A1810011 • 24-Oct-2018 • Commnet Rural America, LLC  
Application of Commnet Rural America, LLC for a Certificate of Public Convenience and Necessity to Provide Resold Competitive Local Exchange Service. <http://docs.cpuc.ca.gov/SearchRes.aspx?DocFormat=All&DocID=236009204>

A1701012, A1701018, A1701019 • 25-Oct-2018 • ALJ/HYMES/ATAMTURK/CPUC  
Decision resolving remaining application issues for 2018-2022 demand response portfolios and declining to authorize additional demand response auction mechanism pilot solicitations. Opening comments, which shall not exceed 15 pages, are due no later than November 14, 2018. Reply comments, which shall not exceed 5 pages, are due 5 days after the last day for filing opening comments. <http://docs.cpuc.ca.gov/SearchRes.aspx?DocFormat=All&DocID=234963092>

I1508019 • 25-Oct-2018 • ALJ/ALLEN/CPUC

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## Docket: Oct. Filings, *continued from page 9*

Decision ordering Pacific Gas & Electric Company to implement the recommendations of the Northstar Report. Opening comments, which shall not exceed 15 pages, are due November 14, 2018. Reply comments, which shall not exceed 5 pages, are due 5 days after the last day for filing comments. <http://docs.cpuc.ca.gov/SearchRes.aspx?DocFormat=All&DocID=235227983>

I1106009 • 25-Oct-2018 • ALJ/HYMES/CPUC  
Decision dismissing four intervenor compensation requests for lack of prosecution. Opening comments, which shall not exceed 15 pages, are due no later than November 14, 2018. Reply comments, which shall not exceed 5 pages, are due 5 days after the last day for filing opening comments. <http://docs.cpuc.ca.gov/SearchRes.aspx?DocFormat=All&DocID=235177631>

A1806011 • 25-Oct-2018 • ALJ/CHIV/CPUC  
Decision granting motion to dismiss. Opening comments, which shall not exceed 15 pages, are due November 14, 2018. Reply comments, which shall not exceed five pages, are due five days after the last day for filing comments. <http://docs.cpuc.ca.gov/SearchRes.aspx?DocFormat=All&DocID=235177619>

A1810012 • 25-Oct-2018 • Talkie Communications, Inc.  
In the matter of the application of Talkie Communications, Inc. for a Certificate of Public Convenience and Necessity to provide resold and limited facilities-based competitive local exchange and interexchange telecommunications services within California. <http://docs.cpuc.ca.gov/SearchRes.aspx?DocFormat=All&DocID=236009033>

R1810007 • 25-Oct-2018 • CPUC  
Order Instituting Rulemaking to Implement Electric Utility Wildfire Mitigation Plans pursuant to Senate Bill 901 (2018). <http://docs.cpuc.ca.gov/SearchRes.aspx?DocFormat=All&DocID=235696605>

A1709005 • 26-Oct-2018 • ALJ/LAU/CPUC  
Proposed Decision extending the Port of San Diego's current rates on an interim basis and establishing a San Diego Unified Port District Memorandum Account. Opening comments, which shall not exceed 15 pages, are due no later than November 15, 2018. Reply comments, which shall not exceed 5 pages, are due 5 days after the last day for filing opening comments. <http://docs.cpuc.ca.gov/SearchRes.aspx?DocFormat=All&DocID=236009425>

A1804001 • 29-Oct-2018 • ALJ/WILDGRUBE/CPUC  
Proposed Decision authorizing Southern California Edison Company to establish a Wildfire Expense Memorandum Account. Opening comments, which shall not exceed 15 pages, are due no later than November 18, 2018. Reply comments, which shall not exceed 5 pages, are due 5 days after the last day for filing opening comments. <http://docs.cpuc.ca.gov/SearchRes.aspx?DocFormat=All&DocID=236009248>

A1803003 • 30-Oct-2018 • ALJ/DOHERTY/CPUC  
Decision on San Diego Gas & Electric Company's 2019 sales forecasts. Opening comments, which shall not exceed 15 pages, are due no later than November 19, 2018. Reply comments, which shall not exceed 5 pages, are due 5 days after the last day for filing opening comments. <http://docs.cpuc.ca.gov/SearchRes.aspx?DocFormat=All&DocID=236009041>

A1805001, A1805004, A1805005, A1805006 • 30-Oct-2018 • ALJ/BEMESDERFER/CPUC  
Decision on San Diego Gas & Electric Company's 2019 sales forecasts. Opening comments, which shall not exceed 15 pages, are due no later than November 19, 2018. Reply comments, which shall not exceed 5 pages, are due 5 days after the last day for filing opening comments. <http://docs.cpuc.ca.gov/SearchRes.aspx?DocFormat=All&DocID=236009041>

R1807005 • 30-Oct-2018 • CMMR/GUZMAN ACEVES/CPUC ELC  
Proposed Decision adopting interim rules to reduce residential customer disconnections for California-jurisdictional energy utilities. Opening comments, which shall not exceed 15 pages, are due no later than November 19, 2018. Reply comments, which shall not exceed five pages, are due five days after the last day for filing opening comments. <http://docs.cpuc.ca.gov/SearchRes.aspx?DocFormat=All&DocID=236009042>

A1803010 • 30-Oct-2018 • ALJ/KAO/CPUC  
Decision approving Coso termination agreement. Opening comments, which shall not exceed 15 pages, are due no later than November 19, 2018. Reply comments, which shall not exceed 5 pages, are due 5 days after the last day for filing opening comments. <http://docs.cpuc.ca.gov/SearchRes.aspx?DocFormat=All&DocID=236009830>

A1501014, A1502006, A1603004 • 30-Oct-2018 • ALJ/HOUCK/CPUC  
Proposed Decision on Phases 2 and 3 of Southern California Edison Company and San Diego Gas & Electric Company 2015 Nuclear Decommissioning Cost Triennial Proceeding and related proceeding. Opening comments, which shall not exceed 15 pages, are due no later than November 19, 2018. Reply comments, which shall not exceed five pages, are due five days after the last day for filing opening comments. <http://docs.cpuc.ca.gov/SearchRes.aspx?DocFormat=All&DocID=236009480>

A1709010 • 30-Oct-2018 • ALJ/KAO/CPUC  
Decision granting application of PacifiCorp to continue energy efficiency programs through 2020 and requiring further alignment with energy efficiency rolling portfolio framework. Opening comments, which shall not exceed 15 pages, are due no later than November 19, 2018. Reply comments, which shall not exceed five pages, are due five days after the last day for filing opening comments. <http://docs.cpuc.ca.gov/SearchRes.aspx?DocFormat=All&DocID=236009471>

**Happy Holidays!**  
**Our newsletter will return in January 2019.**

### **About this publication**

This monthly newsletter is to keep you informed of proposals by the CPUC's Commissioners and Administrative Law Judges, as well as utility applications, and other issues and work of note. We also include a list summarizing the filings at the CPUC in the previous month.

We want to hear from you! If you have topics you'd like us to cover or if you'd like to make comment on our proceedings or work, please contact us at [outreach@cpuc.ca.gov](mailto:outreach@cpuc.ca.gov) or call (855) 421-0400. You can find information about events we are having at [www.cpuc.ca.gov/Events](http://www.cpuc.ca.gov/Events).

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