CPUC examining permanent post-disaster consumer protections

Safeguards like those after 2017 wildfires would be triggered by Gov’s disaster declaration

An “order instituting rulemaking” (OIR) issued by the California Public Utilities Commission (CPUC) late last month started a process which might make post-disaster consumer protection measures like those adopted following late 2017 wildfires permanent statewide.

In November and January, consistent with the Governor’s declaration of a state of emergency in several counties, the CPUC ordered utilities to take “reasonable and necessary steps” to assist Californians affected by a series of devastating wildfires.

The protections adopted were designed to ensure that Californians who experienced housing or financial crises due to the wildfires did not lose access to vital utility services.

The OIR is exploring whether such protections should automatically come into effect after disasters in which the Governor issues a state of emergency proclamation, as opposed to having the need for the CPUC issue a resolution for each occurrence.

Among the protections implemented in the previous resolutions:

- Wildfire-impacted consumers could not be disconnected for non-payment and associated fees;
- Utilities were required to discontinue billing customers whose homes are not capable of receiving utility services, and utilities cannot assess a disconnection charge.
- Utilities were required to waive deposit requirements for affected residents seeking to re-establish service for one year, and were required to expedite move-in and move-out service requests.
- Utilities were required to stop energy usage estimates for billing for the time the home/unit was unoccupied as a result of the wildfires.
- Affected customers who were behind in their bills and lost their homes or were displaced and seeking to establish service in a residence, were required to be offered a payment plan with an initial payment of no greater than 20 percent of the amount due, and with equal installments for the remainder of not less than 12 billing cycles.
- Utilities were required to pro-rate any monthly access charge or minimum charges for affected customers typically assessed so that no customer will bear any of these costs for the time period after the customer’s home was rendered unserviceable by a fire.
- For customers enrolled in the low income program CARE, utilities were required to freeze eligibility standards and high-usage post-enrollment verification requests for a defined period.
- Utilities were required to pro-rate any monthly access charge or minimum charges for affected customers typically assessed so that no customer will bear any of these costs for the time period after the customer’s home was rendered unserviceable by a fire.
- For customers enrolled in the low income program CARE, utilities were required to freeze eligibility standards and high-usage post-enrollment verification requests for a defined period.
- Initial comments on the rulemaking are due April 22, with a proposed decision expected sometime in the summer.

The CPUC may also consider whether those consumer protections, if adopted, should be modified or augmented to “ensure the availability of well-defined and consistent post-disaster protections in emergency situations.”

According to the OIR, “A permanent disaster relief program will ensure predictability and consistency across utilities and will allow utility companies to establish the systems and procedures necessary to provide swift and substantive assistance to Californians affected by disaster.”

Initial comments on the rulemaking are due April 22, with a proposed decision expected sometime in the summer.

The OIR is available at: http://docs.cpuc.ca.gov/Published-Docs/Published/G000/M212/K335/212335424.PDF.

What am I reading?

This monthly newsletter is to keep you informed of proposed decisions by the CPUC’s Commissioners and Administrative Law Judges, as well as applications of note.

Each month, we feature one or more proposed decisions or applications that were filed, just decided, or are about to be decided, that have risen to prominence since the prior newsletter, along with a list summarizing the other filings at the CPUC in the previous month.

For more information on the CPUC’s outreach efforts, visit www.cpuc.ca.gov/Outreach, e-mail outreach@cpuc.ca.gov, or call (855) 421-0400.

Prior editions of this newsletter are available online at: http://www.cpuc.ca.gov/General.aspx?id=6442455683
SCE asks to put fire, drought expenses in its rate base

Citing unprecedented drought conditions, Southern California Edison (SCE) asked the California Public Utilities Commission (CPUC) last month to allow it to recover costs related to the state’s record dry spell and three large 2016 fires in the rates that its customers pay.

SCE filed application A.18-03-004 with the CPUC on March 1. In it, SCE requested permission to transfer about $46.7 million from an existing Catastrophic Event Memorandum Account (CEMA) into a distribution account “for recovery in distribution rates.” The utility also wants to include another $17.6 million in “incremental capital expenditures” and $2.8 million in other money already set aside into its rate base.

In general, a utility’s rate base consists of the value of property as used by the utility in providing service, as well as the working capital a utility needs to operate on a day-to-day basis. The utility is then permitted to earn a specified rate of return on its rate base, in accordance with rules set by a regulatory agency.

While there were multiple fires throughout SCE’s service territory in 2016, SCE is only seeking to recover the incremental costs it incurred as a result of the Blue Cut, Erskine, and Sand Fires in San Bernardino, Kern, and Los Angeles counties, respectively. These costs include: restoring service to customers; repairing, restoring, or replacing damaged facilities; and complying with governmental agency orders.

In the areas where the Governor’s Office declared a state of emergency, the fires disrupted electric service to more than 52,450 customers and burned about 125,725 acres.

The utility reported in its application that it is not aware of any involvement of SCE facilities or equipment as a cause of the three referenced firestorms.

In the application, SCE is also requesting recovery of incremental drought-related operations and maintenance expenses associated with the years 2015 and 2016.

SCE claims there was no insurance coverage or recovery for SCE’s 2015 and 2016 drought mitigation efforts. The application also claims that at the time of the 2016 firestorms, SCE’s property insurance excluded applicable overhead and underground transmission and distribution lines. Thus, the company’s fire losses in those areas were uninsured.

SCE is proposing a schedule that would involve testimony and hearings over the summer with a proposed decision from a CPUC Administrative Law Judge in September.

A copy of SCE’s application is available online at: http://docs.cpuc.ca.gov/SearchRes.aspx?DocFormat=All&DocID=211898138

You can subscribe to receive documents related to this proceeding via e-mail by using the CPUC’s free subscription service at http://subscribe.cpuc.ca.gov/. Use proceeding number A1803004.

The Docket: Filings of note from March 1 to March 31, 2018

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<td>A1712022 · 14-DEC-2017 · Clean Coalition</td>
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<td>(Not previously published) Application of Clean Coalition for Award of Intervenor Compensation for Substantial Contributions to Resolution ALJ-347</td>
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<td><a href="http://docs.cpuc.ca.gov/SearchRes.aspx?DocFormat=All&amp;Dcid=212053056">http://docs.cpuc.ca.gov/SearchRes.aspx?DocFormat=All&amp;Dcid=212053056</a></td>
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<td>A1802017 · 23-FEB-2018 · California High-Speed Rail Authority</td>
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<td>(Not previously published) Application of the California High-Speed Rail Authority for Approval to Construct Two New Grade Separated Crossings Over the Proposed High-Speed Rail Tracks Operated by California High-Speed Rail Authority at Excelsior Avenue (MP 218.87), Flint Avenue (MP 220.86), and Fargo Avenue (MP 221.88) Located in the County of Kings, State of California.</td>
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<td>A1802018 · 23-FEB-2018 · California High-Speed Rail Authority</td>
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<td>(Not previously published) Application of the California High-Speed Rail Authority for Approval to Construct Three New Grade Separated Crossings Over the Proposed High-Speed Rail Tracks Operated by California High-Speed Rail Authority at Excelsior Avenue (MP 218.87), Flint Avenue (MP 220.86), and Fargo Avenue (MP 221.88) Located in the County of Kings, State of California.</td>
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<td>A1802019 · 26-Feb-18 · GIP III Zephyr Acquisition Partners, L.P. and NRG Energy, Inc.</td>
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<td>(Not previously published) Application of NRG Energy Center San Francisco LLC (U909H), NRG Energy, Inc., NRG Repowering Holdings LLC, and GIP III Zephyr Acquisition Partners, L.P. for Authority to Sell and Transfer Indirect Control of NRG Energy</td>
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Center San Francisco LLC to GIP III Zephyr Acquisition Partners, L.P.


A1802020 • 26-Feb-18 • U.S. TelePacific Corp. and Mpower Communications Corp.

(Not previously published) In the Matter of the Application of U.S. TELEPACIFIC CORP. (U5721C), MPOWER COMMUNICATIONS CORP. (U5859C), and ARRIVAL COMMUNICATIONS, INC. (U5248C) for Approval for each of the U.S. TelePacific Corp., Mpower Communications Corp. and Arrival Communications, Inc. to Sell Certain Assets to Uniti Leasing X LLC.


A1802015 • 28-FEB-2018 • Pacific Gas and Electric Company


A1802016 • 28-FEB-2018 • San Diego Gas & Electric Company

(Not previously published) Application of San Diego Gas & Electric Company (U902E) for Approval of its 2018 Energy Storage Procurement and Investment Plan.


A1803002 • 01-MAR-2018 • Southern California Edison Company Application of Southern California Edison Company (U338E) for Approval of its 2018 Energy Storage Procurement and Investment Plan.


A1803004 • 01-MAR-2018 • Southern California Edison Company Application of Southern California Edison Company (U338E) for Authorization to Recover Costs Related to 2015-2016 Drought and 2016 Firestorms and Recorded in the Catastrophic Event

PROCEEDING NUMBER • FILED DATE • FILER

Memorandum Account.


A1803006 • 1-Mar-18 • Uniti Leasing X LLC Application of Uniti Leasing X LLC for a Certificate of Public Convenience and Necessity to Provide Full Facilities-Based and Resold Competitive Local Exchange Service Throughout the Service Territories of AT&T California, Frontier California, Inc., Sure West Communications, and Citizens Telecommunications Company of California.


A1410014 • 30-OCT-2014 • Southern California Edison Company

Petition for Modification of D16-01-023 filed by Southern California Edison Company (U 338-E) on March 5, 2018 for Approval of its Charge Ready and Market Education Programs.


A1803007 • 8-Mar-18 • Metro Gold Line Foothill Extension Construction Authority

Application of the Metro Gold Line Foothill Extension Construction Authority for an order authorizing construction of two light rail tracks and one freight track at three (3) highway-rail crossings at (1) Elwood Avenue, (2) Lone Hill Avenue, and (3) E Street, and closure of Glenwood Avenue crossing, in the Cities of Glendora and La Verne in Los Angeles County, California.


A1701005 A1701006 A1701007 A1701008 A1701009 • 15-Mar-18 • ALJ/KELLY/CPUC

Proposed Decision approving the Settlement Agreement between the San Diego Association of Governments and the Commission’s Safety and Enforcement Division authorizing the San Diego Association of Governments to construct 35 grade-separated pedestrian and bicycle crossings in the City of San Diego, as part of the Mid-Coast Corridor Light-Rail Transit Project and authority to construct 15 additional at-grade crossings at the nine new proposed stations.


A1803009 • 15-Mar-18 • Southern California Edison Company and San Diego Gas & Electric Company

Joint Application of Southern California Edison Company (U338E) and San Diego Gas & Electric Company (U902E) for the 2018 Nuclear Decommissioning Cost Triennial Proceeding.


A1610002 • 19-Mar-18 • ALJ/HAGA/CPUC

Proposed Decision adopting All-Party Settlement Agreement; approving intrastate rates and charges; establishing new intrastate revenue requirement and rate design; and modifying selected

Continued on next page
**Proposed decision would label Uber as both a TNC and charter provider**

A proposal issued last month by the California Public Utilities Commission (CPUC) would, if approved, find that Uber Technologies, Inc., is both a transportation network company (TNC) and a charter party carrier (TCP), and require the ride-share company to pay three years of back fees.

In the 38-page proposed decision issued on March 19, Commissioner Liane M. Randolph found that Uber Technologies (Uber) controlled the operations of its subsidiary Raiser, CA, LLC, (which is the legal entity through which the Uber X service operates) to such an extent that Raiser-CA is a “mere instrumentality” of Uber. The Commissioner also found that Uber controls TCP companies Uber USA, LLC, and UATC, LLC, to such a extent that they are instrumentalities of Uber as well.

Currently, only the smaller subsidiaries (Raiser-CA and UATC) are assessed Public Utilities Commission Transportation Reimbursement Account (PUCTRA) fees. Those fees are based total revenue earned from all passenger operations for the reporting period. Now, Uber will need to pays fees based on the entirety of its California operation.

Uber had argued to the CPUC that it is was simply a “technology company” that licensed its software and technology to affiliates such as Raiser-CA and UATC. But Commissioner Randolph wrote in the proposed decision that such arguments are not persuasive for either the TNC or the TCP elements of Uber’s business.

“Not requiring Uber to register as a TNC allows Uber to avoid the regulations in place to ensure that TNCs remit monies to the State based on the revenues generated,” wrote Commissioner Randolph on page 28 of the proposed decision.

As to the company’s argument that it should not be defined as a TCP, “Uber’s claim that it is simply a technology company engaged in the business of developing and licensing software has been previously rejected by this Commission,” she wrote. “Despite the claim that the providers of TCP service are independent service providers who already hold TCP licenses from the Commission, it is Uber, on behalf of Uber USA, that is engaged in running the TCP operation.”

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**Featured Rulemaking: R.12-12-011**

Per the proposed decision, without Uber’s engagement, there would be no TCP services for the TCP holders to provide under the Uber Service. Uber’s upfront and continuous engagement in providing TCP services makes Uber a TCP under the plain meaning of Public Utilities Code Section 5360.

If the proposed decision is approved, the CPUC’s Transportation Enforcement Branch (TEB) shall determine the amount of back fees Uber should pay to the PUCTRA for the three-year period prior to the issuance of the decision.

The first opportunity that commisioners would have to vote on the proposed decision is at the CPUC’s April 28 voting meet. If approved, Uber would have 30 days to register as both a TNC and a TCP, otherwise the CPUC’s TEB would be required to suspend Raiser-CA’s TNC permit and UATC’s Class A Charter Party Certificate.


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<td>A1612011 • 26-Mar-18</td>
<td>ALJ/LIRAG/CPUC Proposed Decision denying authority to establish a memorandum account to track pre-construction costs. Opening comments are due no later than April 15, 2018. Reply comments are due 5 days after the last day for filing opening comments.</td>
<td><a href="http://docs.cpuc.ca.gov/SearchRes.aspx?DocFormat=All&amp;DocID=212404437">http://docs.cpuc.ca.gov/SearchRes.aspx?DocFormat=All&amp;DocID=212404437</a></td>
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<td>A1803012 • 27-MAR-2018</td>
<td>AB2, LLC In the Matter of the Application of AB2, LLC for a certificate of public convenience and necessity to provide full facilities-based and resold competitive local exchange service throughout the</td>
<td><a href="http://docs.cpuc.ca.gov/SearchRes.aspx?DocFormat=All&amp;DocID=212150041">http://docs.cpuc.ca.gov/SearchRes.aspx?DocFormat=All&amp;DocID=212150041</a></td>
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11-digit dialing in 619 and 858 area codes begins as boundaries removed

Beginning May 19, residents and businesses in the 619 and 858 area codes must dial 1+area code+the telephone number for all calls as a result of the elimination of boundaries between the two area codes.

After that date, if callers do not use the new dialing procedures, the call will not be completed and a recording will instruct the caller to hang up and dial again using the new dialing procedure.

In April 2017, the California Public Utilities Commission ordered that the 619/858 boundary be removed to allow the existing 858 area code and dial again using the new dialing procedure.

In April 2017, the California Public Utilities Commission ordered that the 619/858 boundary be removed to allow the existing 858 area code, and vice-versa. The CPUC implemented this change to ensure that consumers and businesses in the greater San Diego area have continued access to telephone numbers from the wireline, wireless, and Voice over Internet Protocol providers of their choice.

To prepare for the area code boundary elimination, the CPUC offers the following tips to residents and businesses:

- **Deadline:** Beginning May 19, 2018, direct dialed calls from 619 and 858 phone numbers will not go through unless dialed as 1 + area code + telephone number.
- **Phone Numbers and Pricing Unchanged:** The new dialing procedure will not change existing 619 and 858 phone numbers or the cost of the call. Calls that are in a consumer’s local calling area remain local calls.
- **9-1-1 will be unaffected:** Consumers can still dial three digits to reach 911, as well as 211, 311, 411, 511, 611, 711, and 811 where they are available.
- **Reprogram Automatic Dialers:** Automatic dialing equipment must be reprogrammed to use the new dialing procedure, including: life safety systems, fax machines, Internet dial-up numbers, alarm and security systems, gates, speed dialers, call forwarding settings, voicemail services, and other similar services or equipment.

The solid lines delineate the current boundaries between the 619 and 858 area codes. The boundaries between the area codes are being removed and mandatory 11-digit dialing begins in May.

Beginning June 19, 2018, new telephone lines or services in the former 619 region may be assigned numbers using the 858 area code, and conversely, new telephone lines or services in the former 858 region may be assigned numbers using the 619 area code.

The 619 area code was created from a split of the original 714 area code. In 1997, the 619 area code was split to form the 760 area code. In 1999, the 619 area code was split again to create the 858 area code.

The CPUC’s April 2017 Decision that eliminated the boundaries between the 619 and 858 area codes is available at [http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M185/K250/185250046.pdf](http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M185/K250/185250046.pdf).

For more information, consumers and businesses should contact their telephone service provider or visit [www.cpuc.ca.gov/619areacode](http://www.cpuc.ca.gov/619areacode).

### Docket: March Filings, continued from previous page

**PROCEEDING NUMBER • FILED DATE • FILER**

- **A1709015 • 27-Mar-18 • ALJ/KLINE/CPUC**
  Decision granting Triton Networks, LLC a Certificate of Public Convenience and Necessity with Hop On/Hop Off Service on Fixed Routes Between Points in Hollywood and Santa Monica; and to Establish a Zone of Rate Freedom. Opening comments are due April 17, 2018. Reply comments are due 5 days after.

- **A1704012 • 28-Mar-18 • ALJ/YACKNIN/CPUC**
  Decision granting authority to Proper Sightseeing Corporation for Authority to Operate as a Scheduled Passenger Stage Corporation with Hop On/Hop Off Service on Fixed Routes Between Points in Hollywood and Santa Monica; and to Establish a Zone of Rate Freedom. Opening comments are due April 19, 2018. Reply comments are due 5 days after.

- **A1701020 A1701021 • 30-Mar-18 • ALJs/GOLDBERG/COOKE/CPUC**
  Proposed Decision on the Transportation Electrification Standard Review Projects. Opening comments are due no later than April 19, 2018. Reply comments are due 5 days after the last day for filing opening comments.