



CPUC Public Agenda 3322

Thursday, September 19, 2013, 9:30 a.m.

San Francisco, CA



Commissioners:
Michael R. Peevey
Michel Peter Florio
Catherine J.K. Sandoval
Mark J. Ferron
Carla J. Peterman

www.cpuc.ca.gov





Safety and Emergency Information

- The restrooms are located at the far end of the lobby outside of the security screening area.
- In the event of an emergency, please calmly proceed out of the exits. There are four exits total. Two exits are in the rear and two exits are on either side of the public speakers area.
- In the event of an emergency and the building needs to be evacuated, if you use the back exit, please head out through the courtyard and down the front stairs across McAllister.
- If you use the side exits you will end up on Golden Gate Ave. Please proceed around the front of the building to Van Ness Ave and continue on down to the assembly point.
- Our assembly point is between the War Memorial Building and the Opera Building (House) which is on Van Ness Ave, located between McAllister and Grove.





Public Comment

- Per Resolution ALJ-252, any member of the public 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.

The following items are NOT subject to Public Comment:

- Item: 7, 15, 20, 21, 29 & 31
- All items on the Closed Session Agenda





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- Once called, each speaker has up to 2 minutes to address the Commission.
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- A bell will ring when time has expired.
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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, 3, 5, 11, 12, 14, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, & 34
- 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: 38 from the Regular Agenda has 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.
Item: 7 & 15 have been moved to the Regular Agenda.
- Item: None have been withdrawn.
- The following items have been held to future Commission Meetings:
 - Held to 10/3/13: 6, 8, 9, 10, & 13
 - Held to 10/17/13: 4





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 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 – Safety Orders

Item #7 [12301] Settlement Agreement Between the Commission's Safety and Enforcement Division and NextG Networks of California, Inc.

I09-01-018

Adjudicatory

Comr. Peterman/ Judge Kenney

PROPOSED OUTCOME:

- Conditionally approves a settlement agreement between the Commission's Safety and Enforcement Division (SED) and NextG Networks of California, Inc. (NextG). The settlement resolves all issue regarding NextG's involvement with the Malibu Canyon Fire in October 2007.
- The Settlement requires NextG to pay \$14.5 million, of which \$8.5 million will be a fine paid to the State of California General Fund and \$6.0 million will be used for a safety audit of all of NextG's poles and pole attachments in California.
- The Commission's approval of the settlement agreement is subject to the conditions listed in the ordering paragraphs, including the following:
- NextG shall start the safety audit within 60 days.
- The \$6 million the settlement agreement provides for the safety audit shall pay only for material, labor, and services that are directly related to the safety audit of NextG's poles and pole attachments. The \$6.0 million shall not pay for internal administrative and overhead costs incurred by NextG.
- The safety audit shall assess whether all of NextG's poles and pole attachments in Malibu Canyon can withstand the maximum, reasonably foreseeable Santa Ana windstorm.
- If the safety audit finds a pole or pole attachment that does not comply with General Order (GO) 95, SED may seek fines and other remedies if the substandard facility is later involved in an accident or outage, regardless of whether the facility was remediated within a reasonable time.
- SED may specify the audit plan, methods, procedures, and other details of the safety audit. NextG shall structure the safety audit to conform to SED's specifications.
- NextG shall henceforth conduct a safety audit of every pole and pole attachment that it installs in California.

SAFETY CONSIDERATIONS:

- The settlement agreement, with the conditions adopted by the decision, will enhance public safety considerably. The safety audit will inspect nearly 60,000 utility poles for compliance with GO 95 safety factors. Substandard poles discovered by the audit will be repaired or replaced, as necessary.

ESTIMATED COST:

- NextG must pay \$14.5 million under the settlement agreement, plus an additional but unknown amount to remediate substandard facilities found by the safety audit. There are no direct costs to customers.





Regular Agenda – Safety Orders

Item #15 [12327] Settlement Agreement Between the Commission's Safety and Enforcement Division and Southern California Edison Company

109-01-018 Investigation on the Commission's Own Motion into the Operations and Practices of Southern California Edison Company, Cellco Partnership LLP d/b/a Verizon Wireless, Sprint Communications Company LP, NextG Networks of California, Inc. and Pacific Bell Telephone Company d/b/a AT&T California and AT&T Mobility LLC, Regarding the Utility Facilities and the Canyon Fire in Malibu of October 2007.

Adjudicatory

Comr. Peterman / Judge Kenney

PROPOSED OUTCOME:

- Conditionally approves a settlement agreement between the Commission's Safety and Enforcement Division (SED) and Southern California Edison Company (SCE). The settlement resolves all issue regarding SCE's involvement with the Malibu Canyon Fire in October 2007 and closes the proceeding.
- The Settlement requires SCE to pay \$37 million, of which \$20 million will be a fine paid to the State of California General Fund and \$17 million will be used to assess and remediate utility poles in the Malibu area.
- The Commission's approval of the settlement agreement is subject to several conditions listed in the ordering paragraphs.

SAFETY CONSIDERATIONS:

- The settlement agreement, with the conditions adopted by the decision, will enhance public safety considerably. Among other things, SCE will assess approximately 1,453 poles in the Malibu area for compliance with General Order 95 safety factors and SCE's internal standards. Substandard poles found by the assessment will be repaired or replaced, as necessary.

ESTIMATED COST:

- SCE must pay \$37 million under the settlement agreement.
- There are no costs for SCE's ratepayers.





Regular Agenda – Energy Orders

Item #35 [12219] Implementation of 2013-2014 Energy Efficiency Financing Pilot Programs

A12-07-001, A12-07-002, A12-07-003, A12-07-004 - Related matters.

Application of Pacific Gas and Electric Company for Approval of 2013-2014 Energy Efficiency Programs and Budget.

Ratesetting

Comr. Ferron/ Judge Darling

PROPOSED OUTCOME:

- Authorizes five statewide finance pilots characterized by their leverage of private capital via ratepayer funded credit enhancements, and testing for scale up in 2015 of innovative design features (e.g., tariffed transfer of loan obligation with the meter, a statewide platform providing an open market for financing.)
- Specifies complex design and implementation details deferred by D.12-11-015, which allocated \$75.2 million for these pilots.
- California Alternative Energy & Alternative Transportation Financing Authority has agreed to pursue legislation and budgetary authority to assume this role by December 2014, with program roll out beginning shortly thereafter.

SAFETY CONSIDERATIONS:

- To the extent that Energy Efficiency (EE) financing expands customer access to EE improvements, it reduces energy consumption and upgrades gas and electric features.

ESTIMATED COST:

- \$65.9 million





Regular Agenda – Energy Orders

Item #36 [12318] Pacific Gas and Electric Company to Offer Economic Development Rate Tariff Options

A12-03-001 Application of Pacific Gas and Electric Company for Approval of Economic Development Rate for 2013-2017.

Ratesetting

Comr. Ferron / Judge Clark

PROPOSED OUTCOME:

- Grants authority to Pacific Gas and Electric Company (PG&E) to offer both a Standard and an Enhanced Economic Development Rate (EDR) tariffed discount subject to certain ratepayer protections.
- Closes the proceeding.

SAFETY CONSIDERATIONS:

- PG&E's EDR program is modified to include protections for non-participating customers to ensure utility service is furnished and maintained in accordance with Public Utilities Code Section 451.

ESTIMATED COST:

- Program is designed to result in net benefit to PG&E ratepayers.





Regular Agenda – Energy Orders

Item #37 [12363] New Order Instituting Rulemaking

R_____

Order Instituting Rulemaking to Enhance the Role of Demand Response in Meeting the State's Resource Planning Needs and Operational Requirements.

PROPOSED OUTCOME:

- Initiates a rulemaking to determine whether and how to bifurcate current utility-administered ratepayer-funded Demand Response Programs into demand-side and supply-side resources.

SAFETY CONSIDERATIONS:

- Considers demand response program revisions in order to ensure the reliability of electric service for California customers in regard to the permanent closure of the San Onofre Nuclear Generating Station and the changing nature of the electrical grid.

ESTIMATED COST:

- Unknown.





Regular Agenda – Transportation / Rail Safety Orders

Item #39 [12291] Rules and Regulations to Regulate New Online Enabled Transportation Services

R12-12-011 Order Instituting Rulemaking on Regulations Relating to Passenger Carriers, Ridesharing, and New Online-Enabled Transportation Services.

Quasi-Legislative

Comr. Peevey / Judge Mason

PROPOSED OUTCOME:

- Finds that Transportation Network Companies (TNC) are charter-party carriers subject to the Commission's Jurisdiction.
- For example, Lyft, SideCar, and UberX are found to be TNCs.
- Commission's existing Transportation Charter Party rules still apply to all limousines.

SAFETY CONSIDERATIONS:

- Compliance with the Commission's rules and regulations should ensure public safety.

ESTIMATED COST:

- None.





Commissioners' Reports





Management Reports





Regular Agenda – Management Reports and Resolutions

Item #40 [12347]

Report and Discussion by Safety and Enforcement Division on Recent Safety Program Activities





Limousine Safety



Varoujan Jinbachian
Program Manager

Transportation Enforcement Branch
Safety and Enforcement Division

September 19 , 2013





Presentation Overview

- Popular v. Legal Definition of Limousine
- CPUC's Role in Limo Safety
- Notable Investigations





Legal Definition of a Limousine

- Any Type of Sedan or SUV
- Standard or Extended Length
- Capacity ≤ 10 Passengers Including the Driver
- Used for Transportation of Passengers for Hire
- Used on a Prearranged Basis



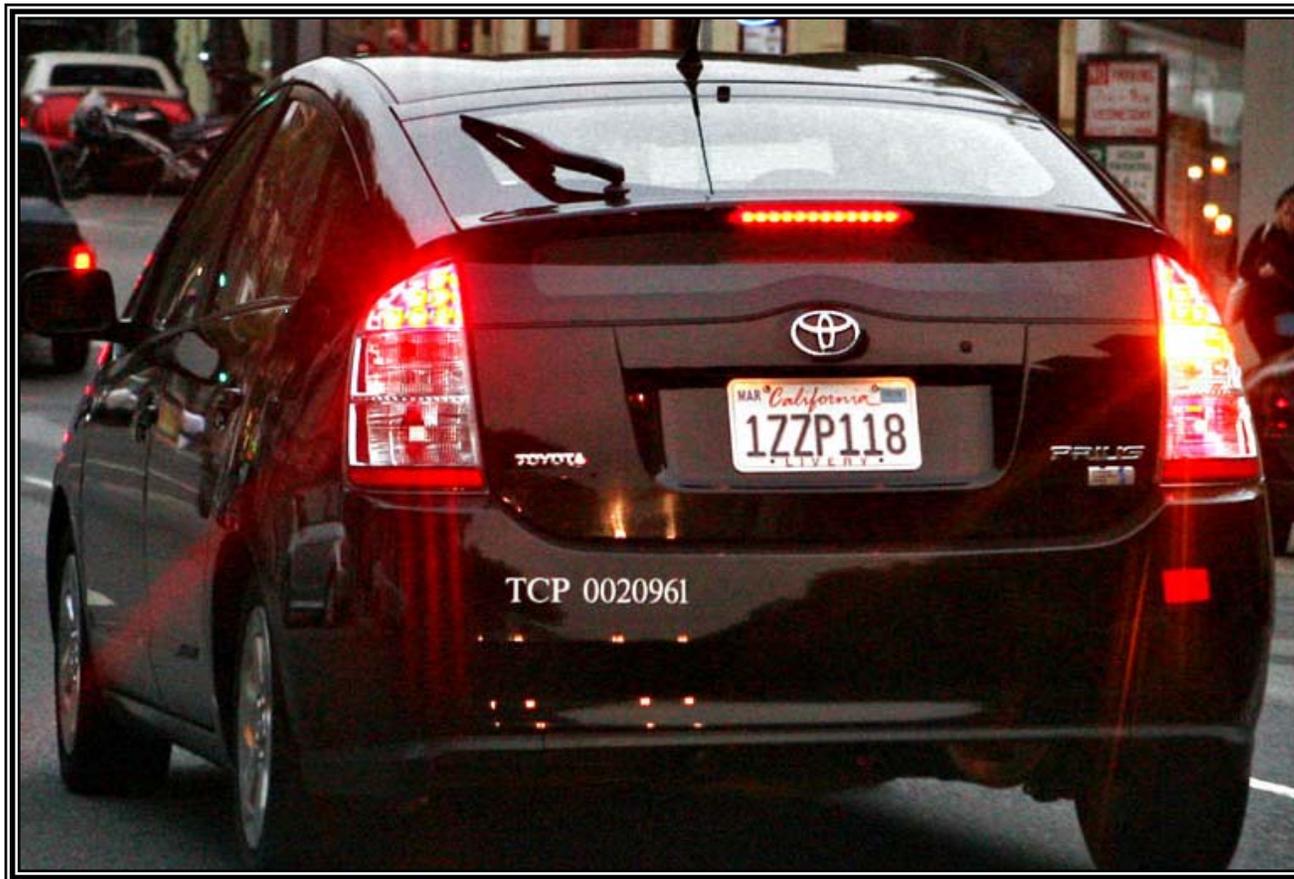


Limousine





Limousine





Limousine?

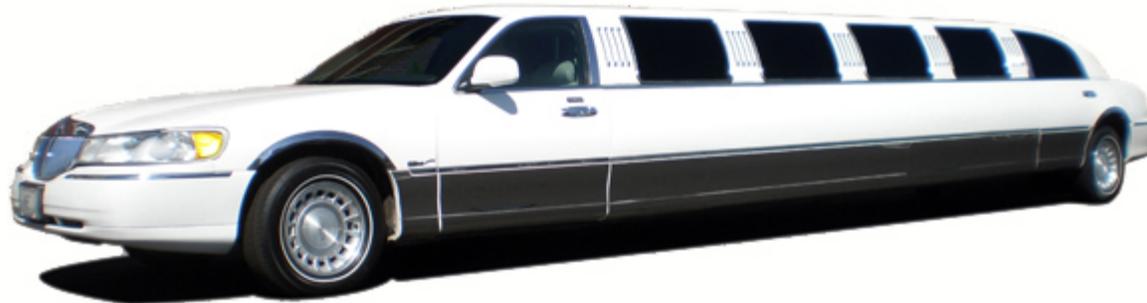


Capacity: 9 Passengers
Yes, It is a Limousine





Limousine?



Capacity: 14 Passengers
No, legally it is a Bus





Safety Compliance

- Drug and Alcohol Testing
- Proper Insurance
- DMV Employer Pull Notice Program
- Driver Training
- Vehicle Maintenance Program





Law Enforcement Agencies

- Accident Investigation
 - Performed by the CHP or Local Law Enforcement Agencies
 - Vehicle Fires, Performed by Local Fire Departments





Current Notable Investigations

- Limo Stop: Fire on San Mateo Bridge
 - Fire Caused by
 - Catastrophic or Sudden Failure of Rear Air Suspension
 - Rear Driveshaft made Contact with Floorboard
 - Friction Resulted in Heat and Fire
 - Heat from Friction Ignited Carpet
 - Fire Resulted in Death of Five Passengers





Current Notable Investigations

- Limo Stop: Fire on San Mateo Bridge
Survivors Exited Through a 9.25" by 28" Hole





Current Notable Investigations

- Limo Stop: Fire on San Mateo Bridge
 - Not Enough Evidence for Charges of Criminal Negligence
 - CPUC Investigation Report to be Released Soon





Current Notable Investigations

- Proposed New Requirements:
 - Fire Extinguishers
 - Safety Inspections
 - Emergency Exits





Past Notable Investigations

Dan Brown CEO of Coachman Limited Corporation, dba *At Your Service*

- Cited Twice by CPUC, Failure to Maintain Insurance
- Tried by Monterey Co. DA's Office
- Pled Guilty on May 29, 2013
 - Operating After Revocation
 - Operating Without Workers' Comp. Insurance
 - Operating Without PL & PD Insurance





Past Notable Investigations

Dan Brown of *Coachman Limited Corp dba At Your Service, Disposition of Case*

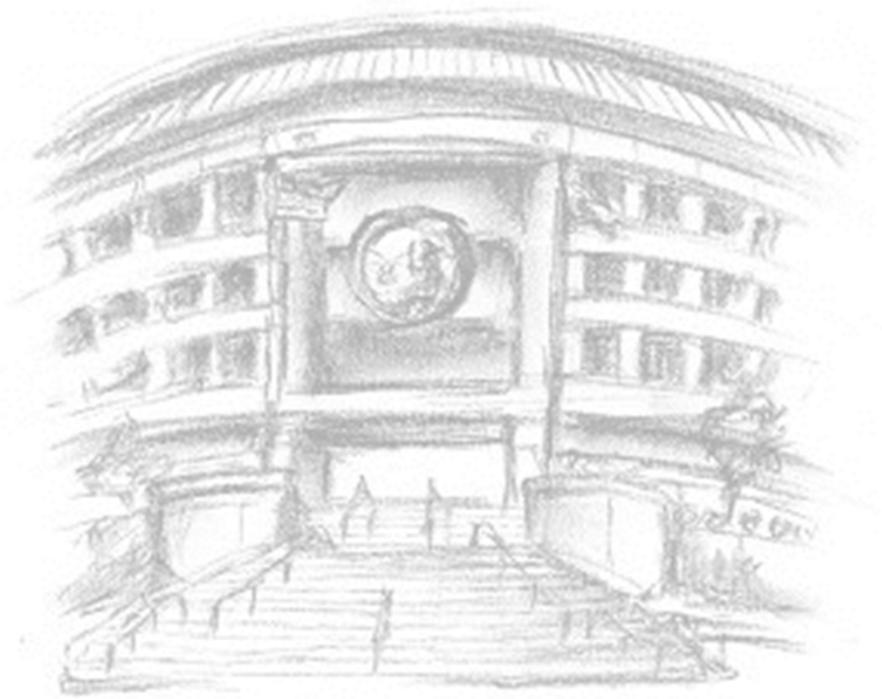
- Three Years Probation
- 25 Days Community Service (in lieu of jail)
- \$25,000 Fine





Thank you!
For Additional Information:

www.cpuc.ca.gov/MoveAndRide





Regular Agenda – Management Reports and Resolutions

Item #40 [12347]

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Management Reports





Energy Division Director's Update

Report on CPUC-CAISO Staff efforts to develop a Joint Reliability Framework



September 19, 2013





Joint Reliability Framework (JRF) Timeline

Date	Action
Feb. 26, 2013	CPUC-CAISO Long-Term Resource Adequacy Summit
May 23, 2013	Energy Division Director report to Commissioners on developments subsequent to summit
May 28, 29 thru June 2013	Meetings of CAISO and CPUC staff on perceived problems with procurement framework and proposed solutions; discussions lead to outline of JRF proposal
July 10, 2013	CPUC and CAISO Staff develop and release Joint Reliability Framework white paper
July 17, 2013	CPUC and CAISO Staff present JRF at joint stakeholder workshop in Folsom
~ July 25, 2013	30 stakeholders submit comments on JRF
July 31, 2013	CPUC and CAISO present JRF at FERC Technical Conference on reliability and risk of retirement concerns
Sept. 2013- present	CPUC and CAISO Staff discussions on next steps for JRF





CAISO-CPUC Staff Identified Shared Objectives and Goals

Procurement framework must address these objectives:

- Satisfy system flexibility needs
- Satisfy locational needs
- Minimize disorderly retirements
- Increase preferred resources

Changes to procurement framework should achieve these three goals:

- Increase transparency to CAISO of forward (2-10 years) forward procurement
- Replace Capacity Procurement Mechanism (CPM) with market-based procurement
- Develop new procurement opportunities for preferred resources





CPUC & CAISO Staff propose three enhancements to existing framework

1. Establish 2-3 year forward resource adequacy obligations

Minimize risk of disorderly retirements; ensure capacity available when & where needed

2. Develop CAISO-run capacity auction for backstop and voluntary procurement

Replace administrative CPM with market-based mechanism, gives load serving entities (LSEs) additional forward procurement option

3. Publish 4-10 year forward joint reliability planning assessment

Provide market with unified and transparent needs assessment





1) CPUC to implement multi-year forward Resource Adequacy requirements

Establish “feathered” procurement obligations 2, 3 years before delivery year, amounts to be determined

Requirements adopted through CPUC proceeding for CPUC-jurisdictional LSEs (CAISO tariff for other LSEs)

Key Elements

Deficiencies cured via CAISO-run backstop capacity auction

LSEs can show CAISO all resources procured (required for CPUC jurisdictional LSEs)



2) CAISO to implement ISO-run capacity auction (Reliability Services Auction - RSA)

- **Backstop procurement function**

- CAISO will conduct backstop procurement to cure deficiencies in submitted RA compliance filings via CAISO-run auction to subject to market mitigation rules.
- Not a centralized capacity market, only clears volume of capacity needed to cure deficiencies.
- Cures *individual* LSE deficiencies in year 1, 2, or 3; *collective* deficiencies in year 1 (authority in years 2-3 to be determined).
- CAISO may still need an appropriate backstop mechanism for sudden onset significant events and exceptional dispatches.

- **Voluntary procurement function**

- CAISO matches buy/sell bids for capacity in excess of minimum compliance requirements.





3) CPUC and CAISO to jointly publish annual reliability planning assessment

- Each year, CPUC and CAISO jointly publish 4-10 projection years of resource needs (system, local, flexible).
- Provides view of projected resource needs against both the installed and the already-procured fleet.
 - CPUC-jurisdictional LSEs would provide data showing all resources procured through 10 yrs (owned/contracted),
 - Non-CPUC jurisdictional LSEs can provide same data.
- For information purposes only, does not create procurement obligations or CAISO backstop authority.





Next Steps for fall 2013



Feedback
from
Commissioners

Submit JRF in
form of a Joint
Action Plan for
vote by
Commission
and CAISO
Board

Institute
Proceeding at
the CPUC and
Stakeholder
Process at
CAISO





Management Reports





The CPUC Thanks You For Attending Today's Meeting

The Public Meeting is adjourned.

The next Public Meeting will be:

**October 3, 2013, at 9:30 a.m.
in San Francisco, CA**

