



CPUC Public Agenda 3400
Thursday, June 29, 2017 9:30 a.m.
San Francisco, CA



Commissioners:
Michael Picker, President
Carla J. Peterman
Liane M. Randolph
Martha Guzman Aceves
Clifford Rechtschaffen

www.cpuc.ca.gov





The Pledge of Allegiance



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





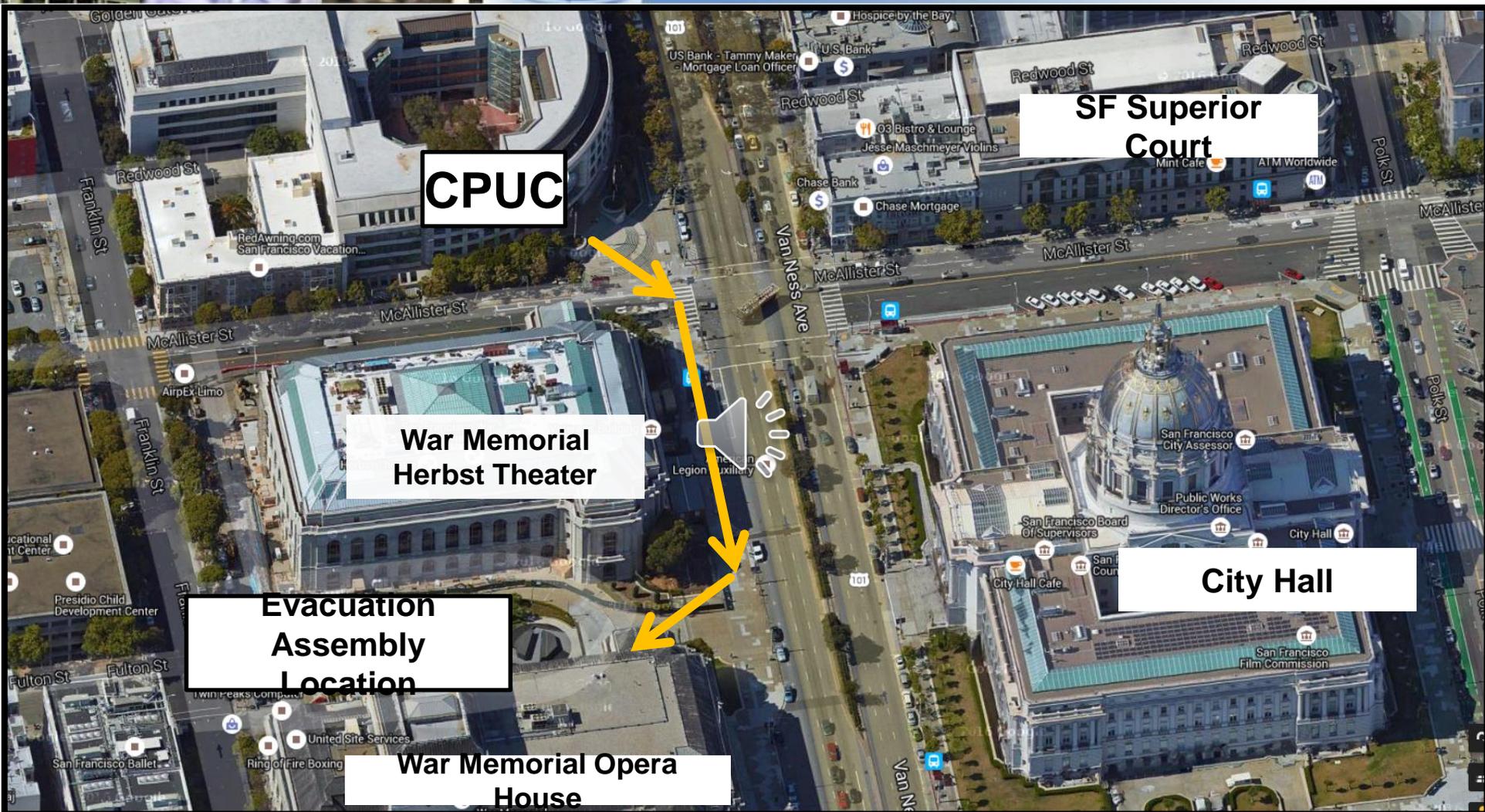
Emergency Evacuation

Safety is our number one priority:

Please listen to the emergency evacuation instructions for this location.



Evacuation Assembly Location





CPUC Mission

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





CPUC Core Values

Accountability
Excellence
Integrity
Open Communication
Stewardship





Commissioner Code of Conduct

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





Public Comment

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

Public Comment is not permitted on the following items:

- **20 and 23.**
- All items on the Closed Session Agenda





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

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

- Items on Today's Consent Agenda are: 1, 3, 5, 6, 7, 8, 9, 10, 12, 13, 14, 15, 16.
- 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.
- Item 18 and 20 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.
- No Item has been moved to the Regular Agenda.
- No Item has been withdrawn.
- The following items have been held to future Commission Meetings:
Held to **7/13/17**: 2, 4, 11, 17, 25, 26, 27, 28, 29, 30, and 31.





Regular Agenda

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





Regular Agenda – Energy Orders

Item # 19 [15775] – Electric Resource Adequacy – Adopts Local and Flexible Capacity Obligations for 2018

R14-10-010

Order Instituting Rulemaking to Oversee the Resource Adequacy Program, Consider Program Refinements, and Establish Annual Local and Flexible Procurement Obligations for the 2016 and 2017 Compliance Years.

Ratesetting

Comr Randolph - Judge Allen

PROPOSED OUTCOME :

- Adopts local and flexible electric capacity obligations for 2018.
- Adopts an Effective Load Carrying Capacity methodology for wind and solar resources.
- Directs other changes and processes relating to electric Resource Adequacy.
- Closes the proceeding.

SAFETY CONSIDERATIONS :

- No direct safety considerations; addressing reliability may have an indirect positive safety impact.

ESTIMATED COST :

- No direct costs; increasing capacity requirements may result in indirect costs.





Regular Agenda – Energy Orders (continued)

Item # 21 [15815] – Order Instituting Rulemaking to Review, Revise, and Consider Alternatives to the Power Charge Indifference Adjustment

R. _____

PROPOSED OUTCOME :

- Review of the current Power Charge Indifference Adjustment (PCIA), including:
- Improving transparency of the existing PCIA process;
- Revising the current PCIA methodology to increase stability and certainty;
- Reviewing specific issues related to inputs and calculations for the current PCIA methodology;
- Considering alternatives to the PCIA;
- Addressing Senate Bill 350 350 (De León), Stats. 2015, ch. 547 (adding Pub. Util. Code Sections 365.2 and 366.3);
- Examining status of exemptions from the PCIA for customers using California Alternative Rates for Energy (CARE) and Medical Baseline rates.

SAFETY CONSIDERATIONS :

- There are no safety concerns associated with this Rulemaking.

ESTIMATED COST :

- Not known at this time.





Regular Agenda – Communication Orders

Item # 22 [15783] – Order Instituting Investigation Into the Creation of a Statewide Database or Census of Utility Poles and Conduit in California and Order Instituting Rulemaking Regarding Access by Competitive Communications Providers to California Utility Poles and Conduit Consistent with the Commission's Safety Regulation; consolidates Rulemaking 17-03-009 with this Investigation and Rulemaking.....

I. _____ , R. _____

PROPOSED OUTCOME :

- Assesses utility pole and management issues, and access by broadband Internet access providers to utility pole and conduit and impact on safety.

SAFETY CONSIDERATIONS :

- Substantial, as described in Sections 2 and 4.1 of the proposed Investigation and Rulemaking.

ESTIMATED COST :

- Unknown at this time.





Regular Agenda – Orders and Resolutions

Item # 4 [15648] – Approval of Funding for the Grant Application of Race Telecommunications, Inc., from the California Advanced Services Fund up to the Amount of \$27,629,599 for the Gigafy Phelan Underserved Broadband Project in San Bernardino County

Res T-17525

PROPOSED OUTCOME :

- Approves funding up to the amount of \$27,629,599 from the California Advanced Service Fund (CASF) for the grant application of Race Telecommunications, Inc. (Race), to construct the Gigafy Phelan Project, which will install a fiber-to-the-premises system in the underserved communities in and around Phelan in San Bernardino County.

SAFETY CONSIDERATIONS :

- The southern edge of the project area is vulnerable to wildfires. The infrastructure Race would install could potentially facilitate the community's interaction with first responders and health care professionals by supplying ubiquitous broadband services and providing supplemental telecommunications infrastructure in a largely rural area.

ESTIMATED COST :

- Would expend \$27,629,599 from CASF Infrastructure grant fund.





Race Telecommunications Gigafy Phelan CASF Project



Cynthia Walker

Director, Communications Division

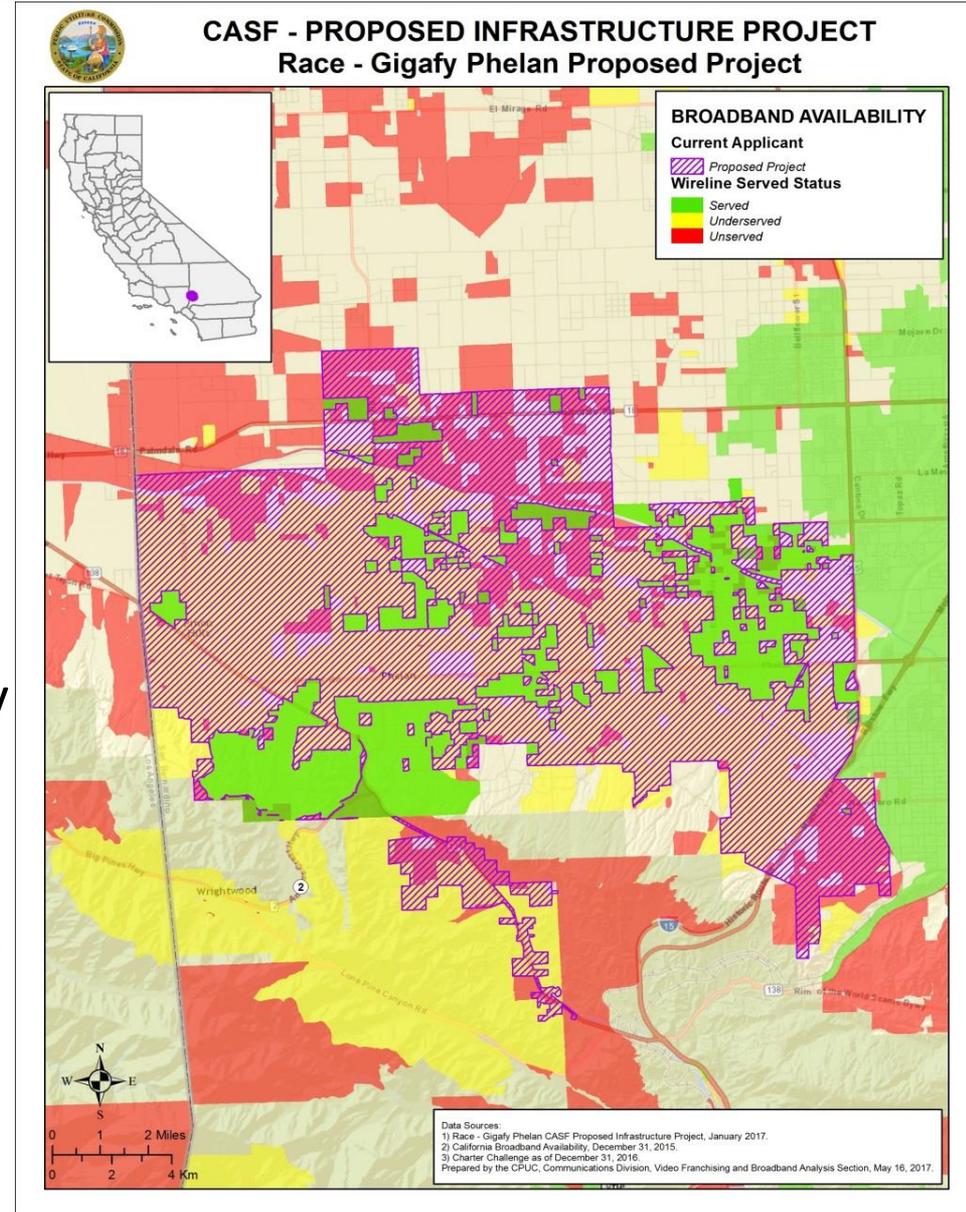
June 29, 2017



Summary

Completed project would:

- Provide symmetrical gigabit-capable internet service using 15,000 existing poles including pole upgrade or replacement
- Serve communities of Phelan, Piñon Hills, Oak Hills, and parts of Hesperia in San Bernardino County
- Address two identified priority areas; Phelan and Piñon Hills
- Serve 7,606 households within 98 square miles in a low income area





Gigafy Phelan Application Evolution

	Total Budget	Funds Requested
Application filed Aug. 2015	\$75,420,613	\$48,295,774 (60% + 18.7% in CIAC of CASF amount)
Amended Application Sept. 2016 in response to competing UIA Application	\$46,297,586	\$23,148,793 (50%)
Amended Application Jan. 2017 to remove Charter Challenge areas	\$47,621,364	\$28,572,819 (60%)
Staff reduced grant after correcting housing count	\$46,049,332	\$27,629,599 (60%)





Gigafy Phelan Project

- **Meets CASF review requirements**
 - *Funds Requested per Potential Customer:* \$3,633 cost per household is less than average of other fiber projects
 - *Speed:* Exceeds the 6/1.5 benchmark
 - *Financial Viability:* Projected positive earnings
 - *Pricing:* Very low price-per megabit customer costs
 - *Households in the Proposed Area:* The most households ever given access by a CASF-subsidized last-mile project
 - *Timeliness of Completion:* 24-months
 - *Guarantee Pricing Period:* 5 years
 - *Low-Income Area:* \$52,951
- **Potential Safety Benefits**
 - Improves household access to e-health services
 - Potentially connect first responders. Project area subject to wildfires (e.g., 2016 Blue Cut Fire)





Race Project vs. Frontier Upgrade

- **Race followed and depends on CASF rules**
 - Will provide gigabit futureproof fiber to 7,606 households
 - \$27.6M grant cost to CASF program
 - Denying project at this time will dissuade CASF applicants
- **Frontier upgrading in Phelan project area**
 - Provided engineering documents
 - Claims it will provide service by August 2017
 - Slower speed DSL upgrade to fewer, 6,376 households
 - No cost to CASF, but no guarantee of upgrade to every household in Race's project area





Regular Agenda – Orders and Resolutions

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ESTIMATED COST :

- Would expend \$27,629,599 from CASF Infrastructure grant fund.





Regular Agenda – Orders Extending Statutory Deadline

Item # 23 [15758] – Order Extending Statutory Deadline

C16-07-012

DC Universal, LLC vs. California American Water Company.

Adjudicatory

Comr Rechtschaffen - Judge Ayoade

PROPOSED OUTCOME :

- Extends the statutory deadline for completion of this proceeding until February 14, 2018.

SAFETY CONSIDERATIONS :

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

ESTIMATED COST :

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





Regular Agenda – Orders Extending Statutory Deadline (continued)

Item # 24 [15813] – Order Extending Statutory Deadline

R15-01-008

Order Instituting Rulemaking to Adopt Rules and Procedures Governing Commission-Regulated Natural Gas Pipelines and Facilities to Reduce Natural Gas Leakage Consistent with Senate Bill 1371.

Quasi-Legislative

Comr Rechtschaffen - Judge Kersten

PROPOSED OUTCOME :

- Extends the statutory deadline for completion of this proceeding until September 21, 2017.

SAFETY CONSIDERATIONS :

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

ESTIMATED COST :

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





Commissioners' Reports





Management Reports





Regular Agenda – Management Reports and Resolutions

Item # 33 [15807]

Management Report on Administrative Activities





Employee Recognition of CPUC Employees



Timothy J. Sullivan
Executive Director

California Public Utilities Commission

June 29, 2017



36 Years of Service

Michael Amato





Regular Agenda – Management Reports and Resolutions

Item # 33 [15807]

Management Report on Administrative Activities





Regular Agenda – Management Reports and Resolutions

Item # 34 [15816]

**40th Anniversary of the Administrative Law Judge Division:
A Retrospective**





Commemorating the 40th Anniversary of the Administrative Law Judge Division

A Retrospective



Karen V. Clopton

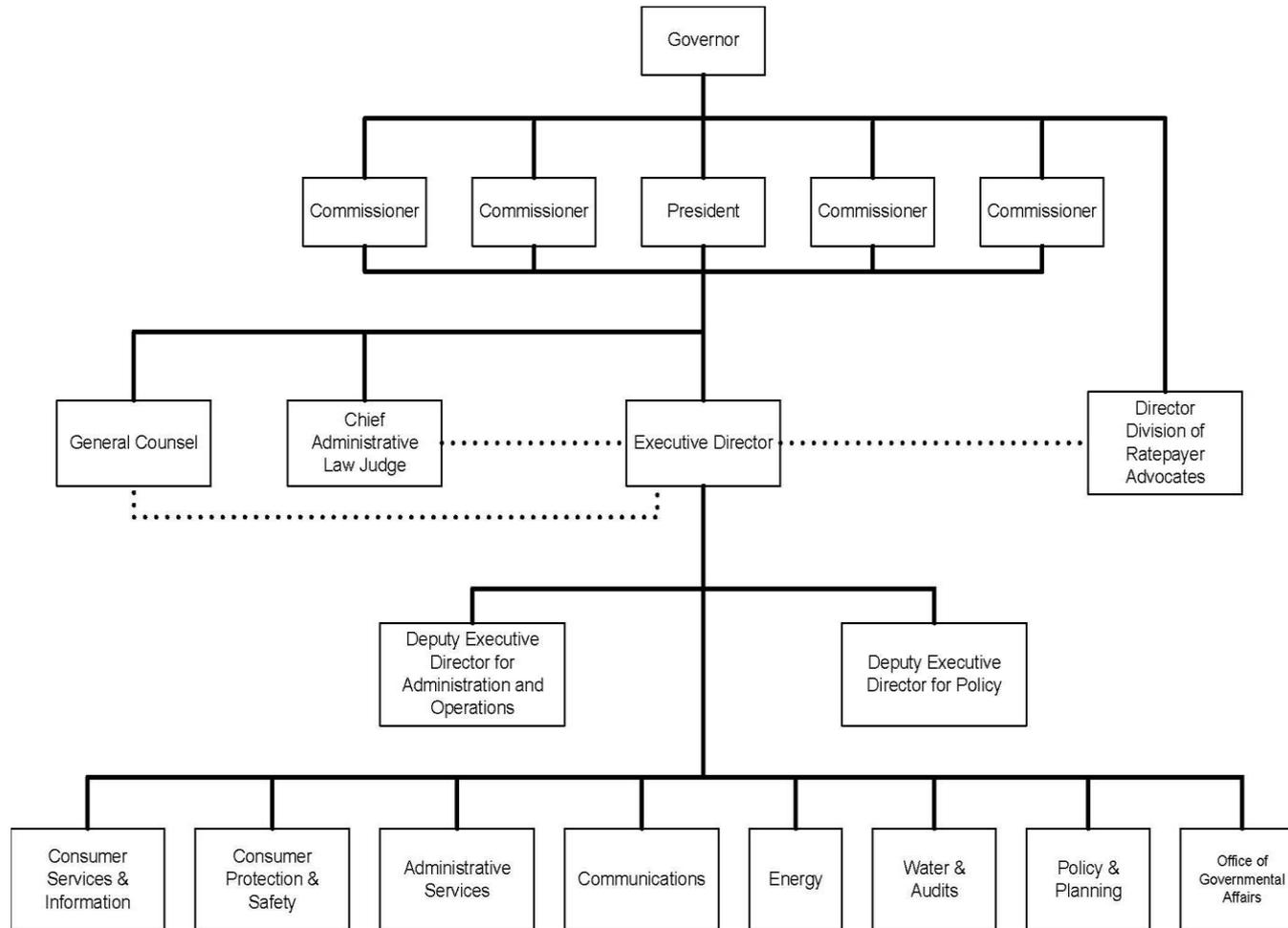
Chief Administrative Law Judge

June 29, 2017





California Public Utilities Commission





Formal v. Informal Decisionmaking

- **ALJ Division** oversees most of the formal process, including several hundred active applications, complaints, rulemakings, investigations, and petitions
- **Legal Division** oversees the appellate process, beginning with applications for rehearing
- **Industry Divisions** approve tariffs and programs through informal filings called “advice letters”





ALJ Division: Some Statistics

- **ALJ Division is made up of 45 judges and 36 administrative staff when fully staffed**
- **In 2016, we completed 318 proceedings that were open an average of 182 days, held 382 days of hearings, issued 533 decisions and 1090 rulings, and handled 8868 documents**





Judges Have a Wide Breadth of Education and Experience

- All ALJs are trained at the National Judicial College
- Many ALJs have formal alternative dispute resolution training and cumulatively have hundreds of hours of mediation and facilitation experience
- Education of ALJs includes advanced degrees in:
 - Accounting
 - Business Administration
 - Economics
 - Engineering
 - Law
 - Public Policy





ALJ Division Vision

Just, reasoned, efficient, and innovative resolution of matters in a manner that ensures integrity, due process and transparency, and respects the dignity of all participants.





ALJ Division Mission

The ALJ Division provides an independent forum that ensures fair, unbiased, reasoned, and efficient disposition of proceedings; embraces new technology and work practices to continually improve our procedures; and embraces the CPUC core values of Accountability, Excellence, Integrity, Open communication, and Stewardship.





Roles of ALJs and Commissioners

- ALJs (and advisory staff) work for all five Commissioners
- ALJs are available to provide any Commissioner with information
- Assigned Commissioner has an active role in direction and management of an assigned proceeding





Judicial Responsibility and Independence

- In adjudicatory cases in which the Assigned ALJ is the Presiding Officer, and in ratesetting cases, the Assigned ALJ presides over proceeding and prepares a recommended decision (in a ratesetting case with evidentiary hearing where the Assigned Commissioner elects to preside over at least half of the evidentiary hearing, the Assigned Commissioner prepares the proposed decision and the Assigned ALJ may prepare an alternate proposed decision). (Pub. Util. Code § 311, consistent with procedures in Pub. Util. Code §1701 et seq.)
- The Administrative Adjudication Code of Ethics (Gov. Code §11475 et seq.) and much of the Code of Judicial Ethics (Judicial Canons approved by the CA Supreme Court) govern the conduct of an ALJ, both in and outside of hearings.





Judicial Responsibility and Independence

- A judge must hear and decide all matters assigned to the judge. (Canon 3(B)1.)
- A judge must be faithful to the law regardless of partisan interests, public clamor, or fear of criticism, and shall maintain professional competence in the law. (Canon 3(B)2.)
- A judge must dispose of all judicial matters fairly, promptly, and efficiently. (Canon 3(B)8.)

The duties and responsibilities of the judge can not be delegated to staff “advisors.”





Alternative Dispute Resolution- Measuring Progress Ongoing Education, Outreach and Feedback

- 90% Settlement Rate during the last three years; 72% since 2005
- Program use: 8 cases so far this year; over 250 since 2005
- How to expand program use in suitable cases?
 - Renewed effort in ALJ Division to identify where and when ADR is appropriate
 - Continuing partnerships with other CPUC Divisions to manage disputes (informal and formal) in a timely, resource-effective way
 - Ongoing educational efforts at every process stage (informal and formal) to ensure public and CPUC practitioners know about the ADR program and better understand its possibilities
- Confidential, anonymous evaluation survey posted on CPUC website's ADR page





ADR Resources

- For up-to-date, detailed program information please see:

www.cpuc.ca.gov/puc/adr/

- For a copy of the Commission's authorization order, Resolution ALJ-185 please see:

http://docs.cpuc.ca.gov/word_pdf/FINAL_RESOLUTION/49129.pdf

- For more information about the ADR Program, please contact the ADR Coordinator, ALJ Kimberly Kim

kimberly.kim@cpuc.ca.gov





Overview of the Intervenor Compensation Program

The Program allows eligible individuals or groups that participate in Commission proceedings involving electric, gas, water, and telephone utilities to request compensation for the reasonable costs incurred for their substantial contribution to CPUC proceedings. Intervenor compensation is not available in transportation proceedings.

The Commission initiated the Intervenor Compensation Program in 1981, and the California Legislature codified the Program, effective January 1, 1985. Subsequent modifications were made by the Legislature in 1992, 1993, and 2004.

The statutes governing the Program are set forth in California Public Utilities Code §§1801 – 1812. See also Rules 17.1 – 17.5





The State Auditor's 2013 Report on the Program (Report 2012-118)

The State Auditor conducted a thorough audit of the Program and issued its report on June 27, 2013. The audit found that:

- The Commission's process is an effective approach for ensuring reasonable compensation, and that the Commission generally ensured that intervenors' claims complied with state law.
- In addition to ensuring compliance with statutory mandates, the Commission has a robust process for determining whether the costs and expenses the intervenors claim are reasonable.
- The Commission's desk review process generally ensured that intervenor claims met statutory requirements and included appropriate supporting documentation to substantiate the hours and costs the intervenors claimed.
- Commission staff consistently verified that intervenors complied with state law requiring them to demonstrate significant financial hardship before the commission awards compensation.

However, the audit also found that, among other things, the Commission has not complied with the 75-day statutory deadline for issuing decisions on compensation claims, and that the Commission needs to conduct a comprehensive market rate study to set hourly rates for intervenors.





The Commission has fully implemented most of the State Auditor's recommendations

The State Auditor made six recommendations. Four have been fully implemented:

- Establish guidelines for calculating interest on claims and recoup the interest overpaid to intervenors.
- Establish procedures for maintaining the intervenor compensation database used for tracking claim status.
- Implement written procedures for processing claims, including establishing hourly rates for experts and attorneys, verifying intervenor qualifications, and determining any intervenor conflicts of interest.
- Conduct workshops to consider a market study to set hourly rates for intervenors, and to provide intervenors a forum to discuss issues that commonly arise in compensation requests and decisions.

The State Auditor has found that the Commission has fully implemented all except two recommendations (Compliance with the 75-day statutory deadline is considered “partially implemented” and the market study recommendation is not yet implemented).





The Commission has made great progress toward meeting the 75-day deadline for resolving claims

In response to the audit, the Commission analyzed and modified the procedures for processing claims. The Commission also added a limited term position in late 2014 and a staff person under one-year rotational assignment in early 2015 to support the program. As a result:

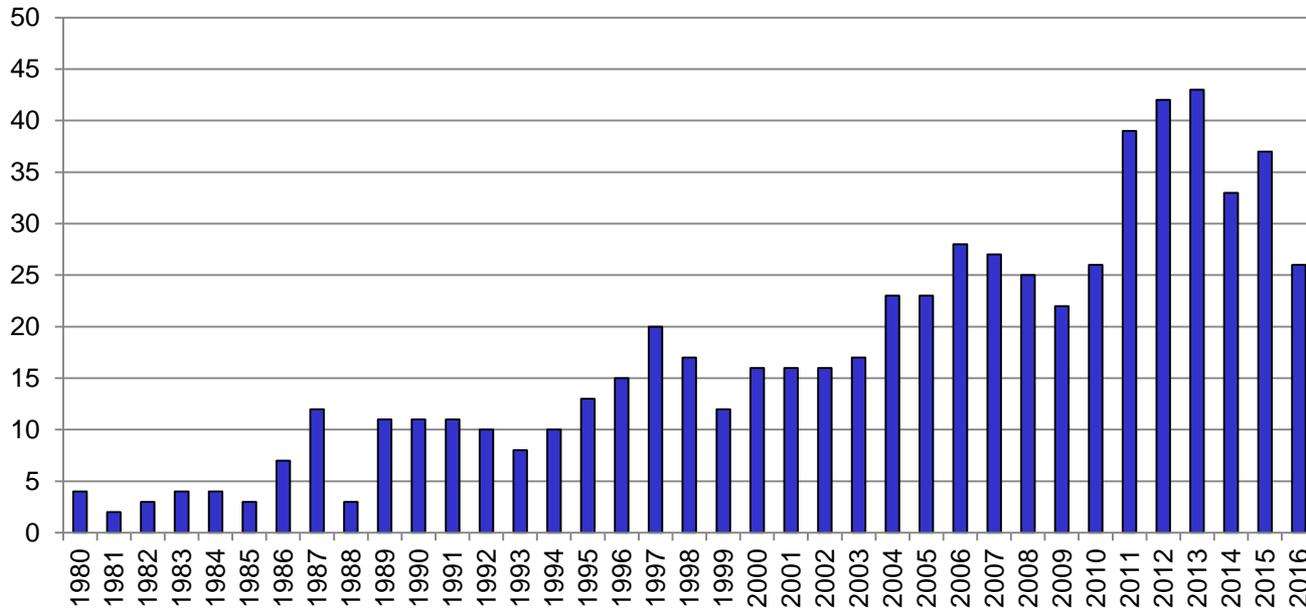
- Pending claims have been reduced from 140 in 2013 to 30 today.
- The Commission has significantly increased the number of claims decided. The Commission issued 103 intervenor compensation decisions in 2014, 158 in 2015, and 101 in 2016, the three highest totals in the Commission's history. From January to June 2017, the Commission has issued 55 claims.
- The Commission is making steady progress toward resolving claims within 75 days. For example, more than 57% of claims during fiscal year 2016-2017 were resolved within 75 days, up from 25% during fiscal year 2015-2016.





More intervenors representing a greater diversity interests are seeking compensation.

Number of Intervenors Filing Claims Each Year



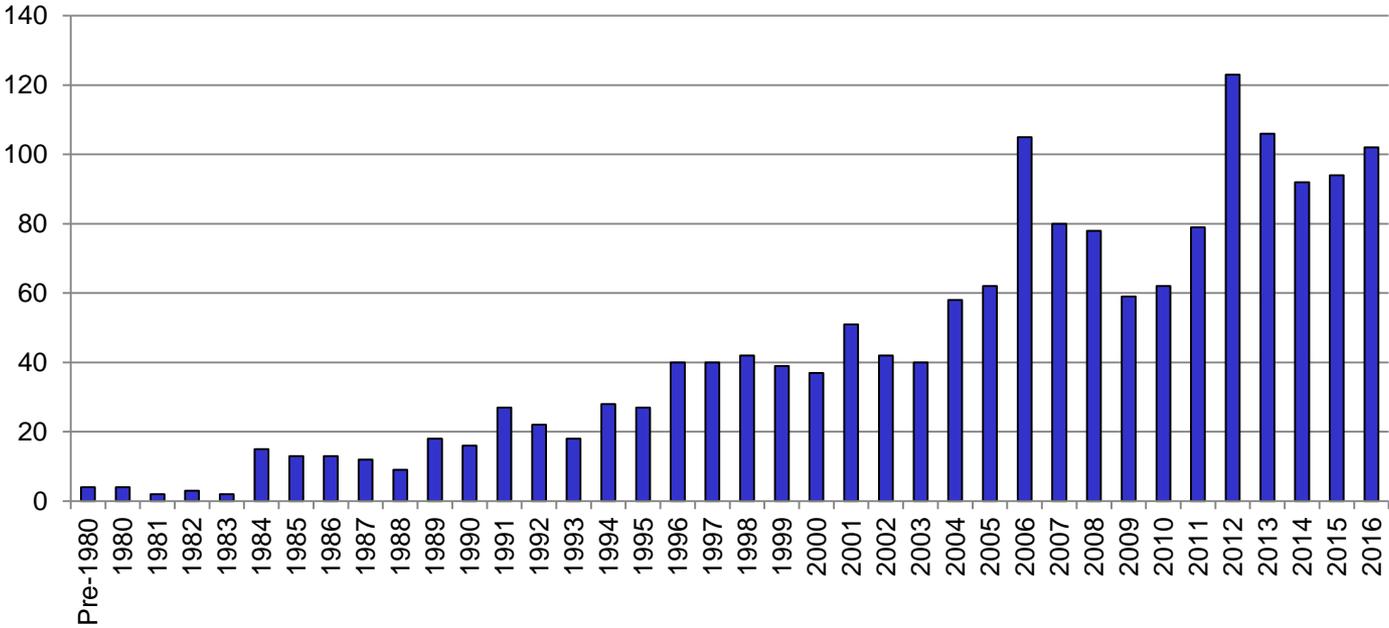
The diversity of intervenor types adds complexity to determining eligibility and other issues.





From 1984 through 2016,
intervenor filed 1660 claims for compensation.

Claims Filed



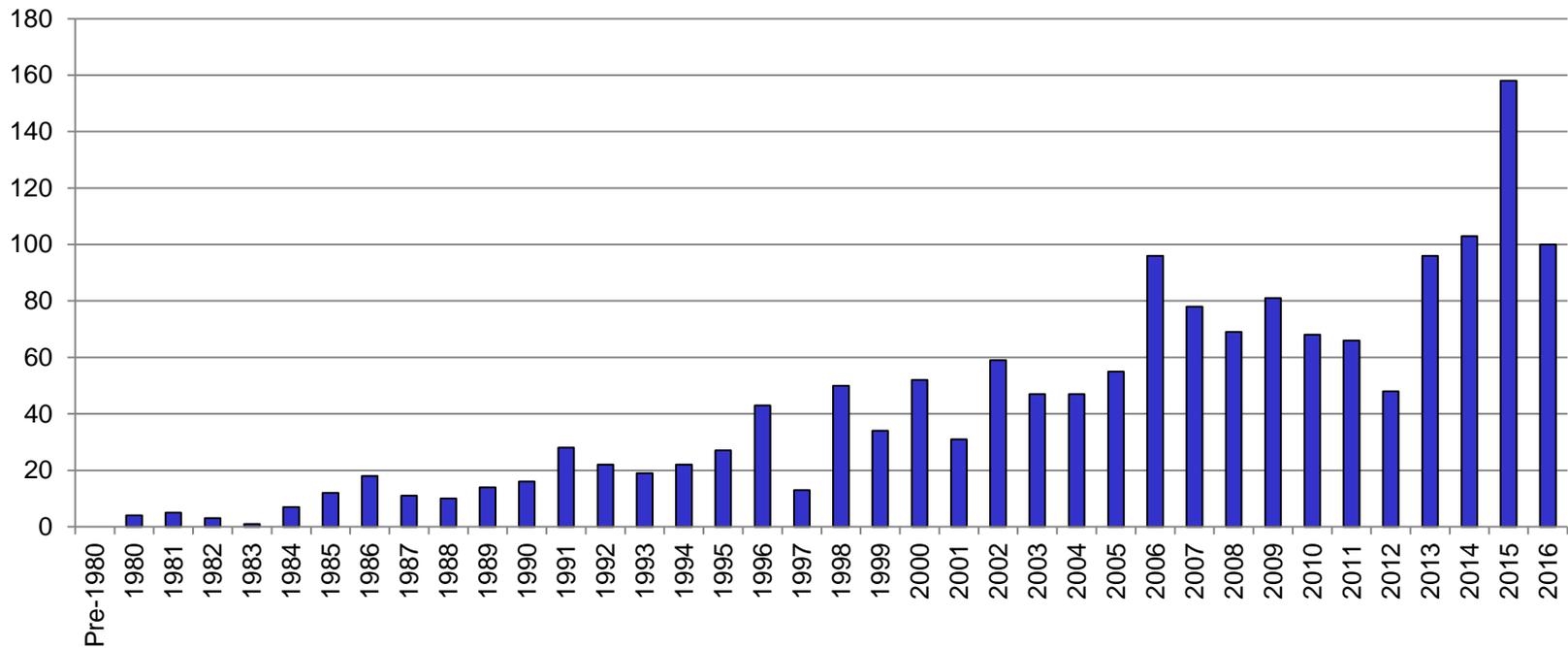
The volume and complexity of claims
has significantly increased during the life of the Program.





The Commission issued more compensation decisions in 2015 than any previous year. For the third straight year, more than one hundred decisions were issued in 2016.

Decisions Issued





LEADERSHIP DEVELOPMENT OPPORTUNITIES

Docket Office Advisors: Advise Docket office on e-filing requirements, and other issues related to filing, including filing confidential documents, and complaints. Must have 2 years CPUC ALJ experience.

ADR Coordinator: Coordinate volunteers for proceedings with ADR requests, coordinate training for ALJs to be facilitators, mediators, and early neutral evaluators. Must have received at a minimum 40 hours of mediation training and served as a mediator on at least 2 matters.

Training and Professional Development Coordinators: Consider and recommend appropriate training and coordinate training for ALJs and Division Staff. Track status of judges training.

Law and Motion Judges: Provide assistance and advice to ALJs and Docket office regarding law and motion issues. Must have 3-5 years of experience as a CPUC ALJ.

Student Internship Program Coordinators: Coordinate the intern recruitment, selection process, and judicial and student intern work product and assignments.





LEADERSHIP DEVELOPMENT OPPORTUNITIES

Food bank and ALJ Volunteer coordinators: Coordinate the food bank fundraising effort for the ALJ Division , including coordinating new ALJs to work on ALJ holiday party, anniversary celebrations, and staff appreciation luncheon.

Intervenor Compensation Program Coordinators: Advise the Icomp team on Intervenor compensation related issues. Must have 2 years of experience as a CPUC ALJ.

Star Unit Advisor: Advise STAR unit of ALJ needs, Advise ALJ management about STAR unit procedures and processes, Recommend revisions and updates to improve and facilitate STAR's Work; and serve as liaison between STAR and ACALJs. Must have 2 years of ALJ experience.

IT Advisor: Serve as liaison and advisor to CPUC IT staff; identify use of technology to improve public access; survey judges about technology needs; work with Training and Professional Development Coordinators to coordinate judge training on technology. Serve as Web Content approver, coordinate Supporting Documents project, coordinate Agenda Platform project.

Ethics Compliance Coordinator: Design and implement training and compliance program for Administrative Law Judges Division, to include Judicial Canons of Ethics, other applicable professional ethics requirements, and the Commission's Rules for Reassignment of an Administrative Law Judge and serve as liaison with the Legal Division on conflicts issues.





LEADERSHIP DEVELOPMENT OPPORTUNITIES

ECP Coordinator: Provide advice to judges and others on Expedited Complaint Procedure (ECP) and related matters. Recommends judge assignments for ECP cases.

Office of Government Affairs Liaison: Review bills forwarded by OGA for impact on ALJ staffing and resource needs as well as process, procedures and rules.

Citation Appeals Coordinator: Provide advice and assistance to judges and others on citation appeal procedures and related matters.

Mentoring Program Leaders: Identify opportunities to bridge knowledge and expertise gaps with co-assignments, training, workshops, and one on one mentoring.

Emergency Evacuation and Safety Team: Division safety representatives serving in several capacities to ensure the orderly, timely, and effective evacuation of the Division





INTERNSHIP PROGRAM

The ALJ Division has a robust intern program that provides important educational opportunities for students interested in the legal field and the industries regulated by the Commission. Interns leave the ALJ intern program with a better understanding of Commission procedures and the ALJ core missions of integrity, quality, and timeliness.





INTERNSHIP PROGRAM

As former interns enter the work force, the Commission has built good will and credibility within the legal community. In addition, through our partnership with Student Rising Above, a non-profit working with at risk youths, we support a diverse legal pipeline for underserved and underrepresented communities.





INTERNSHIP PROGRAM

Interns include law students, college students, and recent law graduates working as judicial clerks. Continuity is one of the keys to the success of the ALJ program. Year-round availability of interns to assist ALJs has improved the quality of the experience for both ALJs and interns; ALJs have become skilled at developing assignments that contribute to ALJ Division while providing educational work experience.





INTERNSHIP PROGRAM

Many former interns have chosen to stay in the utility regulation field, or in fields related to utilities such as power project development. Currently, there are many former interns at the Commission including a Commissioner legal advisor, an attorney in Legal Division, an administrative law judge pro tem, and several regulatory analysts.





REPORTERS

The Reporters record and transcribe the hearings held in formal proceedings and maintain the transcripts of hearings. The Chief Hearing Reporter coordinates calendar and reporters.





INTEGRAL SUPPORT DEPARTMENTS

The Administrative Law Judges (ALJ) Division supports Commission decision-making by processing formal filings, facilitating alternative dispute resolution, conducting hearings, developing an adequate administrative record, preparing timely proposals for Commission consideration, and preparing and coordinating Commission business meeting agendas. Our Support Staff are essential to the efficient and compliant handling of all documents processed by the ALJ Division.





INTEGRAL SUPPORT DEPARTMENTS

The STAR Unit

“STAR” is a clever acronym that stands for “Support to ALJ Requests.” The STAR Unit supports the ALJ Division with the formatting, revision, and final publication of numerous formal documents produced by the ALJ Division, including e-mailing rulings, rulings, Executive Director Orders, Proposed Decisions, Alternate Proposed Decisions, Resolutions and Presiding Officers Decisions. STAR works at an extremely high pace, especially preparation for Commission Meetings - going the extra mile to produce the highest quality work product. STAR, working with the Docket and Process Sections of the ALJ Division, is a vital component of the ALJ Division, coordinating revisions to formal documents between the ALJ’s, Commissioners, and Commission Staff.





INTEGRAL SUPPORT DEPARTMENTS

The Docket Office

The Docket Office receives and processes all formal filings before the Commission, maintains the official record of hearings and documents within a proceeding, and prepares the Commission's daily calendar.

The Process Office

The Process Office prepares the agendas for the Commission's deliberative and business meetings and maintains service lists for formal proceedings.

The Central Files

The Central Files maintains the formal record of a proceeding and provides printed copies of documents to the public for a fee.





PRESTIGIOUS ADMISTRATIVE LAW JUDGE DIVISION ALUMNI



**Victoria Kolakowski sworn in as first
openly transgender US trial judge**

As prolonged applause broke out from the crowd, Victoria Kolakowski, the first openly transgender trial judge in...





PRESTIGIOUS ADMISTRATIVE LAW JUDGE DIVISION ALUMNI





Regular Agenda – Management Reports and Resolutions

Item # 34 [15816]

**40th Anniversary of the Administrative Law Judge Division:
A Retrospective**



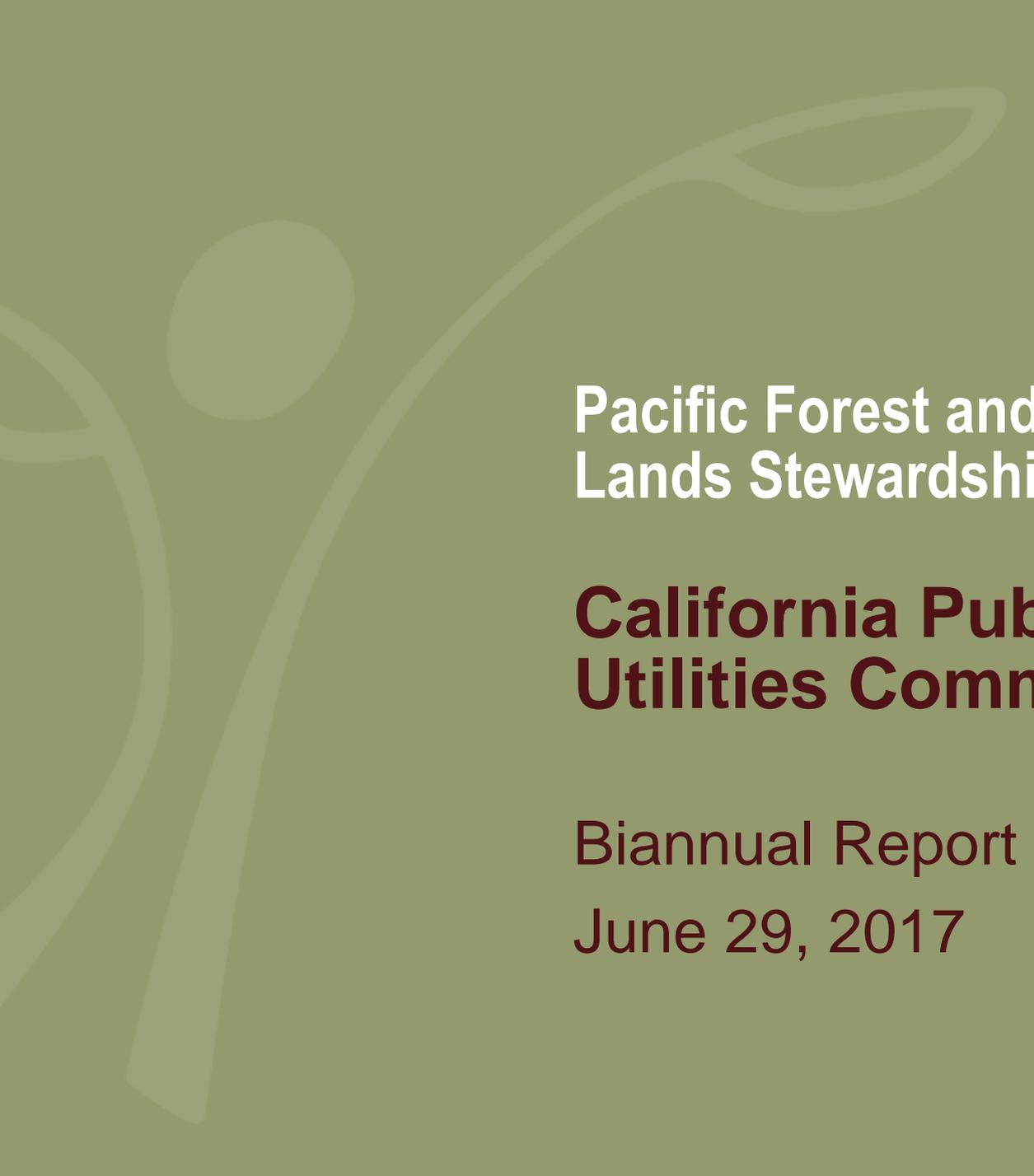


Regular Agenda – Management Reports and Resolutions

Item # 35 [15799]

**Pacific Forest and Watershed Lands Stewardship Council Biannual
Report to the California Public Utilities Commission**



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**Pacific Forest and Watershed
Lands Stewardship Council**

**California Public
Utilities Commission**

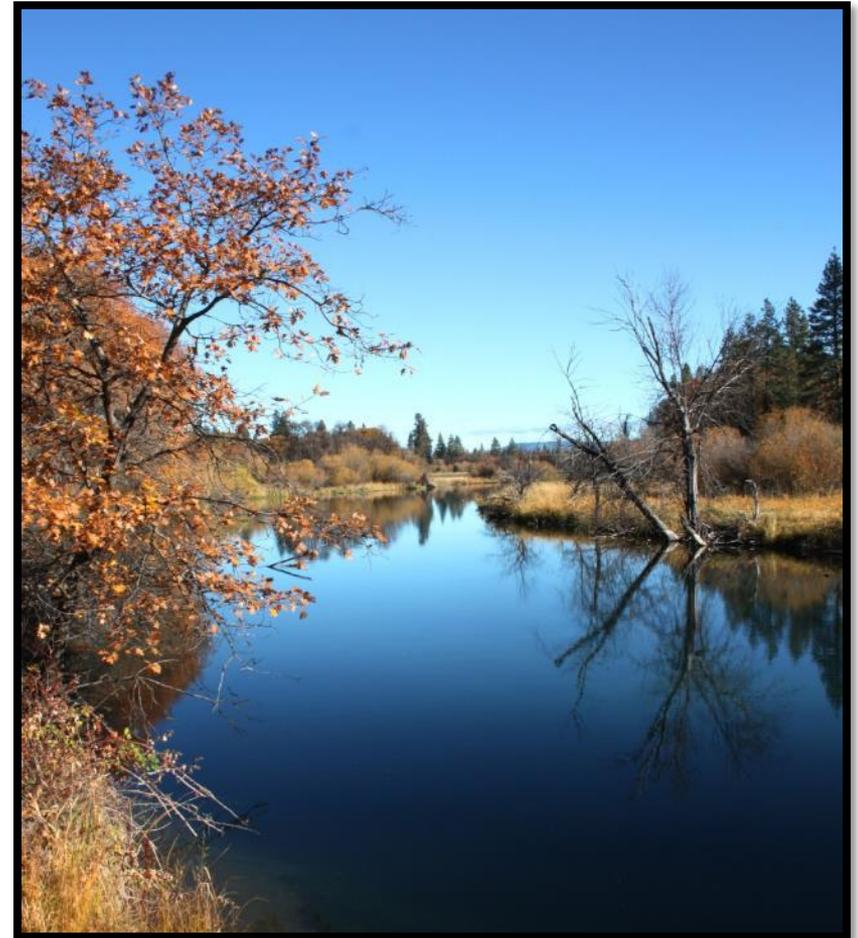
Biannual Report

June 29, 2017



Stewardship Council Mission

- To protect and enhance PG&E's watershed lands and uses
- To invest in efforts to improve the lives of young Californians through connections with the outdoors





PG&E's Land Conservation Commitment

- As part of a 2003 Settlement Agreement, PG&E agreed to permanently protect approximately 140,000 acres of its watershed lands located primarily in the Sierra Nevada and Cascade mountain ranges and conserve these lands for a broad range of public benefits.
- CPUC approved an expenditure of \$70 million in ratepayer funds for the planning and implementation of PG&E's Land Conservation Commitment.

PG&E Watershed Lands

- 140,000 acres of land
- 1,000 parcels located across 22 counties
- Grouped into 47 planning units within 9 watershed areas







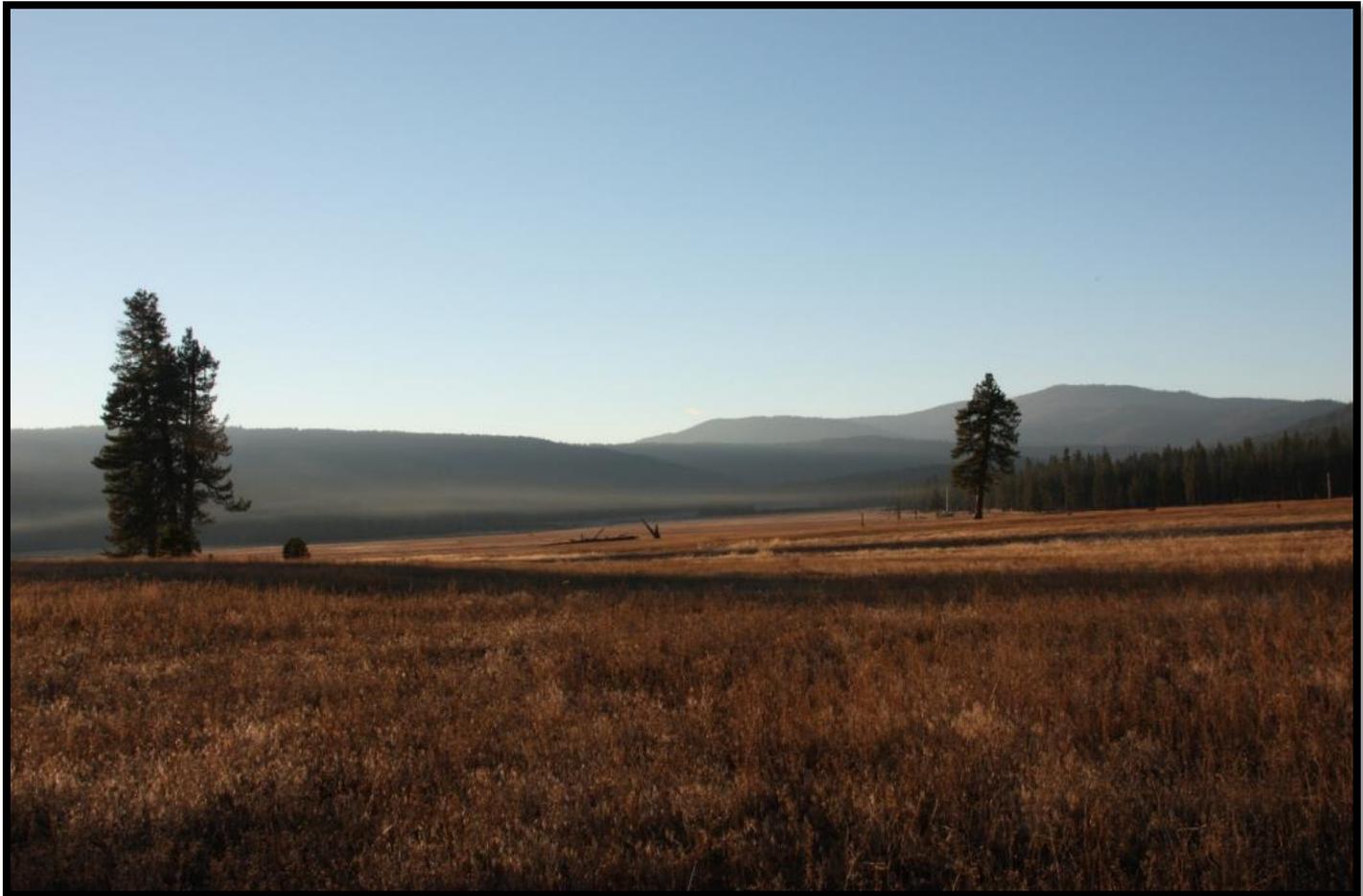
Stewardship
Council







Stewardship
Council





Permanent Protection of PG&E Watershed Lands

Permanent protection and/or enhancement of the Beneficial Public Values will be achieved through:

- The donation of a portion of watershed lands to qualified entities with PG&E retaining certain lands including those needed for hydroelectric operations
- The establishment of conservation easements
- The promotion of new collaborative partnerships
- The funding of a variety of enhancement projects

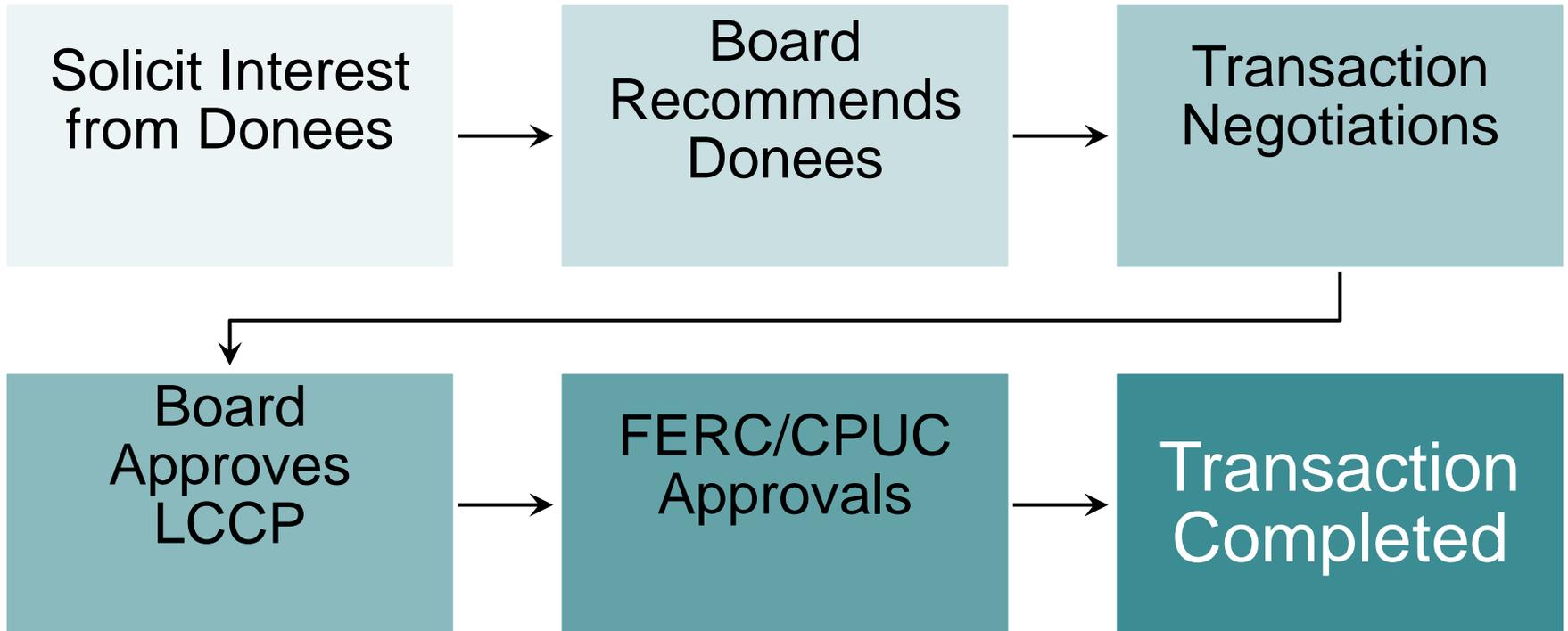


Stewardship Council Roles

- To oversee the planning and implementation of PG&E's Land Conservation Commitment and ensure the land transactions comply with the requirements of the PG&E Settlement Agreement
- To make recommendations of qualified entities to hold the conservation easements and receive fee donations
- To award grants for enhancement projects on PG&E's Watershed Lands



Land Conservation and Conveyance Process





Public Participation

The Stewardship Council considers public participation to be an important and key aspect of the land planning and land transfer process, and engages stakeholders throughout the process.

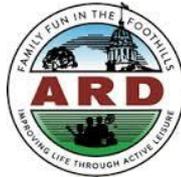


Fee Title Donees and Conservation Easement Holders

Selected Fee Title Donees



Fall River Resource Conservation District



Placer County
CALIFORNIA



Selected Conservation Easement Holders



Sequoia Riverlands Trust
Conserving California's Heartland



Natural Wonders Forever





Progress to Date

- Board has adopted 49 Land Conservation and Conveyance Plans (LCCPs) describing how the recommended fee donations and/or conservation easement transactions comply with PG&E's Settlement Agreement and protect and enhance the Watershed Lands
- Negotiations underway on approximately 50 additional transactions



Regulatory Approvals

- PG&E has submitted 19 applications to FERC for establishment of conservation easements on lands within FERC license project boundaries. Thirteen applications have been approved to date.
- PG&E has submitted 29 Advice Letters to the CPUC; 22 have already been approved.





Land Transactions Completed

- Nine land donations with conservation easements or conservation covenants have been completed
- Ten conservation easements have been established on PG&E retained lands



Transaction Targets Through Dissolution

2017-
2019

- Continued focus on processing transactions

Q2
2020

- April 2020 – Watershed Planning Committee approves the release of the final set of Draft LCCPs for public comment

Q4
2020

- December 2020 – Stewardship Council Board approval of final LCCPs

Q4
2021

- Remaining land transactions completed and closed

Q2
2022

- Dissolution in 2022

**Timeline based on a variety of reasonable assumptions*



Grants for Watershed Land Enhancements

- In 2012, Stewardship Council launched a grant program for enhancement projects on PG&E watershed lands
- Grants support physical enhancements, studies, and enhanced land management
- Eligible grantees are fee title recipients and conservation partners



Status of Environmental Enhancement Program

- Approximately \$10 million awarded or allocated for projects ranging from habitat restoration to cultural resource protection, to recreational improvements.
- Additional grant awards will be made in 2018 for project proposals currently in development.

Hat Creek Enhancement Project



Hat Creek Enhancement Project

- Sponsors: Cal Trout, Pit River Tribe, Lomakatsi Restoration Project
- Habitat restoration, cultural resource protection, recreational improvement, and youth involvement



Hat Creek Enhancement Project



Youth Investment Program





Youth Investment Program

Connecting underserved California youth to the outdoors

- Park investments
- Support for outdoor programs
- Total PG&E ratepayer funding commitment \$30 million





Youth Investment Program 2006-2016

Collectively, the Stewardship Council and the non-profit we created in 2010 (Youth Outside) have awarded approximately \$17 million in grants for youth programs or park and other infrastructure projects serving over 300,000 youth in the PG&E service area





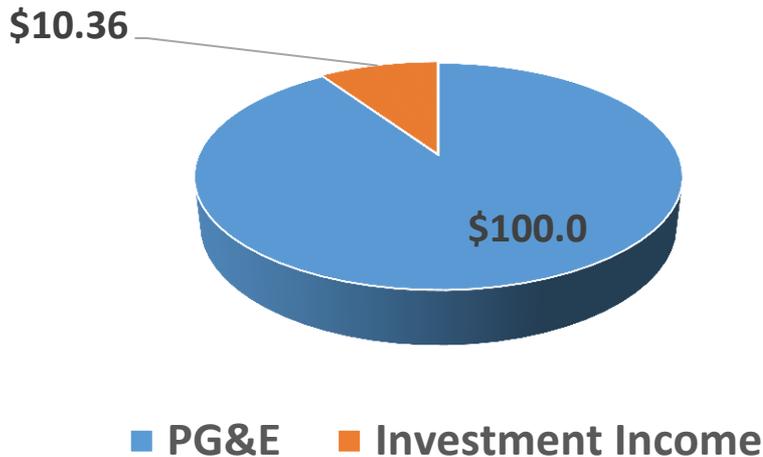
Youth Outside

- In 2013, the Stewardship Council transferred the remaining net assets of its youth investment program to Youth Outside seeking to continue our legacy of funding outdoor education programs.
- Youth Outside expends our funds and new funds it generates for grantmaking and other initiatives to build healthy lives and inspire future stewards of the planet.

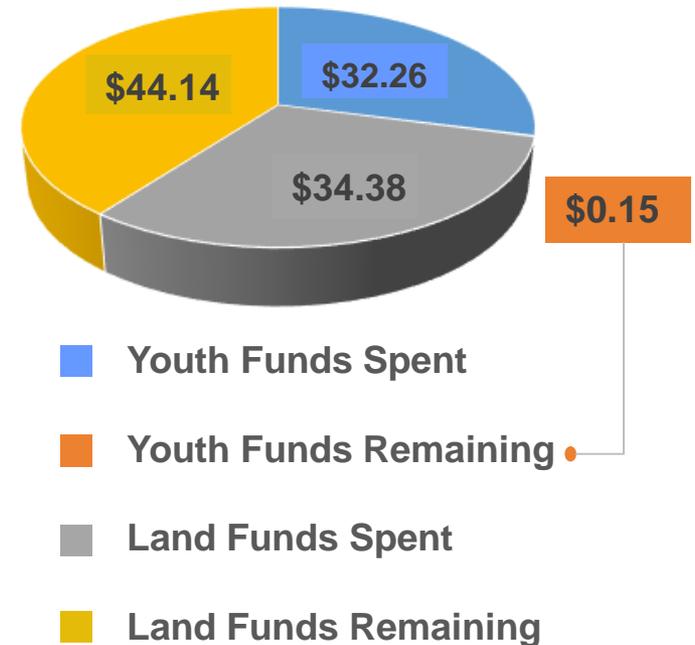


Funding Snapshot: \$100 Million from PG&E

Source of Funds
2004 through 2016
(\$ Millions)



Spent Funds
2004 through 2016
and Funds Remaining
(\$ Millions)





2016 Functional Expenses as of December 31, 2016

Category	Land Total	Youth Total	OH Total	Annual Total
Admin/Office Operations	276,602	2,167	125,257	404,026
Board/Public Meetings	18,896	525	5,743	25,164
Wages and Benefits	942,776	3,803	503,891	1,450,470
Contracted Services	508,968	137	16,635	525,740
Grant Awards	1,826,170	75,000	0	1,901,170
Capital Expenditures	0	0	0	0
Total Expenditures	3,573,412	81,632	651,526	4,306,570



2017 Budget Plan

Category	Land Total	Youth Total	OH Total	Annual Total
Admin/Office Operations	313,113	2,391	92,353	407,857
Board/Public Meetings	36,496	222	6,882	43,600
Wages and Benefits	988,166	9,457	452,897	1,450,520
Contracted Services	762,800	0	79,700	842,500
Grant Awards	4,505,000	100,000	0	4,605,000
Capital Expenditures	0	0	0	0
Total Expenditures	6,605,575	112,070	631,832	7,349,477



PG&E Watershed Lands

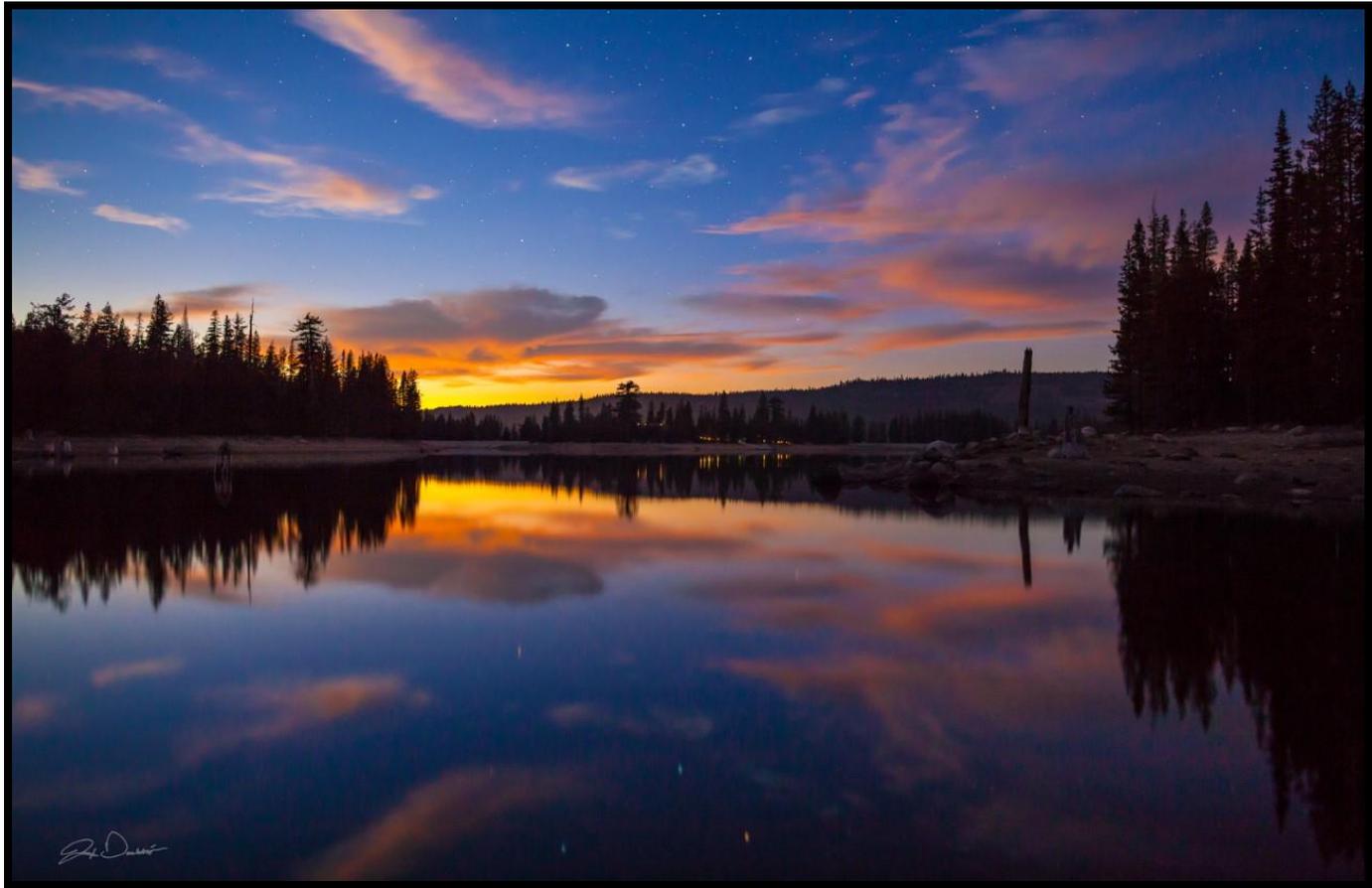


Photo by Joe Dondelinger



Regular Agenda – Management Reports and Resolutions

Item # 35 [15799]

**Pacific Forest and Watershed Lands Stewardship Council Biannual
Report to the California Public Utilities Commission**





Management Reports





The CPUC Thanks You For Attending Today's Meeting

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

**July 13, 2017 at 9:30 a.m.
in San Francisco, CA**

