



CPUC Public Agenda 3419
Thursday, July 12, 2018 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.”





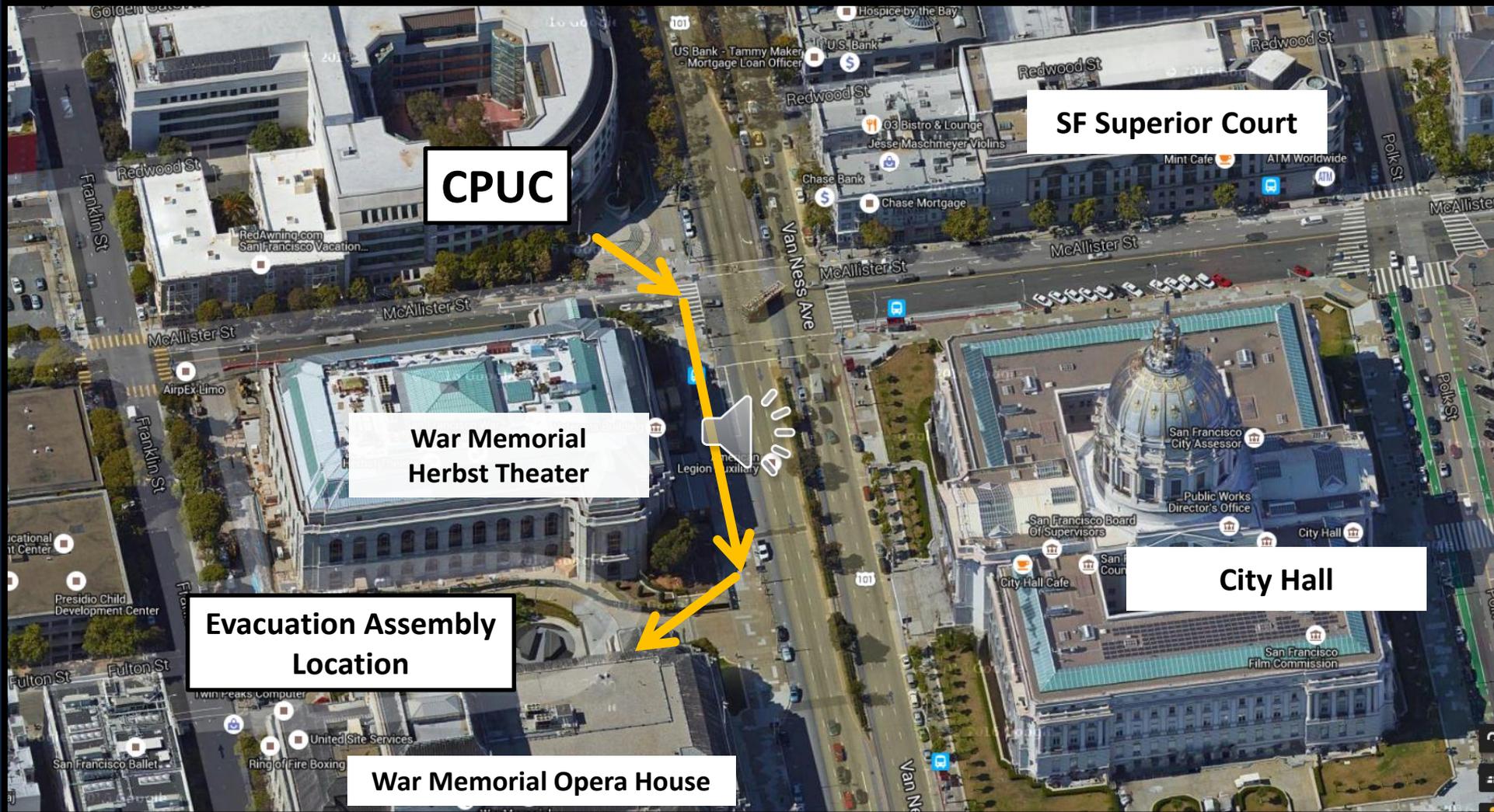
Emergency Evacuation

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:

- **13, 23, and 48**
- 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.
- A bell will ring when time has expired.
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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, 4, 5, 6, 8, 9, 11, 16, 19, 20, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 36, 39, 40, 41, and 42.**
- 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 50 and 57** from the Regular Agenda have been added to the Consent Agenda.
- Any Commissioner may request an item be removed from the Consent Agenda for discussion on the Regular Agenda prior to the meeting.
- **Items 14, 15, and 18** have been moved to the Regular Agenda.
- **Item 58** has been withdrawn.
- The following items have been held to future Commission Meetings:
 - Held to 7/26/18: **3, 12, 13, 17, 21, 47, 47A, 48, 51, 52, 53, 54, 55, and 56.**
 - Held to 8/9/18: **2, 7, 10, 45, and 45A.**





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- Orders and Resolutions

Item # 14 [16590] – Fiber-to-the-Home Network in Lytle Creek, San Bernardino County, from the California Advanced Services Fund’s Broadband Infrastructure Grant Account

Res T-17613

PROPOSED OUTCOME :

- Approves grant funding in the amount of \$1,458,886 from the California Advanced Services Fund (CASF) Broadband Infrastructure Grant Account for construction of a last-mile fiber-to-the-home network in the community of Lytle Creek. This project will make broadband available to 339 CASF-eligible households (\$4,304/household).

SAFETY CONSIDERATIONS :

- Greater broadband availability improves first-responders and citizens' abilities to use real-time information to mitigate the risks posed to Lytle Creek and the San Bernardino National Forest by natural disasters. Lytle Creek has been recognized as a community at risk by California Department of Forestry and Fire Protection, and the project area contains the Lytle Creek Ranger Station. This project will also help residents access important telehealth and education services, which benefit public safety.

ESTIMATED COST :

- \$1,458,886 from the CASF, which is funded by Communications Services ratepayers.





CALIFORNIA ADVANCED SERVICES FUND



Draft Resolution T-17613
Approving Frontier's Lytle Creek Project
July 12, 2018



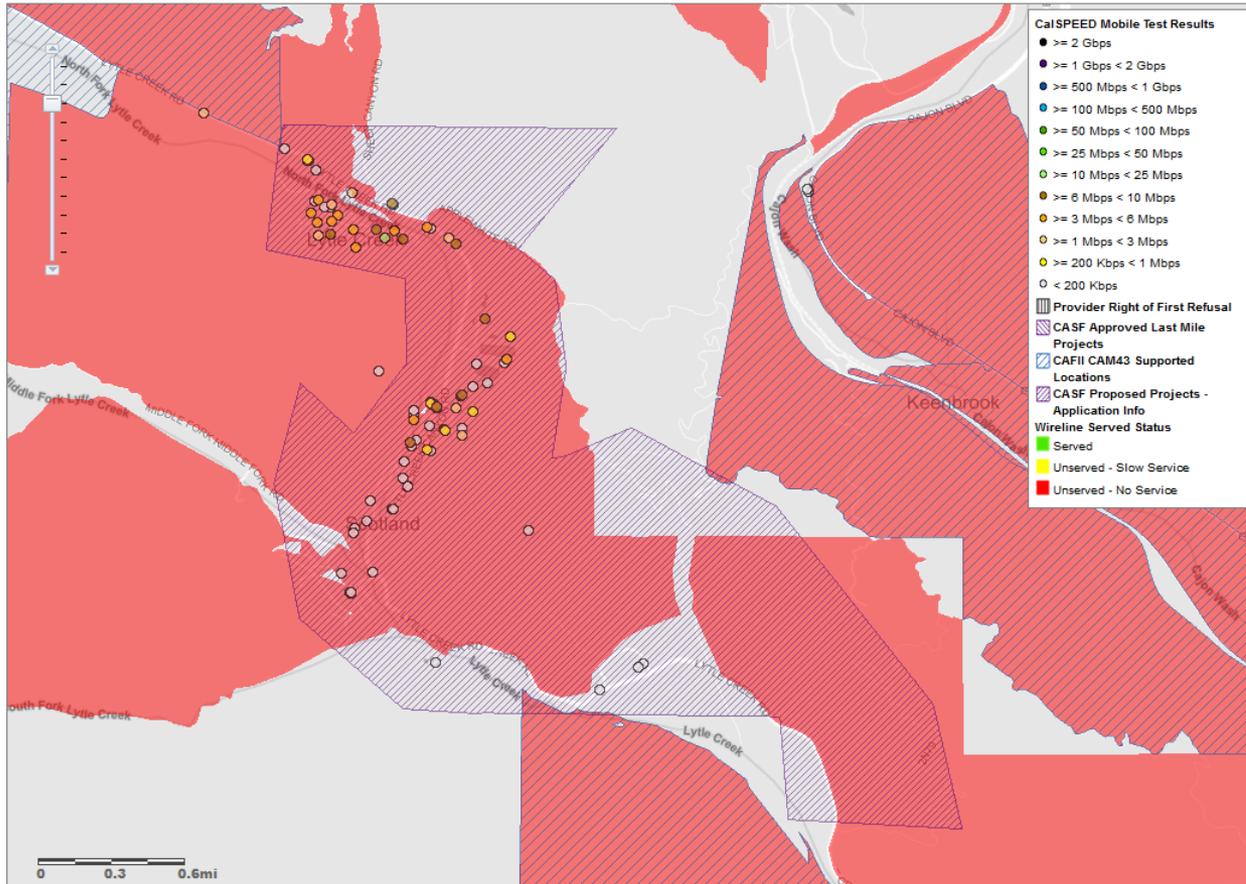


Summary of Draft Res. T-17613



California Interactive Broadband Map Data as of: 12/31/2016

Lytle Creek



- Filed Nov. 13, 2017
- Gigabit FTTH service to 339 households in San Bernardino National Forest
- Frontier Request: 100% of costs or \$1,823,607 (\$5,379/household)
- Staff Recommendation: 80% of costs or \$1,458,886 (\$4,304/household)
- Median Household Income: \$78,750





Funding Recommendation

Criteria	Lytle Creek
<p>Baseline Funding – 60% All CASF-eligible projects receive 60% funding, maintaining continuity with previous rules (D. 14-02-018 and T-17443).</p>	60% Funding
<p>Service Level Preference – 10% CASF projects in areas with only dial-up or no Internet service must receive preference, per Section 281(b)(2)(B)(i); this is consistent with previous rules.</p>	0% Funding Mobile service.
<p>Location and Accessibility – 10% As per Section 281(f)(13), “The Commission shall... consider... the location and accessibility of the area.”</p>	10% Funding Located in a canyon inside a National Forest
<p>Existing Infrastructure – 10% As per Section 281(f)(13), “The Commission shall... consider... the existence of communication facilities that may be upgraded to deploy broadband.”</p>	10% Funding Will use existing infrastructure.
<p>Significant Contribution – 10% As per Section 281(f)(13), “The Commission shall... consider... whether the project makes a significant contribution to achievement of the program goal.”</p>	0% Funding Not on High-Impact or High-Priority lists.
Total – 100% Available	80% Funding





Regular Agenda- Orders and Resolutions

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ESTIMATED COST :

- \$1,458,886 from the CASF, which is funded by Communications Services ratepayers.





Regular Agenda- Orders and Resolutions (continued)

Item # 15 [16592] – Infrastructure Project to Bring Broadband Service to the Community of Desert Shores in Imperial County, from the California Advanced Services Fund's Broadband Infrastructure Grant Account

Res T-17614

PROPOSED OUTCOME :

- Approves \$1,262,567 California Advanced Services Fund (CASF) grant application of Frontier California, Inc. for the Desert Shores last-mile broadband project. Project will provide gigabit-capacity infrastructure to Desert Shores. Project would also directly connect 596 unserved households and 1 Community Anchor Institution to last-mile Internet services capable of 1 Gbps throughput.

SAFETY CONSIDERATIONS :

- Greater broadband availability improves first-responders and citizens' abilities to use real-time information to mitigate the risks posed to Desert Shores by the natural disasters.

ESTIMATED COST :

- Would expend \$1,262,567 from CASF Infrastructure grant fund.





CALIFORNIA ADVANCED SERVICES FUND



Draft Resolution T-17614
Approving Frontier's Desert Shores Project
July 12, 2018



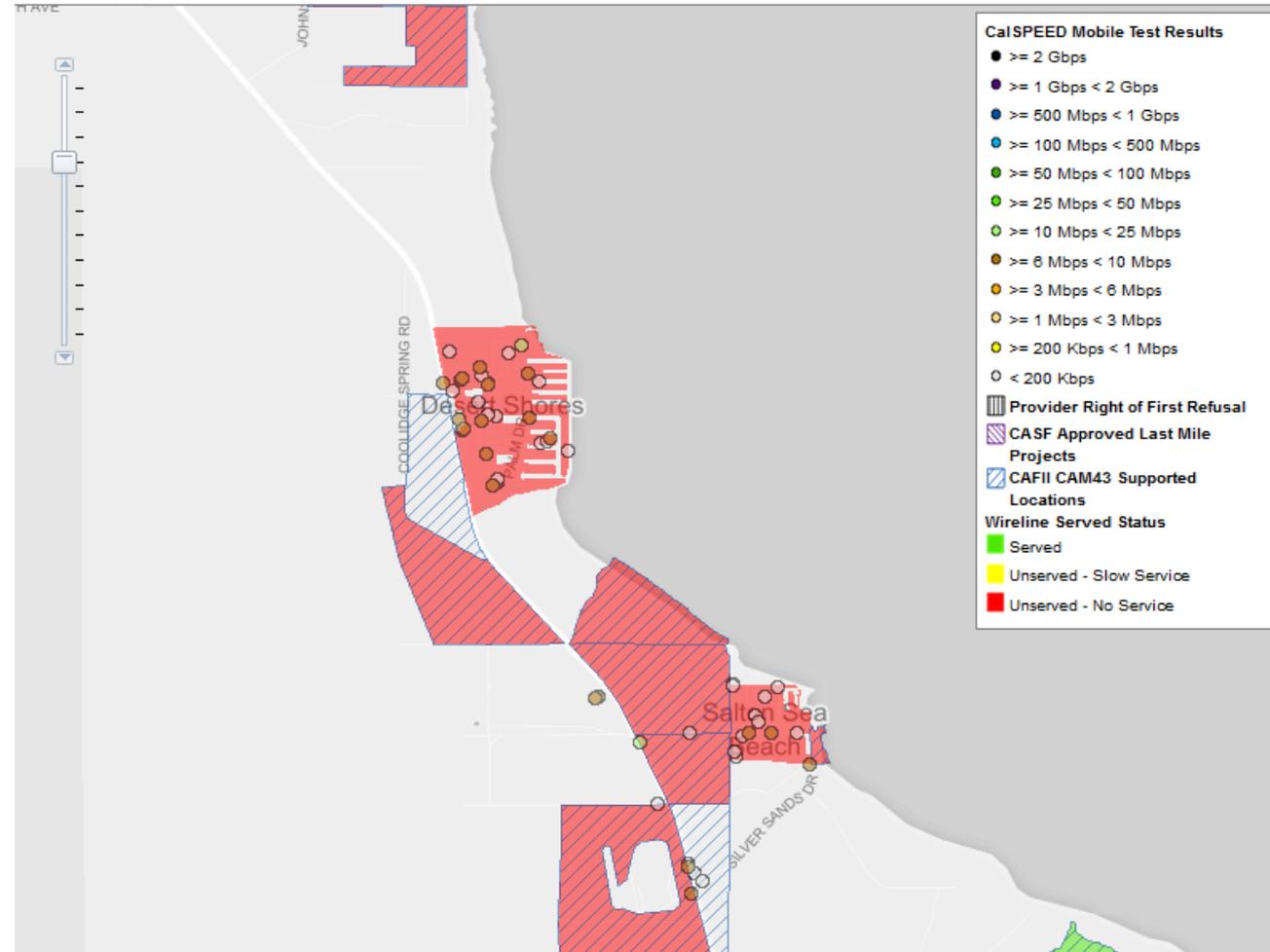


Summary of Draft Res. T-17614



California Interactive Broadband Map Data as of: 12/31/2016

Desert Shores



- Filed Feb. 21, 2018
- Gigabit FTTH service to 596 households in Imperial County (near Salton Sea)
- Frontier request: 100% funding or \$1,478,902 (\$2,481/household)
- Staff Recommendation: 90% funding or \$1,262,567 (\$2,118/household)
- Median Household Income: \$29,550





Funding Recommendation

Criteria	Desert Shores
<p>Baseline Funding – 60% All CASF-eligible projects receive 60% funding, maintaining continuity with previous rules (D. 14-02-018 and T-17443).</p>	<p>60% Funding</p>
<p>Service Level Preference – 10% CASF projects in areas with only dial-up must receive preference, per Section 281(b)(2)(B)(i); this is consistent with previous rules.</p>	<p>0% Funding Mobile service.</p>
<p>Location and Accessibility – 10% As per Section 281(f)(13), “The Commission shall... consider... the location and accessibility of the area.”</p>	<p>10% Funding Located in the Sonoran Desert, far from cities.</p>
<p>Existing Infrastructure – 10% As per Section 281(f)(13), “The Commission shall... consider... the existence of communication facilities that may be upgraded to deploy broadband.”</p>	<p>10% Funding Will use existing infrastructure.</p>
<p>Significant Contribution – 10% As per Section 281(f)(13), “The Commission shall... consider... whether the project makes a significant contribution to achievement of the program goal.”</p>	<p>10% Funding On High-Impact and High Priority lists.</p>
<p>Total – 100% Available</p>	<p>90% Funding</p>





Regular Agenda- Orders and Resolutions (continued)

Item # 15 [16592] – Infrastructure Project to Bring Broadband Service to the Community of Desert Shores in Imperial County, from the California Advanced Services Fund's Broadband Infrastructure Grant Account

Res T-17614

PROPOSED OUTCOME :

- Approves \$1,262,567 California Advanced Services Fund (CASF) grant application of Frontier California, Inc. for the Desert Shores last-mile broadband project. Project will provide gigabit-capacity infrastructure to Desert Shores. Project would also directly connect 596 unserved households and 1 Community Anchor Institution to last-mile Internet services capable of 1 Gbps throughput.

SAFETY CONSIDERATIONS :

- Greater broadband availability improves first-responders and citizens' abilities to use real-time information to mitigate the risks posed to Desert Shores by the natural disasters.

ESTIMATED COST :

- Would expend \$1,262,567 from CASF Infrastructure grant fund.





Regular Agenda - Energy Orders

Item # 43 [16329] – Approval of the Results of its Second Preferred Resources Pilot Request for Offers

A.16-11-002

Application of Southern California Edison Company for Approval of the Results of its Second Preferred Resources Pilot Request for Offers.

Ratesetting

Comr Peterman - Judge Miles

PROPOSED OUTCOME :

- Denies 19 purchase and sale agreement contracts totaling 125 MW in LA Basin/J-S Region due to lack of need in area, overlap with other Commission programs and determination that contracts are not cost effective.
- Closes the proceeding

SAFETY CONSIDERATIONS :

- None as a result of this decision.

ESTIMATED COST :

- Denial results in no cost impact to public.





Regular Agenda- Energy Orders (continued)

Item # 43A [16553] – President Picker's Alternate to Item 16329

A.16-11-002

Application of Southern California Edison Company for Approval of the Results of its Second Preferred Resources Pilot Request for Offers.

Comr Picker

PROPOSED OUTCOME :

- Approves Southern California Edison Company's (SCE) 19 purchase and sale agreement contracts totaling 125 megawatts of preferred resources in the LA Basin/Johanna A-Bank Substation and Santiago A-Bank Substation Region.
- Closes the proceeding.

SAFETY CONSIDERATIONS :

- The approval of these resources conforms with the safety requirements adopted by the Commission and the requirements SCE places on the counterparties

ESTIMATED COST :

- The cost of the purchase and sale agreement contracts is confidential. SCE estimates the incremental cost to be \$0.20/month per average residential customer on a diminishing scale for 20 years.





Regular Agenda- Energy Orders (continued)

Item # 44 [16629] – Order Instituting Rulemaking to Consider New Approaches to Disconnections and Reconnections to Improve Energy Access and Contain Costs

R. _____

Order Instituting Rulemaking to Consider New Approaches to Disconnections and Reconnections to Improve Energy Access and Contain Costs.

PROPOSED OUTCOME:

- Order Instituting Rulemaking is opened pursuant to Senate Bill 598 in order to address disconnection rates across California's electric and gas investor-owned utilities by adopting policies and rules that will reduce disconnections and improve reconnections processes and outcomes.

SAFETY CONSIDERATIONS:

- Promotes safety by increasing number of customers connected to the grid and able to use lighting, heating and other services and appliances.

ESTIMATED COST:

- To be determined.





Regular Agenda- Other Utility Orders

Item # 49 [16615] – Rulemaking to Develop Methods to Assess the Affordability Impacts of Utility Rate Requests and Commission Proceedings

R. _____

Order Instituting Rulemaking to Establish a Framework and Processes for Assessing the Affordability of Utility Service.

PROPOSED OUTCOME:

- Opens a rulemaking to examine affordability of utility services.

SAFETY CONSIDERATIONS:

- No direct safety considerations. May have potential indirect future safety benefit via more affordable utility services.

ESTIMATED COST:

- No direct cost. May have potential for future reductions in cost of utility service.





Regular Agenda- Water/Sewer Orders

Item # 46 [16644] – Order Instituting Investigation Into the Proposed Merger of SJW Group and Connecticut Water Service, Inc.

I. _____

Order Instituting Investigation on the Commission's Own Motion Into the Planned Merger Between SJW Group, Holding Company of San Jose Water Company, and Connecticut Water Service, Inc. and its Effect on California Ratepayers and the California Economy.

PROPOSED OUTCOME:

- Order Instituting Investigation is opened to determine whether the proposed merger between SJW Group, the holding company of CPUC-regulated investor owned water utility San Jose Water Company, and Connecticut Water Service, Inc. is subject to review, and if so whether the merger should be approved, denied, or made the subject of conditions. The review will examine whether the merger results in a change of control, direct or indirect, of San Jose Water Company, and if so the proposed merger's impact on ratepayers, the community San Jose Water Company serves, employees, safety, or other effects.

SAFETY CONSIDERATIONS:

- To the extent the merger could have an impact on the operation of San Jose Water Company, review will be designed to ensure no safety impact.

ESTIMATED COST:

- There are no cost associated with this decision.





Regular Agenda- Legal Division Matters

Item # 18 [16595] – Proposed Merger Transaction between San Jose Water Group and Connecticut Water Services, Inc

PROPOSED OUTCOME:

- Ratifications of the General Counsel's direction to San Jose Water Company and its holding Company SJW Group to file an Application with the Commission to allow for the Commission to review the proposed merger transaction between San Jose Water Company's holding company SJW Group and Connecticut Water Services, Inc. This review would determine, among other things, whether the transaction was subject to section 854(a) and whether or not it should be approved.

SAFETY CONSIDERATIONS:

- The Commission has jurisdiction to review utility and utility holding company financial transactions, including indirect changes of control, to ensure reasonable conduct of utilities in many areas, including safety.

ESTIMATED COST:

- Unknown.





The CPUC Thanks You For Attending Today's Meeting

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

**July 26, 2018 at 9:30 a.m.
in Sacramento, CA**

