



CPUC Public Agenda 3386
Thursday, October 13, 2016 9:30 a.m.
Long Beach, CA



Commissioners:
Michael Picker, President
Michel Peter Florio
Catherine J.K. Sandoval
Carla J. Peterman
Liane M. Randolph

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.





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:

- 17.
- 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.
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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, 2, 3, 5, 6, 7, 8, 10, 11, 12, 13, 14, 16, 17, 18, 19, 20, 21, 22, 23.
- 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 27 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 4, and 15 have been moved to the Regular Agenda.
- No Item has been withdrawn.
- The following items have been held to future Commission Meetings:
 - Held to **10/27/16**: 9, 25, 25a.
 - Held to **11/10/16**: 24.





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 # 4 [15124] – San Diego Gas & Electric Company Sycamore-Peñasquitos 230 Kilovolt Transmission Line Project

A14-04-011

In the Matter of the Application of San Diego Gas & Electric Company for a Certificate of Public Convenience and Necessity for the Sycamore- Penasquitos 230 Kilovolt Transmission Line Project.

Ratesetting

Comr Picker - Judge Yacknin

PROPOSED OUTCOME :

- Grants San Diego Gas & Electric Company a certificate of public convenience and necessity to construct the Sycamore-Peñasquitos 230 kilovolt Transmission Line Project.
- Closes the proceeding.

SAFETY CONSIDERATIONS :

- All safety considerations associated with project construction and operation, other than visual and noise impacts, are mitigated to less than significant with mitigation required by the decision.

ESTIMATED COST :

- The cost associated with this decision is \$259,670,632.





Regular Agenda – Energy Orders (continued)

Item # 15 [15182] – Commission Motion Ordering Forest Fuel Bioenergy Procurement Pursuant to Senate Bill 859, the Governor’s Tree Mortality Emergency Proclamation, and the Commission’s Other Legal Authority

Res E-4805

PROPOSED OUTCOME :

- Requires Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company to procure additional capacity from biomass facilities using specific forest fuel stocks.
- Permits the utilities to use specific processes for this procurement, to recover costs, and to allocate these costs to all customers.

SAFETY CONSIDERATIONS :

- This Resolution implements biomass provisions of Senate Bill 859 and the Governor’s Emergency Proclamation to address public safety and property from falling trees and wildfire.
- Renewable Auction Mechanism standard contracts contain Commission approved safety provisions. There are not any expected incremental safety implications associated with approval of this Resolution.

ESTIMATED COST :

- This Resolution is expected to result in additional energy procurement contracts which will lead to increased ratepayer costs. Actual costs are unknown at this time.





Item 15

Resolution E-4805



Commission Motion Authorizing Procurement from Bioenergy Facilities supplied from Forest Fuel High Hazard Zones pursuant to Senate Bill 859, the Governor's Tree Mortality Emergency Proclamation, and the Commission's other legal authority.

Energy Division

(October 13, 2016)



Presentation Overview

- Emergency Proclamation and SB 859
- Resolution Actions
- Revisions to Draft Resolution based on Comments





Emergency Proclamation

- Governor declared emergency on October 30, 2015 to address tree mortality in California
- Proclamation orders state agencies to undertake actions to address the emergency, including:
 - State agencies including CAL FIRE to identify “high hazard zones (HHZs) for wildfire and falling trees”
 - Commission to expedite contracts for new facilities that receive feedstock from HHZs through RAM and other programs
- Commission authorized 50 MW “BioRAM” in E-4770 in March 2016





SB 859

- Added Section 399.20.3 to the Public Utilities Code, to require:
 - The Commission to allocate 125 MWs between IOUs and POUs, for procurement by December 1, 2016.
 - Annual fuel minimums: 60% from HHZ, of 80% total from sustainable forest management, in 5 year contracts
 - Allows use of BioRAM authorized in E-4770 for IOUs' share of MWs
 - The Commission to ensure costs are allocated to all customers on nonbypassable basis





Resolution Actions

- Implements SB 859 and parts of the Emergency Proclamation to:
 1. Allocate 96 of 125 MWs to PG&E, SCE, and SDG&E, based on share of peak demand.
 2. Allow IOUs to use three pathways to buy MWs: The BioRAM authorized in E-4770, a new “BioRAM 2,” and/or bilateral contract negotiations.
 3. Order the IOUs to file Applications to create a new Tree Mortality Nonbypassable Charge to allocate costs, and to track costs in special memorandum accounts.





Revisions to Draft Resolution Based on Comments

	Draft Resolution
Cost Allocation	There were substantive, conflicting comments regarding the Tree Mortality Nonbypassable Charge. E-4805 was revised to order Applications so issues can be addressed in a formal proceeding.
Fuel Requirements	Revisions to E-4805 strictly adhere to statute: <ul style="list-style-type: none">• Per statute, any excess MWs bought from prior BioRAM will use prior fuel terms, which allowed fuel switching in specific conditions.• Revisions clarify that any MWs bought in new BioRAM 2 or via bilateral negotiations must adhere to minimums in SB 859.• Must also use “sustainable forestry” definitions and checklist from the BioMAT program, not broader terms.





Emissions considerations

- Emissions of forest bioenergy vs. open burning:
 - Research found substantial **air quality** benefits (98% NOX reductions) but much smaller **GHG** benefits (17% CO₂e reductions), and assumed it displaced natural gas.*
 - Assumes transportation of fuel is less than 40 miles.
 - If zero-carbon generation is displaced, relative GHG benefits are near zero, though air quality and fuel disposal benefits remain.
- For E-4805 and E-4770 procurement specifically:
 - Counts toward RPS obligations so offsetting other renewables and not gas.
 - Transportation likely greater than 40 miles. Fuel transportation emissions and fuel contract terms make GHG emissions benefits hard to estimate.

*"Emission reductions from woody biomass waste for energy as an alternative to open burning."

<https://www.ncbi.nlm.nih.gov/pubmed/21305889>





Regular Agenda – Energy Orders (continued)

Item # 15 [15182] – Commission Motion Ordering Forest Fuel Bioenergy Procurement Pursuant to Senate Bill 859, the Governor’s Tree Mortality Emergency Proclamation, and the Commission’s Other Legal Authority

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- Permits the utilities to use specific processes for this procurement, to recover costs, and to allocate these costs to all customers.

SAFETY CONSIDERATIONS :

- This Resolution implements biomass provisions of Senate Bill 859 and the Governor’s Emergency Proclamation to address public safety and property from falling trees and wildfire.
- Renewable Auction Mechanism standard contracts contain Commission approved safety provisions. There are not any expected incremental safety implications associated with approval of this Resolution.

ESTIMATED COST :

- This Resolution is expected to result in additional energy procurement contracts which will lead to increased ratepayer costs. Actual costs are unknown at this time.





Regular Agenda – Orders Extending Statutory Deadline

Item # 26 [15212] – Order Extending Statutory Deadline

A12-05-020

In the Matter of the Application of San Diego Gas & Electric Company for a Certificate of Public Convenience and Necessity for the South Orange County Reliability Enhancement Project.

Ratesetting

Comr Picker - Judge Farrar

PROPOSED OUTCOME :

- Extends the statutory deadline for completion of this proceeding until December 21, 2016.

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 # 28 [15189]

Report and Discussion on Recent Consumer Protection and Safety Activities





Regular Agenda – Management Reports and Resolutions

Item # 28 [15189]

Report and Discussion on Recent Consumer Protection and Safety Activities





Long Beach Area Electric Outages



Maryam Ebke
CPUC Safety Ombudsman & Deputy Executive Director

October 13, 2016





Overview

1. Reliability Reporting
2. 2015 Long Beach outage description
3. Staff investigation





Reliability Reporting

- Annual Reporting by Electric Utility Using National Reporting Standards
 - IEEE 1366-2012 , first adopted by electric industry in mid-2000s
 - CPUC posts Annual Reliability Report (www.cpuc.ca.gov)
 - <http://www.cpuc.ca.gov/General.aspx?id=4529>
- Each Utility Must Report to the Commission on the following:
 - Duration of Interruption for an average customer (SAIDI)
 - Frequency of Interruption for an average customer (SAIFI)
 - Average Duration per Interruption (CAIDI)
 - Frequency of Momentary Outages (MAIFI)
- In May 2016 the Commission issued a report reviewing the reliability of all three large electric utilities.
 - [Electric Reliability Report](#)
 - The report found that over the past 10 years reliability has improved systemwide.
 - Many of SCE districts showed improvement as well, but with some outlier districts, particularly in Los Angeles County, where reliability metrics indicate that reliable electric service has declined over the past ten years.





2015 Long Beach Outages

1. On July 15, 2015 at 3pm, SCE experienced a failure of its underground secondary network.
 - ~29,000 customers affected
 - Duration was up to 5 days (most residents were restored within the hour).
2. On July 30 at 4pm, SCE experienced a second failure on its Long Beach network.
 - 17,500 customers affected
 - Duration was up to 5 days (most were restored within 3 hours).

Impact: Electrical problems in SCE's system caused fires in underground structures, and explosions that lifted manhole covers into the air.





Staff Investigation and Report

- CPUC's Safety and Enforcement Division (SED) investigated the outages by conducting:
 - field visits, data requests, review of SCE records, and interviews
- Staff report focused on technical and emergency response.
 - Cause of the outages
 - SCE's communication with customers and public officials during the outage.
 - SCE's restoration efforts.

[Report available via 9/21/16
Scoping Ruling](#)

- July 2016, CPUC opened proceeding [I.16-07-007](#).





Regular Agenda – Management Reports and Resolutions

Item # 28 [15189]

Report and Discussion on Recent Consumer Protection and Safety Activities





Regular Agenda – Management Reports and Resolutions

Item # 29 [15190]

Management Report on Administrative Activities





Update on the Frontier Communications Corporation's Acquisition of Verizon CA



Michael C. Amato
Acting Director, Communications Division
California Public Utilities Commission

October 13, 2016





Overview of Acquisition

- Acquisition Specifics
 - In D.15-12-005 (December 9, 2015), the Commission approved the application of Frontier Communications and Verizon CA for the transfer of control and transfer of assets and certifications subject to conditions
 - Conditions, Settlements and Memoranda of Understanding were reached between Frontier and parties to the proceeding
 - Effective April 1, 2016 Frontier assumed control of Verizon California
 - Name change from Verizon CA to Frontier CA
 - New Customer Service Contacts





Frontier - Verizon CA Transition Process

- Transition Integration Process
 - Developed a joint cutover plan in February, 2015 for the transfer of processes/programs between the companies with a schedule of deliverables including access to data prior to closing
 - Conducted four pre-cutover “mock data exchanges” to test processes, validate and confirm successful transfer of data
 - Frontier retained the Verizon CA offshore customer call center





CPUC CAB Complaint Information Related to Verizon – Frontier Acquisition

	Phone Only	Phone plus Internet and/or Video	Internet and Video Only	Total Monthly
April	218	171	114	503
May	265	151	208	624
June	51	39	54	144
July	37	32	60	129
August	18	27	57	102
Sept	27	17	18	62

Total Service Complaints = 1564





Nature of Customer Transition Problems

- Outage Problems
 - VoIP customers lost dial tone
 - Customers do not usually know if their fiber service provides VoIP or traditional telephone service
 - Data customers lost broadband
 - Video on Demand (VOD) customers lost full access to library of movies
 - Data transfer issues
 - Frontier system unable to process certain codes
 - Inaccurate Customer Premise Equipment (CPE) records
- Customer Care Problems
 - Offshore customer call center did not effectively perform, e.g. failed to use the correct code for complaints, and enter service call appointments in the Frontier systems
- Customers affected
 - Frontier represented that about 1500 customers were impacted





Frontier Resolution of Complaints

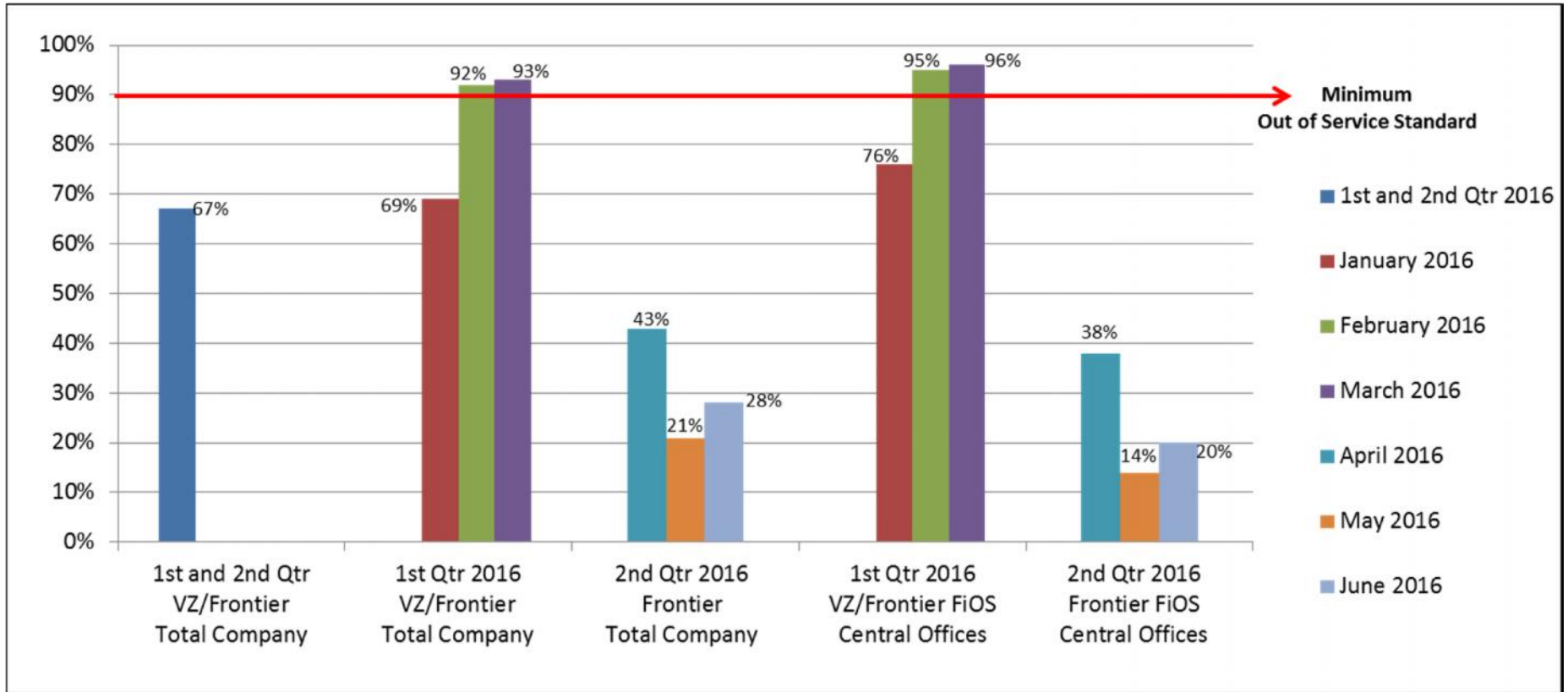
- Provisioned copper-based voice services to customers on an interim basis for service continuity;
- Established command centers to dispatch technician/personnel ;
- Set up separate 800 numbers for residential and business customers;
- Set up a ‘live chat’ channel on Frontier’s Contact Us website; and
- Set up an email account LetMelindaKnow@ftr.com to address transition issues
- Attended meetings with Local Agencies





PRE and POST ACQUISITION 2016

Comparison of Reported Out of Service Results for Verizon CA Total Company 1st - 2nd Q 2016 to Reported Out of Service Repair Results for Southern CA Central Offices Served by FTTH for 1st-2nd Q 2016



The OOS standard assesses the average time, in hours and minutes, that it takes to restore service to residential and small business customers. The minimum standard is to repair 90% of all outages within 24 hours. This measure excludes Sundays and federal holidays, as well as catastrophic events and widespread outages beyond a carrier's control.

Data Sources:

- Verizon California Total Company 1st – 2nd Quarter 2016 General Order 133-C Reports
- FiOS CO Data for 2016: Response to data request in I.14.05.012

Communications Division – October 6, 2016





Current Status

- Frontier reported that the following areas of concern have been addressed:
 - Installed system fixes to resolve data corruption/integrity
 - Recreated customer records to correct inaccuracies
 - Discontinued services of the offshore call center and call centers are now based in the U.S.
- Frontier is now operating in a business as usual mode.
- The Commission has included the Frontier –Verizon CA transition issues part of the Order Instituting Investigation I.14-05-012 on Call Completion and Access.
 - Public Participation Hearings/Workshops were held in Happy Camp, Guernerville, Calaveras, Long Beach, San Francisco, Visalia, and Santa Cruz FORM June through September 2016





Regular Agenda – Management Reports and Resolutions

Item # 29 [15190]

Management Report on Administrative Activities





Employee Recognition of CPUC Employees



Maryam Ebke
Deputy Executive Director
California Public Utilities Commission

October 13, 2016



- 25 Years of State Service

- **Adrienne Johnson**
- **Rosa Munoz**





Regular Agenda – Management Reports and Resolutions

Item # 29 [15190]

Management Report on Administrative Activities





Management Reports





The CPUC Thanks You For Attending Today's Meeting

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

**October 27, 2016 at 9:30 a.m.
in San Francisco, CA**

