



Presentation to Energy, Utilities & Communications Senate Oversight Hearing

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Timothy Sullivan
Executive Director
California Public Utilities Commission





Agenda

- ✓ Public Service Responsibilities
- ✓ Utility Regulation
- ✓ 2015 Highlights
- ✓ 2015 Safety Action Plan
- ✓ 2016 Safety Action Plan Update
- ✓ Operational Goals
- ✓ Accountability Efforts
- ✓ 2016 & Beyond
- ✓ 2016-2017 Operational Budget





Public Service Responsibilities

Access to Infrastructure

- ✓ Implement statutory programs to support universal telecommunication services
- ✓ Support broadband deployment programs to bridge the digital divide
- ✓ Implement income-qualified energy program (e.g. CARE)
- ✓ Provide consumer dispute resolution to minimize service cut-offs

Safety

- ✓ Conducts safety inspection of rail crossings
- ✓ Inspect electric and gas infrastructure
- ✓ Review regulatory filings for safety concerns
- ✓ Ensure compliance of water utilities to state and federal public health requirements
- ✓ Ensure access to telecommunication services to support public safety (e.g. 911)

Environment

- ✓ Implement water conservation regulation across privately-owned water companies
- ✓ Implement state laws to mitigate greenhouse gas emissions and increase use of cleaner energy resources
- ✓ Support efforts by sister agencies such as Air Resources Board and California Energy Commission

Regulation

- ✓ Review license applications by goods and passenger carrier companies
- ✓ Review and audit utility costs
- ✓ Review rate cases by small telephone companies
- ✓ Implement and administer new state laws on rideshare companies
- ✓ Conduct oversight to ensure compliance of state law by regulated utilities

Compliance with federal and state laws and subject to legislative oversight





Utility Regulation

Electricity: 11.5 million customers; 32,698 miles of transmission lines; 239,112 miles of distribution lines; more than 200 electric generation units

Natural Gas: 10.7 million customers; 103,000 miles of pipelines

Telecommunications: Oversee 1,220 communication licenses; voice line customers: 36.4 million wireless & 10.7 million wireline; Oversee 6 Universal Service programs:

- ✓ California Teleconnect Fund
- ✓ California Advanced Services Fund
- ✓ California LifeLine
- ✓ Deaf & Disable Telecommunications Program
- ✓ California High Cost Fund A (CHCF-A) and B (CHCF-B)

Water: 108 water and 13 sewer utilities serving about 15 percent of California's population.





2015 Highlights

The CPUC adopted 584 decisions

Statutory Implementation: 15 new pieces of legislation were implemented

The Commission implemented 7 energy related bills, 4 safety related bills, and 4 telecommunication related bills.

Enforcement Initiatives

- ✓ 259 Gas Incidents Investigated.
- ✓ 263 Electric Incidents Investigated.
- ✓ \$43 million of fines levied against telecommunication companies
- ✓ \$1,618 million of fines levied against energy companies

Policy Initiatives

- ✓ Over 1,770 MW of Renewable Generation Added.
- ✓ Statewide Broadband Availability continues to be 95%
- ✓ Water conservation by PUC regulated utilities exceed 25%





2015 Safety Action Plan

First Ever Safety Action Plan: The CPUC in 2015 established its first Safety Action Plan to improve and track its performance. In 2015 the CPUC set out to identify eight action items focused on the Safety & Enforcement Division.

1. Implement Enforcement Case Tracking and Program Performance Reporting (*Safety Compliance & Enforcement*)
2. Target Enforcement Policy and Delegation of Authority to Staff (*Safety Compliance & Enforcement*)
3. Implement CPUC Incident Command System (*Risk Management*)
- 4. Implement Staff “Safety Flag” System (*Risk Management*)**
5. Implement a Staff Cybersecurity Team (*Risk Management*)
6. Formalize Safety Advocacy and Advisory Roles (*Safety Policy*)
7. Require Applicants to Include Relevant Safety Information (*Safety Policy*)
8. Safety Awareness (*Safety Promotion*)





2016 Safety Action Plan Update

Assuring Safety: The CPUC will continue to improve on assuring the safety of utility service and integrating safety into each agency division's work by implementing the following 9 action items as part of the **2016 Safety Action Plan Update**.

1. Utility Pole En Banc (*Safety Policy*)
2. Administrative Law Judge Training (*Safety Policy*)
3. Industry Division Staff Training (*Safety Policy*)
4. Reorganization of Safety & Enforcement Division (*Safety Compliance and Enforcement*)
5. Staff Reports on Safety-Related Expenditures (*Risk Management*)
6. Safety Review in General Rate Cases (*Risk Management*)
7. Safety Intervenor Workshop (*Safety Promotion*)
8. Advanced Safety Seminar (*Safety Promotion*)
9. Building Strong Safety Capacity Through Collaboration and Coordination With Other State Agencies (*Safety Promotion*)

Web Link: <http://www.cpuc.ca.gov/general.aspx?id=7772>



Operational Goals

- ✓ Compliance and Engagement with California Government Oversight
 - Improve responsiveness to legislative and executive oversight by creating procedures to track correspondences

- ✓ Inculcation of Core Values of Accountability, Excellence, Integrity, Open Communications, and Stewardship
 - Develop agency-wide culture of accountability and open communication
 - Build capacity in administrative support functions

- ✓ Become a Learning Organization
 - Ongoing safety seminars led by academic researchers or post-docs working in safety management, risk assessment or policy analysis to conduct seminars in their areas of expertise. *(Note: this is Action Item #8 from 2016 Safety Action Plan Update)*

- ✓ Completing Strategic Plan





Accountability Efforts

- ✓ Annual Report written to demonstrate progress on legislative initiatives targeted for calendar year
- ✓ Compliance and Enforcement data base with individual responsibility for tracking and determining compliance
- ✓ Workflow management data bases for formal proceedings and tariff @ compliance filings
- ✓ Creation of a Risk and Compliance Officer reporting to Executive Director and tracking all audit responses and required reports
- ✓ Creation of an Internal Audit Unit
- ✓ Documentation and publishing of ex parte meetings with Commissioners and executive management
- ✓ Development of a new, more user-friendly CPUC website
- ✓ Development of an organization-wide strategic plan
- ✓ Increasing internal communications and employee engagement through newsletters, weekly executive director reports and surveys





For 2016 and Beyond

- ✓ Information Technology (IT) support for transportation inspection and licensing
- ✓ Safety Advocacy and Safety Action Plan Update
- ✓ Building a culture of learning and resiliency
- ✓ Improving engagement with the Legislature and other oversight bodies





2016-17 Governor's Budget CPUC Operations

Bottom line – *The CPUC's operational budget consists primarily of Funds 0462 and 6690. The majority of the proposed \$1.805 billion in the Governor's budget funds the statutory programs the CPUC administers such as California Lifeline and the Energy Public Purpose Programs, and these dollars are passed through to program participants.*

	Appropriation
CPUC State Operations Costs	\$142 M*
Regulation of Utilities (Fund 0462)	\$112 M
Regulation of Transportation (Fund 6690)	\$30 M

*Figure does not include administration costs associated with universal service telephone programs

