



CPUC Public Agenda 3349
Thursday, January 15, 2015 9:30 a.m.
San Francisco, 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.”





Safety and Emergency Information

- In the event of an emergency, please calmly proceed out the exits.
- We have four exits: Two in the rear and one on either side of the speakers.
- In the event that we do need to evacuate the building:
- **(For the Rear Exits)** - Head out through the courtyard, and down the front steps. Continue west on McAllister Street. Turn north onto Franklin Street. Turn west onto Turk Street and proceed to Gough Street.
- **(For the Side Exits)** - Go out of the exits and you will be on Golden Gate Avenue. Proceed west to Franklin Street. Turn north onto Franklin Street. Turn west onto Turk Street and proceed to Gough Street.
- Our assembly point is Jefferson Square Park on Turk and Gough Streets.





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.

The following items are NOT subject to Public Comment:

- Item: 6, 21, 22, 23, 24, 25
- 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, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, and 28.**
- 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: **30 and 34** 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.
- 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 1/29/15: **2 and 16.**





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 # 29 [13426] – Compensation to The Utility Reform Network

A11-05-017, A11-05-018, A11-05-019, A11-05-020 – Related Matters – Application of Southern California Edison Company for Approval of its 2012-2014 California Alternate Rates for Energy (CARE) and Energy Savings Assistance Programs and Budgets.

Ratesetting

Comr. Sandoval / Judge Kim

PROPOSED OUTCOME:

- Awards The Utility Reform Network for substantial contribution to Decision 12-08-044.

SAFETY CONSIDERATIONS:

- Substantial contribution by intervenors, as found here, enhances the Commission’s ability to resolve safety and other issues under Public Utilities Code Section 451 to take all actions “... necessary to promote the safety, health, comfort, and convenience of its patrons, employees, and the public.”

ESTIMATED COST:

- \$124,921.64, plus interest, to be paid by Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company.





Regular Agenda – Energy Orders

Item # 29a [13578] – ALTERNATE TO ITEM 13426

A11-05-017, A11-05-018, A11-05-019, A11-05-020 – Related Matters – Application of Southern California Edison Company for Approval of its 2012-2014 California Alternate Rates for Energy (CARE) and Energy Savings Assistance Programs and Budgets.

Ratesetting

Comr. Florio

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ESTIMATED COST:

- \$137,592.08, plus interest, to be paid by Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company.





Commissioners' Reports



Liane M.
Randolph





Regular Agenda – Commissioner Reports

Item #31 [13610]

President Michael Picker Report on Establishing Commissioner Subcommittees to Enhance Oversight and Governance

Discussion on proposals to create additional Commissioner-level subcommittees to improve the oversight and governance of the Commission.





Management Reports





Regular Agenda – Management Reports and Resolutions

Item #32 [13517]

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





Management Reports





Regular Agenda – Management Reports and Resolutions

Item #35 [13600]

Report by Internal Auditor, Carl Danner

Report on the results of the audit of the California Public Utilities Commission's Motor Pool by the Internal Audit Unit.





Internal Audit of the Motor Pool



Carl Danner
Chief Internal Auditor

California Public Utilities Commission

January 15, 2015





Presentation Overview

- Introduction to Internal Audit
- Background: Why the motor pool?
- Audit Procedures / Results:
 - Administration and Inventory
 - Maintenance / Record Keeping
 - Vehicle Inspections
- Recommendations / Next Steps





Internal Audit Unit of the CPUC (1)

- The Internal Audit unit was announced on December 11, 2013 “to help the CPUC modernize and improve its management processes and strategic performance.”
 - i.e., a focus on **internal** CPUC management.
- Carl Danner rejoined the CPUC in 2014 to lead the group, currently staffed by Benjamin Schein and Gina Adams. Prior IA staff member Devla Singh also assisted in this audit.
- Internal Audit reports to the Audit Subcommittee of the Commission (during 2014, comprised of President Peevey and Commissioner Picker).





Internal Audit Unit of the CPUC (2)

- Two other internal audits have been started (Workforce Planning and Emergency Preparedness), and a third has been authorized (Document Management and Retention).
- An initial organizational risk assessment has also been completed, along with other consulting and analysis work (e.g., intervenor compensation claim process improvement).





Background: Why the motor pool?

- CPUC staff raised concerns about the safety and maintenance of agency motor pool vehicles.
- Motor pool vehicles are provided by the Department of General Services and maintained by the CPUC.
- Vehicles are a safety responsibility in themselves, and also critical to the agency's safety mission:
 - Rail safety, gas safety, and transportation enforcement all rely heavily on pool vehicles (e.g., 4 wheel drive to investigate accidents and hazards in remote locations).
 - Our employees need proper tools to work safely and effectively.
- CPUC Administrative Services (AS) and Safety and Enforcement Division (SED) provided assistance and cooperated fully in the audit.





Motor Pool Basics

The CPUC's motor pool vehicles are assigned in the following manner:

- Locations:
 - Los Angeles – 44
 - Sacramento – 28
 - San Francisco – 22
- Assignments:
 - Individuals – 53
 - Pool/Programs - 41

- Divisions:
 - **SED – 78**
 - Non-SED – 16

Motor pool vehicles are a key tool for our safety staff in the field.





Testing Methodology

The audit examined three aspects of CPUC motor pool fleet management:

- Step 1: Administration and Inventory
 - Do we have an accurate record of the vehicles we maintain?
- Step 2: Maintenance / Record Keeping
 - Are required maintenance checks being performed, and appropriate records kept?
- Step 3: Vehicle Inspection
 - Are the vehicles in good working order?





1. Administration and Inventory: Audit Procedures

- Internal Audit reviewed the accuracy and completeness of the inventory of vehicles as of December 31, 2013.
- We reviewed the certification of CPUC drivers under the state Defensive Driving Training program.
- We reviewed the CPUC's tracking system, "Fleet VIP Pro."
- We also received further input from staff, including safety and other concerns.





1. Administration and Inventory: Findings

- Errors in the inventory listing were found for 24 vehicles (missing information, incorrect vehicle listings, outdated names of employees to whom the cars were assigned).
- There is no system to verify that employees driving on State business are up to date on the State Defensive Driving training course (required every four years).
- The maintenance tracking software is of limited value and does not meet the CPUC's needs.
- Emergency contact information in some vehicles is outdated and they lack safety kits (flares, emergency supplies, etc.).
- We received a staff complaint about an unsafe vehicle due to heavily-tinted rear windows. AS returned the vehicle to DGS.





2. Maintenance / Record Keeping: Audit Procedures

- As part of our testing, we requested all maintenance records for all vehicles.
- Internal Audit developed spreadsheet checklists based on DGS's required maintenance items (OFA 35) and those inspections recommended by the manufacturers in owner's manuals.
 - An example is located at Appendix C of the report.
- All CPUC vehicle service invoice records we received were entered into these spreadsheets to determine if required maintenance was being performed.





2. Maintenance / Record Keeping: Findings

- Of the original 94 vehicles in the inventory listing:
 - 31 vehicles had a complete history of repair invoices, although 8 were received used from DGS and did not have invoices covering their early history.
 - 30 vehicles had minimal documentation, usually one oil change receipt or smog check invoice. None of the documentation in this category was older than 2013.
 - 33 vehicles had no repair invoice documentation at all.





2. Maintenance / Record Keeping: Findings (cont.)

- Among the shops where CPUC vehicles were serviced, only ATI in San Francisco was performing all checks required by the DGS maintenance standard (OFA 35).
- With the exception of air filters and tire rotations, further maintenance checks recommended by the manufacturers were not performed at all.
- Also performed sporadically, at most:
 - Reporting of brake linings and tire pressures;
 - Smog checks.
- Some 6,000 mile checks were performed too often.





3. Vehicle Inspections: Audit Procedures

- We solicited bids from DGS-approved garages to conduct a multi-point inspection for all vehicles:
 - Inspections took place in San Francisco, Los Angeles and Sacramento.
 - To assure safety, all vehicles were inspected.
- Each inspection item (e.g., brakes, tires, fluids, etc.) was rated as either good/excellent, acceptable, or deficient.
- In addition, the mechanic was asked to determine if the vehicle was safe to drive without major repairs.





3. Vehicle Inspections: Findings

- The vehicle inspectors rated the vehicles on a 32-point inspection report as follows:

San Francisco

- **Good/Excellent – 94.89%**
- Acceptable – 3.41%
- Deficient – 1.70%

Sacramento

- Good/Excellent – 82.75%
- Acceptable – 14.00%
- Deficient – 3.25%

Los Angeles

- Good/Excellent – 78.13%
- Acceptable – 20.86%
- Deficient – 1.01%

Administrative Services staff oversight helped San Francisco perform better.





3. Vehicle Inspections: Findings (cont.)

- Four vehicles were deemed unsafe to drive without immediate repairs:
 - 2001 Toyota Prius (E1080267) located in San Francisco was recommended to have all tires replaced due to excessive wear.
 - 2008 Chevrolet Colorado (E1295323) located in Los Angeles was deemed unsafe due to rear brakes worn beyond repair. The repairs were done on the spot.
 - 2008 Chevrolet Silverado (E1263825) located in Los Angeles was deemed unsafe due to brake wear. We are pending on documentation to prove the repairs were made.
 - 2008 Chevrolet Impala (E1295081) located in Los Angeles was recommended to have all tires replaced due to excessive wear.





3. Vehicle Inspections: Findings (cont.)

- Beyond immediate safety concerns, inspections revealed many deficiencies in the vehicles at all three locations.

- Battery failing load test
- Replace tires due to excessive wear
- CV boot leaking
- Transaxle fluid leak
- Moderate brake pedal pulsation
- Too much play in wheel bearing
- Weak parking brake
- Corroded battery cable clamp
- Discolored transmission fluid
- Replace lug nuts
- Cracked serpentine belt

- Struts are seeping and worn
- Brake pads need replacing
- Shocks are leaking and worn
- Transfer case is seeping oil
- Replace drive belt (cracked)
- Brake lights not working
- Worn seat belt
- Side mirror is taped on
- Missing hubcaps
- Check anti-lock brake system
- Replace all brakes





Recommended Next Steps

- SED and AS management should review all inspection reports and commit to making repairs where needed, or consider returning vehicles to DGS if the repairs would be uneconomical.
- AS should consider establishing an improved vehicle maintenance system to ensure safe and economical management of our motor pool fleet.
 - Internal Audit has offered to assist as needed.
- We will conduct a follow-up audit during 2015 to review progress in administration, maintenance and record keeping.





Management Reports





Regular Agenda – Management Reports and Resolutions

Item #36 [13601]

Report by Internal Auditor, Carl Danner

Adoption of a formal Audit Charter to govern how Internal Audit operates.
This item is for Commission consideration and vote.





Management Reports





The CPUC Thanks You For Attending Today's Meeting

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

**January 29, 2015 at 9:30 a.m.
in San Francisco, CA**

