

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

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

Rulemaking 18-07-006

**ASSIGNED COMMISSIONER'S SECOND AMENDED  
SCOPING MEMO AND RULING**

This amended scoping memo and ruling sets forth the category, issues to be addressed, and schedule of the second phase of this proceeding pursuant to Public Utilities (Pub. Util) Code Section 1701.1 and Article 7 of the Commission's Rules of Practice and Procedure. This amended scoping memo also extends the statutory deadline for this proceeding to December 31, 2021.

**1. Procedural Background**

On July 12, 2018 the California Public Utilities Commission (Commission) instituted this rulemaking to develop a common understanding and methods and processes to assess, consistent with Commission jurisdiction, the impacts on affordability of individual Commission proceedings and utility rate requests. Comments on the Order Instituting Rulemaking (OIR) were filed by several parties on August 13, 2018. A prehearing conference (PHC) was held on October 12, 2018 to discuss the issues of law and fact and determine the need for hearing and schedule for resolving the matter. After considering the comments on the OIR and discussion at the PHC, an assigned Commissioner's Scoping Memo and Ruling (scoping memo) was filed on November 19, 2018.

On January 22, 2019, a workshop was held in this proceeding to explore definitions and metrics for affordability. Commission staff from various

industry divisions made presentations on different approaches the Commission has previously taken to address and measure affordability. Experts on affordability issues also made presentations regarding defining and measuring affordability. Participants were invited to participate in one of three smaller breakout discussion groups: (1) defining affordability and essential service, (2) identifying metrics and data sources to measure affordability and determine essential service, and (3) usefulness/application of the affordability framework. Subsequently, rulings were issued by the assigned Administrative Law Judge (ALJ) seeking comment from parties on presentations made at the January 22, 2019 workshop and on a staff proposal to address the issues within the scope of the proceeding as identified by the scoping memo. Party comments on the workshop presentations and the staff proposal were received in May and August 2019, respectively.

An Amended Assigned Commissioner's Scoping Memo and Ruling (amended scoping memo) was issued on November 8, 2019 to revise the schedule for the remainder of the proceeding and clarify the nature of the services within the scope of this proceeding. An ALJ ruling served on January 27, 2020 sought party comment on a revised staff proposal addressing the issues within the scope of this proceeding. Party comments on the revised staff proposal were filed on February 21, 2020 and reply comments were filed on March 6, 2020. A proposed decision addressing issues within the original scope of this proceeding was served on June 4, 2020.

After considering the revised staff proposal and party comments on the revised staff proposal, I have determined that a second phase of this proceeding is warranted. The issues and schedule of the second phase proceeding are set

forth in this Second Amended Assigned Commissioner's Scoping Memo and Ruling (second amended scoping memo).

## **2. Issues**

The issues to be determined in the second phase of this proceeding are:

1. How to implement the affordability metrics and methodologies adopted by the Commission in this proceeding;
2. How to forecast variables used to calculate the affordability metrics;
3. How to set proxy values for essential utility service cost data that are unavailable;
4. Determining the appropriate procedural pathways for implementation of the affordability metrics generally (*i.e.*, how broadly and in which proceedings to incorporate the metrics as well as the process used to publish information);
5. How to design and publish an annual Affordability Report;
6. How to refine methodologies for calculating the affordability metrics, including the potential consideration of other nondiscretionary expenses;
7. Determining interactions between the affordability metrics and the rate and bill tracker tool under development by the Commission's Energy Division;
8. How to coordinate ongoing data requests for information related to the affordability metrics;
9. How to develop and maintain tools for calculating the affordability metrics;
10. How to make the measurements of the affordability metrics publicly available and accessible;
11. How to best ensure coordination with the Disconnections OIR (R.18-07-005) and this OIR; and
12. How to incorporate any approved essential usage study from Application (A.) 19-11-019.

### **3. Need for Evidentiary Hearing**

As found in the scoping memo and amended scoping memo, this second amended scoping memo affirms the Commission's preliminary determination that evidentiary hearings are not needed. As stated in the OIR, the Commission intends to conduct this proceeding using notice and comment Rulemaking procedures. This does not preclude a party from requesting an evidentiary hearing in the future if material disputed facts are discovered during the pendency of this proceeding.

### **4. Schedule**

A general schedule of expected Phase 2 events is outlined below. Revisions to this schedule may be adopted in a future ruling issued by the ALJ assigned to this proceeding. A Commission decision resolving the issues in the second phase of this proceeding is expected by December 2021.

Furthermore, the Commission's Energy Division, Water Division, and Communications Division have the authority to schedule substantial workshops in the second phase of this proceeding without the need to issue a ruling, and the service list will be alerted to any such workshops that are scheduled at least 10 days in advance.

Event	Date
Initial Annual Affordability Report	Q4 2020
Informal Workshop with Interested Parties on Forecasting, Proxy Bills, and Other Refinements	January 2021
Further workshop(s) as needed	TBD
Staff proposal(s) as needed	TBD
Staff Proposal on Implementation Issues [TENTATIVE]	April 2021 [TENTATIVE]
Workshop on Staff Proposal [TENTATIVE]	April 2021 [TENTATIVE]
Opening Comments on Staff Proposal [TENTATIVE]	45 Days After Staff Proposal Served [TENTATIVE]
Reply Comments on Staff Proposal [TENTATIVE]	60 Days After Staff Proposal Served [TENTATIVE]
Proposed Decision	Q4 2021

Based on this initial schedule, the proceeding will not be resolved within 18 months as required by Pub. Util. Code § 1701.5. Additional time is needed to further consider how to implement the affordability methodologies and metrics adopted by the Commission. The statutory deadline for this proceeding is therefore extended up to and including December 31, 2021.

#### **5. Category of Proceeding/*Ex Parte* Restrictions**

This ruling confirms the Commission's preliminary determination and the scoping memo's determination that this is a quasi-legislative proceeding. Accordingly, *ex parte* communications are permitted without restriction or reporting requirement pursuant to Article 8 of the Commission's Rules of Practice and Procedure.

#### **6. Oral Argument**

Unless comment is waived pursuant to Rule 14.6(c)(2) for granting the uncontested relief requested, motion for oral argument shall be by no later than the time for filing comment on a proposed decision.

## **7. Public Outreach**

Pursuant to Pub. Util. Code § 1711(a), I hereby report that the Commission sought the participation of those likely to be affected by this matter by noticing it in the August 2018 edition of the Commission's monthly "Working for California" newsletter that is served on communities and businesses that subscribe to it and posted on the Commission's website. The Commission's Business and Community Outreach Office also sent an information release and link to the proceeding to approximately 2,500 contacts statewide, including local government (*e.g.*, county supervisors, city managers, mayors, and public works directors in the state), community-based organizations, and media.

In addition, the Commission served the OIR on certified Community Choice Aggregators; service lists of 32 energy, water, and telecommunications proceedings; the Governor's Office of Planning and Research; the California Energy Commission; the California Air Resources Board; the Department of Water Resources; and the State Water Resources Control Board.

## **8. Intervenor Compensation**

As there are new issues considered in this second amended scoping memo, a customer who intends to seek an award of compensation shall, pursuant to Pub. Util. Code Section 1804(a)(1), file and serve a notice of intent to claim compensation no later than 30 days after this second amended scoping memo is filed.

## **9. Public Advisor**

Any person interested in participating in this proceeding who is unfamiliar with the Commission's procedures or has questions about the electronic filing procedures is encouraged to obtain more information at <http://consumers.cpuc.ca.gov/pao/> or contact the Commission's Public

Advisor at 866-849-8390 or 415-703-2074 or 866-836-7825 (TTY), or send an e-mail to [public.advisor@cpuc.ca.gov](mailto:public.advisor@cpuc.ca.gov).

**10. Service of Documents on Commissioners, Their Personal Advisors, and the Administrative Law Judge**

Rule 1.10 requires only electronic service on any person on the official service list, other than the ALJ.

When serving documents on Commissioners or their personal advisors, whether or not they are on the official service list, parties must only provide electronic service. Parties must NOT send hard copies of documents to Commissioners or their personal advisors unless specifically instructed to do so. Similarly, parties must NOT send hard copies of documents to the ALJ.

**11. Assignment of Proceeding**

Clifford Rechtschaffen is the assigned Commissioner and Patrick Doherty is the assigned Administrative Law Judge for the proceeding.

**IT IS RULED** that:

1. The scope of this proceeding is described above.
2. The schedule of this proceeding is as set forth above.
3. Evidentiary hearings are not needed.
4. The category of the proceeding is quasi-legislative.

Dated June 9, 2020, at San Francisco, California.

/s/ CLIFFORD RECHTSCHAFFEN  
Clifford Rechtschaffen  
Assigned Commissioner