

Rulemaking 14-03-002 March 13, 2014

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Implement Registration of Third Party Natural Gas Procurement Service Providers, Known as "Core Transport Agents," pursuant to Public Utilities Code Sections 980-989.5 to Regulate non-rate matters, including Registration Standards, Complaint Resolution Practices, and Minimum Standards of Consumer Protection.

FILED
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RULEMAKING 14-03-002

ORDER INSTITUTING RULEMAKING

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Attachment A: Senate Bill No. 656

Attachment B: Core Transport Agent Registration Application Form

ORDER INSTITUTING RULEMAKING

1. Introduction

We open this rulemaking to establish standards and procedures necessary to comply with the newly-adopted consumer protections for natural gas customers set forth in Senate Bill (SB) 656.¹ SB 656 established a regulatory framework for Core Transport Agents (or CTAs). CTAs allow residential and small commercial end-use customers (otherwise referred to as “core customers”) to buy their natural gas directly from third-party gas suppliers. The new law extends various consumer protections currently in place for customers who purchase electricity directly from third-party electrical suppliers to core gas customers.

While the scope of this rulemaking will include all issues related to implementation of SB 656, our initial focus will be to develop and adopt standards of fiscal, technical, and operational capability for use in registering CTAs with the Commission. Next, we will consider and adopt procedures for both formal and informal resolution of CTA customer complaints and rules for enforcing minimum standards of CTA consumer protection, including any standards the Commission deems reasonable to add under Pub. Util. Code Section 985(h).² Last, we must create and adopt a standard format by which CTAs will provide potential customers with a clear description of their price, terms, and conditions of service.

¹ Stats. 2013, Ch. 604, a copy of the bill is included as Attachment A.

² All statutory references are to the Pub. Util. Code unless otherwise stated.

Within 30 days of this issuance of this Order Instituting Rulemaking, parties are encouraged to file responses to the issues and questions presented in this decision.

2. Background

In the early 1990's the Commission issued a series of decisions effectively deregulating the natural gas procurement market. Two of those decisions, Decision (D.) 90-11-061, which established a pilot gas aggregation program, and D.91-02-040, offered core gas customers the opportunity to aggregate their loads in order to participate in competitive gas markets. This decision paved the way for the birth of the core gas aggregation industry and a new class of third-party gas service providers called Core Transport Agents, or CTAs. CTAs are entities which procure natural gas on behalf of a group of customers, and then arrange for transportation of the gas by utilities and pipeline companies. D.91-02-40 allowed CTAs to market natural gas procurement service to core gas customers, offering utility customers an alternative to utility natural gas procurement service.

Until Senate Bill (SB) 656 was signed, the Commission did not have jurisdiction over CTAs. CTAs were held to the standards of conduct set forth in the CTA's Service Agreement contracts with the utility. Pacific Gas and Electric Company's (PG&E) Gas Rule 23, Southern California Gas Company's (SoCalGas's) Rule 32, and San Diego Gas & Electric Company's (SDG&E's) Gas Rule 32 each describe application requirements, rules for establishment of credit, billing process options, and customer protection measures. The utility rules also provide the utilities with the right to terminate service if CTAs are found to be in violation of the utility's customer protection policies. However, it has been the Commission's experience that disgruntled CTA customers were

often advised to contact the Commission – despite its lack of jurisdiction – or to take the matter up in the judicial court system. Neither of these options provided an easy path to customer complaint resolution. Moreover, in the event that an unsatisfied customer could not resolve their complaint and sought to leave CTA service, the utility rules stipulate that customers are not allowed to return to utility service within the first year of electing CTA service. This leaves CTA customers in a difficult situation in which they are forced to choose another CTA from which to purchase gas from since they cannot return to the utility.

This deficiency in enforcing CTA accountability has largely been brought to the attention of the Commission by a growing number of customers utilizing Core Gas Aggregation service. CTA growth has been concentrated in the PG&E service territory, where there are now nearly 280,000 customers on CTA service. The Commission has seen a significant increase in complaints regarding CTAs' aggressive sales tactics. The issue of misleading and belligerent sales tactics has also become prominent enough to receive attention in the television news media³. Furthermore, these sales tactics appear to be disproportionately focused on California Alternative Rates for Energy (CARE) customers. CARE customers have a household income at or below 200% of the federal poverty level and are more likely than the non-CARE population to have limited proficiency in English. CARE households are also more likely to include a member with a disability. According to the results of a recent Energy Division data request, the

³ KPIX 5 television broadcast:

<http://sanfrancisco.cbslocal.com/2013/06/20/consumerwatch-new-bay-area-energy-firm-draws-complaints/>

percentage of CARE customers receiving CTA service was nearly three times greater than that of non-CARE customers in PG&E's service territory.

With the passage of SB 656, Commission jurisdiction over CTAs⁴ is now set forth in §§ 980 through 989.5. Under the law, CTAs must register with and provide specific information to the Commission. The law now requires the Commission to create and implement a CTA registration program; to resolve customer complaints and award reparations; and to implement and maintain certain minimum standards of consumer protection. The Commission has the authority to suspend or revoke a registration if a CTA makes material misrepresentations or commits fraud.

The law also requires the Commission to issue public alerts about potential fraud and to post informational guides and other tools on its website to assist customers in understanding their core gas aggregation options.

The statutes however, do not provide the Commission with authority to regulate the rates or terms and conditions of service offered by CTAs.

3. Discussion

SB 656 mandates that the Commission adopt several new standards and procedures to regulate CTAs. The law sets forth a deadline of June 30, 2014, by which the Commission shall propose uniform registration standards for a CTA's

⁴ In this decision, we refer to the entities subject to the new regulations of SB 656 as "Core Transport Agents" or "CTAs". While the terms used to describe these entities vary throughout the energy industry, and are often used interchangeably, it should be noted that for the purposes of this Order Instituting Rulemaking (OIR) we use "CTA" or "Core Transport Agent" to describe the entities defined as a "Core transport agent" by new Pub. Util. Code Section 980(b). The rules set forth by this proceeding shall apply to all entities falling under the definition of Section 980(b), regardless of the terminology which has been applied to the entity elsewhere.

financial, technical, and operational capability. Therefore, in the initial phase of this OIR we will propose explicit standards for registration, but will not describe in detail proposed rules or procedures addressing complaint resolution, minimum standards for consumer protection, or formatting of terms and conditions notices. These broad topics will, however, be included in the preliminary scoping memo and will be addressed in a later phase of this proceeding.

3.1. Registration Standards

Sections §§981 (a)(9) and 981 (a)(10) provide that the Commission shall publish proposed uniform standards of financial, technical and operational capability for public comment by June 30, 2014. SB 656 borrows heavily from the language of §§ 394-396.5. These code sections were added by SB 477, which was intended to bolster consumer protections for customers of Energy Service Providers (ESP). Since SB 477 contained the same mandate that the Commission adopt standards of financial, technical, and operational capability, we can draw on the Commission's past experience in our initial set of proposed standards.

In accordance with Sections 981(a)(9) and (10), the Commission proposes to adopt the following standards for proof of financial, technical and operational viability for those CTAs who plan to offer gas services to residential and small commercial customers.

- (1) Before a CTA may apply for a CTA registration number CTAs are required to provide the Commission's Energy Division with a signed copy of the Utility Distribution Company (UDC)-CTA service agreements for each UDC in whose service territory the CTA plans to do business, as well as a signed copy of their approved UDC credit application.

We caution that this requirement should not result in a “Catch-22” situation where the UDC refuses to enter into an UDC-CTA service agreement unless the CTA has been registered with the Commission.

- (2) Prior to signing up and initiating service to any residential or small commercial customer, a CTA will be required to post with the Commission a minimum cash security deposit (cashier’s check) or financial guarantee bond equal to the amount required to cover the UDC’s administrative costs of returning CTA customers to utility service or the amount required to ensure that core customers have adequate recourse in the event of CTA fraud or nonperformance, whichever is greater. The methodology for calculating these amounts will be determined over the course of this proceeding. In the alternative, the registered CTA may open a customer trust account in that amount which is in a format approved by the Commission’s General Counsel. The deposit, bond or trust account shall be established when the Section 986 notice is first tendered to the Energy Division.

If a cash security deposit is posted with the Commission, any interest earned on the deposit would be returned to the CTA on an annual basis.

- (3) The CTA registration application form shall contain a section which requests the applicant to name the key technical and operational personnel, their titles, and a description, including the time period, of each key person’s experience in the sale, procurement, metering, and billing of energy services or similar products. If someone other than the CTA will be doing the metering or billing on behalf of the CTA, the names of the companies providing those services and their experience shall be disclosed as well. The proposed registration application form is included as Attachment B to this OIR.
- (4) Each registered CTA is required to submit with its registration application form a copy of its Section 986 notice to the Commission’s Energy Division.

The Commission invites responses on the proposed standards. Parties may file and serve responses and replies to the issues and questions set forth in this decision. If any standards are proposed that differ from the Commission's proposed standards, the commenting party should provide all pertinent details of the standards that it proposes. Responses shall be due 30 days from the issuance of this decision. Any person may file and serve reply comments, which shall be due seven days from the date responses are filed. Following the receipt of responses and replies, we anticipate adopting permanent standards for proof of financial viability, and proof of technical and operational ability. Should the permanent standards differ from the proposed standards that we adopt today, all CTAs may be required to provide additional proof of financial viability and technical and operational ability.

3.1.1. Proposed CTA Registration Application Form

We incorporate as Attachment B the Core Transport Agent Registration Application Form for comment. The proposed form is based on the ESP Registration Application Form adopted in D.03-12-015. We have revised the proposed form to reflect the requirements of the new statutes. Specifically, we have revised the form to require corporate registrants to disclose all persons or entities that own, control, or hold ten percent or more of the outstanding voting securities of the registrant. Registrants must also disclose all affiliate entities. The definition of "affiliate" provided in the "Notice" section of Attachment B is based upon the definition of an affiliate contained in the affiliate transaction decision, D.97-12-088. Disclosure of ownership and affiliates will enhance the Commission's ability to determine technical and financial viability, monitor concentration of market power, and avoid entry into the market of suspect entities or persons.

The form is also revised to require proof of technical and operational ability as required in Pub. Util. Code § 981(a)(10), as well as proof of financial ability, including information about the relevant work and experience of key personnel and of other companies who may be performing metering or billing services on the CTA's behalf.

We have also added a notice to the registration application form that informs prospective CTAs of some of the requirements that all registered CTAs must abide by. The notice includes a provision that the CTA must provide a signed statement per Pub. Util. Code § 981(a)(11).

As noted above, Pub. Util. Code § 981(a)(8) requires that the registrant disclose any criminal convictions having to do with consumer protection law or regulation within the 10 years immediately prior to registration, and any felony convictions of any kind, against the company or any of its officers or directors. Section 982 (c) provides that the Commission may deny a CTA application for registration if the applicants or their officers or directors have any such criminal convictions or for failure to disclose them. In order to enable the background checks contemplated by the legislation and verify the accuracy of information supplied by registrants, we will require all CTAs to provide to the Commission a full set of fingerprints of their directors and officers. The fingerprints will be submitted to the California Department of Justice for a state summary criminal history check, and to the Federal Bureau of Investigation for a national criminal history record check. Information provided pursuant to this requirement will be treated as highly confidential. The Commission's Executive Director shall develop internal safeguards to protect the confidential nature of this material and protect the individuals' privacy.

We conclude that the revised form provides the necessary information required by Section 981, and that the format of the form is consistent with our authority in Section 985(h) to adopt additional consumer protection standards. In order to facilitate background checks, we will also require all CTAs to submit the original and three copies of the completed registration application form and all required information.

This OIR allows the Commission to exercise its regulatory oversight, responsibilities and duties in the best interests of all stakeholders including, but not limited to, gas corporations, core transport agents, ratepayers, and the public. We will consider information and proposals by Commission staff and all parties regarding standards, requirements, rules, and enforcement.

This OIR provides an official forum to consider evidence and argument on the issues. It will, among other things, result in registration requirements that ensure CTA accountability, standards that protect customers, and procedures for adequate customer recourse in the event of CTA violations. The Commission may enter orders on matters for which one or more party may not be the proponent. Parties to this proceeding and the public are placed on notice that the evidence and argument taken in this proceeding will be the basis for findings, conclusions, and Commission orders.

4. Preliminary Scoping Memo

The scope of this OIR is to adopt:

1. Standards of fiscal, operational, and technical capacity for CTA registration. The Commission expects to propose uniform registration standards of financial, technical, and operational capability by June 30, 2014.
2. Procedures for formal and informal resolution of CTA customer complaints.

3. Minimum standards of consumer protection for customers of CTAs.
4. A standard format for CTAs to provide their prices, terms, and conditions of service to potential customers.

With this scope in mind, we preliminarily determine the category, need for hearing, and other elements of the preliminary scoping memo. (Rule 7.1(d).)

4.1. Category and Need for Hearing

Rule 7.1(d) of the Commission's Rules of Practice and Procedure provides that the order instituting rulemaking "shall preliminarily determine the category and need for hearing..." This rulemaking is preliminarily determined to be quasi-legislative. We make this determination given that our primary focus is to adopt standards, requirements, and rules for the gas industry. This determination closely matches our definition of quasi-legislative proceedings:

'Quasi-legislative' proceedings are proceedings that establish policy or rules (including generic ratemaking policy or rules) affecting a class of regulated entities, including those proceedings in which the Commission investigates rates or practices for an entire regulated industry or class of entities within the industry. (Rule 1.3(d).)

While the adopted results may affect gas utility costs and individual company rates, this is not a proceeding in which we specifically set rates, or establish a mechanism that in turn sets rates, as stated in our definition of a ratesetting proceeding. (Rule 1.3(e).) This preliminary determination is not appealable, but shall be confirmed or changed by assigned Commissioner's ruling. The assigned Commissioner's determination as to category is subject to appeal. (Rules 7.3 and 7.6.)

We anticipate many of these issues can be addressed in workshops, by filed comments and briefs, or by receipt into evidence of served proposed testimony without cross-examination. There may, however, be disputed issues

of material fact over which parties will seek to cross-examine others, particularly regarding adjudicatory facts. (*See* Rule 13.3(c).) Therefore, we preliminarily determine that a hearing will be needed. (Rule 7.1(d).) The assigned Commissioner's Scoping Memo and Ruling, after considering the comments and recommendations of parties, will determine the need for hearing. (Rule 7.3(a).)

4.2. Issues

We preliminarily identify the following issues:

1. **Registration:** For core transport agents applying for registration with the Commission:
 - a. What registration standards should the Commission adopt for:
 - i. Determination of CTA financial viability?
 - ii. Determination of CTA technical and operational capacity?
 - b. What sort of online interface would be most efficient for entities attempting to register with the Commission?
 - c. When considering past criminal convictions as grounds for denial of registration, what type of crimes should be deemed substantially related to qualifications, functions, or duties required to provide gas service to end use customers of gas?
 - d. When considering whether to approve a UDC-CTA service agreement, how do the UDC's evaluate CTA credit applications, especially with regards to the financial disclosures included in those credit applications.
 - e. Should the CTA credit application be standardized across utilities? If so, what should be included in the credit application?
 - f. How should the Commission determine whether to suspend or revoke a CTA's registration?

- g. In the event of a CTA's registration being suspended, how should the period of suspension be determined.
- h. Regarding Section 983.5(d) involuntary return events:
 - i. How should the Commission define involuntary returns to Investor-owned Utilities (IOU) service?
 - ii. How and when should the CTA customers being involuntarily returned to service be informed of the change to their natural gas service, and what specific information should be included in the notice?
 - iii. Should customers involuntarily returned to gas utility service have any restrictions or time constraints on their choice of replacement CTA or utility service?
 - iv. D.13-01-021 and D.11-12-018 instituted rules governing the timeline and applicability of various rate schedules for ESP customers involuntarily returned to utility service. How should the Commission adopt analogous rules for CTA customers?
 - v. What rate schedule should IOUs apply to CTA customers involuntarily returned to utility service in order to avoid imposing costs on other utility customers?
 - vi. Should CTAs be required to disclose in their advertising materials a standardized notice of increased price risk in the event of involuntary returns? If so, what specific information should this notice include?
- i. Regarding bonds or insurance demonstrated for coverage of re-entry fees or recourse in the event of fraud or non-performance:
 - i. How should the Commission define "fraud or non-performance" as mentioned in Section 981(a)(9)?
 - ii. The utilities have several mechanisms in place to ensure that CTAs post security or demonstrate creditworthiness sufficient to cover incremental costs

of procurement in the event of an unforeseen involuntary return of CTA customers. Are these mechanisms sufficient to satisfy the requirements of Section 983.5(d) and ensure that involuntarily returned CTA customers will not impose costs on the utilities' other customers, or should the Commission consider instituting its own creditworthiness or security requirements to cover incremental costs of procurement?

- iii. What will IOU administrative costs for returning CTA customers to utility service be on a per customer basis? What services are included in these costs?
- iv. How should the Commission calculate the appropriate level of insurance or size of bond to cover re-entry fees in the event of involuntary returns to service?
- v. How should the Commission calculate the appropriate level of insurance or size of bond to provide customers with adequate recourse in the event of CTA fraud or non-performance? Which costs should be included when calculating the size of bond or insurance demonstrated to provide adequate recourse.
- vi. What types of bonds or insurance will be appropriate for meeting the requirement of Section 981(a)(9) and 983.5(d)?
- vii. In D.13-01-021 the Commission found it reasonable to require that IOUs demand ESP payment of re-entry fees no later than 60 days after the initiation of involuntary returns to service, and that re-entry fees be due to the IOU within 15 calendar days of the IOU's demand issuance. Should the Commission adopt a similar schedule for demand and delivery of CTA customer re-entry fees?
- viii. The Commission decided in D. 13-01-021 to require that ESP bond or insurance coverage sizes be determined semi-annually. Is it reasonable for the

Commission to adopt a similar schedule for updating CTA bonds or insurance?

2. **Complaint Resolution:** Regarding customer complaints against core transport agents:
 - a. How might the Commission attempt to informally resolve customer complaints regarding core transport agents?
 - b. Is a customized formal complaint resolution process necessary for CTAs?
 - c. How should the Commission ensure that all complaints received by the utilities and CTAs are passed on to the Commission?
 - d. How will Commission complaint resolution procedures function in concert with those described in the utilities' rules and tariffs?
 - i. If the CPUC adopts broad complaint resolution rules for all regulated energy utilities, what notification, if any, would apply to CTAs? Would the underlying utilities need to be notified of any investigations that originated in Consumer Affairs Branch (CAB), so they might be alerted to violations that they may be unaware of?
 - ii. Some of the utilities' rules regarding CTAs stipulate a minimum contract length for receiving CTA service. Should customers who the Commission deems to have suffered from CTA fraud or non-performance be allowed to terminate their contract early and return to utility service? If so, should there be a limit to the length of time during which early termination is permissible in these situations?
3. **Consumer Protection Standards:**
 - a. Are there any protections in addition to those listed in §§ 985(a) through 985(g) of the Pub. Util. Code which the Commission should consider?

- b. What should the Commission adopt as standard billing format for CTAs?
 - c. Regarding CPUC regulatory authority over CTAs:
 - i. PG&E's Gas Rule 23 has a significant framework in place for consumer protection. Is it appropriate for the Commission to adopt consumer protection language from PG&E's Gas Rule 23 to enforce the complaint resolution provisions of SB 656?
 - iii. If it is not appropriate for the Commission to adopt language from PG&E Gas Rule 23, should the other utilities be required to establish the guidelines for consumer protection similar to those of PG&E Gas Rule 23?
 - d. Appropriate enforcement mechanism or relief must be defined. For example, what safeguards and protections would be available to prevent the disconnection of the consumer's service if, depending on the billing arrangement between the CTA and the Utility, there is a delay in payment through no fault of the consumer?
- 4. Price, Terms, and Conditions of service notices:**
- a. In regards to a format for the total price of gas on a cent-per-therm basis, including the cost of all gas services regulated by the Commission, provided to potential customers by CTAs:
 - i. Which gas services should receive separate line items in the calculation of the total price of gas?
 - ii. Which consumption levels should be used for the estimates of the total monthly bill for gas service?
 - b. The IOUs have invested significant ratepayer funding into the development and fielding of successful, customer-facing online web portals such as PG&E's "My Energy" and SoCalGas' and SDG&E's 'My Account.' Is it appropriate to utilize these existing customer resources to communicate a comparative rate analysis of CTA services and prices to core gas customers? If so, should the CTAs be required to

include information describing access to these resources in their advertising materials?

- c. Is it appropriate for the Commission to require the IOUs to file confidential monthly reports containing CTA demographic information similar to the monthly Direct Access Service Request reports filed by each utility who conducts business with ESPs? If so, what specific information should be included in these reports?
5. **Safety Concerns:** Are there any safety concerns raised by or related to the issues identified in this proceeding?
6. **Other:** Is there anything else reasonably necessary for just, efficient, and equitable adoption, implementation and enforcement of standards, requirements, and rules, to the extent that the issue is specifically added in writing by the assigned Commissioner or ALJ?

4.2.1. Responses to the OIR

The first task for the Commission is to get preliminary information on the standards, resolution procedures, and notification requirements identified above. To do this, parties are encouraged to file responses to this OIR addressing each of the issues identified as within the scope of the proceeding and responding to each of the questions set forth above. Parties with similar interests and proposals are encouraged, to the fullest extent reasonable and feasible, to coordinate this work and present joint responses. Those entities which fall under the definition of "Core Transport Agent" as provided by Pub. Util. Code § 980(b) are placed on notice that they must abide by the provisions of Pub. Util. Code § 980-989.5 as well as any orders instituted by this rulemaking, regardless of whether or not they choose to comment on, respond to, or participate in any fashion in this OIR.

Responses to this OIR shall be filed and served, and shall be filed and served within 30 days of the date this OIR is issued. Responses shall state any objections to the preliminary scoping memo regarding category, need for

hearing, issues to be considered, or schedule. (Rule 6.2.) Replies may be filed and served, and shall be filed and served within seven days of the filing date of responses. To the extent known at the time, responses and replies may include the party's specific, exact wording for recommended issues, along with specifics for the schedule and other items.

Any comments recommending changes to the proposed schedule must be consistent with the proposed category, including a deadline for adopting standards and requirements by June 30, 2014, and resolving the proceeding within 18 months of the date the Scoping Memo and Ruling is issued. All comments which contain factual assertions must be supported by declarations expected under penalty of perjury of affidavit. Factual assertions not supported will be given only the weight of argument. (Rule 6.2; Pub. Util. Code § 1701.5(a).)

The assigned Commissioner and ALJ may direct Commission staff to hold a workshop to permit parties to present and discuss the recommended standards and requirements. This may help surface issues that should be considered early in the process. The workshop will not be transcribed (unless directed otherwise by the ALJ). Parties are encouraged to address in their responses to the OIR whether or not they would consider a workshop to be useful.

4.2.2. Prehearing Conference

The assigned Commissioner or ALJ shall set a prehearing conference (PHC) for 45 to 60 days from today, or as soon as practicable. The ruling setting the PHC may also set a date for PHC statements. (Rule 7.2.) PHC statements, if any, should state with specificity the party's recommendations for anything necessary to complete the assigned Commissioner's Scoping Memo, plus anything else necessary to advance this proceeding. For example, PHC

statements should, to the extent feasible, include the party's recommended exact proposed wording for issues, specific dates (or intervals) for the schedule, and necessary detail for hearing (to the extent known at that time). Moreover, to the extent possible, parties should employ their best efforts to prepare a joint PHC Statement reflecting agreement on issues, schedule and other matters for the Scoping Memo. If unable to reach complete agreement on all matters, parties may file a joint PHC Statement reflecting partial agreements, with separate supplemental PHC Statements reflecting individual differences. Alternatively, they may adopt the PHC Statement of one lead party with identification of limited exceptions.

We invite parties to advise the Commission at the PHC regarding the most efficient way to proceed. Taking the recommendations of parties into account, the assigned Commissioner or ALJ will make the necessary determinations. Depending upon comments on the OIR, the PHC may be held jointly with the first workshop (if that workshop is held).

4.2.3. Preliminary Schedule

The preliminary schedule for this proceeding is set forth below and includes the filing of responses to the rulemaking and a prehearing conference. It may be supplemented or changed by the assigned Commissioner or ALJ as necessary to promote efficient and equitable development of the record, and we expect that schedule modifications will occur. It is anticipated that portions of this proceeding will be resolved by June 30, 2014 with the remaining issues resolved within 18 months of the date the Scoping Memo is issued, consistent with Section 1701.5.

ADOPTED SCHEDULE

LINE NO.	ITEM	DATE
1	Requests to Process Office for inclusion on service list	20 days from date OIR issued
2	Responses to OIR	30 days from date OIR issued
3	Replies to Responses on OIR	7 days from filing of comments
5	PHC Statements	To be determined
6	PHC	45 to 60 days from date OIR issued or as soon as practicable
7	Projected Submission Date	To be determined

5. Service of OIR, Creation of Service List, Filing and Service of Documents, Subscription Service

We will serve this OIR on the service lists (appearances, state service list, and information-only category) in the proceedings identified below. The initial service list will be replaced by an official service list as soon as the official list is published on the Commission's webpage.

- Application (A.) 13-06-011 (PG&E Core Capacity Planning)
- A.12-11-009 et al. (PG&E 1014 General Rate Case);
- A.10-12-005, A.10-12-006 (SoCal Gas/SDG&E GRC);
- A.12-12-024 (Southwest Gas GRC);
- A.13-12-012 (PG&E Gas Transmission and Storage Proceeding); and
- A.11-05-017 et al. (Large IOUs 2012-2014 CARE and ESA Program Proceeding).

Service of the OIR does not confer party status in this proceeding upon any person or entity, and does not result in that person or entity being placed on the service list for the proceeding.

The Commission will create an official service list for this proceeding, which will be available at http://www.cpuc.ca.gov/published/service_lists. We anticipate that the official service list will be posted before the first filing deadline in this proceeding. Before serving documents at any time during this proceeding, parties shall ensure they are using the most up-to-date official service list by checking the Commission's website prior to each service date.

Persons who are or become parties to this proceeding will automatically be added to the "Parties" category of the official service list. Only one representative will be listed in the "Parties" category. Additional representatives will be added as "Information Only."

Any person will be added to the "Information Only" category of the official service list upon request to the Process Office. Persons must provide an e-mail address in order to receive service of documents that are not required to be served by hard copy. (*See* Rule 1.10(b).)

If you want to participate in the Rulemaking or simply to monitor it, follow the procedures set forth below. To ensure you receive all documents, send your request within 20 days after the OIR is published. The Commission's Process Office will update the official service list on the Commission's website as necessary.

Any member or employee of the Commission, State Legislature, or other State office or agency will be added to the "State Service" category of the official service list upon request to the Process Office. Any such person who declines to

provide an e-mail address will receive hard copy service of all documents.
(See Rule 1.10(b).)

5.1. During the First 20 Days

Within 20 days of the publication of this OIR, any person may ask to be added to the official service list. Send your request to the Process Office. Persons may use e-mail (Process_Office@cpuc.ca.gov) or letter (Process Office, California Public Utilities Commission, 505 Van Ness Avenue, San Francisco, CA 94102). Include the following information:

- Docket Number of this Rulemaking;
- Name (and party represented, if applicable);
- Postal Address;
- Telephone Number;
- E-mail Address; and
- Desired Status (Party, State Service, or Information Only).⁵

Upon receipt of your information, the Process Office will place your name on the official service list posted on the Commission's website as soon as practicable. It is the responsibility of each person or entity on the official service list to ensure that its designated person for service, mailing address and/or e-mail address shown on the official service list are current and accurate.

5.2. After the First 20 Days

Persons wanting to become a party after the first 20 days may do so by filing and serving a Prehearing Conference Statement or Reply to PHC) in the

⁵ If you want to file comments or otherwise actively participate, choose "Party" status. If you do not want to actively participate but want to follow events and filings as they occur, choose "State Service" status if you are an employee of the State of California; otherwise, choose "Information Only" status.

Rulemaking (Rule 1.4(a)(2)), or by making an oral motion (Rule 1.4(a)(3)), or by filing a motion (Rule 1.4(a)(4)). Persons making an oral motion or filing a motion must also comply with Rule 1.4(b). These rules are in the Commission's Rules of Practice and Procedure, which can be found at the Commission's website.

5.3. Updating Information

Once you are on the official service list, you must ensure that the information you have provided is up-to-date. To change your postal address, telephone number, e-mail address, or the name of your representative, send the change to the Process Office by letter or e-mail, and send a copy to everyone on the official service list.

5.4. Serving and Filing Documents

When you serve a document, use the official service list published at the Commission's website as of the date of service. You must comply with Rules 1.9 and 1.10 when you serve a document to be filed with the Commission's Docket Office.

The Commission encourages electronic filing and e-mail service in this Rulemaking. You may find information about electronic filing at <http://www.cpuc.ca.gov/PUC/efiling>. E-mail service is governed by Rule 1.10. If you use e-mail service, you must also provide an electronic copy to the assigned Commissioner and a paper copy to the assigned ALJ. The electronic copy should be in Microsoft Word or Excel formats to the extent possible. The paper copy should be double-sided. E-mail service of documents must occur no later than 5:00 p.m. on the date that service is scheduled to occur.

If you have questions about the Commission's filing and service procedures, contact the Docket Office (docket_office@cpuc.ca.gov).

5.5. Subscription Service

This proceeding can also be monitored by subscribing in order to receive electronic copies of documents in this proceeding that are published on the Commission's website. There is no need to be on the service list in order to use the subscription service. Instructions for enrolling in the subscription service are available on the Commission's website at <http://subscribecpuc.cpuc.ca.gov/>.

6. Public Advisor

Any person or entity interested in participating in this Rulemaking who is unfamiliar with the Commission's procedures should contact the Commission's Public Advisor in San Francisco at (415) 703-2074 or (866) 849-8390 or e-mail public.advisor@cpuc.ca.gov; or in Los Angeles at (213) 576-7055 or (866) 849-8391, or e-mail public.advisor.la@cpuc.ca.gov. The TYY number is (866) 836-7825.

7. Intervenor Compensation

Any party that expects to claim intervenor compensation for its participation in this Rulemaking shall file its notice of intent to claim intervenor compensation no later than 30 days after the first prehearing conference or pursuant to a date set forth in a later ruling which may be issued by the assigned Commissioner or assigned ALJ.

8. Ex parte Communications

Communications with decision makers and advisors in this rulemaking are governed by Article 8 of the Rules of Practice and Procedure. (Rule 8.1, *et. seq.*) Pursuant to Rule 8.3(a), *ex parte* communications are allowed without restrictions in a quasi-legislative proceeding. No *ex parte* restrictions or reporting requirements apply in this proceeding.

We invite participation here on the issues scoped for this proceeding. These include registration standards, requirements, and processes; complaint resolution procedures; minimum standards of consumer protection; and price, terms, and conditions notices.

IT IS ORDERED that:

1. The California Public Utilities Commission hereby institutes this rulemaking to address the policy, standards, rules, and procedures necessary to comply with Public Utilities Code Sections 980 - 989.5.

2. The preliminary scope and schedule are as stated in the body of this order. The assigned Commissioner or assigned Administrative Law Judge may adjust the schedule and refine the scope of the proceeding as necessary, consistent with the Rules of Practice and Procedure.

3. This Rulemaking is preliminarily determined to be quasi-legislative, as that term is defined in Rule 1.3(d). It is preliminarily determined that evidentiary hearings are necessary. Parties may, and respondents must, file responses to this Rulemaking addressing each of the issues identified in this order no later than 30 days after the issuance of this order. Replies to the responses shall be filed no later than seven days after responses are filed.

4. The Executive Director shall cause the Order Instituting Rulemaking to be served on the service lists in the following proceedings:

- Application (A.) 13-06-011 (Pacific Gas and Electric Company (PG&E) Core Capacity Planning)
- A.12-11-009 et al. (PG&E 1014 General Rate Case (GRC));
- A.10-12-005/006 (Southern California Gas Company/San Diego Gas and Electric Company GRC);
- A.12-12-024 (Southwest Gas GRC);

- A.13-12-012 (PG&E Gas Transmission and Storage Proceeding);and
- A.11-05-017 et al. (Large IOUs 2012-2014 CARE and ESA Program Proceeding).

5. Interested persons must take action as described in Section 6 of this Order Instituting Rulemaking to become a party or be placed on the official service list. The official service list shall be created as described therein, and will be posted on the Commission's web page for this proceeding eight days from the date this order is issued, or shortly thereafter.

6. Any party that expects to request intervenor compensation for its participation in this rulemaking shall file its notice of intent to claim intervenor compensation in accordance with Rule 17.1 of the Commission's Rules of Practice and Procedure no later than 30 days after the date of the prehearing conference, or as otherwise directed by the Administrative Law Judge.

7. *Ex parte* communications in this proceeding are permitted without restriction or reporting requirements.

This order is effective today.

Dated March 13, 2014, at San Francisco, California.

MICHAEL R. PEEVEY
President
MICHEL PETER FLORIO
CATHERINE J.K. SANDOVAL
CARLA J. PETERMAN
MICHAEL PICKER
Commissioners