

HEARING
SENATE RULES COMMITTEE
STATE OF CALIFORNIA



STATE CAPITOL
ROOM 113
SACRAMENTO, CALIFORNIA
WEDNESDAY, DECEMBER 16, 2009
1:39 P.M.

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Reported By: INA C. LeBLANC
Certified Shorthand Reporter
CSR No. 6713

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APPEARANCES

MEMBERS PRESENT

SENATOR DARRELL STEINBERG, Chair
SENATOR GIL CEDILLO
SENATOR SAMUEL AANESTAD
SENATOR ROBERT DUTTON
SENATOR JENNY OROPEZA

STAFF PRESENT

GREG SCHMIDT, Executive Officer
JANE LEONARD BROWN, Committee Assistant
NETTIE SABELHAUS, Appointments Consultant
DAN SAVAGE, Assistant to SENATOR CEDILLO
BILL BAILEY, Assistant to SENATOR AANESTAD
CHRIS BURNS, Assistant to SENATOR DUTTON
BRENDAN HUGHES, Assistant to SENATOR OROPEZA

ALSO PRESENT

MICHAEL R. PEEVEY, Member, Public Utilities Commission
BONNIE GARCIA, Member, California Unemployment Insurance Appeals Board
GEORGE A. PLESCIA, Member, California Unemployment Insurance Appeals Board

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1 **PROCEEDINGS**

2 CHAIRMAN STEINBERG: Good afternoon, everyone.
3 The Senate Rules Committee will come to order.

4 Jane, would you please call the roll.

5 MS. BROWN: Senator Cedillo.

6 Dutton.

7 SENATOR DUTTON: Here.

8 MS. BROWN: Dutton here.

9 Oropeza.

10 SENATOR OROPEZA: Here.

11 MS. BROWN: Oropeza here.

12 Aanestad.

13 SENATOR AANESTAD: Here.

14 MS. BROWN: Aanestad here.

15 Steinberg.

16 CHAIRMAN STEINBERG: Here.

17 MS. BROWN: Steinberg here.

18 CHAIRMAN STEINBERG: A quorum has been
19 established. Welcome to everyone. I know that there
20 are a lot of people here today -- I hope you can find
21 seats -- and we have a busy agenda, because we have some
22 significant confirmation hearings to hold today on some
23 important and high-profile public agencies.

24 I want to begin here, as we said we would, with
25 the Unemployment Insurance Appeals Board -- Ms. Garcia

1 and Mr. Plescia are both here, and then we will move
2 right to Mr. Peevey and the Public Utilities Commission.

3 Good afternoon to both of you former colleagues
4 who are now continuing your public service. You are up
5 today for confirmation to serve multiyear terms as
6 members of the Unemployment Insurance Appeals Board.

7 I've had the opportunity to meet with both of
8 you privately. Let me give you the opportunity first to
9 introduce any friends or family or special guests in the
10 audience, to make brief opening statements, and then we
11 will take questions from the Members of the Committee.

12 MS. GARCIA: Thank you, Mr. Chairman.

13 Is this mic on?

14 CHAIRMAN STEINBERG: It should be.

15 SENATOR OROPEZA: Just get close.

16 CHAIRMAN STEINBERG: It should be. We're big
17 on technology.

18 MS. GARCIA: Thank you, Mr. Chairman and
19 Members of the Committee. My name is Bonnie Garcia.
20 I'm here today with my beautiful daughter, Melissa, who
21 will make me a grandmother very soon of a baby girl.

22 CHAIRMAN STEINBERG: Welcome. Welcome and
23 congratulations.

24 MS. GARCIA: And her husband John Mark and some
25 friends.

1 It is my honor to serve as the chairwoman of
2 the California Unemployment Insurance Appeals Board.
3 We've been doing that work since the beginning of this
4 year, and at this time it is critical work for the State
5 of California.

6 We have over 700 team members working for
7 unemployed and disabled Californians across 12 field
8 offices and 40 satellite offices. It has been our
9 mission this year to increase our access, especially in
10 rural areas and in areas experiencing high unemployment
11 rates, and to that end I would like to share with you
12 some of our accomplishments. And I will be brief in my
13 comments, as you have received them in the package
14 previously, and I have additional copies if you need
15 those here today.

16 Our major accomplishments have been being able
17 to introduce technology into an outdated and sometimes
18 broken process. It's allowed us to reach out to those
19 workers that have been waiting for hearings, to notify
20 them shortly before their hearing date to increase
21 attendings at those hearings, to introduce a paperless
22 or paper-reduction project in our system, and, most
23 importantly, to hire additional judges to address the
24 needs of our unemployed and disabled workers.

25 With 2.2 million Californians unemployed in the

1 State of California -- it really represents eight
2 million unemployed, because we have had three additional
3 federal extensions for those who have not been able to
4 find work, and each of those extensions requires a new
5 application. So we certainly have experienced an
6 increased workload in our agency this year. We will end
7 the year having served more than 400,000 claimants in
8 the appeal process.

9 And with me today is my vice chair, George
10 Plescia, and I'll let him share some of those
11 accomplishments with you.

12 CHAIRMAN STEINBERG: Thank you very much.

13 MS. GARCIA: Thank you.

14 MR. PLESCIA: First of all, I will do my
15 introduction.

16 CHAIRMAN STEINBERG: Always take direction from
17 your board chair.

18 MR. PLESCIA: I've been taking direction from
19 her for a long time.

20 (Laughter.)

21 MR. PLESCIA: Senators, good afternoon. As I
22 met with all of you regarding this, my previous six
23 years doing public service in the Assembly, and before
24 that I worked with Senator Bill Morrow for seven years,
25 so I've been in public service for a long time, and in

1 state government and just try to bring that constituent
2 services and work through making government efficient
3 and use my experience in that aspect. And it's been a
4 pleasure to serve on this board for the first year so
5 far, and we've had a challenging year, but we're working
6 through it.

7 And I would like to just turn it back over to
8 the Committee for any questions.

9 CHAIRMAN STEINBERG: Thank you very much. I
10 know -- Why don't I begin with some questions.

11 First of all, I appreciate the fact that both
12 of you have taken on a very difficult assignment,
13 because this is a troubled board and troubled agency in
14 terms of its history. You didn't cause it, but when I
15 look at the backlog, when I look at the state of our
16 unemployment insurance fund itself, and of course when
17 you combine that with the state of the economy and the
18 recession, your work is very challenging.

19 I want to ask you specifically about the
20 administration's furlough policy and the fact that
21 36 furlough days annually you have told me has a
22 significant impact on your ability to deal with the
23 backlog.

24 Can you please both describe your view -- not
25 politically, or your opinion about whether the furloughs

1 are right or wrong, but specifically their impact on
2 your ability to reduce the backlog and get the job done.

3 MR. PLESCIA: First of all, I would like to
4 address the furlough issue. The governor did put the
5 request in, and we aggressively sought an exemption
6 twice to the furloughs and were turned down, but what we
7 were able to do is get an exemption on the fact that we
8 went on self-directed furloughs, meaning our employees
9 could continue to work and bank those days off. And I
10 am thankful to those.

11 CHAIRMAN STEINBERG: A debt for the state.

12 MR. PLESCIA: Yes. It's banking a vacation
13 day. But we are thankful for them to stay on. That's
14 allowed us to stay open five days a week to service the
15 constituents, employers and employees. It's even
16 allowed some of our offices to stay open on Saturdays to
17 better address those.

18 In addition, we also got an exemption on the
19 goods and services that allowed us to go out -- like in
20 our current office facility, we were able to get the
21 construction done and add 27 hearing rooms to take in
22 more cases at a time.

23 We've also been able to contract out with other
24 state agencies to use some of their space in
25 disadvantaged communities where there's high

1 unemployment to try to get the hearings going and
2 getting more on the road.

3 So the furlough has -- you know, just the sheer
4 numbers of our workload, we -- Our employees are working
5 extremely hard. We've been able to keep our head above
6 water and plug along, but they have been working
7 extremely hard so we haven't closed down or cut back on
8 anything.

9 CHAIRMAN STEINBERG: Are the furloughs
10 essentially not in effect at the board because the
11 employees are working the full five days a week and just
12 not getting paid for the time until sometime later?

13 MR. PLESCIA: Correct. And board members are
14 also on the furlough, working five days, not getting
15 paid, so they're banking those, basically, as vacation
16 days. But if they do take vacation, we take those
17 furlough days first before we take their accrued
18 vacation time off.

19 MS. GARCIA: Mr. Chairman, you've asked both of
20 us to respond.

21 One of the challenges that the furlough has
22 brought to our agency is the sheer volume of work that's
23 coming in, because it's not just new unemployed workers.
24 It's also the extension, which each new extension was
25 not automatic. It also created a new set of

1 circumstances or criteria for those applicants, so we
2 treat those as complaints. But it's also created
3 opportunities for us. We've been thinking outside of
4 the box of how we could serve the community.

5 Some of our offices are open on Saturdays or
6 evenings. We also provide a strike team of traveling
7 judges to go out to the areas experiencing high
8 demographics. And we've done everything possible to
9 work within the framework of the existing policy of the
10 executive order.

11 We have, as Mr. Plescia said, aggressively
12 sought exemptions from it. We were able to get a
13 self-directed one. We recognize that in the future,
14 that might have some significant impact on our budget.
15 It might have significant impact on the number of
16 employees that will retire with that accrued time, but
17 our focus has been, today, making sure we don't allow a
18 claimant to wait one more day than necessary to receive
19 benefits.

20 CHAIRMAN STEINBERG: Let me be, if I may, a
21 little more concrete.

22 The legislative analyst reported in June that
23 the board had a backlog of 96,900 pending appeals. What
24 is that backlog today, and what specifically are you
25 doing as the board chair, and, Mr. Plescia, you as a

1 board member, to reduce that backlog? And -- I know
2 this is a run-on question here -- What are your
3 benchmarks in terms of that 96,000 number as time
4 progresses?

5 MS. GARCIA: I'm pleased to report that our
6 numbers are no longer at the 96,000 mark. We are closer
7 to the 70,000 mark. And that has been because we
8 aggressively sought new ways to conduct our hearings.

9 Legislation passed this year that allowed us to
10 conduct phone hearings at the request of the claimant.
11 If they were experiencing child-care or transportation
12 barriers, they could request having a hearing conducted
13 over the phone if both parties were in agreement.

14 We also were able to handle some cases
15 administratively. We are conducting what's called mass
16 calendars where if these are cases that can be resolved
17 in less than 30 minutes, we are scheduling multiple
18 cases within an hour's time frame with a revolving set
19 of judges so that we are able to quickly expedite those
20 cases.

21 Some cases can be resolved administratively
22 where no hearing is needed at all. A judge could review
23 the evidence or ask the claimant to come into the office
24 and review the evidence. It may be a case where -- a
25 mistaken Social Security number or identity, and those

1 are resolved rather quickly.

2 The other impact that has nothing to do with
3 the number of judges conducting hearings has to do with
4 actually processing the outcome of that hearing. And we
5 had a backlog of over 4,500 cases that needed typing.
6 We created a typing pool. We got typists from across
7 the state, other state agencies, working on overtime,
8 and we drove down the 4500 cases to 400 in a four-week
9 period.

10 CHAIRMAN STEINBERG: Hopefully not using
11 typewriters.

12 MS. GARCIA: No. Thank God for technology and
13 spell check.

14 That allowed us to do -- What would normally
15 take five to 15 days to come out of the steno pool, we
16 were able to reduce down to a one- or two-day period.

17 In addition to that, we have also introduced
18 new software, drag and speak, which allows the judges
19 another option. It allows them to use voice-to-tech
20 software to self-dictate their reports, and they get
21 instantaneous results, again, bypassing the typing pool.

22 So it has created some challenges, no doubt,
23 and we will certainly have consequences for them in the
24 future, but today we are doing everything we can to
25 drive down the numbers quickly.

1 CHAIRMAN STEINBERG: Last question, and then
2 I'll turn it over to other Members of the Committee.

3 As you seek to reduce this backlog, and you've
4 cited a couple of strategies to do so, including
5 scheduling many cases within a short period of time, how
6 are you assuring and evaluating, as time goes by, that
7 efficiency and reducing the backlog does not reduce or
8 eliminate the actual quality of the appeal that an
9 individual or an employer is entitled to?

10 MS. GARCIA: Actually, we just got back a
11 report, and we are evaluated quarterly, and I believe
12 the last 13 or 14 quarters in a row we received highest
13 marks in efficiency.

14 In addition to that, we've also hired a new
15 administrative law judge to help us in the appellate
16 division, because we also added on 90 new judges this
17 year, and we want to ensure that through their training
18 program, that there is someone helping them, monitoring
19 them, nurturing them. We also created a mini academy.
20 And, currently, both the board and the judges are going
21 through additional training so that with the new changes
22 and the extensions, we're not missing opportunities or
23 getting whacked by the Department of Labor because of
24 problems.

25 CHAIRMAN STEINBERG: You used the word

1 "efficiency."

2 MR. PLESCIA: That's quality.

3 MS. GARCIA: Quality. The quality control.

4 CHAIRMAN STEINBERG: Are you looking at, on top
5 of whether or not in the drive to reduce the backlog,
6 which is a legitimate and important thing to do, that
7 fairness, if you will -- let's use that instead of the
8 word "quality" -- is not being compromised as a result
9 of trying to move faster?

10 MR. PLESCIA: Yes. And as the chair mentioned,
11 she misspoke on "efficiency."

12 The Department of Labor does look at us
13 quarterly. Quality standards are extremely high. So
14 we're very proud of that. So they are going to be
15 taking a look at that quarterly also. We're just not
16 sort of jamming new technology or being a heavy-handed
17 board. We're working with our staff to make sure
18 everything works and there is that quality standard up
19 to a level that we expect.

20 MS. GARCIA: Let me just conclude by saying due
21 process is extremely important to us, and California is
22 one of 43 states that has a second level of appeal.
23 This board, on average, reviews about 30 cases a day, so
24 we not only look at what the first level of appeal has
25 done and the second level of appeal that the appellate

1 judge is looking at, but we also require two board
2 members to sign off on a decision.

3 Due process will never be diminished in pursuit
4 of having a fast-track system. That will never be done
5 with us.

6 CHAIRMAN STEINBERG: Thank you.

7 Senators, questions.

8 SENATOR CEDILLO: I'm interested in what Sam
9 Aanestad wants to know.

10 SENATOR AANESTAD: I just wanted to say that I
11 have been reminded very strenuously by former Senator
12 Liz Figueroa, who has advocated on behalf of both of
13 you, about the condition -- remember the condition of
14 the agency before you got there and how it is today, and
15 she gives you the highest recommendations. And having
16 been her vice chair for many years on a committee here
17 in the Senate, those don't come lightly. And so I just
18 want to congratulate you on the job that you've done,
19 and I hope that it continues.

20 MS. GARCIA: Thank you.

21 MR. PLESCIA: Thank you.

22 CHAIRMAN STEINBERG: Senator Cedillo.

23 SENATOR CEDILLO: How many attorneys did you
24 have, how many ALJs? You said you hired 90.

25 MS. GARCIA: We've actually hired them through

1 two different phases. In phase one, we hired 21 new
2 ALJs and promoted 10 to ALJ-2s. In hiring phase two, we
3 hired 40 ALJ-1s and 10 ALJ-2s, so that brings our total
4 to 91.

5 I believe we have also added -- We have a new
6 class also coming through now, but we've also added two
7 permanent positions: our chief administrative law judge
8 for field operations and for appellate operations, and
9 also an assistant to handle the administrative or
10 management. So that would bring us to 94.

11 SENATOR CEDILLO: Were these additional hires;
12 were you filling vacancies --

13 MS. GARCIA: Additional hires.

14 That also does not include any retired
15 annuitants that we were hiring from other agencies as
16 they went into retirement. And we are aggressively
17 pursuing the recruitment, because we know so many judges
18 from other agencies would fit very well with the work
19 that we're doing in our agency.

20 SENATOR CEDILLO: What's the percentage -- How
21 many ALJs did you have before you hired the 90?

22 MS. GARCIA: I believe we were at about 145 or
23 146, something like that.

24 SENATOR CEDILLO: So that's a 40 percent
25 increase. Has that enhanced the ability of the judges

1 to spend more time to reduce their backlog, to pay more
2 attention to the cases, to spread them out over the
3 other additional 90 judges?

4 MS. GARCIA: It's allowed us to do several
5 things. The first was to go out into the rural
6 communities where people were having a challenge coming
7 into an urban field office. We have 12 fixed locations
8 across the state. We were able to open satellite
9 offices in areas where we really needed to meet the
10 demand, the Central Valley, up in the valley of
11 Los Angeles County --

12 SENATOR CEDILLO: IE?

13 MS. GARCIA: I'm sorry?

14 SENATOR CEDILLO: Office in the IE?

15 MS. GARCIA: IE. In areas like San Diego
16 County, Sacramento, and the Inland Empire, we have the
17 highest unemployment in the state, and it allowed us to
18 create strike teams, traveling judges, to go into those
19 regions. Those three regions had a backlog of more than
20 10,000 cases which resulted in a waiting period of about
21 three months. We recognized at the other end of that
22 wait, someone's facing homelessness, losing their car,
23 their house, so we did everything possible to have the
24 senior judges working on cases that required more
25 complex issues to be resolved, or translation issues,

1 and then the new judges to handle those that could be
2 easily resolved.

3 MR. PLESCIA: I also want to make sure it's
4 clear. It takes about six months for these judges to
5 really get up to speed to handle all the different cases
6 and aspects of the law, so....

7 Some of the first hires are there right now,
8 but we still have -- Some of the second hiring rounds
9 are really getting a little bit more training. They
10 handle the easier cases. But it still freed up a lot of
11 time for our more senior judges to handle the difficult
12 cases, and they've been able to go to the other offices
13 and help out.

14 SENATOR CEDILLO: You mentioned some hybrid
15 scenarios that you are able -- because of their nature,
16 able to address more appropriately and more efficiently.
17 Do you want to tell us about that?

18 MS. GARCIA: We have cases, for example where
19 the Social Security numbers are off, or the person does
20 not have the proper identity documents for EDD to
21 process a claim. We're able to handle these
22 administratively where the claimant can walk into the
23 office and present his documents thereby bypassing the
24 wait for a hearing.

25 We also have cases where the hearings will be

1 less than 30 minutes. There's an issue where perhaps
2 they didn't appear at their last hearing. They had a
3 problem with baby-sitting or a job, and they are asking
4 for reopening. Those cases would take less than 30
5 minutes to resolve. We are able to put those in the
6 mass calendar. Three judges work together on a team,
7 and we schedule two or three cases within the hour.

8 The other issue that we were able to address
9 was appearance. About 30 percent of our claimants did
10 not show up for their hearings, and as a result they
11 would request reopening. So when you look at a backlog,
12 that backlog represents not only new cases but people
13 requesting reopenings. Three out of ten cases were
14 related to reopenings. Handling them quickly helped us
15 reduce that backlog.

16 SENATOR CEDILLO: Tell me about your outreach
17 to communities. I'm pleased to hear your outreach to
18 Imperial, Central Valley. What were the methods and
19 mechanisms to achieve outreach in these cases of the
20 notice?

21 MS. GARCIA: In terms of notice to --

22 SENATOR CEDILLO: Notice to applicants. Both
23 the Pro Tem and I -- and I'm sure all of us -- are
24 concerned about the quality so that the efficiency is
25 also commensurate with the quality that's needed. Part

1 of this is people getting notice, making sure they know
2 they have a hearing coming up, making sure of the date,
3 and they're being communicated to in both language and
4 means which is typical of how they're communicated to.
5 We had talked about some methods that you were
6 employing.

7 MS. GARCIA: There were several different
8 methods that we looked at. The first was making sure
9 that people could come to the hearing and that they were
10 prepared when they came to those hearings. We created a
11 video that's now on our Web site that walks people
12 through how to prepare for the hearing.

13 The second thing we did is the appeal, when
14 it's filed, it's filed with EDD. We reevaluated the
15 form that they were currently using, and we recognized
16 that EDD, because of their outdated/antiquated computer
17 system, could not accommodate additional information.
18 We redesigned the form to collect the e-mail address and
19 a second phone number -- the current form only allowed
20 for one phone number -- and that will allow us to e-mail
21 and also to text message if there's a phone -- a cell
22 phone number -- information, bypassing the cost to the
23 state for a phone call. And we created in-house a voice
24 texting system that will alert people two days before
25 their hearing.

1 We are now in the process, with a \$1.2 million
2 grant that we recently got, of creating a voice system
3 where we will call them through the Internet, and we'll
4 call them as soon as their hearing is scheduled. So
5 they will have four or five opportunities in order to
6 get accommodated.

7 In addition to that, they are given information
8 in that phone call that if they have some challenges,
9 how they should reach us so that -- by the way the calls
10 are now made in Spanish and English -- so that they can
11 talk to a live person about accommodating a phone
12 hearing, or a change of location, or a change of
13 address. So we are doing five or six different things.

14 In addition to that, we are working with EDD,
15 through their outreach efforts, to make sure that as
16 they're going out, we don't have multiple units or
17 anything like that, that if they're calling out, we're
18 integrated into their process so we can deliver the same
19 type of system.

20 CHAIRMAN STEINBERG: Thank you,
21 Senator Cedillo.

22 Senators Dutton, Oropeza.

23 SENATOR OROPEZA: No, sir. I met with them
24 privately, and also many of the questions have been
25 raised by my colleagues.

1 CHAIRMAN STEINBERG: Okay. Very, very good.
2 All right. Thank you.

3 Let us now hear from witnesses in support first
4 and then in opposition of the nominees, to come forward.

5 And I think -- Sergeants, if we might use that
6 microphone over there (indicating).

7 MR. SEKU-AMEN: Mr. Chairman and Members of the
8 Committee, I'm Malaki Seku-Amen with the California
9 State NAACP, and I have to say that there are not very
10 many folks, public servants, that is, in particular that
11 you come off of vacation to deliver support for, but the
12 NAACP is very proud to support Bonnie Garcia for the
13 Unemployment Appeals Board, and we're doing that because
14 we understand that she has a great history.

15 Also, I personally understand she has a great
16 history working on behalf of communities to make sure
17 that their social and economic needs are well cared for,
18 that people have an opportunity to participate in this
19 economy and to get back on their feet. And for those
20 reasons, we are very strong supporters of Bonnie Garcia.

21 Thank you very much.

22 CHAIRMAN STEINBERG: Thank you very much.
23 Very good.

24 Again, the public is always welcome to say
25 whatever you choose. If you can make your support or

1 opposition relatively succinct, that would be great.

2 MS. ROSAS: Good afternoon, Chairman Steinberg,
3 Members of the Committee. My name is Mary Galvan Rosas.
4 I'm here as a board member of HOPE, Hispanas Organized
5 for Political Equality, with my board chair,
6 Elmy Bermejo.

7 As a former board member of the Board of
8 Optometry, and in 2008 I served as deputy director for
9 the Consumer Affairs Department, I'm here to speak on
10 behalf of Chairwoman Bonnie Garcia and her confirmation.

11 Today you have the opportunity to bring forth a
12 leader not just in the community, but also in
13 government. I have witnessed Bonnie take on challenges
14 that are pretty much status quo and look at things in an
15 innovative way, in a way to make services and resources
16 that government wants to provide to Californians, and
17 she's able to make sure that, A, she can assess what
18 communities have the most need, how does government look
19 at how they're delivering those services, and making
20 them more accessible and efficient. There's nothing
21 worse than watching a family go through this. So I'm
22 here to respectfully ask for your confirmation.

23 CHAIRMAN STEINBERG: Thank you. Thank you very
24 much.

25 Next.

1 MS. BERMEJO: Good morning, Chairman Steinberg,
2 Members of the Committee. My name is Elmy Bermejo, and
3 I'm the board chair of HOPE, Hispanas Organized for
4 Political Equality, and just briefly in support of
5 Bonnie's confirmation. We at HOPE train over 5,000
6 Latinas throughout this state. One of those key
7 conferences is here in Sacramento. And when Bonnie
8 first came to the Assembly, we met with her, and she
9 opened her door, and from that day on, very, very
10 helpful to the women who participate in our program, who
11 saw her as a role model. And she's always there,
12 willing and able to answer questions, and sometimes --
13 always giving not only good advice, but sometimes tough
14 advice. So I would urge you for your eye vote for
15 Bonnie Garcia.

16 CHAIRMAN STEINBERG: Thank you very much.
17 Appreciate it.

18 Next. Any other witnesses in support?

19 Witnesses in opposition to either --

20 MR. PEREZ: For.

21 CHAIRMAN STEINBERG: We're still on "for." Go
22 ahead.

23 MR. PEREZ: Mr. Chairman and Committee Members,
24 my name is Adrian Perez. I'm publisher of the Latino
25 Journal, the largest outlying publication focused on

1 public policy and government. We've been around for
2 over 13 years. We have followed many careers.
3 Ms. Garcia's career we have definitely followed. We've
4 seen what she's done not only for her constituency but
5 for communities throughout the state, not only the
6 Latino community but the African-American community and
7 the Asian community. We strongly support and urge your
8 confirmation vote.

9 CHAIRMAN STEINBERG: Thank you very much,
10 Mr. Perez.

11 Witnesses in opposition. Anybody on the fence?
12 This is the Capitol.

13 (Laughter.)

14 CHAIRMAN STEINBERG: So let me make some brief
15 comments. I support both of your nominations and intend
16 to support your confirmations. And we've talked a lot
17 about the issue of administration of the board, but
18 there's something we haven't raised, and that is the
19 fact that you are essentially judges, appellate judges
20 in many respects. And I just want to say for the
21 record, I had the opportunity to look at your records
22 over your first year in terms of deciding cases, because
23 one of the things you always want to look for is bias
24 and whether -- you know, these battles are fought out
25 for the United States Senate oftentimes when it comes to

1 judicial confirmation, the difference between political
2 views, and we all come from different political parties
3 and have different points of view, and you have public
4 voting records on issues relating to labor and
5 employment, but there's a difference between the role of
6 the Legislature and the role of a judge. And I'm
7 comfortable and confident that you take these cases
8 right down the middle, and your record reflects that.
9 And for that reason, in addition to the fact that I
10 think you, Ms. Garcia, especially, have taken an
11 appropriate and very aggressive role in trying to deal
12 with this backlog fairly, and that you're shaking it up
13 administration-wise, I'm pleased to support both your
14 nominations.

15 SENATOR AANESTAD: So moved.

16 CHAIRMAN STEINBERG: Motion by Senator
17 Aanestad.

18 Other comments? If not, please call the roll.

19 MS. BROWN: Senator Cedillo.

20 SENATOR CEDILLO: Senator Cedillo concurs with
21 the Pro Tem. I don't -- I'm not a fan of -- I think
22 something interesting that's happening is that the
23 leaders are given an opportunity these days to serve in
24 the Legislature and policy body and then able to take
25 those experiences, that leadership, into a more

1 administrative place, quasi-judicial entity, with some
2 understanding with how agencies work and how the economy
3 is having its impact on the people of California. And I
4 think it enriches the delivery of those services from
5 the state to have both of you as leaders, both from the
6 Legislature, and today as leaders working for the state.
7 So I applaud your participation.

8 MS. GARCIA: Thank you.

9 CHAIRMAN STEINBERG: Very good.

10 Please call the roll.

11 MS. BROWN: Senator Cedillo.

12 SENATOR CEDILLO: Cedillo aye.

13 MS. BROWN: Cedillo aye.

14 Dutton.

15 Oropeza.

16 SENATOR OROPEZA: Aye.

17 MS. BROWN: Oropeza aye.

18 Aanestad.

19 SENATOR AANESTAD: Aye.

20 MS. BROWN: Aanestad aye.

21 Steinberg.

22 CHAIRMAN STEINBERG: Aye.

23 MS. BROWN: Steinberg aye.

24 CHAIRMAN STEINBERG: We'll leave the record
25 open for Senator Dutton, but your nominations will now

1 move to the Senate floor where we intend to take up the
2 nominations tomorrow. Thank you.

3 MR. PLESCIA: Thank you.

4 MS. GARCIA: Thank you.

5 CHAIRMAN STEINBERG: And just because the
6 confirmation process is almost over, please keep the
7 line of communication open with the legislative branch
8 of government, because you need to tell us how we can
9 make your jobs better and easier, and how we can better
10 serve the people. All right?

11 MS. GARCIA: Yes. We promise.

12 CHAIRMAN STEINBERG: Thank you.

13 All right. We now move to Michael R. Peevey,
14 who is up for confirmation as a member and chair of the
15 Public Utilities Commission.

16 Mr. Peevey, welcome.

17 Senator Wright, were you here to make an
18 introduction?

19 SENATOR WRIGHT: Okay.

20 CHAIRMAN STEINBERG: Very good. Let's hear
21 your finest oratory, please.

22 SENATOR WRIGHT: Let me practice that.

23 What I won't bother to do is go over his bio
24 and background, because you already have that. So I
25 think here, Mr. Chair and Members, I can cut to the

1 chase.

2 Probably more so than any branch of government
3 that you have in California, the Public Utilities
4 Commission really depends on stability. You're dealing
5 in financial markets; you're dealing with people who
6 make long-term investments; and one of the things that
7 you really don't want to have is the appearance that you
8 have a Public Utilities Commission that changes with the
9 whim and caprice and presents a sense of instability.

10 When I chaired the Assembly committee on
11 utilities and commerce, one of the things that occurred
12 is we had a significant breakdown at the PUC. It's
13 typically a body that's not thought of very much, and
14 people kind of put it on the back burner, but the
15 failure of the Public Utilities Commission in 1999
16 through 2001 probably ended up costing the State of
17 California somewhere north of \$50 billion just because
18 of an inept condition.

19 I saw a private businessman, Mr. Peevey, go
20 into and then advise Governor Davis, who looked like a
21 deer in the headlights, because he didn't appreciate the
22 magnitude of what was beginning to unfold as an energy
23 crisis. And then I saw him go to a Public Utilities
24 Commission that had been at war with the Legislature at
25 the time. He resolved those issues with just straight

1 leadership and straight talk.

2 I don't think anyone would say that Mr. Peevey
3 does not have the ability to tell you what he thinks,
4 but I think that you'll know that you got a fair hearing
5 with Mr. Peevey, and I think that's important. His
6 leadership at the commission, the restoration of
7 confidence, has restored investment in California.

8 I think that as I look at both the natural gas,
9 the telephone, the wireless, and the energy business in
10 California since his leadership, it's been impeccable.
11 I can probably say at the risk of hyperbole that if
12 Mr. Peevey did not appear on that commission at the time
13 that he did, the State of California would probably be
14 insolvent right now, because you did not have leadership
15 prepared to do that.

16 I would urge his confirmation. I would love to
17 stand up and say we should appoint him or reappoint him
18 quickly, because this is not the time, Mr. Chair and
19 Members, that you want to instill any sense of
20 instability in an agency like the Public Utilities
21 Commission of California.

22 CHAIRMAN STEINBERG: Thank you very much,
23 Senator Wright, our colleague, for coming forward and
24 introducing Mr. Peevey. We appreciate it.

25 Mr. Peevey, welcome. Again, we want to accord

1 you the opportunity to introduce any special guests in
2 the audience and to --

3 MR. PEEVEY: Well, we have Senator Liu. We've
4 had a relationship for some time.

5 (Laughter.)

6 CHAIRMAN STEINBERG: Yes, we know, and she's a
7 wonderful and valued colleague, and we welcome
8 Senator Liu today. Thank you.

9 MR. PEEVEY: There are several other people
10 that are here. Former Senator Escutia.

11 CHAIRMAN STEINBERG: Wonderful.

12 MR. PEEVEY: Former Business and Housing
13 Secretary Sunne McPeak.

14 CHAIRMAN STEINBERG: Welcome, Madam Secretary.

15 MR. PEEVEY: Professor of politics and related
16 topics at Sac State, Barbara O'Connor.

17 CHAIRMAN STEINBERG: Welcome, professor.

18 MR. PEEVEY: A man from my past, who is sitting
19 up close here, former Senator Joe Montoya.

20 CHAIRMAN STEINBERG: Welcome. Welcome, sir.

21 MR. PEEVEY: Many of you might remember Joe.
22 And there's several others, including my recent
23 new concerned colleague, Mark Toney.

24 CHAIRMAN STEINBERG: Not a good way to start
25 the discussion here.

1 Here we go. Mr. Peevey, go right ahead, brief
2 opening statement about -- I'd be interested in hearing
3 your not only vision for the future, but as you sort of
4 assess all of the support you have, and you made a light
5 reference to Mr. Toney and some of the critiques you
6 have heard about not just yourself but the PUC over
7 time, how do you take all that in and how you intend to
8 move forward with the second term.

9 MR. PEEVEY: Well, let me start with a little
10 preface.

11 As Senator Wright made reference, I was drafted
12 by then Governor Davis to go on the Public Utilities
13 Commission to fill out the unexpired term of another
14 member and then reappointed by him. He asked me to go
15 on the Public Utilities Commission because he was
16 gravely concerned about all the things that were going
17 on at the time. Those of you who were in the
18 Legislature in 2000, it was a shocking time.

19 Frankly, I remember meeting you at the time,
20 Senator, at the height of the energy crisis in
21 2000-2001. Believe it or not, it's indelible in my mind
22 that at the beginning of 2001, the general fund had a
23 surplus of \$8 billion, \$8 billion, and in the space of
24 six months it was all gone. It was all gone buying
25 electricity, because one utility was bankrupt and the

1 others had no credit. They couldn't buy anything, so
2 the State Department of Water Resources had to step in
3 and do the purchases. And they're still in the business
4 of doing purchases today. Not something anybody sought,
5 including themselves.

6 I think in the period of time between 2002 and
7 2005, we righted the ship at the Public Utilities
8 Commission and put it on a course where instead of being
9 front page news almost daily in the press, it got pushed
10 to the back pages of the press and often just to the
11 business page.

12 I have spent the last few years trying to
13 ensure for all the participants -- and we have multiple
14 constituents at the Public Utilities Commission. We
15 have consumer groups, we have the utilities, we have the
16 environmental community, we have organized labor, we
17 have many, many others -- the minority community, and
18 that everybody is given a fair shake and fair treatment.
19 And we listen to them all, at least I try to, and try to
20 call it as I see it in terms of decision making.

21 I think we have done a reasonable job, and I
22 think, Senator, that the fact that there is support for
23 me from all walks of life, all those groups I mentioned
24 and many others, is probably testament to the fact that
25 the commission has been on a steady course.

1 As we go ahead to the next several years, the
2 biggest challenges, frankly, to me are to some degree
3 being played out 7,000 miles from here today in
4 Copenhagen. The question of what we're going to do, how
5 we're going to implement AB 32 in the next few years in
6 this state and in this nation, how we're going to deal
7 with renewable energy, how we're going to get to the
8 goals that we set for ourselves, and administratively
9 and the Legislature has articulated itself 33 percent
10 and all, are tremendous challenges, and it's an area --
11 It's the energy area where I have some expertise.

12 Doing those things is going to require an awful
13 lot of work -- hard work and sacrifice by a lot of
14 people. I'm an optimist. I think this state can meet
15 its environmental goals and its energy goals through
16 energy efficiency, through renewables, through
17 additional transmission, through a whole host of other
18 things. But we also have to deal with other big issues,
19 like water and the reduction in the use of water on a
20 per capita basis in the state, and the nexus between
21 water and energy. Close to 20 percent of the
22 electricity that we use today is used for water, pumping
23 water, circulating water, and sewers and so forth.

24 So the challenges are immense at a time of
25 change that is significant nationally and

1 internationally, as well as right here in this state.
2 This state is a leader in many of the environmental
3 causes here, but it's -- The Legislature enacts, and we
4 have to implement, and that is oftentimes more
5 challenging even than enactment, and they're both
6 difficult, let's face it, as we talk about looking ahead
7 at water and some of these other issues.

8 So I'll stop there. I look upon it as a
9 significant challenge to do some of the things that I
10 want to see done, and I hope my colleagues all share in
11 a joint vision of a more sustainable environment, a more
12 sustainable economy, and a more sustainable future.

13 CHAIRMAN STEINBERG: Thank you. I know I have
14 a series of questions, but why don't I --

15 Do you want me to go first?

16 SENATOR OROPEZA: Sure. You may cover
17 everything I have.

18 CHAIRMAN STEINBERG: I may. Okay.

19 SENATOR OROPEZA: You often do, sir, and that's
20 good.

21 CHAIRMAN STEINBERG: Thank you.

22 Let me begin by asking you about a hot topic
23 here, and that is renewable energy and renewable energy
24 development.

25 As you know, in 2002, the State enacted into

1 law a 20 percent renewable energy standard, and the law
2 was updated in 2006. And in the IOU territories, we're
3 not yet at 20 percent, but we're at 13 percent. Why do
4 you believe we haven't met that?

5 MR. PEEVEY: Well, the goal is 20 percent by
6 the end of 2010. So the overall average is 13 percent.
7 It differs by IOU service charge. Edison is 16 point
8 something percent; PG&E is about 13 percent and -- 12 to
9 13 percent; San Diego in the single digits.

10 We're not going to make 20 percent by the end
11 of next year. We probably will make it, in fact,
12 probably in 2013. We'll probably have contracts signed
13 up but not actual electrons delivered by the end of next
14 year.

15 The biggest single constraint on this, in
16 addition to the incredible challenges of financing
17 projects in today's environment -- You think a homeowner
18 has a tough time financing a house or a re-mortgage,
19 many of these projects are very, very difficult to
20 finance. Banks are very difficult in terms of lending
21 money and all.

22 Besides that, though, some of the other
23 constraints have been inadequate transmission. We have
24 to build new transmission. Every time a transmission
25 project is proposed, everybody anywhere near the

1 transmission line dislikes it. It's extremely
2 contentious issues that are litigated and litigated. So
3 the State has really built one major transmission line
4 in the last several years. We're going to have to build
5 several more in the next ten years to get to 20 percent,
6 but even more importantly to get to 33 percent
7 renewables.

8 So I would say financing in the short term.
9 Transmission is a more fundamental problem that is
10 lasting, and, honestly, many of -- some of our state
11 requirements go to the extreme, perhaps, and I'll give
12 you an example. And it's -- I'm not talking about
13 changing CEQA or anything, but a company named Bright
14 Source, which is largely an Israeli company, but it's
15 headquartered in Oakland, California, would like to
16 build the Ivanpah project --

17 CHAIRMAN STEINBERG: It's what?

18 MR. PEEVEY: It's called Ivanpah. It's a
19 400 megawatt solar project on the California-Oregon --
20 California-Nevada border, the California side of the
21 border. There are desert tortoises there. Maybe
22 Senator Dutton would have some knowledge of it. They're
23 having to buy thousands of acres of additional land to
24 move these tortoises.

25 Now they say, you know, "If we go to Nevada, we

1 don't have any of those concerns; we don't have any of
2 those constraints; we don't have any of those
3 limitations. We can just go there."

4 We want to see these projects in California,
5 but the challenge is you can't build them in California
6 in the speed you can build them in another state, and
7 that's one of the complications that was, you know,
8 attendant to the debate last year. If some were to be
9 built in California, how do you give California
10 priority, and so on. So we get a combination of things
11 that have slowed down getting to 20 percent.

12 CHAIRMAN STEINBERG: Do you believe that the
13 Air Resources Board should have the primary authority
14 over the implementation of the governor's executive
15 order?

16 MR. PEEVEY: No.

17 CHAIRMAN STEINBERG: I knew I would get an
18 honest answer. Good.

19 MR. PEEVEY: The legislation that was sponsored
20 by Senator Simitian and by Assemblyman Krekorian and
21 others gave the responsibility to the ARB to some
22 extent, because they have AB 32, gave it to the Public
23 Utilities Commission, gave it to the Energy Commission.

24 I am president of the Public Utilities
25 Commission. I would like to continue to have some key

1 authority that we would have had under the statute that
2 we have now and not have it all go to the ARB. On the
3 other hand, I do recognize that there has to be some
4 mechanism to move on these things and have to move on
5 them fast, and the executive order is consistent with
6 that notion. I'm hopeful that this will be worked out
7 very soon in the new session of the Legislature.

8 CHAIRMAN STEINBERG: And we intend to.

9 Two more questions on this subject. As you
10 look at the alphabet soup of energy-related agencies,
11 whether it's the PUC, ARB, the Energy Commission, the
12 Department of Fish and Game, as we look at our energy
13 future, while you want to retain, as you just said, some
14 part of the energy portfolio, what is your
15 recommendation as to how we, as policymakers, build a
16 more coherent energy governance structure in this state
17 so that we don't have four more agencies with
18 overlapping responsibilities?

19 MR. PEEVEY: Well, actually, there's many more
20 agencies than even you enumerated. There's State Water
21 Resources, you've got Department of Oil and Gas, and
22 State Lands, and many, many others that all have
23 peripheral pieces. But let me say this: Over the
24 years, I have had varied jobs. I have urged in the past
25 the creation of a secretary of energy, and I've urged

1 facilitating these agencies into a cleaner line of
2 responsibilities in some cases. But I have to say in
3 all candor that the Energy Commission, the Public
4 Utilities Commission, the Cal ISO, the Independent
5 System Operator, and the ARB have managed to work
6 together in a manner that in my previous experience
7 before I ever went on the Public Utilities Commission
8 didn't exist. I'm not saying it's due to me. I'm just
9 saying it's a combination of things.

10 Yesterday in San Francisco, we had an
11 all-afternoon meeting on what we call the energy action
12 plan which we adopted in 2003. All the agencies,
13 including at that time the California Power Authority
14 and that -- and the articulation there, policies, energy
15 efficiency first, renewables and so forth, has been
16 state policy for six years now at the executive branch
17 of government, and we have shown the ability for these
18 agencies to work very cooperatively together in a way
19 that certainly diminishes my enthusiasm for just moving
20 the deck chairs around.

21 CHAIRMAN STEINBERG: Maybe we don't need as
22 many deck chairs.

23 MR. PEEVEY: That's right.

24 CHAIRMAN STEINBERG: Maybe one big lounge.

25 MR. PEEVEY: I mean, I -- Honestly, I would be

1 happy to join in any kind of careful examination of how
2 these things could be altered, but it's working now.

3 I think the energy policy in the state by and
4 large is working now. There are frustrations with some
5 of the siting that's going on. You alluded earlier in
6 asking the previous occupants of these chairs about
7 furloughs and all that. Obviously, that has impacts in
8 other agencies. We chose not to do that at the Public
9 Utilities Commission.

10 CHAIRMAN STEINBERG: Last question on this
11 topic.

12 The debate over the Simitian-Krekorian
13 legislation, SB 14, last year -- I'm oversimplifying
14 it -- centered in part on how much renewable energy --
15 how much of the renewable energy portfolio are we going
16 to insist be California generated. And that's,
17 obviously, we would all agree is a great goal, because
18 we are also trying to build a high-wage economy here in
19 California.

20 Give us one or two of your lead public policy
21 suggestions that we could translate into law this next
22 year that would enable that debate to end in a way that
23 leans towards more production in California as opposed
24 to a 33 percent standard that's based significantly on
25 out-of-state production. Two things.

1 MR. PEEVEY: Let me say at the start that if
2 you do nothing, if we just did nothing and just had
3 state policy to go to 33 percent, the movement would be
4 in that direction, and most facilities will be built in
5 this state regardless. They will be built in this state
6 for several reasons. One of them is just physical
7 location. For example, solar power. Mojave and Owens
8 Valley have some of the best what's called "insulation"
9 in the United States. So there's a logic to building it
10 here, as well as immediately next to here in Arizona and
11 in Nevada. That's number one.

12 Number two, you want to build facilities like
13 distributor generation where the people are. So the
14 photovoltaic program that we've adopted from the Edison
15 company, 500 megawatts, is all going to be built right
16 in California. PG&E, all built right in California.

17 We have this very contentious issue at the
18 moment -- it's up before the commission tomorrow -- the
19 Tehachapi transmission line. That will bring 4500
20 megawatts, ultimately, of power from wind from the
21 Tehachapi region into Southern California. That's all
22 California. So I'm not convinced that you have to make
23 explicit the build-this-much-here versus
24 build-that-much-there.

25 What I am convinced is that you can develop

1 criteria that will be -- you want to do it at least cost
2 as much as possible, and you could -- and locationally,
3 you want it as close to the load centers as possible,
4 and you can develop criteria that will enhance that, and
5 that will enhance California's position too.

6 And we had a conference just last week that
7 went on days with IBEW, with TURN, with all these
8 groups, and we all agreed we want to work together to
9 try to come to a solution on this problem very early in
10 the new year so this thing doesn't drag on all year.
11 I'm cautiously optimistic that that could happen.

12 CHAIRMAN STEINBERG: I think our court reporter
13 may need a short break right here. Okay --

14 MR. PEEVEY: (To the reporter): Do I talk too
15 fast?

16 THE REPORTER: (Nods head.)

17 CHAIRMAN STEINBERG: Why don't we take ten
18 minutes. We've been going since 1:30, and I want to
19 make sure we take care of our court reporter. Ten
20 minutes. Thank you.

21 (Recess taken.)

22 CHAIRMAN STEINBERG: Thank you very much. We
23 will reconvene after the break. I want to just cover
24 two more categories, and then I will, in fact, turn it
25 over.

1 Mr. Peevey, I wonder if you could talk a little
2 bit about the opportunity but also the challenges around
3 this issue of smart meters. The *New York Times*, of
4 course, reported last week that consumers are arguing
5 that some meters are logging far more kilowatt hours
6 than they believe they are using, and that this
7 technology is, in fact, imperfect. What's your view,
8 and what are you doing about it? That's one issue.

9 Let me lay out the other one, and then you can
10 take them both so I can turn it over to other Members.

11 I would like to just know your general view,
12 without getting into any specific cases, about the issue
13 of environmental justice, especially as it applies to
14 the siting of energy facilities. I am thinking of a
15 specific instance relating to the siting of natural gas
16 facilities, but whether or not -- How do you balance the
17 need for the energy, the need for the commodity, with
18 the interest of a particular affected neighborhood when
19 it comes to siting?

20 MR. PEEVEY: Well, let's take the question on
21 the meters first. I read the *New York Times* article you
22 referenced, and of course one of your colleagues from
23 Kern County has talked a good deal about this in the
24 media.

25 You start out with the premise that, number

1 one, the so-called smart meters, these are meters made
2 by General Electric and Landis+Gyr. There's been over
3 70 million of these meters installed worldwide --
4 30 million in Italy, for example. The meter is an
5 inanimate object. There's nothing in the meter.
6 There's no little gnome or something that plays around
7 and changes the numbers.

8 But in response -- In response to concerns that
9 have been articulated in Kern County by Senator Florez,
10 who came and met with me on this subject, we have
11 instituted a review or hired a consultant to look into
12 the meters and their proficiency and accuracy. That's
13 about -- We've expedited the process of being able to
14 select a consulting firm, and we're doing that.

15 So that, I would hope, would give people,
16 depending on the outcome of that, because I can't
17 prejudge that, will give them the assurance that is....

18 CHAIRMAN STEINBERG: What's the time frame on
19 that?

20 MR. PEEVEY: Well, it should be in the next six
21 months. But let's -- Let's be very candid here. This
22 state is in the process of installing 18 million new
23 electric and gas meters. Eighteen million. To date, we
24 have heard complaints about the meters from Kern County,
25 a little bit from Fresno, and Calaveras County. It's

1 going on in the Edison service territory; we never heard
2 a word. It's going on in San Diego Gas & Electric; we
3 never heard a word.

4 CHAIRMAN STEINBERG: Yet.

5 MR. PEEVEY: I'm not saying it's impossible.
6 People sometimes get things confused between the meter,
7 a change in the bill, rate structure changes, and in
8 some cases even weather. So -- But we take it very
9 seriously. I've assured Senator Florez of this, and he
10 knows that, and we've responded to him at some length.
11 So I think that that, hopefully, will help allay
12 concerns.

13 You have to see the smart meter finally as --
14 in my opinion, and this is not a view shared by
15 everybody -- as a consumer-enabling device. It's
16 absolutely essential for people to have smart meters.
17 They're the first step to programmable thermostats and
18 the ability to remotely control the use of your
19 appliances, and this is a very, very important thing
20 going down the road.

21 Also, you want to be able to have people --
22 give them the opportunity to shift their load around and
23 run their electric dryer or whatever it may be, air
24 conditioning, pool pump, if the people are so fortunate,
25 and so forth, at different times of the day and off-peak

1 use, which enhances the overall system's reliability and
2 to ultimately bring down costs. So it's a consumer-
3 enabling device.

4 When we did a pilot project in Kern County on
5 this, over 70 percent of people, wealthy and low income,
6 liked the ability to control their own electricity use
7 by the knowledge that smart meters provide. But it's
8 part of a smart overall grid, too, that will enhance the
9 overall operation of the system and help us meet our
10 climate goals.

11 I'll just say one final word on that, Senator.
12 We are developing a lot of wind power in California. In
13 fact, we are developing so much wind power that there
14 are days or nights, because it mostly blows in the
15 evening, that a company like Edison has more wind than
16 it can use. And the smart meter will help enable us to
17 be able to -- As we go in the direction of more hybrids
18 and electric vehicles, which is clearly where we are
19 going, as Chevrolet has announced and as Nissan has
20 announced, with all electric vehicles, and BMW and all
21 that, the meter will allow us -- the smart meter will be
22 able to allow us to have timely use rates so that people
23 that charge their vehicle after 8:00 or 9:00 p.m., they
24 can have a lower rate and make use of that wind power.

25 Those are all things that make the system,

1 number one, more effective; number two, more efficient;
2 and, number three, more environmentally sustainable. So
3 those are all the pluses.

4 CHAIRMAN STEINBERG: Thank you, sir.

5 MR. PEEVEY: Now you asked about environmental
6 justice.

7 SENATOR OROPEZA: The environmental justice
8 piece. I didn't want to forget that.

9 CHAIRMAN STEINBERG: Right.

10 MR. PEEVEY: The question is -- Was there a
11 specific, because --

12 CHAIRMAN STEINBERG: Well, there is a specific
13 case that I'm thinking of that you may hear about
14 through the public testimony. I would rather not refer
15 to a specific case, but where there are issues before
16 the PUC that revolve around the siting of energy
17 facilities that have impacts on specific neighborhoods,
18 how do you go about weighing the merits of such an
19 issue?

20 MR. PEEVEY: Well, I mean, it's one of the
21 major factors one has to take into consideration, of
22 course.

23 I think I know what you're referring to, but I
24 will avoid that and say if it's a natural gas storage
25 facility, it's because it was probably in the past a

1 natural gas storage facility. I can't speak to the
2 exact specifics. And we do want to site more natural
3 gas storage facilities in California, because it's more
4 control over our use summer versus winter. You buy it
5 when it's cheap in the summer, and you store to use it
6 in the winter. We've done Wild Goose and other projects
7 up in the Sacramento valley and then at Lodi just to do
8 that.

9 But the broader concern -- I am very sensitive
10 to being careful about where power plants are sited so
11 they're not solely sited in lower-income areas. The
12 irony of this is that in the past in California, almost
13 all power plants were sited along the coast, which is
14 the very place most people want to get that has the
15 highest appreciation of value. So there's some irony in
16 this. You think of the nuclear plants. You think of
17 all the power plants. You think of Long Beach, the Long
18 Beach plants, El Segundo and all these, they're right on
19 the coast. Redondo Beach. And people now want to get
20 rid of them and have housing in those very areas.

21 But the environmental justice movement and the
22 environmental justice community is something that needs
23 a very clear and constant articulation, and it is a
24 factor that certainly has to be weighed heavily by the
25 commission in decision making. Again, realizing that

1 when you build power plants, usually what you're judging
2 is an application by a utility or an independent power
3 company that has already selected a site. Then you have
4 to weigh is that the right place for it, Hayward in one
5 case, or San Jose, or what have you, versus another
6 locale, which if you go to the more distant locale then
7 you have more transmission costs and many other factors
8 that can go in and run up your costs and create a
9 different set of opposition. I mean, that's the
10 balancing job that myself and my colleagues and our
11 staff have to try to take into account.

12 CHAIRMAN STEINBERG: I may have a couple more
13 questions on this subject after the testimony.

14 SENATOR OROPEZA: I have --

15 CHAIRMAN STEINBERG: On that particular
16 subject?

17 SENATOR OROPEZA: Um-hmm.

18 CHAIRMAN STEINBERG: Can I ask my one more
19 topic, and then we'll definitely pass it on here.

20 I want to ask you about the criticism that the
21 commission's process is not as open to genuine public
22 input as it should be.

23 This has arisen in two contexts that I can
24 think of. One is the use of so-called advice letters
25 that regulated utilities can file with the commission

1 that can serve as the basis for actual decision making
2 without a public hearing.

3 The second issue is the commission's use -- and
4 you're the chairperson -- the commission's use of the
5 consent calendar to essentially deal with a whole host
6 of issues, whether they be large or small, that, if not
7 eliminating public input, sort of disincentivizes
8 public input. I'd like your response to those two
9 criticisms, please.

10 MR. PEEVEY: Well, on the advice letter
11 process, the advice letter is implementing a commission
12 decision. So an advice letter is very -- is to be very
13 narrowly construed to implement a commission decision.
14 We say to Southern California Edison, "You're permitted
15 to do this," and then they file an advice letter to
16 implement that. If they stray from the strict
17 implementation of that advice letter, then we have the
18 ability and we have yanked their chain and stopped them
19 and made them change. And this has happened with AT&T
20 and others. That's number one.

21 The consent calendar --

22 CHAIRMAN STEINBERG: If I may, just so we're
23 clear, the advice letter itself is submitted by the
24 entity being regulated.

25 MR. PEEVEY: Yes, yes.

1 CHAIRMAN STEINBERG: So it's not an advice
2 letter that the commission is giving saying, "You,"
3 utility, "You follow this."

4 MR. PEEVEY: No, no, no. But the difference is
5 we render a decision. Then the implementation of that
6 decision takes various steps, and the regulated company,
7 the utility in this case, files an advice letter telling
8 us how they're going to implement the decision we made.
9 And if we don't think that what they have filed is in
10 accord with our decision, then we say no. And that has
11 happened, and it's happened repeatedly. And in the case
12 of the AT&T case, it cost them \$6 million, just so we're
13 clear.

14 CHAIRMAN STEINBERG: The consent calendar.

15 MR. PEEVEY: The consent calendar is a process
16 similar to what you have here in the Legislature where a
17 case has been heard, an application has been heard by
18 the commission, and all commission officers agree to put
19 it on the consent calendar -- the consent calendar.
20 Then it's adopted by a motion at a commission meeting.
21 I make the motion, it's seconded by another
22 commissioner, and it's adopted.

23 If any commissioner -- If any one of the five
24 commissioners chooses not to have the item on consent,
25 it's taken off consent. So there's not -- I don't make

1 the decision that something goes on consent, nor does
2 any single commissioner. It's a unanimous decision. If
3 one commissioner says, "I don't think that ought to be
4 on consent even though I agreed to it last week," it's
5 taken off consent. That's the way the process works.

6 CHAIRMAN STEINBERG: I'm going to turn it
7 over -- Those are my questions. I want to turn it over
8 to other Senators. Senator Oropeza.

9 SENATOR OROPEZA: Just to clarify, if I could,
10 on the consent calendar question. Correct me if I'm
11 wrong, but I think the essence of the question had to do
12 with access by the public to provide input, so where
13 does that fall in the scenario of the consent calendar?
14 Because I know it's always a factor for us as well.
15 We've got to weigh is this a big enough issue, even
16 though we might all end up voting for it. We need to
17 hear from the public, or at least give them an
18 opportunity to weigh in.

19 MR. PEEVEY: Yes. And I didn't answer that
20 part of it, you're right, from Mr. Steinberg -- Senator
21 Steinberg.

22 We have, I think, as open a process as any
23 you're going to find in state government. Anybody can
24 appear and be involved in any case they choose to. Now,
25 over time, it's become more specialized, to be very,

1 very frank. There are groups -- In addition to the
2 utilities, there are other groups that have attorneys
3 that make their living appearing before the Public
4 Utilities Commission. Their living. I mean, we paid
5 out in intervenor funding \$36 million to such groups in
6 the past eight years. Thirty-six million dollars, not a
7 small amount of money. One of those organizations got
8 half of that amount of money, just so we understand what
9 we're talking about.

10 But anybody can have an attorney and come and
11 appear in our processes. The processes are daunting for
12 those unless you're an attorney or have some skill set
13 that knows how this all operates. That's absolutely
14 true. So at the beginning of every commission meeting,
15 like we will have tomorrow, we have a public period, and
16 anybody can get up and speak at those, and have, and
17 many times we get many, many people.

18 Today we had a hearing for two hours -- not as
19 a direct part of the regular commission agenda, but on
20 the problem of utility shutoffs, particularly of people
21 given the economic climate and all that, and we had ten
22 public speakers. So after the utilities and TURN and
23 Greenlining and all of this had -- and DRA and all
24 presented their cases.

25 So I think we have a very open process. Could

1 it be improved? Perhaps it can be, but everybody has an
2 opportunity to come and speak either in a formal case or
3 informally at a public hearing.

4 SENATOR OROPEZA: If during the course of that
5 public-opinion period it becomes apparent that numerous
6 people are talking on an item, do the members of the
7 board at that point have the right and authority to ask
8 that that item be pulled?

9 MR. PEEVEY: Absolutely, or put over. And both
10 have happened.

11 SENATOR OROPEZA: Okay. I'd like to ask you,
12 Mr. Peevey -- And I'd like to begin by saying welcome,
13 and it's nice to see you here. We've known each other a
14 very long time, and I admire your work over time, both
15 in higher education and in this realm. That's how we
16 got to know each other initially.

17 MR. PEEVEY: You were a student leader.

18 SENATOR OROPEZA: Well, and you were a trustee
19 as well.

20 MR. PEEVEY: Okay. We've kept the age
21 differential.

22 SENATOR OROPEZA: Although I feel older by the
23 minute.

24 Let me take you back not that far, but to the
25 summer of 2006 when there was a heat wave in Southern

1 California that really had put serious pressure on the
2 system, and at that time as leader of the PUC you issued
3 an emergency order requiring Edison to develop five
4 additional peaker plants.

5 MR. PEEVEY: Correct.

6 SENATOR OROPEZA: And four of them are done.
7 One is not, and that's the Oxnard site. And my -- I
8 have to say I would like to ask you a couple questions
9 about that particular site.

10 I'd like to ask you if, given that the peaker
11 demands on the system are not what they were then when
12 you issued that executive order -- or what is it
13 called -- emergency order, when you're not in an
14 emergency right now, whether given in terms of peakers,
15 as I understand it, whether or not it would make sense
16 for you to have the full commission review whether that
17 site is now necessary, given its coastal proximity and
18 the fact that the City of Oxnard already has two power
19 plants, three landfills, and an EPA Superfund site? And
20 this goes to the environmental justice thing that we
21 were talking about a little while ago. It is a good
22 concern for me.

23 I certainly would concede to people smarter
24 than me about these issues, but I have to say on its
25 face, given the dynamic we're in now, it seems like the

1 commission might want to take a look at it -- a second
2 look at it. It wasn't a commission decision. It was an
3 emergency ordinance. What do you think about that?
4 Would it be possible for the commission to --

5 MR. PEEVEY: It is a commission decision, even
6 though it's an emergency order. The commission accedes.
7 Here is the point. We had, as you described, a near
8 brownout/blackout condition, because this was all over
9 the state. It wasn't just Southern California. It was
10 all over the state. Two weeks in a row. The summer of
11 2006. The governor then asked me, "Can you get some
12 peakers so we can not have the situation ever happen
13 again?"

14 And we ended up, frankly, the governor, myself,
15 and others, talking about this. He originally wanted
16 ten peakers. We agreed on five, and we decided to build
17 up the air conditioning cycling program, the Edison
18 company, to get the same equivalent as the other five
19 would do. That's been successful.

20 Edison determined the location of the five
21 peakers, and they have growing load in Ventura --
22 particularly Ventura County, as well as in Santa
23 Barbara, particularly Ventura County, and it was their
24 determination that the peaker should be built there
25 outside of Oxnard, or at the boarder of Oxnard there.

1 It's been very contentious. It has never happened, as
2 you said, and it may never happen.

3 But I think it's fair to say that in terms of
4 engineering a system, that you need a peaker in that
5 location. That doesn't mean you need it in that
6 specific physical site. It could be two miles this way
7 or two miles that way, something of that type, but you
8 need that kind of reserve and that kind of generation
9 for the system reliability purposes and for the system
10 to keep the balance and all. You need it in that
11 location. You can't just put them all in Malibu or
12 whatever would be the case.

13 SENATOR OROPEZA: So the technology or the
14 reality of it is that peaker plants have to be placed
15 where the demand is?

16 MR. PEEVEY: They have to be placed in a rough
17 sense where the demand is and where there's
18 transmission, and where there may be not just demand,
19 but some aspects of the system may be less reliable than
20 others and have less redundancy and so forth.

21 SENATOR OROPEZA: Can I ask that -- You know,
22 when I described the Oxnard dynamic in terms of what
23 else is going on in Oxnard, the other thing going on is
24 that that is the lowest income and most Latino community
25 within Ventura County. It's 70 percent Latino, and its

1 income demographic is not high.

2 MR. PEEVEY: I'm quite aware of that.

3 SENATOR OROPEZA: I'm just wondering if it
4 would be possible, given that this was approved by
5 Edison or sited by Edison and then -- it was sited by
6 Edison at a time when we were in -- as part of a plan
7 for an emergency response that at this point in time we
8 are not in. We are not in the kind of emergency we were
9 in that summer when that call was made, and within three
10 years those other four came on line.

11 We're now in 2009, almost 2010. All I'm really
12 asking is if there would be a way for the commission to
13 look at whether it still -- whether it still makes sense
14 that under that emergency plan, this plant, which is
15 not -- as you said, has not been built yet and maybe it
16 will never be built, but there's no guarantee on that at
17 this point -- to take another look at it, to look at it
18 given the dynamics of today? I mean, is that
19 something --

20 MR. PEEVEY: That's kind of an ongoing process.
21 The people of Oxnard, the city manager and supervisor
22 and local officials --

23 SENATOR OROPEZA: He doesn't want it.

24 MR. PEEVEY: But they have another location two
25 miles away. They want to put it someplace else.

1 SENATOR OROPEZA: Oh, okay.

2 MR. PEEVEY: It's not within the city limits.
3 They want to put it over in --

4 SENATOR OROPEZA: But it's close.

5 MR. PEEVEY: They've shown me the maps and all
6 that. We've taken a look at this.

7 Trying to weigh all this is very difficult, but
8 I don't want to mislead you. The need for the peakers
9 was because we had this incredible heat wave. Now it's
10 true that economic downturn has reduced demand to some
11 extent, so we have a little more time than we would
12 otherwise have had. But the need for peakers was
13 because we came within a hare's breath of having
14 blackouts in Southern California. If one of the nuclear
15 units at San Onofre had gone out of service at that
16 time, we would have had rolling blackouts from Southern
17 California.

18 So the peakers took a year to build. Those
19 four peakers, they didn't go into service until the
20 summer of the next year. And load growth has continued
21 in Ventura County, although at a diminished rate. You
22 need some augmenting generation there, whether it's a
23 peaker plant or some other form there. You can't get it
24 all through energy efficiency and so forth. The exact
25 location of it is a different matter, and the city

1 itself has proposed different locations.

2 SENATOR OROPEZA: So what does that mean for my
3 question?

4 MR. PEEVEY: What it means for your question
5 is: To be continued. It's not resolved.

6 SENATOR OROPEZA: So the answer is the
7 commission -- It doesn't elevate to the commission?

8 MR. PEEVEY: Oh, yes. It would ultimately be a
9 commission decision.

10 SENATOR OROPEZA: It will be a commission
11 decision, ultimately?

12 MR. PEEVEY: Yes, yes.

13 SENATOR OROPEZA: I'm hoping, although we
14 haven't spent a huge amount of time on environmental
15 justice, at least I want to convey to you, as a member
16 of this committee, you know, somebody who is going to be
17 around a little while, God willing, how concerned I am
18 about those other issues being a part of the
19 decision-making process and not being solely a
20 decision -- well, solely a decision based on those other
21 factors like, you know, transmission, which I've heard
22 over and over again as a reason why we can't do things,
23 and other factors that are considered.

24 MR. PEEVEY: That's fair.

25 SENATOR OROPEZA: So I'm just conveying that to

1 you as a concern and hoping that you'll take it and do
2 something with it, do something good with it.

3 MR. PEEVEY: Okay. Thank you.

4 CHAIRMAN STEINBERG: Okay, Senator.

5 Senator Aanestad.

6 SENATOR AANESTAD: Mr. Peevey, welcome. You
7 just made the statement that you can't do it all through
8 energy efficiency, we do need more power plants whether
9 they're peaker plants or whatever kind of power plants.
10 But I'm a little confused, because at the very beginning
11 of your testimony well over an hour ago, you gave the
12 example of all of these -- you said short of -- You're
13 not suggesting short-circuiting CEQA, but we can build
14 the same plant much faster in Nevada, a mile across the
15 state line, than we can on our side where the desert
16 tortoise is being used as the excuse to stop.

17 And yet in subsequent testimony regarding the
18 requirements that would get us -- where are we on the
19 20 percent, and we're behind, but you think by the year
20 2013 we can get there. I'm afraid to ask, now that it's
21 30 percent, where you think that may pan out and whether
22 or not that's even a reasonable or a needed goal.

23 I think where my confusion comes from is the
24 fact that you seem to think in response to Senator
25 Steinberg's question about, "Do we mandate that this

1 energy be made in California or" -- and you said, "No,
2 it's all settled out. It's going to happen that it's
3 going to come from California," and you gave reasons,
4 and yet the very first part of your statement was all of
5 the regulatory or impediments put there by government of
6 some sort, at some level, as to why we are so far behind
7 now.

8 I can't reconcile the two. How do you expect
9 investors to come to California and invest in power
10 plants with the kind of business regulatory climate that
11 we have and expect to achieve the goals without becoming
12 more competitive with, say, an Arizona or a Nevada? It
13 isn't jiving, and I'm just wondering if you can
14 enlighten me.

15 MR. PEEVEY: Well, what I was trying to do in
16 response to Senator Steinberg's question is to show the
17 full dimension of the challenge in question here. There
18 are things that we can do in California to facilitate
19 power plants being built in this state that we probably
20 ought to be doing as part of this RPS legislation, but
21 there is no shortage of people that want to build new
22 power plants in California, both conventional and
23 renewable.

24 I mean, we've approved a transmission line from
25 San Diego to the Imperial Valley. There are people

1 lined up to build power plants there led by Sterling,
2 which is a large solar company, but there's a whole host
3 of others. We have the old transmission line that goes
4 from Senator Dutton's district from the old Mojave
5 Edison plant over to Melugo. That coal plant has been
6 closed down. There are 6,000 megawatts of applicants
7 that want to build projects that will go on that
8 1200-megawatt line.

9 The example I gave on the desert tortoise was
10 within the boundaries of California. My point was that
11 we have to look at all these factors in weighing it. We
12 have the ability to develop in the Owens Valley where
13 the Department of Water and Power is very interested,
14 Los Angeles Department of Water and Power, in developing
15 solar where they own the land and all.

16 So there's plenty -- And we do a tremendous
17 amount of development in Tehachapi --

18 SENATOR AANESTAD: I understand that, sir, but
19 there's a question about the ability to do it and the
20 reality of it being done when, competitively, if we move
21 it across the state line, that power plant is much
22 cheaper to build and can send cheaper electricity to
23 California if it's one mile across the state line than
24 if it is in California. How do we reconcile that?

25 MR. PEEVEY: I'm not here to tell you what to

1 craft and build for next year, other than I would hope
2 that some attention would be paid to the fact of making
3 sure that there is not an overwhelming competitive
4 advantage out-of-state to in-state.

5 SENATOR AANESTAD: What about electrical rates?

6 MR. PEEVEY: What about electrical rates?

7 SENATOR AANESTAD: The difference in cost,
8 being able to supply electricity to California with
9 out-of-state energy versus the new regulations that we
10 have now.

11 MR. PEEVEY: That's -- I head an agency that
12 has to be concerned about rates very much so. We are a
13 consumer agency in that regard. That's one of the
14 factors that gives me pause about some of this, because,
15 I mean, if you're a developer and can build in a shorter
16 period of time in Oregon than you can in California, and
17 the cost of bringing the power -- and it's wind energy,
18 and it's the same cost whether you construct in
19 Oregon -- you can't construct in California. It takes
20 you three years to build in California, and you're in
21 Oregon, and therefore the costs are going to be
22 significantly higher in California. It's one of those
23 things that gives me pause about exclusively building in
24 California.

25 Obviously, I want to see as much built in

1 California as we possibly can. I'd love to see it be
2 100 percent. It's great to have all California jobs,
3 but I also realize we are part of a region. And
4 remember, we import 25 percent of our power today into
5 California from, largely, the Pacific Northwest, but
6 also Nevada and Arizona. So we are part of a region.
7 I'm just trying to find the right balance that doesn't
8 penalize unduly California consumers while we meet our
9 environmental and job goals that are very important to
10 me.

11 SENATOR AANESTAD: Large portion of my district
12 relies on hydroelectric power. Existing hydroelectric
13 power is not included in the renewable energy package
14 this Legislature put out. Can I have your reaction to
15 that?

16 Let me give you an example. Trinity Utility
17 District. When they built the dam, the federal
18 government built the dam, they told the customers in
19 Trinity Utility District area, "You can have this cheap
20 electricity forever." They have much more electricity
21 than they can use, and yet there are attempts to make
22 the Trinity Utility District go out and buy renewable
23 energy that is generated under the new regulations, not
24 even being able to use the excess electricity that they
25 have and not being able to export it. Can I have your

1 reaction on that.

2 MR. PEEVEY: Look. Here's -- 30 -- The
3 definition of renewable hydro in California is
4 30 megawatts or less. That's an artifact. The
5 Legislature created that. The Legislature can change
6 that.

7 SENATOR AANESTAD: Are you recommending we do?

8 MR. PEEVEY: There's nothing sacred about
9 30 megawatts.

10 SENATOR AANESTAD: Are you recommending that we
11 do --

12 MR. PEEVEY: I think you ought to take a
13 careful look at that. I don't want to get into your
14 domain here.

15 SENATOR AANESTAD: However, I would like to see
16 some expertise injected into the Legislature today.

17 MR. PEEVEY: Let me put it this way: Whether
18 it's a 200-megawatt hydro dam, a dam producing
19 200 megawatts, or a 30-megawatt one, hydroelectricity is
20 a renewable resource. There's no question about that.
21 It's considered in almost the entire world that way.

22 CHAIRMAN STEINBERG: As I understand it, if I
23 may --

24 MR. PEEVEY: Maine -- every other state.

25 CHAIRMAN STEINBERG: Trinity itself was allowed

1 to count its hydro as part of the legislation that was
2 contemplated last year, and the agency itself, as I
3 understand, was neutral on the bill.

4 MR. PEEVEY: That is correct. Senator
5 Steinberg is correct. But you don't allow PG&E to count
6 its hydro, if it's over 30 megawatts, as a renewable,
7 and PG&E is 4,000 megawatts of hydro -- that's over
8 4,000 megawatts, and it's defined as nonrenewable; and
9 if PG&E counted that along with its 13, 14 percent
10 renewable today, it would be over 33 percent, just so
11 you get a sense of the numbers.

12 SENATOR AANESTAD: That's my point. It took
13 considerable effort to make sure that people understood
14 what was going on in Trinity County, and without
15 Mr. Peevey's help, it wouldn't have happened.

16 CHAIRMAN STEINBERG: But it happened.

17 SENATOR AANESTAD: I've got 11 other rural
18 counties where the same problem applies, where we have
19 hydroelectric plants that we cannot use as part of the
20 renewable package. Doesn't make sense.

21 MR. PEEVEY: Senator Steinberg -- and believe
22 me, I'm not courting him -- he has it right. Under
23 the -- It may not be the wisest decision, but it is a
24 decision that municipal utilities can determine what is
25 their renewable resource and what is not. That's

1 absolutely correct. And some of them consider large
2 hydro as a renewable resource. You have Northern
3 California Power. The NCPA says they're 38 percent
4 renewable today. The only way you get there is counting
5 these large things. DWP Los Angeles will do the same
6 kind of thing.

7 So in some ways when we say the utilities are
8 this, PG&E is this, and all that, it misses the true
9 picture, because we're comparing apples and oranges.

10 SENATOR AANESTAD: Thank you.

11 CHAIRMAN STEINBERG: Okay.

12 Senator Cedillo. Senator Dutton.

13 SENATOR DUTTON: Thank you. Good afternoon,
14 Mr. Commissioner. I do have a couple things. They all
15 start out by going a little bit on your comment about
16 regulators as opposed to a policymakers.

17 It would seem over the years that the PUC has
18 actually been more legislative in some areas than policy
19 implementer or policy maker, as opposed to actually just
20 looking to being a regulator of what is passed by
21 Legislature. And I'm reminded about California's solar
22 initiative.

23 We were working on SB 1, a Senate bill by
24 Murray, and it seemed like the PUC went off on its own
25 direction developing that while the Legislature was

1 currently trying to -- view of the legislation the PUC
2 kind of went on its own. And there's been other cases
3 where -- well, the California Institute of Climate
4 Change Solutions. That was another one. You know, I
5 have a little concern about going in that direction,
6 because you seem to be -- you do seem to be legislating
7 more than just implementing policy.

8 MR. PEEVEY: I plead guilty to some extent in
9 that. Honestly --

10 Let's take the solar initiative as an example.
11 As I recall, it was sponsored by both Senator Murray and
12 also Senator, now Congress Member, Kim. For two years
13 the Legislature tried to pass this, and it didn't happen
14 for a variety of reasons. The governor asked me --
15 said, you know, "I'm committed to a million solar homes.
16 I want to see this. Nothing is happening in the
17 Legislature. Can the PUC do something about this?"

18 And I said, "We'll take a look at it and get
19 back to you in 90 days." And I said, "We can do these
20 things, A, B, C, and D. We can't do E and F. It takes
21 legislation to do E and F. The other things are
22 consistent with our regulatory authority and
23 constitutional agency and so forth." And we did. And
24 lo and behold, the next year the Legislature took what
25 we did, plus a few more things were added, and the

1 statute became Murray's bill. That's exactly what
2 happened.

3 SENATOR DUTTON: Let's talk a little bit about
4 cost. I was reminded just before I came up here -- My
5 wife is paying bills, and she periodically will ask
6 me -- you know, she reads about how we are becoming
7 more energy efficient, we use less power and so forth,
8 and her question is -- She does the comparison over the
9 last few years. She says, "Yeah, we're using less
10 power, but how come it's costing me more?"

11 So I think it may be a little disingenuous to
12 the general public. They don't understand. I
13 appreciate what people may be talking about, but I'm a
14 little concerned about letting the people know we're
15 doing this great job, and California is one of the most
16 energy-efficient states in the entire nation, and yet we
17 pay the highest cost of most states.

18 There was a U.S. Energy Information
19 Administration through 2009 that came up with
20 Californians are paying 45 percent more for electricity
21 than the national average. Seems to me like that's also
22 creating part of the problem with a lot of people,
23 especially today with the high cost of living and trying
24 to do business here in California. It's excessive
25 energy cost. It would seem to me like it's more the

1 policies that are coming into play that are driving that
2 cost than actually looking at better forms of energy.

3 MR. PEEVEY: There are two considerations here.
4 First place, California rates are higher than the
5 national average. There's no question about that. In
6 part, it is driven by the fact that over half the
7 electricity in the United States is generated by coal,
8 which we don't use, or very, very modest amounts. The
9 biggest use of coal is by Southern California Municipal
10 Utilities, and that price is going to go steadily up as
11 we deal with climate change. It's an issue very frank
12 with coal.

13 But you also have to be careful in the rate
14 comparisons, because if you look at just strictly the
15 rate as so much per kilowatt hour, Californians use less
16 electricity than most other places in the United States.
17 We have a more temperate climate. We use less in the
18 winter and we use less in the summer, on average.

19 Most people that come from the East and
20 Midwest, or from the Deep South, come to California and
21 say, "Well, my overall electric bill is about the same,"
22 because while the rate is higher, the usage is less.
23 You come from Florida to California, you think you're
24 coming to heaven because you're not running an air
25 conditioning 12 to 16 hours a day 10 months of the year.

1 So there are tradeoffs here that those kind of
2 simple comparisons that someone will do in a business
3 climate survey miss.

4 SENATOR DUTTON: Well, my wife isn't looking to
5 start a business. She's actually trying to manage the
6 household funds. She's really looking at X number of
7 dollars coming in, and X number going out.

8 CHAIRMAN STEINBERG: And Senator Dutton is
9 taking a pay cut.

10 SENATOR DUTTON: She reminds me of that too.

11 MR. PEEVEY: Well, I took a pay cut too. Both
12 members of my household have taken a pay cut.

13 SENATOR DUTTON: You said a couple things, and
14 I agree with you. I think, frankly, if we were going to
15 do anything, rather than import power we ought to be
16 aggressively building power plants to export the type of
17 power we feel should be developed.

18 We do put ourselves at a burden, a little added
19 problem, because with the increase in the renewable
20 energy mandate that we've self-imposed by the governor
21 directly, the ratepayer's advocate's office has put a
22 pretty high price tag on that to the ratepayers of
23 California. I don't think people realize when we're
24 talking ratepayers, we're talking families, we're
25 talking the family budget. And we can't just pass that

1 burden on through a tier system, you know, to a business
2 or anybody else. I mean, there is an actual cost. And
3 it seems to me -- You've got a degree in economics, and
4 it would seem to me -- I mean, it would give me a great
5 deal of comfort, because you would be the kind of person
6 who would be able to do the benefit cost analysis to
7 make sure that the actual cost of achieving this
8 objective is being achieved on a sound economic basis so
9 that we aren't just throwing away the economy and jobs
10 and things. So I'm really kind of relying on you,
11 because of your professional background as well, to be
12 able to be that person. So maybe you can give some
13 comments about --

14 MR. PEEVEY: Well, our staff has done that. In
15 our energy division, we put out a study what it would
16 cost to get to 33 percent renewables and at 7 to
17 10 percent higher than not going down that route and
18 going to, maybe, 25 percent renewables or something like
19 this. Put that in perspective, that's about a half
20 percent a year over a period of time more than would
21 otherwise be the case. So at the end of the day, it's
22 kind of up to all of us collectively, whether that's a
23 price we wish to pay for the society we wish to have in
24 this state.

25 I think that -- I would like to see it done as

1 economically as possible, which is the point I was
2 trying to make here, trying to do all this balancing,
3 which is very tough, because you never make everybody
4 happy, or anybody happy, at any one time.

5 It's also compounded the rates by the fact that
6 during the energy crisis, legislation was passed, AB 1x,
7 that froze tier one and tier two rates, and they remain
8 frozen until January next year. And everyone -- We all
9 pay tier one and tier two rates, but that has forced
10 everything else on the residential side to go into --
11 this is the IOU customers, to go into tier three, four,
12 and five. And if you have a good-size home, or you have
13 good air conditioning, or you have a pool, you're going
14 to be in that grouping, and those rates have gone up
15 much more than the overall system average. This was the
16 Legislature.

17 Now you passed SB 695 this past year -- the
18 governor signed into law -- by Kehoe. That is the first
19 step towards some alleviation of that and was supported
20 in the end by consumer groups and the utilities and so
21 forth.

22 CHAIRMAN STEINBERG: Senator Dutton, you know,
23 appropriately and effusively has stoked the debate in
24 the Legislature and the Senate about AB 32 and the cost
25 benefit, and it's a debate that we've had and we will

1 continue to have, a very, very important debate, and yet
2 as I understand Senator Dutton's question, I just want
3 to interpose the following as well. That is, I hope
4 that your analysis -- the PUC's analysis over time also
5 reflects the cost of continuing down the road of a
6 carbon-based energy economy, because, in my view, that
7 has a significant cost as well.

8 MR. PEEVEY: Yes, it does.

9 CHAIRMAN STEINBERG: And so just make sure that
10 we're always comparing apples to apples here. The 7 to
11 10 percent compared with the cost of not shifting to
12 alternative energy, your analysis, objective analysis on
13 those very questions, will help guide some of the
14 decisions we're going to be called upon to make over the
15 years and years ahead.

16 Do you want the last word on that?

17 SENATOR DUTTON: Yeah, and I would concur with
18 that. I think that's where some of the frustrations
19 come from. I don't have any problems with the
20 objective. What I'm trying to do is, we seem to exclude
21 a lot of things that other states do not exclude, or
22 even other countries, and, therefore, it puts us at a
23 competitive disadvantage. So I don't mind being a
24 little bit higher standard. I just don't want to be so
25 high that I put myself at a disadvantage and therefore

1 create economic hardship with the people of California,
2 because there are some things that we don't allow that
3 other countries do, nuclear power being one of them.

4 We did hearings down in San Diego -- I think
5 you attended those -- a couple years ago with Christine
6 Kehoe. We also had some other issues regarding some of
7 the things that -- you know, a lot of the states use
8 coal. We have natural gas; we have siting problems.
9 They're trying to re-power plants, and they even have
10 trouble doing it, where we could actually generate more
11 power through natural gas, and yet we've run into all
12 these problems. And they'd actually solve some of the
13 environmental problems.

14 So what I'm looking for is not so much trying
15 to get away from the idea of trying to not reduce our
16 dependency on a carbon base; but what I'm trying to do
17 is put some common sense into it, but also make sure we
18 don't disallow some of the other options. And you're --
19 Obviously, with your background and experience, you know
20 what those options are and how to balance the goals and
21 objectives to get to that perfect society, and at the
22 same token doing it in a way that we don't throw the
23 baby out with the bath water, so to speak.

24 MR. PEEVEY: If I can couple what you and
25 Senator Steinberg said, the challenge is to -- in my

1 view, is to reduce our carbon intensity significantly.
2 It helps our economy to do that if the other flip side
3 is we invest in new technologies and continue to spur
4 new technological improvements, innovation, and
5 development.

6 We have -- About half the venture capital money
7 in the United States comes into this state and is spent
8 in this state. We have to nurture and promote the kind
9 of industries that can grow out of that. And something
10 like -- you know, just a few months ago, we got a big
11 grant from the DOE. Today we take petroleum coal, we
12 send it to the Far East. It's the -- It's like coal.
13 It's the most polluting thing.

14 In the future, we're going to take it into Kern
15 County, turn it into hydrogen, develop it into hydrogen
16 and power a power plant, and sequester the CO₂ in
17 underground and get more oil out of it. We won't be
18 sending it overseas.

19 Those kind of technological changes and
20 improvements are the kind of things we have to foster
21 and promote in this state if we're going to be able to
22 achieve the kind of goals that I think we all want for
23 California, without an excessive price.

24 CHAIRMAN STEINBERG: Okay. I want to open it
25 up for the public testimony, but I want to make one more

1 sort of plea, one more advocacy in terms of what's on
2 your plate.

3 In addition to looking very carefully at these
4 issues of environmental justice, especially when it
5 comes to society -- It's one thing when you're talking
6 about the desert. It's another thing when you're
7 talking about residential neighborhoods, especially
8 low-income neighborhoods. And I believe that you ought
9 to give special attention to ensuring low-income
10 neighborhoods are protected when it comes to that
11 balance. That's one thing.

12 Here's the other thing: You know, Senator
13 Dutton asked you about your Climate Institute
14 initiative, and, you know, your critics might say at
15 times that you push the envelope very, very hard, and
16 that was, maybe, a controversy over whether or not that
17 was at your prerogative or it should have been a
18 legislative prerogative.

19 Here's an area where I urge you to push the
20 envelope and compete with the Legislature. I don't
21 care. Just go. And that is this: You have, for
22 example, the peer funds, the alternative energy funds.
23 I would love to see the PUC lead an initiative that
24 invests in career education for high-school students
25 linked to alternative energy and this new green economy

1 that we're talking about.

2 This is what's being missed here. We argue
3 about economic policy; we argue about environmental
4 policy. We're now arguing -- I got to get upstairs in a
5 little bit to argue about education policy and the Race
6 to the Top. Leaders like yourself -- and we're not --
7 we're certainly not setting aside our own responsibility
8 here -- I think have a unique opportunity to put these
9 issues together in a profound way. And with the
10 resources at your disposal and with your history of
11 creativity and willingness to push the envelope, to make
12 part of the PUC's mission to help reduce California's
13 dropout rate by connecting this emerging green economy/
14 alternative energy and public education reform, you'll
15 make some, you know, enemies along the way, and, "This
16 isn't your business. This isn't your jurisdiction"; but
17 I'll tell you for one, I have your back all the way.

18 You've got -- Why shouldn't the money you
19 wanted to use for the Climate Institute -- good idea,
20 important idea -- be used instead to fund or in addition
21 to fund these sorts of career pathways for kids who need
22 the opportunity and when California is going to need a
23 high-skilled, highly educated workforce for this green
24 economy. And I'd love to see you, Mike, Mr. Peevey,
25 make that one of your causes in your second term if

1 you're confirmed with the PUC.

2 MR. PEEVEY: Just a very brief comment on that.
3 Number one, it was an integral part of the Climate
4 Institute proposal. That's where the community colleges
5 would have been involved.

6 CHAIRMAN STEINBERG: High schools.

7 MR. PEEVEY: I know. I heard you. I heard
8 you.

9 But secondly -- Well, I accept the challenge.
10 I think it's a hell of an idea, because -- I just spoke
11 a few weeks ago at Berkeley High, which PG&E's adopted
12 as one of a whole series of high schools, two here in
13 Sacramento, on high school green training -- training
14 for green jobs, and I think there's much that could be
15 expanded there. And with the encouragement of the
16 Senate, of the Legislature, we will move -- we'll move
17 more dramatically in that direction, because I share
18 with you the challenge for this state, for the workforce
19 development in this state, that we're not producing
20 enough people that are adequately trained for the
21 workforce of the future.

22 CHAIRMAN STEINBERG: No pride of authorship on
23 this subject. Go.

24 All right. Witnesses in support. You're
25 welcome to take seats or to testify at the -- whatever

1 you would like.

2 I want to welcome our former colleague here,
3 Senator Escutia.

4 SENATOR ESCUTIA: Thank you. Thank you Members
5 and Chairman. First of all, when I entered the
6 Legislature in 1992, my PUC chairman was Dan Fessler.

7 CHAIRMAN STEINBERG: My professor.

8 SENATOR ESCUTIA: I started with Dan Fessler,
9 and I ended with Michael Peevey. And Michael will be
10 the first one to tell you -- and, Michael, that's our
11 story -- that I was probably the most difficult vote
12 that he had to get in -- was it 2000 -- I was the most
13 difficult vote that he had to get in 2000 for him to
14 convince me to vote for him for the PUC chairman. And I
15 have to tell you, Michael, almost ten years later, I
16 don't regret the vote. I do not regret the vote.

17 I'm here in my capacity as a board member of
18 the California Emerging Technology Fund. The CETF fund,
19 Members, is a fund that was started as a result of -- it
20 basically reflects a public benefits component of the
21 AT&T/SBC merger and the Verizon/MCI merger. We tried to
22 do it in the state Legislature, myself and then Assembly
23 Member Marguerite Thomas. The bill got killed. Thank
24 God that Mr. Peevey and Ms. Kennedy were watching this
25 and they incorporated that, and it's a good thing to do

1 as part of the opinion for the approval of the merger.
2 That resulted in money that funded this program.

3 And let me tell you, you talk a lot here about
4 what Michael has done at the PUC. There's a lot of
5 stuff that he has done that no one is aware of.
6 Because, ultimately, we do live in a rather insular
7 world here in the State Capitol, and all we do is just
8 get lots of letters from, you know, groups that have
9 their lobbyists, and you get their letters, but trying
10 to go beyond that is very difficult for us in these very
11 isolated bodies that we lead. I can tell you that now
12 that I've been three years outside of this building.
13 And if there is a real world out there, it's very more
14 complex than what it is from what we live here day to
15 day.

16 In 2007, after I left the state Legislature,
17 Mr. Peevey called me up and asked me whether I would
18 serve on the board of directors of the CETF board, and I
19 said, "Absolutely." And let me tell you, exactly what
20 you're talking about in terms of education, that's
21 exactly what Mr. Peevey and the board of directors are
22 doing at CETF fund; but it's under Mr. Peevey's
23 leadership, who was our chairman of that board who had
24 started the school-to-home program, in which I am the
25 lead director, and we anticipate that we are going to

1 get to 539 middle schools, middle schools, and we're
2 going to get computers to those kids and partnership
3 with the children's partnership, as well as other
4 stakeholders. And we're basically going to address the
5 issue of digital literacy, as well as academic
6 achievement by basically using the promise of that
7 computer and how that conveys knowledge to the children,
8 especially in middle schools.

9 We're kicking off this program next year with
10 25 middle schools. That's the program no one hears
11 about. No one hears about Mr. Peevey being a spearhead
12 of that. No one hears about the fact that Mr. Peevey
13 also spearheaded the California Tollhouse Network and
14 the fact that at the board, he led the fight to make
15 sure that we would give, as a board, \$3.5 million to the
16 State of California in order to draw down a \$20 million
17 draft from the FCC in order to provide healthcare to
18 rural communities to have phone access to doctors or to
19 nurses. We can do that by way of telemedicine.

20 Those are the stories that you will never hear
21 in the Capitol, because there aren't any paid lobbyist
22 to tell the story; but yet it has been Mr. Peevey who
23 has been the one that has spearheaded that. And for me,
24 it's with great pride that I come here to testify for
25 his confirmation.

1 Thank you, Members.

2 CHAIRMAN STEINBERG: Thank you very much,
3 Senator Escutia. It means a lot.

4 MS. O'CONNOR: I'm going next.

5 CHAIRMAN STEINBERG: Professor O'Connor.

6 MS. O'CONNOR: Thank you. I too serve on the
7 board of the California --

8 CHAIRMAN STEINBERG: Identify yourself, please.
9 We all know you, but....

10 MS. O'CONNOR: I'm Barbara O'Connor. I've been
11 teaching at Sac State for 37 years and will retire in
12 June. And I teach telecommunications, so I know more
13 about it than anyone ever wants to hear.

14 I have worked with Mike for a long time. He
15 and Don Vile before him sort of steered me in the
16 direction of telecommunications and energy, and I'm an
17 officer of the California Emerging Technology Fund and
18 have worked with him in that context.

19 I can tell you honestly, because I have
20 intervened on behalf of the people of California since
21 1984 as chair of the Public Broadcasting Commission, as
22 chair of the Education Technology Commission, and as
23 director of the Institute for the Study of Policy and
24 Media at Sac State, that Michael is a leader in
25 telecommunications. And I don't know energy, so I won't

1 purport to go there, but I know telecom cold, and Mike
2 has been terrific.

3 Whenever he has had an opportunity to aggregate
4 demand, to bring people together who don't normally talk
5 to each other, to bring in federal funds -- we have
6 \$1.6 billion pending right now in telecom funds in
7 ARA -- Mike has been terrific. He makes that happen
8 because he's candid and blunt, and I like that about
9 him.

10 But I think you could do nothing better than
11 confirm him for a term. He deserves to be there. He
12 has been absolutely splendid to work with. I enjoy
13 meeting with him and dealing with him, and I will
14 continue to do that as an officer of CETF.

15 I feel compelled to say I also enjoyed working
16 with Commissioner Chong, and I'm sorry I'm not here to
17 help her today, and I understand why. But she has been
18 absolutely splendid as well on telecom.

19 So thank you very much for hearing me out.

20 CHAIRMAN STEINBERG: Thank you very much,
21 Ms. O'Connor.

22 MS. McPEAK: Mr. Chairman and Members of the
23 Committee, I'm Sunne McPeak. I'm with California
24 Emerging Technology Fund, and the Honorable Martha
25 Escutia and Dr. O'Connor are two of my directors.

1 Mr. Peevey is our chairman.

2 You've heard their eloquence -- of Martha and
3 Barbara -- as to what he has done, focused fiercely on
4 closing the digital divide in California, bringing that
5 passion for reaching out and including all Californians,
6 coupled with the business expertise that he obviously
7 also displays.

8 Adding to what you just heard, I will say he
9 has also been the person who has focused in on
10 California getting its fair share of dollars from the
11 American Recovery and Reinvestment Act for broadband,
12 for high-speed Internet access, and he has been the one
13 that personally kicked off our whole "Get Connected"
14 campaign to reach low-income, non-English speaking
15 families to become part of the 21st century digital
16 economy.

17 I'll conclude by saying you do have the letter
18 from all of the directors of the California Emerging
19 Technology Fund except for Mr. Peevey -- he didn't sign
20 for himself -- which we submitted in August, and it was
21 a letter that was on behalf of and in favor of both the
22 confirmation of President Peevey and Commissioner Chong.
23 We do urge and request that you confirm President
24 Peevey.

25 SENATOR ESCUTIA: One sentence I forgot.

1 CHAIRMAN STEINBERG: Senatorial courtesy.

2 SENATOR ESCUTIA: Thank you, Mr. President.

3 I think it would be of interest to some of the
4 senators, especially Senator Oropeza, and I'm sorry that
5 Senator Cedillo is not here, but I am convinced that
6 Mr. Peevey's legacy will be his diversity in legal
7 services and financial services initiatives at the PUC.

8 When I was the chairman of the committee, he
9 would ask me, and even former Assemblywoman Gwen Moore,
10 to sit en banc at PUC hearings in which we would sit as
11 commissioners. And we would basically hear the efforts
12 on the part of the utilities companies to diversify
13 their subcontracting practices to make sure that
14 everybody, you know, got a benefit of that economic pie.
15 And Mr. Peevey has taken it to another level saying,
16 "Okay. Let's make sure that attorneys and accountants
17 and all the professionals that are hired by these
18 companies reflect the complexity of the new California."
19 And I'm really convinced that, if anything, that's also
20 going to be one of his initiatives.

21 And I thank you so much.

22 CHAIRMAN STEINBERG: Thank you again.

23 Let me ask witnesses just -- if you can be
24 concise, we'd appreciate it.

25 SENATOR OROPEZA: Can I request once you've

1 spoken, you give somebody else your chair.

2 CHAIRMAN STEINBERG: Real brief.

3 MR. KELLY: Steven Kelly with the Independent
4 Energy Producers Association. We support the
5 confirmation of President Peevey.

6 Over the last five years, the energy business
7 has been very trying and a challenge, and we certainly
8 think the same will be true going forth for the next
9 five years. And President Peevey has certainly proven
10 himself up to the task, and we look for the continuity
11 of leadership as to that.

12 CHAIRMAN STEINBERG: Thank you very much.

13 MR. PEREZ: I'm Jose Perez, and I'm here
14 representing the Latino Journal and a couple other hats
15 from individuals who couldn't stay with us because they
16 had to catch flights, including the Latin Business
17 Association and the Hispanic Language Academy. We all
18 support the confirmation of President Peevey to the
19 Public Utilities Commission.

20 I just handed out a copy of the California
21 Utilities Diversity Council annual report to the Public
22 Utilities Commission which, Senator Steinberg, does
23 address the two key items that you mentioned. One
24 is: How do you work to bring more people to become
25 knowledgeable about the work of the Public Utilities

1 Commission which affects so many of us?

2 And over the course of the last seven years,
3 the Public Utilities Commission, through the leadership
4 of President Peevey, has done outreach to bring in trade
5 associations, community-based groups, and we manifest
6 ourselves as the California Utilities Diversity Council.

7 The second point I just wanted to quickly make
8 is the education initiative. The employment committee
9 in that report shows some of the work that is being done
10 in order to look at workforce preparation as it relates
11 to the renewable energy sector which is a very
12 diverse --

13 CHAIRMAN STEINBERG: I just want to -- you
14 know, computer literacy, computers, the technology is
15 all great. The next step is to take all that technology
16 and begin creating career pathways for young people as
17 early as middle school so that they're focused on the
18 relevance between what they're being asked to learn and
19 what they might do with their lives.

20 Thank you, Mr. Perez.

21 MR. PEREZ: Thank you.

22 MR. HAWKS: Thank you. My name is Jack Hawks,
23 California Water Association. My group represents the
24 utility -- water utilities that are regulated by the
25 PUC.

1 We all know President Peevey is an expert on
2 energy. I'm here to assure the Committee that he gets
3 it on water as well. Under his leadership, the PUC
4 conceived and implemented a water action plan somewhat
5 comparable to the energy action plan back at the end of
6 '05, and the utilities have been implementing that plan
7 ever since. The commission will be undertaking a new
8 one next year. The point there is that the execution of
9 that plan has ended up dovetailing very nicely with the
10 water legislative package that passed, especially SB 7x.

11 Secondly, President Peevey gets it on what's
12 going on in the water industry today. What's going on
13 is that water purveyors are looking to develop more
14 local-sourced supply of water, and President Peevey
15 we -- has taken the time to come down to Southern
16 California, visit with the utilities, and see how
17 they're cleaning up contaminated aquifers and trying to
18 develop that local-sourced supply, reduce our dependence
19 on imported and purchased water. And we support his
20 confirmation.

21 CHAIRMAN STEINBERG: Thank you very much.
22 We'll have to look at that water issue sometime in the
23 Legislature.

24 MR. CRABB: Thank you, Senator Steinberg and
25 Members. Bryan Crabb on behalf of First Solar, the

1 largest solar developers in California, and the
2 California RPS. President Peevey has been a true
3 champion in renewable development in California, and
4 we're honored to support his confirmation.

5 CHAIRMAN STEINBERG: Thank you.

6 MS. ETTENSON: Thank you. My name is
7 Lara Ettenson, with the Natural Resources Defense
8 Council, and I support President Peevey's confirmation.
9 He has helped make California a leader in energy
10 efficiency and climate solution policy, and we look
11 forward to working with him and the Legislature to
12 continue our progress.

13 CHAIRMAN STEINBERG: Thank you very much.

14 MR. JOHNSON: My name is Will Johnson, I'm
15 president of Visage Energy. I've been working quite
16 closely with President Peevey, the Energy Commission,
17 Commissioner Boyd, on projects of the National Energy
18 Technology Lab over the past four years. At a meeting
19 just last month, the director of the lab indicated that
20 he had either spent or committed to spend \$600 million
21 in California research and development. A lot of that
22 was some of the support we got from President Peevey.

23 In addition to that, on January 19th and 20th,
24 we're going to be having a meeting again with the Energy
25 Commission, and CPUC, the ISO, and there will be the

1 assistant secretary of energy, Jim Markowsky, who was
2 recently confirmed by the Senate, and he's going to be
3 responsible for spending a trillion dollars on a
4 national grid over the next ten years, and he's coming
5 to California because he's impressed with this
6 collaborative that we've had between the Energy
7 Commission and the Public Utilities Commission, because
8 he thinks he's going to have to export that to the rest
9 of America.

10 He's coming here because a huge amount of
11 renewables that we've already figured out how to
12 integrate into the grid, that that's just a dress
13 rehearsal for what the country is going to have to do on
14 a national basis. So I think his leadership has been
15 very valuable to California.

16 CHAIRMAN STEINBERG: Thank you, sir, for your
17 testimony.

18 MR. DIAZ: Mr. Chair and Members, Cesar Diaz on
19 behalf of the State Building and Construction Trades
20 Council. We strongly support Mr. Peevey's confirmation
21 to the PUC and also look forward to working with him on
22 the renewable energy project as well as the career
23 technical education initiative. Thank you.

24 CHAIRMAN STEINBERG: Very good. Thank you.

25 MR. DUFFY: Senators, my name is Otto Duffy.

1 I'm a San Francisco neighborhood activist. I'm from
2 Willie Brown's old Assembly district. I am from the
3 city supervisor District 6, a district of 75,000 people.
4 Specifically, I'm from the Tenderloin, north of Market
5 neighborhood, a neighborhood of about 29,000 people that
6 live within less than one half a square mile. It's a
7 complex neighborhood of Asians, Southeast Asians,
8 Latinos, Central Americans, Blacks. It's got families,
9 single adults, children, retirees, workers and a lot of
10 disabled people. It's quite a complex neighborhood of
11 29,000 people.

12 My own city supervisor, when he speaks he will
13 not claim that he can speak completely for a
14 neighborhood of this complexity.

15 CHAIRMAN STEINBERG: Sir, what about your view
16 on Mr. Peevey's confirmation?

17 MR. DUFFY: I support Mr. Peevey. I think
18 Mr. Peevey is the person who could look -- What I
19 believe the Public Utilities Commission needs is public
20 input and accessibility to process. I think Mr. Peevey
21 is a person to do that. And my issue -- My describing
22 where my neighborhood is and the complexity of it is
23 this: Different people in different neighborhoods and
24 with different circumstances, the provision-of-service
25 models have differing effects, and the whole point of

1 the Public Utilities Commission is to even out those
2 effects, make sure no burden is borne unduly by any
3 community, and that all people have minimum service
4 standards. And I think Commissioner Peevey will be able
5 to achieve that.

6 CHAIRMAN STEINBERG: Thank you for coming to
7 Sacramento to testify. Appreciate it.

8 Sir.

9 MR. KANG: Mr. Chair and Members of the
10 Committee, my name is Sam Kang from the Greenlining
11 Institute.

12 CHAIRMAN STEINBERG: K-a-n-g, correct?

13 MR. KANG: That's correct, sir, and I'm here to
14 put an exclamation point on the day.

15 Greenlining represents 38 member coalitions
16 stretching from Sacramento all the way to Phoenix,
17 Arizona. We represent three of the largest
18 African-American churches in the state, the Asian
19 Business Association, Hispanic Chamber of Commerce, the
20 African Chamber of Commerce, as well as one of the
21 largest pan-ethnic organizations in the state of
22 California. And I'm speaking on behalf of all of them
23 in offering our full confidence in the confirmation of
24 President Mike Peevey.

25 Let me just explain, because we stated in a

1 letter back in the summer that was a little bit unclear,
2 and it was more neutral in its flavor. Since then --
3 Let me back up.

4 Greenlining's relationship with President
5 Peevey has been one that's been very dynamic, would you
6 say, and with the last new legacy that he's going to
7 leave behind, as Senator Cedillo pointed out, that he is
8 the champion in this country in terms of regulatory
9 diversity.

10 When I go back to D.C. to meet with members of
11 the FCC, they always ask me, "So what is Mike Peevey
12 doing now with CPUC?" And that is a legacy that I'm
13 sure he will solidify and continue with some big issues
14 ahead, including major rate increases, utility shutoff
15 issues, the solar industry and renewable energy, as well
16 as, perhaps, maybe even a Comcast merger, if he should
17 be so inclined to get involved.

18 But in the meantime, I'm just here to offer my
19 full support on behalf of Greenlining Institute and its
20 38-member coalition. Thank you very much.

21 CHAIRMAN STEINBERG: Thank you very much,
22 Mr. Kang.

23 Any other witnesses in support? Are there
24 witnesses --

25 Senator Montoya, I apologize. Go ahead, sir.

1 SENATOR MONTROYA: Yes. Mr. Chairman and
2 Members, I'm a voice from the past. I'm from the days
3 of George Moscone and Bob Moretti, Jack Knox, and.
4 Bill Baglietto, known as Bill Bagley, and I just thought
5 I would share a couple of things with you in terms of --
6 I'm 70 years old, so I have a little bit of
7 institutional memory.

8 I go back with Mike Peevey before he became a
9 politician, and by that I mean an appointed politician.
10 He founded or was a co-founder of something called the
11 California Council on Environmental and Economic
12 Balance. It was at a time when there was bipartisanship
13 on the part of Republicans and Democrats alike. He was
14 one of those mainstays, kind of could bring people
15 together like you've seen today, all of the people who
16 have testified before me on his behalf.

17 I don't know that there could be a better human
18 being, a better person that could be the continuing
19 chairman of the Public Utilities Commission other than
20 Mr. Peevey. I thought I sensed a little bit of
21 dissonance on the part of the Committee, but I assure
22 you there couldn't be a better man for the position.
23 He's been a bipartisan kind of a human being forever.

24 Actually, as some of you may know, he came from
25 the building trades a long time ago, a California

1 Berkeley man, a man who nonetheless served under
2 Howard Allen, who was the Stanford dean of the law
3 school and who was -- had the audacity to appoint Mike
4 as one of the two most important men in the PUC -- I
5 mean, in the Southern California Edison, and he would
6 just be a great appointment. And it makes me happy to
7 be here after
8 20 years --

9 CHAIRMAN STEINBERG: Thank you, sir.

10 SENATOR MONTOYA: -- to give my endorsement.
11 Thank you very much for your time and
12 consideration.

13 CHAIRMAN STEINBERG: Thank you very much.
14 Are there witnesses in opposition or other?
15 Ms. Slider.

16 MS. SLIDER: Good afternoon. My name is
17 Constance Slider. I'm the vice chair of the Avondale
18 Glen Elder Neighborhood Association, and we are not here
19 opposing Mr. Peevey's confirmation today. However, we
20 are here to raise some concerns about some conduct of
21 the PUC and to inform this body of some recent
22 developments.

23 The Sacramento Natural Gas Storage project has
24 proposed a natural gas storage facility in the Avondale
25 Glen Elder neighborhood area. That is a low-income

1 neighborhood in south Sacramento. We are the home of a
2 Brownville cleanup site, the home to a federal Superfund
3 site, as well as numerous refuse and recycling facility
4 services in the area.

5 Recently, SNGS requested a so-called procedural
6 intervention. All parties are awaiting the final PUC
7 release of a draft EIR -- or final EIR, and the draft
8 EIR found that the project would impose significant
9 environmental risk of fire, explosion, and groundwater
10 contamination due to the potential gas migration from
11 the underground reservoir.

12 The applicant in this proceeding, SNGS,
13 requested a so-called procedural intervention from
14 Mr. Peevey which, if granted, would give SNGS an
15 exclusive and secretive comment period on the final EIR
16 only after the PUC's experts have drawn their final
17 conclusions and only if the final EIR confirms that the
18 project would impose significant environmental impacts
19 as the draft has concluded.

20 My understanding is that granting this request
21 would be -- well, actually, Mr. Peevey's office has
22 granted the request and has met with the applicant as of
23 earlier this week, and it is an extraordinary departure
24 from the PUC's normal procedure. It is really
25 inappropriate to give a private --

1 We want to know if it's really appropriate to
2 give a private developer the chance to change the PUC's
3 final conclusion that the developer's own project has
4 posed -- that the developer's project poses significant
5 impact; and why would any agency head second-guess his
6 own agency expert after a year-and-a-half-long
7 scientific inquiry.

8 CHAIRMAN STEINBERG: Ms. Slider, first of all,
9 I'm very familiar with this issue. We're talking about
10 my district here, my old city council district and a
11 neighborhood which I take great pride in helping work
12 with your father, your late father, to help turn
13 around -- one of the fondest memories of my entire
14 public service.

15 SENATOR OROPEZA: And you've already got what
16 you're looking for in terms of the hearing. It's going
17 to happen, correct?

18 CHAIRMAN STEINBERG: Well --

19 SENATOR OROPEZA: I'm sorry.

20 CHAIRMAN STEINBERG: It's not our place here to
21 adjudicate specific issues that are before the
22 commission. But I want to say, not judging the
23 circumstances of the particular motion that you talk
24 about, I'll say to Mr. Peevey I would just hope that --
25 I'm not against ex-parte communication so long as the

1 ex-parte communication -- that access is granted to
2 people from all sides of a particular issue.

3 So if that has been, in fact, the case here,
4 and I don't want to argue it here, it would certainly be
5 my hope and expectation that you would afford --
6 Ms. Slider and the association are great people, great
7 people who work tirelessly to improve a neighborhood
8 that was part of the first integrated subdivision in the
9 history of this country back post-World War II -- that
10 they would be afforded that same opportunity.

11 MR. PEEVEY: Let me be very clear. Our
12 rules --

13 CHAIRMAN STEINBERG: Come on up to the mic if
14 you want to respond to this, sir.

15 MR. PEEVEY: First place, I have never met with
16 the applicant. I personally never met with the
17 applicant. So if that was the implication, that's
18 absolutely false. I never met with this applicant.

19 Secondly, our rules prescribe if I did, I'd
20 have to meet with every party in the proceeding, and we
21 would grant you that. If I met with the applicant, I'd
22 be happy to meet with you or anybody else. I have not.
23 Like the legislative staff here, someone has a right to
24 come in and talk to my staff on something, but that's
25 not me. I'm the decision maker.

1 I just wanted to clarify that without unduly
2 prolonging --

3 MS. SLIDER: I did misspeak when I said that.
4 It was actually Mr. Peevey's staff that granted that --

5 CHAIRMAN STEINBERG: Okay. All right.

6 MS. SLIDER: I will make this brief.

7 CHAIRMAN STEINBERG: Please.

8 MS. SLIDER: But I do want to just articulate
9 that SNGS's backdoor dealings with Mr. Peevey's staff
10 suggest that there might be some concern by our
11 neighborhood association that they might want to change
12 in the findings of a draft EIR, and we just would find
13 it very suspicious if, in fact, a draft EIR came out
14 that exposed significant impact and a final EIR did the
15 same, and we would just really be looking towards some
16 sort of investigation if, in fact, that were to come
17 through. Thank you.

18 CHAIRMAN STEINBERG: Thank you for bringing
19 this to our attention. Thank you for bringing it to
20 Mr. Peevey's attention. This is a public proceeding,
21 and all is fair game. So we appreciate it.

22 Go ahead, sir. Sir.

23 MR. TONEY: Hello. I am Mark Toney. I'm
24 executive director of The Utility Reform Network, TURN,
25 and I'm here to express some concerns about the

1 nomination of Michael Peevey as CPUC commissioner.
2 Since the presidency is actually chosen by the governor
3 of the state, my understanding is this is about his
4 confirmation as a commissioner.

5 So there's a few things that we have concerns
6 about. One has to do with the issue of ratepayer cost,
7 ratepayer investment, and we do believe that there
8 are -- we're very concerned about cases in which the
9 CPUC administrative law judges who will preside over a
10 case for several months, who are the individuals who are
11 charged with reviewing every page of testimony submitted
12 by all sides and for rendering what they believe is a
13 fair and reasonable decision that has to do with the
14 balance between cost and benefit to consumers, we do
15 have concern that in the last 12 months, there were two
16 instances where President Peevey overturned, basically,
17 the decisions -- the proposed decisions of
18 administrative law judges and in both cases resulted in
19 awarding far more ratepayer money to utility companies
20 than his own administrative law judge awarded. So
21 that's -- That's one area of concern.

22 A second area of concern has to do with this
23 whole concept of how we get the most green for the least
24 green, okay? How we get the most renewable energy, the
25 most reductions in carbon emissions, for the most

1 reasonable price for people who have to pay.

2 And one interesting thing is that leadership is
3 a double-edged sword, and President Peevey's desire for
4 California to be the leader in so many areas sometimes
5 carries a large price, because being first sometimes
6 means that you pay for the mistakes first, which is part
7 of what we think is happening with the smart meters,
8 both when PG&E had to come back for a second generation
9 of smart meters because they came in and said, "We made
10 a mistake on the first set of smart meters. We need
11 more money," and some of the installation problems and
12 complaints that are occurring now.

13 We continue to have concerns as to what's going
14 to happen with California being first on the plug-in
15 electric vehicles, and what kind of subsidies will be
16 asked for or required in order to make that happen
17 first.

18 CHAIRMAN STEINBERG: Okay. Please conclude,
19 Mr. Toney.

20 MR. TONEY: Yes. The area that we have -- that
21 we think President Peevey has shown support for consumer
22 issues is that he did recently instigate the
23 investigation on smart meters. We think that was
24 consumer oriented. We also are pleased that he
25 instituted the en banc on utility shutoffs. Those we

1 think are steps in the right direction in terms of
2 consumer protection, and we hope to work together with
3 him to continue in that direction.

4 Thank you very much, Senator.

5 CHAIRMAN STEINBERG: Thank you very much,
6 Mr. Toney.

7 Maybe in your close, Mr. Peevey, you could talk
8 very briefly about the rate cases and difference in
9 general between the ALJ decisions and your decisions,
10 and you can wrap up and conclude, please.

11 MR. PEEVEY: Okay. I'll be very brief.

12 We have over 40 administrative law judges at
13 the commission. They do, as Mr. Toney indicated, listen
14 to the bulk of all the testimony given. They're also
15 joined by a commissioner. It is the prerogative of the
16 commission to alter the administrative law judge's
17 decisions, either directly -- by law, an administrative
18 law judge can refuse that, and then we'd have to do
19 what's called an alt. That has happened. I don't know
20 the two instances he refers to, but it's probably
21 happened more than twice by myself and by others.
22 Frankly, that's the purpose of commissioners. If you
23 don't want to have any administrative law judge's
24 decisions overturned, then don't have commissioners.

25 CHAIRMAN STEINBERG: All right. So moved.

1 MR. PEEVEY: It's that simple.

2 CHAIRMAN STEINBERG: Just a joke. Just
3 kidding. You made a suggestion.

4 MR. PEEVEY: But I don't know the two cases
5 he's specifically referring to, Mr. Chairman. I can't
6 comment on those.

7 CHAIRMAN STEINBERG: Okay. All right.

8 Mr. Peevey, I'm certainly impressed with the
9 array of people that came forward today, and, you know,
10 there's no question that you are a leader. There's no
11 doubt you sometimes ruffle feathers. And I think we
12 need to continue to sort of work on the relationship, if
13 you will, with the Legislature and make sure that we're
14 working as closely together as we can; that you continue
15 to be sensitive to the consumer issues which we've
16 talked about some here today, not just in the energy
17 area, but certainly in the telecom area.

18 But you are an outstanding leader, and I think
19 in this second term I hope you forge new areas, like
20 connecting education and this new green economy, with
21 the same passion and creativity and intellect that you
22 have brought to so much of your other work. So I'm very
23 pleased to support your confirmation today.

24 Let's take a motion and comments from other
25 Members, of course.

1 SENATOR AANESTAD: So moved.

2 SENATOR OROPEZA: So moved.

3 CHAIRMAN STEINBERG: Moved by Senator Oropeza.
4 Second by Senator Aanestad.

5 SENATOR AANESTAD: I do have a comment.

6 CHAIRMAN STEINBERG: A comment is in order.

7 SENATOR AANESTAD: There's no question that
8 Mr. Peevey is not only qualified, but we would be out of
9 our minds not to confirm you.

10 The fact of the matter is, however, that
11 there's a person who is being considered today and is
12 not being given her day in court. One of the speakers,
13 Dr. O'Connor, mentioned Rachelle Chong's name, who has
14 an almost identical voting record as Mr. Peevey, and
15 Dr. O'Connor says "but she understands."

16 Mr. Chair, I'm here to tell you that the
17 Republican Caucus and the governor's office don't
18 understand. We think that such a qualified candidate as
19 Ms. Chong should have her day in court. Let the
20 decision be made after the hearing, not prohibited from
21 the hearing.

22 That having been said, on behalf of my caucus
23 and the administration, I'm happy to vote to confirm
24 this nominee.

25 CHAIRMAN STEINBERG: You know, I appreciate you

1 raising that. I anticipated that the issue might come
2 up here today. Though I don't want to belabor it, and I
3 don't want to have a debate here, I do want to make a
4 couple comments, because maybe it is an elephant in the
5 room, as we proceed forward. It's not an elephant --
6 Well, I'll choose to respond anyway briefly.

7 If you -- First of all, if you look at the
8 history of the relationship between the Senate and
9 previous administrations, there have been pro tems who
10 have made the decision to simply not confirm any
11 long-term nominee in the last year of an administration,
12 knowing that that appointment will go long into the next
13 governor's administration.

14 I have not chosen to take that route, because I
15 think we ought to look at these nominees in these
16 confirmations on their merits. I can assure you -- and
17 Ms. Sabelhaus, I think, will back me up on this -- that
18 I have spent untold numbers of hours working on,
19 studying, reviewing, the records of both Mr. Peevey and
20 Ms. Chong, and I came to the conclusion that Ms. Chong
21 is an intelligent, accomplished professional; but the
22 record also said to me very, very clearly that when it
23 comes to the lead area of her responsibility, namely
24 telecom, that the direction -- that the direction of the
25 commission did not provide enough attention and

1 sensitivity to low-income and elderly consumers.

2 I have been clear in conversations
3 individually, and I'm happy to talk to the Republican
4 Caucus, but there were two issues, and I don't mind
5 stating them publicly.

6 Number one, when it came to adjusting lifeline,
7 which is the telephone service for two million
8 low-income and elderly consumers, I believe very
9 strongly that Ms. Chong's proposed decision did not take
10 into account sufficiently the affordability issues for
11 those two million people.

12 And, secondly, when it came to the handling of
13 telecommunications complaints, I was not satisfied that
14 in reducing the backlog of complaints from 25,000 to
15 500, that the commission under Ms. Chong's leadership in
16 this particular area reduced that backlog in a way that
17 assured that people were going to get a fair hearing and
18 disposition on their particular complaint. The evidence
19 was very clearly that thousands of cases were closed
20 without any determination on the merits.

21 So I don't have to make that defense. Don't
22 have to --

23 SENATOR OROPEZA: Mr. Chair, I'm sorry for sort
24 of stepping on the end of your comment, but the reality
25 is that it requires three members of this body to not

1 allow for any agenda item to be -- you know, so I think
2 there's more.

3 CHAIRMAN STEINBERG: It's more than just me.

4 SENATOR OROPEZA: I don't mean that in a
5 disrespectful way, but I need to be candid and be clear
6 with everybody. This is not a decision that you made by
7 yourself.

8 CHAIRMAN STEINBERG: Very fair point. I
9 only -- I just believe in this job, right, where
10 transparency is important. I have no hesitation in
11 explaining my reasoning in making a difficult decision
12 in the full light of the public, in the full light of
13 the public here. Happy to do it. Happy to talk to
14 anybody from any side of the issue, any Member, the
15 Caucus. And that's where it stands.

16 Senator Cedillo.

17 SENATOR CEDILLO: Just for the record, I was
18 going to note that the Democrats, at the inception of
19 the Schwarzenegger administration but during the time of
20 the Davis administration, held over 100 appointments to
21 afford the Schwarzenegger administration the opportunity
22 to make appointments. Although they were legally
23 duty-bound and timely to be made by Governor Davis, it
24 was the Democrats who provided an opportunity for the
25 Schwarzenegger administration to make appointments that

1 would be serving during his tenure.

2 So you're being very generous to evaluate any
3 and all appointees, because, frankly, we recognize that
4 the clock is running and that many of the appointments
5 will serve beyond the Schwarzenegger administration.

6 CHAIRMAN STEINBERG: And we'll continue to take
7 the appointments on a case-by-case basis.

8 All right. Thank you very, very much.

9 Let us call the roll here.

10 MS. BROWN: Senator Cedillo.

11 SENATOR CEDILLO: Senator Cedillo, aye.

12 MS. BROWN: Cedillo aye.

13 Dutton.

14 SENATOR DUTTON: Aye.

15 MS. BROWN: Dutton aye.

16 Oropeza.

17 SENATOR OROPEZA: Aye.

18 MS. BROWN: Oropeza aye.

19 Aanestad.

20 SENATOR AANESTAD: Aye.

21 MS. BROWN: Aanestad aye.

22 Steinberg.

23 CHAIRMAN STEINBERG: Aye.

24 MS. BROWN: Steinberg aye.

25 CHAIRMAN STEINBERG: That is a five-to-nothing

1 vote. Your nomination will proceed to the floor of the
2 Senate tomorrow and be taken up for a vote.

3 MR. PEEVEY: Thank you very much, Mr. Chair.

4 (Applause.)

5 CHAIRMAN STEINBERG: Let us lift the call for
6 Senator Dutton on Ms. Garcia and Mr. Plescia.

7 MS. BROWN: Current vote is four-zero.

8 Senator Dutton.

9 SENATOR DUTTON: Aye.

10 MS. BROWN: Dutton aye.

11 CHAIRMAN STEINBERG: Thank you. It's out
12 five-zero to the floor.

13 Members of the public, I'm sorry, but we have a
14 significant amount of other business here. Thank you.

15 We're going to take up the nomination of
16 Jan Sturla as the director of the Department of Child
17 Support Services.

18 We had a long hearing with Mr. Sturla here so
19 that we could get more information on specific timelines
20 and benchmarks to measure the office's progress, given
21 that the program ranks 51st in the nation in cost
22 effectiveness.

23 Mr. Sturla is well-qualified, but we're going
24 to be watching him and this agency very, very closely.
25 We increased their budget in this terrible budget year

1 by \$18.7 million to help them improve their ability to
2 retain caseworkers, and we want to see results. With
3 that, we move Mr. Sturla's confirmation.

4 Senator Aanestad.

5 SENATOR AANESTAD: Yes.

6 CHAIRMAN STEINBERG: Moved by Senator Aanestad.

7 Please call the roll.

8 MS. BROWN: Senator Cedillo.

9 SENATOR CEDILLO: Aye.

10 MS. BROWN: Cedillo aye.

11 Dutton.

12 SENATOR DUTTON: Aye.

13 MS. BROWN: Dutton aye.

14 Oropeza.

15 SENATOR OROPEZA: Aye.

16 MS. BROWN: Oropeza aye.

17 Aanestad.

18 SENATOR AANESTAD: Aye.

19 MS. BROWN: Aanestad aye.

20 Steinberg.

21 CHAIRMAN STEINBERG: Aye.

22 MS. BROWN: Steinberg aye.

23 CHAIRMAN STEINBERG: All right. Thank you very

24 much.

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(Thereupon, the Senate Rules Committee hearing
adjourned at 4:20 p.m.)

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I, INA C. LeBLANC, a Certified Shorthand Reporter of the State of California, do hereby certify that I am a disinterested person herein; that the foregoing transcript of the Senate Rules Committee hearing was reported verbatim in shorthand by me, INA C. LeBLANC, a Certified Shorthand Reporter of the State of California, and thereafter transcribed into typewriting.

I further certify that I am not of counsel or attorney for any of the parties to said hearing, nor in any way interested in the outcome of said hearing.

IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of _____, 2009.

INA C. LeBLANC
CSR No. 6713

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APPENDIX



STATE OF CALIFORNIA - GOVERNOR ARNOLD SCHWARZENEGGER
LABOR AND WORKFORCE DEVELOPMENT AGENCY

CALIFORNIA UNEMPLOYMENT INSURANCE APPEALS BOARD

2400 Venture Oaks Way, Suite 300

Sacramento, CA 95833

Phone: (916) 263-6783

Fax: (916) 263-6736

August 7, 2009

Bonnie Garcia
Responses

The Honorable Darrell Steinberg, Chair
The Honorable Sam Aanestad, Vice Chair
California State Senate Rules Committee
State Capitol, Room 400
Sacramento, CA 95814

Dear Senators Steinberg & Aanestad:

Thank you for the opportunity to share my experience and vision of the California Unemployment Insurance Appeals Board (CUIAB). I have prepared responses (see attached) to your questionnaire sent on July 17, 2009. I hope this information is helpful in your review of the CUIAB. I am also enclosing an updated Form 700.

As I have mentioned in prior letters to the California State Senate Rules Committee, this is a time when CUIAB programs and services are most in need by Californians as they are confronted with the hardships of our economy. Since my arrival at CUIAB, we are focused on serving employers and injured and unemployed workers as efficiently and as timely as possible. I look forward to an opportunity to share our progress and the organization's dedication to serving over 204,000 requests for appeals during the last fiscal year.

If you or your staff have any questions, please feel free to contact Ralph Hilton, Chief Counsel, at 916-263-6806.

Sincerely,

Bonnie Garcia

BONNIE GARCIA

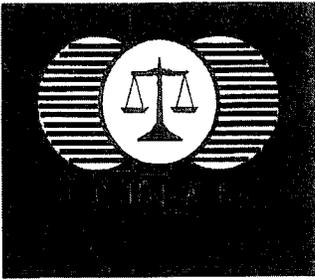
Chair

cc: Ralph Hilton, Chief Counsel

Senate Rules Committee

AUG 07 2009

Appointments



**California Unemployment Insurance Appeals Board
California State Senate Rules Committee
Questionnaire – August 7, 2009
Bonnie Garcia, Chair**

Roles & Responsibilities

Created by the California Legislature in 1949, the California Unemployment Insurance Appeals Board (CUIAB) serves the people of California as an independent adjudicative Agency to resolve disputed Unemployment Insurance, Disability Insurance, and employment tax determinations of the Employment Development Department (EDD). Funded almost entirely with federal dollars, the seven member board is charged with managing a budget of over \$80 million and has 728 employees spread across 12 Field Offices and 35 satellite hearing facilities within the State.

In Fiscal Year 2008-2009, California's rapid and unprecedented economic downturn resulted in 2.1 million unemployed workers. A record number of claims for benefits were filed with EDD and after receiving their initial determination, 233,000 workers and business owners filed appeal cases with CUIAB seeking reversals. This tsunami of work has overwhelmed the existing infrastructure of the organization. Working collectively since January 2009, this Board has focused on identifying, developing and implementing efficiencies to meet federal time requirements.

1. Please provide us with a statement of your goals – both as a Board Chair and for the Agency. How will you measure your success?

As Board Chair, my goals are aligned with the goals of the Agency. First and foremost, we protect due process rights for workers and employers in need of an independent review to determine program eligibility. Secondly, we ensure that EDD and CUIAB employees apply the law in a fair, equitable, and just manner. Collectively, we strive to accomplish these goals in a timely and efficient manner.

My short seven months on the Board has primarily focused on organizational efficiency by introducing new business strategies in order to tackle workload levels and build accountability and transparency in policy development and program delivery. I was appointed Chair in March 2009 and led efforts to introduce tremendous change in CUIAB's organizational culture. Working through sub-committees, the Board identified and responded quickly to ensure we were operating at maximum efficiency. We restructured existing divisions, fast-tracked hiring resulting in a 25 percent increase in Administrative Law Judges (ALJ), renegotiated contracts to drop expenses, opened additional sites to conduct hearings, and initiated changes to regulations and policies that will dramatically reduce wait times for appellants.

The US DOL measures are:

US DOL Measures – Unemployment Insurance	Criteria	CUIAB Results June 2009
Quality	80%	90.6%
Average age of pending first level cases	Less than 30 days	54 days
Time Lapse for 30 days – First level cases completed	60%	3.6%
Time Lapse for 45 days – First level cases completed	80%	10%
Time Lapse for 90 days – First level cases completed	100%	50%
Average Age of pending second level cases	Less than 40 days	41 days

Source: US DOL Reports-July 2009

As has been recently highlighted, CUIAB failed to meet DOL time lapse standards for the last nine years and, even under the best of circumstances, this would be a difficult trend to turn around. The current economy has led to a record number of individuals seeking CUIAB's assistance, overwhelming an antiquated infrastructure further challenged by the State's fiscal crisis. Transforming an organization into a lean, efficient program during this time is difficult, but not impossible, and I am ready to forge ahead without jeopardizing the quality of our hearings and decisions.

Our organizational success is primarily measured by federal standards through DOL as it relates to the quality of hearings and timeliness. I will measure my personal success if I am able to provide leadership during tumultuous times and if the changes introduced results in moving California towards meeting timeliness standards.

2. What training, education, and workplace experience do you have that qualifies you to serve as the Chair of the Board?

My training, education and workplace experience encompasses a broad spectrum in leadership, public policy development, program administration, and building results-focused initiatives and collaborations.

I hold a BS degree in Workforce Development and Education and bring over 17 years of experience in state and local government, both managing programs and as an elected official. I was a six-year Board member of a community development center and small business development corporation. I have owned my own business and have taught Political Science courses at the college level. Through my experiences and training, I learned one of the foundations to our economy is a strong education system aligned with workforce programs that target California's innovative industries. These interlinking systems help to develop a skilled and educated workforce that will help strengthen and stabilize California's economy.

As a Member of the California Assembly, I served as Vice Chair to the Assembly Committees on Jobs, Economic Development & the Economy; Housing; and Governmental Organizations. My reputation for advancing collaborative efforts across party lines helped to:

- Expand the use of enterprise zones.
- Facilitate technology development that led to economic and energy alternative solutions and supported job growth.
- Identify efficiencies to save diminishing State budget resources.
- Strengthen public participation and education.

Prior to serving in the California Assembly, I was an Assembly and Senate staff member and led housing and community development programs for local government. I worked closely with families whose lives were upended and in desperate need of services as they struggled with homelessness, lack of medical care, and limited access to resources. My experiences helped me to develop proven program administration efficiencies, enhance stakeholder participation to develop stronger program policies and results, implement cost-saving business strategies, and increase program outreach to serve a broader constituent base.

My education, training, and experience bring extensive real world practice and an understanding of how to arrive at legislative and public policy results. I learned how to collaborate with stakeholders to improve government programs and build coalitions to provide the best results in policy development without losing sight of the human factor.

3. What do you see as your major responsibilities as the Board Chair? What training have you been provided since your appointment?

My primary responsibilities as Board Chair are to:

- Provide leadership on major policy issues and change management for the organization.
- Render timely second level appeal decisions.
- Ensure our organization delivers quality appeal hearings in a timely manner.
- Provide appeal hearings within our budgetary means.
- Balance our Board's policy development with operational oversight.

During the last two years, the organization has experienced tremendous change in leadership and program direction. With the stabilization of leadership, the Board is organized into policy and operational sub-committees to develop more efficient business strategies for completing more appeal hearings.

Since my arrival at CUIAB, I have had considerable training opportunities. I received training to review second level appeal cases from the ALJs and my fellow Board members. I have also received an ethics orientation and sexual harassment training. I have toured Field Offices throughout the state to gain a sense of the regional workload, appeal cases, regional unemployment, and Field Office practices and procedures.

Board Reversals

The Chairperson of the Board assigns Board appeals to a panel consisting of two Board members. If the two Board members do not concur on a decision, the

Chairperson or another member of the Board assigned by the Chairperson, is assigned to the panel to break any impasse.

- 4. Please detail the method by which you distribute Board appeals to Board members, and please explain the means by which you assign a third member to break any impasse.**

Second level appeals (or Board appeals) are randomly assigned by CUIAB's California Appeals Tracking System (CATS) to two Board members for review. This database ensures that appeal assignments are evenly distributed among Board members. If a Board member is assigned as a second member on the case and their caseload is high by mid-afternoon, then, at times, the calendar clerk will reassign second members to level out the caseload among the Board members.

Prior to March 2009, the Chairperson assigned the third member to break any impasse. In March 2009, I changed the process of assigning a third Board member in the event of an impasse. To ensure impartiality and due process, the third member is now randomly assigned by the case tracking system as well. If two Board members do not reach the same conclusions, I encourage discussion among the two members to avoid assigning a third member and minimize any delays to issuing appeal decisions. Since March, the Board has minimized the need for a third member by discussing their decisions as a panel.

- 5. Please provide us with copies of all decisions you participated in that were reversed at the second level of appeal.**

Please see attachment of copies.

- 6. What substantive and procedural issues do you consider when deciding an appeal?**

My responsibility is to comprehensively review an appeal case record so that I understand the facts and legal issues that were before the ALJ who initially heard the case. First and foremost, I want to ensure that persons before our Board receive due process. The basic premise of due process is fairness. This requires at a minimum that the following takes place for individuals at appeal hearings:

- They were properly notified of the proposed action by EDD.
- An opportunity to be heard was provided and they were properly notified of the hearing and what would occur during the hearing.
- The hearing was fair and included an opportunity to cross-examine witnesses and explain or rebut unfavorable testimony.
- The decision made is supported by the record.
- A clearly written decision was provided and an opportunity to appeal was communicated.

In addition to due process, I review each appeal to determine if the law was applied fairly. The state laws governing this area are found in the California Unemployment

Insurance Code. If there are conflicts with the decisions or ambiguities in the law, the Board members, collectively, will issue a precedent decision. I am also responsible for communicating with the Chiefs of Appellate and Field Operations about the conduct of their ALJs.

Bureau of State Audits Report & Findings

In January 2007, the Bureau of State Audits (BSA) was requested to conduct an audit of CUIAB's hiring, personnel, procurement, and travel reimbursement practices.

Subsequently, BSA conducted the requested audit and released its findings on November 20, 2008. BSA's report enumerates a number of shortcomings relevant to the hiring, personnel, and travel reimbursement practices at the Agency, and suggests that CUIAB make greater efforts to establish objective criteria for its hiring decisions and better document the use of these criteria to ensure that the Agency is hiring and promoting the most qualified candidates.

7. What steps has the Board taken to ensure fairness in the hiring and promotion processes?

In following the BSA's recommendations, CUIAB's Personnel Services developed a procedure manual entitled "Contacting, Interviewing, and Hiring Procedures". This manual assists managers and supervisors in the hiring process by outlining procedures and providing samples of interview formats, benchmark responses to interview questions, and rating scales. All CUIAB supervisors and managers have received training on this procedure manual.

Beginning this year, all CUIAB job vacancy announcements and exams are distributed to all CUIAB employees via electronic mail and posted on the State Personnel Board website (Vacancy Database or exam listing) and the CUIAB intranet. Hiring managers/supervisors are provided a list of all eligible candidates (internal and external) for consideration. Once the hiring manager/supervisor conducts the interviews, they are required to conduct reference checks and review their Official Personnel File (if the candidate is a current state employee). Once a candidate selection is made, the hiring manager/supervisor completes a Request for Hire form which is approved by the Executive Director/Chief Administrative Law Judge. The hiring managers/supervisors maintain documentation of all steps in the hiring process for a minimum of two years, including applications, interview notes, reference checks, etc.

In addition to expanding distribution of job vacancy announcements and exams, CUIAB developed an upward mobility guide for CUIAB employees. This guide discusses the career ladders available at CUIAB and the job requirements for employees to develop their career plans.

8. Which of the relevant BSA recommendations has CUIAB already implemented, and what is the timeline for implementing the remaining recommendations?

CUIAB has implemented all recommendations outlined in the BSA report with the exception of the following:

- a. The CUIAB is proposing regulations Title 22, California Code of Regulations Section 5300 dealing with the nepotism issue identified by the Bureau of State Audits. In summary, the proposed regulation states that CUIAB retains the right to refuse to appoint a person to a position within CUIAB if his/her relationship to another employee has the potential to adversely impact the supervision of employees, security or morale, or involves a potential conflict of interest. CUIAB also developed proposed regulations for Section 5400 regarding the employment of Board members at the CUIAB.

CUIAB is informally vetting both draft regulations with our stakeholders before submitting to the formal Administrative Procedures Act process. The Board solicited for written suggestions from July 20 – 31, 2009 by mailing the draft language to our stakeholders. In August and September 2009, the Board anticipates holding two public meetings (one in Southern California and one in Northern California) to solicit additional recommendations from stakeholders. Once our vetting process is complete, the Board will finalize the regulation language at the October 2009 Board meeting for submittal to the Office of Administrative Law.

- b. In February 2009, the Board requested the EDD to conduct an independent audit of the former Chief Administrative Law Judge's travel claim reimbursements. EDD completed the audit in April 2009 and provided the findings to CUIAB. In May 2009, CUIAB sent the findings to the former Chief Administrative Law Judge for a 60-day due process review before the Board seeks recovery.
- c. The statewide physical inventory of all CUIAB assets is complete with the exception of the San Jose Field Office of Appeals. This Field Office is in the process of relocating. The physical inventory of the San Jose Field Office will take place in September 2009 after the staff return to their site.

9. What additional measures can the Board take to improve its hiring and promotion practices?

In the last six months, the Board improved the recruitment process and made it more transparent. CUIAB is partnering with the Office of Administrative Law to conduct Administrative Law Judge (ALJ) exams and converted to an Internet-based application. The previous application process took months. Now, it takes a week for candidate applications to be sent to hiring managers. CUIAB now recruits from other state agencies for retired annuitant ALJs. We may expand our partnership with other departments and boards under the Labor & Workforce Development Agency in holding exams for general classifications.

For leadership positions, CUIAB enhanced the recruitment with advertisements in reputable journals. For the interview process, CUIAB seeks participation from other Agencies with similar hearing processes to sit on interview panels and evaluate candidates.

The audit estimates that approximately 94 of CUIAB's 639 staff are related by blood, marriage, adoption, or domestic partnership. The audit also documents a widespread perception among CUIAB staff that nepotism and favoritism compromise the hiring and promotion processes. Similarly, the audit finds a widespread perception among workers that familial relationships at the workplace are undermining security, supervision, and morale.

10. What steps is the Board taking to ensure the integrity of its human resource management practices?

In addition to the draft nepotism policy, job vacancy announcements are posted on the State Personnel Board and CUIAB websites so that the public at large may apply for positions. Announcements are also emailed to CUIAB staff to ensure they have an equal opportunity to apply and compete for vacancies.

The interview process for both Administrative Law Judges and support staff require the candidates to answer standardized questions. This ensures an equal playing field for all applicants. All documentation is retained for audit purposes. Recommended candidates must be presented in writing and approved by the Executive Director/Chief Administrative Law Judge who ensures that human resources policies and practices are met. CUIAB's Personnel Services staff also review the hiring documentation to ensure that policies and practices are followed in a fair and consistent manner.

The audit notes that many rank and file employees fear they would be subject to retaliation if they filed either an equal employment opportunity (EEO) complaint or a workplace grievance. The audit makes several relevant recommendations to the Board, including notifying employees of its EEO and grievance complaint processes, notifying employees of related worker protections, updating the CUIAB employee handbook, and conducting relevant trainings on a periodic basis.

11. Which of the foregoing recommendations has CUIAB implemented, and what is the timeline for implementing the remaining recommendations?

All recommendations pertaining to CUIAB's EEO complaint and grievance processes have been adopted. On January 13, 2009, a memo was sent to all CUIAB employees informing them that new information is posted on our intranet website concerning their rights in the EEO/Grievance process. Employees who believe that they have been discriminated against are encouraged to contact an EEO Counselor.

CUIAB's New Employee Orientation Handbook has been updated to include an expanded section on the EEO/Grievance Process. It also refers to the more detailed information located on our intranet website. Internet-based training modules for all CUIAB employees are scheduled to be released as they are completed.

12. The audit outlines deficiencies in the travel-reimbursement practices of the agencies and recommends that the department adopt procedures to pre-approve all travel plans and review all relevant expenditures to ensure compliance with state rules and safeguard the taxpayers. What is CUIAB doing to implement these recommendations?

CUIAB's travel handbook has been updated to reflect all BSA recommendations. CUIAB also developed the following internal controls for processing and tracking employee travel:

- All CUIAB managers and supervisors were trained on the changes to the Travel Handbook.
- Each Field Office and Division has a designated Travel Coordinator to process travel requests and provide guidance.
- A Request for Travel form was developed for employees to present to managers and supervisors for pre-approval of all travel plans.
- Managers and supervisors were instructed to thoroughly audit employees' travel expense claims.
- Travel expense claims are signed by the managers/supervisors and forwarded to the Office Travel Coordinator for processing.
- All travel reimbursement checks are delivered to the Office Travel Coordinator to disburse to employees.

Timeliness of Appeals & Outstanding Workload

California is subject to two sets of federal standards governing the prompt adjudication of appeals. The first standard, known as the time-lapse standard, requires that 60 percent of all lower-authority first level appeals be completed within 30 days. This standard measures CUIAB performance on completed work. The second standard, known as the case-aging standard, requires that the average case age of CUIAB's open cases be no greater than 30 days in March of each year. The second standard differs from the first in that it gauges the typical age of cases that remain open.

According to data provided by the Department of Labor, between April 2008 and February 2009, California was only completing 4.9 percent of its first level appeals cases within 30 days. Only two states, Virginia and Indiana, had poorer levels of performance over this time period. Department of Labor data also reveal that the average case age of its open cases was 51 days in February 2009, when the state had nearly 74,000 open cases pending.

13. **What explains the Board's failure to meet federal timeliness standards, and what concrete steps is the Board taking to meet the standards? In your response please outline recent, ongoing or planned operational changes that will speed up processing and reduce the backlog of appeals. When does CUIAB expect to be in compliance with federal standards?**

At this time, the Board is faced with many challenges to meeting federal timeliness standards. First, the current state of the economy generated a record level of 233,014 requests for Unemployment Insurance first level appeal hearings during the 2008-2009 Fiscal Year. During this time, the Unemployment rate dramatically rose from 7.3 percent in July 2008 to 11.6 percent in June 2009. As the California economy quickly turned, CUIAB's workload jumped by 5,000 new appeal cases (all programs) in September 2008. With a steady increase in new appeal cases each month, this

presents additional challenges in completing the appeal hearings and meeting federal standards.

Secondly, Unemployment Insurance workload forecasting is revised twice a year during the State Budget revise process. Biannual workload reviews to plan for adequate staffing levels are not timely during quick economic downturns as we have just experienced. In addition, Congressional budget delays also present challenges to CUIAB's ability to quickly upsize or downsize staffing levels to meet the workload needs.

Third, the federal Unemployment Insurance program reimburses the State after each appeal case is completed. During 2008 and early 2009, the US DOL was funding California at a lower rate on appeal cases. US DOL notified California in May 2009 of an increase to the funding level due to the economy. As in past economic downturns, the lag in funding partially prevents CUIAB from swiftly recruiting staffing and accommodating space and equipment needs as the workload increases.

Since April 2009, Board members are working with senior staff on policy and operational committees to address our workload challenges. Our committees have developed workload reduction plans and CUIAB has hired 54 new ALJs and 57 support staff. A number of work process improvements that have been developed are either being implemented or tested at this time (please see Special Project list attached). These improvements will either help streamline appeal processing or to provide tools to do so. For example, Field Operations is expanding the use of telephone hearings, mass (or team) calendars, staggering work schedules to hold more hearings in a day (8:00AM to 6:00 PM), and one Field Office is offering hearings on Saturdays. We are also working with EDD to explore technology solutions that will expedite opening appeal cases and returning appeal decisions back to EDD for processing.

With respect to our expectation in meeting federal standards, we estimate to be in compliance in July 2011.

14. According to the Department of Labor, the vast majority of states use technology to handle both claims and appeals more effectively. What, in your view, should California do to increase and/or improve the use of technology in the claims and appeals processing?

Since January 2009, CUIAB is in partnership with the EDD, US Department of Labor, and the California Labor & Workforce Development Agency to review California's Unemployment Insurance appeal process for operational efficiencies. Collectively, we have completed time studies of both the first and second level appeals to identify areas on which we may focus our attention. CUIAB is piloting a number of technology solutions to improve the work process which are outlined on the attached Special Projects list. In addition, CUIAB and EDD initiated some workgroups to develop additional technology solutions to help California meet time lapse standards.

In July 2009, the US Department of Labor sent representatives to review and evaluate the entire appeal process. We are awaiting a formal exit interview for the results of this

review. During the exit interview, US DOL will also offer examples of how other states are using technology in different aspects of the appeal process.

Layoffs, Furloughs & Staffing

Under Executive Order S-09-08, Governor Schwarzenegger ordered the layoff of all retired annuitants, permanent intermittent employees, seasonal workers, temporary workers, and student assistants. Under Executive Order S-16-08, Governor Schwarzenegger ordered a two-day-a-month furlough for all state workers. Under Executive Order S-13-09, the Governor increased the number of furlough days to three per month, and news accounts suggest that the Governor will order a fourth furlough day.

Data provided to the Rules Committee by you on May 20, 2009, suggests that each monthly furlough day reduces state appeals processing by 34,000 cases a year and costs the state approximately \$5.4 million federal dollars. Three monthly furlough days would reduce production by over 100,000 cases per year and cost the state over \$16 million annually. Four monthly furlough days will cost the state approximately \$22 million federal dollars and reduce production by 136,000 cases.

- 15. Given that furloughing employees at the CUIAB saves the state no general fund money and actually results in lost federal funds, what is the rationale for CUIAB furloughing any of its employees?**

Shortly after Governor Schwarzenegger issued Executive Orders S-16-08, it was challenged in litigation. However, on January 29, 2009, Sacramento County Superior Court Judge Marlette issued a ruling confirming the Governor's authority to implement furloughs in an economic crisis. Several unions have appealed this decision, and the appeal is pending in the Third District Court of Appeal. Currently, there are three lawsuits pending concerning the application of furloughs to employees working in non-general fund positions. CASE, UAPD, and SEIU Local 7 have each filed similar petitions for writ of mandate in Alameda County Superior Court, involving over 50 named state entities. Given this, it is likely that issues over furloughs will eventually be resolved in the courts.

- 16. According to the Department of Personnel Administration, CUIAB may implement its furlough program using self-directed furloughs, which can be "banked" for future use. Self-directed furloughs are intended to allow agencies with workload issues greater flexibility when implementing the relevant executive order. However, CUIAB has chosen to implement a mandatory three-day-a-month furlough and is not allowing its staff members to bank furlough days. What is the rationale for implementing the furloughs in this manner?**

CUIAB is currently exploring altering its work week schedule policy for all employees to a five-day, eight-hour, forty-hour work week. In addition, CUIAB is on a self-directed furlough program as approved by DPA. The work week policy change that is being

sought along with the self-directed furlough program that is currently in place will allow for greater flexibility in addressing our workload.

- 17. Please discuss the effect of executive orders S-09-08, and S-13-09 on appeals processing and the ability of CUIAB to meet federal performance standards. How many workers were laid off, and how many hours of production have been lost as a result of the layoffs and furloughs? How many fewer appeals have been processed as a result of each of these executive orders?**

To implement Executive Order S-09-08, CUIAB separated 49 retired annuitant ALJs and 85 support staff (permanent intermittent, student assistants, etc.). For the month of August 2008, completed first level appeal cases decreased by 4,500 as compared to July 2008. For second level appeals, new cases declined by 373 appeal cases and completed cases decreased by 341 appeal cases in August 2008. CUIAB received an exemption approval in late August 2008 and a majority of the hourly staff returned to CUIAB in September 2008. Subsequently, the production of completed appeals returned to the July 2008 levels and higher.

For Executive Order S-13-09, CUIAB is finalizing workload reports for July 2009. We will forward our analysis at a later time.

- 18. What is CUIAB doing to offset the effects of the furloughs and layoffs?**

To offset the effects of furloughs and layoffs, CUIAB is hiring additional ALJs and support staff to address the workload. Since January 2009, CUIAB has hired an additional 57 ALJs and 45 support staff. From our experience, it takes up to six months of training for a new ALJ to successfully carry a full hearing schedule.

Assembly Bill X3 29

On March 27, 2009, Governor Schwarzenegger signed ABx3 29 (Coto and Garrick, Chapter 23, Statutes of 2009), which states that CUIAB “shall permit a party or representative to participate in a hearing by telephone upon the party’s or representative’s request and showing a good cause, in accordance with regulations adopted by the Board.” The intent of this legislation is to facilitate phone hearings when hearings are requested by interested parties.

In July 2009, CUIAB proposed regulations to implement ABx3 29, which would allow Board agents to require parties to participate in phone hearings whether or not they want to do so.

- 19. How do you interpret the language in ABx3 29 requiring the Board to hold phone hearings when requested by an interested party? Do you believe the Board can require a phone hearing even when an interested party does not request one?**

The purpose of the change in law is to ensure that claimants, employers and their representatives are aware that they can request a telephone hearing. The change in

law also facilitates the process of requesting a phone hearing. The law's requirement for regulations will help establish uniform guidelines across the state and will help increase the participations of parties when they have expressed the need for an in-person hearing.

The Board understands the importance and value of in-person hearings. Our ALJs are often the first person that a claimant or employer has had contact with during the unemployment or disability insurance process. In-person hearings are helpful when a credibility determination is an important part of the case. For these reasons, we are not supportive of efforts to eliminate in-person hearings.

There are limited instances where the Board would take the initiative and consider scheduling a case for a telephonic hearing. For example, phone hearings are commonly scheduled when one of the parties has moved out-of-state. Phone hearings can also be used to significantly speed up decisions in one-party appeal cases that do not involve major controversies. In some cases, phone hearings can be used where resources are stretched thin and other Field Offices can assist by conducting phone hearings in simple, non-controversial cases where parties would benefit from a more timely decision. In every case, it is the responsibility of the ALJ presiding over a case to ensure the due process of parties. The ALJs retain the authority to require an in-person hearing if a fair hearing cannot be conducted by telephone. In addition, if a phone hearing is scheduled, any party has the option to appear in-person as well.



CALIFORNIA UNEMPLOYMENT INSURANCE APPEALS BOARD

SPECIAL INITIATIVES TO ADDRESS THE WORKLOAD

Work Process Improvements

Case Process Time Analysis

CUIAB is conducting a detailed analysis of each step in the first and second level appeal processes to identify business strategies to streamline and maximize efficiencies.

Expedite Appeal Decision Notification to EDD

Currently, CUIAB Field Operations staff prepare appeal decisions for mailing to appellants and EDD UI Adjudication Centers. CUIAB is working in partnership with EDD to identify solutions in expediting the appeal decision notifications to EDD to update their claim database.

Mass Calendaring

In each Field Office, a team of three to four ALJ IIs are assigned a mass (or team) calendar of more common, routine Unemployment Insurance appeal hearings. Rather than scheduling one hearing for a time slot, the mass calendar schedules three hearings to try to maximize case calendar time.

Telephone Hearings

Field Operations is testing the use of phone hearings to provide better access, particularly to Unemployment Insurance appellants who may lack transportation or face other challenges to attend a hearing. This also helps employers to remain on their business premises during business hours.

US Department of Labor Taskforce

Over the last nine years, the CUIAB is failing to meet the US DOL timeliness standards for Unemployment Insurance appeals. California is ranked 45th among 51 states and a US territory on time lapse and case aging standards. In late 2008, US DOL placed CUIAB under a corrective action plan with oversight by a taskforce of US DOL, EDD & CUIAB to improve operational efficiencies.

Technology

Auto-Dialer Hearing Reminder

Currently, Field Operations is experiencing about a 25% to 28% "no show" rate for appellants at scheduled hearings. To increase hearing attendance, CUIAB will use computerized auto-dialing hardware and software for calling all parties 48 hours in advance to remind them of their scheduled hearing.

Digital Imaging

Currently, EDD mails hard copy documents and records to CUIAB when an appeal is filed. CUIAB will collaborate with EDD in their efforts to image documents and records relating to Unemployment Insurance, Disability Insurance, and Payroll Tax. CUIAB will also leverage the project to begin imaging for appeal records.

Electronic Case Management

CUIAB's case tracking database is now eight years old and becoming cumbersome to manage the current workload volume. CUIAB is collaborating with Labor & Workforce Development Agency & EDD to pursue a court case management system that will bring technology to almost all phases of the appeal process.

Expansion of Information Technology Infrastructure

To align with the State CIO & Labor & Workforce Development Agency CIO strategic technology plans, CUIAB needs to update our IT infrastructure to pursue further technology projects.

Field Office Telephone Tree

Field Operations is testing the use of phone menu options to answer routine constituent phone inquiries. This allows support staff to spend more time on the non-routine calls.

Naturally Speaking Dragon Software

In Field & Appellate Operations, CUIAB is piloting the use of voice to text software for ALJs to dictate appeal decisions. This software will help reduce the amount of typing by support staff and expedite the mailing of appeal decisions to claimants and employers.

Paperless Pilot Project

When a second level appeal is filed, the hard copy case is mailed to Appellate Operations for processing. To expedite this case transfer, CUIAB will pilot the transmission of electronic case files from one Field Office to Appellate Operations.

Wide Area Network Acceleration

Implement a networking technology known as Wide Area Acceleration Services (WAAS) to speed up the transferring of data over the Wide Area Network.

Staffing, Facilities & Equipment

Phase I – Workload Reduction Plan

Due to the economy in 2008, CUIAB experienced an increase in new first and second level appeals filed. The Board & management team developed a workload reduction plan to address the increase in cases and the time lapse and case aging standards. This plan provided for 21 ALJs & 21 support staff in Field Operations and 10 ALJ IIs in Field & Appellate by May 31, 2009.

Phase II – Workload Reduction Plan

This plan provided for 40 ALJs & 40 support staff in Field Operations and 10 ALJ IIs in Field & Appellate by June 30, 2009.

Phase III – Workload Reduction Plan

This plan provided for 3 permanent intermittent ALJs & 6 permanent intermittent support staff in Appellate by September 2009. Field Operations is developing their plan.

Facility & Equipment Needs for New Hires

Due to the volume of new hires, CUIAB is developing plans for additional space and equipment in Field & Appellate Operations.

Information Technology Asset Management Improvement

Improve the method used for tracking information technology assets via software. This project is a recommendation from the Bureau of State Audits Report 2008-103.

Outreach & Education**Refresh Form & Pamphlets**

Update CUIAB forms & pamphlets.

Video Production on Hearing Process

Develop a five-minute video to demystify the appeal hearing process. The video will be loped in Field Office reception areas and available via the CUIAB website.

Other**Regulatory Revisions to Minimize Appellant Waiting Time**

To eliminate 18 days of waiting time for second level appeals, CUIAB is pursuing regulatory changes to require parties to exercise their rights earlier in the process.



STATE OF CALIFORNIA - GOVERNOR ARNOLD SCHWARZENEGGER
LABOR AND WORKFORCE DEVELOPMENT AGENCY

CALIFORNIA UNEMPLOYMENT INSURANCE APPEALS BOARD
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August 7, 2009

George Pleiscia
8/7/09

The Honorable Darrell Steinberg, Chair
The Honorable Sam Aanestad, Vice Chair
California State Senate Rules Committee
State Capitol, Room 400
Sacramento, CA 95814

Dear Senators Steinberg & Aanestad:

Thank you for the opportunity to share my vision of the California Unemployment Insurance Appeals Board (CUIAB). I have prepared responses (see attached) to your questionnaire sent on July 17, 2009. I hope this information is helpful in your review of the CUIAB.

The current state of the economy places great hardships on many California workers and employers. Now, more than ever, CUIAB's programs and services are most in need by Californians. Through my visits in CUIAB Field Offices and review of appeal cases, I observe the dedication and commitment of our staff to serving the public as efficiently and as quickly as possible. I look forward to an opportunity to share our Board's vision and our organization's progress in serving over 204,000 requests for appeals in the last fiscal year.

If you or your staff have any questions, please feel free to contact Ralph Hilton, Chief Counsel, at 916-263-6806.

Sincerely,

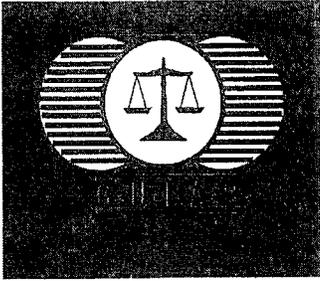
GEORGE PLESCIA
Vice Chair

cc: Ralph Hilton, Chief Counsel

Senate Rules Committee

AUG 07 2009

Appointments



California Unemployment Insurance Appeals Board
California State Senate Rules Committee
Questionnaire – August 7, 2009
George Plescia, Vice Chair

Roles & Responsibilities

CUIAB adjudicates cases involving unemployment insurance, disability insurance, and employment taxes. The Employment Development Department (EDD) makes the initial determination for benefit eligibility or tax liability. The Appeals Board Administrative Law Judges conduct hearings throughout the State and issue decisions on appeals of EDD determinations. Appeals of ALJ decisions are reviewed by the members of the Appeals Board. Board decisions are the final step in the administrative review process and may be reviewed only in court.

1. Please provide us with a statement of your goals – both as a Board member and for the Agency. How will you measure your success?

As a Board member, my goals for CUIAB center on helping Californians in need of our services. Our first goal is to provide due process to California workers and employers who seek an independent review of the Employment Development Department's (EDD) program determinations. Secondly, I will ensure that EDD and CUIAB employees apply the law in a fair and just manner. Third, I strive to ensure California's employers and workers are afforded a fair and equitable appeal hearing. As public servants, we will accomplish our mission as efficiently and effectively as possible.

Since January 2009, our Board is focused on organizational efficiency, accountability and transparency. This involves a dramatic change in organizational culture as well as how we conduct business and deliver our program to the public. We strive to hold our appeal hearings as quickly as possible so that employers and workers may continue on with their lives.

Our organizational success is primarily measured by federal program standards in quality and timeliness. The US Department of Labor (DOL) conducts a sample review of appeal cases to measure quality of our decisions and hearing conduct along with how long it takes to complete our hearings. The US DOL measures are:

US DOL Measures - Unemployment Insurance	Criteria	CUIAB Results June 2009
Quality	80%	90.6%
Average age of pending first level cases	Less than 30 days	54 days
Time Lapse for 30 days – First level cases completed	60%	3.6%
Time Lapse for 45 days – First level cases completed	80%	10%
Time Lapse for 90 days – First level cases completed	100%	50%
Average Age of pending second level cases	Less than 40 days	41 days

Source: US DOL Reports-July 2009

Over the last nine years, CUIAB failed to meet the US DOL time lapse standards. California's current economy resulting in 2.1 million individuals unemployed creates additional challenges to CUIAB improving on the federal standards. I believe my success is measured by how quickly our Board can transform the organization to meet and exceed the US DOL standards. Assuming the continuing level of appeal cases, our Board is working towards meeting the federal standards in two years.

2. What training, education, and workplace experience do you have that qualifies you to serve as a member of the Board?

My twelve years of working as staff and a Member of the California Legislature give me unique insight and experience to help the public successfully engage government services available to them. I share this experience of the inner working of government agencies with the constituencies that access them. As a rule, engagement and access is a process, which involves multiple contacts, documentation and proper follow up for a successful resolution to a constituent's problem. My depth of experience allows me to further enhance these interactions with state government.

3. What do you see as your major responsibilities as a Board member? What training have you been provided since your appointment?

As a Board member, I believe my major responsibilities are to provide policy leadership, issue timely second level appeal decisions, complete my appeal cases as quickly as possible, develop sound Board policy driven by data supporting our decisions, and oversee the operations to ensure accountability to those we serve.

Since January 2009, I received extensive training on the second level appeal process from the ALJs and my fellow Board members. I have toured Field Offices throughout the state to gain a sense of the regional workload, appeal cases, regional unemployment and Field Office practices and procedures.

Board Reversals

The Chairperson of the Board assigns Board appeals to a panel consisting of two Board members. If the two Board members do not concur on a decision, the Chairperson or another member of the Board assigned by the Chairperson, is assigned to the panel to break any impasse.

4. Please provide us with copies of all decisions you participated in that were reversed at the second level of appeal.

Please see attachment.

5. What substantive and procedural issues do you consider when deciding an appeal?

At the second level appeal, the Board conducts a comprehensive review of an appeal case record. First, as in all matters before a court, all persons are entitled to due process of law. The basic premise of due process is fairness. This requires at a minimum that the following takes place for individuals at appeal hearings:

- Notice of the proposed action is mailed.
- Notice of the hearing to decide on a matter is mailed.
- An opportunity to be heard is provided.
- Fair conduct of the hearing, including an opportunity to cross-examine witnesses and explain or rebut unfavorable testimony.
- A decision is supported by the record or case file.
- A written decision is provided and an opportunity to appeal is provided.

In addition to due process, I review each appeal to determine if the law was applied fairly. The state laws governing this area are found in the California Unemployment Insurance Code. If there are conflicts with the decisions or ambiguities in the law, the Board members, collectively, will issue a precedent decision.

Bureau of State Audits Report & Findings

In January 2007, the Bureau of State Audits (BSA) was requested to conduct an audit of CUIAB's hiring, personnel, procurement, and travel reimbursement practices.

Subsequently, BSA conducted the requested audit and released its findings on November 20, 2008. BSA's report enumerates a number of shortcomings relevant to the hiring, personnel, and travel reimbursement practices at the Agency, and suggests that CUIAB make greater efforts to establish objective criteria for its hiring decisions and better document the use of these criteria to ensure that the Agency is hiring and promoting the most qualified candidates.

6. What steps has the Board taken to ensure fairness in the hiring and promotion processes?

In following the BSA's recommendations, CUIAB's Personnel Services developed a procedure manual entitled "Contacting, Interviewing, and Hiring Procedures". This manual assists managers and supervisors in the hiring process by outlining procedures and providing samples of interview formats, benchmark responses to interview questions, and rating scales. All CUIAB supervisors and managers have received training on this procedure manual.

Beginning this year, all CUIAB job vacancy announcements and exams are distributed to all CUIAB employees via electronic mail and posted on the State Personnel Board website (Vacancy Database or exam listing) and the CUIAB intranet. Hiring managers/supervisors are provided a list of all eligible candidates (internal and external) for consideration. Once the hiring manager/supervisor conducts the interviews, they are required to conduct reference checks and review their Official Personnel File (if the candidate is a current state employee). Once a candidate selection is made, the hiring

manager/supervisor completes a Request for Hire form which is approved by the Executive Director/Chief Administrative Law Judge. The hiring managers/supervisors maintain documentation of all steps in the hiring process for a minimum of two years, including applications, interview notes, reference checks, etc.

In addition to expanding distribution of job vacancy announcements and exams, CUIAB developed an upward mobility guide for CUIAB employees. This guide discusses the career ladders available at CUIAB and the job requirements for employees to develop their career plans.

7. Which of the relevant BSA recommendations has CUIAB already implemented, and what is the timeline for implementing the remaining recommendations?

CUIAB has implemented all recommendations outlined in the BSA report with exception of the following:

- a. The CUIAB is proposing regulations Title 22, California Code of Regulations Section 5300 dealing with the nepotism issue identified by the Bureau of State Audits. In summary, the proposed regulation states that CUIAB retains the right to refuse to appoint a person to a position within the CUIAB if his/her relationship to another employee has the potential to adversely impact on supervision of employees, security or morale, or involves a potential conflict of interest. CUIAB also developed proposed regulations for Section 5400 regarding the employment of Board members at the CUIAB.

CUIAB is informally vetting the draft language with our stakeholders before submitting to the formal Administrative Procedures Act. The Board solicited for written suggestions from July 20 – 31, 2009 by mailing the draft language to our stakeholders. In August and September 2009, the Board anticipates holding two public meetings (one in Southern California and one in Northern California) to gather additional feedback as well. Once our vetting process is complete, the Board will finalize the regulation language at the October 2009 Board meeting for submittal to the Office of Administrative Law.

- b. In February 2009, the Board requested the EDD to conduct an independent audit of the former Chief Administrative Law Judge's travel claim reimbursements. EDD completed the audit in April 2009 and provided the findings to CUIAB. In May 2009, CUIAB sent the findings to the former Chief Administrative Law Judge for a 60-day due process review before the Board seeks recovery.
- c. The statewide physical inventory of all CUIAB assets is complete with the exception of the San Jose Field Office. This Field Office is under remodeling due to space needs for additional staff. The physical inventory for this office will take place in September 2009.

8. What additional measures can the Board take to improve its hiring and promotion practices?

In the last six months, the Board improved the recruitment process and made the process more transparent. CUIAB is partnering with the Office of Administrative Law to conduct Administrative Law Judge (ALJ) exams. The previous application process took months. Now, it takes a week for candidate applications to be sent to hiring managers. CUIAB now recruits from other state agencies for retired annuitant ALJs. We may expand our partnership with other departments and boards under the Labor & Workforce Development Agency in holding exams for general classifications.

For leadership positions, CUIAB enhanced the recruitment with advertisements in reputable journals. For the interview process, CUIAB seeks participation from other Agencies with similar hearing processes to sit on interview panels and evaluate candidates.

The audit estimates that approximately 94 of CUIAB's 639 staff are related by blood, marriage, adoption, or domestic partnership. The audit also documents a widespread perception among CUIAB staff that nepotism and favoritism compromise the hiring and promotion processes. Similarly, the audit finds a widespread perception among workers that familial relationships at the workplace are undermining security, supervision, and morale.

9. What steps is the Board taking to ensure the integrity of its human resource management practices?

In addition to the draft nepotism policy, job vacancies announcements are posted on the State Personnel Board and CUIAB websites so that the public at large may apply for positions. Announcements are also emailed to CUIAB staff to ensure they have an equal opportunity to apply and compete for a vacancy.

The interview process for both ALJs and support staff require the candidates to answer standardized questions. This ensures an equal playing field for all applicants. All documentation is retained for audit purposes. Recommended candidates must be presented in writing and approved by the Executive Director who ensures that human resources policies and practices are met. CUIAB's Personnel Services staff also review the hiring documentation to ensure that policies and practices were followed in a fair and consistent manner.

The audit notes that many rank and file employees fear they would be subject to retaliation if they filed either an equal employment opportunity (EEO) complaint or a workplace grievance. The audit makes several relevant recommendations to the Board, including notifying employees of its EEO and grievance complaint processes, notifying employees of related worker protections, updating the CUIAB employee handbook, and conducting relevant trainings on a periodic basis.

10. Which of the foregoing recommendations has CUIAB implemented, and what is the timeline for implementing the remaining recommendations?

All recommendations pertaining to CUIAB's EEO and grievance processes have been adopted. On January 13, 2009, a memo was sent to all CUIAB employees informing them that new information is posted on our intranet website concerning their rights in

the EEO/Grievance process. Employees who believe that they have been discriminated against are encouraged to contact an EEO Counselor.

CUIAB's New Employee Orientation Handbook has been updated to include an expanded section on the EEO/Grievance Process. It also refers to the more detailed information located on our intranet website. Internet-based training modules for all CUIAB employees are scheduled to be released as they are completed.

11. The audit outlines deficiencies in the travel-reimbursement practices of the agencies and recommends that the department adopt procedures to pre-approve all travel plans and review all relevant expenditures to ensure compliance with state rules and safeguard the taxpayers. What is CUIAB doing to implement these recommendations?

CUIAB's travel handbook has been updated to reflect all BSA recommendations. CUIAB also developed the following internal controls for processing and tracking employee travel:

- All CUIAB managers and supervisors were provided training on the changes to the Travel Handbook.
- Each Field Office and Division has a designated Travel Coordinator to
- A form was developed for employees to make a Request for Travel for managers and supervisors to pre-approve all travel plans.
- Managers and supervisors were instructed to thoroughly audit employees' travel expense claims.
- Travel expense claims are signed by the managers/supervisors and forwarded to the Office Travel Coordinator for processing.
- All travel reimbursement checks are delivered to the Office Travel Coordinator to disburse to employees.

Timeliness of Appeals & Outstanding Workload

California is subject to two sets of federal standards governing the prompt adjudication of appeals. The first standard, known as the time-lapse standard, requires that 60 percent of all lower-authority first level appeals be completed within 30 days. This standard measures CUIAB performance on completed work. The second standard, known as the case-aging standard, requires that the average case age of CUIAB's open cases be no greater than 30 days in March of each year. The second standard differs from the first in that it gauges the typical age of cases that remain open.

According to data provided by the Department of Labor, between April 2008 and February 2009, California was only completing 4.9 percent of its first level appeals cases within 30 days. Only two states, Virginia and Indiana, had poorer levels of performance over this time period. Department of Labor data also reveal that the average case age of its open cases was 51 days in February 2009, when the state had nearly 74,000 open cases pending.

12. What explains the Board's failure to meet federal timeliness standards, and what concrete steps is the Board taking to meet the standards? In your response please outline recent, ongoing or planned operational changes that will speed up processing and reduce the backlog of appeals. When does CUIAB expect to be in compliance with federal standards?

At this time, the Board is faced with many challenges to meeting federal timeliness standards. First, the current state of the economy generated a record level of 233,014 requests for Unemployment Insurance first level appeal hearings during the 2008-2009 Fiscal Year. During this time, the Unemployment rate dramatically rose from 7.3 percent in July 2008 to 11.6 percent in June 2009. With a steady growing stream of new appeal cases each month, this presents additional challenges to the Board meeting federal time lapse standards.

Secondly, Unemployment Insurance workload forecasting is revised twice a year during the State Budget revise process. Biannual workload reviews to plan for adequate staffing levels are not timely during quick economic downturns as we have just experienced. In addition, Congressional budget delays also present challenges to CUIAB's ability to quickly upsize or downsize staffing to meet workload needs.

Third, the federal Unemployment Insurance program reimburses the State after appeal cases are completed. During 2008 and early 2009, the US DOL was funding California at a lower rate on appeal cases. California was notified in May 2009 of an increase to the funding level due to the economy. As in past economic downturns, the lag in funding partially prevents CUIAB to swiftly recruit staffing and accommodate space and equipment needs as the workload increases.

Since April 2009, Board members are working with senior staff on policy and operational committees to address our workload challenges. Our committees have developed workload reduction plans and CUIAB has hired 54 new ALJs and 57 support staff. A number of work process improvements have been developed and are either being implemented or tested at this time (please see Special Project list attached). These improvements will either help streamline appeal processing or to provide tools to do so. For example, Field Operations is expanding the use of telephone hearings, mass (or team) hearing calendars, staggering work schedules to hold more hearings in a day (8:00 AM to 6:00 PM), and one Field Office is offering hearings on Saturdays. We are also working with EDD to explore technology solutions that will expedite opening appeal cases and returning appeal decisions back to EDD for processing.

With respect to our expectation in meeting federal standards, we estimate to be in compliance in July 2011.

13. According to the Department of Labor, the vast majority of states use technology to handle both claims and appeals more effectively. What, in your view, should California do to increase and/or improve the use of technology in the claims and appeals processing?

Since January 2009, CUIAB is in partnership with the EDD, US Department of Labor, and the California Labor & Workforce Development Agency to review California's

Unemployment Insurance appeal process for operational efficiencies. Collectively, we have completed time studies of both the first and second level appeals to identify areas on which we may focus our attention. CUIAB is piloting a number of technology solutions to improve the work process which are outlined on the attached Special Projects list. In addition, CUIAB and EDD initiated some workgroups to develop additional technology solutions to help California meet time lapse standards.

In July 2009, the US Department of labor sent representatives to California to review and evaluate the entire appeal process. We are awaiting a formal exit interview for the results of this review. During the exit interview, UD DOL will also offer examples of how other states are using technology in different aspects of the appeal process.

Layoffs, Furloughs & Staffing

Under Executive Order S-09-08, Governor Schwarzenegger ordered the layoff of all retired annuitants, permanent intermittent employees, seasonal workers, temporary workers, and student assistants. Under Executive Order S-16-08, Governor Schwarzenegger ordered a two-day-a-month furlough for all state workers. Under Executive Order S-13-09, the Governor increased the number of furlough days to three per month, and news accounts suggest that the Governor will order a fourth furlough day.

Data provided to the Rules Committee by you on May 20, 2009, suggests that each monthly furlough day reduces state appeals processing by 34,000 cases a year and costs the state approximately \$5.4 million federal dollars. Three monthly furlough days would reduce production by over 100,000 cases per year and cost the state over \$16 million annually. Four monthly furlough days will cost the state approximately \$22 million federal dollars and reduce production by 136,000 cases.

- 14. Given that furloughing employees at the CUIAB saves the state no general fund money and actually results in lost federal funds, what is the rationale for CUIAB furloughing any of its employees?**

Shortly after Governor Schwarzenegger issued Executive Orders S-16-08, it was challenged in litigation. However, on January 29, 2009, Sacramento County Superior Court Judge Marlette issued a ruling confirming the Governor's authority to implement furloughs in an economic crisis. Several unions have appealed this decision, and the appeal is pending in the Third District Court of Appeal. Currently, there are three lawsuits pending concerning the application of furloughs to employees working in non-general fund positions. CASE, UAPD, and SEIU Local 7 have each filed similar petitions for writ of mandate in Alameda County Superior Court, involving over 50 named state entities. Given this, it is likely that issues over furloughs will eventually be resolved in the courts.

- 15. According to the Department of Personnel Administration, CUIAB may implement its furlough program using self-directed furloughs, which can be "banked" for future use. Self-directed furloughs are intended to allow agencies with workload**

issues greater flexibility when implementing the relevant executive order. However, CUIAB has chosen to implement a mandatory three-day-a-month furlough and is not allowing its staff members to bank furlough days. What is the rationale for implementing the furloughs in this manner?

CUIAB is on a self-directed furlough program as approved by DPA. The work week policy change that is being sought along with the self-directed furlough program that is currently in place will allow for greater flexibility in addressing our workload.

16. Please discuss the effect of executive orders S-09-08, and S-13-09 on appeals processing and the ability of CUIAB to meet federal performance standards. How many workers were laid off, and how many hours of production have been lost as a result of the layoffs and furloughs? How many fewer appeals have been processed as a result of each of these executive orders?

To implement Executive Order S-09-08, CUIAB separated 49 retired annuitant ALJs and 85 support staff (permanent intermittent, etc.). For the month of August 2008, completed first level appeal cases decreased by 4,500 appeal cases as compared to July 2008. For second level appeals, new cases declined by 373 appeal cases and completed cases decreased by 341 appeal cases in August 2008. CUIAB received an exemption approval in late August 2008 and a majority of the hourly staff returned to CUIAB in September 2008 and the workload numbers returned to July 2008 levels or above.

For Executive Order S-13-09, CUIAB is finalizing workload reports for July 2009. We will forward our analysis at a later time.

17. What is CUIAB doing to offset the effects of the furloughs and layoffs?

To offset the effects of furloughs and layoffs, CUIAB is hiring additional ALJs and support staff to address the workload. Since January 2009, CUIAB hired an additional 57 ALJs and 45 support staff. From our experience, it takes approximately six months of training for a new ALJ to meet full hearing schedules.

Assembly Bill X3 29

On March 27, 2009, Governor Schwarzenegger signed ABx3 29 (Coto and Garrick, Chapter 23, Statutes of 2009), which states that CUIAB “shall permit a party or representative to participate in a hearing by telephone upon the party’s or representative’s request and showing a good cause, in accordance with regulations adopted by the Board.” The intent of this legislation is to facilitate phone hearings when hearings are requested by interested parties.

In July 2009, CUIAB proposed regulations to implement ABx3 29, which would allow Board agents to require parties to participate in phone hearings whether or not they want to do so.

18. How do you interpret the language in ABx3 29 requiring the Board to hold phone hearings when requested by an interested party? Do you believe the Board can require a phone hearing even when an interested party does not request one?

The purpose of the change in law is to ensure that claimants, employers, and their representatives are aware that they can request a telephone hearing. The change in law also facilitates the process of requesting a phone hearing. The law's requirement for regulations will help establish uniform guidelines across the state and will help increase the participation of parties when they have expressed the need for an in-person hearing.

The Board understands the importance and value of in-person hearings. Our ALJs are often the first person that a claimant or employer has had contact with during the Unemployment or Disability insurance process. In-person hearings are helpful when a credibility determination is an important part of the case. For these reasons, we are not supportive of efforts to eliminate in-person hearings.

There are limited instances where the Board would take the initiative and consider scheduling a case for a telephonic hearing. For example, phone hearings are commonly scheduled when one of the parties has moved out-of-state. Phone hearings can also be used to significantly speed up decisions in one-part appeal cases that do not involve major controversies. In some cases, phone hearings can be used where resources are stretched thin and other Field Offices can assist by conducting phone hearings in simple, non-controversial cases where parties would benefit from a more timely decision. In every case, it is the responsibility of the ALJ presiding over a case to ensure the due process of parties. The ALJs retain the authority to require an in-person hearing if a fair hearing cannot be conducted by telephone. In addition, if a phone hearing is scheduled, any party has the option to appear in-person as well.



CALIFORNIA UNEMPLOYMENT INSURANCE APPEALS BOARD

SPECIAL INITIATIVES TO ADDRESS THE WORKLOAD

Work Process Improvements

Case Process Time Analysis

CUIAB is conducting a detailed analysis of each step in the first and second level appeal processes to identify business strategies to streamline and maximize efficiencies.

Expedite Appeal Decision Notification to EDD

Currently, CUIAB Field Operations staff prepare appeal decisions for mailing to appellants and EDD UI Adjudication Centers. CUIAB is working in partnership with EDD to identify solutions in expediting the appeal decision notifications to EDD to update their claim database.

Mass Calendaring

In each Field Office, a team of three to four ALJ IIs are assigned a mass (or team) calendar of more common, routine Unemployment Insurance appeal hearings. Rather than scheduling one hearing for a time slot, the mass calendar schedules three hearings to try to maximize case calendar time.

Telephone Hearings

Field Operations is testing the use of phone hearings to provide better access, particularly to Unemployment Insurance appellants who may lack transportation or face other challenges to attend a hearing. This also helps employers to remain on their business premises during business hours.

US Department of Labor Taskforce

Over the last nine years, the CUIAB is failing to meet the US DOL timeliness standards for Unemployment Insurance appeals. California is ranked 45th among 51 states and a US territory on time lapse and case aging standards. In late 2008, US DOL placed CUIAB under a corrective action plan with oversight by a taskforce of US DOL, EDD & CUIAB to improve operational efficiencies.

Technology

Auto-Dialer Hearing Reminder

Currently, Field Operations is experiencing about a 25% to 28% "no show" rate for appellants at scheduled hearings. To increase hearing attendance, CUIAB will use computerized auto-dialing hardware and software for calling all parties 48 hours in advance to remind them of their scheduled hearing.

Digital Imaging

Currently, EDD mails hard copy documents and records to CUIAB when an appeal is filed. CUIAB will collaborate with EDD in their efforts to image documents and records relating to Unemployment Insurance, Disability Insurance, and Payroll Tax. CUIAB will also leverage the project to begin imaging for appeal records.

Electronic Case Management

CUIAB's case tracking database is now eight years old and becoming cumbersome to manage the current workload volume. CUIAB is collaborating with Labor & Workforce Development Agency & EDD to pursue a court case management system that will bring technology to almost all phases of the appeal process.

Expansion of Information Technology Infrastructure

To align with the State CIO & Labor & Workforce Development Agency CIO strategic technology plans, CUIAB needs to update our IT infrastructure to pursue further technology projects.

Field Office Telephone Tree

Field Operations is testing the use of phone menu options to answer routine constituent phone inquiries. This allows support staff to spend more time on the non-routine calls.

Naturally Speaking Dragon Software

In Field & Appellate Operations, CUIAB is piloting the use of voice to text software for ALJs to dictate appeal decisions. This software will help reduce the amount of typing by support staff and expedite the mailing of appeal decisions to claimants and employers.

Paperless Pilot Project

When a second level appeal is filed, the hard copy case is mailed to Appellate Operations for processing. To expedite this case transfer, CUIAB will pilot the transmission of electronic case files from one Field Office to Appellate Operations.

Wide Area Network Acceleration

Implement a networking technology known as Wide Area Acceleration Services (WAAS) to speed up the transferring of data over the Wide Area Network.

Staffing, Facilities & Equipment

Phase I – Workload Reduction Plan

Due to the economy in 2008, CUIAB experienced an increase in new first and second level appeals filed. The Board & management team developed a workload reduction plan to address the increase in cases and the time lapse and case aging standards. This plan provided for 21 ALJs & 21 support staff in Field Operations and 10 ALJ IIs in Field & Appellate by May 31, 2009.

Phase II – Workload Reduction Plan

This plan provided for 40 ALJs & 40 support staff in Field Operations and 10 ALJ IIs in Field & Appellate by June 30, 2009.

Phase III – Workload Reduction Plan

This plan provided for 3 permanent intermittent ALJs & 6 permanent intermittent support staff in Appellate by September 2009. Field Operations is developing their plan.

Facility & Equipment Needs for New Hires

Due to the volume of new hires, CUIAB is developing plans for additional space and equipment in Field & Appellate Operations.

Information Technology Asset Management Improvement

Improve the method used for tracking information technology assets via software. This project is a recommendation from the Bureau of State Audits Report 2008-103.

Outreach & Education**Refresh Form & Pamphlets**

Update CUIAB forms & pamphlets.

Video Production on Hearing Process

Develop a five-minute video to demystify the appeal hearing process. The video will be loped in Field Office reception areas and available via the CUIAB website.

Other**Regulatory Revisions to Minimize Appellant Waiting Time**

To eliminate 18 days of waiting time for second level appeals, CUIAB is pursuing regulatory changes to require parties to exercise their rights earlier in the process.



PUBLIC UTILITIES COMMISSION

STATE OF CALIFORNIA
505 VAN NESS AVENUE
SAN FRANCISCO, CALIFORNIA 94102

MICHAEL R. PEEVEY
PRESIDENT

TEL: 415-703-3703
FAX: 415-773-5081

Nelson

*Michael Peevey
Response*

The Honorable Darrell Steinberg
President Pro Tempore
California State Senate
State Capital
Sacramento, California 95814-4151

Dear Senator Steinberg and Members of the Senate Rules Committee:

I look forward to my confirmation hearing on my reappointment as a member of the California Public Utilities Commission. I hereby submit my written responses to your questions. Thank you for this opportunity.

I believe I have complied fully with your written questions, but, if not, please let me know.

With kind regards, I am

Sincerely,

Michael R. Peevey
President

Senate Rules Committee

AUG 20 2009

Appointments

SENATE RULES COMMITTEE QUESTIONS AND RESPONSES

Goals

1. What have you accomplished during your past term to further this mission?

During my past term, I worked with my fellow commissioners to help California become an international leader in policies regarding energy efficiency, renewable power, and the global effort to limit and adapt to climate change. In particular, I supported more cost-effective renewable energy, the construction of necessary transmission lines to carry this energy to load centers, and the implementation of important climate change regulation. While focusing on a greener energy environment, I have continued to ensure that the regulated energy utilities have both short-term resources as well as long-term procurement plans that emphasize portfolios that integrate renewable energy, use energy efficiency and demand response as resource tools, reduce greenhouse gases, and improve reliability—while being mindful of providing these attributes at fair and reasonable rates to the consumer.

I have also helped lead the Commission's efforts to bring broadband access to all, including rural, remote, and otherwise underserved areas of California and to educate and protect telecommunications consumers and to see that all consumers have better information on the competitive nature of today's telecommunications market. In addition, I have worked with my fellow commissioners to redefine water conservation as an energy efficiency and greenhouse gas control strategy and to increase our efforts in the areas of rail transit safety.

And with my encouragement, and the guidance of the Commission, California's utilities and carriers are more diverse employers with greater reliance upon women, minority and disabled veterans' businesses and stronger ties to community-based organizations and charities. And, they are more active contributors to their local communities. I recently asked my fellow

commissioners to join me in opening a new Rulemaking proceeding on utility and supplier diversity to see if the process can be improved further [Rulemaking 09-07-027].

2. What have been your most significant achievements as a member of the Commission? As president of the Commission?

I have been a member of the Commission since 2002 and president since 2003 so most of my responses on significant achievements reflect my time as president. However, even as president, I am only one vote and I need the support of my fellow Commissioners in order to have the Commission take any action. Following are some of our achievements:

Utility Financial Stability

We have restored financial stability to the electric industry following the energy crisis of 2001/02. Under the auspices of a federal Bankruptcy judge, I helped craft a resolution to the PG&E bankruptcy and helped Edison forestall a bankruptcy filing so both major utilities could return to purchasing power for their customers. Following that, we created a Resource Adequacy program that: 1) assured that there is sufficient generating capacity available where and when needed on a short-term year-to-year basis; 2) required the providers to have an appropriate reserve margin; and 3) required a similar showing from all retail providers of electricity in utility areas, including electric service providers and community choice aggregators, to ensure a level playing field and fairness to all consumers.

In addition, I instituted the long-term procurement planning framework, pursuant to AB 57 [Pub. Util Code Section 454.5], so the regulated utilities file a ten-year-ahead procurement plan that, when approved by the Commission, assures them of upfront cost recovery for procurement decisions made in accordance with an approved plan. In summary: 1) this removes after-the-fact review by the Commission of the utilities' procurement decisions as long as the actions are in accordance with the approved plan and therefore removes cost recovery risk; 2) restores confidence that the utilities will be able to provide

reliable service; and 3) directs the utilities to sign long-term contracts that provide reduced costs to ratepayers and restores stability to the electric generation market.

Working collegially, I helped to foster an even-handed approach to regulation and restored financial community confidence in investment in California's energy infrastructure following the downgrades by the rating agencies. At the same time, I ensured that the multi-billion-dollar loan to DWR from the general fund was repaid through the issuance of bonds and subsequent appropriate rate recovery from utility ratepayers. I have continually worked to resolve contentious issues surrounding customer responsibility for servicing DWR bond and power charge payments through the life of the DWR contracts.

Rates for Electricity

The average cost of electricity is lower today in inflation adjusted terms than it was when I was named CPUC President. Since 2003 the IOUs' electricity rates have grown more slowly than inflation, resulting in lower overall real energy costs for California consumers.

Rate Recovery

I have also been actively involved with the Commission's legal division working to obtain refunds from FERC and the courts for the 2000-2001 energy crisis overcharges in short-term sales. We have recovered over \$2 billion for overcharges through settlements with 26 sellers. These dollars have been passed through to consumers and lowered their monthly electricity bills. We still have over \$7 billion in claims against other sellers and are continuing our efforts for recovery. I also led the charge to renegotiate many of the DWR long-term contracts, achieving hundreds of millions of dollars of savings for ratepayers.

Communications

One of my accomplishments in my first term as a Commissioner is that I created the California Emerging Technology Fund (CETF). This non-profit

organization arose out of the mergers of AT&T/SBC and Verizon/MCI. Shareholders of those companies, not ratepayers, fund the CETF over five years for a total of \$60 million. The focus of the CETF is to close the digital divide. While the California Advanced Services Fund grants money for infrastructure, the CETF deals with the other aspects needed to make broadband universal. For example, the CETF provides grants for projects such as computer centers, training, and applications. The CETF plans to leverage the original \$60M to achieve a minimum \$250M impact.

Consumer Protection

Working collectively, the Commission and its Consumer Protection Services Division (CPSD) has taken numerous actions for the protection of and benefit of consumers. Attached as Exhibit A is a summary of CPSD's recent enforcement activities. In addition, CPSD has accomplished the following:

- ▶ **Consumer Protection Initiative-** CPSD's Utility Enforcement Branch (UEB) has significantly enhanced its consumer fraud detection activities since 2006. UEB has opened 100 investigations involving telecommunications companies. Of those, 22 have been cramming cases, 9 slamming, 19 application protests, 5 prepaid phonecard cases, and 4 cases related to payphone violations. The remaining cases include automatic dialing announcement devices (ADADs), cell tower citing, universal lifeline telephone service availability, service quality, abusive/misleading marketing, 911 emergency services, safety, fraud, transfer or utility assets without Commission approval; and others.
- ▶ **Coordination with the Attorney General (AG)**—of the 5 prepaid calling card cases, 2 have resulted in civil complaints and fines paid the Commission (for the General Fund) totaling over \$220,000. CPSD also worked closely with the authors of AB 2136 and AB 2885 to adopt new consumer disclosure requirements and to allow the CPUC to pursue enforcement action independent of the AG's office and expand the activities subject to CPUC

enforcement to include certain violations of the Business and Professions Code (Chapter 745 Statutes of 2008).

- ▶ **Energy Enforcement** – UEB has also successfully prosecuted cases against SCE and PG&E for certain violations of the Public Utilities Code resulting in over \$30 million in fines and over \$100 million in refunds.
- ▶ **\$219 Million in Positive Impact for Customers** - Since January 2007, UEB's enforcement efforts have resulted in a \$219,000,000 positive impact for ratepayers and customers (\$43 million in penalties to the General Fund and \$176 million in refunds, surcharges/fees recovered and other forms of restitution).

Utilities Safety

- ▶ **Fire Investigations** – The Commission opened three investigations (Ollis) in response to CPSD's investigations into four of the fires that occurred in Southern California in October 2007. The Commission's investigations will determine whether or not the respondent electric utilities and communication providers were in violation of CPUC rules and what fines, penalties, or future preventative measures should be adopted to avoid or prevent similar events in the future.
- ▶ **Fire Safety Rulemaking** – The Commission has also opened a Rulemaking to consider additional rules to enhance safety and reduce fire risk related to electric transmission and distribution lines and related communication facilities.

Transportation Enforcement

- ▶ **Increased Airport Enforcement** - CPSD's Transportation Enforcement Branch (TEB) maintains a permanent or periodic presence at the state's major airports to address the problems of limousine services and other passenger carriers operating without a Commission-issued license or failing to comply with Commission or airport rules and regulations. For the safety of travelers, the airports want to ensure that all limousines, shuttles, and other

ground transportation services are properly licensed and insured. Additionally, in today's climate of heightened airport security, the airports believe it is essential that every commercial vehicle operator conducting business on airport property be in compliance with all Commission and airport licensing requirements. Using positions that are specially funded by the industry for this purpose, CPSD maintains an office at LAX where two staff investigators work hand-in-hand with airport police and the L.A. City Attorney's Office to abate unlawful carrier activities. Carriers found to be operating without a license have their vehicles impounded, the number totaling 298 in 2008 and 217 in the first seven months of 2009. The unlicensed operators and others carriers determined to be noncompliant with rules and regulations are cited either by the police or CPSD. During the same 19 month-period, airport police issued 515 Notice to Appear citations, and TEB issued 215 administrative citations to carriers. At other airports TEB joins with agencies such as the CHP to conduct surprise inspections that include vehicle safety checks in addition to licensing verification.

Rail Operations Safety

- ▶ **Collision Avoidance OIR-** issued to determine whether intrastate commuter rail systems should implement a supplemental collision avoidance safety system as a stop-gap safety measure while awaiting the installation and implementation of Positive Train Control in 2015, mandated by the Rail Safety Improvement Act of 2008.
- ▶ **General Order 118 ballast size OIR -**issued to determine the appropriate size ballast walkways in rail yards, in order to safeguard the health and safety of railway employees.
- ▶ **High Speed Rail –** Rail safety staff is participating in all phases of HSR to ensure that the safety of employees and the public is the primary consideration in all aspects of HSR planning, pre-construction, design, building, and implementation of operations. A BCP is currently being submitted to add additional expert staff to meet this goal.

- ▶ **Rail Safety Improvement Act of 2008 (RSIA)**- Staff is receiving federal training in the enforcement of new rulings contained in the RSIA and is engaged with the new technologies and processes mandated by the Act, including Positive Train Control, Railroad Risk Reduction Program, and employees Hours of Service reform.
- ▶ **Security/Hazmat Inspectors** – in response to AB 3023, California Local Community Rail Security Act, introduced by Assemblyman Nunez, ROSB has hired two security inspectors who conduct regular security inspections of railroads with respect to threat assessments and infrastructure protection programs.

Rail Transit Safety

- ▶ **Roadway Worker Protection** – In response to three fatal accidents involving rail transit maintenance-of-way or roadway workers, the Commission issued this OIR to determine whether current protections for rail transit agency roadway workers are adequate and consider whether the State of California or the Commission should issue new rules to protect maintenance-of-way, track, signal, and other workers engaged in roadway work for transit agencies in California.
- ▶ **Restriction of Cell Phone Use** – The Commission adopted Resolution SX-88 on September 18, 2008 as an interim emergency order, prohibiting the personal use of commercial mobile radio services and devices by on-duty railroad engineers, brakemen, conductors, and rail transit vehicle operators.

Modernizing and Upgrading California's Aging Energy Infrastructure

I have made modernizing California's electric grid and replacing aging infrastructure a priority. While these efforts have raised the utilities' capital spending, they will pay significant dividends in more reliable service, enhanced service quality and local economic development—including jobs. Key investments include:

- ▶ The Advanced Meter Initiative (AMI), that allows all three IOUs to install about 18 million new electric and gas meters throughout their service territories by 2012.
 - The new meters incorporate advanced solid state electronics, wireless communications.
 - AMI will enable significant operational savings through automatic data collection and timely detection of outages.
 - Making hourly energy usage data available to customers will support attainment of California's aggressive goals for conservation and peak load reduction by enabling energy efficiency, demand response and dynamic pricing programs.
- ▶ Smartgrid
 - The CPUC initiated a Smart Grid rulemaking in late 2008 to determine policies and oversight for future utility investments in electric grid enhancements.

Environment

I have been a constant voice at the Commission on the need to focus on the climate crisis. The Commission has now developed and implemented numerous policies aimed at reducing GHG emissions from electricity production. As a start, I partnered with the Chairman of the Energy Commission to develop an Energy Action Plan (EAP) and a loading order as the guiding paradigm for resource procurement. The utilities are to follow the EAP loading order for their 10-year procurement plans and prioritize energy efficiency, demand response and renewables before choosing the cleanest and most efficient fossil-fired generation. This loading order is the cornerstone for IOU resource procurement.

Working together, the CPUC has accomplished the following towards working towards a cleaner and greener environment:

Energy Efficiency:

I am dedicated to maintaining California's historic leadership in the area of energy efficiency. While I have generally assigned energy efficiency proceedings

to other commissioners, I have consistently supported their efforts to expand and strengthen these programs. During my Presidency the Commission has:

- Significantly increased funding for the IOUs' energy efficiency programs, extending far beyond the \$250 million per year required under mid-1990 legislation for a Public Goods Charge. The expansion is guided by joint energy agency policy, with CPUC action to increase expenditure levels by IOUs.
- Building upon the EAP, the CPUC required IOUs to deploy energy efficiency as "first in the loading order" and to reflect the same principles in their 10-year energy resource procurement plans
- Expanded the size of utility programs to achieve "all cost-effective energy efficiency", consistent with the EAP and the Energy Commission's Integrated Energy Policy Report, and now also reflecting the additional impetus for energy efficiency to be a major strategy in CARB's AB 32 Scoping Plan.
 - Approved \$2.2 billion for the 2006-2008 program cycle, more than double the \$1 billion in energy efficiency funding authorized for the preceding cycle.
 - A further substantial increase is anticipated upon approval of the utilities' funding requests for the 2009-2011 program cycles.
- Established ambitious new goals for energy efficiency and produced a long term strategic plan for energy efficiency that lays out a path to realize them by 2020. These long term targets include developing "zero net energy" homes and commercial buildings (through efficiency and solar), and to accelerate the development and deployment of emerging technologies
- Required the utilities to use the plan as the basis for their 2009-2011 program activities, adding a more strategic dimension to this program cycle in order to realize maximum energy savings.

- Developed a new incentive program for energy efficiency that provides the IOUs an opportunity to earn a return on energy efficiency investments, creating a level playing field for demand and supply side resources.
- Expanded funding and goals for the low-income energy efficiency programs.
- Projected energy savings from the 2006-08 program cycle are 7371 GWh, reducing CO2 emissions by approximately 3 million tons per year, or the equivalent of removing 650,000 cars from the road. These estimates will be finalized later this year based upon ongoing ex post measurement and verification studies.
- As part of the PG&E bankruptcy settlement, secured \$30 million in shareholder funding to establish the California Clean Energy Fund (CalCEF). CalCEF's mission is to accelerate the development of promising early-stage clean energy technologies, including those that support improved energy efficiency. Although CalCEF is a non-profit entity, it makes for-profit investments in commercially viable companies via a range of partnerships. Profits will be reinvested in the Fund to further support its mission. I serve without compensation as the Chairman of CalCEF's Board of Directors.
- Championed creation of the first university-based energy efficiency center in the United States to focus on the transfer of technology into the marketplace. Established in 2006 with a challenge grant from CalCEF, the UC Davis Energy Efficiency Center collaborates with a network of technology, university and strategic partners to identify promising energy-efficient technologies, develop viable business ventures around those technologies, and connect those ventures to the financial, physical, intellectual and social capital that will be critical to their success. I serve without compensation as the Chairman of the Center's Board of Advisors.

Renewables

I have consistently demonstrated a deep commitment to meeting California's ambitious renewable energy goals. Under my leadership the CPUC has:

- Translated RPS legislation into a workable regulatory program and marshaled the Commission's resources to implement it.
- Partnered with the California ISO and other state and federal agencies to identify and overcome barriers to achieving the RPS goals.
- CPUC staff has developed a rigorous approach to track contracts, identify performance risks and assess viability on an ongoing basis in order to assure the RPS target is realized. This effort is informing the Commission's joint efforts with other bodies to remove barriers to meeting the RPS target.
- Approved major new transmission projects necessary to achieve the 20% RPS (Tehachapi and Sunrise).
- Worked with other state and federal agencies to streamline the CPUC's transmission permitting and approval process.

California's RPS program has moved beyond the ramp-up phase and is now realizing tangible results. While none of the IOUs will reach a 20% share for renewable energy by the accelerated target date of 2010, all are expected to get there by 2013—well ahead of the original 2017 target date.

- The IOU's have brought on 866 MW of new renewable capacity since 2003. Initially robust load growth coupled with adverse impacts of relatively poor hydro years on the contribution of small hydro facilities offset these additions, resulting in a decline in the share of renewables in the IOUs' portfolios. However, the tide has now turned, with the rate of renewable development exceeding load growth for the first time in 2008.
- More renewable energy generation came online in 2008 than in the entire 2003-2007 time period. PUC staff forecast that new installed capacity in 2009 will exceed the amount that came online in 2008.
- 2003 the CPUC has approved 116 contracts contributing 8,334 MW

toward the RPS goal. The CPUC is currently reviewing 13 contracts for 5,941 MW of capacity. Of approved contracts 75% are currently under development. Only 7% of contracts have failed to date.

Distributed Generation and the role solar Photo-voltaic (PV) can play:

- The CPUC has aggressively pursued and implemented policies that support distributed generation on both the customer side of the meter as well as on the wholesale side.
- On the customer side the CPUC implemented the California Solar Initiative, the largest DG solar program in the country, as well as the Self Generation Incentive Program, which currently provides incentives to support wind and fuel cells.
- The Commission has also implemented a number of programs to support wholesale renewable DG, including the small renewable feed in tariff pursuant to AB1969, and a 500 MW program to support utility owned solar projects in SCE's service territory.

The Solar Program

- Pursuant to SB1, the CPUC has successfully implemented the California Solar Initiative for the IOUs. As a result of this leadership:
- Today California has over 500 MW of solar "PV" connected to the electric grid at customer sites; this is equivalent to one large power plant. With recent rapid growth, California now has over 515 MW of cumulative installed solar photovoltaic (PV) capacity at nearly 50,000 sites; 226 MW of this was installed in the past 2 ½ years under the California Solar Initiative.
- The annual rate for new installed solar capacity in California nearly doubled in 2008 over 2007 (from 81 MW per year to 156 MW per year), a marked increase from the 30-40 percent annual growth rate of prior years.
- Despite the challenging economic situation, installation data suggests that the California Solar Initiative could install at least the same amount of

megawatts in 2009 as 2008, with 78 MW already installed through May 2009.

- The program continues to see strong demand, with May 2009 the highest month on record for new solar applications. The California Solar Initiative has over 22,000 solar applications, including both pending and installed systems that will account for an estimated 373 MW of new solar capacity.
- After two and one-half years, the California Solar Initiative has installed 13 percent of the total 10-year program goal, and it has another 8 percent in applications pending installation.

Reducing GHG [AB32]:

Climate change is the greatest environmental challenge of our time. Under my leadership the CPUC has adopted cutting edge policies to reduce GHG emissions from the electric sector. In addition to establishing the nation's most aggressive EE and renewable energy programs the CPUC took the following actions:

- Partnered with the Energy Commission to develop an industry-wide policy framework to achieve deep reductions from the electric sector pursuant to AB32. The proposed approach, adopted by CARB in its Dec. 2008 Scoping Plan, combines market-based measures with traditional regulatory mandates.
- Partnered with the Energy Commission to develop an Emissions Performance Standard, as required under SB1368. The EPS effectively prevents California utilities from making new long term investments in conventional coal-fired power plants and has had a chilling effect on development of such plants throughout the western US.
- Incorporated a carbon adder into the utility procurement process, providing a competitive edge for cleaner generation in bid evaluation.
- Promoted commercialization of carbon capture and storage technology. The CPUC's approval SCE's request to provide seed funding for HECA's (Hydrogen Energy California) proposed petcoke-to-hydrogen facility earlier this year was a key factor in the USDOE's recent decision to award the

project over \$300 million in grants. The HECA project is on track to become the nation's first operating IGCC facility, making California a leader in yet another vitally important GHG reduction technology.

I have been a spokesman for California's climate policies in countless settings. California continues to serve as a model for progressive energy policy and recently the UK adopted an EPS standard modeled after California's program. As well as prioritizing energy efficiency as policy.

PG&E/Pacific Forest and Watershed Lands and Stewardship Council

As part of the PG&E bankruptcy negotiations I secured an agreement to establish the Pacific Forest and Watershed Lands and Stewardship Council to assure permanent protections and enhancement of beneficial public values of more than 140,000 acres of watershed lands associated with the utility's hydroelectric facilities. Most of these lands are in the Sierras and ultimately will constitute some of the "gems" of the Sierra Mountains Conservancy. The Stewardship Council also administers a Youth Investment Program to provide outdoor experiences (whether in urban or wilderness areas) in order to positively transform young people personally, socially and academically. The Youth Investment Program grants monies to existing community parks and youth development programs, as well as new programs in underserved communities.

Diversity

I helped to transform the role of diversity in the utilities' corporate culture. For California's large utilities, striving for diversity is no longer just a goodwill gesture: it is an enduring shareholder value.

- ▶ During my tenure as CPUC president, utility diversity procurement has increased by 54%, from \$1.89 billion in 2003 to \$3.47 billion in 2008.
 - In 2009 the six largest electric, gas and telecommunications companies were all close to or above the GO156 target of 21.5%, which is comprised of individual targets of 15 percent, 5 percent, and 1.5 percent for minority-

owned, women-owned, and disabled veteran-owned businesses, respectively. AT&T California, Sempra Utilities, and Verizon California were either at or above 30% procurement from WMDVBE firms. PG&E's procurement from WMDVBE firms reached 24% while Edison procured 20% of its total procurement from WMDVBE firms.

In 2002, I initiated the CPUC's annual diversity En Banc meetings at which the utility CEOs must present their procurement figures in a public setting. I continue to press for expanded utility diversity contracting and I am now turning the Commission's focus to hiring as the utilities confront the anticipated wave of baby-boomer retirements.

- The CPUC recently opened a new proceeding [R.09-07-027] to ensure that California continues to be the leader in this area. The proceeding will review the CPUC's current diversity program, consider raising the General Order 156 targets and expanding them to include workforce diversity, and examine approaches to institutionalize the utilities' diversity practices.
- The CPUC scheduled the first Best Practices Forum [September 23, 2009], at which the IOUs will come together to discuss how best to continue to embrace diversity because it makes good business sense.

California's diversity and certification programs have become the model for other State Commissions.

- The CPUC's diversity team travels throughout the US to educate and inform other Commissions on how to start a diversity program. Staff worked with Maryland last year, and are now working Arizona, Michigan, New Jersey, New York, and Texas.
- I am co-chair of the National Utility Diversity Council, formed in 2007. The goal of the NUDC is to disseminate California's progressive diversity practices to other states. Members of the NUDC include public utility

commissions, investor held companies, and national community, business and labor groups.

Other

Reflecting the work of the Commission, I have received many awards recognizing my efforts in developing energy policy and promoting recognition of California's diverse population, including a "Distinguished Citizen Award" from the Commonwealth Club of California for achievements in green and sustainable energy in 2007; the Pat Brown Legacy Award in 2003; named "Man of the Year" by the Power Association of Northern California; recognized with the Climate Action Champion Award by the California Climate Action Registry in 2004; and leadership recognition from American Council for Energy Efficiency (2005), the Utility Minority Access Program (2006), and the California Solar Energy Industries Association (2006)

3. What are your goals this term as a member of the CPUC? As president of the commission? How will you measure your success?

My goals both as a member of the Commission and as President are set forth below. The list is not exhaustive, but rather is a road map. Most importantly, however, I stand ready to face unexpected challenges, whether they come from unpredicated climactic changes, drought/flood conditions, set-backs in the economy or other sources. In addition to potential demands, the Commission needs to be poised to take advantage of telecommunication technology advances, or new innovations in the energy sector, especially in the renewables arena that could include a storage system for electricity, improved/more cost effective solar power, ways to utilize wind power and effective and efficient plug-in electric vehicles or natural gas powered vehicles, and carbon sequestration and storage.

Combating climate change.

The global climate crisis is the pre-eminent environmental challenge of our time. History will judge us on how we respond. If you harbor any doubts about the gravity of this crisis and the imperative for bold and immediate

action, I urge you to read Thomas Friedman's book *Hot, Flat and Crowded*. During my tenure reducing California's greenhouse gas emissions has emerged as a priority and a central organizing principle for state policy. I'm proud of the leadership California has provided during the recent years of inaction in Washington. I'm also encouraged by the more pro-active approach of President Obama. The CPUC must continue its historic leadership of energy efficiency and renewable energy policies that are cornerstones of California's greenhouse gas reduction program and models for the rest of the nation.

- ▶ **Increasing energy efficiency while greening our energy sources.** We have set and achieved ambitious goals for energy efficiency and renewable energy development over the last six years, but we still have far to go. We must revamp the energy efficiency incentive mechanism adopted in 2007 and implement our Big, Bold energy efficiency targets. Despite your tremendous efforts to implement and enforce California's complex Renewable Portfolio Standard statutes, it is now evident that none of the companies we regulate will obtain 20% of their energy deliveries from renewable resources by the 2010 deadline. But with ongoing program enhancements and aggressive efforts to permit new transmission lines, we expect them all to hit this target soon after and then forge ahead to a 33% renewable target by 2020.

- ▶ **Creating green jobs.** California's aggressive energy efficiency and clean energy policies have made our state a magnet for investment dollars. We are not just installing rooftop solar power systems and renewable energy facilities here, we are also the home to entrepreneurial and innovative companies that are developing and testing the technologies of tomorrow in our state today. With appropriate investments in education and workforce development, I am confident that the investment pouring into all aspects of California's new clean-tech economy will provide economic opportunities to Californians of all walks of life.

- ▶ **Keeping rates affordable, and helping those in need.** Rates are relatively high, and the economy is in a recession. Ratepayers are feeling the pinch, and we can't forget that affordable rates, and help for those who need it, are an essential part of what we do.

- ▶ **Bringing broadband to every Californian.** More and more, it's becoming obvious that access to reliable and affordable internet service, remote public participation in government, and remote medicine (and all the services that now seem "advanced" but that experience suggests we will come to think of as basic necessities in the near future) is happening , but needs all the support we can give it to make sure that everyone, not just urbanites, not just the relatively well-off, not just the English-speaking, have fully competitive options that work.

- ▶ **Making California's rail operations a model of safety.** Last year's Chatsworth accident reminded all of us that safety does not just happen; it needs constant attention. Technologies, safety rules, operating procedures can all contribute, and our rail and rail transit staff are out there enforcing the existing rules and helping to design improvements that will bring this sector into the 21st century.

- ▶ **Confronting the tough choices brought on by an extended drought.** Water supply and water quality, and the strong links between water conservation and energy efficiency, will bring us tough choices about infrastructure, rate design, utility-consolidation, and low-income support.

- ▶ **Making the California utility sector as diverse and inclusive as California itself.** The utilities and carriers are more diverse now than ever before, and they tap a broader pool of telecommunication suppliers of goods and services, but we have a long way to go to make the utility sector look like the

state it serves. The Commission just opened a new Rulemaking proceeding to revisit utility and supplier diversity to see if the process can be improved.

- ▶ **Continuing the streamlining and reinvention of our processes.** We're moving more quickly now than before, but too often I think we rely on process not just to gather information and give everyone their day in court, but as a way of delaying the tough choices. Our new Chief Administrative Law Judge (ALJ) is engaged in a soup-to-nuts review of our processes, and will make recommendations for change.

I will measure my success by the degree of progress we have made in combating climate change and the steps the Commission has been able to take that ensure a safer, greener and more sustainable environment and life for all Californians and world citizens going forward.

4. The CPUC was created to protect consumers from monopoly utilities. How do you rate its success? How can the CPUC improve its efforts?

The CPUC's success at protecting consumers should be measured by using several metrics. Obviously, price is a big factor for consumers, but if that was the Commission's only concern we might be authorizing the building of coal-burning power plants, and the re-powering of old plants, to supply energy to California's electricity customers. We share the Legislature's vision of reducing greenhouse gases in California and moving towards an energy portfolio for our electric utilities that includes 20% renewables by 2010—expanding to 33% by 2020, increased amounts of energy efficiency and demand response, combined heat and power facilities, and other less-carbon producing alternatives. We are moving towards this new energy paradigm while being mindful of the bottom-line cost to consumers.

We are working on ways to address the current down-turn in the economy and the effect that has on consumers' ability to pay their utility bills. We have been working with the DRA on their recommendations for consumer assistance

programs, including directing the utilities to implement to the full extent their bill payment options, or "Energy Hardship Package," to work with one-another and share and employ each other's best practices, and to fully deploy enrollment in low-income assistance programs. The Commission's Consumer Protection Services Division, in conjunction with the Public Advisor's office, the utilities and community-based organizations, staged "Care Fairs" throughout the state to bring the low-income assistance programs and one-stop enrollment directly to the people.

My office, and all Commissioners' offices, have followed up on complaints from consumers and initiated investigations of electric, telecommunications, water, rail, and moving companies to ensure that they are following the Commission's rules and guidelines and have assessed heavy fines, when appropriate, to ensure customer protection. (See response to Question #2, Consumer Protection and Exhibit A)

Governance

A. Evidentiary Record Concerns

The CPUC's decision making process was criticized by the Greenling Institute for becoming less public and less accountable and Greenling alleged that recent decisions had little basis in factual records. In particular, Greenling referenced the Edison Solar proceeding, the Energy Efficiency Shareholder Incentive proceeding and the SDG&E Solar proceeding.

5. How do you respond to these concerns? How do you assure the ratepayers and the general public that you are protecting their interests?

As a member of the Commission for over seven years, I know that decisions by the Commission must be based on the record developed in the proceeding and must contain an itemized statement of facts from the record; conclusions of law supported by the facts; and clear ordering paragraphs that comport with both the facts and the law. Final Commission decisions are subject to rehearing and potentially an appeal to the California Appellate and/or Supreme

Court. I try to ensure that decisions that the Commission votes on and that I sponsor and/or support can withstand legal challenge. In addition, it is important to me that all decisions I sponsor and/or support are in the public interest, consistent with existing law and Commission precedent, and reasonable in light of the entire record in the proceeding.

To begin, each matter that is either filed with the Commission or initiated by the Commission has an Administrative Law Judge (ALJ) and one of the five Commissioners assigned to it. I have a team of qualified advisors in the subject matter areas that are within the Commission's jurisdiction, including a legal advisor, and I consult with them on matters assigned to me and on all matters on the Commission's agenda. In addition, I and my advisors receive notice of filings in all the proceedings and can attend any hearing on any matter before the Commission. I also consult with the ALJ, legal and subject matter professionals assigned to the proceeding before I cast my vote. And, to the extent appropriate and allowed by the Bagley-Keene Open Meeting Act, I consult with the assigned Commissioner.

Therefore, before I cast a vote on any matter before the Commission, I have full access to the record.

You specifically asked about three matters/decisions at the Commission; **SDG&E Solar proceeding; Energy Efficiency Shareholder Incentive (EESI) proceeding; and the Edison Solar proceeding.**

First, the SDG&E Solar proceeding is still an open proceeding and the ALJ has scheduled evidentiary hearings and is still developing the factual record. There is no proposed decision in the matter and there will not be one until the ALJ is satisfied that the record is complete.

Second, in both the EESI and the Edison Solar proceedings applications for rehearing (AFR) have been filed and are pending before the Commission. Therefore, I must be circumspect in my discussion of the issues raised in AFR so as to not prejudice my ability to consider and vote on the matters. In addition, any comments here do not reflect any future position I might take on the AFRs.

In regards to the Edison Solar proceeding, a full evidentiary record was developed through the service of testimony, evidentiary hearings with cross-examination, filing of multiple rounds of briefs and reply briefs and final oral argument before the full Commission. Using the record, the ALJ prepared a proposed decision (PD) and a Commissioner prepared an alternative decision (APD). The PD and the APD were sent to all parties for comments, and reply comments. All five Commissioners had the opportunity to read the full record, the proposed decisions, and the rounds of comments and reply comments and listen and ask questions at the final oral argument before casting a vote.

The allegations that there was no financial or “other” evidence in the proceeding are not true. Edison proposed a solar rooftop program of 250 megawatts (MW) that it would own and operate and Edison included information about the anticipated costs of the program. Other stakeholders, including consumer advocates, argued that third parties should be allowed to own and operate some of the solar rooftop installations and sell the output to Edison. Parties briefed the issues of competitive solicitation, economies of scale, and whether utility-owned or “other” owned was better. There was a full record of options for the Commission to evaluate and choose and the final decision, D.09-06-049, was a carefully crafted resolution to the competing interests. By allowing Edison to proceed with the 250 MW program as it requested, the decision gave Edison the economies of scale to test the market on the cost of the components and leases, and gave the ratepayers an asset that has a life longer than the average utility power contract— providing ratepayer protection from the vagaries of the market. In addition, by allowing competitive providers the opportunity to bid to install another 250MW, we were encouraging the market for roof-top solar installations with the hope that competition would bring rate-payer benefits. In addition, both the utility and the competitive providers would be bringing jobs to Southern California.

In regards to the EESI proceeding, the ALJ developed a complete record and both the ALJ and the Commissioner used the record to support the PD and

the APD. My answer to Question #24 discusses in detail the particulars of that case.

However, in both the SCE Solar and the EESI proceedings, the PDs and the APDs were based on the record, consistent with Commission precedent and in the public interest. The Commission's decision-making process is an extensive course of action that allows all stakeholders a forum to fully participate and be heard, provides the ALJ with the opportunity to develop an extensive record and ensures that all parties have access and are afforded due process. Then all five Commissioners have a complete record upon which to base their votes.

6. As CPUC President, are there changes you would recommend to provide the ratepayers with greater confidence that the CPUC's decisions are grounded in fact and evidence?

As discussed above, each proceeding is assigned to an ALJ and a Commissioner. The ALJ has the task of ensuring that a full record is developed and that all stakeholders—including ratepayer advocate groups—have an opportunity to participate and be heard. In many proceedings, the ratepayers are represented by DRA, TURN, UCAN, Aglet, CARE, all advocates who ensure that the record before the Commission reflects the ratepayer perspective. As more fully discussed in the responses to Questions 19 and 20, the Intervenor Compensation program allows for these groups to participate, develop the record and be paid for their participation if they comply with the statutory regime. Under the Intervenor Compensation program, the Commission does try to ensure that there is no unnecessary duplication, and most of the advocates are careful to coordinate their efforts with other like-minded groups, or tailor their participation to a particular issue or perspective.

In addition, as previously mentioned, Commission decisions are subject to Applications for Rehearing and subsequent appeals to the California Appellate/Supreme court, where a reviewer will ensure that the decision has Findings of Fact supported by the record, Conclusions of Law that are based on the findings, and Ordering Paragraphs that comport with both the law and facts of

the case. Ratepayer groups have equal access to this appeal process and can challenge any Commission decision that is not legally defensible. This gives ratepayers confidence that their perspective is represented in the record, considered by the ALJ, and reflected in the Commission's final decision.

B. Advice Letters and Resolution

7. What accounts for the increased use of advice letters and resolutions over formal decisions? What is the impact on the public's ability to know and participate in these decisions?

The use of advice letters has increased in electric matters and water matters. The use of advice letters has declined in natural gas matters. The largest increase in the use of advice letters at the Commission comes from the increase in the number of Renewable Portfolio Standard (RPS) power purchase agreements submitted via advice letter and the substantial increase in the number of compliance filings. In both cases the use of advice letters was required by prior Commission decision and any party that opposed the use of an advice letter process had an opportunity to be heard and to protest their use.

The advice letter process provides a quick and simplified review of the types of utility requests that are expected neither to be controversial nor to raise important or novel issues of policy. The primary use of the advice letter process is to review a utility's request to change its tariffs in a manner previously authorized by statute or Commission order, to demonstrate compliance with a prior Commission decision, to conform the tariffs to the requirements of a statute or Commission order, or to get Commission authorization to deviate from its tariffs. A utility may seek a rate increase by means of an advice letter only if use of an advice letter for this purpose is authorized in statute or in a prior Commission order.

Under Commission General Order, on or before the date an advice letter is filed, and unless otherwise directed by Commission order, the utility shall serve the advice letter and cover sheet (1) on the utility's advice letter service list, and (2) on any other third parties as specified by statute or other Commission order.

Any person or organization may protest or respond to an advice letter. Within 20 days of the date of filing of the advice letter, the protest shall be filed with the reviewing industry division and served on the same day on the utility. Grounds for protest include: (1) the utility did not properly serve or give notice of the advice letter; (2) the relief requested in the advice letter would violate statute or Commission order, or is not authorized by the statute or Commission order on which the utility relies; (3) the analysis, calculations, or data in the advice letter contain material errors or omissions; (4) the relief requested in the advice letter is pending before the Commission in a formal proceeding; (5) the relief requested in the advice letter requires consideration in a formal hearing, or is otherwise inappropriate for the advice letter process; or, (6) the relief requested in the advice letter is unjust, unreasonable, or discriminatory, provided that such a protest may not be made where it would require relitigating a prior order of the Commission.

An advice letter can either be disposed of by the industry division or via a resolution approved by the full Commission. For an advice letter to be disposed of by the reviewing Industry Division it must do nothing more than execute a "ministerial" act that was specifically authorized via prior Commission order. For non-ministerial matters the industry division must prepare a resolution and place it on the Commission's agenda. The Commission may adopt the resolution or modify in whole or in part. After an advice letter has been approved, any party may request reconsideration, submit a petition for modification, or file for rehearing.

8. Is there a commissioner or ALJ assigned to each advice letter and resolution?

No. Advice letters are assigned to and processed by the appropriate industry division. If a resolution is required, the Commissioner that handled the decision establishing the advice letter process reviews and signs off on resolution before it mails.

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9. Does the CPUC provide easy electronic access to all advice letters by subject and number, responses or protests to advice letters, and draft and final resolutions on its website as it does for formally filed applications, rulemakings, investigations or complaints? If not, what can be done to provide it?

Under my direction, the ALJ division had already explored how to make the advice letter process more accessible and transparent to the public, practitioners and interested stakeholders so that the advice letter process would more closely resemble our current electronic-filing mechanism for applications, rulemakings, investigations and complaints. We want to provide easy access through our website to the advice letter process so that the once an advice letter is filed, its progress through the “docket” process can be followed as protests/responses are logged and draft resolutions are circulated.

It can be done, and would have already been implemented and in place, but for budgetary constraints. In order to implement the mechanism, we need technical staff, other staff input, and outside consultant advice. We absolutely want to implement this system, we are ready to proceed, and intend to follow through as soon as our budget permits.

In the meantime, our current, non-electronic, process does provide notice and opportunity to participate in the advice letter process. To begin, advice letters are designed to implement policies, rates, and tariffs that were adopted in a Commission proceeding through a Commission decision. A proceeding, such as an application, rulemaking, or investigation—a proceeding that afforded all parties a full opportunity to participate, be heard and contribute to the record—may conclude with an Ordering Paragraph that directs a utility to file an advice letter to implement a policy, rate or tariff. All parties to that proceeding can opine on whether the advice letter process is appropriate for the action intended. Then, if and only if, the Commission votes out a decision with an Ordering Paragraph concerning an advice letter, does the advice letter process begin.

Then, when a utility files an advice letter, pursuant to a Commission directive, the advice letter is served on the service list of the formal proceedings and all parties have an opportunity to file protests or comments.

In addition to planning on implementing an electronic system for advice letters, the Commission has also established a 3-tier advice letter process through a formal rulemaking proceeding, that resulted in General Order (GO) 96B. GO 96B allows for three different procedures and levels of review, depending on the complexity and controversy involved in the advice letter filing. A routine, ministerial matter might qualify for tier-1 review, whereas a controversial filing would necessitate a tier-3 analysis and review, with full opportunity for protests and comments, and could result in a denial with an order to the utility to file a formal application.

In summary, I agree that electronic access to the advice letter process would improve accessibility and transparency, but in the meantime, our current system does provide an opportunity for parties to be heard and for the Commission to deny the advice letter if warranted.

10. Resolutions have the same force and effect as Decisions and can include rate increases and procurement contract approval. Why are they not subject to *ex parte* rules? Would you support such a change?

Under our Chief ALJ's review of our processes, a working group is taking a look at our *ex parte* rules and one area under consideration is whether the rules and reporting requirements should apply, and under what circumstances, for the advice letter process.

Currently the advice letter process is not subject to *ex parte* reporting requirements because advice letters generally implement or carry out orders adopted in formal Commission proceedings. This means that whatever rate increase might occur was authorized within the scope of prior decision. As a result parties have already had the opportunity to litigate many of the issues involved. Where an advice letter raises or concerns issues that are pending

before the commission in an investigatory or ratemaking proceeding, however, they are subject to *ex parte* rules.

11. Should the appeal process for resolution rehearing be changed?

Presently, an aggrieved party has the same full rights of rehearing and appellate review for a resolution as for a Commission decision. I do not see the need to give parties to the resolution process any changes in regards to the appeal process, nor do I think it would be prudent to reduce their rights to an appeal.

C. Transparency

12. If you strive for more streamlined processes, how do you balance that goal against the public's critical need for transparency and public discussion? How do you address concerns about the increased use of your consent agenda?

Parties, the public and practitioners have electronic access to all formally filed applications, rulemakings, investigations and complaints and all items filed with the docket office. In addition, once a participant is on the service list for a proceeding, that party receives all documents submitted or circulated in the proceeding. None of our attempts to meet statutory deadlines or streamline the process reduce the public's opportunity to become a party and participate in the proceeding, or to follow the paper trail.

Whether a matter is on the regular agenda or the consent agenda does not impact the public's access to our process or its ability to participate either during the proceeding or at the Commission meeting. A member of the public may speak at the start of all Commission meetings on any item on the agenda, including items on the consent calendar.

Whether an item is on the regular or consent agenda is a decision made by Commission consensus. Any Commissioner may request that any item be removed from the consent to the regular agenda for discussion.

D. Role of the Legislature

13. What do you believe are the bounds of the CPUC's authority? Is it limited to what is specifically authorized by the Legislature, or is it limited only to the extent that it is not prohibited by the Legislature?

The CPUC's authority over California investor-owned utilities is bound by federal law, the state constitution, and statute. Pursuant to the California Constitution, Article XII, the Commission has broad constitutional authority in the regulation of public utilities, which includes, among other things, the power to fix rates, establish rules, hold various types of hearings, and establish its own procedures. Pursuant to Article XII of the state constitution, the Legislature has plenary power to confer additional authority and jurisdiction upon the commission. Public Utilities Code §701 confers broad authority on the Commission to do "all things, whether specifically designated in this part or in addition thereto, which are necessary and convenient" in the supervision and regulation of public utilities. The CPUC has "inherent authority" over California investor-owned utilities unless the Legislature has limited such authority with a specific statutory provision. (*Southern California Edison Co. v. Peevey* (2003) 31 Cal.4th, 781, 792). However, the constitutionally-granted powers of the CPUC cannot be modified, curtailed, or abridged by legislation. (*People v. Western Air Lines, Inc.* (1954), 42 Cal. 2d 621, 637, citing *Western Assn. etc. R.R. v. Railroad Com.* (1916), 173 Cal. 802, 804.) Nor can the Commission use Public Utilities Code §701 to disregard "express legislative directions to it, or restrictions upon its power found in other provisions of the act or elsewhere in general law." (*Pacific Tel. & Tel. Co. v. Public Util. Com.* (1965), 62 Cal. 2d 634, 653.) In all cases, the CPUC's action must be "cognate and germane to utility regulation." (*PG&E Corp. v. Public Utilities Commission* (2004) 118 Cal App.4th 1174, 1201.) In any case, Commission action must be "cognate and germane" to the regulation of public utilities.

14. Do you believe that the CPUC must come to the Legislature when there is not explicit statutory or constitutional authority granted to the CPUC?

See response to Question # 13.

Authority of the CPUC President

15. What is the current caseload for each commissioner? What is the current Priority A energy caseload for each commissioner? What kinds of cases have you assigned to yourself?

I approve case assignments to the Commissioners. In addition to considering the Commissioners' interests, the need for continued subject-matter continuity, and workload balance, I also weigh the priority of the proceeding, its complexity, staffing concerns and timing issues.

Current Caseload for each Commissioner:

Attached as Exhibit B is a chart setting forth the current caseload of each Commissioner and Exhibit C is a complete listing of all Active and Reopened Proceedings and their ALJ and Commissioner assignments.

Priority A energy caseload:

Attached as Exhibit D is a listing of all current Priority A cases and their assignments. Priority A cases, however, are not chosen because of their perceived desirability or importance, but rather the priority is determined according to the following criteria:

- ▶ *Complying with and Enforcing the Law:* the Commission sets priorities to ensure compliance with and enforcement of the law.
- ▶ *Furthering the Public Interest:* the Commission places a higher priority on promoting the interests of the public, the State of California, and consumers ahead of any single entity or constituency, consistent with statutory responsibilities and mandates.
- ▶ *Addressing the Needs of Vulnerable Groups:* the Commission considers the needs of consumers who are most vulnerable ahead of those who are more sophisticated and addresses issues affecting captive consumers ahead of consumers of competitive services.

- ▶ *Considering the Dollars at Stake:* the Commission sets priorities considering the amount of money at stake and the impact on California's economy and consumers.
- ▶ *Considering the Number of People and Businesses Affected:* the Commission prioritizes activities that impact large numbers of consumers and businesses over activities that impact a small number of individual people and businesses.
- ▶ *Placing Essential Services Ahead of Nonessential Services:* the Commission sets priorities based on the importance of the service, product, or policy, and addresses issues related to essential services ahead of issues related to nonessential services.
- ▶ *Focusing on Monopoly Activities:* the Commission addresses industries and services with monopoly characteristics ahead of those that are competitive in nature.

For example, an application by a utility for authorization to sell/lease a small parcel of real property may not be important in the overall perspective of the state or even the utility or the ratepayers, but may have significant tax/financial/logistical issues for the buyer whereby the buyer needs a decision by a date certain or will suffer adverse consequences. Under those circumstances, that case would be a Priority A. In other circumstances a case might be categorized as a priority A if the utility needs guidance or direction in a matter by a date certain.

Cases assigned to my office:

I have assigned a variety of cases to my office, with the majority of them related to energy matters (see Exhibits B, C and D). To begin, my office inherited most of the procurement-related cases from the former Commission President's office, including the resource adequacy and long-term procurement proceedings, and related proceedings that are off-shoots of those major matters. The original procurement cases were initiated to put the CPUC-regulated utilities back in the procurement business following the energy crisis. As new iterations of those procurement cases emerged, I provided continuity by assigning the new

matters to my office. In addition, I often take the initiative in drafting and presenting new Rulemakings in fields where I already have an interest and expertise. For example, since my term as President began in 2003, I have taken a leadership role in promoting diversity for our regulated utilities and as a result California's utilities and carriers are more diverse employers with greater reliance upon diverse suppliers and stronger ties to community-based organizations and charities. I recently proposed a new rulemaking [R.09-07-027] to take a re-look at these issues and I assigned the matter to my office.

16. Have you ever removed a commissioner from a case after it has been assigned and approved by you? For what reasons?

Yes. Earlier this year I assigned a new OIR established to address ongoing concerns with the Energy Efficiency Incentive Mechanism to Commissioner Bohn. Previously this issue was assigned to Commissioner Grueneich. I did this for a number of reasons, including what I believed to be an appropriate rebalancing of commission work, given Commissioner Grueneich's extensive caseload. Additionally, I believe the incentive mechanism, which has been subject to some controversy since being adopted by the Commission in 2007, would benefit from a fresh perspective. With his background in finance, Commissioner Bohn is especially well-equipped to tackle this matter.

17. Please provide a list of each commissioner assigned to the following issues: RPS, self-generation incentives and rules, California Solar initiative, procurement planning, resource adequacy, utilities' rooftop solar PV proposals, and IOU electric vehicle and fuel cell proposals.

The RPS, self-generation incentives and rules, California Solar initiative, procurement planning, resource adequacy, and the utilities' rooftop solar PV applications are all assigned to my office. The other matters queried about are not yet proceedings and therefore have not been assigned.

18. How do you determine when to recuse yourself? Can you provide examples of when you have done so?

As a general matter, a commissioner may be disqualified for having prejudged adjudicative facts. Recusal is generally required only where a commissioner has an unalterably closed mind on matters critical to the disposition of the proceeding or where there is actual bias. A mere appearance of bias is generally not sufficient to require recusal. For example, Commissioners need not recuse themselves simply because of their past experience or previous employment. Commissioners are often appointed because of their expertise, past experience, and views on matters of public policy. I have never recused myself from a matter before the Commission.

Intervenor Compensation

19. Has the Intervenor Compensation Program been effective? How would you improve the program?

The Intervenor Compensation program, initiated by the legislature and codified in the Public Utilities Code at Article 5, Section 1801 et seq. established a mechanism whereby ratepayer monies are used to ensure the full participation by qualified intervenors who meet the customer categories set forth, make a showing of financial hardship and make a significant contribution to the outcome of the proceeding. Within the last year, the Commission's ALJ division assembled a competent team to process the intervenor compensation claims in a timely and consistent manner to assure that all intervenors are awarded fees and costs in accordance with a standardized, and public, fee schedule.

Attached as Exhibit E is a table setting forth Intervenor Compensation awards 2001-2008. Of the total amount of \$36,665,000, 50%, or \$18,511,000 was awarded to one organization.

In regards to ways to improve the intervenor compensation program, I would welcome the opportunity to work with the Legislature, our ALJ division, and the intervenors to consider ways to modernize and improve the program and ensure that ratepayer funds are used wisely. In the interim, under our Chief

ALJ's review of ways to improve public access to our proceedings, parties have reported that they have some suggestions for modifying the current scheme. In particular, as Exhibit E indicates, the current legislation works well for intervenors that regularly appear before the CPUC and have a steady stream of compensation awards in our pipeline. The current statute requires intervenors to wait until the end of a case to seek compensation—and it can only be for a “substantial contribution” to our decision making process. This provision does not allow us to process any payments until the end of the proceeding, for example to compensate experts used in a case, pay per-diem, or participation compensation for an interested stakeholder to participate in a one-day workshop. For an intervenor that appears on an *ad hoc* basis and does not regularly have a steady stream of compensation in the pipeline, this may be an impediment to participation. In short, it may be advisable to have intervenor compensation funds distributed more broadly than has been the pattern over the past eight years.

20. What recourse do intervenors have if they believe they are not justly compensated?

When an intervenor compensation request is filed, the Commission responds by way of a formal decision that is on the Commission's agenda. If an intervenor is receiving more than a 33% reduction in the amount of compensation requested, the PD is mailed to the parties for the 30-day review period. The intervenor has the opportunity to correct any errors or wrong assumptions at that time, or to argue that the Commission is wrong in its compensation award. Once the Commission votes on the decision, an intervenor has full rehearing and appellate rights, the same as any party to any other Commission decision.

Utility Rates

21. How are you monitoring the impact of these rate increases? Given the current economy, why hasn't the CPUC done more to reduce rates for service instead of raising them? What should the CPUC do in this case.

The Commission serves the public interest by ensuring the provision of safe, reliable utility service and infrastructure at reasonable rates. Keeping rates affordable is an essential mission of the Commission, and we carefully review every utility request for funds. It is difficult to impose rate increases under any circumstances and especially under current economic conditions. Yet, certain rate increases are necessary to ensure the provision of safe and reliable service. Programs are available to help customers reduce and manage their bills.

The Commission sets rates based on the utilities' costs of serving customers. There are two major components of an electric utility's cost of service; 1) the costs required to own, operate, and maintain facilities used to generate, transmit, and distribute power to customers, and 2) the costs for fuel used to generate electricity, and for purchasing power from non-utility suppliers. The Commission develops a utility's revenue requirement based on the overall cost of service, allocates the revenue requirement to customer classes considering each class's contribution to the utility's cost of service, and determines rates using price signals reflecting costs imposed on the utility's system.

A significant amount of Commission attention is devoted to monitoring the impact of each rate change on utility customers. First, in each major proceeding that considers a rate change, the CPUC requires the utilities to provide "bill impact" calculations that illustrate the impact of the rate change on typical customers. The CPUC's decision on the utility application is substantially informed by this information. Second, in all other non-ratemaking proceedings that may indirectly impact rate levels, considerable staff time is devoted to verifying that any associated rate changes are consistent with the underlying CPUC decisions or policies.

Given current difficult economic conditions, the CPUC must continue its efforts to closely examine every request for a rate change so that only cost-of-service-related increases are passed on to customers. The CPUC also will continue its introduction of innovative programs and technologies that are found

to be cost-effective, because they will, by definition, save ratepayers more in the long-term than they contribute to increased costs in the short-run.

The Commission lowers rates when a utility's costs of service decline. For example, in 2007 the Commission lowered SCE's rates to reflect that its fuel and purchased power costs declined. These costs comprise a significant portion of the electric utilities' revenue requirements, e.g., they make up nearly one half of SCE's total system revenue requirement.

22. The CPUC approves the profits of companies. What do you believe is a reasonable profit margin for IOUs? What factors do you consider in deciding what a reasonable amount of return is for the utilities?

A reasonable profit margin for investor owned utilities is one that would enable them to attract sufficient capital for meeting their utility obligations such as providing safe, reliable utility service at the lowest possible cost. The utilities' capital needs include long term capital for infrastructure investments as well as short term needs for on-going operations. The Commission strives to ensure that the capital structure of the utilities includes an appropriate amount of debt, preferred and common stock. The Commission determines the rate of return based on the cost of debt, cost of preferred stock, as well as the return on equity needed to attract equity capital. Cost of debt and preferred stocks are based on contracts but return on equity (ROE) need to be determined.

The return on equity that investors require is based on their perception of risk as well as the return that they can expect in comparable utility and non-utility investments. Since investors are assumed to be risk averse, investors' required rate of return for riskier assets is expected to be higher. In addition, investors also react to system-wide or market-wide type of risks such as recession and inflation. Therefore investors become more risk averse and demand higher return when, for example, the economy goes into a recession. One measure of risk premium or utility credit spreads is the difference between a 10-year, A-rated utility bond yield over 10-year Treasury bond yield. The reasonable rate of return

for utilities depends on investors' expected risk from investing in utilities, which, in turn, is reflected in utility credit spreads.

In cost of capital proceedings, the Commission examines expected rates of return on comparable utility and non-utility investments with similar risk profiles using standard financial models. ROE is determined using results of three financial models- Discounted Cash Flow (DCF) model, Capital Asset Pricing model (CAPM) and the Risk Premium (RP) model- for a representative batch or proxy group of companies.

As a result of the global economic crisis, collapse of the banking and financial industries, and the unprecedented tightening of the credit markets, investors have become more risk averse. Investors' risk aversion is reflected in risk premium. One measure of risk premium or utility credit spreads, the difference between a 10-year, A-rated utility bond yield over 10-year Treasury bond yield, has risen dramatically during the current credit crisis. The average utility credit spreads during the period from September 1996 through March 2009 was 1.2%. In January 2009 the spread was over 3%. All of these factors are considered when determining the reasonable and appropriate rate of return for regulated utilities.

23. Regarding the 2009-11 SCE GRC, the ALJ's PD awarded the utility \$1.66 billion, but you authored an APD to increase that sum by 43% more (\$764million). What was your justification for the increase and what information did you consider outside of the record established by the ALJ? How did you help the ratepayers understand the reason for such a significant difference?

The decision ultimately approved by the Commission strikes an appropriate balance between providing Edison with sufficient funding to provide safe and reliable service at just and reasonable rates while not over-burdening ratepayers given the economic conditions throughout the state.

There were a number of reasons that warranted an alternate decision from that of the ALJ. The decision I authored, which was supported by all but one of

the Commissioners, contained authorized revenue requirements designed to provide Edison with sufficient funding to provide safe and reliable service at just and reasonable rates. In addition, it provides Edison sufficient funding to continue improving the energy infrastructure throughout its service territory.

If the Commission had approved the ALJ's proposed decision, the result would have been the deferral of many vital infrastructure improvements. It also would have potentially required Edison to lay off hundreds of workers. And all of this would be done in a time when all signs point toward the inadequacy of our infrastructure and when a significant number of Californian's have already lost their jobs.

In addition, the alternate, unlike the proposed decision, approved the settlement between the Coalition of California Union Employees (CUE) and Edison which requires that all of the distribution capital authorized by the Commission either be spent on the distribution system or returned to ratepayers. It cannot be used to compensate shareholders or executives. This means that the expenditures authorized by the Commission shall only be used to improve aging utility infrastructure. This will lead to direct ratepayer benefits.

California, like the rest of the nation, must invest a significant amount of capital into our energy infrastructure if we are going to meet our renewable energy and green house gas reduction goals. We simply will not be able to meet our targets with transmission and distribution infrastructure in its current state. Investment in the infrastructure to safely and reliably deliver electricity has not kept up with demand. It does the state no good to have ambitious renewable energy and climate change goals if the investments in the infrastructure to actually accomplish these goals are not made. The increase in rates resulting from the revenue requirements authorized in SCE's 2009 GRC was necessary to maintain safe and reliable service. Programs are available to customers to help reduce and manage their utility bills. Customers can take advantage of energy efficiency and load reduction programs such as those that provide rebates for installing energy efficient appliances and discounts for cycling air conditioners when the utility is experiencing high loads. Level payment plans are available

which allow customers to spread the cost of high summer bills over an entire year. Customers with low and moderate income levels may qualify for discounted rates under the California Rates for Energy (CARE) or the Family Electric Rate Assistance (FERA) program

The decision approved by the Commission in March 2009 was completely based on the record developed through a full, formal proceeding conducted by the assigned ALJ. There was an extensive record developed through several months of comments, evidentiary hearings and briefs.

When introducing my proposed alternate decision I attempted to put the decision in context because Edison's GRC represents approximately 40 percent of the company's revenues. The remaining 60 percent are comprised of various other factors, much of which is commodity (natural gas) prices. The attempt to place the decision in proper context should in no way be construed as relying on information not contained in the record established by the ALJ to reach any conclusions. Any and all conclusions in the decision are fully justified based on the record of the proceeding.

24. Regarding the EESI case, in December 2008, you authorized an APD to award PG&E, SDG&E, SoCal Gas and SCE an advance payment of \$82.2 million, in lieu of the ALJ's PD that would have denied the award due to the absence of completed verification reports. When completed reports were submitted, utilities had qualified for only \$3.6 million based on their performance.

Why were the utilities allowed to keep the \$82 million when they qualified for only \$3.6 million? What process is in place to re-evaluate your decision?

The shareholder incentive mechanism was adopted in 2007 to provide utilities meaningful earnings opportunities on investments in energy efficiency, comparable, at some level, to what they can earn on power plants. This kind of incentive mechanism was viewed as an important complement to revenue decoupling in that it would go beyond making the utilities simply indifferent to investments in energy efficiency between rate cases, and instead, motivate them

to become active proponents of energy efficiency over the long run. By providing significant earning opportunities from energy efficiency deployment, I believe that energy efficiency can be elevated to a much more prominent position within a utility culture that has traditionally put energy efficiency in the back seat relative to conventional, supply side resources. I view this shift as paramount given the tremendous importance energy efficiency has in realizing the state's ambitious GHG targets at reasonable cost to ratepayers.

In creating this mechanism, the Commission sought to create a balance between providing the utilities a degree of certainty that investments in energy efficiency would be adequately rewarded on a timely basis, while at the same time providing ratepayers certainty that incentives would only be provided if the energy efficiency measures yielded real savings. Striking the correct balance has proven more challenging than I or my fellow commissioners anticipated, and we are still striving to get it right. Providing certainty to the utilities with regard to EE investments is critical to the extent we are attempting to implement a mechanism that creates an earnings opportunity that is comparable to supply side investments. If a utility makes a CPUC-authorized investment in supply side infrastructure, it is allowed to recover those costs plus a reasonable rate of return as long as it built that infrastructure in good faith. At the same time, we wanted to be sure that investments in Energy Efficiency provided real and measurable savings to strongly motivate the IOUs to invest in measures that offered the most bang for the buck to ratepayers.

Unfortunately in our zeal to measure the exact amount of energy savings that could be specifically attributed to the utility energy efficiency programs, we created a system that was unworkable. First, the timeliness of incentives had been compromised as a result of delays in the completion of the 2006-2007 verification report, such that any earnings for investments made during this period would not even be received until 2009. Second, and equally important, was some serious problems with how the mechanism had been implemented. In particular, under the framework, the assumptions underlying the energy efficiency portfolios proposed by the utilities, and ultimately approved by the

Commission, can change significantly by the time the results of portfolio implementation are finally evaluated for purposes of the incentive mechanism. Were all of the assumptions subject to rigorous scientific measurement, I think there would be somewhat less concern with this after-the fact approach. Unfortunately, some of the key variables that determine how the utilities fare under the incentive mechanism are inherently difficult to measure, highly subjective, and further, are subject to huge swings.

For example, one of the key drivers of differences between what the utilities believed they were owed and the Energy Division's 2006-2007 draft verification report was the "net-to-gross ratio", a factor that attempts to assess whether or not individuals would have implemented a particular energy efficiency measure absent a utility program. Changes in these assumptions from what was relied on when the IOUs developed their portfolios resulted in dramatic declines in what the utilities were eligible to earn under the incentive framework. This problem was compounded by the earnings "cliffs" built into the mechanism under which a small percentage change in measured utility performance can literally result in the loss of millions of dollars in incentives. This introduces a degree of uncertainty into the framework that we did not anticipate, uncertainty that makes investments in energy efficiency very risky for the utilities, especially given the possibility of penalties. This is completely contrary to the intent of the mechanism. As a result of these factors, the ED draft verification report found that none of the utilities were entitled to incentive payments with the exception of SoCalGas, and, furthermore, that SCE should be penalized. The less-than robust nature of some of the key assumptions underlying this finding and their huge impact on the outcome certainly contributed to my belief that a more reasonable approach would be to authorize some level of interim payments, based on the utility claims. On the basis of those claims, the utilities had argued they should receive over \$150 million in incentive payments. However, recognizing that granting the utilities incentive payments based on their reported savings imposed significant additional risk on ratepayers, the Commission dramatically increased the hold back provisions to allow for a greater proportion of those claims to be

subject to additional validation. This resulted in the interim payment being reduced from the \$152.7 million sought by the utilities to the \$82 million approved by the Commission by a vote of 4 to 1.

The CPUC subsequently suspended the verification process that links shareholder earning to energy efficiency performance. What was the rationale?

In January of this year, the Commission instituted a rulemaking to resolve a number of outstanding issues related to the incentive mechanism including how to address the remaining claims-related issues from the 2006-2008 energy efficiency program cycle, as well as how to reform the incentive mechanism going forward. As stated in the order establishing this rulemaking, we have suspended the schedule for the verification and review process, however this should not be interpreted as meaning that the utilities will receive incentives based on unverified claims. Rather, the purpose of this rulemaking is to ensure that whatever incentives or penalties may be meted out, whether with respect to the 2006-2008 cycle or going forward, are based on a framework that is more transparent, equitable, and easier to administer and thus less prone to the extensive controversy that surrounded the mechanism as implemented thus far.

What mechanism is in place to determine the level of energy efficiency bonuses that should be paid to utilities without the verification process mentioned above? How will this program help realize energy savings and greenhouse gas reduction goals?

As noted above, we have suspended the schedule for verification and review of utility performance and incentives to allow us to both address outstanding claims issues from the 2006-2008 energy efficiency program cycle and reform the mechanism going forward. In other words, the amount, if any, of additional energy efficiency incentives earned by the utilities for their performance over the 2006-2008 period will be one of the issues addressed in the rulemaking identified above (R.09-01-019). Additionally, this rulemaking will define the structure and methodologies of the mechanism to be applied going forward.

While it would be premature to specifically say how the mechanism will be structured, I believe an incentive mechanism that provides meaningful earnings for investments in energy efficiency can play an important role in driving the utilities to think more holistically about energy and energy services. To the extent energy efficiency is viewed as a profitable endeavor rivaling what they earn on the supply side, the utilities will be well-motivated to aggressively implement energy efficiency. Energy efficiency is widely recognized as a key strategy to achieving the state's GHG emission reduction goals and efforts like this are consistent with the objective of maximizing use of this critically important resource.

Energy and AB 32

25. What is the status of the CPUC's efforts in EE and renewable energy as part of AB 32's Climate Change Scoping Plan?

As part of AB 32's Plan, The CPUC established the following milestones that create the nation's most aggressive EE program:

- Significantly increased funding for the IOUs' energy efficiency programs, extending far beyond the \$250 million per year required under mid-1990 legislation for a Public Goods Charge. The expansion is guided by joint energy agency policy, with CPUC action to increase expenditure levels by IOUs.
- Building upon the EAP, the CPUC required IOUs to deploy energy efficiency as "first in the loading order" and to reflect the same principles in their 10-year energy resource procurement plans
- Expanded the size of utility programs to achieve "all cost-effective energy efficiency", consistent with the EAP and the Energy Commission's Integrated Energy Policy Report, and now also reflecting the additional impetus for energy efficiency to be a major strategy in CARB's AB 32 Scoping Plan.

- Approved \$2.2 billion for the 2006-2008 program cycle, more than double the \$1 billion in energy efficiency funding authorized for the preceding cycle.
- A further substantial increase is anticipated upon approval of the utilities' funding requests for the 2009-2011 program cycle.
- Established ambitious new goals for energy efficiency and produced a long term strategic plan for energy efficiency that lays out a path to realize them by 2020. These long term targets include developing "zero net energy" homes and commercial buildings (through efficiency and solar), and to accelerate the development and deployment of emerging technologies
- Required the utilities to use the plan as the basis for their 2009-2011 program activities, adding a more strategic dimension to this program cycle in order to realize maximum energy savings.
- Developed a new incentive program for energy efficiency that provides the IOUs an opportunity to earn a return on energy efficiency investments, creating a level playing field for demand and supply side resources.
- Expanded funding and goals for the low-income energy efficiency programs.
- Projected energy savings from the 2006-08 program cycle are 7371 GWh, reducing CO2 emissions by approximately 3 million tons per year, or the equivalent of removing 650,000 cars from the road. These estimates will be finalized later this year based upon ongoing ex post measurement and verification studies.
- Secured in the PG&E bankruptcy settlement, \$30 million in shareholder funding to establish the California Clean Energy Fund (CalCEF). CalCEF's mission is to accelerate the development of promising early-stage clean energy technologies, including those that support improved energy efficiency. Although CalCEF is a non-profit entity, it makes for-profit investments in commercially viable companies via a range of partnerships. Profits will be reinvested in the Fund to further support its

mission. I serve without compensation as the Chairman of CalCEF's Board of Directors.

- Championed creation of the first university-based energy efficiency center in the United States to focus on the transfer of technology into the marketplace. Established in 2006 with a challenge grant from CalCEF, the UC Davis Energy Efficiency Center collaborates with a network of technology, university and strategic partners to identify promising energy-efficient technologies, develop viable business ventures around those technologies, and connect those ventures to the financial, physical, intellectual and social capital that will be critical to their success.

In regards to renewables and the AB 32 Plan, the CPUC has undertaken the following: Translated RPS legislation into a workable regulatory program and marshaled the Commission's resources to implement it.

- Partnered with the California ISO and other state and federal agencies to identify and overcome barriers to achieving the RPS goals.
- CPUC staff has developed a rigorous approach to track contracts, identify performance risks and assess viability on an ongoing basis in order to assure the RPS target is realized. This effort is informing the Commission's joint efforts with other bodies to remove barriers to meeting the RPS target.
- Approved major new transmission projects necessary to achieve the 20% RPS (Tehachapi and Sunrise).
- Worked with other state and federal agencies to streamline the CPUC's transmission permitting and approval process.

California's RPS program has moved beyond the ramp-up phase and is now realizing tangible results. While none of the IOUs will reach a 20% share for renewable energy by the accelerated target date of 2010, all are expected to get there by 2013—well ahead of the original 2017 target date.

- The IOU's have brought on 866 MW of new renewable capacity since 2003. Initially robust load growth coupled with adverse impacts of relatively poor hydro years on the contribution of small hydro facilities

offset these additions, resulting in a decline in the share of renewables in the IOUs' portfolios. However, the tide has now turned, with the rate of renewable development exceeding load growth for the first time in 2008.

- More renewable energy generation came online in 2008 than in the entire 2003-2007 time period. PUC staff forecast that new installed capacity in 2009 will exceed the amount that came online in 2008.
- 2003 the CPUC has approved 116 contracts contributing 8,334 MW toward the RPS goal. The CPUC is currently reviewing 13 contracts for 5,941 MW of capacity. Of approved contracts 75% are currently under development. Only 7% of contracts have failed to date.

26. What actions is the CPUC pursuing to push progress toward reaching the 20% renewable energy target? The 33% target?

The CPUC has taken a number of steps to accelerate the deployment of renewable generation in order to achieve the 20% and 33% goals. First and foremost, transmission has been widely recognized as the key challenge to bringing these resource online in a timely manner. To address this bottleneck, the CPUC has a number of transmission related efforts underway, including efforts to streamline the environmental review and permitting process, the ongoing construction and permitting of the of the Tehachapi Renewable Transmission Plan, recent approval of the Sunrise Powerlink Transmission line, and participation in the Renewable Energy Transmission Initiative.

In 2006, the CPUC issued a series of directives to streamline the overall process by which transmission lines are permitted. Specifically, staff now works closely with project proponents in their pre-filing activities to ensure that applications are complete when they are submitted to the Commission. Additionally, CPUC staff have entered into project specific memoranda of understanding with federal agencies to ensure close coordination on issues where federal jurisdiction is implicated. Building on these efforts, in 2009 CPUC staff initiated a series of workshops, to be held every 6 to 9 months, to effectively engage with federal resource agencies on transmission siting and permitting issues. In addition to this, the CPUC is working closely with the California

Independent System Operator (CAISO) to reduce or eliminate duplicative analyses used in the “need determination” required for transmission applications, via much closer coordination and alignment of project alternatives.

The Tehachapi Renewable Transmission Plan, when completed, will enable the state to access a vast store of wind energy, upwards of 4000 MW, potentially. The Commission also recently approved the Sunrise Powerlink, which, in addition to having important reliability benefits, provides a path to market for energy from the Imperial Valley, including substantial amounts of base-load geothermal and solar energy. Additionally, the Commission is actively involved in the Renewable Energy Transmission Initiative (RETI), a multi-stakeholder effort convened to proactively identify key renewable resource areas and the transmission needed to bring those resources to market. This effort will create a roadmap for future transmission development essential to achieving the state’s medium and longer term renewable energy needs.

With respect to the nearer term renewable objectives, the CPUC has pursued a number of efforts aimed specifically at enhancing the role of wholesale distributed renewable generation in facilitating the RPS goals. Earlier this year, the Commission approved a 500 MW distributed wholesale solar program in Southern California Edison’s Service territory. As a general matter, distributed resources are more expensive than the larger scale projects that typically participate in RPS solicitations. However, the viability and timeliness of these projects is a significant advantage. Permitting is far less of an issue and the projects do not generally depend on large scale, contentious, transmission projects. This allows them to be deployed relatively quickly. The Commission currently has two more such proposals pending. In addition, we are continuing to explore the potential role of Feed In Tariffs in accelerating deployment. These efforts would be in addition to the AB 1969 Feed In Tariff program that was implemented in 2007, which targets facilities up to 1.5 MW in size. All of these efforts are consistent with the notion of taking a portfolio approach to the RPS goals, recognizing that different projects have different price, timing, and viability profiles.

27. What persuaded you not to require enforceable renewable energy transmission requirements?

The Sunrise Powerlink is an important tool in the State's efforts to reach 20% renewables by 2020. SDG&E, as well as all of the other PUC regulated utilities that will make use of that line, is subject to the 20% requirement and the 33% goal. Furthermore all load serving entities that will be using Sunrise are subject to SB 1368, which prohibits long-term investments in dirty baseload resources. As politically popular as it may have seemed at the time, it would be counter productive from a cost standpoint to add a Sunrise specific renewable mandate to the Commission's decision. Had we done so, we would have created a tremendous opportunity for developers in Imperial Valley to exercise market power at the expense of California's ratepayers.

Nevertheless, despite the assertions of some that the decision adopted by the Commission by a 4 to 1 vote would allow for the importation of dirty coal, both the Imperial County Board of Supervisors, by unanimous vote, and the principal solar developer supported my alternate decision.

28. How will this line be used to help the state meet its RPS goals?

The Imperial Valley has been widely recognized as an important area for renewable development. The renewable potential of this region is estimated to be in the thousands of MW, much of it geothermal. This is significant given the generation profile of geothermal facilities, which are not subject to the intermittency issues associated with wind and solar resources. While it is conceivable that some of this resource potential would be developed absent Sunrise, Sunrise will substantially encourage that development, by creating a viable path to market. As noted previously, this is why the political leadership of Imperial County supported my alternate.

29. How will this line contribute to the GHG pollution reduction policies articulated in AB 32?

The Air Resources Board scoping plan for implementing AB 32 commits the state to pursuing 33% renewables by 2020. In order to reach this target we will need to aggressively develop transmission to the richest renewable resource areas in the state. The areas accessed by Sunrise are rich in geothermal, wind, and solar thermal potential. Bringing these resources online will allow us to avoid turning to more polluting options as older assets are retired and load grows. As a result it will help the state avoid the emissions that would be produced by fossil fuel resources.

Telecommunications – In Language Contracts

30. Do you believe this decision provides the same level of protection for limited-English proficient consumers as English proficient consumers? If so, why?

The decision provides protections for limited-English proficient consumers because it requires that information be provided in-language to LEP customers. This is a groundbreaking order in that it is the first time the CPUC has set in-language rules for the entire telecommunications industry. The decision is far-reaching in terms of consumer protection. Obviously, this decision is not perfect. Until we have an opportunity to review the implementation of the order I will not know whether it “provides the same level of protection for limited-English proficient consumers as English proficient consumers.” It is a significant step forward; it is unprecedented, but not the last word.

Water

31. What specific and enforceable actions have you taken, if any, to ensure that private water utilities price water for efficiency?

Since the adoption of the Water Action Plan (WAP) in December 2005, the Commission has made considerable progress towards instituting pricing structures, or rate designs, to encourage water conservation. In addition, the Commission has adopted financial mechanisms to decouple water sales from revenues in order to remove the financial disincentives for water utilities to

implement water conservation rates. These policy directives were developed in two Commission proceedings; Order Instituting Investigation 07-01-022 and Order Instituting Rulemaking 06-04-010.

Water Conservation Rate Design Programs have been established for six of the nine Class A Water utilities, including mechanisms to decouple water sales from revenues, establishment of inclining block rates and specific water conservation targets.

A Water Revenue Adjustment Mechanism (WRAM) is a balancing account designed to decouple sales from revenues. Traditional ratesetting mechanisms provide a disincentive to conservation because utilities are incentivized to sell more water. With a WRAM, utilities are made whole for any revenue shortfalls from authorized revenues that result from water conservation by their customers.

The Commission has approved increasing block or tier rate structures that are intended to provide economic incentives for customers to conserve. In the tier rate structure, the cost per unit of water increases as specific targets of water usage are exceeded. This ensures that rates remain stable for customers who conserve, while rates may increase for high water users.

In Commission Decision No. D-08-02-036, a 1 – 2% reduction in consumption per year target was established for our larger Class A water utilities. In addition, our WAP directs these larger water utilities to join the California Urban Water Conservation Council and follow their fourteen Best Management Practices that are designed to enhance water use efficiency and minimize water loss.

Also, when water utilities file for a General Rate Increase request, they must file an Urban Water Management Plan (UWMP) that reports specifically on water conservation and efficiency measures both undertaken and planned.

32. Has the Commission considered any programs similar to those in the energy sector that provide fixtures to consumers to install that reduce water consumptions?

Yes. With the adoption of the Water Action Plan, authorized expenditures for water conservation has grown significantly. Most of our larger water utilities have in place conservation programs that include; plumbing fixture retrofits (aerators, low-flow showerheads), clothes washer rebates, and ultra low flush toilet rebates and installs.

Information Accessibility

33. What is the CPUC doing to make its decisions and rules more “user-friendly”? What is your timeline?

Spearheaded by our new Chief ALJ, we are in the process of doing a “soup to nuts” evaluation of all the Commission’s processes. The goal of this review is to make our procedures and public materials more understandable and accessible. We are in the early stages of this process.

However, we have already begun to make tangible changes. We have implemented preliminary changes to the format used for the Commission’s public business meeting agendas. These agendas are published on the Commission’s website in advance of meetings, and are available to the public as a guide to the issues that will be discussed and voted upon each meeting. The format changes are intended to more clearly describe each item being discussed, including the key issues that may be relevant to the public, and what a proposed decision or resolution would do, if approved. In instances where an item is of particular significance, the Commission also disseminates a press release and posts it on our website.

Other early steps toward greater accessibility include: developing methods whereby members of the public from the Southern California area will be able to address the Commission at its meetings; developing a subscription service so that members of the public will be able to obtain information and documents based on the type of proceeding, document and/or industry of interest; and developing subject area compendiums that will relate to major issue areas and identify relevant rules and information. In addition, our Public Advisor’s Office is in the process of working with the regulated utilities to improve the content and

understandability of bill inserts provided to customers, particularly when an insert is intended to notify a customer of a new application filed at the Commission that may have specific rate impacts.

Finally, efforts to update and improve the Commission's website have been ongoing. For example, I initiated a new consumer Information Center on our website in order to simplify the information about our consumer programs and make the information easier to find. In addition, our ALJ Division is now facilitating a working group on public access and participation, with the express goal of looking at potential improvements from a customer's perspective.

34. Please explain the discrepancy between what the commission has posted on its Web site and what was found?

It is correct that Commission decisions available on the Jungle Communications "webjungle" site stop after 2000. This is because in 2000 the Commission achieved improvements to its system and databases such that the public can access decisions and other materials directly from the Commission's own website. The Commission's website contains links to final decisions and resolutions, General Orders, the Public Utilities Code, the Commission's Rules of Practice and Procedure, and various other relevant codes, rules and policies. Specific links also enable the public to access proposed decisions and resolutions, as well as ALJ documents that have been published within the last 30 days, 7 days, and 24 hours. Practitioners or members of the public having difficulty locating a document can utilize a help link which allows them to contact Commission staff directly by email.

The Commission also implemented e-file procedures such that of the documents filed in formal proceedings at the Commission, 90% are filed electronically and published to the website. Only 10% are still filed in hard copy and many of these contain confidential materials or are from individual consumers or small businesses that are infrequent participants in our proceedings. The new Chief ALJ and our website coordinator are reviewing the Commission's website to further improve its usage.

35. Even though the CPUC makes printed documents available to the public and it makes sense for the CPUC to be reimbursed for costs, do you believe these costs are reasonable from a consumer's point of view? How would you improve public accessibility to printed CPUC documents?

While our ALJ Division and Central Files do not currently have available specific numbers on the number of copy requests, they report that the continued improvements to online accessibility of documents have resulted in an overall decrease in requests for documents in hard copy. Nevertheless, members of the public or practitioners who wish to obtain hard copies of Commission documents can do so by either by submitting a request online or by visiting the Commission's Central Files. Central files will mail online requested materials via regular or overnight mail. Visitors to Central Files may use the on-site copy machines.

When the Commission does provide copied materials, we do endeavor to minimize those costs by keeping them limited to the direct cost of furnishing the materials and providing that service as required by Public Utilities Code Section 1903.

Vendor Contracts

36. What is the process for contracting services with vendors on CPUC-related programs and projects such as putting infrastructure in place for broadband? What factors are considered in awarding a contract?

The CPUC, like other State organizations, follows the process established by the Department of General Services (DGS) for the selection and award of all contracts. No contracts have been awarded for broadband; there have been several in universal service program areas such as the Deaf and Disabled Telecommunications Program (DDTP) and the California LifeLine program. The process begins with the Commission's issuance of a Request for Proposal, which is posted for the public's or vendor's viewing and access through DGS's website at: http://www.bidsync.com/DPX?ac=powersearch&srchoid_override=307818 .

After Commission staff's review of vendor bids and CPUC executive management and DGS approval, contracts are awarded based on various factors established by DGS, including but not limited to low cost, experience, and qualifications.

37. Are the contracts reviewed and approved by any other entity besides commissioners themselves and executive staff?

Commissioners are not involved in the contract review/approval process. Contracts are reviewed by Commission staff, and approved by CPUC executive management and the DGS' Office of Legal Services (OLS review/approval is only for contracts over \$50,000).

38. Is there a master list of all service contracts issued by the commission? Is information about contracts issued to vendors available to the public? If not, why not?

CPUC contracts are available to the public and vendors on the DGS website. All state/CPUC contracts/procurements over \$5,000 are posted at <http://www.pd.dgs.ca.gov/scpreg/data.asp> All state/CPUC contracts are subject to the Public Records Act and the process to obtain such information is available on the CPUC website at <http://docs.cpuc.ca.gov/published/REPORT/65110.htm>

Additional information re CASF and RTI grants:

The CASF program grant process is outlined in Commission Resolution T-17143 dated June 12, 2008. CASF grant applications to certificated carriers/broadband providers are approved through Commission Resolutions and the project's requirements (e.g. performance bond) and payment processes are reflected in those Resolutions.

The RTI grants are also approved through Commission Resolutions. As the applicants for these grants are typically communities groups (not certificated carriers), a contract is prepared and entered into with the applicant's fiscal agent,

with the support of the CPUC Contracts Office and the Legal Division. Fiscal agents are often a nearby municipality or county office.

RTI grant applications brochure and a list of CASF grants are available through Commission staff.

LifeLine

39. Were any California-based companies qualified for these tasks or considered by the Commission?

The California LifeLine Program's third party administrator, Solix, was selected using the States Competitive bidding contracting process.

Three entities submitted bids, Affina, NECA (Solix), and CBS Net. Affina scored as the lowest cost bidder and the CPUC contracts office issued an intent to award to Affina. NECA protested. The Department of General Services conducted its review and concluded that the contract should be awarded to NECA (SOLIX). All three entities bidding for the LifeLine third party administrator contract were headquarter out of state. Solix's fulfillment center is located in southern California and handles the printing, mailing and receipt of LifeLine forms, the scanning of forms, and the printing and mailing of customer approval and denial letters.

40. How do you measure the success of this vendor's performance?

The performance criteria are included in the contract terms. The contractor is paid only for the work it performs after review and approval of the monthly invoice. Solix submits monthly reporting and statistics on its operations, and the LifeLine program. In addition, weekly calls are conducted with the contractor to:

- a. monitor performance,
- b. address customer issue issues noted by the contractor, carriers, and customers when applying for or renewing their LifeLine qualification, and
- c. implementation planning for California LifeLine Program changes.

Decision 07-05-030 required an audit of Solix to evaluate its compliance with the contract. The CPUC's audit report concluded that Solix's performance met the requirements of the contract.

National Utilities Diversity Counsel

41. What positions have you held and currently hold in NUDC? What are your duties and responsibilities?

I currently serve as Co-Chair of NUDC. The other Co-Chair, until recently, was Harold Williams, a Maryland Public Service Commissioner. My responsibilities may be best described as helping provide overall policy direction. I am not involved in daily affairs.

42. How is the council funded? How are you involved in raising funds, if at all?

NUDC is funded by a combination of utility and non-utility sponsorships and operates as a 501(c)(3). I am not involved in fund-raising. NUDC is funded through membership dues which are strictly shareholder funded, no ratepayer funds are used.

43. Did you attend the three NUDC meetings held in various parts of the country? If so, how were your travels paid?

I attended NUDC meetings that took place in Seattle and Portland. Both of these meetings took place during regular National Association of Regulatory Utility Commissioner (NARUC) meetings, of which I am a member of its Electricity Committee and Board of Directors. Since these meetings were held simultaneously with NARUC, and I attend NARUC meetings as part of my role as CPUC President, the CPUC paid for my travels. No additional funds, outside of those necessary for NARUC travel, were committed in order for me to attend the NUDC meetings.

UC Davis Energy Efficiency Center

44. Considering that some of the NUDC council members, EEC sponsors, and members of EEC's Board of Advisors are also companies that you regulate, how do you distinguish your roles as regulator and fellow council or Board of Advisors member?

NUDC council members include the following: sitting utility Commissioners: myself, Mignon Clyburn [South Carolina], Lorinzo Joyner [North Carolina], Armetta McRae [Delaware], Orjakor Isiogu [Michigan], Timothy Alan Simon [California]; former Commissioners Irma Dixon [Louisiana] and Carl Wood [California]; Cable and Telecommunications; Susan Jin-Davis [Comcast Cable], Cynthia Marshall [AT&T North Carolina], Kenneth McNeely [AT&T California]; Electricity and Gas: Priscilla Chandler [PJM], Adrian Chapman [Washington Gas], Peggy Davis [Exelon], Carmen Herrera [Sempra], David Hernandez [Liberty Power], Tom King [National Grid], Colin House [SCE], Linda Thomas [Duke Energy], William Harper III [PG&E]; Business, Community & Labor: Karen Atkinson [Native American Contractors Ass], Jerry Apoda [Latino Inst for Corporate Inclusion], Linda Denny [Women Business Enterprise], Will Johnson [Visage], Syngon Hare [St. Hare Capital] , Les Minthorn [Tribe of Umatilla Indian Reservation], Bob Mulz [Elite DVBE Network]. Jose Perez [CUDC], Rafael Sanchez [US Hispanic Chamber], Tamara Walden [Walden Energy], Nancy Zarenda [Spanish Language Academy], Christopher Frietas [Dept of Energy liaison], Joan Kerr [AT&T], Nereida Perez [National Grid], Melinda Guzman [Goldsberry, Freeman & Guzman], Ophelia Reigo [Comptroller] and Alex Saidivar {FAS Group}.

The 2009 EEC Board of Advisors is made up of key industry, academic, non-profit and private sector leaders in the energy efficiency field. The key leadership sponsors of EEC include the California Clean Energy Fund, California's major utilities, including CPUC-regulated utilities, venture capitalists and business interests. Members of the 2009 EEC Board of Advisors include myself, Ralph Cavanagh [Natural Resources Defense Council], Peter Darbee [PG&E], Jim Davis [Chevron], John DiStasio [SMUD], Cree Edwards [eMeter

Corp], John Fielder [SCE], Larry Kellerman [Goldman Sachs/Cogentrix Energy], Mark Levine [Lawrence Berkeley National Labs], Amory Lovins [physicist], Michael Niggli [SDG&E/SoCalGas], Nancy Pfund [DBL Investors], Daniel Reicher [Google], Arthur Rosenfeld [CEC], and Kim Saylor-Laster [Wal-Mart].

As is apparent from the membership lists above, both NUDC and EEC involve members and representatives from a whole range of stakeholders in the utilities arena. The focus of EEC is to accelerate the impact of emerging energy-efficient technologies and a major goal of NUDC is to enhance diversity in the utility industry.

I sit on these boards as an individual and serve without compensation. As a member of a board, I am bound by its by-laws. My position as a sitting Commissioner at the CPUC is subject to the California state constitution, the Pub. Util. Code and numerous ethical and conflict-of-interest regulations including Executive Order 66C, the Political Reform Act and other contract and government code sections, including Gov. Code section 82015 b(3). The CPUC has a Conflicts Team within the legal division and the lawyers are available to assist me with any ethical or conflict-of-interest questions that may arise.

45. Are you the assigned commissioner on any case directly or indirectly involving your fellow NUDC council members, EEC sponsors, or EEC Board of Advisors? If so, please list each case and a brief description. If a proceeding has closed, please include the final holding.

As you can see from the litany of NUDC council members and EEC Board of Advisors, the entities represented on the boards do have matters before the CPUC. I am the assigned Commissioner on matters that involve NRDC, PG&E, SCE, the Sempra Utilities and the CEC [usually in a collaborative role]. Approximately 80% of the matters before the CPUC involve energy issues, and the majority of my case assignments also involve energy. Therefore, a review of the CPUC case roster for the past seven years would show that a significant number of cases, open and closed, that involved the NRDC, PG&E, SCE and Sempra were assigned to me. The list is exhaustive.

In addition, the NUDC board includes Cable and Telecommunications' carriers as well as electricity and gas. Again, I do have cases, open and closed, that involve some of these entities.

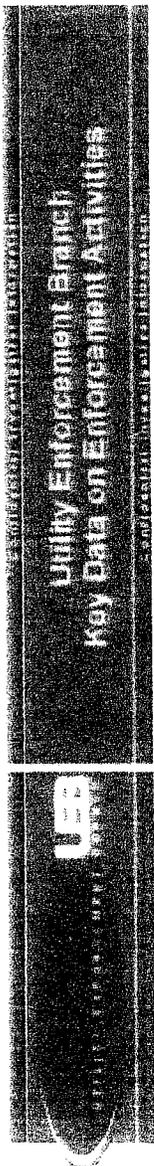
If more information on my case assignments is desired, I would be happy to prepare such a list.

46. How are you advised by your own legal counsel regarding possible conflicts of interest or the appearance thereof?

As discussed in my response to Question # 44, the CPUC's legal division has a team of lawyers who are available to respond to any ethics or conflict questions I have.

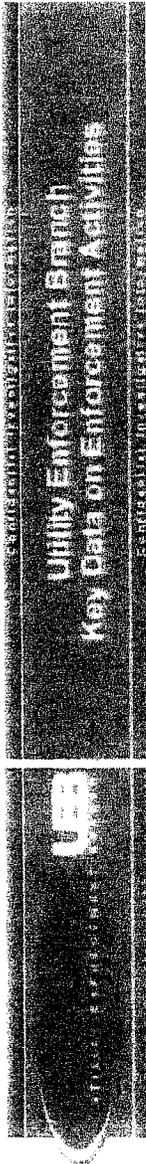
EXHIBIT

A



CPUC'S UTILITY ENFORCEMENT SUCCESSES
2007 TO JULY 2009

Company	Date	Case No.	Category	Case Description	Amount	Notes
SoCal Edison	6/15/2006	OII, Phase 1	Violations of Laws, Rules, and Regs governing Performance Based Rate-making	I.06-06-014	\$30 million	TOTAL \$115.7 million. SCE to refund: (1) Result Sharing Revenue Requirement \$32,714,000; (2) Customer Satisfaction PBR Rewards \$28,000,000; (3) Health & Safety PBR Rewards \$20,000,000; SCE to forgo: (1) Customer Satisfaction PBR Rewards \$20,000,000; (2) Health & Safety PBR Rewards \$15,000,000.
SoCal Edison	6/15/2006	OII, Phase 2	Violations of Laws, Rules, and Regs governing Performance Based Rate-making	I.06-06-014, Phase 2	\$0	(1) SCE to credit \$4.0 million to the distribution subaccount of SCE's existing Base Revenue Requirement Balancing Account (BRBA). Ratepayers will receive the credit as a reduction to SCE's distribution rates when the BRBA is amortized in rates; (2) SCE shall forgo its claim for a net system reliability reward of \$2 million, which is comprised of a reward of \$5 million for frequency in 2001 and a penalty of \$3 million for average customer minutes of interruption in 2003; and (3) SCE agrees that it will not propose any PBR customer satisfaction or employee safety shareholder incentive mechanism before the completion of its 2015 General Rate Case cycle.
PG&E	1/16/2003	GRC Application	Tariff violations re delayed and estimated bills	A.02-11-017, I.03-01-012	\$0	\$34,969,762.40 customer refunds
Cingular	6/6/2002	OII	Early Termination Fees	I.02-06-003	\$12.14 million	\$18.5 million in refunds; Cingular shall revise its corporate policies and practices in California regarding marketing, advertising and, service initiation and change, to conform to the rules adopted in R.00-02-004, the Commission's consumer bill of rights and consumer protection rules proceeding.
SDG&E Sunrise	8/1/2008	Assigned Commissioner's Revised Scoping Memo and Ruling Regarding Possible Rule 1.1 and Rule 8.3 Violations; Order to Show Cause (OSC)	Rule 1.1; Rule 8.3 (Reporting Ex Parte Communications)	A.06-08-010	\$500,000	\$50,000 to 2-1-1 San Diego; \$150,000 to SDG&E's Neighbor to Neighbor Program; \$220,000 to reimburse Energy Div. for expenditures related to the allegations in the OSC and Sunrise Powerlink Transmission Project-related expenditures; Professional Responsibility class; Ex Parte Best Practices Manual; Apology; SDG&E to provide status reports to service list at 6 month intervals
Total Call International (Prepaid Calling Cards) NextIG	5/1/2009	Civil Complaint	Misleading advertising		\$300,000	\$150,000 to CPUC and \$150,000 to AG's Office. CPUC also rec'd \$12,099.40 in investigative costs. Prohibited from misleading advertising.
	7/10/2008	OII	NextIG engaged in activities that exceeded its limited facilities-based CPCN; Rule 1.1	I.08-07-012	\$200,000	
Devine Communications (Prepaid Calling Cards)	4/13/2007	Civil Complaint	Operating without CPCN; unfair competition; misleading advertising		\$118,000	\$59,000 to CPUC and \$59,000 to AG's Office



**CPSD'S UTILITY ENFORCEMENT SUCCESSES
2007 TO JULY 2009**

Company Name	Date	Case/Event	Issue	Case Number	Amount	Notes
Bigredwire	11/9/2007	Application Protest	Operating without CPCN; Rule 1.1	A.07-10-003	\$20,000	Payment of \$41,264.80 for surcharges and fees owed for yrs 2000-2007
Sebastian Enterprises, Fortel, Foresthill	9/7/2006	OII	Merger and encumbrance of assets w/out Comm. Approval	1.06-09-007	\$15,000	
Cheap2Dial	10/27/2008	Application Protest	Operating without CPCN; Rule 1.1	A.08-09-020	\$10,000	Settlement submitted 6/2/09 Paid \$2,825.86 for surcharges and fees owed for 7/1/07-12/31/08
Birch Communications 88 Telecom	7/17/2008 6/30/2008	Application Protest Application Protest	Rule 1.1 Operating without CPCN; Rule 1.1	A.08-07-024 A.08-05-031	\$10,000 \$6,000	Must notify CPSD in writing before telemarketing to California consumers
Slamming Citations	Aug 2006 - June 2009	Resolution UEB-001(modified by UEB-002)	Failure to provide valid third party verification		\$36,000	36 citations @ \$1,000 per citation

EXHIBIT

B

SUMMARY OF COMMISSIONERS ASSIGNMENTS

(Data Retrieved on 8/13/09)

COMMISSIONER	COMMUNICATIONS	ELECTRIC	GAS	MISC	MULTIPLE TYPES	TRANSPORTATION	RAILROAD/ GRADE CROSSINGS	WATER/ SEWER	TOTALS
BOHN	5	14	6	5	1	2	0	47	80
CHONG	35	12	1	0	1	0	0	0	49
GRUENEIGH	5	29	6	0	1	3	0	0	44
PEEVEY	14	52	2	17	1	0	3	0	89
SIMON	12	12	12	5	0	11	1	0	53
TOTALS	71	119	27	27	4	16	4	47	315

EXHIBIT

C

LIST OF ACTIVE AND REOPENED PROCEEDINGS

BY
COMMISSIONER

(DATA RETRIEVED ON 8/13/09)

PROCEEDING	FILED DATE	SHORT TITLE	STATUS	UTILITY	COMR.	ALJ
COMMISSIONER GRUENEICH						
1	25-AUG-2008	UCAN VS. SPRINT TELEPHONY PCS, L.P. ET AL. - TO ORDER SPRINT TO IMMEDIATELY CEASE AND DESIST ALL VIOLATIONS ALLEGED	ACTIVE	Communications	Dian Grueneich	Maribeth A. Bushey
2	11-MAY-2009	COMMUNITY HOSPITAL OF LONG BEACH VS. VERIZON CALIFORNIA, INC. - DISPUTE ON LATE PAYMENT CHARGES, INTEREST AND PENALTY	ACTIVE	Communications	Dian Grueneich	Christine M. Walwyn
3	11-JUN-2009	(ECP) MCALLISTER VS. VERIZON CALIFORNIA, INC. - DISPUTE ON OWNERSHIP OF 800 NUMBERS AND CHARGES RELATED TO THOSE NUMBERS	ACTIVE	Communications	Dian Grueneich	Robert A. Barnett
4	15-JUN-2009	(ECP) HINCKLEY VS. AT&T CORP. DBA ADVANCED SOLUTIONS - BILLING DISPUTE	ACTIVE	Communications	Dian Grueneich	Robert A. Barnett
5	02-DEC-2004	CPUC-ILECS, CLECS - OIR INTO IMPLEMENTATION OF FEDERAL COMMUNICATIONS COMMISSION REPORT AND ORDER 04-87 AFFECTING UNIVERSAL LIFELINE TELEPHONE SRVC	REOPENED	Communications	Dian Grueneich	Karen Jones
6	09-DEC-2004	EDISON - CPCN ANTELOPE-PARDEE 500 KV TRANSMISSION	REOPENED	Electric	Dian Grueneich	Victoria S. Kolakowski
7	09-DEC-2004	EDISON - FOR A CPCN CONCERNING THE ANTELOPE VINCENT 500 KV TRANSMISSION AND ANTELOPE-TEHACHAPI 500 KV PROJECTS	REOPENED	Electric	Dian Grueneich	Victoria S. Kolakowski
8	15-MAR-2005	SDG&E - FOR ADOPTION OF AN ADVANCED METERING INFRASTRUCTURE DEPLOYMENT	REOPENED	Electric	Dian Grueneich	David M. Gamson

	PROCEEDING	FILED DATE	SHORT TITLE	STATUS	UTILITY	COMR.	ALJ
9	A0504015	11-APR-2005	EDISON - CPCN CONCERNING THE DEVERS-PALO VERDE NO. 2 TRANSMISSION LINE PROJECT	REOPENED	Electric	Dian Grueneich	Victoria S Kolakowski/ Timothy J. Sullivan
10	A0608010	04-AUG-2006	SDG&E - CPCN FOR THE SUNRISE POWERLINK TRANSMISSION PROJECT	ACTIVE	Electric	Dian Grueneich	Jean Vieth
11	A0701031	16-JAN-2007	EDISON - TO CONSTRUCT ELECTRICAL FACILITIES WITH VOLTAGES BETWEEN 50 KV AND 200 KV	ACTIVE	Electric	Dian Grueneich	Hallie Yacknin
12	A0704028	30-APR-2007	EDISON - TO CONSTRUCT ELECTRICAL FACILITIES WITH VOLTAGES BETWEEN 50KV AND 200KV - FOGARTY SUBSTATION PROJECT	ACTIVE	Electric	Dian Grueneich	Hallie Yacknin
13	A0706031	29-JUN-2007	EDISON - CPCN CONCERNING THE TEHACHAPI RENEWABLE TRANSMISSION PROJECT (SEGMENTS 4 THROUGH 11).	ACTIVE	Electric	Dian Grueneich	Victoria S Kolakowski
14	A0801029	31-JAN-2008	EDISON - TO CONSTRUCT ELECTRICAL FACILITIES WITH VOLTAGES BETWEEN 50 KV AND 200 KV; DEVERS-MIRAGE PROJECT	ACTIVE	Electric	Dian Grueneich	Regina DeAngelis
15	A0805024	15-MAY-2008	SDG&E - FOR APPROVAL OF LOW-INCOME ASSISTANCE PROGRAMS AND BUDGETS FOR PROGRAM YEARS 2009-2011	ACTIVE	Electric	Dian Grueneich	Kimberly Kim / Legal Division
16	A0805026	15-MAY-2008	EDISON - FOR APPROVAL OF LOW- INCOME ASSISTANCE PROGRAMS AND BUDGETS FOR PROGRAM YEARS 2009, 2010 AND 2011.	ACTIVE	Electric	Dian Grueneich	Kimberly Kim / Legal Division
17	A0805039	30-MAY-2008	EDISON - CPCN FOR THE SAN JOAQUIN CROSS VALLEY LOOP TRANSMISSION PROJECT	ACTIVE	Electric	Dian Grueneich	Hallie Yacknin
18	A0806004	02-JUN-2008	PG&E, EDISON, & SDG&E, & SOCALGAS - APPLICATION SUBMITTING THE CALIFORNIA ENERGY EFFICIENCY STRATEGIC PLAN	REOPENED	Electric	Dian Grueneich	David M. Gamson

	PROCEEDING	FILED DATE	SHORT TITLE	STATUS	UTILITY	COMR.	ALJ
19	A0807021	21-JUL-2008	EDISON - FOR APPROVAL OF ITS 2009-2011 ENERGY EFFICIENCY PROGRAM PLANS AND ASSOCIATED PUBLIC GOODS CHARGE AND PROCUREMENT FUNDING REQUESTS	ACTIVE	Electric	Dian Grueneich	David M. Gamson
20	A0807023	21-JUL-2008	SDG&E - FOR APPROVAL OF ELECTRIC AND NATURAL GAS ENERGY EFFICIENCY PROGRAMS AND BUDGETS FOR YEARS 2009 THROUGH 2011.	ACTIVE	Electric	Dian Grueneich	David M. Gamson
21	A0807031	21-JUL-2008	PG&E - FOR APPROVAL OF THE 2009-2011 ENERGY EFFICIENCY PROGRAMS AND BUDGET	ACTIVE	Electric	Dian Grueneich	David M. Gamson
22	A0811019	21-NOV-2008	EDISON - FOR A PERMIT TO CONSTRUCT ELECTRICAL FACILITIES - TRITON SUBSTATION PROJECT	ACTIVE	Electric	Dian Grueneich	Kimberly Kim
23	A0812011	16-DEC-2008	EDISON - FOR A GPCN FOR THE CPV SENTINEL 220KV TRANSMISSION LINE	ACTIVE	Electric	Dian Grueneich	Angela K. Minkin
24	A0812023	22-DEC-2008	EDISON - FOR A PERMIT TO CONSTRUCT ELECTRICAL FACILITIES - PRESIDENTIAL SUBSTATION PROJECT	ACTIVE	Electric	Dian Grueneich	Janice L. Grau
25	A0902023	26-FEB-2009	PG&E - TO CONSTRUCT THE PALERMO-EAST NICOLAUS 115KV RECONSTRUCTION PROJECT	ACTIVE	Electric	Dian Grueneich	Hallie Yacknin
26	A0903004	02-MAR-2009	PG&E - PERMIT TO CONSTRUCT 7TH STANDARD PROJECT	ACTIVE	Electric	Dian Grueneich	Jean Vieth
27	A0906026	30-JUN-2009	EDISON - FOR AUTHORITY TO LEASE AVAILABLE LAND ON THE WEST LUGO-MIRA LOMA TRANSMISSION RIGHT-OF-WAY TO RVSA, LLC	ACTIVE	Electric	Dian Grueneich	Myra J. Prestidge
28	A0907010	09-JUL-2009	PG&E - FOR A PERMIT TO CONSTRUCT THE CABRILLO-SANTA YNEZ 115 KV POWER LINE RECONDUCTORING PROJECT	ACTIVE	Electric	Dian Grueneich	Christine M. Walwyn

	PROCEEDING	FILED DATE	SHORT TITLE	STATUS	UTILITY	COMR.	ALJ
29	A0907032	31-JUL-2009	PACIFICORP - FOR AUTHORITY TO UPDATE ITS RATES PURSUANT TO ITS ENERGY COST ADJUSTMENT CLAUSE EFFECTIVE JANUARY 1, 2010	ACTIVE	Electric	Dian Grueneich	Darwin Farrar
30	A0908001	03-AUG-2009	EDISON - FOR APPROVAL OF ITS FORECAST 2010 ERRA PROCEEDING REVENUE REQUIREMENT	ACTIVE	Electric	Dian Grueneich	Robert A. Barnett
31	C0906010	16-JUN-2009	WU VS. PG&E - FOR UNREASONABLE ESTIMATED ENERGY USE	ACTIVE	Electric	Dian Grueneich	Victor D. Ryerson
32	R0506040	30-JUN-2005	CPUC-PG&E, EDISON, SDG&E, ET AL. - OIR TO IMPLEMENT SENATE BILL 1488 - CONFIDENTIALITY OF INFORMATION	ACTIVE	Electric	Dian Grueneich	Janet A. Econome / Legal Division
33	R0604010	13-APR-2006	CPUC - PG&E, EDISON, SDG&E, SOCALGAS - OIR TO EXAMINE THE COMMISSION POST -2005 ENERGY EFFICIENCY POLICIES AND RELATED ISSUES	ACTIVE	Electric	Dian Grueneich	David M. Gamson
34	R0807011	10-JUL-2008	CPUC - OIR TO DEVELOP THE COMMISSION ENERGY EFFICIENCY STRATEGIC PLAN	REOPENED	Electric	Dian Grueneich	David M. Gamson
35	A0805025	15-MAY-2008	SOCAL GAS - FOR APPROVAL OF LOW INCOME ASSISTANCE PROGRAM AND BUDGET'S FOR PROGRAM YEARS 2009-2011	ACTIVE	Gas	Dian Grueneich	Kimberly Kim / Legal Division
36	A0807022	21-JUL-2008	SOCAL GAS CO - FOR APPROVAL OF NATURAL GAS ENERGY EFFICIENCY PROGRAMS AND BUDGETS FOR YEARS 2009 THROUGH 2011.	ACTIVE	Gas	Dian Grueneich	David M. Gamson
37	A0809023	29-SEP-2008	SOCAL GAS CO. - FOR APPROVAL OF ADVANCED METERING INFRASTRUCTURE	ACTIVE	Gas	Dian Grueneich	Jessica T Hecht
38	C0905011	12-MAY-2009	MONKARSH VS. SOCAL GAS CO. - DISPUTE ON A REFUND AND FOR A CEASE AND DESIST ORDER	ACTIVE	Gas	Dian Grueneich	Robert A. Barnett
39	C0905012	19-MAY-2009	(ECP) KING VS SOCAL GAS - FOR AN ORDER THAT DEFENDANT VIOLATED THE AMERICANS WITH DISABILITIES ACT WHEN TURNING OFF GAS SERVICE	ACTIVE	Gas	Dian Grueneich	Robert A. Barnett

	PROCEEDING	FILED DATE	SHORT TITLE	STATUS	UTILITY	COMR.	ALJ
40	C0906013	15-JUN-2009	SHORE VS. SOCAL GAS CO. - FOR THE OPTION OF USING CREDIT CARDS TO MAKE MONTHLY BILL PAYMENTS	ACTIVE	Gas	Dian Grueneich	Robert A. Barnett
41	A0805022	15-MAY-2008	PG&E - FOR APPROVAL OF THE 2009-2011 LOW INCOME ENERGY EFFICIENCY AND CALIFORNIA ALTERNATE RATES FOR ENERGY PROGRAMS AND BUDGET	ACTIVE	Multiple Types	Dian Grueneich	Kimberly Kim
42	A0406030	21-JUN-2004	CITY OF PETALUMA - TO RELOCATE ONE AT-GRADE CROSSING OF THE TRACKS ON THE SONOMA MARIN AREA RAIL TRANSIT DISTRICT	REOPENED	Railroad/Grade Crossings	Dian Grueneich	Janet A. Econome
43	C0610015	10-OCT-2006	PASADENA AVENUE MONTEREY ROAD COMMITTEE VS. LOS ANGELES COUNTY METROPOLITAN TRANSP. AUTHORITY, ET AL. - FOR FAILURE TO COMPLY WITH D05-02-032 AS MODIFIED BY D05-09-040	ACTIVE	Railroad/Grade Crossings	Dian Grueneich	Myra J. Prestidge
44	R0709007	20-SEP-2007	CPUC - OIR TO AMEND GO 118 REGARDING THE APPROPRIATE SIZE MATERIALS, INCLUDING BALLAST ROCK USED IN RAILWAY SWITCHING YARDS	ACTIVE	Railroad/Grade Crossings	Dian Grueneich	Linda Rochester

PROCEEDING	FILED DATE	SHORT TITLE	STATUS	UTILITY	COMR.	ALJ
COMMISSIONER BOHN						
1	A0903007	NEXTG NETWORKS OF CALIFORNIA, INC. - FOR AUTHORITY TO ENGAGE IN GROUND-DISTURBING OUTSIDE PLANT CONSTRUCTION	ACTIVE	Communications	John Bohn	Myra J. Prestidge
2	C0804037	CITY OF HUNTINGTON BEACH VS NEXTG NETWORKS OF CALIFORNIA, INC. - FOR AN ORDER TO ENFORCE CEQA AND TO ORDER NEXTG TO CEASE AND DESIST CLAIMS OF AUTHORITY TO INSTALL NEW POLES, ANTENNA FACILITIES, ETC.	ACTIVE	Communications	John Bohn	Myra J. Prestidge
3	I0807012	CPUC - OIR INTO THE OPERATIONS AND PRACTICES OF NEXTG NETWORKS OF CALIFORNIA, INC.	ACTIVE	Communications	John Bohn	Karl Bernesderfer
4	R0610006	CPUC - TELECOMMUNICATION - OIR INTO THE APPLICATION OF THE CALIFORNIA ENVIRONMENTAL QUALITY ACT TO APPLICATIONS OF JURISDICTIONAL TELECOMMUNICATIONS UTILITIES TO OFFER SERVICE AND CONSTRUCT FACILITIES	ACTIVE	Communications	John Bohn	Myra J. Prestidge
5	R0907009	CPUC - OIR TO REVISE THE SIMPLIFIED REGISTRATION PROCESS FOR NON DOMINANT INTEREXCHANGE CARRIERS	ACTIVE	Communications	John Bohn	Richard Smith
6	A0612009	SDG&E - TO UPDATE ITS GAS AND ELECTRIC REVENUE REQUIREMENT AND BASE RATES EFFECTIVE JANUARY 1, 2008	REOPENED	Electric	John Bohn	Douglas M. Long
7	A0612010	SOCAL GAS - TO UPDATE ITS GAS REVENUE REQUIREMENTS AND BASE RATES EFFECTIVE ON JANUARY 1, 2008.	REOPENED	Electric	John Bohn	Douglas M. Long
8	A0705003	EDISION - COST OF CAPITAL FOR UTILITY OPERATIONS FOR 2008	REOPENED	Electric	John Bohn	Michael J. Galvin
9	A0807014	PG&E AND PG&E CORP. - FOR LIMITED EXEMPTION FROM RULE V.E. OF THE AFFILIATE TRANSACTION RULES	ACTIVE	Electric	John Bohn	Thomas R. Pulsifer

	PROCEEDING	FILED DATE	SHORT TITLE	STATUS	UTILITY	COMR.	ALJ
10	A0808004	01-AUG-2008	SIERRA PACIFIC POWER CO. - TO INCREASE ITS AUTHORIZED REVENUES FOR ELECTRIC SERVICE IN 2009.	ACTIVE	Electric	John Bohn	Melanie Darling
11	A0810003	03-OCT-2008	SDG&E - FOR APPROVAL OF THE CELERITY DISTRIBUTED GENERATION SUPPLY CONTRACT	ACTIVE	Electric	John Bohn	Darwin Farrar
12	A0811014	14-NOV-2008	SDG&E - FOR AUTHORITY TO UPDATE COST ALLOCATION AND ELECTRIC RATE DESIGN	ACTIVE	Electric	John Bohn	Douglas M. Long
13	A0902008	13-FEB-2009	PG&E - FOR REVIEW OF ENTRIES TO THE ENERGY RESOURCE RECOVERY ACCOUNT (ERRA) AND COMPLIANCE REVIEW OF FUEL PROCUREMENT FOR UTILITY RETAINED GENERATION	ACTIVE	Electric	John Bohn	David M. Gamson
14	A0902020	27-FEB-2009	PG&E - TO RECOVER COSTS RELATED TO THE 2008 WILDLAND FIRES RECORDED IN THE CATASTROPHIC EVENT MEMORANDUM ACCOUNT PURSUANT TO PUB. UTIL. CODE SECTION 454.9	ACTIVE	Electric	John Bohn	David M. Gamson
15	A0903003	02-MAR-2009	PG&E - TO ESTABLISH A RETIREMENT PLAN FUNDING MECHANISM AND TO INCREASE GAS AND ELECTRIC REVENUE REQUIREMENTS, RATES AND CHARGES FOR A RETIREMENT PLAN CONTRIBUTION	ACTIVE	Electric	John Bohn	Michael J. Galvin
16	A0903011	06-MAR-2009	SDG&E - FOR AUTHORITY TO RECOVER COSTS RELATED TO THE 2007 SOUTHERN CALIFORNIA FIRES RECORDED IN THE CATASTROPHIC EVEN MEMORANDUM ACCOUNT	ACTIVE	Electric	John Bohn	Darwin Farrar
17	C0612011	12-DEC-2006	ARCHIBEK VS. EDISON - FOR INCORRECT BILLING FOR ELECTRIC SERVICES	ACTIVE	Electric	John Bohn	Kenneth L. Koss
18	I0702013	15-FEB-2007	CPUC - SDG&E, SOCALGAS - OII INTO THE RATES, OPERATIONS, PRACTICES, SERVICES AND FACILITIES OF SDG&E AND SOCALGAS	REOPENED	Electric	John Bohn	Douglas M. Long
19	R0901019	29-JAN-2009	CPUC - OIR TO EXAMINE COMMISSION'S ENERGY EFFICIENCY RISK/REWARD INCENTIVE MECHANISM	ACTIVE	Electric	John Bohn	Thomas R. Pulsifer

	PROCEEDING	FILED DATE	SHORT TITLE	STATUS	UTILITY	COMR.	ALJ
20	A0809019	23-SEP-2008	EDISON - FOR AUTHORITY TO INCREASE ITS AUTHORIZED REVENUES FOR GAS SERVICE FOR SANTA CATALINA ISLAND IN 2009 AND TO REFLECT THAT INCREASE IN RATES	ACTIVE	Gas	John Bohn	Robert A. Barnett
21	A0812006	15-DEC-2008	SOCAL GAS, PG&E, AND SOUTHWEST GAS CORP. - FOR APPROVAL OF WHOLESALE TRANSPORTATION AND EXCHANGE AGREEMENTS	ACTIVE	Gas	John Bohn	Regina DeAngelis
22	A0904023	24-APR-2009	SOCAL GAS AND SDG&E - FOR APPROVAL OF THEIR COMBINED CORE PORTFOLIO 2009-2010 WINTER	ACTIVE	Gas	John Bohn	Bruce DeBerry
23	A0906011	12-JUN-2009	LODI GAS STORAGE LLC - TO MODIFY D 00-05-048	ACTIVE	Gas	John Bohn	Jean Vieth
24	A0906014	15-JUN-2009	SOCAL GAS CO. - REGARDING YEAR 15 (2008-2009) OF ITS GAS COST INCENTIVE MECHANISM	ACTIVE	Gas	John Bohn	Darwin Farrar
25	R0806025	26-JUN-2008	CPUC - OIR TO ADDRESS THE GAS UTILITIES' INCENTIVE MECHANISMS AND THE TREATMENT OF HEDGING UNDER THOSE INCENTIVE MECHANISMS	ACTIVE	Gas	John Bohn	Thomas R. Pulsifer
26	A0809024	30-SEP-2008	SAN PABLO BAY PIPELINE CO. LLC. - FOR APPROVAL OF TARIFFS FOR THE SAN JOAQUIN VALLEY CRUDE OIL PIPELINE	ACTIVE	Miscellaneous	John Bohn	Karl Bemederfer
27	A0905019	22-MAY-2009	PACIFIC TERMINALS LLC, PACIFIC ENERGY GROUP LLC AND PLAINS MARKETING, L.P. - FOR AUTHORIZATION TO TRANSFER OWNERSHIP OF PACIFIC TERMINALS LLC FROM PACIFIC ENERGY GROUP LLC TO PLAINS	ACTIVE	Miscellaneous	John Bohn	Myra J. Prestidge
28	C0902007	13-FEB-2009	TESORO REFINING AND MARKETING CO. VS EQUILON ENTERPRISES, L.L.C., DBA AS SHELL OIL PRODUCTS (US) ET AL. - FOR VIOLATION OF PU CODES AND GO 96-A IN FAILING TO FILE TARIFF FOR ITS PIPELINE SERVICES	ACTIVE	Miscellaneous	John Bohn	Karl J. Bemederfer

	PROCEEDING	FILED DATE	SHORT TITLE	STATUS	UTILITY	COMR.	ALJ
29	C0903010	04-MAR-2009	TESORO REFINING AND MARKETING CO. VS EQUILON ENTERPRISES, L.L.C., DBA SHELL OIL PRODUCTS (US), ET AL. - DISPUTE ON UNJUST AND UNREASONABLE RETROACTIVE PAYMENT	ACTIVE	Miscellaneous	John Bohn	Karl Bemederfer
30	C0903027	23-MAR-2009	VALERO MARKETING AND SUPPLY CO. VS EQUILON ENTERPRISES, LLC. - FOR DETERMINATION OF JUST AND REASONABLE RATES FOR TRANSPORTATION OF CRUDE OIL	ACTIVE	Miscellaneous	John Bohn	Karl Bemederfer
31	P0906022	19-JUN-2009	TURN - TO ADOPT, AMEND, OR REPEAL A REGULATION RELATED TO ARREARAGE MANAGEMENT AND SHUTOFF PREVENTION FOR RESIDENTIAL CUSTOMERS OF MAJOR JURISDICTIONAL ELECTRIC AND GAS UTILITIES	ACTIVE	Multiple Types	John Bohn	Jeffrey P. O'Donnell
32	R0810007	16-OCT-2008	CPUC - OIR TO DETERMINE WHETHER THE TEMPORARY MEASURES ADOPTED IN RES SX-88 BANNING PERSONAL USE OF ELECTRONIC DEVICES BY RAIL TRANSIT PERSONNEL SHOULD BE ADOPTED IN A PERMANENT BASIS	ACTIVE	Railroad/Grade Crossings	John Bohn	Kimberly Kim
33	R0811017	21-NOV-2008	CPUC - OIR TO CONSIDER IMPLEMENTATION OF COLLISION-AVOIDANCE SYSTEMS ON COMMUTER RAIL LINES	ACTIVE	Railroad/Grade Crossings	John Bohn	Kimberly Kim
34	A0808011	19-AUG-2008	GOLDEN HILLS SANITATION CO., INC. - CPCN TO MAINTAIN AND OPERATE AN EXISTING PUB. UTIL. WASTEWATER SYSTEM	ACTIVE	Sewer	John Bohn	Bruce DeBerry
35	A0409019	20-SEP-2004	CALIFORNIA-AMERICAN WATER CO. - CPCN TO CONSTRUCT AND OPERATE ITS COASTAL WATER PROJECT	ACTIVE	Water	John Bohn	Angela K. Minkin
36	A0508021	05-AUG-2005	SAN GABRIEL VALLEY WATER CO. - TO INCREASE RATES CHARGED FOR WATER SERVICE IN ITS FONTANA WATER CO. DIVISION	ACTIVE	Water	John Bohn	Michael J. Galvin
37	A0609006	06-SEP-2006	GOLDEN STATE WATER CO. - TO IMPLEMENT CHANGES IN RATESETTING MECHANISMS AND REALLOCATION OF RATES	ACTIVE	Water	John Bohn	Janice L. Grau/ Legal Division

	PROCEEDING	FILED DATE	SHORT TITLE	STATUS	UTILITY	COMR.	ALJ
38	A0610026	23-OCT-2006	CALIFORNIA WATER SERVICE CO. - TO ESTABLISH A WATER REVENUE BALANCING ACCOUNT	ACTIVE	Water	John Bohn	Janice L. Grau/ Legal Division
39	A0611009	20-NOV-2006	PARK WATER CO. - TO IMPLEMENT A WATER REVENUE ADJUSTMENT MECHANISM	ACTIVE	Water	John Bohn	Janice L. Grau/ Legal Division
40	A0611010	22-NOV-2006	SUBURBAN WATER SYSTEMS - FOR AUTHORIZATION TO IMPLEMENT A LOW INCOME ASSISTANCE PROGRAM	ACTIVE	Water	John Bohn	Janice L. Grau/ Legal Division
41	A0701014	05-JAN-2007	GOLDEN STATE WATER CO. - SANTA MARIA DIST. - TO INCREASE RATES FOR WATER SERVICE IN YEARS 2008, 2009, AND 2010	REOPENED	Water	John Bohn	Linda Rochester
42	A0703019	19-MAR-2007	SAN JOSE WATER CO. - FOR APPROVAL OF ITS PROPOSAL TO IMPLEMENT THE OBJECTIVES OF THE WATER ACTION PLAN	ACTIVE	Water	John Bohn	Janice L. Grau
43	A0704010	10-APR-2007	CALIFORNIA WATER SERVICE CO. - TO EXTEND TERRITORY TO SERVE THE CITY OF SALINAS FUTURE GROWTH AREA.	ACTIVE	Water	John Bohn	Linda Rochester
44	A0801004	02-JAN-2008	SUBURBAN WATER SYSTEMS - TO INCREASE RATES CHARGED FOR WATER SERVICE FOR YEARS 2009, 2010, AND 2011.	REOPENED	Water	John Bohn	Victor D. Ryerson
45	A0805002	01-MAY-2008	CAL WATER SRVC. CO - FOR AUTHORITY TO ESTABLISH ITS AUTHORIZED COST OF CAPITAL FOR THE PERIOD FROM JANUARY 1, 2009 THROUGH DECEMBER 31, 2011	ACTIVE	Water	John Bohn	Douglas M. Long
46	A0805003	01-MAY-2008	CALIFORNIA-AMERICAN WATER CO - FOR AN AUTHORIZED COST OF CAPITAL FOR UTILITY OPERATIONS FOR 2009	ACTIVE	Water	John Bohn	Douglas M. Long
47	A0805004	01-MAY-2008	GOLDEN STATE WATER CO. - TO ESTABLISH ITS AUTHORIZED COST OF CAPITAL AND RATE OF RETURN FOR UTILITY OPERATIONS FOR 2009-2011	ACTIVE	Water	John Bohn	Douglas M. Long

PROCEEDING	FILED DATE	SHORT TITLE	STATUS	UTILITY	COMR.	ALJ
8	A0805019 12-MAY-2008	CALIFORNIA WATER SERVICE CO. - FOR AN ORDER CONFIRMING ITS DISCONTINUANCE OF THE ESP PROGRAM	ACTIVE	Water	John Bohn	Christine M. Walwyn
9	A0807004 02-JUL-2008	CALIFORNIA WATER SERVICE CO. - FOR AN ORDER MODIFYING D97-12-011 TO ALLOW ITS REGULATED UTILITY TO OFFER NON-TARIFFED SERVICES	ACTIVE	Water	John Bohn	Christine M. Walwyn
0	A0807010 01-JUL-2008	GOLDEN STATE WATER CO. - GRC FOR ITS REGION II AND REGION III FOR YEARS 2010, 2011, AND 2012.	ACTIVE	Water	John Bohn	Linda Rochester
1	A0808022 29-AUG-2008	GOLDEN STATE WATER CO. - CPCN TO CONSTRUCT AND OPERATE A WATER SYSTEM IN SUTTER COUNTY	ACTIVE	Water	John Bohn	Kimberly Kim
2	A0809008 10-SEP-2008	SAN GABRIEL VALLEY WATER CO. - TO ESTABLISH A CONSERVATION RATE DESIGN, INCLUDING A WATER REVENUE ADJUSTMENT MECHANISM	ACTIVE	Water	John Bohn	Gary Weatherford
3	A0811009 06-NOV-2008	CALIFORNIA WATER SERVICE CO. - TO REQUIRE THE CURRENT OR FUTURE OWNERS OF TREND HOMES PROPERTY TO PAY A DEVELOPER CONTRIBUTION	ACTIVE	Water	John Bohn	Maribeth A. Bushey
4	A0812012 19-DEC-2008	OSTROM FAMILY TRUST DBA R R LEWIS SMALL WATER CO. - TO SELL AND BUY THE WATER SYSTEM	ACTIVE	Water	John Bohn	Christine M. Walwyn
5	A0812013 19-DEC-2008	OSTROM FAMILY TRUST DBA R R LEWIS SMALL WATER CO. - CPCN TO CONTINUE TO CONSTRUCT A PUBLIC UTILITY WATER SYSTEM AND TO CONTINUE TO ESTABLISH RATES FOR SERVICE	ACTIVE	Water	John Bohn	Christine M. Walwyn
6	A0901001 02-JAN-2009	PARK WATER CO. - FOR AUTHORITY TO INCREASE RATES CHARGED FOR WATER SERVICE FOR YEARS 2010 AND 2011	ACTIVE	Water	John Bohn	Regina DeAngelis
7	A0901009 21-JAN-2009	SAN JOSE WATER CO. - FOR AUTHORITY TO INCREASE RATES FOR WATER SERVICE FOR YEARS 2010, 2011, AND 2012	ACTIVE	Water	John Bohn	Michael J. Galvin

	PROCEEDING	FILED DATE	SHORT TITLE	STATUS	UTILITY	COMR.	ALJ
58	A0901013	23-JAN-2009	CALIFORNIA-AMERICAN WATER CO. - TO INCREASE ITS REVENUES FOR WATER SERVICE IN LARKFIELD, LOS ANGELES, AND SACRAMENTO DISTRICTS FOR YEARS 2010 AND 2011	ACTIVE	Water	John Bohn	Linda Rochester
59	A0904015	16-APR-2009	CALIFORNIA-AMERICAN WATER CO. - FOR AN ORDER AUTHORIZING THE TRANSFER OF COSTS INCURRED IN 2008 FOR ITS LONG-TERM WATER SUPPLY SOLUTION	ACTIVE	Water	John Bohn	Angela K. Minkin
60	A0905001	01-MAY-2009	SAN JOSE WATER COMPANY - COST OF CAPITAL	ACTIVE	Water	John Bohn	Douglas M. Long
61	A0905002	01-MAY-2009	VALENCIA WATER CO. - TO ADJUST ITS COST OF CAPITAL AND TO REFLECT THAT COST IN ITS RATES FOR THE PERIOD OF 1/1/10 TO 12/31/12	ACTIVE	Water	John Bohn	Douglas M. Long
62	A0905003	01-MAY-2009	PARK WATER CO. AND APPLE VALLEY RANCHOS WATER CO. - FOR AUTHORITY TO ESTABLISH AUTHORIZED COST OF CAPITAL	ACTIVE	Water	John Bohn	Douglas M. Long
63	A0905004	01-MAY-2009	SAN GABRIEL VALLEY WATER CO. - FOR AN ORDER TO AUTHORIZED COST OF CAPITAL FOR 2010 THROUGH 2012	ACTIVE	Water	John Bohn	Douglas M. Long
64	A0905005	01-MAY-2009	SUBURBAN WATER SYSTEMS - FOR AN AUTHORIZED COST OF CAPITAL FOR UTILITY OPERATIONS FOR 2009	ACTIVE	Water	John Bohn	Douglas M. Long
65	A0905007	04-MAY-2009	GREAT OAKS WATER CO. - FOR AUTHORITY TO ESTABLISH ITS COST OF CAPITAL	ACTIVE	Water	John Bohn	Douglas M. Long
66	A0905008	11-MAY-2009	CALIFORNIA-AMERICAN WATER CO. - FOR AN ORDER AUTHORIZING ADJUSTMENT TO THE DRY CREEK DEVELOPER SPECIAL FACILITIES FEE	ACTIVE	Water	John Bohn	Victor D. Ryerson
67	A0907001	02-JUL-2009	CALIFORNIA WATER SERVICE CO. - FOR AN ORDER AUTHORIZING RATE INCREASE FOR WATER SERVICE FOR YEARS 2011, 2012, AND 2013	ACTIVE	Water	John Bohn	Jeffrey P. O'Donnell

	PROCEEDING	FILED DATE	SHORT TITLE	STATUS	UTILITY	COMR.	ALJ
68	A0907002	02-JUL-2009	CALIFORNIA-AMERICAN WTR. CO. - FOR AN ORDER AUTHORIZING A BALANCING ACCOUNT TO TRACK AND RECOVER THE PENSION AND OTHER POST-EMPLOYMENT BENEFIT COST INCURRED DUE TO THE DOWNTURN IN FINANCIAL MARKETS	ACTIVE	Water	John Bohn	Steven Kotz
69	A0907011	08-JUL-2009	CAL WATER SERVICE CO. - FOR AN ORDER AUTHORIZING THE ALLOCATION OF NET PROCEEDS FROM MTBE GROUNDWATER CONTAMINATION LITIGATION	ACTIVE	Water	John Bohn	Gary Weatherford
70	A0907015	13-JUL-2009	SUBURBAN WATER SYSTEMS - TO ESTABLISH A HOLDING COMPANY	ACTIVE	Water	John Bohn	Victor D. Ryerson
71	A0907019	20-JUL-2009	JOHN W. RICHARDSON, RECEIVER FOR THE PONDEROSA SKY RANCH WTR. SYSTEM - TO SELL AND TRANSFER THE WATER SYSTEM TO SKY VIEW COUNTY WTR. DISTRICT	ACTIVE	Water	John Bohn	Victor D. Ryerson
72	C0803018	24-MAR-2008	JOAN E. RICHARDSON ET AL. VS. PHILLIP AND LINDA SHUEY - FOR AN ORDER THAT DEFENDANT IS A PUBLIC UTILITY AND SUBJECT TO THOSE PROVISIONS	ACTIVE	Water	John Bohn	Robert A. Barnett
73	C0806026	24-JUN-2008	BATES, HARRIS, AND ROETH VS REDWOOD LODGE WATER CO. - FOR AN ORDER THAT DEFENDANT IS A PUBLIC UTILITY AND TO ORDER TO CEASE AND DESIST FROM TURNING OFF WATER SERVICE	ACTIVE	Water	John Bohn	Maribeth A. Bushey
74	C0812007	03-DEC-2008	CALONE VS POINT ARENA WATER WORKS, INC. - FOR IMMEDIATE WATER UTILITY HOOKUP	ACTIVE	Water	John Bohn	Maribeth A. Bushey
75	C0903024	23-MAR-2009	JURUPA COMMUNITY SERVICES DIST. VS. EMPIRE WATER CO., LLP - FOR AN ORDER THAT DEFENDANT IS A WATER PUBLIC UTILITY AND SUBJECT TO THE JURISDICTION OF THE PUC	ACTIVE	Water	John Bohn	Gary Weatherford

	PROCEEDING	FILED DATE	SHORT TITLE	STATUS	UTILITY	COMR.	ALJ
76	I0603001	02-MAR-2006	CPUC - SAN GABRIEL VALLEY WATER CO. - OII INTO THE RATES, OPERATIONS, PRACTICES, SERVICE AND FACILITIES OF SAN GABRIEL	ACTIVE	Water	John Bohn	Michael J. Galvin/ Legal Division
77	I0701022	11-JAN-2007	CPUC - CLASS A WATER CO. - OII TO CONSIDER POLICIES TO ACHIEVE THE CONSERVATION OBJECTIVES OF THE COMMISSION FOR CLASS A WATER UTILITIES	ACTIVE	Water	John Bohn	Janice L. Grau
78	R0712015	20-DEC-2007	CPUC - OIR TO REVISE GENERAL ORDER 103	ACTIVE	Water	John Bohn	Jacqueline A. Reed
79	R0903014	12-MAR-2009	CPUC - OIR TO DEVELOP RULES AND PROCEDURES TO ENSURE THAT INVESTOR-OWNED WATER UTILITIES WILL NOT RECOVER UNREASONABLE RETURN ON INVESTMENTS FINANCED BY CONTAMINATION PROCEEDS	ACTIVE	Water	John Bohn	Gary Weatherford
80	R0904012	16-APR-2009	CPUC - OIR TO DEVELOP STANDARD RULES AND PROCEDURES FOR REGULATED WATER AND SEWER UTILITIES GOVERNING AFFILIATE TRANSACTIONS AND THE USE OF REGULATED ASSETS FOR NON-TARIFFED UTILITY SERVICES.	ACTIVE	Water	John Bohn	David M. Gamson

	PROCEEDING	FILED DATE	SHORT TITLE	STATUS	UTILITY	COMR.	ALJ
PRESIDENT PEEVEY							
1	A0012017	13-DEC-2000	PG&E AND AT&T WIRELESS SERVICES CA, INC., - FOR APPROVAL OF A LEASE TO USE PG&E'S FACILITIES	REOPENED	Communications	Michael R. Peevey	Dorothy Duda
2	A0906005	04-JUN-2009	FRONTIER COMMUNICATIONS CORP., NEW COMMUNICATIONS HOLDINGS, INC., ET AL. - FOR A SALE OF ASSETS, TRANSFER OF CPCN AND CUSTOMER BASES	ACTIVE	Communications	Michael R. Peevey	Robert A. Barnett
3	A0906006	08-JUN-2009	SPRINT COMMUNICATIONS CO. - FOR COMMISSION APPROVAL OF AN AMENDMENT EXTENDING ITS EXISTING INTERCONNECTION AGREEMENT FOR THREE YEARS WITH PACBELL	ACTIVE	Communications	Michael R. Peevey	Karl J. Bemederfer
4	C0305023	15-MAY-2003	RAW BANDWIDTH COMM., INC. VS PACBELL AND SBC ADVANCED SOLUTIONS, INC. - FOR DISCRIMINATION IN PROVISION OF DSL TRANSPORT	REOPENED	Communications	Michael R. Peevey	Janice L. Grau
5	C0410024	20-OCT-2004	PAC-WEST VS. AT&T ET AL. FOR REFUSAL TO PAY TARIFFED RATE	REOPENED	Communications	Michael R. Peevey	A Kirk McKenzie
6	C0712019	19-DEC-2007	PAC BELL VS SPRINT SPECTRUM L.P., WIRELESS CO., L.P. AND COX COMMUNICATIONS PCS, L.P. - DISPUTE ON RATE FOR TRANSIT	REOPENED	Communications	Michael R. Peevey	Legal Division
7	C0907021	20-JUL-2009	XO COMMUNICATIONS SERVICES, INC. VS. PACBELL TELEPHONE CO. DBA AT&T CALIFORNIA - FOR PROVISION COLOCATION CLC CROSS-CONNECTS TO XO AT TELRIC-BASED RATES IN ALL OF AT&T'S WIRE CENTERS	ACTIVE	Communications	Michael R. Peevey	Karl Bemederfer
8	C9903069	29-MAR-1999	BETOULIERE VS GTEC - TO ESTABLISH A RATE CENTER IN TOPANGA	REOPENED	Communications	Michael R. Peevey	Legal Division
9	I0206003	06-JUN-2002	PUC-PACBELL WIRELESS, LLC - OII INTO THE OPERATIONS, PRACTICES AND CONDUCT OF PACBELL WIRELESS, DBA CINGULAR WIRELESS	REOPENED	Communications	Michael R. Peevey	Jean Vieth

	PROCEEDING	FILED DATE	SHORT TITLE	STATUS	UTILITY	COMR.	ALJ
10	19302028	17-FEB-1993	PUC - OII INTO PACIFIC TELESIS GROUP'S SPIN OFF PROPOSAL	REOPENED	Communications	Michael R. Peevey	Jacqueline A. Reed
11	19304002	07-APR-1993	CPUC - NETWORK ARCHITECTURE - INVESTIGATION OPEN ACCESS	ACTIVE	Communications	Michael R. Peevey	Philip S. Weismehl
12	R0306020	19-JUN-2003	CPUC - TELECOMMUNICATIONS - OIR TO ESTABLISH RULES GOVERNING THE TRANSFER OF CUSTOMERS	ACTIVE	Communications	Michael R. Peevey	Janice L. Grau
13	R0905006	07-MAY-2009	OIR - INTO THE EXEMPTION FROM PUB. UTIL. CODE § 851 FOR UNIFORM REGULATORY FRAMEWORK AND OTHER COMPETITIVE CARRIERS.	ACTIVE	Communications	Michael R. Peevey	A Kirk McKenzie
14	R9304003	07-APR-1993	PUC - BOTTLENECK SERVICE - RULEMAKING OPEN ACCESS	ACTIVE	Communications	Michael R. Peevey	Jacqueline A. Reed/ Dorothy Duda/ Philip S. Weismehl
15	A0010028	17-OCT-2000	TURN - PM/REHEARING OF RES. E-3527	REOPENED	Electric	Michael R. Peevey	Michelle Cooke/ Steven Kotz
16	A0011038	16-NOV-2000	EDISON - RATE REQUEST AND END OF RATE FREEZE	REOPENED	Electric	Michael R. Peevey	Michelle Cooke/ Steven Kotz
17	A0011056	22-NOV-2000	PG&E - RATE STABILIZATION PLAN	REOPENED	Electric	Michael R. Peevey	Michelle Cooke/ Steven Kotz
18	A0506028	16-JUN-2005	PG&E - TO INCREASE REVENUE REQUIREMENTS	REOPENED	Electric	Michael R. Peevey	Douglas M. Long
19	A0612022	20-DEC-2006	EDISON - FOR DISTRIBUTION OF SO2 ALLOWANCE SALE PROCEEDS RE MOHAVE GENERATING STATION	ACTIVE	Electric	Michael R. Peevey	Anne E. Simon
20	A0702026	28-FEB-2007	EDISON - FOR APPROVAL OF RESULTS OF FAST TRACK OF ITS NEW GENERATION REQUEST FOR OFFERS AND FOR COST RECOVERY	REOPENED	Electric	Michael R. Peevey	Carol A. Brown
21	A0705023	11-MAY-2007	SDG&E - FOR APPROVAL OF POWER PURCHASE AGREEMENTS	REOPENED	Electric	Michael R. Peevey	Victoria S Kolakowski

	PROCEEDING	FILED DATE	SHORT TITLE	STATUS	UTILITY	COMR.	ALJ
22	A0711011	19-NOV-2007	EDISON - TO INCREASE ITS AUTHORIZED REVENUES FOR ELECTRIC SERVICE IN 2009	REOPENED	Electric	Michael R. Peevey	Maribeth A. Bushey
23	A0712020	21-DEC-2007	EDISON - FOR AUTHORITY TO MAKE VARIOUS ELECTRIC RATE DESIGN CHANGES.	ACTIVE	Electric	Michael R. Peevey	Amy C. Yip-Kikugawa
24	A0712029	31-DEC-2007	EDISON - FOR RECOVERY OF PEAKER COSTS.	ACTIVE	Electric	Michael R. Peevey	Douglas M. Long
25	A0803002	04-MAR-2008	EDISON - TO ESTABLISH MARGINAL COST, ALLOCATE REVENUES, AND DESIGN RATES	ACTIVE	Electric	Michael R. Peevey	Amy C. Yip-Kikugawa
26	A0803014	18-MAR-2008	EDISON - FOR APPROVAL OF ITS RENEWABLE INTEGRATION AND ADVANCEMENT PROGRAM	ACTIVE	Electric	Michael R. Peevey	Bruce DeBerry
27	A0803015	27-MAR-2008	EDISON - TO IMPLEMENT AND RECOVER IN RATES THE COST OF ITS PROPOSED SOLAR PHOTOVOLTAIC PROGRAM	REOPENED	Electric	Michael R. Peevey	Maryam Ebke
28	A0805023	15-MAY-2008	PG&E - TO INCREASE REVENUE REQUIREMENTS TO RECOVER THE COSTS TO IMPLEMENT A PROGRAM TO IMPROVE THE RELIABILITY OF ITS ELECTRIC DISTRIBUTION SYSTEM	ACTIVE	Electric	Michael R. Peevey	David K. Fukutome
29	A0807017	11-JUL-2008	SDG&E - FOR APPROVAL OF THE SDG&E SOLAR ENERGY PROJECT	ACTIVE	Electric	Michael R. Peevey	Maryam Ebke
30	A0809007	10-SEP-2008	PG&E - FOR APPROVAL OF THE AMENDED POWER PURCHASE AGREEMENT FOR THE RUSSELL CITY ENERGY CO. PROJECT	ACTIVE	Electric	Michael R. Peevey	Melanie Darling
31	A0811001	04-NOV-2008	EDISON - FOR APPLYING THE MARKET INDEX FORMULA AND ADOPTED IN D.07-09-040 TO CALCULATE SHORT-RUN AVOIDED COST	ACTIVE	Electric	Michael R. Peevey	Amy C. Yip-Kikugawa
32	A0902013	20-DEC-2009	PG&E - FOR APPROVAL AND RECOVERY OF COSTS ASSOCIATED WITH FUEL CELL PROJECT	ACTIVE	Electric	Michael R. Peevey	Dorothy Duda
33	A0902019	24-FEB-2009	PG&E - TO IMPLEMENT AND RECOVER IN RATES THE COSTS OF ITS PHOTOVOLTAIC PROGRAM	ACTIVE	Electric	Michael R. Peevey	Maryam Ebke

	PROCEEDING	FILED DATE	SHORT TITLE	STATUS	UTILITY	COMR.	ALJ
34	A0904001	24-FEB-2009	PG&E - FOR APPROVAL OF A POWER PURCHASE AGREEMENT WITH MARIPOSA ENERGY, LLC.	ACTIVE	Electric	Michael R. Peevey	Angela K. Minkin
35	A0904008	24-FEB-2009	EDISON - FOR AUTHORITY TO RECOVER COST NECESSARY TO CO-FUND A FEASIBILITY STUDY OF A CALIFORNIA IGCC WITH CARBON CAPTURE AND STORAGE	ACTIVE	Electric	Michael R. Peevey	Timothy J. Sullivan
36	A0904011	02-APR-2009	EXELON CORP. AND EXELON XCHANGE CORP. - FOR AUTHORITY TO ACQUIRE INDIRECT CONTROL OF NRG ENERGY CENTER SAN FRANCISCO, LLC.	ACTIVE	Electric	Michael R. Peevey	Robert A. Barnett
37	A0904018	27-APR-2009	EDISON - FOR AUTHORITY TO IMPLEMENT AND RECOVER IN RATES THE COST OF ITS PROPOSED FUEL CELL INSTALLATION PROGRAM FOR STATE UNIVERSITIES	ACTIVE	Electric	Michael R. Peevey	Dorothy Duda
38	A0905015	18-MAY-2009	PG&E - PURCHASE AGREEMENT WITH SOUTH FEATHER WATER AND POWER AUTHORITY AND RECOVER THE COSTS IN RATES	ACTIVE	Electric	Michael R. Peevey	Jeffrey P. O'Donnell
39	A0905016	18-MAY-2009	PG&E - TWO-YEAR EXTENSION OF CLIMATESMART PROGRAM AND TARIFF OPTION	ACTIVE	Electric	Michael R. Peevey	Amy C. Yip-Kikugawa
40	A0905017	19-MAY-2009	PG&E AND POWER AND WATER RESOURCES POOLING AUTH. - FOR APPROVAL OF NONBYPASSABLE CHARGE AGREEMENT	ACTIVE	Electric	Michael R. Peevey	Thomas R. Pulsifer
41	A0905018	20-MAY-2009	SDG&E - FOR APPROVAL OF CONTRACT ADMINISTRATION, LEAST COST DISPATCH AND POWER PROCUREMENT ACTIVITIES IN 2008	ACTIVE	Electric	Michael R. Peevey	Jeffrey P. O'Donnell
42	A0905027	28-MAY-2009	EDISON - FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY FOR THE ELDORADO-IVANPAH TRANSMISSION PROJECT	ACTIVE	Electric	Michael R. Peevey	Angela K. Minkin
43	A0906001	01-JUN-2009	PG&E - FOR ADOPTION OF ELECTRIC REVENUE REQUIREMENTS AND RATES ASSOCIATED WITH THE 2010 ENERGY RESOURCE RECOVERY ACCOUNT	ACTIVE	Electric	Michael R. Peevey	Bruce DeBerry

	PROCEEDING	FILED DATE	SHORT TITLE	STATUS	UTILITY	COMR.	ALJ
44	A0906008	12-JUN-2009	CITY OF CERRITOS - FOR A DETERMINATION OF RIGHTS UNDER AB 80 AND MODIFICATION OF THE AB 80 AGREEMENT	ACTIVE	Electric	Michael R. Peevey	Amy C. Yip-Kikugawa
45	A0906023	24-JUN-2009	PG&E, MODESTO IRRIGATION DIST., AND MERCED IRRIGATION DIST. - FOR APPROVAL OF NONBYPASSABLE CHARGE AGREEMENT	ACTIVE	Electric	Michael R. Peevey	Richard Smith
46	A0908002	04-AUG-2009	SDG&E - EXPEDITED APPLICATION UNDER THE ENERGY RESOURCE RECOVERY ACCOUNT TRIGGER MECHANISM	ACTIVE	Electric	Michael R. Peevey	Robert A. Barnett
47	C0210002	01-OCT-2002	(ECP) - KAVOUSSI VS EDISON - FOR A REFUND OF \$1,521.03	REOPENED	Electric	Michael R. Peevey	Legal Division
48	I0204026	22-APR-2002	PUC - PG&E - OII INTO THE RATEMAKING IMPLICATIONS FOR PG&E PURSUANT TO THE COMMISSION ALTERNATIVE PLAN OF REORGANIZATION UNDER CHAPTER 11 OF THE BANKRUPTCY CODE	REOPENED	Electric	Michael R. Peevey	Janet A. Econome
49	I0801026	31-JAN-2008	CPUC - OII INTO THE RATES, OPERATIONS, PRACTICES, SERVICES AND FACILITIES OF EDISON	REOPENED	Electric	Michael R. Peevey	Maribeth A. Bushey
50	I0901017	29-JAN-2009	CPUC - OII INTO CALPINE POWER OPERATIONS AND PRACTICES REGARDING ITS 2007 VIOLATION OF SYSTEMS AND LOCAL RESOURCE ADEQUACY REQUIREMENTS	ACTIVE	Electric	Michael R. Peevey	David K. Fukutome
51	R0310003	02-OCT-2003	PUC - OIR TO IMPLEMENT PORTIONS OF AB 117 CONCERNING COMMUNITY CHOICE AGGREGATION	REOPENED	Electric	Michael R. Peevey	Amy C. Yip-Kikugawa
52	R0404003	01-APR-2004	CPUC - PG&E, EDISON, SDG&E - OIR TO PROMOTE POLICY AND PROGRAM COORDINATION AND INTEGRATION IN ELECTRIC UTILITY RESOURCE PLANNING	REOPENED	Electric	Michael R. Peevey	Amy C. Yip-Kikugawa / Mark S. Wetzell

	PROCEEDING	FILED DATE	SHORT TITLE	STATUS	UTILITY	COMR.	ALJ
53	R0404025	22-APR-2004	CPUC - OIR TO PROMOTE CONSISTENCY IN METHODOLOGY AND INPUT ASSUMPTIONS IN APPLICATIONS OF SHORT-RUN AND LONG-RUN AVOIDED COSTS	REOPENED	Electric	Michael R. Peevey	Amy C. Yip-Kikugawa
54	R0512013	15-DEC-2005	CPUC - OIR TO CONSIDER REFINEMENTS TO AND FURTHER DEVELOPMENT OF THE RESOURCE ADEQUACY REQUIREMENTS PROGRAM	ACTIVE	Electric	Michael R. Peevey	Mark S. Wetzell
55	R0602012	16-FEB-2006	CPUC - PG&E, SDG&E, AND EDISON ET. AL. OIR TO DEVELOP ADDITIONAL METHODS TO IMPLEMENT A CALIFORNIA RENEWABLES PORTFOLIO STANDARD PROGRAM	ACTIVE	Electric	Michael R. Peevey	Burton Mattson / Anne E. Simon
56	R0602013	16-FEB-2006	CPUC - OIR TO INTEGRATE PROCUREMENT POLICIES AND CONSIDER LONG-TERM PROCUREMENT PLAN	REOPENED	Electric	Michael R. Peevey	Douglas M. Long
57	R0604009	13-APR-2006	CPUC - PG&E, SDG&E, SOCAL GAS, AND EDISON - OIR TO IMPLEMENT THE PROCUREMENT INCENTIVE FRAMEWORK AND TO EXAMINE THE INTEGRATION OF GREENHOUSE GAS EMISSION INTO PROCUREMENT POLICIES	REOPENED	Electric	Michael R. Peevey	Charlotte TerKeurs/ Amy C. Yip-Kikugawa
58	R0605027	25-MAY-2006	CPUC - OIR TO CONTINUE IMPLEMENTATION AND ADMINISTRATION OF CALIFORNIA RENEWABLES PORTFOLIO STANDARD PROGRAM	REOPENED	Electric	Michael R. Peevey	Anne E. Simon / Burton Mattson
59	R0607010	20-JUL-2006	CPUC - PG&E, SCE, SDG&E - OIR TO CONSIDER THE ANNUAL REVENUE REQUIREMENT DETERMINATION OF THE CALIFORNIA DEPT. OF WATER RESOURCES	ACTIVE	Electric	Michael R. Peevey	John S. Wong
60	R0801025	31-JAN-2008	CPUC - OIR TO CONSIDER ANNUAL REVISIONS TO LOCAL PROCUREMENT OBLIGATIONS AND REFINEMENTS TO RESOURCE ADEQUACY PROGRAM	ACTIVE	Electric	Michael R. Peevey	Mark S. Wetzell
61	R0802007	14-FEB-2008	CPUC - OIR TO INTEGRATE AND REFINE PROCUREMENT POLICIES UNDERLYING LONG-TERM PROCUREMENT PLANS	ACTIVE	Electric	Michael R. Peevey	Victoria S. Kolakowski

PROCEEDING	FILED DATE	SHORT TITLE	STATUS	UTILITY	COMR.	ALJ
2	R0803008 13-MAR-2008	CPUC - PG&E, SCE, SDG&E AND SOCALGAS - OIR REGARDING POLICIES, PROCEDURES, AND RULES FOR THE CALIFORNIA SOLAR INITIATIVE, THE SELF-GENERATION INCENTIVE PROGRAM AND OTHER DISRIBUTED GENERATION ISSUES	ACTIVE	Electric	Michael R. Peevey	Dorothy Duda / Maryam Ebke
3	R0804012 10-APR-2008	CPUC - OIR TO CONSIDER REVISIONS TO THE PLANNING RESERVE MARGIN FOR RELIABLE AND COST-EFFECTIVE ELECTRIC SERVICE	ACTIVE	Electric	Michael R. Peevey	Mark S. Weitzell
4	R0806024 26-JUN-2008	CPUC - OIR INTO COMBINED HEAT AND POWER PURSUANT TO ASSEMBLY BILL 1613	ACTIVE	Electric	Michael R. Peevey	Amy C. Yip-Kikugawa
5	R0906018 18-JUN-2009	CPUC - OIR TO CONSIDER THE ANNUAL REVENUE REQUIREMENT DETERMINATION OF THE CALIFORNIA DEPARTMENT OF WATER RESOURCES	ACTIVE	Electric	Michael R. Peevey	John S. Wong
6	R9911022 18-NOV-1999	PUC - PU CODE SECTION 390 - OIR TO IMPLEMENT PU CODE SECTION 390	ACTIVE	Electric	Michael R. Peevey	Bruce DeBerry
7	A0408018 16-AUG-2004	SOCAL GAS CO. - TO ESTABLISH AUTHORITY OVER THE ACCESS FOR NATURAL GAS PROVIDED BY CA GAS PRODUCERS	REOPENED	Gas	Michael R. Peevey	John S. Wong
8	R0711001 01-NOV-2007	CPUC - PG&E, SDG&E AND SOCALGAS - OIR TO DETERMINE ISSUES RELATING TO THE CALIFORNIA UTILITIES PROCUREMENT OF NATURAL GAS SUPPLIES FROM LIQUEFIED NATURAL GAS SOURCES	REOPENED	Gas	Michael R. Peevey	Hallie Yacknin
9	A0302027 21-FEB-2003	SFPP, L.P. - APPLICATION IN COMPLIANCE WITH RESOLUTION O-0043 ISSUED ON 10/24/02	ACTIVE	Miscellaneous	Michael R. Peevey	Douglas M. Long
0	A0411017 16-NOV-2004	SFPP, L.P. - TO INCREASE RATES FOR PIPELINE TRANSPORTATION PURSUANT TO SECTION 455.3	ACTIVE	Miscellaneous	Michael R. Peevey	Douglas M. Long
1	A0601012 24-JAN-2006	PG&E - DEMONSTRATION CLIMATE PROTECTION PROGRAM	REOPENED	Miscellaneous	Michael R. Peevey	Melanie Darling

	PROCEEDING	FILED DATE	SHORT TITLE	STATUS	UTILITY	COMR.	ALJ
72	A0601015	26-JAN-2006	SFPP, L.P. - TO INCREASE RATE FOR PIPELINE TRANSPORTATION SERVICES	ACTIVE	Miscellaneous	Michael R. Peevey	Douglas M. Long
73	A0608028	25-AUG-2006	SFPP, L.P. - FOR AUTHORITY TO INCREASE RATES FOR PIPELINE TRANSPORTATION SERVICES	ACTIVE	Miscellaneous	Michael R. Peevey	Douglas M. Long
74	A0609016	18-SEP-2006	SFPP, L.P., CALNEV PIPELINE, KINDER MORGAN, INC. AND KNIGHT HOLDCO, LLC. - TRANSFER OF CONTROL UNDER PU CODE SECTION 854	REOPENED	Miscellaneous	Michael R. Peevey	Legal Division
75	A0609021	22-SEP-2006	THE GOLDMAN SACHS GROUP, AMERICAN INTERNATIONAL GROUP, CARLYLE PARTNERS, IV, L.P., AND CARLYLE/RIVERSTONE GLOBAL ENERGY AND POWER FUND III, L.P. - FOR EXEMPTION UNDER SECTION 852 OF THE PU CODE	REOPENED	Miscellaneous	Michael R. Peevey	Legal Division
76	A0806008	06-JUN-2008	SFPP, L.P. - FOR THE TEST YEAR 2009 GRC	ACTIVE	Miscellaneous	Michael R. Peevey	Karl Bemmesderfer
77	A0806009	06-JUN-2008	CALNEV PIPE LINE, L.L.C. - FOR THE TEST YEAR 2009 GRC	ACTIVE	Miscellaneous	Michael R. Peevey	Karl Bemmesderfer
78	A0905014	12-MAY-2009	SFPP, L.P. - TO INCREASE ITS RATES FOR PIPELINE TRANSPORTATION SERVICES	ACTIVE	Miscellaneous	Michael R. Peevey	Karl Bemmesderfer
79	C0612031	27-DEC-2006	TESORO REFINING AND MARKETING CO. VS SFPP, L.P. - FOR A REFUND DUE TO UNJUST RATES AND OVERCHARGES	ACTIVE	Miscellaneous	Michael R. Peevey	Douglas M. Long
80	C0803021	27-MAR-2008	CHEVRON PRODUCTS CO. VS. EQUILON ENTERPRISES LLC - COMPLAINT ON VIOLATIONS OF PUC RULES AND REQUEST FOR AN OII	ACTIVE	Miscellaneous	Michael R. Peevey	Karl Bemmesderfer
81	I0803010	13-MAR-2008	CPUC - OII TO PROMOTE THE DEVELOPMENT OF TRANSMISSION INFRASTRUCTURE TO PROVIDE ACCESS TO RENEWABLE ENERGY RESOURCES	ACTIVE	Miscellaneous	Michael R. Peevey	Victoria S. Kolakowski

	PROCEEDING	FILED DATE	SHORT TITLE	STATUS	UTILITY	COMR.	ALJ
82	R0705025	24-MAY-2007	CPUC - OIR REGARDING THE CONDITIONS IN WHICH THE SUSPENSION OF DIRECT ACCESS MAY BE LIFTED	ACTIVE	Miscellaneous	Michael R. Peevey	Thomas R. Pulsifer
83	R0709008	20-SEP-2007	CPUC - OIR TO ESTABLISH THE CALIFORNIA INSTITUTE FOR CLIMATE SOLUTIONS.	REOPENED	Miscellaneous	Michael R. Peevey	Melanie Darling
84	R0803009	13-MAR-2008	CPUC - OIR TO ACTIVELY PROMOTE THE DEVELOPMENT OF TRANSMISSION INFRASTRUCTURE TO PROVIDE ACCESS TO RENEWABLE ENERGY RESOURCES	ACTIVE	Miscellaneous	Michael R. Peevey	Victoria S Kolakowski
85	R0907027	30-JUL-2009	CPUC - OIR FOR THE PURPOSE OF REVIEWING AND POTENTIALLY AMENDING GENERAL ORDER 156 AND TO CONSIDER OTHER MEASURES TO PROMOTE ECONOMIC EFFICIENCIES OF AN EXPANDED SUPPLIER BASE	ACTIVE	Miscellaneous	Michael R. Peevey	Melanie Darling
86	R0808009	21-AUG-2008	CPUC - OIR TO CONTINUE IMPLEMENTATION AND ADMINISTRATION OF CALIFORNIA RENEWABLES PORTFOLIO STANDARD PROGRAM	ACTIVE	Multiple Types	Michael R. Peevey	Anne E. Simon/ Burton Mattson
87	A0003044	16-MAR-2000	SFPP, L.P. - RATE JUSTIFICATION FOR INTRASTATE TRANSPORTATION OF REFINED PETROLEUM PRODUCTS	ACTIVE	Transportation	Michael R. Peevey	Douglas M. Long
88	C0004013	10-APR-2000	ARCO PRODUCTS CO. AND MOBILE OIL CORP. VS SFPP, LP - DISPUTE OVER UNJUST AND UNREASONABLE RATES	ACTIVE	Transportation	Michael R. Peevey	Douglas M. Long
89	C9704025	07-APR-1997	ARCO PRODUCTS CO., MOBIL OIL CORP., AND TEXACO REFINING AND MARKETING INC. VS SFPP, L.P. - VIOLATION OF PU CODE 451 BY CHARGING RATES THAT ARE NOT JUST	REOPENED	Transportation	Michael R. Peevey	Douglas M. Long

PROCEEDING	FILED DATE	SHORT TITLE	STATUS	UTILITY	COMR.	ALJ	
COMMISSIONER CHONG							
1	A0612024	19-DEC-2006	INSITE CONNECT LLC AND G. CLARK SMITH - FOR AUTHORITY TO ACQUIRE WESTERN STATES TELEPORT INC.	REOPENED	Communications	Rachelle B. Chong	Robert A. Barnett
2	A0712026	20-DEC-2007	GALAVERAS TELEPHONE COMPANY ET AL. - RATEMAKING DETERMINATION REGARDING DISSOLUTION OF RURAL TELEPHONE BANK	ACTIVE	Communications	Rachelle B. Chong	Maribeth A. Bushey
3	A0809020	18-SEP-2008	CHEAP2DIAL TELEPHONE, LLC - NDIEC REGISTRATION	ACTIVE	Communications	Rachelle B. Chong	Kimberly Kim
4	A0812005	09-DEC-2008	CONVERGENCE SYSTEMS, INC. - CPUC TO PROVIDE LIMITED FACILITIES-BASED LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES	REOPENED	Communications	Rachelle B. Chong	Victor D. Ryerson
5	A0812020	22-DEC-2008	MCIMETRO ACCESS TRANSMISSION SERVICES LLC DBA VERIZON ACCESS TRANSMISSION SERVICES ET AL. - TO DISCONTINUE LOCAL EXCHANGE SERVICES AND TRANSFER CUSTOMER BASE TO VERIZON CA INC.	ACTIVE	Communications	Rachelle B. Chong	Linda Rochester
6	A0901002	06-JAN-2009	CALAVERAS TELEPHONE CO., CAL-ORE TELEPHONE CO. ET AL. - APPLICATION TO MODIFY D.91-09-042	ACTIVE	Communications	Rachelle B. Chong	Thomas R. Pulsifer
7	A0903016	09-MAR-2009	ADMA TELECOM, INC. - NDIEC REGISTRATION	ACTIVE	Communications	Rachelle B. Chong	Michael J. Galvin
8	A0903026	24-MAR-2009	TGEC COMMUNICATIONS CO., LLC AND WEST COAST VOICE & DATA, INC. - TRANSFER OF OWNERSHIP	ACTIVE	Communications	Rachelle B. Chong	Robert A. Barnett
9	A0903028	25-FEB-2009	DTS OF CA, INC. - FOR A CPCN TO CONSTRUCT TELECOMMUNICATIONS FACILITIES AND TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE SERVICE	ACTIVE	Communications	Rachelle B. Chong	Linda Rochester

PROCEEDING	FILED DATE	SHORT TITLE	STATUS	UTILITY	COMR.	ALJ	
10	A0905020	26-MAY-2009	CRUZIO MEDIA INC. - CPCN TO PROVIDE LIMITED FACILITIES-BASED AND RESOLD EXCHANGE ET AL. IN ALL AT&T AND VERIZON LOCAL EXCHANGE AREAS	ACTIVE	Communications	Rachelle B. Chong	Victor D. Ryerson
11	A0905021	22-MAY-2009	SPEEDYPIN PREPAID, LLC - NDIEC REGISTRATION	ACTIVE	Communications	Rachelle B. Chong	Karl Bernesderfer
12	A0905023	29-MAY-2009	NEXTG NETWORKS OF CA, INC. AND MADISON DEARBORN PARTNERS, LLC - FOR APPROVAL OF AN INDIRECT TRANSFER OF CONTROL	ACTIVE	Communications	Rachelle B. Chong	Myra J. Prestidge
13	A0905025	26-MAY-2009	CALPOP.COM, INC. - FOR A CPCN TO PROVIDE LIMITED LOCAL EXCHANGE SERVICES	ACTIVE	Communications	Rachelle B. Chong	Victor D. Ryerson
14	A0906004	04-JUN-2009	BROADVOX-CLEC, LLC - TO PROVIDE RESOLD AND LIMITED FACILITIES-BASED LOCAL EXCHANGE	ACTIVE	Communications	Rachelle B. Chong	Myra J. Prestidge
15	A0906007	05-JUN-2009	MOSAIC NETWORKX LLC - TO PROVIDE RESOLD AND LIMITED FACILITIES BASED LOCAL EXCHANGE	ACTIVE	Communications	Rachelle B. Chong	Robert A. Barnett
16	A0907003	01-JUL-2009	FREEDOM TELECOMMUNICATIONS, INC. - TO EXPAND EXISTING CPCN TO INCLUDE FULL FACILITIES-BASED TELECOMMUNICATIONS SERVICES	ACTIVE	Communications	Rachelle B. Chong	Myra J. Prestidge
17	A0907004	06-JUL-2009	CVC CLEC, LLC - TO OPERATE AS A PROVIDER OF LIMITED FACILITIES BASED LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICE	ACTIVE	Communications	Rachelle B. Chong	Victor D. Ryerson
18	A0907005	03-JUL-2009	NEW HORIZONS COMMUNICATIONS CORP. AND NEW HORIZONS COMMUNICATIONS OF CALIFORNIA CORP. - FOR APPROVAL OF TRANSFER OF CONTROL	ACTIVE	Communications	Rachelle B. Chong	Robert A. Barnett
19	A0907017	10-JUL-2009	PACIFIC LIGHTWAVE - TO PROVIDE LOCAL EXCHANGE SERVICES AND FACILITIES-BASED COMPETITIVE LOCAL CARRIER	ACTIVE	Communications	Rachelle B. Chong	Sean Wilson

PROCEEDING	FILED DATE	SHORT TITLE	STATUS	UTILITY	COMR.	ALJ
20	A0907020 14-JUL-2009	WEST COAST VOICE & DATA, INC. - FOR A CPCN TO PROVIDE LIMITED FACILITIES-BASED AND RESOLD EXCHANGE AND INTEREXCHANGE SERVICES	ACTIVE	Communications	Rachelle B. Chong	Katherine MacDonald
21	A0907023 16-JUL-2009	INYO NETWORKS, INC. - TO OPERATE AS A COMPETITIVE PROVIDER OF FULL FACILITIES-BASED AND RESOLD LOCAL EXCHANGE AND INTEREXCHANGE TELECOM SERVICE	ACTIVE	Communications	Rachelle B. Chong	Sean Wilson
22	A0907024 22-JUL-2009	ENTELEGENT SOLUTIONS, INC. - CPCN TO OPERATE AS A PROVIDER OF FACILITIES-BASED AND RESOLD LOCAL EXCHANGE SERVICE	ACTIVE	Communications	Rachelle B. Chong	Katherine MacDonald
23	C0603013 10-MAR-2006	PAC BELL VS FONES4ALL - FOR INVOICES MODIFICATIONS FOR TERMINATION OF INTRA-LOCAL ACCESS	REOPENED	Communications	Rachelle B. Chong	A Kirk McKenzie / Legal Division
24	C0802013 15-FEB-2008	O1 COMMUNICATIONS VS. VERIZON - DISPUTE ON THE TRANSPORT AND THE TERMINATION OF SERVICES	ACTIVE	Communications	Rachelle B. Chong	A Kirk McKenzie
25	C0803001 04-MAR-2008	PAC BELL VS. O1 COMMUNICATIONS, INC. - FOR AN ORDER MODIFYING THE INTERCONNECTION AGREEMENT RE ISP-BOUND TRAFFIC	ACTIVE	Communications	Rachelle B. Chong	A Kirk McKenzie
26	C0811002 04-NOV-2008	COX CALIFORNIA TELCOM, L.L.C VS PACIFIC CENTREX SERVICES, INC. - FOR AN ORDER THAT PCS PAY ALL AMOUNTS INVOICED BY COX	ACTIVE	Communications	Rachelle B. Chong	Karl Bernesderfer
27	C0905009 08-MAY-2009	HYPERCUBE TELECOM, LLC. VS LEVEL 3 COMMUNICATIONS, LLC. - FOR AND ORDER THAT INTRASTATE ACCESS SERVICE CHARGES WERE LAWFULL	ACTIVE	Communications	Rachelle B. Chong	Regina DeAngelis
28	C0906025 30-JUN-2009	VERIZON CALIFORNIA INC. VS. O1 COMMUNICATIONS, INC. - FOR JUDGMENT ON VERIZON'S COUNTERCLAIM AND AWARD DAMAGES IN AN AMOUNT PROVED	ACTIVE	Communications	Rachelle B. Chong	A Kirk McKenzie

	PROCEEDING	FILED DATE	SHORT TITLE	STATUS	UTILITY	COMR.	ALJ
29	R0002004	03-FEB-2000	CPUC - OIR TO ESTABLISH CONSUMER RIGHTS AND CONSUMER PROTECTION RULES APPLICABLE TO ALL TELECOMMUNICATIONS UTILITIES	REOPENED	Communications	Rachelle B. Chong	Maribeth A. Bushey
30	R0212004	05-DEC-2002	CPUC - SERVICE QUALITY STANDARDS - OIR INTO THE SERVICE QUALITY STANDARDS FOR ALL TELECOMMUNICATIONS CARRIERS	ACTIVE	Communications	Rachelle B. Chong	Janice L. Grau
31	R0504005	07-APR-2005	CPUC - PAC BELL, VERIZON, SUREWEST TELEPHONE, FRONTIER COMM. - OIR TO ASSESS AN REVISE THE REGULATION OF TELECOMMUNICATIONS UTILITIES	ACTIVE	Communications	Rachelle B. Chong	Karl Bemederfer/ Jacqueline A. Reed
32	R0605028	25-MAY-2006	CPUC - OIR TO REVIEW THE TELECOMMUNICATIONS PUBLIC POLICY PROGRAMS	ACTIVE	Communications	Rachelle B. Chong	Maribeth A. Bushey
33	R0606028	29-JUN-2006	CPUC - OIR INTO THE REVIEW OF THE CALIFORNIA HIGH COST FUND B PROGRAM	ACTIVE	Communications	Rachelle B. Chong	Thomas R. Pulsifer
34	R0801005	10-JAN-2008	CPUC - OIR TO ADOPT, AMEND OR REPEAL REGULATIONS GOVERNING THE RETIREMENT BY INCUMBENT LOCAL EXCHANGE CARRIERS OF COPPER LOOPS AND RELATED FACILITIES USED TO PROVIDE TELECOM SERVICES	REOPENED	Communications	Rachelle B. Chong	Timothy J. Sullivan
35	R0906019	18-JUN-2009	CPUC - OIR REGARDING REVISIONS TO THE CALIFORNIA HIGH COST FUND B PROGRAM	ACTIVE	Communications	Rachelle B. Chong	Thomas R. Pulsifer
36	A0702032	28-FEB-2007	PG&E - FOR APPROVAL OF DEMAND RESPONSE AGREEMENTS	REOPENED	Electric	Rachelle B. Chong	Jessica T. Hecht
37	A0702033	28-FEB-2007	EDISON - FOR APPROVAL OF A DEMAND RESPONSE RESOURCE PURCHASE AGREEMENT FOR 2007 AND 2008.	REOPENED	Electric	Rachelle B. Chong	Jessica T. Hecht
38	A0712009	12-DEC-2007	PG&E - TO INCREASE REVENUE REQUIREMENTS TO RECOVER THE COSTS TO UPGRADE ITS SMARTMETER™ PROGRAM	REOPENED	Electric	Rachelle B. Chong	David K. Fukutome

	PROCEEDING	FILED DATE	SHORT TITLE	STATUS	UTILITY	COMR.	AI.J
39	A0802021	29-FEB-2008	EDISON - TO LEASE LAND ON THE HINSON-LIGHTHIPE TRANSMISSION RIGHT OF WAY TO FLYING M RANCH, LLC.	ACTIVE	Electric	Rachelle B. Chong	Myra J. Prestidge
40	A0806001	02-JUN-2008	EDISON - FOR APPROVAL OF DEMAND RESPONSE PROGRAMS, GOALS AND BUDGETS FOR 2009 - 2011.	ACTIVE	Electric	Rachelle B. Chong	Jessica T. Hecht
41	A0806002	02-JUN-2008	SDG&E - FOR APPROVAL OF DEMAND RESPONSE PROGRAMS AND BUDGETS FOR YEARS 2009 THROUGH 2011	ACTIVE	Electric	Rachelle B. Chong	Jessica T. Hecht
42	A0806003	02-JUN-2008	PG&E - FOR APPROVAL OF 2009 - 2011 DEMAND RESPONSE PROGRAMS AND BUDGETS.	ACTIVE	Electric	Rachelle B. Chong	Jessica T. Hecht
43	A0902022	27-FEB-2009	PG&E - FOR APPROVAL OF ITS 2009 RATE DESIGN WINDOW PROPOSALS FOR DYNAMIC PRICING AND RECOVERY OF INCREMENTAL EXPENDITURES REQUIRED FOR IMPLEMENTATION	ACTIVE	Electric	Rachelle B. Chong	David K. Fukutome
44	A0903012	06-MAR-2009	SDG&E - FOR APPROVAL OF THE DEMAND RESPONSE CONTRACT WITH ENERNOC, INC.	ACTIVE	Electric	Rachelle B. Chong	David K. Fukutome
45	C0810015	23-OCT-2008	SAN FRANCISCO COMMUNITY POWER VS PG&E - FOR AN ORDER REQUIRING PG&E TO COMPLY WITH COMMISSION DECISION AND TO COMPLETE THE METERS PILOT PROGRAM	ACTIVE	Electric	Rachelle B. Chong	David M. Gamson
46	R0701041	25-JAN-2007	CPUC-PG&E, SDG&E, EDISON - OIR REGARDING POLICIES AND PROTOCOLS FOR DEMAND RESPONSE LOAD IMPACT ESTIMATES ET AL. WITH CALIFORNIA SYSTEM OPERATOR MARKET DESIGN PROTOCOLS	ACTIVE	Electric	Rachelle B. Chong	Timothy J. Sullivan / Jessica T. Hecht

PROCEEDING	FILED DATE	SHORT TITLE	STATUS	UTILITY	COMR.	ALJ
R0812009	18-DEC-2008	CPUC - OIR TO CONSIDER SMART GRID TECHNOLOGIES PURSUANT TO FEDERAL LEGISLATION	ACTIVE	Electric	Rachelle B. Chong	Timothy J. Sullivan
A0904021	24-APR-2009	WILD GOOSE STORAGE, LLC - TO AMEND ITS CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO EXPAND AND CONSTRUCT FACILITIES FOR GAS STORAGE OPERATIONS	ACTIVE	Gas	Rachelle B. Chong	Jean Vieth
R0602011	16-FEB-2006	CPUC - OIR TO UPDATE, CLARIFY, AND RECODIFY THE RULES OF PRACTICE AND PROCEDURE	REOPENED	Multiple Types	Rachelle B. Chong	Hallie Yacknin

	PROCEEDING	FILED DATE	SHORT TITLE	STATUS	UTILITY	COMR.	ALJ
COMMISSIONER SIMON							
1	A0709006	13-SEP-2007	ALLIANCE GROUP SERVICES, INC. AND JESS M. DIPASQUALE - FOR A TRANSFER OF CONTROL	ACTIVE	Communications	Timothy Alan Simon	Myra J. Prestidge
2	A0811022	20-NOV-2008	CVT PREPAID SOLUTIONS, INC. - NDIEC REGISTRATION	REOPENED	Communications	Timothy Alan Simon	Darwin Farrar
3	C0709010	20-SEP-2007	PAC-WEST TELECOMM, INC. VS. COMCAST PHONE OF CALIFORNIA, LLC. - DISPUTE ON CHARGES FOR TERMINATION SERVICES AND FINDINGS OF VIOLATION OF PU CODE SECTION 702	REOPENED	Communications	Timothy Alan Simon	Legal Division
4	C0712030	28-DEC-2007	FONES4ALL CORP VS. PAC BELL - DISPUTE ON TOLL BLOCKING AND MONEY REFUND	ACTIVE	Communications	Timothy Alan Simon	Jacqueline A. Reed
5	C0801007	14-JAN-2008	COMPARTNERS, LLC VS PACIFIC BELL - FOR FAILURE TO NEGOTIATE AN INTERCONNECTION AGREEMENT AMENDMENT IN GOOD FAITH	ACTIVE	Communications	Timothy Alan Simon	Jacqueline A. Reed
6	C0802009	08-FEB-2008	PAC BELL DBA AT&T CALIFORNIA VS FONES4ALL - FOR AN ORDER REQUIRING FONES4ALL TO PAY ALL AMOUNTS DUE TO AT&T	ACTIVE	Communications	Timothy Alan Simon	Jacqueline A. Reed
7	C0806018	16-JUN-2008	XO COMMUNICATIONS SERVICES, INC. VS. FONES4ALL CORP. - FOR AN ORDER TO PAY FOR SWITCHING AND TRANSPORTING SERVICES	ACTIVE	Communications	Timothy Alan Simon	Jacqueline A. Reed
8	C0808006	01-AUG-2008	QWEST COMMUNICATIONS CORP. VS MCIMETRO ACCESS TRANSMISSION SERVICES, LLC. - DISPUTE ON VIOLATIONS OF CALIFORNIA LAW	ACTIVE	Communications	Timothy Alan Simon	Maribeth A. Bushey
9	C0808008	12-AUG-2008	UCAN VS. MPOWER COMMUNICATIONS CORP. ET AL. - FOR A CEASE AND DESIST ORDER	ACTIVE	Communications	Timothy Alan Simon	A Kirk McKenzie
10	C0809017	16-SEP-2008	PACBELL VS PAC-WEST TELECOMM, INC. - BILLING DISPUTE ON ISP-BOUND TRAFFIC RATES	ACTIVE	Communications	Timothy Alan Simon	Karl J. Bernesderfer

	PROCEEDING	FILED DATE	SHORT TITLE	STATUS	UTILITY	COMR.	ALJ
11	C0907008	07-JUL-2009	THE GIVING BACK FUND VS. PACBELL DBA AT&T CALIFORNIA - FOR OVERCHARGES AND CHARGING FOR SERVICES NEITHER REQUESTED NOR USED	ACTIVE	Communications	Timothy Alan Simon	Victor D. Ryerson
12	R0704015	12-APR-2007	CPUC - OIR INTO RELIABILITY STANDARDS FOR TELECOMMUNICATIONS EMERGENCY BACKUP POWER SYSTEMS & EMERGENCY NOTIFICATION SYSTEMS	ACTIVE	Communications	Timothy Alan Simon	Jeffrey P. O'Donnell
13	A0806034	27-JUN-2008	GOLDEN STATE WTR. CO. - GRC FOR ITS BEAR VALLEY ELECTRIC SRVC. DIV.	ACTIVE	Electric	Timothy Alan Simon	Darwin Farrar
14	A0812021	22-DEC-2008	SDG&E - FOR REVIEW OF ITS PROACTIVE DE-ENERGIZATION MEASURES AND APPROVAL OF PROPOSED TARIFF REVISIONS	ACTIVE	Electric	Timothy Alan Simon	Timothy Kenney
15	A0904002	22-DEC-2008	EDISON - FOR A COMMISSION FINDING THAT ITS PROCUREMENT-RELATED AND OTHER OPERATIONS FOR THE PERIOD JANUARY 1 THROUGH DECEMBER 31, 2008 COMPLIED WITH ITS ADOPTED PROCUREMENT PLAN	ACTIVE	Electric	Timothy Alan Simon	Timothy Kenney
16	A0904007	22-DEC-2008	PG&E - FOR ITS 2009 NUCLEAR DECOMMISSIONING COST TRIENNIAL PROCEEDING	ACTIVE	Electric	Timothy Alan Simon	Timothy Kenney
17	A0904009	22-DEC-2008	EDISON AND SDG&E - FOR THE 2009 NUCLEAR DECOMMISSIONING COST TRIENNIAL PROCEEDING TO SET CONTRIBUTION LEVELS FOR THE COMPANIES' NUCLEAR DECOMMISSIONING TRUST FUND	ACTIVE	Electric	Timothy Alan Simon	Timothy Kenney
18	A0904020	29-APR-2009	EDISON - TO LEASE AVAILABLE LAND ON THE WALNUT-NOGALES-PUENTE SUBTRANSMISSION RIGHT-OF-WAY TO LOGISTICS TERMINALS, INC.	ACTIVE	Electric	Timothy Alan Simon	Myra J. Prestidge
19	C0703006	08-MAR-2007	DOMINGUEZ VS PG&E - FOR VIOLATIONS OF TERMS AND CONDITIONS OF RES. SU-58	REOPENED	Electric	Timothy Alan Simon	Bruce DeBerry
20	C0810012	17-OCT-2008	COLWELL VS EDISON - FOR REFUND OF OVERBILLED AMOUNTS	ACTIVE	Electric	Timothy Alan Simon	Jessica T. Hecht

	PROCEEDING	FILED DATE	SHORT TITLE	STATUS	UTILITY	COMR.	ALJ
21	C0907013	10-JUL-2009	(ECP) XIAOTIAN SUN VS. PG&E - FOR REINSTATEMENT OF TIME OF USE E-7 RATE SCHEDULE AND REFUND	ACTIVE	Electric	Timothy Alan Simon	Victor D. Ryerson
22	10811006	06-NOV-2008	CPUC - OII INTO THE OPERATIONS AND PRACTICES OF SDG&E REGARDING THE UTILITY FACILITIES LINKED TO THE WITCH AND RICE FIRES OF OCTOBER 2007	ACTIVE	Electric	Timothy Alan Simon	Jacqueline A. Reed
23	10811007	06-NOV-2008	CPUC - OII INTO THE OPERATIONS AND PRACTICES OF COX COMMUNICATIONS AND SDG&E REGARDING THE UTILITY FACILITIES LINKED TO THE GUEJITO FIRE OF OCTOBER 2007	ACTIVE	Electric	Timothy Alan Simon	Jacqueline A. Reed
24	R0811005	06-NOV-2008	CPUC - OIR TO REVISE AND CLARIFY COMMISSION REGULATIONS RELATING TO SAFETY OF ELECTRIC UTILITY AND COMMUNICATIONS INFRASTRUCTURE PROVIDERS FACILITIES	ACTIVE	Electric	Timothy Alan Simon	Timothy Kenney
25	A0704013	09-APR-2007	SACRAMENTO NATURAL GAS STORAGE, LLC - FOR CPCN FOR CONSTRUCTION AND OPERATION OF NATURAL GAS STORAGE FACILITIES	ACTIVE	Gas	Timothy Alan Simon	Richard Smith
26	A0712006	11-DEC-2007	SDG&E, SOCAL GAS, AND PG&E - TO REALLOCATE THE COSTS OF NATURAL GAS PUBLIC PURPOSE PROGRAM	REOPENED	Gas	Timothy Alan Simon	Michael J. Galvin
27	A0802001	04-FEB-2008	SDG&E AND SOCAL GAS - FOR AUTHORITY TO REVISE THEIR RATES EFFECTIVE JANUARY 1, 2009, IN THEIR BCAP PROCEEDING	ACTIVE	Gas	Timothy Alan Simon	John S. Wong
28	A0806006	06-JUN-2008	SOCAL GAS AND SDG&E - TO EXPAND EXISTING OFF-SYSTEM DELIVERY AUTHORITY	ACTIVE	Gas	Timothy Alan Simon	John S. Wong
29	A0807032	29-JUL-2008	GILL RANCH STORAGE, LLC - CPCN FOR CONSTRUCTION AND OPERATION OF NATURAL GAS STORAGE FACILITIES	ACTIVE	Gas	Timothy Alan Simon	Richard Smith

	PROCEEDING	FILED DATE	SHORT TITLE	STATUS	UTILITY	COMR.	ALJ
30	A0807033	29-JUL-2008	PG&E - CPCN FOR THE CONSTRUCTION AND OPERATION OF NATURAL GAS STORAGE FACILITIES, CONSTRUCTION OF AN ELECTRIC SUBSTATION, AND 115 KV ELECTRIC PWR. LINE	ACTIVE	Gas	Timothy Alan Simon	Richard Smith
31	A0903009	05-MAR-2009	SOCAL GAS CO. - FOR AUTHORIZATION TO OBTAIN LONG-TERM DEBT CAPITAL NOT TO EXCEED THE EQUIVALENT OF U.S. \$800,000,000; AND TO INCLUDE CERTAIN FEATURES IN DEBT SECURITIES	ACTIVE	Gas	Timothy Alan Simon	Michael J. Galvin
32	A0905026	29-MAY-2009	PG&E - TO REVISE ITS GAS RATES AND TARIFFS TO BE EFFECTIVE JULY 1, 2010	ACTIVE	Gas	Timothy Alan Simon	John S. Wong
33	A0907014	13-JUL-2009	SOCAL GAS CO. - TO AMEND ITS CPCN FOR THE HONOR RANCHO NATURAL GAS STORAGE FACILITY	ACTIVE	Gas	Timothy Alan Simon	Richard Smith
34	C0802006	13-FEB-2008	(EDM) WILD GOOSE STORAGE, LLC, VS. ROSEVILLE LAND DEVELOPMENT ASSOC. - FOR AN ORDER GRANTING AUTHORIZATION TO CONDEMN PROPERTY IN THE PUBLIC INTEREST	REOPENED	Gas	Timothy Alan Simon	Legal Division
35	P0904022	28-APR-2009	PRICE INDEXING CASES SETTLEMENTS CLASS FT AL. - PETITION TO ACCOUNT FOR THE CONSIDERATION ALLOCATED TO CALIFORNIA CORE NATURAL GAS RATEPAYERS UNDER SETTLEMENTS OF NATIONAL GAS ANTITRUST	ACTIVE	Gas	Timothy Alan Simon	John S. Wong
36	R0907029	30-JUL-2009	CPUC - OIR ADOPTING RULES TO ACCOUNT FOR THE CONSIDERATION ALLOCATED TO CALIFORNIA CORE NATURAL GAS RATEPAYERS UNDER SETTLEMENTS OF NATURAL GAS ANTITRUST CASES I-IV.	ACTIVE	Gas	Timothy Alan Simon	Janice L. Grau
37	A0704003	03-APR-2007	WESPAC PIPELINES - LOS ANGELES LLC. - FOR AN ORDER GRANTING PUBLIC UTILITY STATUS AS A COMMON CARRIER PIPELINE CORPORATION	ACTIVE	Miscellaneous	Timothy Alan Simon	Victor D. Ryerson
38	A0803005	05-MAR-2008	CALIFORNIA MOVING AND STORAGE ASSOC. - FOR AN ORDER REQUESTING ELIMINATION OF MAXIMUM RATE TARIFF 4	ACTIVE	Miscellaneous	Timothy Alan Simon	Victor D. Ryerson

	PROCEEDING	FILED DATE	SHORT TITLE	STATUS	UTILITY	COMR.	ALJ
39	C0903019	20-MAR-2009	RED & WHITE FERRIES, INC. VS. THE GOLDEN GATE BRIDGE, HIGHWAY AND TRANSP. DIST. - FOR AN INTERIM ORDER TO EMPLOY THE DOCK IN SAUSALITO AND OTHER RELATED MATTERS	ACTIVE	Miscellaneous	Timothy Alan Simon	Victor D. Ryerson
40	I0901018	29-JAN-2009	CPUC - OII INTO THE OPERATIONS AND PRACTICES OF EDISON ET AL. REGARDING THE UTILITY FACILITIES AND CANYON FIRE IN MALIBU OF OCTOBER 2007	ACTIVE	Miscellaneous	Timothy Alan Simon	Jacqueline A. Reed
41	I0907028	30-JUL-2009	CPUC - OII FOR THE PURPOSE OF ESTABLISHING A LIST FOR THE FISCAL YEARS 2010-2011 AND 2011-2012 OF EXISTING CROSSINGS AT GRADE	ACTIVE	Miscellaneous	Timothy Alan Simon	Victor D. Ryerson
42	A0612005	06-DEC-2006	EXPOSITION METRO LINE CONST. AUTH. - TO CONSTRUCT A TWO-TRACK AT-GRADE CROSSING FOR THE EXPOSITION BLVD. CORRIDOR	ACTIVE	Railroad/Grade Crossings	Timothy Alan Simon	Kenneth L. Koss
43	A0612020	19-DEC-2006	EXPOSITION METRO LINE CONST. AUTH. - GRADE CROSSING CONSTRUCTION	ACTIVE	Railroad/Grade Crossings	Timothy Alan Simon	Kenneth L. Koss
44	A0701004	02-JAN-2007	EXPOSITION METRO LINE CONST. AUTH. - FOR CONSTRUCTION OF A FOUR QUADRANT-GATED TWO-TRACK AT-GRADE CROSSING	ACTIVE	Railroad/Grade Crossings	Timothy Alan Simon	Kenneth L. Koss
45	A0701017	08-JAN-2007	EXPOSITION METRO LINE CONST. AUTH. - FOR CONSTRUCTION OF A TWO-TRACK AT-GRADE CROSSING ON FLOWER STREET	ACTIVE	Railroad/Grade Crossings	Timothy Alan Simon	Kenneth L. Koss
46	A0701044	24-JAN-2007	EXPOSITION METRO LINE CONST. AUTH. - FOR THE CONSTRUCTING OF A ONE-TRACK OR A TWO-TRACK AT-GRADE CROSSING IN THE CITY AND COUNTY OF LOS ANGELES	ACTIVE	Railroad/Grade Crossings	Timothy Alan Simon	Kenneth L. Koss/ Legal Division
47	A0702007	07-FEB-2007	EXPOSITION METRO LINE CONST. AUTH. - TO CONSTRUCT A TWO-TRACK AT-GRADE CROSSING AT RAYMOND AVE., NORMANDIE AVE. ET AL.	ACTIVE	Railroad/Grade Crossings	Timothy Alan Simon	Kenneth L. Koss/ Legal Division

	PROCEEDING	FILED DATE	SHORT TITLE	STATUS	UTILITY	COMR.	ALJ
48	A0702017	16-FEB-2007	EXPOSITION METRO LINE CONST. AUTH. - TO CONSTRUCT TWO-TRACK AT-GRADE CROSSINGS (1) ACROSS ARLINGTON AVENUE AND (2) ACROSS HAUSER BOULEVARD IN LOS ANGELES	ACTIVE	Railroad/Grade Crossings	Timothy Alan Simon	Kenneth L. Koss / Legal Division
49	A0703004	05-MAR-2007	EXPOSITION METRO LINE CONST. AUTH. - FOR AUTHORITY TO CONSTRUCT TWO-TRACKS AT-GRADE CROSSING	ACTIVE	Railroad/Grade Crossings	Timothy Alan Simon	Kenneth L. Koss / Legal Division
50	A0705012	08-MAY-2007	EXPOSITION METRO LINE CONST. AUTH. - TO CONSTRUCT A TWO-TRACK AT-GRADE CROSSING FOR THE EXPOSITION BOULEVARD CORRIDOR LIGHT RAIL TRANSIT LINE	ACTIVE	Railroad/Grade Crossings	Timothy Alan Simon	Kenneth L. Koss / Legal Division
51	A0705013	08-MAY-2007	EXPOSITION METRO LINE CONST. AUTH. - FOR CONSTRUCTION OF 4 QUADRANT-GATE, TWO-TRACK AT-GRADE CROSSING FOR THE EXPOSITION BOULEVARD CORRIDOR LIGHT RAIL TRANSIT LINE	ACTIVE	Railroad/Grade Crossings	Timothy Alan Simon	Kenneth L. Koss / Legal Division
52	R0901020	29-JAN-2009	CPUC - OIR TO CONSIDER ROADWAY WORKER PROTECTIONS BY TRANSIT AGENCIES IN CALIFORNIA	ACTIVE	Railroad/Grade Crossings	Timothy Alan Simon	Kimberly Kim
53	A0901016	27-JAN-2009	RED & WHITE FERRIES, INC. - CPCN TO ESTABLISH AND OPERATE SCHEDULED VESSEL COMMON CARRIER AND TO ESTABLISH A ZORF	ACTIVE	Transportation	Timothy Alan Simon	Victor D. Ryerson

EXHIBIT

D

Communication Priorities 2009	Docket Number	Assigned Commissioner And ALJ(s)	Title	Anticipated timeline
A	R.02-12-004	Comr. Chong/ ALJ Grau	Service Quality OIR; issues linked to URF	D09-07-019 issued on 7/9/09 Agenda closed this Rulemaking.
A	R.05-04-005	Comr. Chong/ ALJ Bemdeserfer /ALJ Reed	OIR – PacBell, Verizon, SureWest Tel., Frontier Comm. – To assess and revise the regulation of telecomm. util. Uniform Regulatory Framework – URF	PD to Modify D08-09- 015 granted by D09- 07-004. TURN filed amended request for compensation.
A	R.06-05-028	Comr. Chong/ ALJ Bushey	Universal Service Rulemaking/Investiga tion	LIF request for intervenor comp issued. PD mailed for 6/4, extension order prepared if held again to 6/18 AND it was withdrawn on 7/9 Agenda.
A	R.06-10-006	Comr. Bohn/ ALJ Prestidge	New Telco CEQA Rulemaking	Scoping Memo issued on 4/18/08. Draft G.O. prepared by A. Barnsdale. G.O. needs revision. Statutory Deadline is 10/5/09.
A	R.07-04-015	Comr. Simon/ ALJ O'Donnell	OIR to implement AB 2393 re: reliability standards for telecommunications emergency backup power systems and emergency notification systems.	Draft staff report mailed out for comment on 7/2/09 with comments and replies due on 7/17 and 7/31, respectively. Statutory deadline on 2/26/10.

B	R.06-06-028	Comr. Chong/ ALJ Pulsifer	OIR re: High Cost Fund B	Decision establishing new filing plan for California Advanced Services Fund Projects signed by D09-07-020 on 7/9/09 Agenda. To establish new rounds for broadband to track with ARRA. Statutory Deadline reached 3/12/09. Draft Decisions to close out the proceeding & open successor OIR pending Commissioner sign-off.
B	C.08-08-026	Comr. Grueneich/ ALJ Bushey	UCAN vs. Sprint Telephony PCS, L.P. et al.	PHC held. Parties actively working on settlement, but may take up to 8 months to get all customers addressed. Written status report in request until Sept 15 for more work. Therefore, need an extension order.
B	A.09-06-005	Comr. Peevey / ALJ Barnett	Frontier Communications Corporation et. al. Transfer of CPCN	Protest filed 7/13/09.
B	R.09-06-019	Comr. Chong/ ALJ Pulsifer	OIR re: High Cost Fund B	PD re: reverse auction possibly targeted 3 rd Q 2009. PD re: broader reverse auction possibly targeted for 4 th Q 2009.
C	I.08-07-012	Comr. Bohn/ ALJ Bemederfer	OII into the operations of NEXTG Networks of CA, Inc.	Parties have settled. Case closed.

Energy and Multi-Utility Priorities 2009	Docket Number	Assigned Commissioner And ALJ(s)	Title	Anticipated Timeline
A	R.05-12-013	Comr. Peevey/ ALJ Wetzell	Resource Adequacy OIR	Track 2 PD (long term resource adequacy; centralized capacity auction) is targeted for August 7, 2009. Energy Division report on Track 3 issues (small/multi-jurisdictional LSEs) under management review. Statutory deadline is August 17, 2009. Draft extension order, targeted for July 30, will extend deadline to October 16, 2009
A	R.06-02-012	Comr. Peevey/ ALJ Simon ALJ Mattson	OIR for Renewable Policy Issues	TRECS PD mailed 3/26/09; awaiting agenda date. Petition for Modification of D.06-01-019 to change calculation of APT filed 5/1/09; PD on PFM by end of summer unless 33% legislation changes requirements. Statutory deadline being extended every 60 days; currently 8/28/09.
A	R.06-04-010	Comr. Grueneich/ ALJ Gamson	OIR for Energy Efficiency to address ongoing policy and EM&V	Intervenor Compensation Pending

A	A.06-08-010	Comr. Grueneich/ ALJ Vieth	SDG&E – CPCN for the Sunrise Powerlink Transmission Project	Pending now in Legal Div. are several rhrg apps; 5/4/09 PD resolving Phase 3 settlement (adjudicatory) signed by D09-07-018 on 7/9/09 Agenda. Statutory deadline 7/31/09.
A	R.07-01-041	Comr. Chong/ ALJ Hecht	OIR re policies and protocols for demand response load impact	Phase 1: CE issues: Working with Energy Div to come up with a Commission methodology to provide comparable analyses. On hold while staff works on DR apps A08-06-001 et al. PM to simplify Load impact rpt. Phase 2: Need to finish revising Energy Div staff goals proposal and drafting text for a PD. ACR on competition: on hold. Statutory deadline: January 18, 2010.
A	R.07-05-025	Comr. Peevey/ ALJ Pulsifer	OIR Regarding the Suspension of Direct Access May Be Lifted consistent with Assembly Bill 1X and Decision 01-09-060.	DWR contract notation negotiations (Phase II a) currently underway - - to conclude by 1/1/10. Phase II b will consider policy merits of Direct Access; Phase III will address Direct Access retail implementation. Revised scoping memo extends schedule to no later than September 2010.

A	A.07-06-031	Comr. Grueneich/ ALJ Kolakowski	SCE CPCN re Tehachapi Renewable Transmission Project (Segments 4-11)	Draft EIR/EIS issued 2/13/09. Scoping Memo issued 3/17/09. PPH held 3/19/09 in Chino Hills. Testimony due 5/15. Hearings 7/6/09 and following. Statutory deadline 9/17/10.
A	R.08-01-025	Comr. Peevey/ ALJ Wetzell	OIR to consider annual revisions to local procurement obligation and refinements to resource adequacy program	D.09-06-028 closed proceeding effective July 30, 2009.
A	A.08-02-001	Comr. Simon/ ALJ Wong	SDG&E and SoCal Gas - to Revise Their Rates Effective January 1, 2009, in Their BCAP	Divided into two phases. D08-12-020 adopted Phase 1 settlement. Motion to adopt Settlement in Phase 2 filed on June 2, 2009. PD to be drafted if no comments on Phase 2 Settlement filed on July 2, 2009. Scoping memo issued April 17, 2008, and 18 months expires on 10/16/09.
A	R.08-02-007	Comr. Peevey/ ALJ Kolakowski	OIR to integrate and refine procurement policies	Staff proposal in circulation. Will issue amended scoping memo to reset schedule and issue staff proposal. 18 month statutory date presently 10/23/09, will reset with new scoping memo.

A	A.08-03-002	Comr. Peevey/ ALJ Yip- Kikugawa	SCE to establish marginal cost, allocate revenues and design rates	Item 24 on July 30, 2009 Commission meeting.
A	R.08-03-008	Comr. Peevey/ ALJ Duda/ ALJ Ebke	Rulemaking on Calif. Solar Initiative and Distributed Generation	Proposed Decision on Cost-benefit methodology mailed June 19 for comment. Other topics in 2009 include: Solar Water Heating Program, SGIP Budget for 2010, Virtual Net Metering, Program Evaluation, Rule 21 issues, and Marketing and Outreach plan. End Date: 5/15/2010.
A	R.08-03-009 I.08-03-010	Comr. Peevey/ ALJ Kolakowski	OIR - Rulemaking re development of transmission infrastructure.	PHC and workshop held 2/26/09. Creating service list and drafting Scoping Memo. New ED staff project manager assigned, which will slightly slow down the Scoping Memo. Proceeding will reach the 18 month statutory date in 9/09, but the Scoping Memo will reset the deadline.
A	R.08-04-012	Comr. Peevey/ ALJ Wetzell	OIR to consider revisions to the planning reserve margin for reliable and cost-effective electric service	Proceeding remains suspended while Energy Division evaluates alternative funding possibilities. Statutory deadline is September 30, 2010.
A	A.08-05-039	Comr. Grueneich/ ALJ Yacknin	SCE – CPCN for the San Joaquin Cross Valley Loop Transmission Project	Awaiting DEIR (due June?); scoping ruling to issue after DEIR -- will start 18 mo clock.

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A	A.08-06-001 et al.	Comr. Chong/ ALJ Hecht	SCE – Demand Response Programs, Goals and Budgets for 2009-2011	PD on 7/30 Agenda. Bridge Funding Dec approved 12/18/2008 Statutory deadline 5/2010.
A	A.08-07-017	Comr. Peevey/ ALJ Ebke	SDG&E – For approval of the SDG&E solar energy project	Hearings were scheduled for Feb 18- 20. Parties requested to postpone the hearing so that they could work on a joint proposal. A joint proposal was filed as a motion on March 20. Comments were filed on April 21. A PHC is scheduled for July 13, 2009.
A	A.08-07-021 et al.	Comr. Grueneich/ ALJ Gamson	Edison, SoCal Gas, SDG&E, and PG&E - 2009-2011 Energy Efficiency	Filings through 7/29. PD due 8/25/09.
A	R.08-08-009	Comr. Peevey/ ALJ Mattson/ ALJ Simon	OIR to Continue Implementation and Administration of California Renewables Portfolio Standard Program	PD on <i>short- term/bilateral price benchmarks and contract approvals voted out</i> establishing fast-track approval of short-term RPS contracts issued 6/18/09. PFM of D.06- 10-050 to change calculation of APT filed 5/1/09; PD projected by end of summer unless 33% legislation changes requirements.
A	A.08-09-023	Comr. Grueneich/ ALJ Hecht	SoCal Gas – Advanced Metering Infrastructure	Held hearings 5/22- 5/28; briefing schedule extended slightly at parties' request to 6/19 and 7/2. Expect PD in October Statutory deadline 7/6/2010.

A	R.08-11-005	Comr. Simon/ ALJ Kenney	Oll to clarify Regulations Re: Safety of Electric Utility and Communications Infrastructure Provider Facilities.	PD re: Phase 1 issues targeted for Commission meeting on 8/20/09. Might miss this milestone. Time frame for Phase 2 TBD. Statutory completion date: June 6, 2010.
A	I.08-11-006	Comr. Simon/ ALJ Reed	Oll into SDG&E linked to the Witch and Rice Fires	Evidentiary hearings will be held from July 13 through July 17. Briefing scheduled for August. POD scheduled for October 2009.
A	I.08-11-007	Comr. Simon/ ALJ Reed	Oll into Cox Communications and SDG&E linked to the Guejito Fire	Evidentiary hearings will be held from June 29 through July 3. Briefing is scheduled for August. POD is scheduled for October. While this proceeding and the previous one are similar in some respects, I anticipate that the PODs may diverge on a number of issues.

A	R.08-12-009	Comr. Chong/ ALJ Sullivan	OIR - to Consider Smart Grid Technologies	Decision on 7/30 Agenda excusing some utilities from mandatory participation in this proceeding. Scoping memo on Energy Independence and Securing Act phase issued on May 1, 2009. Deadline for this phase November 1, 2010. Workshops on this phase underway. Scoping memo on American Recovery and Reinvestment Act phase of proceeding issued on May 29, 2009. Deadline for this phase November 29, 2010. Comments solicited.
A	A.08-12-021	Comr. Simon/ ALJ Kenney	SDG&E – Review of its Proactive De- Energization Methods	Currently drafting PD. Final PD targeted for Commission meeting on 8/20/09. Statutory deadline approximately Aug. 26, 2010.
A	I.09-01-017	Comr. Peevey/ ALJ Fukutome	Oil into Calpine Power operations and practices	Evidentiary Hrg. 8/17 - 8/18. Opening Briefs due 9/15. Reply Briefs due 9/29. POD due 11/25/09. Statutory Completion Date - 1/29/10.
A	I.09-01-018	Comr. Simon/ ALJ Reed	Oil into SCE linked to the Canyon Fire in Malibu.	PHC was held on May 13. I am drafting the scoping memo and ruling. I anticipate that hearings will be held in spring 2010.

A	R.09-01-019	Comr. Bohn/ ALJ Pulsifer	Oil to Examine the Commission's Energy Efficiency Risk/Reward Incentive Mechanism.	This proceeding is successor to R. 06-04-010. Scoping Memo was issued on 4/14/09. Proposed Decision pending on 2006-2008 Incentive Awards; Workshops set for - 7/15-16/09 to address prospective risk/reward incentive mechanism Statutory 18-Month Deadline is 10/14/2010.
A	A.09-02-013 et al.	Comr. Peevey/ ALJ Duda	PG&E Fuel Cell Project	Consolidated with A.94-04-018. Hearings Oct. 20-21.
A	A.09-02-019	Comr. Peevey/ ALJ Ebke	PG&E – To recover in rates the price of its Photovoltaic Program	A scoping memo issued July 1, 2009. Projected final Commission Decision, February 2010.
A	A.09-05-027	Comr. Peevey/ ALJ Minkin	Edison – CPCN for Eldorado-Ivanpah Transmission Project	Protest filed by DRA on 5/26/09. I will likely schedule PHC for September or October 2009 since I want to coordinate with A.04-09-019.
B	A.07-04-013	Comr. Simon/ ALJ Smith	Sacramento Natural Gas Storage, LLC for CPCN for Construction and Operation of Natural Gas Storage Facilities	Draft EIR issued on 4/8/09 (comments due on 6/22). PPH on 4/28/09. Supplemental hearings likely in Aug/Sept.

B	A.08-03-014	Comr. Peevey/ ALJ DeBerry	SCE – Approval of its Renewable Integration and Advanced Program	A draft decision granting DRA's Motion to Dismiss has been prepared although not yet mailed. A recent DOE opportunity to obtain Smart Grid funds is being reviewed for possible RIA participation.
B	A.08-05-022 et al.	Comr. Grueneich/ ALJ Kim	PG&E, SDG&E, SoCal Gas, and SCE – 2009-2011 Low Income Energy Efficiency	LIEE / CARE D08-11- 031 issued Dec 2008. D09-06-026 issued Jun 2009 modifying D08- 11-031. Compliance monitoring, ME&O, workshops, pilot programs & dec implementation stage. App for Rehearing Pending.
B	A.08-05-023	Comr. Peevey/ ALJ Fukutome	PG&E – To Increase Revenue Requirement to Recover Costs to Improve Reliability	DRA and Intervenor testimony due 7/17/09. Rebuttal due 8/7. Evidentiary Hrg. scheduled for 8/24- 8/28. Opening Briefs due 9/25. Reply Briefs due 10/9. PD expected by 12/8. Statutory Completion Date - 8/23/10.
B	R.08-06-024	Comr. Peevey/ ALJ Yip- Kikugawa	OIR re: Combined Heat and Power	18 month deadline Oct. 2010. Working group report issued May 15, 2009 and parties' comments on report filed June 1, 2009.
B	A.08-07-032 et al.	Comr. Simon/ ALJ Smith	Gill Ranch Storage, LLC.– Construction of Natural Gas Storage Facilities	CEQA review in process – Draft MND expected July/Aug. PD targeted for Aug/Sept.

B	A.08-11-001	Comr. Peevey/ ALJ Yip- Kikugawa	SCE – Calculation of Short-Run avoided cost	Reply to amended protests filed on June 1, 2009. Proceeding currently on hold until August 24, 2009, to allow parties time to pursue settlement negotiations.
B	A.09-02-022	Comr. Chong/ ALJ Fukutome	PG&E – 2009 Rate Design Window	DRA/Intervenor Testimony due 7/31. Rebuttal due 8/21. Evidentiary Hrg. 8/31- 9/4. Opening Briefs due 9/28. Reply Briefs due 10/5. PD expected by 11/13/09. Statutory Completion Date - 11/5/10.
B	A.09-04-007 et al.	Comr. Simon/ ALJ Darling	PG&E – 2009 Nuclear Decommissioning Cost Triennial Proceeding	Scoping memo issued 6/15/09. Consolidate with A09-04-009. Statutory deadline 12/2010.
B	A.09-04-008	Comr. Pæevey/ ALJ Sullivan	SCE – To Recover Costs Necessary to Co-Fund a Feasibility Study of a California IGCC with Carbon Capture and Storage.	Evidentiary hearings scheduled September 1-3, 2009.
B	A.09-04-010	Comr. Grueneich/ ALJ Farrar	SCE - CPCN to Construct Walnut Creek Energy Park 230 kV Transmission Line.	Decision granting CPCN on 7/30 Agenda.
B	A.09-04-023	Comr. Bohn/ ALJ DeBerry	SoCal Gas and SDG&E - For Approval of their Combined Core Portfolio 2009-2010 Winter Hedging Program.	On June 1 SoCal filed responses to Shell Energy motions to intervene and obtain access to confidential information. The motions and responses are being reviewed.

B	A.09-05-017	Comr. Peevey/ ALJ Pulsifer	PG&E and Power Wtr. Resources Pooling Auth. - for Approval of Nonbypassable Charge Agreement.	Application filed on 6/22/09.
B	R.09-06-018	Comr. Peevey/ ALJ Wong	OIR to address annual DWR revenue requirement proceeding.	DWR Revenue Requirement expected in August/Sept. with PD in Nov. 2009.
B	P.09-06-022	Comr. Bohn/ ALJ O'Donnell	TURN – Petition to Arrearage Management and Shutoff Prevention for Residential Customers of the Major Jurisdictional Electric and Gas Utilities.	Application filed on 6/19/09.
C	A.06-12-032	Comr. Grueneich/ ALJ Smith	SCE Permit to Construct Kimball substation	Final MND issued on 6/30/09. PD on 7/30 agenda.
C	A.07-01-031 et al.	Comr. Grueneich/ ALJ Yacknin	SCE Permit to Construct Electrical Facilities	Awaiting DEIR (due June?); scoping ruling to issue after DEIR -- will start 18 mo clock.
C	A.08-01-029	Comr. Grueneich/ ALJ DeAngelis	SCE Permit to Construct Devers- Mirage	PTC - Waiting for EIR to be issued in Oct 2009. Will issue preliminary scoping ruling in June. No 18th Month Deadline yet.

C	A.08-07-014	Comr. Bohn/ ALJ Pulsifer	PG&E and PG&E Corp. – Exemption of Rule V.E. of the Affiliate Transaction Rules	Draft ALJ Proposed Decision is pending Assigned Comr. sign-off. An alternate Assigned Comr.'s PD is also being reviewed which would mail concurrently with the ALJ's PD. Motion filed on 7/2/09 to withdraw Application. Statutory 18-Month Deadline is 3/23/2010.
C	A.08-11-019	Comr. Grueneich/ ALJ Kim	SCE Permit to Construct Triton Substation Project.	Letters of objection filed. ED conducting CEQA review.
C	A.08-12-011	Comr. Grueneich/ ALJ Minkin	SCE – CPCN for the CPV Sentinel 220kv Transmission line	Joint scoping memo ruling issued on 5/18/09 that targets resolution no later than 5/17/2011. 24-month period set because CEC must act on underlying energy center project before CPUC can act on CPCN for generation tie-line. Onus is on SCE to inform us when CEC acts. I have tickler on my calendar for November 2010 to check in with staff on status.
C	A.08-12-023	Comr. Grueneich/ ALJ Grau	SCE – To construct Presidential Substation Project	Prehearing conference held on June 25, 2009. No Scoping Memo yet.
C	A.09-05-016	Comr. Peevey/ ALJ Yip- Kikugawa	PG&E – Two-Year Extension of the ClimateSmart™ Program	Protest filed by TURN on 6/29/09

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C	A.09-05-026	Comr. Simon/ ALJ Wong	PG&E – To Revise its Gas Rates and Tariffs	Protests to application due 7/9/09.
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Rail/Trans. Priorities 2009				
A	R.08-10-007	Comr. Bohn/ ALJ Kim	OIR on measures adopted in Res. SX-88 Banning personal use of electronic devices by rail transit personnel	Opening comments received. ALJ Ruling Revising Proceeding Schedule issued July 2009. Workshops scheduled in July 2009. Proposed rule and staff recommendation due Sept 2009. Statutory deadline is April 22, 2010.
A	R.08-11-017	Comr. Bohn/ ALJ Kim	OIR to consider implementation of collision-avoidance systems on commuter rail lines	Opening comments received. ALJ Ruling Revising Proceeding Schedule issued July 2009. Consultant retained and proposed rule and staff recommendation due Oct 2009. Statutory deadline is May 25, 2010.
A	R.09-01-020	Comr. Simon/ ALJ Kim	OIR to consider roadway worker protections by transit agencies in CA	Comments by parties received. ALJ Ruling Revising Proceeding Schedule issued July 2009. Staff report due Nov 2009. Statutory deadline is Aug 2, 2010.

C	A06-12-005 et al.	Comr. Simon/ ALJ Koss	40 light rail crossings on the Exposition Metro Line proposed in 9 applications	D0902031 authorized Harvard BI crossing. Proceeding remains open for an amended app re Farmdale Av crossing. Category - Ratemaking - amended scoping ruling issued 6/08 - 18 mos ends 12/09.
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Water Priorities 2009	Docket Number	Assigned Commissioner And ALJ(s)	Title	Anticipated timeline
A	I.07-01-022 et. al.	Comr. Bohn/ ALJ Grau	Oil consolidating implementation of Water Action Plan	Scoping Memo issued on 6/30/09 setting comments pursuant to Decision 09-06-053 (Phase 1) and Second Amended Phase 2. Statutory deadline March 31, 2010. Parties to comments on extending memorandum account treatment to Class A water utilities.
A	R.07-12-015	Comr. Bohn/ ALJ Reed	OIR re: Water Quality and to Revise GO 103	Item 50 on July 30 th Agenda.
A	A.09-05-001 et al.	Comr. Bohn/ ALJ Long	San Jose Water Co. – Cost of Capital	Decision establishing a limited Memo Acct. on July 30 th Agenda. 2010 Cost of capital - PHC June 9. Target decision for December. Will be consolidated with A0905002, 003, 004, 005, & 007.
B	A.09-01-009	Comr. Bohn/ ALJ Galvin	San Jose Wtr. Co. – To increase rates for years 2010, 2011, and 2012	EH scheduled to continue on 7/23/09 - 7/29/09. Scoping memo issued 3/30/09. Statutory deadline is 9/29/10. ALJ Draft Decision will be circulating early September of 2009.
B	A.09-01-013	Comr. Bohn/ ALJ Rochester	California-American Wtr. Co. – To increase revenues in Larkfield, Los Angeles, and Sacramento for years 2010 and 2011.	Statutory deadline July 24, 2010, 18 months from filing date. No scoping memo yet. DRA protested timely. PHC held on 3/25/09.

B	R.09-03-014	Comr. Bohn/ ALJ Weatherford	OIR to develop rules to ensure that investor-owned water utilities will not recover unreasonable return on investments financed by contamination proceeds.	Workshop scheduled for 9/22 and 23/09, followed by filing of Workshop Report on 10/22/09. PD scheduled to be mailed for comment in February 2010.
B	R.09-04-012	Comr. Bohn/ ALJ Gamson	OIR to develop rules governing Affiliate Transactions	First filings in July/09.
B	A.09-07-001	Comr. Bohn/ ALJ O'Donnell	California Water Service Company – GRC for years 2011-2013.	Protest due August 1, 2009.
C	A.04-09-019	Comr. Bohn/ ALJ Minkin	CPCN re: Coastal Water Project	Phase 2 Joint Scoping Memo Ruling issued 3/26/09. Phase 2 (whether CPCN should be issued for Coastal Water Project and associated ratemaking) to be resolved no later than 9/25/2010. Parties are submitting testimony; facilitated cost workshops to be held 7/7-9; PPHs to be held in Monterey area on 7/13 and 7/14.
C	A.08-01-023 et al.	Comr. Bohn/ ALJ Bushey	California-American Wtr. Co. – Monterey Waste Dist. GRC for years 2009-2011	D09-07-022 issued for 7/9/09 Agenda.
C	A.08-07-010	Comr. Bohn/ ALJ Rochester	Golden State Wtr. Co. – GRC for Region II and III for years 2010 - 2012	Statutory deadline April 21, 2010. PPHs held in January and February. DRA Report filed February 5, 2009.

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C	A.07-12-010	Comr. Bohn/ ALJ Walwyn	Cal-Am Water request for an order authorizing special conservation program and modifications in rate design in Monterey District	PD on rationing Stages 4-7 mailed 5/18, held from agenda pending resolution of DRA & MPWMD request to rescind settlement. On July 9th agenda. 18 month deadline is 12/27/09.
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EXHIBIT

E

Intervenor Compensation Awarded from 2001 through 2008

	2001	2002	2003 [^]	2004 [#]	2005 [@]	2006 ^{&}	2007	2008 [*]
Total Intervenor Compensation Awarded by the Commission	\$ 1,219,316.24	\$ 3,193,480.85	\$ 4,144,108.44	\$ 4,495,940.99	\$ 5,935,686.28	\$ 9,323,313.18	\$ 4,425,361.34	\$ 3,930,847.23
Compensation Awarded to The Utility Reform Network	\$ 562,857.89	\$ 1,287,510.75	\$ 1,160,496.63	\$ 2,423,466.82	\$ 2,985,395.73	\$ 5,192,251.44	\$ 2,300,095.37	\$ 2,600,424.24
Compensation Awarded to Utility Consumer's Action Network	\$ 71,665.92	\$ 273,133.19	\$ 198,164.02	\$ 324,210.38	\$ 1,093,192.89	\$ 218,432.12	\$ 312,239.60	\$ 100,321.60
Percentage of Total Compensation Awarded to TURN	46%	40%	28%	54%	50%	56%	52%	66%
Percentage of Total Compensation Awarded to Other Eligible Intervenor	54%	60%	72%	46%	50%	44%	48%	31%

[^] In 2003, the Commission jointly awarded TURN, UCAN, and Aglet Consumer Alliance \$156,253.99, which is reflected in the Other Eligible Intervenor % calculation.

[#] In 2004, the Commission made one joint award to TURN and UCAN in the amount of \$22,777.11. For purposes of this summary, the full amount was allocated to UCAN.

[@] In 2005, the Commission jointly awarded TURN and Aglet \$123,555.86, which is reflected in the Other Eligible Intervenor % calculation.

[&] In 2006, the Commission jointly awarded TURN and Aglet \$123,276, which is reflected in the Other Eligible Intervenor % calculation.

^{*} In 2008, the Commission made one joint award to TURN and UCAN in the amount of \$315,896.16. For purposes of this summary, the full amount was allocated to TURN.

CALIFORNIA DEPARTMENT OF CHILD SUPPORT SERVICES

P.O. Box 419064, Rancho Cordova, CA 95741-9064



July 29, 2009

Jan Sturla
Responses

The Honorable Darrell Steinberg, Chairman
Senate Rules Committee
Attention: Ms. Nettie Sabelhaus
Appointments Director
State Capitol, Room 420
Sacramento, California 95814

SUBJECT: CONFIRMATION HEARING

Dear Senator Steinberg:

Thank you for your consideration of my appointment to serve as director of the Department of Child Support Services (DCSS) and for the opportunity to provide responses to the following questions from your letter of July 8, 2009. I look forward to meeting with you and the other members of the Senate Rules Committee as you consider confirmation of my appointment.

Goals and Responsibilities

- 1. You have been director of the department for almost 6 months. In your time as director, what do you see as your accomplishments during your brief tenure thus far? What are the most serious challenges facing the department, and what do you see as the answers to those challenges?*

As director, my main goal is to advance the child support program's mission to promote financial stability for California's children and families. During the past six months, I have implemented a statewide "early intervention" program based upon the five year federal strategic plan. The 52 local child support agencies (LCSAs) have been required to develop and implement a written plan designed to intercede at early stages in the management of child support cases to increase collections and improve performance. All 52 LCSAs have submitted plans. These plans generally incorporate both "pre-order" and "post-order" strategies. Similar plans have been shown to be successful in other states as well as in some California LCSAs. For example, the Orange County DCSS early intervention program showed an improvement in the current support performance measure from 25 percent on default cases to over 65 percent on early intervention cases. There was also a 125 percent increase in collections between the default and early intervention cases. Similar results are expected throughout the state.

I have also implemented a new governance committee to prioritize changes to and management of the California Child Support Automation System (CCSAS). This group, the Executive Automation Steering Committee, was specially selected for its expertise

Senate Rules Committee

JUL 29 2009

Appointments

in child support operations and automation issues and is comprised of directors from the LCSAs as well as executives of the Department.

As part of an examination of potential cost savings, I have begun the process of obtaining a federal waiver to the Monthly Notice of Collections and Distributions. This waiver will ultimately save the Department approximately \$1.5 million per year in printing and mailing costs.

I have added the requirement "cost-effectiveness" to the annual Performance Management Plan for all LCSAs operating under the federal performance minimum of \$2 collected for every \$1 of administrative cost. This will require Sonoma, Yuba, Siskiyou/Modoc, Sierra/Nevada, and Del Norte LCSAs to create a plan to improve performance on this measure. This performance measure has never previously been the subject of a formal improvement requirement.

The most immediate challenge faced by DCSS is maintaining collections while coping with the problems associated with the current economic downturn. In many cases, non-custodial parents are having difficulty meeting their child support obligations due to unemployment or underemployment. Custodial parents often face the same employment issues and need regular child support payments to provide for the basic needs of their minor children. In addition, LCSAs are being challenged with an increased demand for services due to these economic issues.

Meeting these challenges will require effective case management, including the use of early intervention strategies, prioritization of work, and the assignment of staff to the most productive activities. Understanding and serving customer needs in this difficult time must overlay our efforts.

2. What do you hope to accomplish during your tenure as director of DCSS? How will you accomplish these goals? How will you measure your success?

One of my primary goals is to begin the process of improving the cost-effectiveness of the program. I am in the process of convening a workgroup of stakeholders to examine approaches which will lead to more efficient and effective use of program resources. These approaches include, but are not limited to, regionalizing the smaller LCSAs, sharing services, centralizing services, creating uniform statewide business practices and procedures, increasing the effectiveness and functionality of automation, and reducing the costs of printing and mailing.

A second goal of mine will be to increase the statewide performance on collections on current support. Although California has continued to improve in this measure over the past decade, more effort is required. The large LCSAs have the greatest challenge in this area and also have the greatest potential to positively impact this measure. Early intervention, prompt attention to court order modifications, closure of eligible cases,

establishment of appropriate orders based upon an obligor's ability to pay, and shared services are all strategies that will be successful.

Success will be measured by the formalization of recommendations and creation of a statewide implementation plan to increase cost-effectiveness. Statewide performance will be measured through our federal performance measures at both the LCSA and state level.

3. *You are the third director for the department since 2006. Do you see this position as a long term position?*

As with all director positions, incumbents serve at the pleasure of the Governor, and I am honored to have this opportunity. I do believe that it is critical for the Department to have consistent long-term leadership in order to achieve the main mission of the program and to succeed as a leader in the nation. To provide strategic focus for the Department, the director needs time to analyze and evaluate the many issues and problems affecting performance and to effectively plan solutions for achieving success. I have dedicated 17 years to California's child support program already, and look forward to continuing my professional commitment to the program for many more years.

Performance Measures

4. *The DCSS has had sufficient time to get through its growing pains, having been in operation since the year 2000. Why is the Department continuing to perform at relatively poor levels?*

In December 2008, California's statewide child support automation system was federally certified, having successfully completed the conversion of all 58 counties onto a single statewide automation system – the largest in the nation. As a result of the investment that California made in preparing and executing the successful conversion, California is one of only a few large states to pass the federal Data Reliability Audit in the year immediately following conversion to a single statewide automation system.

The new challenge for DCSS is re-engineering all child support operations into a cohesive statewide program. With the establishment of the statewide caseload database, the actions of individual LCSAs have a significant impact on the cases and customers in other counties. Therefore, all LCSAs must operate uniformly. This uniformity requires continuous local support and problem solving as unanticipated issues arise. In addition, the system is still being refined to ensure that it operates with maximum efficiency in locating noncustodial parents, establishing cases and collecting support.

Prior to the establishment of DCSS, most of California's federal performance percentages were in the 30th percentile, and initial attempts at implementing a federally-

mandated statewide automation system had failed. Since that time, the program has made steady progress in improving program performance. As an example of this progress, since 2000, current support collections in California have improved from 40 percentage points to 52.8 percentage points, a 12.8 percentage point improvement which represents a 32 percent change compared with the national percentage change of just over ten percent. In addition, California achieved double digit improvement over the period from 2000 to 2008 in cases with an arrears collection at 10.7 percent from 53 percent to 59 percent.

Now that DCSS has cleared the hurdle of securing federal certification of the statewide automation system, state and local resources are being devoted solely to performance improvement for the first time since the Department was established.

5. *The 2006-2009 Strategic Plan issued by the Department in August 2006 stated the following objectives, that it will increase the statewide percentage of current child support collected to 60 percent in FY 2009, and will increase the cost-effectiveness of the program to at least \$2.75 in child support collected for every \$1 that is spent to administer the program. In contrast, the current collections performance level stands at 52.8 percent for FY 2008, far less than the target 60 percent, and the cost-effectiveness ratio has remained very poor at \$2.04. What were the reasons accounting for the failure of the department to reach these objectives?*

When the Department and the LCSAs laid out the 2006-2009 Strategic Plan, it was recognized that the goals were aggressive and difficult to achieve, particularly in light of the pending implementation and federal certification of the statewide automation system. In 2005, California collected 49.3 on current support and was at \$2.15 in cost-effectiveness. In January 2007, DCSS met with other large states to discuss how they prepared for their conversions to a single statewide system. Every state made it clear that, to be successful, there had to be a singular focus within the Department on conversion to the statewide system. This singular focus resulted in many state and local resources being redirected from program operations to conversion activities. In addition, the strategic plan was developed prior to the recent economic downturn.

One of the factors affecting cost-effectiveness is that California's expenditures for automation have been much higher than those of other states. In addition to devoting expenditures to development of the new system, it was necessary to convert LCSAs onto a single statewide system. Since 2000, California has been migrating LCSAs from six independent automated systems into one.

Another cost-effectiveness factor is that most other states operate and centralize their child support programs at the state level. California's child support program is operated by 52 local agencies, with oversight and leadership from the state. Many states operate their programs through a model in which child support orders are established and

enforced administratively. California's judicial model is based on family court administrative procedures dating back to 1975, when the child support program was first mandated. This means that in California, support orders are established and modified through the courts. This process adds costs such as attorneys, legal support staff, judges, commissioners, process servers and courtroom costs to California's program.

It has been ten years since the child support program has been re-evaluated in terms of functionality. To increase cost-effectiveness, DCSS is exploring efficiencies, centralization of case management functions, regionalization, and other potential program savings that will, at the same time, maintain and/or improve services to child support customers.

6. What short-term and long-term strategies have you developed to address the performance level deficiencies in the three areas where California is not obtaining 100 percent of the incentive funding available?

In early 2008, DCSS developed short-term and long-term plans to advance the DCSS goals and improve program operations. The short-term plan consisted of strategies that were focused on increasing current support and collections on arrears which were implemented by the end of September 2008. Several of these initiatives have served as models for other states, such as matching cell phone records against delinquent obligors; enhancing DCSS' credit card payment process; and refining the compromise of arrears program.

In March 2009, I directed all LCSAs to develop a plan to employ early intervention practices to increase the collection of current support while at the same time preventing and reducing arrears. Those plans were implemented July 1, 2009. These efforts include:

- setting appropriate orders;
- immediately following-up on missed payments;
- reviewing and modifying orders; and
- managing existing arrears.

The DCSS 2009/10 Business Plan is comprised of ten initiatives which are on track to be completed by end of the current Federal Fiscal Year (FFY). These initiatives include:

- expanding DCSS' insurance payment intercept program;
- researching a statewide real property lien process;
- exploring centralization and regionalization of child support functions and services.

The Department will continue its ongoing performance improvement efforts, including:

- establishing annual performance goals for LCSAs;
- requiring the annual development of local performance management plans;
- disseminating best practices through meetings, conference calls, video conferencing and training sessions;
- monitoring performance improvement through a review of performance reports, quarterly meetings with the directors of the six largest counties and the directors of each region, site visits, and regular contact with local child support directors.

Expenditures on child support services are a good investment for the state because they provide direct savings to the State General Fund. Child support collections offset current and past welfare costs. In addition, low-income working families who receive regular child support payments may be able to avoid having to apply to welfare for financial support. Medical support ensured by the child support program provides health coverage to children who may otherwise have to rely on Medi-Cal to pay the cost of health services. However, as I stated earlier, we need to explore ways to make the program more efficient and cost-effective in order to maximize the ability of DCSS to focus program resources on the Department's mission of collecting support for families.

7. The economic downturn has likely affected the ability of some obligors to make payments, thus affecting performance levels. What trends, if any, have been identified thus far? What strategies have been developed to address potential issues?

Due to the economic downturn, a number of factors have been identified as affecting child support performance levels. These include:

- Unemployment Compensation

As a result of the increasing number of individuals collecting unemployment in California, the child support program is intercepting a greater number of unemployment benefits for past-due obligations. As of May 2009, fiscal year (FY) 2008/09 unemployment collections have increased by \$53.9 million, or 106.5 percent over the same time period in FY 2007/08.

- Income Withholding

Due to the high unemployment rate in California, the child support program is collecting less money through employee wage garnishments. As of May 2009, FY 2008/09 support collected via wage withholding declined by \$48.8 million, or 3.6 percent over the same time period in FY 2007/08. Employee wage withholding remains the single largest source of child support collections, accounting for approximately \$1.4 billion out of a total of \$2.3 billion in collections annually.

- Property Liens

California intercepts profits from home refinancing or sales for individuals who are past-due in their child support obligations. Due to decreasing sales and lower home valuations in the current weak real estate market, California is intercepting less money through property liens. As of May 2009, for FY 2008/09 California intercepts from housing liens declined by \$11.7 million or 66 percent from the same time period in FY 2007/08.

- Direct Payments from Noncustodial Parents and Other Collection Sources

Due to California's high unemployment rate, the amount of money collected by LCSAs for noncustodial parents who have arrangements to make direct payments (i.e., by check or credit card as opposed to wage garnishment) is declining. As of May 2009, FY 2008/09 direct payments from noncustodial parents and for other collections sources declined by \$38 million or 12.1 percent from the same time period in FY 2007/08.

Research demonstrates that noncustodial parents are more likely to pay child support if the ordered amount is payable in accordance with their incomes. If the ordered amount is too high, and noncustodial parents get too far behind, the likelihood of receiving payments diminishes. To assist noncustodial parents and ensure that families continue to receive child support during the economic downturn, LCSAs have undertaken several major initiatives:

- As part of the early intervention initiative Operation Outbound or "dialing for dollars," caseworkers have incorporated into telephone outreach to noncustodial parents a query regarding whether they need a child support order modification due to reduction in income or unemployment.
- LCSAs contact businesses in the community that are liquidating or closing their doors to provide them with contact information for employees to request a modification of child support orders.
- Hearings for individuals requesting child support order modifications due to job loss are being moved ahead on the court calendar.
- LCSAs are working with their local Employment Development Department one-stop centers and job training programs to support child support obligors in their pursuit of employment.

8. *Has the department prepared a new strategic plan for the upcoming years?*

In August 2009, DCSS will begin development of its 2010/15 Strategic Plan. The planning team will be comprised of representatives from DCSS, LCSAs, the California Child Support Directors Association and the Judicial Council. The 2010/15 plan will be more comprehensive than past plans, and will contain an implementation business plan. It will identify strategies to be undertaken by DCSS and LCSAs in addition to program goals and objectives. Upon completion of the five-year plan, DCSS and each LCSA will develop its own action plan to implement the agreed-upon strategies for achieving 2010 goals and the goals for each following year. DCSS will provide guidance in the development and implementation of LCSA plans and monitor their progress.

In addition, DCSS has provided input into the federal Office of Child Support Enforcement's National Strategic Plan, which will be finalized within the next several months. The DCSS Strategic Plan will conform to the national plan.

Federal Stimulus Funding

9. *What has the DCSS done in the past three months to take maximum advantage of the ARRA for fiscal year 2009? What can and will DCSS do to take maximum advantage of the ARRA for fiscal year 2010?*

The American Recovery and Reinvestment Act (ARRA) contains two provisions that apply to state child support programs. The first provision temporarily restores a federal match on federal child support incentives that was eliminated by the Federal Deficit Reduction Act of 2005 for a two year period beginning October 1, 2008 to September 30, 2010. The second provision authorizes states to intercept one-time payments of up to \$250 for Social Security Administration (SSA), Supplemental Security Income (SSI), Railroad Retirees (RR) and Veteran's Affairs (VA) beneficiaries to help satisfy past-due child support obligations.

Regarding the first provision, in state FY 2006/07, the state provided a General Fund backfill to replace the child support funding lost as the result of the elimination of the federal match on child support incentives. The federal Office of Child Support Enforcement enables any state that opted to provide a General Fund backfill for lost federal funds to supplant those State General Fund dollars with the restored federal dollars. The Administration has opted to return the State General Fund backfill to the State Treasury in order to alleviate the state's current budget shortfall. This will result in General Fund relief of \$20.4 million in 2008/09, \$27.7 million in 2009/10 and \$6.3 million in 2009/10.

Regarding the second provision, the ARRA authorizes the intercept of one-time stimulus payments of \$250 for SSA, SSI, RR and VA beneficiaries to help satisfy past-due child support obligations. The Department has opted to intercept these stimulus payments. The payments are either passed directly through to families, or if a family is currently receiving or has formerly received public assistance from the state,

the state remits these dollars to the state, federal and county governments as recovery for public assistance benefits received. The federal Office of Child Support Enforcement estimates that California will intercept approximately \$10.2 million (\$3.1 million General Fund) through the intercept of these one-time payments. DCSS also developed business plans for FY 2009 and 2010 in order to maximize performance in the federal measures. Increased performance in the measures incrementally increases incentives that are earned which would benefit from federal match in FY 2009 and 2010. The immediate goals were focused on increasing current support and collections on arrears which were implemented by the end of September 2008. These include matching cell phone records against delinquent obligors; enhancing DCSS' credit card payment process; and refining the compromise of arrears program. Additionally, goals were set for specific performance improvement for every LCSA in the federal measures including a collections goal.

The early intervention efforts to increase collections that I have required of the LCSAs will also assist California in taking advantage of the 2010 ARRA provisions.

10. How much money in potential federal matching funds did California lose due to its poor performance levels?

States are awarded federal child support incentives based on their performance on five federal child support measures: paternity establishment, child support order establishment, collections on current support, collections on arrears and cost-effectiveness. Annually, the federal government establishes a pool of available funding for federal child support incentives. For federal fiscal year (FFY) 2009, this pool was \$495 million. States are awarded a proportion of these dollars based on their performance relative to other states. In order to estimate how much in federal funding was 'lost' due to California's performance on the five federal measures, it would be necessary to define the performance level that California 'should have' achieved in previous years as well as define the lower levels of performance that other states would have achieved during this time period.

It is important to note that California has been steady and consistent in improving on three of the five performance measures: Percent of Cases with a Child Support Order has increased from 75.3 percent in FFY 2002 to 80.2 percent in FFY 2008; Collections on Current Support increased from 42.4 percent in FFY 2002 to 52.8 percent in FFY 2008; Collections on Arrears increased from 54.9 percent to 59.1 percent in FFY 2008. California ranks 8th nationally on the statewide paternity establishment measures and has consistently ranked in the top ten for the past seven years. The cost-effectiveness measure is the key area I will focus on during my tenure as DCSS director.

California Child Support Automation System (CCSAS)

11. What is the current status and functionality of CCSAS? What challenges have the counties faced in implementing the system and how has DCSS addressed these challenges? How is DCSS balancing state and local needs in the implementation of the project?

CCSAS has been federally certified and implemented statewide in all 58 counties as of November 2008. There are over 9,000 statewide users, approximately 1.75 million cases, and over 3 million child support customers. DCSS has also implemented the statewide Enterprise Customer Service Solution. This system, known as ECSS, provides for a centralized telephone and integrated voice response system that can form the basis of statewide or regionalized call centers.

DCSS is in the process of implementing enforcement and other functionality, which was not required by certification but is necessary for the efficient functioning of the statewide system. Prior individual LCSA consortia systems had a high degree of automated functionality that was not addressed by federal certification requirements. These individualized systems were efficient, and developed over time to address California's program complexities and high caseload volumes. Once the changes and refinements to CCSAS have been implemented, they will add functionality to specifically improve worker efficiencies statewide.

CCSAS is the new way of doing business using state-of-the-art technologies and requires 100 percent retraining of state and local workers. The prior individual county systems were mainframe-based and had been in use for decades. CCSAS is a web-based, highly complex client-server implementation requiring intensive classroom and "on the job" training to regain worker efficiency. The prior systems were county-specific, e.g., Los Angeles County (LA) could only see LA cases. CCSAS is a statewide system, requiring workers to think about statewide impacts. As with any major change to automation, it will take time for state and local workers to become fully trained in the statewide operating system.

In addition to formal training, during the conversion process DCSS provided special "boot camps" for LCSAs in specific areas, such as public assistance referral processing and financial adjustments. Ongoing webcasts continue to be conducted to assist LCSAs in subject matter areas, as requested.

At all stages of the statewide conversion, DCSS assembled project teams, drawing extensively on local expertise to sort through the changes and understand how they affected operations and performance measures. Post-conversion, the Department instituted a project governing structure to include LCSAs in the ongoing decision-making process.

The change to a statewide system has impacted many aspects of the child support program, including case management approaches, financial results, system response

times and performance statistics. It is important to reach consensus on how best to create efficiencies and improve operations within the unified statewide program.

12. How will the department monitor the ongoing performance of the new system? What measures will be used to assess performance? Are there plans for changes or improvements to CCSAS?

The Department's CCSAS contract specifies a set of performance measures that are used to determine ongoing performance. Compensation for the business partner is tied to these measures. The performance measures relate to avoidance and clearance of system defects; system availability; help desk waiting times; and a quarterly scorecard that rates performance in system change management, execution of the knowledge transfer to state staff, defect repair, and conformity with standards including up-to-date documentation. The contract and associated documents also specify service level objectives for system response times.

System performance is monitored using software tools on an ongoing basis at several levels: transaction, process, county and statewide.

- Response time is the greatest measure of performance. The majority of counties experience transaction response time of one second or less.
- The volume of help desk calls is also used as an indicator. Calls have steadily declined over the last several months.
- System availability is a contract performance measure and required to be at 100 percent. This service level has been met 99.9 percent of the time.

Several changes have been implemented to optimize system performance and other processes are continuously evaluated for similar efforts to improve efficiency. Change Requests accumulated during the implementation period specifically address functionality to improve program performance and worker effectiveness. For example, child support cannot be collected if obligors and/or their assets can't be located. Changes to enhance CCSAS locate capability will improve the program's ability to collect child support for children and families and reimburse the State General Fund for previously paid public assistance.

CCSAS provides the platform for improving performance on a statewide level for the first time in California. As state and local workers gain confidence and the system is enhanced to provide increased effectiveness, California's performance on all five of the federal measures will improve.

The Relationship of DCSS with Local Child Support Services Agencies

13. What do you view as the primary role and responsibility of the state in administering the child support program? Of the counties? How do you ensure

a positive working relationship and communication with the counties so that the experiences of the counties are incorporated into policy and budget changes, and that counties receive clear and consistent direction from the state?

DCSS has the leadership role in directing and overseeing California's child support program. This role is carried out by:

- establishing a vision, direction and priorities for the program;
- setting program policies;
- providing direct oversight and supervision of the LCSAs;
- improving program performance in collecting child support and other key federal and state measures; and
- maintaining and improving California's statewide automated child support system.

The LCSAs are responsible for performing the child support activities required by law and regulation in a manner prescribed by the Department. They have been providing direct child support services to the families of California for decades, and have invaluable experience and knowledge of program operations.

In order to effectively lead the state's child support services program, I believe it is important to establish a shared vision and clear sense of priorities, so that the state and the LCSAs move forward effectively to accomplish shared goals. The Department is about to begin the collaborative process, with the Child Support Directors Association, of crafting a new Child Support Services Strategic Plan for FFY 2010 through 2015.

I am committed to maintaining a strong relationship with the LCSAs. I meet regularly with the Board and membership of the Child Support Directors Association, and the directors of the largest LCSAs to seek their input on program policies and operations, as well as to hear their concerns and issues. As a former LCSA director and past President of the Board of the Child Support Directors Association, I have established relationships with local directors, as well as a knowledge and sensitivity to local operational and program needs. I plan to continue to maintain positive relationships with the LCSAs through regular, ongoing communication regarding the Department's plans and initiatives.

Our partnership is structured so that Department and LCSA representatives work together through many work groups and committees. This ensures that local views and expertise are included as we make program decisions, develop policies and regulations, and implement statewide initiatives.

14. How would you characterize the current relationship between DCSS and the local child support agencies? Is there anything that you would like to see altered in this relationship? If there is, please be specific about what and why.

The child support program has undergone and will continue to undergo change. This is due to the new automation system and the establishment of DCSS and the LCSAs in 2000. This new organizational approach will continue to require a high level of coordination and collaboration among all the organizations and individuals with a role in the program – including the state, LCSAs, the courts, welfare agencies, and community based organizations, and child support customers. As I stated previously, the Department's ongoing challenge is to design and operate the organizational structures and efficiencies essential for the program's effective operation.

I view the relationship between the Department and the LCSAs as a collaborative partnership. While the state provides leadership and oversight, the LCSAs have the primary operational role in the state's child support program. The LCSAs are our most important partners, and extensive collaboration is the key to a successful child support program.

As the Department has exercised its oversight role and responsibility to hold the LCSAs accountable for performance improvement through efforts such as the statutory Corrective Action Process, the Key County Initiative and compliance reviews, this collaborative relationship has been strengthened.

15. How do you ensure that local child support agencies reach their performance targets?

In consultation with key LCSA directors, DCSS has established annual performance targets for the federal performance measures in which California is below the national average. In recent years targets have been set at a level that would enable the state to reach the performance goals specified in the DCSS strategic plan. Targets for most counties required maintaining performance that exceeded the national average. Targets for the lowest performing counties were set at a level that required more significant improvement.

First, we engage in a collaborative process with the LCSAs, through their representatives, the Child Support Directors Association, in setting ambitious performance goals. These local performance goals are typically linked to the statewide goals delineated in the Child Support Services Program Strategic Plan, which is also developed through a collaborative process with the LCSAs and their representatives. Once the local performance goals are established, there are a number of steps that we take to promote success in reaching those goals.

We require that each LCSA prepare a Performance Management Plan. The Plan must include a description of the specific business strategies the LCSAs will undertake to meet their performance goals. Strategies must target known problem areas and areas selected should have the greatest potential to improve outcomes for customers. The Plans must include details such as specific implementation activities, timeframes, and

milestones for measuring progress. The Plans must include responsible parties, expected results, and the methodology for measuring those results. The Plans are reviewed to ensure that the required components have been included. Revisions are requested in the event that a Plan does not contain the required components.

During the course of the year DCSS Regional Administrators, or RAs, monitor the performance of each local agency, tracking the performance measure with established targets. RAs review monthly, quarterly and annual reports on all measures. Progress is reviewed with each individual LCSA as well as in multi-county meetings where specific practices are shared and results are assessed. In addition to performance on federal measures, DCSS staff conduct compliance reviews to ensure that case processing rules are followed and federal timeframes are met. LCSAs that fail compliance reviews are required to complete corrective action plans.

My goal is to continue to personally, and through DCSS staff, work collaboratively with each local child support director and staff to achieve their performance goals. However, existing state law provides me the authority to take necessary action with respect to LCSAs that are not making progress in meeting performance targets or that fail compliance reviews. Specifically, failure by LCSAs to reach or make reasonable progress in reaching their performance targets allows me to administer a three-phase Corrective Action Process. Actions can include establishing performance improvement plans which focus on specific performance strategies, timeframes and outcomes of business practices designed to improve performance. If there is persistent non-compliance and lack of cooperation, the ultimate step may include the state assuming responsibility for local operations.

16. Which initiatives to improve county performance are the most effective and how have you made that determination?

The following are the primary DCSS initiatives for improving county performance:

- Early Intervention

I believe that the Department's Early Intervention Initiative has the most potential to improve LCSA performance in California at this time. Early intervention has been proven to be effective in both increasing collections, as well as improving performance on several key federal performance measures (collections on current support due and arrears).

The National Child Support Enforcement Strategic Plan promotes a focus on early intervention to prevent the unnecessary build-up of arrears. The intent is to build a culture of compliance, in which parents support their children voluntarily and reliably, and benefit families by improving collection rates. Early intervention practices have been shown to increase performance in a number of studies in California and

jurisdictions around the country. My experience in Orange County confirms this conclusion.

Accordingly, I have begun a statewide Early Intervention Initiative utilizing 2009/10 Revenue Stabilization funding. In order to receive Revenue Stabilization funds, LCSAs were required to develop and submit Early Intervention Plans. Guidelines were developed, and all plans were submitted to the Department by May 1, 2009. Local agencies will utilize casework staff that are hired or retained using these funds on early intervention activities, with a focus on personal customer contact.

- Key County Initiative

This Initiative focused on the eleven lowest-performing LCSAs. Performance thresholds were established for key federal performance measures. The Department worked collaboratively with the agencies to develop Performance Improvement Action Plans that were targeted to issues and problems specific to each agency. Local progress in implementing the plans has been monitored, and performance has improved significantly for these Key Counties.

At the beginning of the Initiative there were eleven LCSAs with performance below established minimum thresholds. By June of this year, nine of the agencies had increased performance to such an extent that they successfully completed the requirements of the Initiative.

- Big 6 Initiative

This Initiative involves quarterly meetings with the directors of the six largest LCSAs that represent 58 percent of the statewide child support caseload. This promotes direct contact among the six largest agencies to share information and strategies and emphasize a focus on performance improvement. At these meetings, directors report on progress on federal measures, share best practices, and report on performance enhancement strategies that are resulting in desired outcomes. This provides a mechanism for the Department to regularly monitor the agencies' progress in meeting performance milestones and goals; builds collaborative working relationships; and encourages a healthy competition among the LCSAs as they seek to improve performance.

- Business Plan

This is a structured business planning process through which we have developed joint state/local strategies for improving effectiveness and efficiency. Through a number of workgroups, progress is being made to develop and implement both short

and long run strategies that will have a positive impact on the performance of the statewide child support program.

17. Are there problems that are unique to larger counties or smaller counties?

Small LCSAs face unique problems due to their size. In some small counties, staff salary and benefits are lower, which sometimes results in difficulty attracting a qualified pool of candidates to fill vacant positions. Many small county staff performs more than one function in order to meet the demands of a full child support program operation. When one person leaves, it can impact several areas of operation. These duties are assumed by others until the position can be filled. Due to the budget situation and increasing costs, many times positions are eliminated and the duties are assumed by existing staff, which increases individual workloads and adversely impacts operations when a worker is absent. In addition, small counties have limited, if any, resources to perform activities such as public outreach, technical functions, workgroup participation, and training programs.

Large LCSAs also face challenges due to their size. Large counties must ensure that information moves throughout the organization uniformly and consistently. Their ability to communicate organizational change has a direct impact on their ability to perform effectively and efficiently. Also, large county business processes cannot allow staff to perform full service case management activities. Instead, staff with separate areas of responsibility handles only certain aspects of individual cases. This has the potential to cause confusion for the customer and presents a greater opportunity for errors in case management.

I am committed to the Department's mission of promoting the well-being of children and the self-sufficiency of families, meeting all federal program requirements, refining operation of the statewide automation system, and improving the program's overall statewide program performance, particularly in the areas of collections and cost-effectiveness.

I look forward to working with the Legislature on the important issues facing California's families, and welcome further discussion of the opportunities and challenges facing our program during my Senate Rules Committee confirmation hearing.

Sincerely,



JAN C. STURLA
Director

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