

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY AND
COMPLIANCE DIVISION
Accounting & Finance Branch

RESOLUTION F-621
November 9, 1988

R E S O L U T I O N

RESOLUTION F-621, COMMISSION RESOLUTION TO
ADOPT AN INTERIM ADVISORY COMMITTEE STANDARD OF
EXPENSE REIMBURSEMENT FOR COMMISSION ESTABLISHED
ADVISORY COMMITTEES CREATED TO PROVIDE ADVICE OR
ADMINISTRATIVE OVERSIGHT OF TRUST FUNDS AND OTHER
PROGRAMS.

SUMMARY

By several recent decisions the Commission has ordered the formation of various Advisory Committees responsible for the administration of certain trust funds and other programs funded by either ratepayer contributions or shareholder funds. These committees have emerged from issues identified in Commission proceedings, or are in response to specific legislative action by the California State Legislature. In order to receive the benefit of public input or specific expert knowledge, the Commission had directed that these Advisory Committees include non-utility members selected from consumer groups for which the trust or program was instituted. While the utility members are reimbursed for their expenses by their respective employers, consumer representatives are possibly self-employed or employed by a third party and are not always reimbursed for their expenses. To assure the continued participation by non-utility representatives to the Advisory Committees, this Resolution establishes an interim Advisory Committee Standard of Expense reimbursement which henceforth shall apply to certain Advisory Committees.

The interim Advisory Committee Standard of Expense Reimbursement for attending scheduled meetings or Commission ordered workshops or formal hearings directly related to the Advisory Committee's duties shall be: actual expenses up to the current limits in effect for such items as travel, meals, parking and other incidentals as are applicable for Commission staff on official duty allowable under Government Code Section 19820. At some subsequent time, the Commission may review expense reimbursement standards and adopt a final standard applicable to all Advisory Committees.

BACKGROUND

The Commission has currently established the following Advisory Committees whose members are not reimbursed for their expenses:

1. Customer Notification Advisory Committee - Pacific Bell; created by Decision 87-12-067. This advisory Committee performs the following duty:

Prepare a customer notification of marketing abuses in order to attempt to make customer refunds to appropriate customers.

Membership is composed of Pacific Bell, Commission Staff, and 3 public members not affiliated with the utilities or the Commission. None of the public members are reimbursed for expenses.

There is no Commission authorized funding for this Advisory Committee.

2. Customer Marketing Oversight Advisory Committee - Pacific Bell; created by Decision 87-12-067 and 86-05-072. This Advisory Committee performs the following duties:

Prepare studies on the marketing issues involved in Lifeline service, telemarketing practices, and the issue of sales quotas.

Membership is composed of Pacific Bell employees, 1 GTE of California employee, Commission Staff, and 8 public members not affiliated with the utilities or the Commission. None of the public members are reimbursed for expenses.

There is no Commission authorized funding for this Advisory Committee.

3. Women & Minority Business Enterprises Advisory Board; created by Decision 88-04-057 and subsequently modified by Decision 89-09-024. This Advisory Committee performs the following duties: select an operator for a Clearinghouse of Women & Minority Owned Business Enterprises. The Clearinghouse will verify that the businesses are in compliance with the requirements of General Order 156.

Membership is composed of 10 utility representatives, 1 Commission Staff, and 5 public members not affiliated with the utilities or the Commission. There is no expense reimbursement.

This Advisory Committee is financed by charges in customer rates authorized by the Commission.

There are other Advisory committees currently authorized by the Commission which do allow for various levels of recovery of fees and expenses. They are not subject to this Resolution.

Eligibility

To be eligible for expense reimbursement, an Advisory Committee must be specifically established by an Order of the Commission. Such an Advisory Committee must be created for the expressed purpose of providing specific service to the regulated utility or its ratepayers in an ongoing fashion not suited to the conventional rate case and testimony process for adoption of a public policy by the Commission. The Advisory Committee must have an ongoing role rather than a single analytical role which would be better suited by a single contract for consultant analysis and testimony. To qualify for reimbursement, Advisory Committee members must attend scheduled meetings of the Advisory Committee, Commission ordered workshops or formal hearings directly related to the Advisory Committee's Duties.

It is further recommended that no participant who is reimbursed for participating in a specific Commission proceeding under Public Utilities Code [Code] Sections 1801 - 1808 should be allowed to include subsequent service on a resulting Advisory Committee in the request for expense reimbursement. Any such intervenor who is appointed to an Advisory Committee should only receive expenses for Advisory Committee Service. To be eligible for intervenor expense reimbursement while litigating an Advisory Committee related issue, an Advisory Committee member must withdraw from Committee membership. After resigning, the former Advisory Committee member is eligible to apply for funding under the Commission's intervenor expense reimbursement standards. An Advisory Committee member may file for intervenor compensation in unrelated proceeding while still serving on an Advisory Committee and receiving their expenses.

Standard of Expense Reimbursement

The Commission has the authority to set its own level of payment for service on committees in general. There are specific legal guidelines for State Funded committees, committees which in effect are paid for by the state out of its general funds. Most if not all of the Advisory or Management Committees authorized by the Commission are discretionary, funded by either specific charges included in utility rates and collected from customers or charged to the stockholders of the utilities.

In establishing a Standard of Expense Reimbursement the Commission should consider the reasonable guidelines available to it. These include the rules for compensating its own employees

for business related expenses (Government Code Section 19820, under which the Department of Personnel Administration (DPA) established rules and regulations published on the California Administrative Code, Title 2, Division 1, Chapter 3, Article 2). The Commission may also consider the rules for statutory authorized Advisory Boards (Government Code Section 11564.5). Normally these Advisory Boards only recover expenses, but an exception is allowed for a per diem salary of \$100. In Decision 88-07-071, dated July 22, 1988 the Commission authorized an exceptional Committee for San Diego Gas & Electric Company, the third such Exceptional Committee authorized for nuclear decommissioning. Reference for such fees can be found in the fees and per diem typically paid to outside members of the Board of Directors of the regulated utility(ies) which may be affected by such committees performing similar duties.

The Commission Advisory & Compliance Division's Accounting & Finance Branch has reviewed the possible interim Standard of Expense Reimbursement and recommends the adoption of the following:

Advisory Committees.

The Standard of Expense Reimbursement for Advisory Committee members for attending scheduled committee meetings or Commission ordered workshops or formal hearings directly related to the Advisory committee's duties shall be that reasonable expenses are reimbursed in accordance with DPA regulations for Exempt Employees (Government Code Section 19820). This expense reimbursement shall be up-dated as Section 19820 of the Government Code is up-dated from time to time.

Unique Expenses, if authorized by the Commission at the time of formation of the Advisory Committee, may be recovered for such items as assistance to the disabled (Readers for the sight-impaired, Signers for the hearing-impaired, etc.) to the extent that such Committee members provide a unique or special contribution to the Advisory Committee. Otherwise such costs are the personal costs of the Committee Member.

Method of Funding Advisory Committees.

The Advisory Committees discussed above must be the subject of an Order authorizing expense reimbursement. The CACD recommends that the public members of the Advisory Committees should be reimbursed in the following fashion:

1. Customer Notification Advisory Committee - Pacific Bell; This Advisory Committee should be reimbursed by Pacific Bell. Pacific Bell should be

allowed to maintain a memorandum account and seek recovery of its costs in appropriate rate case or attrition proceedings.

2. Customer Marketing Oversight Advisory Committee - Pacific Bell; This Advisory committee should be reimbursed by Pacific Bell. Pacific Bell should be allowed to maintain a memorandum account and seek recovery of its costs in appropriate rate case or attrition proceedings.

3. Women & Minority Business Enterprises Advisory Board; This Advisory Committee should be reimbursed by adding the costs of the Advisory Committee to the costs of the Clearinghouse which are then allocated in total to participating utilities.

The CACD recommends that at some subsequent time the Commission should reexamine the policy for compensating both these Advisory Committees under this interim Standard of advisory Committee Expense Reimbursement with a view to establishing a uniform policy for all Advisory Committees currently in existence or which may be authorized in the future.

FINDINGS

1. It is reasonable that public members of Commission authorized Advisory Committees receive a fair expense reimbursement for their services.

2. The fair Advisory Committee Standard of Expense Reimbursement shall be reasonable expenses as defined by the current government Codes and Regulations as discussed earlier.

3. Discretionary exceptions to the Advisory Committee Standard of Expense Reimbursement may be granted by the Commission on a case by case basis.

4. Intervenors reimbursed under Code Sections 1801 - 1808 should only receive the Advisory Committee Standard of Expense Reimbursement for any service on Advisory Committees.

5. Employees, officers or agents of regulated public utilities are not eligible for expense reimbursement.

6. It is reasonable to reimburse the public members of the Advisory Committees and to charge the costs as recommended by the CACD.

IT IS ORDERED, that:

1. It is reasonable that public members of certain Advisory Committees are reimbursed for their expenses.

2. Certain Commission authorized Advisory Committees shall be reimbursed at the interim Advisory Committee Standard of Expense Reimbursement contained in this Resolution.

3. The affected Advisory Committees shall be reimbursed as discussed in the Resolution and the costs charged against the utilities or the Trust Funds as described in the Resolution.

4. Code Sections 1801 - 1808, Intervenor's Fees and Expenses, do not apply to these Advisory Committees.

This Resolution is effective today.

I certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting of November 9, 1988. The following Commissioners approved it:

STANLEY W. HULETT
President

DONALD VIAL
FREDERICK R. DUDA
G. MITCHELL WILK
JOHN B. OHANIAN
Commissioners



Executive Director