

WEM Cross – Transcript dates/pages

Mon. June 28 - Tom Varghese (2009-2020)

Tues. June 29 - Tom Varghese (cont.) (2023-2040)

Wed. June 30 - Helen Burt (2059-2069)

Thurs. July 1 - Stan Kataoka (2210-2243)

Thurs. July 8 - Sandy Hartman (2916-2933)

Tues. July 13 – Megan Janis (3318-3337)

2

CROSS-EXAMINATION

3 BY MS. GEORGE:

4 Q You responded to our data request No. 4, and
5 this is here if you want to look at it but it's, you
6 know, not really the main thing. It says with respect
7 to the above-the-line customer engagement activities,
8 the only full-time equivalents who participate in
9 activities related to formation of CCAs are employees of
10 PG&E's ESP services team.

11 That was your response to our data request
12 No. 4. And we challenged that in our testimony.

13 And your rebuttal is on pages it's PG&E 4
14 Chapter 1, page -- wait a minute. I'm sorry.
15 Numbers.

16 Oh dear.

17 Excuse me one second. Let me find the page
18 number.

19 It's page 41-5.

20 A 41?

21 Q Yeah.

22 A I didn't sponsor Chapter 41.

23 Q Oh. I'm on the wrong one. Sorry. Sorry.

24 Sorry.

25 36-37.

26 A 36-37?

27 Q That's the number that I have here. That
28 doesn't sound right, but --

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1 A No. It doesn't have 37 pages.
2 Are you referring to page 36-5?
3 Q I guess it must be. Is that, WEM asserts that
4 PG&E falsely claimed in response --
5 A Yes. Question 10.
6 Q 36-5. Pardon me.
7 And it's a kind of complicated statement. We
8 could read it off, but it's kind of -- the gist of it is
9 the PG&E's response to the data request refer to the
10 customer engagement chapter of PG&E's GRC testimony, not
11 the customer engagement organization more broadly.
12 A Yes.
13 Q Is that the way you answer data requests?
14 I mean, is it like -- why would I want to know
15 something in a chapter that I can read the chapter?
16 I'm asking about the organization itself. And
17 it seems like this is an extremely narrow way to answer
18 this question.
19 A I thought -- I thought the answer was fairly
20 straightforward.
21 We can look back at that data request.
22 Q I'm going to the data request that -- this is
23 data request No. 6, which is WEM-7, Exhibit 7.
24 A Okay.
25 Q And the question is:
26 Please provide the number and
27 if possible the names of FTEs
28 assigned by all Departments to

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1 participate in activities related
2 to the formation of Community
3 Choice Aggregators

4 A Mm-hmm. Right. And so the intent of
5 the response was to speak to above-the-line charges,
6 which is the purpose of this proceeding.

7 So what I was speaking to were
8 the above-the-line charges in the customer engagement
9 area, and that's for the ESP's services team

10 MR. FRANK: Your Honor, before we go further, I'd
11 ask the representative from WEM here to explain.

12 There's certain highlighting in this document and I'm
13 virtually certain it wasn't in the original, and I'd
14 just ask you to represent, explain whatever changes you
15 may have made to this document.

16 MS. GEORGE: Let me take a look because
17 I didn't --

18 Yeah. That's my yellow highlighting. It came
19 through black. Sorry about that. It is highlighting
20 that I added to it.

21 MR. FRANK: There are no other changes?

22 MS. GEORGE: No. There's no other changes.

23 MR. FRANK: Thank you.

24 THE WITNESS: So if you refer to the first
25 paragraph of the answer --

26 MS. GEORGE: Q Mm-hmm.

27 A -- I'm basically stating here that we're
28 responding only to above-the-line activities in this

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1 response. And with respect to the above-the-line
2 customer engagement activities, this is the only debt
3 charges to it.

4 Q When you were cross-examined by San Francisco,
5 you mentioned that account services reps could be
6 talking to, you know, could be offering opinions about
7 community choice aggregators.

8 A If they are getting into any kind of
9 discussions to advocate a decision, that is below
10 the line. So --

11 Q So the account services activities that you
12 describe earlier, those would totally be
13 a below-the-line --

14 A Yes.

15 Q -- and that's why they didn't show up --

16 A Right.

17 Q -- on your answer?

18 A That's right.

19 Q And what about the -- I mean, we can ask
20 Mr. Kataoka about this, but what about the customer
21 retention and economic development folks. Are they all
22 below the line?

23 A I can't speak to that. That would be
24 a question you'd have to pose to Mr. Kataoka.

25 Q So when my question asked about all
26 departments, you ignored that and you only talked about
27 the department that you are in charge of; is that what
28 happened?

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1 MR. FRANK: Your Honor, I'm going to object. This
2 document again speaks for itself. And if you look at
3 the entire answer, it speaks beyond his department to
4 other activities found in other sections in
5 the testimony, included those highlighted by Ms. George
6 at the bottom. So it's inaccurate to say that the
7 witness ignored other areas.

8 Q Well, I'll take that back. I had a question
9 about the account representatives and the customer
10 retention, and I actually did not specify above the line
11 either, so --

12 So anyway, this is the answer to the question.
13 Let's move on.

14 Are you aware that the community choice
15 statute requires utilities to fully cooperate with
16 community choice aggregators?

17 A I am.

18 Q Would you say that PG&E is fully cooperating
19 with the Marin Energy Authority, the community choice
20 aggregator in Marin?

21 A I believe we are, yes.

22 Q And throughout this period, you've been fully
23 cooperating with community choice aggregators?]

24 A I feel we are following the rules and tariffs
25 and we are cooperating with Marin. Yes.

26 Q So these below-the-line activities, where the
27 accounts-services reps may be giving opinions about CCA
28 that are maybe not -- maybe -- or maybe they're not very

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1 positive, would that be included in a "fully
2 cooperating"?

3 A I wouldn't characterize it the way that you
4 have.

5 You know, if they are speaking to customers
6 about their options and being able to opt out of Marin's
7 service, those are treated as below-the-line kind of
8 activities.

9 So if they are getting involved in any of
10 those discussions, they have to charge it to that kind
11 of work.

12 Q So it's okay not to cooperate as long as it's
13 below-the-the line; is that what you're saying?

14 A No.

15 MR. FRANK: Your Honor, she's mischaracterizing
16 the witness' testimony.

17 MS. GEORGE: Okay. Maybe I misheard it.

18 Q Was PG&E fully forthcoming as to its
19 activities in regard to Community Choice Aggregators, do
20 you feel, in this General Rate Case?

21 A "Fully forthcoming"; could you just explain
22 what you mean by that?

23 Q Has there been any attempt to conceal efforts
24 that have to do with Community Choice Aggregation?

25 A I'm not aware of anything quite like that at
26 all. I am surprised by that question.

27 Q Let's turn to that letter that the CCSF was
28 asking you about before, the May 4th letter?

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1 A Sure.
2 Q CCSF No. 3.
3 A No. 3?
4 Q CCSF No. 3, the May 4th, 2010, letter.
5 ALJ FUKUTOME: That's actually CCSF-2.
6 MS. GEORGE: That's CCSF-2?
7 THE WITNESS: Yeah.
8 ALJ FUKUTOME: Uh-huh?
9 MS. GEORGE: Okay.
10 Q You said you were -- you would not -- you made
11 some statement about -- and I don't have the exact
12 wording, but you said this letter was written in 2008.
13 A It was drafted in 2008 (nodding head),
14 correct.
15 Q So was there a package of materials that were
16 drafted in 2008 to -- that were ready to be used for any
17 Community Choice Aggregation that came along in that
18 period of time?
19 A Not a package.
20 I mean we were preparing for the business
21 transactions that would be necessary for PG&E to operate
22 with a Community Choice Aggregator, so this was intended
23 to be a system letter to inform customers who are
24 involved in transitioning from PG&E to a CCA.
25 We had documents that are set up in our system
26 for other kinds of transactions, so we were setting up
27 the mechanisms at that time.
28 Q And you said that you would not have stated it

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1 this way if you thought about it.

2 It sounded like you were not completely
3 comfortable with this letter?

4 A Well, the intent of the letter was to brief or
5 inform a customer of a change in their energy-service
6 provider.

7 Again, by having opt-out information like this
8 immediately added more information to the letter than
9 what it was intended to, and certainly having it funded
10 by shareholders and most recently with Marin, it
11 contradicted the rules that the PUC had established for
12 us.

13 So, again, this letter should not have gone
14 out, and we have since apologized.

15 Q The May 12th letter from Paul Clanon to PG&E,
16 which we did not assign a number to, informed you that
17 this was (indicating) a violation of the Resolution that
18 had been passed the day before; right?

19 That the -- that -- actually an earlier
20 letter -- there were two letters from Clanon, one on
21 May 3rd and then one on May 12th, and then the May 12th
22 letter said you are completely out of compliance with
23 our Resolution and the May 3rd letter.

24 A The May 3rd letter defined the rules or the
25 conditions for communicating to the customers and
26 precluded the use of this kind of language appearing in

27 that letter of -- May 4th letter; so this May 12th
28 letter speaks to that problem.

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1 Q So the May 12th letter indicated that this was
2 the kind of negative marketing against CCAs that was not
3 allowed -- I have lost the May 12th letter.

4 So let me ask you again, do you feel that this
5 is -- this letter represents (indicating) fully
6 cooperating with CCAs?

7 MR. FRANK: Your Honor, I'm going to object on a
8 couple of grounds here.

9 First of all the representative from WEM is
10 again asking for a legal conclusion whether or not we're
11 fully cooperating.

12 If she wants to ask regarding the activities
13 that we're doing that are above-the-line and represented
14 in this rate case, we're happy to discuss that.

15 The other reason for my objection is, as we've
16 already talked about, the letter at issue here is
17 shareholder funded and therefore beyond the scope of
18 this proceeding.

19 MS. GEORGE: However, the witness was not aware of
20 whether the preparations for the letter were all share-
21 holder funded. I believe that was some doubt in his
22 mind, about whether any other funds had been used.

23 MR. FRANK: I believe his testimony was that he
24 was not personally aware of how that was accounted for,
25 but the document again speaks for itself and states that
26 it was shareholder funded.

27 MS. GEORGE: Q There is a listing of that cross-
28 wise page, it's the WEM Data Request No. 4, the

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1 attachment, which is WEM-9 -- Exhibit WEM-9.
2 This attachment -- this is (indicating) a
3 response that you made; right?
4 A That's correct.
5 Q To you data request?
6 So you're familiar with this document.
7 A I am.
8 Q And in the 2008 paragraph here --
9 A Uh-huh?
10 Q -- the second line, in -- about in the middle,
11 it says: Review and comment on customer letters slash
12 messaging.
13 So that's 2008, and that's when this letter
14 was prepared; and this chart I believe is an activity
15 summary of your above-the-line activities; is that
16 correct?
17 A That's correct.
18 Q Okay.
19 So it's possible that this letter was an
20 above-the-line item?
21 A It is possible, but I -- I can't speak to
22 that --
23 Q But would this letter be an example of a
24 letter that would be sent to customers, the kind of
25 letter that is -- that is listed here?
26 A No.
27 Again, that this was supposed to be for
28 customer letters that were part of normal transactions;

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1 and, as I've indicated, that that letter contains
2 language that wouldn't necessarily be part of that
3 operational kind of communications with a customer. It
4 contained language on opt-out.
5 So I can't speak to exactly the work that took
6 place here, but the above-the-line work should have been
7 to draft a letter that just informed the customer about
8 a switch in their energy-service provider. They
9 shouldn't be --
10 Q So it would have been this letter without
11 negative references --
12 A Correct.
13 Q -- and without the opt-out --
14 A Correct.
15 Q -- suggestions?
16 A Correct.
17 Q Has such a letter ever been sent to customers?
18 A Yes.
19 Those letters are available to customers who
20 are served by electric ESPs or gas core transport
21 agents.
22 Q But not CCA customers?
23 A Not to CCA customers.
24 Q Okay. All right.
25 ALJ FUKUTOME: It is 3:30.
26 MS. GEORGE: I have just one more question about
27 this; should I ask it today or -- it's a pretty brief
28 question.

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1 ALJ FUKUTOME: All right. Go ahead and ask it.
2 MS. GEORGE: Q I am just curious why Marin is not
3 on here.

4 Are there no above-the-line activities that
5 are related to Marin?

6 A We didn't have any activities going on with
7 Marin during those three years or four years.

8 Q Nothing in Marin in 2007 --

9 A No. Not --

10 Q -- and 2008?

11 A Not for ESP services team. No.

12 ALJ FUKUTOME: Okay. We'll be adjourned until
13 9:00 a.m. tomorrow morning.

14 (Whereupon, at the hour of 3:35 p.m.,
15 this matter having been continued to 9:00
16 a.m., June 30, 2010, at San Francisco,
17 California, the Commission then
adjourned.)

* * * * *

END VARGHESE FOR JUNE 29

1 be significant reductions to the time parties will have
2 for cross-examination when compared to their estimates.
3 Based on information calculated by PG&E, it appears it
4 may be in the neighborhood of 40 percent. Parties
5 should be aware of this as we go forward.

6 I will send out a note in the next day or so
7 with an hourly allocation of the remaining hearing time
8 for each of the parties. Parties will be expected to
9 work within that allocation to complete their
10 cross-examination.

11 Are there any questions? Ms. George.

12 MS. GEORGE: Does that apply to parties that
13 already cut their time? We cut our estimates in half
14 already.

15 ALJ FUKUTOME: I'll have to look at all the
16 factors, including that also the extent of parties'
17 testimony to the extent that PG&E rebutted the
18 testimony.

19 Are there any other questions?

20 (No response)

21 ALJ FUKUTOME: We'll continue with the
22 cross-examination of Mr. Varghese. Ms. George.

23 CROSS-EXAMINATION (resumed)

24 BY MS. GEORGE:

25 Q One more question about the letter.

26 A I'm sorry. Which letter?

27 Q The May 4th letter.

28 A Okay.

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1 Q You said that it was created in 2008?
2 A Correct.
3 Q And did you sign it in 2008?
4 A My signature is a system -- it's a single
5 signature that appears on a variety of different
6 documents like that. I'm not sure when I provided that
7 signature, but it was in the system in 2008 already.
8 Q So you did not review the letter before it was
9 sent out?
10 A No.
11 Q May I ask who did? Who was responsible for
12 sending that out?
13 A That, again, was a system-generated letter.
14 It was sent out as a part of a operational transaction.
15 When a customer -- customer service provider is switched
16 from PG&E to a community choice aggregator in this case
17 or vice-versa, that letter was reviewed in 2008 and --
18 Q So it was set up as an automated --
19 A Exactly.
20 Q -- mailing?
21 A Exactly.
22 Q And nobody touched it after that?
23 A Since then. No.
24 Q Since 2008?
25 A Right.
26 Q Okay. You're the manager of the Energy
27 Services Provider team?
28 A ESP Services, yes.

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1 Q That's your main job?

2 A That's correct.

3 Q So does that mean that you're the manager of
4 all the activities related to CCAs in the customer care
5 organization?

6 A Not all of the activities. The ESP Services
7 team is responsible for setting up the operational
8 transactions between PG&E and a community choice
9 aggregator or an energy service provider.

10 Q I understand that. What I'm trying to get at
11 is, is there someone else who is senior to you in the
12 customer care organization who deals with CCAs?

13 A Well, there are other activities related to
14 CCAs, you know, customer contacts, information for
15 advocacy. So there are other organizations dealing with
16 other aspects of our relationship with a CCA.

17 Q Who would be the main person who deals with
18 the CCAs overall? Would you say that would be Helen
19 Burt?

20 A Well, she's not the sole person. You know,
21 we've got regulatory relations. We've got corporate
22 communications. We've got customer care.

23 Q All right. How do they coordinate with each
24 other? Do they meet with each other and discuss what
25 the plans are?

26 A When it's necessary we do set up meetings.

27 Q Okay. Your testimony in Exhibit 4, testimony,
28 page 4-3, I'll just read it to you. I don't think

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1 you're really going to need to look at it, but it's:
2 Customer engagement work is
3 dispersed to specific
4 organizations to take advantage of
5 functional synergies resulting
6 from the combination of customer
7 engagement in other activities
8 performed within the
9 organizations.
10 A Actually, I prefer to --
11 Q I'm assuming that those activities include
12 energy efficiency and solar?
13 A I'd prefer to read that if you don't mind.
14 Q Sure. Page 4-3?
15 A 4-3.
16 MR. FRANK: Lines 14 and following?
17 MS. GEORGE: Q Yes. It's 14 through 17.
18 A Okay. Yes.
19 Q So would those activities include energy
20 efficiency and solar?
21 A Yes.
22 Q Okay. And does the ESP Services team present
23 information about PG&E's energy efficiency and solar
24 programs?
25 A No, no. We again are only involved in
26 operational activities with.
27 Another service provider.
28 Q Okay. But your ESP Services team is part of

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1 the service and sales organization, right?

2 A Yes.

3 Q And there are something like 270 account reps
4 for businesses?

5 A Correct.

6 Q Those account reps all are authorized to
7 present energy efficiency and solar?

8 A They are.

9 Q And does the energy efficiency organization
10 have a separate sales force that goes to businesses, or
11 are these account reps the main people who promote the
12 energy efficiency programs to businesses?

13 A Well, we don't have a distinct energy
14 efficiency organization per se. We have account
15 managers. The account managers I'm speaking to as part
16 of this exhibit primarily deals with business customers.

17 Q Right.

18 A We have other folks who interact with
19 residential customers.

20 Q No. I understand that. I'm just talking
21 about the businesses customers --

22 A Yes.

23 Q -- at the moment.

24 A So the account managers in the account
25 services function does do the energy efficiency contact
26 with customers.

27 Q Okay. There is not a separate energy
28 efficiency sales force inside the CEE organization?

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1 A Again, there's not a distinct CEE
2 organization, but this is the primary sales force for
3 making --

4 Q Okay. The CEE organization on the
5 organizational chart is a little box.

6 A Got you.

7 Q It says CEE. That's why I was wondering if
8 there was something separate in there.

9 Is there a system for keeping track of the
10 energy efficiency offers that are being made to
11 businesses by the account managers, or are they each
12 free to make their own offers and follow through as they
13 see fit?

14 MR. FRANK: Your Honor, I'm going to object here.
15 Energy efficiency money and processes are not subject to
16 this proceeding. It's a balancing account.

17 MS. GEORGE: I'm talking about the service and
18 sales organization, which is part of this proceeding,
19 right?

20 MR. FRANK: To the extent that it's using
21 non-balancing money that is above the line, correct, but
22 I think you were just asking questions about the
23 administration of the energy efficiency funds.

24 MS. GEORGE: No. I'm asking about the service and
25 sales organization. I'm talking about the interface
26 between services and sales and the energy efficiency
27 organization.

28 MR. FRANK: You may wish to restate your question.

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1 ALJ FUKUTOME: Proceed.

2 THE WITNESS: I'm sorry. Could you repeat that
3 question, please?

4 MS. GEORGE: Q Is there a system for keeping
5 track of the energy efficiency offers that are made?

6 A Well, the account managers do coordinate their
7 different projects with the energy efficiency
8 organization. It's part of a planning process to
9 understand what kinds of projects are in the pipeline,
10 if you will, so that there is an estimation as to how
11 much energy efficiency accomplishments we're likely to
12 get through those efforts.

13 Those are coordinated with a variety of
14 program managers who are trying to oversee all of these
15 different kinds of programs. And to the extent that
16 they actually succeed in working out the project
17 completely through completion, there's also a tracking
18 process along the way.

19 Q And is there a way of tracking what the
20 account services managers have discussed with businesses
21 in terms of CCA work?

22 A If they perform CCA work, they have to charge
23 below the line. If you're speaking about advocacy
24 activities, absolutely. So we do track that. It's a
25 requirement that whatever work you do you charge
26 appropriately. And that's all part of our time entry
27 process on a weekly basis, or actually on a daily basis.

28 Q So the advocacy on CCA is below the line,

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1 which we assume is negative, right?

2 A I'm not sure what you mean by "negative."

3 Q Well, presenting PG&E's views about the
4 competition is?

5 A I wouldn't characterize it as negative.
6 Again, our intent with community choice aggregation is
7 to provide as much information about the program to
8 customers. So to the extent that they're fully aware of
9 the implications of the program to themselves as a
10 customer or as taxpayers and the community, and also to
11 be aware that they do have a choice in terms of taking
12 part in a community choice aggregation. So that's an
13 effort just to provide information to customers.]

14 Q Okay. And would it be possible for an account
15 services representative to discuss energy efficiency and
16 CCAs in the same contact with customers?

17 A I think you're asking me to speculate.
18 I mean, it's possible.

19 Q It's possible.

20 A Yes.

21 Q There's no prohibition against that?

22 A Not that aware of -- that I'm aware of.

23 Q Are you aware of the Resolution E-4250 that
24 says utilities cannot offer to provide any goods,
25 services, or programs to local government or to the
26 electricity customers within that jurisdiction on the
27 condition that the local government not participate in

28 a CCA, or for the purpose of inducing the local

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1 government not to participate in a CCA?

2 A I am aware of that resolution.

3 Q Did your department or the Customer Care
4 organization make any changes to their -- did they send
5 out a notice to the account reps to inform them that
6 they needed to change their behavior based on this?

7 MR. FRANK: Your Honor, I'm going to object.
8 There's a implication here that the individuals needed
9 to change their behavior. I don't think that comes
10 across from the face of the resolution she just read.

11 MS. GEORGE: If the assumption was that there was
12 no need to change behavior, that could be the answer.
13 I'm just asking whether there was any change made in
14 accordance with the resolution.

15 MR. FRANK: That's fine.

16 THE WITNESS: No. We did not.

17 I mean, again, we -- we are providing energy
18 efficiency information, taking part in events locally
19 about our renewable energy programs. It's part of our
20 normal business, and we're doing that for every city and
21 county until the entire service territory for the north,
22 all the way down to San Luis Obispo.

23 MS. GEORGE: Q Great. And what about last fall
24 when the energy efficiency decision came out. That's
25 the other quote on the top of this page.

26 A Mm-hmm.

27 Q And that decision said the utilities shall not
28 use energy efficiency funds in any way which would

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1 discourage or interfere with the local government's
2 efforts to be considered becoming or to become
3 a community choice aggregator.

4 Account services representatives deal with
5 governments as well --

6 A Absolutely.

7 Q Local governments --

8 A Yes.

9 Q -- as well. So was there any communications
10 that went out to your account services representatives

11 about this decision, that there was any need to watch
12 their behavior based on this, change their message?

13 A No. No. It's similar to the other situation
14 that I described before. We did not -- no.

15 Again, we're talking to all these communities
16 regarding community choice -- sorry -- energy efficiency
17 and renewable power programs across the board, and we
18 are doing that through all the different channels that
19 we can. And --

20 Q Right.

21 A -- is really --

22 Q And the CCA --

23 MR. FRANK: Your Honor, I'm going to have to
24 interfere here. The representative from WEM is
25 interrupting the witness' answer. He is trying to be
26 responsive.

27 MS. GEORGE: I'm sorry. I'm just trying to speed
28 things up. Excuse me, maybe. I'm --

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1 ALJ FUKUTOME: Continue your answer.
2 MS. GEORGE: Sorry I cut you off.
3 THE WITNESS: Right.
4 MS. GEORGE: Q I was happy with what you had said
5 so far and I just wanted to keep that moving.
6 A Appreciate that. You've got a hard job, too.
7 Again, this is an effort by the company to
8 promote energy efficiency and renewable energy programs.
9 It's not an anticompetitive effort. We're out there to
10 help promote energy efficiency and achieving an
11 environmental goal for the entire state. So it's
12 a effort that we're trying to help customers to manage
13 their energy costs and meet their environmental goals.
14 Q But at the same time, you -- your
15 representatives are authorized to make advocacy comments
16 about community choice?
17 A To inform customers, yes, about community
18 choice aggregation. We do. And we can, in certain
19 communities, yes.
20 Q The comments that PG&E made on the proposed
21 decision on energy efficiency stated in no case -- this
22 is WEM Exhibit 1.
23 A Mm-hmm.
24 Q It said:
25 In no case has PG&E or will
26 PG&E "link" or "condition" any
27 local government's receipt of
28 public goods charge funds on

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1 the local government's decision
2 whether to participate in a CCA
3 program or not.

4 A I see that.

5 Q Is that your position that that has never
6 happened, that PG&E has never done that?

7 A Again, I'd have to speculate but I have not
8 heard of anything like that. I'm familiar with the work
9 that's taken place in the account services function and
10 we're not doing that in anyway.

11 Q And the resolution which stated, Resolution
12 E-4250 said this letter -- this is referring to
13 the letter that went to Novato that you were not very
14 familiar with. Have you had a chance to look at it?

15 A I have. Yes.

16 Q Says this letter raises the appearance that
17 the utility is seeking to link the utility's provision
18 of services to a decision by a local government not to
19 participate in a CCA.

20 Would you disagree with the resolution?

21 MR. FRANK: Your Honor, I'm going to jump in here.
22 Again, we're traveling into the legal realm here. If
23 WEM wants to argue that this resolution reaches certain
24 legal conclusions, WEM is free to do so in its brief.
25 Similarly, we have our own interpretation of these
26 documents and can respond accordingly in our brief.

27 ALJ FUKUTOME: Why don't you move on, Ms. George.

28 MS. GEORGE: Q Does PG&E plan to deliver on

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1 the offers that are made by the account services
2 representatives?

3 A What kind of offers are you speaking of?

4 Q The energy efficiency offers. Are they
5 expected to deliver on what is being offered?

6 A Well, we're talking about engaging a customer
7 that's taking part in some project.

8 Q Mm-hmm.

9 A So that's an effort to requires a customer's
10 agreement and a commitment for some kind of investment.

11 The offers that we are -- if I can
12 characterize it as an offer -- is briefing a customer
13 about what they can do, what options that they can
14 actually employ to be more energy efficient; maybe
15 connecting them to different programs that are
16 available, depending on the application that they are
17 seeking.

18 Q Right. But the customer has to put up some
19 money or has to agree to be involved in the program?

20 A Yes.

21 Q Once they agree, is PG&E -- does PG&E feel
22 bound to deliver on those offers?

23 A In terms of PG&E's own commitments, yes.

24 Q Okay. There's a section of your testimony on
25 page 4-16 that talks about support of innovative
26 customer portfolio offerings.

27 A Mm-hmm.

28 Q On page 4 -19, line 15 to 17, it says:

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1 Concurrently, many customers
2 in California will continue to
3 look for an impartial resource to
4 help them navigate between
5 potential "green" tariff
6 options
7 Would these include the green tariff that PG&E
8 offered to provide to Marin in the letter 5/15/2008 to
9 Charles McGlashan which is WEM-4?
10 And the green tariff is offered, it starts on
11 the bottom of the first page and continues on the second
12 page.
13 It says.
14 PG&E plans to file with the
15 CPUC for approval of a new tariff
16 option. This "Green Tariff" will
17 allow customers across our service
18 territory the option of purchasing
19 additional renewable electricity
20 supplies.
21 A I'm sorry. Where are you?
22 Q On the top of page 2.
23 A Oh. Okay. Gotcha.
24 Q So would this be a green tariff option that --
25 A Yes. And this --
26 Q -- that you would help them navigate with?
27 A And this particular letter was written in 2008
28 and speaks to a program called ClimateSmart. And that

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1 is an example of the green tariff option.

2 I'm sorry --

3 Q The ClimateSmart is on the first page?

4 A Right.

5 Q This is an additional green tariff that was
6 not yet in existence that PG&E plans to file with the
7 CPUC for approval --

8 A Ah.

9 Q -- of a green tariff. This was a green tariff
10 that they were going to provide that was a competitive
11 product to the Marin Energy Authority's product of
12 100 percent renewable and 25 -- 25 percent is our light
13 green tariff and a hundred percent is our deep green
14 tariff.

15 A I'm not fam- --

16 Q So would PG&E be the impartial resource to
17 help them navigate between PG&E's proposed tariff and
18 the Marin proposed tariff?

19 A I'm not familiar with this particular green
20 tariff proposal that's described in this letter beyond
21 ClimateSmart, and I can't speculate about how we would
22 speak to the offerings of other organizations.

23 Really, the intent here was just to speak to
24 what offerings would be available through PG&E itself.

25 Q Is PG&E an impartial resource about its own
26 green tariff?

27 A Well, we speak to what the program represents,
28 what it would deliver to a customer. Really, the choice

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1 is up to a customer in final analysis.

2 Q That's true.

3 You mention in your testimony several times
4 that -- and this is been mentioned in the PG&E comments
5 on the energy efficiency decision that you respond to
6 requests from customers.

7 A Mm-hmm.

8 Q Does PG&E ever make offers that are not
9 a response to a request, for example, in the economic
10 development areas or if you were -- if an account
11 services representative is meeting on a regular basis
12 with a customer, might they have an idea that
13 the customer would benefit from an energy efficiency
14 measure that they did not request and suggest that they
15 use that measure?

16 A Well, it has to be based on customer need and
17 their awareness of what the customers really want. The
18 account managers would really be wasting their time if
19 they were approaching a customer with a clear
20 understanding of really their long-term goals and what
21 they really do desire in terms of how they want to
22 manage their energy costs or energy use.

23 So if they're making a presentation, it's in
24 the context of their awareness of where the customer's
25 wanting to go.

26 Again, customers may not have deep knowledge
27 of all the programs and services that are out there. So
28 it has to be in the context of awareness of where

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1 the customer is and their goals, and then being able to
2 figure out, you know, what options are available for
3 a customer to consider and then allow that customer to
4 make a decision.

5 Q But your analysis in your research about
6 customers would include their energy use and a potential
7 for them to benefit from the energy efficiency programs,
8 right? Because your account services representatives
9 would know more than the customer about what is

10 available to them?

11 A Well, I don't know if they would know more
12 than customers. But certainly, that's part of
13 the calculation of the cost/benefits of an investment
14 that a customer would have to consider. Umm --

15 Q I'm actually not asking about the customer.
16 I'm asking about the PG&E representative who is
17 making --

18 A Mm-hmm.

19 Q -- the contact with the customer.

20 A Okay.

21 Q So they might -- they might suggest energy
22 efficiency to a customer if they were already meeting
23 with them about other things. If they -- for example,
24 if they had a high bill problem, they could say, well,
25 you could benefit from energy efficiency.

26 A They could.

27 And again, it's based on their understanding
28 of what the customer wants to do. And based on their

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1 understanding of the customer's use of energy, they
2 might be able to offer or suggest certain programs that
3 might be beneficial for the customer to consider.

4 Q So in other words, they don't have to get a
5 request from a customer before they offer some energy
6 efficiency?

7 A Well, it would have to be -- again, it would
8 have to be based on the desire that the customer wants
9 to go in that direction. So I'd imagine that
10 the customer would have to speak to an energy -- an
11 account manager about their desire to be more efficient,
12 to meet some environmental goals or maybe it's their
13 energy cost that is concerning them tremendously. With
14 that awareness, the account manager would then start
15 considering a lot of different options. Maybe
16 a different rate schedule. Could be energy efficiency.
17 A variety of different options could be available.
18 Shifting load to take advantage of new rate, time of use
19 rates might be another option. But it has to be in
20 the context of an understanding where the customer wants
21 to go.

22 You know, just coming out of the blue to offer
23 energy efficiency is just a waste -- could be a waste of
24 time for many customers who may not be considering that
25 or want that at that moment.]

26 MS. GEORGE: All right. That is it.

27 ALJ FUKUTOME: Thank you.

28 MS. GEORGE: Now that I'm ending 10 minutes early.

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END VARGHESE

1 also to be creative about coming up with some mitigation
2 strategies to help customers.

3 MR. LONG: Thank you. That's all I have.

4 ALJ FUKUTOME: Thank you.

5 Ms. George for Women Energy Matters.

6 CROSS-EXAMINATION

7 BY MS. GEORGE:

8 Q Hi.

9 A Hi.

10 Q Did you represent PG&E at one of the hearings
11 on Proposition 16?

12 A No, I did not.

13 Q You didn't. Okay. Were you here earlier when
14 we were talking about the May 4th letter from PG&E to
15 the Marin customers?

16 A Yes, I was.

17 Q Okay. So I won't go over all of that issue,
18 but are you aware that the launch date in the letter was
19 mistaken? The letter said May 21st. It was actually
20 launched May 7th. Are you aware that that was a
21 mistake?

22 A I'm sorry. I believe you're talking about the
23 letter. Let's be specific. Are you talking about the
24 letter from Mr. Varghese?

25 Q Yes.

26 A That was signed by Mr. Varghese?

27 Q Yes.

28 A Well, let me find that.

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1 MR. FRANK: Why don't we go off the record.
2 ALJ FUKUTOME: Off the record.
3 (Off the record)
4 ALJ FUKUTOME: On the record.
5 THE WITNESS: I'm sorry. Would you repeat the
6 question?
7 MS. GEORGE: Q The launch date in the last
8 paragraph. Your new electricity supplier will be Marin
9 Energy Authority effective on May 18th, 2010.
10 A I see that.
11 Q Are you aware that the actual launch date for
12 Marin Energy Authority was May 7th?
13 A I am aware that it was May 7th, and I would
14 just say this is another example of this letter is
15 just -- it was absolutely a mistake. And by the way, we
16 have apologized for the letter, and I'd like to
17 apologize again for it. It was --
18 Q Thank you.
19 A -- a complete mistake.
20 Q I appreciate it as a Marin resident.
21 Were you at PG&E, were you in your current job
22 when these materials were prepared in 2008?
23 A I was at PG&E, and I was in my current job in
24 2008. I did not have any knowledge or involvement in
25 the preparation of these materials.
26 Q Was that done by employees of a department, or
27 was it a consultant that prepared the letter?
28 A I don't know.

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1 Q You don't even know that?

2 And when it was sent out, it sounded from Mr.
3 Varghese' testimony that there was a -- you know, it was
4 all automated and there was nobody around. And was
5 that -- you did an investigation. Is that your
6 conclusion, that there was nobody there?

7 A It is my conclusion that it was an automated
8 letter. And I first saw this letter a few days after it
9 was sent out. And when I saw it, I immediately knew it
10 was an automated letter because of the way -- the one

11 copy I had or I saw had the customer's name. You know,
12 it had the --

13 Q Yeah. They had the customer's name.

14 A -- the address and etcetera. And you could
15 tell by the difference in font and the difference in
16 style that it came out of the billing system. It was
17 very typical of a letter that would come out of our
18 billing system. And I looked at it, and I immediately
19 assumed it was an automated letter. And then we did a
20 thorough investigation that I believe Mr. Varghese gave
21 the details about and found that it had been put into
22 the system sometime prior and --

23 Q So this might have been for the San Joaquin
24 Valley Power Authority instead of Marin?

25 A Right. That's my understanding. I believe
26 that this letter is a standard letter that had been put
27 into the system sometime previous. And if you look down
28 at the bottom of the letter, in fact, in the same line

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1 that says, "May 18th, as a new electricity supplier,"
2 you will notice that the font and the style of the Marin
3 Energy Authority is quite different from the rest of the
4 letter. That would indicate to me that it was probably
5 pulling the actual name of Marin Energy Authority from
6 somewhere in the system. That's what I looked at and
7 said, this must be an automated letter.

8 Q Would such -- your conclusions about what to
9 do in the future, how to fix these problems, does it
10 include making a human contact with a letter like this?

11 A Well, it would certainly -- it would certainly
12 involve a detailed understanding of when we have put a
13 letter into the system, what the letter says, and the
14 fact that those need to be reviewed periodically. Had
15 someone reviewed this, this letter would not have gone
16 out.

17 Q Great. Mr. Varghese also testified that the
18 energy efficiency programs are not --

19 A Are we finished --

20 Q -- grouped in one particular place.

21 A Are we finished with the letter?

22 Q Yes. Are not grouped in one particular area
23 of the customer care organization, that they're
24 dispersed. Would you say that's correct?

25 A Well, I think he was trying to respond to your
26 questions about account services employees and their
27 involvement in energy efficiency. They are involved in
28 energy efficiency. They aren't involved in program

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1 design.

2 So there is a group of employees who are
3 greatly involved in program design. And they are really
4 experts around energy efficiency, and it's really their
5 responsibility to make sure that the energy efficiency
6 programs are robust and they're the best in the state of
7 the art. And then the account services manager would
8 work in conjunction with maybe multiple program managers
9 to define what might be a good solution for a particular
10 customer type.

11 And as you can imagine, the solution and the
12 series of either demand response programs or energy
13 efficiency programs that might be offered to a refinery
14 in Oakland might be very different than what we offer to
15 a winery or what we would offer to an office building.

16 So that's what I think he was trying to
17 describe. Does that make sense?

18 Q Right, yeah, definitely.

19 Are you familiar with the state's energy
20 action plan?

21 A I'm familiar with the state's energy action
22 plan. I do not have detailed knowledge that I could
23 quote from it.

24 Q But you know that energy efficiency, demand
25 response, and distributed generation are preferred
26 resources in the loading order?

27 A I know absolutely that energy efficiency is a
28 preferred -- is preferred, in fact, number one in the

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1 loading order. And I think that's one of the things
2 that makes California unique.

3 Q So energy efficiency is considered an energy
4 resource?

5 A It is considered an energy resource.

6 Q And it is expected to defer and displace
7 supply-side resources?

8 A It is expected to defer and displace
9 supply-side resources, and in fact, it's been very
10 successful at displacing supply-side resources.

11 In the 2006 through 2008 energy efficiency
12 programs, I'm doing this from memory, but somewhere over
13 600 megawatts in energy efficiency just in our service
14 territory.

15 Q Are you aware that the energy efficiency funds
16 can be spent anywhere in PG&E's territory? There's no
17 requirement for them to spend any particular amount in
18 any one area?

19 A Energy efficiency is a systemwide program, and
20 we look at energy efficiency more from customer type.
21 So we would want to make sure that we were taking the
22 learnings and the successes of one customer type in one
23 portion of our service territory and making sure that
24 the account services people in the other portions knew
25 about that availability. Its availability is across the
26 service territory.

27 Q But there's no requirement to spend the money
28 in one area as opposed to another area? I mean it can

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1 be anywhere?

2 A No. And in fact, the programs and the
3 Commission have specifically defined the programs to be
4 across the board and --

5 Q Right.

6 A -- the service territory.

7 Q Are you aware that the measurement of energy
8 efficiency does not track the location where the savings
9 were achieved?

10 A I do not -- I do not believe that is entirely
11 accurate. I believe it depends on the type of energy
12 efficiency measure. So for example, the savings that
13 are associated with lighting might be more generally
14 across the service territory. The savings that might be
15 associated with what one of our larger customers did
16 might be sort of more specifically around that one
17 customer.

18 Q But there is no requirement to report to the
19 Commission that we got a certain amount of savings in
20 Santa Rosa versus --

21 A Not geographic.

22 Q -- Placer County.

23 A Not geographically. But the programs
24 themselves, and again, back in energy efficiency, the
25 programs themselves. Some are more generic informed
26 like lighting I talked about, maybe air conditioning,
27 maybe consumer electronics. Some are more specific. So
28 those that are specifically around larger installations,

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1 you know, you would be able to very easily track it
2 along with that installation.

3 MR. FRANK: Your Honor, I'm going to intervene
4 here. Obviously the witness has great command of energy
5 efficiency issues, although this is not an energy
6 efficiency proceeding. Energy efficiency funds are not
7 being debated here. Those are all balancing account.

8 MS. GEORGE: This is not the question of the
9 funds. This is a question that is a follow-up on the
10 question of whether or not the account services reps may
11 offer any amount of energy efficiency to any part of the
12 territory. That's the purpose of this question, these
13 questions, that there is no restriction, in other words,
14 about where energy efficiency.

15 ALJ FUKUTOME: I understand. Proceed.

16 MS. GEORGE: Thank you.

17 Q Are supply-side resources restricted by
18 location in any way?

19 A No.

20 Q In other words, if I want to build a
21 transmission line, I can build it anywhere and that
22 doesn't have anything to do with where the load is?

23 A Well, I thought you said supply-side.

24 Q That's what I meant, supply-side resources,
25 which would include transmission which would carry

26 supplies?

27 A Well, again, those -- again, I will tell you
28 that transmission lines can't just go anywhere and

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1 neither can power plants. But that is not -- that's
2 more a function of location and where a power plant can
3 be sited, where a transmission can be sited. There are
4 very detailed restrictions from an environmental
5 perspective and other perspectives. FERC is heavily
6 engaged in the regulation of transmission lines and
7 where they're located, as are many, many other agencies.
8 And --

9 Q And it has to do with the need. I'm sorry I
10 had to cut you off. I'm once again aware of the time.
11 So I'm happy with your answer.

12 A Okay.

13 Q But it has to do with the need for supply-side
14 resources. In other words, you build a transmission
15 line where it's needed?

16 A We build the transmission line where it's
17 needed. So do others in the State of California. We
18 use transmission across the State of California. I
19 would say that all power plants that are built, whether
20 they're built by an investor-owned utility or whether
21 they're built by another entity and we contract with the
22 power plant, is all due to need.

23 Q But energy efficiency is not placed where it's
24 needed. There is no -- there's no attempt to connect
25 the need for resources in a particular area with the
26 energy efficiency?

27 A Energy efficiency in particular is purposely
28 designed to be across the board, and it's the same for

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1 all California utilities.

2 Q I am aware of that.

3 Thank you.

4 And would you tell me why energy efficiency,
5 solar, and demand response are included in customer care
6 instead of the energy supply?

7 A Oh, of course. They have traditionally been a
8 part of our customer care organization, and the reason
9 for that is, while the energy efficiency funding is
10 certainly there, it's really dependent on customers
11 taking advantage of it. And in order to do that, you
12 have to be very intimately engaged with customers. And
13 so it's the same in all the California utilities.

14 Q Okay. When the account services
15 representatives are meeting with businesses or with
16 local governments, Mr. Varghese indicated that they
17 could discuss energy efficiency, they could discuss
18 solar, they could discuss the bill, billing issues,
19 costs, and they could also discuss the community choice
20 if that's happening in that area. Could they also
21 discuss Proposition 16?

22 A Proposition 16 is over.

23 Q I know it's over. But would that have been
24 a -- would that have been possible for the account
25 services representatives to discuss Proposition 16 in
26 their meetings?

27 A If a customer were to ask a question and
28 our -- and we had any sort of discussion about

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1 Proposition 16, they would have charged their time below
2 the line.

3 Q And there is some sort of accounting that was
4 mentioned before where this -- it would be possible to
5 review where, how many of your account reps discussed
6 Proposition 16 with their local governments and business
7 customers?

8 A It would be possible to review the -- it would
9 be possible to review the amount of time they charged
10 below the line, absolutely.

11 Q But not specifically the Proposition 16 --

12 A I'm not sure whether it's divided --

13 Q -- or a CCA?

14 A -- out between CCA or Proposition 16.

15 Q Would they mention in their time reports that
16 they had discussed CCA or that they had discussed
17 Proposition 16, or would they just say this is below the
18 line and it's a black box?

19 A I'm sorry. I don't have that level of detail.

20 Q Who would?

21 A I don't know.

22 MS. GEORGE: All right. Thank you very much. I
23 think that's it.

24 ALJ FUKUTOME: I'm sorry, are you done?

25 MS. GEORGE: Yes.

26 ALJ FUKUTOME: Does any other party have questions
27 for Ms. Burt?

END HELEN BURT

1 ALJ FUKUTOME: On the record.
2 CROSS-EXAMINATION
3 BY MS. GEORGE:
4 Q You're rebuttal said that:
5 ... even WEM itself clearly
6 recognizes that CCA activity is
7 not even mentioned in PG&E's
8 request[s].
9 A I'm sorry. Do you have a reference?
10 Q I do.
11 It's on page 41-5.
12 A I'm sorry. Do you have a line number?
13 Q No, I don't have a line number. I'm sorry.
14 If I can find --
15 MR. FRANK: What was the page?
16 Do you have the page?
17 THE WITNESS: 41-5.
18 MS. GEORGE: Q It's 14 and 15.
19 A I'm sorry.
20 MR. FRANK: Was there a question?
21 MS. GEORGE: Q At Line 14 and 15.
22 A I'm at 14 and 15.
23 What was your quote?
24 Q [Reading]
25 ... even WEM itself clearly
26 recognizes that CCA activity is
27 not even mentioned in PG&E's
28 request[s].

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1 That's --
2 A Page 41-5?
3 Q Yes. That's what I wrote down.
4 It says the -- the passage begins, "WEM makes
5 a somewhat novel request"; it's the beginning of the
6 paragraph.
7 Are you finding it?
8 I don't have a hardcopy --
9 A No, I'm not.
10 Q -- but I can look in my computer and see if I
11 can find it.
12 Well, anyway, do you --
13 ALJ FUKUTOME: At the top of 41-6?
14 Q -- believe that -- that CCA was not mentioned
15 in the request?
16 I'm -- what about Mr. Varghese's ESP services?
17 A I think I found your reference, it's 41-6 --
18 Q Oh. Excuse me.
19 A -- line 13 through 15; is that the language
20 your citing?
21 MR. FRANK: Your Honor, could I please give
22 counsel an extra copy of our rebuttal testimony?
23 ALJ FUKUTOME: Yes.
24 We'll be off the record for a minute.
25 (Off the record)
26 ALJ FUKUTOME: On the record.
27 MS. GEORGE: Q Anyway, CCA was occurring whether
28 above the line or below the line; is that correct?

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1 A I'm sorry. Could you repeat that?
2 Q CCA-related activity was occurring in the past
3 few years and is intended to continue yet PG&E is going
4 to be involved in CCA --
5 A CCA activity --
6 Q -- activity?
7 A -- within PG&E or ac- -- activities --
8 Q No. Your --
9 A -- to affect CCA, taking place within PG&E?
10 Is that your question?
11 Q Yes.
12 A Yes. They were occurring.
13 Q And are going to continue to occur in the next
14 few years?
15 A I don't know if they will or not, but it's not
16 part of my request.
17 Q It's not part of your request or part of the
18 request in -- it says PG&E's request, as if you were
19 talking about the entire request.
20 A That's correct.
21 PG&E's request in this chapter does not
22 address any funds for CCA activities or any funds for
23 PG&E to address CCA activities.
24 Q In this chapter.
25 A In this chapter.
26 Q Okay. That's a good answer.
27 So the opposition to municipalization --
28 Which is mentioned in this request; right?

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1 A Yes, it is.
2 Q In this chapter.
3 -- that -- that's all above the line?
4 A The funding that we're requesting is above the
5 line.
6 Q And so there are above-the-line and below-the-

7 line activities regarding municipalization?
8 A I believe that's correct.
9 There are certain departments and parts of the
10 company that do charge to below-the-line accounts, and I
11 believe they are to some extent involved in the municipi-
12 palization-response activities.
13 Q Okay.
14 But the CCA activities are only below the
15 line?
16 A The CCA response activities to which I think
17 you're referring are below the line.
18 There are a number of administrative sorts of
19 tasks -- tracking of customer accounts and so forth and
20 ensuring that billing is correct -- those activities I
21 believe are charged above-the-line, but that's not my
22 area.
23 Q That's what Mr. Varghese was testifying about?
24 A I believe so.
25 Q Okay.
26 You have two sections of your chapter, one is
27 Customer Retention, one is Economic Development.
28 Is there -- it sounded like economic

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1 development included customer retention to some extent
2 because you were trying to keep the customers in the
3 state --

4 A That's correct.

5 Q -- or --

6 A The -- if I can make a broad distinction:
7 economic development is in relation to customers who
8 have location options; so they may be able to -- they
9 may be a small manufacturing company and can serve the
10 California market from Nevada or Arizona, Washington,
11 Oregon, but outside of California, and to that extent
12 we're trying to encourage them to locate within
13 California.

14 There may be existing California businesses or
15 there are existing California businesses that are being
16 encouraged by other states to locate to those other
17 states. In fact, I just recently became aware that the
18 State of Arizona maintains a recruitment office in
19 southern California for that purpose.

20 So the economic-development portion of my
21 request addresses those customers who have location
22 options or who would otherwise close.

23 The customer-retention and municipalization
24 portion of the request refers to customers who would
25 remain in place and switch providers.

26 Q Is it possible that -- well, first of all, you
27 have people that are meeting with the economic-
28 development customers from your customer-retention or

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1 economic-development team, is it, or do you have a -- do
2 you draw on the Sales and Service people of the Customer
3 Care organization generally?

4 A For a lot of the cust- -- direct customer
5 contacts we do draw from the same pool of employees.

6 Now, there are some employees who are involved
7 in economic-development activities and energy-efficiency
8 activities as well as general customer-care activities;
9 there are other Service and Sales employees -- our
10 account managers -- who are involved in economic
11 development and may involve -- may be involved as well
12 in customer-retention or municipalization types of
13 activities, in that context. There are others who focus
14 almost exclusively on energy efficiency. So there's a
15 broad mix, and any given account manager may serve a
16 number of different programs.

17 Q Okay.

18 When you say that there are some who deal with
19 customer in -- in -- you know, customer retention in
20 particular, those are a small group of the employees
21 that -- that -- of -- of the Service and Sales account
22 reps?

23 That's a small subset of them, or any of them
24 could be dealing with customer retention or economic
25 development?

26 A I think most of the Service and Sales
27 employees are considered, for lack of a better term,
28 somewhat generic, and they be assigned any number of

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1 different customer-contact responsibilities.

2 They are expected to charge and allocate their
3 time appropriately to various programs and to above- or
4 below-the-line activities.

5 Q We had testimony the other day from
6 Mr. Varghese that he did not know whether they specified
7 that they had discussed CCA activities with their
8 clients.

9 He said that the below-the-line records that
10 they keep of -- you know, a record, and they say this is
11 below the line, but they might not?

12 He didn't know whether they specified that
13 they were engaged in CCA-related activities with the --
14 with the customers.

15 Do you happen to know the answer to that,
16 how -- how they are required to report their time?

17 A They are required to report their time, well,
18 first of all, appropriately; but the distinctions or the
19 levels of distinctions that may be available to them, I
20 don't know what the range might be.

21 So if -- if a given employee is charging to,
22 for instance, CCA activities, I don't know how that
23 would show up in their time records.

24 It would show up as a below-the-line charge by
25 that person, but I don't know that it would specify CCA
26 or any specific CCA or possibly even lobbying expenses
27 for a decision. So it --

28 Q Lobbying for a decision?

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1 A It could be lobbying, for instance, a city
2 council member for --
3 Q Oh.
4 A -- a decision on --
5 Q Okay.
6 A -- a street-cut fee or something else.
7 Q Uh-huh?
8 A So --
9 Q What about an election issue? Prop 16, for
10 example?
11 A If an employee is engaged in some sort of
12 election activity, that activity would definitely be
13 charged below the line.
14 I don't know what the nomenclature might be in
15 the time records or how that would show up.
16 Q You don't know whether they are required to
17 specify that they -- that they worked -- that they spent
18 time on election campaigning?
19 A Oh. They -- they definitely are required to
20 specify, they are definitely required to charge the
21 appropriate account; what I don't know is what the name
22 of the account might be and whether it might be specific
23 to an issue or a number of issues. That's just not my
24 area.
25 Q How would PG&E report its campaign
26 expenditures if it doesn't keep track of the amount of
27 time that was spent electioneering by its employees?
28 A I think I just said that the time is tracked.

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1 Q But not specifically to a particular issue?
2 A I don't know how it's tracked to a specific or
3 particular issue.
4 Q Who would know that?
5 A I'm sorry?
6 Q Who would know that?
7 In the company who would know how these things
8 are tracked on the -- or, I mean, is there some kind of
9 training for the employees about how to track their time
10 below the line, especially on election issues?
11 MR. FRANK: Your Honor, if I may, Karen Crowley is
12 the PG&E witness who is able to speak to the above-the-
13 line and below-the-line policy at that PG&E has
14 implemented.
15 It's very possible that Ms. Crowley would be
16 able to give more specifics along the lines of WEM's
17 questioning.
18 MS. GEORGE: Okay. Thank you.
19 Q Are you familiar with the May 4th, 2010,
20 letter to ratepayers that -- in Marin County that we
21 discussed with Mr. Varghese and how it would -- it's
22 Exhibit CCSF-2.
23 MR. FRANK: May we go off the record?
24 ALJ FUKUTOME: Off the record.
25 (Off the record)
26 ALJ FUKUTOME: On the record.
27 MS. GEORGE: Q Are you familiar with this letter?
28 I was -- I sent it to you -- to Patrick to

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1 make sure you had a chance to review it, Monday.
2 A Generally, yes.
3 Q Okay.
4 Was customer -- I understand that this letter
5 was actually created in 2008 as a package of materials
6 that was prepared for the launch of any CCA.
7 A That I don't know.
8 Q You don't know.
9 Do you know if customer retention was involved
10 in creating materials for CCA launches at that time?
11 A I'm not sure what context you're using
12 "customer retention" in.
13 Are you talking about people or are you
14 talking about funding?
15 Q Well, I'm talking about the people who were
16 the -- you know, involved. I don't know.
17 How many people are there involved?
18 You mentioned that David Rubin is your boss.
19 How many people are involved in the customer-
20 retention team?
21 A I'm not sure what you mean by "team."
22 If you're talking about the universe of
23 employees who might charge some portion of their time to
24 customer retention, it's quite a large number of people.
25 Q How large?
26 A I think on the order of a couple hundred. I
27 don't have a precise number.
28 Q Service and Sales is 270, I believe?

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1 Is that -- are you counting all of those
2 people or are you counting other people who are not part
3 of the Service and Sales organization?

4 A I would count other people who are outside the
5 Service and Sales organization, and again we're talking
6 about cust- -- about employees who might be charging
7 some portion of their time to customer retention in the
8 context of keep -- holding onto customers.

9 The -- the processes at PG&E also involve a
10 number of charge-backs, so to the extent that we make a
11 request of our IT department, they'll ask us for an
12 order number to charge their time to.

13 So if we're, for instance, doing some program-
14 ming or requesting some programming in the billing
15 system around implementation of the E-31 tariff or the
16 Schedule ED, we'll get a request for a charge number,
17 and so the employees who are working on that process
18 will charge against that. So they'll -- they'll show up
19 in the list of employees who have charged some of their
20 time to customer retention.

21 Now, whether that constitutes --

22 Q Okay.

23 A -- part of the time that you were referring to
24 earlier or not, I'm not clear.

25 Q So it's a lot of people, and it's possible the
26 customer retention was involved in creating the package
27 that produced that letter?

28 A It's possible that some of the same employees

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1 who charged to customer retention were -- were involved
2 in the process of creating that letter; but that --
3 those charges, again, should have gone or -- yes, were
4 required to go below the line.
5 MR. FRANK: Your Honor, if I can jump in here --
6 MS. GEORGE: Uh-huh?
7 MR. FRANK: -- to help the record.
8 I think part of the confusion that's arising
9 is because PG&E does not have a customer retention
10 department.
11 Customer retention is considered an area of
12 work that many people engage in.
13 ALJ FUKUTOME: Thank you.
14 MS. GEORGE: Q Service Analysis is the name of
15 Mr. Rubin's department, the one he's the head of.
16 Is Service Analysis where the customer
17 retention is coordinated?
18 And what does the definition of Service
19 Analysis mean in this --
20 MR. FRANK: Yesterday I accidentally answered a
21 question that was intended for the witness, so --
22 MS. GEORGE: Sorry. I shouldn't be asking you
23 again.
24 (Laughter)
25 MS. GEORGE: Anyway, we can -- we can get to
26 Mr. Rubin at the end. I wanted to just make sure I got
27 some other questions done first.
28 Q Your discussion of energy-efficiency offers:

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1 in the economic-development section would you agree that
2 energy efficiency is one of the major things that PG&E
3 offers to assist customers to stay in California and to
4 stay with the company?

5 A Yes. Very definitely.

6 Q You actually mentioned earlier that the
7 state's loading order -- you see the state's loading
8 order as somehow connected to what you're offering to
9 retain customers?

10 A To the extent that we're trying to bring
11 customers in or create new customers, we first address
12 their energy-efficiency opportunities to make sure that
13 they add or keep as -- as efficient a load on the system
14 as possible; and then the -- the state's loading order
15 I think specifies a number of other options in order to
16 meet customer demands, which would include on-site or
17 self-generation, renewables, and finally additional
18 fossil fuels or power purchases.

19 I don't know what the order is through the
20 process, but energy efficiency is at the top of that
21 list.

22 Q Okay.

23 On your rebuttal, I had page 41-8. Let me
24 see. There is not -- it's line 5-6 -- 4, 5, 6, you
25 could say:

26 Moreover, with regard to WEM's
27 accusation that PG&E offers
28 "special deals," to entice local

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1 governments to opt out of Marin's
2 CCA, ... there is not now nor has
3 there ever been a "special deal."
4 A That's correct.
5 Q That's your testimony.
6 Is there a standard deal for energy efficiency
7 for a customer or a local government?
8 A The standard deal would be the entire suite of
9 energy-efficiency and demand-response and self-
10 generation program options. So customers are free to
11 pick and choose from among those options, you know, as
12 their needs would dictate.
13 Q And there's no requirement for PG&E to
14 allocate a certain amount of energy efficiency or not
15 allocate?
16 I mean, you can give the whole suite to one
17 customer is what you're saying?
18 A By the "whole suite," are we talking about the
19 range of program options?
20 Q Yeah. The range of program options.
21 You -- you could --
22 A Yes.
23 And any customer --
24 Q Yeah.
25 Any customer can -- can take as much as they
26 can swallow, or as much as they can pay their part of?
27 A Yes, within the limitations of program-
28 eligibility requirements --

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1 Q Right.
2 A -- and program-availability limitations, so
3 there are caps -- participation caps or funding caps on
4 certain programs.
5 So, for instance, on our Economic Development
6 Rate --
7 MS. GEORGE: That's all on that.
8 You don't need to go on, please.
9 ALJ FUKUTOME: We'll take our morning break now.
10 We'll be in recess for 15 minutes.
11 (Recess taken)]
12 ALJ FUKUTOME: We'll be on the record.
13 Ms. George.
14 MS. GEORGE: Q Okay. We were discussing
15 the energy efficiency deals or, you know, everything is
16 a special deal kind of -- there is no special deal or
17 everything is a special deal.
18 A Yes.
19 Q Okay. There is nothing to prevent PG&E from
20 concentrating energy efficiency money in an area where
21 they have a customer retention issue with
22 municipalization or CCAs?
23 A I'm sorry. Can you repeat that.
24 Q Energy efficiency can be -- the energy
25 efficiency funding can be spent anywhere in PG&E's
26 territory that was established by the witnesses Helen
27 Burt and Mr. Varghese?
28 A Yes. Within any constraints around customer

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1 qualification and so forth.
2 Q Right, with the eligibility.
3 A Yes.
4 Q And there's no requirement to save energy in
5 any particular area; in other words, there's no location
6 requirement for energy efficiency funds to be spent?
7 A I'm not an energy efficiency policy witness,
8 so --
9 Q Mm-hmm.
10 A -- but I am generally aware that
11 the Commission would expect that we would make
12 the programs broadly available. And to the extent that
13 there are some consistencies that have special needs, we
14 would focus efforts on those, on particular communities.
15 Q On particular communities?
16 A Yes.
17 Q In particular locations?
18 A Yes, depending on their need. For instance,
19 if this was a very high proportion of low income
20 customers, we would target our weatherization or other
21 efforts there.
22 Q Okay. So, in other words, it would be
23 possible to concentrate more energy efficiency resources
24 in a particular area where you had a community choice
25 aggregation plan that was being considered?
26 MR. FRANK: Counsel, would you like to clarify
27 whether that's a deliberate concentration that you're
28 suggesting there? Because I believe we already had this

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1 testimony -- that question answered by the testimony of
2 Mr. Varghese yesterday.

3 If you were asking how PG&E targets or
4 identifies communities, I believe he's answered that
5 question yes.

6 MS. GEORGE: Well, I'm just asking this particular
7 witness in terms of customer retention whether this is
8 something that is available.

9 Q In other words, there is no -- there is no --
10 nothing to prevent that except what he just said; you
11 know, certain you know, eligibility requirements,
12 certain communities that have special needs. Beyond
13 that, there is nothing.

14 But if you don't know, that's fine. We can
15 move on.

16 A Oh. I'm sorry. I thought you were moving on.

17 Q Well, I'm just asking you whether yes or no --
18 just give me a yes or no. Is it possible to concentrate
19 energy efficiency money in an area where there is
20 customer retention activities that PG&E's involved in?

21 A It's possible that customer interest in energy
22 or money-saving options may be higher than in other
23 areas. So to that extent, a community, for example,
24 that has a reputation of being very green, we might see
25 a higher incidents of takers --

26 Q For example, Marin County?

27 A Mm-hmm.

28 Q Okay. Let's move on to the Novato offer, that

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1 June 30, 2009 offer which was a CCSF Exhibit No. 3
2 I believe. But we have a letter, a May 28 letter that
3 is -- preceded the June 30 letter. And that is a WEM
4 exhibit. May 28, WEM-3.
5 A I have it.
6 Q So you said during the break that you weren't
7 that familiar with this particular offer, the Novato
8 offers?
9 A That's correct.
10 Q So you don't know whether the negotiations are
11 still in progress with Novato?
12 A No, I don't. I'm sorry. I have no idea.
13 Q All right. Let's turn to the last page, page
14 13, 14 --
15 A I'm sorry.
16 Q The bottom of that page --
17 A Of that letter?
18 Q The bottom of the page of the exhibit
19 (indicating). It says: We believe our partnership
20 proposal provides a pathway for Novato to meet any
21 climate change objectives faster, cheaper, and with
22 better results without exposing itself, the city, our
23 customers and taxpayers to the uncertainty and risk of
24 a community choice aggregation scheme.
25 Would you agree that this sentence encourages
26 Novato to partner with PG&E?
27 A I would say that it's an invitation to partner
28 with PG&E.

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1 Q Okay. And does it recommend substituting that
2 partnership for the CCA scheme?
3 A Not being familiar with the letter or the rest
4 of the letter and the discussion surrounding it, what
5 I take from that sentence is that it would be wise to
6 implement as much energy efficiency as possible right up
7 front and focus efforts there at least initially.
8 Q Working with PG&E?
9 A Yes.
10 Q Okay. And there's comparison language between
11 the PG&E partnership and the CCA proposal; for example,
12 faster, cheaper, better results. Would you agree that
13 that's comparison language?
14 A I'm sorry. Comparison language?
15 Q You're comparing the PG&E partnership versus
16 the CCA program: faster, cheaper, better results.
17 A I suppose so.
18 Q Okay.
19 A It indicates that the partnership would
20 achieve energy efficiency and green results much more
21 quickly than implementing a much longer, longer term
22 plan.
23 Q You defended offers like the offer to Novato
24 in your rebuttal testimony 41-7 and -8. I think it's
25 line 23, but let's look at page 8, line 2.
26 MR. FRANK: Sorry. This is in the rebuttal?
27 MS. GEORGE: In the rebuttal. It's at the top of
28 the page.

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1 Q The whole paragraph starting on page 41-7 is
2 pointing out -- it is talking about energy efficiency,
3 pointing out to customers the availability of a broad
4 range of energy efficiency and self-generation options.
5 That's the topic that you're discussing.

6 A And then on the next page, your conclusion is
7 that it is PG&E's shareholders who are subsidizing
8 the ratepayer funded programs like promoting them at
9 shareholder expense. That's your -- so you're
10 justifying offers such as the Novato offer, an offer of
11 energy efficiency programs in a CCA environment?

12 A I'm sorry. What was your question again?

13 Q You are justifying these offers by saying that
14 it's the shareholders who are promoting energy
15 efficiency?

16 A Yes.

17 Q And so that's a benefit as you discuss it
18 here.

19 A Yes.

20 Q Did you feel that there's anything wrong with
21 promoting energy efficiency as an alternative to CCA?

22 A I think in the context of a customer or
23 a community that wants to save energy, reduce greenhouse
24 gas emissions, and so forth, it's reasonable to point
25 customers toward the fastest, cheapest, most effective
26 option which is already available to them. So energy
27 efficiency is something that they can implement
28 immediately.

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1 So I think in the sense of the loading order
2 type of structure, that should also be the first option,
3 is to take advantage of the option -- the array or
4 the suite of programs that are currently available.

5 Q All right. Let's turn to the resolution.
6 The page looks like this (indicating), got a bunch of
7 highlighted. This is a decision language from
8 the energy efficiency decision on the top and then
9 Resolution E-4250 is in the middle of the page.

10 A I see it.

11 Q The beginning of the resolution language page
12 12 says: Contained in this proposal -- this is
13 the proposal to Novato, is the following commitments:
14 We reiterate our commitment to Novato to provide, free
15 of charge, a one-half time equivalent staff to support
16 the city in the implementation of this collaboration.

17 And the staff person would be funded by
18 shareholders. That was clarified by one of
19 the presenters.

20 MR. FRANK: I don't recall that testimony.

21 MS. GEORGE: Pardon me?

22 MR. FRANK: I don't recall that testimony.

23 MS. GEORGE: No -- I'm sorry. It was not here.

24 When this proposal was presented to Novato City Council
25 members on June 8, 2009, they -- Mr. Warner, actually,
26 clarified that the shareholders would pay for the staff
27 person who was going to coordinate this.

28 I don't have that -- that's on our video which

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1 is mentioned in our testimony. And Mr. Ontario Smith
2 who was here yesterday was present at that meeting, so
3 he could perhaps corroborate that.

4 May we stipulate that that's going to be paid
5 by shareholders so we can move on?

6 MR. FRANK: Your Honor, the statement -- if
7 the WEM representative would like to make a statement of
8 counsel that that is in fact what was stated, we can
9 assume that for purposes of the questioning going
10 forward.

11 MS. GEORGE: Okay.

12 MR. FRANK: But I don't believe there's any
13 otherwise independent evidence in the record to
14 establish that as true or not.

15 ALJ FUKUTOME: Okay.

16 MS. GEORGE: Thanks.

17 Q Does PG&E consider it appropriate for a person
18 acting on behalf of shareholders to supervise energy
19 efficiency and solar programs that are funded by the
20 public goods charge?

21 A I'm sorry. Are you asking me if PG&E or I or --

22 Q Well, you could start with yourself. You are
23 in a policy position with PG&E in customer retention and
24 economic development.

25 A Well, first of all, I believe shareholders can
26 act in generally a broad range of ways.

27 Now, if shareholders feel that something is
28 appropriate within certain limits, shareholders are at

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1 liberty to pursue that.

2 To the extent that shareholders might want to
3 encourage Novato to take maximum advantage of energy
4 efficiency programs that they're entitled to -- that
5 ultimately these are entitled to, I don't see anything
6 particularly wrong with that.

7 Q And if that is being presented as an
8 alternative to community choice aggregation scheme --

9 MR. FRANK: Your Honor --

10 MS. GEORGE: -- that's --

11 MR. FRANK: Sorry. I let it go the first time,
12 but this is the second time that the representative of
13 WEM has talked about these options being presented as an
14 alternative, and I think that mischaracterizes the
15 witness' testimony.

16 MS. GEORGE: It is very much not the witness'
17 testimony. However, it is the Resolution E-4250
18 concluded that those were linked.

19 MR. FRANK: I disagree with that. I don't believe
20 the resolution concluded that.

21 MS. GEORGE: The language highlighted at the
22 page 13 of the resolution, this letter raises
23 the appearance that a utility is seeking to link
24 the utility's provision of services to a decision by
25 a local government not to participate in a CCA.

26 Whether or not this particular instance is
27 linked or any particular instance is linked, however, is
28 irrelevant because at the bottom of the page it says

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1 the utilities cannot offer to provide or provide any
2 goods, services, or programs to a local government or to
3 the electricity's customers within that jurisdiction on
4 the condition that the local government not participate
5 in a CCA or for the purpose of inducing the local
6 government not to participate in a CCA. And this
7 restriction applies regardless of whether the goods,
8 services, or programs are funded by ratepayers or
9 shareholders.

10 That's the resolution.

11 MR. FRANK: I believe we're squarely in legal
12 territory here not factual territory. But PG&E has

13 a different interpretation of the resolution.

14 MS. GEORGE: That's what I wanted to get at.
15 I know that PG&E has a different interpretation.
16 However, the resolution -- I mean -- and has issued a --
17 you -- I don't know if your application for rehearing --
18 I know you have application for rehearing of the May 20
19 decision. I think there's an application for rehearing
20 of the resolution as well.

21 MR. FRANK: That's correct.

22 MS. GEORGE: That's correct.

23 Q So but in any case, you are aware of this
24 resolution, Mr. Kataoka; yes?

25 A I'm aware that there was a resolution. I'm
26 not familiar with the contents of the resolution.

27 Q You're not. Okay?

28 Did anyone above you in PG&E notify you that

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1 offers of energy efficiency in lieu of CCAs should
2 cease? In other words, the gist of the resolution, did
3 anybody notify the people working in customer retention
4 and economic development that this was out of bounds to
5 offer energy efficiency to a city to --

6 A I'm not aware of any instructions to cease any
7 activity because I don't think that there was any
8 condition established or there was no conditional offer
9 made that I'm aware of. I'm not --

10 Q Okay.

11 A I haven't had a chance to read the entire
12 letter, but --

13 Q But you are not aware of any such instructions
14 that were made to the people in -- working on customer
15 retention, and you did not make any instructions to
16 the people that you supervise in this issue?

17 A There was no reason to --

18 Q No reason to?

19 A -- because there was no quid pro quo offer
20 made that I'm aware of.

21 Q And is the same -- well, but even if there was
22 in the future -- I mean, there was no instructions is my
23 point. No instructions were made to you and no
24 instructions were made by you?

25 A No. And again, there was no reason to issue
26 those kinds of instructions because nothing of the sort
27 was occurring.

28 Q Okay. And you -- and that would be the same

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1 after the energy efficiency decision which said that
2 a utility shall not use energy efficiency funds in any
3 way which would discourage or interfere with a local
4 government's efforts to consider becoming or to become
5 a community choice aggregator, there was also no
6 instructions to you to comply with that decision?

7 A No. There was no need, for a couple of
8 reasons. One is that I don't work in the CCA area. I'm
9 not engaged personally in any CCA activities. So
10 I would not have seen anything that was specifically
11 directed to the team of people who might be engaged in
12 some of those activities.

13 It's also because I was focusing on our
14 request for customer retention and economic development
15 funding, and CCA was specifically excluded as
16 a below-the-line activity. I'm not been aware of any of
17 the activities going on with regard to CCA except what
18 I happen to read in the media.

19 Q Even though Mr. Rubin was present at
20 practically every meeting, about 40 meetings in 2008 in
21 Marin County, you heard nothing about the CCA work up
22 there?

23 A Oh, I heard a lot but, again, all through
24 the media. And his CCA activities have limited my
25 access to him. He's been --

26 Q So you only deal with --

27 A -- very unavailable to me.

28 Q You only deal with above-the-line issues, you

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1 don't deal with any below-the-line issues?

2 A I don't deal with any below-the-line issues in
3 my normal course of work. I have done some volunteer
4 work. For instance, during the San Francisco election,
5 I volunteered some of my time. But that's entirely
6 separate, and that was on my own time.

7 Q Would you say it is acceptable for PG&E to
8 conduct prohibited activities as long as they are
9 charged below the line?

10 MR. FRANK: Your Honor, I'm going to ask counsel
11 to clarify what she's referring to by "prohibited
12 activities." Prohibited by --

13 MS. GEORGE: Offering energy efficiency to Novato.

14 MR. FRANK: You might want to characterize your
15 question as such instead of referring generically to
16 prohibited activities.

17 Obviously PG&E is not going to intentionally
18 engage in any unlawful activity.

19 MS. GEORGE: Even know Novato was specifically
20 mentioned in the resolution?

21 MR. FRANK: Novato or anywhere else --

22 MS. GEORGE: The offer --

23 MR. FRANK: -- intentionally engaging --

24 THE REPORTER: I'm only getting -- you can't speak
25 over one another.

26 MS. GEORGE: I'm sorry.

27 The offers to Novato was specifically
28 mentioned in the resolution so to would seem that the

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1 resolution would apply to the offers to Novato.
2 MR. FRANK: And PG&E's response is with respect to
3 Novato or anywhere else, PG&E is not going to
4 intentionally engage in illegal activity.
5 MS. GEORGE: But unintentionally maybe?
6 MR. FRANK: We certainly hope not to make
7 mistakes.
8 MS. GEORGE: Q Tell me, if PG&E disagrees with the
9 Commission decision or resolution, is it required to
10 comply with it anyway?
11 MR. FRANK: Your Honor, again that's a legal
12 point.
13 MS. GEORGE: I'm asking the witness. I mean he
14 works for PG&E.
15 MR. FRANK: Yeah, and he's not a lawyer.
16 ALJ FUKUTOME: Ms. George --
17 MS. GEORGE: But you don't have to be a lawyer to
18 comply with the Commission's decisions, do you?
19 Q I mean, you work for the company and the
20 company is supposed to comply.
21 A My attorney advises me to comply.
22 MR. FRANK: Thank you, Mr. Kataoka.
23 MS. GEORGE: Q You're supposed to comply with the
24 decision of the Commission and a resolution of the
25 Commission unless it is changed or modified?
26 A We are required, as far as I know.
27 Q Even if you disagree with the
28 characterization, for example, whether Novato offers

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1 were linking energy efficiency to the rejection of CCAs?

2 This is what the resolution concluded.

3 Even though PG&E may disagree with it, are you
4 required to agree with the Commission's decision,
5 resolution in this case, and take the CPUC's definition
6 rather than PG&E's definition until there is a change?

7 MR. FRANK: For the clarity of the record, let me
8 intervene. When I stated previously that we disagreed
9 with the interpretation of this resolution, it was
10 the interpretation presented by WEM.

11 To the extent that PG&E has concerns about the
12 issuance of a resolution or a decision by
13 the Commission, we pursue that through the regular legal
14 vehicles to do that, typically through an application
15 for rehearing. I believe there is one pending on
16 Resolution 4250. But from what I know of that
17 application for rehearing, it's actually on a different
18 point than the one raised by counsel from WEM earlier.

19 And as a legal matter, it's absolutely
20 correct, that until the Commission reverses a previous
21 decision or resolution, the company is bound by the
22 Commission's decision.

23 ALJ FUKUTOME: Thank you, Ms. George. Can we move
24 on?

25 MS. GEORGE: Q Well, isn't it appropriate then
26 for the employees who are working on that issue to be
27 instructed to be mindful of the Commission's decision?

28 A Again, I don't work in the CCA area so I don't

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1 know if any communications were directed to them.

2 I don't believe any offer was made to the City
3 of Novato that said We'll give you this but you may not
4 enter into a CCA. I don't know that that was ever
5 stated or implied, and so I don't really see any reason
6 that instructions would have been issued.

7 Q Mr. Rubin combined his solar work with his
8 anti-CCA work. For example, he claimed that CCA could
9 not do net metering and therefore solar customers should
10 not be involved in -- could not be involved in CCAs.

11 I've attempted to get information about
12 the communications that Mr. Rubin had with solar
13 customers regarding CCA. I hit a brick wall. I've sent
14 in several data requests to that effect, but I have not
15 been able to get any information about what Mr. Rubin's
16 communications were, specifically his e-mails and memos
17 to solar people in Marin.

18 When you said that you were not privy to his
19 work because you don't work in CCA issues, are you
20 familiar with his solar work?

21 MR. FRANK: Your Honor, if I may intervene before
22 the witness answers.

23 The representative from WEM did two things in
24 the last statement which I object to.

25 First of all, she offered some unsubstantiated
26 statements regarding what Mr. Rubin may or may not have
27 said at an event. Again, there's no evidence in
28 the record to establish that to be true or not true. We

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1 certainly don't know. I have not seen any evidence.
2 The second point being is that, again, the
3 representative from WEM is making a discovery dispute or
4 complaint here. This is not the proper forum for that.
5 We have not had a meet and confer on this issue and
6 therefore I would like to strike her reference.

7 MS. GEORGE: I tried to meet and confer with you
8 and I have had several rejections that PG&E refused to
9 address this.

10 MR. FRANK: For the --

11 MS. GEORGE: I'll move on though.

12 Q Are you familiar with the San Joaquin Valley
13 Power Authority complaint?

14 A I'm aware that there was one. I'm not
15 familiar with the dispute itself.

16 Q What happened in the -- and this is really my
17 last question -- settlement of the complaint?

18 And I'm sorry; I do not have this handy and
19 have not made it into an exhibit.

20 But I'm assuming that you would know something
21 about the issue which is does PG&E support or oppose
22 community choice.

23 You clearly oppose municipalization. And we
24 believe it's pretty clear that you also oppose community
25 choice.

26 My question is, was there a change in the
27 amount of work charged below the line after PG&E
28 acknowledged that they oppose community choice?

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1 A Sorry. When you say a change in the amount of
2 work when PG&E --

3 Q Acknowledged that they oppose community
4 choice?

5 MR. FRANK: Again, I don't know of any evidence in
6 the record where there's been any acknowledgment of
7 opposition to customer choice. In fact, it's been just
8 the opposite, from the testimony of Mr. Varghese.]

9 MS. GEORGE: That there is no opposition to
10 community choice?

11 MR. FRANK: I don't believe there was any
12 statement on the record nor evidence in testimony that
13 PG&E has some blanket opposition to community choice.

14 MS. GEORGE: Q In the Novato example your
15 statement was that PG&E is, you know -- working in
16 PG&E's partnership is faster, cheaper, and better than
17 forming a CCA.

18 Is that a value judgment about CCAs?

19 A I don't know that it's a value judgment on CCA

20 per se, but I think it's merely pointing out that if the

21 objective is energy efficiency and reduction of green-

22 house gasses, that the fastest, most effective way to

23 accomplish that or at least to move in that direction

24 would be to implement and take advantage of the suite of
25 programs and options available from PG&E to all customers.

26 Q And would you say that Prop 16 was not
27 opposing community choice?

28 MR. FRANK: Your Honor, Prop 16 activities that

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1 are funded below the line are beyond the scope of this
2 proceeding.

3 MS. GEORGE: The -- there is a question about
4 whether or not some of the activities that were
5 charged -- it's -- it's certainly not clear whether some
6 of the activities that were charged above the line were
7 related to community choice; in other words, energy-
8 efficiency funds that were spent pursuant to the offers
9 that were made.

10 MR. FRANK: That's a distinct issue from Prop 16.

11 MS. GEORGE: I'm getting -- I believe there has
12 been a fair amount of testimony about Prop 16 in this --
13 in this hearing, and I would like to know whether there
14 is no evidence on the record -- I think that there is
15 evidence in this hearing -- that Prop 16 has -- has been
16 an issue when it's not clear exactly what money was
17 spent and not spent on Prop 16-related activities.

18 ALJ FUKUTOME: What was your last question?

19 MS. GEORGE: Huh?

20 ALJ FUKUTOME: What was your last question?

21 MS. GEORGE: I'm sorry.

22 Could I have --

23 ALJ FUKUTOME: About Prop 16? What were you
24 asking?

25 MS. GEORGE: I'm sorry.

26 Reporter, would you mind reading back the last
27 question.

28 ALJ FUKUTOME: I am a little confused.

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1 Would you read it, please.

2 MS. GEORGE: I think the question was does --

3 ALJ FUKUTOME: Well --

4 MS. GEORGE: -- does the existence of Prop 6
5 demonstrate that PG&E is opposed to community choice is
6 essentially the question.

7 ALJ FUKUTOME: Mr. Kataoka, do you have an
8 opinion?

9 THE WITNESS: I don't have an opinion on whether
10 the existence of Prop 16 is an indicator that PG&E is
11 opposed to CCA.

12 I believe that Prop 16 was designed to ensure
13 that voters had the ability to make that decision for
14 themselves.

15 MS. GEORGE: All right. That's -- that's my
16 questions.

END STAN KATAOKA

START SANDY HARTMAN

2916

1 ALJ FUKUTOME: Is there anything else for this
2 witness?
3 MS. KIM: No, your Honor.
4 ALJ FUKUTOME: Ms. Parnell, you're excused.
5 MS. SUETAKE: Your Honor, I would like to move
6 into evidence TURN-79, 80 and 81, if that's all right.
7 ALJ FUKUTOME: Any objections?
8 MS. KIM: No objections.
9 ALJ FUKUTOME: TURN-79, 80 and 81 are received.
10 (Exhibit Nos. TURN-79, TURN-80,
and TURN-81 were received into
11 evidence.)
12 MS. SUETAKE: Thank you, your Honor.
13 ALJ FUKUTOME: PG&E may call its next witness.
14 Off the record.
15 (Off the record)
16 ALJ FUKUTOME: On the record.
17 SANFORD HARTMAN
18 resumed the stand and testified further as follows:
19
20 MS. GEORGE: This is an excerpt from the decision
21 in energy efficiency portfolios. It is just one page.
22 MS. KIM: Your Honor, I will note that I don't
23 believe Ms. George provided this to us in advance of
24 today.
25 MS. GEORGE: Sorry if I didn't do that.
26 MS. KIM: You certainly did not provide it in
27 advance of yesterday when Mr. Hartman was scheduled.
28 MS. GEORGE: Then we can put that aside.

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1 The other thing, I believe I did send you the
2 San Joaquin Valley Power Authority. Then I know we are
3 going to have an argument about the video. So let's go.

4 MS. KIM: Just so you know, your Honor, Ms. George
5 did send us an e-mail yesterday at 4:43 asking for an
6 additional last minute data response. And she indicated
7 that if we provided her the information by this morning
8 it would expedite cross for Mr. Hartman. Her current
9 estimate is 15 minutes.

10 Two nights ago Ms. George did notify us that
11 she wanted Mr. Hartman to view a 17-minute video that is
12 on the WEM website that I believe is the video that is
13 on the DVD right now. We did look at the video. Again,
14 it is 17 minutes. It appears to be excerpts from a
15 meeting that occurred in Novato where Mr. Hartman was
16 not present. There was one attorney from the PG&E law

17 department who was present. It is not the entire
18 meeting. It is spliced. I believe the whole meeting
19 was over an hour long, perhaps an hour and a half.

20 In our view it is biased. It only shows those
21 portions of the meeting that benefit Ms. George's view
22 of that meeting. I will object strongly to including
23 that information as well as I believe it is supposed to
24 be a transcript of that meeting in the record.

25 To the extent -- I have informed Ms. George
26 that to the extent she has any questions about that
27 meeting, including that one attorney's participation in
28 the meeting, she is welcome to ask questions about the

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1 meeting. But to ask about the video which is a biased
2 and incomplete version of the meeting I believe is
3 prejudicious and unwarranted.

4 MS. GEORGE: I would respond that all exhibits are
5 excerpts of different things. They are not necessarily
6 the complete version. But we would be really happy to
7 supply you with the complete tape of that meeting. We
8 could do that by Monday. And we could use that in the
9 cross-examination of Megan Janis. And that would be one
10 way to solve the problem that your discussing.

11 I think it is really important to offer video
12 evidence. For example, the Oscar Grant trial today
13 wouldn't even be happening if there weren't videos. I
14 think videos offer a particular kind of clear evidence
15 of human interaction that you really cannot get any
16 other way. And there is no other record of that
17 particular meeting.

18 Some of the city council meetings are
19 videotaped. This was a sustainability committee of the
20 Novato City Council. There were only two council
21 members there. And it was held in a different room. So
22 it wasn't videotaped on the public domain website for
23 Novato.

24 So this is a particularly important moment
25 because there are offers being made that have been at
26 issue in the energy efficiency proceeding and the CCA
27 proceeding and now in this proceeding. I would be very
28 surprised if Mr. Hartman hasn't heard about that meeting

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1 before.

2 MS. KIM: To the extent you want to use the entire
3 video in cross-examination of Ms. Janis, I would suggest
4 that you make a written motion and provide the video to
5 the Judge if he would like to view it. I believe that
6 at least for today for cross-examination of Mr. Hartman
7 that these excerpts are prejudicious and should not be
8 allowed either in terms of including it in the record or
9 as the basis for cross-examination.

10 MS. GEORGE: Well, I will accept that based on
11 your offer to stipulate that there were statements that
12 were made, which is what you said, I can say do you know
13 that so and so made this statement at that meeting. If
14 that's the way we are going to proceed today, I'm
15 willing to do that.

16 I am basically waiving my cross-examination of
17 Katherine Bird to have this discussion so that it
18 doesn't cut into the time for the questioning.

19 MS. KIM: Your Honor, I believe before you the
20 answer the question of whether or not you are going to
21 allow questioning based on this 17-minute excerpt of a
22 meeting that occurred that Mr. Hartman was not in
23 attendance of --

24 ALJ FUKUTOME: I am confused on how you are going
25 to do this, do cross-examination on a video that I
26 haven't seen.

27 MS. GEORGE: It's been transcribed. That is what
28 this is, is a transcription of the video.

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1 ALJ FUKUTOME: So it is a transcription of the
2 17 minutes?

3 MS. GEORGE: A transcription of the 17 minutes on
4 the video. I believe there's no dispute by PG&E that
5 that is their people in the video and that they said
6 what they said there. I don't believe that there is any
7 allegation that anything was altered except there were
8 edits made. It was cut in different ways.

9 MS. KIM: Anyone who watches reality shows will
10 know it all depends on the editing. And PG&E does
11 disagree with the editing of the video. We believe you
12 have taken out material information that PG&E provided
13 to present a biased view of what PG&E said at that
14 meeting. So we strongly object to your editing of that
15 video.

16 In addition, you indicated in your e-mail two
17 days ago that you would provide us with a transcript.

18 You did not. This is the first time we have seen the
19 transcript.

20 MS. GEORGE: No. I did provide the transcript two
21 evenings ago. I know I did provide that.

22 MS. KIM: I did not see it.

23 MS. GEORGE: I will look in my e-mail and see if
24 it somehow didn't go out, but I know that I sent it.

25 MS. KIM: As I indicated to Ms. George, she may
26 ask Mr. Hartman about the meeting itself. It is just
27 the video and the transcript that we object to.

28 MS. GEORGE: In the interest of time I want to say

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1 I am willing to postpone this decision until Monday.
2 And I can provide a full version, if that's the sticking
3 point here, just so that we can move ahead with the
4 questions today.

5 ALJ FUKUTOME: Okay.

6 CROSS-EXAMINATION

7 BY MS. GEORGE:

8 Q At this meeting on June 8th, 2009, Mr. Warner
9 from the law department and two other men were
10 discussing energy efficiency partnership with the

11 sustainability committee, two city council members in
12 Novato, California, which is an area that was
13 considering community choice. We are agreed on that?
14 Is that yes?

15 A Yeah, I know that Mr. Warner was there. There
16 were two other gentlemen there. I can't recall their
17 names offhand.

18 Q Ontario Smith and Joshua Townsend from the
19 government affairs, government relations department.

20 A That sounds right. I will just take it based
21 on what you tell me that June 8th is the right date. I
22 don't know whether it is or not.]

23 Q Okay. There was the decision in the energy
24 efficiency proceeding which is in WEM-1. Was that --
25 no, I'm sorry, not WEM-1. The excerpt, this unnumbered
26 piece that we presented last week, which is the -- just
27 a paragraph from the D.09-09-047?

28 MS. KIM: Is that an exhibit in this case?

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1 MS. GEORGE: I put it out there, but since it is a
2 Commission decision it doesn't have to be an exhibit.
3 I'm happy to make it an exhibit number. It is an
4 excerpt from that decision and an excerpt from the
5 resolution.

6 MS. KIM: I'm sorry, this was provided?

7 ALJ FUKUTOME: It was used in cross-examination of
8 another witness. I don't remember which.

9 MS. GEORGE: This was our first.

10 MS. KIM: Did you indicate it was going to be a
11 cross-examination exhibit for Mr. Hartman?

12 MS. GEORGE: I did, but in another case I was
13 in they didn't accept any of the CPUC documents into
14 evidence. And so I was a little confused about whether
15 it should be an exhibit, or not. We can make it an
16 exhibit. I can give you a copy right now, in any case.

17 MS. KIM: Does Mr. Hartman have a copy?

18 MS. GEORGE: Yes, he has a copy right there.

19 MS. KIM: Thank you.

20 MS. GEORGE: Q Anyway, the decision had just one
21 paragraph about the offers of energy efficiency that had
22 been made to Marin County as well as Novato. It didn't
23 specify where the offers had been made. It just said
24 that -- they had made a general statement in the
25 ordering paragraph that the utility shall not use energy
26 efficiency funds in any way which would discourage or
27 interfere with the community, with the local
28 government's efforts to become or consider becoming a

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1 community choice aggregator. We discussed this last
2 week.

3 Mr. Frank, you remember these questions for
4 Mr. Varghese?

5 MR. FRANK: I do recall Mr. Varghese.

6 MS. GEORGE: Thank you. I didn't realize there
7 would be a new attorney on the job today. Anyway --

8 MS. KIM: It is not a matter of the attorneys. It
9 is a matter of providing witnesses advance notice of
10 cross exhibits.

11 MS. GEORGE: I did write to you and say he should
12 be familiar with all of the previous exhibits that we
13 had put in.

14 MS. KIM: You indicated WEM-1 through -10. This
15 is not numbered. This is not an exhibit.

16 MS. GEORGE: Q Anyway, are you familiar with that
17 decision, sir?

18 A There are two discussions of which I'm aware.
19 I do not remember their numbers where language like this
20 appeared.

21 Q In, let's see, your rebuttal testimony page
22 55-21, it has a paragraph from your below-the-line
23 policies. There are two paragraphs about community
24 choice aggregation, and talked about the below-the-line
25 activities and then the above-the-line activities. And
26 the above-the-line activities, including responding to
27 request from information from government or regulatory
28 officials.

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1 A Yes.

2 Q In WEM-1, PG&E's comments on the proposed
3 decision, this proposed decision, in other words, these
4 are your comments in the energy efficiency proceeding on
5 the proposed decision that became D.09-09-047. They
6 were discussing this particular paragraph.

7 So there is just one page here, excerpt, page
8 23 from your comments.

9 A Yes.

10 Q Did you have a chance to review this exhibit?

11 A Yes.

12 Q Down here it says PG&E re- -- at the very
13 bottom of the page PG&E responds to a request from all
14 customers, local governments, and seeks to satisfy the
15 request for enhanced or improved services.

16 In the paragraph above that it says in no case
17 has PG&E or will PG&E link or condition any local
18 government's receipt of public goods charge funds on the
19 local government's decision whether to participate in a
20 CCA program, or not.

21 A Yes, I see it says that.

22 Q All right. So that comment, plus the
23 above-the-line policy, which is that energy efficiency
24 would be above the line -- I mean responding to a
25 request from a local government would be an above the
26 line, would indicate that Mr. Warner's time was booked
27 above the line; is that right?

28 A That is not correct.

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1 Q His time was in fact booked below the line,
2 right?
3 A Are we talking about the November 8th meeting?
4 Q So we are talking about the June 8th.
5 A The Novato meeting?
6 Q Right?
7 A That is correct.
8 Q So his time was booked below the line?
9 A That is correct.
10 Q And why was that?
11 A Although I was not at the meeting, this
12 meeting was a little bit more than simply responding to
13 questions. We were responding to questions. They could
14 have been objective questions: How does energy
15 efficiency programs work, what are the eligibility
16 requirements.
17 I'm not an expert in energy efficiency. The
18 point I'm trying to make is they are mechanical
19 questions, we answer those. That would be billed above
20 the line.
21 To the extent that we are attempting to
22 influence a particular result of the legislative
23 official, for example, that would be below the line.
24 I will tell you sometimes the line is gray.
25 If the line is gray, we will bill it below the line.
26 Q What legislative result was being influenced?
27 A I use that as an example.
28 Q Was potentially being influenced at that

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1 meeting?

2 A That meeting took place within the context of
3 the CCA program.

4 Q Yes, it did.

5 A It was not our intention in any way to tie CEE
6 funding to that program. There were questions that were
7 asked during the meeting to the effect of how would
8 these programs work. In order to answer that question,
9 I understand, as I said before, I'm not an expert on
10 CEE, but I do know that these programs are very complex.

11 In order to answer those questions you need to
12 take into account who is administering the programs.
13 The program is being administered by the CCA or by PG&E,
14 and we made a reference to that. And in the context in
15 which this meeting was taking place, we thought it was
16 appropriate, given that reference to bill it below the
17 line.

18 Q Thank you.

19 There was an offer of a half time staff person
20 at the meeting. And this was also contained in the
21 offers to Novato which are in letters in our exhibits,
22 the WEM Exhibit No. 3, May 28th, 2009, letter from PG&E
23 to the City of Novato which is the letter that was
24 being -- this was the offer being discussed at that
25 meeting. That offer was later slightly revised.

26 Then there was another version of it on
27 June 30th, 2009, which is actually a CCSF Exhibit,
28 June 30th. It is CCSF No. 3, which I also have a copy

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1 of, your meeting, a copy of that. Those were written
2 offers essentially the same as the -- as the content of
3 the meeting.

4 MS. KIM: Ms. George, may I make a copy of that
5 available to my witness, please?

6 MS. GEORGE: Yeah, I'm trying to find a copy.

7 ALJ FUKUTOME: Off the record.

8 (Off the record)

9 ALJ FUKUTOME: On the record.

10 MS. GEORGE: Q So your concern, the reason that
11 it was booked below the line was that potentially there
12 was marketing of the CCA energy efficiency versus the
13 community choice -- potential community choice
14 administration of energy efficiency. Is that what you
15 are saying?

16 A We were having a discussion on energy
17 conservation programs. How those programs are actually
18 administered depends whether they are administered by
19 PG&E or whether they are administered by community
20 choice aggregation, by community choice aggregator.
21 And, as I'm sure you can appreciate, we have our views
22 with respect to the advantages or disadvantages of both.

23 And, you know, given our obligation to make
24 clear that CEE funds will be made available and these
25 programs will be made available regardless of who is
26 administering them, I believe we did state that during
27 the meeting we thought it was important because of the
28 way these issues were starting to fit together, that we

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1 bill it below the line to avoid any question about who
2 paid for at least Mr. Warner attending this meeting.

3 Q So it is -- potentially you are saying that
4 there was marketing of PG&E's energy efficiency
5 administration at the meeting?

6 MS. KIM: I believe that is a mischaracterization
7 of his testimony. His words speak for themselves.

8 MS. GEORGE: All right. We will let that go.

9 Q PG&E also offered an energy efficiency
10 partnership to Marin County on March 15th, 2008, that is
11 WEM-4. This is March 15th, 2008, letter to Charles
12 McGlashan of the County. And the third paragraph, the
13 last sentence says:

14 The opportunities include: 4) how
15 energy efficiency program
16 partnership between PG&E and the
17 County can be enhanced and
18 expanded with additional funding
19 and in-kind support.

20 Are you aware that PG&E withdrew that offer
21 after the Marin Energy Authority was formed?

22 A No, I'm not.

23 Q Did PG&E withdraw the offer to Novato?

24 A I don't know.

25 Q What I brought up before is shareholders would
26 pay for the half staff person. That was a statement by
27 Mr. Warner at the meeting. And Mr. Townsend said that
28 the half staff person would be a quarterback for the

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1 program. This was in the transcript of the video.
2 Do you agree that there was a half staff

3 person offered to Novato?

4 A Based solely on my review of the transcript
5 that you provided, I think that is what was said. I
6 don't have any independent knowledge what was done or
7 what wasn't done. I'm just relying on what -- I'm
8 assuming it is accurate.

9 Q On this page here the resolution actually
10 mentions that particular offer. It quotes from the
11 June 30th letter. It says, we reiterate our commitment
12 to Novato to provide, free of charge, a one-half time
13 equivalent staff person to support the City in the
14 implementation of this collaboration, AB 32, and other
15 programs and efforts, blah, blah, blah.

16 A I have no reason to believe it is not true.
17 My point is that I just don't have independent knowledge
18 that it is. I'm sorry.

19 Q Right. Do you think it is appropriate for a
20 shareholder funded person to be in charge of a public
21 goods charge program?

22 MS. KIM: Your Honor, Mr. Hartman is not
23 testifying about the individual who would be paid for by
24 the public goods program. He is -- to the extent that
25 the only person that I'm aware of would be subject to
26 this testimony would be Mr. Warner. And Mr. Hartman has
27 already stated that Mr. Warner charged his time below
28 the line.

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1 MS. GEORGE: I'm talking about in the future if
2 there was a staff person that PG&E provided and paid for
3 with shareholder money would it be appropriate for a
4 public goods charge energy efficiency program to be
5 directed or quarterbacked by a person acting on behalf
6 of shareholders.

7 MS. KIM: Again, your Honor, that seems to call
8 for a legal conclusion, which Mr. Hartman is not an
9 expert on, he already stated that.

10 MS. GEORGE: He is a lawyer.

11 MS. KIM: And that individual would be funded in,
12 I believe, in the CEE or different department, not the
13 law department.

14 MS. GEORGE: Q Do you have an opinion about that,
15 Mr. Hartman?

16 MS. KIM: Your Honor, an objection is pending.

17 MS. GEORGE: I'm not going to press you on that
18 one.

19 ALJ FUKUTOME: I'll sustain the objection. Move
20 on.

21 MS. GEORGE: Q Did Mr. Warner or you or any other
22 one in the law department issue instructions to PG&E
23 employees about the need to comply with this decision
24 that prohibits use of energy efficiency funds to
25 discourage or interfere with a local government's
26 efforts to consider becoming or to become a community
27 choice aggregator? Did you issue any instructions to
28 anyone in the company, or did Mr. Warner or anyone to

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1 your knowledge in the law department?

2 MS. KIM: I think she has multiple questions
3 embedded in it.

4 MS. GEORGE: I'm just asking if there was anybody
5 who issued instructions.

6 MS. KIM: About what?

7 MS. GEORGE: Q That there was a need to comply
8 with this energy efficiency decision.

9 A Well, first, as we said in our comments, we
10 recognize our obligation to distribute and administer
11 CEE funds and programs independently in community choice
12 aggregation. We said it in our comments. We educate
13 our employees so that they understand it.

14 Whenever a decision like this comes out, we
15 remind them of it. I can assure you that these
16 decisions got a fair amount of attention internally. I
17 have a recollection, although I cannot tell you by who
18 and tell you the precise date and tell you the precise
19 audience. We periodically send e-mails out about what
20 employees should and should not do, how they should and
21 should not bill their time, how CEE programs should and
22 should not be administered.

23 Q Thank you.

24 What about after the resolution came out, did
25 you withdraw your offer to Novato after the resolution
26 mentioned your offers to Novato that they were being
27 prohibited?

28 A Well, first, I'm not sure that the resolution

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1 said that our offers to Novato were being prohibited.
2 And, second, as I said before, I don't know whether we
3 withdrew our offer from Novato, or not.

4 Q For the record, the offer was still standing
5 on November 17th when there was another city council
6 meeting which had an update on this topic, and PG&E's
7 representatives spoke at the meeting. I can provide you
8 with the agenda item on that.

9 So the resolution actually does say the
10 utilities cannot offer to provide -- it says:

11 This letter raises the appearance
12 [if the] utility is seeking to
13 link the utility's provision of
14 services to a decision by a local
15 government not to participate in a
16 CCA.

17 MS. KIM: Your Honor, I would note Ms. George is
18 5 minutes over her 15-minute estimate. Ms. Yoo did put
19 in for 10 minutes, and I do not want Mr. Hartman to be
20 called yet again.

21 MS. GEORGE: Yes, that is my last question.

22 MS. KIM: Thank you.

23 THE WITNESS: The resolution doesn't make a
24 finding that we, in fact, improperly hide community
25 choice aggregation participation to CEE programs.

26 MS. GEORGE: Q It says it gives the appearance.

27 A I think the words speak for themselves with
28 respect to that then.

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1 Q Well, if you had an excess of caution --
2 MS. KIM : Your Honor, I believe she said that was
3 her last question two questions ago.
4 MS. GEORGE: I'll let that go. That is it.
5 ALJ FUKUTOME: Thank you. Ms. Yoo.

END HARTMAN

* * * * *

* * *

17 ALJ FUKUTOME: Ms. George?
18 MS. GEORGE: May I have a --
19 THE WITNESS: Good morning.
20 MS. GEORGE: I had requested other parties to
21 grant WEM some of their time.
22 I asked for five to seven minutes from three
23 parties.
24 SSJID said yes.
25 Anybody else?
26 Will TURN give me five to seven minutes?
27 MR. HAWIGER: I will certainly have less than my
28 allotted time for Mr. Patterson, so I'm happy to give

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1 you at least 10 minutes.

2 MS. GEORGE: Okay. Thanks.

3 We had seven minutes left, and I had about a
4 half an hour's worth of questions.

5 I wanted to enter another exhibit. Actually
6 two exhibits.

7 This first one is just a different way to sort
8 the customer events. This is sorted by city.

9 In your -- in yours it is not sorted by City
10 (indicating). It's just a different way to sort that.

11 And here are all of our other exhibits.

12 So I have that one; and I also have
13 (indicating) copies of the Marin County Fair program,
14 which I'm sure you've seen.

15 THE WITNESS: No, I have not.

16 MS. GEORGE: I wasn't able to give you one of
17 those in advance, but it just -- there's a couple
18 advertisements of PG&E in it.

19 So if I may put that into --

20 ALJ FUKUTOME: Off the record.

21 (Off the record)

22 ALJ FUKUTOME: On the record.

23 CROSS-EXAMINATION

24 BY MR. GEORGE:

25 Q All right. Are you aware of the meeting on
26 June 8th, 2009, where Joshua Townsend of Local
27 Government Affairs gave a presentation and answered
28 questions at the Sustainability Committee of the Novato

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1 City Council?

2 That was the topic of the video, which I'm not
3 asking the questions about, but it was also the topic of
4 the -- of WEM -- WEM's Exhibit -- the offers to Novato
5 which is, I believe, No. 2? No. 3.

6 MS. KIM: Your Honor, could we go off the record
7 for a moment?

8 I don't have the document.

9 ALJ FUKUTOME: Off the record.

10 (Off the record)

11 ALJ FUKUTOME: On the record.

12 MS. GEORGE: Q Your rebuttal, page 61-15,
13 starting at line 11 --

14 A Yes?

15 Q -- so:

16 ... responding to customer
17 requests for more information
18 about environmental programs is
19 completely distinguishable from
20 opposing CCA. While the former
21 activities are recorded above-the-
22 line, PG&E's internal accounting
23 policy expressly provides that the
24 latter activities should be
25 recorded below-the-line.

26 A Yes. That's correct.

27 Q We learned that -- last week that
28 Mr. Townsend's time was recorded below the line.

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1 Does that mean he was opposing CCA rather than
2 responding to a request for information?
3 A I don't know.
4 Q You don't know.
5 A I don't know what he was doing.
6 I was not at the meeting so I don't know what
7 he was doing.
8 Q Have you had a chance to look at the letter --
9 the May 28th letter?
10 A I have.
11 Q And did you review the transcript of the video
12 last week when we originally sent it to Mr. Hartman and
13 you?
14 A It was not sent to me.
15 I did not review the transcript.
16 And I tried last night to view the video but I
17 could not access it on your website.
18 MS. GEORGE: I'd like the, um -- your Honor to
19 understand that we did e-mail that exhibit, the
20 transcript to Mister -- Mister, um -- who was the lawyer
21 who was working before you? Golden -- Mr. Golden.
22 MS. KIM: I'm sorry. I believe we stated on the
23 report that I did not receive a copy of the transcript.
24 I apologize for that.
25 MS. GEORGE: Uh-huh?
26 MS. KIM: We did -- and we didn't think we needed
27 to read the transcript if we watched the video.
28 Ms. Janis tried to watch the video but your

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1 website seemed to have been down, so she was not able to
2 watch the video.

3 MS. GEORGE: Q For PG&E employees who perform
4 both above-the-line and below-the-line assignments, do
5 they use separate offices, furnishings, equipment, and
6 support staff when they perform below-the-line work?

7 A No, they do not.

8 Q And what about when they work on ballot
9 measures, for example, Proposition 16?

10 A Proposition 16 was run by a campaign committee
11 that was separate from the company, so any employee that
12 would have spent time on that would have charged their
13 time below the line.

14 But they would not have -- I don't know where
15 they were physically located during that time.

16 Q So, in other words, they did not use separate
17 offices, equipment, furnishings?

18 A I don't know if they did or not.

19 The campaign was not located at PG&E, so if
20 they were working on behalf of the campaign, I don't
21 know where they were working then.

22 Q And if they were charging below the line, that
23 means that they were on company time when they were
24 working on the campaign?

25 A That's correct.

26 Q Regarding the offer to Novato, the May 28th
27 offer?

28 A The May 28th letter?

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1 Q Yeah.
2 See the table on page 3 and 4?
3 A Yes, I see that.
4 Q It offers a number of things?
5 A It describes a number of program elements.
6 Q Right.
7 Was PG&E offering a special deal to Novato?
8 A Not that I'm aware of.
9 I believe it was offering -- it was sh- --
10 just showing the City of Novato what programs were
11 available to it.
12 Q So these were -- items were part of PG&E's
13 regular programs as something any city could have?
14 A Correct.
15 Q Was PG&E attempting to deceive Novato city
16 officials by pretending ordinary programs were special
17 and they had to negotiate with PG&E to get them?
18 A No. I don't -- the word "deceive" is
19 troubling to me, but, no.
20 Q Why would they need to make --
21 A It's my understanding --
22 Q -- the of- --
23 A -- they were responding to a request from the
24 City of Novato as to how the City could reduce their
25 greenhouse gases. We were presenting to them the
26 variety of programs that were available to them to
27 participate in.
28 Q So there was no need to negotiate with PG&E?]

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1 A I don't know.

2 Q Are you aware that the city council agreed to
3 negotiate with PG&E over this offer that was being made?

4 A Was I aware that they agreed to negotiate?

5 Q Mm-hmm.

6 A No, I was not.

7 Q How does PG&E prepare employees like Josh
8 Townsend who discuss energy efficiency and community
9 choice as part of their work? Are they trained to --
10 These are two questions. One is, are they
11 trained to discuss -- how to discuss CCA? And then two,
12 are they trained how to discuss energy efficiency?

13 A I'm not quite sure I understand what you mean
14 by trained.

15 Q Well, you have a government employee in
16 the department. Relatively new one I believe. Josh
17 Townsend was only there for a couple of years; right?
18 And he was meeting with city officials. And in
19 the meeting, he was discussing energy efficiency in some
20 detail. Was he trained for that?

21 A It's my understanding that Josh would have
22 worked with various people throughout the company to
23 understand the programs that we offered.

24 Q So there's no training that's given for
25 government relations employees?

26 A There are opportunities for government
27 relations employees and other employees to learn from
28 our other employees programs that are offered. There's

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1 not a formal training program.

2 Q What about the community choice matters.
3 Would he have been trained to discuss community choice?

4 A Again, he would have talked to other people
5 within the company to understand the community choice
6 aggregation issues. Probably would have talked with his
7 supervisor about the issue. But no, there's no formal
8 training program.

9 Q Does PG&E have any materials that are
10 available to employees that describe how to discuss
11 community choice in meetings with public officials?

12 A Not that I'm aware of.

13 Q How do they know whether to track time below
14 the line when discussing energy efficiency to officials
15 that are considering community choice?

16 A The department has a annual training program
17 on charitable contributions programs and political
18 contributions programs which are both below the line and
19 also other below-the-line activities that all employees
20 are required to attend so that they understand how to
21 charge their time. So he would have, people learn at
22 that training how to record their time.

23 Q And community choice would have been
24 specifically discussed at that training?

25 A In terms of not the substance of community
26 choice but the subject matter being something that would
27 be charged below the line, yes.

28 Q Would materials or a transcript of that

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1 meeting be available?

2 A No, not that I'm aware of. The materials may
3 be available but there's no transcript kept.

4 Q I would appreciate a copy of those materials.
5 On the Marin County Fair, your testimony, the,
6 you know, original testimony, page 11-11, lines 24 to
7 25.

8 A I'm sorry. Can you give me a minute, please?

9 MS. KIM: I'm sorry, Ms. George. Can you say
10 again what document you're looking at?

11 MS. GEORGE: Exhibit 6, Administrative and General
12 expenses, the original.

13 MS. KIM: Okay. And what page?

14 MS. GEORGE: 11-11.

15 MS. KIM: Thank you.

16 THE WITNESS: Yes.

17 MS. GEORGE: Q Line 24 to 25 named Marin County
18 Fair right after the State fair. It says: Examples of
19 events managed by the department include California
20 State Fair with more than one million attendees from
21 mostly northern and southern California; Marin County
22 Fair with more than 100,000 attendees; Sonoma County
23 Fair, Big Fresno Fair, and other local county fairs
24 lasting over multiple days with tens of thousands of
25 attendees each day.

26 Do you see that?

27 A Yes, I do.

28 Q Was Marin the most expensive county fair in

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1 2008 and 2009 for PG&E?
2 A I don't know.
3 Q Would you be able to check that figure?
4 A Yes.
5 Q I'd like to know the total amount that PG&E
6 spent on the fair and the Marin County Fair, and
7 the total amount spent on other local county fairs. And
8 I have submitted a data request --
9 A Yes. I saw that data request last night.
10 Q -- requesting that information.
11 MS. KIM: So I believe you sent a data request
12 last night asking for this information.
13 MS. GEORGE: Yes.
14 MS. KIM: So this conversation doesn't supercede
15 that.
16 MS. GEORGE: No. That's fine.
17 MS. KIM: That's exactly what you want from
18 yesterday?
19 MS. GEORGE: Right.
20 MS. KIM: Okay, thank you.
21 MS. GEORGE: Q The Marin County Fair program.
22 See page 52-53 which is the advertisement. This is the
23 two-page --
24 ALJ FUKUTOME: You want to identify this for
25 the record?
26 MS. GEORGE: This is the exhibit that we just put
27 in with the Marin County Fair. I don't know if you gave
28 that a number.

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1 ALJ FUKUTOME: I didn't give anything a number
2 yet.
3 MS. GEORGE: Okay. It's this (indicating), full
4 page ad, with a carousel on one side.
5 ALJ FUKUTOME: Well, first of all, what is this
6 document again?
7 MS. GEORGE: This is the 2010 Marin County Fair
8 program.
9 ALJ FUKUTOME: Okay. That will be identified as
10 WEM-13.
11 (Exhibit No. WEM-13 was marked for
12 identification.)
13 MS. GEORGE: Okay, 13 great.
14 ALJ FUKUTOME: Proceed.
15 MS. GEORGE: Q And these paragraphs I believe
16 must be from 2009, these paragraphs down here
17 (indicating), because they're the same things that were
18 both in 2009 and 2010.
19 Anyway, there was this carousel, quite amazing
20 carousel. Antique carousel, solar powered, which is
21 identified in this booklet as the PG&E carousel.
22 Did PG&E buy that or rent it for these fairs?
23 A I'm sorry. Where is it identified as the PG&E
24 carousel?
25 Q It's identified as PG&E Carousel on page 36.
26 It's a little map of the event space. And it says PG&E
27 Solar Carousel. It's right here (indicating).
28 A I see. Mm-hmm. I don't know if we rented it

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1 or if we own it. I would assume that we rented it, but
2 I would -- but I'll check that.

3 Q What about the little train?

4 A I would assume that we also rented that, but
5 will also have to check.

6 Q On the exhibit of the customer events, this is
7 for 2008 events, the major events I believe is how you
8 discussed it.

9 Would that be WEM-14?

10 ALJ FUKUTOME: We'll identify that as WEM-14.
11 (Exhibit No. WEM-14 was marked for
12 identification.)

13 MS. GEORGE: Thank you.

14 MS. KIM: Your Honor, I would just like to note
15 for the record that this appears to be based on
16 a document that we provided Ms. George. But again,
17 Ms. George did clarify that she has reordered it by
18 location, I believe?

19 MS. GEORGE: I sorted it by city local. That's
20 all I did. It was --

21 MS. KIM: So we were not provided this particular
22 copy in advance, so we have not verified that it's
23 accurate but I can take Ms. George at her word that this
24 is simply a resource document that we provided her
25 already. Thank you.

26 MS. GEORGE: Thanks.

27 We had submitted a comment about this in our
28 testimony and there is a response by Ms. Janis about the

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1 events in different territories.

2 Q In you look down the column under Message, it
3 there's that energy efficiency is in almost every event;
4 is that right?

5 A It appears on the sheet. I'm not sure that it
6 appears on every event.

7 Q It doesn't appear on every event, but it's
8 pretty -- I would say the majority of them have energy
9 efficiency. Would you say that's true?

10 A I would say several of them do.

11 Q Are you aware that in some other states,
12 utilities are not the administrators of energy
13 efficiency?

14 A No. I'm not aware of that.

15 Q Would you say public affairs relies heavily on
16 energy efficiency programs to promote PG&E's image of
17 environmental leadership?

18 A I believe it's one program that we rely on.

19 Q If PG&E no longer ran energy efficiency
20 programs, how would you convey the idea of PG&E's
21 so-called environmental leadership, hypothetically?

22 A There are other programs that we're involved
23 with. And I don't know what we would do under that
24 circumstance.

25 We would have to, you know, review what was
26 available at that time that we would be able to use to
27 talk about our environmental leadership. So I don't
28 know.

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1 Q So you believe that there is something other
2 than energy efficiency that you could rely on?
3 A Yes, I do.
4 Q Would that be solar public goods charge rebate
5 programs?
6 A You know, I don't know. It could be a variety
7 of different programs. The company requests also
8 investing in renewable energy generation plans. So
9 that's another alternative.
10 Q Did Mr. Townsend receive a bonus related to
11 PG&E's success in Novato?
12 A I don't know.
13 Q Who would know?
14 A Probably Mr. Townsend or his supervisor.
15 Q Who was his supervisor?
16 A I don't know off the top of my head who it is
17 today or who it was then. I don't know.
18 Q Would that be Mr. Simi?
19 A Mr. Simi may have been his supervisor at that
20 time. I don't know.
21 Q Do you know how many employees are assigned to
22 government affairs in each county that has active
23 community choice programs or has expressed interest in
24 community choice?
25 A Not off of the top of my head, no.
26 Q Alameda County, would they have one government
27 relation was person or several?
28 A We assign our government relations people by

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1 area and so that area would cover more than one county
2 in most instances. So I don't know that there's
3 necessarily just one person assigned to one county.
4 The group works across the area.

5 Q Does Mr. Townsend work in other parts of
6 the territory or only in Marin?

7 A He works throughout his area, which covers
8 more than just Marin County.

9 Q And where would I find the description of the
10 areas? Is that something that you can supply?

11 A I believe we supplied it in a data request.
12 I don't know that it's in the org chart that my counsel
13 is looking at, but I do believe we provided it in a data
14 request.

15 MS. KIM: Ms. George, would you repeat your
16 question please.

17 MS. GEORGE: The question was regarding how many
18 government -- my original question was how many
19 government employees are assigned to areas where
20 community choice is being considered.

21 MS. KIM: Okay.

22 MS. GEORGE: And I used Alameda as one example,
23 county of Alameda. So the question is if you could
24 supply me a list of the territories and how many are
25 assigned to each territory, that would be wonderful.

26 MS. KIM: I'm sorry. Is this an additional data
27 request or is this a question?

28 MS. GEORGE: It's a data request since Ms. Janis

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1 doesn't know the answer.
2 THE WITNESS: I believe we supplied that in our
3 data request to SSJID Question 6.
4 MS. GEORGE: Q Is that data request No. Six?
5 A Yes, Question 2.
6 MS. GEORGE: Great. Thank you very much.
7 That would be -- that's all my questions.
8 Thank you.
9 ALJ FUKUTOME: Thank you.
10 MS. GEORGE: And can we go back and deal with this
11 exhibit (indicating)?
12 ALJ FUKUTOME: Certainly. What is it?
13 MS. GEORGE: Thank you. It's labelled City
14 Council Work Study Session. And it's the Novato City
15 Council Meeting of November 17, 2009. On the item
16 No. 4, the council committee on sustainability, Item B
17 it says: Request direction on continued work with PG&E
18 on a partnership for energy efficiency and greenhouse
19 gas reduction. And the recommendation is: Direct staff
20 to continue working with PG&E on a partnership for
21 energy efficiency.
22 MS. KIM: So your Honor, first of all, we had no
23 notice of this document. Second of all, we are unaware
24 of this meeting until just now. Third of all, she has
25 not asked any cross-examination questions or submitted
26 any testimony on this, so I don't know what the
27 relevance of this particular document is to the case.
28 MS. GEORGE: I can tell you. I'm sorry.

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1 MS. KIM: And therefore we had no opportunity to
2 provide any testimony to address whatever issue she
3 might raise in brief.

4 MS. GEORGE: Actually I did. In my testimony,
5 I mention that the offers to the City of Novato were
6 still on the table at this -- I believe my testimony
7 said in December. And as far as I know, they're still
8 on the table today.

9 This is November 17, which is after the energy
10 efficiency decision came out. So that's why I wanted it
11 to be in the record for our brief. This establishes
12 the fact that PG&E's offers were still being made.

13 MS. KIM: I will believe the statement says:
14 Request direction on continued work with PG&E. So it
15 appears to be a statement about what the city council
16 work study session plans to do.

17 MS. GEORGE: Yes. And at that meeting Mr. Joe
18 Nation testified for PG&E that they should continue with
19 the partnership plan.

20 MS. KIM: Your Honor, PG&E does not object to the
21 admission of this document, but I do believe that given
22 the lack of relevance to this proceeding it goes to the
23 weight that you might give it.

24 ALJ FUKUTOME: That's fine.

25 MS. KIM: Thank you.

26 ALJ FUKUTOME: It will be identified as WEM-15,
27 I believe.

28 (Exhibit No. WEM-15 was marked for
identification.)

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1
2 MS. GEORGE: Also your Honor, is this the right
3 time for me to enter my testimony and reply testimony
4 into evidence?
5 ALJ FUKUTOME: Was there any cross-examination for
6 you?
7 MS. GEORGE: No, there wasn't.
8 MS. KIM: No. We've waived cross.
9 ALJ FUKUTOME: Oh. If you'd like.
10 MS. GEORGE: Okay. And if you --
11 ALJ FUKUTOME: But I need copies.
12 MS. GEORGE: Yes. I'm going to get copies.
13 If you don't mind clarifying, all of our other
14 exhibits are in evidence, there's not a second process
15 to put them into evidence?
16 ALJ FUKUTOME: I don't believe any of your --
17 let me check.
18 MS. GEORGE: I mean, they've been given a number.
19 Sorry. I'm just not familiar with the procedure here.
20 Is there a separate process where they are accepted into
21 evidence or --
22 ALJ FUKUTOME: Yes.
23 MS. GEORGE: Yes, there is?
24 ALJ FUKUTOME: Yes.
25 MS. GEORGE: Okay. I can wait until then.
26 ALJ FUKUTOME: I believe two of your documents
27 have already been received, 11 and 12, but the other
28 ones have not.

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1 MR. FINKELSTEIN: Your Honor, can we go off
2 the record briefly?
3 ALJ FUKUTOME: Off the record.
4 (Off the record)
5 ALJ FUKUTOME: On the record.
6 Is there any redirect, Ms. Kim?
7 MS. KIM: Could we go off the record, your Honor.
8 (Laughter)
9 ALJ FUKUTOME: Off the record.
10 (Off the record)
11 ALJ FUKUTOME: On the record.
12 Ms. Kim.
13 REDIRECT EXAMINATION
14 BY MS. KIM:
15 Q Ms. Janis, do you recall a line of questioning
16 from counsel for SSJID related to some hypothetical
17 situations where a PG&E employee will have had a meeting
18 with Legislator A and Legislator B. Do you remember
19 those questions?
20 A Yes, I do.
21 Q And in particular, counsel for SSJID
22 questioned whether PG&E could keep track of the types of
23 communications that might have occurred and the persons
24 with whom those conversations occurred. Do you remember
25 that?
26 A Yes, I do.
27 Q PG&E is subject to the Political Reform Act;
28 is that correct?

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1 A Yes, it is correct.

2 Q And could you describe what process
3 individuals within PG&E have to go through in order to
4 comply with the Political Reform Act?

5 A Yes. Employees need to keep track of any
6 interactions they have with elected officials and
7 certain other appointed officials in order to report
8 that interaction each month.

9 Q And so a reminder is sent out every month to
10 the potentially affected employees, reminding them about
11 that requirement; is that correct?

12 A That's correct.

13 Q And to the best of your knowledge, employees
14 fill that information out, and it's reported back to the
15 state; is that correct?

16 A That's correct.

17 MS. KIM: Thank you.

18 That's all I have, your Honor.

19 ALJ FUKUTOME: Thank you.

20 Is there any recross?

21 MR. PRABHAKARAN: Your Honor.

22 RE-CROSS-EXAMINATION

23 BY MR. PRABHAKARAN:

24 Q Ms. Janis, based on the information your
25 counsel just asked you on, is that information that's
26 provided based on the --

27 I'm sorry what is the --

28 MS. KIM: Political Reform Act.

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1 MR. PRABHAKARAN: Q Political Reform Act, does
2 the information provided in that appear in any of
3 the timekeeping records kept as part of
4 the below-the-line accounting procedures?
5 A I'm sorry?
6 Q You described that there were some description
7 of the people that you contacted as -- in order to

8 comply with the Political Reform Act.
9 A Correct.
10 Q Does any of that information appear in the
11 timekeeping records that are kept to determine
12 below-the-line accounting procedures?
13 A It may be included on the sheet of paper that
14 the employee keeps on their weekly time, yes.
15 Q But not in the report that we were looking at?
16 A Correct.
17 MR. PRABHAKARAN: Okay.
18 ALJ FUKUTOME: Is there anything else for this
19 witness?
20 (No response)
21 ALJ FUKUTOME: Thank you, Ms. Janis. You're
22 excused.

END MEGAN JANIS