

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

Order Instituting Rulemaking on the  
Commission's Own Motion to Adopt New  
Safety and Reliability Regulations for Natural  
Gas Transmission and Distribution Pipelines  
and Related Ratemaking Mechanisms.

Rulemaking 11-02-019  
(Filed February 24, 2011)

**JOINT PARTIES' MOTION TO CREATE A RATEPAYER CONFIDENCE FUND**

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October 4, 2011

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Pursuant to Rule 11.1 of the California Public Utilities Commission's (CPUC's) Rules of Practice and Procedure, the Black Economic Council, Latino Business Chamber of Greater Los Angeles and the National Asian American Coalition (cumulatively "Joint Parties") hereby move for the Commission to create a Ratepayer Confidence Fund, and in the alternative, include the Ratepayer Confidence Fund in the upcoming amended scoping memo and ruling.

The Joint Parties noted to this Commission in its opening filings<sup>1</sup> that complex technical matters are generally beyond the province of virtually all non-profit groups that participate in CPUC or general Pacific Gas & Electric (PG&E) rate cases and customer service issues. We note that TURN had the opportunity to hire an independent pipeline safety consultant who was recently quoted in the San Francisco Chronicle indicating, "the odds of not having another defect like the one that destroyed the San Bruno pipe „are about 1 in a trillion"". <sup>2</sup> Each party, including smaller non-profits without TURN's resources, should have the opportunity to hire an

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<sup>1</sup> Opening Comments From the Black Economic Council, the Latino Business Chamber of Greater LA and the National Asian American Coalition, Joint Parties, R.11-02-019 (May 25, 2011).

<sup>2</sup> Jaxon Van Derbeken, *Alarm Over Threat From PG&E's Gas System*, S.F. Chron., Sept. 27, 2011 at A1.

independent expert or joint independent expert to both analyze PG&E's record and to educate on the technical intricacies of the case.

Given the present low public confidence level in PG&E, this independent fund would ensure that there were some independent experts that the public could trust. Ratepayers are currently suspicious of many of PG&E's initiatives, including its new rate case proposal to have the ratepayers shoulder the majority of the financial burden to provide safety tests and upgrades to PG&E's natural gas pipelines. Unfortunately, some of this mistrust has also been transferred to the CPUC. Given that virtually none of the regular non-profit intervenors have the expertise to question PG&E's proffered experts on technical matters, this fund would allow the public, through the non-profit intervenors, to better scrutinize PG&E's testimony in regards to technical matters throughout the case proceedings. The intervenors will be better equipped to participate in the proceedings if they have access to an independent expert of their choosing. Not only might this increase the number of ratepayer organizations involved in CPUC proceedings, this will also lend public credibility and confidence to the ultimate decision issued by the CPUC because the ratepayers will be less likely to criticize a decision if they had ample opportunity to fully engage in all of the technical issues during the investigative phase of the proceeding.

We therefore move that a Ratepayer Confidence Fund of up to one million dollars be set aside and administered by the CPUC to allow parties to apply for funds to hire experts to compliment, supplement and/or disagree with the experts hired by the limited number of parties herein, who are participating in the technical aspects of this case.

In the alternative that the Commission does not grant this motion, we move that the Commission should include the issue of creating a Ratepayer Confidence Fund within its amended scoping memo and ruling it will be releasing soon.<sup>3</sup>

Such a fund is likely to be of long-term benefit to PG&E given the present lack of public confidence in its actions relating to the primary issues herein . We also note that this Commission made it a high priority in initiating this case to secure full public confidence and ensure that this “never happens again.”<sup>4</sup>

Dated: October 4, 2011

Respectfully submitted,

/s/ Len Canty  
Len Canty, Chairman  
Black Economic Council

/s/ Faith Bautista  
Faith Bautista, President and CEO  
National Asian American Coalition

/s/ Jorge Corralejo  
Jorge Corralejo, Chairman  
Latino Business Chamber of Greater Los Angeles

/s/Robert Gnaizda  
Robert Gnaizda, Of Counsel

/s/ Shalini Swaroop  
Shalini Swaroop, Senior Staff Attorney

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<sup>3</sup> According to the September 30, 2011 e-mail of ALJ Bushey at 11:51 AM.

<sup>4</sup> Order Instituting Rulemaking, California Public Utilities Commission, R.11-02-019 (Feb. 25, 2011).