

October 28, 2011

President Michael Peevey  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, CA 94102  
*SENT VIA EMAIL*

***An OIR on Utility Pension Reform  
in Context of Governor Brown's Government Pension Reform Proposal***

Dear Mike,

We would like to discuss with you and other members of the Commission the possibility of instituting an OIR on utility pension reform in the context of Governor Brown's proposed government pension reforms.

We are presently in the process of more fully analyzing the Governor's reforms in the context of present utility practices and will be reaching out to DRA to secure their expertise and wisdom.

Yesterday, Governor Jerry Brown announced a pension reform plan for state government workers that could save California over \$900 million annually. Relative to the number of employees at the three major regulated utilities, far larger savings might apply, if comparable pension reforms were imposed upon the utilities.

As the Commission is aware, it is a rare ratepayer who has a pension plan as lavish as those the ratepayers must guarantee for utility executives. A large number of ratepayers who are employed even in private industry have no pension plan, and most private companies that have pension plans are radically modifying them so they are more realistic.

At Southern California Edison, Sempra and PG&E it appears that employees are fully vested for their pensions after just three years with the company and all pension losses can be recouped from the ratepayers.

Our research on Governor Brown's plan and the discovery we are requesting from Sempra in the ongoing rate proceeding as it relates to the Governor's proposed pension plan, will put us in a better position to discuss the matter with each of the commissioners.

As set forth in our Edison rate proceeding filings, where no further discovery can be secured, utilities should ask for sacrifices from executives in a fashion similar to what the ratepayers are being asked for by their private and government employers.

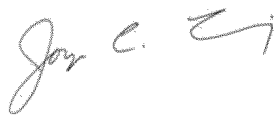
It is our hope that an OIR can be instituted before the end of the year and that it will affect all three major utilities, including the Sempra and Edison rate cases presently before this Commission.

On behalf of all ratepayers, including the 30% of Blacks, Latinos and Southeast Asian Americans who are either unemployed or underemployed, we thank you and the other commissioners for making the ratepayers your priority.

Respectfully submitted,



Len Canty  
Chairman  
Black Economic Council



Jorge Corralejo  
Chairman  
Latino Business Chamber  
of Greater LA



Faith Bautista  
President and CEO  
National Asian  
American Coalition

Cc: Commissioners Ferron, Florio, Sandoval and Simon  
Executive Director Paul Clanon  
Debra Reed, Sempra Energy  
Ted Craver, Southern California Edison  
Anthony Earley, Pacific Gas and Electric