

**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)

**NOTICE OF JOINT PARTIES' EX PARTE MEETING WITH COMMISSIONER  
FLORIO AND MS. KHOSROWJAH RELATING TO GAS PIPELINE SAFETY**

Faith Bautista, President  
National Asian American Coalition

Jorge Corralejo, Chairman and President  
Latino Business Chamber of Greater Los Angeles

Len Canty, Chairman,  
Black Economic Council

Robert Gnaizda, Of Counsel  
Shalini Swaroop, Senior Staff Attorney

1758 El Camino Real,  
San Bruno, CA 94066  
(650) 952-0522  
[RobertGnaizda@gmail.com](mailto:RobertGnaizda@gmail.com)

April 2, 2012

**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)

**NOTICE OF JOINT PARTIES' EX PARTE MEETING WITH COMMISSIONER  
FLORIO AND MS. KHOSROWJAH RELATING TO GAS PIPELINE SAFETY**

Pursuant to Rule 8.3 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 gives notice of the ex parte communications described below.

On March 28, 2012 at approximately 11:10 AM, the Joint Parties met with Commissioner Peevey and Sepideh Khosrowjah, Commissioner Florio's advisor via telephonic conference. Representing the Joint Parties was Jorge Corralejo, Chairman of the Latino Business Chamber of Greater Los Angeles; Len Canty, Chair of the Black Economic Council; Faith Bautista, President & CEO of the National Asian American Coalition; Robert Gnaizda, of Counsel to the Joint Parties; and Shalini Swaroop, Senior Staff Attorney for the Joint Parties. The Joint Parties initiated this meeting. This meeting was properly noticed in this proceeding.

The Joint Parties briefly emphasized that they want the focus on this proceeding to be the ratepayer. Thus, the Joint Parties' survey of 190 ratepayers in San Bruno is of tantamount importance because it directly injects the voices of the ratepayers into this proceeding. The Joint

Parties indicated that although PG&E had conducted a survey of its customers in regards to communication regarding gas pipeline upgrades, the Joint Parties have very little confidence in the PG&E survey results.

The Joint Parties also communicated that the small minority businesses they serve are struggling and are suffering major consequences from the current economic recession. The Joint Parties also informed Commissioner Florio and Ms. Khosrowjah about their recent motion to compel testimony from a financial executive from PG&E and the importance of truly independent audits.

After the telephonic conference, Ms. Bautista sent Commissioner Florio and Ms. Khosrowjah a summary email of the important issues they raised in the proceeding. In accordance to Rule 8.3, a copy of this written communication is attached to this document and attachments to the email are separately attached within this filing.

Other matters discussed were not relevant to this proceeding.

Dated: April 2, 2012

Respectfully submitted,

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

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

/s/ Shalini Swaroop  
Shalini Swaroop, Senior Staff Attorney

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

/s/Robert Gnaizda  
Robert Gnaizda, Of Counsel

## ATTACHMENT A

### Summary of Phone Conversation with the Joint Parties on Diversity Intervention, Audits and Ratepayer Funding

---

Faith Bautista <fbautista@naacoalition.org>

Wed, Mar 28, 2012 at 4:14 PM

To: Mike Florio <mike.florio@cpuc.ca.gov>, "Khosrowjah, Sepideh" <sepideh.khosrowjah@cpuc.ca.gov>

Cc: Len Canty <lencanty@blackeconomiccouncil.org>, Jorge Corralejo <jorgecorralejo@sbcglobal.net>, Shalini Swaroop <sswaroop@naacoalition.org>, Robert Gnaizda <robertgnaizda@gmail.com>

Dear Mike and Sepideh,

On behalf of the Black Economic Council, Latino Business Chamber of Greater LA and the National Asian American Coalition, we thank the both of you for considering our concerns. This is a summary of what we discussed, including some relevant documents.

1. Our email to Carol Brown setting forth our concerns relating to intervenor compensation in the OIR on diversity decided May 5<sup>th</sup>, 2011 (R.09-07-027).

This could be decided in a mid-May or late April Commission meeting;

2. The ratepayer survey performed by the three parties as to who should bear the costs of the gas pipeline safety resolution. (Despite PG&E's initial opposition, ALJ Bushey admitted this survey into evidence as Exhibit 22.)

In April 2011 and subsequently, the Joint Parties requested PG&E to engage in a follow-up survey if they did not accept these results. We suggested that PG&E perform a follow-up survey with the Joint Parties and/or DRA and TURN. PG&E has admitted, during recent cross-examination, that they have not considered this and are not intending to do their own study on ratepayer attitudes.

However, Exhibit 111 provides a survey that clearly illustrates that PG&E has its "head in the sand". In effect, the PG&E survey illustrates that 94% of the 600 ratepayers surveyed would give PG&E the equivalent of a "B" or better for products, for services and for follow-up. Only 1%, according to the survey, gave them the equivalent of an "F."

PG&E's Tom Bottorff and their head of the survey both indicated substantial confidence in the accuracy of this survey.

3. A follow-up letter will be sent to Mike Peevey and Mark Ferron by Friday on small business technical assistance based on the March 19<sup>th</sup> hearing. (We will send you a copy.) Our focus is on the 98% of small businesses that have one million or less in revenue and create jobs in the local community;

4. In the gas pipeline safety rate case before Judge Bushey (R.11-02-019), we have challenged the accuracy and independence of PG&E's primary auditor for the last ten years, Deloitte & Touche. The Public Company Accounting Oversight Board has also accused Deloitte & Touche of shoddy audits in more than 40% of the companies they have audited in 2007 and 2010. The PCAOB has also accused them of lack of independence from management.

PG&E opposes our Motion to Compel Testimony requesting their controller or chief financial officer be made available for questioning in order to determine the role of the questionable Deloitte & Touche audit in the proposed rate increase. The Joint Parties filed this motion on March 21. PG&E opposed it on March 22 and our response was filed on March 23.

5. A separate but related issue is the pending OIR (P.12-02-016) relating to all utilities' continued use as their primary auditor of large CPA firms that have been found by the Public Company Accounting Oversight Board to engage in shoddy accounting practices, including failures to follow generally accepted accounting principles or failing to be independent of management.

We will be filing a brief in response to the opposition of the utilities to this OIR next week and will make sure you receive a copy.

We all thank you for bringing a unique, independent and well-informed perspective to the PUC.

Most sincerely,

Faith, Len, Jorge, Bob and Shalini

--

**Faith Bautista**

President and Chief Executive Officer

National Asian American Coalition

(Formerly Known as Mabuhay Alliance)

1758 El Camino Real, San Bruno CA 94066

Office [\(650\) 952-0522](tel:6509520522) | Mobile [\(650\) 892-8469](tel:6508928469) | Fax [\(650\) 952-0530](tel:6509520530)

E-mail [fbautista@naacoalition.org](mailto:fbautista@naacoalition.org)

Website [www.naacoalition.org](http://www.naacoalition.org)