

From: Clanon, Paul  
Sent: 8/14/2012 9:16:33 AM  
To: Cherry, Brian K (/O=PG&E/OU=CORPORATE/CN=RECIPIENTS/CN=BKC7);  
Doll, Laura (/O=PG&E/OU=CORPORATE/CN=RECIPIENTS/CN=LRDD)  
Cc:  
Bcc:  
Subject: RE: Now You've Gone Too Far!

Typical PG&E, pointing the finger at the good people of the City of Vacaville.

Many of my high school classmates work for the city, and it's a wonder water flows at all, believe me.

On Aug 14, 2012, at 9:13 AM, "Cherry, Brian K" <[BKC7@pge.com](mailto:BKC7@pge.com)> wrote:

It's those damn water companies digging where they shouldn't....

**From:** Clanon, Paul [<mailto:paul.clanon@cpuc.ca.gov>]  
**Sent:** Tuesday, August 14, 2012 9:08 AM  
**To:** Cherry, Brian K; Doll, Laura  
**Subject:** Now You've Gone Too Far!

Hands off my hometown! I am glad, though, that Juanita Goss eventually got a ride to her son's house, though the reporter failed to investigate whether she ever made it to her class at the senior center. This dig-in happened a few blocks from my parents' last house in Vacaville.

### ***Fairfield Daily Republic - Vacaville gas leak prompts evacuations***

By [Barry Eberling](#), [August 14](#)

VACAVILLE — A natural gas leak [Monday morning](#) in a suburban

neighborhood along Scottsdale Drive led to 35 homes being evacuated for more than two hours.

City crews repairing a water line hit a 2-inch gas service line just before 9:30 a.m., Vacaville Fire Department Battalion Chief John Jansen said. Orange cones kept vehicles and people away from a three-block area larger than the home evacuation area.

The incident happened on the 600 block of Scottsdale Drive. People by noon could return to their homes, though residents at 20 homes initially had no gas service.

Gas got into the storm drain system. Jansen expressed more concern with the possibility of gas getting into a home, where such things as a pilot light could provide an ignition source and spark an explosion.

Resident Juanita Goss was preparing to go to a senior citizen class when the gas leak happened. She had to evacuate her home and emergency crews wanted her to leave the area in a certain direction.

“Only one way to go,” Goss said. “They wouldn’t let me go to my son’s house.”

She ended up sitting in the shade beneath a tree on the front lawn of a house at the corner of Stirling and Scottsdale drives, with her two dogs nearby. Somebody had brought her a fold-out chair, she said.

A couple of blocks away, Pacific Gas & Electric Co. crews could be seen working at shutting down the gas line. The faint smell similar to rotten eggs, which is caused by chemicals added to almost odorless natural gas as a warning sign of leaks, occasionally wafted in the air.

By 10:45 a.m., Goss got a ride from a Vacaville Police Department community services officer to her son's house.

Another woman stopped by the command center in her car and asked if she could walk to her house inside the coned-off area to get her work clothes. An emergency official escorted her to her destination.

Probably about half the people in the evacuation area were at home when the gas leak occurred, Jansen said. No one was injured during the incident, he said.

Begin forwarded message:

**From:** "Kotch, Andrew" <[andrew.kotch@cpuc.ca.gov](mailto:andrew.kotch@cpuc.ca.gov)>  
**Date:** August 14, 2012 8:53:07 AM PDT  
**Subject:** CPUC NEWSCLIPS for Tuesday, August 14, 2012

CPUC NEWSCLIPS

For Tuesday, August 14, 2012

For newsclips help, contact Andrew Kotch (ako) at 415-703-1072

Newsclips also [available on Intranet](#) in .doc format

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ENERGY – California

*Los Angeles Times* - Agency calls for rate cut over San Onofre outage

Ratepayer advocate asks the utilities commission to slash customers' bills because the nuclear plant has been offline since January.

By Abby Sewell, August 14

Southern California Edison and San Diego Gas & Electric ratepayers should have their bills immediately reduced because the San Onofre nuclear power plant remains shuttered, a state ratepayer advocate said Monday.

Customers are continuing to pay for costs at San Onofre — including operations and maintenance costs of about \$650 million a year — even though the plant has been closed since January.

Joseph P. Como, acting director of the Public Utilities Commission's Division of Ratepayer Advocates, wrote a letter asking the panel to cut the bills immediately "instead of waiting several more months and allowing hundreds of millions of dollars in needless costs to be borne by the ratepayers."

The ratepayer advocate's proposal is more aggressive than the PUC's current course.

In November, when the plant will have been out of service for nine months, state law will trigger an investigation in which the commission must consider lowering rates. The investigation could eventually result in refunding money to customers so they would not pay the costs of a plant that is producing no power.

The commission had been scheduled to vote to open an investigation into the costs sooner than that, but the action was postponed.

San Onofre was shut down Jan. 31 after a tube in one of the plant's recently replaced steam generators began to leak, releasing a small amount of radioactive steam. The incident led to the discovery that many more tubes were wearing out more quickly than expected.

Energy officials scrambled to replace San Onofre's 2,200 megawatts of power over the summer and are now confronting the possibility that the plant will not be back online at full power in the near future.

Como noted that Edison is charging customers \$54 million per month in operating costs "for a plant that is no longer 'used and useful.' "

In addition, utility customers are paying the costs of the replacement steam generators that malfunctioned and could be asked to help pay for the power Edison has purchased on the open market to replace San Onofre's power during the outage.

Utilities commission President Michael R. Peevey said the commission will look at all the costs when the investigation begins in November.

"We're going to do this, and we're going to protect ratepayers ... but the manner in which we're doing it, I think, is more thoughtful than what the [Division of Ratepayer Advocates] seems to be requesting," he said.

Stephanie Donovan, a spokeswoman for San Diego Gas & Electric, said the company feels the ratepayer advocate is "jumping the gun a bit."

"There are existing procedures that could address the same issues," she said.

How long the outage at San Onofre will persist and whether the plant will ever be able to operate at full power again remains an open question. According to the ratepayer advocate's letter, Edison told commission staff in a July 23 briefing that one reactor unit would remain out of service until at least November and the other until at least December.

The ratepayer advocate called those dates "overly optimistic." Since then, Edison officials have indicated that Unit 3, which has more severe issues, is not likely to return to service this year, and they have been cautious about giving dates for Unit 2, saying only that the company expects to submit a restart plan for Unit 2 to the Nuclear Regulatory Commission by the end of the year.

Peevey said he thought there is a "reasonable possibility" that Unit 2 could come back online at reduced power before the end



of the year, but added, "Unit 3, I have no sense at all."

The state's power grid survived triple-digit heat in the summer's first heat wave last week, but as the heat continued Monday, officials were concerned that overloaded equipment at other facilities would fail.

The California Independent System Operator has issued a Flex Alert, calling on Californians to conserve energy Tuesday. During a similar alert Friday, conservation lowered demand statewide by nearly 1,000 megawatts, officials said.

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*North County Times* - Regulators should stop payment for disabled nuclear plant, advocates say

By [Eric Wolff](#), August 13

Ratepayers should not have to pay the \$54 million a month needed to run the disabled nuclear power plant at San Onofre, the Division of Ratepayer Advocates told utility regulators in a letter Monday.

Under state law, if a power plant or other piece of utility hardware is offline for nine months or more, regulators can suspend payment on the equipment and pull the costs from customer bills. The San Onofre Nuclear Generating Station has been offline since Jan. 9, so it won't hit the nine-month mark until the fall.

But neither of the two generators is likely to operate before that time. The five members of the California Public Utilities Commission will ultimately decide whether to suspend payments, but the division, an independent arm of the commission that lobbies on behalf of utility customers, says ratepayers should not have to wait.

"I write to ask you to remove SONGS from Southern California Edison Company's (SCE) and San Diego Gas & Electric Company's (SDG&E) rate base now, instead of waiting several more months and allowing hundreds of millions of dollars in needless costs to be borne by customers," Joseph Como, acting director of the division, wrote in a letter to the Public Utilities Commission.

Edison, which operates the plant and owns 80 percent of it, shut down the first of San Onofre's two reactors on Jan. 9 and the second on Jan. 31. The problems appear to trace to Mitsubishi Heavy Industries in Japan, which made the two replacement generators installed in 2010.

Despite getting no power from the plant, ratepayers have been paying for operations and maintenance at San Onofre since the shutdown. The division estimated costs at \$650 million a year, or \$54 million a month.

One of the generators may be back online in a limited capacity by the end of the year, or possibly at the start of next year. There is no timeline for the other generator.

Given the long time frame, the division said ratepayers shouldn't have to wait until exactly nine months to start saving money.

The law "is not intended to be a free pass for utilities to earn a return on non-functioning hardware for nine months," the division's letter read. "Nor does (the law) limit the Commission's authority to act sooner, and indeed the Commission has a responsibility to act sooner when the facts before it demonstrate that a major part of a jurisdictional utility's plant is out of service."

Edison did not return a request for comment. SDG&E didn't see any reason to rush.

"The DRA appears to be jumping the gun with its request," said Stephanie Donovan, a utility spokeswoman. "The commission also has acknowledged publicly that it will open an investigation in November to deal with the issues surrounding the current outage at San Onofre as called for in Public Utilities Code."

When it is running, the plant pumps 2,200 megawatts into Southern California's grid, 20 percent of which flows into San Diego County and 80 percent heads north into Orange and Los Angeles counties. The plant outage forced Edison and SDG&E to rush two new transmission lines into service, to bring a power plant in Huntington Beach out of retirement, and to press the Encina Power Station in Carlsbad into full-time service.

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*Fallbrook Bonsall Village News* - With San Onofre shuttered, advocacy group calls for reduction in SDG&E fees

By [Staff](#), August 14

SAN ONOFRE - An advocacy group is calling for a reduction in what San Diego Gas & Electric and Southern California Edison customers are being charged because they have continued to pay to support the San Onofre Nuclear Generating Station even though it has been shuttered since January.

In a letter, Joseph P. Como, acting director of the Public Utilities Commission's Division of Ratepayer Advocates, asked the panel to cut the bills immediately "instead of waiting several more months and allowing hundreds of millions of dollars in needless costs to be borne by the ratepayers," the Los Angeles Times reported.

About \$650 million a year is spent on operations and maintenance at the plant, according to the newspaper.

In November, when the plant will have been out of service for nine months, state law will trigger an investigation in which the commission must consider lowering rates. The investigation could eventually result in refunding money to customers so they would not pay the costs of a plant that is producing no power, according to the Times.

San Onofre's two active reactors were both shut down in January. One was shut down for planned repairs while the other was shut down abruptly when on Jan. 31, a faulty piece of equipment leaked a small amount of radioactive steam into the environment. The incident led to the discovery that many more tubes were wearing out more quickly than expected.

SDG&E spokeswoman Stephanie Donovan told the Times that the utility feels the ratepayer advocate is "jumping the gun a bit."

"There are existing procedures that could address the same

issues," she said.

There are no official scheduled restart dates for the plant, which is situated near the San Diego-Orange County line. Last month, Edison reported one reactor unit would remain out of service until at least November and the other until at least December. Edison has since retracted the statement, saying it could be even longer.

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*Greentech Media* - Do California's Big Three Utilities Need So Much Ratepayer Money?

Requests for higher rates are "out of line," according to the ratepayers' advocate.

By [Herman K. Trabish](#), August 14

Californians are being asked by their investor-owned utilities (IOUs) to keep paying pre-recession level bills. The ratepayers' advocate says the utilities should be returning more to their customers.

The Pacific Gas and Electric (PG&E) request for an 11.0 percent Return on Equity (ROE), the Southern California Edison (SCE) request for an 11.1 percent ROE, and the San Diego Gas and Electric (SDG&E) request for an 11.0 percent ROE "far exceed the companies' revenue needs and market standards," according to Acting Director of the state's Division of Ratepayer Advocates (DRA) Joe Como.

Como brought evidence before the California Public Utilities Commission (CPUC), within which DRA is an independent consumer advocate, to validate his contention. The PG&E ROE and the SCE ROE should be 8.75 percent and the SDG&E ROE should be 8.50 percent, Como argued at the CPUC's recent Cost of Capital proceeding. Interest rates and other capital costs are much lower than they were in 2007, when the Commission set the PG&E ROE at 11.35 percent, the SCE ROE at 11.50 percent and the SDG&E ROE at 11.1 percent.

DRA "does not object," Como argued, to the "proposed capital structure or forecasted cost of long-term debt." But, he said, "the utilities want to charge customers Rates of Return for their investors that are out of line with the current market conditions."

IOU filings with the CPUC argue they have a big need for capital but the risk their investors must bear is higher than that of alternative investments. They must, therefore, pay a higher-than-average return to shareholders in order to go on building the kind of electricity generating and delivery infrastructure the state requires of them.

The DRA conclusions are based on three financial models used to compute ROE. The financial models incorporate current interest rates, risk premium, and reasonable growth forecasts. A market analysis that compared requested ROEs to 34 investor-owned electric utilities across the U.S., the DRA reported, showed that the IOUs' requested 11.0 percent and 11.1 percent ROEs are significantly higher than the median ROE of 9.9 percent.

According to DRA regulatory analyst Jerry Oh, the differences between the requested ROEs and those the DRA found adequate were \$377 million for PG&E, \$211 million for SCE, and \$50 million for SDG&E. The IOUs, Como added, "should be passing those tens of millions of dollars in savings on to their customers."

The SCE proposal, reported SCE spokesperson Lauren Bartlett, "would lower requested customer rates by more than \$120 million."

"Taken as a whole, our request would reduce our annual revenues by about \$100 million," added PG&E External Communications Chief Jonathan Marshall.

Following a extensive set of evidentiary hearings and comments beginning in September, the CPUC will issue final Cost of Capital decisions by the end of 2012 that will determine the ROEs that IOUs can earn going forward.

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*Los Angeles Times* - Flex alert goes into effect Tuesday as heat wave lingers

By [Abby Sewell](#), August 14

As high temperatures continue to sweat the state Tuesday, the California Independent System Operator once again issued a flex alert, asking customers to conserve power to avoid outages.

The alert will be in effect Tuesday between 11 a.m. and 6 p.m. During that time, customers are asked to keep thermostats at 78 degrees or higher, to turn off air conditioning when not at home, to turn off unnecessary lights and appliances, and to restrict the use of major appliances to the morning and late evening.

The Independent System Operator issued a similar alert last week and officials said customers had heeded the call, reducing energy consumption by nearly 1,000 megawatts.

That amounts to about half the power lost due to a continuing outage at the San Onofre nuclear plant, which has been out of service for more than six months because of severe equipment problems. The plant supplies enough power for 1.4 million homes when running at full capacity.

Temperatures were expected to cool slightly in Southern California on Tuesday — where triple-digit temperatures have scorched valley areas for more than a week — but were still expected to surpass the 100-degree mark. The National Weather Service said downtown Los Angeles would see a high near 90 degrees.

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*North County Times* - State, utility calls for electricity conservation Tuesday

By [Eric Wolff](#), August 13

State regulators Monday asked residents and businesses to conserve power Tuesday as a lengthy heat wave puts more pressure on the grid, the agency said.

San Diego Gas & Electric Co. declared a "Reduce Your Use" day for Tuesday. All utility customers who lower their electricity consumption when compared with their usual summer weekday



use can get credit on their next bill.

The California Independent System Operator, which manages most of the electric grid, asked residents to voluntarily take measures to use less electricity, such as raising their thermostat during the day and putting off using appliances until the evening.

Southern California Edison customers saved an average of 100 megawatts on each of the three days it activated its own conservation programs last week.

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*Reuters* - California again urges power conservation in heat wave

By [Staff](#), August 13

SAN FRANCISCO - California's electricity grid operator has taken the rare step of asking residents and businesses to reduce their power use for a third time this month as a stubborn heat wave taxes the state's stretched system.

After getting past a hot spell last week that threatened to be the power grid's biggest test in five years, California's Independent Grid Operator (CAISO) issued a new "flex" alert for Tuesday, citing higher-than-expected temperatures.

Peak electricity demand for Monday was forecast at 47,489 megawatts, and Tuesday's demand was forecast to peak around 47,500 MW, leaving just 9 percent of unused capacity. If

reserves fall to 6-7 percent, the state will issue a stage 1 emergency, an event that last happened in the summer of 2007.

Californians are asked to set their thermostat to 78 degrees Fahrenheit (25.5 Celsius) or higher, turn off unnecessary lights and appliances, and to use major appliances in the morning or late evening.

The warning runs from 11 a.m. to 6 p.m. local time on Tuesday.

While no formal request was issued for Monday, conservation was encouraged.

"Conservation is helpful today, and we see it as critical for tomorrow," said Steven Greenlee, a CAISO spokesman.

Power plants supplying the state were expected to produce about 52,000 MW on Monday and Tuesday after accounting for unplanned outages at a handful of facilities.

Rolling blackouts would occur only if reserves were forecast to fall below 3 percent.

Greenlee called Friday's flex alert a success, with conservation efforts freeing nearly 1,000 MW of electricity.

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*Orange County Register* - Heat wave rolls on; Flex Alert today

By Pat Brennan, August 14

Orange County should see another day of high heat Tuesday, and the agency in charge of the state's electrical grid has called another Flex Alert, urging voluntary cuts in power use.

Orange County's inland highs, meanwhile, should tick down a few degrees for the week ahead, the National Weather Service says, while a system of low-pressure air along the coast will slowly reduce monsoon moisture levels before they rise again for the weekend.

The familiar pattern should repeat through Monday: partly cloudy mornings giving way to mostly sunny afternoons.

Inland highs should be 91 to 96 Tuesday, 87 to 92 Wednesday and 86 to 91 Thursday and Friday.

On the coast it's 77 to 82 Tuesday, 73 to 78 Wednesday and Thursday and 74 to 79 Friday.

Temperatures are similar for the weekend and early next week.

Highs inland should be 87 to 92 Saturday, 85 to 90 Sunday and 86 to 91 Monday; near the beach expect 75 to 80 Saturday, 73 to 78 Sunday and 74 to 79 Monday.

The California Independent Systems Operator, which manages the state's power grid, is asking California residents to cut power use between 11 a.m. and 6 p.m. Tuesday.

That includes avoiding using major appliances until after 6 p.m., and adjusting air conditioner thermostats to 78 degrees or higher.

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*Fairfield Daily Republic* - Potrero Hills power plant project moves forward

By [Barry Eberling](#), August 14

FAIRFIELD — Decomposing garbage in Potrero Hills Landfill could, by the end of 2013, be creating electricity for the Pacific Gas & Electric Co. grid, ultimately enough to power 7,000 homes.

Methane from the decomposing trash is presently burned in a flare at the landfill in the hills southeast of Suisun City. A planned power plant will use this methane as fuel for generators, as is done in such places as the closed landfills in nearby American Canyon and in Sonoma County.

“This is very common,” landfill District Manager Jim Dunbar said Monday. “A plant of this size is a little bigger than the norm, basically reflecting the future size of Potrero Hills Landfill.”

The last piece needed is a permit from the Bay Area Air Quality Management District. Dunbar said this should be issued within three months, allowing construction to start during the first three months of 2013.

A company called Potrero Hills Energy Producers has a 25-year contract with Waste Connections — the owner of Potrero Hills Landfill — to build the \$20 million project. Potrero Hills Energy Producers is part of DTE Biomass Energy, which in turn is a subsidiary of Detroit-based DTE Energy.

Six generators are to create up to 9.6 megawatts of electricity. The generators will have equipment that controls carbon monoxide and other pollutants, according to a Bay Area Air Quality Management District report on the project issued in March.

The power plant is to be 180 feet long, 80 feet wide and 25 feet high and located near the landfill entrance. Still, all indications are that people driving on rural Highway 12 a mile to the north or enjoying the scenery at Rush Ranch open space and other nearby parts of Suisun Marsh won't see it.

“It will be low enough behind the hills that it will be hidden from sight, pretty much as our own landfill offices are hidden from sight,” Dunbar said.

The Bay Area Air Quality Management District report looked at aesthetics. It concluded that the power plant will be “screened from offsite view from all directions by the area’s rolling, grass-covered hills.”

A distribution line will cross a portion of the Suisun Marsh primary protection area and will be underground. Power line

poles added along Highway 12 will blend in with other utilities in the area, according to the report.

Building a power plant at Potrero Hills Landfill is an old idea. It is included in a 2003 environmental study done for Solano County on landfill expansion proposals. The Solano County Board of Supervisors approved the power plant proposal when it approved the Potrero Hills Landfill expansion in September 2005.

Methane is the main component of landfill gasses and is a powerful greenhouse gas, with global warming potential 21 times higher than that of carbon dioxide, according to the Bay Area Air Quality Management District.

“It taking something potentially harmful and negative and turning it into just the opposite, something positive and helpful,” Dunbar said.

The power plant will not significantly affect air quality, the Bay Area Air Quality Management District report said. Energy produced there can be used by utilities to meet the state’s renewable energy portfolio standard, it said.

Building the power plant will create 60 to 70 construction jobs, Dunbar said.

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*Bloomberg* - California Air Chief Says Carbon Auction Won't

Be Delayed

By Lynn Doan, August 13

California plans to sell its first carbon allowances in November, undeterred by warnings from a federal energy commissioner that a system meant to curb emissions may harm businesses, the state air board's head said.

The agency is on schedule to develop a platform for a Nov. 14 auction of allowances, which will be used by companies to comply with emissions limits beginning next year, Chairman Mary Nichols said today in an interview in San Francisco. She is scheduled to speak with Philip Moeller, one of five members of the Federal Energy Regulatory Commission, later today.

California carbon futures have dropped 12 percent from this year's high on speculation that the auction may be delayed after Moeller warned California Governor Edmund G. Brown Jr. on Aug. 6 that the system may "seriously impact" the U.S. West Coast economy. Moeller flagged a provision that prohibits companies from sending carbon-intensive power outside the state.

"The chances are overwhelmingly good that we will start on time," Nichols said. "We're in the process of cleaning up every loose end or issue that hasn't yet been definitively addressed."

California's cap-and-trade program would create the second-largest carbon market in the world, behind only the European Union's emissions trading system.

Carbon Allowances

Allowances to be used as part of the state's program are commanding higher prices than any other carbon permits traded on futures exchanges as regulators develop rules for a system that eventually will cover 85 percent of the greenhouse gases released in the state. It would become the first economy-wide program of its kind in the U.S.

California carbon allowance futures for December 2013 delivery were unchanged at \$17.90 per metric ton on Aug. 10, data compiled by CME Group Inc. (CME)'s Green Exchange shows. Prices are up 14 percent this year and peaked on July 24 at \$20.25 per metric ton.

"The market's on pins and needles about this first auction, hoping it goes smoothly," Jeff King, managing director of environmental markets at Scotiabank in Toronto, said by telephone Aug. 10. "We're poring through every seemingly simple announcement looking for any clues to a potential delay."

### Emissions Cap

California plans to cap carbon emissions from power generators, oil refineries and other industrial plants beginning next year and cut that limit gradually to reduce emissions by 2020 to 1990 levels. The air board will issue carbon allowances, each allowing for the release of 1 metric ton, through a combination of free allocations and auctions.

Companies must turn in enough permits to cover their emissions. Those under the limit can sell allowances to companies above it.

The air board is tentatively scheduled to hold a practice auction of allowances on Aug. 30, David Clegern, a spokesman for the agency in Sacramento, said by e-mail July 26. The simulation will be "an invitation-only deal" that will mostly include regulated entities, he said.



The board decided in March to delay the first auction of permits to Nov. 14 from Aug. 15 to test the system and give participants more time to understand the process. Regulators on June 28 also put off a vote that would link the cap-and-trade program with a similar system in Quebec and allow companies to trade carbon permits across borders.

The air board has delayed compliance under the cap-and-trade program by a year, to 2013 from 2012.

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*San Diego Union Tribune* - Brown's office launches climate change website

By [The Associated Press](#), August 13

SACRAMENTO — Gov. Jerry Brown on Monday launched a website to document the effects of climate change and respond to those who question it, calling them climate change "denialists."

Brown's office announced the site while he was at Lake Tahoe with Nevada Gov. Brian Sandoval for an annual summit focused on the health of the lake, which straddles both states.

The Democratic governor said in a statement that climate change has irrevocably altered Lake Tahoe. He cited a 2005 study that found the lake warming at almost twice the rate of the world's oceans and a 2010 study that predicted earlier snowmelt with

more runoff in the Tahoe basin and more severe droughts by the end of the century.

Researchers at the University of California, Davis have reported that climate change will irreversibly alter water circulation there, changing the conditions for plants and fish.

"It is just one example of how, after decades of pumping greenhouse gases into the atmosphere, humanity is getting dangerously close to the point of no return," Brown said in a statement. "Those who still deny global warming's existence should wake up and honestly face the facts."

Since he took office in 2011, Brown has pushed for increased investment in renewable energy and signed a law requiring that 33 percent of the state's energy come from renewable sources by 2020.

He also supports building a \$24 billion twin-tunnel system to carry water from the Sacramento-San Joaquin River Delta to the Central Valley and Southern California.

The governor's Office of Planning and Research will manage the climate change website, <http://bit.ly/Qvp35K>.

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*Fairfield Daily Republic* - Vacaville gas leak prompts evacuations

By Barry Eberling, August 14

VACAVILLE — A natural gas leak Monday morning in a suburban neighborhood along Scottsdale Drive led to 35 homes being evacuated for more than two hours.

City crews repairing a water line hit a 2-inch gas service line just before 9:30 a.m., Vacaville Fire Department Battalion Chief John Jansen said. Orange cones kept vehicles and people away from a three-block area larger than the home evacuation area.

The incident happened on the 600 block of Scottsdale Drive. People by noon could return to their homes, though residents at 20 homes initially had no gas service.

Gas got into the storm drain system. Jansen expressed more concern with the possibility of gas getting into a home, where such things as a pilot light could provide an ignition source and spark an explosion.

Resident Juanita Goss was preparing to go to a senior citizen class when the gas leak happened. She had to evacuate her home and emergency crews wanted her to leave the area in a certain direction.

“Only one way to go,” Goss said. “They wouldn’t let me go to my son’s house.”

She ended up sitting in the shade beneath a tree on the front lawn of a house at the corner of Stirling and Scottsdale drives, with her two dogs nearby. Somebody had brought her a fold-out chair, she said.

A couple of blocks away, Pacific Gas & Electric Co. crews could be seen working at shutting down the gas line. The faint smell similar to rotten eggs, which is caused by chemicals added to almost odorless natural gas as a warning sign of leaks, occasionally wafted in the air.

By 10:45 a.m., Goss got a ride from a Vacaville Police Department community services officer to her son's house.

Another woman stopped by the command center in her car and asked if she could walk to her house inside the coned-off area to get her work clothes. An emergency official escorted her to her destination.

Probably about half the people in the evacuation area were at home when the gas leak occurred, Jansen said. No one was injured during the incident, he said.

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TELECOM – California

*San Francisco Chronicle* - Legislators back ban on phone blackout

By [Wyatt Buchanan](#), August 13

Sacramento -- The Legislature has passed a bill that would bar BART and other government agencies from shutting down cell phone networks without a court order.

The bill is the first of its kind in the country and received broad bipartisan support, passing the Senate 34-0 Monday. It was supported by BART officials after it was amended to allow the blocking of service before obtaining a court order in extreme situations.

"Open and available communication networks are critical to public safety and a key element of a free and open society. SB1160 will protect our right of free speech," said state Sen. Alex Padilla, D-Pacoima (Los Angeles County), who introduced the measure.

Padilla crafted the legislation in response to a decision by BART officials to shut down subterranean cell service at San Francisco stations almost a year ago. The shutdown was intended to quash a public protest over the killing of a man at a downtown station by a BART police officer.

That raised concerns about free speech rights, as well as about the public's ability to contact 911 or other emergency services. The bill essentially implements the same rules that apply to landlines and a government agency's ability to interrupt that service.

BART officials had raised concerns about the bill as it moved through the Legislature, contending that in terrorist or other extreme circumstances there may not be enough time to get a court order. But on Monday they praised the amended measure.

"We want to thank state lawmakers for their hard work to update

state law dealing with telecommunications service interruptions in times of emergencies," BART Board President John McPartland said.

BART had passed a policy regarding shutdowns, allowing them only in extreme circumstances but not requiring a court order, in December. That will be superseded by the state policy if it is signed into law by Gov. Jerry Brown.

Civil liberties groups also praised the bill's passage.

"The reason this bill is significant is not because it (the cell phone shutdown) happened once, the reason this bill is significant is because as cell phones and wireless communication become more and more important to our daily lives ... we need to make sure this doesn't happen in the future," said Michael Risher, staff attorney for the ACLU of Northern California.

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*Capitol Weekly (commentary)* - Padilla bill balances regulation, innovation

By [Hank Lacayo](#), August 13

For more than 30 years, the Congress of California Seniors has been a strong voice for seniors and consumers in California. As part of our outreach, we provide information to low-income and underserved consumers about ways to lower costs and receive discounts for their energy and telecommunications needs. We have also sponsored bills and worked to advance or oppose legislation in the State legislature that impacts consumers and

given testimony advocating for seniors before the California Public Utilities Commission.

We recently launched an effort to combat the growing problem of elder abuse. We conducted a massive outreach program to some 320,000 seniors and family members to help them understand the signs of abuse and the need to stay in touch. It is in this effort that we first recognized the value of innovative Internet-based communications technologies.

Although we understood the importance of the Internet in helping people get help from health providers and to stay in touch with family, we've come to realize how the advanced capabilities of new communications technologies like Voice Over Internet Protocol (VoIP) services take this connectivity to a whole new level. We see the promise of IP services and applications to end the isolation of elders which is the breeding ground for most abuse. Those with limited mobility can use an inexpensive technology to stay in virtual contact with friends, family, neighbors and healthcare workers. They can see specialists who might otherwise be unreachable. Key caregivers and loved ones can see and hear elders in real time and "face to face" providing the visual feedback that can help spot health issues or signs of abuse.

The potential of these services and yet-to-be-developed technologies to enhance the lives of California's frail and vulnerable seniors is exciting. We believe we must help the technology grow and work to extend broadband access to more consumers across our state. The current government oversight recognizes that Internet service is global, not constrained by state borders. It is regulated at the national level to allow consistent standards across the country. This has allowed these new technologies, many which are free, to benefit seniors.

That is why we strongly support Senator Alex Padilla's SB 1161, which is currently being considered in Sacramento.

Senator Padilla's thoughtful and carefully written SB 1161 recognizes the key role VoIP and other Internet services will play in the lives of Californians. It protects the successful policy we currently have and makes sure that important consumer protections for telecommunications users are not eroded. And it supports California's thriving Technology industry that is meeting the needs and desires of consumers for innovative products and services.

Internet technology and services are proving to be the lifeline that frail and isolated seniors need. The Congress of California Seniors supports SB 1161 because we believe it provides the right balance for consumer protection and innovation.

*Hank Lacayo of Newbury Park, Ventura County, leads the Congress of California Seniors and is actively engaged in numerous community service organizations.*

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TRANSPORTATION – California

*San Jose Mercury News - Investigation continues in party bus death on Highway 17*

By [Stephen Baxter](#)/Santa Cruz Sentinel, August 14

LOS GATOS -- The CHP said Monday that investigators are still



interviewing witnesses in a probe of a party bus mishap that killed a 25-year-old Santa Cruz woman.

The probe will determine what happened and who was at fault, yet officers remained quiet on its progress.

"It's still wide open and we're still interviewing people," California Highway Patrol Sgt. Randy Hsu said of the investigation.

It will determine "what caused her death, who is at fault, what caused this whole collision," he said.

He declined to comment further because of the open investigation.

Natasha Noland, a 25-year-old buyer at Pacific Wave surf shop in Santa Cruz, was killed after she fell out of the bus about 11:50 p.m. July 27, the CHP said.

Noland was struggling with another woman on the bus, a 20-year-old Felton woman, who also fell out but had injuries that were not life-threatening, according to the CHP.

The bus was headed south on Highway 17 between Lark Avenue and Highway 9 with 12-15 passengers.

Everyone but the driver was drunk and on their way home from a Brad Paisley concert at Shoreline Amphitheater, CHP spokesman DJ Sarabia said.

Two people were arrested for public intoxication that night. No one else has been arrested, the CHP said.

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*San Diego Union Tribune* - New trolley routes coming next month

By [Christopher Cadelago](#), August 13

Downtown San Diego will soon be seeing green.

Documents »Download: Graphic: New trolley routes The Metropolitan Transit System next month begins a new operating system for its trolley network and perhaps the most significant change will come to its Green Line, which currently runs from Santee Town Center to the Old Town Transit Center.

Beginning Sept. 2, the Green Line will run from Santee, through downtown San Diego and terminate at the 12th and Imperial station — near the convention center and Petco Park.

That's welcome news for Victor Carmona, 40 of Spring Valley, who regularly rides the Green Line from East County to Old Town and then transfers onto the Blue Line to get downtown.

Passengers will be able to travel anywhere in the system with just

one transfer — even the most complicated route, from San Ysidro to Santee. For Carmona, the extension of the Green Line will make transferring on his way downtown a thing of the past.

“It’s going to be so much more convenient,” he said.

In addition, the transit agency also is making changes to the Blue and Orange lines to limit the number of transfers, decrease travel time and eventually move to “low-floor” cars for increased accessibility and efficiency across the system.

The changes next month will shave precious time from the following commutes:

- Gaslamp Quarter to Hazard Center (12 minutes faster).
- Spring Street to Santee (10 minutes faster).
- Euclid Avenue to Old Town (9 minutes faster).
- H Street to Qualcomm Stadium (6 minutes faster).

In addition to overhauling the trolley system, MTS plans to add about \$3 million in bus service, including more service on Sundays and increased frequency and longer operating hours on many of its routes. The uptick in service was made possible by the reinstatement of state funding along with a rebound in tax revenues.

Timetables for most of the routes will be adjusted because of the shift in trolley service (many bus routes are designed to feed the trolley system).

“In effect, this change impacts 95 percent of our riders one way or another,” MTS spokesman Rob Schupp said.

MTS is in the throes of a \$720 million project — including nearly \$271 million for 64 new rail cars — to increase and modernize the system. It is paid for through the local half-cent sales tax TransNet, state infrastructure bonds and the federal stimulus package.

The agency is midway through rebuilding all Blue and Orange line stations to bring them up to the standard of its Green Line stops, including new station platforms to accommodate the low-floor cars, new shelters and electronic signage with real-time alerts for when a trolley will arrive.

Transportation officials expect 12th and Imperial, the intersection of all three trolley lines, to become a transfer hub for many of their passengers. For example, a rider looking to travel from Chula Vista to Old Town would exit the Blue Line at the 12th and Imperial and travel along the bayside on the Green Line, avoiding much of downtown.

The system changes taking place next month did not involve laying new track.

“We’re adding lots of crossovers and new switches and all kinds of stuff to make it work, but no major extension of the trolley,” Schupp.

Ridership is up across the network, to 33 million passengers in the financial year ending in June.

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ENERGY – National

*Bloomberg* - Solyndra Settle With Fired Ex-Workers for \$3.5 Million

By [Michael Bathon](#), August 13

Solyndra LLC, the bankrupt solar-panel maker that received a \$535 million U.S. Energy Department loan guarantee, reached a \$3.5 million settlement with former workers who claimed they received inadequate layoff notices.

The settlement will resolve allegations that the company failed to give employees 60 days' notice under the Worker Adjustment and Retraining Notification Act when it fired most of its 1,100 workforce on Aug. 31, just before seeking bankruptcy court protection last year.

Solyndra will set up a \$3.5 million fund to be distributed to the workers two weeks after the settlement is effective, according to court papers. The settlement was jointly proposed by Solyndra and the ex-employees.

“In light of the inherent risks and costs associated with litigation of the WARN actions,” the company has “determined that the proposed settlement of the WARN claims is fair and well within the range of reasonableness,” Solyndra said in settlement papers filed Aug. 10.

Solyndra faced as much as \$15 million in damages plus attorney’s fees if the workers succeeded, according to court documents.

The solar-panel maker said the agreement is also fair to workers because without it they would have to “wait years for any payment” on their claims.

#### Court Approval

The settlement is subject to court approval and fired employees can choose to opt out, according to the filing. Both sides asked that the first of two hearings on it be set for Sept. 7.

The workers sued Solyndra Sept. 6, the same day it filed for bankruptcy, seeking two months of wages and benefits after the abrupt firing, according to the lawsuit.

The employees, who will get group status as part of the settlement to represent all those who were fired, were trying to recoup lost salary, bonuses, holiday pay and vacation pay, as well as retirement contributions and health and life insurance.

Solyndra, based in Fremont, California, was raided by the U.S. Federal Bureau of Investigation two days after seeking bankruptcy protection. The company listed about \$854.1 million

in assets and about \$867.1 million in debt in court papers filed Oct. 31.

The solar-panel maker's collapse prompted congressional scrutiny of President Barack Obama, who praised the company during a May 2010 tour of its facilities. It was the first company to receive a loan guarantee under Obama's stimulus.

The case is *In re Solyndra LLC*, 11-12799, U.S. Bankruptcy Court, District of Delaware (Wilmington). The workers' case is *Kohlstadt v. Solyndra LLC*, 11-53155, also in U.S. Bankruptcy Court, District of Delaware (Wilmington)

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*San Francisco Chronicle* - Solyndra reaches deal with ex-workers

By [Chronicle News Services](#), August 13

Solyndra, the bankrupt Fremont solar-panel maker that received a \$535 million U.S. Energy Department loan guarantee, reached a \$3.5 million settlement with former workers who claimed they received inadequate layoff notices.

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*New Haven Register* - CL&P overcharges woman \$10G over 25 years for street lights

By [Luther Turmelle](#), August 14

CHESHIRE — For a quarter of a century, Grace Edwards paid a portion of her Connecticut Light & Power bill that she didn't have to.

During that time, Edwards was charged not only for the electricity used in her Sir Walter Drive home, but for the power used to run two nearby street lights.

Homeowners typically don't pay directly for the electricity used in street lights, but when Edwards bought her home in 1987, it had been owned by a developer who was intentionally covering the costs of the lights.

Over time, Edwards paid CL&P nearly \$10,500, which averages out to nearly \$35 a month on top of the electricity she used.



When she realized the mistake in her bill, Edwards tried to resolve the issue with CL&P. The utility took the item off of her bill, but didn't reimburse her for all those years of payments.

"I called CL&P, wrote letters, did it all, but they were unresponsive to any kind of reimbursement," she said. "I really thought I was going to have to sue CL&P."

Edwards also sought help from the state Public Utilities Regulatory Authority and the media. When those efforts failed, she contacted the state's Office of Consumer Counsel, which was able to resolve the issue in two business days.

Consumer Counsel Elin Swanson Katz called the issue "very disappointing."

"I am pleased that the Consumer Counsel staff were able to resolve this issue," Katz said. "It is inconceivable that this problem persisted for so long."

Mitch Gross, a CL&P spokesman, said Edwards received service "that is below our standards and we have apologized to her for the error and the inconvenience."

"We have reimbursed her in the amount that she was incorrectly billed plus interest, and will be using this case as a learning experience to identify process and customer service improvements to be sure this doesn't happen again in the future," Gross said.

He declined further comment.

Joe Rosenthal, principal attorney for OCC, said that the agency, whose primary job is to represent ratepayers in regulatory proceedings, tries to do what it can to help consumers.

“Our staff isn’t big enough to help resolve consumer complaints every day,” Rosenthal said. “We do what we can to be customer friendly and sometimes the issues that people raise has a broader customer impact.”

However, both Rosenthal and Gross agreed that the issue does not seem to be the result of a systemic problem that could affect other consumers.

Edwards told OCC officials that the agency “was wonderful to work with — professional, concerned, efficient.”

“I’m a private person, I don’t really want to say more than that,” she told the Register Monday when asked to elaborate about her experience.

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TELECOM – National

*Telecompetitor* - FCC Has \$185 Million Unclaimed for Rural Broadband

By Bernie Arnason, August 14

The FCC instituted Phase I of the Connect America Fund, which offered \$300 million to select ‘price-cap’ carriers for rural broadband construction. It was viewed as an initial ‘shot-in-the-arm’ for rural broadband, while the broader Connect America Fund process gets worked out. This first phase is dwarfed in comparison to Phase II, which is expected to allocate over \$1.8 billion for rural broadband.

As we’ve previously reported, only \$115 million of the \$300 million was claimed by companies like Frontier, FairPoint, CenturyLink, Windstream, and a few others. Verizon and AT&T rejected the funding. Both CenturyLink and Windstream are asking for some waivers regarding some of the rules for Phase I, which may lead to them accepting additional funding. But as of right now, \$185 million has been left on the table. So where should it go?

#### Rural Industry Speaks Out Regarding CAF Funding

The Rural Broadband Alliance, a coalition of rural broadband carriers, and RICA, a trade association of competitive rural carriers, suggest the funding should be doled out to small rural broadband ‘rate-of-return’ carriers, who will use it to continue their broadband build outs. Phase I CAF funding targeted larger ‘price-cap’ carriers who are regulated differently than much smaller rate-of return carriers.

The Rural Broadband Alliance suggests the remaining \$185 million might be distributed in a similar fashion to the recent Broadband Stimulus funding program, through the Rural Utilities Service. “The remaining available funding easily could be made available to all qualifying carriers through a program similar to the Broadband Initiatives Program (BIP) that was successfully implemented by the RUS as part of the American Recovery and Reinvestment Act (ARRA),” says the RBA in a press release.

NTCA, a leading trade association for rural broadband carriers, hasn't officially commented on the status of the unclaimed \$185 million, but issued a previous statement expressing concern at the slow pace of CAF funding for their members.

“Unfortunately, while small independent carriers have made great strides in rural broadband deployment to date, they are still waiting for the Connect America Fund that they too need to keep pace on rural network upgrades. NTCA looks forward to working with policy-makers to achieve true universal service and establish a Connect America Fund that provides sufficient and predictable support for reasonably comparable broadband across all of America,” said Michael Romano, NTCA senior vice president of policy in a recent press release.

We reached out to OPASTCO, another leading trade association for rural broadband carriers for their perspective. “The remaining \$185 million Phase I CAF funding should be allocated to various rate-of-return carriers who are in need of relief from the impact of the new USF order, including those seeking waivers from the immediate impact of the order,” an OPASTCO spokesman told me today.

The Rural Cellular Association suggests the \$185 million should be allocated to wireless eligible telecommunications carriers (ETCs). “The FCC must seize this opportunity to change course and allow competitive wireless carriers the opportunity to take advantage of the \$185 million refused by price cap carriers to bring broadband services to these much needed areas,” said RCA President & CEO Steven K. Berry in a recent press release.

There is no shortage of opinion regarding these unclaimed funds. It's unfortunate that this funding will not be put to use soon. There is clearly a need, with hundreds, even thousands, of unserved and underserved communities across the country.

Hopefully a rational approach can be implemented quickly.

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*Wireless Week* - FCC, DOJ Approval Rumored for Verizon AWS Deal

By [Maisie Ramsay](#), August 14

The government is said to be set to approve Verizon Wireless' \$3.9 billion purchase of AWS spectrum from four cable operators.

Clearance from the FCC and Justice Department may come "in the coming weeks," The Wall Street Journal reported late yesterday, citing unnamed sources with inside knowledge of the issue.

The rumor is one of a number that have circulated around the transaction this summer.

The government was previously reported to have delayed approval of the spectrum sale because of concerns about the competitive impact of cross-selling deals and a joint venture Verizon arranged with its cable partners at the same time it signed off on the AWS purchase.

According to the latest speculation about the government's conditions on the transaction, the companies will have to limit their partnerships outside the spectrum sale to a duration of five

years. Once the initial trial period concludes, they must reapply for antitrust approval from the DOJ.

Verizon Wireless and Comcast are also said to have agreed to not cross-sell each other's products in Verizon Communications' FiOS markets.

Verizon Wireless has already kicked off cross-selling with cable partners Comcast, Time Warner Cable and Cox Communications. Bright House Networks is the only company in the AWS transaction that hasn't embarked on a joint marketing initiative with Verizon.

Some have characterized the arrangements as a de-facto non-compete agreement, allegations the companies deny.

Approval of the transaction will allow Verizon to move forward with its plan to use the spectrum to augment its LTE network. The addition of the cable company's AWS spectrum to Verizon's existing AWS holdings gives it a nationwide footprint in the band.

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*Telecompetitor* - Report: Wireless Data Revenue Will Overtake Voice in 2013

By [Bernie Arnason](#), August 13

Among large tier one carriers, revenue from wireline

data/broadband services surpassed voice revenues some time ago. Verizon says FiOS revenues (which include video) now account for 65% of their consumer wireline revenues. That trend is now impacting wireless services too, as wireless data revenues will soon overtake wireless voice revenue.

That's one conclusion from leading wireless industry analyst Chetan Sharma, in his latest research report, US Wireless Market Update – Q2 2012. Sharma predicts that sometime in Q2 2013, wireless data and wireless voice revenues will intersect, and the data portion will overtake the voice portion thereafter as the largest contributor to overall revenue (as defined by ARPU). Data revenue, as a percentage of total ARPU, is now approaching 45% for some carriers, including Sprint and Verizon. The industry average is 42% and Sharma predicts the wireless industry will generate \$80 billion in data revenues for all of 2012.

Wireless carriers are now in the process of reinventing themselves into mobile broadband carriers. The advent of 4G, first with WiMAX, and now with LTE, is forcing carriers to adjust their business away from voice focused plans to mobile broadband plans. The shift to wireless data began with 3G, but that was more of a data overlay on top of voice services. The shift to 4G changes everything.

Look no further than the big three carriers of Verizon, AT&T, and Sprint who now focus their marketing efforts on shared and/or unlimited data plans, and smartphones & apps, than anything related to voice minutes. Walk into a wireless retail store of these carriers and you're bombarded with the digital lifestyle, fueled in large part from mobile broadband. Voice is so passé.

It's a transition that wireline carriers began to undertake a few years ago, emphasizing broadband and video over voice. Of course wireless voice is not going away. It's just being transformed to a data application that will ride a 4G LTE

network, in much the same way that wireline voice is now becoming an IP application over FTTH, DOCSIS, or DSL.

In 2013, the trend will certainly accelerate, because the majority of the money will now flow from data for both wireline and wireless.

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Politics/General/Miscellaneous

*San Jose Mercury News* - Senate leader Steinberg issues mea culpa over cancelling telecast of hearings on ballot measure

By [Steven Harmon](#), August 13

SACRAMENTO -- In a rare occurrence at the Capitol, a politician apologized.

Senate President Pro Tem Darrell Steinberg, D-Sacramento, issued a mea culpa to reporters Monday, saying he "messed up" last week when he cancelled the cable television broadcast of a hearing on the four ballot measures on taxes and the budget.

"I want to apologize to the press and the public" for cancelling the telecast, Steinberg said. "I pride myself on being open and transparent.



"When you mess up, you mess up. Messed up. Hope we can move on, I'm sorry and it won't happen again."

Steinberg, who is perhaps the most accessible politician at the Capitol, admitted that he was worried that opponents to Gov. Jerry Brown's tax measure would use footage from the hearing to gain political advantage.

"The rationale was (I) didn't want the hearing to be political fodder because it involves the initiatives. It was a screw up," he said. "It was a more general worry that footage would be taken and used in political campaigns. But that wasn't a good reason."

In particular, Steinberg may have been fearful that one of the witnesses, Jon Coupal, president of the Howard Jarvis Taxpayers' Association, was going to testify about recent pay hikes Steinberg gave to staff members as an example of why legislators shouldn't be trusted with taxpayer dollars.

The hearing took testimony from the pro and con sides of Props. 30, 31, 38 and 39.

Hearings are required by law to be held on all ballot measures, and though the discussion went forward, Steinberg decided at the last-minute to shut off the telecast on California Channel -- without informing Sen. Lois Wolk, D-Davis, the chairperson of the Senate Governance and Finance Committee.

Wolk, who said she did not know about the cancellation, reacted angrily when informed with a terse statement saying she had nothing to do with it.

Opponents jumped on Steinberg's apology.

Aaron McLear, a Republican consultant and former spokesman for Gov. Arnold Schwarzenegger, tweeted it was the " 'Height of Gall' to applogize (sic) after the crime -- kinda like doing a 'pay freeze' right after giving raises."

Matt Rexroad, another Republican consultant, was a bit more forgiving in his own tweet: "Steinberg made mistake. He admitted it & hopefully will end up w/ a better future process. Some wouldn't even admit it."

Coupal said he was scratching his head on this one.

"I guess at one level, I'm pleased to see he's seen the errors of his way," Coupal said. "But his actions played into one of our overall themes of the campaign that the special interests drive the process."

Philip Ung, of California Common Cause, applauded Steinberg's apology, saying his decision to cut off TV coverage amounted to an "egregious example of censorship."

"Voters don't usually hear elected officials admitting mistakes and Senator Steinberg should be commended for apologizing, though he should have recognized that he shouldn't have made the mistake in the first place."

Ung said Steinberg could erase the mistake if he calls for new, televised, hearings on the ballot measures.

"We'd like a mulligan," Ung said. "If he really believes it was a mistake, they should do it again."

Steinberg said he "would certainly be open to" running the hearings again, and also to the idea of changing Senate house rules to require the telecast of ballot measure hearings.

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