

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

Application of Pacific Gas and Electric  
Company for Authority, Among Other Things,  
to Increase Rates and Charges for Electric and  
Gas Service Effective on January 1, 2014  
(U39M).

Application 12-11-009  
(Filed November 15, 2012)

**MOTION OF THE NATIONAL ASIAN AMERICAN COALITION (NAAC) AND  
ECUMENICAL CENTER FOR BLACK CHURCH STUDIES (ECBCS) REQUESTING  
PARTY STATUS**

Faith Bautista, President  
National Asian American Coalition

Mark Whitlock, Chairman  
Ecumenical Center for Black Church Studies

Robert Gnaizda, Of Counsel  
Shalini Swaroop, Senior Counsel

15 Southgate Ave, Suite 200  
Daly City, CA 94015  
(650) 952-0522  
[sswaroop@naacoalition.org](mailto:sswaroop@naacoalition.org)

January 8, 2013

**MOTION OF THE NATIONAL ASIAN AMERICAN COALITION (NAAC) AND  
ECUMENICAL CENTER FOR BLACK CHURCH STUDIES (ECUMENICAL  
CENTER) REQUESTING PARTY STATUS**

Pursuant to Rule 1.4 of the Commission's Rules of Practice and Procedure, the National Asian American Coalition (NAAC ) and the Ecumenical Center for Black Church Studies (ECBCS) hereby respectfully request to be granted party status in this proceeding.

**I. The Parties**

The NAAC is 501(c)(3) non-profit organization, and has been involved in many cases before the California Public Utilities Commission (CPUC or the Commission). For example, the NAAC was granted intervenor status in A.10-11-015, A.10-12-005/006, A.11-05-017 et al., R.11-02-019, as well as in other proceedings involving PG&E, including the Economic Development Rate application (A.12-03-001), SmartGrid Pilots application (A.11-11-017), and the Green Option application (A.12-04-020).

The NAAC has provided their policy recommendations to the Commission on numerous energy and telecommunications issues, particularly as they affect underserved communities. ECBCS is an association of ninety black pastors who represent Black congregations throughout California. The organizations respectfully request to be granted party status in this proceeding in order to add our organizations' grassroots perspectives regarding the issues raised below.

The NAAC will seek intervenor compensation. However, the ECBCS will not seek intervenor compensation, but merely wish to add to the Commission's understanding of the impact of PG&E's application on Black constituencies in particular. Most of the Commissioners have expressed their desire to diversify the pool of intervenors and therefore diversify the perspectives that inform their decisions. Introducing the ECBCS serves to inform the regulators

as to how their policies affect grassroots communities on the ground. Declining to seek intervenor compensation will eliminate many of the procedural barriers to the ECBCS' participation in this matter.

Each organization has separate missions, membership and boards of directors. Our efforts will be coordinated amongst ourselves, since we recognize that the opportunities for success are dependent upon recognition of our mutual interests. In addition, we will seek coordination with all parties seeking to ensure and enhance greater opportunities for underserved consumers, minorities, and where possible, general consumer interests.

## **II. Areas of Interest**

The parties represent large constituencies directly affected by the PG&E general rate case. We intend, where appropriate, to be vigorously involved in any possible workshops and to assist the CPUC in regard to public hearings. Both organizations advocate for low-income and minority communities and represent constituencies that will be affected by any rate increases authorized in the pending application.

### **A. Any Rate Increases Should Be Delayed**

In its recently filed opening brief in its application to implement an economic development rate,<sup>1</sup> PG&E boldly stated in defense of its need to lower electricity rates for large corporations that:

California is in a state of crisis. Since December 2007, California has lost 1.1 million jobs, or about 7 percent of its employment base .... In the past four years, approximately 17 percent of all manufacturing jobs in the state have disappeared.... In December 2011, California's unemployment rate was the

---

<sup>1</sup> A.12-03-001.

second-highest in the nation, with the state's rate at over 11 percent compared to the national rate of 8.5 percent....<sup>2</sup>

Given that PG&E itself has identified the economic crisis currently facing Californians, it is puzzling that the utility has filed for a rate increase, which is in addition to the costs to be borne by ratepayers for the implementation of the pipeline safety enhancement plan.<sup>3</sup> Naturally, the very communities PG&E itself has recognized as facing extremely high levels of unemployment are unlikely to be able to meet any greater burden in their monthly utility bills. Therefore, both organizations urge that any rate increases proposed by PG&E be delayed until unemployment rates have declined to their pre-recession levels and/or PG&E fully explains its contrary position in the economic development rate proceeding. Until this occurs, both organizations recommend that PG&E either retain its current levels of funding authorized in the last rate cycle or consider a re-filing that fully explains the need for a large rate increase given the dire economic circumstances facing most ratepayers.

### **B. Consumer Protections for People of Color and Low-Income Communities**

The NAAC and the ECBCS wish to ensure that any rates implemented have sufficient consumer protections. We also plan to make the Commission aware of the crucial need for linguistically and culturally appropriate education to accompany any outreach programs authorized through the application.

Our constituencies are generally unfamiliar with the particulars of electricity and gas rates beyond what they pay each month. This unfamiliarity is amplified within the minority and immigrant communities, where there are frequently language and cultural barriers to engagement.

---

<sup>2</sup> A.12-03-001, Opening Brief of PG&E at i.

<sup>3</sup> See D.12-12-030.

The Commission has taken the view in the past that education and outreach are important to the success of utility interactions with ratepayers. With regard to low-income populations in particular, “one of the most notable barriers [to reaching those communities] was identified as *lack of trust ...*” which “was further compounded by cultural and language barriers.”<sup>4</sup> We hope to communicate the need for trust-building and culturally attuned education with regard to outreach and customer research authorized in this application. We also expect to offer granular suggestions and input as to how this may be accomplished.

### **C. Supplier Diversity**

PG&E’s current application does not possess adequate measures regarding the implementation of D.11-05-019 and GO 156. The application fails to include meaningful technical assistance and capacity-building programs with small diverse business enterprises. This is especially true for those businesses with under \$1 million in annual revenue, whose businesses have been overlooked by PG&E.

Indeed, PG&E does not currently provide any information as to the dollar amount of contracts given to diverse suppliers with annual revenues of \$1 million or less. Based upon information procured regarding other regulated companies, we believe that it is likely that PG&E’s efforts in this area are ineffective at stimulating job growth and creation in the communities hardest hit by the current economic recession.

PG&E’s senior management, particularly at the highest levels, fails to reflect the diversity of the ratepayers it serves. Throughout the proceeding, we will raise issues as to how PG&E can secure a workforce from top to bottom that more fully understands and reflects its increasingly diverse community of ratepayers.

---

<sup>4</sup> D. 12-08-044, Finding of Fact 48, pg 318. (emphasis added).

Throughout the proceeding, the organizations plan to conduct numerous data requests on the data PG&E has collected on its supplier diversity program and the effects on diverse small businesses in constituent communities.

#### **D. Executive Compensation**

The Commission is currently instituting a workshop<sup>5</sup> that examines the total compensation study that the Commission relies upon in benchmarking executive compensation in general rate cases. The organizations will urge that the outcome of this workshop is applied directly to this matter.

Additionally, as indicated above, executive compensation must be closely scrutinized given the fact that most ratepayers are facing the dire economic circumstances identified by PG&E in its filing in the economic development rate application.<sup>6</sup> It is not consistent to charge ratepayers more money when they are already facing extreme economic hardship. In that vein, throughout the course of the proceeding, both organizations will most likely investigate the feasibility of a ratepayer input on executive compensation.

#### **E. Reliable Financial Audits**

The NAAC has raised the issue of the accuracy of financial audits in a variety of venues, including a petition for rulemaking before the Commission.<sup>7</sup> PG&E is audited by Deloitte & Touche, which has been shown by the Public Company Accounting Oversight Board to fail to conduct independent audits and which maintain cozy relationships with management in a high percentage of energy companies that it audits.<sup>8</sup> Throughout this proceeding, the NAAC and ECBCS plan to investigate the connection of PG&E and Deloitte & Touche, including the

---

<sup>5</sup> Ordered by the Commission in D.12-11-051.

<sup>6</sup> A.12-03-001, Opening Brief of PG&E at i.

<sup>7</sup> P.12-02-016.

<sup>8</sup> The NAAC and ECBCS anticipate introducing evidence regarding the PCAOB's findings in this matter.

number of years PG&E has used the same auditor, the amount paid to the auditor, the accuracy of the audits as they affect rate increases, and other vital information to assess the auditor's independence.

### III. Service

Service of notices, orders, and other correspondence in this proceeding should be directed to the addresses set forth below:

Faith Bautista, President  
National Asian American Coalition  
15 Southgate Ave, Suite 200  
Daly City, CA 94015  
(650) 952-0522  
(650) 952-0530 (fax)  
Email: [fbautista@naacoalition.org](mailto:fbautista@naacoalition.org)

Rev. Mark E. Whitlock, Jr., Chairman  
Ecumenical Center for Black Church Studies  
46 Maxwell St.  
Irvine, CA 92618  
(949) 955-0014  
(949) 955-0021 (fax)  
[Markw@corchurch.org](mailto:Markw@corchurch.org)

as well as a copy to their counsel:

Robert Gnaizda  
15 Southgate Ave, Suite 200  
Daly City, CA 94015  
(650) 952-0522  
(650) 952-0530 (fax)  
Email: [robertgnaizda@gmail.com](mailto:robertgnaizda@gmail.com)

Shalini Swaroop  
15 Southgate Ave, Suite 200  
Daly City, CA 94015  
(650) 952-0522  
(650) 952-0530 (fax)  
Email: [sswaroop@naacoalition.org](mailto:sswaroop@naacoalition.org)

Dated: January 8, 2013

Respectfully submitted,

/s/ Mark Whitlock, Jr.

Rev. Mark Whitlock, Jr., Chairman  
Ecumenical Center for Black Church Studies

/s/ Faith Bautista

Faith Bautista, President and CEO  
National Asian American Coalition

/s/ Shalini Swaroop

Shalini Swaroop, Senior Counsel

/s/Robert Gnaizda

Robert Gnaizda, Of Counsel