

From: Randolph, Edward F.  
Sent: 1/28/2013 2:12:39 PM  
To: Cherry, Brian K (/O=PG&E/OU=CORPORATE/CN=RECIPIENTS/CN=BKC7)  
Cc:  
Bcc:  
Subject: RE: Draft resolution on CEQA compliance

I can see the point, but as long as there is good management at the top of ED that will not use this authority in the wrong way I think it will build relationships.

I like the idea of reviewing the effectiveness of the other citation programs and will look into it.

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Edward Randolph | Director, Energy Division  
California Public Utilities Commission

505 Van Ness Avenue, Room 4004  
San Francisco, CA, 94102  
415-703-2083 | [edward.randolph@cpuc.ca.gov](mailto:edward.randolph@cpuc.ca.gov)

**From:** Cherry, Brian K [mailto:BKC7@pge.com]  
**Sent:** Monday, January 28, 2013 9:11 AM  
**To:** Randolph, Edward F.  
**Subject:** RE: Draft resolution on CEQA compliance

Thanks Ed. Here is what one of my employees wrote me about the new citation program:

Not that it will do any good, but we should oppose the expansion of citation programs. It's not about the money. The Commission should be concerned about the long term negative impact this will likely have on the working relationship its staff has with the utilities it regulates. These citation programs will foster a more adversarial regulatory environment at the working staff level. We have enough conflict in proceedings, we don't need more. My concern is that these programs will gradually change the culture of ED and CPSD (CPSD may already be a lost cause) to be more like DRA. To achieve the Commission's policy goals, we need to work

together closely and cooperatively, not fight about citations.

I'm sympathetic to his comments but also understand the position you are in. I do worry that some staffers will use their new authority as the first tool they reach for before picking up the phone. We will all need to monitor its implementation and application carefully going forward. Perhaps in the future ED could initiate a review of the citation programs to see if they have been applied equally across industry and companies and whether or not they have changed behavior in a positive manner?

**From:** Randolph, Edward F. [<mailto:edward.randolph@cpuc.ca.gov>]

**Sent:** Monday, January 28, 2013 9:03 AM

**To:** Cherry, Brian K; [Les.Starck@sce.com](mailto:Les.Starck@sce.com); [DSkopec@semprautilities.com](mailto:DSkopec@semprautilities.com)

**Cc:** Allen, Meredith; [Thomas.Burhenn@SCE.com](mailto:Thomas.Burhenn@SCE.com); Blanchard, Billie C.; [ATrial@semprautilities.com](mailto:ATrial@semprautilities.com); [AGarcia6@semprautilities.com](mailto:AGarcia6@semprautilities.com); Baker, Amy C.; Sterkel, Merideth "Molly"

**Subject:** Draft resolution on CEQA compliance

Last week we released a draft resolution that will establish a citation program related to Certificate of Public Convenience and Permit to Construct requirements for electric and natural gas storage facilities. Over the last several years the Commission has used its authority to establish citation programs in numerous areas, including gas safety; household good movers; charter party carriers; passenger stage corporations; maintenance and operation of power plants; slamming by telecommunications providers; and compliance with Resource Adequacy and Renewables Portfolio Standard requirements. This citation program is based on other Energy Division citation programs. It defines violations and sets a fine schedule for those violations. It will allow Commission staff to quickly resolve compliance issues related to California Environmental Quality Act requirements and project specification requirements. We believe this citation program will benefit both staff and the companies we regulate by avoiding costly, lengthy investigation proceedings.

It may seem like this runs counter to some of my efforts to make the CEQA program a little more predictable and timely, but based on other citation programs at the CPUC, I think that overall this will help make the overall processes more predictable and more rational.

For more information on approved citation programs, you can refer to the following resolutions:

Resolution E-4017 Establishing a Resource Adequacy Citation Program:  
[http://docs.cpuc.ca.gov/PublishedDocs/PUBLISHED/FINAL\\_RESOLUTION/60545.htm](http://docs.cpuc.ca.gov/PublishedDocs/PUBLISHED/FINAL_RESOLUTION/60545.htm)

Resolution E-4257 Establishing a Renewables Portfolio Standard Citation Program:  
[http://docs.cpuc.ca.gov/PublishedDocs/PUBLISHED/FINAL\\_RESOLUTION/109286.htm](http://docs.cpuc.ca.gov/PublishedDocs/PUBLISHED/FINAL_RESOLUTION/109286.htm)

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Edward Randolph | Director, Energy Division  
California Public Utilities Commission

505 Van Ness Avenue, Room 4004  
San Francisco, CA, 94102  
415-703-2083 | [edward.randolph@cpuc.ca.gov](mailto:edward.randolph@cpuc.ca.gov)

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