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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Investigation into the ratemaking implications for Pacific Gas and Electric Company (PG&E) pursuant to the Commission's Alternative Plan of Reorganization under Chapter 11 of the Bankruptcy Code for PG&E, in the United States Bankruptcy Court, Northern District of California, San Francisco Division, In re Pacific Gas and Electric Company, Case No. 01-30923 DM.

**Investigation 02-04-026
(Filed April 22, 2002
Petition Filed
November 28, 2011)**

**COMMENTS OF STEWARDSHIP COUNCIL ON THE PROPOSED
DECISION OF ADMINISTRATIVE LAW JUDGE BARNETT**

Dated: July 20, 2012

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CERTIFICATE OF SERVICE

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I. INTRODUCTION

Pursuant to Article 14.3 of the Commission's Rules of Practice and Procedure, the Pacific Forest and Watershed Lands Stewardship Council (Stewardship Council) submits these Comments to the Proposed Decision (PD) of Administrative Law Judge Robert Barnett to request that the Commission approve an additional modification of the language of Decision D.03-12-035, which created a \$30 million ratepayer-funded initiative to provide underserved, urban youth with greater opportunities to experience California's rich natural environment.

II. BACKGROUND

On November 28, 2011, the Stewardship Council and The Greenlining Institute (collectively, the Petitioners) jointly filed a Petition for Modification of Decision 03-12-035 (the Decision), issued by the Commission on December 18, 2003. In the Decision, the Commission created a \$30 million ratepayer-funded initiative to provide underserved, urban youth with greater opportunities to experience California's rich natural environment. Petitioners requested that the Commission clarify the decisional language regarding the permissible uses of these funds. On April 27, 2012, Administrative Law Judge Robert Barnett issued a ruling requesting an accounting from the Stewardship Council of the expenditures of the \$30 million ratepayer-

funded initiative. The Stewardship Council filed a reply on May 30, 2012. On July 2, 2012 ALJ Barnett issued a PD to grant the Petitioners' Joint Petition for Modification of Decision 03-12-035.

III. DISCUSSION

The Commission's original decisional language pertaining to the Environmental Opportunity for Urban Youth Program in Decision 03-12-035 states in part:

In order to ensure that environmental benefits of a substantial nature are realized by PG&E's urban ratepayers, our modified Settlement Agreement will augment the \$70 million devoted to environment activities by \$30 million. These additional funds shall be expended to provide a wilderness experience for urban youth, especially disadvantaged urban youth, and to acquire and maintain urban parks and recreation areas. We direct that the acquisition of such parks and recreation areas be focused on creating an environment that will particularly serve the needs of urban low-income youth. Of the \$30 million, to be expended in equal installments over 10 years, we will expect approximately 1/3 would be used to provide seed money that would establish a permanent program for young people who are least likely to enjoy the wonder of California's natural beauty.
(CPUC D.03-12-035 at p. 66-67.)

The joint petition filed by Petitioners requested certain revisions to the decisional language, but inadvertently omitted a request that the Commission modify the decisional language pertaining to expenditure of ratepayer funds in "equal installments over 10 years." Through the submission of these comments, the Stewardship Council requests that the decisional language on page 66 of the Decision be modified further to provide that the \$30 million in ratepayer funds can be expended in *installments over 10 or more years*.

This language modification is being requested because it is unclear whether the language specifying that expenditures be made in equal installments over 10 years pertains to the frequency and amount of PG&E's payments to the Stewardship Council or instead pertains to the rate in which the ratepayer monies are to be expended by the Stewardship Council. If the language pertains to the latter, then it is unduly restrictive and does not reflect the actual expenditure flows for the Youth Investment Program since it became operative.

Allowing the Stewardship Council to expend ratepayer funds over 10 or more years provides the Stewardship Council with the flexibility to make expenditure decisions based on need rather than to meet a deadline that has lost significance. Although it was originally anticipated that the Stewardship Council would complete its work on the Land Conservation Program by 2013, it

now appears that the funding for the Land Conservation Commitment will not be fully expended until 2017 or later. Therefore, the board of directors of the Stewardship Council will remain active until at least 2017 and can continue overseeing the expenditure of ratepayer funds for the Youth Investment Program until the funding has been exhausted.

IV. CONCLUSION

For the above-stated reasons, the Stewardship Council respectfully requests that the Commission modify Decision 03-12-035 by approving the additional change to the decisional language at pp. 66-67 of the Decision as set forth in Appendix A.

Respectfully submitted,

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APPENDIX A

The Stewardship Council requests that language set forth in paragraph 2 of the Conclusions of Law section of the PD be modified as shown below. (Deletions are in ~~strikeout~~ and insertions are *italicized*.)

In order to ensure that environmental benefits of a substantial nature are realized by PG&E's urban ratepayers, our modified Settlement Agreement will augment the \$70 million devoted to environment activities by \$30 million. These additional funds shall be expended to provide greater resources to connect children, youth, and young adults in the PG&E service territory to nature, parks, open spaces, and the outdoors, and will particularly serve the needs of underserved youth. Of the \$30 million, to be expended in ~~equal~~ installments over 10 *or more* years, we will expect that a reasonable portion of the funds, as approved by the Stewardship Council board, would be used to provide seed money that would establish a permanent program for young people who are least likely to enjoy the wonder of California's natural beauty.

The Stewardship Council requests that paragraph 2 of the Order in the PD read as follows:

2. Decision 03-12-035, pages 66-67 is modified by removing the paragraph that starts "In order to ensure," and inserting the following:

In order to ensure that environmental benefits of a substantial nature are realized by PG&E's urban ratepayers, our modified Settlement Agreement will augment the \$70 million devoted to environment activities by \$30 million. These additional funds shall be expended to provide greater resources to connect children, youth, and young adults in the PG&E service territory to nature, parks, open spaces, and the outdoors, and will particularly serve the needs of underserved youth. Of the \$30 million, to be expended in ~~equal~~ installments over 10 *or more* years, we will expect that a reasonable portion of the funds, as approved by the Stewardship Council board, would be used to provide seed money that would establish a permanent program for young people who are least likely to enjoy the wonder of California's natural beauty.

If the above requested changes are made in the PD, the decisional language found on the bottom of page 8 and top of page 9 of the PD would need to be modified to read as follows:

In order to ensure that environmental benefits of a substantial nature are realized by PG&E's urban ratepayers, our modified Settlement Agreement will augment the \$70 million devoted to environment activities by \$30 million. These additional funds shall be expended to provide greater resources to connect children, youth, and young adults in the PG&E service territory to nature, parks, open spaces, and the outdoors, and will particularly serve the needs of underserved youth. Of the \$30 million, to be expended in ~~equal~~ installments over 10 *or more* years, we will

expect that a reasonable portion of the funds, as approved by the Stewardship Council board, would be used to provide seed money that would establish a permanent program for young people who are least likely to enjoy the wonder of California's natural beauty.