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

Order Instituting Rulemaking for the Purpose  
of Reviewing and Potentially Amending  
General Order 156 and to Consider Other  
Measures to Promote Economic Efficiencies  
of an Expanded Supplier Base and to Examine  
the Composition of the Utilities' Workforce

Rulemaking 09-07-027  
(Filed July 30, 2009)

**MOTION OF PACIFIC GAS AND ELECTRIC COMPANY  
(U 39 M) AND SOUTHERN CALIFORNIA EDISON  
COMPANY (U 338 E) TO FILE TWO DAYS OUT OF TIME**

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Dated: April 27, 2011



# **EXHIBIT A**

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

Order Instituting Rulemaking for the Purpose  
of Reviewing and Potentially Amending  
General Order 156 and to Consider Other  
Measures to Promote Economic Efficiencies  
of an Expanded Supplier Base and to Examine  
the Composition of the Utilities' Workforce

Rulemaking 09-07-027  
(Filed July 30, 2009)

**COMMENTS OF  
PACIFIC GAS AND ELECTRIC COMPANY (U 39 M) AND  
SOUTHERN CALIFORNIA EDISON COMPANY (U 338 E)  
ON THE PROPOSED DECISION**

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Dated: April 25, 2011

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

Order Instituting Rulemaking for the Purpose of Reviewing and Potentially Amending General Order 156 and to Consider Other Measures to Promote Economic Efficiencies of an Expanded Supplier Base and to Examine the Composition of the Utilities' Workforce

Rulemaking 09-07-027  
(Filed July 30, 2009)

**COMMENTS OF  
PACIFIC GAS AND ELECTRIC COMPANY (U 39 M) AND  
SOUTHERN CALIFORNIA EDISON COMPANY (U 338 E)  
ON THE PROPOSED DECISION**

Pursuant to the California Public Utilities Commission's (Commission or CPUC) Rule 14.3, Pacific Gas and Electric Company (PG&E) and Southern California Edison Company (SCE) file the following limited comments to Commissioner Michael R. Peevey's Proposed Decision Adopting Amendments to General Order (GO) 156 in OIR 09-07-027, the Commission's Order Instituting Rulemaking to Review and Potentially Amend General Order 156, to Consider Other Measures to Promote the Economic Efficiencies of an Expanded Supplier Base, and to Examine the Composition of the Utilities' Workforce (OIR). Overall, PG&E and SCE find the Proposed Decision to be an equitable balancing of the needs of the utilities and women, minority, and disabled veteran business enterprises (WMDVBEs) in supporting utility supplier diversity programs, the Community Based Organizations (CBOs) and WMDVBEs.

**I. THE CLEARINGHOUSE IS BEST SUITED TO COLLECT CALIFORNIA RESIDENCY DATA FROM WMDVBE VENDORS**

The proposed changes to Annual Reporting are, with limited exception, supported by PG&E and SCE. However, the revision in proposed section 9.1.2 of GO 156 requiring utilities

to identify procurement from WMDVBES with a California majority workforce is problematic. Utilities currently do not require their vendors to report such data and, for vendors who do business neighboring states or throughout the nation, providing such data could be problematic. Further, since employee residency is not a factor in the procurement process, such data is of limited usefulness and is unreliable, as vendors increase and decrease their workforce to meet their business needs.

PG&E and SCE recognize the Commission's interest in such data and suggest the Commission require the Clearinghouse to procure such data when certifying WMDVBE vendors. The advantage of utilizing the Clearinghouse to gather this data rather than the utilities is that the information could be gathered as part of the certification or recertification process, and it would be equally available to all of the utilities and the Commission.

**II. REQUIRING UTILITIES TO REPORT THE TOTAL NUMBER OF WMDVBES THAT RECEIVED CONTRACTS IN THE YEAR IS UNDULY BURDENSOME AND COULD PRODUCE MISLEADING DATA REGARDING OVERALL SUPPLIER DIVERSITY.**

It is clear from the opening comments to the workshops and En Banc hearing that all parties to this proceeding are committed to supplier diversity. The larger utilities, including PG&E and SCE, have in general achieved or surpassed the 21.5 percent goal set forth in GO 156, and most have voluntarily established internal goals and programs to afford diverse businesses additional opportunities to participate in their procurement processes.

PG&E and SCE believe that requiring utilities to "count" the number of WMDVBE contracts awarded each year, as provided in the proposed revisions to Section 9.1.2 of GO 156, could produce misleading data because contracts represent a subset of the total number of WMDVBES who do business with utilities. For example, Section 9.1.2 would not capture the

situation when a utility does business with WMDVBEs through the use of credit card payments or non-purchase order payments.

PG&E and SCE recommend that the PD be issued out with the original language of Section 9.1.2. The utilities believe that more discussion on this narrow issue is required and can be handled in a workshop with a subsequent decision issued afterwards. In addition to the issue identified above, the workshop could cover additional issues, such as whether reporting the number of WMDVBEs in addition to the total percentage of WMBVBE spend will be burdensome to the utilities as it will need to develop programs to distinguish when contracts were originally issued, and determine, for example, if a change order expanding a scope of a contract qualified as a “new contract” or not. In addition, workshop participants can evaluate whether the new proposed revisions in Section 9.1.2 are duplicative of the Commission’s requirements in Decision No. 06-12-028, which require the utilities to report WMDVBE data based on the amount of revenues reported to the Clearinghouse. Finally, workshop participants can discuss how to best track this type of data since most entities track contracts by work performed and dollars spent, rather than by the year a contract was originally executed.

### **III. THE COMMISSION SHOULD CONDUCT A ONE-DAY WORKSHOP TO DISCUSS SECTION 9.1.10**

In addition to the proposed revisions to Section 9.1.2, PG&E and SCE encourage the Commission to conduct a one-day workshop to review the proposed language in Section 9.1.10 regarding new categories that the utilities would be required to report. For example, it may not be appropriate or necessary for the energy utilities to report on WMDVBE purchases of wireless communications. A workshop would ensure the parties to the proceeding had a clear understanding of their obligations under the Decision and promote dialogue regarding how some of the recommendations in the Decision could be best achieved.

#### **IV. CONCLUSION**

It has been almost two years since the Commission issued R. 09-07-027, and therefore PG&E and SCE urge the Commission to vote out Commissioner Peevey's proposed decision at the next business meeting, except for the proposed revisions to Section 9.1.2 and 9.1.10 of GO 156. With respect to these two limited sections, the utilities urge the Commission to hold a one-day workshop so that stakeholders can reach consensus on the changes necessary to the language before these sections are implemented. The Commission can then issue a decision based on the outcome of the workshop.

Respectfully Submitted,

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Dated: April 25, 2011

**CERTIFICATE OF SERVICE**

I hereby certify that, pursuant to the Commission's Rules of Practice and Procedure, I have this day served a true copy of the **COMMENTS OF PACIFIC GAS AND ELECTRIC COMPANY (U 39 M) AND SOUTHERN CALIFORNIA EDISON COMPANY (U 338 E) ON THE PROPOSED DECISION** on Administrative Law Judge Melanie Darling, Commissioner Peevey's Chief of Staff Carol Brown, and all parties identified on the attached service list for R. 09-07-027. Service was effected by means indicated below:

Transmitting the copies via email to all parties who have provided an email address. First class mail will be used if electronic service cannot be effectuated.

Executed this 25th day of April, 2011, at San Francisco, California.

          /S/ LINDA TOM-MARTINEZ            
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