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

Application of Southern California Edison Company (U338E) for Authority to, Among Other Things, Increase Its Authorized Revenues for Electric Service in 2009, And to Reflect that Increase in Rates.

Application 07-11-011  
(Filed November 19, 2007)

Order Instituting Investigation on the Commission's Own Motion into the Rates, Operations, Practices, Services and Facilities of Southern California Edison Company.

Investigation 08-01-026  
(Filed January 31, 2008)

**ASSIGNED COMMISSIONER'S RULING CLARIFYING SCOPE**

Following the issuance of the Administrative Law Judge's (ALJ) Ruling dated March 4, 2008, Greenlining Institute (Greenlining) filed a motion on March 7, 2008 asking for additional clarification on whether the issues of corporate social responsibility and corporate philanthropy are within the scope of this proceeding. Greenlining also requested certain modifications to the schedule for Public Participation Hearings (PPHs). Southern California Edison Company (SCE) filed a response in opposition to Greenlining's motion on March 13, 2008. I have carefully reviewed Greenlining's claims. While the ALJ Ruling correctly finds that our jurisdiction does not extend to ordering changes in SCE's use of earnings that are discretionarily available to the company to pay dividends or use for other non-utility investments, I will permit the parties to

this proceeding to address the issues of corporate philanthropy and corporate social responsibility.

As the Commission has noted before, philanthropy is an important consideration for SCE and its parent company, just as it is for corporations in general. Decision (D.) 06-05-016, *mimeo.*, p. 183. However, as we indicated in SCE's prior rate case, we have no jurisdiction to order a change in SCE's giving practices:

For many reasons, including good corporate citizenship, social responsibility, and public perception, philanthropy is an important consideration for SCE/EIX and corporations in general. However, as we have previously indicated, we have no jurisdiction to order a change in SCE's giving practices. (*Citing to D.04-07-022, pp. 209-210.*)

D.06-05-016, *mimeo.*, p. 183; *see also* D.04-12-015, *mimeo.*, pp. 43-44.<sup>1</sup>

The Commission's policy of finding philanthropic donations beyond its jurisdiction is reflected in a 1965 decision by the California Supreme Court. In *Pacific Tel. & Tel. Co. vs. Public Util. Comm.* (1965) 62 Cal.2d 634, 669, the court found that amounts related to charitable contributions must be excluded from authorized rates. Following the court's decision, the Commission adopted a corollary policy that the Commission would not, as part of its ratemaking

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<sup>1</sup> D.04-12-015 states: "We applaud the companies' commitment to improve workforce diversity, supplier diversity and philanthropy. In D.04-07-022, SCE's general rate case (GRC), with respect to philanthropy, we acknowledged that the Commission has no jurisdiction to order changes to a utilities' giving practices and found philanthropy generally to be beyond the scope of the Commission's ratemaking authority. We affirm that determination made in the Edison GRC again here."

responsibilities, interject itself into utility management decisions regarding corporate philanthropy. D.04-05-055, *mimeo.*, p. 110.

However, in past general rate cases, we have endorsed agreements reached between Greenlining and the utilities on matters related to corporate philanthropy. In these cases, we did not approve these settlements under Rule 12.1 of the Commission's Rules of Practice and Procedure, but we took the opportunity to commend the utilities for working to improve in areas over which this Commission has no jurisdiction through partnerships and collaboration with groups and organizations. D.04-12-015, *mimeo.*, p. 43.

Consistent with these past cases, I will permit Greenlining to introduce testimony in this proceeding related to corporate social responsibility and corporate philanthropy. SCE and other parties may submit responsive testimony.

Greenlining also asked me to reconsider the schedule for PPHs set forth in the ALJ's March 4, 2008 Ruling. The schedule in this proceeding is demanding, and I understand that all parties, including Greenlining, must make difficult decisions on how to allocate their limited resources to promote effective participation in this proceeding. At this point in time, however, I am reluctant to make any changes to the PPH schedule. Ratepayers have already or will soon be receiving notice of the time and dates for these PPHs. Any schedule changes will disrupt this process and, possibly, delay these hearings.

**IT IS RULED that:**

1. In this proceeding, Greenlining Institute is permitted to introduce testimony and other parties may submit responsive testimony related to corporate social responsibility and corporate philanthropy.

2. The Public Participation Hearing schedule remains unchanged.

Dated March 26, 2008, at San Francisco, California.

/s/ MICHAEL R. PEEVEY

Michael R. Peevey  
Assigned Commissioner

