

Decision 08-12-009 December 4, 2008

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric Company and PG&E Corporation for Limited Exemption from Rule V.E of the Commission's Affiliate Transaction Rules. (U39M)

Application 08-07-014
(Filed July 9, 2008)

DECISION EXTENDING THE TEMPORARY AUTHORIZATION FOR WAIVER FROM AFFILIATE TRANSACTION RULE V.E.

On July 9, 2008, Pacific Gas and Electric Company (PG&E) and PG&E Corporation (Applicants)¹ filed an application for a limited exemption from Rule V.E of the Commission's Affiliate Transaction Rules, which precluded the sharing of "key officers" by the utility and the holding company. Applicants sought the limited exemption to allow Peter A. Darbee, PG&E Corporation President and Chief Executive Officer (CEO), to serve also as President and CEO of the PG&E public utility company, while Applicants continue to share regulatory affairs, lobbying and legal services. Applicants asked that the exemption continue as long as PG&E Corporation does not have significant non-Commission-regulated subsidiaries.

¹ PG&E is an operating public utility organized under the laws of the State of California, and is engaged principally in the business of furnishing gas and electric service in California. PG&E Corporation is a holding company organized under the laws of the State of California, whose principal business is the ownership of the common stock of PG&E.

Applicants concurrently filed a motion for a temporary waiver of Rule V.E., in order to allow Darbee to serve as President and CEO of both companies from September 1, 2008, until the date of a final Commission decision on the application.

In Decision (D.) 08-09-013 (Decision), Applicants were granted a temporary waiver of Rule V.E of the Commission's Affiliate Transaction Rules, subject to the conditions as set forth in the Decision. The Commission granted the temporary waiver of Rule V.E, for a limited period not to exceed 120 days from the effective date of D.08-09-013, or upon the adoption of a final decision on this application, whichever occurs sooner.

Subsequent to the issuance of D.08-09-013, the assigned Commissioner granted joint requests of the active parties for extensions in the schedule to provide additional time for parties to prepare testimony. As a condition of supporting the request for the schedule extensions, because the extensions in the schedule that were granted preclude the issuance of a final decision in this application within 120 days of the effective date of D.08-09-013, the active parties agreed that an extension in the temporary waiver was appropriate.

Accordingly, in view of the extensions in the procedural schedule that have been authorized, it is appropriate to extend the duration of the temporary waiver from Rule V.E. to continue until a final decision on the application is issued.

Comments on Proposed Decision

This is an uncontested matter in which the decision grants the relief requested. Accordingly, pursuant to Section 311(g)(2) of the Pub. Util. Code and Rule 14.6(c)(2) of the Commission's Rules of Practice and Procedure, the otherwise applicable 30-day period for public review and comment is waived.

Assignment of Proceeding

John A. Bohn is the assigned Commissioner and Thomas R. Pulsifer is the assigned Administrative Law Judge in this proceeding.

Findings of Fact

1. The Commission has adopted Affiliate Transactions Rules to serve as standards of conduct governing relationships between California natural gas or electric utilities and their affiliates.

2. PG&E seeks authorization to allow PG&E Corporation's President and Chief Executive Officer to assume the duties of the President and CEO of PG&E Company as of September 1, 2008, such that he would simultaneously serve in both offices in a dual capacity.

3. Because the authorization sought by PG&E would be inconsistent with Rule V.E of the Commission's Affiliate Transactions Rules, Applicants sought a temporary waiver of Rule V.E to apply during the period that the application is being considered.

4. The Commission granted a temporary waiver from Rule V.E to remain effective for a period of 120 days from the issuance of D.08-09-013 or until a Commission decision is issued on the merits of the underlying application, whichever occurred first.

5. The active parties subsequently requested that the schedule for the proceeding be extended to provide additional time for parties to engage in settlement discussions.

6. The joint request of the active parties to extend the schedule was subsequently granted.

7. Because the extension in the schedule that has been granted precludes the issuance of a final decision in this application within 120 days of the effective

date of D.08-09-013, the active parties agreed that a limited extension in the temporary waiver was appropriate.

Conclusions of Law

1. Extending the period of the temporary waiver granted in D.08-09-013, as set forth in the order below, will not adversely affect the interests of any party to this proceeding.

2. Extending the period of the temporary waiver granted in D.08-09-013 should be approved consistent with conditions set forth in the order below.

O R D E R

IT IS ORDERED that the temporary waiver of Rule V.E granted in Decision 08-09-013 is hereby extended, and shall continue to be effective for a limited period not to exceed the effective date of a final decision on this application.

This order is effective today.

Dated December 4, 2008, at San Francisco, California.

MICHAEL R. PEEVEY
President
DIAN M. GRUENEICH
JOHN A. BOHN
RACHELLE B. CHONG
TIMOTHY ALAN SIMON
Commissioners