

## UNDERSTANDING COMMISSION AND ADMINISTRATIVE LAW JUDGE ROLES

Q. What types of matters come before the California Public Utilities Commission's Administrative Law Judges for a decision?

A. The California Public Utilities Commission has broad authority over intrastate telecommunications services, the operations and prices of privately owned electric service and gas companies, and the operations and services of private water companies. Most commonly, any request for a change in rates or for authority to construct a major new facility, particularly those associated with power and water, come before the Public Utilities Commission for decision and are assigned to an Administrative Law Judge and one of the Commissioners for case management.

Because of the broad range of the Commission's authority, many other matters come before the Commission's Administrative Law Judges. These are too diverse to describe easily. For example, the Commission reviews plans for any changes in rail crossings, the speed limits imposed on BART trains, the operations of household good movers, cement mixers, and airport vans, as well as fairly minor issues, such as the granting of an easement to a sewer line crossing a transmission corridor. An Administrative Law Judge commonly assists the Commission in all these proceedings.

Q: How does the Commission decide a matter?

A. The Commission decides matters based on the public utilities code and past Commission practice. Most commonly, the Commission considers a proposed decision drafted by an Administrative Law Judge at a Commission meeting. A proposal that garners the vote of a majority of the Commissioners cast at a public business meeting has the force of law.

Q: What are the major types of proceedings considered by the Commission? Who initiates these proceedings?

A: There are three major types of proceedings to come before the Commission – those that affect rates directly or indirectly, complaints alleging a violation of Commission rules, and policymaking proceedings that seek to align regulatory programs with changing economic conditions or new technologies. In proceedings that affect rates, a utility commonly starts a proceeding by filing an application with the Commission pursuant to a Commission-set schedule. Many proceedings affect rates and therefore fall into the “ratemaking” category. These include not only requests for authority to change rates, but also many other projects that will or may have an affect on rates. These include utility

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proposals to encumber property, to engage in a contract, to construct a new facility, or some other action that may have an effect on rates.

In a complaint case, a utility customer commonly initiates a proceeding by alleging that a utility has violated the terms of contract or tariff. In addition, the Commission's own enforcement division can request that the Commission open an investigation into a utility practice that allegedly violates a rule or statute.

A policy making proceeding that seeks to set state policy affecting an industry, such as the electric, gas, telecommunications, or video industries, is commonly initiated by the Commission itself or in response to a change in legislation that imposes a new obligation on the Commission and/or industry.

Q: Do PUC rules vary with the type of proceeding? Does the role of the Commissioners vary by type of proceeding?

A. Yes, the rules of the Commission vary by the type of proceeding. In a complaint case, which seeks to establish culpability for violating a rule, the Commission acts in a judicial role and the Commission rules are modeled on those of courts. For example, no party may communicate with a decisionmaker outside of the normal court proceedings on any matter in dispute in such a case. In a policymaking proceeding, the Commission acts in a legislative or rulemaking capacity. In such a proceeding, all communications with decisionmakers are allowed.

In a ratemaking proceeding, the Commission commonly acts in both a quasi-legislative and a quasi-judicial fashion, both setting policy and weighing facts. In those proceedings, communications with decisionmakers are highly regulated.

Q: How long does it normally take for the Commission to decide a matter?

A. Statutes set goals and timetables for Commission decisions. In complaint proceedings, matters should be decided in less than 12 months. For all other proceedings, the goal is 18 months. In practice, the length of time to decide a matter varies greatly. An uncontested matter can be resolved in two or three months, minor but routine matters in 6 to 9 months, and major matters will struggle to conclude in 18 months. In 2007, the average number of days between the opening and closing of a proceeding were 174.

Q: If the Commission decides a matter, is it possible to lodge an appeal of any sort or to request changes to a decision?

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A: In order to initiate a formal appeal to the courts, a party generally must first file an application for rehearing alleging legal error. If a party involved with an application for rehearing disagrees with the final Commission resolution, it is generally possible to appeal the Commission's action to a reviewing court. A second way to request a decision be changed is by a petition for modification. Generally, a petition for modification argues that new and important facts, not knowable at the time of decision, have come to light and it is prudent to modify the decision in light of the new facts.

Q: In a typical proceeding, how does the Commission ensure that the broad interest of consumers is represented?

A. In a typical proceeding, the direct interests of consumers are represented by divisions within the Commission. For issues affecting rates, the Division of Ratepayer Advocates represents the interests of consumers. For issues concerning consumer fraud, the Consumer Protection and Safety Division represent consumer interests. Other community groups and non-profits may participate in our proceedings and may be eligible for reimbursement of their costs to participate under the [Intervenor Compensation Program](#).

Q. What is the role of the Administrative Law Judge in a hearing?

A. Most commonly, the Administrative Law Judge conducts hearings at the Commission and prepares a proposed decision for consideration by the Commission. The role of the Administrative Law Judge is to ensure the fairness of Commission procedures and to develop a factual record that provides a firm basis for Commission action.

Q: What are the major milestones in a proceeding that does not have hearings? What does a typical timeline for case processing such a case look like?

A. See the [Understanding Proceeding Milestones FAQ Sheet](#).

Q: What are the major milestones in a proceeding that involves hearings? What does a typical timeline for case processing look like?

A. See the [Understanding Proceeding Milestones FAQ Sheet](#).