

State of California

**Public Utilities Commission
San Francisco**

MEMORANDUM

Date: February 5, 2015

To: The Commission
(Agenda Distribution List)

From: Commissioners Liane M. Randolph and Catherine J.K. Sandoval

Subject: Establishing Commission Committees

Introduction

This memo builds on recommendations by President Picker made at the January 15, 2015 Commission business meeting. At that meeting, President Picker proposed two Commissioner Committees with three purposes: improving communication among Commissioners, becoming more transparent to the public, and developing governance tools to aid the Commission as it works through present and upcoming organizational challenges.

On a practical level, the formation of Commissioner Committees would allow for more robust enterprise management of the organization by Commission members. It would permit the Commissioners to divide up topics for discussion so that the full Commission need not participate in every issue at the Commission level, but rather wait until the Commissioner Committees have an opportunity to study the issue in detail and then bring it to the full Commission for action. The full Commission would delegate topics for work by the committee so that the Commissioners are aware of, and have authorized, the topics being discussed.

Structure of Committees

At the January 15th Commission meeting, some Commissioners proposed a minimum of three Committees to allow for full Commission participation. If all five Commissioners are interested in serving on a Committee, then three Commissioner Committees would allow for full participation.

We note at the outset that any Committee's work will be subject to the Bagley-Keene statute. Commissioner Committees that meet in public help us achieve shared governance, accountability, and transparency consistent with the Bagley-Keene rules.

Our understanding is that there are essentially three ways to structure the Commissioner Committees. One option would be informal advisory committees consisting of less than a quorum of the Commissioners. Those committees would not be subject to Bagley-Keene noticing requirements because they would not be permitted to take action. Other Commissioners should not attend to avoid creating a quorum and raising Bagley-Keene concerns.

A second option would be to structure them as informal advisory committees but notice them as full meetings of the Commission. Members of that committee would be expected to attend, but other members of the Commission could attend if they chose. This is similar to a practice sometimes employed for all-party meetings where the meeting notices follow Bagley-Keene requirements and the agenda indicates that all members of the Commission *may* attend.

Lastly, they can be structured as formal standing committees subject to Bagley-Keene noticing requirements. If such committees are established, other Commissioners can attend the meeting but are only permitted to observe, not participate.

The second structure is the one more likely to be consistent with the Commission's goal to engage in these discussions with public participation and to allow other Commissioners to attend the proceedings if they would like. Another benefit of using this structure is that Committee members could choose

to schedule meetings immediately following each other in the same time frame or schedule joint meetings if the topics to be discussed will overlap. This may cause some confusion at first with the public so the Committees should develop some consistent agenda language that helps the public understand the structure.

If three Commissioner Committees are created, a possible structure would be as follows:

- *Finance and Administration* – The purpose of the Committee would be to review budget and administrative issues and bring proposals to the full Commission. This Committee would provide a forum to develop internal proposals that might need redirection of Commission resources or requests for additional funding. Topics could include a review of the agency’s information technology and business system needs, analysis of possible recruiting and staffing improvements, analysis of possible measures to improve staff morale or enhance CPUC working conditions and effectiveness.
- *Policy and Governance* – This Committee would focus on the effectiveness of the Commission’s governance as it seeks to achieve the purpose, mission and core values of the Commission. The Committee could review issues of CPUC governance and bring proposals to the full Commission. Topics could include development of a Commissioner Code of Conduct, review of current delegations to staff, review of ex parte rules, development of transparency and accountability measures at the Commission level, and institution and oversight of a strategic planning process.
- *CPUC modernization* – The purpose of this Committee would be to analyze the structures necessary to achieve the Constitutional and statutory mission of the Commission. The Committee could review issues of process and procedure and develop proposals to the full Commission for improvements. For instance, topics could include a review of the structure of CPUC proceedings to determine if any improvements are necessary and

development of transparency and accountability measures at the staff level. Measures proposed by the Committee would be reviewed by the full Commission and could include many possible recommendations ranging from new direction and delegation to executive staff, modification of past Commission decisions regarding process, and legislative recommendations where necessary. The Committee could also lead discussions about process reengineering and information technology needs.

Implementation

The Commission will need to carefully identify an appropriate number of topics and ensure that adequate staffing is provided both for the logistics of scheduling and holding the meetings and for the substantive analysis of the topics presented. Each Committee would make a determination as to the appropriate schedule for meetings, with a goal of providing for public input. Possible scheduling issues to consider would be coordinating with other Committees to avoid scheduling conflicts, coordination with the Commission's regular business meetings, and consideration of teleconferenced meetings. Staffing and scheduling considerations may influence the number of Committees operating at any one time. A smaller number of Committees may make staffing them somewhat easier.

We recommend that the Commission provide direction on the type and number of the Committees and then obtain input from executive staff about any legal and logistical issues.