

# Legislators pressure CPUC officials over PG&E e-mails

By Jaxon Van  
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Image 1 of 2

This Dec. 18, 2014 photo shows California Public Utilities Commissioner Michael Picker during a meeting of the five-member commission in San Francisco.

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This Dec. 18, 2014 photo shows California Public Utilities Commissioner Michael Picker during a meeting of the five-member commission in San Francisco.

SACRAMENTO — State legislators grilled the new president of the [California Public Utilities Commission](#) on Tuesday about what one senator called an erosion of confidence in the agency over whether its officials have cooperated too closely with Pacific Gas and Electric Co. and the other utilities they regulate.

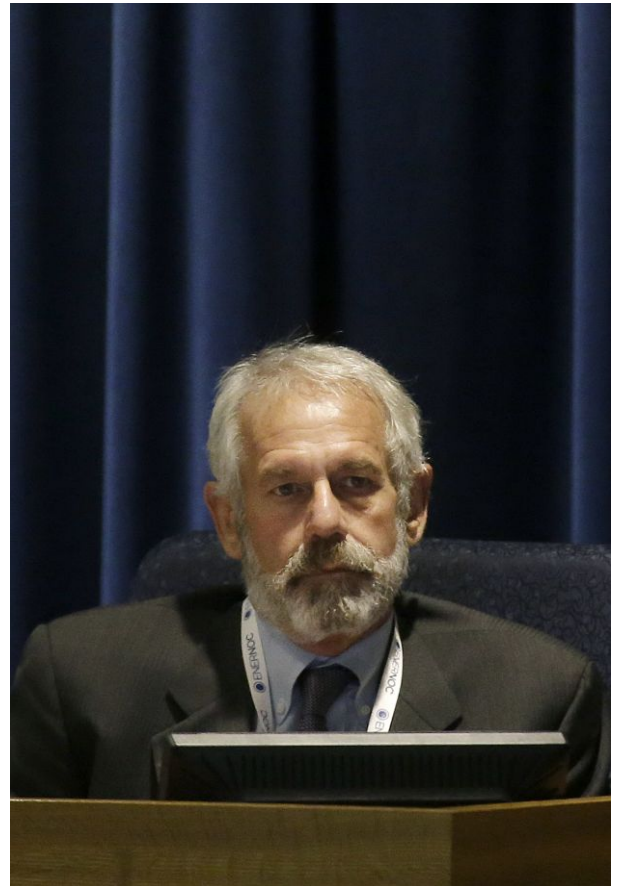
Commission President [Michael Picker](#) told the [Senate Energy and Utilities Committee](#) that the agency is changing and is becoming more transparent to earn back the public's trust. But he conceded that much damage had been done to the commission's reputation, and even raised the prospect that the agency or its employees could face criminal charges.

Committee Chairman Sen. [Ben Hueso](#), D-Logan Heights (San Diego County), told Picker that some of the 65,000 e-mails between commission officials and PG&E that were recently released as part of a court case show that the regulatory process appears "extremely skewed" toward the utility.

The e-mails have shown utilities commission officials working to name an administrative law judge whom PG&E preferred to a rate-setting case, and a PG&E executive trying to leverage the former commission president's interest in a coal-gasification project into favorable treatment for the firm.

## 'Behind the scenes'

"People now have a valid concern," Hueso said. "What is going on behind the scenes here? Are deals being struck



behind the scenes?”

Picker, who took over the commission leadership in December from longtime President [Michael Peevey](#), said, “This issue of e-mails is really troubling to me.” Besides the legal and ethical questions raised by the e-mail traffic, Picker said, there is the issue of “what is the right compartment” between the commission staff and the state’s utilities.

“Does that familiarity lead to other kinds of inappropriate communications?” Picker asked. “We need to really clarify” the rules governing communications between commission officials and utilities.

The commission’s newly named executive director, [Timothy Sullivan](#), testified that the e-mails were “shocking to the organization.”

State investigators searched Peevey’s home in December, looking for evidence of bribery, influence peddling and other felony conduct at the utilities commission, according to court documents. Federal investigators are also looking at whether the e-mails reveal any criminal conduct.

Peevey has not commented on the investigations, and did not testify before the [Senate committee](#) Tuesday.

Sullivan said the utilities commission was conducting its own investigation of the e-mails, and might make personnel changes after the probe was completed.

Picker testified that such changes “will take some time. But we have started.”

He acknowledged that the revelations had damaged the public’s trust in the commission. “To some extent, we have lost it,” Picker said.

### **CPUC hires law firm**

The commission recently hired an outside criminal-law firm to represent it during the state and federal probes, an action Hueso questioned.

“I don’t remember allocating money for criminal representation of the PUC” in the state budget, he said. “That seems very odd to me.”

Picker said the attorneys had been hired at the behest of federal prosecutors who sought information from his agency. He said the law firm was also representing individual staff members during the investigation.

Picker said that normally, the state attorney general’s office would represent the commission. But state prosecutors are conducting their own probe, he noted.

“We don’t have criminal attorneys. This is somewhat new to the organization,” Picker said. “We do have an obligation to represent ourselves. There may very well be criminal charges against the PUC.”

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