

CPUC President Picker's Comments on Emails Revealing Ethical Lapses at the CPUC Feb. 12, 2015, CPUC Voting Meeting

Ethical behavior is paramount for everyone in this organization, from the top to the bottom. But unless it's clear that the leadership of the organization is resolved to act ethically, then the organization will not follow the high standards that we expect of ourselves.

I pledge to follow the rules, to be as open and transparent as the law allows, and to ensure a fair and just process for decision-making

I expect the same from all Commissioners, Directors, managers and staff. Still, Commissioners, Directors and managers have a special duty to lead by example, and to be accountable for upholding ethical standards.

Proclamations that don't have clear plans and tasks for implementing our goals make me uncomfortable, so let me point to a few of the efforts that we have underway:

I am working with the Executive Director on an initiative to improve our ex parte rules, closing loopholes and seeking better tools for enforcing them. Soon we should have a report from our consultant and expert in regulatory law, Michael Strumwasser and I will ask the Commission to hold noticed public meetings on his recommendations, to take comments from you as well as other Commission stakeholders, and, after due consideration, to formally adopt our improved ex parte rules, and to work with the legislature where we need changes in statute.

While we are working on efforts to improve our ex parte rules, we have created a Communications Contact log on our homepage that summarizes all oral or written communications that otherwise meet the statutory definition of ex parte communications and occur between certain CPUC staff and CPUC-regulated entities. The onus for ex parte reporting is on the utility, but we have taken this step to make ourselves accountable as well in order to enhance the transparency of the CPUC's process and accountability to the public.

But that's not enough. Many of the 65,000 emails that were recently released as a result of a ruling by Judge Yip-Kikugawa aren't breaches of our ex parte rules. Many of them may not be violations of the law. Some display language or share information in a way that betrays ethical lapses. Most are normal business communications between the CPUC and regulated entities.

Some of those emails, however, indicate an overly informal tone.

We will soon take action to address questions of ethical behavior and ensure that we maintain a proper tone and appropriate behavior when we deal with the businesses and agencies that we regulate.

The Executive Director is working with a cross-section of Senior Managers who are not participants in the email exchange with PG&E to review the 65,000 emails to see what actions may be required, ranging from mandatory training on professional email style (and how to

separated business email from more personal communications) to a process whereby employees may submit communications that raise concerns about ethical issues for review.

I hope that if you have questions or other concerns in the interim, you will reach out to me, to my fellow commissioners, to the Executive Director and to your Division leadership and share them.