

A GOVERNANCE FRAMEWORK FOR CPUC

One of the hallmarks of effective governance is having a framework of policies that enables governing bodies to clearly communicate how they want to lead and manage an organization. A coherent framework can lead to clarity of roles, clear articulation of goals, and higher performance.

One framework that has been successfully implemented in other public agencies contains three inter-related sets of policies:



Benefits of implementing such a framework at the CPUC include the following:

1. It clarifies the role of the Commission in setting goals for the CPUC;
2. It clarifies the role of individual commissioners;
3. It provides clarity of management's role by empowering the top executive to achieve specific goals within the boundaries set by the policy-setting body;
4. It enables the Commission to control management without meddling;
5. It provides a systematic way for the Commission to rigorously monitor and evaluate the organization's performance;
6. It provides a clear way for the Commission to evaluate the executive director's performance – and the performance of other executives who report to the Commission;
7. It organizes all of the Commission policies into three categories and enables the organization – and the public – to easily access and review the Commission's policies.

1. Governance Process (GP) Policies

Policies in this category describe the Commission's role acting as a whole, the roles of individual commissioners, the president's role, committee roles, and the linkage to customers and stakeholders.

Examples of policies in this category could include:

1. Purpose of the Commission
2. Commission's Governance Focus (including the CPUC's role in state gov't)
3. Commissioner Job Description
4. Agenda Planning
5. Role of the Commission President
6. Guidelines for Commissioner Behavior
7. Committee Principles
8. Role of Committee Chairs
9. Commissioner Training, Orientation
10. Commissioner Review of Internal Records
11. Commissioner Compensation and Benefits
12. Commissioner Travel Policy

(Note: A sample governance process policy is at the end of this document.)

2. Commission-Staff Linkage (CL) Policies

Policies in this category describe the relationship between the Commission, commissioners, and top management. They define the roles and specific delegations to the executive director and other executives who report to the Commission, and the method of evaluating top executives.

Examples of policies in this category could include:

1. Commission-Executive Director Relationship
2. Commission-General Counsel Relationship
3. Commission-Chief Administrative Law Judge Relationship
4. Commission-Advisor Relationship
5. Unity of Control
6. Evaluating the Executive Director's Performance
7. Delegations to the Executive Director
8. Delegation to the Executive Director with Respect to Procurement
9. Delegation to the Executive Director with Respect to Local, State and Federal Legislation and Regulation
10. Delegation to the Executive Director with Respect to Real and Personal Property
11. Delegation to the Executive Director with Respect to the Settlement of Claims and Litigation
12. Delegation to the Executive Director with Respect to Transactions
13. Delegation to the Executive Director with Respect to Grants
14. Delegation to the Executive Director with Respect to Customer Products, Services and Programs

3. Strategic Directive (SD) Policies

Policies in this category address the results (or goals) that the Commission wants the chief executive and other executives – and by extension, the organization – to achieve.

Examples of potential policies in this category could include:

1. Mission/Vision
2. Cost
3. Rates
4. Affordability
5. Access
6. Compliance/enforcement
7. Reliability (supply)
8. Service quality
9. Infrastructure
10. Safety
11. Consumer education
12. Consumer protection (incl. licensing)
13. Customer service
14. Environmental protection
15. Greenhouse gas reduction
16. Public purpose
17. Resiliency
18. Risk management
19. Regulatory efficiency/balance (incl. due deference, proceedings process, reports, certificate of public convenience and necessity, financial audits)
20. Outreach/communication (incl. crisis communication)
21. Employee retention/engagement
22. Employee training/expertise
23. Transparency
24. Financial responsibility
25. Business continuity
26. Internal communication
27. Support functions (HR and IT)
28. Technology

SAMPLE POLICY	
Category: Governance Process	Title: Purpose of the Commission
Date of Adoption:	Policy Number: GP-1
Revision Date:	Resolution No.

The Commission is the highest-level policy setting body within the CPUC. It derives its authority from and operates under the statutes of the State of California and all other applicable statutes and laws.

The purpose of the Commission is to:

- a) Identify and define the mission and goals of the CPUC, along with the quantitative and qualitative results that CPUC is to achieve, and communicate them in the form of policy.
- b) Identify and define those results or conditions that are acceptable and not acceptable to the Commission and communicate them in the form of policy.
- c) Monitor the organization's performance against the results that the Commission has established for the CPUC.
- d) Make certain operational decisions as designated by law.
- e) Hire, evaluate and, when necessary, discharge the Executive Director, Chief Administrative Law Judge, and General Counsel.

Monitoring Method: Commission Report
Frequency: Annual