



## **DRA**

*Division of Ratepayer Advocates  
California Public Utilities Commission*

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**JOSEPH P. COMO**  
Acting Director

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June 12, 2012

Honorable Jerry Hill  
California State Assembly  
State Capitol, Room 3160  
Sacramento, CA 95814

**RE: AB 861 (Hill) - Support**

Dear Assemblymember Hill:

DRA (Division of Ratepayer Advocates) is the independent consumer advocate within the California Public Utilities Commission (CPUC). DRA's statutory mandate is to obtain the lowest possible rate for utility service consistent with reliable and safe service levels. DRA also advocates for customer and environmental protections in connection with utility service.

DRA supports your AB 861, as amended on June 7, which would require utility shareholders to pay for any expense resulting from an earnings- or stock price-based employee compensation program, and would allow utility shareholders to retract executive bonuses where the utility is sanctioned for safety rules violation, as specified.

The tragic San Bruno pipeline explosion revealed that utility corporate governance is not aligned with customer safety concerns. First, DRA agrees that customers should not pay for any stock- or earnings- based compensation, when it is the shareholders who have a direct and vested interest in utility company stock values and earnings. Second, AB 861 would prevent unwarranted compensation to utility executives if a utility is found to have violated safety regulations, and help align corporate and consumer interests to make safety a priority for utility executives.

DRA supports AB 861 and looks forward to working with you to ensure this bill is enacted into law. If you have any questions or would like to discuss this matter further, please call DRA's Legislative Advisor Rebecca Tsai-Wei Lee, at (916) 327-1407 or me at (415) 703- 2381.

Respectfully,

Joseph P. Como, Acting Director  
Division of Ratepayer Advocates

By  
Rebecca Lee  
Legislative Advisor