



STATE OF CALIFORNIA  
OFFICE OF THE ATTORNEY GENERAL  
BILL LOCKYER  
ATTORNEY GENERAL

November 20, 2001

Mr. William Ahern, Policy Analyst  
Consumers Union  
1535 Mission Street  
San Francisco, CA 94103-2512

Ms. Nettie Hoge  
The Utility Reform Network  
711 Van Ness Ave, Suite 350  
San Francisco, CA 94102

Mr. Douglas Heller  
The Foundation for Taxpayer  
& Consumer Rights  
1750 Ocean Park Blvd. Ste 200  
Santa Monica, CA 90405

Dear Ms. Hoge, Mr. Ahern and Mr. Heller:

Thank you for your October 30, 2001, letter expressing concern about the settlement agreement between the California Public Utilities Commission (PUC) and Southern California Edison (SCE) and requesting me to reconsider the view expressed to the federal district court that my office saw no legal basis for objection or opposition to the proposed agreement.

As you know, to ensure that the district court was fully informed of all relevant legal and policy issues before granting approval, my office asked the federal judge to extend the time for comment to allow for meaningful public input because of the agreement's complexity and significant public policy ramifications. The U.S. Court of Appeals for the Ninth Circuit issued an order on October 30, 2001, temporarily staying the district court judgment approving the settlement and allowing TURN to present its motion for a stay of that judgment. Since then, TURN, CPUC and SCE have filed briefs in the district court expressing their positions on the legality and propriety of the settlement agreement. On November 9, 2001, the district court

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denied TURN's application for a stay, finding neither a probability of success on the merits nor irreparable injury.

In light of the present circumstances, I have no basis for changing my office's previously expressed view. This is due both to the district court's ruling denying a stay and my obligation to recognize the broad authority that the California Constitution confers on the PUC in matters addressed by the settlement agreement. (See, e.g., *Consumers Lobby Against Monopolies v. Public Utilities Com.* (1979) 25 Cal.3d 891, 905-906.)

Naturally, my staff and I are closely monitoring ongoing developments and are prepared to vigorously defend the interests of Californians as the circumstances require. Thank you for bringing to my attention your thoughts and concerns.

Sincerely,

A handwritten signature in black ink, appearing to read "Bill", with a stylized flourish above the "i".

BILL LOCKYER  
Attorney General