

EXHIBIT 18



FOR IMMEDIATE RELEASE

PRESS RELEASE

Media Contact:

Cheryl Cox, Policy Advisor, 415-703-2495, cxc@cpuc.ca.gov

ORA Press Room: <http://www.ora.ca.gov/newsroom.aspx>

**ORA Director Joe Como Response to
Conduct by Southern California Edison and Former CPUC President Michael Peevey to
Undermine the SONGS Settlement Process**

SAN FRANCISCO, April 17, 2015 – The Office of Ratepayer Advocates (ORA), the independent consumer advocate within the California Public Utilities Commission (CPUC) wants at least \$648 million returned to customers of Southern California Edison Company (Edison) and San Diego Gas & Electric Company (SDG&E) because of recently revealed evidence of inappropriate conversations between former CPUC President Michael Peevey and Edison Executive Vice President Stephen Pickett. These two individuals worked in secret to outline an acceptable financial settlement of the San Onofre Nuclear Generating Station (SONGS) closure. This back-channel deal between a regulator and the utility may have undermined the efforts of ORA and The Utility Reform Network (TURN) to negotiate the best deal for ratepayers.

ORA is outraged at the revelations regarding CPUC rule violations that occurred prior to the commencement of the SONGS settlement negotiations, and that Edison's actions have undermined the results of ORA's good faith negotiations to represent the best interests of ratepayers. ORA looks forward to actively participating in any investigation to uncover further wrongdoing.

On February 9, 2015, ORA first became aware of the discussion between Peevey and Pickett when Edison filed with the CPUC a 2-year late ex parte notice of the meeting that occurred in March 2013 in Warsaw, Poland. On Friday April 10, 2015, we learned that the conversation outlined a framework for a SONGS settlement and was memorialized on hotel stationery (commonly referred to as the Hotel Bristol Notes). ORA had not seen the Hotel Bristol Notes until they were publically released one week ago by the California Attorney General.

ORA has reviewed the Hotel Bristol Notes and has made a comparative analysis with the final SONGS settlement agreement. The Hotel Bristol Notes appear to set a framework for settlement that is similar to the elements of the settlement that was ultimately accepted by the CPUC. The Hotel Bristol



Notes appear to demonstrate the degree to which Peevey and Pickett collaborated to orchestrate a settlement of the SONGS outage investigation. Based on ORA's analysis of the Hotel Bristol Notes and the final settlement agreement, customers still saved at least \$780 million more than the "deal" that Peevey and Pickett had described.

However, ORA cannot honestly say that it got the best deal for ratepayers. Edison was likely able to use its knowledge of Peevey's position to steer the settlement in the direction it wanted. While ORA believes it worked to strike a good deal for ratepayers based on legal precedents, we are troubled by the possibility that we might have been able to strike a better deal.

Conversely, to simply undo the SONGS settlement would not be beneficial to ratepayers. The settlement resulted in a cost savings of \$1.4 billion for utility customers -- \$1.12 billion for Edison customers and \$286 million for SDG&E customers. Customers are not currently required to pay for the defective replacement steam generators as of the date they ceased operating on February 1, 2012. Customers are, however, required to pay the costs associated with SONGS during the time the plant was operable and for other costs not related to the defective replacement steam generator. Separately, customers have paid into a decommissioning trust fund for several decades that will cover the costs to decommission SONGS.

The process for fair dealings at the CPUC had been severely compromised. But to simply invalidate the settlement and go back to the hearing room would essentially give Edison the opportunity to litigate for an outcome that may be worse than the settlement. Edison should not be given a second bite at the apple. But if the CPUC were to scrap the SONGS settlement, ORA is prepared to vigorously litigate for a better outcome.

Alternately ORA recommends, at a minimum, Edison be sanctioned and required to return to ratepayers an additional \$648 million, which represents the difference between ORA's original litigation position and what the settlement provided. Furthermore, as more information is developed in the investigation that determines the extent to which Edison worked to mislead the CPUC by artifice or false statements, Edison should be further sanctioned.

See ORA's [Comparative Analysis](#).

See ORA's [SONGS webpage](#) for details and link to Settlement.

For more information on ORA, please visit www.ora.ca.gov.

EXHIBIT 19

PUBLIC UTILITIES COMMISSION

LEGAL DIVISION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298
ID 94-3031353



June 19, 2013

Michael Aguirre
444 West C Street Suite 210
San Diego, CA 92129

**Re: Records Request re San Onofre
CPUC Reference No.: PRA #0924**

Dear Mr. Aguirre:

You ask the California Public Utilities Commission (Commission) for the following:

all communications between President Peevey and any agent, officer, or employee of Southern California Edison regarding the settlement of the proceedings pending before the PUC regarding San Onofre, the payment for the 4 replacement steam generators, the payment for replacement power, the costs of maintenance and operations. A spokesperson for SCE has stated President Pevey has called for a settlement of the pending proceedings. Please provide any written record that would explain how the SCE spokesperson would know what President Pevey said in that regard.

Also please provide any communications between any agent, officer, or employee of SCE and President Pevey regarding SCE's announcement and decision it would be closing the San Onofre plant.

The Commission records responsive to your request, which I obtained from President Peevey's office, are attached.

I hope this is helpful.

Very truly yours,

A handwritten signature in cursive script that reads "Fred Harris".

Fred Harris
Staff Counsel

Encls.

EXHIBIT 20

PUBLIC UTILITIES COMMISSION

LEGAL DIVISION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298
ID 94-3031553



June 23, 2015

VIA ELECTRONIC MAIL

Mr. Mike Aguirre
501 West Broadway
Suite 1050
San Diego, CA 92101

Re: Records Regarding Public Records Request
Reference No.: PRA #1460

Dear Mr. Aguirre:

On March 18, 2015, the California Public Utilities Commission received your request to provide you copy of the following:

- Provide any and all emails related to any discussions or understandings held or reached at the Bristol Hotel meeting in Warsaw, Poland amongst Peevey, and Pickett.
- Provide any emails sent or received by Ed Randolph following the March 2013 Warsaw meeting to Florio, Picker, or Peevey related to San Onofre.
- Provide any emails sent or received by Ed Randolph before the March 2013 Warsaw meeting to or from Florio, Picker or Peevey.

The Commission's staff has located records responsive to your request. We are also continuing to search for additional responsive and non-exempt documents, which we will provide on a rolling basis. We also want to apologize for the length of time that it's taken us to fulfill your request. The Commission is doing its best to respond to each request including your request, in a timely fashion and has brought in additional resources to assist with responding to public records request. We do appreciate your patience, and regret any inconvenience that the delay has caused you.

Please refer to PRA #1460 on all of your communications with the Commission regarding the above-referenced matter.

Sincerely,



Stacie M. Castro
Public Utilities Counsel III

EXHIBIT 21

LAW OFFICES
STUBBS & LEONE

A PROFESSIONAL CORPORATION
2175 N. CALIFORNIA BOULEVARD
SUITE 900
WALNUT CREEK, CA 94596
(925) 974-8600
(925) 974-8601 FAX

LOUIS A. LEONE
KATHERINE A. ALBERTS

MARINA B. PITTS
JAMES T. GOTCH
KATHLEEN DARMAGNAC
CLAUDIA LEED
BRIAN A. DUUS
MICHAEL R. GROVES
CHRISTOPHER W. VINCENT

August 21, 2015

VIA U.S. MAIL & E-MAIL

Michael Aguirre, Esq.
Aguirre & Severson LLP
501 West Broadway, Ste. 1050
San Diego, CA 92101

Re: **January 9, 2015 Public Records Act Request to the California Public Utilities Commission – PRA Request #1386**

Dear Mr. Aguirre:

This is a further response and production of records in response to your PRA Request to the California Public Utilities Commission ("CPUC"), PRA #1386, which requests the following records:

any and all records of communication, including all emails relating to San Onofre, including the settlement of the Order of Investigation proceedings related to Songs. Please include any and all emails or communications between Michael Picker and the Governor or anyone in the Governor's office related to San Onofre.

The CPUC has performed a reasonable and diligent search for these records and hereby produces all email non-exempt email communications between Michael Picker from the date of his appointment to the Commission, January 29, 2014, to the date of your Request, January 9, 2015, related to the San Onofre Nuclear Generating Station. These records are Bates Stamped, PRA1386-000001 – PRA1386-000880. These records will be sent to you today via an internet FTP delivery site, called Hightail.com. If you do not receive an email from Hightail.com today, please let me know so I can arrange for an alternate delivery method.

In making this production, the CPUC redacted fourteen (14) of the records to protect from disclosure information exempt from disclosure pursuant to the California Public Records Act. Specifically, the CPUC redacted the private cell phone numbers, email addresses, and a private residence street address from eleven (11) records pursuant to the right to privacy and Government Code §§6254(k), 6255. The public has no interest in the disclosure of this information. Therefore, the affected individual's right to privacy outweighs the public's right to disclosure of this information. Additionally, the

Michael Aguirre

Response to PRA Request #1386

August 21, 2015

Page 2

CPUC redacted portions of the text of two (2) records pursuant to Government Code §6254(l) as the redacted text reflected communications to or from employees of the Governor's Office. Lastly, the CPUC redacted portions of the text of three (3) records pursuant to the deliberative process and mental process privileges and Government Code §§6254(k), 6255. The redacted text reflects discussions between Commissioner Picker and his advisors the disclosure of which would reveal the Commissioner's thought process regarding the subject matter of the redacted emails. As such, the public's interest in disclosure of this information is outweighed by the public's interest in allowing its policy makers to have "frank discussion of legal or policy matters," an interest that would be "inhibited if 'subjected to public scrutiny'" and "greatly hampered if, with respect to such matters, government agencies were 'forced `to operate in a fishbowl.'" *Times Mirror Co. v. Sup'r Ct.* (1991) 53 Cal.3d 1325, 1340. CPUC Assistant General Counsel Laura Gasser made the decision to redact these records.

Moreover, the CPUC withheld from this production one hundred twenty four (124) records in total. The CPUC withheld sixty-five (65) records of communications to or from employees of the Governor's Office pursuant to Government Code §6254(l). Additionally, the CPUC withheld from this production sixty-three (63) records pursuant to the deliberative process and mental process privileges pursuant to Government Code §§6254(k), 6255. These 63 records are communications between Commissioner Picker and his advisors, top level advisory staff and/or top level state officials that discuss matter of policy and/or decisions in proceedings before the Commission. As such, their disclosure would reveal the Commissioners' deliberative and mental thought processes. Consequently, the public's interest in disclosure of this information is outweighed by the public's interest in allowing such decisions to be made uninhibited by public scrutiny. CPUC Assistant General Counsel Laura Gasser made the decision to withhold these records.

Please contact the undersigned immediately if you disagree with any of the redactions or want to discuss any of the reasons for withholding the exempt records discussed above.

Lastly in regards to any other records you contend are called for by this Request, on March 6, 2015, we wrote to you and requested to meet and confer regarding the scope of your request for "any and all records of communication, including all emails relating to San Onofre, including the settlement of the Order of Investigation proceedings related to Songs." This March 6, 2015 letter noted that your Request was excessively over broad as it contained no time limitation, no limitation as to persons or entities communicating and no limitation as to subject matter apart from the expansive category of "related to San Onofre." We further noted that without some sort of limitation by time, scope of communicating persons and/or subject matter subset, your Request is unduly burdensome to the Commission in that it requires the review of decades' worth of records totaling hundreds of thousands, if not millions, of pages.

Michael Aguirre

Response to PRA Request #1386

August 21, 2015

Page 3

Moreover, we noted that your Request was duplicative of numerous requests you had already submitted to the CPUC and asked for clarification as to how this Request differed from those other requests or whether PRA 1386 can similarly be limited by a particular subject matter related to San Onofre, by time period and/or by the identity of the communicating parties. Therefore, we asked to discuss this Request with you pursuant to Government Code §6253.1 to see if this Request could be focused in order to provide you with the records related to San Onofre in which you are interested and for the actual time period in which you are interested. We did not hear back from you in response to this March 6, 2015 letter.

Given your failure to engage in the meet and confer process, the CPUC reviewed all the PRA Requests from your office since January 2012 related to SONGS and determined that PRA 1386 is almost entirely duplicative of these other requests. Specifically, since January 2012 Aguirre & Severson has submitted at least 35 PRA Requests to the CPUC regarding records related to SONGS or the SONGS proceedings, including but not limited to: PRA Nos. 852, 856, 864, 924, 1136, 1157, 1165, 1179, 1232, 1236, 1258, 1260, 1262, 1298, 1299, 1301, 1302, 1304, 1314, 1319, 1334, 1365, 1384, 1388, 1389, 1414, 1418, 1426, 1427, 1460, 1464, 1466, 1492, 1493 & 1511. These Request, while still overly broad, are at least self-limited by time period, subject matter and/or communicants, and they appear to cover the water front in terms of SONGS related public records. Therefore, given your failure to respond to our request to meet and confer, the CPUC is left to assume that between this production made today and its productions in response to your other SONGS-related PRA Requests that it has and will satisfy this Request in full.

As such, unless you contact me before close of business on September 11, 2015 with a list of specific records you contend are called for by PRA 1386 and not requested in any of your previous requests, the CPUC will consider PRA 1386 closed and satisfied by the responses to all your previous PRA Requests regarding SONGS.

Very truly yours,


KATHERINE A. ALBERTS, ESQ.

KAA/kns

Enclosure (via Hightail.com only)

cc: Frederick Harris (Via E-Mail only w/enclosure)

S:\DOCS\CLIENTS\LOU\CPUC - PRA REQUESTS\CORRESPONDENCE\PRA 1386 RESPONSE002.LTR.08.19.15.DOCX

EXHIBIT 22

SUPERIOR COURT OF CALIFORNIA

71801

County of Los Angeles

SEARCH WARRANT RETURN
and
INVENTORY

Search Warrant No. 71801

Issuing Magistrate: M.L. Villar

Date warrant issued: 9/25/2015

Date warrant executed: 9/25/2015

Location/Vehicles/Persons served and title:

Microsoft Corporation
One Microsoft Way
Redmond, WA 98052

For personal email records of Stephen Pickett

Manner of service: Faxed to 425-708-0096

FILED
2015 NOV 13 AM 11 21
LOS ANGELES COUNTY SUPERIOR COURT

I, Special Agent Reye Diaz, Office of the Attorney General, the affiant for this search warrant, state: The information listed above is correct and during the execution of the search warrant, the following property was seized:

On September 25, 2015, your affiant served Microsoft Corporation with the search warrant authorized by the Honorable M.L. Villar, Los Angeles County Superior Court on September 25, 2015.

On October 28, 2015, Microsoft Corporation provided me approximately 1,400 emails related to Stephen PICKETT. These emails were subsequently turned over to the Office of the Attorney General's Litigation Support Unit and will be loaded into a database for my review after the emails are reviewed by others for attorney client privilege.

Microsoft has complied to the search warrant as ordered by the court.

I declare under penalty of perjury that the foregoing is true.

Date: 11/13/2015

Reye Diaz 11/13/15
Special Agent Reye Diaz AG#10
Affiant



Edmund Willcox Clarke, Jr.
Judge of the Court
EDMUND WILLCOX CLARKE, Jr.

Penal Code § 1537

STATE OF CALIFORNIA – COUNTY OF LOS ANGELES

SEARCH WARRANT AND AFFIDAVIT

(AFFIDAVIT)

Special Agent Reye Diaz, California Department of Justice, swears under oath that the facts expressed by him/her in this Search Warrant, and in the attached and incorporated statement of probable cause consisting of 18 pages, are true and that based thereon he/she has probable cause to believe and does believe that the property and/or person described below is lawfully seizable pursuant to Penal Code Section 1524, as indicated below, and is now located at the locations set forth below. Wherefore, affiant requests that this Search Warrant be issued.

NIGHT SEARCH REQUESTED: YES [] NO [X] - Justification on page(s) _____

Reye Diaz
(Signature of Affiant)

(SEARCH WARRANT)

THE PEOPLE OF THE STATE OF CALIFORNIA TO ANY SHERIFF, POLICEMAN OR PEACE OFFICER IN THE COUNTY OF LOS ANGELES: proof by affidavit having been made before me by Special Agent Reye Diaz, that there is probable cause to believe that the property described herein may be found at the locations set forth herein and that it is lawfully seizable pursuant to Penal Code Section 1524 as indicated below by "x"(s) in that it:

- _____ it was stolen or embezzled
- X _____ it was used as the means of committing a felony
- X _____ it is possessed by a person with the intent to use it as means of committing a public offense or is possessed by another to whom he or she may have delivered it for the purpose of concealing it or preventing its discovery
- X _____ it tends to show that a felony has been committed or that a particular person has committed a felony
- _____ it tends to show that sexual exploitation of a child, in violation of Section 311.3, or depiction of sexual conduct of a person under the age of 18 years, in violation of Section 311.11, has occurred or is occurring
- _____ there is a warrant for the person's arrest;

YOU ARE THEREFORE COMMANDED TO SEARCH:

See attached Exhibit "A" "B"

FOR THE FOLLOWING PROPERTY:

See attached Exhibit "A" "B"

FILED FD
2015 NOV 13 AM 11 21
SHERIFF

SEARCH WARRANT (Page 2)

AND TO SEIZE IT IF FOUND and bring it forthwith before me, or this court, at the courthouse of this court. This Search Warrant and incorporated Affidavit was sworn to as true and subscribed before me this 9/25/15 day of 2015, at 9:40 A.M./P.M. Wherefore, I find probable cause for the issuance of this Search Warrant and do issue it.

M.L. Villar

M.L. VILLAR

(Signature of Magistrate)

Judge of the Superior Court – County of Los Angeles

NIGHT SEARCH APPROVED: YES [] NO [X]
(Magistrate's Initials)



Be advised that pursuant to California Penal Code sections 1539 and 1549 you may file a written motion in the court of the above-mentioned judge who issued the warrant, seeking return of the property seized pursuant to this warrant.

For further information concerning this search warrant, contact the officer whose name appears on the warrant, Special Agent Reye Diaz at (916) 916-322-2686 or at reye.diaz@doj.ca.gov

FILED
2015 NOV 13 AM 11 21
L.P. ...

EXHIBIT "A"

LOCATION #1:

Stephen Pickett email account:

See Attached "B" for specific email information:

MAY BE SERVED VIA EMAIL or FAX

FOR THE FOLLOWING PROPERTY:

Any and all email records and correspondence occurring between January 2012 through current on any, and all, email account(s) belonging to Stephen PICKETT, to specifically include the email account listed in Attachment "B".

Upon receipt of all emails from Microsoft Corporations or any other provider:

Upon receipt, the emails will be reviewed by California Attorney General personnel for the following items: Any and all records and correspondence from January 2012 until current, involving the San Onofre Nuclear Generating Station (SONGS) closure settlement agreement, the 2013 meeting between Stephen PICKETT and Michael PEEVEY in Poland, communication(s) pertaining to the determination of when and why SONGS would be closed, commitment of monies for research as a result of the closure of SONGS, and communication(s) pertaining to the settlement of the SONGS Order Instituting Investigation (OII). These records are to include:

1. Internal correspondence, emails, text messages, logs, support letters, letters, documentation, as well as correspondence, emails, text messages, logs, support letters, letters, documentation between SCE officials and CPUC officials, decision makers, Michel FLORIO, Michael PEEVEY, Edward RANDOLPH, and CPUC ALJs as they relate to the UCLA Luskin Institute at UCLA, University of California, UCLA's Institute of the Environment and Sustainability, California Center for Sustainable Communities at UCLA, the SONGS closure, the SONGS settlement, the SONGS OII investigation, and commitment of research funds involving the CPUC, and any and all lobbying efforts on any of these topics.
2. SCE communications between SCE executive staff, including but not limited to Ron LITZINGER, Ted CRAVER, and Stephen PICKETT, regarding the meeting between PICKETT and PEEVEY in Poland, the SONGS settlement, the SONGS OII investigation, and monies committed to a research fund as a result of the SONGS closure.

It is further ordered that Microsoft Corporation, and/or any email provider, not notify any person of the existence of this order until further order of this court. Affiant submits that such an order is justified because notification of the existence of this order could seriously jeopardize the ongoing investigation. Such a disclosure could give account holder(s) an opportunity to destroy evidence.

71801

SUPERIOR COURT OF CALIFORNIA

County of Los Angeles

Search Warrant
Sealing Order

FILED
2015 NOV 13 AM 11
JW

Warrant No. _____

Place to be searched: STEPHEN PICKETT EMAIL ACCOUNTS

Application for Sealing Order: I hereby request that the following document(s) submitted in support of the requested search warrant be sealed pending further order of the court:

EXHIBIT "B" OF SEARCH WARRANT
ATTACHMENT "D" OF AFFIDAVIT

Grounds for order: I believe that the sealing of the above document(s) is warranted for the following reasons:

PUBLIC INTEREST: Sealing serves the following public interest:

- Protect a confidential informant (Evid. Code § 1041)
- Conceal official information: (Evid. Code § 1040)

PREJUDICE TO PUBLIC INTEREST: There exists a substantial probability that this public interest would be prejudiced if the information contained in this document(s) is not sealed.

NARROWLY TAILORED: I do not believe it would be possible to release any of the sealed information without prejudicing this public interest.

Declaration: I declare under penalty of perjury that the above information is true.

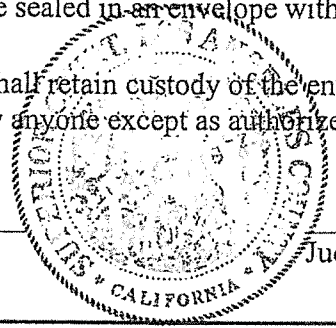
9/25/15
Date

[Signature]
Affiant REYR DIAZ

Order: Pursuant to Rule 2.550 of the California Rules of Court, the document(s) identified above shall be sealed and retained in the following manner pending further order of the court:

- (1) The document(s) shall be sealed in an envelope with a copy of this Order affixed to the front of the envelope; and
- (2) The Clerk of the Court shall retain custody of the envelope in a secure place and shall not permit it to be opened by anyone except as authorized by written order of the Court.

9/25/15
Date



[Signature]
M.L. VILLAR
Judge of the Superior Court

**AFFIDAVIT OF REYE EUGENE DIAZ
IN SUPPORT OF SEARCH WARRANT**

That your affiant, Reye Eugene Diaz, has been employed by the Department of Justice since 1997.

I am currently a Special Agent and "investigative or law enforcement officer" of the State of California within the meaning of 830.1 of the California Penal Code who is empowered by law to conduct investigations and make arrests for offenses committed within the State of California.

From November 1999 until January of 2003, I was assigned to the California Department of Justice, Bureau of Narcotic Enforcement, San Francisco Regional Office. During this time, my primary assignment was to conduct narcotic investigations which routinely required me to work in an undercover capacity, conduct surveillance on suspects, develop and handle informants, as well as author and serve search warrants. During this time, I also served as case agent on mid level narcotic investigations and assisted with numerous high level narcotic investigations.

From February 2003 until November 2014, I was assigned to the California Department of Justice, Bureau of Gambling Control and Bureau of Investigation. During my time with both the Gambling Control and Bureau of Investigation, I served as case agent on numerous investigations pertaining to the following crimes: Pimping, Human Trafficking, prostitution, violent loan sharks/extortion, murder for hire, corruption, embezzlement, grand theft, burglary, illegal lottery, counterfeiting, identity theft, forgery, fraud, embezzlement, and political corruption. I routinely worked with the Federal Bureau of Investigation, the United States Secret Service, the Internal Revenue Service,

the Department of Homeland Security, and local law enforcement personnel on numerous major investigations. During these aforementioned investigations, I have conducted numerous hours of surveillance, routinely utilized sophisticated investigative equipment, conducted numerous interviews and interrogations, conducted numerous undercover operations, arrested hundreds of suspects, routinely worked with informants, written numerous search warrants, and have routinely testified in court.

I am cross designated as a task force agent with the FBI and have received the California Attorney General Peace Officer Award for my work as a criminal investigator. I am currently assigned to the California Attorney General's Financial Fraud Section and Special Prosecutions Unit where I am tasked by the California Attorney General's Office to combat human trafficking, sex trafficking related crimes, as well as conduct financial fraud investigations.

I. Introduction

This affidavit is submitted in support of a request for a search warrant to be issued and executed for email records belonging to Stephen PICKETT, the former Executive Vice President of External Relations at Southern California Edison (SCE). Your affiant believes there is probable cause to conduct this search warrant for the following reasons:

1) There is probable cause to believe that Michael PEEVEY, former President of the California Public Utilities Commission, utilized his position to influence SCE's commitment of millions of dollars to UCLA to fund a research program. There is also probable cause to believe Stephen PICKETT, former Executive President of External Relations at SCE, and PEEVEY knowingly engaged in and conspired to engage in prohibited ex parte communications regarding the closure of a nuclear facility, to the advantage of SCE and to the disadvantage of other interested parties. And there is probable cause to believe that evidence showing that PICKETT knowingly engaged in prohibited *ex parte* communications with PEEVEY will be found in personal emails belonging to Stephen PICKETT.

I. BACKGROUND

In **January 2012**, Southern California Edison (SCE) announced that a radiation leak likely occurred in a steam generator at the San Onofre Nuclear Generating Station (SONGS). As a result, SONGS' two reactor units, referred to as Unit 2 and Unit 3,

remained offline until it could be determined whether the issues with the steam generators could be corrected. SONGS has not been operational since.

On **November 1, 2012**, the CPUC initiated a proceeding through an Order Instituting Investigation (OII) in order to determine, among other issues, how to allocate the financial burden associated with the closure between rate payers and SCE shareholders.

On **June 7, 2013**, SCE announced the permanent shut-down of SONGS. SCE participated in settlement negotiations with rate payer advocacy groups including The Utility Reform Network (TURN) and the California Office of Ratepayer Advocates (ORA). SCE negotiated on behalf of SDG&E. Any agreed upon settlement was required to be submitted to CPUC for approval.

On **April 4, 2014**, the settling parties filed their proposed settlement with CPUC for approval. CPUC Commissioner Michel FLORIO and Administrative Law Judge (ALJ) Melanie DARLING were assigned oversight of the proceedings.

On **September 5, 2014**, Commissioner FLORIO and ALJ DARLING issued a ruling that the proposed settlement could not be accepted unless amended to include a \$25 million dollar commitment by SCE to the University of California over five years to address environmental offsets and greenhouse gas mitigation.

On **November 25, 2014**, after the settling parties agreed to the amendments, CPUC issued a decision approving the settlement.

II. LEGAL FRAMEWORK

A. The California Public Utilities Commission

The California Public Utilities Commission (CPUC) is a state regulatory agency. According to its website, CPUC regulates privately owned electric, natural gas, telecommunications, water, railroad, rail transit, and passenger transportation companies. The CPUC's mission is to serve the public interest by protecting consumers and ensuring the provision of safe, reliable utility service and infrastructure at reasonable rates, with a commitment to environmental enhancement and a healthy California economy. The CPUC is located in San Francisco, CA.

B. Public Utilities Code Prohibitions on Ex Parte Communications

Ex parte communications are defined in the Public Utilities Code as “any oral or written communication between a decision maker and a person with an interest in a matter before the commission concerning substantive, but not procedural issues, that does not occur in a public hearing, workshop, or other public proceeding, or on the official record of the proceeding on the matter.” (Pub. Util. Code §1701.1(c)(4).) *Ex parte* communications are prohibited in adjudicatory cases. (Pub. Util. Code . § 1701.2.) The SONGS OII and associated settlement discussions are considered adjudicatory. Violation of this prohibition is a misdemeanor. (Public Util. Code § 2110.) ✖

C. Obstruction of Justice and Conspiracy to Obstruct Justice

Under California law, “every judicial officer, court commissioner, or referee who commits any act that he or she knows perverts or obstructs justice, is guilty of a public offense punishable by imprisonment in a county jail for not more than one year.” (Cal. Penal Code § 96.5). Penal Code section 182 (a) (5) makes it a felony to “commit any act injurious to the public health, to public morals, or to pervert or obstruct justice, or the due administration of the laws.” Conspiracy to commit a misdemeanor offense can also

be charged as a felony, pursuant to Penal Code Section 182 (a) (1).

III. FACTUAL EVIDENCE IN SUPPORT OF SEARCH WARRANT

A. PEEVEY and PICKETT Secretly Discussed Specific Terms of SONGS Settlement at Hotel Bristol in Poland.

1. PEEVEY and PICKETT *ex parte* conversation

On **March 26, 2013**, while SONGS was still offline and CPUC OII proceedings were still ongoing, Stephen PICKETT, then the Executive Vice President of External Relations at SCE, met with Michael PEEVEY, then the President of the CPUC, at an unrelated fact finding mission in Warsaw, Poland. According to handwritten notes memorialized on stationery from Warsaw's Bristol Hotel, PICKETT and PEEVEY discussed settlement terms related to the closure of SONGS which included, among other things, decommissioning costs, investment recoveries, shutdown procedures, employee severance packages, rate payer costs, and a \$25 million dollar donation to an agreed upon greenhouse gas or environmental academic research fund. Your affiant obtained these notes in a home-office desk while executing a search warrant at PEEVEY's residence in La Canada, California, on January 27, 2015.

PICKETT reported back to his management at SCE within one week of his meeting with PEEVEY in Poland, and subsequently provided his management with his own version of the notes based on his recollection of the meeting with PEEVEY.

The notes seized from PEEVEY's residence address the following nine topics with additional information pertaining to each topic:

1. Pre-RSG Investment;
2. RSG and post – RSG investment;
3. Replacement Power Responsibility;
4. Neil Insurance Recoveries;
5. MHI Recovery;

resolution of the pending OII regarding the closure of SONGS. SCE also reported that PICKETT took notes during the meeting, and PEEVEY kept the notes. According to SCE, it did not originally report the ex parte communication based on an understanding that "the substantive communication on a framework for a possible resolution of the OII was made by Mr. PEEVEY to Mr. PICKETT, and not from Mr. PICKETT to Mr. PEEVEY." SCE further stated, "However, based on further information received from Mr. PICKETT last week, while Mr. PICKETT does not recall exactly what he communicated to Mr. PEEVEY, it now appears that he may have crossed into a substantive communication."

3. April 4, 2013 email from PICKETT to SCE personnel.

Your affiant reviewed an email, dated April 4, 2013, one week after the meeting in Poland and approximately 1-2 days after PICKETT developed his own version of the notes, from PICKETT to two specific individuals that work for Southern California Edison. In this email, PICKETT advises, "First, we should take my notes and turn it into a simple term sheet we could use to help guide the negotiations."

4. LITZINGER and PICKETT did not file *ex parte* report.

On March 20, 2015, your affiant interviewed Ron LITZINGER, President of SCE. According to LITZINGER, he told PICKETT after the Poland trip that PICKETT was not authorized to engage in negotiations with PEEVEY regarding the closure of SONGS. LITZINGER claimed that when PICKETT came back from the trip and notified him about the conversation, LITZINGER wondered why there was a "conversation taking place" while there was an active proceeding. Nevertheless, LITZINGER did not file, nor did he request that PICKETT file, a notice of *ex parte* communication.

Although SCE did not decide to close SONGS until May 2013, LITZINGER said he had to reinforce to PICKETT on April 11th that he (PICKETT) was not going to be part of the settlement team and that the settlement process was going to be very tightly controlled. LITZINGER said that he had to remind PICKETT of this fact, as PICKETT was "still talking like he was going to be part of the settlement team."

5. PEEVEY pressured LITZINGER to make commitment to UCLA as part of SONGS settlement agreement.

LITZINGER also stated that, in a conversation with PEEVEY on **May 2, 2014**, while SONGS settlement proceedings were ongoing, PEEVEY requested that SCE make a \$25 million commitment to UCLA as part of the settlement. According to LITZINGER, PEEVEY emphasized the fact that he had discussed the matter with PICKETT in Poland. LITZINGER told your affiant that PEEVEY waved hand written notes. LITZINGER stated that he told PEEVEY, "I was aware that conversation took place, but Steve [PICKETT] was not authorized to speak on behalf of the company."

6. Edward RANDOLPH's description of the Poland meeting

Your affiant also interviewed Edward RANDOLPH, the current Director of Energy at the CPUC. RANDOLPH advised your affiant that he was present during the discussion between PEEVEY and PICKETT in Poland. RANDOLPH told your affiant that there were "ground rules" as to what they could talk to SCE about on the trip. When asked if these ground rules would prohibit substantive discussion on "pending proceedings," RANDOLPH stated yes. RANDOLPH stated that there was an "offline discussion" between RANDOLPH, PEEVEY, and PICKETT at a bar at the Bristol Hotel in Poland. When asked what pending proceeding they discussed, RANDOLPH answered, "The prime point of the discussion was to discuss the timing of a

determination of if Southern California Edison was going to permanently shut down the San Onofre Nuclear Generation Facility." RANDOLPH said that the discussion, in itself, did not relate to a proceeding in his opinion. According to RANDOLPH, the reason they were discussing the permanent shut down of SONGS is that it was already heading into a second summer in which the plant had been shut down, and SCE had not made a long term determination of what they would do if the plant closed permanently. RANDOLPH said CPUC wanted SCE to do a long term determination so it could do long term planning and not short term "patchwork" which would be more expensive for the rate payers.

When RANDOLPH was asked if there was a more specific conversation about a settlement agreement, RANDOLPH answered, "Sort of, after we finished the discussion about making a determination about the plant closing, which was probably about a ten minute conversation, the conversation did drift into a conversation on what the financials on closing a plant would look like." When asked who led the conversation, RANDOLPH stated that the first part of the conversation, regarding a determination on if the plant was going to be permanently closed, was led by PEEVEY. According to RANDOLPH, the second part of the conversation, regarding the financials of a plant closure, was led by PICKETT. RANDOLPH's recollection of events contradicts PICKETT's assertion to his management that the discussion with PEEVEY was just one-way. RANDOLPH told your affiant that, in his opinion, the discussion in Poland was an *ex parte* communication, and SCE should have reported it.

7. Effects of Poland Conversation on Other Interested Parties

As a result of a recent public disclosure of the PEEVEY notes your affiant seized at PEEVEY's residence, both ratepayer settlement parties (ORA and TURN) that negotiated with SCE, without the advantage of being aware of the PICKETT meeting with PEEVEY in Poland, issued the following separate statements on April 17, 2015:

ORA STATEMENT:

"ORA has reviewed the Hotel Bristol Notes and has made a comparative analysis with the final SONGS settlement agreement. The Hotel Bristol Notes appear to set a framework for settlement that is similar to the elements of the settlement that was ultimately accepted by the CPUC. The Hotel Bristol Notes appear to demonstrate the degree to which Peevey and Pickett collaborated to orchestrate a settlement of the SONGS outage investigation. Based on ORA's analysis of the Hotel Bristol Notes and the final settlement agreement, customers still saved at least \$780 million more than the "deal" that Peevey and Pickett had described. However, ORA cannot honestly say that it got the best deal for ratepayers. Edison was likely able to use its knowledge of Peevey's position to steer the settlement in the direction it wanted. While ORA believes it worked to strike a good deal for ratepayers based on legal precedents, we are troubled by the possibility that we might have been able to strike a better deal."

TURN STATEMENT:

"The Warsaw meeting was a flagrant violation of CPUC rules governing ex parte contacts," said TURN staff attorney Matt Freedman. "The CPUC has properly ordered SCE to turn over all documents relating to communications with CPUC decision makers about the possible settlement of SONGS. Based on the responses to this ruling, TURN may seek a reopening of the case. At a minimum, TURN will urge the CPUC to assess the maximum sanction on SCE for its ex parte violations and apply any financial penalties toward reducing customer rates."

The Utilities and Commerce Committee of the California Assembly also formally requested that John GEESMAN, Attorney for Alliance for Nuclear Responsibility, analyze the PEEVEY notes and make an assessment of the differences between the terms outlined in the notes and the actual settlement proposal. According to GEESMAN, *"Prompt disclosure of ex parte communications like that between Mr. PICKETT and Mr. PEEVEY is an essential prerequisite for a level playing field in a regulatory proceeding."*

In regards to the advantage SCE had going into the negotiations as a result of the PEEVEY and PICKETT meeting and SCE's failure to disclose the meeting as required by law, GEESMAN stated, *"It appears to me that SCE managed to improve its position by at least \$919 million, and arguable \$1.522 billion, from what CPUC President PEEVEY had identified at the Hotel Bristol as a framework for a possible resolution."*

B. PEEVEY's Request for UCLA Research Funds

The University of California, Los Angeles (UCLA), has disclosed that while the SONGS closure settlement negotiations were still ongoing, and prior to a proposal being submitted to CPUC, PEEVEY requested that Stephanie PINCETL, the Director of UCLA's California Center for Sustainable Communities and Professor-in-Residence at UCLA's Institute of the Environment and Sustainability, submit a proposal for exactly \$25 million dollars that would be available as a result of the closure of SONGS.

On **April 4, 2014**, the settlement parties filed their proposed settlement to CPUC for approval. CPUC Commissioner Michel FLORIO and ALJ Melanie DARLING oversaw the settlement proceedings. The initial settlement proposal did not include \$25 million dollars towards greenhouse gas research.

As noted, LITZINGER advised your affiant that PEEVEY told him on **May 2, 2014**, right after the settlement proposal was submitted to CPUC, that SCE needed to make a \$25 million dollar commitment to UCLA. PEEVEY referenced the fact that he had discussed the matter with PICKETT in Poland and waved hand written notes. According to LITZINGER, Commissioner FLORIO, the CPUC commissioner presiding over the matter, was also present during this conversation. LITZINGER advised your

affiant that he refused to engage in conversation with PEEVEY on this matter. According to a LITZINGER declaration, after this meeting, he called FLORIO to advise that SCE was considering filing an *ex parte* notice. LITZINGER claimed that Commissioner FLORIO later told him he had discussed the matter with PEEVEY's chief of staff, and they had concluded there was no reason to disclose that the two sides had met. According to LITZINGER, over the next several weeks, PEEVEY attempted multiple times to pressure SCE to make this financial commitment directly to UCLA. Ultimately, PEEVEY told LITZINGER that he was going to bypass him and go straight to his boss Ted CRAVER, President and Chief Executive Officer of Southern California Edison (SCE) International.

Your affiant interviewed Ted CRAVER who confirmed that PEEVEY "went at him hard," telling him that they (SCE) did not get the importance of combatting climate change and this was an opportunity to do something, and if they were smart, they would figure out how to "wrap this in a cloak" and it would be good for public relations. CRAVER told PEEVEY that he could not talk to PEEVEY about this matter. SCE never agreed to formally commit money to research.

On **May 19, 2014**, in response to an email from Stephanie PINCETL (UCLA) asking about the status of project funding, PEEVEY stated that SCE had advised him that her request was "a lot of money" and would have to be taken to SCE's board for approval. PEEVEY added in his response to PINCETL, "I am, of course, exploring another option."

In addition to PEEVEY's in-person lobbying efforts, PEEVEY appeared to be organizing a letter-writing campaign to support a UCLA research program. Your affiant

has reviewed documents drafted as letters from Los Angeles-area elected officials to the CPUC, dated in early June 2014. The letters urge, as part of the pending SONGS settlement, that CPUC fund a proposed UCLA research program (California Center for Sustainable Communities at UCLA) involving the creation of a "sophisticated energy data analysis" which would result in reduction of GHG emissions. Similar letters were also delivered to SCE executives during the same time period.

On **September 5, 2014**, Commissioner FLORIO and ALJ DARLING issued a ruling that the proposed SONGS closure settlement could not be supported without two amendments, including a \$25 million dollar commitment to the University of California over five years.

LITZINGER told your affiant that SCE was not surprised, based on what had happened since May 2014, and that the commitment to fund research was a prerequisite to approval of the settlement. LITZINGER told your affiant that SCE internally debated the amendments and met with the Board of Directors to discuss the new terms. LITZINGER said SCE agreed to the terms because "our investors wanted the uncertainty of SONGS behind them." According to LITZINGER, "The benefit of eliminating the uncertainty associated with SONGS far outweighed agreeing to the \$5 million a year."

On October 2, 2014 Stephanie PINCETL (UCLA) emailed PEEVEY to request a language modification that would enhance UCLA's ability to get the funding. As a result, PEEVEY emailed FLORIO that same day asking for the proposed language to be modified in order to accommodate UCLA. FLORIO emailed PEEVEY back, stating that his Chief of Staff spoke to ALJ Darling and had a "fairly difficult conversation" with her.

communication with PEEVEY in POLAND to the overall advantage of SCE in the subsequent settlement process pertaining to the closure of SONGS. It is also evident that PEEVEY utilized his position to influence SCE's commitment of millions of dollars to UCLA to fund a research program. The facts indicate that PEEVEY conspired to obstruct justice by illegally engaging in *ex parte* communications, concealed *ex parte* communications, and inappropriately interfered with the settlement process on behalf of California Center for Sustainable Communities at UCLA. PEEVEY executed this plan through back channel communications and exertion of pressure, in violation of CPUC *ex parte* rules, and in obstruction of the due administration of laws.

There is probable cause to believe that further evidence showing PICKETT knowingly engaged in a reportable *ex parte* communication with PEEVEY, will be found, if not deleted, in PICKETT's personal outlook email account which will be listed and sealed under Attachment B.

Your affiant requests search warrant authorization from the Superior Court of Los Angeles County. Because SCE is headquartered in Rosemead, CA, and PICKETT resides in Los Angeles County, there is probable cause to believe that at least a portion of the suspected criminal activity occurred in the County of Los Angeles.

Your affiant believes it is reasonable to request any and all records pertaining to the events surrounding the settlement of the SONGS closure, especially communications regarding the SONGS settlement from January 2012 to the present. It is reasonable to limit the search from January 2012 to the present because that is when SONGS was no longer operational. Your affiant is also requesting all emails on PICKETT's email account, as your Affiant was advised by Microsoft Corporations, the

provide of PICKETT's email account, they do not have the ability to filter specific information from email accounts Microsoft Corporations manages.

SEAL AFFIDAVIT AND WARRANT:

It is further requested by your affiant, due to the high profile nature of the investigation and the suspects, that a sealing order be granted in sections within the search warrant that specifically cite PICKETT's personal email address.

Your affiant believes there is sufficient probable cause that the property described herein may be found at the locations set forth herein and that it is lawfully seizable pursuant to Penal Code Section 1524.

LOCATION #1:

**Stephen PICKETT's personal Email Address:
See Attachment "B"**

FOR THE FOLLOWING PROPERTY:

Any and all email records and correspondence occurring between January 2012 through current on any, and all, email account(s) belonging to Stephen PICKETT, to specifically include the email account listed in Attachment "B".

Upon receipt, the emails will be reviewed California Attorney General personnel for the following items: Emails and correspondence involving the San Onofre Nuclear Generating Station (SONGS) closure settlement agreement, the 2013 meeting between Stephen PICKETT and Michael PEEVEY in Poland, communication(s) pertaining to the determination of when and why SONGS would be closed, commitment of monies for research as a result of the closure of SONGS, and communication(s) pertaining to the settlement of the SONGS Order Instituting Investigation (OII). These records are to include:

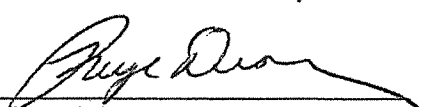
1. Internal correspondence, emails, text messages, logs, support letters, letters, documentation, as well as correspondence, emails, text messages, logs, support letters, letters, documentation between SCE officials and CPUC officials, decision makers, Michel FLORIO, Michael PEEVEY, Edward RANDOLPH, and CPUC ALJs as they relate to the UCLA Luskin Institute at UCLA, University of California, UCLA's Institute of the Environment and Sustainability, California Center for Sustainable Communities at UCLA, the SONGS closure, the SONGS settlement, the SONGS OII investigation, and

commitment of research funds involving the CPUC, and any and all lobbying efforts on any of these topics.

2. SCE communications between SCE executive staff, including but not limited to Ron LITZINGER, Ted CRAVER, and Stephen PICKETT, regarding the meeting between PICKETT and PEEVEY in Poland, the SONGS settlement, the SONGS Oil investigation, and monies committed to a research fund as a result of the SONGS closure.

I declare under penalty of perjury, under the laws of the State of California, that foregoing facts are true and correct to the best of my knowledge and belief.

Reviewed by Maggy Krell
Deputy Attorney General
California Department of Justice


Special Agent Reye Eugene Diaz
Criminal Law Division
California Department of Justice



UNIVERSITY OF BRISTOL
BRISTOL, AVON, GL8 7BA

1. Pre-RSG investment: recover w/ debt-level return through 2022.
2. RSG and post-RSG investment: disallow "retroactively out of rate base" effective 2/1/2012 ~~1/1/2012~~
3. Replacement power responsibility: customer
 - A. NEIL/insurance recoveries: to customers
4. MHI recovery: 1st to see to the extent of the disallowance
2nd to customers
5. Decommissioning costs: remain in rates through time of decommissioning - periodic redetermination in CPOC proceedings as before
6. O&M:
 - a) Already approach GRC amounts through shutdown + 6 months
 - b) O&M to determine shutdown O&M through end of 2017 (i.e., not in CPOC)
 - c) shutdown O&M 2018 and beyond determined in GRC's
 - d) Shutdown O&M to include reasonable severance for some employees - A goal of \$50 million

Next
page



HOTEL BRISTOL
111 EAST 67th STREET

Warren

10

8. Environmental offset: SCE to donate \$50 million per year 2014-2022 to [an agreed upon GHG, climate, or environmental academic research fund, institution, etc.]

9. Process
- a) settlement agreement approved in OJI
 - b) balance of OJI closed except for shutdown O&M phase
 - c) new OJI phase for shutdown O&M per 7(b) and 7(d) above
 - d) 2018 GRC for shutdown O&M 2018 and beyond
 - e) Usual CPUC proceedings for review of decommissioning costs

MIT Pumps

- 1 - Forest \$200 million - 50% to SCE
- 2 - West \$200 million - 50% to SCE
- 3 - Any above \$400 million - 20% to SCE

1-800-551-1111
1-800-633-715
KRIEGER, ROY & COMPANY
100 N. WASHINGTON ST. SUITE 1000
ANN ARBOR, MI 48106

EXHIBIT 23

SUPERIOR COURT OF CALIFORNIA

P 70763

County of Los Angeles

**SEARCH WARRANT RETURN
and
INVENTORY**

Search Warrant No.

Issuing Magistrate: **David V. Herriford**

Date warrant issued: 6/5/15

Date warrant executed: 6/5/15

Location/Vehicles/Persons served and title:

California Public Utilities Commission
San Francisco Office (HQ)
505 Van Ness Ave.
San Francisco, CA 94102

Manner of service: Served CPUC Legal Counsel/Sheppard Mullin via email.

I, Special Agent Reye Diaz, Office of the Attorney General, the affiant for this search warrant, state: The information listed above is correct and during the execution of the search warrant, the following property was seized:

Unable to obtain evidence at this time. CPUC legal counsel advises that due to limited resources, and the concurrent demands of federal subpoenas and public records act requests, the evidence is not currently available. Despite requests, CPUC has still not provided a specific time frame as to when documents will be provided as ordered by the Court. Your affiant will update the Court with a filing of an additional search warrant return.

FILED
2015 JUN 24 AM 9 16
CENTRAL DISTRICT OF CALIFORNIA
LOS ANGELES SUPERIOR COURT

I declare under penalty of perjury that the foregoing is true.

Date: 6/24/2015

Reye Diaz AG #10
Special Agent Reye Diaz AG#10
Affiant

David R. Fields
Judge of the Court

Penal Code § 1537

DAVID R. FIELDS



Reviewed by: Deputy Attorney General Maggy Krell

70763

STATE OF CALIFORNIA – COUNTY OF LOS ANGELES

SEARCH WARRANT AND AFFIDAVIT

(AFFIDAVIT)

Special Agent Reye Diaz, California Department of Justice, swears under oath that the facts expressed by him/her in this Search Warrant, and in the attached and incorporated statement of probable cause consisting of 20 pages, are true and that based thereon he/she has probable cause to believe and does believe that the property and/or person described below is lawfully seizable pursuant to Penal Code Section 1524, as indicated below, and is now located at the locations set forth below. Wherefore, affiant requests that this Search Warrant be issued.

NIGHT SEARCH REQUESTED: YES [] NO [X] - Justification on page(s) _____

[Signature] 6/5/15
(Signature of Affiant)

FILED
JUN 24 AM 9 16
CENTRAL DISTRICT COURT
LOS ANGELES

(SEARCH WARRANT)

THE PEOPLE OF THE STATE OF CALIFORNIA TO ANY SHERIFF, POLICEMAN OR PEACE OFFICER IN THE COUNTY OF LOS ANGELES: proof by affidavit having been made before me by Special Agent Reye Diaz, that there is probable cause to believe that the property described herein may be found at the locations set forth herein and that it is lawfully seizable pursuant to Penal Code Section 1524 as indicated below by "x"(s) in that it:

- _____ it was stolen or embezzled
- X _____ it was used as the means of committing a felony
- X _____ it is possessed by a person with the intent to use it as means of committing a public offense or is possessed by another to whom he or she may have delivered it for the purpose of concealing it or preventing its discovery
- X _____ it tends to show that a felony has been committed or that a particular person has committed a felony
- _____ it tends to show that sexual exploitation of a child, in violation of Section 311.3, or depiction of sexual conduct of a person under the age of 18 years, in violation of Section 311.11, has occurred or is occurring
- _____ there is a warrant for the person's arrest;

YOU ARE THEREFORE COMMANDED TO SEARCH:

See attached Exhibit "A"

FOR THE FOLLOWING PROPERTY:

See attached Exhibit "A"

SEARCH WARRANT (Page 2)

AND TO SEIZE IT IF FOUND and bring it forthwith before me, or this court, at the courthouse of this court. This Search Warrant and incorporated Affidavit was sworn to as true and subscribed before me this 5th day of June, 2015, at 10:55 AM P.M. Wherefore, I find probable cause for the issuance of this Search Warrant and do issue it.

[Signature], NIGHT SEARCH APPROVED: YES [] NO [X]
(Signature of Magistrate) DAVID V. HERRIFORD (Magistrate's Initials)
Judge of the Superior Court – County of Los Angeles



Be advised that pursuant to California Penal Code sections 1539 and 1540, you may file a written motion in the court of the above-mentioned judge who issued the warrant, seeking return of the property seized pursuant to this warrant.

For further information concerning this search warrant, contact the officer whose name appears on the warrant, Special Agent Reye Diaz at (916) 916-322-2686 or at reye.diaz@doj.ca.gov

EXHIBIT "A"

California Public Utilities Commission
San Francisco Office (Headquarters)
Or Legal Representatives of CPUC
505 Van Ness Avenue
San Francisco, CA 94102
MAY BE SERVED VIA EMAIL or FAX

FOR THE FOLLOWING PROPERTY:

Any and all records from January 31, 2012 until January 31, 2015, involving the San Onofre Nuclear Generating Station (SONGS) closure settlement agreement, the 2013 meeting between Stephen PICKETT and Michael PEEVEY in Poland, communication(s) pertaining to the determination of when and why SONGS would be closed, commitment of monies for research as a result of the closure of SONGS, and communication(s) pertaining to the settlement of the SONGS Order Instituting Investigation (OII). These records are to include:

1. CPUC will search emails to or from the following individuals:
 - a. Robert Adler – General Counsel, Edison International (now retired)
 - b. Ted Craver – Chairman, President, and Chief Executive Officer, Edison International
 - c. Laura Genao – Director, Regulatory Affairs, SCE
 - d. Michael Hoover – Senior Director of State Energy Regulation, SCE
 - e. Ron Litzinger – President, SCE (now President of Edison Energy)
 - f. R.O. Nichols – Senior Vice President for Regulatory Affairs, SCE
 - g. Stephen Pickett – Executive Vice President, External Relations, SCE (now retired)
 - h. Gary Schoonyan – Director, Strategic Policy Analysis, SCE (now retired)
 - i. Jim Scilacci – Chief Financial Officer, Edison International
 - j. Les Starck – Senior Vice President Regulatory Policy & Affairs, SCE (now retired)
 - k. Bert Valdman – Senior Vice President, Strategic Planning, Edison International (no longer employed)
 - l. Gaddi Vasquez – Senior Vice President, Government Affairs, Edison International
 - m. Russ Worden – Director of External Relations, SCE
 - n. Ron Olson, former Board member, Edison and Edison International
 - o. Michael Peevey (former President of CPUC)
 - p. Michel Florio (Commissioner, CPUC)
 - q. Melanie Darling (ALJ, CPUC)
 - r. Sepideh Khosrowjah (Chief of Staff, Commissioner Florio)
 - s. Paul Clanon (Executive Director, CPUC)
 - t. Carol Brown (former Chief of Staff to President Peevey)
 - u. Audrey Lee (former Advisor to President Peevey)
 - v. Edward Randolph (Director of Energy, CPUC)
2. CPUC will identify employees who were involved in the implementation of the greenhouse gas research provisions of the SONGS OII settlement, specifically with respect to CPUC's understandings or intentions with regard to directing funding to UCLA. CPUC will propose to the

SEARCH WARRANT (Page 4)

Attorney General's Office additional employees whose email they will collect for this purpose.

3. CPUC will collect and review emails from the above 22 custodians, plus any other custodians identified pursuant to paragraph 2, that are dated from January 31, 2012 through January 31, 2015.
4. Handwritten notes, documents saved to a hard drive or to a network location, and data on smart phones that is not believed to exist in other locations. CPUC will advise the Attorney General's Office of its progress and plan for collection and review of any such documents.
5. With respect to the categories of documents specified in the search warrant, CPUC will search for, review and produce responsive documents as follows:
 - a. As to documents involving the SONGS settlement, CPUC will produce (1) documents constituting or referring to communications with SCE about the OII prior to execution of the settlement on March 27, 2014 (excluding on-the-record communications such as SCE pleadings filed with the CPUC); and (2) documents constituting communications with TURN or ORA referencing communications from Peevey regarding SONGS or UC in the context of the settlement negotiations up to March 27, 2014.
 - b. As to documents pertaining to the Poland trip in March 2013, CPUC will produce documents constituting or referring to communications during that trip that relate to SONGS. These documents will include any communications or materials regarding SONGS made in anticipation of the trip, any documents or communications regarding SONGS that occurred during the trip, and any communications or materials regarding SONGS created after the trip ended.
 - c. As to the documents regarding funding of research in connection with the SONGS settlement, CPUC will produce documents and all communications that (1) constitute or refer to communications with SCE or UCLA regarding greenhouse gas research as part of the SONGS settlement (excluding on-the-record communications such as pleadings filed with the CPUC and drafts of same; (2) refer to SCE's contributing to the UCLA Luskin Institute at UCLA, the University of California, UCLA's Institute of the Environment and Sustainability, or the California Center for Sustainable Communities at UCLA, in connection with the SONGS settlement; and (3) constitute advocacy directed to the CPUC by local governmental agencies in support of greenhouse gas research as part of the SONGS settlement.

SUPERIOR COURT OF CALIFORNIA

County of Los Angeles

Rollback
70763

**SEARCH WARRANT RETURN
and
INVENTORY**

Search Warrant No. 70763

Issuing Magistrate: David V. Herriford

Date warrant issued: 6/5/15

Date warrant executed: 6/5/15

Location/Vehicles/Persons served and title:

California Public Utilities Commission
San Francisco Office (HQ)
505 Van Ness Ave.
San Francisco, CA 94102

Manner of service: Served CPUC Legal Counsel/Sheppard Mullin via email.

FILED
2015 AUG 7 AM 9 28
CENTRAL DISTRICT OF CALIFORNIA COURT
LOS ANGELES COUNTY

I, Special Agent Reye Diaz, Office of the Attorney General, the affiant for this search warrant, state: The information listed above is correct and during the execution of the search warrant, the following property was seized:

On June 24, 2015, your affiant reported to the court: Unable to obtain evidence at this time. CPUC legal counsel advises that due to limited resources, and the concurrent demands of federal subpoenas and public records act requests, the evidence is not currently available. Despite requests, CPUC has still not provided a specific time frame as to when documents will be provided as ordered by the Court. Your affiant will update the Court with a filing of an additional search warrant return.

As of August 7, 2015, after multiple requests, and two months after the search warrant was served on CPUC, no records have been produced to your affiant as required by California law. No extension has been requested and no indication has been given as to when the records will be produced to your affiant. Your affiant will update the Court with a filing of an additional search warrant return.

I declare under penalty of perjury that the foregoing is true.

Date: 8/7/2015



[Signature]
Special Agent Reye Diaz AG#10
Affiant

[Signature]
Judge of the Court
MICHAEL E. PASTOR

EXHIBIT 24



PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA
505 VAN NESS AVENUE
SAN FRANCISCO, CALIFORNIA 94102

MICHAEL PICKER
COMMISSIONER

TEL: (415) 703-2444
FAX: (415) 703-1903

April 1, 2015

Assemblymember Anthony Rendon
Chair, Assembly Committee on Utilities and Commerce
State Capitol
P.O. Box 942849
Sacramento, CA 94249-0063

Dear Chair Rendon,

Thank you for your March 19, 2015 letter. I remain committed to working with you and the Committee on the issues you've raised. You have asked me to revisit the Commission's decision last November to approve a settlement on the cost responsibility of the San Onofre Nuclear Generating Station and its permanent shutdown, and to see if I still have qualms about that decision. Additionally, you have asked the Commission to compel Southern California Edison Company to produce all emails related to the San Onofre Nuclear Generating Station, the investigation of the steam generators, and the settlement leading to the resolution of the San Onofre Nuclear Generating Station and its permanent shutdown (Settlement).

In response, I am pursuing three avenues of inquiry:

- 1) I have conducted a review into my own decision making process leading to the November 20, 2014 Decision made by the Commission approving the Amended and Restated Settlement Agreement. As a Commissioner, I assessed whether I could reach the same conclusion about the decision based solely on the written record that has been available to all parties. That is the methodology that I used in developing my vote last November. This reliance on an evidentiary record developed through a public process that is open for all to view – transparent – is our primary source of information for formal Commission decisions¹.

¹ I want to reinforce points that I made at the Committee's oversight hearing on Tuesday, March 17th: Our use of the term *transparency* has a different context at the CPUC than I used as a local government official or most other public settings. When we at the CPUC say transparent, we mean, generally, that everyone can see the same full record of evidence provided by our staff and the formally recognized parties to our quasi-judicial proceedings, whether that is text, video, written briefs or transcripts of cross-examinations or public workshops and all-party meetings. There are important exceptions. For example, the transcripts and testimony offered in our Public Participation Hearings aren't part of the evidentiary record, and don't have equal bearing in our considerations.



The Commission accepts – and as a matter of policy often encourages - settlements as a means of resolving difficult issues and avoiding harm or cost to ratepayers from long protracted litigation. If we formally adopt the conclusions of settlements, we must analyze those settlements on their own merits. Other judicial decision making bodies, including the state and federal court systems, also allow settlements as an expedient tool to move contentious multi-party litigation to a timely conclusion.

The Commission has formally adopted standards on how the Commission reviews settlements that are brought before it in Rule 12 of the Commission’s Rules of Practice and Procedure. These rules, which were reviewed and approved by the State’s Office of Administrative Law, provide due process, notice and opportunity to the parties and ensure that only settlements that are lawful and in the public interest are adopted.

The Settlement was first brought to the CPUC by a formal filing on April 3, 2014. After an Assigned Commissioner and ALJs’ Ruling issued, an amended Settlement was filed on September 24, 2014. The Settling Parties are: The Utility Reform Network (TURN), The Office of Ratepayer Advocates (ORA), Friends of the Earth, the Coalition of California Utility Employees (CUE), Southern California Edison Company (SCE), and San Diego Gas & Electric Company (SDG&E). I can confirm that the Assigned Commissioner, the Administrative Law Judges, and the advisory staff of the CPUC were not involved in the settlement negotiations. In the words of the Settling Parties, the Settling Parties themselves negotiated the terms of the Settlement “in a hard-fought process over many months,”² and the Commission found that the Settling Parties satisfied the procedural requirements for settlements under Commission Rule 12.

After the April 2014 Settlement Agreement was submitted to the CPUC, the Assigned Commissioner and Administrative Law Judges in the proceeding issued a ruling ordering written testimony about the Settlement, written comments, an additional evidentiary hearing, and a community meeting. In this time and before the Commission took a final vote on the agreement there were multiple opportunities for public input beyond the settling parties:

- Evidentiary hearings on materially contested factual issues in the April 2014 Settlement (May 14, 2014),

Further, as Commissioners, we are allowed in many settings, to accept meetings with parties admitted to our formal proceedings. In some proceedings our rules call for the party who sought a meeting to provide notice to all the other parties about such ex parte meetings, and in the interests of *fairness*, Commissioners must provide an equal opportunity for others to rebut or add to information shared by participants in initial noticed ex parte meetings. In some stages or types of proceedings, there are different requirements about meetings or notice of meetings with parties. In the San Onofre investigation proceeding, which was determined to be a rate-setting proceeding, meetings were allowed with notice and equal time provisions required for other parties.

² *Joint Motion of Southern California Edison Company (U 338-E), San Diego Gas & Electric Company (U 902-E), The Utility Reform Network, The Office of Ratepayer Advocates, Friends of the Earth, and the Coalition of California Utility Employees for Adoption of Settlement Agreement* (April 3, 2014), p. 8.

- Community meeting (Costa Mesa, June 16, 2014),
- Oral arguments on the proposed decision (October 31, 2014),
- Three rounds of written comments that resulted in 34 sets of comments from parties that became part of the record, and
- Two rounds of comments on the proposed decision proposing approval of the Amended Settlement Agreement.

The Commission approved the final decision D.14-11-040 on the modified Settlement Agreement on November 20, 2014.

I work hard at diligence in observing the CPUC's rules, and base my decisions only on what is in the public evidentiary record of the proceeding. The proposed decision on the future and rate recovery of the San Onofre generating facility is one of many hard decisions - with significant impacts to ratepayers, contending parties, and the environment - that I've had to make as a Commissioner. I regularly ask myself, is there anything that I've missed? Is there anything that I didn't fully understand? Did the Assigned Commissioner or the Administrative Law Judges ask the correct questions in order to get all pertinent testimony from the parties to the proceeding, and thus to build the record? Like other judicial and quasi-judicial bodies, we make the best decisions possible based on the best information that is available after strenuous efforts to obtain that evidence.

After having conducted an assessment of my decision making process leading up to the November 2014 vote on the revised San Onofre Settlement, I have concluded that the Commission's decision was based on a settlement process that was appropriate under the Commission's rules and was in the ratepayers' interests, and was supported by the record developed in the proceeding. The Settlement avoided years of additional uncertainty, offered ratepayers relief from ongoing costs much more immediately than an extended and uncertain litigation, was based on evidence offered in the record that I reviewed, and, when taken as a whole, was a good outcome.

In support of this review, I reviewed the *Proposed Decision on Phase 1 Related to 2012 SONGS-Related Expenses and Expenditures* (November 19, 2013), have re-read my cursory notes taken at a formally noticed public Community Information Meeting held in Costa Mesa on June 16, 2014 (which was helpful to my thinking about an early proposed settlement), the *Amended Settlement* submitted to the Commission by SCE, SDG&E, TURN, ORA, Friends of the Earth and CUE on September 24, 2014, and also re-read and the *Decision Approving Settlement Agreement As Amended and Restated by Settling Parties* that frames the Commission's action on November 20, 2014.

The accounting jargon used in this proceeding can make it difficult for the public on first or second read to understand clearly the meaning and impact of what is in the amended

Settlement that the Commission did adopt last November. My summary of key concepts related to the sharing of costs in the decision follows³:

- a. SDG&E and SCE's ratepayers will pay an estimated \$517.2 million for 2012 replacement power costs for the lost power generation from the San Onofre nuclear plant. Replacement power costs for 2013 and 2014 will be determined as part of a Commission process. Some of the short term power costs are higher than the utilities might obtain through long term contracts, but consumers benefited from continuous and reliable electric service. As long as the transactions for purchasing this electricity are prudent, federal law would make it very difficult to deny cost recovery for replacement power.
- b. The utilities who owned the San Onofre Nuclear Generating Station will pay \$760 million, the costs of the replacement steam generator equipment, except during the period that the plant was operating, from 2011 to January 2012.
- c. SCE and SDG&E ratepayers will pay \$970.6 million for the costs of maintenance of the plant not related to the steam generators, including: safeguarding the nuclear fuel that continues to be stored at the San Onofre Nuclear Generating Station; and, the 2012-13 engineering and safety assessments of the potential to restart San Onofre and continue operations while the Nuclear Regulatory Commission was assessing whether the plant could be safely restarted. Going forward, there is a process at the Commission to evaluate future maintenance costs, with most of these costs associated safeguarding the nuclear fuel. The federal government does not have an approved repository for storing nuclear fuel associated with nuclear power plants. This requires storage of spent and other nuclear fuels on-site at nuclear plants, even decommissioned plants, until the federal government licenses a storage site.
- d. Utilities will pay \$99 million (a portion of the cost of trying to repair the steam generators), the estimated costs of shutting down the steam generators. A significant portion of these expenditures were associated with engineering studies conducted by the utilities after the shutdown of the San Onofre Nuclear Generating Station, when they were trying to figure out if they could re-start the plant and satisfy NRC requirements.
- e. The utilities made investments in other portions of the plant in accordance with past CPUC decisions to meet California's energy needs. Typically, the utility would be able allowed to recover that cost in rates over time, plus earn a rate of return on the book value of the investments. Currently, SCE's return on equity is set at 10.45%, and

³ The numbers referenced here are laid out on p.33 (§5.1.1), as a table containing a breakdown of the estimates of the Present Value Revenue Requirement of the Settlement and the litigation positions of TURN, DRA, and the utilities, in D.14-11-040 – *Decision Approving Settlement Agreement As Amended and Restated By Settling Parties*.

SDG&E's is set at 10.3%. The decision requires the utilities to accept \$419 million of that cost, and is in effect, refinancing the public's ownership in another \$1 billion in lost returns on plant infrastructure. In addition, the utilities will only get reimbursed for capital costs, plus the cost of borrowing and other expenses, which is now set at 3 percent. That cost to ratepayers is roughly \$1,319.4 million, to be collected in rates over the next ten years.

- f. SDG&E and SCE's ratepayers will pay \$477.3 million until 2022 years for unused nuclear fuel, but may recover up to 95% of that amount if the utilities can find buyers legally authorized by the federal government to purchase such material.

Under the terms of the decision, utility costs are about \$1.278 billion. Outside of replacement power, ratepayer costs are about \$2.767 billion. However, if the utilities are able to sell unused nuclear fuel to licensed buyers, then the ratepayer share will drop further.

The decision also includes additional ratepayer benefits. Even though the utilities are responsible of almost 100% of the cost of the failed steam generators, shareholder will receive 50% of any money collected through litigation with Mitsubishi Heavy Industries and a much smaller portion of recoveries from the nuclear risk insurer; the greater part of insurance proceeds will be allocated to ratepayers. . If the utilities refinance their outstanding debt, any savings will be shared 50/50 with ratepayers and shareholders. And the utilities that owned and operated the San Onofre nuclear plant must use \$25 million of shareholder money to fund a 5-year R&D program run by the University of California to spur immediate and practical methodologies and processes to reduce emissions at existing and future California power plants tasked to replace the lost San Onofre generation.

- 2) I am asking Commissioner Sandoval to assume the role of Assigned Commissioner and preside over the pending matters in the San Onofre nuclear power plant proceeding. The decision adopting the Settlement was issued last November. The proceeding remains open, however, to determine if certain conduct rules (Rule 1.1) were violated.⁴ Two of the parties to the proceeding, both opposed to the Settlement, made formal filings following the decision. These two formal filings are also pending in the proceeding.

The first, an Application for Rehearing, was filed in December. As is our standard practice, this rehearing application is being handled by rehearing attorneys in our Legal Division. The Commission will be conducting a thorough review of the specific allegations of legal error made in the Application for Rehearing. The second, a formal motion seeking sanctions against SCE for

⁴ Rule 1.1 of the Commission's Rules of Practice and Procedure states: "Any person who signs a pleading or brief, enters an appearance, offers testimony at a hearing, or transacts business with the Commission, by such act represents that he or she is authorized to do so and agrees to comply with the laws of this State; to maintain the respect due to the Commission, members of the Commission and its Administrative Law Judges; and never to mislead the Commission or its staff by an artifice or false statement of fact or law."

Rule 1.1 violations (improper communications with decision-makers), was filed in February by the Alliance for Nuclear Responsibility. In this context, it is important to note that the Commission has not yet ruled on the motion. I expect Assigned Commissioner Sandoval and the Administrative Law Judges will conduct a thorough analysis of the above motion requesting sanctions. We may also choose to conduct some type of public, on-the-record hearing, and review and comment by the parties to the Settlement. Such a process could help to affirm or disaffirm that: 1) the settlement was based on evidence in the record; and 2) the evidence was developed through a reasonable and fair process.

- 3) We appreciate your willingness to work with us on your request that the Commission compel Southern California Edison to turn over all internal and external emails relative to San Onofre, the investigation of the steam generators at San Onofre, and the potential settlement or eventual settlement of the San Onofre decommissioning with the CPUC. As you know, California Public Utilities Code Section 583⁵ sets restrictions on public release of documents provided by the utilities to the Commission which affect our ability to collect and share documents with the Assembly. There may also be other statutory confidentiality restrictions and privileges that apply under the California Public Records Act and other statutes and rules. All of these legal restrictions can create delays when dealing with a request to produce confidential documents. With that in mind, we would like to work with you and the Committee to develop a coordinated strategy, including a schedule, for the production of Edison San Onofre-related emails.

Two different prosecuting agencies have opened three different investigations into various communications and actions in the PG&E Gas Transmission and Storage rate case. At this point, I do not know if their investigations extend to other matters at the CPUC, including the San Onofre proceeding. If so, I trust that their efforts will identify any wrongdoing here. We at the Commission must ensure that our efforts don't impede the investigative efforts of the prosecutors, or inadvertently compromise their investigative intentions.

Sincerely,



Michael Picker

President, California Public Utilities Commission

⁵ California Public Utilities Code Section 583 provides: "No information furnished to the commission by a public utility, or any business which is a subsidiary or affiliate of a public utility, or a corporation which holds a controlling interest in a public utility, except those matters specifically required to be open to public inspection by this part, shall be open to public inspection or made public except on order of the commission, or by the commission or a commissioner in the course of a hearing or proceeding. Any present or former officer or employee of the commission who divulges any such information is guilty of a misdemeanor."

EXHIBIT 25

Decision 14-11-040 November 20, 2014

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Investigation on the Commission's Own Motion into the Rates, Operations, Practices, Services and Facilities of Southern California Edison Company and San Diego Gas and Electric Company Associated with the San Onofre Nuclear Generating Station Units 2 and 3.

Investigation 12-10-013
(Filed October 25, 2012)

And Related Matters.

Application 13-01-016
Application 13-03-005
Application 13-03-013
Application 13-03-014

**DECISION APPROVING SETTLEMENT AGREEMENT
AS AMENDED AND RESTATED BY SETTLING PARTIES**

DECISION APPROVING SETTLEMENT AGREEMENT AS AMENDED AND RESTATED BY SETTLING PARTIES

Summary

This decision approves a settlement agreement between Southern California Edison Company (SCE) and San Diego Gas & Electric Company (SDG&E) (collectively, the Utilities) and four other settling parties which provides resolution of rate recovery issues related to the premature shutdown of San Onofre Nuclear Generating Station (SONGS), following a steam generator tube leak on January 31, 2012. The original settlement agreement was amended and restated (Amended Agreement), *inter alia*, to provide that SCE and SDG&E shall each equally share net litigation proceeds from Mitsubishi Heavy Industries between their respective ratepayers and shareholders, and to improve Commission oversight of utility implementation of the settlement, particularly as to development of the revised rates.

The primary result of the settlement is ratepayer refunds and credits of approximately \$1.45 billion. The Utilities must also stop further collection of the Steam Generator Replacement Project (SGRP) costs in rates, return all SGRP costs collected after January 31, 2012 to ratepayers, and accept a substantially lower return on other prematurely retired SONGS assets.

Ratepayers will still pay approximately \$3.3 billion in costs over ten years (2012-2022), including costs of power the Utilities purchased for its customers after the outage, and recovery of the undepreciated net investment in SONGS assets (e.g., Base Plant), excluding the failed SGRP.

However, instead of the usual authorized rate of return, the settlement reduces shareholders return on SONGS investments to less than 3%. The effect is