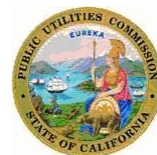


**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**



FILED

12-03-15
04:59 PM

Order Instituting Investigation and Ordering
Pacific Gas and Electric Company to Appear
and Show Cause Why It Should Not Be
Sanctioned for Violations of Article 8 and
Rule 1.1 of the Rules of Practice and
Procedure and Public Utilities Code Sections
1701.2 and 1701.3.

Investigation 15-11-015
(Filed November 19, 2015)

**COMMENTS OF THE UTILITY REFORM NETWORK
ON THE PRELIMINARY DETERMINATION OF NEED FOR EVIDENTIARY
HEARINGS, ISSUES, AND SCHEDULE IN THIS PROCEEDING**

December 3, 2015

Hayley Goodson
Staff Attorney

The Utility Reform Network
785 Market Street, Suite 1400
San Francisco, CA 94103
Phone: (415) 929-8876
Fax: (415) 929-1132
E-mail: hayley@turn.org

**COMMENTS OF THE UTILITY REFORM NETWORK
ON THE PRELIMINARY DETERMINATION OF NEED FOR EVIDENTIARY
HEARINGS, ISSUES, AND SCHEDULE IN THIS PROCEEDING**

I. INTRODUCTION

On November 23, 2015, the Commission issued *Order Instituting Investigation and Ordering Pacific Gas and Electric Company to Appear and Show Cause Why It Should Not Be Sanctioned for Violations of Article 8 and Rule 1.1 of the Rules of Practice and Procedure and Public Utilities Code Sections 1701.2 and 1701.3* (OII/OSC). The OII/OSC invites comment on the preliminary determination of need for evidentiary hearings, preliminary scope of issues, and preliminary schedule within 10 days from the date of issuance of the OII/OSC, with the condition that a written motion for party status must accompany comments filed by persons who intend to move for party status.¹

Pursuant to the OII/OSC, The Utility Reform Network (TURN) respectfully submits these comments with a concurrently filed motion for party status. As discussed in the sections that follow, TURN recommends that the Commission determine that evidentiary hearings will be necessary, whether or not the OSC process is used. TURN additionally recommends that the Commission expand the preliminary scope of issues to include the *ex parte* communication between PG&E and then-Commission President Peevey on August 29, 2010, regarding the status of settlement negotiations in A.09-12-020 (PG&E's 2011 GRC), which was disclosed by PG&E in a Letter to Commission Interim Executive Director Timothy Sullivan on May 21, 2015. TURN has attached PG&E's May 21, 2015 Letter to these comments for the Commission's convenience as Appendix 1. The Commission should investigate whether PG&E's conduct regarding

¹ OII/OSC, p. 8.

this *ex parte* communication violated Article 8 of the Commission’s Rules of Practice and Procedure (Rules), Public Utilities Code Section 1701.3(c), Rule 12.6, and Rule 1.1, as discussed below, and consider what sanctions should be imposed on PG&E for any violations found. Third, the Commission should clarify that the scope will include other *ex parte* violations that parties may bring to the Commission’s attention. Finally, the Commission should adopt a schedule that avoids unnecessary delays in the administration of justice.

II. COMMENTS ON THE PRELIMINARY DETERMINATION OF NEED FOR EVIDENTIARY HEARINGS, ISSUES, AND SCHEDULE IN THIS PROCEEDING

A. Need for Evidentiary Hearings

The OII/OSC preliminarily determines that hearings will be needed in this proceeding, although also concludes that this OII may be conducted as an OSC on the violations with or without hearings, “given PG&E’s admissions of *ex parte* violations in its filings.”² TURN agrees that evidentiary hearings will be needed in this proceeding. However, we disagree with the notion that an OSC process might supplant the need for evidentiary hearings because of PG&E’s admissions. PG&E has not necessarily admitted to committing *ex parte* violations in the context of all of the communications that will be investigated in this proceeding.³ Moreover, given the significance of the issues presented in this proceeding and the likelihood of numerous contested material issues of fact relating to the nature and severity of appropriate sanctions, hearings will play an important role in the development of the evidentiary record.

² OII/OSC, p. 8.

³ See, e.g., Section II.B.1 below, discussing PG&E’s August 29, 2010 communication.

B. Scope of Issues

The preliminary scope of issues presented in the OII/OSC is as follows:

1. What sanctions should be imposed on PG&E for its admitted violations of Rule 8 of the Commission's Rules and Pub. Util. Code §§ 1701.2(c) and 1701.3(c) with respect to the following *ex parte* notices?
 - a. *Pacific Gas and Electric Company's Update Re September 15, 2014 Notice of Improper Ex Parte Communications*, filed on October 6, 2014 in A.13-12-012 (reporting improper ex parte oral communications with a Commissioner that had occurred on May 30, 2010, concerning matters in A.09-12-020, A.09-09-021, A.09-12-002, and R.09-01-019).
 - b. *Pacific Gas and Electric Company's Late Notice of Ex Parte Communications*, filed on December 22, 2014 in R.11-02-019 (giving late notice of ex parte communications with Commissioners that had occurred on September 20, 2011, and December 31, 2012).
 - c. *Pacific Gas and Electric Company's Notice of Improper Ex Parte Communications*, filed on December 22, 2014 in I.12-01-007, I.11-02-016 and I.11-11-009 (giving notice of improper ex parte communications with Commissioners that occurred on December 31, 2012 and March 3, 2012).
 - d. *Revised Late-Filed Notice of Ex Parte Communication of Pacific Gas and Electric Company*, filed on June 11, 2015 in A.10-02-028 (giving late notice of an ex parte communication that had occurred on January 28, 2014, with a Commissioner's personal advisor.)
 - e. *Pacific Gas and Electric Company's (U39E) notice of Improper Communication*, filed on May 21, 2015 in A.14-02-008 (giving notice of improper ex parte communication that occurred on March 6, 2014).
2. Did PG&E violate Rule 1.1 of the Commission's Rules of Practice and Procedure by failing to timely file the ex parte notices or by

engaging in improper *ex parte* communications listed in #1 above?
If violations of Rule 1.1 are found, what sanctions should be imposed?

3. Did PG&E violate the prohibition on *ex parte* communications in I.11-02-016, I.11-11-009 and I.12-01-007, as alleged by the City of San Bruno, in the following motions?
 - a. *Motion of the City of San Bruno for an Order to Show Cause Why Pacific Gas and Electric Company Should Not Be Held in Violation of Commission Rule of Practice and Procedure 8.3(b) (Rule Against Ex Parte Communications) and for Sanctions and Fees, filed on July 28, 2014.*
 - b. *Motion for Evidentiary Hearing on City of San Bruno's Motion for an Order to Show Cause as to Why Pacific Gas and Electric Company Should Not Be Held in Violation of Commission Rule of Practice and Procedure 8.3(b) and for Sanctions and Fees, filed on November 10, 2014.*
4. If violations are found in #3 above, what sanctions should be imposed?⁴

At this time, TURN is aware of at least one additional *ex parte* communication that should be included within the scope of this proceeding. As indicated above, that communication took place between representatives of PG&E and then-Commission President Peevey on August 29, 2010, and concerned PG&E's 2011 GRC, A.09-12-020.⁵ This communication was memorialized in an email sent from one PG&E officer, Brian Cherry, to another, Tom Bottorff, on August 29, 2010, which described the meeting Mr. Cherry had with President Peevey and others earlier that day.⁶

⁴ OII/OSC, pp. 6-7.

⁵ The OII/OSC identifies A.09-12-020 as one of the proceedings in which PG&E engaged in improper *ex parte* communications. OII/OSC, p. 2.

⁶ Brian Cherry and Tom Bottorff are no longer PG&E employees.

PG&E first reported this communication to the Commission and parties to A.09-12-020 in a Letter to Interim Executive Director Timothy Sullivan on May 21, 2015 (May 21, 2015 Letter). That Letter explained:

On October 6, 2014, Pacific Gas and Electric Company notified then-Executive Director Paul Clanon of an ex parte communication related to PG&E's 2011 General Rate Case. PG&E has identified another email which may reflect an additional potentially ex-parte oral communication related to that proceeding, and now supplements its prior notification accordingly.

PG&E included the October 6, 2014 Letter to Paul Clanon, referenced in the excerpt above from the May 21, 2015 Letter, in a notice filed on October 6, 2014 in A.13-12-012 entitled *Pacific Gas and Electric Company's Update Re September 15, 2014 Notice of Improper Ex Parte Communications*. The contents of that filing are included in the OII/OSC preliminary scope as Issue 1 (a), shown above. However, the OII/OSC omits mention of the May 21, 2015 supplement to the October 6, 2014 notice, and the August 29, 2010 communication it disclosed.

1. The Commission Should Include PG&E's August 29, 2010 Communication Regarding A.09-12-020 in the Scope of This Proceeding.

Including the May 21, 2015 Letter (and August 29, 2010 communication) in the scope of this proceeding is appropriate because it would advance the purpose of the proceeding: to determine the extent to which PG&E has engaged in improper *ex parte* communications in violation of California law and the Commission's Rules, and to appropriately sanction PG&E for any such violations to preserve the integrity of the Commission's decisionmaking process and protect the public interest. PG&E's conduct during and related to the August 29, 2010 *ex parte* communication appears on its face to have violated Rules 8.3(c) and 8.4 and Pub. Util. Code Section 1701.3(c). TURN notes

that PG&E has not necessarily conceded that this communication was an *ex parte* communication that took place in violation of these rules. In the May 21, 2015 Letter, PG&E offered only that the attached email “may reflect an additional potentially ex-parte oral communication.”⁷ Moreover, PG&E appears to have disclosed confidential information about the contents of settlement negotiations in violation of Rule 12.6. Each of these violations warrants the Commission’s attention in this proceeding, as discussed below.

a. PG&E’s Conduct Related to the August 29, 2010 Communication Violated Rules 8.3(c) and 8.4 and Pub. Util. Code Section 1701.3(c).

Pursuant Rule 8.1(c), any communication that “concerns any substantive issue in a formal proceeding,” that “occurs between an interested person and a decisionmaker,” and that does not occur in a public forum officially noticed in the proceeding or on the record of the proceeding, is an *ex parte* communication subject to the requirements spelled out in Rules 8.3 and 8.4. The communication at issue in the May 21, 2015 Letter concerned the status of ongoing settlement negotiations and PG&E’s goals in A.09-12-020. According to the email attached to the Letter, representatives of PG&E met with then-President Peevey and provided him with specific information about the gap between PG&E’s revenue requirement targets and the revenue requirement parameters currently on the table in settlement negotiations. While PG&E redacted information in the original email “to remove references to certain information that may have been part of settlement communications,”⁸ it is clear from the remaining text that this communication was an *ex*

⁷ See Appendix 1.

⁸ See Appendix 1.

parte communication subject to the requirements of Rule 8.3 and 8.4. As Mr. Cherry reports:

Regarding the GRC, I explained to Mike that we have been in extensive negotiations with REDACTED and others to reach a settlement but that we have achieved an impasse, with REDACTED backtracking on a number of items. I gave Mike some of the parameters, stating that we were in the \$^{REDACTED} plus range with \$^{REDACTED} in depreciation, plus \$^{REDACTED} in attrition annually. I told him that the earnings we needed were on the low end and the attrition was unacceptable. He stated he understood that REDACTED would be difficult but asked if we could achieve a partial settlement. I told him we were still working toward that but that I wasn't sure we could get there at this point. I reiterated we need somewhere above \$600 million and much larger attrition dollars, north of \$200 million. He

The meeting described in Mr. Cherry's email (1) concerned a substantive issue in A.09-12-020: PG&E's test year and attrition year revenue requirement goals and the fruitfulness of settlement negotiations to that end; (2) took place between PG&E and a decisionmaker; and (3) occurred neither in a public forum officially noticed in the proceeding nor on the record of the proceeding.

Proceeding A.09-12-020 was categorized as ratesetting.⁹ Rule 8.3(c) requires, among other things, that an interested person requesting an individual meeting with a decisionmaker in a ratesetting proceeding "notify the parties that its request has been granted, and shall file a certificate of service of this notification, at least three days before the meeting or call." Pub. Util. Code Section 1701.3(c) similarly requires this notice in advance of the meeting. Rule 8.4 requires that the interested party file a notice of *ex parte* communication within three working days of the *ex parte* communication, which describes the setting, participants, and content of the communication. As noted above, PG&E first disclosed the August 29, 2010 *ex parte* communication in the May 21, 2015 Letter, nearly **five years after** the communication took place. PG&E's conduct thus

⁹ OII/OSC, p. 4, fn. 3.

violated Rules 8.3(c) and 8.4 and Pub Util. Code Section 1701.3(c).

b. PG&E Violated Rule 12.6 During the August 29, 2010 Communication.

Rule 12.6 governs the confidentiality and inadmissibility of settlement negotiations. In pertinent part, Rule 12.6 requires parties participating in settlement negotiations to “hold such discussions, admissions, concessions, and offers to settle confidential and shall not disclose them outside the negotiations without the consent of the parties participating in the negotiations.” During the August 29, 2010 communication, PG&E disclosed to President Peevey information about the settlement negotiations underway, including information about the offers on the table and tactics being used by certain parties to the negotiations.¹⁰ TURN was an active party to those settlement negotiations, and at no time did PG&E seek TURN’s consent to the disclosure of any information about settlement negotiations. Indeed, Mr. Cherry seems to have recognized that these disclosures violated Rule 12.6 because he concluded his email to Mr. Bottorff with a warning “not to tell the team about the settlement numbers or discussion as it technically is a violation of the settlement rules.”¹¹

The Commission should have no tolerance for violations of the rules governing settlements, and particularly no tolerance for impermissible disclosures such as PG&E’s. PG&E’s conduct on August 29, 2010 calls into question its ability to act with integrity and participate in settlement negotiations in good faith. As a result, parties may reasonably be disinclined to engage in settlement negotiations with PG&E. To the extent the Commission intends to continue to encourage settlement in its proceedings, as it has

¹⁰ See Appendix 1.

¹¹ See Appendix 1.

done in the past, the Commission must take very seriously PG&E's violation of Rule 12.6 on August 29, 2010 and act decisively to deter future such violations.

**c. The Commission Should Consider
Appropriate Sanctions for PG&E's
Conduct Related to the August 29, 2010
Ex Parte Communication.**

PG&E's conduct related to the August 29, 2010 *ex parte* communication, disclosed in the May 21, 2015 Letter, showed disrespect for the Commission's Rules and the Commission's decisionmaking process, and undermines public confidence in the Commission. As such, the Commission should expand the preliminary scope of this proceeding to include the consideration of appropriate sanctions for PG&E's conduct surrounding the August 29, 2010 communication.

Specifically, the Commission should consider sanctions for PG&E's failure to comply with the rules regarding *ex parte* notices, as well as PG&E's violation of Rule 12.6. The Commission should additionally investigate whether PG&E violated Rule 1.1 in its conduct related to the August 29, 2010 *ex parte* communication, and if so, what sanctions should be imposed, for the same reason that the Commission intends to investigate these issues in relationship to the *ex parte* communications encompassed in the preliminary scope.¹²

**2. The Commission Should Permit Parties to Raise
Additional *Ex Parte* Violations Related to the
Proceedings Identified by the OII/OSC, Should
Such Violations Be Discovered During the
Course of This Investigation.**

As explained by TURN above, at this time we are aware of only one impermissible *ex parte* communication excluded from the preliminary scope of issues:

¹² See OII/OSC, p. 7 (proposed Issue 2).

PG&E's communication on August 29, 2010 related to A.09-12-020. Like most all of the other communications identified by the OII/OSC as within the scope of this proceeding, this communication was voluntarily disclosed by PG&E.¹³ Yet TURN and other parties may become aware of other violations in the course of conducting discovery in this proceeding. Rather than permit PG&E to implicitly define the scope of this proceeding through its voluntary disclosures, which may or may not be complete, the Commission should expressly permit parties to raise additional *ex parte* violations for the Commission's consideration in this investigation, should any such violations come to light.

C. Schedule

The OII/OSC provides that the "schedule for taking testimony and briefing shall be determined by the assigned Commissioner, and may be modified by the assigned ALJ as required to promote the efficient and fair resolution of the investigation."¹⁴ TURN has no comments on the inchoate schedule, other than to encourage the Commission to prioritize the resolution of this proceeding. The benefits of Commission action determining PG&E's culpability and ordering sanctions – including, but not limited to, deterring similar, future conduct by PG&E and rehabilitating public confidence in the Commission – will not accrue until the Commission actually completes those acts.

III. CONCLUSION

For the foregoing reasons, TURN respectfully recommends that the Commission

¹³ An exception exists for the communications discovered by the City of San Bruno that were the subject of its July 28, 2014 and November 10, 2014 motions and that are identified as Issues 3(a) and (b) in the preliminary scope. *See* OII/OSC, p. 7.

¹⁴ OII/OSC, p. 8.

(1) determine that evidentiary hearings will be necessary, whether or not the OSC process is used; (2) clarify that the scope includes the August 29, 2010 communication disclosed in PG&E's May 21, 2015 Letter, as well as other *ex parte* violations that parties may bring to the Commission's attention, and (3) process this proceeding in a manner that avoids unnecessary delays in the administration of justice.

Date: December 3, 2015

Respectfully submitted,

By: _____/s/_____
Hayley Goodson
Staff Attorney

The Utility Reform Network
785 Market Street, Suite 1400
San Francisco, CA 94103
Phone: (415) 929-8876
Fax: (415) 929-1132
Email: hayley@turn.org

APPENDIX 1

**Letter from PG&E to Interim Executive Director Timothy Sullivan on May 21, 2015
Disclosing PG&E's August 29, 2010 *Ex Parte* Communication Re: A.09-12-020**

Subject: Letter to Interim Executive Director Timothy J. Sullivan, Re 2011 General Rate Case

From: "U'u, Tauvela" <TVU1@pge.com>

Date: 5/21/15, 4:15 PM

To: "edwardoneill@dwt.com" <edwardoneill@dwt.com>, "epoole@adplaw.com" <epoole@adplaw.com>, "filings@a-klaw.com" <filings@a-klaw.com>, "fsmith@sflower.org" <fsmith@sflower.org>, "garrick@jbsenergy.com" <garrick@jbsenergy.com>, "hayley@turn.org" <hayley@turn.org>, "info@dcisc.org" <info@dcisc.org>, "janreid@coastecon.com" <janreid@coastecon.com>, "jdangelo@catapult-llc.com" <jdangelo@catapult-llc.com>, "jfm@a-klaw.com" <jfm@a-klaw.com>, "jimross@r-c-s-inc.com" <jimross@r-c-s-inc.com>, "jnmwem@gmail.com" <jnmwem@gmail.com>, "john@clfp.com" <john@clfp.com>, "joyw@mid.org" <joyw@mid.org>, "judypau@dwt.com" <judypau@dwt.com>, "julien.dumoulin-smith@ubs.com" <julien.dumoulin-smith@ubs.com>, "jweil@aglet.org" <jweil@aglet.org>, "kerntax@kerntaxpayers.org" <kerntax@kerntaxpayers.org>, "kjsimonsen@ems-ca.com" <kjsimonsen@ems-ca.com>, "kmills@cfbf.com" <kmills@cfbf.com>, "kris.vyas@sce.com" <kris.vyas@sce.com>, "lauren.duke@db.com" <lauren.duke@db.com>, Law CPUC Cases <LawCPUCCases@pge.com>, "ljt@cpuc.ca.gov" <ljt@cpuc.ca.gov>, "lmh@eslawfirm.com" <lmh@eslawfirm.com>, "martinhomerc@gmail.com" <martinhomerc@gmail.com>, "mdjoseph@adamsbroadwell.com" <mdjoseph@adamsbroadwell.com>, "michelle.d.grant@dynegy.com" <michelle.d.grant@dynegy.com>, "mmattes@nossaman.com" <mmattes@nossaman.com>, "mrw@mrwassoc.com" <mrw@mrwassoc.com>, "naaz.khumawala@baml.com" <naaz.khumawala@baml.com>, "nes@a-klaw.com" <nes@a-klaw.com>, "nms@cpuc.ca.gov" <nms@cpuc.ca.gov>, "Golden, Patrick (Law)" <PGG4@pge.com>, "pk@utilitycostmanagement.com" <pk@utilitycostmanagement.com>, "ASteinberg@SempraUtilities.com" <ASteinberg@SempraUtilities.com>, "BCragg@GoodinMacbride.com" <BCragg@GoodinMacbride.com>, "BermanEconomics@gmail.com" <BermanEconomics@gmail.com>, "CentralFiles@SempraUtilities.com" <CentralFiles@SempraUtilities.com>, "Ekelly@mceCleanEnergy.org" <Ekelly@mceCleanEnergy.org>, "Francis.McNulty@sce.com" <Francis.McNulty@sce.com>, "IErgovic@Jefferies.com" <IErgovic@Jefferies.com>, "KMelville@SempraUtilities.com" <KMelville@SempraUtilities.com>, "pucservice@dralegal.org" <pucservice@dralegal.org>, "ram@cpuc.ca.gov" <ram@cpuc.ca.gov>, "rkoss@adamsbroadwell.com" <rkoss@adamsbroadwell.com>, "rmccann@umich.edu" <rmccann@umich.edu>, "rmp@cpuc.ca.gov" <rmp@cpuc.ca.gov>, "salleyoo@dwt.com" <salleyoo@dwt.com>, "samuelk@greenlining.org" <samuelk@greenlining.org>

Parties to Proceedings A.09-12-020/I.10-07-027:

Attached is PG&E's letter dated May 21, 2015 to Interim Executive Director Timothy J. Sullivan regarding the 2011 General Rate case.

Tauvela U'u, on behalf of
Kirk A. Wilkinson, Esq.
Latham & Watkins LLP
Attorney for Pacific Gas and Electric Company

If you have any difficulty opening the attachments, please notify Tauvela U'u, tel (415) 973-0328, fax (415) 973-5520, TVU1@pge.com

NOTE: The recipient portion of this e-mail may not reflect all the addressees who are being served. The service list has been split into 50-addressee groups, to avoid rejection by CPUC and other e-mail servers. Please note that the PG&E law department does not maintain the official service list for docket nos. A.09-12-020/I.10-07-027. If you would no longer like to receive documents regarding this docket, please contact the CPUC Process Office directly via email at Process_Office@cpuc.ca.gov or by phone at 415-703-2021 to remove yourself from the official service list.

PG&E is committed to protecting our customers' privacy.

To learn more, please visit <http://www.pge.com/about/company/privacy/customer/>

— Attachments: —

A.09-12-020_PGE Ltr to Interim Executive Director Timothy J. Sullivan re 2011 GRC_5-21-15.pdf

111 KB

Kirk A. Wilkinson
Direct Dial: +1 213.891.8234
kirk.wilkinson@lw.com

355 South Grand Avenue
Los Angeles, California 90071-1560
Tel: +1.213.485.1234 Fax: +1.213.891.8763
www.lw.com

LATHAM & WATKINS LLP

May 21, 2015

VIA HAND DELIVERY

Mr. Timothy J. Sullivan
Interim Executive Director
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Re: Pacific Gas and Electric Company

Dear Mr. Sullivan:

On October 6, 2014, Pacific Gas and Electric Company notified then-Executive Director Paul Clanon of an ex-parte communication related to PG&E's 2011 General Rate Case. PG&E has identified another email which may reflect an additional potentially ex-parte oral communication related to that proceeding, and now supplements its prior notification accordingly.

Please note that the email, which is attached hereto as Exhibit A, has been redacted to remove references to certain information that may have been part of settlement communications. As in its original notification regarding this closed proceeding, PG&E is sending this letter to you as the Executive Director with a copy to the General Counsel, and will send a copy of this letter to the final service list in the proceeding.

Very truly yours,



Kirk A. Wilkinson
of LATHAM & WATKINS LLP

Enclosure

cc: Arocles Aguilar, General Counsel (via Hand Delivery and E-Mail)
Service List A.09-12-020/I.10-07-027 (via E-Mail)

FIRM / AFFILIATE OFFICES

Abu Dhabi	Milan
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Frankfurt	San Francisco
Hamburg	Shanghai
Hong Kong	Silicon Valley
Houston	Singapore
London	Tokyo
Los Angeles	Washington, D.C.
Madrid	

EXHIBIT A

From: Cherry, Brian K
Sent: 8/29/2010 10:19:40 PM
To: Bottorff, Thomas E (/O=PG&E/OU=CORPORATE/CN=RECIPIENTS/CN=TEB3)
Cc:
Bcc:
Subject: Update

Tom - Sara and I spent some time with Mike and Carol today. I thought I'd update you before your GRC meeting tomorrow.

Regarding the GRC, I explained to Mike that we have been in extensive negotiations with REDACTED and others to reach a settlement but that we have achieved an impasse, with REDACTED backtracking on a number of items. I gave Mike some of the parameters, stating that we were in the \$.^{REDACTED} plus range with \$ REDACTED in depreciation, plus \$ REDACTED in attrition annually. I told him that the earnings we needed were on the low end and the attrition was unacceptable. He stated he understood that REDACTED would be difficult but asked if we could achieve a partial settlement. I told him we were still working toward that but that I wasn't sure we could get there at this point. I reiterated we need somewhere above \$600 million and much larger attrition dollars, north of \$200 million. He seemed sympathetic to that but I suspect we would be better off to reach a partial settlement, sans attrition. My best guess is that we could get in the \$500s on base revenue and \$200 plus in attrition. That's just a guess with a whole lot of uncertainty associated with it. It was a good discussion. I hope this helps in the debate tomorrow. Please do not tell the team about the settlement numbers or discussion as it technically is a violation of the settlement rules. Also discussed the LLNL proposal and other issues. Will update you tomorrow.