

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA



FILED

02/13/19
04:59 PM

Order Instituting Investigation on the
Commission's Own Motion to Determine
Whether Pacific Gas and Electric
Company and PG&E Corporation's
Organizational Culture and Governance
Prioritize Safety.

Investigation 15-08-019

**OPENING COMMENTS OF THE PUBLIC ADVOCATES OFFICE
ON THE QUESTIONS IN THE
ASSIGNED COMMISSIONER'S SCOPING MEMO AND RULING**

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February 13, 2019

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I. INTRODUCTION

Pursuant to the December 21, 2018 *Assigned Commissioner's Scoping Memo and Ruling* (Phase 2 Scoping Memo), the Public Advocates Office at the California Public Utilities Commission (Cal Advocates) respectfully submits these comments and responses. On January 15, 2019, pursuant to Rule 12.6 of the California Public Utilities Commission's (Commission) Rules of Practice and Procedure, Administrative Law Judge Peter Allen granted parties an extension to submit opening comments on February 13, 2019, and reply comments on February 28, 2019.

The Phase 2 Scoping Memo arose out of an Order Instituting Investigation (OII) issued on August 27, 2015 to determine whether Pacific Gas and Electric Company's (PG&E) organizational culture and governance prioritize safety and exercise accountability to achieve safety goals and standards.¹ To this end, the Commission directed the Safety and Enforcement Division (SED) with the assistance of NorthStar Consulting Group (NorthStar) to evaluate PG&E's organizational culture, governance, policies, and practices, and to prepare a report of its findings.

After hearings and briefings over the course of 2018, Phase 1 of this proceeding concluded in November 2018 with Decision (D). 18-11-050. Decision 18-11-050 also ordered PG&E to implement the recommendations from the NorthStar report no later than July 1, 2019.²

The Phase 2 Scoping Memo articulates a principle that "continuous, safe, and reliable gas and electric service at just and reasonable rates must be provided to Northern California in order to protect human life and sustain prosperity."³ The Phase 2 Scoping Memo also articulated eight factors to consider when assessing alternatives to PG&E's status quo as a gas and electric utility, including safe and reliable service; operational integrity and technical unity of PG&E's infrastructure; stability of the utility workforce;

¹ Herein, PG&E will refer to the utility, and PG&E Corporation will refer to PG&E Corporation.

² D.18-11-050, Ordering Paragraph 1.

³ I.15-08-019, Phase 2 Scoping Memo, p. 1.

relationships and roles with the local communities; ability to implement state energy and environmental policies; meeting financial challenges associated with large catastrophic events; the ability to raise capital and funds; and, cost of utility service.⁴

Additionally, the Phase 2 Scoping Memo identifies 20 questions for consideration and requests that parties provide preliminary comments on the desirability of the alternatives based on the eight factors. The Phase 2 Scoping Memo also seeks initial observations on the legal, technical, and financial feasibility of the proposals and affords parties the opportunity to offer additional proposals.

The Public Advocates Office provides a preliminary framework for consideration when addressing the questions provided in the Phase 2 Scoping Memo. Additionally, the Public Advocates Office recommends that some of the questions be deferred from consideration in Phase 2 of this OII, due in part to uncertainties from PG&E's bankruptcy filing.⁵

II. PROPOSED POLICY FRAMEWORK

The Public Advocates Office recommends that the Commission use the following guiding principles to evaluate options for improving PG&E's safety culture, addressing its wildfire liabilities, and addressing its current financial situation while ensuring that fire victims receive justice, ratepayers and PG&E employees are treated fairly, and affordable power continues to flow. The framework applies to options including but not limited to corporate restructuring, management changes, and changes in regulatory oversight.

The Public Advocates Office's overarching objective is to **ensure a safe and reliable supply** of energy at just and reasonable rates for all Californians. To that end, the Public Advocates Office recommends that any solution to PG&E's failings should achieve six goals:

⁴ Phase 2 Scoping Memo, p. 2.

⁵ Form 8-K dated January 13, 2019; Chapter 11 petition of PG&E and PG&E Corporation in United States Bankruptcy Court on January 29, 2019, <https://restructuring.primeclerk.com/pge/Home-Index>

- A. Improving safety;
- B. Protecting consumers;
- C. Protecting workers and suppliers;
- D. Fairness;
- E. Accountability; and
- F. Improving future performance.

These six goals are described briefly below, with principles that correspond to each goal.

A. Improving Safety

The utility should pursue continuous improvement in its core responsibilities of delivering energy safely and reliably. Specifically, PG&E should establish robust internal controls to enforce safety protocols and the Commission should prioritize effective oversight.

The findings and analyses produced by the Commission's oversight and PG&E's internal efforts should be transparent and public.

B. Protecting Consumers

The proposed solution should minimize the burden on ratepayers and avoid rate shock. Consumers should have representation in and access to decision-making processes.

C. Protecting Workers and Suppliers

Rank-and-file utility workers, contractors, and suppliers should be protected.

D. Fairness

The burdens and risks to ratepayers should be distributed fairly among groups of ratepayers, both by ratepayer class and geographical region. A sound remedy should apply the same rules and expectations to other utilities, if similar situations arise.

E. Accountability

The proposed solution should establish effective accountability for management failures and malfeasance while establishing clear protections when management meets the reasonable manager standard.

The proposed solution should give utility management and shareholders compelling motivation to prevent similar crises in the future.

F. Improving Future Performance

Any proposed restructuring should ensure continuity of service for customers and promote focused, effective, and efficient management. Any organizational structure should support the state's ability to achieve its environmental goals.

III. RESPONSES TO RULING QUESTIONS

These responses follow the same order as the Phase 2 Scoping Memo. The responses reflect the Public Advocates Office's initial assessments and may change as more information is obtained over the course of the proceeding.

A. Corporate governance – Board of Directors

- 1. Should PG&E and PG&E Corp. be subject to a utility-specific business judgement rule (BJR) to require the Board of Directors to account for safety beyond the current fiduciary duties? If so, should such a utility-specific business judgment rule apply to corporate officers as well?**

The Commission should make clear that the business judgment rule imposes a greater rather than lesser duty on board members and corporate officers to ensure and provide for the safety of the utility's customers and employees. Any BJR must ensure that safety is the top priority and not allow the Board of Directors to avoid responsibility for missteps and misdeeds.

2. **Should the PG&E Board of Directors regularly file with the Commission a report of how the Board met its duties under the BJR to account for safety? Should this include a summary of the oversight exercised by the Board including information reviewed, when deliberations occurred, and the depth of the review? Should the report include the Board review of the corporate officers' leadership as it pertains to safety? Should compensation to the Board Members be dependent on a Commission finding that the Board members discharged their safety duties appropriately?**

The Commission should direct PG&E and PG&E Corporation to provide information regarding how the safety incidents informed or affected changes it made to the membership of the Board of Directors,⁶ the safety oversight practices, and corporate safety policies, with particular reference to each of the incidents or actions identified in the Phase 2 Scoping Memo: the San Bruno disaster, the Kern Power Plant demolition, the natural gas distribution line explosions and other issues between 2010 and 2014, the Butte Fire in 2015, the 2017 wildfires, the 2018 wildfires, and the Commission's investigation into PG&E's locate and mark practices.⁷ Understanding what changes, if any, occurred after these incidents will help parties better understand how PG&E's board has functioned after significant incidents and disasters. However, the Public Advocates Office doubts that adding new reporting requirements will change PG&E's or PG&E Corporation's safety culture.

⁶ The Public Advocates Office uses "Board" or "Board of Directors" here as shorthand for the boards of PG&E Corporation and PG&E Company. PG&E Corporation and PG&E Company technically each have a distinct Board of Directors. However, the membership of the two Boards is currently identical, and usually exhibits substantial if not complete overlap. Likewise, we use "directors" as shorthand for the members of either Board. See *Summary of Corporate Structure of Pacific Gas and Electric Company (U 39 M) and PG&E Corporation*, January 16, 2019, Attachment 4, pp. 1 and 4.

⁷ Phase 2 Scoping Memo, pp. 3-8.

Table 1 - Summary of Phase 2 Scoping Memo Incidents

Year	Incident	Deaths	Injuries	Homes and structures destroyed	Acres burned
2010	San Bruno gas pipeline explosion ⁸	8	58	38 homes	
2012 – 2017	Alleged falsification of gas records ²				
2012	Kern Power Plant demolition ¹⁰	1			
2013	Kern Power Plant demolition ¹¹		5		
2015	Butte Fire (Calaveras County) ¹²	2	1	549 homes and 372 other structures	70,868
2017	Redwood Fire (Mendocino County) ¹³	9	?	543	36,523

⁸ The New York Times, August 9, 2016, “California Utility Found Guilty of Violations in 2010 Gas Explosion That Killed 8,” <https://www.nytimes.com/2016/08/10/us/california-utility-found-guilty-of-violations-in-2010-gas-explosion-that-killed-8.html>

² I.18-12-007, *Order Instituting Investigation and Order to Show Cause on the Commission’s Own Motion into the Operations and Practices of Pacific Gas and Electric Company with Respect to Locate and Mark Practices and Related Matters*, pp. 1-2.

¹⁰ The Bakersfield Californian, June 19, 2012, “Worker dies after fall at PG&E’s Kern Power Plant,” https://www.bakersfield.com/news/worker-dies-after-fall-at-pg-e-s-kern-power/article_889e802f-8db7-5632-a265-05f20f788c4a.html

¹¹ USA Today, August 3, 2013, “Power plant implosion goes wrong,” <https://www.usatoday.com/story/news/nation/2013/08/03/5-spectators-injured-at-old-power-plant-implosion/2615005/>

¹² Cal Fire, Incident Information: Butte Fire, http://cdfdata.fire.ca.gov/incidents/incidents_details_info?incident_id=1221

The Sacramento Bee, April 28, 2016, “Cal Fire blames PG&E for Butte Fire, will seek \$90 million,” <https://www.sacbee.com/news/state/california/fires/article74496267.html>

¹³ Cal Fire Investigation Report: Redwood Incident (Redacted), http://calfire.ca.gov/fire_protection/downloads/FireReports/LE-80%20Redwood%20Incident%20Report_Redacted.pdf

Cal Fire News Release, June 8, 2018, “CAL FIRE Investigators Determine Causes of 12 Wildfires in Mendocino, Humboldt, Butte, Sonoma, Lake, and Napa Counties,” https://calfire.ca.gov/communications/downloads/newsreleases/2018/2017_WildfireSiege_Cause.pdf

KQED, June 8, 2018, “Cal Fire Releases Cause of a Dozen More October Fires: Nearly All Tied to

2017	Atlas Fire (Napa County) ¹⁴	6	?	783	51,624
2017	Central LNU Complex Fires: Norrbom, Adobe, Partrick, Pythian, and Nuns* Fires (Sonoma and Napa Counties) ¹⁵	3	?	1,355	56,556
* Cal Fire found PG&E responsible for four of the five fires in the Central LNU Complex. Cal Fire found that the Nuns Fire was caused by part of a tree falling onto an energized power line but did not state who owned the equipment responsible.					

3. Should PG&E form an independent nominating committee to identify and select candidates for the Board of Directors?

Yes, PG&E should form an independent nominating committee to identify and select candidates for the Board of Directors.

While adding independent directors to the Board may be a step in the right direction, it is not clear how these steps will enhance safety.¹⁶ The Commission should direct PG&E and PG&E Corporation to indicate whether they are exploring or are in the process of forming such a committee. If not, PG&E and PG&E Corporation should explain why they have not done so yet. If so, PG&E and PG&E Corporation should describe how they expect the independent nominating committee to be constituted, what

PG&E,” <https://www.kqed.org/news/11673398/cal-fire-release-cause-of-a-dozen-more-october-fires-nearly-all-connected-to-pge>

¹⁴ Cal Fire News Release, June 8, 2018, “CAL FIRE Investigators Determine Causes of 12 Wildfires in Mendocino, Humboldt, Butte, Sonoma, Lake, and Napa Counties,” https://calfire.ca.gov/communications/downloads/newsreleases/2018/2017_WildfireSiege_Cause.pdf

¹⁵ Cal Fire News Release, June 8, 2018, “CAL FIRE Investigators Determine Causes of 12 Wildfires in Mendocino, Humboldt, Butte, Sonoma, Lake, and Napa Counties,” https://calfire.ca.gov/communications/downloads/newsreleases/2018/2017_WildfireSiege_Cause.pdf

Cal Fire Investigation Report: Nuns (Redacted), http://calfire.ca.gov/fire_protection/downloads/FireReports/Nuns%20LE%2080_Redacted.pdf

KQED, June 8, 2018, “Cal Fire Releases Cause of a Dozen More October Fires: Nearly All Tied to PG&E,” <https://www.kqed.org/news/11673398/cal-fire-release-cause-of-a-dozen-more-october-fires-nearly-all-connected-to-pge>

¹⁶ See, for example, “Board members are independent, but are they **legitimate** and **credible**?” by the Institute for Governance of Private and Public Organizations at https://igopp.org/wp-content/uploads/2018/06/IGOPP_PP_Independant_PP10_EN_vf.pdf

the criteria for members are, and how the independent directors will be independent from PG&E and PG&E Corporation.

4. Should PG&E identify specific criteria for potential Board of Directors members? For example, should PG&E have one or more Board of Directors members be experts in organizational safety, gas safety, and/or electrical safety? If so, should the appointment of safety experts be made subject to Commission or Governor approval?

Yes. PG&E should identify specific criteria for potential Board of Directors members. PG&E should have one or more Board of Directors members with expertise in organizational safety, gas safety, and/or electrical safety. While it seems that having expertise in organizational, gas, and electrical safety should assist the Board of Directors in their oversight function, any expertise is only useful if the Board of Directors is willing and capable of exercising their oversight over the utilities in the areas of safety. However, unless the Board of Directors uses their authority in determining and overseeing PG&E management, their expertise may provide little to no weight or bearing upon the utility's operations.

The Commission should direct PG&E and PG&E Corporation to file a statement that describes the process for selecting Board members since the San Bruno disaster, including who has nominated directors and what criteria have been applied to select directors.

5. Should PG&E form an audit committee constituted of independent directors possessing financial and safety competence, as defined by the Commission, to evaluate the Board of Directors' discharge of their duties and make recommendations for qualifications of future members of PG&E's Board of Directors?

Yes. This will provide the Board of Directors guidance to help them to properly discharge their duties, achieve a greater level of safety and financial competence, and

provide greater assurances that PG&E will be served by a qualified Board of Directors going forward.

The Securities and Exchange Commission requires publicly traded companies to file an 8-K Form when a material event occurs. Generally, an event is material if there is a substantial likelihood that a reasonable investor would consider the information important in making an investment decision. Should PG&E file an analogous safety report with the Commission when PG&E makes a significant decision regarding capital expenditures pertaining to safety, a change in management as it pertains to safety, or any other decision that may impact safety?

Yes. These reports should be in addition to but not duplicative of the safety reports that the Commission already receives from PG&E such as General Order (GO) 112-F §122 and GO 95 Rule 18, for gas and electric incidents which require the submission of reports to the Commission in the event of a significant safety event. These reports should be made publicly available on the Commission's website, as well as the Safety and Enforcement Division's subsequent analyses of the reports.¹⁷

The utilities' mandatory safety reports, including the Risk Mitigation Accountability Reports and the Risk Spending Accountability Reports, also should be publicly accessible.¹⁸ In addition, any Energy Division analyses of these reports should be posted publicly.

¹⁷ The current reports on the Risk (or Safety) Spending Accountability and the general status of the ED review are made available on the Commission's website. *See*, <http://www.cpuc.ca.gov/General.aspx?id=6442454550>

¹⁸ D.14-12-025, Ordering Paragraph 1, pp. 54-55. For example, the Safety Spending Accountability Reports (which appear to be the Risk Spending Accountability Reports referred to in D.14-12-025) are posted on the CPUC's website including both the utility filing as well as the Energy Division's review and status of their review. *See*, <http://www.cpuc.ca.gov/General.aspx?id=6442454550>

- 6. Should PG&E file a public annual report of all Directors and Officers insurance policies obtained by PG&E and identify the risk PG&E identified to obtain the insurance? If PG&E amends its Directors and Officers insurance, should it notify the Commission of the risk identified and the terms of the amended policy?**

Yes. In addition, the Commission should direct PG&E and PG&E Corporation to include a summary of their insurance policies in the public annual report.

- 7. Should part or all of the existing Board of Directors resign and be replaced by directors with a stronger background and focus on safety?**

The Public Advocates Office understands that at least half of PG&E's current Board of Directors will go off the Board of Directors in the next couple of months.¹⁹ The Public Advocates Office also understands that the existing board has already identified candidates with new perspectives to augment their expertise in safety and other areas.²⁰ However, it remains to be seen which Board of Directors members will go off the board, exactly how many board members will go off the board, and who will take their place on the board.

B. Corporate Management – Officers and Senior Leadership

- 1. Should PG&E retain new corporate management in all or in part?**

Yes. The Commission should expect PG&E's management to focus on safety, to be forthcoming, and to strive to be a good corporate citizen. PG&E's safety and operations record warrants new management, not just people in new positions.

¹⁹ NPR, February 11, 2019, "Bankrupt Pacific Gas & Electric Corp. Will Replace Half Of Its Board Of Directors," <https://www.npr.org/2019/02/11/693737603/bankrupt-pacific-gas-electric-corp-will-replace-half-of-its-board-of-directors>

²⁰ *Id.*

2. Should the questions posed above for Corporate Governance be similarly considered for corporate management?

Yes, the questions related to Corporate Governance should be applied to corporate management as well. To this end, PG&E should be directed to provide a clear list of titles that it considers to be “corporate management” and “senior management”.

3. Should the compensation for non-officer executives be modified? Does the current incentive structure properly incent PG&E decision-makers?

Yes. To this end, the Commission should require PG&E to file information relevant to this question, including describing the existing compensation structures for all non-officer executives with attention to performance-based compensation, including a detailed description of how compensation is linked to the utility’s performance on safety metrics,²¹ and identifying which titles and positions are affected by the statutory requirement that executive compensation be funded by shareholders rather than ratepayers.²²

C. Corporate Structure

1. Should PG&E’s gas and electric distribution and transmission divisions be separated into separate companies? If so, should the separate companies be controlled by a holding company? Should the holding company be a regulated entity?

This matter may be impacted by PG&E’s filing with the bankruptcy court.

The Commission should direct PG&E to describe the plans, if any, including valuation of PG&E’s and PG&E Corporation’s assets, it has reportedly developed

²¹ For example, other related industries such as the oil and gas industry, base compensation on safety performance indicators. This topic could be the subject of an Energy Division led workshop, where the Energy Division or PG&E could provide a white paper or other such documentation of relevant examples prior to the workshop. For example, *see*, “BP links staff bonuses to safety performance.” <https://www.bbc.com/news/business-11573179>

However, it is worth noting that this can also create perverse incentives. *See*, “Could BP’s safety incentives backfire?” <https://www.industryweek.com/public-policy/could-bps-safety-incentives-backfire>

²² Chapter 626, Senate Bill No. 901 Part 10.

internally for a potential sale of the gas division,²³ as well as any other plans it has prepared for how the utility may be reorganized.

- 2. Should PG&E's corporate structure be reorganized with regional subsidiaries based on regional distinctions? For example, PG&E could be divided into multiple smaller utilities operating under a single parent company. If so, should such a reorganization apply to both gas and electric services? Do the physical characteristics of the gas and electric systems lend themselves to the same regional structure, or do the physical characteristics of the respective systems lend themselves to different regional structures.**

This matter may be impacted by PG&E's filing with the bankruptcy court.

The Commission should direct PG&E to describe and provide any plans regarding corporate organization or any other plans it has prepared for how the utility may be reorganized. Any potential restructuring or division of PG&E should be considered using the six goals in the framework discussed in Section II above.

- 3. Should the Commission revoke holding company authorization, so PG&E is exclusively a regulated utility? Should all affiliates and subsidiaries be spun off or incorporated into the regulated utility?**

Any restructuring of PG&E should be evaluated using the six goals in the framework discussed in Section II above. At this time, Public Advocates Office has no comments on this matter.

- 4. Should the Commission form a standing working group with the union leadership of PG&E to identify the safety concerns of PG&E staff?**

Given the first-hand expertise of PG&E employees, the Commission should solicit their input on safety concerns. If the Commission formulates a safety-focused working

²³ NPR, January 4, 2019, "Devastating Wildfires Force California's Largest Utility To Plan Sale Of Gas Assets," <https://www.npr.org/2019/01/04/677832387/devastating-wildfires-force-californias-largest-utility-to-plan-sale-of-gas-asse>

group, it should be broad-based and include opportunities for all stakeholders to become informed and advance proposals. The Public Advocates Office would welcome the opportunity to participate in a dialogue about improving safety at PG&E with PG&E's union leadership.

D. Publicly Owned Utility, Cooperative, Community Choice Aggregation, or Other Models

1. Should some or all of PG&E be reconstituted as a publicly owned utility or utilities?

Any restructuring of PG&E should be considered using the six goals in the framework discussed in Section II above. An organizational structure of publicly owned utility or utilities should be considered further. To this end, the Commission should solicit statements of interest from other entities with an interest in a reconstituted PG&E.

2. Should PG&E be a “wires-only company” that only provides electric distribution and transmission services with other entities providing generation services? If so, what entities should provide generation services?

An organizational structure of a “wires only company,” should be considered further.

E. Return on Equity

1. Should the Commission condition PG&E's return on equity on safety performance?

No. Conditioning PG&E's return on equity on safety performance could conflate regulatory risk with business risk, potentially resulting in higher borrowing costs relative to alternative ratemaking mechanisms. Higher borrowing costs would increase rates and could ultimately affect the pace of safety-related infrastructure upgrades. The Commission should consider more effective options for linking revenues to performance on safety metrics.

2. What are the safety considerations for the utility if its financial status is downgraded by the investment community?

PG&E filed for bankruptcy between the issuance of the Phase 2 Scoping Memo and the filing of these responses.²⁴ Prior to that, PG&E's credit was downgraded.²⁵

The Commission should require PG&E to identify each program or planned investment that relates to safety, the funding status of the program, and to what extent (if any) the program has been delayed or cancelled as a result of PG&E's downgrade or up to this point in its bankruptcy.

Regardless of financial status, the energy utilities are obligated to provide safe and reliable service under Public Utilities Code § 451. If PG&E is delaying or slowing safety programs, the Commission should require PG&E to identify (1) other programs that are not safety-related, and (2) the steps required to re-allocate funds from those programs to safety programs.

F. Other Proposals

1. What other measures should be taken to ensure PG&E satisfies its obligation to provide safe service?

The Commission should allow all parties to offer proposals for improving PG&E's safety performance. All proposals to restructure PG&E or change the regulatory framework should be evaluated through the policy framework discussed in Section II above.

However, providing a full response to this question requires additional information. Parties other than PG&E do not currently possess sufficient information to

²⁴ See, Chapter 11 petition of PG&E and PG&E Corporation in United States Bankruptcy Court on January 29, 2019, <https://restructuring.primeclerk.com/pge/Home-Index>

²⁵ On January 14, 2019, Moody's Investor Services downgraded PG&E's ratings and its holding company, including the Corporate Family Rating (CFR) to Caa3 from Ba3 and Probability of Default Rating to Ca-PD from B1-PD. Moody's also downgraded PG&E's senior unsecured rating to Caa3 from Ba3, PCG's senior unsecured rating to C from B2 and the Speculative Grade Liquidity Rating to SGL-4 from SGL-3. See Moody's Investor Service, https://www.moody.com/research/Moodys-downgrades-Pacific-Gas-Electric-to-Caa3-and-PGE-Corp--PR_393849

provide robust responses. As a first step, the Commission should require PG&E to file the information discussed in the Public Advocates Office's responses to Questions 2-4, 7, and 10-13.

Second, parties should be aware that information on the bankruptcy is available from Prime Clerk at this link: <https://restructuring.primeclerk.com/pge/Home-Index>.

Third, the Commission should require PG&E to file a comprehensive list of all safety metrics that it tracks, a summary of its performance on each metric for the past five years, and the results of all SED audits, internal audits, and external audits related to safety. The Commission should also direct its staff to prepare a comprehensive list of all safety-related reporting requirements and provide a public index of PG&E's filings pursuant to those requirements, for the past five years. ED should send these documents to the service list for this proceeding.

Fourth, PG&E should be required to serve each of the Risk Accountability and Risk Spending Reports on the service list of this proceeding, as well as the final reports and status of pending reports from Commission staff (ED and SED) on those topics.

Fifth, PG&E should be directed to serve any orders issued by Judge Alsup in U.S. v. Pacific Gas and Electric Company (Case No. 14-00175 WHA), and any responses filed by PG&E, on the service list of this proceeding.

Sixth, the Commission should direct PG&E to provide to the Commission all documents and data that it files with the Securities and Exchange Commission. PG&E should file and serve these documents in this proceeding. Where necessary, PG&E should follow the Commission's protocols to redact sensitive information, while providing confidential versions to the Commission.

Once parties have access to this essential background information about PG&E's safety record through PG&E providing the requisite information, the Commission should allow adequate time in this proceeding for parties to develop and analyze proposals for improving PG&E's safety performance.

IV. CONCLUSION

The Public Advocates Office requests that the Commission adopt the recommendations contained herein.

Respectfully submitted,

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February 13, 2019