BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

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Application of Pacific Gas and Electric Company for Authority, Among Other Things, to Increase Rates and Charges for Electric and Gas Service Effective on January 1, 2017. (U39M)	Application 15-09-001 (Filed September 1, 2015)

OPENING COMMENTS OF THE UTILITY REFORM NETWORK ON THE PROPOSED DECISION OF ALJ ROSCOW CONCERNING ISSUES OTHER THAN THE STANDARD FOR EVALUATING SETTLEMENTS

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2. The PD should be modified to remove much of the dicta regarding Post Test Year Ratemaking.

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OPENING COMMENTS OF THE UTILITY REFORM NETWORK ON THE PROPOSED DECISION OF ALJ ROSCOW CONCERNING ISSUES OTHER THAN THE STANDARD FOR EVALUATING SETTLEMENTS

I. INTRODUCTION

On February 27, 2017, the Commission issued the Proposed Decision of Administrative Law Judge (ALJ) Stephen C. Roscow, entitled *Decision Authorizing Pacific Gas and Electric Company's General Rate Case Revenue Requirement for 2017-2019* (Proposed Decision or PD). On March 17, 2017, pursuant to a request from Pacific Gas and Electric Company (PG&E), ALJ Roscow orally authorized the filing of two sets of comments by the same party (one jointly filed with other parties, and the other separately filed), as long as the subject matter of the two sets of comments does not overlap. Pursuant to Rule 14.3 of the Commission's Rules of Practice and Procedure and ALJ Roscow's authorization, The Utility Reform Network (TURN) submits these comments on the Proposed Decision. These comments concern issues other than the standard for evaluating settlements, which is addressed by TURN in comments filed jointly with other parties to the Settlement Agreement.

II. COMMENTS

A. The Commission Should Clarify That Use of a Tier 1 Advice Letter Process for PG&E to Present Its "Positive Proof" that the Authorized Test Year Revenue Requirement is Still Reasonable, Despite PG&E's Recently Announced Spending Reductions, Does Not Preclude Remedial Action, If Necessary. [PD Section 4.1.11.1]

The PD raises concerns about the impact of the cost cutting measures announced by PG&E on January 11, 2017 (after the closure of the record in this proceeding) on

PG&E's need for the test year revenue requirement proposed in the Settlement Agreement.[1] The PD explains, "Our challenge is to protect PG&E's ratepayers from excess bill increases without overly delaying implementation of PG&E's 2017 GRC revenue requirements. As noted above, we have no record in this proceeding to assist us."[2] To achieve both objectives, the PD would require "PG&E to submit positive proof that PG&E is not collecting in rates any funds rendered unnecessary by the $300 million in spending reductions" announced on January 11, and specifically to "submit this proof as part of the advice letter filing that will be necessary to implement the authorized" GRC rate changes.[3] That advice letter filing is a Tier 1 advice letter that PG&E must file within 30 days, providing revised tariff sheets to implement the newly authorized revenue requirement and accounting procedures, fees, and charges, with these revised tariff sheets effective on filing, subject to a finding of compliance by Energy Division.[4] The PD sets forth specific questions for PG&E to address in its "positive proof" and instructs, "In the interest of streamlining the Commission's review of this important matter, we stress the necessity for PG&E to provide thorough, dispositive responses to these questions."[5]

TURN appreciates ALJ Roscow's diligence in ensuring that the test year revenue requirement authorized by the Commission is just and reasonable, despite PG&E's recent announcement of significant cost reductions. Consistent with the PD's recognition of the significance of Staff's review of PG&E's "positive proof," TURN recommends that the PD be modified to remind all interested parties that use of the Tier 1 advice letter process does not limit the Commission's ability to order remedial action, including refunds, if

[1] PD, pp. 125-131.
[2] PD, p. 130.
[3] PD, pp. 130-131.
[4] PD, Ordering Paragraphs 4 and 5, p. 221.
[5] PD, p. 131.

Staff determines that PG&E has not met the burden required by the PD.

A Tier 1 advice letter is "effective pending disposition," which means that the utility may implement the tariff changes set forth in the advice letter prior to its disposition by Energy Division, with the understanding that disposition may modify that authorization.[6] According to General Rule 7.5.3 of General Order 96-B:

> A utility that has implemented the actions or tariff changes set forth in an advice letter effective pending disposition shall immediately stop such implementation, and shall commence such remedial action as may be appropriate (including but not limited to the submission of an advice letter setting forth a remedial plan), if the advice letter is rejected pursuant to General Rule 5.3, 7.6.1, or 7.6.2.

Because the PD would authorize a revenue requirement change but also direct Energy Division to confirm that PG&E "will not collect[ ] in rates any funds rendered unnecessary by the $300 million in spending reductions," TURN recommends that the Commission make it abundantly clear that Energy Division Staff approval of PG&E's Tier 1 advice letter is an essential component of PG&E's implementation of the GRC revenue requirement increase. This can be done by adding language to the PD to clarify that the Commission may require PG&E to commence remedial action should Staff reject PG&E's Tier 1 advice letter because PG&E's "positive proof" is insufficient.

B. The PD Should Be Modified to Remove Confusing and Inappropriate Dicta Regarding Post Test Year Ratemaking. [PD Sections 4.1.1.2 and 4.1.11.2]

The PD would adopt the Post Test Year Ratemaking (PTYR) provisions of the Settlement Agreement, which the PD aptly characterizes as "near- 'black box'".[7] Those provisions in their entirety are as follows:

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[6] *See, e.g.,* General Order 96-B, General Rules 3.6, 7.5.3; Energy Industry Rule 5.1.
[7] PD, pp. 137, 139.

3.1.1.2 Post-Test Years 2018 and 2019

> The Settling Parties agree that PG&E's annual post-test year adjustment for 2018 and 2019 will be fixed dollar amounts of $444 million in 2018, and $361 million in 2019, except as provided for below concerning exogenous changes.
>
> As shown in Appendix B to this Agreement, the 2018 increase shall be $250 million for electric distribution, $110 million for gas distribution, and $84 million for electric generation; and the 2019 increase shall be $195 million for electric distribution, $96 million for gas distribution, and $70 million for electric generation.
>
> The Settling Parties agree that post-test year relief for 2018 and 2019 will be authorized in this GRC, and implemented by advice letter.[8]

Indeed, notably absent from the Settlement Agreement is any mention of a methodology behind these "lump sum agreed upon increases" for 2018 and 2019.[9]

Nonetheless, the PD goes to great lengths to analyze the reasonableness of these PTYR provisions by comparing the proposed increases to PG&E's "bottom up" forecasts for 2018 and 2019 spending. The PD expresses dismay that the "imputed regulatory values" for 2018 and 2019, provided by PG&E in response to ALJ Roscow's post-settlement request, "do not provide a sufficiently clear picture of what we can expect PG&E to spend in those years, so it [PG&E's method for calculating imputed regulatory values] is of no value to us in evaluating the merits of the agreed-upon PTY increases."[10] Because these "imputed regulatory values" are not the same as PG&E's "actual budgets for 2018 and 2019", the PD concludes, "[I]n order to evaluate the merits of those amounts, we are left to compare the near- 'black box' Settlement Agreement for 2018

[8] Settlement Agreement, Section 3.1.1.2, p. 1-4 (filed with Joint Motion for Adoption of Settlement Agreement, on Aug. 3, 2016).
[9] *See* PD, p. 139 (referring to the "lump sum" increases).
[10] The "imputed regulatory values" referred to by the PD were prepared by PG&E using a methodology to calculate expense and capital amounts at the MWC-level for the Lines of Business, at the organization-level for the corporate services departments, and for PG&E's companywide expenses, such as benefits and insurance costs. *See* Late Filed Exhibit PG&E-46, p. 6.

and 2019 with PG&E's bottom up forecasts for those years, provided in PG&E's original showings."[11]

Moreover, the PD raises doubt about the approaches intervenors have historically used to prepare PTYR recommendations in GRCs, which have not relied on close scrutiny of the utility's attrition year "bottom up" forecasts:

> Although PG&E included "bottom up" forecasts for 2018 and 2019 in its testimony, intervenors point out that the entire premise of a three-year GRC cycle is that the Test Year revenue requirement will be the focus of the utility showing and of intervenor testimony, because resource constraints prevent intervenors from subjecting every year of a three-year forecast to the same level of detailed analysis that is applied to the test year forecasts. Instead, the post test-year revenue requirement requests rely on various escalators and other estimation methods so that intervenors do not have to review PG&E's bottom up forecasts for those years.[12]

The PD states that the Commission "is not entirely comfortable" with approving an outcome "based on only [parties'] close scrutiny and negotiation over 2017 budgets, without the same detailed review by intervenors of PG&E's 2018 and 2019 forecasts."[13]

For the reasons explained below, TURN recommends that the Commission either remove or substantially truncate the discussion of PTYR in Section 4.1.11.2 of the PD. As written, the PD risks creating confusion about whether the Commission intends to fundamentally alter the way it approaches PTYR, an outcome that would be unfair to the parties in this proceeding. The PD also errs in relying on PG&E's unexamined PTY capital spending forecasts to assess the merits of the Settlement Agreement PTYR adjustments. Finally, the PD overreaches in apparently reaching the merits of PTYR methodologies, an issue not addressed by the Settlement Agreement.

First, the PD seems to telegraph a fundamental change in the Commission's

[11] PD, p. 137.
[12] PD, pp. 133-134.
[13] PD, p. 139.

approach to PTYR by insinuating that the reasonableness of the Settlement Agreement's "lump sum" PTYR adjustments requires a comparison to the utility's attrition year budget forecasts, as if those forecasts are per se reasonable. In contrast, the Commission has previously questioned the reliability of utility post-test year forecasts, which makes sense because they are prepared long before the years at issue. But, more importantly here, the Commission has long recognized that intervenors typically cannot reasonably be expected to closely review the full breadth of such attrition year forecasts due to resource constraints. For instance, in D.09-03-025, issued in Southern California Edison's 2009 GRC, the Commission stated:

> As we repeatedly observed in prior decisions, there is a fundamental problem with budget-based ratemaking that boils down to the fact that budgets are not always implemented as planned. In addition, no party other than SCE provided or analyzed detailed post-TY plant addition budget forecasts in determining increases. We cannot fault other parties for not recommending detailed PTYR capital budgets. As we have noted in past GRCs, analyzing such budgets for two additional years imposes a significant burden on resources. For these reasons, we reject SCE's proposal for budget-based cost increases.[14]

More recently, in D.14-08-032, issued in PG&E's 2014 GRC, the Commission explained:

> Although PG&E also presents forecasts of capital expenditures for 2015 and 2016, no other party had the resources to undertake a comprehensive scrutiny of 2015 and 2016 capital forecasts. Accordingly, while we make limited findings in this decision that relate, in some instances, to 2015 and 2016 activities, without the benefit of a robust review from other parties, we have insufficient evidentiary basis to make comprehensive findings as to the overall reasonableness of PG&E's 2015 and 2016 capital forecasts. We instead adopt a simplified methodology for an attrition revenue requirement for 2015 and 2016, as set forth in Appendix D, as described in Section 12 of this decision.[15]

Suddenly now, the PD appears to suggest that the Commission expects

[14] D.09-03-025, p. 305 (citing to D.06-05-015, p. 316 for the Commission's prior recognition of the significant burden on resources posed by analyzing the utility's attrition year capital budgets).
[15] D.14-08-032, p 4.

intervenors to also analyze the utility's post-TY forecasts, so that PTY adjustments can be informed by those scrutinized forecasts. This is a change no party could have reasonably anticipated. Nothing in the Scoping Memo can be fairly read as an indicator that the Commission intended to change its longstanding and recently-affirmed approach to establishing PTY revenue requirements. And consistent with past practice, TURN and ORA each prepared PTYR recommendations using methodologies other than a "bottom-up" forecast-based approach, and both parties amply supported their proposals with reference to prior Commission decisions.[16]

Moreover, the PD's suggestion seems to blur the important distinction between the purpose of PTYR and of test year analysis. As the Commission articulated in D.14-08-032:

> The ARA [Attrition Rate Adjustment] is not intended to replicate a test year analysis, or to cover all potential cost changes so as to guarantee PG&E's rate of return through 2015 and 2016. The ARA is merely to mitigate economic volatility between test years to a reasonable degree so that a well-managed utility can provide safe and reliable service while maintaining financial integrity.[17]

Similarly, in D.13-05-010, issued in the SDG&E/SoCalGas 2012 GRC, the Commission noted that the PTYR mechanism should "provide the Applicants with an incentive to manage and reduce their costs during the PTY period," rather than reflect their PTY "costs in a 'business as usual' setting."[18]

If the Commission seeks to fundamentally modify its approach to PTYR, as suggested by the PD, it must solicit input from stakeholders *before* such a change occurs

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[16] *See, e.g.,* Exhibit TURN-12 (Yap/Direct Testimony), pp. 12-16 (presenting TURN's primary and alternate recommendations for O&M and capital PTYR). *See also* Exhibit ORA-21 (Tang/Direct Testimony).
[17] D.14-08-032, pp. 652-653. *See also,* Exhibit TURN-12 (Yap/Direct Testimony), pp. 4-5, 10-11 (discussing the Commission's prior conclusions regarding the purpose of PTYR mechanisms).
[18] D.13-05-010, p. 1008.

in a manner that provides them a meaningful opportunity to weigh in on the proposed change before it takes place. The existing rulemaking examining various aspects of the GRC process, R.13-11-006, would be an obvious vehicle for such review.[19] However, TURN submits that it would be unfair and inappropriate to suggest here that intervenors have somehow fallen short of the Commission's expectations by analyzing PG&E's PTYR request in the same way that they have usually done so, without a detailed analysis of the utility's PTY forecasts.

Second, and for similar reasons, the PD errs in relying on PG&E's "bottom up" forecast of 2018 and 2019 capital spending to validate the reasonableness of the Settlement Agreement PTYR adjustments.[20] The PD explains, "However, based on our own examination of PG&E's 'bottom up' forecasts for 2018 and 2019, we find those agreed-upon revenue requirements to be reasonable and conclude that they support our adoption of the lump sum agreed upon increases for those years."[21] The PD looks to PG&E's forecasts, despite acknowledging that they have generally not been reviewed by intervenors.[22]

It is unclear why the PD would conclude that PG&E's unexamined PTY forecasts offer a reliable projection of the level of PTY adjustment, if any, that is appropriate to serve the purpose the Commission set forth in D.14-08-032. The PD does not analyze record evidence on that point, and makes no findings of fact or conclusions of law. In PG&E's most recent GRC, the Commission reached a different conclusion: "Given the

[19] The Commission might also consider providing notice of such intent in an individual utility's GRC, so long as it was done early enough in the proceeding to provide parties sufficient opportunity to incorporate that proposal into their analysis and testimony.
[20] *See* PD, pp. 137-139.
[21] PD, p. 139.
[22] *See* PD, pp. 133-134, 139.

lack of comprehensive scrutiny of 2015 and 2016 capital spending requirements, PG&E's claims about increased spending requirements for 2015 and 2016 remain unsubstantiated."[23] Similarly, the Commission stated, "Without conducting full-scale review of 2015 and 2016 capital spending requirements, reliance on historical averages [as proposed by TURN in that proceeding and here] offers a reasonable outcome."[24]

Last but not least, the PD errs under the circumstances here in apparently embracing one PTYR methodology – a budget-based forecast methodology – over the various other methodologies previously relied on by the Commission.[25] The issue of PTYR *methodology,* as opposed to revenue requirements, was not settled in this case, as explained above, and its resolution is unnecessary for the Commission to approve the Settlement Agreement.[26] In D.08-07-046, issued in the SDG&E/SoCalGas 2008 GRC, the Commission made similar comments favoring one methodology over another, when the parties had settled on acceptable revenue requirement outcomes without resolving their differences regarding the methodologies underlying their respective litigation positions.[27] The Commission later backtracked in D.09-06-052, which modified D.08-07-046 and denied rehearing, to avoid what it conceded to be unnecessary confusion and a resulting legal challenge. The rehearing decision characterized the earlier decision's

[23] D.14-08-032, p. 658.
[24] D.14-08-032, p. 657.
[25] *See, e.g.* Exhibit TURN-12 (Yap/Direct Testimony), pp. 4-11 (discussing prior Commission decisions addressing O&M and capital PTYR).
[26] *See, e.g.,* D.11-05-018, issued in PG&E's 2011 GRC, p. 34, and Attachment 1(Settlement Agreement), Section 3.11 (adopting a settlement agreement providing fixed dollar amount attrition increases, akin to the Settlement Agreement here); D.08-07-046, as modified by D.09-06-052, issued in the SDG&E/SoCalGas 2008 GRC (adopting a settlement agreement providing attrition year revenue requirement terms only). Indeed, TURN is unaware of any GRC settlement involving a major energy utility regulated by the CPUC in which the proposed or adopted settlement purported to cover PTYR methodology as distinct from the dollar amount provided for a PTYR period.
[27] D.09-06-052, pp. 13-14 (discussing D.08-07-046).

discussion of policy issues intentionally left unresolved by the adopted settlement as an attempt "simply to provide guidance" that was "in no way … intended to be controlling for future proceedings."[28] Still, the Commission recognized that its action "caused confusion" warranting modification of the earlier decision "to remove language that might have caused such confusion."[29] For similar reasons, it would be inappropriate for the Commission to opine on the PTYR methodology issue in its decision on the Settlement Agreement, as it gives the appearance of prejudging evidence in future proceedings and, in doing so, would "cause confusion" at the very least.

In sum, the Commission should modify the PD to remove the majority of the discussion of PTYR in Section 4.1.11.2. Doing so will avoid unnecessary confusion about the Commission's expectations of intervenors in their handling of PTYR, eliminate the PD's apparent reliance on unexamined evidence of a sort the Commission has previously found unreliable, and prevent the appearance of prejudging evidence in future proceedings, when none of this discussion is necessary to approve the Settlement Agreement.

TURN has identified the following proposed modifications of the PD's text in an attempt to achieve a discussion of the way parties addressed PTYR in their various testimonies, and how the PTYR-related issues were resolved in the proposed settlement.

- In Section 4.1.1.2, the paragraph on page 50 that begins "Given the history recounted by ORA …" should be omitted in its entirety. The PD can be read as second-guessing the strategies of ORA and intervenors in analyzing PTYR issues and positions to take in their testimony on such issues. In particular, the attribution of motive to such parties is highly inappropriate. There are any number of factors that could influence any party's PTYR position in any given GRC proceeding; it is inappropriate conjecture for the PD to attribute any such position to a Commission sense of how parties' underlying understanding may

[28] D.09-06-052, p. 14.
[29] D.09-06-052, p. 14; *see also* pp. 23-24 (inserting a new Section 5.2 into D.08-07-046).

have evolved.

- In section 4.1.11.2, on pages 133-134, the first paragraph should be modified to remove the last two sentences. The second-to-last sentence states that the PTYR requests in the settlement "rely on various estimators and other estimation methods," when in fact the entirety of the settlement's discussion on this topic is the material quoted in full above. Similarly, the final sentence of this paragraph would again attribute to intervenors "an implicit agreement" that is, with all due respect, mere conjecture.

- In section 4.1.11.2, on page 134, the entirety of the first sentence and much of the second sentence should be removed, so that the paragraph begins, "In the past two PG&E proceedings . . . ." The characterization of the "one year out of three" scrutiny is an inappropriate representation of the approach the Commission has taken in past GRCs, both those with litigated PTYR outcomes and those with PTYR outcomes subsumed in adopted settlements.

- In section 4.1.11.2, the paragraph that starts at the bottom of page 136 ("In hindsight, we note . . . ") and continuing through the example taken from PG&E's testimony mid-way through page 139 should be removed. The text states that the post-settlement materials provided at the ALJ's request did not adequately serve the purpose of providing "a sufficiently clear picture of what we can expect PG&E to spend in those years," and left the determination of reasonableness to be based on a comparison of the settlement with PG&E's litigation position. As described above, it is inappropriate to treat PG&E's unexamined PTY forecasts as if they present a reliable projection of the level of PTY adjustments.

- In section 4.1.11.2, the final paragraph on pages 139-140 requires two excisions. The first sentence should be removed as it summarizes the PD's previous discussion that treated PG&E's unexamined PTY forecasts as reliable. The third sentence and the first portion of the fourth sentence ("We are comfortable with the former, but not entirely comfortable with the latter. However, based on our own examination of PG&E's "bottom up" forecasts for 2018 and 2019,") should be removed for the same reason. The resulting paragraph would read:

  > Although ~~this~~ a level of detail is provided in PG&E's testimony and workpapers, PG&E and the other Settling Parties ask us to approve revenue requirements based on only their close scrutiny and negotiation over 2017 budgets, without the same detailed review by intervenors of PG&E's 2018 and 2019 forecasts. We find those agreed-upon revenue requirements to be reasonable and conclude that they support our adoption of the lump sum agreed upon increases for those years. Later in this decision, we also approve provisions of the Settlement Agreement that will further strengthen the existing budget accountability reporting provisions and enable us to further improve the transparency around PG&E's forecast and recorded spending in those post-test years.

C. Trimming Some of the PD's Discussion Regarding Section 3.2.8.4 of the Settlement Agreement Regarding Deferred Safety Spending Would Help to Avoid Unintended and Unnecessary Controversy in the Future. [PD Section 4.2.8.4]

The PD adopts without change Section 3.2.8.4 of the Settlement titled Principles for Deferred Work.[30] Key to that section of the Settlement are six principles, which are quoted verbatim on page 186 of the PD. Among other things, Section 3.2.8.4 requires PG&E in its next GRC and Gas Transmission and Storage (GT&S) rate case to demonstrate consistency with those six principles in the event that PG&E seeks ratepayer funding for work that was previously approved to address a safety need and that was deferred by PG&E.

In the section adopting Section 3.2.8.4, the PD includes the following paragraph:

> With respect to Section 3.2.8.4 of the Settlement Agreement, "Principles for Deferred Work", we clarify that the principles listed in that Section were not previously adopted by the Commission in PG&E's most recent GRC decision; rather, they served as the basis for the Commission's discussion of specific items in several specific areas of that decision. If the Commission were to set out its own principles, the list in Section 3.2.8.4 of the Settlement Agreement may very well serve as a good starting point, and we commend Settling Parties for assembling and agreeing upon this material. However, we have not engaged in that exercise in this proceeding. Rather, we look to adherence to these principles as ongoing "best practices" for PG&E, so that the company documents such activity in a manner that not only lessens conflict in future GRCs but, more importantly, may serve as the foundation for the Commission to more closely monitor PG&E's spending within the coming GRC cycle.[31]

TURN is concerned that this paragraph will lead to unintended and unnecessary controversy in the future implementation of Section 3.2.8.4.

In particular, TURN is concerned about the reference to treating the six principles as "best practices." Senate Bill 705 (2011) used the term "best practices" in Public

[30] Ordering Paragraph 1 of the PD adopts the Settlement Agreement, except for provisions listed in that OP that are specifically excepted. Section 3.2.8.4 is not among the exceptions.
[31] PD, p. 194 (emphasis added).

Utilities Code § 961(c) as a standard that safety plans submitted by gas operators should meet. Unfortunately, the statute did not define that term and parties, including PG&E and TURN, have disagreed sharply about its meaning and import for rate cases.[32] As now written, the PD could cause the interpretation of Section 3.2.8.4 to become linked to an ongoing controversy about the meaning of "best practices" in § 961(c), which TURN suspects was not the PD's intent. TURN submits that the use of this term would not serve the PD's stated goal of "lessen[ing] conflict in future GRCs," and, in fact, could create unnecessary conflict over the interpretation of principles that the settling parties worked hard to agree upon, an effort that the PD commends.[33] At a minimum, TURN urges that the reference to "best practices" be removed from the final decision.

More broadly, TURN is unclear regarding the meaning and purpose of the entire above-quoted paragraph. The PD states that Section 3.2.8.4 and other Settlement provisions included in the category of "Reporting Obligations and Other Obligations" are adopted "with the clarifications . . . provided below."[34] But, from TURN's vantage point, the above-quoted paragraph does not make any clear clarifications, particularly since the PD does not propose any specific wording changes to Section 3.2.8.4. Indeed, as noted, the use of the phrase "best practices" would likely only add confusion. Moreover, the discussion of whether the six principles in Section 3.2.8.4 were previously "adopted" in the 2014 GRC decision or merely "reflected" in that decision (which is the word Section 3.2.8.4 uses) does not seem to serve a clear purpose -- particularly when the PD goes out of its way to state that, if the Commission were to adopt principles, the

[32] For an illustration of the nature of the interpretative controversies the "best practices" phrase in Section 961(c) has engendered, see TURN's Reply Brief in PG&E's 2014 GRC, A.12-11-009 (http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M082/K884/82884275.PDF) , pp. 11-13.
[33] PD, p. 194.
[34] PD, p. 194.

Settlement's principles would serve as a good starting point. TURN submits that, ultimately whether the six principles were specifically "adopted" in a previous decision or are being formally adopted now is not the point. The issue is whether Settlement Section 3.2.8.4 should be adopted to govern the showing PG&E should make in its next GRC and GT&S case. The PD's answer is a clear yes, even stating that the parties should be commended for agreeing to the six principles. That clear answer should not be muddied by unclear language purporting to clarify matters.

In sum, TURN believes that the public interest would be better served by removing the entirely of the above-quoted paragraph from the final decision, in order to avoid unnecessary disputes about the meaning of the supposed clarifications provided by that paragraph.[35]

III. CONCLUSION

For the foregoing reasons, TURN recommends that the Commission adopt the Proposed Decision with the modifications set forth herein.

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[35] TURN also notes that, to the extent that the Commission finds it important to discuss the provenance of the six principles, the PD elsewhere does so in a clear and unconfusing way on page 185, where it states: "The listed principles appear[] to have been assembled from the Commission's discussion of several items in several places in [the 2014 GRC decision], including PG&E's pole replacement revenue requirement request . . . and PG&E's financial health. Settling Parties also rephrased some of that discussion." TURN agrees with these statements and has no concern with their inclusion in the final decision.

Date: March 20, 2017

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