

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



FILED

11/17/20
04:59 PM

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, 2020.

A 18-12-009

**REPLY COMMENTS OF THE COALITION OF CALIFORNIA UTILITY
EMPLOYEES ON THE ADMINISTRATIVE LAW JUDGES' PROPOSED
DECISION**

November 17, 2020

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Pursuant to Rule 14.3 of the Commission's Rules of Practice and Procedure, the Coalition of California Utility Employees ("CUE") submits these reply comments on the proposed decision of Administrative Law Judges Lirag and Lau.

**I. THE PD APPROPRIATELY REJECTS THE JOINT COMMUNITY
CHOICE AGGREGATORS' ARGUMENTS TO REALLOCATE COSTS
TO BUNDLED CUSTOMERS**

The PD properly rejects the JCCAs' arguments regarding the allocation of costs associated with certain PG&E programs and services. In comments on the PD, the JCCAs continue to argue that the Commission should reallocate costs for PG&E's Resilience Zone program and Customer Care services from distribution service to generation service. The JCCAs argue that bundled customers benefit disproportionately from these programs or services and, therefore, departed customers should not pay for them. The JCCAs' arguments are unconvincing, inequitable and unsupported by the record which shows that these distribution-focused programs and services benefit all customers and, therefore, all customers

should pay for them. In short, the PD got it right when it rejected the JCCAs' arguments to reallocate costs to bundled customers.

A. The Commission Should Reject the JCCAs' Cost Allocation Proposal for the Resilience Zones Program

The Resilience Zones program includes installing infrastructure needed in Tier 2 and 3 High Fire Threat Districts to connect temporary generation to the distribution grid. The equipment provides temporary power to all customers – bundled and departed – impacted by Public Safety Power Shutoff events.¹ The JCCAs argued that the costs for the Resilience Zones program should be recovered in generation rates unless the program is expanded to accommodate CCA-procured energy in CCA-specified locations or to allow other LSEs to participate.² The PD appropriately rejects the JCCAs' argument and finds that it is inequitable for bundled customers to bear the full cost of a program that benefits both bundled and CCA customers. Thus, CCA customers should also pay for the program.³

The JCCAs now urge the Commission to revise the PD to allocate 100% of the costs for the Resilience Zones program to bundled customers.⁴ The JCCAs' repeated argument is no more convincing now. Allocating Resilience Zones program costs to generation rates would saddle bundled customers with 100% of the costs for a program that equally benefits bundled and departed customers. All customers in Resilience Zones – bundled and departed – will receive service on a temporary basis

¹ Exh. PGE-16, pp. 9-10.

² JCCAs Opening Brief, p. 26.

³ PD, pp. 57-58.

⁴ Comments of JCCAs, pp. 21-23.

during PSPS events. It is the distribution-based interconnection infrastructure that will allow this service to reach all customers, and for which PG&E is requesting cost recovery. Therefore, allocating Resilience Zones costs to all electric distribution customers is equitable. The Commission should, once again, reject the JCCAs' proposal to burden bundled customers with 100% of these costs.

B. The Commission Should Reject the JCCAs' Cost Allocation Proposal for Customer Care Services

Customer care services include customer engagement programs and activities (e.g. EV and DER education, contact centers and customer service offices.) PG&E proposed to continue allocating 55% of customer service costs to electric distribution and 45% to gas distribution based on the total number of electric and gas service agreements.⁵ Customer support costs are not allocated based on whether a customer is bundled or departed or how a customer's energy is generated.

The JCCAs wanted the Commission to shift more than \$24 million of customer care services costs to bundled customers only, claiming that departed customers do not utilize PG&E's customer services as much as bundled customers do. The JCCAs' claim was unsupported by the record and inconsistent with the Commission's cost causation principle. Accordingly, the PD agrees with PG&E and rejects the JCCAs' proposal.⁶

The JCCAs now urge the Commission to revise the PD to allocate a portion of customer care costs to generation rates so that bundled customers must

⁵ Exh. PGE-20, p. 2-5.

⁶ PD, pp. 309-314.

disproportionately pay for these costs.⁷ The JCCAs' repeated argument is no more convincing now. The Commission should, once again, reject the JCCAs' argument.

Record evidence shows that departed customers use contact center services *more* than bundled customers.⁸ Indeed, from 2015 to 2017, contact center call volumes increased while the number of CCA customers tripled and bundled electric customers decreased by 15%.

Further, according to the Commission, the principle of cost causation means that "costs should be borne by those customers who cause the utility to incur the expense, not necessarily by those who benefit from the expense." In other words, regardless of whether a bundled or departed customer actually avails herself of a particular service, it is the fact that she has the opportunity or eligibility to do so which causes the utility to incur the expense of the service. In this case, the customer services (for customer engagement, contact centers and customer service offices) are made available to all PG&E distribution customers. Therefore, even if departed customers utilized these services less than bundled customers (which is not the case here), the costs would still be appropriately allocated to all distribution customers.

The PD got it right. Shifting customer care service costs to bundled customers is unsupported by the record, inconsistent with the Commission's cost causation principle and should, once again, be rejected.

Dated: November 17, 2020

Respectfully submitted,

⁷ Comments of JCCAs, pp. 11-18.

⁸ Exh. 103, PG&E response to Data Request Joint CCAs_015Q10, September 20, 2019.

/s/

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