

**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, 2020. (U39M)

Application 18-12-009

**REPLY OF THE AD HOC COMMITTEE OF SENIOR UNSECURED  
NOTEHOLDERS TO PACIFIC GAS AND ELECTRIC COMPANY'S  
RESPONSE TO MOTION FOR PARTY STATUS**

Ashley Vinson Crawford  
George D. (Chip) Cannon, Jr.  
J. Porter Wiseman  
Akin Gump Strauss Hauer & Feld LLP  
580 California Street, Suite 1500  
San Francisco, CA 94104  
Tel. (415) 765-9500  
Fax (415) 765-9501  
Email: [avcrawford@akingump.com](mailto:avcrawford@akingump.com)  
[ccannon@akingump.com](mailto:ccannon@akingump.com)  
[jwiseman@akingump.com](mailto:jwiseman@akingump.com)

November 1, 2019

Steven F. Greenwald  
Vidhya Prabhakaran  
Davis Wright Tremaine LLP  
505 Montgomery Street, Suite 800  
San Francisco, CA 94111-6533  
Tel. (415) 276-6500  
Fax. (415) 276-6599  
Email: [stevegreenwald@dwt.com](mailto:stevegreenwald@dwt.com)  
[vidhyaprabhakaran@dwt.com](mailto:vidhyaprabhakaran@dwt.com)

*Attorneys for the Ad Hoc Committee of  
Senior Unsecured Noteholders of Pacific  
Gas and Electric Company*

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Pursuant to Rule 11.1(f) of the California Public Utilities Commission's ("Commission") Rules of Practice and Procedure, and with the permission of Administrative Law Judges Elaine Lau and Rafael L. Lirag granted by e-mail on October 28, 2019, the Ad Hoc Committee of Senior Unsecured Noteholders of Pacific Gas and Electric Company (the "Ad Hoc Committee") responds to the Response filed by Pacific Gas and Electric Company ("Response") to the Ad Hoc Committee's Motion for Party Status ("Motion") in this proceeding.<sup>1</sup>

As explained in the Motion, the Ad Hoc Committee seeks party status because the Utility's proposed revenue requirement and rates represent integral components of the plan of reorganization proposed by the Ad Hoc Committee and the Official Committee of Tort Claimants (the "TCC/AHC Plan"). The Utility's proposed revenue requirement and rates, including increases to address wildfire prevention, risk reduction, and safety enhancements such as infrastructure hardening and enhanced vegetation management, are also critical for the Utility to emerge from bankruptcy under any plan of reorganization. The Ad Hoc Committee therefore seeks to participate in the remainder of this proceeding, but does not intend, as the Utility alleges, to disadvantage or prejudice any party, disturb the existing record by introducing additional

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<sup>1</sup> Pacific Gas and Electric Company (the "Utility") and its parent, PG&E Corporation, are collectively referred to herein as the "Debtors."

evidence, or expand the scope of this proceeding to include consideration of the specifics of the TCC/AHC Plan.

Rules 1.4 and 11.1 of the Commission’s Rules of Practice and Procedure, which permit the Ad Hoc Committee to move for party status, do not specify a time period within which the Ad Hoc Committee must seek party status. Contrary to the Utility’s suggestion that the Ad Hoc Committee “could have intervened [earlier] were the interests it purports to represent at issue,”<sup>2</sup> the Motion explains why the Ad Hoc Committee did not previously seek party status in this proceeding. The United States Bankruptcy Court for the Northern District of California (the “Bankruptcy Court”) recently terminated the Debtors’ exclusive right to propose a plan of reorganization.<sup>3</sup> Prior to the termination of exclusivity, the Bankruptcy Code<sup>4</sup> prohibited the Ad Hoc Committee from filing or soliciting acceptances of an alternative plan of reorganization. Violating exclusivity could have subjected the Ad Hoc Committee to sanctions in the chapter 11 proceeding. As a result, prior to the termination of exclusivity by the Bankruptcy Court, the Ad Hoc Committee refrained from seeking party status in this proceeding as it sought to avoid being accused by Debtors of violating Debtors’ exclusive right to propose a plan of reorganization. The Commission frequently grants motions for party status long after the proceeding’s initiation.<sup>5</sup>

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<sup>2</sup> Response at 5.

<sup>3</sup> Order Granting Joint Mot. of the Official Comm. of Tort Claimants and Ad Hoc Comm. of Senior Unsecured Noteholders to Terminate the Debtors’ Exclusive Periods Pursuant to Section 1121(d)(1) of the Bankruptcy Code, In re PG&E Corp., No. 19-30088-DM (Bankr. N.D. Cal., Oct. 9, 2019).

<sup>4</sup> 11 U.S.C. § 1121.

<sup>5</sup> See, e.g., A.19-01-014, Email Ruling Granting Comcast Phone of California, LLC’s Motion for Party Status (Oct. 10, 2019) (granting motion for party status nine months after proceeding was initiated, and after issuance of proposed decision); A.18-07-011, *et al.*, Administrative Law Judge’s Ruling Granting in Part and Denying in Part the Motion of DISH Network Corporation for Party Status and for Official Notice of Documents Filed with the Federal Communications Commission (Feb. 25, 2019) (granting motion for party status seven months after proceeding was initiated, and several months after scoping memo and prehearing conference).

The Motion should be granted because the Ad Hoc Committee has met the standard for party status set forth in Rule 1.4(b) of the Commission's Rules of Practice and Procedure. The Motion fully discloses the entities that comprise the Ad Hoc Committee and their interests in this proceeding.<sup>6</sup> The Motion also explains why the Ad Hoc Committee's factual and legal input, to the extent requested by the Commission or otherwise appropriate, will be pertinent to the issues presented.<sup>7</sup> Specifically, the proposed revenue requirement and rates could impact any plan of reorganization ultimately confirmed by the Bankruptcy Court and/or approved by this Commission, as well as the ongoing viability of the reorganized company, particularly with respect to wildfire prevention, risk reduction, and safety enhancements such as infrastructure hardening and enhanced vegetation management. Furthermore, the Scoping Ruling specifically notes that "PG&E is directed to timely serve to parties in this proceeding any developments in the chapter 11 case that would affect its requests in this proceeding. If deemed appropriate, the ALJs may direct PG&E to file some or all of the information."<sup>8</sup> The Ad Hoc Committee wishes the opportunity to do the same with respect to its plan of reorganization should it be appropriate.

The Ad Hoc Committee has a unique perspective to offer the Commission in its examination of the issues in this proceeding and a vested interest in the outcome of this proceeding as a co-proponent of the TCC/AHC Plan. The Ad Hoc Committee's party status will not unduly broaden the issues under consideration in this proceeding, and no party's interests will be harmed by granting the Ad Hoc Committee party status. Accordingly, the Ad Hoc Committee respectfully requests that the Commission grant it party status in this proceeding.

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<sup>6</sup> Rule 1.4(b)(1).

<sup>7</sup> Rule 1.4(b)(2).

<sup>8</sup> Assigned Commissioner's Scoping Memo and Ruling, at 6.

Respectfully submitted,

/s/ Steven F. Greenwald

Steven F. Greenwald

Vidhya Prabhakaran

Davis Wright Tremaine LLP

505 Montgomery Street, Suite 800

San Francisco, CA 94111-6533

Tel. (415) 276-6500

Fax (415) 276-6599

Email: [stevegreenwald@dwt.com](mailto:stevegreenwald@dwt.com)

[vidhyaprabhakaran@dwt.com](mailto:vidhyaprabhakaran@dwt.com)

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