

**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.

(U 39 M)

Application 18-12-009
(Filed on December 13, 2018)

**RESPONSE OF THE
ENERGY PRODUCERS AND USERS COALITION**

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January 17, 2019

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ENERGY PRODUCERS AND USERS COALITION**

Pursuant to Rule 2.6 of the Rules of Practice and Procedure of the California Public Utilities Commission (Commission), the Energy Producers and Users Coalition (EPUC) submit this response to the *Test Year 2020 General Rate Case Application of Pacific Gas and Electric Company (U 39 M)* (Application) filed by Pacific Gas and Electric Company (PG&E). This General Rate Case (GRC) proceeding requests increased rates and charges requested by PG&E for electric and gas service effective January 1, 2020.

I. INTRODUCTION

On December 13, 2018, PG&E filed its Application requesting that the Commission increase 2020 gas and electric distribution and generation base revenue requirements by a total of \$1.058 billion. PG&E's request represents a 12.4 percent increase over the 2019 adopted revenue of \$8.518 billion.¹

¹ PG&E Test Year 2020 General Rate Case Application at 6, Table 3.

Due to the breadth and size of PG&E's revenue request, the Application raises numerous issues regarding the formulation, purpose, necessity and justification of all revenue requested. These issues require an opportunity for discovery, intervenor testimony and development of a record.

II. EPUC's INTEREST IN THIS PROCEEDING

A. Effect on Electric Ratepayers

EPUC² is an *ad hoc* group representing the electric end use and customer generation interests of its members, who are located in PG&E's service territory. EPUC actively participates in PG&E rate cases to address rate impacts to large electricity end users and producers.

In its Application, PG&E requests an increase of its gas and electric distribution and generation base revenue requirements by a total of *\$1.058 billion*.³ This request will increase the base revenue amounts by 23.3 percent for electric distribution and 12.6 percent for electric generation between 2018 and 2020.⁴ Specifically, PG&E proposes to increase the electric rate impacts for Schedules E-19, E-20 and Standby noncore ratepayers by 6.8 percent, 5.2 percent and 9.7 percent, respectively, between 2018 and 2020.⁵

If adopted as proposed, these requested revenue increases, particularly when combined with other anticipated costs, will directly affect EPUC members' cost of doing

² EPUC represents the following companies in this proceeding: California Resources Corporation, Chevron U.S.A., Inc., Phillips 66 Company, and Shell Oil Products US.

³ The increase is attributable to a \$134 million increase on the gas side of PG&E's operations and a \$924 million increase on the electric side.

⁴ PG&E Test Year 2020 General Rate Case Application at 6, Table 3.

⁵ Ex. PG&E-12 at 9-5, Table 9-3.

business within California. Therefore, EPUC requests party status in this proceeding to address the issues identified.

B. PG&E's Proposed Wildfire Mitigation Strategies Must Be Reviewed For Accuracy, Efficacy And Legitimacy

More than half of PG&E's proposed revenue increase is related to wildfire prevention, risk reduction and safety enhancements. Between 2018 and 2022, PG&E proposes to spend upwards of \$5 billion in expense and capital on its Community Wildfire Safety Program on various yet-to-be-reviewed investments.⁶ This \$5 billion revenue increase affects every class of customer that PG&E serves, including noncore, and will present a tangible fiscal impact to ratepayers. Upon initial review of the Application and its supporting materials, EPUC questions the inclusion of some requested wildfire-related costs in the current GRC.

Within subsection 5 of the Issues to be Considered section, PG&E proposes to consider only the "cost of implementing and expanding" PG&E's Community Wildfire Safety Program (CWSP).⁷ In addition to the costs of implementing and expanding the program, the Commission should consider: the risk assessment methodology underlying its program⁸—including any aspects of the CWSP that were presented in PG&E's 2017 Risk Assessment and Management Phase of this GRC⁹—as well as the effects of the

⁶ This Program proposes to invest in: 1) installing stronger and more resilient poles and covered power lines; 2) implementing SmartMeter technology; 3) increasing ongoing work to keep power lines clear of branches; 4) coordinating prevention and response efforts by monitoring wildfire risk in real-time; 5) expanding its network of weather stations; and, 6) installing nearly 600 new high-definition cameras in high fire-threat areas.

⁷ PG&E Test Year 2020 General Rate Case Application at 26.

⁸ PG&E Reply to Safety & Enforcement Division's Risk Assessment and Mitigation Phase Report at 2-4.

⁹ PG&E 2017 RAMP Report, Chapter 11, Wildfire, Section V.

anticipated “Stress Test” on cost recovery of wildfire costs required by Senate Bill 901.¹⁰

EPUC requests participation in this proceeding to conduct a more in-depth review to determine that more economical or efficient alternatives do not exist, as well as to ensure PG&E does not attempt to recuperate costs that could be considered inappropriate within a GRC proceeding.

III. NOTICE

EPUC requests that all correspondence, pleadings, notices, orders, rulings and other communications concerning this proceeding be emailed to the following:

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IV. CONCLUSION

EPUC intends to actively participate in this proceeding. Therefore, EPUC requests that it be granted party status. EPUC appreciates the opportunity to submit this response.

January 17, 2019

Respectfully submitted,



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Energy Producers and Users Coalition

¹⁰ Cal. Pub. Util. Code § 451.2(a).