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

Application of Pacific Gas and Electric
Company for Authority, Among Other Things,
to Increase Rates and Charges for Electric and
Gas Services Effective on January 1, 2020

(U 39 M)

Application No. 18-12-009
(Filed December 13, 2018)

**JOINT REPLY OF PACIFIC GAS AND ELECTRIC COMPANY (U 39-M),
SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E), SAN DIEGO
GAS & ELECTRIC COMPANY (U 902-M) AND SOUTHERN
CALIFORNIA GAS COMPANY (U 904-G) TO OPENING COMMENTS
OF THE UTILITY REFORM NETWORK ON THE PROPOSED
DECISION REGARDING PETITION FOR MODIFICATION OF
DECISION 20-12-005**

LAURA EARL
SAN DIEGO GAS AND ELECTRIC
COMPANY
8330 Century Park Ct., CP32D
San Diego, CA 92123
Telephone: 858-654-1541
E-Mail: learl@sdge.com

Counsel for
SAN DIEGO GAS AND ELECTRIC
COMPANY AND SOUTHERN CALIFORNIA
GAS COMPANY

RUSSELL ARCHER
SOUTHERN CALIFORNIA EDISON
COMPANY
2244 Walnut Grove Ave,
PO Box 800
Rosemead, CA 91770
Telephone: 626-302-2865
E-Mail: Russell.Archer@sce.com

Attorney for
SOUTHERN CALIFORNIA EDISON
COMPANY

Dated: July 6, 2021

STEVEN W. FRANK
MARY A. GANDESBERY
WALKER A. MATTHEWS
PACIFIC GAS AND ELECTRIC COMPANY
PO Box 7442
San Francisco, CA 94120
Telephone: (415) 973-0675
E-Mail: Mary.Gandesbery@pge.com

Attorneys for
PACIFIC GAS AND ELECTRIC COMPANY

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I. INTRODUCTION

Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), San Diego Gas & Electric Company (SDG&E), and Southern California Gas Company (SoCalGas) (collectively, the Utilities) reply to the June 30, 2021 Opening Comments of The Utility Reform Network (TURN)¹ on the June 10, 2021 *Proposed Decision Regarding Petition for Modification of Decision 20-12-005* of Administrative Law Judges Lirag and Lau (PD).

TURN seeks unnecessary and ambiguous changes to a Conclusion of Law in the PD. The PD, which denies TURN's requested relief on procedural grounds, is correct. TURN's proposed changes should not be adopted. If the Commission does change the PD, however, the Commission should revise the PD to substantively deny the relief sought by TURN on the merits.

II. DISCUSSION

The PD appropriately denies TURN's March 24, 2021 petition for modification (PFM) of D.20-12-005 (PG&E's 2020 GRC Decision). TURN's PFM requested that the Commission modify PG&E's 2020 GRC Decision to address an issue that was not raised by any party in the proceeding. TURN's

¹ Pursuant to California Public Utilities Commission (CPUC or Commission) Rule of Practice and Procedure 1.8(d), counsel for SCE and SDG&E/SoCalGas have authorized PG&E to file this joint reply on behalf of the Utilities.

proposed modification would have required PG&E to submit in its 2023 GRC an alternate forecast capped at the amount of the Consumer Price Index (CPI) that would be considered as evidence although unsupported by PG&E. TURN's PFM indicated that it would seek a similar procedure for the General Rate Case (GRC) proceedings of the other Utilities.²

The Coalition of California Utility Employees (CUE) and each of the Utilities opposed TURN's PFM, explaining that TURN's petition was both substantively and procedurally flawed. PG&E and SCE noted that the Utilities must be adequately funded to provide safe and reliable service.³ CUE explained why PG&E's forecast for its critical wildfire safety work cannot be capped at the rate of inflation.⁴ PG&E noted that in its function as a gas utility, it is mandated to follow best practices under California law.⁵ The Utilities' various responses also highlighted, among other problems with the PFM:

- addressed the Commission's longstanding decisions to allow a utility to recover its actual costs of service based on cost-of-service ratemaking principles;⁶
- pointed out that the Commission has long rejected the use of the CPI to establish utility revenue requirements;⁷
- noted that the relief sought by TURN would contradict the Commission's Rate Case Plan decisions;⁸
- pointed out that the request was improper in that it was filed in a single GRC docket where the underlying issue had not been addressed, rather than as a petition to modify the Rate Case Plan or through an alternative, appropriate statewide procedural vehicle;⁹
- pointed out that TURN's PFM raised a statewide issue that should be resolved on a uniform, statewide basis;¹⁰ and

² TURN PFM, p. 3, FN 5.

³ PG&E Response, pp. 3-4; SCE Response, pp. 20-21; Pub. Util. Code, § 451.

⁴ CUE Response, pp. 2-5.

⁵ Pub. Util. Code, § 961(c).

⁶ PG&E Response, pp. 4-7; SDG&E and SoCalGas Joint Response, pp. 4-8; SCE Response, pp. 3-6; *see also* D.20-01-002, pp. 10-11.

⁷ PG&E Response, pp. 7-9; SCE Response, pp. 18-20.

⁸ PG&E Response, pp. 13-15; SCE Response, pp. 3-6.

⁹ PG&E Response, pp. 9-13; SCE Response, pp. 10-11.

¹⁰ SCE Response, pp. 12-14.

- noted that TURN's request raises First and Fifth Amendment issues in that TURN is seeking to force PG&E to file a revised forecast and submit sworn testimony that it cannot support.¹¹

Despite the multiple substantive objections raised by the various parties, the PD denies TURN's PFM solely on procedural grounds. The PD notes that the issue raised by TURN "does not modify or change any finding, conclusion or order in D.20-12-005 and merely seeks to impose a new requirement that is being raised for the first time in this proceeding in this PFM."¹² The PD thus denies TURN's request "without prejudice to TURN raising the same issue in PG&E's Test Year 2023 GRC."¹³ The Utilities accept the PD's narrow rejection of TURN's proposal on procedural grounds, but still have the same substantive concerns as summarized above.

Although the PD would allow TURN to re-raise its argument in PG&E's 2023 GRC (and presumably in other utilities' GRCs as well), TURN nevertheless requests the PD be revised. TURN argues that the PD should indicate that its proposal was timely submitted, arguing that: "[i]t would be patently unfair to allow this postponement to justify a future determination in the [2023] GRC that TURN's (upcoming) motion should have been submitted sooner. . . ."¹⁴ TURN claims that without this clarification, it would be somehow prejudiced in its future efforts to seek the same relief in PG&E's 2023 GRC.¹⁵ The PD should not be modified, as TURN suggests. As the PD correctly points out, TURN filed this request in the wrong docket. TURN was a party to the Rate Case Plan proceeding and, as such, had standing to raise the issue in the correct docket. TURN does not explain why it did not timely file its request in a more appropriate venue. The PD should not be revised to provide TURN any credit for a "timely" filing in an inappropriate docket.

TURN makes the additional inappropriate request for the Commission to dictate terms of a future ruling on a similar motion that TURN plans to file in PG&E's 2023 GRC. TURN requests that the Commission indicate that the ruling on TURN's yet-to-be-filed motion in PG&E's 2023 GRC should

¹¹ SDG&E and SoCalGas Joint Response, pp. 8-11.

¹² PD, pp. 1-2.

¹³ PD, pp. 2, 5.

¹⁴ TURN Opening Comments, p. 2.

¹⁵ TURN Opening Comments, p. 3.

“recognize that TURN attempted to gain an earlier resolution of the issue both here and in its motion in A.20-06-012.”¹⁶ Implicit in TURN’s comments is the theory that PG&E should have been “on notice” that it would have to submit an alternative, CPI-constrained forecast in its 2023 GRC, and that PG&E should not be able to resist TURN’s future attempts to force it to do so based on timing concerns. TURN’s position has no merit. As explained above, the Utilities have significant substantive concerns about TURN’s proposal and hoped the Commission would reject it on its merits. To be clear, PG&E has not been working on an alternative forecast and has no plans to do so absent an order from the Commission. Such an effort would require a significant diversion of resources, would deviate from the Rate Case Plan and Risk Assessment and Mitigation Phase requirements, and is inadvisable for the reasons CUE and the Utilities previously described.

III. CONCLUSION

The PD appropriately denied TURN’s motion as procedurally improper. It should be approved as written. If the PD is revised in any fashion, the PD should be revised to address the substantive flaws in TURN’s motion and put this issue to rest.

Respectfully Submitted,

PACIFIC GAS AND ELECTRIC COMPANY ON
BEHALF OF SOUTHERN CALIFORNIA EDISON
COMPANY, SAN DIEGO GAS & ELECTRIC
COMPANY AND SOUTHERN CALIFORNIA GAS
COMPANY

By: /s/ Mary A. Gandesbery
MARY A. GANDESBERY

Pacific Gas and Electric Company
PO Box 7442
San Francisco, CA 94120
Telephone: (415) 973-0675
E-Mail: Mary.Gandesbery@pge.com

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Attorney for
PACIFIC GAS AND ELECTRIC COMPANY

¹⁶ TURN Opening Comments, p. 3.