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3-29-17
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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 Service Effective on
January 1, 2017 (U39M)

Application No. 15-09-001
(Filed September 1, 2015)

**OPENING COMMENTS OF THE CITY OF HAYWARD ON THE
PROPOSED DECISION OF ALJ ROSCOW**

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March 29, 2017

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**SUBJECT INDEX OF RECOMMENDED CHANGES
TO PROPOSED DECISION**

The City of Hayward respectfully requests the following clarifications:

A. Clarification of whether the City may be reimbursed for the costs associated with the audit, including the retention of a third-party audit firm, of the Rule 20A program. This would require the addition of text in the Proposed Decision on Page 222, ¶ 7.

B. Clarification of the location of the audit. This clarification can also be interjected at Page 222, ¶ 7 of the Proposed Decision.

C. Clarification as to whether the Proposed Decision to restore Rule 20A allocations to their 2010 levels requires the retroactive reimbursement of Rule 20A allocations to municipalities for the years 2011 to the present. The clarification as to the retroactive impact of the ruling could be made on Page 220, ¶ 1, subsection (b).

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PROPOSED DECISION OF ALJ ROSCOW**

I. Introduction

The City of Hayward, a municipal corporation, chartered in 1956 respectfully submits its opening comments pursuant to Rule 14.3 of the Commission's Rules of Practice and Procedure. The City notes that although its comments are late under Rule 14.3, it is unclear if Rule 14.3 applies to the City as it was initially denied intervenor party status and Rule 14.3 applies to Parties. (Rule 14.3(a)) Nevertheless, the City's comments merely seek clarification and do not seek to alter the proposed decision. Accordingly, the City humbly requests consideration of its comments.

II. The City Seeks Clarification on its Involvement in the Proposed Decision as to the Cost of the Audit

The City of Hayward appreciates the trust placed in it, by designating the City of Hayward as the local agency representative in the group that will establish the scope of the Rule 20A audit. (Pg. 222, ¶ 7). The City shall endeavor to respond in a responsible manner and will provide whatever resources are necessary to assist with the audit as requested.

For the 2017 General Rate Case process, the City of Hayward request for party status was denied, however, the City was given party status during the formal hearing so that testimony could be provided. The City would like clarification of any resources that are available to the City with regard to utilization of our staff and a subject matter expert for this audit scope task. Mainly, are these costs reimbursable and if so, is there information on how costs are to be captured and reimbursed and are there any limitations on applicable reimbursements? The City would like to make sure that it is able to assign adequate resources and work within appropriate CPUC parameters for this effort. The requested clarifications would only require clarifying text be inserted at Page 222, ¶ 7 of the Proposed Decision.

Additionally, the City would like some clarification regarding whether a third-party auditing firm can be utilized to conduct the audit and to establish the audit's scope. If so, the City would like some clarification on who will designate the auditing firm and as to how the firm will be paid. Again, this clarification can be interjected at Page 222, ¶ 7 of the Proposed Decision.

III. The City Seeks Clarification on the Location of the Audit

The location of the audit scope workshop is not addressed. The City would like to extend an invitation that our offices are available for these meetings. It would reduce expenses for our staff if the meetings were held in Hayward's City Hall, but we will support any location are deemed appropriate. This clarification can also be interjected at Page 222, ¶ 7 of the Proposed Decision.

IV. The City Seeks Clarification on the Retroactive Effects of the Proposed Decision

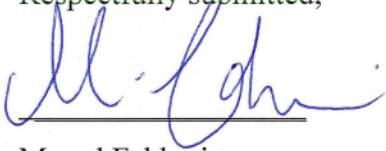
Finally, while the City greatly appreciates the allocations being restored to the 2010 level, the City still believes that PG&E's efforts to reduce the Rule 20A project backlog and the limited prior notice to local agencies of the allocation reductions support a decision that the allocation restoration be made retroactive to 2011(the first year of reduced allocations). The findings included in the Proposed Decision were so complete that they would seem to support such a clarification in the ruling. The clarification as to the retroactive impact of the ruling could be made on Page 220, ¶ 1, subsection (b).

V. Conclusion

The City would like to take this opportunity to express our sincere appreciation for the time and extensive efforts in reaching the ruling on the Rule 20A program. The City and all the communities impacted by this ruling appreciate the Court's interest and thoughtful consideration of our concerns. The City appreciates the trust the Court has placed in us, by designating the City of Hayward as the local agency representative in the group that will establish the scope of the Rule 20A audit. The City shall endeavor to respond in a responsible manner and will provide whatever resources are necessary to assist with the audit as the Court has requested.

Dated: March 29, 2017

Respectfully submitted,



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