



**FILED**

09/03/21  
04:59 PM

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

Application of San Diego Gas &  
Electric Company (U 902 M) for  
Establishment of an Interim Rate  
Relief Mechanism for its Wildfire  
Mitigation Plan Costs

A. 21-07-017

**PROTEST OF THE CALIFORNIA FARM BUREAU FEDERATION  
TO THE APPLICATION OF SAN DIEGO GAS & ELECTRIC COMPANY FOR  
ESTABLISHMENT OF AN INTERIM RATE RELIEF MECHANISM FOR ITS  
WILDFIRE MITIGATION PLAN COSTS**

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Dated: September 3, 2021

## **I. INTRODUCTION**

Pursuant to Rule 2.6 of the Commission's Rules of Practice and Procedure, the California Farm Bureau Federation<sup>1</sup> (Farm Bureau) submits this Protest to San Diego Gas & Electric Company's (SDG&E) Application for Establishment of an Interim Rate Relief Mechanism for its Wildfire Mitigation Plan Costs (Application). This Protest is submitted within 30 days of the date the notice of the filing first appeared in the Daily Calendar, August 4, 2021, as required under Rule 2.6. Farm Bureau has consistently participated in SDG&E's General Rate Case proceedings, investor-owned utility wildfire mitigation plan development, wildfire legislation, and other proceedings concerning changes to utility infrastructure to prevent wildfires and their cost implications.

Farm Bureau recognizes the important work that can and should be done to guard against utility infrastructure related wildfires. SDG&E has demonstrated important advancements in preventative work over the last decade; however, expenditures related to such work have grown significantly as demonstrated in this Application and must be scrutinized and weighed against the impacts to utility rates. Farm Bureau is not only concerned about the cost implications of SDG&E's proposal, but the precedent SDG&E is attempting to set by bootstrapping its request for approval largely based on the interim relief granted to Pacific Gas & Electric Company (PG&E). Each request must be assessed on its own merits and

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<sup>1</sup> The California Farm Bureau Federation is California's largest farm organization, working to protect family farms and ranches on behalf of its nearly 32,000 members statewide and as part of a nationwide network of more than 5.5 million members. Organized 100 years ago as a voluntary, nongovernmental and nonpartisan organization, it advances its mission throughout the state together with its 53 county Farm Bureaus.

weighed against the carefully established and litigated processes for recovering wildfire costs. Farm Bureau intends to be an active participant in this proceeding, and party status is requested in conjunction with the submission of this Protest.

The Application has been submitted at a time when agriculture, like many customers of SDG&E, are still facing tremendous economic challenges driven by COVID-19, power outages, wildfire impacts, and a severe drought. Farm Bureau is concerned that the Application's presentation does not adequately balance how speculative harms outweigh real impacts to customers. SDG&E has several established mechanisms for recovering costs that allow parties to examine the reasonableness of their expenditures which must also be considered and weighed as part of the Application to ensure customer impacts are properly examined. No Commission proceeding provides precedent for the outcome of a separate one, thus the fact that PG&E was granted a similar remedy should not be persuasive. Each application must stand on its own.

## **II. REASONS FOR PROTEST AND NEED FOR EVIDENTIARY HEARINGS**

Farm Bureau is particularly concerned with SDG&E's request to seek interim rate relief for wildfire expenditures without a showing of need or exhaustion of available remedies. Interim rate relief should be an *extreme* remedy and SDG&E fails to meet the burden showing how ratepayers should be disadvantaged for SDG&E's benefit. SDG&E acknowledges there are other established remedies available.<sup>2</sup> Interim relief should be a measure of last resort, not a convenience. During the proceeding, parties should be provided an opportunity to examine

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<sup>2</sup> SDG&E Application p. 12.

SDG&E's request and assess other alternatives available for appropriate cost recovery and protection for impacts to customers. The balance between how expenditures are made for the benefit of customers and the system with the cost impacts requires a reasonable opportunity before rates are adjusted.

The legislative intent behind SB 901 and AB 1054 was to acknowledge that wildfire is a real threat to California and utilities should be doing everything possible to limit their contributions to these catastrophic events. The precise reason for establishing a balancing account subject to a reasonableness review was to allow for accountability and tracking. The statute makes no promise the utilities will recover *any* portion of their expenditures.<sup>3</sup> Providing interim rate relief to SDG&E disincentivizes controlled spending, effectively shifting the burden to ratepayers to prove the initial collection is unreasonable. The statute makes no presumption that *any* portion of the investor-owned utilities expenditures are reasonable.

More importantly, SDG&E has not exhausted all their options for relief. AB 1054 established a mechanism for recovery following the completion of a Wildfire Mitigation Plan.<sup>4</sup> The plan in question ends in 2022. We are currently near the end of 2021. SDG&E has provided no valid reason for the Commission to provide the *extreme* remedy of interim rate relief when SDG&E has an available method for cost recovery on the horizon. Allowing SDG&E to recover costs through an application following completion of their Wildfire Mitigation Plan provides the appropriate checks and balances the Legislature intended. SDG&E further states if relief is not granted they will apply for relief in a securitization proceeding. Yet

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<sup>3</sup> See Pub. Util. Code Section 8386.4.

<sup>4</sup> Pub. Util. Code Section 8386.4(b)(2).

another remedy available to SDG&E. SDG&E has interim options that allow parties and the Commission to appropriately scrutinize SDG&E's investments. This proceeding should focus on other options than just the singular proposal that SDG&E has presented.

### **III. SCHEDULE**

It is anticipated there will be further discussions regarding the preliminary schedule SDG&E presented in its Application. Farm Bureau does not suggest specific adjustments to the schedule at this time; however, Farm Bureau anticipates there may be periods within the proceeding that parties who participate extensively at the Commission may see overlap requiring extensions to minimize impacts on both the parties and the Commission.

#### **IV. COMMUNICATIONS**

All correspondence, pleadings, orders, and notices in this proceeding should be sent to the following for inclusion as party status:

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In addition, the following person should be included as information-only status:

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#### **V. CONCLUSION**

Farm Bureau appreciates this opportunity to provide input at the outset of this proceeding in hopes SDG&E and interested parties can examine appropriate methods available to the utility that directly address its concerns and protect ratepayers.

Dated: September 3, 2021

Respectfully submitted,

By   
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