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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, 2020.

(U 39 M)

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

**RESPONSE OF PACIFIC GAS AND ELECTRIC COMPANY (U 39 M) TO MOTION OF
THE UTILITY REFORM NETWORK FOR MODIFICATION OF THE SCHEDULE TO
ACCOMMODATE MATERIAL EVENTS IN PACIFIC GAS AND ELECTRIC
COMPANY'S CHAPTER 11 BANKRUPTCY CASE**

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August 2, 2019

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I. INTRODUCTION

Pacific Gas and Electric Company ("PG&E") responds to the *Motion Of The Utility Reform Network For Modification Of The Schedule To Accommodate Material Events In Pacific Gas And Electric Company's Chapter 11 Bankruptcy Case*, dated July 29, 2019 ("Motion").

As discussed below, the Motion is in some respects unnecessary and, in other respects, premature. It should be denied for three primary reasons.

First, The Utility Reform Network ("TURN") requests an order requiring PG&E to serve its proposed plan of reorganization ("POR") on the service list within a day after it is filed. This request is unnecessary. Timely service of the proposed POR is already required by the Scoping Memo in this proceeding and the requirement need not be restated in an additional ruling.

Second, TURN also requests the California Public Utilities Commission ("Commission") to schedule in this proceeding a pre-hearing conference promptly following PG&E's service of the proposed POR. PG&E's proposed POR will not become final until approved by the Bankruptcy Court and the Commission. TURN's request is premature, as well as unnecessary. The assigned Administrative Law Judges could, of course, schedule a pre-hearing conference at any time one is warranted. They do not require a motion from TURN to do so if they have

questions about the proposed POR.¹

Finally, PG&E will submit its proposed POR to the Commission for approval. The Commission may consider opening a single proceeding to consider all aspects of the proposed POR, including any impacts on other proceedings. Depending on the path the Commission chooses, TURN's proposal may be more or less appropriate. In any event, it is premature now.

II. DISCUSSION

A. The Scoping Memo Already Requires Prompt Service of the Proposed Plan of Reorganization.

TURN's request for the Commission to direct PG&E to serve its proposed POR in this proceeding is unnecessary. The *Assigned Commissioner's Scoping Memo and Ruling*, issued on March 8, 2019 states at page 6:

Because PG&E's chapter 11 case may affect PG&E's requests in this GRC, PG&E is directed to timely serve to parties in this proceeding any developments in the Chapter 11 case that would affect its request in this proceeding.

PG&E will serve its proposed POR on the service list, to comply with this requirement.² There is no disagreement on this point that necessitates a clarification by the assigned Administrative Law Judges.

B. TURN's Proposal For A Pre-Hearing Conference In This Proceeding Is Premature.

TURN's proposal to schedule a pre-hearing conference in this proceeding should be rejected at this point as premature as PG&E's proposed POR will be subject to approval by both the Bankruptcy Court and this Commission.³

TURN speculates about the contents of PG&E's proposed POR and suggests possible

¹ PG&E does not otherwise respond to TURN's various proposals for addressing PG&E's proposed POR in this proceeding as they are wholly based on speculation regarding its contents.

² PG&E notes that counsel for TURN made no effort to contact PG&E prior to filing its motion to ask if PG&E intended to serve its proposed POR on the service list to clear up any ambiguity in the Scoping Memo.

³ Commission approval of the POR is now required by Assembly Bill 1054 as a condition of PG&E's participation in the Wildfire Fund. See Pub. Util. Code § 3291(b)(1)(C)-(E).

procedural mechanisms that may be appropriate if the POR impacts the GRC forecast. (TURN, pp. 3-6.) TURN professes a lack of knowledge about PG&E's proposed POR outside of the newspaper articles it cites, but posits that it may potentially include a spending forecast that is less than PG&E's GRC forecast. (TURN, pp. 4-5.) TURN highlights that it cannot predict either the contents of PG&E's POR, and whether it would ultimately be approved, amended or disapproved in favor of an alternate POR. (TURN, pp. 4-5.) TURN nevertheless proposes a procedural schedule that includes a pre-hearing conference in this proceeding to discuss PG&E's *proposed* POR and suggests options the Commission could take *if* PG&E's forecasts in the POR are lower than its GRC forecasts. (TURN is silent on a procedure to increase PG&E's GRC forecast if the proposed POR indicates a need for increased spending.)

The Commission should reject TURN's invitation to adopt a procedure in this proceeding based on TURN's speculation regarding the contents of PG&E's POR. A ruling requiring a pre-hearing conference to discuss PG&E's *proposed* POR in this proceeding is unnecessary. If the Administrative Law Judges have questions about the proposed POR after it is served, they can schedule a pre-hearing conference or other process at such time. It would not be a good use of the Commission or parties' limited resources, however, to take any action on the proposed POR until it is approved by the Bankruptcy Court and the Commission.

C. The Commission May Consider Opening A Single Docket To Review PG&E's Proposed POR and Its Impact on Other Commission Proceedings.

The Commission may consider opening an Order Instituting Investigation ("OII") to consider PG&E's proposed POR and resulting impacts on various Commission proceedings rather than consider the approved POR in multiple proceedings as TURN's proposal implies. The Commission opened an OII in 2002 to consider PG&E's previous restructuring and the resulting impact on various Commission proceedings.⁴ In the OII, the Commission approved a

⁴ *Order Instituting Investigation into the ratemaking implications for Pacific Gas and Electric Company (PG&E) pursuant to the Commission's Alternative Plan of Reorganization under Chapter 11 of the Bankruptcy Code for PG&E, in the United States Bankruptcy Court, Northern District of California, San Francisco Division, In re Pacific Gas and Electric Company Case No. 01-30923 DM, 1.02-04-026 (April 22, 2002).*

settlement agreement between and among Commission Staff, PG&E and PG&E Corporation that facilitated PG&E's emergence from its Chapter 11 proceeding.⁵ The Commission may wish to consider opening such a proceeding again to review PG&E's proposed POR and ensure consistency in the Commission's approach to implementing the approved POR, as needed, in other Commission proceedings. Considering the POR in multiple proceedings could inadvertently lead to inconsistent or contradictory rulings and would be a less efficient use of the Commission's resources.

III. CONCLUSION

For the reasons discussed herein, PG&E requests the Commission to deny TURN's motion without prejudice to TURN's ability to raise these issues again after PG&E's POR is approved.

Respectfully submitted,

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⁵ *Opinion Modifying the Proposed Settlement Agreement of Pacific Gas & Electric Company, PG&E Corporation, and the Commission Staff and Approving the Modified Settlement Agreement*, D.03-12-035.