



FILED
3-20-17
04:59 PM

**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. (U 39 M)*

Application 15-09-001
(Filed September 1, 2015)

**OPENING COMMENTS OF CONSUMER FEDERATION OF
CALIFORNIA TO THE PROPOSED DECISION AUTHORIZING PACIFIC
GAS AND ELECTRIC COMPANY'S GENERAL RATE CASE REVENUE
REQUIREMENT FOR 2017-2019**

Nicole Johnson
Regulatory Attorney
Consumer Federation of California
150 Post, Ste. 442
Tel: 415-597-5707
E-mail: njohnson@consumercal.org

March 20, 2017

**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. (U 39 M)

Application 15-09-001
(Filed September 1, 2015)

**OPENING COMMENTS OF CONSUMER FEDERATION OF
CALIFORNIA TO THE PROPOSED DECISION AUTHORIZING PACIFIC
GAS AND ELECTRIC COMPANY’S GENERAL RATE CASE REVENUE
REQUIREMENT FOR 2017-2019**

I. Introduction

In accordance with Rule 14.3 of the California Public Utilities Commission (“Commission”) Rules of Practice and Procedure (“Rules”), Consumer Federation of California (CFC) submits these opening comments to the Proposed Decision (PD, Order) authorizing Pacific Gas and Electric Company’s (PG&E) general rate case review requirement for 2017-2019.

II. Procedural History

On September 1, 2015, PG&E filed its 2017 GRC Application.

On December 1, 2015, Assigned Commissioner Picker issued an “Assigned Commissioner’s Ruling and Scoping Memo” setting the procedural schedule, as well as addressing the scope of

the proceeding and other procedural matters. The procedural schedule called for settlement discussions in May – June 2016.

On July 21, 2016, pursuant to Rule 12.1(b), PG&E notified all parties on the service list of a settlement conference to be held on August 3, 2016 to discuss the terms of the Agreement. Following the settlement conference, the Settling Parties signed the Joint Motion of Office of Ratepayer Advocates, The Utility Reform Network, Alliance for Nuclear Responsibility, Center for Accessible Technology, Coalition of California Utility Employees, Collaborative Approaches to Utility Safety Enforcement, Consumer Federation of California, Environmental Defense Fund, Marin Clean Energy, Merced Irrigation District, Modesto Irrigation District, National Diversity Coalition, Small Business Utility Advocates, South San Joaquin Irrigation District, and Pacific Gas and Electric Company For Adoption of Settlement Agreement and the attached Settlement Agreement (Settlement).

III. Comments

a. Test Year 2017 Revenue Requirement

While we agree with the adoption of the Settlement terms as expressed in the PD, we have some concerns with the clarity of the results as explained in the draft. Throughout the PD, there is reference to two different total revenue numbers. For example, page 45 of the PD shows a table comparison which lists the settlement total revenue as \$8.004,¹ While, later in the PD, the Order lists specific exceptions to the settlement terms and provides in paragraph “a” that “a Test Year 2017 revenue requirement of \$8.002 billion is adopted.”² To CFC, the PD reads as if the final total revenue requirement for Test Year 2017 to be adopted by this decision is \$8.002

¹ A. 15-09-001. Proposed Decision. Table: *Pacific Gas And Electric Company 2017 General Rate Case Results Of Operations Settlement Agreement Summary Of Proposed Increase Over Adopted 2016 Total General Rate Case (Millions Of Nominal Dollars)*, p. 45.

² A. 15-09-001. Proposed Decision, pp. 219-220.

billion and *not* the settlement total of \$8.004 billion but the wording of the PD does not make that distinction clear. The seeming interchangeable use and reference to these two numbers provides confusion. CFC requests that the Commission insert language that would make it absolutely clear which number is the adopted total revenue requirement for Test Year 2017.

b. Two Contested Settlement Issues

In its filings throughout the proceeding, CFC argued that the two contested settlement terms are unreasonable in light of the record and not in the public interest. In support of this, we cited the Commission’s Rules of Practice and Procedure Rule 12.1 (Rule) regarding the Proposal of Settlements. Specifically, the Rule states that the Commission will not approve a settlement unless the settlement is *reasonable* in light of the whole record, consistent with law, and in the public interest. Within the PD, the Commission agrees.

CFC agrees with the Commission that it is premature to make a decision on the addition of a third post-test year. It would not be reasonable or beneficial to the workshop process and the pending post-workshop report if it were to adopt a third post-test year in this decision.³ CFC agrees with the Commissions that this issue is best addressed in a future proceeding or PG&E’s next General Rate Case application, providing interested parties an opportunity to comment.⁴

Likewise, CFC agrees with the Commission’s conclusion regarding the two-way balancing account (“New Environmental Regulations Balancing Accounts” or “NERBA”). It is clear that this issue is being adequately addressed in R.15-01-008, it should not also be decided here. Denial without prejudice is the appropriate conclusion.

³ Proposed Decision. February 27, 2017. pp. 195-196.

⁴ Proposed Decision. February 27, 2017. pp. 196.

IV. Conclusion

CFC appreciates the CPUC's thorough review of Settlement and supports the decisions regarding the contested issues as reflected in the Proposed Decision. With the clarification as discussed above, CFC respectfully requests that the CPUC adopt the Proposed Decision.

Dated: March 20, 2017

Respectfully submitted,

/s/ Nicole Johnson

Nicole Johnson
Regulatory Attorney
Consumer Federation of California
150 Post, Ste. 442
Tel: 415-597-5707
E-mail: njohnson@consumercal.org

Tony Roberts
Consumer Federation of California
150 Post, Suite 442
San Francisco, CA 94108
troberts@consumercal.org