



BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

FILED

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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. (U39M)

Application 18-12-009
(Filed December 13, 2018)

PROTEST OF L. JAN REID

I. Introduction

Pursuant to Rule 2.6 of the Commission's Rules of Practice and Procedure (Rules), L. Jan Reid (Reid) hereby files this protest to Application (A.) 18-12-009, which is Pacific Gas and Electric Company's (PG&E's) Test Year 2020 General Rate Case (GRC) Application. Notice for A.18-12-009 first appeared in the Commission's daily calendar on December 18, 2018. Therefore, this protest is due on January 17, 2018. PG&E requests that the Commission authorize an increase of \$1.058 billion in 2020 gas and electric distribution and generation base revenue requirements, which is a 12.4% increase over the adopted 2019 revenue requirement of \$8.518 billion. (PG&E Application, p. 1)

PG&E's application raises several issues and areas of concern to Reid that merit further investigation by the Commission. This protest provides a non-exhaustive list of issues that Reid hopes to address in this proceeding. We anticipate that some issues may be resolved, and that others may arise as discovery and other processes move forward. We expect that hearings will be needed to resolve the issues raised by PG&E's application pursuant to Resolution ALJ-174.

II. Bankruptcy and Credit Ratings

On January 14, 2019, PG&E Corp. issued a news release stating that “The Company today provided the 15-day advance notice required by recently enacted California law that it and its wholly owned subsidiary Pacific Gas and Electric Company (the “Utility”) currently intend to file petitions to reorganize under Chapter 11 of the U.S. Bankruptcy Code on or about January 29, 2019.” (<https://www.pge.com>)

Previously, PG&E Corporation’s credit rating was downgraded by S&P Global to B (five notches below investment grade), and to baa2 (three notches below investment grade) by Moody’s Investors Service.

III. Issues

While I am still in the process of reviewing PG&E’s application, I have identified the following issues that I intend to address in testimony and otherwise during this proceeding.

1. Why was SmartMeter technology not implemented prior to 2017?
2. Why did PG&E not underground more of its power lines?
3. How will the ratings downgrades affect PG&E’s embedded cost of debt? (I note that Commission practice is to compensate the utilities for increases in their embedded cost of debt through an increase to a utility’s overall rate of return on rate base [ROR]).
4. Did PG&E appropriately remove tree branches from its power lines prior to the California wildfires of 2017-2018?
5. What is the level of unspent funds authorized by the Commission in for PG&E in 2019?

6. For the period 2008-2018, how much money was allocated to PG&E for safety-related costs, but was spent by PG&E in other areas?

All of these issues are important because they contribute directly to determining the electric and gas rates that ratepayers such as Reid should pay to PG&E. They also raise significant policy issues.

PG&E's application raises complex and extensive issues, and (as noted supra) this proceeding will have significant impacts on rates, and will have significant financial and policy implications. Reid anticipates that this proceeding will require considerable review, analysis, and discovery. I concur with the schedule proposed by PG&E on page 30 of its application.

IV. Conclusion

For all the foregoing reasons, Reid will conduct discovery to develop his testimony and recommendations. Since I have not yet conducted discovery, reached specific conclusions on key issues, or written a report or testimony, I reserve the right to address additional issues as they arise.

Reid will consult with other parties, including the Public Advocates Office and The Utility Reform Network (TURN), to minimize duplication and to help make the proceeding run as smoothly and expeditiously as possible.

Dated January 17, 2019, at Santa Cruz, California.

/s/

L. Jan Reid
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VERIFICATION

I, L. Jan Reid, make this verification on my behalf. The statements in the foregoing document are true to the best of my knowledge, except for those matters that are stated on information and belief, and as to those matters, I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct.

Dated January 17, 2019, at Santa Cruz, California.

/s/

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