BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

FILED
01/06/20
04:59 PM

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)

Opening Brief of L. Jan Reid on PG&E's GRC Application

January 6, 2020

L. Jan Reid
3185 Gross Road
Santa Cruz, CA 95062
Tel/FAX (831) 476-5700
janreid@coastecon.com

TABLE OF CONTENTS

TABLE OF AUTHORITIES

Pursuant to the December 2, 2019 email ruling of Administrative Law Judge (ALJ) Rafael Lirag, I submit my opening brief on PG&E's GRC Application. Opening Briefs are due on January 6, 2020.

I will send this pleading to the Docket Office on Monday, January 6, 2020 using the Commission's electronic filing system, intending that the pleading will be timely filed. My opening brief relies extensively on the direct testimony and the rebuttal testimony of Reid in Exhibits 56 and 57.

In October 2019, PG&E sent a proposed Common Briefing Outline (CBO) to ALJ Lirag, ALJ Lau, and to the service list. PG&E distributed their draft briefing outline on October 11, 2019. I submitted an alternative CBO to the service list on October 14, 2019. I use this alternative CBO in my opening brief.

At first, ALJ Lau ruled that all parties must use the common briefing outline served by PG&E. (Lau, 24 RT 2806:5-8) After some discussion initiated by PG&E attorney Gandesbery, ALJ Lirag later modified that ruling and allowed Reid to use a different briefing outline. (Lirag, 24 RT 2874:17-19) During the discussion, Gandesbery incorrectly stated that "He [Reid] didn't want the lines of business in the particular work categories to be listed . . .". Reid's proposed outline stated that: (Reid email, October 14, 2019)

> Therefore, I have attached an alternative CBO which only includes first level headings. Parties can then add sub-headings which they feel are appropriate.

Thus, my alternative briefing outline would not prevent PG&E or any other party from addressing lines of business in particular work categories as claimed by Ms. Gandesbery.

I. Introduction and Summary

A. Introduction

The Commission has explained that:[1]

> On December 13, 2018, Pacific Gas and Electric Company (PG&E) filed Application (A.) 18-12-009, Application for a Test Year (TY) 2020 General Rate Case (GRC). PG&E requests authority to increase its gas, electric distribution, and electric generation base revenue requirement by $1.058 billion in 2020. This is a 12.4 percent increase over its 2019 adopted revenues of $8.518 billion. PG&E also requests that the Commission grant it authority to increase its revenue requirement by $454 million, or 4.7%, in 2021 and $486 million, or 4.8%, in 2022.

Reid testified that: (Reid, Exh. 56 2:1-9)

> Ratepayer increases will certainly be more than $1.058 billion in 2020. I note that PG&E is requesting a $1.2 billion increase in its cost-of-capital proceeding. There may also be increases in natural gas procurement costs, transmission costs, and in balancing accounts not included in this GRC.
>
> PG&E is a single company, not a series of different companies. Therefore, it would be prudent for the Commission to consider all relevant facts concerning PG&E. Commission should pay close attention to the total rate increases that may occur in 2020, not just the rate increase that PG&E requests in this GRC.

Reid's testimony concerning total ratepayer increases were uncontested.

---

[1] March 8, 2019 Assigned Commissioner's Scoping Memo and Ruling of Commissioner Michael Picker, p. 1.

B. Summary of Recommendations

I recommend that:

1. The Commission should reject PG&E's request for an additional $500 million increase in its Community Wildfire Safety Program. (p. 4)
2. The Commission should not consider PG&E's credit ratings in the instant application unless PG&E can demonstrate that the credit rating downgrades will result in additional costs (not included in its GRC application) in 2020-2022. (p. 9)
3. The Commission should reject PG&E's proposal to close seventeen customer-service offices. (pp. 10-11)
4. The Commission should order PG&E to file a monthly advice letter that contains a copy of any written assessments performed by the Monitor concerning PG&E's wildfire-mitigation and wildfire-safety work; and a copy of PG&E's monthly report to the Monitor. (pp. 12-14)
5. The Commission should find that increases in the Community Wildfire Safety Program should be paid by shareholders, not by ratepayers. (pp. 14-15)

C. Proposed Findings

My recommendations are based on the following proposed findings:

1. PG&E requests authority to increase its gas, electric distribution, and electric generation base revenue requirement by $1.058 billion in 2020. (p. 2)
2. PG&E is required by the U.S. District Court for the Northern District of California to fully comply with all applicable laws concerning vegetation management and clearance requirements, including Sections 4292 and 4293 of the California Public Resources Code, CPUC General Order 95, and FERC FAC-003-4. (p. 5)
3. PG&E did not provide a cost-effectiveness analysis of its proposed wildfire-mitigation plan. (p. 4)
4. In 2017, PG&E recorded a total combined cost of electricity and (sold) natural gas of approximately $5.1 billion. (p. 7)

5. PG&E's GRC Application does not address revenue-requirement changes in the areas of electric transmission; gas transmission, and storage; or public purpose or conservation programs, except for the purpose of allocating common costs. (p. 8)
6. Public Utilities Code Section (PUC §) 453(a) requires that "No public utility shall, as to rates, charges, service, facilities, or in any other respect, make or grant any preference or advantage to any corporation or person or subject any corporation or person to any prejudice or disadvantage." (p. 11)
7. The outcome of PG&E's bankruptcy proceeding could have a significant impact on the Commission's disposition of PG&E's GRC application. If the bondholders are successful in gaining effective control of PG&E, they might attempt to sell off assets, or to reduce spending on safety. (pp. 11-12)
8. PG&E did not provide a cost-effectiveness analysis of its proposed wildfire-mitigation plan and refused to provide such information to Reid. (pp. 14-15)

II. Are the proposed revenue requirements, proposed costs, and proposed recovery mechanisms for TY 2020 just and reasonable?

Reid recommends two changes to PG&E's proposed revenue requirement. I propose that PG&E's budget for the Community Wildfire Safety Program (CWSP) be reduced by $500 million; (Exh. 56 13:23-30, 14:1-14), and that PG&E's budget for Customer Service Offices (CSOs) be increased by $3.3 million (Exh. 56 2:1-9), which yields a decrease of approximately $496.7 million.

A. Community Wildfire-Safety Program

Reid testified that: (Exh. 56 14:4-13)

1. It is unfair for ratepayers to be required to pay an additional $500 million in an attempt to mitigate future wildfires. All of the safety improvements should be paid by shareholders.
2. PG&E did not provide a cost-effectiveness analysis of its proposed wildfire mitigation plan and refused to provide such information to Reid. (See PG&E response to question 6 of Reid discovery set 1)

3. PG&E has a poor safety record, as discussed in Section X, Safety Performance.
4. There is no assurance that PG&E will spend the money that it has budgeted for safety.

Reid pointed out that: (Exh. 56 14:14-26)

> PG&E is required by the U.S. District Court to fully comply with all applicable laws concerning vegetation management and clearance requirements, including Sections 4292 and 4293 of the California Public Resources Code, CPUC General Order 95, and FERC FAC-003-4.
>
> Shareholders will benefit from such compliance because compliance could tend to minimize wildfires and increase profits, thereby increasing PG&E Corporation's stock price and allowing PG&E Corp. to resume dividend payments to shareholders.[2]
>
> . . . PG&E caused the fires that swept through its service territory. I note that PG&E is currently under probation for its criminal negligence in the 2010 San Bruno fire (See Section VIII). Despite its poor safety record, PG&E now expects ratepayers to pay an additional $500 million for safety improvements which may or may not reduce wildfires.

B. Customer-Service Offices

PG&E has proposed to close 17 customer-service offices (CSOs). Reid urged the Commission to reject PG&E's proposal for the following reasons. (Exh. 56: 8:10-17)

1. It is inconsistent with Commission policy.
2. It unfairly impacts disadvantaged communities, Hispanics/Latinos, the elderly, and low-income individuals.
3. The cost savings are miniscule when compared to PG&E's requested revenue requirement.

---

[2] The last sentence of Judge Alsup's order states that "PG&E may not issue any dividends until it is in compliance with all applicable vegetation management requirements as set forth above." (Order, p. 2)

I discuss this issue in more detail in Section VI below.

C. Recovery Mechanisms

I take no position on the recovery mechanisms proposed by PG&E in its application and testimony at this time. On December 20, 2019, PG&E and seven other parties filed a Settlement Agree (SA) in A.18-12-009. The Settlement Agreement proposes additional-cost recovery mechanisms. Opening comments on the Settlement Agreement are due on January 21, 2020. I will address the cost-recovery mechanisms in the Settlement Agreement in my opening comments.

III. Are the proposed Post-TY forecasts, adjustment mechanisms, and regulatory filings for 2021 and 2022 just and reasonable?

I take no position on this issue at this time.

IV. Billing Impacts

The Commission should pay close attention to the total rate increases that may occur in 2020, not just the rate increase that PG&E requests in this GRC.

Reid testified that: (Exh. 56 3:22-29, 4:1-16)

> PG&E proposes a total revenue requirement of $9.576 billion. (Application, Table 3, p. 6) PG&E forecasts that electric bills will increase by 7.7% and gas bills will increase by 3.7% from 2018-2020 for the typical non-CARE residential customer if the Commission adopts PG&E's GRC application. (Application, Table 2, p. 5) I note that these amounts are subject to change because the amount of the revenue requirement paid by different customer classes (e.g., residential, commercial, and industrial) will be determined in PG&E's 2019 Gas Cost Allocation Proceeding (A.17-09-006) and in Phase 2 of the instant proceeding.
>
> PG&E forecasts an increase of 12.4% from 2019 to 2020 in base revenue requirements. (Application, Table 3, p. 6) Base revenue requirements consist of gas distribution, electric generation, and

electric distribution. PG&E does not provide an estimate of the increase in electric transmission costs or increases related to PG&E's current cost-of-capital case.

Thus, PG&E underestimates the total cost to ratepayers by omitting costs related to electric transmission, cost of capital, and natural gas procurement.

A. Natural Gas Costs

PG&E stated that: (Exh. 146 6-1:27-30, 6-2:1-2)

> In 2017, PG&E recorded a total combined cost of electricity and (sold) natural gas of approximately $5.1 billion. Electricity costs were primarily recovered through the Energy Resource Recovery Account (ERRA), and costs associated with gas purchases for PG&E's core customers were recovered through its Core Procurement Incentive Mechanism (CPIM).

Reid testified that:

> PG&E's natural gas expenditures will be at least 53% of the revenue requirement in this GRC. It is possible that their total combined cost of natural gas and electricity will be significantly greater than it was in 2017. (Exh. 56 4:25-27)
>
> The California Energy Commission's April 2019 natural gas price forecast estimates the monthly average burner tip price at PG&E's hub will increase from $4.42/mmBtu in 2019 to $4.804/mmBtu in 2020, an increase of 8.15%. (See April_ 2019_Model_CEC-200-2014-008.xlsm, available at https://ww2.energy.ca.gov/assessments/ng_burner_tip.html) (Exh. 56 5:1-5)
>
> In 2018, PG&E forecast an increase in natural gas prices at PG&E Citygate from $3.23/mmBtu in 2018 to $3.91 in 2022. (See R.16-02-007, Comments of L. Jan Reid on the Integrated Resource Plans, September 12, 2018, Table 1, p. 9) (Exh. 56 5:6-8)

B. Electric Transmission Costs

PG&E states that "This Application does not address revenue requirement changes in the areas of electric transmission, gas transmission and storage, or public purpose or conservation programs, except for the purpose of allocating common costs." (Exh. 56 5:10-13)

The last transmission rate increase occurred in 2018. On July 26, 2017, Pacific Gas and Electric Company (PG&E) filed its nineteenth Transmission Owner rate case (TO-19) with the Federal Energy Regulatory Commission (FERC). In its TO-19 filing, PG&E seeks a retail electric transmission revenue requirement (TRR) of $1.792 billion to recover its transmission costs for 2018. This requested TRR is a $461 million increase (34.6%) over PG&E's last settled TRR for TO-17, approved by FERC in November 2016. These rates were put into effect—subject to refund upon FERC's final decision—on March 1, 2018. (Exh 56 5:16-24)

C. Cost-of-Capital

In its most recent Cost of Capital (COC) application, PG&E estimated that "the 2020 revenue increase needed for cost of capital is about $1.2 billion." (PG&E Testimony, A.19-04-015, p. 1-11) In comparison, PG&E requested an increase of $1.058 billion in its GRC application. (Exh. 56 6:11-14))

PG&E has recommended that the Commission authorize large increases in both its rate of return (ROR) on ratebase, and its return on equity (ROE). PG&E has explained that: (PG&E Testimony, A.19-04-015, p. 1)

> PG&E requests an overall ROR of 10.80 percent . . . This is an increase from the currently authorized ROR of 7.69 percent. This request reflects a ROE of 16.0 percent, an increase from the currently authorized ROE of 10.25 percent; a cost of long-term debt of 5.16 percent, an increase from 4.89 percent; and a cost of preferred stock of 5.52 percent, a decrease from the previously authorized level of 5.60 percent. (Exh. 56 7:4-10)

On December 20, 2019, the Commission issued D.19-12-056, which set the authorized rates of return for PG&E, San Diego Gas & Electric Company, Southern California Edison Company, and Southern California Gas Company. In that decision, the Commission set PG&E's ROE at 10.25% (D.19-12-056, slip op. at 41), and its cost of long-term debt at 5.16% (D.19-12-056, slip op. at 13).

V. Credit Ratings

PG&E argues that: (PG&E Application, p. 4)

> In addition, PG&E continues to face extraordinary uncertainties associated with wildfire risk that could significantly impact our ability to access capital on reasonable terms. These uncertainties, which have grown after the Camp Fire, have led to credit rating downgrades in September and November 2018, and may lead to additional downgrades.

Reid testified that: (Exh. 56, 7:19-30, 8:1-8)

> PG&E has already addressed credit ratings in A.19-04-015. Therefore, the Commission should not consider credit ratings in the instant application unless PG&E can demonstrate that the credit rating downgrades will result in additional costs (not included in its GRC application) in 2020-2022.
>
> On December 31, 2017, PG&E credit quality was rated A– by Fitch, A2 by Moody's, and A– by S&P. . . .Prior to PG&E's bankruptcy filing, all three credit rating agencies lowered PG&E's rating to

> below investment grade. PG&E was rated D by Fitch, Caa3 by Moody's, and D by S&P. According to PG&E, "Ratings from Moody's and Fitch have been withdrawn as of February 5, 2019 and March 4, 2019, respectively." (PG&E response to question 3 of Reid discovery set 1)

VI. Customer-Service Offices

PG&E proposes to close seventeen customer-service offices (CSOs). (Exh. 91 5-2:4-6) Reid urged the Commission to reject PG&E's for the following reasons. (Exh. 56 8:13-17)

1. It is inconsistent with Commission policy.
2. It unfairly impacts disadvantaged communities, Hispanics/Latinos, the elderly, and low-income individuals.
3. The cost savings are miniscule when compared to PG&E's requested revenue requirement.

A. Disadvantaged Communities

Reid testified that:

> PG&E's proposal is inconsistent with Commission policy and should be rejected by the Commission. These CSOs disproportionately serve disadvantaged communities, who are low income, older, more Hispanic/Latino, and more inclined to be disabled. (Exh. 56 8:19-22)
>
> . . .
>
> PG&E conducted 1,305 in-person customer surveys at 18 CSOs during high-usage periods, 17 of which PG&E seeks Commission authority to close. PG&E states that it "learned from the surveys that 62 percent of customers visiting the 18 CSOs reported having annual incomes lower than $50,000, 38 percent were Hispanic/Latino, 30 percent were 65 years of age or older, and 22 percent self-identified as having a disability (9% reported having a mobility disability)." (Exhibit 56, 9:1-7)

B. Legal Requirements

When PG&E provides services, it has a legal obligation to ensure that all customers are treated fairly in the process. Public Utilities Code Section (PUC §) 453(a) requires that "No public utility shall, as to rates, charges, service, facilities, or in any other respect, make or grant any preference or advantage to any corporation or person or subject any corporation or person to any prejudice or disadvantage."

Reid testified that "the closure of the 17 CSOs would not be consistent with PUC § 453(a) because it would disproportionately impact customers who are low-income, elderly, Hispanic/Latino, and more inclined to be disabled." (Exh. 56 9:16-18)

C. Cost Savings

Reid testified that: (Exh. 56, 9:20-23)

> The amount of money that would be saved by closing these CSOs is relatively trivial. As mentioned above, PG&E estimates that closing these offices would save ratepayers a total of $3.3 million, or approximately 0.03% of its proposed GRC revenue requirement of $9.576 billion.

VII. PG&E Bankruptcy

Reid provided an informational update on the state of PG&E's bankruptcy proceeding. (Exh. 56 10:2-19 11:1-26)

Reid testified that: (Exh. 56 10:6-19)

> Normally, the applicant in a Bankruptcy proceeding is given an opportunity to present its reorganization plan (exclusivity) before other reorganization plans are presented. The Court gave PG&E a deadline of September 29, 2019 to present its plan of reorganization.

> There are two groups who would like to be able to present their plans to the Bankruptcy Court before PG&E presents its plan. These groups are insurers and bondholders.

Fox40.com has explained that: (Exh. 56 11:1-10)

> The insurers filed court papers Tuesday [July 23, 2019] claiming PG&E owes them about $20 billion in reimbursements for wildfire claims. Under their plan, many of their claims against PG&E would be converted into new stock, giving them sizable ownership of the company's shares and allowing them to establish what they described as a "well-funded" trust for wildfire victims.
>
> Meanwhile, the bondholders have offered at least $16 billion to pay wildfire claims as part of a deal that would give them a majority stake in the company.

In summary, Reid testified that "The outcome of PG&E's bankruptcy proceeding could have a significant impact on the Commission's disposition of PG&E's GRC application. If the bondholders are successful in gaining effective control of PG&E, they might attempt to sell off assets, or to reduce spending on safety." (Exh. 56 11:23-26)

VIII. United States District Court

Reid testified that: (Exh. 56 12:2-14)

> On January 30, 2019, U.S. District Judge William Alsup found PG&E Corp. in violation of its criminal probation related to the 2010 San Bruno, California natural gas pipeline explosion that killed eight people. He concluded that the company had violated the terms of that probation by not communicating with its probation supervisors about a legal settlement related to a 2017 California wildfire.[3]

---

[3] The Wall Street Journal, July 25, 2019, "PG&E Violated Probation, Federal Judge Says in Heated Hearing". Available at https://www.wsj.com/articles/pg-e-violated-probation-federal-judge-says-in-heated-hearing-11548877120.

Judge Alsop established five conditions for PG&E's probation. These conditions are: (Exh. 56 12:13-26, Exh. 56 13:1-*)

1. PG&E must fully comply with all applicable laws concerning vegetation management and clearance requirements, including Sections 4292 and 4293 of the California Public Resources Code, CPUC General Order 95, and FERC FAC-003-4.
2. PG&E must fully comply with the specific targets and metrics set forth in its wildfire mitigation plan
3. The Monitor shall assess PG&E's wildfire mitigation and wildfire safety work, including through regular, unannounced inspections of PG&E's vegetation management efforts and equipment inspection, enhancement, and repair efforts.
4. PG&E shall maintain traceable, verifiable, accurate, and complete records of its vegetation management efforts. PG&E shall report to the Monitor on the first business day of every month on its vegetation management status and progress and make available for inspection all related records at the Monitor's request.
5. PG&E shall ensure that sufficient resources, financial and personnel, including contractors and employees, are allocated to achieve the foregoing.

Reid testified that: (Exh. 56 13:9-21)

> The CPUC has stated that "Strong enforcement is critical to ensuring that the CPUC's statutory mandates are carried out and that ratepayers and the public are protected from safety, reliability, service quality, and other violations." (See https://www.cpuc.ca.gov/enforcement/)
>
> Strong enforcement cannot occur unless the Commission has adequate information concerning the status of PG&E's wildfire mitigation and wildfire safety work. Therefore, I recommend that the Commission order PG&E to file a monthly informational advice letter that contains the following information:
>
> 1. A copy of any written assessments performed by the Monitor concerning PG&E's wildfire mitigation and wildfire safety work as described in item 3 above.
>
> 2. A copy of PG&E's report to the Monitor as described in item 4 above.

IX. Reasonableness of Proposed Costs

PG&E states that: (PG&E Application, p. 2)

> PG&E's Community Wildfire Safety Program was initiated following the 2017 wildfires to respond to the above-described challenges. More than half of PG&E's proposed increase is directly related to wildfire prevention, risk reduction, and additional safety enhancements.

Reid testified that: (Exh. 56 14:1-13)

> PG&E is requesting an increase of over $500 million for its Community Wildfire Safety Program. I recommend that the Commission reject PG&E's request for increased funding of the CWSP for the following reasons:
>
> 1. It is unfair for ratepayers to be required to pay an additional $500 million in an attempt to mitigate future wildfires. All of the safety improvements should be paid by shareholders.
> 2. PG&E did not provide a cost-effectiveness analysis of its proposed wildfire mitigation plan and refused to provide such information to Reid. (See PG&E response to question 6 of Reid discovery set 1)
> 3. PG&E has a poor safety record as discussed in Section X. Safety Performance.
> 4. There is no assurance that PG&E will spend the money that it has budgeted for safety.

As discussed in Section VIII, PG&E is required by the U.S. District Court to fully comply with all applicable laws concerning vegetation management and clearance requirements, including Sections 4292 and 4293 of the California Public Resources Code, CPUC General Order 95, and FERC FAC-003-4.

Shareholders will benefit from such compliance because compliance could tend to minimize wildfires and increase profits, thereby increasing PG&E Corporation's stock price and allowing PG&E Corp. to resume dividend payments to shareholders.[4]

Reid testified that: (Exh. 56 14:22-26)

> As explained in Section X, PG&E caused the fires that swept through its service territory. I note that PG&E is currently under probation for its criminal negligence in the 2010 San Bruno fire (See Section VIII). Despite its poor safety record, PG&E now expects ratepayers to pay an additional $500 million for safety improvements which may or may not reduce wildfires.

X. Safety Performance

Reid testified that: (Exh. 56 15:2-24, Exh. 56 16:1-16)

PG&E has a history of poor safety performance. Barron's has reported that: (Barron's, May 16, 2019, available at https://finance.yahoo.com/m/4fc24cdd-d1d8-3ca1-ab63-280d4ae07c17/ pg%26e-power-lines-caused-the.html)

> (PCG)'s electrical transmission lines caused the deadliest fire in California's history, says the state's Department of Forestry and Fire Protection. CAL FIRE officials said Wednesday that last November's Camp Fire, which killed 85 civilians, burned 153,336 acres, and destroyed 18,804 structures, was caused by electrical transmission lines owned and operated by PG&E in the area around the town of Pulga, in California's Butte County. PG&E accepted CAL FIRE's determination in a statement.

---

[4] The last sentence of Judge Alsop's order states that "PG&E may not issue any dividends until it is in compliance with all applicable vegetation management requirements as set forth above." (Order, p. 2)

This is not the first time that PG&E equipment has caused wildfires. The Los Angeles Times has found that[5] "Pacific Gas & Electric, the state's largest utility providing electricity from Eureka to Bakersfield, reported 1,552 equipment-related fires from June 2014 through the end of 2017." (Los Angeles Times, January 28, 2019, available at https://www.latimes.com/politics/la-pol-ca-california-utilities-wildfires-regulators-20190128-story.html #nws=mcnewsletter)

At a January 30, 2019 hearing U.S. District Court Judge Alsop said that "There is one very clear-cut pattern here, and that's that PG&E is starting these fires." (Wall Street Journal, January 30, 2019, available at https://www.wsj.com/articles/pg-e-violated-probation-federal-judge-says-in-heated-hearing-11548877120)

According to the Wall Street Journal:

> PG&E Corp. knew for years that hundreds of miles of high-voltage power lines could fail and spark fires, yet it repeatedly failed to perform the necessary upgrades.
>
> Documents obtained by The Wall Street Journal under the Freedom of Information Act and in connection with a regulatory dispute over PG&E's spending on its electrical grid show that the company has long been aware that parts of its 18,500-mile transmission system have reached the end of their useful lives.

---

[5] Los Angeles Times, January 28, 2019, available at https://www.latimes.com/politics/la-pol-ca-california-utilities-wildfires-regulators-20190128-story.html#nws=mcnewsletter.

PG&E has effectively admitted that it caused at least some of the wildfires.

Business Wire has reported that:[6]

> Pacific Gas and Electric Company (PG&E) has reached agreements to resolve the wildfire claims held by 18 local public entities (cities, counties, districts and public agencies) impacted by the 2015 Butte Fire, 2017 Northern California wildfires and 2018 Camp Fire. Under the agreements, $1 billion in payments will be made as part of a Chapter 11 Plan of Reorganization to be filed in PG&E's pending Chapter 11 case (POR).

XI. Is the Elimination of the Meter Protection Program Annual report just and reasonable?

I have no position on this issue at this time.

XII. Is the Memorandum of Understanding between PG&E and the Small Business Utility Advocates and between PG&E and the Center for Accessible Technology just and reasonable?

I have no position on this issue at this time.

XIII. Is the proposed allocation of common costs in non-GRC ratemaking mechanisms just and reasonable?

I have no position on this issue at this time.

XIV. Is the impact of proposed rate increase on disconnections for non-payment just and reasonable?

I have no position on this issue at this time.

XV. Is the proposed level and funding of supplier diversity, employment diversity, and outreach to minority communities just and reasonable?

I have no position on this issue at this time.

---

6 Business Wire, June 19, 2019, available at https://finance.yahoo.com/news/pg-e-local-public-entities-130000294.html.

XVI. AB 1054 requirements regarding the reduction in equity ratebase related to wildfire capital expenditure on November 1, 2019.

I have no position on this issue at this time.

XVII. Glossary

COC	Cost of Capital
Commission	California Public Utilities Commission
CSO	Customer Service Office
CWSP	Community Wildfire Safety Program
ERRA	Energy Resource Recovery Account
FERC	Federal Energy Regulatory Commission
GRC	General Rate Case
mmBtu	One million British Thermal Units
PG&E	Pacific Gas and Electric Company
ROE	Return on Equity
ROR	Rate of Return
S&P	Standard and Poor’s
SA	Settlement Agreement
TO-19	19^{th} Transmission Owner Rate Case
U.S.	United States

XVIII. Conclusion

The Commission should adopt Reid's recommendations for the reasons given herein.

* * *

Dated January 6, 2020, at Santa Cruz, California.

/s/

L. Jan Reid
3185 Gross Road
Santa Cruz, CA 95062
Tel/FAX (831) 476-5700
janreid@coastecon.com

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 6, 2020, at Santa Cruz, California.

/s/

L. Jan Reid
3185 Gross Road
Santa Cruz, CA 95062
Tel/FAX (831) 476-5700
janreid@coastecon.com