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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, 2017.

(U 39 M)

A. 15-09-001
(Filed September 1, 2015)

**MOTION OF PACIFIC GAS AND ELECTRIC COMPANY (U 39 M)
REQUESTING AN ORDER TO MAKE NEW REVENUE
REQUIREMENTS EFFECTIVE JANUARY 1, 2017**

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Dated: December 18, 2015

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I. INTRODUCTION AND SUMMARY OF RELIEF SOUGHT

Pursuant to Rule 11.1 of the Rules of Practice and Procedure of the California Public Utilities Commission (Commission), Pacific Gas and Electric Company (PG&E) files this motion requesting that the Commission expeditiously issue an order that would make the revenue requirements the Commission will determine in PG&E's 2017 General Rate Case (GRC) effective January 1, 2017, even though the Commission may not issue a final decision on the GRC until sometime after that date. PG&E additionally requests that the Commission issue an order that the adopted revenue requirements shall include interest, based on a Federal Reserve three-month commercial paper rate,^{1/} to the extent necessary to keep PG&E and its customers financially indifferent to the timing of the Commission's final decision.

II. BACKGROUND

On September 1, 2015, PG&E filed its 2017 GRC Phase I Application (Application) and served supporting testimony seeking to increase gas and electric distribution and generation base revenue requirements by a total of \$457 million,^{2/} effective January 1, 2017. On October 29, 2015, Assigned Commissioner Michael Picker and Administrative Law Judge Stephen Roscow presided over a Prehearing Conference (PHC) in the matter, during which the schedule for the proceeding was discussed. The December 1, 2015 "Assigned Commissioner's Ruling and Scoping Memo" (Ruling) adopted a schedule, which set forth December 1, 2016, as an estimated date for a final decision.

While PG&E is committed to taking whatever steps it can to keep the proceeding on schedule, unforeseen circumstances could cause the final decision to be delayed until after

1/ See Federal Reserve three-month Commercial Paper Rate – Non-Financing, from the Federal Reserve Statistical Release H.15 or its successor.
<http://www.federalreserve.gov/releases/H15/data.htm>.

2/ On October 27, 2015, PG&E submitted supplemental testimony describing possible revenue requirement reductions to the 2017 forecast of approximately \$17 million. These costs relate to the Enterprise Records and Information Management Program. (Exhibit (PG&E-14), Chapter 1, p. 1-2.).

January 1, 2017. On October 27, 2015, PG&E hosted a conference call with parties to attempt to resolve issues prior to the PHC. During these discussions, PG&E raised the issue of a possible motion for a revenue effective date of January 1, 2017, regardless of whether a final decision is issued by the date. As reflected in the Ruling, “no party opposed the possibility that PG&E would file a motion seeking an order from the Commission that would make any revision to the revenue requirements from this case effective January 1, 2017, even if a Commission decision is issued after that date.”^{3/}

The motion at hand is the motion referenced in the Ruling.

III. ANALYSIS

A. The Commission Has Granted Similar Relief In Many Previous GRCs.

The Commission granted PG&E’s request for similar relief to that sought here in many previous GRCs. For example, the Commission granted analogous relief in PG&E’s 2003, 2007, 2011 and 2014 GRCs.^{4/} Similarly, the Commission has a long history of adopting interim revenue requirement accounting mechanisms for other utilities as well, including in the last GRCs filed by each of the major California energy utilities.^{5/}

B. The Relief Sought Here Is Consistent with the Commission’s Policy Objectives.

The relief sought in this motion is consistent with the Commission’s long-standing policy objectives to ensure that affected parties are financially indifferent - from a financial perspective - to the timing of the Commission’s final decision. As the Commission stated in PG&E’s 2014 GRC, “Adopting the relief requested in PG&E’s motion will leave both ratepayers and shareholders relatively indifferent to the precise date that the final decision is delivered.”^{6/} The

3/ Ruling, p. 17.

4/ D.02-12-073, *mimeo*, pp. 7-8; D.06-10-033, *mimeo*, pp. 3-4; D.10-11-018, *mimeo*, p. 4.; and D.13-04-023, *mimeo*, pp. 3-4.

5/ See D.15-11-021, *mimeo*, p. 4 (SCE 2015 GRC) and D.15-05-044, *mimeo*, pp. 4-5 (SDG&E and SoCalGas 2016 GRCs).

6/ D.13-04-023, *mimeo*, p. 3. See also, D.03-05-076, *mimeo*, pp. 5-6 (“We prefer an approach that leaves both ratepayers and shareholders relatively indifferent to the precise date that a decision is

Commission has also explained that establishing interim revenue requirements avoids the bar against retroactive ratemaking.^{7/}

C. The Commission has Granted Relief even Where There was only a Possibility that a Decision would not be Timely.

Even though, at present, there is no clear indication that a final decision will not be issued by the end of 2016, this motion is timely made. The Commission has granted similar relief even when only a possibility existed that it may not issue a timely final decision. Indeed, the Commission granted similar relief to the Golden State Water Company, even though the Golden State Water Company filed its motion for relief before the Commission had issued its scoping memorandum. In granting such relief, the Commission cited several cases providing relief “when it was either clear or there was a possibility that a final decision would not be issued in a timely manner....”^{8/}

D. The Relief Sought here mitigates the Negative Effects of Delays in the Proceeding.

While the relief sought here is intended to eliminate the *financial* effect of possible delays in the proceeding, the relief does not eliminate the potential for negative *operational* effects of such delays. PG&E’s 2017 GRC proposes many new measures and large capital projects that take at least several months’ advance planning. To the extent that a decision is issued after January 1, 2017, some of the larger projects could be delayed beyond the schedule anticipated by PG&E’s testimony. If the Commission ultimately determines that such projects are reasonable and worthy of inclusion in rates, these projects’ delay may cause negative operational effects.

delivered, reduces incentives for any party to achieve gains that could be realized through delay in the effective date of the proceeding’s outcome, and allows sufficient time, for parties as well as decision makers, for review and critical analysis of the record. SCE’s proposal [for a GRC memorandum account] is consistent with these policy objectives.” (Footnote omitted.)).

7/ D.03-05-076, *mimeo*, p. 6.

8/ D.12-08-006, *mimeo* p. 4 (emphasis added).

For its part, PG&E remains committed to doing what it can to accelerate this proceeding such that a decision can be issued prior to January 1, 2017, and PG&E urges the Commission to keep these operational needs in mind as well, regardless of whether this motion is granted.

IV. CONCLUSION

For PG&E and its customers to be financially indifferent to the timing of the final decision in this GRC, any revenue changes should be made effective January 1, 2017. In addition, the decision authorizing the January 1, 2017 effective date of any increase or decrease should be issued prior to the end of 2016 to avoid potential claims of retroactive ratemaking.

For the foregoing reasons, PG&E respectfully requests that the Commission promptly issue an order directing that PG&E's GRC revenue requirement for the 2017 test year, as determined in this proceeding, shall be effective as of January 1, 2017, and subject to interest based on a Federal Reserve three-month commercial paper rate, even if the Commission issues a final decision in this proceeding after that date.

Respectfully submitted,

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