

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**



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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, 2017. (U 39 M)

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

**PREHEARING CONFERENCE STATEMENT OF
MERCED IRRIGATION DISTRICT AND MODESTO IRRIGATION DISTRICT**

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October 23, 2015

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MERCED IRRIGATION DISTRICT AND MODESTO IRRIGATION DISTRICT**

Merced Irrigation District and Modesto Irrigation District (the “Districts”) submit this Prehearing Conference Statement in accordance with the October 13, 2015 Administrative Law Judge’s (“ALJ”) Ruling Setting Prehearing Conference.

1. Introduction

The Districts timely filed a Protest of the Application of Pacific Gas and Electric Company (“PG&E”) for Authority, Among Other Things, to Increase Rates and Charges for Electric and Gas Service Effective on January 1, 2017 (“Application”). In the Protest, the Districts request that the Commission:

- Deny PG&E’s request to have ratepayers fund \$807 thousand or more in customer retention activities and require that PG&E record any customer retention expenses below-the-line;
- Require that PG&E equitably develop the revenue requirements for, and allocate the costs of, electric distribution projects among DPAs; and
- Explicitly provide that any revenue requirement authorized for PG&E’s Economic Development Rate (“EDR”) program in this Phase I is contingent upon the Commission authorizing renewal of the EDR program in Phase II.

2. Scope of Issues

The Districts request that the following issues (each of which is addressed in further detail in the Districts’ Protest) be included in the scope of this proceeding:

- (1) Whether PG&E’s request to have ratepayers fund \$807 thousand or more in customer retention activities should be denied, and whether PG&E should be required to record any customer retention expenses below-the-line;
- (2) Whether the revenue requirements proposed for, and the allocation of the costs of, electric distribution projects among Distribution Planning Areas is reasonable and equitable; and

- (3) The need to explicitly provide that any revenue requirement authorized for PG&E's EDR program in this Phase I is contingent upon the Commission authorizing renewal of the EDR program in Phase II.¹

3. Need for Evidentiary Hearings and Procedural Schedule

It is likely that hearings will be necessary to resolve the factual issues raised by the Districts and other parties.

The schedule in this proceeding should allow all interested parties sufficient time to address the important issues that have been raised and develop a complete record.

4. Category

The Districts believe that the proposed category, ratesetting, is correct.²

5. Discovery Issues

The Districts very recently began discovery and, therefore, do not presently have any discovery issues.

6. Conclusion

The Districts appreciate the Commission's consideration of the issues raised in the Districts' protest and the matters set forth herein.

DATED: October 23, 2015

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¹ The Districts continue to review PG&E's Application and have recently begun discovery. Accordingly, the Districts reserve the right to address other issues raised by PG&E's application, as appropriate.

² Res. ALJ 176-3363.