



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

**FILED**  
01/17/19  
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 January 1, 2020.

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

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**RESPONSE OF THE CITY AND COUNTY OF SAN FRANCISCO**

**I. INTRODUCTION**

Pursuant to Rule 2.6 of the California Public Utilities Commission (“Commission”) Rules of Practice and Procedure, the City and County of San Francisco (“San Francisco”) submits this response to the application of Pacific Gas and Electric Company (“PG&E”) to increase its revenue requirements for gas and electric distribution and electric generation services by \$1.058 billion, which is a 12.4 percent increase over the 2019 adopted revenue of \$8.518 billion. If the Commission grants PG&E’s request, the average PG&E residential customer would have to pay PG&E an additional \$127 per year. San Francisco believes that PG&E’s request is excessive, and that PG&E has failed to justify the need for such a significant increase.

The Commission has an obligation under the Public Utilities Code to ensure that all rates and charges collected by a public utility are “just and reasonable.”<sup>1</sup> A public utility may not change any rate “except upon a showing before the commission and a finding by the commission that the new rate is justified.”<sup>2</sup> As the applicant, PG&E has the burden of proving that it is entitled to the revenue requirement sought herein.

PG&E attempts to justify the large increase in its revenue requirement requested in the application by focusing the Commission’s attention “wildfire-related forecast drivers” including “important wildfire safety investments.” While in the past PG&E’s safety concerns focused on gas

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<sup>1</sup> Public Utilities Code § 451.

<sup>2</sup> Public Utilities Code § 454.

transmission and distribution, the events of the last two years have caused PG&E to now focus on fire prevention. While San Francisco supports PG&E's efforts to provide safe and reliable service, and to protect the general public from the devastating effects of wildfires, broad statements about safety and PG&E's shifting concerns are not ample justifications for such a large revenue increase.

PG&E's request must be taken in context. Over the years, the Commission has authorized PG&E to recover from ratepayers billions of dollars for infrastructure repairs, upgrades, and replacements. In many instances, however, PG&E neglected to use those funds to address its aging infrastructure and instead reallocated those funds for other purposes. The Commission must carefully scrutinize PG&E's application to ensure that ratepayers receive the promised safety and reliability enhancements and are not unjustly saddled with unreasonable costs.

## **II. SAN FRANCISCO'S INTERESTS IN THIS PROCEEDING**

San Francisco has many interests in the rates that PG&E charges both its electric and gas customers. San Francisco is a PG&E ratepayer. On the gas side, San Francisco purchases unbundled gas distribution services from PG&E. On the electric side, some San Francisco departments purchase bundled services from PG&E and San Francisco also pays PG&E rates for PG&E-owned streetlight facilities. San Francisco now operates CleanPowerSF, which is community choice aggregator. CleanPowerSF's customers pay PG&E's rates for distribution, billing, and other services.

In addition, other San Francisco residents and business owners are PG&E gas and electric customers—whether they take full bundled gas and electric service from PG&E or receive gas and/or electric delivery services from PG&E on an unbundled basis. San Francisco has a strong interest in ensuring that the rates for its residents and business owners are just and reasonable.

## **III. CATEGORIZATION OF PROCEEDING, NEED FOR HEARINGS AND PROPOSED PROCEDURAL SCHEDULE**

San Francisco agrees with the classification of this proceeding as ratesetting and believes that hearings are necessary. With regard to the schedule, San Francisco is concerned that the proposed schedule does not take into account PG&E's recent announcement that it will file for bankruptcy

