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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. (U39M)

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

**E-MAIL RULING PROVIDING SAFETY AND ENFORCEMENT DIVISION
REPORT AND CONFIRMING WORKSHOP DATE**

Dated March 7, 2016, at San Francisco, California.

/s/ STEPHEN C. ROSCOW

Stephen C. Roscow
Administrative Law Judge

From: Roscow, Stephen C.

Sent: Monday, March 07, 2016 4:33 PM

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Cc: ALJ_Support ID; ALJ Docket Office; ALJ Process

Subject: A.15-09-001, E-Mail Ruling providing SED report and confirming workshop date

To the Service List in A.15-09-001:

This e-mail Ruling provides service of the report prepared by the Commission's Safety and Enforcement Division (SED) pursuant to the Assigned Commissioner's December 1, 2015 Ruling and Scoping Memo in this proceeding (Scoping Memo). The SED Risk Assessment Section's "Staff Report on Pacific Gas and Electric Company 2017-2019 General Rate Case Application A.15-09-001" is attached to this Ruling.

This Ruling also confirms the date of the anticipated SED workshop, which will provide parties the opportunity to ask questions or seek clarifying information regarding the report.

Background

As explained in the December 1, 2015 Scoping Memo, in this proceeding the Commission will examine safety and risk-related issues in a manner that is

fundamentally different than has been used in prior General Rate Cases (GRCs). In D.14-12-025, the Commission for the first time incorporated a risk-based decision-making framework into the Rate Case Plan for the energy utilities' GRCs. That Decision established that future GRCs will include an obligation for the utilities to provide the Commission with annual Risk Mitigation and Risk Spending accountability reports, after the Commission issues decisions on their GRC applications. The exact nature and content of those reports has not yet been established, and are being considered in the Commission's currently-open Safety Model Assessment Proceeding (S-MAP).

In the meantime, the scope of this proceeding includes the question of whether PG&E's proposed risk management, safety culture, governance and policies, and investments will result in the safe and reliable operation of its facilities and services. The Scoping Memo noted that in order for the S-MAP proceeding to be efficiently coordinated with this GRC, the Risk Assessment section of SED shall provide advisory staff support for this proceeding.

As has been the case in other recent GRC proceedings before the Commission, SED was also directed to provide a report on safety and risk management aspects of PG&E's Application to help the Commission identify whether and how PG&E is complying with guidelines for risk management that were provided in D.14-12-025; these guidelines are also currently being further developed in the consolidated S-MAP applications.

Conclusion

First, SED's report is attached to this ruling.

Second, SED shall conduct a workshop on March 25, 2016 in order to provide parties the opportunity to ask questions or seek clarifying information regarding the SED report.

Third, intervenors may comment on the report in their testimony, scheduled to be served on April 8, 2016 by ORA and April 29, 2016 by other intervenors. PG&E may comment on the report in its rebuttal testimony, scheduled to be served on May 27, 2016.

Finally, in the Scoping Memo the assigned Commissioner did not anticipate that SED staff members will be subject to cross-examination during hearings, but noted that this matter may be revisited by any party once they have reviewed SED's report.

IT IS RULED that:

1. The Commission's Safety and Enforcement Division (SED) shall conduct a public workshop on March 25, 2016 at Commission headquarters, 505 Van Ness Avenue, San Francisco. The purpose of the workshop is to provide parties to this proceeding the opportunity to ask questions or seek clarifying information regarding the SED report

attached to this Ruling. SED shall provide additional scheduling details directly to the Service List in this proceeding.

2. Intervenors may comment on the attached SED report in their testimony, currently scheduled to be served by ORA on April 8, 2016 and by other intervenors on April 29, 2016.

3. PG&E may comment on the attached SED report in its rebuttal testimony, scheduled to be served on May 27, 2016.

THE DOCKET OFFICE SHALL FORMALLY FILE THIS RULING

Stephen C. Roscow
Administrative Law Judge
California Public Utilities Commission
415-703-1053