



FILED

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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 No. 15-09-001
(Filed September 1, 2015)

NOTICE OF EX PARTE COMMUNICATION

Pursuant to Rule 8.4 of the Commission's Rules of Practice and Procedure, The Utility Reform Network (TURN) hereby gives notice of the following *ex parte* communication.

On March 24, 2017, Robert Finkelstein, General Counsel for TURN, met with Joanna Gubman, Interim Energy Advisor to Commissioner Martha Guzman Aceves, at approximately 2:00 p.m. The meeting occurred at the Commission's San Francisco office, and lasted approximately thirty minutes. No written materials were provided to Ms. Gubman during the meeting.

Mr. Finkelstein began by emphasizing that TURN is one of the parties sponsoring the proposed settlement in this proceeding, and urging adoption of the settlement without modification. He noted that while the Commission certainly has the authority to review a proposed settlement to ensure it is reasonable, changes to specific elements should be avoided where possible since, given the interrelated nature of the whole package, it risked disrupting the balance of that package.

Mr. Finkelstein then addressed the PD's discussion of post-test year ratemaking (PTYR) proposals and methodologies. TURN's comments on the PD had called for much of the discussion to be removed because it might be perceived as resolving disputed issues where the resolution had been rendered unnecessary under the proposed settlement. Mr. Finkelstein discussed the experience in a recent Sempra Utilities GRC where the original decision adopted an all-party settlement resolving all of the disputed issues, yet still saw fit to address a number of contentious policy and methodology issues underlying parties' litigation positions. When that outcome was challenged by an application for rehearing, the Commission removed the offending language in recognition of the unnecessary confusion it might cause. Mr. Finkelstein urged removal of the similar language in the PTYR discussion of the PD in order to save parties and the Commission from having to go through a similar additional process here.

Mr. Finkelstein identified several GRC issues that had been particularly important to TURN in this proceeding. He explained that TURN has focused on depreciation practices and parameters in recent GRCs because of the increasing impact that depreciation expense has on the overall revenue requirement, with seemingly ever-increasing amounts called for in the utility's depreciation study. TURN had also focused on the need for greater utility accountability in general and, in particular, greater transparency regarding the utility's own prioritization process. Mr. Finkelstein also cited the concern raised in a number of areas regarding the utility's general trend of increased capital spending, and the impacts such spending can have on revenue requirements and rates not just during the immediate rate case cycle but for years and even decades to come.

To obtain a copy of this notice, please contact Haley de Genova at (415) 929-8876 ex. 3.

March 28, 2017

THE UTILITY REFORM NETWORK

By: _____/S/_____
Robert Finkelstein

785 Market Street, Suite 1400
San Francisco, CA 94103
Phone: (415) 929-8876, x. 307
Fax: (415) 929-1132
Email: bfinkelstein@turn.org