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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)

**REPLY COMMENTS ON THE PROPOSED DECISION  
OF ADMINISTRATIVE LAW JUDGE ROSCOW  
OF PACIFIC GAS AND ELECTRIC COMPANY**

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## TABLE OF CONTENTS

	<b>Page</b>
I. INTRODUCTION .....	1
II. A4NR’S ALTERNATIVE RECOMMENDATION FOR ISOLATING ANY MODIFIED PROVISIONS CONTRAVENES THE IMPORTANT PRINCIPLES ARTICULATED IN A4NR’S OWN FILING.....	1
III. CAUSE’S COMMENTS ARE PROCEDURALLY INAPPROPRIATE AND SHOULD BE ACCORDED LITTLE WEIGHT.....	2
IV. CONCLUSION.....	4

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**I. INTRODUCTION**

Pacific Gas and Electric Company (PG&E) hereby submits these Reply Comments on the Opening Comments submitted concerning the Proposed Decision (PD) issued by the Administrative Law Judge (ALJ) on February 27, 2017, in the above-captioned matter. These Reply Comments respond to opening comments filed by the Alliance for Nuclear Responsibility (A4NR) and Collaborative Approaches for Utility Safety Enforcement (CAUSE).

In these Reply Comments, PG&E explains:

- A4NR’s alternative recommendation for isolating any modified provisions from the remainder of the Settlement Agreement contravenes the important principles articulated in A4NR’s own comments; and
- CAUSE’s comments are procedurally inappropriate and should be accorded little weight.

**II. A4NR’S ALTERNATIVE RECOMMENDATION FOR ISOLATING ANY MODIFIED PROVISIONS CONTRAVENES THE IMPORTANT PRINCIPLES ARTICULATED IN A4NR’S OWN FILING.**

One of A4NR’s alternative recommendations for dealing with a modified Settlement Agreement would be to “carefully circumscribe the nature of the relief which may be requested under [a Motion for Further Relief] by confining the subject matter of those motions to contesting the four alternative provisions without disturbing the remainder of the Settlement Agreement.”<sup>1</sup> While such a process may

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<sup>1</sup> A4NR, p. 8.

protect A4NR's admittedly narrow interest in the proceeding,<sup>2</sup> such a process contradicts the principles espoused in A4NR's own comments.

A4NR explains that in General Rate Cases:

dozens of parties representing a wide range of constituencies attempt to reach a balanced, integrated and comprehensive compromise across a broad range of issues which, as noted previously, can be wholly unrelated to one another. Arriving at expansive, integrated compromises in such cases is an enormous achievement not to be taken lightly. The Commission's practice of evaluating the sum total of those compromises, rather than each individual compromise taken outside the context of that sum total, correctly respects the explicit and implicit trade-offs inherent in the final settlement agreement. This approach also leaves undisturbed any unseen but nevertheless important interdependencies and interrelationships between or among issues and the results negotiated by the parties.<sup>3</sup>

A4NR's comments are right on the mark. However, these important principles would be lost if any modified settlement provisions were isolated from the remainder of the agreement. Under such circumstances, the "balanced, integrated and comprehensive compromise," "the explicit and implicit trade-offs," the "important interdependencies" and the "interrelationships between or among issues" would be broken.

### **III. CAUSE'S COMMENTS ARE PROCEDURALLY INAPPROPRIATE AND SHOULD BE ACCORDED LITTLE WEIGHT.**

CAUSE's comments are wide-ranging. For the most part, they are inappropriate.

Under Commission rules, comments on proposed decisions "shall focus on factual, legal or technical errors."<sup>4</sup> Instead, CAUSE's comments lead with a request for intervenor compensation, recommending that the Commission "revise the February 2, 2017 ruling denying CAUSE intervenor compensation."<sup>5</sup> CAUSE provides no explanation regarding how its comments on this point relate to any factual, legal or technical errors in the Proposed Decision.

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<sup>2</sup> A4NR, p. 5 ("A4NR's interests in this proceeding are confined to ratemaking issues related to the Diablo Canyon Nuclear Power Plant ('DCNPP')."). See also, A4NR, p. 3 ("The issues and subject matter addressed by the four substitute provisions are well beyond A4NR's interests and expertise.").

<sup>3</sup> A4NR, p. 4 (emphasis added). A4NR also states, "Each provision of such a comprehensive settlement represents a compromise of evidence, position and result, and resides in a greater context." (A4NR, p. 6.)

<sup>4</sup> Rule 14.3(c) of the Commission's Rules of Practice and Procedure.

<sup>5</sup> CAUSE, p. 2, see also pp. 3-4 (Section II of its Comments).

CAUSE also inappropriately re-argues issues settled by the Settlement Agreement executed by CAUSE. For example, citing the circumstances of PG&E's recent criminal conviction, CAUSE renews its request for "bubble-up," the main recommendation CAUSE made in this proceeding.<sup>6</sup> Nonetheless, by the express terms of the Settlement Agreement: "Unless otherwise provided in this Agreement, all proposals and recommendations by the Settling Parties...are either withdrawn...or considered subsumed without adoption by this Agreement."<sup>7</sup>

CAUSE also (i) states its support for the Proposed Decision's modifications to Rule 20A<sup>8</sup> and (ii) suggests that the overall revenue requirement set forth in the Settlement Agreement may need to be revisited.<sup>9</sup> In taking these positions, CAUSE appears to again depart from the Settlement Agreement.

Should CAUSE wish to amend the Settlement Agreement, there is a procedure for doing so.<sup>10</sup> This procedure requires a written agreement signed by the Settling Parties. CAUSE has neither followed, nor initiated, this procedure. If CAUSE wishes to amend the Settlement Agreement, CAUSE owes the Settling Parties the opportunity to consider its request. Alternatively, if CAUSE can no longer support the Settlement Agreement, the proper course would be to notify the Settling Parties and move to withdraw from the Settlement Agreement. The comments that CAUSE has filed are confusing, taken in the best light. In the worst light, CAUSE may have violated its obligations to the Settling Parties.

Finally, CAUSE should be cautioned against violating Rule 12.6 of the Commission's Rules of Practice and Procedure, which protects the confidentiality of settlement discussions. In an apparent reference to CAUSE's contributions to the settlement process, CAUSE asserts that it has:

served as [a] lonely voice[] defending the principles of Article XII [of the California Constitution] and the essential powers of the Commission. CAUSE also advocated for safety when it had no internal champion at the Commission and no other intervenor would assume this role.<sup>11</sup>

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<sup>6</sup> CAUSE, pp. 9-11 (Section IV of its Comments).

<sup>7</sup> Settlement Agreement, Section 5.3.

<sup>8</sup> CAUSE, p. 12 (Section VI of its Comments).

<sup>9</sup> CAUSE, p. 13 (Section VII of its Comments).

<sup>10</sup> Settlement Agreement, Section 5.6.

<sup>11</sup> CAUSE, p. 3.

If this statement is meant to be in reference to the settlement process, the statement is barred by Rule 12.6 and PG&E will not respond to it substantively. If CAUSE's statement is meant more broadly, it is false.<sup>12</sup>

#### IV. CONCLUSION

For the reasons set forth above, PG&E respectfully requests that the Commission find that: (i) A4NR's alternative recommendation for isolating modified provisions from the remainder of the Settlement Agreement should be disregarded and (ii) CAUSE's comments described above are procedurally inappropriate and should be accorded no weight.

Respectfully submitted,

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<sup>12</sup> In addition to the safety contributions of parties such as the Office of Ratepayer Advocates and The Utility Reform Network, the Safety and Enforcement Division Risk Assessment Section prepared a "Staff Report on Pacific Gas and Electric Company 2017-2019 General Rate Case Application A.15-09-001" that was distributed on March 7, 2016.