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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of San Diego Gas &
Electric Company (U902M) for
Establishment of an Interim Rate
Relief Mechanism for its Wildfire
Mitigation Plan Costs.

Application 21-07-017

ASSIGNED COMMISSIONER'S SCOPING MEMO AND RULING

This Scoping Memo and Ruling (Scoping Memo) sets forth the issues, need for hearing, schedule, category, and other matters necessary to scope this proceeding pursuant to Public Utilities (Pub. Util.) Code Section 1701.1 and Article 7 of the California Public Utilities Commission's (Commission) Rules of Practice and Procedure (Rules).

1. Procedural Background

Application (A.) 21-07-017 was filed by San Diego Gas & Electric Company (SDG&E) on July 30, 2021, seeking to establish an interim rate relief mechanism for wildfire mitigation expenditures recorded in SDG&E's Wildfire Mitigation Plan Memorandum Accounts (WMPMAs). Under the proposed mechanism, SDG&E is requesting authorization to recover 50 percent of the recorded wildfire mitigation expenditures that are incremental to those authorized for recovery in SDG&E's general rate case (GRC) and other wildfire-related regulatory accounts per year, subject to a later reasonableness review and refund with interest, if appropriate. SDG&E's request covers the period from 2019 to 2023. SDG&E is not requesting a reasonableness review or final recovery of any costs in this application.

According to the application, as of the end of the first quarter 2021, SDG&E has an under-collected balance of approximately \$107.2 million recorded to its WMPMAs, incremental to authorized amounts, and SDG&E expects this balance to grow.

SDG&E proposes that WMPMA costs incurred between 2019 and 2021 be amortized over 20 months, and subsequent expenditures be amortized over an annual period.

SDG&E claims that the typical residential electric customer would see a bill increase of approximately 1.4 percent, or \$1.92 in 2022; the typical gas customer would see a bill increase of approximately 0.1 percent, or \$0.06 in 2022, if SDG&E's proposal is adopted.

Protests to the application were received from the California Farm Bureau Federation; and jointly from The Utility Reform Network (TURN) and Utility Consumer Action Network (UCAN). In addition, Public Advocates Office (Cal Advocates) and Southern California Edison Company (SCE) filed motions for party status. These motions were granted on September 13, 2021, and October 14, 2021, respectively. SDG&E filed a reply to Protests on September 13, 2021.

Notice of the application appeared on the Commission's Daily Calendar on August 6, 2021. Resolution ALJ 176-3491 was adopted on August 19, 2021, and preliminarily categorized this proceeding as ratesetting.

A telephonic prehearing conference (PHC) was held on October 13, 2021 to address the issues of law and fact, determine the need for hearing, set the schedule for resolving the matter, and address other matters as necessary. The assigned Administrative Law Judge (ALJ) provided a week for parties to comment on the proposed scope and to meet-and-confer the proceeding

schedule. Cal Advocates, SDG&E, TURN, and UCAN submitted comments on October 20, 2021. After considering the application, protests, reply, discussion at the PHC, and comments on the proposed scope and schedule, I have determined the issues and initial schedule of the proceeding to be set forth in this Scoping Memo.

2. Issues

The issues to be considered are:

1. Whether the Commission should grant SDG&E's request to establish an interim rate relief mechanism for wildfire mitigation expenditures recorded in SDG&E's WMPMAs during the 2019-2023 period.
 - a. Whether SDG&E sufficiently demonstrated a need for an interim rate relief.
 - b. Whether SDG&E's proposal promotes fairness, minimizes costs, and provides better rate stability for SDG&E customers.
2. Whether the Commission should adopt SDG&E's proposal to update the recorded balances for 2019-2023 and amortize them in rates through SDG&E's annual regulatory account balance update process.
 - a. Whether SDG&E's proposal to amortize 50 percent of the incremental WMPMA expenditures incurred in the 2019-2021 period over 20 months and subsequent incremental expenditures for the 2022-2023 period over 12 months is reasonable; or what alternative method and/or proposal, if any, should be adopted.
 - b. What, if any, additional reporting requirements the Commission should adopt.

3. Need for Evidentiary Hearing

A potential hearing date has been placed on the schedule for this proceeding in the event evidentiary hearings are necessary and appropriate. The

deadline to file a motion to request evidentiary hearings is set forth in the below schedule.

4. Schedule

The following schedule is adopted here and may be modified by the assigned Commissioner or the ALJ as required to promote the efficient and fair resolution of the application:

Event	Date
Deadline to file motions for requesting opportunity to serve intervenor testimony and/or to cross-examine	November 30, 2021
Intervenors' prepared direct testimony served (if necessary)	December 10, 2021
Evidentiary hearing (if necessary)	December 16, 2021
Opening briefs	January 10, 2022
Reply briefs	January 20, 2022
Proposed decision	March 2022
Commission decision	[no sooner than 30 days after proposed decision]

The proceeding will stand submitted upon the filing of reply briefs, unless the assigned Commissioner or the ALJ requires further evidence or argument. Based on this schedule, the proceeding will be resolved within 18 months as required by Pub. Util. Code Section 1701.5.

5. Alternative Dispute Resolution (ADR) Program and Settlements

The Commission's ADR program offers mediation, early neutral evaluation, and facilitation services, and uses ALJs who have been trained as neutrals. At the parties' request, the assigned ALJ can refer this proceeding to

the Commission's ADR Coordinator. Additional ADR information is available on the Commission's website.¹

Any settlement between parties, whether regarding all or some of the issues, shall comply with Article 12 of the Rules and shall be served in writing. Such settlements shall include a complete explanation of the settlement and a complete explanation of why it is reasonable in light of the whole record, consistent with the law and in the public interest. The proposing parties bear the burden of proof as to whether the settlement should be adopted by the Commission.

6. Category of Proceeding and *Ex Parte* Restrictions

This ruling confirms the Commission's preliminary determination in Resolution ALJ 176-3491 that this is a ratesetting proceeding. Accordingly, *ex parte* communications are restricted and must be reported pursuant to Article 8 of the Rules.

7. Public Outreach

Pursuant to Pub. Util. Code Section 1711(a), I hereby report that the Commission sought the participation of those likely to be affected by this matter by noticing it in the Commission's monthly newsletter that is served on communities and business that subscribe to it and posted on the Commission's website.

8. Intervenor Compensation

Pursuant to Pub. Util. Code Section 1804(a)(1), a customer who intends to seek an award of compensation must file and serve a notice of intent to claim compensation by November 12, 2021, 30 days after the PHC.

¹ See Decision 07-05-062, Appendix A, § IV.O.

9. Response to Public Comments

Parties may, but are not required to, respond to written comments received from the public. Parties may do so by posting such response using the “Add Public Comment” button on the “Public Comment” tab of the online docket card for the proceeding.

10. Public Advisor

Any person interested in participating in this proceeding who is unfamiliar with the Commission’s procedures or has questions about the electronic filing procedures is encouraged to obtain more information at <http://consumers.cpuc.ca.gov/pao/> or contact the Commission’s Public Advisor at 866-849-8390 or 866-836-7825 (TTY), or send an e-mail to public.advisor@cpuc.ca.gov.

11. Filing, Service, and Service List

The official service list has been created and is on the Commission’s website. Parties should confirm that their information on the service list is correct and serve notice of any errors on the Commission’s Process office, the service list, and the ALJ. Persons may become a party pursuant to Rule 1.4.²

When serving any document, each party must ensure that it is using the current official service list on the Commission’s website.

This proceeding will follow the electronic service protocol set forth in Rule 1.10. All parties to this proceeding shall serve documents and pleadings using electronic mail, whenever possible, transmitted no later than 5:00 p.m., on the date scheduled for service to occur.

² The form to request additions and changes to the Service list may be found at <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/administrative-law-judge-division/documents/additiontoservicelisttranscriptordercompliant.pdf>

In view of the COVID-19 pandemic, Rule 1.10 (e) requirement to serve paper copies of all e-filed documents to the ALJs is suspended for the duration of this proceeding. Therefore, when serving documents on the ALJ, whether or not, they are on the official service list, parties must only provide electronic service.

When serving documents on Commissioners or their personal advisors, whether or not they are on the official service list, parties must only provide electronic service. Parties must not send hard copies of documents to Commissioners or their personal advisors unless specifically instructed to do so.

Persons who are not parties but wish to receive electronic service of documents filed in the proceeding may contact the Process Office at process_office@cpuc.ca.gov to request addition to the “Information Only” category of the official service list pursuant to Rule 1.9(f).

The Commission encourages those who seek information-only status on the service list to consider the Commission’s subscription service as an alternative. The subscription service sends individual notifications to each subscriber of formal e-filings tendered and accepted by the Commission. Notices sent through subscription service are less likely to be flagged by spam or other filters. Notifications can be for a specific proceeding, a range of documents and daily or weekly digests.

12. Receiving Electronic Service from the Commission

Parties and other persons on the service list are advised that it is the responsibility of each person or entity on the service list for Commission proceedings to ensure their ability to receive e-mails from the Commission. Please add “@cpuc.ca.gov” to your e-mail safe sender list and update your e-mail

screening practices, settings and filters to ensure receipt of emails from the Commission.

13. Assignment of Proceeding

Commissioner Darcie L. Houck is the assigned Commissioner and Nilgun Atamturk is the assigned ALJ and presiding officer for the proceeding.

IT IS RULED that:

1. The scope of this proceeding is described above and is adopted.
2. The schedule of this proceeding is set forth above and is adopted.
3. Evidentiary hearing may be needed.
4. The presiding officer is Administrative Law Judge Nilgun Atamturk.
5. The category of the proceeding is ratesetting.

This order is effective today.

Dated October 28, 2021, at San Francisco, California.

/s/ DARCIE L. HOUCK

Darcie L. Houck
Assigned Commissioner