

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



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Order Instituting Investigation on the  
Commission's Own Motion into the Rates,  
Operations, Practices, Services and Facilities of  
Southern California Edison Company and San  
Diego Gas and Electric Company Associated  
with the San Onofre Nuclear Generating Station  
Units 2 and 3

Investigation 12-10-013  
(Filed October 25, 2013)

And Related Matters

Application 13-01-016  
Application 13-03-005  
Application 13-03-013  
Application 13-03-014

**COMMENTS OF THE  
CALIFORNIA LARGE ENERGY CONSUMERS ASSOCIATION SUPPORTING  
ADOPTION OF PROPOSED DECISION APPROVING SETTLEMENT  
AGREEMENT AS AMENDED AND RESTATED BY SETTLING PARTIES**

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October 29, 2014

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Pursuant to Rule 14.3 of the California Public Utilities Commission (CPUC) Rules of Practice and Procedure, the California Large Energy Consumers Association (CLECA)<sup>1</sup> submits these comments. CLECA supports expeditious adoption of the Proposed Decision (PD) approving the settlement agreement as amended and restated by settling parties.

**I. COMMENTS**

CLECA previously supported the settlement because it was reasonable and balanced between ratepayer and shareholder interests and the bottom line

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<sup>1</sup> CLECA is an organization of large, industrial electric customers of Pacific Gas & Electric Company and Southern California Edison Company (SCE). Some CLECA members take bundled service and some members take Direct Access service. The member companies are in the steel, cement, industrial gas, pipeline, mining and beverage industries, and for all of them, the cost of electricity is a very important element in their cost structure and the competitiveness of their products.

results appeared equitable. The settlement’s conceptual approach, allowing recovery of replacement power costs but not the failed steam turbine generators, appropriately balanced ratepayer and shareholder interests. Reducing the rate of return and shortening the amortization for the remaining required net plant also seemed fair. The amended settlement provides additional ratepayer benefits by increasing their potential share of third party litigation revenues and Commission oversight of post-decision final revenue requirement calculations. As the PD states, “the amendments to the agreement favored ratepayers but did not alter the underlying resolution of key competing interests.”<sup>2</sup> CLECA continues to support the settlement as amended and now supports adoption of the PD approving the amended settlement.

The PD deems the amended settlement reasonable and in the public interest in light of the record. Additionally, the PD notes that “there is a wide range of possible outcomes to a future Phase 3, but no particular probability that ratepayers would fare better.”<sup>3</sup> Further, the PD emphasizes the importance of “promptly restoring reasonable rates to ratepayers” and the “substantial relief to ratepayers upon adoption [of the amended settlement].”<sup>4</sup> The PD determines that the “timing of refunds and credits to ratepayers set forth in the Amended Settlement are in the public interest.”<sup>5</sup> CLECA agrees; the PD should be adopted quickly to enable ratepayer relief; expeditious adoption would also avoid continued regulatory litigation and mitigate that litigation risk.

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<sup>2</sup> PD, at 129 (finding of fact 4).

<sup>3</sup> PD, at 114.

<sup>4</sup> PD, at 117.

<sup>5</sup> PD, at 117.

These proceedings have been contentious and complex, consuming significant Commission and party resources. As the PD bluntly acknowledges, “Ratepayers foot the bill for regulatory litigation.”<sup>6</sup> The amended settlement between the utilities, environmental and ratepayer groups, and utility union workers resolves all “claims, allegations, and liabilities” in these proceedings. The PD explains its adoption and immediate effectuation would “provide certainty to the parties ... and ensure timely resolution of this investigation and consolidated proceedings.”<sup>7</sup> The amended settlement and PD reasonably resolve the regulatory litigation and would benefit ratepayers.

Finally, the PD references the Consensus Protocol established by D.14-05-003 as the mechanism to ensure Direct Access customers also experience timely rate adjustments.<sup>8</sup> CLECA strongly supports this aspect of the PD.

## II. CONCLUSION

Adoption of the PD would avoid protracted administrative litigation as well as provide significant, imminent reductions in electric rates. CLECA urges the Commission to adopt the PD without change by the end of 2014.

Respectfully submitted,



Nora Sheriff  
Counsel to the California Large Energy  
Consumers Association

October 29, 2014

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<sup>6</sup> PD, at 114.

<sup>7</sup> PD, at 134 (conclusion of law)

<sup>8</sup> PD, at 128.