



FILED
08/10/18
09:57 AM

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric Company to Recover Costs Recorded in the Catastrophic Event Memorandum Account Pursuant to Public Utilities Code Section 454.9 and Forecasted Pursuant to Resolution ESRB-4. (U39E)

Application 18-03-015

ASSIGNED COMMISSIONER'S SCOPING MEMO AND RULING

This scoping memo and ruling sets forth the category, issues to be addressed, and schedule of the proceeding pursuant to Public Utilities Code Section 1701.1 and Article 7 of the Commission's Rules of Practice and Procedure.

1. Procedural Background

On March 30, 2018, Pacific Gas and Electric (PG&E) filed the present Application. The Application seeks recovery under a Catastrophic Emergency Memorandum Account (CEMA) for a total of nine past events: three fires, four sets of storms, and two years of vegetation management (2016 and 2017). In the same Application, PG&E also seeks forecasted 2018 and 2019 vegetation management cost recovery through its CEMA.

On May 4, 2018, the Commission's Office of Ratepayer Advocates (ORA) and The Utility Reform Network (TURN) filed protests to the Application.

On July 10, 2018, a prehearing conference (PHC) was held to discuss possible issues of law and fact, the need for evidentiary hearings, and

scheduling. After considering the Application, the protests, and the discussion at the PHC, the issues and schedule of the proceeding are set forth below.

2. Scope and Issues

The scope of this proceeding includes all issues related to PG&E's Application, including issues raised in responsive pleadings and as discussed at the PHC. The primary issues to be determined are:

1. Are the costs recorded to the account pursuant to defined catastrophic events?
2. Are the costs recorded to the account appropriate for CEMA recovery—*i.e.*, related to restoring service; related to repairing, restoring, and replacing damaged equipment and facilities; incremental; non-duplicative; correctly calculated; and reasonable (defined as prudently incurred by competent management exercising best practices)?
3. Does Resolution ESRB-4 entitle PG&E to CEMA-based recovery of forecasted costs?
4. Does Resolution ESRB-4 entitle PG&E to any non-CEMA form of recovery of forecasted costs?
5. Is PG&E seeking recovery of forecasted costs for vegetation management under any authority other than Resolution ESRB-4?
- 6.a. Does PG&E have other means for recovery of vegetation management costs other than this application?
- 6.b. What impact do those other means for recovery of vegetation management costs have upon the claim for recovery in this proceeding?
7. As to each event sought to be covered in this Application, what would be the associated revenue requirement?
8. Does the Application raise any safety concerns?

3. Need for Evidentiary Hearing

Resolution ALJ 176-3416 preliminarily determined that this matter should be set for evidentiary hearings. That preliminary determination is confirmed.

4. Schedule

August 31, 2018:

Concurrent service and filing of opening briefs regarding each of the following issues: Does Resolution ESRB-4 entitle PG&E to CEMA-based recovery of forecasted costs? Does Resolution ESRB-4 entitle PG&E to any non-CEMA form of recovery of forecasted costs? Is PG&E seeking recovery of forecasted costs for vegetation management under any authority other than Resolution ESRB-4?

September 14, 2018:

Concurrent service and filing of reply briefs.

Third quarter of 2018:

Independent Auditor hired.

120 Days from Independent Auditor hiring:

Independent Auditor Report (PG&E to serve and file) (ALJ(s) to issue notice of hearing upon filing).

30 days from Independent Auditor Report:

- 1) PG&E service and filing of comments on Independent Auditor Report;
- 2) ORA and TURN service of testimony;
- 3) ORA and TURN service and filing of comments on Independent Auditor Report.

45 Days from Independent Auditor's Report:

- 1) PG&E service of rebuttal testimony;
- 2) PG&E service and filing of reply comments to ORA and TURN comments on Independent Auditor Report;
- 3) ORA and TURN service and filing of reply comments to PG&E comments on Independent Auditor Report.

75 days from Independent Auditor's Report:

Hearings (3 days) (ALJ(s) to issue notice of hearing).

21 days from close of Hearings:

Concurrent party service and filing of opening briefs.

35 days from close of Hearings:

Concurrent party service and filing of reply briefs.

The Proposed Decision will be issued after the filing of reply briefs.

The assigned Commissioner or assigned Administrative Law Judge(s) (ALJ)(s) may modify this schedule as necessary to promote the efficient management and fair resolution of this proceeding. Due to the need to complete an audit, it is the Commission's intent to complete this proceeding within 24 months from the date this proceeding was initiated. (Pub. Util. Code Section 1701.5(b).)

5. Category of Proceeding/Ex Parte Restrictions

This ruling confirms the Commission's preliminary determination that this is a ratesetting proceeding. (Resolution ALJ 176-3416.) Accordingly, *ex parte* communications are restricted and must be reported pursuant to Article 8 of the Commission's Rules of Practice and Procedure.

6. Public Outreach

The Commission's Outreach Office conducted outreach regarding this proceeding pursuant to Section 1711(a) by publication in the May 2018 edition of the newsletter "Filings Of Note," created and disseminated by the Commission's Business and Community Outreach Team (BCO), and available at http://www.cpuc.ca.gov/uploadedFiles/CPUC_Website/Content/About_Us/Organization/Divisions/News_and_Outreach_Office/Filings%20newsletter%202018-05.pdf.

The newsletter "Filings Of Note" is distributed electronically to most elected (typically mayors and county supervisors) and executive (typically city managers) heads of local governments statewide, as well as public works directors for whom BCO has contact information, local councils of governments,

community organizations, and other parties who have expressed interest in receiving the newsletter. It is also posted on the BCO's website.

7. 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 August 9, 2018, 30 days after the PHC.

8. 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 415-703-2074 or 866-836-7825 (TYT), or send an e-mail to public.advisor@cpuc.ca.gov.

9. Service of Documents on Commissioners and Their Personal Advisors

Rule 1.10 requires only electronic service on any person on the official service list other than the ALJ.

When serving documents on Commissioners or their 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 advisors unless specifically instructed to do so.

10. Assignment of Proceeding

Liane M. Randolph is the assigned commissioner and Peter V. Allen and Jason Jungreis are the assigned ALJs and Presiding Officers for the proceeding.

IT IS RULED that:

1. The scope of this proceeding is as set forth above.
2. The schedule for this proceeding is as set forth above.

3. Evidentiary hearings are needed.
4. The Presiding Officers are Administrative Law Judge (ALJ) Peter V. Allen and ALJ Jason Jungreis.
5. The category of the proceeding is ratesetting.

Dated August 10, 2018, at San Francisco, California.

/s/ LIANE M. RANDOLPH

Liane M. Randolph
Assigned Commissioner