



FILED

08/07/19
04:59 PM

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

Order Instituting Rulemaking to Consider
Authorization of a Non-Bypassable Charge
to Support California's Wildfire Fund.

Rulemaking 19-07-017

**PREHEARING CONFERENCE STATEMENT OF
PACIFIC GAS AND ELECTRIC COMPANY (U 39 M)**

STEVEN W. FRANK
RANDALL J. LITTENEKER
CHRISTOPHER J. WARNER

Pacific Gas and Electric Company
77 Beale Street, Mailcode B30A
San Francisco, CA 94105
Telephone: (415) 973-6976
Facsimile: (415) 973-5520
Email: Steven.Frank@pge.com

Dated: August 7, 2019

Attorneys for
PACIFIC GAS AND ELECTRIC COMPANY

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

Order Instituting Rulemaking to Consider
Authorization of a Non-Bypassable Charge
to Support California's Wildfire Fund.

Rulemaking 19-07-017

**PREHEARING CONFERENCE STATEMENT OF
PACIFIC GAS AND ELECTRIC COMPANY (U 39 M)**

Pursuant to the California Public Utilities Commission's (CPUC or Commission) July 26, 2019 Order Instituting Rulemaking (OIR), Pacific Gas and Electric Company (PG&E or the Company) hereby submits this Prehearing Conference (PHC) Statement for the August 8, 2019 PHC. As directed by the OIR, this PHC statement addresses "the draft issues for scope in this proceeding, including, with respect to draft issue #3, an estimated revenue requirement of \$880,000,000 per year." (OIR p.10, Ordering Paragraph 8.) PG&E's comments are set forth below.

Before commenting on the draft issues, PG&E wishes to express its appreciation for the urgency with which the Commission has initiated this proceeding. Assembly Bill 1054 became effective on July 12, 2019. PG&E notified the Commission and publicly announced on July 23, 2019 that it has elected to participate in the Wildfire Fund created pursuant to Section 3284 of the Public Utilities Code, which was added by Assembly Bill 1054. Accordingly, PG&E stands ready to support, in any way it can, the efficient and expeditious processing of this OIR.

PG&E's comments on the draft issues follow.

Draft Issue 1: Whether it is appropriate for the Commission to exercise its authority under Public Utilities Code Section 701 to require certain electrical corporations to impose a non-bypassable charge on ratepayers to support California's Wildfire Fund established by AB 1054, including payment of bonds issued pursuant to Section 80500 et seq. of the Water Code.

PG&E Response: This issue is properly within the scope of this proceeding.

As noted above, PG&E has sent in the notice provided for in the statute that PG&E wishes to participate in the Wildfire Fund. As long as PG&E is allowed to participate in the Fund, PG&E supports adoption of the proposed nonbypassable charge for its customers. Public Utilities Code section 3292(b) contains various conditions that must be satisfied for PG&E to be able to participate in the Fund, including the requirement that, by not later than June 30, 2020, PG&E's insolvency proceeding "has been resolved pursuant to a plan or similar document not subject to a stay." PG&E is working diligently to be able to meet this requirement. However, resolution of PG&E's insolvency proceeding is in the hands of the Bankruptcy Court and it is possible that PG&E will not be able to participate in the Wildfire Fund. If this were to occur, it would not be just and reasonable to require PG&E's customers to pay into the Wildfire Fund for 15 years if PG&E's customers and the Company are not permitted to benefit from the Wildfire Fund.

Draft Issue 2: Whether imposition of the Wildfire Fund non-bypassable charge is just and reasonable.

PG&E Response: This issue is properly within the scope of this proceeding.

As long as PG&E is allowed to participate in the Wildfire Fund, PG&E supports adoption of the proposed nonbypassable charge for its customers consistent with the allocation of the DWR bond charge the nonbypassable charge would replace.

Draft Issue 3: The estimated dollar amount of the revenue requirement referred to in Section 3289 of the Public Utilities Code.

PG&E Response: This issue is properly within the scope of this proceeding.

Based on a preliminary calculation, PG&E believes that the estimated combined revenue requirement of \$880 million for PG&E, Southern California Edison Company, and San Diego Gas & Electric Company is accurate.

Draft Issue 4: The nature of the Commission's agreement with the Department of Water Resources pursuant to Water Code Section 80524(b).

PG&E Response: This issue is properly within the scope of this proceeding.

In the absence of a draft agreement or schedule for the development of such an agreement, PG&E is uncertain what the Commission might be expecting to see from the respondents in the way of comments on this issue. Guidance on this topic can be addressed during the PHC.

Draft Issue 5: Other issues relating to the Wildfire Fund non-bypassable charge that must be addressed before the Wildfire Fund non-bypassable charge may be imposed.

PG&E Response: PG&E agrees that other related issues should be addressed in this proceeding. PG&E believes that the final decision in this case should confirm:

- (i) That PG&E’s customers will not be required to contribute toward the Wildfire Fund if PG&E is ineligible to participate in the Wildfire Fund; and
- (ii) That the allocation of costs among the three participating utilities should continue unchanged from the “average annual amount” paid by each utility “for the period from January 1, 2013 through December 31, 2018.” Water Code section 80524(a), as referenced in Public Utilities Code section 3289(a)(1).

In closing, PG&E appreciates the State’s and Commission’s efforts to address the immense problem of wildfire liabilities. PG&E looks forward to working the Commission and stakeholders to address the important issues in this OIR.

///

///

///

