BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE

STATE OF CALIFORNIA

FILED
03/04/20
11:18 AM

PRESIDENT MARYBEL BATJER, COMMISSIONER RECHTSCHAFFEN,

and

ADMINISTRATIVE LAW JUDGE PETER V. ALLEN, presiding

Order Instituting Investigation on the Commission's Own Motion to Consider the Ratemaking and Other Implications of a Proposed Plan for Resolution of Voluntary Case filed by Pacific Gas and Electric Company, pursuant to Chapter 11 of the Bankruptcy Code, in the United States Bankruptcy Court, Northern District of California, San Francisco Division, In re Pacific Gas and Electric Corporation and Pacific Gas and Electric Company, Case No.19-30088	)	EVIDENTIARY HEARING Investigation 19-09-016

REPORTERS' TRANSCRIPT
San Francisco, California
February 26, 2020
Pages 175 - 382
Volume - 2

Reported by: Rebekah L. DeRosa, CSR. No. 8708
Karly Powers, CSR No. 13991
Jason A. Stacey, CSR No. 14092
Andrea Ross, CSR No. 7896

1 I N D E X

2

WITNESSES: PAGE

3

4 WILLIAM JOHNSON
Cross-Examination By Ms. Kasnitz 187
5 Cross-Examination By Ms. Kelly 201
Cross-Examination By Mr. Strauss 214
6 Cross-Examination By Mr. Geesman 219
Cross-Examination By Mr. 230
7 Finkelstein
Cross-Examination By Mr. 240
8 Alcantar

9 WILLIAM JOHNSON
Examination By ALJ Allen 261
10 Examination By President Batjer 265
Redirect Examination By Mr. 268
11 Manheim
Recross-Examination By Mr. 270
12 Finkelstein
Recross-Examination By Ms. Kelly 271
13
JOHN PLASTER
14 Direct Examination By Mr. Allred 272
Cross-Examination By Mr. Geesman 274
15 Cross-Examination By Ms. Sheriff 287
Cross-Examination By Mr. 291
16 Finkelstein
Cross-Examination By Mr. 295
17 Alcantar
Cross-Examination By Mr. Abrams 298
18
ANDREW MARTIN VESEY
19 Direct Examination By Mr. 326
Manheim
20 Cross-Examination By Mr. Long 329
Cross-Examination By Mr. Geesman 358
21

22

23

24 Exhibits: Iden. Evid.

25 PG&E-08 178
JOINT CCAs-01 186
26 TURN-X-03 331
TURN-X-04 334
27 A4NR-X-04 362

28

1 SAN FRANCISCO, CALIFORNIA
2 FEBRUARY 26, 2020 - 10:00 a.m.
3 * * * * *
4 ADMINISTRATIVE LAW JUDGE ALLEN: On the
5 record.
6 Good morning, everyone. This is the
7 second day of evidentiary hearings in
8 Investigation 19-09-016. I'm Administrative
9 Law Judge Peter Allen. I expect that
10 Commissioners Batjer and Rechtschaffen may be
11 joining us later this morning. Let's start
12 out with some housekeeping.
13 Mr. Weissmann, I understand that
14 PG&E has a clarification of its prior
15 clarification.
16 MR. WEISSMANN: Thank you, your Honor.
17 Good morning, yes. We have a document that
18 we would like to mark as an exhibit for
19 identification. It's entitled "PG&E Hearing
20 Room Exhibit Clarifications in Response to
21 February 21, 2020, Testimony of Other
22 Parties."
23 I'll just point out one small
24 correction to this document compared to the
25 one that we circulated yesterday. Which is
26 on page 2, there's a reference to issuance
27 fees. Which in yesterday's version we
28 indicated was $7 million. We corrected that

1 to approximately $4 million.
2 And the reason is that we're
3 prorating those issuance fees between the
4 portion of debt that is being used to
5 contribute to the fund at shareholder expense
6 versus the rest of the debt.
7 In all other respects, this document
8 is the same as the version that we handed out
9 yesterday.
10 ALJ ALLEN: So this one supersedes the
11 prior one; correct?
12 MR. WEISSMANN: Correct.
13 ALJ ALLEN: I will mark this as
14 PG&E-08.
15 (Exhibit No. PG&E-08 was marked for identification.)
16
17 MR. WEISSMANN: I'm happy to distribute
18 copies to parties.
19 ALJ ALLEN: Okay. Off the record.
20 (Off the record.)
21 ALJ ALLEN: On the record. So I've
22 marked PG&E Exhibit 8. We had some off the
23 record discussion about scheduling other
24 exhibits.
25 Mr. Weissmann, could you identify
26 for the record which witnesses would be the
27 appropriate witness if people have any
28 questions regarding clarification on this

1 document, PG&E-08?
2 MR. WEISSMANN: Yes, your Honor. All
3 of the items in what's been marked for
4 identification as PG&E-08 would be sponsored
5 by Mr. Wells with the exception of item 4 on
6 pages 3 to 4, which would be sponsored by
7 Mr. Johnson.
8 ALJ ALLEN: Thank you.
9 And I think we had left off
10 yesterday we were going to revisit the
11 question of scheduling issues in the ACR. I
12 know parties were going to confer. I wasn't
13 sure.
14 Mr. Long and then Mr. Alcantar.
15 MR. ALCANTAR: I was trying to get in
16 front of Mr. Long if I may.
17 MR. LONG: On that issue?
18 MR. ALCANTAR: On a different issue.
19 Before we move away from the
20 testimony issue and you move to this one,
21 Mr. Johnson does address issues associated
22 with recovery of cost that are also addressed
23 by Mr. Wells. So I take it that you're not
24 opposing questions with respect to PG&E-08 or
25 excluding questions with respect to PG&E-08
26 to the relevance of Mr. Johnson's testimony
27 on such subjects?
28 Does that help you not understand

1 what I'm trying to ask?
2 ALJ ALLEN: Let's go off the record.
3 (Off the record.)
4 ALJ ALLEN: On the record.
5 Mr. Long?
6 MR. LONG: Good morning, your Honor.
7 With respect to the ACR scheduling issues,
8 TURN, CLECA, and PG&E met this morning joined
9 by a few other parties as well to discuss --
10 worked out a joint proposal for you. It's a
11 variant of what TURN presented yesterday as
12 alternative No. 1. It would have opening
13 briefs on the financial and nonfinancial
14 issues as well as opening comments on the ACR
15 issues submitted on March 13th.
16 The opening comments on the ACR
17 issues could include affidavits or
18 declarations by parties to the extent they
19 wanted to raise factual issues. And after
20 reviewing those pleadings, parties would have
21 the opportunity to request an evidentiary
22 hearings on any factual issues raised in the
23 March 13th submissions. They could make that
24 request by noon on Monday March 16th.
25 And then, your Honor, we're
26 amenable. We could have a ruling on any such
27 request fairly promptly so we could have a
28 hearing if necessary on one of the dates you

1 reserve, and the parties expressed a
2 preference for March 18th if possible.
3 And then after that, there would be
4 as set forth in alternative No. 1 that TURN
5 presented yesterday with reply briefs on the
6 financial and nonfinancial issues and reply
7 comments on the assigned commissioner issues
8 on the 26th.
9 And parties also came to the views
10 they would like to present a single pleading
11 as opposed to two different documents in both
12 the March 13th and March 26th submissions
13 with the possibility of trying to work out a
14 common briefing outline if possible for those
15 two sets of pleadings.
16 ALJ ALLEN: Let me make sure that I'm
17 clear. My pen died in the middle there. So
18 on March 13th, there would be essentially two
19 pleadings. There would be an opening brief
20 on prior issues. There'd be comments and
21 possibly declarations or affidavits on ACR
22 issues?
23 MR. LONG: Like that. Except we were
24 actually contemplating the possibility of a
25 single pleading that would consist of both
26 the briefing on the record to date, and then
27 it would include comments on the ACR issues.
28 That same pleading could include comments on

1 the ACR issues with the possibility of
2 affidavits attached if parties felt that was
3 necessary.
4 ALJ ALLEN: That's fine. One pleading
5 is actually my preference as well. So one
6 pleading is fine. So it would be one
7 pleading on the 13th with both the current
8 issues and the ACR issues. Parties would
9 have the opportunity to request an
10 evidentiary hearing by the 16th.
11 MR. LONG: Noon on the 16th we were
12 thinking.
13 ALJ ALLEN: Okay. And if necessary we
14 can hold the hearing on the 18th. And
15 whether or not there's a hearing, the second
16 round pleading which would be one document,
17 would be on the 26th?
18 MR. LONG: Correct, your Honor.
19 ALJ ALLEN: Okay. This is sounding
20 pretty good to me. Do parties have comments
21 or questions or concerns about this proposal?
22 MR. WEISSMANN: Can I just add one
23 small point, your Honor?
24 I agree with Mr. Long's summary. I
25 would just say that from PG&E's perspective,
26 one of the reasons why we support this
27 approach is that we felt that perhaps
28 President Batjer or yourself or others would

1 want to have a hearing to hear additional
2 testimony with regard to these issues. So
3 we're leaving that up to you and the assigned
4 commissioner as to whether that would
5 proceed.
6 ALJ ALLEN: I would be okay with not
7 having a hearing. From what I heard
8 yesterday, I was skeptical of the need for
9 hearing but willing to accommodate it. So
10 don't assume that I'm anxious to have a
11 hearing. I have not conferred with President
12 Batjer on this. But I think this proposal --
13 I think this proposal looks to me like it
14 would work.
15 So I'm going to tentatively say
16 we're going with that. I think we should
17 probably circulate something in writing. So
18 we could do that later today.
19 MR. BLOOM: I just have one question.
20 If we went ahead with the hearing, are the
21 declarations then treated as testimony? Or
22 how -- would they be subject to cross? Or
23 what would happen in terms of the actual
24 hearing itself? What would it be made up of?
25 How would it function?
26 ALJ ALLEN: I would think -- well, my
27 understanding would be to the extent there
28 are declarations on factual issues that that

1 would essentially be treated like testimony
2 in the case of a hearing and
3 cross-examination would be on those documents
4 only.
5 MR. BLOOM: That's what I assume.
6 That's why I asked the question. Thank you,
7 your Honor.
8 ALJ ALLEN: Okay. Anything else on
9 this?
10 (No response.)
11 ALJ ALLEN: Okay. Seeing nothing I'm
12 tentatively going to agree to that. Let's --
13 can PG&E or TURN circulate something in
14 writing to the service list with this
15 proposal?
16 MR. WEISSMANN: Yes.
17 ALJ ALLEN: It can be a procedural
18 e-mail. It does not need to be a motion.
19 That's fine. Just a procedural e-mail to the
20 service list.
21 MR. WEISSMANN: Yes.
22 ALJ ALLEN: Just kind of memorializing
23 this conversation.
24 MR. WEISSMANN: Yes, sir.
25 ALJ ALLEN: Okay. Excellent. Thank
26 you.
27 Are there any other housekeeping
28 matters to deal with before Mr. Johnson

1 resumes the stand?
2 MR. WEISSMANN: Yes, sir.
3 ALJ ALLEN: Mr. Weissmann?
4 MR. WEISMANN: Thank you. There was a
5 discussion yesterday about confidentiality of
6 certain testimony.
7 ALJ ALLEN: Yes. Thank you.
8 MR. WEISSMANN: This is in regard to
9 the Joint CCA testimony. I've informed
10 Mr. Fox that we don't -- that the information
11 that was contained in the testimony that had
12 been designated confidential has since been
13 made public. So from our perspective, that
14 testimony can be introduced without
15 redaction.
16 ALJ ALLEN: Mr. Fox, then so for your
17 exhibits, you can prepare exhibits that have
18 all the information no redactions and just a
19 public version no confidential version. Or I
20 guess if you had confidential versions, those
21 are now public versions.
22 MR. FOX: Your Honor, so I do have four
23 copies of a public version. It is labeled as
24 such. The redactions have been removed, but
25 there are still notations within one page of
26 the document that says -- indicates
27 confidentiality. But then what was
28 previously redacted and confidential is, you

1 know, in this public document.
2 So I believe that this could be
3 marked as an exhibit. And when my witness
4 takes the stand, I'd be happy to have him
5 make the correction -- note the correction
6 that the indication of confidentiality is no
7 longer valid or necessary.
8 ALJ ALLEN: That would be fine. Let's
9 go ahead and mark that.
10 Off the record.
11 (Off the record.)
12 ALJ ALLEN: On the record.
13 I have the prepared reply testimony
14 of R. Thomas Beach on behalf of the Joint
15 Community Choice Aggregators. I'm marking
16 that as Joint CCAs-01.
17 (Exhibit No. JOINT CCAs-01 was
marked for identification.)
18
19 ALJ ALLEN: As it appears, all of the
20 confidentiality issues have been resolved.
21 Thank you, Mr. Weissmann.
22 Thank you, Mr. Fox.
23 And, Mr. Geesman, I understand that
24 you'll be providing your confidential version
25 of the testimony -- of your testimony
26 tomorrow because that's a different issue;
27 correct?
28 MR. GEESMAN: Yes, your Honor.

1 ALJ ALLEN: Okay. Thank you. Any
2 other housekeeping before Mr. Johnson resumes
3 the stand?
4 (No response.)
5 ALJ ALLEN: Seeing none. Mr. Johnson,
6 please resume the stand. And I would just
7 remind you that you are still under oath.
8 William Johnson,
9 resumed the stand and testified further as
10 follows:
11 THE WITNESS: Yes, sir.
12 ALJ ALLEN: Thank you.
13 I believe Ms. Kasnitz had requested
14 to go first.
15 Ms. Kasnitz?
16 CROSS-EXAMINATION
17 BY MS. KASNITZ:
18 Q Thank you, your Honor.
19 Good morning, Mr. Johnson.
20 A Good morning.
21 Q I'm Melissa Kasnitz. I'm with the
22 Center for Accessible Technology where I
23 represent the interests of customers with
24 disabilities and medical needs. In this
25 group of customers is also disproportionately
26 low income. So I also look to represent the
27 interests of your low-income customer base.
28 This group is also highly dependent

on affordable and reliable electricity, be able to live independently, and they're at particular risk of serious harm during any extended power outage. That's a very real concern.

I'm going to ask you to turn to pages 1-1 to 1-2 of the testimony where you note PG&E's enhanced focus on safety. And you recognize that PG&E's implementation of power outages, which you refer to as PSPS this past fall was unacceptable. Do you see that?

A Yes.

Q And you then go on to describe some attempted improvements that PG&E has made following the problematic PSPS events this past fall. Do you see that?

A Yes.

Q Your testimony does not mention any efforts to provide assistance directly to customers who were impacted by extended power outages. Can you tell me where this stands as a priority for PG&E?

A Yes. I think our first priority in trying to assist is notification. So notifying everybody who is likely to be affected by power shutoff or PSPS event. We had some issues with that during the fire

1 season last fall. So we put a great deal of
2 effort into actually figuring out where
3 everybody is, who they are, and what
4 notification we need to get to them. And --
5 Q How would you distinguish between
6 notification --
7 MR. MANHEIM: Objection, your Honor.
8 Can he finish his answer?
9 ALJ ALLEN: Hold on a second. Let's
10 have one person talking at a time. So let
11 him answer the question. Let's make sure you
12 let her finish the question.
13 I didn't follow exactly what's going
14 on. Let's try one more time.
15 Ms. Kasnitz, please ask your
16 question.
17 If you need to interpose an
18 objection, you can.
19 And, Mr. Johnson, please wait for
20 the question and objection.
21 Go ahead, Ms. Kasnitz.
22 BY MS. KASNITZ:
23 Q Thank you.
24 How would you distinguish between
25 notification, which I recognize the
26 importance of, and actual direct assistance?
27 And I'd like to focus my question on direct
28 assistance, which is separate from

1 notification. Also a significant issue but
2 not the same thing.
3 A I'm with you now. Thank you.
4 I would just say this is a
5 particularly vexing problem for me. I think
6 we have a role to play in assistance to all
7 customers including the ones that you
8 represent. But I don't think it is our
9 primary role.
10 I think our primary role is to work
11 with others who are in that field full time
12 like California Center for Independent
13 Living. So I think we need to find a way to
14 be more engaged in this. There's a whole
15 network of assistance providers that we need
16 to tap into; that we need to support with
17 charitable contributions and those kind of
18 things.
19 You know, some of the assistance we
20 provide is through the customer resource
21 centers where we have -- depends on what the
22 location is -- food, heating
23 air-conditioning, charging for devices, those
24 kinds of things.
25 But we are looking for a greater
26 opportunity to be of assistance. But I do
27 not think that is our primary role in this.
28 Q Your testimony also doesn't mention

1 where you discuss the general safety focus of
2 the restructured PG&E. A specific focus on
3 vulnerable customers. Can you tell me where
4 that stands as a priority for PG&E?
5 A Perhaps this goes more back to the
6 notification question.
7 Q This is not specific to PSPS. This
8 is a question more broadly about --
9 ALJ ALLEN: Ms. Kasnitz, just let him
10 try to answer the question.
11 BY MS. KASNITZ:
12 Q Sorry.
13 A Could I have the question again?
14 Let's try this again.
15 Q In addition to your focus on PSPS
16 events, you talk about PG&E's broad safety
17 focus.
18 A Yes.
19 Q And yet in that broad safety focus
20 beyond PSPS, you also don't mention
21 specifically a focus on vulnerable customers.
22 Can you tell me where that stands as a
23 priority for PG&E?
24 A I think the priority for us is the
25 safety of all customers. Everybody affected
26 by our assets and our behavior including the
27 folks you just mentioned.
28 Q And similarly in your broad safety

1 focus, your testimony doesn't directly
2 address efforts to meet the needs of
3 low-income customers. Do you have any
4 specific focus on that as a priority for
5 PG&E?
6 A Yeah. Affordability is a
7 particular interest of mine. Particularly
8 given where I come from, Appalachia. So
9 working hard to make sure that the service we
10 provide is affordable for all.
11 Q Thank you. Still on page 1-2 of
12 your testimony, you note the concern that
13 PG&E has moved away from its customers. Do
14 you see that?
15 A Yes.
16 Q Where do you address efforts to
17 meet the needs of a highly diverse customer
18 base of PG&E including people who are
19 disabled people who have limited English
20 proficiency and people who are low income?
21 A I think that is all part of the
22 reason we're moving to a regionalization
23 approach with the recognition that customer
24 groups and communities differ over the large
25 service territory we have.
26 So part of the goal, at least part
27 of my goal, is to get back to serving
28 directly that diverse customer base.

1 Q Thank you. And regionalization
2 addresses geographic diversity. Do you have
3 any specific plan that addresses these
4 separate communities of interest that are not
5 necessarily geographically based?
6 A I don't think we've gotten that far
7 in our thinking yet.
8 Q Thank you. And do you see
9 regionalization as a way to provide support
10 and safety for vulnerable customers
11 particularly medically vulnerable customers?
12 A I think it is a better
13 organizational design to be closer to these
14 people. Closer to the customers. Know the
15 communities. So yes I would agree with that
16 statement.
17 Q Still on page 1-2 of your
18 testimony. You give an overview of changes
19 in the leadership teams for PG&E and
20 particularly safety leadership. I'm looking
21 at lines 22 to 29. Do you see that?
22 A Yes.
23 Q Within this proposed new structure,
24 can you tell me where your ADA coordinator
25 would be reporting?
26 A I cannot. I don't know the answer
27 to that question. I know we have one. I
28 don't know where they're reporting.

1 Q Would you see bringing the ADA
2 coordinator into a higher visibility role
3 within this new structure as a way to look
4 out for the interests of your customers with
5 disabilities?
6 A I would certainly consider that and
7 think about it. I'd have to know a little
8 bit more about where it is at the moment.
9 But sure. I would certainly consider that.
10 Q Thank you. Still on page 1-2 of
11 your testimony. You discuss the need to
12 improve your understanding of risks. Looking
13 at line 16. Do you see that?
14 A Yes.
15 Q Can you tell me when you talk about
16 understanding risks, what risks you're
17 thinking of with regard specifically to your
18 customers?
19 And some examples that I would like
20 to ask you about are risks of extended power
21 outages, risks of service disconnections,
22 risks of unaffordable services, or any other
23 risks that you have in mind?
24 A I think all of those would be risks
25 that we have in mind that we study currently.
26 Q Are there other risks in addition
27 to the ones that I listed that you were
28 thinking of specifically in terms of risks

1 directly to your customers?
2 A No. I think those would cover it.
3 We have a very large risk register with a
4 number of risks. But I think you hit on the
5 main ones there.
6 Q Thank you. Turning to page 1-5 of
7 your testimony. You note the goal of a
8 culture of customer welfare. Do you see
9 that?
10 A Yes.
11 Q When you talk about customer
12 welfare, are you thinking of customers as a
13 single group? Or do you have a vision of
14 specific subgroups of customers in mind?
15 A I think there is no single group of
16 customers. They come in all sorts and sizes
17 and shapes. So I think one of the reasons I
18 said we're going to regionalization is the
19 diversity of that customer base.
20 Q In addition to regionalization, do
21 you have a specific plan in mind to address
22 the needs of your customers with access and
23 functional needs or the customers with
24 disabilities?
25 A As I said, we're working on
26 improving that in our PSPS and our wildfire
27 mitigation plan. Outside of those things, we
28 don't yet have a plan to do what you have

1 asked.
2 Q How about with regard to customers
3 who have limited English capability?
4 A We do have a significant outreach,
5 multilingual outreach. Outreach in seven
6 different languages through 50 different
7 sources. So I think we are doing that.
8 Q And low-income customers?
9 A We are focusing on making it as
10 affordable as we can and various rate
11 programs that the Commission has adopted.
12 Q And that's the focus of your effort
13 to create a culture of customer welfare for
14 your low-income customer?
15 A I think a culture of customer
16 welfare is a broad term that means safety,
17 affordable, reliable, meeting the energy
18 goals. That's a pretty broad term.
19 Q And within your plan for
20 restructuring PG&E, do you have a designated
21 role of someone whose job it is specifically
22 to look out for your customers with
23 disabilities?
24 A I don't know the answer to that. I
25 think we do. But I can't swear to that.
26 Q And similarly do you have a role
27 designated specifically with the
28 responsibility for looking out for your

1 limited English customers?
2 A I do believe we have that, yes.]
3 Q Can you tell me where that could be
4 found.
5 A No. But I know we do a lot of
6 outreach in the various languages so I think
7 we have a role for that.
8 Q And similarly, is there someone
9 whose designated role it is to look out for
10 the interests of your low-income customers?
11 A I think everybody who works at PG&E
12 is trying to look out for the interests of
13 the low-income customers.
14 Q But there's not one person who that
15 specifically is their job?
16 A I don't know the answer to that
17 question.
18 Q Thank you. In your broad overview
19 of PG&E's restructuring plan starting at
20 page 1-5 of your testimony, you don't
21 specifically mention how restructuring will
22 look out for the needs of your vulnerable
23 customers groups.
24 Can you tell me broadly how you see
25 that fitting into PG&E's restructuring plan?
26 A Well, I think we have that
27 obligation today. We have it as a
28 reorganized, refinanced company. I think we

1 need to continue doing what we've been doing,
2 but in particular, I don't think we've given
3 a lot of thought yet to exactly how all this
4 is going to work.
5 Q And in your restructuring plan
6 overview that you provide, you don't
7 specifically mention the need to ensure
8 reliable delivery of service at affordable
9 rates. Can you tell me how that fits into
10 your plan?
11 A Well, I think that's our obligation
12 every day; reliable, affordable, clean,
13 consistent with the policies of the State.
14 That is the basis of any plan we have.
15 Q And do you expect as the plan
16 continues to develop that there will be
17 specific job roles and responsibilities
18 looking out for the needs of your various
19 vulnerable customer groups along the lines
20 that I've been discussing?
21 A I would expect that, yes.
22 Q Thank you. And finally,
23 Mr. Johnson, in your responses to Mr. Abrams
24 yesterday, you described a goal of rebuilding
25 trust from your customers by avoiding
26 disasters. Do you recall that?
27 A Yes.
28 Q Do you view this as only referring

1 to large-scale disasters like San Bruno or
2 the problematic PSPS events, or do you view
3 that to include avoiding personal diasters
4 for individual customers?
5 A Certainly both of those. The first
6 thing is we got to avoid having the big
7 catastrophes, but every day looking out for
8 customers, this idea of customer welfare,
9 includes not having personal individual
10 disasters. I agree with that.
11 Q So you would see the need to ensure
12 that customers who rely, for example, on a
13 breathing device is not subject to an
14 immediate disaster due to an extended power
15 outage when PG&E decides to turn off the
16 power? That would fit within this goal; is
17 that correct?
18 A I would say we have a part of that
19 in your goal here. As I said earlier, I
20 don't think we are the primary provider of
21 service in that situation. But I think we
22 need to coordinate better and make sure that
23 we do everything we can to help those people.
24 Q When you say you're not the primary
25 provider of service, I recognize that may not
26 be your area of expertise, but you would
27 agree, would you not, that people are at risk
28 specifically because of a decision made by

1 PG&E when PG&E turns off the power; correct?
2 A I would agree with that, and I
3 would agree that they also have that risk
4 when we have unplanned outages, snowstorms
5 and those kind of things, yes.
6 Q But when PG&E makes a deliberate
7 decision to turn off the power, would you
8 agree that you have a greater responsibility
9 to ensure that people don't experience harm
10 from that deliberate decision?
11 A I'm not sure I would agree with
12 that. We are turning off the power to
13 prevent a catastrophe. To me it's very
14 similar to having an unplanned outage due to
15 a snowstorm.
16 Now, I think there is a heightened
17 need for us since we can -- we know in
18 advance when these things are going to
19 happen. So as I was talking about earlier,
20 notification, making sure we have customer
21 resource centers doing all these things in
22 advance, I mean those are important.
23 Q So just to be clear, you do not
24 agree that PG&E has a heightened
25 responsibility to protect the safety of
26 customers who are at risk of harm when PG&E
27 deliberately turns off their power? Is that
28 what you testified?

A I think we have an obligation to prevent harm at all times regardless of the circumstances to the best of our ability.

Q Okay. But I don't think that answers my question. My question specifically is --

ALJ ALLEN: I think he answered it reasonable closely, so if you have anything else, please move on to that.

MS. KASNITZ: I have no further questions.

Thank you, Mr. Johnson.

ALJ ALLEN: Thank you, Ms. Kasnitz.

Off the record.

(Off the record.)

ALJ ALLEN: On the record.

TCC does not have cross for Mr. Johnson.

Off the record.

(Off the record.)

ALJ ALLEN: On the record.

Cross by Ms. Kelly for Marin Clean Energy.

MS. KELLY: Thank you, your Honor.

CROSS-EXAMINATION

BY MS. KELLY:

Q Thank you, Mr. Johnson.

A Good morning.

1 Q My name is Beth Kelly and I
2 represent Marin Clean Energy, which is a
3 community choice aggregator. So, first I
4 want to thank you for your support and
5 commitment to CCAs yesterday and the
6 importance of the PG&E CCAs service agreement
7 that we have in place.
8 So, when you joined PG&E, did you
9 understand that PG&E acts as a conduit for
10 customer payments to CCAs?
11 A You know, I had a general
12 understanding of what CCAs were and that,
13 but, no. Specifically to your question, no.
14 Q Yeah, but you understand that now?
15 A I do understand that now, yes.
16 Q Okay. And in the testimony in this
17 proceeding, there is a ratepayer
18 securitization proposed and you're generally
19 familiar with that concept?
20 A Correct.
21 Q Okay. Is PG&E planning on
22 encumbering or pledging CCA pass-through
23 revenues as a part of that financing?
24 A I don't know the answer to that,
25 but I doubt it. But Jason wells, who will be
26 here some day this week, will know the
27 specifics of that.
28 Q Okay. And I assume you could make

1 a commitment that that would not be
2 encumbered seeing as those are pass-through
3 revenues that are --
4 A I mean let's let Mr. Wells --
5 Q Okay.
6 A -- talk about that.
7 Q Thank you. I'll ask Mr. Wells. So
8 now, in your role you wear a lot of hats;
9 right? You are the president and CEO of the
10 PG&E holding company, you're a director of
11 the PG&E holding company, and you're a
12 director of the utility; is that correct?
13 A That's correct.
14 Q Okay. If you would put on your
15 director of the utility hat, I have a couple
16 of questions for you. So, the testimony
17 proposes to encumber substantially all of the
18 assets of PG&E company, so the utility, and
19 it also proposes to encumber the ratepayer
20 revenue through the securitization proposal;
21 is that correct?
22 A Close enough.
23 Q Close enough. Okay. Thank you.
24 So, after those encumbrances, what of the
25 utility remains unencumbered?
26 A That is a fairly detailed financial
27 question that I hate to keep invoking
28 Mr. Wells' name, but I think he's the one to

1 answer that.
2 Q But in broad strokes, do you have
3 anything that comes to mind off the top of
4 your head of something that wouldn't be
5 encumbered?
6 A No.
7 Q Thank you. Now, talking a bit
8 about debt and debt service, after you take
9 out all of the debt proposed in this
10 transaction, including the securitization
11 proposal, do you have a sense of the
12 proportion of debt and debt service as
13 compared to your ratebase?
14 A No. Again, let's go to Mr. Wells
15 on that. I mean I know the general debt
16 numbers, but in comparison, no.
17 Q Thank you. And have you been
18 informed as a director of how the scale of
19 the debt and the debt service compares to the
20 other large investor-owned utilities in
21 California?
22 A Yes.
23 Q And how does that compare?
24 A My recollection is that the
25 leverage level is about consistent with
26 Southern Cal Edison.
27 Q And does that take into
28 consideration -- does that include the things

1 that you're hoping to sort of take off the
2 books, as it were with the different
3 securitization, so you're looking at an
4 apples-to-apples comparison?
5 A I believe it does, yes.
6 Q Okay. And Mr. Wells will be able
7 to provide more detail on that?
8 A Correct.
9 Q Thinking about risks, leaving aside
10 wildfire risk and climate change risk that
11 you talked about yesterday, after all of
12 these transactions happen and PG&E is back to
13 operating -- it's still operating now -- say
14 something very bad happens. It's not the
15 fault of PG&E. There is, you know, a
16 disabling cyber security incident or an act
17 of terrorism or there's a significant
18 incident at Diablo Canyon, and that requires
19 a significant critical response of PG&E. It
20 requires a lot of money.
21 How would you propose that PG&E
22 would pay for something like that?
23 A Well, you know, as we come out of
24 bankruptcy, we have a pretty substantial
25 refinancing amount and the market has
26 indicated, I think pretty convincingly, that
27 we can refinance. And so, when we get on the
28 other side of that and we have financing

1 needs you've described, you could go to
2 market, you can go to the equity market.
3 If it was something that was
4 covered in rates, you would go to the
5 Commission and ask for rate coverage. Those
6 are the standard ways that you would deal
7 with a large expense like that.
8 Q So there's some period of time
9 between coming out of bankruptcy and
10 refinancing; is that correct?
11 A Not much time. I mean you get a
12 confirmation order and then you have to
13 refinance before you're effective, so it's
14 almost contemporaneous.
15 Q Okay. Thanks. And then I'm going
16 to ask you to put on a couple of your other
17 hats, ask you a couple questions. So,
18 putting on your Holdco director hat, could
19 you explain who your duties are to.
20 A You have duties to a number of
21 people. Generally, your main duty is to the
22 shareholders. In bankruptcy that changes.
23 Your duty is to everybody who has a claim
24 against the estate.
25 Q Thank you. And then back to, you
26 know, putting on your director-of-the-company
27 hat and the company is a regulated utility,
28 what are your duties there?

A In the utility, is that what --

Q As -- as -- in your role as a director of the utility.

A Yeah. Your duty there is to make sure that the utility is doing its business the best that it can. Your duty is to the parent obviously, but there are, you know, Holdco and affiliate rules that govern this. But your basic duty is to make sure that the utility is performing well.

Q So could you explain what your fiduciary duty is as a director of the company.

A The fiduciary duty of the holding company --

Q No, as the --

A -- is to the --

Q -- as the utility company.

A It's to the holding company.

Q That's your fiduciary duty?

A No.

ALJ ALLEN: Let's make sure we're clear on what the question and answer was. Let's back up to -- I'm not sure --

MS. KELLY: Yeah.

ALJ ALLEN: -- we're on the same page here.

MS. KELLY: Yeah. So my question

1 was --
2 ALJ ALLEN: Go ahead and re-ask the
3 question to Mr. Johnson to make sure we have
4 this straight.
5 MS. KELLY: Okay. Thank you.
6 Q So in your role as a director of
7 PG&E Company, the utility, what are your
8 fiduciary duties?
9 A You have the typical fiduciary
10 duties of loyalty and all of those things.
11 I'm rethinking my answer --
12 Q To whom?
13 A Right. I'm rethinking the answer
14 because, as I understand, the stock is held
15 at the utility, not at the holding company.
16 So, I'll have to --
17 Q Who's the shareholder of PG&E
18 Company?
19 A Are we talking about corp or
20 company now?
21 Q Company, the utility.
22 A Right. The shareholder is the
23 corporation.
24 Q Uh-huh.
25 A Right.
26 Q And so who is your fiduciary
27 duty --
28 A To the corporate.

1 Q To the corporation as its
2 shareholder?
3 A Yeah.
4 Q And do you have any other duties
5 along those lines? Not just to the
6 shareholders, do you have any other duties
7 to -- fiduciary duties to anybody else or any
8 entity else?
9 A You've lost me in this line of
10 questions. I don't -- I don't -- can't think
11 of any other duties other than to make sure
12 that the business that is being overseen is
13 operating well.
14 Q And is the insurance that the
15 utility's operating well, is that a fiduciary
16 duty?
17 A An oversight duty.
18 Q So, there are these various
19 fiduciary duties to shareholders, so as you
20 contemplate the transaction, putting on your
21 holding-company-director hat again, over what
22 time horizon do you base your decision that
23 the transactions that are contemplated here
24 are in the best interests of the shareholder?
25 A I'm not sure I understand this
26 question.
27 Q So, so, when you're talking about
28 the shareholder interest -- think about your

1 top 10 shareholders. What is their time
2 horizon that they're looking at that they're
3 interested in for purposes of whether this
4 transaction is reasonable?
5 A I think that depends on who is in
6 the shareholder base at what time.
7 Q Yeah, I'm talking the current --
8 MR. MANHEIM: Objection, your Honor,
9 can the witness finish his response, please.
10 He's been interrupted multiple times.
11 ALJ ALLEN: Let's just try and have one
12 person going at a time. I think he was
13 trying to --
14 MS. KELLY: Okay --
15 ALJ ALLEN: There was --
16 MS. KELLY: -- thank you.
17 ALJ ALLEN: There was an attempt to --
18 MS. KELLY: Okay.
19 THE REPORTER: Counsel.
20 ALJ ALLEN: Slow down.
21 MS. KELLY: All right.
22 ALJ ALLEN: Ms. Kelly, why don't you
23 rephrase your question and let Mr. Johnson
24 answer. Thank you.
25 BY MS. KELLY:
26 Q I apologize for the interruptions.
27 A Quite all right.
28 Q So, at the current moment in time

1 looking at your -- the corporation's top 10
2 shareholders, what is the time horizon that
3 they are looking at for whether this set of
4 transactions is, you know, in their best
5 interest?
6 A So, I have not talked to any of
7 these shareholders about this question, but
8 generally I think the answer is -- you could
9 answer it this way: That in the moment our
10 largest investors are not the typical utility
11 investors.
12 These tend to be distressed asset
13 investors, hedge funds that are in this
14 space. And I would expect, after we exit and
15 refinance, that most of them would exit the
16 stock and we would get back to the regular
17 way utility shareholders are looking for
18 something different than the current
19 shareholders.
20 So, I don't know what the exit
21 program is and I don't know how many of them
22 intend to exit, but that would be the general
23 way this evolves.
24 Q And in your professional
25 experience, what would you expect that
26 timeline range of months or years -- what do
27 you think that would be in your professional
28 judgment?

1 A I take some pride in the fact that
2 I have never been in bankruptcy before and
3 have no basis for opining on that question.
4 Q But you have been a chairman and a
5 CEO, so I mean that -- that -- you're looking
6 at the market in other ways, aren't you?
7 A Sure.
8 Q You have -- you have -- you have
9 knowledge and information just in your role
10 as an experienced leader?
11 A I would expect that everything
12 works out well and we exit and we are
13 effective. In the first year they would exit
14 and we would be heavily looking for the
15 traditional utility investor.
16 Q And then in your role as with your
17 fiduciary duty to your current shareholders,
18 as you're making your decision for the
19 transaction at the holding company level, are
20 you looking at this transaction over the same
21 time horizon for your duty to your
22 shareholders?
23 A We're looking -- I'm looking at
24 this over a five-year horizon with a
25 five-year plan and a five-year financing
26 plan.
27 Q And then going back down to the
28 company level, what is the, you know, as a

1 director of that company, what is -- you have
2 in essence one shareholder, the holding
3 company, and so what time horizon are you
4 looking at for the reasonableness of the
5 transaction on that basis?
6 A On the basis that the holding
7 company is to the shareholder? I think
8 that's all the same thing. There's less of a
9 distinction between the thinking of the
10 entities and the board than your question
11 might imply, so I think everybody is looking
12 at this on a longer-term basis that the exit
13 strategy of the current shareholders.
14 Q And then I just have one last
15 question, actually it's a clarification. If
16 you would take a look at page 1-6 of your
17 testimony. Under the payment of wildfire
18 claims, line 22, you said that you have --
19 PG&E has reached a settlement with the CPUC
20 Safety and Enforcement Division, the Office
21 of the Safety Advocate, the Public Advocates
22 Office at the California Public Utilities
23 Commission, and the Coalition of California
24 Utility Employees related to 2017 and 2018
25 wildfires.
26 Does anything in that strike you as
27 incorrect?
28 A No.

1 Q Thank you. Your attorneys may wish
2 to do some redirect on that question.
3 I have no further questions, your
4 Honor.
5 ALJ ALLEN: Thank you, Ms. Kelly.
6 Let's go off the record a moment.
7 (Off the record.)
8 ALJ ALLEN: On the record.
9 Mr. Strauss.
10 MR. STRAUSS: Thank you, your Honor.
11 CROSS-EXAMINATION
12 BY MR. STRAUSS:
13 Q Good morning, Mr. Johnson.
14 A Good morning.
15 Q My name is Ariel Strauss. I
16 represent Small Business Utility Advocates,
17 which advocates for the interests of small
18 load commercial customers. I'm going to ask
19 several questions pertaining to PG&E's
20 compliance with Utility Code Section 854(c)
21 regarding the utility's future quality of
22 management and services to ratepayers.
23 On the first page of the prepared
24 testimony, you state that:
25 PG&E needs to be a changed company
26 through substantial reforms
27 already in progress and continued
28 hard work. PG&E is rapidly

1 evolving.
2 You also describe the change as
3 transformative. Yesterday you also mentioned
4 that beyond safety, there are additional
5 elements that are important and explained
6 that PG&E is undertaking a scale and pace of
7 the organization that accompanies an
8 80 percent turnover in management, adds
9 additional responsibilities such as putting
10 meters out in the field and additional
11 counseling and coaching.
12 Is there a risk due to limited
13 resources and attention spans that some
14 existing core competencies could suffer by
15 being overlooked on this prioritize?
16 A There's always a risk of that no
17 matter what organization. It's management's
18 job to make sure that that doesn't happen.
19 Q Would you say that under the
20 current circumstances, that risk is
21 heightened?
22 A There's certainly the opportunity
23 for it to be heightened. There's a lot of
24 distraction, there are a lot of things going
25 on. A bankruptcy in itself is a significant
26 process so I think there's a potential. I
27 also think that we are tending to our
28 business very closely to make sure we're not

1 missing those things.
2 Q Would you say there are any
3 competencies that are particularly at risk at
4 this time in that context?
5 A Not particularly, no.
6 Q And in light of this potential risk
7 over the past nine months, approximately how
8 many meetings have you attended where there
9 was a focus on managing this potential risk
10 under these circumstances?
11 A Dozens of those meetings.
12 Q Dozens.
13 A Yeah.
14 Q Were any of these meetings specific
15 to the needs or interests of small load
16 commercial customers, often called SMBs by
17 PG&E?
18 A We have had discussions about that
19 customer group, none of them in the context
20 of the risk management we were just
21 discussing.
22 Q And would you say that this group,
23 the SMB Commercial Class, is somewhat
24 complicated to serve given the variety of
25 interests and needs that that class has?
26 A It's a very diverse category, yeah,
27 I'd agree.
28 Q And yet you would say that in these

1 conversations you've had, which there have
2 been numerous meetings regarding the
3 potential risk of oversight or inattention to
4 some core solvencies, conversations about the
5 SMBs in that context in terms of continuing
6 services or diminishment of services did not
7 come up?
8 A They didn't come up in the context
9 of risk management. Mostly what we have
10 talked about there is operational risk
11 management. They have come up in the context
12 of the impact of PSPS events on small
13 business and what we can do to make sure that
14 small business knows that we appreciate them
15 as customers.
16 Q But in terms of the reorganization
17 and the need to maintain all four
18 competencies, you'd say that topic has not
19 been reached?
20 A Correct.
21 Q Would you also agree then that
22 PG&E's safety failings in the past were due
23 largely to inattention in the sense that the
24 negative outcomes were unanticipated and
25 unintentional from a safety standpoint,
26 switching gears here?
27 A I would agree that the catastrophic
28 events were unintentional and unforeseen,

1 yes.
2 Q And so in light of this
3 conversation, are there assurances that you
4 expect that you would be offering to the --
5 in light of the SMB services and the
6 complexity of serving that class, that will
7 prevent an inadvertent or diminished
8 weakening of those services in light of the
9 current other areas of focus?
10 A I do not expect that to happen.
11 I've been in the business a long time, and
12 what I know about the business is that paying
13 attention to your customers is what matters
14 most. Safety and your customers are the two
15 top things. So I would not expect to have
16 that situation you've described.
17 Q Thank you.
18 Your Honor, that concludes my
19 questions.
20 ALJ ALLEN: Thank you, Mr. Strauss.
21 We'll take a recess until 10 after
22 by the wall clock.
23 (Off the record.)]
24 ALJ ALLEN: And on the record.
25 Mr. Johnson is back on the stand.
26 And I believe I indicated Mr. Geesman is up
27 next for cross-examination.
28 Go ahead, Mr. Geesman.

1 MR. GEESMAN: Thank you, your Honor.
2 CROSS-EXAMINATION
3 BY MR. GEESMAN:
4 Q Good morning, Mr. Johnson.
5 A Good morning.
6 Q My name is John Geesman. I
7 represent the Alliance for Nuclear
8 Responsibility. Our interest in this
9 proceeding is the impact on ratepayers of the
10 company's proposed plan of reorganization.
11 Your testimony repeatedly
12 emphasizes the word "affordable." And I
13 believe you used that word this morning
14 again. I could provide you four specific
15 references for context in your testimony.
16 But my basic question is, could you
17 tell me what you mean when you use that word
18 as a PG&E goal or objective?
19 A Yeah. It’s a -- the common usage
20 of the term "affordable," meaning that our
21 customers are able to pay for the important
22 service that we provide.
23 Q And is that a feel-good label, or
24 is there some form quantitative metric
25 associated with it?
26 A Well, there's certainly a
27 quantitative metric and a quantitative one.
28 There are certain things that are going to

1 affect your price, your rate, your cost. But
2 quantitatively, we can do everything we can
3 to make sure that that price is reasonable.
4 Q And how does PG&E track whether the
5 rates it charges its customers are reasonable
6 or not?
7 A Well, we do look at rates of other
8 utilities. But we also look at our own
9 spending and our own costs to make sure that
10 we're doing the right things for customers.
11 Q Now, the ABC Television Network,
12 last week, reported that your rates are twice
13 the national average for electricity.
14 Does PG&E have a specific program
15 to try to change that?
16 A I don't watch television, so I
17 didn't see that story. I can't confirm what
18 you've said.
19 Do we have a program to make sure
20 that we're being as reasonable as we can in
21 our spending? Yes, every day.
22 Q Do you have a program to try and
23 bring your rates down closer to the national
24 average?
25 A I think that would be very
26 difficult in California, given the policy
27 choices that the citizens of this state have
28 desired that have been implemented.

Q Do you have a program to try and bring your rates down to some particular multiple of the national average?

A No. Our focus is on keeping our price as reasonable as we can, given the conditions we have to work with.

Q You also use the word "customer welfare" repeatedly. And, again, I could give you five references for context, if you would like.

But let me ask you, what do you mean when you speak of customer welfare?

A Yeah. It's a broad term. And it means a couple things.

First of all, that the service we provide is reliable, safe, as affordable as we can make it, clean, consistent with the goals of the state, that customers are happy to take service from us, that we are responsive to their needs, whether it's new hookups or restoration or whatever it is.

Q Would you turn to page 1-13 of your testimony, that table on page 1-13?

Are you there?

A Yes, sir.

Q You identify customer welfare as one of the key performance metrics for executive compensation.

1 How do you intend to measure that?
2 A Well, the way with we measure it,
3 at the moment, is through complaints and how
4 complaints track at the Commission. I think
5 Mr. Lowe in his testimony will explain how
6 we're going to do it going forward. And
7 we're going to change the measure. But Mr.
8 Lowe is the expert on that.
9 Q And can you tell me, just
10 generally, is that going to be an economic
11 metric?
12 A I think it's going to be a
13 service-related metric.
14 Q At page 1-1, lines 23 through 26,
15 you say, I'm quoting:
16 The company that emerges from
17 bankruptcy will be a changed company
18 with an enhanced focus on safety
19 improvement, customer welfare, and
20 operational excellence.
21 What do you mean by "operational
22 excellence"?
23 A So in the utility business, it is a
24 local operating business every day. And
25 operational excellence is a term that says,
26 "How well are you doing your business?" "How
27 well are you operating your assets, how
28 reliably?" And there are measures in the

1 industry that tell us how we're doing
2 compared to others.
3 Q And what are some of those
4 measurements?
5 A For generation, it would be
6 capacity factor, unplanned outages. For
7 delivery, distribution, transmission, it
8 would be outage, outage minutes, outage
9 duration. Then there's a whole slate of
10 safety metrics that are both personnel
11 safety. And there are also now wildfire
12 metric measures. So there's a lot of
13 measures we use here.
14 Q For generation, are there any cost
15 metrics involved?
16 A I think the metrics we look at,
17 mostly in generation, are safety-related.
18 And so I can't -- I can actually see the
19 measurements page. But I can't see that line
20 item in my head, so I can't answer the
21 question.
22 Q In your experience in the industry,
23 do utilities ordinarily measure the
24 operational excellence of the generation
25 fleet with any cost criteria?
26 A Yes. Certainly, cost is one of the
27 criteria you would use.
28 Q Does PG&E use that?

1 A I'm sure we do.
2 Q Sure? Or are you certain?
3 A I'm not sure I can differentiate
4 sure and certain.
5 Q Have you yourself seen particular
6 cost metrics applied to PG&E generation
7 assets?
8 A I have looked at the cost of
9 production out of various classes of assets,
10 yes.
11 Q "Various classes of assets" means
12 what?
13 A Hydro-assets, gas assets, peaking
14 assets, nuclear assets.
15 Q Page 1-2, lines 11 through 15, you
16 say:
17 We will be an industry leader in the
18 prudent management of our assets.
19 You speak of having PG&E's electric
20 and power generation lines of business
21 achieve certifications equivalent to ISO
22 55,000.
23 Could you explain the significance
24 of ISO 55,000 certification?
25 A Yes. So ISO 55,000 is essentially
26 an asset-management quality standard, applies
27 internationally and tells you how to evaluate
28 your assets, what kind of record keeping you

1 should do, how you should operate them. It's
2 a very robust standard.
3 Q And is there a quantitative element
4 to that?
5 A Certainly. Yes.
6 Q And does that quantitative element
7 extend to cost?
8 A I don't know the answer to that
9 inside ISO 55,000.
10 Q At page 1-8, line 19, you mentioned
11 -- and I'm quoting:
12 Allowed pre-petition obligations
13 related to the Diablo Canyon project.
14 What "allowed pre-petition
15 obligations" are you referring to?
16 A Particular -- particularly, the --
17 how do you keep the workers at that plant,
18 now that it has a limited life span?
19 Q Are you referring to the retention
20 agreements and severance provisions?
21 A Those were the words I was
22 searching for. Yes, sir.
23 Q And that was established by
24 decisions of this commission and Senate Bill
25 1090?
26 A That's my understanding. Yes, sir.
27 Q Are you thinking of any other
28 pre-petition obligations related to Diablo

1 Canyon other than that those?
2 A I can't think of any, no.
3 Q Page 1-9 of your testimony, lines
4 18 through 19, you say that the Commission's
5 approved capital structure, 52 percent common
6 equity, 47-and-a-half percent debt,
7 half-a-percent preferred stock is -- and I'm
8 quoting -- satisfactory for the purpose, end
9 quote, of PG&E's plan.
10 Isn't it a fact that PG&E is
11 seeking a variance from the approved capital
12 structure for an extended period of time?
13 A The plan is seeking a waiver for
14 some period of time, in order to use a
15 financing tool of customer neutral
16 securitization.
17 Q Is that the only reason for your
18 seeking a waiver?
19 A That's the only reason I know of.
20 Q And do you expect that the need for
21 that waiver then to be terminated after
22 you've completed the securitization
23 financing?
24 A That is my understanding of how
25 that would work.
26 Q Page 1-15, lines 19 through 20.
27 You speak of PG&E's plan, and I'm
28 quoting:

1 Further supporting the development
2 of renewable energy sources in
3 California.
4 Closed quote.
5 Now, would you take a look at the
6 cross-examination exhibit that was marked
7 A4NR-X-03?
8 A I will, if someone gives it to me.
9 ALJ ALLEN: Off the record.
10 (Off the record.)
11 ALJ ALLEN: On the record.
12 Go ahead Mr. Geesman.
13 BY MR. GEESMAN:
14 Q Do you have that in front of you,
15 Mr. Johnson?
16 A I have -- yes. I have the exhibit
17 in front of me.
18 Q It’s a table that's found on
19 page 21 of the company's February 18th Form
20 10-K filing.
21 (Court reporter clarification.)
22 BY MR. GEESMAN:
23 Q Looking at the 44.6-percent number
24 near the bottom of the table, right above
25 that line that says "Total 100 percent,"
26 would it be correct to say that in 2019, PG&E
27 sold off a sizable proportion of its
28 generation and procurement portfolio?

A Yes.

Q Why did PG&E do that?

A Because we were long energy, as this number shows.

Q Near the top of the table, the percent of the bundled retail sales attributed to PG&E-owned nuclear generation is 45 percent; correct?

A Correct.

Q And that nuclear generation all comes from Diablo Canyon; right?

A That is correct.

Q At what percentage would you say that customer dependence on a single plan starts to represent too much risk?

A I think it depends on the system. But no more than 60 percent would be a problem, I think, somewhere in that range.

Q My last questions relate to what was discussed earlier this morning as the clarification exhibit. And your counsel indicated you would be responding to Item 4 in that exhibit.

I'm not certain that that's been marked yet, your Honor.

MR. ALCANTAR: PG&E has --

ALJ ALLEN: I believe it has.

Off the record.

1 (Off the record.)
2 ALJ ALLEN: On the record.
3 Mr. Geesman, that was marked as
4 PG&E-08.
5 BY MR. GEESMAN:
6 Thank you.
7 Q Do you have that, sir?
8 A I do.
9 Q I want to look at Item 4. And the
10 last sentence in that paragraph is an
11 indication that PG&E did not intend to limit
12 the Commission's authority to review the
13 planned retirement of Diablo Canyon or the
14 reasonableness of Diablo Canyon's costs.
15 Did you obtain the IBEW's agreement
16 with that characterization?
17 A Yes. Certainly, they understood
18 that -- at least in my discussions with them
19 -- that we were living up to the agreement we
20 had made, that all the stakeholders had made,
21 but weren't the final arbiters of the closing
22 date.
23 Q So why did you then enter into the
24 agreement that's attached to your plan of
25 reorganization that indicates a commitment to
26 operate to the end of the existing licenses?
27 A Because that is the agreement we
28 have made, that this Commission has proved --

1 approved, that a number of stakeholders have
2 agreed to. I mean, that settlement process
3 was pretty broad. And all we're saying in
4 that that language is that we intend to honor
5 our agreement. If someone who has the
6 authority to change the agreement changes it,
7 we will, of course, abide by that.
8 Q Now, does that mean that you will
9 operate the plant, no matter what it costs to
10 do so?
11 A I think we would have to look at
12 that. But that plant is valuable in
13 many respects, beyond just what the cost is.
14 MR. GEESMAN: Those are my only
15 questions, your Honor.
16 Thank you very much, Mr. Johnson.
17 THE WITNESS: Thank you.
18 ALJ ALLEN: Thank you, Mr. Geesman.
19 Next up, we have the collaborative
20 team of TURN and EPUC/IS. So my
21 understanding is that there will be cross
22 started by Mr. Finkelstein, followed by Mr.
23 Alcantar; is that correct?
24 MR. ALCANTAR: Yes, your Honor.
25 ALJ ALLEN: Okay.
26 Mr. Finkelstein?
27 CROSS-EXAMINATION
28 BY MR. FINKELSTEIN:

1 Thank you, your Honor.
2 Q Good morning, Mr. Johnson. I'm Bob
3 Finkelstein, representing TURN. And as the
4 Judge alluded to, in this instance, we have
5 sponsored testimony jointly with the Energy
6 Producers and Users Collision and Indicated
7 Shippers.
8 So, good morning.
9 A Good morning.
10 Q Let me start with one
11 clarification.
12 In your testimony on page 1-6, and
13 Ms. Kelly asked you a question about the
14 descriptions starting on line 20 of the
15 settlement in the wildfire investigation.
16 A Yes.
17 Q Do you recall that?
18 A Yes.
19 Q Would you accept, subject to check,
20 that the Public Advocates Office actually
21 opposes that settlement?
22 A Yes. I confirmed with my attorneys
23 during the break and learned that that was
24 misstated there. So, yes, I would agree with
25 what you just stated.
26 Q Okay. And this part of your
27 testimony, looking back on page 1-5, this is
28 all in the context of an overview of PG&E's

1 plan of reorganization out of the bankruptcy
2 process; is that correct?
3 A Correct.
4 Q And then starting on line 14 of
5 page 6, you have this discussion of the
6 payment of wildfire claims.
7 Do you see that?
8 A Give me that reference again,
9 please.
10 Q Sure. It's --
11 A Okay. Yeah.
12 Q -- page 1-6 --
13 A 14. I'm with you.
14 Q Right. And 14 is just the heading
15 for what follows "Payment of Wildfire
16 Claims"?
17 A Yes.
18 Q And on then on line 18, you have a
19 sentence that starts, "Based on those
20 settlements."
21 Do you see that?
22 A Yes.
23 Q And you're talking about payment of
24 claims for wildfires from 2015, 2017, and
25 2018; is that correct?
26 A Yes.
27 Q To the tune of approximately
28 $25.5 billion?

1 A That is correct.
2 Q And is it your understanding that
3 those claims from 2015, 2017, and 2018 would
4 be discharged through the bankruptcy process
5 under your plan?
6 A Yes.
7 Q Okay. And then is it your -- is it
8 PG&E's position that after emerging from
9 bankruptcy, it may be able to recover in
10 rates costs that are associated with the
11 wildfire claims from 2017 and 2018?
12 A So I think the legal paths of the
13 POR and those recoveries are different. But
14 let me tell you what we are -- have in our
15 plan here. We have in the plan --
16 MR. FINKELSTEIN: Your Honor, I'm going
17 to object. The question was fairly
18 straightforward: Is it your position that
19 you would be able to recover those costs?
20 ALJ ALLEN: If the witness can answer
21 that concisely, please go ahead.
22 THE WITNESS: And the answer is: I
23 think it is reasonably possible, but
24 unlikely.
25 ALJ ALLEN: Okay.
26 BY MR. FINKELSTEIN:
27 Q Is it PG&E's plan at this time to
28 seek such rate recovery of those costs after

1 emerging from bankruptcy?
2 A We have no plan, at the moment, to
3 do that.
4 Q And are you aware that in 2019, in
5 data request responses, PG&E had taken the
6 position that if it were to seek rate
7 recovery, it would have to be with offsetting
8 cost savings so there would be no impact on
9 ratepayers in terms of the total amount
10 they've paid to PG&E?
11 A I have not seen that data request,
12 so...
13 Q Okay. Are you familiar with -- was
14 that PG&E's position before the end of 2019?
15 A Well, let’s have it again, if you
16 don't mind.
17 Q Sure.
18 That if PG&E were to seek rate
19 recovery of any costs associated with 2017 or
20 2018 wildfire claims, there would have to be
21 an offsetting cost savings that would also
22 show up so that ratepayers would not be
23 impacted?
24 A I don't know. I really don't.
25 Q So -- so to the extent that was a
26 PG&E position, I'm assuming that if you don't
27 know about it, it hadn't been brought to your
28 attention in the course of talking about how

1 to put together the plan or how to put
2 together the proposal at the Commission or
3 things of that nature?
4 A No. There have been so many things
5 brought to my attention, so much information,
6 so many different positions of different
7 parties, so many different proceedings, and
8 it's just impossible for me to recall every
9 step, every position, everything that has
10 happened.
11 Q Mr. Johnson, I couldn't be more
12 sympathetic with that last statement.
13 Well, let me ask you this:
14 Is it PG&E's position today that it
15 may seek further -- I'm sorry -- it may seek
16 rate recovery of wildfire claims costs from
17 wildfires of 2017 or 2018?
18 A We don't have a position on that
19 today. And the position will depend on what
20 happens in this docket with our current plan.
21 Q Okay. So, if this current plan is
22 -- I'm sorry.
23 When you say, "this current plan,"
24 do you mean the current plan of
25 reorganization?
26 A Correct.
27 Q So if the current plan of
28 reorganization is approved, would PG&E then

1 every seek an opportunity to recover wildfire
2 claims caused from 2017 and 2018 in rates?
3 A If the plan is approved as we have
4 requested, which includes the securitization
5 number and all of that is approved, then we
6 -- we would not seek recovery in later
7 proceedings.
8 Q So what if the Commission were to
9 decide it simply lacks authority to approve
10 the securitization that you've proposed, and
11 PG&E is not able to get authorizing
12 legislation from the California legislature,
13 would that change things in your mind, in
14 terms of PG&E's opportunity to the seek rate
15 recovery of 2017 and 2018 wildfire claims
16 costs?
17 A If the event you've described
18 happens, we will be thinking very hard about
19 what our position is. But we don't have a
20 plan B today.
21 Q So if I'm understanding correctly,
22 you can say with certainty that if you get
23 securitization, you would not seek any other
24 rate recovery of the 2018, 2019 wildfires
25 claims costs?
26 If you don't get securitization,
27 you might, but you're not sure?
28 A I think that's a fair --

1 MR. MANHEIM: So could I just -- for
2 purposes of clarification.
3 Your previous questions referred to
4 the --
5 ALJ ALLEN: Let’s make.
6 MR. MANHEIM: '15, '17, and '18 fires.
7 But the question you just asked was for '17
8 and '19. And I'm not sure if that was what
9 you intended to ask. But for clarity of the
10 record, I think it’s important that we know
11 what fires you're referring to.
12 MR. GEESMAN: Your Honor, I think the
13 last string of questions, they certainly were
14 intended to ask specifically about the 2017
15 and 2018. If I said 2019, I misspoke. But
16 it was intended to focus on 2017 and have
17 2018.
18 ALJ ALLEN: Understood.
19 Mr. Johnson, with that
20 clarification?
21 THE WITNESS: I think I give the same
22 answer. Because I understood you to be
23 asking about '17 and '18.
24 BY MR. GEESMAN:
25 Q And -- I'm sorry.
26 Your answer was, my
27 characterization was an fair
28 characterization?

1 A Yes.
2 Q Thank you.
3 And Mr. Johnson, would you agree
4 with me that there -- in PG&E's view, there
5 are a number of important elements of both
6 your reorganization plan and what you are
7 intending to do after the plan gets
8 confirmed, that the proof will be in the
9 pudding, as you see it, at some point after
10 PG&E emerges from bankruptcy.
11 Let me try that again. That was
12 not -- even by my standards, that wasn't
13 clear.
14 So for something like your
15 corporate governance proposals, you are
16 proposing a different approach to corporate
17 governance coming out of the bankruptcy and
18 going forward after you emerge from
19 bankruptcy, is that true?
20 A That is correct.
21 Q And the success of that effort, is
22 it fair to say, won't be clear at the moment
23 that you emerge from bankruptcy?
24 A I think that's fair, yes.
25 Q It, in fact, will take some time to
26 see how it evolves, how it plays out, and
27 whether or not it’s successful?
28 A I think some elements of it will be

1 quite quick, others will take a while. Yes.
2 Q With "quite quick," you mean quite
3 quick after emergence to a point where you
4 would know if that element is working?
5 A Correct.
6 Q Okay. And similar -- similarly,
7 with some of the safety improvements that
8 PG&E is proposing to undertake as it comes
9 out of bankruptcy, we'll know whether or not
10 those improvements are working in
11 achieving the intended goals at some point
12 after emergence?
13 A Actually, the safety changes we're
14 making are already producing better results.
15 But, obviously, if we make changes to the
16 program, as you've described, we'll know the
17 results after emergence, yes.
18 Q Okay. And then in terms of changes
19 or -- in terms of PG&E's financial condition,
20 there will be a level of financial condition
21 that's achieved at the point of emergence
22 from bankruptcy; is that correct?
23 A Correct. Yes.
24 Q And PG&E's hoping to improve upon
25 that as PG&E goes forward after emergence
26 from bankruptcy?
27 A That's true every day, but
28 particularly true in these circumstances.

1 Yes.
2 Q Okay. Thank you, Mr. Johnson.
3 That's all I have, your Honor.
4 ALJ ALLEN: Thank you, Mr. Finkelstein.
5 Mr. Alcantar?
6 MR. ALCANTAR: Thank you, your Honor.
7 CROSS-EXAMINATION
8 BY MR. ALCANTAR:
9 Q Mr. Johnson, pleasure to meet you.
10 My name is Michael Alcantar. I
11 represent the Energy Producers and Users
12 Association -- Coalition, and the -- for the
13 purposes of this hearing, the Indicated
14 Shippers. Those companies collectively, last
15 I checked of the FERC firms that you filed,
16 represent about 8 of your top-20 customers
17 and have for years --
18 A Okay.
19 Q -- far outstripping any other
20 collective group. So we're very interested
21 in your positions and where your company is
22 taking us all.
23 Let me start with a reference on
24 page 1.6 of Exhibit PG&E-01, where you use
25 the term "commitments" at line 7, if you
26 would familiarize yourself with that
27 sentence. I can read it to you if you would
28 like, but --

1 A Yes. I got it.
2 Q Okay.
3 A Thank you.
4 Q I'm particularly focused on the
5 term "commitments," because while you
6 referenced that term as being consistent with
7 a number of recommendations in this pleading,
8 I've struggled to find some fulfillment of
9 the word "commitment" being made. So let me
10 ask you a couple questions about just how you
11 would interpret the term "commitment."
12 Would it be an akin to a stated
13 obligation, a commitment?
14 A That's certainly one --
15 Q Component?
16 A Sure.
17 Q Would it also be fair to say an
18 assurance of performance is a reflection of a
19 commit?
20 A I'm not sure you would say
21 "assurance of performance." You would say
22 "assurance of attempted performance."
23 Q All right. That's fair.
24 A If we're splitting hairs or there
25 was hair to split.
26 Q Okay. Would it also be fair to say
27 that a commitment should or would include
28 remedial actions, if there's a failure of

1 expectations related to that commitment?
2 A I'm not sure you would need to say
3 that in your commitments. But if it didn't
4 meet the first two things we discussed, there
5 should be remedial action.
6 Q Okay. The -- sorry.
7 The testimony that I've reviewed
8 contains terms like "PG&E intends" or "PG&E
9 proposes" or "PG&E expects" or "PG&E offers
10 to seek" or "PG&E will use its best efforts."
11 Is that consistent with your
12 recollection of the statements throughout the
13 PG&E testimony, as well?
14 A Well, I've seen all those terms in
15 the testimony. I think I've also seen "PG&E
16 will" at various points so --
17 Q Indeed.
18 They "will" when it comes to
19 certain agreements or payments that are part
20 of agreements, if you will; correct?
21 A It may be broader than that. But I
22 will agree with that, yes.
23 Q Okay. What I'm trying to explore
24 with you -- and you've demonstrated yourself
25 to be a most candid and effective forthright
26 both executive --
27 A Thank you.
28 Q -- and witness here. So I want to

1 offer you those thoughts, just to be sure
2 we're on the same wavelength about what we're
3 trying to accomplish here.
4 This Commission in its review today
5 has a responsibility to look out for at least
6 one constituent that you seem to identify, as
7 well, as protected under AB 1054
8 implementations, that's ratepayers; correct?
9 A Correct.
10 Q So in trying to understand, if you
11 were a Commissioner, what is a commitment and
12 what is a hope, or an aspirational issue,
13 it’s a very important standard, don't you
14 agree? -- for the regulator to be able to
15 know what form of remedial actions it can
16 take, with respect to PG&E's plan, if that
17 plan doesn't produce results as expected?
18 A I would agree with that, yes.
19 Q Okay. Are there -- other than
20 aspirational statements about working with
21 the Commission to establish such remedial
22 standards, are there any features in this
23 plan that you're aware of or you can point to
24 with respect to, for example, the enforcement
25 of goals and objectives under AB 1054 that
26 would be identifiable for the Commission to
27 rely upon?
28 A Well, let's start maybe a little

1 broader there.
2 Q Okay.
3 A Our commitments here are: We will
4 refresh the board, in Cheryl Brown's (sic)
5 testimony. We will and have appointed a
6 Chief Safety Officer and a CRO. We will
7 regionalize.
8 Q Thank you.
9 A I think there are a number of
10 things here that we are committing to, not
11 just waving at as you go by. But part of the
12 language issue here is, we don't get to
13 decide. I mean, there will be a decision of
14 this Commission that will say what the
15 commitments are. And we will abide by them.
16 So these are offers on our part.
17 And some of the them are things we will do
18 regardless. But we don't get to set our own
19 pitch.
20 Q I appreciate that answer. I think
21 what I was focusing on, and trying to focus
22 you on is, as a ratepayer advocate, I'm
23 particularly sensitive and interested in the
24 protections that this Commission can provide
25 for me. And when I look at this testimony,
26 besides the references you've made, I'm
27 struggling to find commitments with remedial
28 authorities or with, even, trigger mechanisms

1 that would identify for this Commission where
2 is something failing, where is something not
3 succeeding, where is the plan not working,
4 when can they step in, when should they step
5 in, what actions can they take as a result of
6 such failures, that is what I'm not seeing.
7 And that's what I'm trying to ask you about.]
8 ALJ ALLEN: Mr. Alcantar, if you could
9 focus more on questions rather than --
10 MR. ALCANTAR: That's fair.
11 ALJ ALLEN: -- preambles, I'd
12 appreciate it.
13 MR. ALCANTAR: That's fair.
14 Q What I'm trying to understand, to
15 be more precise, is where are the commitments
16 on rate protections?
17 A Well, the first commitment is, of
18 course, in 1054, which is it has to be, on
19 average, rate neutral.
20 Q Yes.
21 A And I believe this plan is. But
22 again, the Commission will be the final
23 arbiters of that. So that's the key, I
24 think -- I like to call them customers, not
25 ratepayers, but key customer protection. I
26 think in my testimony somewhere I suggested
27 that we would be open to what you have
28 described as triggers and a process of

1 enhanced enforcement. I know in the Assigned
2 Commissioner Ruling of some days ago that is
3 not something we're going to submit and brief
4 on. So I think there are things that the
5 Commission can and certainly will do to make
6 sure that we're meeting our commitments.
7 Q Okay. Thank you for that.
8 When you refer to 1054 commitments
9 neutral, on average, that requires some
10 interpretation of a baseline, as you've used
11 the term in your testimony. Is that fair?
12 A I think that's fair. It's a term
13 of art in the statute that hasn't been
14 defined.
15 Q Right.
16 A So I think it's fair.
17 Q So there may be some difference of
18 opinion, might you suspect, about where the
19 baseline may be set among the parties in this
20 room and PG&E?
21 A I suspect there may be some
22 difference in opinion --
23 Q Okay.
24 A -- of that point, yes.
25 Q At some point in time, this
26 Commission will need to be the arbiter of
27 exactly those standards and what should
28 belong in and what should belong outside of

1 the baseline. Correct?
2 A Correct.
3 Q Has PG&E undertaken a accounting of
4 identified costs that would or would not, in
5 its estimation, fall inside or outside of
6 baseline?
7 A I'm not sure I would describe it
8 exactly that way.
9 Q Okay.
10 A And what -- we do have a view,
11 obviously, of what categories of costs are in
12 and which shouldn't be in. But, as to an
13 accounting by, you know, category and dollar,
14 I don't know that we've done that. Mr. Wells
15 will certainly know the answer to that.
16 Q You know, just give me a moment.
17 A Sure.
18 Q I'm trying to make sure I don't
19 duplicate some things that we've already been
20 through.
21 In your work reviewing the recent
22 history of PG&E for -- that supports your
23 going forward management and -- and analysis,
24 I think you targeted the last ten years as
25 being a relevant time period for you in terms
26 of review.
27 Are there audits or information
28 that PG&E has provided to demonstrate how

1 much ratepayer capital, or customer capital,
2 has been spent over PG&E in the last ten
3 years for facilities hardening to prevent --
4 to promote safety, including wildfire
5 protections?
6 A I'm certain we have records of
7 that. I don't know that you would call it
8 audits, but I'm sure we keep records that we
9 would need in the ratemaking proceedings and
10 others. So I'm sure we have that
11 information.
12 Q Okay. You -- it sounds like you
13 haven't necessarily reviewed that or
14 considered it in terms of what steps should
15 be taken going forward from that data. Is
16 that fair?
17 A So what I've looked at, there was
18 very little hardening of the system until
19 recent years. So you don't have to go back a
20 decade. And the real effort with it on a big
21 scale started in 2017 and 2018. So I have
22 gone back and looked. What I've been more
23 interested in is how much of it we're doing
24 in terms of miles versus how much it's
25 costing.
26 Q Okay. During yesterday's
27 testimony, you alluded to a figure over the
28 next five years of $40 billion, I think, in

1 total costs for system hardening, these --
2 these types of costs. Is that a fair
3 recollection of your testimony?
4 A I think the 40 billion was the
5 capital -- the expected capital expenditure,
6 the majority of which would go to
7 infrastructure for wildfire risk mitigation,
8 yes.
9 Q And the purpose of doing that is to
10 successfully bring PG&E to a higher safety
11 standard, but also to avoid the risk of
12 either sustained or a new bankruptcy. Is
13 that fair?
14 A I agree with the first part. The
15 reason you would make those expenditures,
16 which would have to be approved by the
17 Commission, is to increase the margin of
18 safety in the system so that we don't have
19 catastrophic events, and we can skinny down
20 PSPS events over time to very surgical short
21 events. That will require money. We'll have
22 to raise that money in the markets. But, I
23 don't see this as a plan to avoid bankruptcy
24 again. This is a plan to do our business in
25 a way that we need to do our business.
26 Q Okay. In making the evaluation
27 that you alluded to for the Commission, will
28 they have the opportunity to determine which

1 of those costs should be in or outside of a
2 baseline associated with 1054?
3 A I believe they will.
4 Q Okay. Do you anticipate that the
5 capital costs for these expenditures,
6 these -- this $40 billion, a round figure,
7 would come in whole or in part from equity
8 and debt or directly from a -- a ratepayer
9 allocated cost?
10 A So don't know exactly, because we
11 don't have the situation in front of us, but
12 generally, you don't want to ask customers to
13 pay for these long-lived high capital assets
14 in one year.
15 Q Uh-huh.
16 A You get a very lumpy price that
17 way. And so typically, you either borrow the
18 money or get it in equity, and spread the
19 recovery of that over the life of the asset.
20 So I would think that would be the preferred
21 way of doing it.
22 Q Okay. Turning your attention to
23 the bottom of page 1.8 in the carryover to
24 1.9, or 1-9, you there define CPUC approval
25 of this plan in its specific terms, I think,
26 from the bankruptcy court. Is that correct?
27 A Yes.
28 Q Okay. Is it -- is it your

1 perception that the Commission, this
2 commission, will retain, under this approval
3 standard, enforcement authority to compel
4 alternate or alternative remedial actions if
5 there is a perceived failure of the plan?
6 A I believe the Commission has that
7 authority today, and nothing in this would
8 change that authority.
9 Q Okay. Do you have -- similar to
10 your -- your testimony yesterday where you
11 were forthcoming about what you foresaw with
12 respect to wildfire plan, do you have a
13 current knowledge of the amount of
14 professional fees for the bankruptcy that
15 PG&E has outlaid?
16 A I don't know the number. I looked
17 at it late last year. I can't remember what
18 it is. It is significant.
19 Q And by "significant," do you --
20 A So when --
21 Q Bigger than a bread box? I -- give
22 me a number that's significant that even
23 relates to that.
24 A I -- I can't; but, it's eight
25 figures.
26 Q Okay. And -- and that was as of
27 last year. You don't expect those fees to
28 stop until sometime in the future, I take it?

1 A I look forward to the day they
2 stop; but, I don't think that will be
3 immediately, yeah.
4 Q And those going forward fees will
5 not only be for the resolution of the
6 bankruptcy, but also, lending and other --
7 A Underwriting, those kind of
8 things --
9 Q Yes.
10 A -- correct. Yeah.
11 Q Okay. So I -- I want to turn to a
12 question that I -- I want to advertise you up
13 front is -- is a little bit unfair, because I
14 think it has been addressed in the corrected
15 materials; but, I -- I want to at least make
16 sure we all understand some sequences from
17 it.
18 So as of last Friday, parties'
19 testimony included this following statement,
20 and I want to know from you if it is
21 currently true. And I'm trying to tell you
22 in advance I think it's not, but I want to be
23 sure --
24 A Thank you for the in.
25 Q I want to be sure why it's not --
26 A Yeah.
27 Q -- and when it became not.
28 So tell me, is this currently true

1 or not: PG&E has not made the determination
2 as to whether or to what extent it would seek
3 to recover the costs paid its professionals
4 related to Chapter 11 cases. True or false?
5 A Can we use the word "accurate"?
6 That would not be an accurate statement --
7 Q Okay.
8 A -- today.
9 Q That's fine.
10 A True and false --
11 Q And --
12 A -- has some moral --
13 Q Fair point.
14 A -- use to it.
15 Q Fair point; not -- not intended.
16 So it's not accurate today, and it
17 changed from positions at least as of last
18 Friday?
19 A Yeah. So we answered the question.
20 We had it in our testimony. And then we
21 thought, well, we need to answer this
22 question. So we have an answer.
23 Q And the answer is?
24 A That we are not seeking recovery of
25 the professional fees, with the exception of
26 some of the financial underwriting fees; and
27 I don't have the specific amount, but those
28 fees that are used to help generate these

1 significant savings to customers under the
2 bond treatment.
3 Q And as you sit here today, is that
4 a commitment or is that an intent?
5 A I intend to commit to that.
6 Q That's a clever answer.
7 A I think it's a -- the -- I think
8 it's an intention, but when Mr. Wells gets
9 here, I believe he'll turn it into a
10 commitment.
11 Q Would it be within your authority
12 to direct Mr. Wells in that regard?
13 A Yes.
14 Q And if, by some chance, Mr. Wells
15 didn't follow your suggestion today, and was
16 unwilling to suggest that it was a
17 commitment, you might revisit that with us.
18 Is that fair?
19 MR. MANHEIM: Objection, your Honor,
20 this type of negotiating is not appropriate
21 in cross-examination.
22 MR. ALCANTAR: Would you -- may I ask a
23 different question?
24 ALJ ALLEN: Please.
25 BY MR. ALCANTAR:
26 Q May we expect you, as the chief
27 executive officer, to commit that those fees
28 will not be included in a baseline affecting

1 ratepayer interests?
2 A Yes, with the exception of I want
3 to make sure that we're describing exactly
4 what fees I spoke of generically.
5 Q And -- and -- and this is in
6 reference to paragraph 1 of Exhibit PG&E-8,
7 just to be clear --
8 A Correct.
9 Q -- about what you're trying to
10 reserve out?
11 A Yeah.
12 Q Okay.
13 ALJ ALLEN: If I can ask, about how
14 much do you think you have?
15 MR. ALCANTAR: I'm trying to finish,
16 and I -- and I've got a few more minutes. So
17 I may unfortunately ask you to take me over
18 to the lunch hour.
19 ALJ ALLEN: Well, if -- if you think
20 you can do it in the next five minutes, why
21 don't you go ahead and try?
22 MR. ALCANTAR: I'll give it a shot.
23 Let me see where I am.
24 Q During its bankruptcy, PG&E
25 incurred debt costs. Is that correct?
26 A Certainly incurred debt, debtor
27 in -- yes; DIP costs, yes.
28 Q Yes. Yes. PG&E's shareholders

1 were denied, certainly, dividends and -- and
2 payments. But, the payment of those debt
3 costs fell to customers, did it not?
4 A I don't know the answer to this.
5 Q Okay.
6 A Sorry.
7 Q Okay. Thank you. Let me ask you
8 to turn to that letter that you referenced as
9 being, I think, burned in your memory, which
10 is -- cited a reference at page -- excuse me.
11 MR. MANHEIM: Are you referring to the
12 governor letter?
13 MR. ALCANTAR: Governor's letter, thank
14 you.
15 MR. MANHEIM: Give me a moment. I'll
16 give the witness a copy of it.
17 MR. ALCANTAR: I actually -- that's
18 fine. Go ahead.
19 ALJ ALLEN: Off the record.
20 (Off the record.)
21 ALJ ALLEN: On the record.
22 Mr. Alcantar?
23 BY MR. ALCANTAR:
24 Q This letter's referenced at
25 page 1.16 of your testimony, and I'm just
26 interested in, really, your citations
27 referenced there. And I -- and in -- for the
28 sake of time, I just want to ask you about

one of the three components that you've identified at line 5 as the governor's plan -- governor's statement that the plan should include three different components; first, stringent governance, second, management requirements, and three, enforcement mechanisms.

I think we have agreed, and I just want to conclude with this thought, that the enforcement mechanisms akin to the triggering events for the Commission to know when there's a failure of the plan or taking remedial actions that it can establish and engage in would be a fulfillment of this standard, as you understand it?

A That is what I understood the governor's letter to be referring to, yes.

Q And -- and as I read your testimony, and this is my final question, you agree, do you not, that the governor's letter is one you are committed to incorporating in your plan?

A I'm committing to incorporating as much of it as we can. Much of it is an interpretation of what is in 1054, and the question is the degree, the extent of the change required to comply with 1054.

Q I'll accept that with -- with

one -- one thought, which is, is it fair to say that, as we've agreed, the enforcement mechanisms that we are ensuring are suited to this commission to make determinations about ratepayer protections under 1054 are included or contemplated as commitments within your plan?

A You'll have to try that again. Sorry.

Q Is it a commitment of your plan that enforcement mechanisms will be included and will provide this commission with the authority to undertake remedial action, should the intentions or expectations under the plan fail?

A A commitment in our plan will be to follow whatever enhanced mechanisms this commission puts in its final order and commitment and their ongoing authority to do these things.

Q Thank you.

Thank you, your Honor. I have nothing further.

ALJ ALLEN: Thank you, Mr. Alcantar.

Is there anything we need to address before we take a lunch recess?

MR. MANHEIM: Your Honor, I'll have no redirect, so can I ask the witness to be

excused?

ALJ ALLEN: No. I may have some questions, and the commissioners may have some questions.

MR. MANHEIM: Then I may need to reserve my view on that.

ALJ ALLEN: You may -- you may reserve your right to request redirect.

With that, Mr. Johnson, you will be resuming the stand when we return.

We will be in recess 'til 1:00 p.m., by this clock.

(Whereupon, at the hour of 12:03 p.m. a recess was taken until 1:01 p.m.)]

* * * * *

AFTERNOON SESSION - 1:01 P.M.

* * * * *

WILLIAM JOHNSON,

resumed the stand and testified further as follows:

ALJ ALLEN: On the record.

Good afternoon. Mr. Johnson is back on the stand. Remind you, you're still under oath.

One housekeeping matter is I got circulated, as per my request, a written version to the service list of the proposed schedule for going forward for incorporating the ACR issues. That looks fine to me.

Is there anyone that has anything additional to say on that?

(No response.)

ALJ ALLEN: I am adopting this proposal as the schedule for going forward. I'll do a -- I'll do either a procedural email or a procedural ruling memorializing that so that it'll be actually on the record of the proceeding. But, that's what will be the -- this will be the schedule going forward. Thank you, appreciation to the parties for working on that.

1 Mr. Johnson, I have a few questions
2 for you.
3 EXAMINATION
4 BY ALJ ALLEN:
5 Q One of the things, I think you had
6 answered some questions from Ms. Sheriff the
7 other day about the moratorium on structural
8 alternatives that's in -- proposed in your
9 testimony. I wasn't clear from your answer
10 before how long you expect that moratorium to
11 extend or how long you would request it to
12 extend.
13 A On the -- on the piece that we're
14 requesting to have the moratorium on, which
15 is corporate structure, I would say five
16 years. There was some bidding up yesterday
17 to eight; but, I would say a minimum of five
18 years, unless it's obvious going forward that
19 it's not working. But, some period of time,
20 I think five years, would be a good beta.
21 Q Thank you. As a general matter,
22 why -- why would a corporation use a holding
23 company structure?
24 A Several reasons. One is for
25 flexibility in pursuing myriad businesses.
26 It gives you some flexibility on the
27 financing options. Those would be the -- the
28 main two.

1 Q Given PG&E's current structure and
2 reality where pretty much the only thing in
3 the holding company is the utility, why is a
4 holding company a good idea or appropriate
5 for PG&E?
6 A So I think -- I've studied a little
7 history. I think it was created at the time
8 where the desire was to diversify, go
9 broadly, those kind of things. I don't think
10 that's going to happen anytime soon. So that
11 reason for the holding company, I think, is
12 not particularly strong at the moment. It
13 does give us some financing flexibility going
14 forward here, as we come out of bankruptcy,
15 and so I think it is valuable in that regard.
16 Q I notice that some of the debt
17 that's being issued pursuant to the plan is
18 by the holding company. Why is that?
19 A So that you can -- you can achieve
20 an appropriate capital structure at the
21 utility, and to do that, and to have
22 investment grade rating on the utility debt,
23 you use -- you'd have to issue some to the
24 holding company.
25 Q You had noted in your testimony
26 that approximately 70 percent of the officers
27 have -- of PG&E had been replaced. Is that
28 roughly correct?

1 A That's roughly correct since 2017,
2 yes.
3 Q And I've noticed in my time here at
4 the Commission that the response to the PUC
5 when -- when PG&E has a problem often
6 includes the -- the language of something to
7 the effect of "Oh, yes, there was a problem,
8 but we fired him." And so it seems to me,
9 though, I have a concern, because in the
10 locate and mark proceeding, people indicated
11 that it's trying to foster a safe environment
12 where employees feel comfortable speaking up.
13 It seems -- is there a tension
14 between essentially a willingness to fire
15 employees for problems and making sure that
16 they feel willing to speak up?
17 A There -- pardon me. Yes, there is
18 a -- a tension there. I could only speak to
19 my time here. I didn't have a lot to do with
20 that 70 percent. Most of that happened
21 before I got here. I do think you have to
22 have -- and particularly, executives, and
23 take accountability for their work. So
24 deviation from the code of conduct, code of
25 ethics can have that; can't produce results
26 if you're miscast. So I do think sometimes
27 people have to leave the organization. To
28 prevent that from becoming a chilling effect

1 more broadly requires work by the enterprise.
2 And we have a large compliance and ethics
3 group that works on speak up culture. We
4 train on this, and we work on this for that
5 very reason, to make sure that people are
6 speaking up.
7 Q Yeah. I would just want to make
8 sure that that -- that continues, because
9 certainly, one of the things I observed in
10 the locate and mark from the record was that
11 there were plenty of employees who knew what
12 was going on, and top management didn't.
13 A Yeah.
14 Q And that concerns me, and I want to
15 make sure that people don't -- people are not
16 afraid to speak up.
17 A Yeah. So my experience in ten
18 months is I have no trouble getting people to
19 speak up everywhere I go, which, I think, is
20 another way of saying I don't think we've had
21 a speak up problem. I think we've had a
22 hearing problem.
23 Q Okay.
24 A We haven't been able to hear and
25 respond to what people are saying to us.
26 Q Good; whatever works.
27 A Okay.
28 ALJ ALLEN: Thank you.

1 I believe -- President Batjer?
2 PRESIDENT BATJER: Yes. Thank you,
3 Judge.
4 EXAMINATION
5 BY PRESIDENT BATJER:
6 Q Mr. Johnson, thank you for your
7 testimony.
8 I appreciate being here, Judge,
9 yesterday and today for the time that I could
10 be here.
11 Mr. Johnson, we have some very, I
12 think most people would consider, tight
13 timeframes that have been mostly established
14 under 1054 regarding the exit of bankruptcy
15 by PG&E. You know well, I know well the
16 June 30th, 2020 date.
17 I am very curious and would like to
18 hear from you, what are the consequences for
19 PG&E of not meeting that June 30, 2020 date?
20 A Those are pretty dire consequences.
21 First of all, we can't get into the wildfire
22 fund, whatever the formal name is; but, the
23 fund. At this point, PG&E procuring
24 insurance is almost an impossibility, so that
25 fund is really important to us and to the
26 industry. So I hate to even think about what
27 the -- the -- what happens if we don't meet
28 that date. Nothing good happens.

1 Q Is it harder, for example, to
2 attract capital, as you would remain in
3 Chapter 11?
4 A Yes. And the fact that we weren't
5 in the fund and weren't able to procure
6 insurance would make raising capital very
7 difficult; and, you know, being in
8 Chapter 11, continuing in Chapter 11, just
9 makes that process eventually harder, raising
10 capital.
11 Q And I'm assuming, also, therefore,
12 there would be some real operational
13 functional problems or concerns, as well,
14 and -- remaining in Chapter 11 post 20 --
15 June 30, 2020?
16 A So I wouldn't say, "problems," but
17 I would say concerns that could turn into
18 problems. You have continuing distraction of
19 the bankruptcy. And I have to say, I've been
20 amazed at how much mind share this process
21 has taken, can you get the financing. I mean
22 we would do everything we needed to do and
23 could do to prevent problems, but it's a
24 distraction.
25 Q And access to equity, a difficulty?
26 A Very difficult, maybe impossible,
27 in those circumstances.
28 Q So under -- under this scenario,

1 what is -- if I may use the colloquial, what
2 is your Plan B?
3 A We are focused on Plan A, which is
4 to do everything we can to get a result in
5 this proceeding that moves us ahead to our
6 exit from -- by June 30th. You know, if you
7 get pushed past that date, you can somehow
8 magically get back in the fund if you form a
9 new electrical corporation. I would prefer
10 not to go through those gymnastics. I do
11 think we're poised, in many regards, to
12 emerge as we get these last few processes and
13 decisions done. But, at the moment, we're
14 all in on Plan A.
15 Q Okay.
16 Judge, I think -- let me ask one
17 other question.
18 We have talked, you have been
19 cross-examined yesterday and today, regarding
20 securitization. If, for whatever reason, we
21 were not able to grant securitization, what
22 is -- what is your plan?
23 A The next step would be to ask for a
24 permanent waiver in the capital structure.
25 Q I'm sorry. Say that again.
26 A A permanent waiver in the capital
27 structure.
28 Q A permanent waiver?

1 A Yeah.
2 Q Okay. Judge, I think -- thank you,
3 Mr. Johnson.
4 A Thank you.
5 PRESIDENT BATJER: That concludes my
6 questions.
7 ALJ ALLEN: Thank you, President
8 Batjer.
9 Mr. Manheim, do you have any
10 redirect?
11 MR. MANHEIM: Just a few
12 clarifications, your Honor. Thank you.
13 REDIRECT EXAMINATION
14 BY MR. MANHEIM:
15 Q Mr. Johnson, who does the CRO, the
16 chief risk officer, currently report to?
17 A I think yesterday I said that
18 person reported to the president of the
19 utility, but actually reports to the CFO
20 currently, and then the next iteration will
21 report to me.
22 Q Thank you. Earlier today when you
23 were talking about the securitization
24 proposal, I believe you described it as part
25 of our plan. Is there anything that you
26 can -- would like to clarify about that?
27 A Yeah. So the securitization
28 proposal is not part of the plan. The plan

1 is to pay the victims with the shareholders.
2 Securitization is outside the plan, and will
3 require a separate filing, a separate
4 proceeding, before this commission. So it's
5 an adjunct to the plan, but it's not part of
6 the plan.
7 Q So -- and PG&E can successfully
8 confirm a plan and exit bankruptcy based on
9 a -- on a proposal that does not include
10 securitization. Is that right?
11 A That is correct.
12 Q And the -- the proposal for
13 securitization is something that would be
14 addressed following PG&E's exit?
15 A Correct.
16 Q Thank you. With respect to the
17 June 30th date, does that date set a deadline
18 for confirmation of the plan or exit from
19 bankruptcy?
20 A It's not particularly clear to me
21 in the statute, but I think it is
22 confirmation of the plan with the effective
23 date being later, effective meaning
24 recapitalized, and you're out of the process.
25 Q Thank you. Just one moment.
26 That's all, your Honor. Thank you.
27 ALJ ALLEN: Thank you, Mr. Manheim.
28 Any recross? Mr. Finkelstein.

1 RECROSS-EXAMINATION
2 BY MR. FINKELSTEIN:
3 Q Excuse me. Mr. Johnson, I think
4 you described securitization as an adjunct to
5 the plan, but not part of the plan. Is that
6 a fair statement?
7 A That is what I said --
8 Q Okay.
9 A -- yes.
10 Q And it is still part -- I mean
11 adjunct to the plan, would you -- is it fair
12 to describe it as an essential element of how
13 PG&E plans to implement its reorg --
14 reorganization plan?
15 A It's an essential element in one
16 version of our plan to refinance, because
17 it's really a financing tool.
18 Q And that would be the refinancing
19 that you would have to take on after your
20 plan of reorganization is confirmed?
21 A Correct. Yes.
22 Q And if that adjunct plan doesn't
23 work out, I think as you said in response to
24 the -- the commissioner's question, you need
25 to go to a Plan B, which might be a permanent
26 waiver of the capital structure?
27 A Correct.
28 Q Okay. Thank you.

1 That's all I have.
2 ALJ ALLEN: Any other re-cross?
3 Ms. Kelly.
4 MS. KELLY: Thank you, your Honor.
5 RECROSS-EXAMINATION
6 BY MS. KELLY:
7 Q I had one question for you,
8 Mr. Johnson, following up on President
9 Batjer's question. She had asked about what
10 is your Plan B, and you had discussed your
11 Plan A. So if -- if you'd please return to
12 that question --
13 MR. MANHEIM: Your Honor, I -- I'm
14 going to object that redirect is to respond
15 to questions that I raised in my direct. The
16 recross should be limited to that scope, not
17 to questions asked by others.
18 ALJ ALLEN: Sustained. Let's not go
19 there.
20 Any other recross?
21 (No response.)
22 ALJ ALLEN: Okay. Seeing none, thank
23 you, Mr. Johnson. You are excused.
24 Off the record.
25 (Off the record.)]
26 ALJ ALLEN: PG&E can call their next
27 witness, please.
28 And I understand Mr. Weissmann has

1 an introduction.

2 MR. WEISSMANN: Yes, thank you, your

3 Honor. I'd like to introduce my colleague

4 Kevin Allred who will present our next

5 witness, John Plaster.

6 MR. ALLRED: Good afternoon.

7 ALJ ALLEN: Thank you. Let me swear in

8 Mr. Plaster.

9 JOHN PLASTER, called as a witness by Pacific Gas & Electric Company, having
10 been sworn, testified as follows:

11 THE WITNESS: I do.

12 ALJ ALLEN: Please be seated. Please

13 state your full name and spell your last name

14 for the record.

15 THE WITNESS: John C. Plaster,

16 P-l-a-s-t-e-r.

17 ALJ ALLEN: And try to speak directly

18 into the front end of the microphone. That

19 helps.

20 THE WITNESS: Okay.

21 ALJ ALLEN: There's a little green

22 light that's on that for mic.

23 Mr. Allred.

24 DIRECT EXAMINATION

25 BY MR. ALLRED:

26 Q Mr. Plaster, could you please state

27 your employer and position.

28 A Yes. My employer is Barclays and I

1 am head of the Power and Utility Group for
2 the Americas.
3 Q Do you have in front of you PG&E
4 Prepared Testimony, Volume I, which has been
5 marked as PG&E-01?
6 A Yes, I do.
7 Q And are you sponsoring Chapter 3 of
8 that testimony?
9 A Yes.
10 Q And was that chapter prepared by
11 you or under your direction?
12 A It was.
13 Q Have there been any updates or
14 corrections to that chapter?
15 A There have been.
16 Q Do you have in front of you what's
17 entitled "Supplemental Testimony Including
18 Errata" that's been marked as PG&E-07?
19 A Yes, I do.
20 Q And is the Chapter 3 excerpt from
21 that the update that you were just
22 mentioning?
23 A Yes.
24 Q Do you have any further corrections
25 to your testimony beyond that?
26 A I do not.
27 Q And is your testimony true and
28 correct to the best of your knowledge?

1 A It is.
2 MR. ALLRED: Mr. Plaster is available
3 for cross-examination.
4 ALJ ALLEN: Thank you, Mr. Allred.
5 Off the record.
6 (Off the record.)
7 ALJ ALLEN: On the record.
8 Mr. Geesman.
9 CROSS-EXAMINATION
10 BY MR. GEESMAN:
11 Q Good afternoon, Mr. Plaster. My
12 name is John Geesman. I represent the
13 Alliance for Nuclear Responsibility. Our
14 interest in this proceeding is the impact on
15 ratepayers of PG&E's proposed plan of
16 reorganization.
17 The first question is at page 31 of
18 your testimony, Footnote 1. You say, and I'm
19 quoting, that your:
20 Opinion regarding the company's
21 ability to raise capital for its
22 emergence from Chapter 11 for its
23 post-exit needs assumes the
24 absence of material adverse
25 events, close quote.
26 Did I get that right?
27 A That's correct.
28 Q Have you performed any stress tests

1 that would quantify the level of adverse
2 events that the PG&E plan could financially
3 withstand?
4 A I have not.
5 Q Based on your professional
6 experience, would you expect that the rating
7 agencies would perform such stress testing?
8 A I think the rate -- I think, you
9 know, my conclusions are supported by my
10 understanding of the rating agency
11 methodology and their analysis of the two
12 closest comps, SCE and San Diego Gas &
13 Electric.
14 As part of rating agency analysis,
15 they may look at some sensitivity cases.
16 Generally, in rating any company, you think
17 about sensitivities, but catastrophic events
18 or very large material events are something
19 that, you know, are generally not evaluated
20 at that rating.
21 Q How about less than large but still
22 material events?
23 A I think a ratings risk analysis
24 tries to be very comprehensive. And, again,
25 I factored in my understanding of how the
26 rating agencies work and their methodology in
27 reaching my conclusions.
28 Q So some of these sensitivity

1 analyses would include adverse events,
2 material adverse events?
3 A Well, I think rating agencies will
4 generally look at the company's projections,
5 their five-year plan, and they will look at,
6 you know, various sensitivities in reaching
7 their views.
8 I think in this case in particular,
9 the agencies have commented on the
10 constructive nature of AB-1054 and, you know,
11 that legislation, I think, has been viewed
12 and they've published their views as being
13 very constructive for the utilities in
14 California.
15 I think that addresses in large
16 part the issue around wildfires and what the
17 methodology would be going forward with the
18 Commission.
19 MR. GEESMAN: Your Honor, I don't
20 believe his response was responsive to my
21 question which was a yes-or-no question.
22 ALJ ALLEN: You can try again.
23 I would note to the witness that I
24 do want to make sure that answers are
25 responsive to questions. If you wish to give
26 more of an explanation, more detailed
27 explanation, you can undo that on redirect.
28 So please just make sure you answer the

1 question clearly and concisely.
2 THE WITNESS: Sure.
3 BY MR. GEESMAN:
4 Q So my question, Mr. Plaster, is
5 would you anticipate that the sensitivity
6 cases looked at by the rating agencies would
7 include material adverse events?
8 A I really don't have a great answer
9 for you on that. In general my experience
10 has been that they have not, but I don't know
11 that in any case they would not do that.
12 Q Let me ask the same question with
13 regard to large institutional investors.
14 Would you anticipate that large institutional
15 investors would do stress testing to evaluate
16 the capability of the plan to absorb material
17 adverse events?
18 A I think in terms of evaluating
19 risk, investors, you know, would look at
20 different sensitivity cases.
21 Q So your statement in Footnote 1 is
22 based on a qualitative judgment?
23 A I'm not sure I understand the
24 question.
25 Q Well, you've indicated that your
26 opinion is based on an absence of material
27 events. You are not certain if the rating
28 agencies would evaluate for adverse events.

1 You think that institutional investors would.
2 What is your opinion in Footnote 1
3 based on?
4 A So, the conclusions I reached and
5 the analysis I did, I stand by my view on the
6 ratings outcome. I think that when you look
7 at the qualitative risk that the agencies are
8 putting on people, that that is factoring in
9 these material adverse events that you're
10 referring to.
11 We didn't -- in terms of this
12 analysis, we didn't look at any particular
13 adverse event, but if you look at the rating
14 agency commentary and what I presented in my
15 testimony, we feel that the rating agencies
16 will have a very conservative view on PG&E's
17 business profile versus where their financial
18 metrics are.
19 So, their financial metrics, our
20 expectation under this plan is that they
21 would be much stronger than the ultimate
22 rating they would receive and that was
23 reflected in my testimony.
24 Q Page 2-24, lines 11 through 15.
25 A 2 dash -- different chap --
26 Q Excuse me. I was on to Mr. Wells,
27 I'm sorry. Is there a quantitative threshold
28 in your opinion for when an adverse event

1 would become material to the PG&E plan?
2 A No, I haven't done that analysis,
3 no.
4 Q At page 3-2, lines 11 through 13,
5 you say that you have reviewed preliminary
6 and confidential estimated credit metrics for
7 PG&E post-emergence from bankruptcy. Have
8 you had any interaction or are you aware of
9 any with the rating agencies concerning
10 PG&E's post-emergence plan?
11 A I haven't -- I have spoken to the
12 rating agencies about the California
13 utilities generally. I have not spoken to
14 them about PG&E's plan.
15 Q Based upon your professional
16 experience, what rating level would you
17 expect PG&E to receive for its unsecured debt
18 upon emergence from bankruptcy?
19 A So on my testimony notes on a
20 secured basis investment grade, which I would
21 say would be Triple B to Triple B minus
22 secured, generally the rating agencies will
23 give two notches of credit for first mortgage
24 collateral, so that would be a mid to high
25 Double B rating unsecured.
26 Q Page 3-2, line 26, you mention the
27 monopoly franchise utilities have for the
28 generation of electricity. Is that how you

1 would characterize PG&E's position within its
2 service territory?
3 A No. The statement really relates
4 to why the rating agencies generally provide
5 utilities with a very favorable business risk
6 profile. And so, again, that's why you'll
7 see many of the utilities which would have
8 equivalent financial metrics to PG&E with
9 higher debt ratings.
10 So, in general, the rating agencies
11 have a very favorable view of utility
12 business risk because of the franchise which
13 often, you know, is a monopoly franchise but
14 also because of the regulatory profile and
15 because of its critical infrastructure and
16 supplying an essential service to its
17 customers.
18 Q Are you aware that when taking into
19 account community choice aggregation and
20 direct access, PG&E only has a 43 percent
21 market share in its service territory for
22 generation?
23 A Yes, I'm aware of that.
24 Q Do you think that has any impact on
25 credit ratings?
26 A I do not.
27 Q Have you made any assessment of the
28 proportion of PG&E's electric generation

1 revenues that it recovers from exit fees?
2 A Can you repeat the question.
3 Q Have you made any assessment of the
4 proportion of PG&E's electric generation
5 revenues that it recovers from exit fees?
6 A I have not.
7 Q In your opinion, is there any
8 difference in the contribution to utility
9 investment grade credit metrics between an
10 income stream coming from sales revenues and
11 one coming from exit fees?
12 A I would have to look at the
13 magnitude of the exit fees to make a
14 determination on that. My analysis was based
15 on the financial plan that PG&E published
16 with the Commission or filed with the
17 Commission.
18 Q At Footnote 20, page 3-8 of your
19 testimony, you quote from a Moody's report on
20 regulated electric and gas utilities that
21 wider notching differentials may be
22 appropriate for speculative grades of credit.
23 But you say you don't believe such a
24 methodology would be applied to a regulated
25 utility.
26 Is there a quantitative threshold?
27 Excuse me. Do you have an opinion on why
28 Moody's would include such a statement in a

1 report on regulated utilities if they don't
2 intend to apply such a methodology?
3 A Could you read the cite, the page
4 again.
5 Q Footnote 20, page 3-8.
6 A Yeah, you know, I think that
7 Moody's has a different methodology that it
8 can use from time to time on notching, but in
9 the past we have not seen them use that
10 methodology in the utility sector, which
11 informed my view.
12 Q But didn't you respond to one of my
13 earlier questions in assessing what rating
14 unsecured credit would receive from Moody's
15 based on a notching assessment?
16 A Yes. It's my view that the likely
17 outcome is that it's a two-notch
18 differential.
19 Q And the rating that you attributed
20 to the unsecured credit would be considered a
21 speculative grade rating, would it not?
22 A That's right it would be
23 noninvestment grading.
24 Q Would wider notching than simply
25 two clicks likely mean that PG&E's only
26 access to the investment grade credit market
27 for a longer period of time would require
28 secured financing?

1 A Not necessarily. I mean I think
2 under the plan, you know, the company's
3 intent would be to issue first mortgage
4 bonds. That's a very common practice in the
5 utility sector.
6 In fact, you know, many utilities
7 that have high investment grade ratings make
8 the determination to issue first mortgage
9 bonds to access the market on a more
10 cost-efficient basis.
11 Q Is there any capacity limit to
12 PG&E's ability to market secured debt?
13 A There's not a capacity limit other
14 than how you would look at overall leverage
15 for a corporation. You know, so if you -- I
16 don't look at there being a limit to how much
17 secured debt you can sell, particularly if
18 you're within the investment grade and credit
19 rating.
20 Q And is there a proportion of assets
21 that you're limited to encumbering and still
22 retain an investment grade rating?
23 A I don't believe so, no.
24 Q So potentially you could encumber
25 100 percent of your assets?
26 A You could. The mortgage bond
27 structure generally encumbers all the
28 property plan and equipment of a utility,

1 which is the lion's share of the assets and
2 that's the common structure in use in
3 industry.
4 Q Let me reframe that question as a
5 ratio between the amount of debt to asset.
6 Could you go up to 100 percent debt on your
7 pledged assets and still retain an investment
8 grade rating?
9 A I don't think that's how the rating
10 agencies would determine credit quality or
11 ratings. For a leverage basis, they're going
12 to rely more heavily on cash flow metrics
13 which would be an FFO-to-debt ratio, also
14 debt-to-EBITDA ratio.
15 Secondarily, they will look at a
16 debt to capitalization. But if -- the tests
17 that you're mentioning in terms of just
18 security versus assets is not something that
19 it is generally used to determine ratings.
20 Q What about among large
21 institutional investors?
22 A I'd have the same answer. I think
23 how much secured versus unsecured you have,
24 you know, would make a difference between the
25 costs between secured and unsecured debt.
26 But if for utilities which, again, is normal,
27 if they're doing all their financing on a
28 secured basis, I think the market would not

1 have an issue with that.
2 Q Regarding PG&E's proposed issuance
3 of $7 billion in securitization bonds, how
4 would you expect such a financing to be
5 priced? Spread to treasuries?
6 A Spread to treasuries, yes.
7 Q And what would you estimate that
8 spread to be?
9 A Well, the spread would depend on
10 market conditions. What I would say is the
11 securitization, we would expect it to have a
12 Triple A rating and that in general that
13 market would price tighter than, you know,
14 the first mortgage bond, first mortgage bonds
15 for PG&E.
16 You would basically look at comps
17 in the market at the time you were launching
18 the deal to see that and you could look at
19 those data points. I would think, you know,
20 today, you would probably be at treasuries
21 plus a hundred, give or take, depending on
22 what matured.
23 Q And ordinarily you'd price off the
24 10-year treasury?
25 A In securitization, you do multiple
26 tranches based on average life and so it's
27 not always off it. It would be off the --
28 either the curve or the on-the-run treasury

1 depending on the mature level.
2 Q And in today's market, what
3 tranches would you envision are being most
4 marketable for a credit like PG&E's
5 customers?
6 A For a securitization?
7 Q Yes.
8 A I think a securitization could be
9 done across the curve, and I think it would
10 be about optimization.
11 Q And how far out -- when you say
12 across the curve, how far out is a final
13 maturity?
14 A I believe final maturities can go
15 out 30 years.
16 Q On a taxable basis?
17 A On a securitization.
18 Q A taxable securitization, not a tax
19 exempt?
20 A Yes.
21 Q Do the NOLs or other shareholder
22 tax benefits that are intended to cover debt
23 service affect your pricing assessment?
24 A No.
25 Q Regarding the tax exempt pollution
26 control bonds that the PG&E plan elects to
27 retire, can you describe their credit
28 structure?

A I have not reviewed those bonds.

Q Are you aware of them at all?

A I'm aware that they have tax exempt pollution control, you know, bonds but, no, I haven't -- other than the general awareness, that's all I have.

Q Thank you very much, Mr. Plaster.

Those are all of my questions, your Honor.

ALJ ALLEN: Thank you, Mr. Geesman.

CLECA, Ms. Sheriff.

MS. SHERIFF: Thank you, your Honor.

CROSS-EXAMINATION

BY MS. SHERIFF:

Q Good afternoon, Mr. Plaster. My name is Nora Sheriff. I represent the California Large Energy Consumers Association, CLECA. I just have a few questions for you.

In your testimony at page 3-4, you discussed the requirement of enabling legislation from the State for securitized debt. What enabling legislation would be necessary to allow for the proposed post-emergent securitization transaction?

MR. ALLRED: Calls for a legal conclusion.

MS. SHERIFF: He referenced --

1 ALJ ALLEN: Overruled.
2 THE WITNESS: In my testimony -- this
3 is just a generic statement -- it doesn't
4 relate to PG&E or it doesn't relate to
5 California. It relates to, in general,
6 securitization when it has been used for
7 storm cost recovery or other expense
8 recovery, you know. It may require enabling
9 legislation, but I don't have any expertise
10 regarding California regulatory issues.
11 BY MS. SHERIFF:
12 Q You do have expertise regarding
13 PG&E and its financial structure and its plan
14 of reorganization though; correct?
15 MR. ALLRED: Object to the form.
16 THE WITNESS: Correct.
17 ALJ ALLEN: If there was an objection,
18 it's overruled.
19 BY MS. SHERIFF:
20 Q Are you familiar with Assembly Bill
21 235 which was introduced last year in 2019
22 about securitization for PG&E enabling a
23 securitization transaction for PG&E?
24 A No, I'm not familiar with that.
25 Q At page 3-7 of your testimony, you
26 state:
27 PG&E has greater exposure to
28 wildfire risk compared with SCE

1 and SDG&E because of the size and
2 character of its service
3 territory.
4 This is line 13. Please explain
5 what specific characteristics about PG&E's
6 service territory increases its exposure.
7 A Sure. My testimony was based on
8 the size of the service territory and also,
9 you know, the topography in some of the less
10 populated areas, which I believe is a much
11 larger service territory particularly than
12 SDG&E and also, you know, in a more rural
13 area.
14 Q Are you familiar with PG&E's
15 enhanced vegetation management strategy?
16 A I am familiar with it generally.
17 I'm not an expert on it.
18 Q Do you know for how many years PG&E
19 has been pursuing its enhanced vegetation
20 management strategy?
21 A I'm not sure -- no, I don't recall
22 how many years. I know that, you know, that
23 they have recently increased their focus and
24 efforts substantially around vegetation
25 management.
26 Q If PG&E the utility, sorry, it's
27 difficult to see you.
28 If PG&E the utility and the PG&E

1 corporation, the parent entity, were
2 evaluated together, can you tell us what your
3 opinion is about what its investment rating
4 would be or what grade it would have?
5 A Separate companies are not
6 evaluated together, but what I would tell you
7 is that it is my expectation the holding
8 company would have a noninvestment grade
9 rating based on my prior commentary about the
10 utility's unsecured rating.
11 Q But I asked you to assume that they
12 would be evaluated together, so you're making
13 an assumption here that they're not separate?
14 A I don't exactly know how to answer
15 that question because I would think that the
16 corporate family rating would also be in the
17 Double B category.
18 Q Okay. Thank you, Mr. Plaster.
19 Thank you, your Honor. I have no
20 further questions.
21 ALJ ALLEN: Thank you, Ms. Sheriff.
22 EPUC, would that be Mr. Alcantar?
23 MR. ALCANTAR: Do you have anything?
24 MR. FINKELSTEIN: Your Honor, I can go
25 first.
26 ALJ ALLEN: Mr. Finkelstein, who is
27 doing cross on Mr. Plaster? Is it just one
28 of you or both of you?

1 MR. FINKELSTEIN: I'm doing cross for
2 TURN, your Honor.
3 ALJ ALLEN: Okay. This is for TURN.
4 Okay.
5 Is there any cross for EPUC?
6 MR. ALCANTAR: Yes, short.
7 ALJ ALLEN: But you want TURN to go
8 first?
9 MR. ALCANTAR: Yes.
10 ALJ ALLEN: Okay. Siblings, always the
11 worst.
12 Mr. Finkelstein for TURN, go ahead.
13 CROSS-EXAMINATION
14 BY MR. FINKELSTEIN:
15 Q Good afternoon, Mr. Plaster, I'm
16 Bob Finkelstein for TURN. Just a couple of
17 questions. Is it correct that your chapter
18 in the testimony makes no reference to PG&E
19 corp, the holding company?
20 A Well, we discuss access to the
21 equity capital markets and so I think that
22 refers to PG&E corporate.
23 Q So by implication because somebody
24 buying equity in PG&E, the utility would be
25 buying the stock of PG&E corp? Is that what
26 you have in mind as how it came up in the
27 equity context?
28 A What I have in mind is that PG&E

1 corp is a public company and so if we're
2 issuing stock in the public markets to
3 institutional investors, it's going to be
4 PG&E corporate stock.
5 Q But you're aware that PG&E's plan
6 includes approximately $4.75 billion of debt
7 at the holding company level?
8 A Yes.
9 Q And did you assess or analyze that
10 debt or the likely credit rating of that
11 debt?
12 A I did not.
13 Q And then did I understand you to
14 end your responses to Ms. Sheriff with the
15 observation that you would expect the
16 unsecured debt of PG&E, the holding company,
17 to also be, I think you said, medium to low
18 Double B; is that correct?]
19 A I think I said in the double B
20 category.
21 Q And I'm forgetting the term that
22 you used in response to Mr. Geesman, but is
23 that the category that goes by the colloquial
24 name "Junk investment"?
25 A Yes. You don't hear that very
26 often. But it's more commonly called
27 non-investment grade or speculative grade.
28 Q Speculative grade is I think what

1 you used before. Would the amount of holding
2 company debt potentially have an impact on
3 the business risk of the utility?
4 A I don't believe so.
5 Q Would the rating of a holding
6 company debt potentially have an impact on
7 the rating of the utility debt?
8 A I think the agencies will evaluate
9 the corporate enterprise together. But I
10 believe that -- in this case, I don't believe
11 that it's having an impact on the utility
12 rating.
13 Q But if I understood your earlier
14 response correctly, you didn't analyze the
15 holding company debt at all; is that correct?
16 A For my testimony, I'm commenting
17 only on the utility's access to debt markets,
18 yes.
19 Q Okay. And my question was did you
20 analyze -- in the course of preparing your
21 testimony, did you analyze the holding
22 company debt at all?
23 A I did not.
24 Q Then in your testimony at page 3-3
25 on lines -- starting on line 15, you are
26 making a point, as I understand it, about the
27 interplay of business risk and financial
28 leverage and you state that a weaker business

1 risk profile would allow for lower leverage
2 as compared to a company with a stronger
3 business risk profile that's going to get
4 higher leverage at the same credit rating?
5 A That's correct.
6 Q I'm paraphrasing it badly. But do
7 you see that testimony in your --
8 A I do.
9 Q Thank you. Assuming you've got two
10 companies with the same level of business
11 risk, is it correct to understand that if one
12 of the companies has higher financial
13 leverage, it would result in a higher credit
14 rating all else equal?
15 A If they have a higher leverage?
16 Q Yes.
17 A It would result in a lower credit
18 rating.
19 Q I knew I was going to mess up the
20 direction on that. But all else equal,
21 that's what you would expect?
22 A Pretty simplistic statement. So it
23 would depend on the industry and, you know,
24 the characteristics of the company within
25 that industry, which I assume would be
26 captured in business risk.
27 MR. FINKELSTEIN: That's all I have,
28 your Honor.

1 ALJ ALLEN: Thank you, Mr. Finkelstein.
2 Mr. Alcantar?
3 CROSS-EXAMINATION
4 BY MR. ALCANTAR:
5 Q Thank you, your Honor.
6 Mr. Plaster, my name is Michael
7 Alcantar. I represent the Energy Producers
8 and Users Coalition and the Indicated
9 Shippers for the purposes of this proceeding.
10 ALJ ALLEN: Mr. Alcantar, could you
11 please speak up and use the microphone?
12 MR. ALCANTAR: I got ahead of myself.
13 Q Sorry. I hope you heard most of
14 that anyways.
15 A I did.
16 Q I just have a few questions for you
17 about your role here today in relationship to
18 others in your industry who share the same
19 roles, share the same experience of 20 years
20 of experience, and share the same focus of
21 attention on utility financing.
22 You're here -- if I'm correct to
23 assume, that you're here to tell us that
24 there's great optimism about the emergence of
25 PG&E from this plan to have access to the
26 financial markets that you described in your
27 testimony; correct?
28 A My testimony says that I believe

1 the company will have investment grade secure
2 ratings and will have access to capital
3 markets based on that, yes.
4 Q Okay. What happens if you're
5 wrong?
6 A Well, the company will know -- will
7 be able to determine its ratings before it
8 exits out of bankruptcy.
9 Q You allude in your testimony to the
10 benefits created for the company arising from
11 AB 1054; correct?
12 A Correct.
13 Q Did you look at any detriments of
14 the company with respect to AB 1054? For
15 example with respect to the protections
16 included in that bill for ratepayer
17 protection, financial ratepayer protection?
18 A So I read the legislation. I've
19 read commentary on it. I've read the rate
20 agency views on it. I don't know if I can
21 comment on that level of detail that you're
22 asking.
23 Q Okay. So I think the answer to the
24 question is no; right?
25 A Could you rephrase the question?
26 Q Let me try another one. In your
27 20 years of experience in the investment
28 banking arena --

A Yes.

Q -- in making predictions of financial futures, have you ever been wrong?

A Yes.

Q Would it be fair to say because forecasts -- forecasts are always wrong. But wrong in the sense of this case where the risk of being wrong would have adverse affects on this Commission's ability to protect ratepayers under 1054?

A Well, I certainly took these proceedings and my preparation for them incredibly seriously. And I did a tremendous amount of work to inform my testimony. So, you know, while anyone can be wrong, I feel that these are well thought out and reasonable conclusions.

Q Okay. So in the context of the former question, which is what happens if you're wrong? Is there a plan B as we've talked about this morning? If you are wrong, what would this Commission do?

A I think that is probably a better question for the company than for me.

MR. ALCANTAR: Thank you, your Honor.

Thank you, Mr. Plaster. I have nothing further.

ALJ ALLEN: Thank you, Mr. Alcantar.

1 Mr. Abrams, do you have cross for
2 this witness?
3 MR. ABRAMS: I do, your Honor.
4 ALJ ALLEN: Go ahead, please.
5 CROSS-EXAMINATION
6 BY MR. ABRAMS:
7 Q Thank you very much. I am not a
8 CFA, and I don't have a extensive financial
9 background. However, I am a victim of the
10 PG&E fires. So going into and exiting this
11 plan -- with this plan of reorganization,
12 myself and other survivors are going to be
13 put into a trust and hold 21 percent of
14 PG&E's stock. So my questions are from that
15 standpoint.
16 A Okay.
17 Q So I just wanted to say that up
18 front. So that I can understand it, victims
19 who are in this trust and other investors who
20 are perhaps less savvy would be able to rely
21 upon your testimony and the advice that's
22 within it.
23 Can you describe, sort of, the
24 nature of your independence from PG&E?
25 A Well, PG&E is a client of Barclays
26 and a client of mine. So I have that
27 relationship with them.
28 From the testimony standpoint, I'm

1 testifying under oath and I'm trying to give,
2 you know, my best views and my best informed
3 views of, you know, what I think.
4 Q So would you say that it would be
5 fair for these new shareholders --
6 A Can I add one thing?
7 Q Yes, please.
8 A It is in the testimony. But we --
9 Barclays is one of the banks that provided
10 the debtor possession financing for PG&E. So
11 that's a business relationship. We're also
12 one of the banks that underwrote the exit
13 financing.
14 Q So given that, would it also be
15 safe to assume then that victims and other
16 shareholders who would not necessarily take
17 the advice and the testimony that you've been
18 providing here because of that close
19 relationship with PG&E?
20 A I'm giving my best views. I'm
21 under oath. And I would say that, you know,
22 it's in the company's interest to exit
23 bankruptcy being able to access the
24 investment grade debt markets. And, you
25 know, I would, you know, believe that it's
26 their intent to do so.
27 Q So the other -- so other folks who
28 have background who provided a different

1 perspective on the investment structure of
2 PG&E exiting bankruptcy, is it safe to assume
3 that they perhaps have a different view
4 because they're not a client of PG&E?
5 A I can't comment on that. I don't
6 know who those people are.
7 Q Understood. Thank you.
8 So one of the things that you
9 pointed to is that looking at the stress test
10 would look at San Diego Gas & Electric in the
11 sensitivities of catastrophic events and that
12 those catastrophic events weren't necessarily
13 in your analysis.
14 Given that catastrophic events are
15 in some ways, sort of, the new normal
16 unfortunately as it relates to PG&E
17 territory, would you say that credit agencies
18 might change their practices to build in a
19 certain number of catastrophic events when
20 taking a look at PG&E as an investment?
21 A So I believe that wildfire risk is
22 factored into my analysis and my conclusions.
23 And the two companies that you mentioned,
24 Southern California Edison and SDG&E that are
25 both rated, also have wildfire risk. And the
26 rating agencies in their current credit
27 ratings take that into account.
28 Q But those are different risks

depending on the company; is that correct?

A Well, because they're all California utilities, they share some similarities. But there would be differences based on service territory.

Q In the introduction to your testimony you state:

I expect the company to achieve investment grade bond ratings on a secured basis.

Can you just again for, sort of, a 101 on that, can you just, sort of, go over what goes into determining investment grade bond rating?

A Sure. I'd be happy to. So the first component the rating agencies will evaluate is the business risk associated with the company. And as we had talked about, if a company has very low business risk, meaning you view the cash flow profile of the company as being very stable, the agencies will allow that company to have higher leverage at a certain rating level than a company that had a more volatile cash flow stream or less certainty or a higher business risk position.

So in making my assessment, the first thing I did is look at how the rating agencies assess utilities' business risk.

1 One large component of that is the
2 regulatory construct, which is historically
3 has been constructed in California. And for
4 utilities, regulation is probably the single
5 biggest factor around business risk.
6 Some of the other things we talked
7 about, you know, the -- some of the other --
8 the fact that this is essential
9 infrastructure electric, that's all generally
10 very stable business model. And so I first
11 evaluated business risk. Again, reading and
12 evaluating what the rating agencies say about
13 that.
14 I then review the financial plan
15 that the company filed with the Commission
16 and looked at the leverage metrics on that.
17 And I compared the business risk into the two
18 closest comps, the two other California
19 utilities. I compared the financial metrics
20 to the other two California companies. And,
21 you know, my assessment was based on that.
22 And I said I believe that the
23 agencies will initially be more conservative
24 around business risk for PG&E than it is for
25 the other two companies. But that their
26 leverage metrics, you know, are aligned with
27 investment grade credit metrics.
28 Q Thank you. So this $21 billion

1 wildfire fund helps them achieve the
2 investment grade; is that correct?
3 A It does. Participating in the fund
4 and the legislation is definitely a credit
5 positive for the California utilities.
6 Q Would you say that the Wildfire
7 Victim Trust and the fact that stock is
8 provided as opposed to a cash settlement also
9 favors that investment grade?
10 A I can't comment on that. So if
11 you -- in terms of the broader negotiations
12 around the plan and how cash and stock were
13 allocated, that's not something that I've
14 been involved in. That's something for the
15 company.
16 Q Let me ask the question a little
17 bit differently. A cash outlay from PG&E to
18 victims or a cash outlay to anyone versus
19 providing stock, what are the consequences to
20 that in terms of how investment grade is
21 determined?
22 A I think, you know, funding any --
23 you know, any use of funds like that, it
24 would depend on how it's funded. If it's,
25 you know, funded with debt or equity.
26 Q So does this not speak to cash
27 flow? Cash flow does not come into your
28 analysis at all?

1 Does cash flow come into your
2 analysis?
3 A For credit ratings?
4 Q Yes.
5 A Yes. When I was speaking about
6 leverage metrics, one of the primary leverage
7 metrics is FFO to debt. And FFO is "Funds
8 From Operation," which is a cash flow metric.
9 Q So I'm trying to connect the dots
10 here. If there's a large cash outlay --
11 A I see. So the -- when I'm talking
12 about cash flow, I'm talking about operating
13 cash flow.
14 Q Okay. So if there's a large cash
15 outlay, does that not affect the credit
16 rating?
17 A It would depend how it's funded and
18 --
19 Q I'm not talking about funded --
20 (Crosstalk.)
21 ALJ ALLEN: Stop. Let's have one at a
22 time. Please let Mr. Plaster attempt to
23 answer the question before following up.
24 Mr. Abrams, go ahead.
25 MR. ABRAMS: Thank you. Sorry.
26 Q So I'm just -- I'm sure it's me not
27 stating the question correctly. But I'm
28 trying to ask about not funding or money

1 coming in; right? I'm talking about cash
2 going out.
3 A So here's the connection. So if
4 you're talking about a large cash outlay,
5 that would not be funded from funds from
6 operations.
7 So a company would raise capital to
8 make that fund outlay, and there's various
9 ways they can do that. They can issue debt,
10 they can sell stock. So that was the point I
11 was making on it's not necessarily -- the
12 fact that there's a cash outlay would not
13 necessarily be, you know, credit.
14 Q So if it was funded with new debt,
15 that would affect the investment grade; is
16 that correct then?
17 A I haven't evaluated that case in
18 how much pressure that would put on the
19 rating. But if you added debt to the
20 company, that would put pressure on the cash
21 flow metrics in the ratings.
22 Q So was your evaluation and your
23 testimony provided prior to that plan of
24 reorganization being associated with that
25 50 percent shares in terms of that payout to
26 victims or after?
27 A I believe my testimony was filed
28 after it was clear the shares were going into

1 the trust.
2 Q Okay. So if that changes, and then
3 through this -- this is a moving target and
4 that plan changes and victims are paid all in
5 cash, have you evaluated the effects of that
6 on the plan of reorganization?
7 A I have not. I have only evaluated
8 the company's plan.
9 Q On page 3-2 you indicate that:
10 A stable regulatory environment is
11 key to the credit rating.
12 Is that correct?
13 A Yes.
14 Q Help me understand what you mean by
15 "stable regulatory environment." In terms
16 does that mean unchanging or what's stable?
17 A So investors like predictability.
18 In other words, they don't like uncertainty.
19 So you have the regulatory compact. And in
20 terms of having it operate the way that it's
21 expected to operate is what I mean by stable
22 there.
23 So where a company is acting
24 prudently that they're able to, you know,
25 earn a return and recover capital on
26 investments they make in a timely basis.
27 Q So do you think that the regulatory
28 environment for PG&E has been shaped by

1 PG&E's actions?
2 A I'm not the regulatory expert. But
3 I think absolutely the wildfires in 2017 and
4 2018 have had an impact on PG&E's regulatory
5 situation.
6 Q Sorry. Let me rephrase the
7 question. Are PG&E's actions, are those
8 looked at at how that regulatory environment
9 is created in terms of your analysis?
10 A Yes. I think in evaluating the
11 overall business risk of a company, the --
12 also the relationship, the regulatory
13 relationship, is important. And I think
14 obviously from the board on down, there's
15 renewed focus on safety and, you know, being
16 able to execute on these plans for safety.
17 You know, it's going to be quite important.
18 Q So would you agree that in terms of
19 providing stability that stable actions from
20 PG&E would create more stable regulatory
21 environment? And that unstable actions from
22 PG&E might provide the converse and lots of
23 changes to regulation in response?
24 A So I don't know exactly what to
25 take of the word "stable" and "unstable."
26 But I think that from, you know, PG&E's
27 standpoint and in some of the other testimony
28 here in terms of governance and safety, they

1 say there's a new tone from the top. Or they
2 want to set a tone, and there's going to be
3 more governance around safety and risk. And
4 they have a detailed plan.
5 Executing on that is very important
6 from a regulatory standpoint. It's very
7 important from a regulatory standpoint. And,
8 you know, I think that if they're able to do
9 that, that improves the business profile of
10 the company in conjunction with what I said
11 before, which is in having AB 1054
12 implemented the way that I think is generally
13 expected in the market.
14 Q In your statement, you said it was
15 based on what they say. Is it typical for a
16 large investor to go based on what they say,
17 or more based on their actions or something
18 more formal in terms of an agreement?
19 A So I guess my statement was not
20 articulate. But the company filed testimony
21 about concrete actions that it's taking
22 around governance and safety. And absolutely
23 investors are going to pay close attention to
24 the actions the company are taking. I was
25 just referring to how the company is
26 describing, you know, their plan.
27 Q And I appreciate that distinction.
28 And the reason why I ask the question is

1 because, you know, just holding up the two
2 documents: The testimony that's been
3 provided to the Commission and the plan of
4 reorganization aren't the same.
5 So I guess what I'm trying to ask
6 are you simply looking at the testimony or
7 what PG&E's says? And where -- is it safe to
8 assume that other large investors might
9 instead look at the plan of reorganization as
10 a basis of their decision?
11 A I think that investors will look at
12 both. I think obviously people will study
13 the plan, and they'll review the testimony
14 carefully. And they'll look at the actions
15 from the State. So I think that investors
16 will generally try to take in as much
17 information as they can on the topic.
18 Q What will be weighted more heavily?
19 Will it be more heavily weighted in terms of
20 what is said in testimony? Or more heavily
21 weighted about what is committed to in
22 writing in the plan of reorganization?
23 A It's hard for me to comment on that
24 because both could be very important.
25 Q So given that it's likely that PG&E
26 actions cause and provide a response in terms
27 of the regulatory actions, do you feel that
28 it's appropriate for the Commission to ensure

1 that there are more stringent regulations
2 around safe and reliable service to provide
3 more stability to investors?
4 A I don't really think it's my role
5 to comment on actions the Commission should
6 take in terms of -- you know, my role here
7 today is more as commenting on the ability of
8 the company to finance itself post
9 bankruptcy. So I don't consider myself an
10 expert on the type of regulatory issue that
11 you're raising.
12 Q Understood. So let me, I guess,
13 ask the question a little more generally. If
14 there was a stringent -- for a company, if
15 there was a stringent regulatory threshold
16 that was measured that was, "You need to
17 reduce risks by 35 percent." And that was a
18 regulated threshold. Would that be more
19 relied upon by investors than say more as you
20 said unstable regulatory frameworks that are
21 based upon perhaps unknown penalties in the
22 future?
23 A So if there's a specific regulation
24 or rule that impacts the company's financial
25 performance, investors will absolutely
26 carefully review that and estimate if that
27 will create -- how that will impact the
28 financial performance of the company.

1 Q So I'm trying to also understand
2 the impacts of other things that are swirling
3 around PG&E in terms of how you brought those
4 into your testimony in the advice that you're
5 providing.
6 So have you taken into account
7 what's happening in as in Judge Alsup's court
8 in terms of further criminal behavior into
9 your calculations?
10 A I've generally, you know, reviewed
11 what's public about the company including
12 that case. And -- but if there are new
13 actions that have not happened or not public
14 at this point in time, I have not factored
15 that in.
16 Q So when you're looking at the
17 history of a company to sort of project and
18 forecast future results, is it safe to say
19 that a company that has gotten itself into
20 legal troubles or perhaps shown a pattern of
21 that, that that pattern would be used as a
22 way to forecast what the future would hold?]
23 A So track record or historical
24 performance will be a factor that investors
25 make in investment decisions. So I think
26 that -- I think that is the case. In the
27 case of PG&E, there's been, you know, really
28 a -- a very significant change in -- in

1 management, significant change in board, and
2 so, you know, while there have -- has been
3 certainly a history of some safety issues,
4 there is new management that's focused on
5 making significant changes.
6 Q Based on sort of your expert
7 opinion, is it typical when companies are in
8 bankruptcy that they are, I guess, more --
9 more guarded, more -- tend to keep
10 information that might have an adverse effect
11 on bankruptcy decisions more close to the
12 vest?
13 A I -- I don't have experience that
14 in -- informs that. And in bankruptcy,
15 generally, most information is public, and so
16 it may be even more transparent than when a
17 company's outside of bankruptcy.
18 Q At the top of 3-3, you state:
19 "Accordingly, in determining a utility's
20 competitive position, Standard & Poor's'
21 global rating weighs regulatory advantage at
22 60 percent."
23 Can you tell me what goes into that
24 60 percent rating?
25 A Sure. So that goes into the
26 regulatory construct that I had touched on
27 before, the ability to recover costs, how
28 transparent that is, the timeframe of that,

1 you know, if they're tracker mechanisms that
2 make recovering capital more -- more
3 automated, subject to review. So it -- it --
4 also, you know, different jurisdictions, like
5 you mentioned track record, have track
6 records, and so people will, you know,
7 evaluate how a commission has eval- -- has --
8 has operated over -- over time in
9 determining, you know, whether there's
10 additional risk around unexpected outcomes.
11 Q So given that, do you see that it's
12 a sort of a difficult regulatory position
13 that the CPUC has in front of it to promote
14 that rating so that PG&E has a more stable
15 future while at the same time responding to
16 sort of, I guess, the facts on the ground and
17 providing additional structure and changes to
18 the regulatory structure -- do you see that
19 as a difficult balance for the Commission?
20 A Well, I -- I certainly think the
21 Commission has a difficult job. I -- I feel
22 that, you know, having construct --
23 constructive regulatory relationships is a --
24 is a two-way street, and, you know, my -- my
25 view is that it's a favorable public policy
26 and good for a state, you know, for, you
27 know, the utilities and -- and the
28 commissions to have a constructive working

relationship.

ALJ ALLEN: Mr. Abrams, just a time check. How much more do you have?

MR. ABRAMS: I would say probably 15 more minutes.

ALJ ALLEN: Okay. Let's go ahead and take a recess now until 2:35, by the clock on the wall. We'll be in recess.

Off the record.

(Off the record.)

ALJ ALLEN: On the record.

Mr. Abrams, go ahead.

MR. ABRAMS: Thank you, your Honor. Thanks very much.

Q Just to continue on, on page 3-3, lines 8 and 9 of your testimony, you state: "Companies' ability to repay debt depends, in part, on its expected future cash flows from operations."

Can you please go into what goes into that analysis of cash flows?

A Sure. You would look at a company's plan, and in this case, the plan that was filed, and this is referring to an operating cash flow number, you know, like EBITDA, and -- and then adjusting from there.

Q Thank you. So also on -- on page 3-3, lines 16 to 18 of your testimony,

1 you state: "A weaker business risk profile
2 will allow for lower leverage, whereas a
3 stronger business risk profile will permit
4 higher leverage at the same credit rating."
5 Is it a fair characterization that
6 these financial risks can be leveraged in one
7 of two ways, either PG&E can mitigate the
8 risks by their operations by hardening
9 infrastructure, strengthening their business
10 processes and things like that and/or they
11 can address that by hedging their risks,
12 either through this wildfire fund, as an
13 example, or through other public means?
14 A Yes. I -- I think that, as -- as
15 PG&E executes on its safety plan and has
16 success that would be a factor in lowering
17 business risk, as would, you know, seeing the
18 implementation of -- of AB 1054 and -- and
19 how that operates moving forward. I think
20 those would be two important factors in -- in
21 assessing business risk.
22 Q So given that there's that balance
23 between doing those things, would you say
24 that, in some ways, to -- if a goal is to
25 achieve that investment grade credit rating,
26 and you're able to achieve that through the
27 public, through ratepayer reimbursement,
28 through 21 billion-dollar wildfire fund and

1 other means that you wouldn't have to achieve
2 them through operations and business
3 processes to -- as you move forward?
4 A No. I -- I really think you -- you
5 need both. So, you know, having a track
6 record of strong operations is going to be a
7 very important, you know, factor in assessing
8 business risk, as with safety, and, you know,
9 I think that that also fosters positive
10 regulatory relationships, and then at the
11 same time, you know, seeing, you know, how
12 the Commission rules, you know, in terms of
13 whether the company has prudent costs that
14 are incurred, how they're treated with
15 recovery. I think all that really goes
16 together.
17 Q Okay. So I guess what -- what I'm
18 concerned about is, you know, part of the
19 motivation for the wildfire fund, part of the
20 motivation behind AB 1054 has been to really
21 substantiate the credit rating for PG&E; and,
22 of course, there's a lot of benefits to that,
23 but I -- I'm concerned that that may provide
24 adverse motivations for a company to achieve
25 that through other means.
26 And so, given that you stated that
27 it's the track record of the company, is the
28 track record of PG&E to-date around safety

1 and risk mitigation what you're relying upon
2 as part of your analysis?
3 A So that is a factor in why I
4 mentioned that we believe they're going to
5 have heightened business risk or that the
6 rating agencies are going to be more
7 conservative around business risk because of,
8 you know, some of the issues around safety.
9 In -- in terms of AB 1054, you know, I view
10 that as an issue that was important to all
11 the California utilities, not just PG&E, and,
12 you know, it was really, I think, very
13 important to the capital markets to see that
14 if the utilities are acting prudently, you
15 know, that they're going to, you know, get
16 recovery, and -- and not be essentially a --
17 a reinsurer for all wildfire liabilities.
18 But, I -- I do think that that's important to
19 all the utilities in the state.
20 Q Can you comment on the effects of
21 asset liens in how you -- credit agencies
22 look at risks? So if they're highly
23 leveraged and there's lots of asset liens, is
24 that -- is that -- affect the credit rating?
25 A So the way the agencies generally
26 look at security is that it enhances
27 recovery. So it's -- security isn't a good
28 indicator of probability of default. It's

1 a -- it's helpful to recovery when there --
2 when there is a default. So that -- that's
3 how the agencies view -- view security. The
4 primary benefit is, you know, if -- if there
5 is a default case that there's a -- a lower
6 likelihood of capital loss.
7 Q Okay. Sorry. I'm going to ask the
8 question again.
9 A I can try to -- I can -- I can try
10 to restate that, if it would be helpful, or
11 ask the question again, and I'll try to do
12 better.
13 Q Sure. No. No. No. No. It's
14 just, again, I'm struggling with the right
15 way to ask the question.
16 So if there are, say, 20 percent of
17 PG&E's assets that have liens versus
18 50 percent of the assets that have liens, how
19 does that affect, in those two scenarios, how
20 a credit rating would be determined?
21 A In -- in that scenario, it actually
22 probably would not have much of an impact,
23 because you would -- you would -- the rating
24 agency, using the methodology we talked
25 about, business risks, financial, would come
26 up with a -- a rating for the company, and
27 then they would provide notching, or positive
28 notching on ratings for the collateral.

1 In -- in both of those cases, I don't think
2 they would change the -- the notching. I
3 think it would -- it would be, you know, two
4 notches, in -- in either case, whether it's
5 50 percent of the assets are under lien or
6 20 percent. What I would tell you, though,
7 in this case, and for utilities generally --
8 Q Uh-huh.
9 A -- it's a much higher percentage of
10 the assets, because a mortgage bond will
11 generally cover all the PP&E, or property,
12 plant and equipment, hard assets of a
13 utility, and many very highly-rated utilities
14 still use that structure, because it improves
15 their funding costs. So even though they
16 could issue on an unsecured basis, they
17 choose to issue with mortgage bonds, because
18 it lowers their funding costs.
19 Q So shareholders would look at this
20 credit rating in terms of how they would
21 evaluate the risk of a company. Yes?
22 A It -- it would be one factor.
23 Q Okay. So if there are secured
24 investors who have the asset liens, and so
25 you have unsecured stock shares, is it -- is
26 it detrimental or beneficial to the
27 shareholders that lots of the assets are with
28 a lien for other investors?

1 A So I do not think it's detrimental
2 for a utility to issue -- to access the debt
3 markets with a mortgage bond structure.
4 In -- in either case, whether there's secured
5 debt or unsecured debt, those assets are a
6 priority claim over equity. You know, so
7 I -- I don't think that has an impact.
8 Issuing under secured debt, if it's more
9 cost-effective, you know, is -- is, I guess,
10 a benefit to -- to the overall enterprise.
11 But, I -- to your initial question,
12 I think ratings are, you know, one factor
13 that equity investors, you know, will -- will
14 look at, because ratings are one, you know,
15 indicator of risk profile credit quality.
16 ALJ ALLEN: Mr. Abrams, if you could
17 wrap up pretty quickly. I also think a
18 number of these topics have been covered by
19 other parties' cross, so it would be
20 reflected on the record. I understand that
21 you're developing a little bit more detail.
22 But, if you could wrap up your cross in the
23 next few minutes, that would help us with our
24 scheduling.
25 MR. ABRAMS: Okay. I will endeavor to
26 do that. Thank you.
27 ALJ ALLEN: Thank you.
28 ///

1 BY MR. ABRAMS:
2 Q And so my reason for this question
3 is this: It's just purely trying to look at
4 the interest for victims who are going to be
5 left with this -- with these shares.
6 A Yes.
7 Q And part of our concern is, quite
8 frankly, as other investor classes secure
9 asset liens because they're unsure about
10 PG&E's financial future, those with just
11 shares who are counting on it to build half
12 of their home that was burned down by PG&E,
13 they're wondering, well, look it. Here are
14 all these investors who are getting asset
15 liens to secure their investment. How am I
16 secured? So how should we look at your
17 analysis and come to that determination?
18 A So as an equity holder, I think
19 that you should look at other comparable
20 companies and how their equity trades in the
21 market. And, you know, you'll be one class
22 of shareholders, but there's obviously
23 publicly traded stock today, and there will
24 be more upon exit and in the exit financing.
25 There's currently, you know, a backstop in --
26 in place, so, you know, there -- there's that
27 in place to help the company exit.
28 From your position as a equity

1 holder, I think the credit rating should be
2 one factor that you look at, and you can
3 also, you know, look at other comparable
4 companies, and -- and they'll be, you know,
5 liquid benchmarks, sell-side research. There
6 are a lot of resources that, you know, you'll
7 be able to review to make your determination
8 of value once -- once the company exits
9 bankruptcy.
10 Q So I guess just a question on that,
11 to be able to evaluate that once we exit
12 bankruptcy.
13 The victims in this case will have
14 no opportunity to evaluate that after
15 bankruptcy, because we are already -- we'll
16 already own it. So how do we evaluate now --
17 because we've got to make a decision here
18 coming up.
19 How do we evaluate now, based on
20 what you've provided, whether this is a safe
21 investment, given the statements that I made
22 about what other investors are doing?
23 A So that's actually --
24 MR. ALLRED: Beyond the scope, your
25 Honor.
26 THE WITNESS: Yeah.
27 ALJ ALLEN: Overruled.
28 Overruled. You can answer.

1 THE WITNESS: Sure. So really, what my
2 testimony was focused on was post exit access
3 to the capital markets for -- on that equity
4 component, since there is the backstop, and
5 so we're relying on that backstop that -- you
6 know, the -- the company negotiated that, so
7 that would probably be a question for the
8 company in terms of, you know, the backstop
9 agreement that they, you know, reached with
10 institutional investors.
11 BY MR. ABRAMS:
12 Q So this should not be looked at as
13 an analysis forward-looking after bankruptcy?
14 A This is a forward-looking analysis,
15 but in terms of the equity required to exit
16 bankruptcy, that is committed to, and so
17 we -- we didn't opine on valuation or pricing
18 or things like that.
19 MR. ABRAMS: I'll stop there. Thanks.
20 ALJ ALLEN: Thank you, Mr. Abrams.
21 Now, from my chart, I had no other
22 cross. Is that correct? Any other cross for
23 Mr. Plaster?
24 (No response.)
25 ALJ ALLEN: Okay. I have a question.
26 Mr. Plaster, earlier you had said
27 that you had not had discussions with rating
28 agencies regarding PG&E's likely credit

1 rating. Is that correct?
2 THE WITNESS: That -- that's correct.
3 ALJ ALLEN: Do you know if PG&E had
4 meetings with rating agencies regarding its
5 potential credit rating?
6 THE WITNESS: I believe PG&E has
7 regular discussions with the rating agencies,
8 yes.
9 ALJ ALLEN: And would that be a
10 question for Mr. Wells?
11 THE WITNESS: Yes.
12 ALJ ALLEN: Okay. Thank you.
13 Commissioner, do you have a question?
14 PRESIDENT BATJER: Judge, thank you.
15 Mr. Plaster, thank you for your
16 testimony today. I'm going to ask this
17 question, and it may be better posed also to
18 Mr. Wells, but I'm going to give it a whirl.
19 Okay? If the -- given what you've just said
20 to Mr. Abrams.
21 Given the plan is found to be --
22 given if the plan were found to be
23 undercapitalized, and therefore, the company,
24 PG&E, does not receive the rating your
25 analysis has determined, what options are
26 available to the company before June 30,
27 2020?
28 THE WITNESS: Well, I don't -- I don't

1 know if I should comment on anything other
2 than the current plan. But, if -- if the --
3 if the plan would be altered, I think the
4 company would have to evaluate accessing
5 different markets, you know, for capital, you
6 know, to have less leverage on the business.
7 PRESIDENT BATJER: I'm going to give it
8 a whirl with Mr. Wells, too, then. Thank you
9 very much.
10 THE WITNESS: Okay.
11 PRESIDENT BATJER: Thank you, Judge.
12 ALJ ALLEN: Thank you.
13 Is there any redirect?
14 MR. ALLRED: No, your Honor. Thank
15 you.
16 ALJ ALLEN: Thank you. Anything else
17 for Mr. Plaster?
18 (No response.)
19 ALJ ALLEN: Seeing none, thank you,
20 Mr. Plaster. You are excused.
21 PG&E, your next witness is?
22 MR. WEISSMANN: Andrew Vesey.
23 ALJ ALLEN: Thank you. Off the record.
24 (Off the record.)
25 ALJ ALLEN: On the record.
26 Mr. Vesey.
27 ANDREW MARTIN VESEY, called as a
witness by Pacific Gas & Electric
28 Company, having been sworn, testified
as follows:

1
2 THE WITNESS: I do.
3 ALJ ALLEN: Thank you. Please be
4 seated. State your full name, and spell your
5 last name for the record.
6 THE WITNESS: Andrew Martin Vesey.
7 That's "V," as in victory, e-s-e-y.
8 ALJ ALLEN: Thank you. Who's
9 presenting this witness?
10 MR. MANHEIM: I am, your Honor.
11 ALJ ALLEN: Mr. Manheim.
12 DIRECT EXAMINATION
13 BY MR. MANHEIM:
14 Q Good afternoon, Mr. Vesey. Could
15 you state your position for PG&E, please?
16 A I am the president and CEO of the
17 Pacific Gas & Electric Company.
18 Q Thank you. And you're sponsoring
19 portions of Chapter 5 of PG&E's prepared
20 testimony, Exhibit 1. Is that correct?
21 A That's correct.
22 Q Okay. And let's identify those
23 sections. There are a few sections that are
24 sponsored by other witnesses, and it may be
25 more useful to identify this -- the portions
26 of -- of Chapter 5 you're not sponsoring. So
27 I'll -- I'll list those, and you can confirm.
28 So, as organized, you are not

1 sponsoring Section D-1-A-1, D-1 -- D-1 and
2 D-H. But, otherwise, I believe you are --
3 A Yeah, that's right.
4 Q -- sponsoring all other portions.
5 Is that correct?
6 A That's correct.
7 Q And was that testimony prepared by
8 you or under your direction?
9 A Yes.
10 Q And do you have any corrections to
11 your testimony?
12 A No, I do not.
13 Q So sorry. In exhibit marked
14 PG&E-7, there are a couple of corrections
15 that were identified for Chapter 5.
16 Your Honor, may I approach? I'm
17 not sure if Mr. Vesey has the exhibits.
18 ALJ ALLEN: I have -- go ahead.
19 MR. MANHEIM: May I approach the
20 witness?
21 ALJ ALLEN: Yes. Or actually, if --
22 Mr. Manheim, if you just want to read out
23 what those are first, and then -- so that we
24 all know what they -- what parts you're
25 refining.
26 MR. MANHEIM: Yeah. So in PG&E-7,
27 there was a change on page 5-7 that's noted,
28 the additional note of the word "safety" on

1 line 33, and on page 5-8, line 2, the
2 addition of the word "safety" following
3 "independent." And finally, on page 5-4 --
4 I'm sorry, 5-14, as indicated in that exhibit
5 on line 20, instead of 35 events, it should
6 be 34 events, and on line 21, following the
7 words "enterprise risks," the words
8 "potentially catastrophic" have been added to
9 the parenthetical.
10 ALJ ALLEN: I'm sorry. What was that
11 last?
12 MR. MANHEIM: On page 5-14, line 21,
13 following the words "enterprise risk," the
14 words "potentially catastrophic" were added
15 prior to the parenthetical. And I -- excuse
16 me for the -- the clunkiness of this, but
17 we -- we did submit these changes to the
18 parties in advance.
19 ALJ ALLEN: Thank you. You may
20 proceed.
21 BY MR. MANHEIM:
22 Q So with those corrections noted, is
23 your testimony true and correct, to the best
24 of your knowledge?
25 A Yes, it is.
26 Q Thank you.
27 The witness is available for
28 cross-examination.

1 ALJ ALLEN: Thank you. I believe
2 Mr. Long is starting for TURN.
3 MR. LONG: Yes. Thank you, your Honor.
4 CROSS-EXAMINATION
5 BY MR. LONG:
6 Q Good afternoon, Mr. Vesey. I'm Tom
7 Long with TURN. I want to begin by asking
8 you to turn to your testimony at page 5-4,
9 bottom paragraph. Let me know when you're
10 there.]
11 A I'm there.
12 Q In this paragraph, you're stating
13 your understanding as to what AB-1054
14 requires the Commission to decide here; is
15 that right?
16 A That's correct.
17 Q And one of the things the
18 Commission must decide is whether PG&E's,
19 quote, "resulting governance structure,"
20 close quote, is acceptable in light of the
21 company's safety history, et cetera; is that
22 right?
23 A That's correct.
24 Q And then can we agree that the
25 resulting governance structure refers to
26 governance structure after emergence from
27 bankruptcy?
28 A Yes.

1 Q So I'm going to have some questions
2 about you for the next few minutes about
3 PG&E's resulting governance structure. Let's
4 start with section C of your testimony which
5 begins on page 5-5. You title that
6 "Empowering Leadership," et cetera, and it
7 mentions several officer positions.
8 If I have them all listed here on
9 my notes correctly, it's the chief risk
10 officer?
11 A Uh-huh.
12 Q The chief safety officer, the chief
13 ethics and compliance officer, the chief
14 customer officer, the senior vice president
15 of electric operations, and the interim lead
16 for gas operations. Those are the positions
17 you mention in that section C; is that right?
18 A That's right.
19 Q And am I correct that after the
20 emergence from bankruptcy, there will be some
21 changes in who some, but not all, of those
22 positions report to? That is, some may --
23 well, I just want to -- I'm just trying to
24 set up further questions. We'll get into it
25 in more detail, but do I have -- the general
26 idea is correct?
27 A That's correct.
28 Q Okay. All right. Now I'd like to

1 ask you to turn to a document.
2 I'm going to ask the judge to
3 identify this document. It's the one, your
4 Honor, that's labeled "PG&E Response to TURN
5 Data Requests 14-1 and 14-2."
6 ALJ ALLEN: Thank you. The TURN
7 cross-examination exhibit labeled "PG&E
8 Response to TURN Data Request 14-1 and 14-2"
9 is marked as TURN-X-03.
10 (Exhibit No. TURN-X-03 was marked for identification.)
11
12 BY MR. LONG:
13 Q Do you have that document in front
14 of you, Mr. Vesey?
15 A I have the one you provided me
16 which is TURN-X-02.
17 Q Oh, did I not give you that one?
18 My apologies.
19 ALJ ALLEN: Off the record.
20 (Off the record.)
21 ALJ ALLEN: On the record.
22 Mr. Long.
23 BY MR. LONG:
24 Q Now you have it, Mr. Vesey?
25 A Yes, I do.
26 Q Thank you. I'm just going to read
27 the question that we asked in 14-1:
28 Please provide a post-emergence

1 organization chart showing
2 reporting relationships for all
3 utility executive positions
4 discussed in Mr. Vesey's
5 testimony. The chart should
6 include members of the board,
7 excuse me, parentheses S, and
8 board committees where applicable.
9 And then I'm going to paraphrase
10 the answer and tell me if it's a fair
11 paraphrase. The response says that PG&E does
12 not have a post-emergence organization chart
13 available to provide at this time; is that
14 right?
15 A That's correct.
16 Q And that's still the case?
17 A Yes.
18 Q And you do not have even an
19 organization chart that shows the officer
20 positions, who they report to, and what
21 organizations they oversee for the officers
22 you reference in your testimony I just
23 listed?
24 A I think for the officers that we
25 just listed, we can answer that question
26 because they're too specific that we
27 addressed, which is a change, and this is not
28 in response that we have an overall

1 post-emergence organization chart as we'll be
2 going through.
3 Hopefully significant
4 reorganizations we can treat regionalization.
5 But upon emergence, upon approval of the
6 plan, two of the officers that were listed in
7 here will have different reporting
8 relationships.
9 Q Okay. So I think your answer
10 was -- my question went to is there an
11 organization chart, and I think the answer is
12 still no?
13 A No.
14 Q But you're willing to talk about
15 it?
16 A Yes.
17 Q Okay. And then I just want to just
18 address something that's also stated in
19 Answer 1 to the data request we were just
20 looking at. It says PG&E previously produced
21 recent organization charts in response to
22 Question 3 in AHC's second set of data
23 requests. And then it gives a citation to
24 that one. I've given you that referenced
25 document there, which is the attachment to
26 AHC Data Request 2-3, Attachment 4.
27 And, your Honor, if I could have
28 that document marked as the next exhibit in

1 order, I'd appreciate it.

2 ALJ ALLEN: This is the TURN

3 cross-examination exhibit PG&E Response to

4 AHC Data Request 2-3 and Attachment 4.

5 Is that what you're referencing?

6 MR. LONG: Exactly, your Honor.

7 ALJ ALLEN: That will be marked as

8 TURN-X-04.

9 (Exhibit No. TURN-X-04 was marked for identification.)

10 MR. LONG: Thank you, your Honor.

11 Q I don't want to take a lot of time

12 with this, Mr. Vesey, but this document

13 that's referenced in that data request

14 response I just read, this is not a

15 post-emergence organization chart; is that

16 right?

17 A This is the current organization

18 chart as far as I can tell.

19 Q Okay. So it's not responsive to

20 the question of -- to the request for a

21 post-emergence organization chart; is that

22 right?

23 A Well, as I said, the thing that

24 would drive a change in organization is going

25 to be the move to a few things including the

26 regionalization. When we think about an

27 organization chart, it has to involve a lot

28 of other changes that are being made.

1 On emergence, lacking anything
2 else, the points that I made before around
3 two positions, one, the now newly-defined
4 chief risk officer and the new chief safety
5 officer will have a different reporting
6 relationship.
7 Q Okay. My question was narrow.
8 A Okay.
9 Q This is not a post-emergence
10 organization chart; is that correct?
11 A That's correct.
12 Q Okay. And in fact it's not even
13 all that current. It's dated as of
14 October 31, 2019, if you look at the top of
15 the legend at the top of the first page?
16 A Right.
17 Q We have a more recent organization
18 chart, which I'll show you later in my cross,
19 so this is not even the current organization
20 chart; is that right?
21 A It's dated 10-31-2019.
22 Q So that's not the current
23 organization chart; correct?
24 A That's correct.
25 Q Thank you. Okay. Now let's talk
26 about some of these positions. Going first
27 to the chief risk officer which you discussed
28 beginning at page 5-6. So this is a position

1 that already exists; is that correct?
2 A The position described here already
3 exists.
4 Q And that position now reports to
5 the chief financial officer; is that correct?
6 A That's correct.
7 Q And post-emergence, this position
8 will report to the corporation CEO; is that
9 correct?
10 A This position modified will report
11 to the corporation CEO.
12 Q Okay. And how will it be modified?
13 A Currently the chief risk officer
14 also has responsibility for internal audit.
15 It's intentioned that on emergence, the chief
16 risk officer reporting to the CEO will solely
17 be focused. His entire focus will be as
18 chief risk officer, so it's a single-focused
19 position.
20 Q So the new position will drop any
21 duties related to internal audit; is that
22 what you're saying?
23 A Yes.
24 Q Okay. I'm going to just back up
25 just a moment, Mr. Vesey. I'm sorry for a
26 little discontinuity here, but I failed to
27 just establish a few basic things about you
28 in your position.

1 A Uh-huh.
2 Q You were appointed in August of
3 2019; is that correct?
4 A August 19, 2019.
5 Q Okay. And who were you hired by
6 specifically?
7 A Specifically? By the corporation.
8 I can't tell you specifically, but approved
9 by the board of the utility.
10 Q Okay. So you were hired -- I'm
11 sorry, I got a little confused there. You
12 were --
13 A Well, for clarity, it's hard for me
14 to answer the question who hired me. I don't
15 really know what that means.
16 Q Okay. Well, and I don't mean the
17 individual. I mean you were hired by the
18 board of directors and which board of
19 directors was it?
20 A The board of directors and I would
21 assume the board of directors of the utility,
22 but it's the board of directors of the
23 corporation probably at that time chaired by
24 the utility board chair, but I don't have
25 insight into exactly those mechanisms.
26 Q So it could have been one of the
27 two boards that hired you formally?
28 A Yes.

1 Q Okay. And I asked Mr. Johnson this
2 but I just want to get your understanding.
3 A Right.
4 Q Do you have a reporting -- a formal
5 reporting relationship with the CEO of the
6 corporation?
7 A A formal reporting relationship,
8 no.
9 Q Okay.
10 A No.
11 Q But I think you said you worked
12 together closely; is that --
13 A Very closely.
14 Q Is that fair?
15 A Yeah.
16 ALJ ALLEN: Let's make sure that the
17 question is finished before the answer comes
18 out to keep the reporters happy.
19 THE REPORTER: Thank you, Judge.
20 ALJ ALLEN: Or at least happier.
21 MR. LONG: And I'll try to slow down
22 too.
23 Q All right. Now, we were talking
24 about the chief risk officer and you were
25 explaining that this position has -- will
26 shed one of its current duties and will
27 report -- instead of the current situation
28 where that person is reporting to the chief

1 financial officer, this position will
2 post-emergence report to the corporate CEO.
3 Do I have that right?
4 A Yes.
5 Q So how is this an improvement over
6 the current governance structure?
7 A Well, I would answer in two ways.
8 One, I think singular focus is always very
9 important. If we think about some of the
10 root causes of performance over the last 10
11 years, common to all those events was not
12 having a full appreciation of risks.
13 So, broadly speaking, the idea of
14 having a single indiv -- an individual with a
15 singular focus on risk governance, meaning
16 standards, processes, procedures, how do you
17 understand and provide an independent review
18 to the corporation's CEO, to the board, I
19 think, is very important.
20 Now, some of those functions were
21 met with the current incumbent, but I think
22 singular focus is number one which is quite
23 important. The second change which I also
24 believe is important is I believe that -- and
25 I think this has been mentioned before in
26 Mr. Johnson's testimony -- is that if
27 something of that level of importance which
28 is that connected to a number of the issues

1 that have impacted the company, having a
2 direct report into the corporate CEO gives it
3 the status and the importance to undertake
4 its responsibilities.
5 Q Okay. So in terms of having this
6 position report directly to the corporate
7 CEO, the benefit of that is enhanced status.
8 Is that your testimony?
9 A That's one of the benefits, yes.
10 Q Well, are there any other benefits
11 of that change in reporting relationship?
12 A Only the fact that it's direct to
13 the CEO, it's unfiltered, it actually becomes
14 much more independent than reporting down
15 into a report to the CEO. So I think in that
16 sense it's status, but also line-of-sight
17 responsibility on accountability to the
18 corporation at the highest level.
19 Q Okay. So among the risks and
20 probably most of the risks that the chief
21 risk officer is going to be concerned with
22 are risks associated with the operation of
23 the utility; am I right?
24 A It's among the risks that they have
25 to be responsible for.
26 Q Okay. Not most though? You're not
27 willing to --
28 A Well, I don't know how to do the

1 math, but it's a significant portion, but
2 there are many other risks that impact the
3 company.
4 Q Okay. And you're in charge of the
5 utility; right?
6 A That's correct.
7 Q Okay. What will be your
8 relationship -- in terms of formal reporting
9 hierarchy, what will be your relationship
10 with the chief risk officer?
11 A Well, I don't believe that there's
12 going to be a reporting relationship, but
13 just like we have today with the chief
14 compliance officer that reports to the CEO
15 and other executive officers reporting to the
16 CEO, it's a close, collaborative
17 relationship.
18 At some times it's more evident
19 outside the independent view. But I expect
20 that relationship to be collaborative,
21 productive, but also one that is independent
22 from my responsibility, so I do think it's an
23 important thing.
24 Q So the chief risk officer will not
25 be reporting to you; correct?
26 A No; that's correct.
27 Q How will the -- how would you be
28 getting the benefit of the output of the

1 chief risk officer and the chief risk
2 officer's organization if they don't have a
3 reporting relationship with you?
4 A This is the current situation, so
5 forget for the moment where the chief risk
6 officer reports and the fact that today it's
7 not a singular focus. It's through regular
8 meetings. I get regular meetings with the
9 chief risk officer reviewing the protocol,
10 the bow-tie analysis, all the work that goes
11 into the RAMP proceeding.
12 We sit down on a regular basis. We
13 talk about the risks. It's an ongoing
14 relationship. I get -- at least quarterly I
15 sit down with the current chief risk officer,
16 go over those issues, comment. It impacts
17 the way we do our risk budgets. So it's an
18 ongoing role. I don't expect that to be
19 different.
20 Q Okay. Thank you. Looking at the
21 top of page 5-6, lines four through six, you
22 state:
23 PG&E will consult with the
24 governor's office and CPUC
25 regarding the identity of the
26 initial post-emergence CRO.
27 I just want to follow up on that.
28 So, there's a current chief risk officer.

1 Are you saying that the identity of the chief
2 risk officer may change depending upon the
3 outcome of consultations between PG&E and the
4 governor's office or PG&E and the CPUC?
5 A Yeah, because we're dealing with
6 individuals by name, I would suggest that the
7 process that will be used to actually fill
8 that new role will view the incumbent as well
9 as others, and I expect there to be a
10 consultation process.
11 Q So consultation with the governor's
12 office and the PUC. Can you explain a little
13 bit how that will work.
14 A Because I'm not going to manage it
15 and I don't have insight to it, I can't. But
16 my general sense is that if we have a
17 candidate, we would present those credentials
18 and take input before we'd make any final
19 decision. It's a consultation.
20 Q Okay. And would that be a public
21 process or would that be a behind-the-scenes,
22 private process?
23 A I really can't talk to that.
24 Q Well, who can? I mean, it's in
25 your testimony.
26 A Who can? I would imagine that it's
27 our basically the regulatory group. I think
28 that Robert Kenny is giving testimony later.

1 It would also most likely be those who are
2 involved with the ongoing conversations with
3 the governor's office and negotiations and
4 other elements of the relationship.
5 I just don't have the details of
6 it. I mean I'm sure they could be provided,
7 I'm just not aware of them.
8 MR. LONG: Your Honor, given that
9 answer, could I ask if you could ask PG&E to
10 allow me to follow up on that question with
11 Mr. Kenny?
12 ALJ ALLEN: Yes.
13 MR. MANHEIM: He'll be here. You can
14 ask him.
15 MR. LONG: And without objection from
16 PG&E?
17 ALJ ALLEN: Well, they might object to
18 the form of the question, but you're
19 certainly allowed, since Mr. Vesey has
20 referred the question to Mr. Kenny, you're
21 certainly free to ask Mr. Kenny.
22 MR. LONG: Thank you.
23 ALJ ALLEN: There may be other
24 objections. Go ahead, Mr. Long.
25 MR. LONG: Yes, one moment. Thank you.
26 Q I'm referring now to page 5-8 of
27 your testimony. At the very top bullet, you
28 refer to quarterly in-person reports to CPUC

1 staff in conjunction with the independent
2 adviser. Do you see that? Independent
3 safety adviser?
4 A Yes.
5 Q Do you intend those to be public
6 documents?
7 A I would -- I really don't --
8 whatever -- there must be a protocol for
9 this. I don't know what it is that would
10 align with that, so I don't have an answer to
11 that either.
12 Q How about Mr. Kenny for that one
13 too?
14 A I assume that would be a very good
15 person to ask.
16 Q Okay. All right. Now let's move
17 on to the chief safety officer which you
18 discuss on page 5-8. That position currently
19 directly reports to you; is that correct?
20 A That's correct.
21 Q At lines 15 to 16, you describe the
22 CEO as someone who currently partners with
23 the lines of business to develop and monitor
24 the enterprise-wide safety program.
25 So that's -- when you're talking
26 about the lines of business there, do you
27 mean, for example, electric operations, gas
28 operations, generation?

1 A Yes.
2 Q But the proposal is for
3 post-bankruptcy -- for emergence -- upon
4 emergence for the -- this position to report
5 directly to the corporate CEO; is that
6 correct?
7 A That's correct.
8 Q I think, if I understood
9 Mr. Johnson yesterday correctly, he said the
10 corporate CEO has no direct responsibility
11 for those lines of businesses I just
12 mentioned; isn't that right?
13 A If that's what he said, then it's
14 correct.
15 Q So why should this position report
16 to the corporate CEO?
17 A Well, again, my view is that given
18 that this is one of the top issues of
19 performance deficit for the corporation
20 overall, and I view the corporation overall
21 as not only the corporate holding company,
22 but the operating company, that having it
23 again reporting to the highest level
24 executive gives it the status to performance
25 role.
26 One of those roles is advising,
27 developing program, working in support of the
28 operating units. The other is a showing that

1 this risk is managed broadly by the
2 corporation and that the governance
3 structures and the standards that apply apply
4 broadly. There's also this level, quite
5 honestly, which I believe is that when you're
6 dealing with these major risks, having that
7 independent pathway of communication to the
8 corporate CEO over the operating company is
9 appropriate.
10 It's not an unusual structure. I
11 think it works well with the right
12 governance, with the right expectations. So
13 I think it's reasonable to do that. I think
14 reporting into the, again, to the highest
15 level executive officer gives it the
16 importance that it needs, which translates
17 into making sure things get done and it's
18 adequately resourced.
19 Q Okay. I'm going to ask you now to
20 turn back to the document that's been marked
21 TURN-X-03 and ask you to look at the response
22 to TURN's Data Request 14-2. Actually I'm
23 just going to refer you to the question. The
24 question asked:
25 Provide a comparison of the
26 safety-related responsibility of
27 the chief safety officer and the
28 chief risk officer including, but

1 not limited to, an explanation of
2 how those respective
3 responsibilities are different.
4 I'm just going to ask you, rather
5 that have you read this answer, I'd just like
6 you to -- because honestly I had a little
7 trouble understanding the answer. If you
8 could just tell me in your own words how you
9 understand those two roles to be different.
10 MR. MANHEIM: I'm just going to ask
11 that the witness be given time to review the
12 answer since you're asking him to paraphrase
13 it.
14 MR. LONG: I'm asking actually his own
15 understanding.
16 MR. MANHEIM: His understanding of a
17 data request --
18 ALJ ALLEN: Let's --
19 MR. MANHEIM: -- he hasn't read yet?
20 ALJ ALLEN: Let's not use the data
21 request. I think there's a pending question
22 for this witness to ask to explain the
23 difference or distinction of roles between
24 the chief risk officer and the chief safety
25 officer.
26 Is that a fair paraphrase?
27 MR. LONG: Exactly.
28 ALJ ALLEN: And do you understand that

1 question, Mr. Vesey?
2 THE WITNESS: Yes, in my view --
3 ALJ ALLEN: Go right ahead and answer
4 it.
5 THE WITNESS: Very good. Thank you.
6 If you think about the two roles, the chief
7 safety officer literally is a technician who
8 helps manage the risks around safety, both
9 currently in the work force, but going
10 forward, also work force and public safety.
11 All right.
12 The mechanisms, how we think about
13 risk, how we quantify it, how we measure it,
14 how do we assure there are mitigations, these
15 are the procedures and processes that a chief
16 risk officer would lay out. So in fact a
17 chief risk officer lays out protocol, lays
18 out standards for measure, helps quantify,
19 helps assure that the risks are appropriately
20 measured.
21 The chief safety officer
22 fundamentally is working on mitigation
23 strategies and prevention. In front of that,
24 there is a whole sense of prioritization and
25 that's where understanding how we think about
26 risks in quantitative terms has to be
27 consistent so you can prioritize risks across
28 the organization and across the corporation.

1 So the way I think about this, quite
2 honestly, is that the chief risk officer
3 basically sets up the protocols, the process,
4 and the way we measure and think about risk
5 generically. The chief safety officer deals
6 with helping to identify the risks around
7 work force and public safety and then
8 actually executes the programs to mitigate
9 those.
10 BY MR. LONG:
11 Q I sort of get the feeling from that
12 that the chief safety officer is more -- has
13 more of an execution and implementation role.
14 I kind of get that. Am I on the right track
15 there?
16 A I think that's a good portion of
17 it, yes, and advising and consulting. You
18 may not actually execute, but helps design
19 appropriate risk mitigation around safety in
20 the work force.
21 Q And then the chief risk officer is
22 more designing a framework?
23 A It's establishing sort of the rules
24 of the road, the procedures and the processes
25 by which we think about it so that, you know,
26 risks exist in various portions of the
27 business. If you don't have a consistent way
28 of identifying and measuring them, then you

1 get into a challenge when you start to
2 allocate resources to mitigate those and so
3 you want it all being done the same way.
4 Safety is one particular pocket of
5 risks. The head of electric operations deals
6 with electrical operations risks. The head
7 of gas deals with gas risks. That's what
8 they do. They program against risks. That's
9 what the budgeting process is so they can get
10 continuity of service by making sure we
11 manage the risk.
12 So the chief risk officer deals
13 with the head of safety who is dealing with
14 safety broadly, the head of electric ops
15 deals with electric operations, the head of
16 gas, the head of power gen, they're all
17 managers, onus of and managers of risk, but
18 the question of governance of how we think
19 about it, how we identify it, what's quality,
20 signing off on the corporate and mitigation
21 plans, I think that's the role of the chief
22 risk officer and also to make sure they're
23 scanning the horizon for the emergence ones.
24 But we do have risk officers in the
25 company. They're not called risk officers,
26 but the senior vice president of electric ops
27 is deploying financial and human resources to
28 ensure that the continuity of power deals

1 with all the risks around those assets,
2 right, and that's what they do.
3 How we evaluate risk is the growing
4 skill that we're learning we have to be
5 better at. It's sort of at the root of what
6 we do. So you can think about risk onus as
7 being a number of them, including somebody
8 who will collectively own the safety risk,
9 but they all are going to work under the
10 governance structure, given the tools, the
11 tool kits, the processes that are prescribed
12 by the chief risk officer.
13 And then the chief risk officer
14 will have to at some point have a view
15 whether those responses are adequate, have we
16 minimized them to the right level. And
17 that's a view that would be conveyed not only
18 to the operating business, but to the
19 corporation and to the board of directors of
20 the utility and the corporation.
21 Q Okay. Let's move on. The next
22 officer you name is the chief ethics and
23 compliance officer.
24 A Yes.
25 Q I just have a question there. That
26 position is already reporting to the
27 corporate CEO; is that correct?
28 A That's correct.

Q So there's no change in terms of reporting relationship being proposed for that position?

A That's correct.

Q And in fact that's been the case since about 2015 that that position is reported to the corporate CEO; is that right?

A Subject to check, I'll accept that, yes.

Q All right. Now let's move on to a different topic, which appears later in your testimony at page 5-18. It's heading B, "Improving Wildfire Safety." If you could turn to that, please.

A Yes, I have it. Thank you.

Q Thank you. I'm sorry. In that section you mentioned various programs to improve wildfire safety. So, for example, you mentioned enhanced vegetation management at line nine and what you refer to on lines 12 and 13 as -- you used the words "ambitious wildfire safety inspection program." I want to focus on the latter for just a moment.

A Uh-huh.

Q So the wildfire safety inspection program is a program to inspect transmission and distribution facilities; is that right?

A That's correct.

1 Q So what position, what title, is in
2 charge of that program?
3 A In charge of the inspection
4 program?
5 Q Yeah, the wildfire safety
6 inspection program.
7 A In terms of designing it is the
8 asset -- the title I probably have to check
9 on the org chart, but the individual has
10 responsibility for the asset management and
11 wildfire safety programs reporting up -- it's
12 a vice presidential position reporting up to
13 the senior vice president of electric
14 operations.]
15 Q Okay. So I'm going to give you
16 what I think is the most recent -- or I think
17 I've given you. It's labeled TURN-X-02, what
18 I think is the most recent org chart that I
19 received from PG&E in discovery. And if you
20 could help me find that position, I would
21 appreciate it.
22 ALJ ALLEN: Mr. Long, are you referring
23 to TURN-X-02 or TURN-X-04?
24 MR. LONG: This time I'm referring to
25 TURN-X-02.
26 ALJ ALLEN: Which was distributed
27 yesterday?
28 MR. LONG: Which was distributed

1 yesterday and marked in my cross-examination
2 of Mr. Johnson.
3 ALJ ALLEN: Okay. Thank you.
4 MR. LONG: And this one is dated at the
5 top right of the organization chart. Pages
6 -- it shows January 31st, 2020.
7 MR. MANHEIM: Your Honor, may I just
8 point out the page so that we don't have to
9 go through an expedition here? It's marked
10 6-22 in the bottom right corner.
11 MR. LONG: Well, I'd rather not have
12 counsel testify. I'd rather --
13 (Crosstalk.)
14 ALJ ALLEN: Hold on. Hold on. Let's
15 go off the record.
16 (Off the record.)
17 ALJ ALLEN: On the record.
18 Go ahead, Mr. Long.
19 BY MR. LONG:
20 Q What I was asking you to do,
21 Mr. Vesey, is to tell me the position that's
22 in charge of the Wildfire Safety Inspection
23 Program. My reference to the organization
24 chart that's in TURN-X-02, can you tell me?
25 A That's the position that's titled
26 Vice President Asset Risk Management and
27 Wildfire Safety. It is filled by an
28 individual named Debbie Powell, and it's a

1 direct report to Michael Lewis, Senior Vice
2 President of Electric Operations. It's the
3 last box in the second row on the right-hand
4 side.
5 Q On what page are you on?
6 A 6-22.
7 Q Okay. So that -- and that refers
8 us to page 12-44. So Ms. Powell has -- just
9 going back to -- I am sorry to page 6-22.
10 The title suggests that Ms. Powell has
11 responsibilities that include more than just
12 the Wildfire Safety Inspection Program. She
13 --
14 A That's correct.
15 Q I know this is in response to my
16 question. It's not a criticism. It's just
17 she has multiple responsibilities that
18 include the Wildfire Safety Inspection
19 Program; correct?
20 A Correct.
21 Q Okay. So now can we go to find --
22 is there somebody that's -- whose sole or
23 close to sole responsibility is that
24 inspection program?
25 A In terms of executing it? In what
26 term soul responsibility?
27 Q I mean, it's -- is there somebody
28 that's in charge of that program that that's

1 their job?
2 A Well, the responsibility rolls up
3 to under Ms. Powell. I'm assuming that Asset
4 Management Group lays out the requirements,
5 the program, the work, which is then executed
6 by qualified electricians, field inspectors,
7 and many others.
8 So there is not a particular work
9 group that reports up to Ms. Powell that
10 people actually go out and inspect. It's
11 using the resources that are in the field.
12 The men and women who are in the field and
13 that do other things as well will have a
14 workload to inspect infrastructure. So it
15 might be distributed among a few different
16 organizations.
17 Q Okay. Well, we just looked a
18 moment ago at page 6-22. And it showed that
19 the organizations that report to Ms. Powell
20 are on page 12-44. Am I reading that
21 correctly? Am I reading the organization
22 chart correctly?
23 A I'm trying to find page 12-44
24 that's being directed so.
25 Q Take your time. Let me know when
26 you're there.
27 A Okay. I have it in front of me.
28 I'm not if sure I can read it.

1 Q It's small.
2 A I actually can't read it so.
3 Q Is there a box underneath --
4 Ms. Powell's name is at the top. Is there a
5 box underneath her name there that's Wildfire
6 Safety Inspection Program?
7 A I can't tell from this. I'm not --
8 I actually don't have that level of detail of
9 these organizations to be able to respond
10 thoughtfully to that.
11 Q Okay. So you can't name like the
12 program head for the Wildfire Safety
13 Inspection Program other than Ms. Powell?
14 A That's right.
15 Q All right.
16 MR. LONG: That's all my questions.
17 Thank you, Mr. Vesey.
18 THE WITNESS: You're welcome.
19 ALJ ALLEN: Thank you, Mr. Long.
20 Off the record.
21 (Off the record.)
22 ALJ ALLEN: On the record.
23 Mr. Geesman?
24 CROSS-EXAMINATION
25 BY MR. GEESMAN:
26 Q Thank you, your Honor.
27 Mr. Vesey, my name is John Geesman.
28 I represent the Alliance for Nuclear

1 Responsibility. Our interest in this
2 proceeding is the impact on ratepayers in
3 PG&E's plan of reorganization.
4 At page 5-1 of your testimony,
5 lines 23 to 25, you identify as the first
6 initiative in that listing as quote:
7 Enhancing PG&E's enterprise and
8 Operational Risk Management Program,
9 which quantitatively and
10 systematically identifies key risk
11 drivers, facilitates the mitigation
12 of risk across the enterprise.
13 This program evaluates risks at the
14 Diablo Canyon Nuclear Power Plant, does it
15 not?
16 A Yes, it does.
17 Q And is the basic metric for that
18 evaluation potential core damage frequency?
19 A Yes.
20 Q Can you briefly describe how core
21 damage frequency is a major risk at a nuclear
22 power plant?
23 A Core damage events can do a number
24 of things. In the worst instance, a core
25 damage event can lead to a loss of
26 containment either in, you know, from fuelled
27 cladding level, reactor vessel, the other
28 containment. So there's a range.

1 Other core damaging event from
2 swings in power can lead to shortening the
3 life of the core and increasing the cost
4 through poisoning of the core through power
5 transients. So there's a wide range of them.
6 And the specific one that is listed in our
7 risk registry, which has a very, very low
8 frequency of expectation, I can't tell you
9 what specifically that one's referring to.
10 Q Do calculations of core damage
11 frequency provide any incite into risks of
12 the spent fuel pools for potential releases
13 of radiation would not necessarily have any
14 react -- relationship to the reactor core?
15 A Could you just phrase that again?
16 Same question. I just need to hear it.
17 Q Do calculations of core damage
18 frequency --
19 A I don't believe so.
20 Q Can you identify then how PG&E,
21 quote quantitatively and systematically
22 closed quote, assessed its spent fuel risk in
23 the absence of a metric like core damage
24 frequency?
25 A Well, I'm assuming in the process
26 of interrogating the chief nuclear officer
27 and going through the risks, that's
28 evaluated. And whether that makes the

1 ultimate risk registry or not, I'm not sure.
2 But I assume that is the process.
3 I have not sat through that process
4 yet. Because in the cycle of events what we
5 call our "Session D" where we start to
6 identify those risks, is upcoming. And I've
7 not been in that yet. But I would assume
8 that the process is an interrogation of the
9 chief nuclear officer and his senior staff.
10 Q And that interrogation would
11 produce a quantitatively and systematically
12 basic assessment?
13 A I would imagine that's where it's
14 heading. The -- our programs on evaluating
15 risk continue to improve. One of the core
16 limitations on it -- and that meant "core"
17 not in terms of nuclear. But one of the
18 limitations, fundamental limitations, is
19 quality and availability of the appropriate
20 data, which I'm assuming is pretty rich
21 within the nuclear organization since its
22 responsive to INPO and the others. It is
23 probably more sophisticated there. I'm just
24 -- I'm not at this point being able to tell
25 you specifically what that is.
26 Q Do you know today whether the
27 assessment of the spent fuel pool risk is
28 primarily qualitative or primarily

1 quantitative?
2 A I don't know the answer for that.
3 Q At page 5-2 in your testimony,
4 lines 30 through 34, you describe the
5 utility's commitment to submit verifications
6 of safety-related filings to the CPUC signed
7 by specified senior personnel in order -- and
8 I'm quoting now:
9 To ensure additional accountability
10 among senior-level personnel as well
11 as transparency and the public's
12 confidence in PG&E's commitment to
13 safety and reliability.
14 Closed quote.
15 Does anyone at the utility have
16 responsibility for maintenance of the minutes
17 of the utility board meetings or meetings
18 with the utility's Safety and Nuclear
19 Operations Committee?
20 A I would imagine so.
21 MR. GEESMAN: Your Honor, can I
22 distribute the exhibit that I've asked you to
23 mark A4NR-X-04?
24 ALJ ALLEN: Yes. Marking the Alliance
25 for Nuclear Responsibility Cross-Examination
26 Exhibit. At the bottom it says "AL5700-E."
27 That's marked as A4NR-X-04.
28 (Exhibit No. A4NR-X-04 was marked
for identification.)

1
2 ALJ ALLEN: Off the record.
3 (Off the record.)
4 ALJ ALLEN: On the record.
5 Mr. Geesman.
6 BY MR. GEESMAN:
7 Q Do you have the exhibit, Mr. Vesey?
8 A Yes, I do.
9 Q Are you aware that the Commission
10 requires PG&E to supply it with
11 non-confidential versions of the minutes of
12 all utility board of directors and SNO
13 Committee meetings?
14 A I will accept that.
15 Q Looking at the cross-examination
16 exhibit, which has been handed to you, which
17 is several pages taken from PG&E's
18 November 27th, 2019, advice letter 5700-E.
19 This was the first quarterly report PG&E
20 submitted after the Commission started
21 requiring submittal of non-confidential
22 versions of the minutes; right?
23 A Yes.
24 Q Turning to the last page of the
25 Cross-Examination Exhibit A4NR-X-04, I'm
26 going to read the first sentence below the
27 heading BOD and Safety and Nuclear Committee
28 Meeting Minutes.

1 A Mh-hm.
2 Q Am I correct "BOD" stands for board
3 of directors?
4 A Yes.
5 Q The sentence reads:
6 There are no new responsive
7 documents for BODs or Safety and
8 Nuclear Oversight Committee meetings
9 held on or after June 13th, 2019
10 (the effective date of
11 D. 19-06-008.)
12 Did I read that correctly?
13 A Yes.
14 Q So I take it that no new minutes
15 were submitted in the first quarterly report;
16 correct?
17 A I would assume that's the case.
18 That's what it says. I'm just reading or
19 scanning the two paragraphs underneath that,
20 which talk about the timing, and
21 confidentiality aside, the approval of those
22 minutes. And the last paragraph that says:
23 Given this time, PG&E intends to
24 include these quarterly reports
25 non-confidential versions.
26 So I'm read -- I mean, I'm just
27 seeing this one page. I would assume there
28 are timing issues to get approved minutes

1 out. I can't talk to that. That's done by
2 the Office of the Corporate Secretary in that
3 process. But that's what it says.
4 Q When you say "Corporate Secretary,"
5 are you referring to the utility corporate
6 secretary?
7 A There's a corporate secretary
8 corporation that has also additional
9 individuals who provide support to the
10 various board committees. I'm assuming
11 they'll be a -- somebody from the Corporate
12 Secretary's Office in not only the board
13 meetings but in the Safety and Nuclear
14 Oversight Committee they would have
15 responsibility for co-defining, finalizing
16 those minutes once approved by those
17 committees.
18 Q So when you say corporate
19 secretary, you mean at the holding company?
20 A Yes.
21 Q I take it there were, though,
22 utility Board of Director and SNO Committee
23 meetings between June 13th and the date of
24 this first quarterly report?
25 A Yes.
26 Q As CEO of the utility, how long do
27 you think it should take to finalize minutes?
28 A Well, I don't really have a basis

1 for that. But you would expect them to be
2 timely.
3 Q In light of PG&E's past challenges
4 with safety-related record keeping, do you
5 consider the first set quarterly report to be
6 a satisfactory response to the Commission's
7 compliance requirements?
8 A Well, I haven't reviewed it
9 recently. I sit in all of those meetings,
10 and I think they adequately reflect the
11 content of those meetings.
12 Q You testified at page 5-4, lines 13
13 through 14, that you are intent on steering
14 the utility, and I'm quoting:
15 In new and positive directions
16 centered around customer and
17 workforce welfare.
18 Closed quote.
19 Were you here this morning for
20 Mr. Johnson's testimony?
21 A Yes.
22 Q Do you recall what he said to me in
23 terms of customer welfare?
24 A If you can repeat it, I'd
25 appreciate it.
26 Q Well, what I derived from his
27 statement was that it was based on how many
28 complaints the company got from customers.

A If I may, this may be a longer answer than you were expecting, because I do remember the conversation. It may have been during your questions or others about the definition of customer welfare. Customer welfare is a relatively new term that we use. I'll give you the history of it, and then I'll try to get to the question that you asked specifically.

When I landed here in August, It was immediately in the fire season, and my focus was to twofold. One was to make sure that whatever program we had to prevent catastrophic wildfires were being prosecuted as effectively as possible.

The other one was to provide some level of stability over the organization with all of the leadership changes that we had so that we can actually keep the lights on and the gas flowing and the power generated and operating safely.

One of my learnings early on into the conduct of PSPS, was that we had defined our objective too narrowly. We had defined it as preventing a catastrophic wildfire.

As a result and as we heard loudly and as we reacted to today, we recognize that there was considerable risk shift to our

1 customers. And then we had to think about
2 our objective measure differently.
3 So broadly speaking, customer
4 welfare started by saying that it is our
5 objective to maximize customer welfare
6 defined as the protection of their property,
7 their lives, and the continuity of service.
8 So that's where that came from.
9 Now, you're talking specifically to
10 a measure that we used to try to make sure
11 that we're providing the right service to our
12 customers. We historically, I understand,
13 had a measure that was directed at customer
14 satisfaction in a benchmarkable way through
15 J.D. Power or somebody similar.
16 I understand that in the last year
17 between 2018 and 2019, that was changed
18 because the fundamentals were that it
19 wouldn't be a good measure given all of the
20 disruption that we had with the PSPSs, and
21 then we had to think about a different
22 measure.
23 One of the measures that I'm hoping
24 that we will go back to is something much
25 more like a net promoter score that literally
26 measures the customers' experience with us.
27 That's where we're going.
28 The measure that we had, which is

1 the number of complaints in a thousand
2 customers that go to the Commission, I don't
3 think is satisfactory. It was, sort of,
4 something that we had and we used. Because I
5 can remember using that in 1986 and I can
6 tell you what my number was and I can tell
7 you that the world has changed a lot since
8 then.
9 So, yes. That's our current
10 measure. I don't think either Mr. Johnson or
11 I or others would believe it's the best. But
12 it was in transition until we can figure out
13 and get back to something which more directly
14 measures the customer experience.
15 Q Okay. That's very helpful. In the
16 same paragraph, on page 5-4, lines 18
17 through 22, you say that you strongly believe
18 the utility future success depends on
19 focusing on, among other things,
20 affordability?
21 A That's correct.
22 Q Do you recall what Mr. Johnson told
23 me about affordability? The way he used the
24 word?
25 A But you can remind me.
26 Q Well, again, it seemed like a
27 qualitative label as it relates to its use as
28 a PG&E goal and objective. Do you have -- I

1 am sorry. Did I --
2 A No, no. I was just breathing.
3 (Laughter.)
4 BY MR. GEESMAN:
5 Q Is there any quantitative
6 performance metric that you as the CEO of the
7 utility intend to apply in determining
8 whether PG&E is successful in this
9 affordability objective?
10 A Yes. Yes. So that's the answer
11 specific to the question, but I need to give
12 you some thought.
13 There are two things. Typically
14 within the utility organization, the driver
15 for affordability comes down to effectiveness
16 and productivity. Because everything that
17 will go from there to affordability, which
18 I'll get to in a moment, depends on our cost
19 structure and making sure that we're as
20 sufficient as possible. Okay.
21 The issue to me of affordability is
22 a little bit different. Before coming to
23 PG&E, I spent five years in the competitive
24 retail energy business in Australia, and
25 affordability was a big issue. And we
26 thought about it different. Because
27 affordability is a uniquely different thing
28 to different customers.

1 Affordability isn't one thing. And
2 affordability's directly related to social
3 and economic inclusion based on how much of
4 your wallet share is focused in energy.
5 So what I am hopeful one of the
6 measures we will model in emergence, as part
7 of a suite of measures on performance, will
8 be share of wallet for various customers.
9 That will inform then the kind of programing
10 and outcomes we would want with the
11 Commission as we think about various
12 offerings between various classes of
13 customers.
14 So affordability to me has to do
15 more with pricing, and it's different with
16 different customers. Because affordability
17 is different across the board. And it's a
18 critical issue, and we think about it more as
19 economic and social inclusion than just being
20 able to pay your bill.
21 Q But if I look at it as a share of
22 wallet, aren't I perpetuating the old PG&E
23 paradigm that our rates are high, but our
24 bills are low, which effectively gives the
25 company credit for a temperate climate?
26 A Well, I don't know about the
27 history. But I will say as one measure to
28 make sure that you can understand the amount

1 of disposable income the customers will pay
2 for energy is an important measure. Because
3 what they're paying for energy, they're not
4 paying for something else. And that's why I
5 said I believe it's an issue of economic and
6 social inclusion -- it's one measure. It's
7 not the only, and it's not the sole measure.
8 And so I don't think it's the
9 continuation of the paradigm. I will tell
10 you that having been in this industry for 42
11 years, I find very few regulated businesses
12 that have any measure of a share of wallet or
13 economic inclusion.
14 And there are special programs for
15 low-income customers. But I had to think --
16 we have to think about that a little bit more
17 broadly. And I think that's how we start by
18 gathering that data and that information
19 around our customers. Which is why getting
20 closer to our customers and more intimate
21 with our customers is a way to understand
22 this.
23 If you'll allow me just another 30
24 seconds, I think there's a fundamental
25 paradigm shift about the way we think about
26 this business. I will say now today PG&E is
27 at the, sort of, the leading edge of that.
28 Now, we may have been brought here in ways we

1 didn't like. But coming out of bankruptcy
2 and emerging, we have to start to embrace
3 some of these changes.
4 And the way we think about our
5 customers whether they are access and
6 fundamental needs customers, whether they are
7 small business customers, whether they are
8 large industrial users, we now start to have
9 the ability to get much more granular in the
10 way we provide service. And it changes the
11 way we think about our customers and the way
12 we deliver service. And that's a broad
13 systemic change. But we have to start by
14 getting the right measures in place to
15 understand that.
16 And I do think that affordability
17 is one of those key elements. But in today
18 immediately in front of me and my operating
19 organization, that has to do with making sure
20 that we're operating as efficiently as
21 possible and not incurring costs that then
22 have to be translated into recovery with our
23 customers.
24 Q So if I were your regulator or one
25 of your investors, and I wanted to benchmark
26 your affordability against other utility
27 providers around the country. And I frankly
28 was alarmed by the fact that ABC Television

1 last week reported that you were two times
2 the national average in terms of electricity
3 rates. Wouldn't I be right to be concerned?
4 A About being two times the national
5 average?
6 Q About how effectively you're
7 pursuing affordability.
8 A Well, look. I think we have the
9 right to be concerned about affordability in
10 general. There are some costs that are
11 structural in this business that have been
12 part of -- you know, as Mr. Johnson said in
13 his testimony the result of carefully
14 deliberated public policy outcomes and that's
15 true. But in the pursuit of our business,
16 it's a question about how we invest our
17 capital and how we execute our work.
18 So I think the fact that the prices
19 are high is one element. The way we
20 translate that into our tariffs, the way we
21 continue to prosecute our work, the way we're
22 much more cautious about how we pursue the
23 remedies knowing that our cost level is high,
24 that impacts the way we think about the way
25 we make decisions and how we have to find
26 more effective ways of doing it whether
27 that's process improvements or technology
28 improvements.

1 Q In pursuing the cost reduction
2 steps that you've initiated to try and
3 achieve greater efficiencies, have those
4 extended to reviewing utility-owned
5 generation for cost-related retirement?
6 A In a sense we haven't started that
7 review yet. Because, as I said, one of my
8 major focuses in coming was not to cause
9 disruption but to get through fire season
10 safely and then start to develop hypothesis
11 about the changes coming.
12 But I would say that a very
13 rigorous cost review would be part of
14 everybody's responsibility of all my direct
15 reports on the operating side of the
16 business. Nobody would be excluded from
17 that.
18 Q Has the utility reviewed the cost
19 effectiveness for its customers of continuing
20 to operate the Diablo Canyon Nuclear Power
21 Plant?
22 A I haven't been involved in such an
23 effort. I'm not aware of one. So I cannot
24 answer that question.
25 Q At page 5-20, lines 30 through 33,
26 you state that PG&E's embrace of the ISO,
27 PAS, and CEATI standards, and I'm quoting:
28 Reflects its dedication to a

1 philosophy of continual improvement
2 in the areas of safety, reliability,
3 and cost performance across the
4 enterprise as a whole.
5 Closed quote.
6 Could you please describe how these
7 standards apply to and measure cost
8 performance?
9 A Yeah. So the standards themselves
10 don't. So let me just, sort of, back up
11 there. So the ISO 55,000 series, which
12 contains three standards of 55,000 then 1 and
13 2 basically set up a framework for effective
14 managements of assets. And it tells you what
15 you need to think about.
16 So in the simplest terms to get to
17 your answer, the first thing you do once you
18 understand the condition of all your assets
19 and what you're trying to manage, you develop
20 an objective function; right?
21 In that objective function, I am
22 assuming you would place your cost criteria
23 as well to make sure that you understand the
24 value of delivering out of your assets for
25 the cost of putting them in.
26 And so what past 55,000 should do
27 if you implement it correctly, because in and
28 of itself it's just paper. So if you

1 implement it correctly and you correctly
2 define the objective function, then the
3 answer is it should be in there. And you
4 should be getting the greatest value outcome
5 from the operating of your assets for the
6 cost, the capital, and the expense that
7 you're putting into them.
8 Q My last question, Mr. Vesey, at
9 page 5-30, lines 23 through 25, you say that:
10 Prior to emergence from bankruptcy,
11 PG&E will propose to the PUC a set
12 of operational metrics with PUC
13 review and approval.
14 Will these operational metrics
15 include cost performance?
16 A The set is not complete yet. There
17 will be factors that imply the results of
18 cost performance. My general sense is that
19 without cost performance, it would be a
20 deficient set of metrics. It's not completed
21 yet.
22 And to be more thoughtful, you
23 know, in the work with the assigned
24 commissioner ruling, hopefully we can get
25 into more detail and provide a better set of
26 what we plan on doing.
27 MR. GEESMAN: Thanks very much. I'm
28 sorry to have talked so fast. But I

1 appreciate your candor.

2 Your Honor, I'm completed.

3 ALJ ALLEN: Thank you, Mr. Geesman.

4 Let's see. Let's go off the record

5 and talk about some scheduling and

6 housekeeping.

7 (Off the record.)

8 ALJ ALLEN: On the record.

9 So we will resume with Mr. Vesey in

10 the morning starting at 10:00 a.m. Mr. Vesey

11 will be followed by Mr. Wells. And to the

12 extent possible or at such point as possible,

13 Ms. Brownell.

14 With that we are adjourned for the

15 day. Thank you.]

16 (Whereupon, at the hour of 4:06 p.m.
this matter having been continued to
17 10:00 a.m. February 27, 2020 at
San Francisco, California, the
18 Commission then adjourned.)

19 * * * * *

20

21

22

23

24

25

26

27

28

1 BEFORE THE PUBLIC UTILITIES COMMISSION
2 OF THE
3 STATE OF CALIFORNIA
4
5
6 CERTIFICATION OF TRANSCRIPT OF PROCEEDING
7 I, ANDREA L. ROSS, CERTIFIED SHORTHAND REPORTER
8 NO. 7896, IN AND FOR THE STATE OF CALIFORNIA, DO
9 HEREBY CERTIFY THAT THE PAGES OF THIS TRANSCRIPT
10 PREPARED BY ME COMPRISE A FULL, TRUE, AND CORRECT
11 TRANSCRIPT OF THE TESTIMONY AND PROCEEDINGS HELD IN
12 THIS MATTER ON FEBRUARY 26, 2020.
13 I FURTHER CERTIFY THAT I HAVE NO INTEREST IN THE
14 EVENTS OF THE MATTER OR THE OUTCOME OF THE PROCEEDING.
15 EXECUTED THIS MARCH 04, 2020.
16
17
18
19
20
21 ANDREA L. ROSS
CSR NO. 7896
22
23
24
25
26
27
28

1 BEFORE THE PUBLIC UTILITIES COMMISSION
2 OF THE
3 STATE OF CALIFORNIA
4
5
6 CERTIFICATION OF TRANSCRIPT OF PROCEEDING
7 I, JASON STACEY, CERTIFIED SHORTHAND REPORTER
8 NO. 14092, IN AND FOR THE STATE OF CALIFORNIA DO
9 HEREBY CERTIFY THAT THE PAGES OF THIS TRANSCRIPT
10 PREPARED BY ME COMPRISE A FULL, TRUE, AND CORRECT
11 TRANSCRIPT OF THE TESTIMONY AND PROCEEDINGS HELD IN
12 THIS MATTER ON FEBRUARY 26, 2020.
13 I FURTHER CERTIFY THAT I HAVE NO INTEREST IN THE
14 EVENTS OF THE MATTER OR THE OUTCOME OF THE PROCEEDING.
15 EXECUTED THIS MARCH 04, 2020.
16
17
18
19
20
21 JASON A. STACEY
CSR NO. 14092
22
23
24
25
26
27
28

BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE

STATE OF CALIFORNIA

CERTIFICATION OF TRANSCRIPT OF PROCEEDING

I, KARLY POWERS, CERTIFIED SHORTHAND REPORTER NO. 13991, IN AND FOR THE STATE OF CALIFORNIA DO HEREBY CERTIFY THAT THE PAGES OF THIS TRANSCRIPT PREPARED BY ME COMPRISE A FULL, TRUE, AND CORRECT TRANSCRIPT OF THE TESTIMONY AND PROCEEDINGS HELD IN THIS MATTER ON FEBRUARY 26, 2020.

I FURTHER CERTIFY THAT I HAVE NO INTEREST IN THE EVENTS OF THE MATTER OR THE OUTCOME OF THE PROCEEDING.

EXECUTED THIS MARCH 04, 2020.

KARLY POWERS
CSR NO.#13991

BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE

STATE OF CALIFORNIA

CERTIFICATION OF TRANSCRIPT OF PROCEEDING

I, REBEKAH L. DE ROSA, CERTIFIED SHORTHAND REPORTER NO. 8708, IN AND FOR THE STATE OF CALIFORNIA, DO HEREBY CERTIFY THAT THE PAGES OF THIS TRANSCRIPT PREPARED BY ME COMPRISE A FULL, TRUE, AND CORRECT TRANSCRIPT OF THE TESTIMONY AND PROCEEDINGS HELD IN THIS MATTER ON FEBRUARY 26, 2020.

I FURTHER CERTIFY THAT I HAVE NO INTEREST IN THE EVENTS OF THE MATTER OR THE OUTCOME OF THE PROCEEDING.

EXECUTED THIS MARCH 04, 2020.

Rebekah L. DeRosa

REBEKAH L. DE ROSA
CSR NO. 8708

$

$21 302:28
$25.5 232:28
$4 178:1
$4.75 292:6
$40 248:28 250:6
$7 177:28 285:3

1

1 180:12 181:4 255:6 274:18 277:21 278:2 326:20 333:19 376:12
1-1 188:7 222:14
1-13 221:22,23
1-15 226:26
1-2 188:7 192:11 193:17 194:10 224:15
1-5 195:6 197:20 231:27
1-6 213:16 231:12 232:12
1-8 225:10
1-9 226:3 250:24
1.16 256:25
1.6 240:24
1.8 250:23
1.9 250:24
10 210:1 211:1 218:21 339:10
10-31-2019 335:21
10-K 227:20
10-year 285:24
100 227:25 283:25 284:6
101 301:12
1054 243:7,25 245:18 246:8 250:2 257:25,27 258:5 265:14 296:11,14 297:10 308:11 315:18 316:20 317:9
1090 225:25
10:00 177:2 378:10,17
11 224:15 253:4 266:3, 8,14 274:22 278:24 279:4
12 353:21
12-44 356:8 357:20,23
12:03 259:13
13 279:4 289:4 353:21 366:12
13th 180:15,23 181:12, 18 182:7 364:9 365:23
14 232:4,13,14 366:13
14-1 331:5,8,27
14-2 331:5,8 347:22
15 224:15 237:6 278:24 293:25 314:4 345:21
16 194:13 314:28 345:21
16th 180:24 182:10,11
17 237:6,7,23
18 226:4 232:18 237:6, 23 314:28 369:16
18th 181:2 182:14 227:19
19 225:10 226:4,26 237:8 337:4
19-06-008 364:11
19-09-016 177:8
1986 369:5
1:00 259:11
1:01 259:13 260:1

2

2 177:26 278:25 328:1 376:13
2-24 278:24
2-3 333:26 334:4
20 226:26 231:14 266:14 281:18 282:5 295:19 296:27 318:16 319:6 328:5
2015 232:24 233:3 353:6
2017 213:24 232:24 233:3,11 234:19 235:17 236:2,15 237:14,16 248:21 263:1 307:3
2018 213:24 232:25 233:3,11 234:20 235:17 236:2,15,24 237:15,17 248:21 307:4 368:17
2019 227:26 234:4,14 236:24 237:15 288:21 335:14 337:3,4 363:18 364:9 368:17
2020 177:2,21 265:16, 19 266:15 324:27 355:6 378:17
21 177:21 227:19 298:13 315:28 328:6,12
22 193:21 213:18 369:17
23 222:14 359:5 377:9
235 288:21
25 359:5 377:9
26 177:2 222:14 279:26
26th 181:8,12 182:17
27 378:17
27th 363:18
29 193:21
2:35 314:7

3

3 179:6 273:7,20 333:22
3-2 279:4,26 306:9
3-3 293:24 312:18 314:15,28
3-4 287:20
3-7 288:25
3-8 281:18 282:5
30 265:19 266:15 286:15 324:26 362:4 372:23 375:25
30th 265:16 267:6 269:17
31 274:17 335:14
31st 355:6
33 328:1 375:25
34 328:6 362:4
35 310:17 328:5

4

4 179:5,6 228:22 229:9 333:26 334:4
40 249:4
42 372:10
43 280:20
44.6-percent 227:23
45 228:8
47-and-a-half 226:6
4:06 378:16

5

5 257:2 326:19,26 327:15
5-1 359:4
5-14 328:4,12
5-18 353:12
5-2 362:3
5-20 375:25
5-30 377:9
5-4 328:3 329:8 366:12 369:16
5-5 330:5
5-6 335:28 342:21
5-7 327:27
5-8 328:1 344:26 345:18
50 196:6 305:25 318:18 319:5
52 226:5
55,000 224:22,24,25 225:9 376:11,12,26

5700-E 363:18

6

6 232:5

6-22 355:10 356:6,9 357:18

60 228:17 312:22,24

7

7 240:25

70 262:26 263:20

8

8 178:22 240:16 314:16

80 215:8

854(c) 214:20

9

9 314:16

A

a.m. 177:2 378:10,17

A4nr-x-03 227:7

A4nr-x-04 362:23,27, 28 363:25

AB 243:7,25 296:11,14 308:11 315:18 316:20 317:9

AB-1054 276:10 329:13

ABC 220:11 373:28

abide 230:7 244:15

ability 201:3 274:21 283:12 297:9 310:7 312:27 314:17 373:9

Abrams 198:23 298:1, 3,6 304:24,25 314:2,4, 12,13 320:16,25 321:1 323:11,19,20 324:20

absence 274:24 277:26 360:23

absolutely 307:3 308:22 310:25

absorb 277:16

accept 231:19 257:28 353:8 363:14

acceptable 329:20

access 195:22 266:25 280:20 282:26 283:9 291:20 293:17 295:25 296:2 299:23 320:2 323:2 373:5

Accessible 187:22

accessing 325:4

accommodate 183:9

accompanies 215:7

accomplish 243:3

account 280:19 300:27 311:6

accountability 263:23 340:17 362:9

accounting 247:3,13

accurate 253:5,6,16

achieve 224:21 262:19 301:8 303:1 315:25,26 316:1,24 375:3

achieved 239:21

achieving 239:11

ACR 179:11 180:7,14, 16 181:21,27 182:1,8 260:16

act 205:16

acting 306:23 317:14

action 242:5 258:13

actions 241:28 243:15 245:5 251:4 257:13 307:1,7,19,21 308:17, 21,24 309:14,26,27 310:5 311:13

acts 202:9

actual 183:23 189:26

ADA 193:24 194:1

add 182:22 299:6

added 305:19 328:8,14

addition 191:15 194:26 195:20 328:2

additional 183:1 215:4, 9,10 260:18 313:10,17 327:28 362:9 365:8

address 179:21 192:2, 16 195:21 258:25 315:11 333:18

addressed 179:22 252:14 269:14 332:27

addresses 193:2,3 276:15

adds 215:8

adequate 352:15

adequately 347:18 366:10

adjourned 378:14,18

adjunct 269:5 270:4, 11,22

adjusting 314:26

Administrative 177:4, 8

adopted 196:11

adopting 260:20

advance 200:18,22 252:22 328:18

advantage 312:21

adverse 274:24 275:1 276:1,2 277:7,17,28 278:9,13,28 297:8 312:10 316:24

advertise 252:12

advice 298:21 299:17 311:4 363:18

adviser 345:2,3

advising 346:26 350:17

advocate 213:21 244:22

advocates 213:21 214:16,17 231:20

affect 220:1 286:23 304:15 305:15 317:24 318:19

affected 188:27 191:25

affecting 254:28

affects 297:9

affidavits 180:17 181:21 182:2

affiliate 207:8

affordability 192:6 369:20,23 370:9,15,17, 21,25,27 371:1,14,16 373:16,26 374:7,9

affordability's 371:2

affordable 188:1 192:10 196:10,17 198:8,12 219:12,20 221:16

afraid 264:16

afternoon 260:1,9 272:6 274:11 287:15 291:15 326:14 329:6

agencies 275:7,26 276:3,9 277:6,28 278:7, 15 279:9,12,22 280:4, 10 284:10 293:8 300:17,26 301:16,21,28 302:12,23 317:6,21,25 318:3 323:28 324:4,7

agency 275:10,14 278:14 296:20 318:24

aggregation 280:19

aggregator 202:3

Aggregators 186:15

agree 182:24 184:12 193:15 199:10,27 200:2,3,8,11,24 216:27 217:21,27 231:24 238:3 242:22 243:14,18 249:14 257:20 307:18 329:24

agreed 230:2 257:8 258:2

agreement 202:6 229:15,19,24,27 230:5, 6 308:18 323:9

agreements 225:20 242:19,20

AHC 333:26 334:4

AHC's 333:22

ahead 183:20 186:9 189:21 208:2 218:28 227:12 233:21 255:21 256:18 267:5 291:12 295:12 298:4 304:24 314:6,12 327:18 344:24 349:3 355:18

air-conditioning 190:23

akin 241:12 257:10

AL5700-E 362:26

alarmed 373:28

Alcantar 179:14,15,18 228:26 230:23,24 240:5,6,8,10 245:8,10, 13 254:22,25 255:15,22 256:13,17,22,23 258:24 290:22,23 291:6,9 295:2,4,7,10,12 297:25, 28

align 345:10

aligned 302:26

ALJ 178:10,13,19,21 179:8 180:2,4 181:16 182:4,13,19 183:6,26 184:8,11,17,22,25 185:3,7,16 186:8,12,19 187:1,5,12 189:9 191:9 201:7,13,16,21 207:22, 26 208:2 210:11,15,17, 20,22 214:5,8 218:20, 24 227:9,11 228:27 229:2 230:18,25 233:20,25 237:5,18 240:4 245:8,11 254:24 255:13,19 256:19,21 258:24 259:2,7 260:8, 20 261:4 264:28 268:7 269:27 271:2,18,22,26 272:7,12,17,21 274:4,7 276:22 287:10 288:1,17 290:21,26 291:3,7,10 295:1,10 297:28 298:4 304:21 314:2,6,11 320:16,27 322:27 323:20,25 324:3,9,12 325:12,16,19,23,25 326:3,8,11 327:18,21 328:10,19 329:1 331:6, 19,21 334:2,7 338:16, 20 344:12,17,23 348:18,20,28 349:3 354:22,26 355:3,14,17 358:19,22 362:24 363:2,4 378:3,8

Allen 177:4,9 178:10, 13,19,21 179:8 180:2,4 181:16 182:4,13,19 183:6,26 184:8,11,17, 22,25 185:3,7,16 186:8, 12,19 187:1,5,12 189:9 191:9 201:7,13,16,21 207:22,26 208:2 210:11,15,17,20,22 214:5,8 218:20,24 227:9,11 228:27 229:2 230:18,25 233:20,25 237:5,18 240:4 245:8, 11 254:24 255:13,19 256:19,21 258:24 259:2,7 260:8,20 261:4 264:28 268:7 269:27 271:2,18,22,26 272:7, 12,17,21 274:4,7 276:22 287:10 288:1,17 290:21,26 291:3,7,10 295:1,10 297:28 298:4 304:21 314:2,6,11 320:16,27 322:27 323:20,25 324:3,9,12 325:12,16,19,23,25 326:3,8,11 327:18,21 328:10,19 329:1 331:6, 19,21 334:2,7 338:16, 20 344:12,17,23 348:18,20,28 349:3 354:22,26 355:3,14,17 358:19,22 362:24 363:2,4 378:3,8

Alliance 219:7 274:13 358:28 362:24

allocate 351:2

allocated 250:9 303:13

allowed 225:12,14 344:19

Allred 272:4,6,23,25 274:2,4 287:26 288:15 322:24 325:14

allude 296:9

alluded 231:4 248:27 249:27

Alsup's 311:7

altered 325:3

alternate 251:4

alternative 180:12 181:4 251:4

alternatives 261:8

amazed 266:20

ambitious 353:21

amenable 180:26

Americas 273:2

amount 205:25 234:9 251:13 253:27 284:5 293:1 297:14 371:28

analyses 276:1

analysis 247:23 275:11,14,23 278:5,12 279:2 281:14 300:13,22 303:28 304:2 307:9 314:21 317:2 321:17 323:13,14 324:25 342:10

analyze 292:9 293:14, 20,21

and/or 315:10

Andrew 325:22,27 326:6

answers 201:5 276:24

anticipate 250:4 277:5, 14

anxious 183:10

anytime 262:10

apologies 331:18

apologize 210:26

Appalachia 192:8

appears 186:19 353:11

apples-to-apples 205:4

applicable 332:8

applied 224:6 281:24

applies 224:26

apply 282:2 347:3 370:7 376:7

appointed 244:5 337:2

appreciation 260:27 339:12

approach 182:27 192:23 238:16 327:16, 19

appropriately 349:19

approval 250:24 251:2 333:5 364:21 377:13

approve 236:9

approved 226:5,11 230:1 235:28 236:3,5 249:16 337:8 364:28 365:16

approximately 178:1 216:7 232:27 262:26 292:6

arbiter 246:26

arbiters 229:21 245:23

area 199:26 289:13

areas 218:9 289:10 376:2

arena 296:28

Ariel 214:15

arising 296:10

art 246:13

articulate 308:20

aspirational 243:12,20

Assembly 288:20

assess 292:9 301:28

assessed 360:22

assessing 282:13 315:21 316:7

assessment 280:27 281:3 282:15 286:23 301:26 302:21 361:12, 27

asset 211:12 250:19 284:5 317:21,23 319:24

321:9,14 354:8,10 355:26 357:3

asset-management 224:26

assets 191:26 203:18 222:27 224:7,9,11,13, 14,18,28 250:13 283:20,25 284:1,7,18 318:17,18 319:5,10,12, 27 320:5 352:1 376:14, 18,24 377:5

assigned 181:7 183:3 246:1 377:23

assist 188:25

assistance 188:20 189:26,28 190:6,15,19, 26

Association 240:12 287:18

assume 183:10 184:5 202:28 290:11 294:25 295:23 299:15 300:2 309:8 337:21 345:14 361:2,7 364:17,27

assumes 274:23

assuming 234:26 266:11 294:9 357:3 360:25 361:20 365:10 376:22

assumption 290:13

assurance 241:18,21, 22

assurances 218:3

assure 349:14,19

attached 182:2 229:24

attachment 333:25,26 334:4

attempt 210:17 304:22

attempted 188:15 241:22

attended 216:8

attention 215:13 218:13 234:28 235:5 250:22 295:21 308:23

attorneys 214:1 231:22

attract 266:2

attributed 228:7 282:19

audit 336:14,21

audits 247:27 248:8

August 337:2,4 367:10

Australia 370:24

authorities 244:28

authority 229:12 230:6 236:9 251:3,7,8 254:11 258:13,19

authorizing 236:11

automated 313:3

availability 361:19

average 220:13,24 221:3 245:19 246:9 285:26 374:2,5

avoid 199:6 249:11,23

avoiding 198:25 199:3

aware 234:4 243:23 279:8 280:18,23 287:2, 3 292:5 344:7 363:9 375:23

awareness 287:5

B

back 191:5 192:27 205:12 206:25 207:24 211:16 212:27 218:25 231:27 248:19,22 260:9 267:8 336:24 347:20 356:9 368:24 369:13 376:10

background 298:9 299:28

backstop 321:25 323:4,5,8

bad 205:14

badly 294:6

balance 313:19 315:22

banking 296:28

bankruptcy 205:24 206:9,22 212:2 215:25 222:17 232:1 233:4,9 234:1 238:10,17,19,23 239:9,22,26 249:12,23 250:26 251:14 252:6 255:24 262:14 265:14 266:19 269:8,19 279:7, 18 296:8 299:23 300:2 310:9 312:8,11,14,17 322:9,12,15 323:13,16 329:27 330:20 373:1 377:10

banks 299:9,12

Barclays 272:28 298:25 299:9

base 187:27 192:18,28 195:19 209:22 210:6

based 193:5 232:19 269:8 275:5 277:22,26 278:3 279:15 281:14 282:15 285:26 289:7 290:9 296:3 301:5 302:21 308:15,16,17 310:21 312:6 322:19 366:27 371:3

baseline 246:10,19 247:1,6 250:2 254:28

basic 207:9 219:16 336:27 359:17 361:12

basically 285:16 343:27 350:3 376:13

basis 198:14 212:3 213:5,6,12 279:20 283:10 284:11,28 286:16 301:10 306:26 309:10 319:16 342:12 365:28

Batjer 177:10 182:28 183:12 265:1,2,5 268:5, 8 324:14 325:7,11

Batjer's 271:9

Beach 186:14

begin 329:7

beginning 335:28

begins 330:5

behalf 186:14

behavior 191:26 311:8

behind-the-scenes 343:21

belong 246:28

benchmark 373:25

benchmarkable 368:14

benchmarks 322:5

beneficial 319:26

benefit 318:4 320:10 340:7 341:28

benefits 286:22 296:10 316:22 340:9,10

beta 261:20

Beth 202:1

bidding 261:16

big 199:6 248:20 370:25

Bigger 251:21

biggest 302:5

bill 225:24 288:20 296:16 371:20

billion 232:28 248:28 249:4 250:6 285:3 292:6 302:28

billion-dollar 315:28

bills 371:24

bit 194:8 204:7 252:13 303:17 320:21 343:13 370:22 372:16

BLOOM 183:19 184:5

board 213:10 244:4 307:14 312:1 332:6,8 337:9,18,20,21,22,24 339:18 352:19 362:17 363:12 364:2 365:10, 12,22 371:17

boards 337:27

Bob 231:2 291:16

BOD 363:27 364:2

BODS 364:7

bond 254:2 283:26 285:14 301:9,14 319:10 320:3

bonds 283:4,9 285:3, 14 286:26 287:1,4 319:17

books 205:2

borrow 250:17

bottom 227:24 250:23 329:9 355:10 362:26

bow-tie 342:10

box 251:21 356:3 358:3,5

bread 251:21

break 231:23

breathing 199:13 370:2

briefing 181:14,26

briefly 359:20

briefs 180:13 181:5

bring 220:23 221:2 249:10

bringing 194:1

broad 191:16,19,28 196:16,18 197:18 204:2 221:13 230:3 373:12

broader 242:21 244:1 303:11

broadly 191:8 197:24 262:9 264:1 339:13 347:1,4 351:14 368:3 372:17

brought 234:27 235:5 311:3 372:28

Brown's 244:4

Brownell 378:13

Bruno 199:1

budgeting 351:9

budgets 342:17

build 300:18 321:11

bullet 344:27

bundled 228:6

burned 256:9 321:12

business 207:5 209:12 214:16 215:28 217:13, 14 218:11,12 222:23, 24,26 224:20 249:24,25 278:17 280:5,12 293:3, 27,28 294:3,10,26 299:11 301:17,19,25,28 302:5,10,11,17,24 307:11 308:9 315:1,3,9, 17,21 316:2,8 317:5,7 318:25 325:6 345:23,26 350:27 352:18 370:24 372:26 373:7 374:11,15 375:16

businesses 261:25 346:11 372:11

buying 291:24,25

C

Cal 204:26

calculations 311:9 360:10,17

California 177:1 190:12 204:21 213:22, 23 220:26 227:3 236:12 276:14 279:12 287:17 288:5,10 300:24 301:3 302:3,18,20 303:5 317:11 378:17

call 245:24 248:7 271:26 361:5

called 216:16 272:9 292:26 325:27 351:25

Calls 287:26

candid 242:25

candidate 343:17

candor 378:1

Canyon 205:18 225:13 226:1 228:11 229:13 359:14 375:20

Canyon's 229:14

capability 196:3 277:16

capacity 223:6 283:11, 13

capital 226:5,11 248:1 249:5 250:5,13 262:20 266:2,6,10 267:24,26 270:26 274:21 291:21 296:2 305:7 306:25 313:2 317:13 318:6 323:3 325:5 374:17 377:6

capitalization 284:16

captured 294:26

carefully 309:14 310:26 374:13

carryover 250:23

case 184:2 276:8 277:11 293:10 297:7 305:17 311:12,26,27 314:23 318:5 319:4,7 320:4 322:13 332:16 353:5 364:17

cases 253:4 275:15 277:6,20 319:1

cash 284:12 301:20,24 303:8,12,17,18,26,27 304:1,8,10,12,13,14 305:1,4,12,20 306:5 314:18,21,25

catastrophe 200:13

catastrophes 199:7

catastrophic 217:27 249:19 275:17 300:11, 12,14,19 328:8,14 367:14,25

categories 247:11

category 216:26 247:13 290:17 292:20, 23

caused 236:2

cautious 374:22

CCA 185:9 202:22

CCAS 202:5,6,10,12

CCAS-01 186:16,17

CEATI 375:27

Center 187:22 190:12

centered 366:16

centers 190:21 200:21

CEO 203:9 212:5 326:16 336:8,11,16 338:5 339:2,18 340:2,7, 13,15 341:14,16 345:22 346:5,10,16 347:8 352:27 353:7 365:26 370:6

certainty 236:22 301:25

certification 224:24

certifications 224:21

cetera 329:21 330:6

CFA 298:8

CFO 268:19

chair 337:24

chaired 337:23

chairman 212:4

challenge 351:1

challenges 366:3

chance 254:14

change 205:10 215:2 220:15 222:7 230:6 236:13 251:8 257:27 300:18 311:28 312:1 319:2 327:27 332:27 334:24 339:23 340:11 343:2 353:1 373:13

changed 214:25 222:17 253:17 368:17 369:7

chap 278:25

chapter 253:4 266:3,8, 14 273:7,10,14,20 274:22 291:17 326:19, 26 327:15

character 289:2

characteristics 289:5 294:24

characterization 229:16 237:27,28 315:5

characterize 280:1

charge 341:4 354:2,3 355:22 356:28

charges 220:5

charging 190:23

charitable 190:17

chart 323:21 332:1,5,

12,19 333:1,11 334:15, 18,21,27 335:10,18,20, 23 354:9,18 355:5,24 357:22

charts 333:21

check 231:19 314:3 353:8 354:8

checked 240:15

Cheryl 244:4

chief 244:6 254:26 268:16 330:9,12,13 335:4,27 336:5,13,15, 18 338:24,28 340:20 341:10,13,24 342:1,5,9, 15,28 343:1 345:17 347:27,28 348:24 349:6,15,17,21 350:2,5, 12,21 351:12,21 352:12,13,22 360:26 361:9

chilling 263:28

choice 186:15 202:3 280:19

choices 220:27

choose 319:17

circulate 183:17 184:13

circulated 177:25 260:13

circumstances 201:3 215:20 216:10 239:28 266:27

citation 333:23

citations 256:26

cite 282:3

cited 256:10

citizens 220:27

cladding 359:27

claim 206:23 320:6

claims 213:18 232:6, 16,24 233:3,11 234:20 235:16 236:2,15,25

clarification 177:14,15 178:28 213:15 227:21 228:21 231:11 237:2,20

clarifications 177:20 268:12

clarify 268:26

clarity 237:9 337:13

class 216:23,25 218:6 321:21

classes 224:9,11 321:8 371:12

clean 198:12 201:22 202:2 221:17

clear 181:17 200:23 207:22 238:13,22 255:7 261:9 269:20 305:28

CLECA 180:8 287:11, 18

clever 254:6

clicks 282:25

client 298:25,26 300:4

climate 205:10 371:25

clock 218:22 259:12 314:7

close 203:22,23 274:25 299:18 308:23 312:11 329:20 341:16 356:23

closed 227:4 360:22 362:14 366:18 376:5

closely 201:8 215:28 338:12,13

closer 193:13,14 220:23 372:20

closest 275:12 302:18

closing 229:21

clunkiness 328:16

co-defining 365:15

coaching 215:11

Coalition 213:23 240:12 295:8

code 214:20 263:24

collaborative 230:19 341:16,20

collateral 279:24 318:28

colleague 272:3

collective 240:20

collectively 240:14 352:8

Collision 231:6

colloquial 267:1 292:23

comfortable 263:12

comment 296:21 300:5 303:10 309:23 310:5 317:20 325:1 342:16

commentary 278:14 290:9 296:19

commented 276:9

commenting 293:16 310:7

comments 180:14,16 181:7,20,27,28 182:20

commercial 214:18 216:16,23

commission 196:11 206:5 213:23 222:4 225:24 229:28 235:2 236:8 243:4,21,26 244:14,24 245:1,22 246:5,26 249:17,27 251:1,2,6 257:11 258:4, 12,18 263:4 269:4 276:18 281:16,17 297:22 302:15 309:3,28 310:5 313:7,19,21 316:12 329:14,18 363:9,20 369:2 371:11 378:18

Commission's 226:4 229:12 297:9 366:6

commissioner 181:7 183:4 243:11 246:2 324:13 377:24

commissioner's 270:24

commissioners 177:10 259:3

commissions 313:28

commit 241:19 254:5, 27

commitment 202:5 203:1 229:25 241:9,11, 13,27 242:1 243:11 245:17 254:4,10,17 258:10,16,19 362:5,12

commitments 240:25 241:5 242:3 244:3,15, 27 245:15 246:6,8 258:6

committed 257:21 309:21 323:16

Committee 362:19 363:13,27 364:8 365:14,22

committees 332:8 365:10,17

committing 244:10 257:23

common 181:14 219:19 226:5 283:4 284:2 339:11

commonly 292:26

communication 347:7

communities 192:24 193:4,15

community 186:15 202:3 280:19

compact 306:19

companies 240:14 290:5 294:10,12 300:23 302:20,25 312:7 321:20 322:4

Companies' 314:17

company 197:28 203:10,11,18 206:27 207:13,15,18,19 208:7, 15,18,20,21 212:19,28 213:1,3,7 214:25 222:16,17 240:21 261:23 262:3,4,11,18, 24 272:9 275:16 290:8 291:19 292:1,7,16 293:2,6,15,22 294:2,24 296:1,6,10,14 297:24 301:1,8,18,19,20,22,23 302:15 303:15 305:7,20 306:23 307:11 308:10, 20,24,25 310:8,14,28 311:11,17,19 316:13,

24,27 318:26 319:21 321:27 322:8 323:6,8 324:23,26 325:4,28 326:17 340:1 341:3 346:21,22 347:8 351:25 365:19 366:28 371:25

company's 219:10 227:19 274:20 276:4 283:2 299:22 306:8 310:24 312:17 314:23 329:21

comparable 321:19 322:3

compare 204:23

compared 177:24 204:13 223:2 288:28 294:2 302:17,19

compares 204:19

comparison 204:16 205:4 347:25

compel 251:3

compensation 221:28

competencies 215:14 216:3 217:18

competitive 312:20 370:23

complaints 222:3,4 366:28 369:1

complete 377:16

completed 226:22 377:20 378:2

complexity 218:6

compliance 214:20 264:2 330:13 341:14 352:23 366:7

complicated 216:24

comply 257:27

component 241:15 301:16 302:1 323:4

components 257:1,4

comprehensive 275:24

comps 275:12 285:16 302:18

concept 202:19

concern 188:5 192:12 263:9 321:7

concerned 316:18,23 340:21 374:3,9

concerns 182:21 264:14 266:13,17

concisely 233:21 277:1

conclude 257:9

concludes 218:18 268:5

conclusion 287:27

conclusions 275:9,27 278:4 297:17 300:22

concrete 308:21

condition 239:19,20 376:18

conditions 221:6 285:10

conduct 263:24 367:23

conduit 202:9

confer 179:12

conferred 183:11

confidence 362:12

confidential 185:12, 19,20,28 186:24 279:6

confidentiality 185:5, 27 186:6,20 364:21

confirm 220:17 269:8 326:27

confirmation 206:12 269:18,22

confirmed 231:22 238:8 270:20

confused 337:11

conjunction 308:10 345:1

connect 304:9

connected 339:28

connection 305:3

consequences 265:18,20 303:19

conservative 278:16 302:23 317:7

considerable 367:28

consideration 204:28

considered 248:14 282:20

consist 181:25

consistent 198:13 204:25 221:17 241:6 242:11 349:27 350:27

constituent 243:6

construct 302:2 312:26 313:22

constructed 302:3

constructive 276:10, 13 313:23,28

consult 342:23

consultation 343:10, 11,19

consultations 343:3

consulting 350:17

Consumers 287:17

contained 185:11

containment 359:26, 28

contemplate 209:20

contemplated 209:23 258:6

contemplating 181:24

contemporaneous 206:14

content 366:11

context 216:4,19 217:5,8,11 219:15 221:9 231:28 291:27 297:18

continual 376:1

continuation 372:9

continue 198:1 314:15 361:15 374:21

continued 214:27 378:16

continues 198:16 264:8

continuing 217:5 266:8,18 375:19

continuity 351:10,28 368:7

contribute 178:5

contribution 281:8

contributions 190:17

control 286:26 287:4

conversation 184:23 218:3 367:3

conversations 217:1, 4 344:2

converse 307:22

conveyed 352:17

convincingly 205:26

coordinate 199:22

coordinator 193:24 194:2

copies 178:18 185:23

copy 256:16

core 215:14 217:4 359:18,20,23,24 360:1, 3,4,10,14,17,23 361:15, 16

corner 355:10

corp 208:19 291:19,25 292:1

corporate 208:28 238:15,16 261:15 290:16 291:22 292:4 293:9 339:2 340:2,6 346:5,10,16,21 347:8 351:20 352:27 353:7 365:2,4,5,7,11,18

corporation 208:23 209:1 261:22 267:9 283:15 290:1 336:8,11 337:7,23 338:6 340:18 346:19,20 347:2 349:28 352:19,20 365:8

corporation's 211:1 339:18

correct 178:11,12 182:18 186:27 199:17 200:1 202:20 203:12, 13,21 205:8 206:10 217:20 227:26 228:8,9, 12 230:23 232:2,3,25 233:1 235:26 238:20 239:5,22,23 242:20 243:8,9 247:1,2 250:26 252:10 255:8,25 262:28 263:1 269:11,15 270:21,27 273:28 274:27 288:14,16 291:17 292:18 293:15 294:5,11 295:22,27 296:11,12 301:1 303:2 305:16 306:12 323:22 324:1,2 326:20,21 327:5,6 328:23 329:16, 23 330:19,26,27 332:15 335:10,11,23,24 336:1, 5,6,9 337:3 341:6,25,26 345:19,20 346:6,7,14 352:27,28 353:4,28 356:14,19,20 364:2,16 369:21

corrected 177:28 252:14

correction 177:24 186:5

corrections 273:14,24 327:10,14 328:22

correctly 236:21 293:14 304:27 330:9 346:9 357:21,22 364:12 376:27 377:1

cost 179:22 220:1 223:14,25,26 224:6,8 225:7 230:13 234:8,21 250:9 288:7 360:3 370:18 374:23 375:1, 13,18 376:3,7,22,25 377:6,15,18,19

cost-effective 320:9

cost-efficient 283:10

cost-related 375:5

costing 248:25

costs 220:9 229:14 230:9 233:10,19,28 234:19 235:16 236:16, 25 247:4,11 249:1,2 250:1,5 253:3 255:25, 27 256:3 284:25 312:27 316:13 319:15,18 373:21 374:10

counsel 210:19 228:21 355:12

counseling 215:11

counting 321:11

country 373:27

couple 203:15 206:16, 17 221:14 241:10 291:16 327:14

court 227:21 250:26 311:7

cover 195:2 286:22 319:11

coverage 206:5

covered 206:4 320:18

CPUC 213:19 250:24 313:13 342:24 343:4 344:28 362:6

create 196:13 307:20 310:27

created 262:7 296:10 307:9

credentials 343:17

credit 279:6,23 280:25 281:9,22 282:14,20,26 283:18 284:10 286:4,27 292:10 294:4,13,17 300:17,26 302:27 303:4 304:3,15 305:13 306:11 315:4,25 316:21 317:21,24 318:20 319:20 320:15 322:1 323:28 324:5 371:25

criminal 311:8

criteria 223:25,27 376:22

critical 205:19 280:15 371:18

criticism 356:16

CRO 244:6 268:15 342:26

cross 183:22 201:17,22 230:21 290:27 291:1,5 298:1 320:19,22 323:22 335:18

cross-examination 184:3 187:16 201:25 214:11 218:27 219:2 227:6 230:27 240:7 254:21 274:3,9 287:13 291:13 295:3 298:5 328:28 329:4 331:7 334:3 355:1 358:24 362:25 363:15,25

cross-examined 267:19

Crosstalk 304:20 355:13

culture 195:8 196:13, 15 264:3

curious 265:17

current 182:7 210:7,28 211:18 212:17 213:13 215:20 218:9 235:20, 21,23,24,27 251:13 262:1 300:26 325:2 334:17 335:13,19,22 338:26,27 339:6,21 342:4,15,28 369:9

curve 285:28 286:9,12

customer 187:27 190:20 192:17,23,28 195:8,11,19 196:13,14, 15 198:19 199:8 200:20 202:10 216:19 221:7, 12,26 222:19 226:15 228:14 245:25 248:1 330:14 366:16,23 367:5 368:3,5,13 369:14

customers 187:23,25 188:21 190:7 191:3,21, 25 192:3,13 193:10,11, 14 194:4,18 195:1,12, 14,16,22,23 196:2,8,22 197:1,10,13,23 198:25 199:4,8,12 200:26 214:18 216:16 217:15 218:13,14 219:21 220:5,10 221:18 240:16 245:24 250:12 254:1 256:3 280:17 286:5 366:28 368:1,12 369:2 370:28 371:8,13,16 372:1,15,19,20,21 373:5,6,7,11,23 375:19

customers' 368:26

cyber 205:16

cycle 361:4

D

D-1 327:1

D-1-A-1 327:1

D-H 327:2

damage 359:18,21,23, 25 360:10,17,23

damaging 360:1

dash 278:25

data 234:5,11 248:15 285:19 331:5,8 333:19, 22,26 334:4,13 347:22 348:17,20 361:20 372:18

date 181:26 229:22 265:16,19,28 267:7 269:17,23 364:10 365:23

dated 335:13,21 355:4

dates 180:28

day 177:7 198:12 199:7 202:26 220:21 222:24 239:27 252:1 261:7 378:15

days 246:2

deadline 269:17

deal 184:28 189:1 206:6 285:18

dealing 343:5 347:6 351:13

deals 350:5 351:5,7,12, 15,28

Debbie 355:28

debt 178:4,6 204:8,9, 12,15,19 226:6 250:8 255:25,26 256:2 262:16,22 279:17 280:9

283:12,17 284:5,6,16, 25 286:22 287:23 292:6,10,11,16 293:2,6, 7,15,17,22 299:24 303:25 304:7 305:9,14, 19 314:17 320:2,5,8

debt-to-ebitda 284:14

debtor 255:26 299:10

decade 248:20

decide 236:9 244:13 329:14,18

decides 199:15

decision 199:28 200:7, 10 209:22 212:18 244:13 309:10 322:17 343:19

decisions 225:24 267:13 311:25 312:11 374:25

declarations 180:18 181:21 183:21,28

dedication 375:28

default 317:28 318:2,5

deficient 377:20

deficit 346:19

define 250:24 377:2

defined 246:14 367:23, 24 368:6

definition 367:5

degree 257:26

deliberate 200:6,10

deliberated 374:14

deliberately 200:27

deliver 373:12

delivering 376:24

delivery 198:8 223:7

demonstrate 247:28

demonstrated 242:24

denied 256:1

depend 235:19 285:9 294:23 303:24 304:17

dependence 228:14

dependent 187:28

depending 285:21 286:1 301:1 343:2

depends 190:21 210:5 228:16 314:17 369:18 370:18

deploying 351:27

derived 366:26

describe 188:14 215:2 247:7 270:12 286:27 298:23 345:21 359:20 362:4 376:6

describing 255:3 308:26

descriptions 231:14

design 193:13 350:18

designated 185:12 196:20,27 197:9

designing 350:22 354:7

desire 262:8

desired 220:28

detail 205:7 296:21 320:21 330:25 358:8 377:25

detailed 203:26 276:26 308:4

details 344:5

determination 253:1 281:14 283:8 321:17 322:7

determinations 258:4

determine 249:28 284:10,19 296:7

determined 303:21 318:20 324:25

determining 301:13 312:19 313:9 370:7

detrimental 319:26 320:1

detriments 296:13

develop 198:16 345:23 375:10 376:19

developing 320:21 346:27

development 227:1

deviation 263:24

device 199:13

devices 190:23

Diablo 205:18 225:13, 28 228:11 229:13,14 359:14 375:20

diasters 199:3

died 181:17

Diego 275:12 300:10

differ 192:24

difference 246:17,22 281:8 284:24 348:23

differences 301:4

differential 282:18

differentials 281:21

differentiate 224:3

differently 303:17 368:2

difficult 220:26 266:7, 26 289:27 313:12,19,21

difficulty 266:25

diminished 218:7

diminishment 217:6

DIP 255:27

dire 265:20

direct 189:26,27 254:12 271:15 272:24 280:20 326:12 340:2,12 346:10 356:1 375:14

directed 357:24 368:13

direction 273:11 294:20 327:8

directions 366:15

directly 188:20 192:1, 28 195:1 250:8 272:17 340:6 345:19 346:5 369:13 371:2

director 203:10,12,15 204:18 206:18 207:3,12 208:6 213:1 365:22

director-of-the-company 206:26

directors 337:18,19, 20,21,22 352:19 363:12 364:3

disabilities 187:24 194:5 195:24 196:23

disabled 192:19

disabling 205:16

disaster 199:14

disasters 198:26 199:1,10

discharged 233:4

disconnections 194:21

discontinuity 336:26

discovery 354:19

discuss 180:9 191:1 194:11 291:20 345:18

discussed 228:20 242:4 271:10 287:21 332:4 335:27

discussing 198:20 216:21

discussion 178:23 185:5 232:5

discussions 216:18 229:18 323:27 324:7

disposable 372:1

disproportionately 187:25

disruption 368:20 375:9

distinction 213:9 308:27 348:23

distinguish 189:5,24

distraction 215:24 266:18,24

distressed 211:12

distribute 178:17 362:22

distributed 354:26,28 357:15

distribution 223:7 353:27

diverse 192:17,28 216:26

diversify 262:8

diversity 193:2 195:19

dividends 256:1

Division 213:20

docket 235:20

document 177:17,24 178:7 179:1 182:16 185:26 186:1 331:1,3, 13 333:25,28 334:12 347:20

documents 181:11 184:3 309:2 345:6 364:7

dollar 247:13

dots 304:9

double 279:25 290:17 292:18,19

doubt 202:25

Dozens 216:11,12

drive 334:24

driver 370:14

drivers 359:11

drop 336:20

due 199:14 200:14 215:12 217:22

duplicate 247:19

duration 223:9

duties 206:19,20,28 208:8,10 209:4,6,7,11, 19 336:21 338:26

duty 206:21,23 207:4,6, 9,12,14,20 208:27 209:16,17 212:17,21

E

e-mail 184:18,19

e-s-e-y 326:7

earlier 199:19 200:19 228:20 268:22 282:13 293:13 323:26

early 367:22

earn 306:25

EBITDA 314:26

economic 222:10 371:3,19 372:5,13

edge 372:27

Edison 204:26 300:24

effect 263:7,28 312:10

effective 206:13 212:13 242:25 269:22, 23 364:10 374:26 376:13

effectively 367:15 371:24 374:6

effectiveness 370:15 375:19

effects 306:5 317:20

efficiencies 375:3

efficiently 373:20

effort 189:2 196:12 238:21 248:20 375:23

efforts 188:20 192:2,16 242:10 289:24

electric 224:19 272:9 275:13 280:28 281:4,20 300:10 302:9 325:27 326:17 330:15 345:27 351:5,14,15,26 354:13 356:2

electrical 267:9 351:6

electricians 357:6

electricity 188:1 220:13 279:28 374:2

elects 286:26

element 225:3,6 239:4 270:12,15 374:19

elements 215:5 238:5, 28 344:4 373:17

email 260:22

embrace 373:2 375:26

emerge 238:18,23 267:12

emergence 239:3,12, 17,21,25 274:22 279:18 295:24 329:26 330:20 333:5 335:1 336:15 346:3,4 351:23 371:6 377:10

emerges 222:16 238:10

emerging 233:8 234:1 373:2

emphasizes 219:12

employees 213:24 263:12,15 264:11

employer 272:27,28

Empowering 330:6

enabling 287:21,23 288:8,22

encumber 203:17,19 283:24

encumbered 203:2 204:5

encumbering 202:22 283:21

encumbers 283:27

encumbrances 203:24

end 226:8 229:26 234:14 272:18 292:14

endeavor 320:25

energy 196:17 201:23 202:2 227:2 228:3 231:5 240:11 287:17 295:7 370:24 371:4 372:2,3

enforcement 213:20 243:24 246:1 251:3 257:7,10 258:2,11

engage 257:14

engaged 190:14

English 192:19 196:3 197:1

enhanced 188:8 222:18 246:1 258:17 289:15,19 340:7 353:19

enhances 317:26

Enhancing 359:7

ensure 198:7 199:11 200:9 309:28 351:28 362:9

ensuring 258:3

enter 229:23

enterprise 264:1 293:9 320:10 328:7,13 359:7, 12 376:4

enterprise-wide 345:24

entire 336:17

entities 213:10

entitled 177:19 273:17

entity 209:8 290:1

environment 263:11 306:10,15,28 307:8,21

envision 286:3

EPUC 290:22 291:5

EPUC/IS 230:20

equal 294:14,20

equipment 283:28 319:12

equity 206:2 226:6 250:7,18 266:25 291:21,24,27 303:25 320:6,13 321:18,20,28 323:3,15

equivalent 224:21 280:8

Errata 273:18

essence 213:2

essential 270:12,15 280:16 302:8

essentially 181:18 184:1 224:25 263:14 317:16

establish 243:21 257:13 336:27

established 225:23 265:13

establishing 350:23

estate 206:24

estimate 285:7 310:26

estimated 279:6

estimation 247:5

ethics 263:25 264:2 330:13 352:22

eval- 313:7

evaluate 224:27 277:15,28 293:8 301:17 313:7 319:21 322:11, 14,16,19 325:4 352:3

evaluated 275:19 290:2,6,12 302:11 305:17 306:5,7 360:28

evaluates 359:13

evaluating 277:18 302:12 307:10 361:14

evaluation 249:26 305:22 359:18

event 188:27 236:17 278:13,28 359:25 360:1

events 188:16 191:16 199:2 217:12,28 249:19,20,21 257:11 274:25 275:2,17,18,22 276:1,2 277:7,17,27,28 278:9 300:11,12,14,19 328:5,6 339:11 359:23 361:4

eventually 266:9

everybody's 375:14

evident 341:18

evidentiary 177:7 180:21 182:10

evolves 211:23 238:26

evolving 215:1

EXAMINATION 261:3 265:4 268:13 272:24 326:12

examples 194:19

excellence 222:20,22, 25 223:24

Excellent 184:25

exception 179:5 253:25 255:2

excerpt 273:20

excluded 375:16

excluding 179:25

excuse 256:10 270:3 278:26 281:27 328:15 332:7

excused 259:1 271:23 325:20

execute 307:16 350:18 374:17

executed 357:5

executes 315:15 350:8

executing 308:5 356:25

execution 350:13

executive 221:28 242:26 254:27 332:3 341:15 346:24 347:15

executives 263:22

exempt 286:19,25 287:3

exhibit 177:18,20 178:15,22 186:3,17 227:6,16 228:21,23 240:24 255:6 326:20 327:13 328:4 331:7,10 333:28 334:3,9 362:22, 26,28 363:7,16,25

exhibits 178:24 185:17 327:17

exist 350:26

existing 215:14 229:26

exists 336:1,3

exit 211:14,15,20,22 212:12,13 213:12 265:14 267:6 269:8,14, 18 281:1,5,11,13 299:12,22 321:24,27 322:11 323:2,15

exiting 298:10 300:2

exits 296:8 322:8

expect 177:9 198:15,21 211:14,25 212:11 218:4,10,15 226:20 251:27 254:26 261:10 275:6 279:17 285:4,11 292:15 294:21 301:8 341:19 342:18 343:9 366:1

expectation 278:20 290:7 360:8

expectations 242:1 258:14 347:12

expected 243:17 249:5 306:21 308:13 314:18

expecting 367:2

expects 242:9

expedition 355:9

expenditure 249:5

expenditures 249:15 250:5

expense 178:5 206:7 288:7 377:6

experience 200:9 211:25 223:22 264:17 275:6 277:9 279:16 295:19,20 296:27 312:13 368:26 369:14

experienced 212:10

expert 222:8 289:17 307:2 310:10 312:6

expertise 199:26 288:9,12

explain 206:19 207:11 222:5 224:23 289:4 343:12 348:22

explained 215:5

explaining 338:25

explanation 276:26,27 348:1

explore 242:23

exposure 288:27 289:6

expressed 181:1

extend 225:7 261:11,12

extended 188:4,21 194:20 199:14 226:12 375:4

extensive 298:8

extent 180:18 183:27 234:25 253:2 257:26 378:12

F

facilitates 359:11

facilities 248:3 353:27

fact 212:1 226:10 238:25 266:4 283:6 302:8 303:7 305:12 335:12 340:12 342:6 349:16 353:5 373:28 374:18

factor 223:6 302:5 311:24 315:16 316:7 317:3 319:22 320:12 322:2

factored 275:25 300:22 311:14

factoring 278:8

factors 315:20 377:17

facts 313:16

factual 180:19,22 183:28

fail 258:15

failed 336:26

failing 245:2

failings 217:22

failure 241:28 251:5 257:12

failures 245:6

fair 236:28 237:27 238:22,24 241:17,23,26 245:10,13 246:11,12,16 248:16 249:2,13 253:13,15 254:18 258:1 270:6,11 297:5 299:5 315:5 332:10 338:14 348:26

fairly 180:27 203:26 233:17

fall 188:11,17 189:1 247:5
false 253:4,10
familiar 202:19 234:13 288:20,24 289:14,16
familiarize 240:26
family 290:16
fast 377:28
fault 205:15
favorable 280:5,11 313:25
favors 303:9
features 243:22
February 177:2,21 227:19 378:17
feel 263:12,16 278:15 297:15 309:27 313:21
feel-good 219:23
feeling 350:11
fees 177:27 178:3 251:14,27 252:4 253:25,26,28 254:27 255:4 281:1,5,11,13
fell 256:3
felt 182:2,27
FERC 240:15
FFO 304:7
FFO-TO-DEBT 284:13
fiduciary 207:12,14,20 208:8,9,26 209:7,15,19 212:17
field 190:11 215:10 357:6,11,12
figure 248:27 250:6 369:12
figures 251:25
figuring 189:2
filed 240:15 281:16 302:15 305:27 308:20 314:24
filing 227:20 269:3
filings 362:6
fill 343:7
filled 355:27
final 229:21 245:22 257:19 258:18 286:12, 14 343:18
finalize 365:27
finalizing 365:15
finally 198:22 328:3
finance 310:8
financial 180:13 181:6 203:26 239:19,20 253:26 278:17,19 280:8 281:15 288:13 293:27 294:12 295:26 296:17 297:3 298:8 302:14,19 310:24,28 315:6 318:25 321:10 336:5 339:1 351:27
financially 275:2
financing 202:23 205:28 212:25 226:15, 23 261:27 262:13 266:21 270:17 282:28 284:27 285:4 295:21 299:10,13 321:24
find 190:13 241:8 244:27 354:20 356:21 357:23 372:11 374:25
fine 182:4,6 184:19 186:8 253:9 256:18 260:16
finish 189:8,12 210:9 255:15
finished 338:17
Finkelstein 230:22,26, 28 231:3 233:16,26 240:4 269:28 270:2 290:24,26 291:1,12,14, 16 294:27 295:1
fire 188:28 263:14 367:11 375:9
fired 263:8
fires 237:6,11 298:10
firms 240:15
fit 199:16
fits 198:9
fitting 197:25
five-year 212:24,25 276:5
fleet 223:25
flexibility 261:25,26 262:13
flow 284:12 301:20,24 303:27 304:1,8,12,13 305:21 314:25
flowing 367:20
flows 314:18,21
focus 188:8 189:27 191:1,2,15,17,19,21 192:1,4 196:12 216:9 218:9 221:4 222:18 237:16 244:21 245:9 289:23 295:20 307:15 336:17 339:8,15,22 342:7 353:23 367:12
focused 241:4 267:3 312:4 323:2 336:17 371:4
focuses 375:8
focusing 196:9 244:21 369:19
folks 191:27 299:27
follow 189:13 254:15 258:17 342:27 344:10
food 190:22
Footnote 274:18 277:21 278:2 281:18 282:5
force 349:9,10 350:7,20
forecast 311:18,22
forecasts 297:6
foresaw 251:11
forget 342:5
forgetting 292:21
form 219:24 227:19 243:15 267:8 288:15 344:18
formal 265:22 308:18 338:4,7 341:8
formally 337:27
forthcoming 251:11
forthright 242:25
forward 222:6 238:18 239:25 247:23 248:15 252:1,4 260:15,21,26 261:18 262:14 276:17 315:19 316:3 349:10
forward-looking 323:13,14
foster 263:11
fosters 316:9
found 197:4 227:18 324:21,22
Fox 185:10,16,22 186:22
framework 350:22 376:13
frameworks 310:20
franchise 279:27 280:12,13
Francisco 177:1 378:17
frankly 321:8 373:27
free 344:21
frequency 359:18,21 360:8,11,18,24
Friday 252:18 253:18
front 179:16 227:14,17 250:11 252:13 272:18 273:3,16 298:18 313:13 331:13 349:23 357:27 373:18
fuel 360:12,22 361:27
fuelled 359:26
fulfillment 241:8 257:14
full 190:11 272:13 326:4 339:12
function 183:25 376:20,21 377:2

functional 195:23 266:13

functions 339:20

fund 178:5 265:22,23, 25 266:5 267:8 303:1,3 305:8 315:12,28 316:19

fundamental 361:18 372:24 373:6

fundamentally 349:22

fundamentals 368:18

funded 303:24,25 304:17,19 305:5,14

funding 303:22 304:28 319:15,18

funds 211:13 303:23 304:7 305:5

future 214:21 251:28 310:22 311:18,22 313:15 314:18 321:10 369:18

futures 297:3

G

gas 224:13 272:9 275:12 281:20 300:10 325:27 326:17 330:16 345:27 351:7,16 367:20

gathering 372:18

gears 217:26

Geesman 186:23,28 218:26,28 219:1,3,6 227:12,13,22 229:3,5 230:14,18 237:12,24 274:8,10,12 276:19 277:3 287:10 292:22 358:23,25,27 362:21 363:5,6 370:4 377:27 378:3

gen 351:16

general 191:1 202:11 204:15 211:22 261:21 277:9 280:10 285:12 287:5 288:5 330:25 343:16 374:10 377:18

generally 202:18 206:21 211:8 222:10 250:12 275:16,19 276:4 279:13,22 280:4 283:27 284:19 289:16 302:9 308:12 309:16 310:13 311:10 312:15 317:25 319:7,11

generate 253:28

generated 367:20

generation 223:5,14, 17,24 224:6,20 227:28 228:7,10 279:28 280:22,28 281:4 345:28 375:5

generic 288:3

generically 255:4 350:5

geographic 193:2

geographically 193:5

give 193:18 221:9 232:8 237:21 247:16 251:21 255:22 256:15, 16 262:13 276:25 279:23 285:21 299:1 324:18 325:7 331:17 354:15 367:7 370:11

giving 299:20 343:28

global 312:21

goal 192:26,27 195:7 198:24 199:16,19 219:18 315:24 369:28

goals 196:18 221:18 239:11 243:25

good 177:6,17 180:6 182:20 187:19,20 201:28 214:13,14 219:4,5 231:2,8,9 260:9 261:20 262:4 264:26 265:28 272:6 274:11 287:15 291:15 313:26 317:27 326:14 329:6 345:14 349:5 350:16 368:19

govern 207:8

governance 238:15,17 257:5 307:28 308:3,22 329:19,25,26 330:3 339:6,15 347:2,12 351:18 352:10

governor 256:12

governor's 256:13 257:2,3,17,20 342:24 343:4,11 344:3

grade 262:22 279:20 281:9 282:21,26 283:7, 18,22 284:8 290:4,8 292:27,28 296:1 299:24 301:9,13 302:27 303:2, 9,20 305:15 315:25

grades 281:22

grading 282:23

grant 267:21

granular 373:9

great 189:1 277:8 295:24

greater 190:25 200:8 288:27 375:3

greatest 377:4

green 272:21

ground 313:16

group 187:25,28 195:13,15 216:19,22 240:20 264:3 273:1 343:27 357:4,9

groups 192:24 197:23 198:19

growing 352:3

guarded 312:9

guess 185:20 308:19 309:5 310:12 312:8 313:16 316:17 320:9 322:10

gymnastics 267:10

H

hair 241:25

hairs 241:24

half 321:11

half-a-percent 226:7

handed 178:8 363:16

happen 183:23 200:19 205:12 215:18 218:10 262:10

happened 235:10 263:20 311:13

happening 311:7

happier 338:20

happy 178:17 186:4 221:18 301:15 338:18

hard 192:9 214:28 236:18 309:23 319:12 337:13

hardening 248:3,18 249:1 315:8

harder 266:1,9

harm 188:3 200:9,26 201:2

hat 203:15 206:18,27 209:21

hate 203:27 265:26

hats 203:8 206:17

he'll 254:9 344:13

head 204:4 223:20 273:1 351:5,6,13,14,15, 16 358:12

heading 232:14 353:12 361:14 363:27

hear 183:1 264:24 265:18 292:25 360:16

heard 183:7 295:13 367:26

hearing 177:19 180:28 182:10,14,15 183:1,7,9, 11,20,24 184:2 240:13 264:22

hearings 177:7 180:22

heating 190:22

heavily 212:14 284:12 309:18,19,20

hedge 211:13

hedging 315:11

heightened 200:16,24 215:21,23 317:5

held 208:14 364:9

helpful 318:1,10

369:15

helping 350:6

helps 272:19 303:1 349:8,18,19 350:18

hierarchy 341:9

high 250:13 279:24 283:7 371:23 374:19,23

higher 194:2 249:10 280:9 294:4,12,13,15 301:22,25 315:4 319:9

highest 340:18 346:23 347:14

highly 187:28 192:17 317:22

highly-rated 319:13

hired 337:5,10,14,17,27

historical 311:23

historically 302:2 368:12

history 247:22 262:7 311:17 312:3 329:21 367:7 371:27

hit 195:4

hold 182:14 189:9 298:13 311:22 355:14

Holdco 206:18 207:8

holder 321:18 322:1

holding 203:10,11 207:14,19 208:15 212:19 213:2,6 261:22 262:3,4,11,18,24 290:7 291:19 292:7,16 293:1, 5,15,21 309:1 346:21 365:19

holding-company-director 209:21

home 321:12

honestly 347:5 348:6 350:2

honor 177:16 179:2 180:6,25 182:18,23 184:7 185:22 186:28 187:18 189:7 201:24 210:8 214:4,10 218:18 219:1 228:25 230:4,15, 24 231:1 233:16 237:12 240:3,6 254:19 258:22, 27 268:12 269:26 271:4,13 272:3 276:19 287:9,12 290:19,24 291:2 294:28 295:5 297:25 298:3 314:13 322:25 325:14 326:10 327:16 329:3 331:4 333:27 334:6,10 344:8 355:7 358:26 362:21 378:2

hookups 221:21

hope 243:12 295:13

hopeful 371:5

hoping 205:1 239:24 368:23

horizon 209:22 210:2 211:2 212:21,24 213:3 351:23

hour 255:18 259:13 378:16

housekeeping 177:12 184:27 187:2 260:12 378:6

human 351:27

hundred 285:21

Hydro-assets 224:13

hypothesis 375:10

I

IBEW's 229:15

idea 199:8 262:4 330:26 339:13

identifiable 243:26

identification 177:19 178:15 179:4 186:17 331:10 334:9 362:28

identified 247:4 257:2 327:15

identifies 359:10

identify 178:25 221:26 243:6 245:1 326:22,25 331:3 350:6 351:19 359:5 360:20 361:6

identifying 350:28

identity 342:25 343:1

imagine 343:26 361:13 362:20

immediately 252:3 367:11 373:18

impact 217:12 219:9 234:8 274:14 280:24 293:2,6,11 307:4 310:27 318:22 320:7 341:2 359:2

impacted 188:21 234:23 340:1

impacts 310:24 311:2 342:16 374:24

implement 270:13 376:27 377:1

implementation 188:9 315:18 350:13

implementations 243:8

implemented 220:28 308:12

implication 291:23

imply 213:11 377:17

importance 189:26 202:6 339:27 340:3 347:16

important 200:22 215:5 219:21 237:10 238:5 243:13 265:25 307:13,17 308:5,7 309:24 315:20 316:7 317:10,13,18 339:9,19, 23,24 341:23 372:2

impossibility 265:24

impossible 235:8 266:26

improve 194:12 239:24 353:18 361:15

improvement 222:19 339:5 376:1

improvements 188:15 239:7,10 374:27,28

improves 308:9 319:14

improving 195:26 353:13

in-person 344:28

inadvertent 218:7

inattention 217:3,23

incident 205:16,18

incite 360:11

include 180:17 181:27, 28 199:3 204:28 241:27 257:4 269:9 276:1 277:7 281:28 332:6 356:11,18 364:24 377:15

included 252:19 254:28 258:5,11 296:16

includes 199:9 236:4 263:6 292:6

including 190:7 191:26 192:18 204:10 248:4 273:17 311:11 334:25 347:28 352:7

inclusion 371:3,19 372:6,13

income 187:26 192:20 281:10 372:1

incorporating 257:21, 23 260:15

incorrect 213:27

increase 249:17

increased 289:23

increases 289:6

increasing 360:3

incredibly 297:13

incumbent 339:21 343:8

incurred 255:25,26 316:14

incurring 373:21

independence 298:24

independent 190:12 328:3 339:17 340:14 341:19,21 345:1,2 347:7

independently 188:2

indication 186:6 229:11

indicator 317:28 320:15

indiv 339:14

individual 199:4,9 337:17 339:14 354:9 355:28

individuals 343:6 365:9

industrial 373:8

industry 223:1,22 224:17 265:26 284:3 294:23,25 295:18 372:10

inform 297:14 371:9

information 185:10,18 212:9 235:5 247:27 248:11 309:17 312:10, 15 372:18

informed 185:9 204:18 282:11 299:2

informs 312:14

infrastructure 249:7 280:15 302:9 315:9 357:14

initial 320:11 342:26

initially 302:23

initiated 375:2

initiative 359:6

INPO 361:22

input 343:18

inside 225:9 247:5

insight 337:25 343:15

inspect 353:26 357:10, 14

inspection 353:22,25 354:3,6 355:22 356:12, 18,24 358:6,13

inspectors 357:6

instance 231:4 359:24

institutional 277:13,14 278:1 284:21 292:3 323:10

insurance 209:14 265:24 266:6

intend 211:22 222:1 229:11 230:4 254:5 282:2 345:5 370:7

intended 237:9,14,16 239:11 253:15 286:22

intending 238:7

intends 242:8 364:23

intent 254:4 283:3 299:26 366:13

intention 254:8

intentioned 336:15

intentions 258:14

interaction 279:8

interest 192:7 193:4 209:28 211:5 219:8 274:14 299:22 321:4 359:1

interested 210:3 240:20 244:23 248:23 256:26

interests 187:23,27 194:4 197:10,12 209:24 214:17 216:15,25 255:1

interim 330:15

internal 336:14,21

internationally 224:27

interplay 293:27

interpose 189:17

interpret 241:11

interpretation 246:10 257:25

interrogating 360:26

interrogation 361:8,10

interrupted 210:10

interruptions 210:26

intimate 372:20

introduce 272:3

introduced 185:14 288:21

introduction 272:1 301:6

invest 374:16

investigation 177:8 231:15

investment 262:22 279:20 281:9 282:26 283:7,18,22 284:7 290:3 292:24 296:1,27 299:24 300:1,20 301:9, 13 302:27 303:2,9,20 305:15 311:25 315:25 321:15 322:21

investments 306:26

investor 212:15 308:16 321:8

investor-owned 204:20

investors 211:10,11,13 277:13,15,19 278:1 284:21 292:3 298:19 306:17 308:23 309:8, 11,15 310:3,19,25 311:24 319:24,28 320:13 321:14 322:22 323:10 373:25

invoking 203:27

involve 334:27

involved 223:15 303:14 344:2 375:22

ISO 224:21,24,25 225:9 375:26 376:11

issuance 177:26 178:3 285:2

issue 179:17,18,20 186:26 190:1 243:12 244:12 262:23 276:16 283:3,8 285:1 305:9 310:10 317:10 319:16, 17 320:2 370:21,25 371:18 372:5

issued 262:17

issues 179:11,21 180:7,14,15,17,19,22 181:6,7,20,22,27 182:1, 8 183:2,28 186:20 188:28 260:16 288:10 312:3 317:8 339:28 342:16 346:18 364:28

issuing 292:2 320:8

item 179:5 223:20 228:22 229:9

items 179:3

iteration 268:20

it's 219:19 221:13,20 222:12 225:1 227:18 232:10 237:10 238:27 243:13

J

J.D. 368:15

January 355:6

Jason 202:25

job 196:21 197:15 198:17 215:18 313:21 357:1

John 219:6 272:5,9,15 274:12 358:27

Johnson 179:7,21 184:28 187:2,5,8,19 189:19 198:23 201:12, 18,27 208:3 210:23 214:13 218:25 219:4 227:15 230:16 231:2 235:11 237:19 238:3 240:2,9 259:9 260:4,9 261:1 265:6,11 268:3, 15 270:3 271:8,23 338:1 346:9 355:2 369:10,22 374:12

Johnson's 179:26 339:26 366:20

joined 180:8 202:8

joining 177:11

joint 180:10 185:9 186:14,16,17

jointly 231:5

judge 177:4,9 231:4 265:3,8 267:16 268:2 311:7 324:14 325:11 331:2 338:19

judgment 211:28 277:22

June 265:16,19 266:15 267:6 269:17 324:26 364:9 365:23

Junk 292:24

jurisdictions 313:4

K

Kasnitz 187:13,15,17, 21 189:15,21,22 191:9, 11 201:10,13

keeping 221:4 224:28 366:4

Kelly 201:22,24,26 202:1 207:25,28 208:5 210:14,16,18,21,22,25 214:5 231:13 271:3,4,6

Kenny 343:28 344:11, 20,21 345:12

Kevin 272:4

key 221:27 245:23,25 306:11 359:10 373:17

kind 184:22 190:17 200:5 224:28 252:7 262:9 350:14 371:9

kinds 190:24

kits 352:11

knew 264:11 294:19

knowing 374:23

knowledge 212:9 251:13 273:28 328:24

L

label 219:23 369:27

labeled 185:23 331:4,7 354:17

lacking 335:1

lacks 236:9

landed 367:10

language 230:4 244:12 263:6

languages 196:6 197:6

large 192:24 195:3 204:20 206:7 264:2 275:18,21 276:15 277:13,14 284:20 287:17 302:1 304:10,14 305:4 308:16 309:8 373:8

large-scale 199:1

largely 217:23

larger 289:11

largest 211:10

late 251:17

Laughter 370:3

launching 285:17

Law 177:4,9

lay 349:16

lays 349:17 357:4

lead 330:15 359:25 360:2

leader 212:10 224:17

leadership 193:19,20 330:6 367:18

leading 372:27

learned 231:23

learning 352:4

learnings 367:22

leave 263:27

leaving 183:3 205:9

left 179:9 321:5

legal 233:12 287:26 311:20

legend 335:15

legislation 236:12 276:11 287:22,23 288:9 296:18 303:4

legislature 236:12

lending 252:6

letter 256:8,12,13 257:17,20 363:18

letter's 256:24

let's 234:15 237:5

level 204:25 212:19,28 239:20 275:1 279:16 286:1 292:7 294:10 296:21 301:23 339:27 340:18 346:23 347:4,15 352:16 358:8 359:27 367:17 374:23

leverage 204:25 283:14 284:11 293:28 294:1,4,13,15 301:22 302:16,26 304:6 315:2, 4 325:6

leveraged 315:6 317:23

Lewis 356:1

liabilities 317:17

licenses 229:26

lien 319:5,28

liens 317:21,23 318:17, 18 319:24 321:9,15

life 225:18 250:19 285:26 360:3

light 216:6 218:2,5,8 272:22 329:20 366:3

lights 367:19

likelihood 318:6

limit 229:11 283:11,13, 16

limitations 361:16,18

limited 192:19 196:3 197:1 215:12 225:18 271:16 283:21 348:1

line-of-sight 340:16

lines 193:21 198:19 209:5 222:14 224:15,20 226:3,26 278:24 279:4 293:25 314:16,28 342:21 345:21,23,26 346:11 353:20 359:5 362:4 366:12 369:16 375:25 377:9

lion's 284:1

liquid 322:5

list 184:14,20 260:14 326:27

listed 194:27 330:8 332:23,25 333:6 360:6

listing 359:6

literally 349:7 368:25

live 188:2

lives 368:7

living 190:13 229:19

load 214:18 216:15

local 222:24

locate 263:10 264:10

location 190:22

long 179:14,16,17 180:5,6 181:23 182:11, 18 218:11 228:3 261:10,11 329:2,3,5,7 331:12,22,23 334:6,10 338:21 344:8,15,22,24, 25 348:14,27 350:10 354:22,24,28 355:4,11, 18,19 358:16,19 365:26

Long's 182:24

long-lived 250:13

longer 186:7 282:27 367:1

longer-term 213:12

looked 224:8 248:17,22 251:16 277:6 302:16 307:8 323:12 357:17

loss 318:6 359:25

lost 209:9

lot 197:5 198:3 203:8 205:20 215:23,24 223:12 263:19 316:22 322:6 334:11,27 369:7

lots 307:22 317:23 319:27

loudly 367:26

low 187:26 192:20 292:17 301:19 360:7 371:24

low-income 187:27 192:3 196:8,14 197:10, 13 372:15

Lowe 222:5,8

lower 294:1,17 315:2 318:5

lowering 315:16

lowers 319:18

loyalty 208:10

lumpy 250:16

lunch 255:18 258:26

M

made 183:24 185:13 188:15 199:28 229:20, 28 241:9 244:26 253:1 280:27 281:3 322:21 334:28 335:2

magically 267:8

magnitude 281:13

main 195:5 206:21 261:28

maintain 217:17

maintenance 362:16

major 347:6 359:21 375:8

majority 249:6

make 180:23 181:16 186:5 189:11 192:9 199:22 202:28 207:4,9, 22 208:3 209:11 215:18,28 217:13 220:3,9,19 221:17 237:5 239:15 246:5 247:18 249:15 252:15 255:3 258:4 264:5,7,15 266:6 276:24,28 281:13 283:7 284:24 305:8 306:26 311:25 313:2 322:7,17 338:16 343:18 351:22 367:12 368:10 371:28 374:25 376:23

makes 200:6 266:9 291:18 360:28

making 196:9 200:20 212:18 239:14 249:26 263:15 290:12 293:26 297:2 301:26 305:11 312:5 347:17 351:10 370:19 373:19

manage 343:14 349:8 351:11 376:19

managed 347:1

management 214:22 215:8 216:20 217:9,11 224:18 247:23 257:6 264:12 289:15,20,25 312:1,4 353:19 354:10 355:26 357:4 359:8

management's 215:17

managements 376:14

managers 351:17

managing 216:9

Manheim 189:7 210:8 237:1,6 254:19 256:11, 15 258:27 259:5 268:9, 11,14 269:27 271:13 326:10,11,13 327:19, 22,26 328:12,21 344:13 348:10,16,19 355:7

March 180:15,23,24 181:2,12,18

margin 249:17

Marin 201:22 202:2

mark 177:18 178:13 186:9 263:10 264:10 362:23

marked 178:15,22 179:3 186:3,17 227:6 228:25 229:3 273:5,18 327:13 331:9,10 333:28 334:7,9 347:20 355:1,9 362:27,28

market 205:25 206:2 212:6 280:21 282:26 283:9,12 284:28 285:10,13,17 286:2 308:13 321:21

marketable 286:4

markets 249:22 291:21 292:2 293:17 295:26 296:3 299:24 317:13 320:3 323:3 325:5

marking 186:15 362:24

Martin 325:27 326:6

material 274:24 275:18,22 276:2 277:7, 16,26 278:9 279:1

materials 252:15

math 341:1

matter 215:17 230:9 260:12 261:21 378:16

matters 184:28 218:13

mature 286:1

matured 285:22

maturities 286:14

maturity 286:13

maximize 368:5

meaning 219:20 269:23 301:19 339:15

means 196:16 221:14 224:11 315:13 316:1,25 337:15

meant 361:16

measure 222:1,2,7 223:23 349:13,18 350:4 368:2,10,13,19,22,28 369:10 371:27 372:2,6, 7,12 376:7

measured 310:16 349:20

measurements 223:4, 19

measures 222:28 223:12,13 368:23,26 369:14 371:6,7 373:14

measuring 350:28

mechanisms 244:28 257:7,10 258:3,11,17 313:1 337:25 349:12

medical 187:24

medically 193:11

medium 292:17

meet 192:2,17 240:9 242:4 265:27

meeting 196:17 246:6 265:19 363:28

meetings 216:8,11,14 217:2 324:4 342:8 362:17 363:13 364:8 365:13,23 366:9,11

Melissa 187:21

members 332:6

memorializing 184:22 260:23

memory 256:9

men 357:12

mention 188:19 190:28 191:20 197:21 198:7 279:26 330:17

mentioned 191:27 215:3 225:10 300:23 313:5 317:4 339:25 346:12 353:17,19

mentioning 273:22 284:17

mentions 330:7

mess 294:19

met 180:8 339:21

meters 215:10

methodology 275:11, 26 276:17 281:24 282:2,7,10 318:24

metric 219:24,27 222:11,13 223:12 304:8 359:17 360:23 370:6

metrics 221:27 223:10, 15,16 224:6 278:18,19 279:6 280:8 281:9 284:12 302:16,19,26,27 304:6,7 305:21 377:12, 14,20

Mh-hm 364:1

mic 272:22

Michael 240:10 295:6 356:1

microphone 272:18 295:11

mid 279:24

middle 181:17

miles 248:24

million 177:28 178:1

mind 194:23,25 195:14, 21 204:3 234:16 236:13 266:20 291:26,28

mine 192:7 298:26

minimized 352:16

minimum 261:17

minus 279:21

minutes 223:8 255:16, 20 314:5 320:23 330:2 362:16 363:11,22,28 364:14,22,28 365:16,27

miscast 263:26

missing 216:1

misspoke 237:15

misstated 231:24

mitigate 315:7 350:8 351:2

mitigation 195:27 249:7 317:1 349:22 350:19 351:20 359:11

mitigations 349:14

model 302:10 371:6

modified 336:10,12

moment 194:8 210:28 211:9 214:6 222:3 234:2 238:22 247:16 256:15 262:12 267:13 269:25 336:25 342:5 344:25 353:23 357:18 370:18

Monday 180:24

money 205:20 249:21, 22 250:18 304:28

monitor 345:23

monopoly 279:27 280:13

months 211:26 216:7 264:18

Moody's 281:19,28 282:7,14

moral 253:12

moratorium 261:7,10, 14

morning 177:6,11,17 180:6,8 187:19,20 201:28 214:13,14 219:4,5,13 228:20 231:2,8,9 297:21 366:19 378:10

mortgage 279:23 283:3,8,26 285:14 319:10,17 320:3

motion 184:18

motivation 316:19,20

motivations 316:24

move 179:19,20 201:9 316:3 334:25 345:16 352:21 353:10

moved 192:13

moves 267:5

moving 192:22 306:3 315:19

multilingual 196:5

multiple 210:10 221:3 285:25 356:17

myriad 261:25

N

named 355:28

narrow 335:7

narrowly 367:24

national 220:13,23 221:3 374:2,4

nature 235:3 276:10 298:24

necessarily 193:5 248:13 283:1 299:16 300:12 305:11,13 360:13

needed 266:22

negative 217:24

negotiated 323:6

negotiating 254:20

negotiations 303:11 344:3

net 368:25

network 190:15 220:11

neutral 226:15 245:19 246:9

newly-defined 335:3

NOLS 286:21

non-confidential 363:11,21 364:25

non-investment 292:27

nonfinancial 180:13 181:6

noninvestment 282:23 290:8

noon 180:24 182:11

Nora 287:16

normal 284:26 300:15

notations 185:25

notches 279:23 319:4

notching 281:21 282:8, 15,24 318:27,28 319:2

note 186:5 188:8 192:12 195:7 276:23 327:28

noted 262:25 327:27 328:22

notes 279:19 330:9

notice 262:16

noticed 263:3

notification 188:25 189:4,6,25 190:1 191:6 200:20

notifying 188:26

November 363:18

nuclear 219:7 224:14 228:7,10 274:13 358:28 359:14,21 360:26 361:9,17,21 362:18,25 363:27 364:8 365:13 375:20

number 195:4 206:20 227:23 228:4 230:1 236:5 238:5 241:7 244:9 251:16,22 300:19 314:25 320:18 339:22, 28 352:7 359:23 369:1, 6

numbers 204:16

numerous 217:2

O

oath 187:7 260:11 299:1,21

object 233:17 271:14 288:15 344:17

objection 189:7,18,20 210:8 254:19 288:17 344:15

objections 344:24

objective 219:18 367:24 368:2,5 369:28 370:9 376:20,21 377:2

objectives 243:25

obligation 197:27 198:11 201:1 241:13

obligations 225:12,15, 28

observation 292:15

observed 264:9

obtain 229:15

obvious 261:18

October 335:14

offer 243:1

offering 218:4

offerings 371:12

offers 242:9 244:16

office 213:20,22 231:20 342:24 343:4,12 344:3 365:2,12

officer 244:6 254:27 268:16 330:7,10,12,13, 14 332:19 335:4,5,27 336:5,13,16,18 338:24 339:1 340:21 341:10, 14,24 342:1,6,9,15,28 343:2 345:17 347:15, 27,28 348:24,25 349:7, 16,17,21 350:2,5,12,21

351:12,22 352:12,13, 22,23 360:26 361:9

officer's 342:2

officers 262:26 332:21, 24 333:6 341:15 351:24,25

offsetting 234:7,21

on-the-run 285:28

one's 360:9

ongoing 258:19 342:13,18 344:2

onus 351:17 352:6

open 245:27

opening 180:12,14,16 181:19

operate 225:1 229:26 230:9 306:20,21 375:20

operated 313:8

operates 315:19

operating 205:13 209:13,15 222:24,27 304:12 314:25 346:22, 28 347:8 352:18 367:21 373:18,20 375:15 377:5

operation 304:8 340:22

operational 217:10 222:20,21,25 223:24 266:12 359:8 377:12,14

operations 305:6 314:19 315:8 316:2,6 330:15,16 345:27,28 351:5,6,15 354:14 356:2 362:19

opine 323:17

opining 212:3

opinion 246:18,22 274:20 277:26 278:2,28 281:7,27 290:3 312:7

opportunity 180:21 182:9 190:26 215:22 236:1,14 249:28 322:14

opposed 181:11 303:8

opposes 231:21

opposing 179:24

ops 351:14,26

optimism 295:24

optimization 286:10

options 261:27 324:25

order 206:12 226:14 258:18 334:1 362:7

ordinarily 223:23 285:23

org 354:9,18

organization 215:7,17 263:27 332:1,12,19 333:1,11,21 334:15,17, 21,24,27 335:10,17,19, 23 342:2 349:28 355:5, 23 357:21 361:21 367:17 370:14 373:19

organizational 193:13

organizations 332:21 357:16,19 358:9

organized 326:28

outage 188:4 199:15 200:14 223:8

outages 188:10,22 194:21 200:4 223:6

outcome 278:6 282:17 343:3 377:4

outcomes 217:24 313:10 371:10 374:14

outlaid 251:15

outlay 303:17,18 304:10,15 305:4,8,12

outline 181:14

output 341:28

outreach 196:4,5 197:6

outstripping 240:19

overlooked 215:15

overruled 288:1,18 322:27,28

oversee 332:21

overseen 209:12

oversight 209:17 217:3 364:8 365:14

overview 193:18 197:18 198:6 231:28

P

P-L-A-S-T-E-R 272:16

p.m. 259:11,13,14 260:1 378:16

pace 215:6

Pacific 272:9 325:27 326:17

pages 179:6 188:7 355:5 363:17

paid 234:10 253:3 306:4

paper 376:28

paradigm 371:23 372:9,25

paragraph 229:10 255:6 329:9,12 364:22 369:16

paragraphs 364:19

paraphrase 332:9,11 348:12,26

paraphrasing 294:6

pardon 263:17

parent 207:7 290:1

parentheses 332:7

parenthetical 328:9,15

part 192:21,26 199:18 202:23 231:26 242:19 244:11,16 249:14 250:7 268:24,28 269:5 270:5, 10 275:14 276:16 314:18 316:18,19 317:2 321:7 371:6 374:12 375:13

Participating 303:3

parties 177:22 178:18 179:12 180:9,18,20 181:1,9 182:2,8,20 235:7 246:19 260:27 328:18

parties' 252:18 320:19

partners 345:22

parts 327:24

PAS 375:27

pass-through 202:22 203:2

past 188:11,17 216:7 217:22 267:7 282:9 366:3 376:26

paths 233:12

pathway 347:7

pattern 311:20,21

pay 205:22 219:21 250:13 269:1 308:23 371:20 372:1

paying 218:12 372:3,4

payment 213:17 232:6, 15,23 256:2

payments 202:10 242:19 256:2

payout 305:25

peaking 224:13

pen 181:17

penalties 310:21

pending 348:21

people 178:27 192:18, 19,20 193:14 199:23,27 200:9 206:21 263:10,27 264:5,15,18,25 265:12 278:8 300:6 309:12 313:6 357:10

perceived 251:5

percent 215:8 226:5,6 227:25 228:6,8,17 262:26 263:20 280:20 283:25 284:6 298:13 305:25 310:17 312:22, 24 318:16,18 319:5,6

percentage 228:13 319:9

perception 251:1

perform 275:7

performance 221:27 241:18,21,22 310:25,28 311:24 339:10 346:19,

24 370:6 371:7 376:3,8 377:15,18,19

performed 274:28

performing 207:10

period 206:8 226:12,14 247:25 261:19 282:27

permanent 267:24,26, 28 270:25

permit 315:3

perpetuating 371:22

person 189:10 197:14 210:12 268:18 338:28 345:15

personal 199:3,9

personnel 223:10 362:7,10

perspective 182:25 185:13 300:1

pertaining 214:19

Peter 177:9

PG&E 177:14,19 178:22 180:8 184:13 188:15,23 191:2,4,23 192:5,13,18 193:19 196:20 197:11 199:15 200:1,6,24,26 202:6,8, 9,21 203:10,11,18 205:12,15,19,21 208:7, 17 213:19 214:25,28 215:6 216:17 219:18 220:4,14 223:28 224:6 226:10 227:26 228:2,26 229:11 234:5,10,18,26 235:28 236:11 238:10 239:8,25 242:8,9,10,13, 15 246:20 247:3,22,28 248:2 249:10 251:15 253:1 255:24 262:5,27 263:5 265:15,19,23 269:7 270:13 271:26 273:3 275:2 279:1,7,17 280:8,20 281:15 285:15 286:26 288:4,13,22,23, 27 289:18,26,28 291:18,22,24,25,28 292:4,16 295:25 298:10,24,25 299:10,19 300:2,4,16,20 302:24 303:17 306:28 307:20, 22 309:25 311:3,27 313:14 315:7,15 316:21,28 317:11 321:12 324:3,6,24 325:21 326:15 331:4,7 332:11 333:20 334:3 342:23 343:3,4 344:9, 16 354:19 360:20 363:10,19 364:23 369:28 370:8,23 371:22 372:26 377:11

PG&E's 182:25 188:8,9 191:16 197:19,25 214:19 217:22 224:19 226:9,27 231:28 233:8, 27 234:14 235:14 236:14 238:4 239:19,24 243:16 255:28 262:1 269:14 274:15 278:16 279:10,14 280:1,28 281:4 282:25 283:12 285:2 286:4 289:5,14 292:5 298:14 307:1,4,7, 26 309:7 318:17 321:10 323:28 326:19 329:18 330:3 359:3,7 362:12 363:17 366:3 375:26

PG&E-01 240:24 273:5

PG&E-07 273:18

PG&E-08 178:14,15 179:1,4,24,25 229:4

PG&E-7 327:14,26

PG&E-8 255:6

PG&E-OWNED 228:7

philosophy 376:1

phrase 360:15

piece 261:13

pitch 244:19

place 202:7 321:26,27 373:14 376:22

plan 193:3 195:21,27, 28 196:19 197:19,25 198:5,10,14,15 212:25, 26 219:10 226:9,13,27 228:14 229:24 232:1 233:5,15,27 234:2 235:1,20,21,23,24,27 236:3,20 238:6,7 243:16,17,23 245:3,21 249:23,24 250:25 251:5,12 257:3,12,22 258:7,10,15,16 262:17 267:2,3,14,22 268:25, 28 269:2,5,6,8,18,22 270:5,11,14,16,20,22, 25 271:10,11 274:15 275:2 276:5 277:16 278:20 279:1,10,14 281:15 283:2,28 286:26 288:13 292:5 295:25 297:20 298:11 302:14 303:12 305:23 306:4,6, 8 308:4,26 309:3,9,13, 22 314:23 315:15 324:21,22 325:2,3 333:6 359:3 377:26

planned 229:13

planning 202:21

plans 270:13 307:16 351:21

plant 225:17 230:9,12 319:12 359:14,22 375:21

Plaster 272:5,8,9,15,26 274:2,11 277:4 287:7, 15 290:18,27 291:15 295:6 297:26 304:22 323:23,26 324:15 325:17,20

play 190:6

plays 238:26

pleading 181:10,25,28 182:4,6,7,16 241:7

pleadings 180:20 181:15,19

pleasure 240:9

pledged 284:7

pledging 202:22

plenty 264:11

pocket 351:4

point 177:23 182:23 238:9 239:3,11,21 243:23 246:24,25 253:13,15 265:23 293:26 305:10 311:14 352:14 355:8 361:24 378:12

pointed 300:9

points 242:16 285:19 335:2

poised 267:11

poisoning 360:4

policies 198:13

policy 220:26 313:25 374:14

pollution 286:25 287:4

pool 361:27

pools 360:12

Poor's' 312:20

populated 289:10

POR 233:13

portfolio 227:28

portion 178:4 341:1 350:16

portions 326:19,25 327:4 350:26

posed 324:17

position 233:8,18 234:6,14,26 235:9,14, 18,19 236:19 272:27 280:1 301:25 312:20 313:12 321:28 326:15 335:28 336:2,4,7,10,19, 20,28 338:25 339:1 340:6 345:18 346:4,15 352:26 353:3,6 354:1, 12,20 355:21,25

positions 235:6 240:21 253:17 330:7,16,22 332:3,20 335:3,26

positive 303:5 316:9 318:27 366:15

possession 299:10

possibility 181:13,24 182:1

possibly 181:21

post 266:14 310:8 323:2

post-bankruptcy 346:3

post-emergence 279:7,10 331:28 332:12 333:1 334:15,21 335:9 336:7 339:2 342:26

post-emergent 287:25

post-exit 274:23

potential 215:26 216:6, 9 217:3 324:5 359:18 360:12

potentially 283:24 293:2,6 328:8,14

Powell 355:28 356:8,10 357:3,9,19 358:13

Powell's 358:4

power 188:4,10,21,27 194:20 199:14,16 200:1,7,12,27 224:20 273:1 351:16,28 359:14,22 360:2,4 367:20 368:15 375:20

PP&E 319:11

practice 283:4

practices 300:18

pre-petition 225:12, 14,28

preambles 245:11

precise 245:15

predictability 306:17

predictions 297:2

prefer 267:9

preference 181:2 182:5

preferred 226:7 250:20

preliminary 279:5

preparation 297:12

prepare 185:17

prepared 186:13 214:23 273:4,10 326:19 327:7

preparing 293:20

prescribed 352:11

present 181:10 272:4 343:17

presented 180:11 181:5 278:14

presenting 326:9

president 182:28 183:11 203:9 265:1,2,5 268:5,7,18 271:8 324:14 325:7,11 326:16 330:14 351:26 354:13 355:26 356:2

presidential 354:12

pressure 305:18,20

pretty 182:20 196:18 205:24,26 230:3 262:2 265:20 294:22 320:17 361:20

prevent 200:13 201:2 218:7 248:3 263:28 266:23 367:13

preventing 367:25

prevention 349:23

previous 237:3

previously 185:28 333:20

price 220:1,3 221:5 250:16 285:13,23

priced 285:5

prices 374:18

pricing 286:23 323:17 371:15

pride 212:1

primarily 361:28

primary 190:9,10,27 199:20,24 304:6 318:4

prior 177:14 178:11 181:20 290:9 305:23 328:15 377:10

prioritization 349:24

prioritize 215:15 349:27

priority 188:23,24 191:4,23,24 192:4 320:6

private 343:22

probability 317:28

problem 190:5 228:18 263:5,7 264:21,22

problematic 188:16 199:2

problems 263:15 266:13,16,18,23

procedural 184:17,19 260:22,23

procedures 339:16 349:15 350:24

proceed 183:5 328:20

proceeding 202:17 219:9 260:25 263:10 267:5 269:4 274:14 295:9 342:11 359:2

proceedings 235:7 236:7 248:9 297:12

process 215:26 230:2 232:2 233:4 245:28 266:9,20 269:24 343:7, 10,21,22 350:3 351:9 360:25 361:2,3,8 365:3 374:27

processes 267:12 315:10 316:3 339:16 349:15 350:24 352:11

procure 266:5

procurement 227:28

procuring 265:23

produce 243:17 263:25 361:11

produced 333:20

Producers 231:6 240:11 295:7

producing 239:14

production 224:9

productive 341:21

productivity 370:16

professional 211:24, 27 251:14 253:25 275:5 279:15

professionals 253:3

proficiency 192:20

profile 278:17 280:6,14 294:1,3 301:20 308:9 315:1,3 320:15

program 211:21 220:14,19,22 221:1 239:16 345:24 346:27 351:8 353:22,26 354:2, 4,6 355:23 356:12,19, 24,28 357:5 358:6,12, 13 359:8,13 367:13

programing 371:9

programs 196:11 350:8 353:17 354:11 361:14 372:14

progress 214:27

project 225:13 311:17

projections 276:4

promote 248:4 313:13

promoter 368:25

promptly 180:27

proof 238:8

property 283:28 319:11 368:6

proportion 204:12 227:27 280:28 281:4 283:20

proposal 180:10 182:21 183:12,13 184:15 203:20 204:11 235:2 260:20 268:24,28 269:9,12 346:2

proposals 238:15

propose 205:21 377:11

proposed 193:23 202:18 204:9 219:10 236:10 260:14 261:8 274:15 285:2 287:24 353:2

proposes 203:17,19 242:9

proposing 238:16 239:8

prorating 178:3

prosecute 374:21

prosecuted 367:14

protect 200:25 297:10

protected 243:7

protection 245:25 296:17 368:6

protections 244:24 245:16 248:5 258:5 296:15

protocol 342:9 345:8 349:17

protocols 350:3

proved 229:28

provide 188:20 190:20 192:10 193:9 198:6 205:7 219:14,22 221:16 244:24 258:12 280:4 307:22 309:26 310:2 316:23 318:27 331:28 332:13 339:17 347:25 360:11 365:9 367:16 373:10 377:25

provided 247:28 299:9, 28 303:8 305:23 309:3 322:20 331:15 344:6

provider 199:20,25

providers 190:15 373:27

providing 186:24 299:18 303:19 307:19 311:5 313:17 368:11

provisions 225:20

prudent 224:18 316:13

prudently 306:24 317:14

PSPS 188:10,16,27 191:7,15,20 195:26 199:2 217:12 249:20 367:23

PSPSS 368:20

public 185:13,19,21,23 186:1 213:21,22 231:20 292:1,2 311:11,13 312:15 313:25 315:13, 27 343:20 345:5 349:10 350:7 374:14

public's 362:11

publicly 321:23

published 276:12 281:15

PUC 263:4 343:12 377:11,12

pudding 238:9

purely 321:3

purpose 226:8 249:9

purposes 210:3 237:2 240:13 295:9

pursuant 262:17

pursue 374:22

pursuing 261:25 289:19 374:7 375:1

pursuit 374:15

pushed 267:7

put 189:1 203:14 206:16 235:1 298:13 305:18,20

puts 258:18

putting 206:18,26 209:20 215:9 278:8 376:25 377:7

Q

qualified 357:6

qualitative 277:22 278:7 361:28 369:27

quality 214:21 224:26 284:10 320:15 351:19 361:19

quantify 275:1 349:13, 18

quantitative 219:24,27 225:3,6 278:27 281:26 349:26 362:1 370:5

quantitatively 220:2 359:9 360:21 361:11

quarterly 342:14 344:28 363:19 364:15, 24 365:24 366:5

question 179:11 183:19 184:6 189:11, 12,16,20,27 191:6,8,10, 13 193:27 197:17 201:5 202:13 203:27 207:23, 28 208:3 209:26 210:23 211:7 212:3 213:10,15 214:2 219:16 223:21 231:13 233:17 237:7 252:12 253:19,22 254:23 257:19,26 267:17 270:24 271:7,9, 12 274:17 276:21 277:1,4,12,24 281:2 284:4 290:15 293:19 296:24,25 297:19,24 303:16 304:23,27 307:7 308:28 310:13 318:8, 11,15 320:11 321:2 322:10 323:7,25 324:10,13,17 331:27 332:25 333:10,22 334:20 335:7 337:14 338:17 344:10,18,20 347:23,24 348:21 349:1 351:18 352:25 356:16 360:16 367:8 370:11 374:16 375:24 377:8

questions 178:28 179:24,25 182:21 201:11 203:16 206:17 209:10 214:3,19 218:19 228:19 230:15 237:3,13 241:10 245:9 259:3,4 261:1,6 268:6 271:15, 17 276:25 282:13 287:8,19 290:20 291:17 295:16 298:14 330:1,24 358:16 367:4

quick 239:1,2,3

quickly 320:17

quote 226:9 227:4 274:25 281:19 329:19, 20 359:6 360:21,22 362:14 366:18 376:5

quoting 222:15 225:11 226:8,28 274:19 362:8 366:14 375:27

R

radiation 360:13

raise 180:19 249:22 274:21 305:7

raised 180:22 271:15

raising 266:6,9 310:11

RAMP 342:11

range 211:26 228:18 359:28 360:5

rapidly 214:28

rate 196:10 206:5 220:1 233:28 234:6,18 235:16 236:14,24 245:16,19 275:8 296:19

ratebase 204:13

rated 300:25

ratemaking 248:9

ratepayer 202:17 203:19 244:22 248:1 250:8 255:1 258:5 296:16,17 315:27

ratepayers 214:22 219:9 234:9,22 243:8 245:25 274:15 297:10 359:2

rates 198:9 206:4 220:5,7,12,23 221:2 233:10 236:2 371:23 374:3

rating 262:22 275:6,10, 14,16,20,26 276:3 277:6,27 278:13,15,22 279:9,12,16,22,25 280:4,10 282:13,19,21 283:19,22 284:8,9 285:12 290:3,9,10,16 292:10 293:5,7,12 294:4,14,18 300:26 301:14,16,23,27 302:12 304:16 305:19 306:11 312:21,24 313:14 315:4,25 316:21 317:6, 24 318:20,23,26 319:20 322:1 323:27 324:1,4,5, 7,24

ratings 275:23 278:6 280:9,25 283:7 284:11, 19 296:2,7 300:27 301:9 304:3 305:21 318:28 320:12,14

ratio 284:5,13,14

re-ask 208:2

re-cross 271:2

reached 213:19 217:19 278:4 323:9

reaching 275:27 276:6

react 360:14

reacted 367:27

reactor 359:27 360:14

read 240:27 257:18 282:3 296:18,19 327:22 331:26 334:14 348:5,19 357:28 358:2 363:26 364:12,26

reading 302:11 357:20, 21 364:18

reads 364:5

real 188:4 248:20 266:12

reality 262:2

reason 178:2 192:22 226:17,19 249:15 262:11 264:5 267:20 308:28 321:2

reasonable 201:8 210:4 220:3,5,20 221:5 297:17 347:13

reasonableness 213:4 229:14

reasons 182:26 195:17 261:24

rebuilding 198:24

recall 198:26 231:17 235:8 289:21 366:22 369:22

recapitalized 269:24

receive 278:22 279:17 282:14 324:24

received 354:19

recent 247:21 248:19 333:21 335:17 354:16, 18

recently 289:23 366:9

recess 218:21 258:26 259:11,13 314:7,8

Rechtschaffen 177:10

recognition 192:23

recognize 188:9 189:25 199:25 367:27

recollection 204:24 242:12 249:3

recommendations 241:7

record 177:5 178:19, 20,21,23,26 180:2,3,4 181:26 186:10,11,12 201:14,15,16,19,20,21 214:6,7,8 218:23,24 224:28 227:9,10,11 228:28 229:1,2 237:10 256:19,20,21 260:8,24 264:10 271:24,25 272:14 274:5,6,7 311:23 313:5 314:9,10, 11 316:6,27,28 320:20 325:23,24,25 326:5 331:19,20,21 355:15, 16,17 358:20,21,22 363:2,3,4 366:4 378:4, 7,8

records 248:6,8 313:6

recover 233:9,19 236:1 253:3 306:25 312:27

recoveries 233:13

recovering 313:2

recovers 281:1,5

recovery 179:22 233:28 234:7,19 235:16 236:6,15,24 250:19 253:24 288:7,8 316:15 317:16,27 318:1 373:22

recross 269:28 271:16, 20

RECROSS-EXAMINATION 270:1 271:5

redacted 185:28

redaction 185:15

redactions 185:18,24

redirect 214:2 258:28 259:8 268:10,13 271:14 276:27 325:13

reduce 310:17

reduction 375:1

refer 188:10 246:8 344:28 347:23 353:20

reference 177:26 232:8 240:23 255:6 256:10 291:18 332:22 355:23

referenced 241:6 256:8,24,27 287:28 333:24 334:13

references 219:15 221:9 244:26

referencing 334:5

referred 237:3 344:20

referring 198:28 225:15,19 237:11 256:11 257:17 278:10 308:25 314:24 344:26 354:22,24 360:9 365:5

refers 291:22 329:25 356:7

refinance 205:27 206:13 211:15 270:16

refinanced 197:28

refinancing 205:25 206:10 270:18

refining 327:25

reflect 366:10

reflected 278:23 320:20

reflection 241:18

Reflects 375:28

reforms 214:26

reframe 284:4

refresh 244:4

regard 183:2 185:8 194:17 196:2 254:12 262:15 277:13

regionalization 192:22 193:1,9 195:18, 20 333:4 334:26

regionalize 244:7

register 195:3

registry 360:7 361:1

regular 211:16 324:7 342:7,8,12

regulated 206:27 281:20,24 282:1 310:18 372:11

regulation 302:4 307:23 310:23

regulations 310:1

regulator 243:14 373:24

regulatory 280:14 288:10 302:2 306:10, 15,19,27 307:2,4,8,12, 20 308:6,7 309:27 310:10,15,20 312:21,26 313:12,18,23 316:10 343:27

reimbursement 315:27

reinsurer 317:17

relate 228:19 288:4

related 213:24 225:13, 28 242:1 253:4 336:21 371:2

relates 251:23 280:3 288:5 300:16 369:27

relationship 295:17 298:27 299:11,19 307:12,13 314:1 335:6 338:5,7 340:11 341:8,9, 12,17,20 342:3,14 344:4 353:2 360:14

relationships 313:23 316:10 332:2 333:8

releases 360:12

relevance 179:26

relevant 247:25

reliability 362:13 376:2

reliable 188:1 196:17 198:8,12 221:16 310:2

reliably 222:28

relied 310:19

rely 199:12 243:27 284:12 298:20

relying 317:1 323:5

remain 266:2

remaining 266:14

remains 203:25

remedial 241:28 242:5 243:15,21 244:27 251:4 257:13 258:13

remedies 374:23

remember 251:17 367:3 369:5

remind 187:7 260:10 369:25

removed 185:24

renewable 227:2

renewed 307:15

reorg 270:13

reorganization 217:16 219:10 229:25 232:1 235:25,28 238:6 270:14,20 274:16 288:14 298:11 305:24 306:6 309:4,9,22 359:3

reorganizations 333:4

reorganized 197:28

repay 314:17

repeat 281:2 366:24

repeatedly 219:11 221:8

rephrase 210:23 296:25 307:6

replaced 262:27

reply 181:5,6 186:13

report 268:16,21 281:19 282:1 330:22 332:20 336:8,10 338:27 339:2 340:2,6,15 346:4, 15 356:1 357:19 363:19 364:15 365:24 366:5

reported 220:12 268:18 353:7 374:1

reporter 210:19 227:21 338:19

reporters 338:18

reporting 193:25,28 332:2 333:7 335:5 336:16 338:4,5,7,28 340:11,14 341:8,12,15, 25 342:3 346:23 347:14 352:26 353:2 354:11,12

reports 268:19 336:4 341:14 342:6 344:28 345:19 357:9 364:24 375:15

represent 187:23,26 190:8 202:2 214:16 219:7 228:15 240:11,16 274:12 287:16 295:7 358:28

representing 231:3

request 180:21,24,27 182:9 234:5,11 259:8 260:13 261:11 331:8 333:19,26 334:4,13,20 347:22 348:17,21

requested 187:13 236:4

requesting 261:14

requests 331:5 333:23

require 249:21 269:3 282:27 288:8

required 257:27 323:15

requirement 287:21

requirements 257:6 357:4 366:7

requires 205:18,20 246:9 264:1 329:14 363:10

requiring 363:21

research 322:5

reserve 181:1 255:10 259:6,7

resolution 252:5

resolved 186:20

resource 190:20 200:21

resourced 347:18

resources 215:13 322:6 351:2,27 357:11

respect 179:24,25 180:7 243:16,24 251:12 269:16 296:14,15

respective 348:2

respects 178:7 230:13

respond 264:25 271:14 282:12 358:9

responding 228:22 313:15

response 177:20 184:10 187:4 205:19 210:9 260:19 263:4 270:23 271:21 276:20 292:22 293:14 307:23 309:26 323:24 325:18 331:4,8 332:11,28 333:21 334:3,14 347:21 356:15 366:6

responses 198:23 234:5 292:14 352:15

responsibilities 198:17 215:9 340:4 348:3 356:11,17

responsibility 196:28 200:8,25 219:8 243:5 274:13 336:14 340:17 341:22 346:10 347:26 354:10 356:23,26 357:2 359:1 362:16,25 365:15 375:14

responsible 340:25

responsive 221:20 276:20,25 334:19 361:22 364:6

rest 178:6

restate 318:10

restoration 221:21

restructured 191:2

restructuring 196:20 197:19,21,25 198:5

result 245:5 267:4 294:13,17 367:26 374:13

resulting 329:19,25 330:3

results 239:14,17 243:17 263:25 311:18 377:17

resume 187:6 378:9

resumed 187:9 260:5

resumes 185:1 187:2

resuming 259:10

retail 228:6 370:24

retain 251:2 283:22 284:7

retention 225:19

rethinking 208:11,13

retire 286:27

retirement 229:13 375:5

return 259:10 271:11 306:25

revenue 203:20

revenues 202:23 203:3 281:1,5,10

review 229:12 243:4 247:26 302:14 309:13 310:26 313:3 322:7 339:17 348:11 375:7,13 377:13

reviewed 242:7 248:13 279:5 287:1 311:10 366:8 375:18

reviewing 180:20 247:21 342:9 375:4

revisit 179:10 254:17

rich 361:20

right-hand 356:3

rigorous 375:13

risk 188:3 195:3 199:27 200:3,26 205:10 215:12,16,20 216:3,6,9, 20 217:3,9,10 228:15 249:7,11 268:16 275:23 277:19 278:7 280:5,12 288:28 293:3,27 294:1, 3,11,26 297:8 300:21, 25 301:17,19,25,28 302:5,11,17,24 307:11 308:3 313:10 315:1,3, 17,21 316:8 317:1,5,7 319:21 320:15 328:13 330:9 335:4,27 336:13, 16,18 338:24 339:15

340:21 341:10,24 342:1,5,9,15,17,28 343:2 347:1,28 348:24 349:13,16,17 350:2,4, 19,21 351:11,12,17,22, 24,25 352:3,6,8,12,13 355:26 359:8,10,12,21 360:7,22 361:1,15,27 367:28

risks 194:12,16,20,21, 22,23,24,26,28 195:4 205:9 300:28 310:17 315:6,8,11 317:22 318:25 328:7 339:12 340:19,20,22,24 341:2 342:13 347:6 349:8,19, 26,27 350:6,26 351:5,6, 7,8 352:1 359:13 360:11,27 361:6

road 350:24

Robert 343:28

robust 225:2

role 190:6,9,10,27 194:2 196:21,26 197:7, 9 203:8 207:2 208:6 212:9,16 295:17 310:4, 6 342:18 343:8 346:25 350:13 351:21

roles 198:17 295:19 346:26 348:9,23 349:6

rolls 357:2

room 177:20 246:20

root 339:10 352:5

roughly 262:28 263:1

round 182:16 250:6

row 356:3

rule 310:24

rules 207:8 316:12 350:23

ruling 180:26 246:2 260:23 377:24

rural 289:12

S

safe 221:16 263:11 299:15 300:2 309:7 310:2 311:18 322:20

safely 367:21 375:10

safety 188:8 191:1,16, 19,25,28 193:10,20 196:16 200:25 213:20, 21 215:4 217:22,25 218:14 222:18 223:10, 11 239:7,13 244:6 248:4 249:10,18 307:15,16,28 308:3,22 312:3 315:15 316:8,28 317:8 327:28 328:2 329:21 330:12 335:4 345:3,17,24 347:27 348:24 349:7,8,10,21 350:5,7,12,19 351:4,13, 14 352:8 353:13,18,22, 25 354:5,11 355:22,27 356:12,18 358:6,12 362:13,18 363:27 364:7 365:13 376:2

safety-related 223:17 347:26 362:6 366:4

sake 256:28

sales 228:6 281:10

San 177:1 199:1 275:12 300:10 378:17

sat 361:3

satisfaction 368:14

satisfactory 226:8 366:6 369:3

savings 234:8,21 254:1

savvy 298:20

scale 204:18 215:6 248:21

scanning 351:23 364:19

SCE 275:12 288:28

scenario 266:28 318:21

scenarios 318:19

schedule 260:15,21,26

scheduling 178:23 179:11 180:7 320:24 378:5

scope 271:16 322:24

score 368:25

SDG&E 289:1,12 300:24

searching 225:22

season 189:1 367:11 375:9

seated 272:12 326:4

Secondarily 284:15

seconds 372:24

secretary 365:2,4,6,7, 19

Secretary's 365:12

section 214:20 327:1 330:4,17 353:17

sections 326:23

sector 282:10 283:5

secure 296:1 321:8,15

secured 279:20,22 282:28 283:12,17 284:23,25,28 301:10 319:23 320:4,8 321:16

securitization 202:18 203:20 204:10 205:3 226:16,22 236:4,10,23, 26 267:20,21 268:23,27 269:2,10,13 270:4 285:3,11,25 286:6,8,17, 18 287:25 288:6,22,23

securitized 287:22

security 205:16 284:18 317:26,27 318:3

seek 233:28 234:6,18 235:15 236:1,6,14,23 242:10 253:2

seeking 226:11,13,18 253:24

sell 283:17 305:10

sell-side 322:5

Senate 225:24

senior 330:14 351:26 354:13 356:1 361:9 362:7

senior-level 362:10

sense 204:11 217:23 297:7 340:16 343:16 349:24 375:6 377:18

sensitive 244:23

sensitivities 275:17 276:6 300:11

sensitivity 275:15,28 277:5,20

sentence 229:10 232:19 240:27 363:26 364:5

separate 189:28 193:4 269:3 290:5,13

sequences 252:16

series 376:11

serve 216:24

service 184:14,20 192:9,25 194:21 198:8 199:21,25 202:6 204:8, 12,19 219:22 221:15,19 260:14 280:2,16,21 286:23 289:2,6,8,11 301:5 310:2 351:10 368:7,11 373:10,12

service-related 222:13

services 194:22 214:22 217:6 218:5,8

serving 192:27 218:6

Session 260:1 361:5

set 181:4 211:3 244:18 246:19 269:17 308:2 330:24 333:22 366:5 376:13 377:11,16,20,25

sets 181:15 350:3

settlement 213:19 230:2 231:15,21 303:8

settlements 232:20

severance 225:20

shaped 306:28

shapes 195:17

share 266:20 280:21 284:1 295:18,19,20 301:3 371:4,8,21 372:12

shareholder 178:5 208:17,22 209:2,24,28 210:6 213:2,7 286:21

shareholders 206:22 209:6,19 210:1 211:2,7, 17,19 212:17,22 213:13 255:28 269:1 299:5,16 319:19,27 321:22

shares 305:25,28 319:25 321:5,11

shed 338:26

Sheriff 261:6 287:11, 12,14,16,28 288:11,19 290:21 292:14

shift 367:28 372:25

Shippers 231:7 240:14 295:9

short 249:20 291:6

shortening 360:2

shot 255:22

show 234:22 335:18

showed 357:18

showing 332:1 346:28

shown 311:20

shows 228:4 332:19 355:6

shutoff 188:27

Siblings 291:10

sic 244:4

side 205:28 356:4 375:15

signed 362:6

significance 224:23

significant 190:1 196:4 205:17,19 215:25 251:18,19,22 254:1 311:28 312:1,5 333:3 341:1

signing 351:20

similar 200:14 239:6 251:9 368:15

similarities 301:4

similarly 191:28 196:26 197:8 239:6

simplest 376:16

simplistic 294:22

simply 236:9 282:24 309:6

single 181:10,25 195:13,15 228:14 302:4 339:14

single-focused 336:18

singular 339:8,15,22 342:7

sir 184:24 185:2 187:11 221:25 225:22,26 229:7

sit 254:3 342:12,15 366:9

situation 199:21 218:16 250:11 307:5 338:27 342:4

sizable 227:27

size 289:1,8

sizes 195:16

skeptical 183:8

skill 352:4

skinny 249:19

slate 223:9

slow 210:20 338:21

small 177:23 182:23 214:16,17 216:15 217:12,14 358:1 373:7

SMB 216:23 218:5

SMBS 216:16 217:5

SNO 363:12 365:22

snowstorm 200:15

snowstorms 200:4

social 371:2,19 372:6

sold 227:27

sole 356:22,23 372:7

solely 336:16

solvencies 217:4

sophisticated 361:23

sort 205:1 298:23 300:15 301:11,12 311:17 312:6 313:12,16 350:11,23 352:5 369:3 372:27 376:10

sorts 195:16

soul 356:26

sounding 182:19

sounds 248:12

sources 196:7 227:2

Southern 204:26 300:24

space 211:14

span 225:18

spans 215:13

speak 221:12 224:19 226:27 263:16,18 264:3,16,19,21 272:17 295:11 303:26

speaking 263:12 264:6 304:5 339:13 368:3

special 372:14

specific 191:2,7 192:4 193:3 195:14,21 198:17 216:14 219:14 220:14 250:25 253:27 289:5 310:23 332:26 360:6 370:11

specifically 191:21 194:17,28 196:21,27 197:15,21 198:7 199:28 201:6 202:13 237:14 337:6,7,8 360:9 361:25 367:9 368:9

specifics 202:27

speculative 281:22 282:21 292:27,28

spell 272:13 326:4

spending 220:9,21

spent 248:2 360:12,22 361:27 370:23

split 241:25

splitting 241:24

spoke 255:4

spoken 279:11,13

sponsored 179:4,6 231:5 326:24

sponsoring 273:7 326:18,26 327:1,4

spread 250:18 285:5,6, 8,9

stability 307:19 310:3 367:17

stable 301:21 302:10 306:10,15,16,21 307:19,20,25 313:14

staff 345:1 361:9

stakeholders 229:20 230:1

stand 185:1 186:4 187:3,6,9 218:25 259:10 260:5,10 278:5

standard 206:6 224:26 225:2 243:13 249:11 251:3 257:15 312:20

standards 238:12 243:22 246:27 339:16 347:3 349:18 375:27 376:7,9,12

standpoint 217:25 298:15,28 307:27 308:6,7

stands 188:22 191:4,22 364:2

start 177:11 231:10 240:23 243:28 330:4 351:1 361:5 372:17 373:2,8,13 375:10

started 230:22 248:21 363:20 368:4 375:6

starting 197:19 231:14 232:4 293:25 329:2 378:10

starts 228:15 232:19

state 198:13 214:24 220:27 221:18 272:13, 26 287:22 288:26 293:28 301:7 309:15 312:18 313:26 314:16 315:1 317:19 326:4,15

342:22 375:26

stated 231:25 241:12 316:26 333:18

statement 193:16 235:12 252:19 253:6 257:3 270:6 277:21 280:3 281:28 288:3 294:22 308:14,19 366:27

statements 242:12 243:20 322:21

stating 304:27 329:12

status 340:3,7,16 346:24

statute 246:13 269:21

steering 366:13

step 235:9 245:4 267:23

steps 248:14 375:2

stock 208:14 211:16 226:7 291:25 292:2,4 298:14 303:7,12,19 305:10 319:25 321:23

stop 251:28 252:2 304:21 323:19

storm 288:7

story 220:17

straight 208:4

straightforward 233:18

strategies 349:23

strategy 213:13 289:15,20

Strauss 214:9,10,12,15 218:20

stream 281:10 301:24

street 313:24

strengthening 315:9

stress 274:28 275:7 277:15 300:9

strike 213:26

string 237:13

stringent 257:5 310:1, 14,15

strokes 204:2

strong 262:12 316:6

stronger 278:21 294:2 315:3

strongly 369:17

structural 261:7 374:11

structure 193:23 194:3 226:5,12 261:15,23 262:1,20 267:24,27 270:26 283:27 284:2 286:28 288:13 300:1 313:17,18 319:14 320:3 329:19,25,26 330:3 339:6 347:10 352:10 370:19

structures 347:3

struggled 241:8

struggling 244:27 318:14

studied 262:6

study 194:25 309:12

subgroups 195:14

subject 183:22 199:13 231:19 313:3 353:8

subjects 179:27

submissions 180:23 181:12

submit 246:3 328:17 362:5

submittal 363:21

submitted 180:15 363:20 364:15

substantial 205:24 214:26

substantially 203:17 289:24

substantiate 316:21

succeeding 245:3

success 238:21 315:16 369:18

successful 238:27 370:8

successfully 249:10 269:7

suffer 215:14

sufficient 370:20

suggest 254:16 343:6

suggested 245:26

suggestion 254:15

suggests 356:10

suite 371:7

suited 258:3

summary 182:24

supersedes 178:10

Supplemental 273:17

supply 363:10

supplying 280:16

support 182:26 190:16 193:9 202:4 346:27 365:9

supported 275:9

supporting 227:1

supports 247:22

surgical 249:20

survivors 298:12

suspect 246:18,21

sustained 249:12 271:18

swear 196:25 272:7

swings 360:2

swirling 311:2

switching 217:26

sworn 272:10 325:28

sympathetic 235:12

system 228:16 248:18 249:1,18

systematically 359:10 360:21 361:11

systemic 373:13

T

table 221:23 227:18,24 228:5

takes 186:4

taking 240:22 257:12 280:18 300:20 308:21, 24

talk 191:16 194:15 195:11 203:6 333:14 335:25 342:13 343:23 364:20 365:1 378:5

talked 205:11 211:6 217:10 267:18 297:21 301:18 302:6 318:24 377:28

talking 189:10 200:19 204:7 208:19 209:27 210:7 232:23 234:28 268:23 304:11,12,19 305:1,4 338:23 345:25 368:9

tap 190:16

target 306:3

targeted 247:24

tariffs 374:20

tax 286:18,22,25 287:3

taxable 286:16,18

TCC 201:17

team 230:20

teams 193:19

technician 349:7

technology 187:22 374:27

television 220:11,16 373:28

tells 224:27 376:14

temperate 371:25

ten 247:24 248:2 264:17

tend 211:12 312:9

tending 215:27

tension 263:13,18

tentatively 183:15 184:12

term 196:16,18 219:20 221:13 222:25 240:25 241:5,6,11 246:11,12 292:21 356:26 367:6

terminated 226:21

terms 183:23 194:28 217:5,16 234:9 236:14 239:18,19 242:8,14 247:25 248:14,24 250:25 277:18 278:11 284:17 303:11,20 305:25 306:15,20 307:9,18,28 308:18 309:19,26 310:6 311:3, 8 316:12 317:9 319:20 323:8,15 340:5 341:8 349:26 353:1 354:7 356:25 361:17 366:23 374:2 376:16

territory 192:25 280:2, 21 289:3,6,8,11 300:17 301:5

terrorism 205:17

test 300:9

testified 187:9 200:28 260:5 272:10 325:28 366:12

testify 355:12

testifying 299:1

testimony 177:21 179:20,26 183:2,21 184:1 185:6,9,11,14 186:13,25 188:7,19 190:28 192:1,12 193:18 194:11 195:7 197:20 202:16 203:16 213:17 214:24 219:11,15 221:23 222:5 226:3 231:5,12,27 242:7,13, 15 244:5,25 245:26 246:11 248:27 249:3 251:10 252:19 253:20 256:25 257:19 261:9 262:25 265:7 273:4,8, 17,25,27 274:18 278:15,23 279:19 281:19 287:20 288:2,25 289:7 291:18 293:16, 21,24 294:7 295:27,28 296:9 297:14 298:21,28 299:8,17 301:7 305:23, 27 307:27 308:20 309:2,6,13,20 311:4 314:16,28 323:2 324:16 326:20 327:7,11 328:23 329:8 330:4 332:5,22 339:26 340:8 343:25,28 344:27 353:12 359:4 362:3 366:20 374:13

testing 275:7 277:15

tests 274:28 284:16

There'd 181:20

thing 190:2 199:6 213:8 262:2 299:6 301:27 334:23 341:23 370:27 371:1 376:17

things 190:18,24 195:27 200:5,18,21 204:28 208:10 215:24 216:1 218:15 219:28 220:10 221:14 235:3,4 236:13 242:4 244:10,17 246:4 247:19 252:8 258:20 261:5 262:9 264:9 300:8 302:6 311:2 315:10,23 323:18 329:17 334:25 336:27 347:17 357:13 359:24 369:19 370:13

thinking 182:12 193:7 194:17,28 195:12 205:9 213:9 225:27 236:18

Thomas 186:14

thought 198:3 253:21 257:9 258:1 297:16 370:12,26

thoughtful 377:22

thoughtfully 358:10

thoughts 243:1

thousand 369:1

threshold 278:27 281:26 310:15,18

tight 265:12

tighter 285:13

til 259:11

time 189:10,14 190:11 206:8,11 209:22 210:1, 6,12,28 211:2 212:21 213:3 216:4 218:11 226:12,14 233:27 238:25 246:25 247:25 249:20 256:28 261:19 262:7 263:3,19 265:9 282:8,27 285:17 304:22 311:14 313:8,15 314:2 316:11 332:13 334:11 337:23 348:11 354:24 357:25 364:23

timeframe 312:28

timeframes 265:13

timeline 211:26

timely 306:26 366:2

times 201:2 210:10 341:18 374:1,4

timing 364:20,28

title 330:5 354:1,8 356:10

titled 355:25

to-date 316:28

today 183:18 197:27 235:14,19 236:20 243:4 251:7 253:8,16 254:3, 15 265:9 267:19 268:22 285:20 295:17 310:7 321:23 324:16 341:13 342:6 361:26 367:27 372:26 373:17

today's 286:2

told 369:22

Tom 329:6

tomorrow 186:26

tone 308:1,2

tool 226:15 270:17 352:11

tools 352:10

top 204:3 210:1 211:1 218:15 228:5 264:12 308:1 312:18 335:14,15 342:21 344:27 346:18 355:5 358:4

top-20 240:16

topic 217:18 309:17 353:11

topics 320:18

topography 289:9

total 227:25 234:9 249:1

touched 312:26

track 220:4 222:4 311:23 313:5 316:5,27, 28 350:14

tracker 313:1

traded 321:23

trades 321:20

traditional 212:15

train 264:4

tranches 285:26 286:3

transaction 204:10 209:20 210:4 212:19,20 213:5 287:25 288:23

transactions 205:12 209:23 211:4

transformative 215:3

transients 360:5

transition 369:12

translate 374:20

translated 373:22

translates 347:16

transmission 223:7 353:26

transparency 362:11

transparent 312:16,28

treasuries 285:5,6,20

treasury 285:24,28

treat 333:4

treated 183:21 184:1 316:14

treatment 254:2

tremendous 297:13

trigger 244:28

triggering 257:10
triggers 245:28
Triple 279:21 285:12
trouble 264:18 348:7
troubles 311:20
true 238:19 239:27,28 252:21,28 253:4,10 273:27 328:23 374:15
trust 198:25 298:13,19 303:7 306:1
tune 232:27
turn 180:8,11 181:4 184:13 188:6 199:15 200:7 221:22 230:20 231:3 252:11 254:9 256:8 266:17 291:2,3,7, 12,16 329:2,7,8 331:1, 4,6,8 334:2 347:20 353:14
TURN's 347:22
TURN-X-02 331:16 354:17,23,25 355:24
TURN-X-03 331:9,10 347:21
TURN-X-04 334:8,9 354:23
turning 195:6 200:12 250:22 363:24
turnover 215:8
turns 200:1,27
two-notch 282:17
two-way 313:24
twofold 367:12
type 254:20 310:10
types 249:2
typical 208:9 211:10 308:15 312:7
typically 250:17 370:13

U

Uh-huh 208:24 250:15 319:8 330:11 337:1 353:24
ultimate 278:21 361:1
unacceptable 188:11
unaffordable 194:22
unanticipated 217:24
uncertainty 306:18
unchanging 306:16
undercapitalized 324:23
underneath 358:3,5 364:19
understand 177:13 179:28 186:23 202:9, 14,15 208:14 209:25 243:10 245:14 252:16 257:15 271:28 277:23 292:13 293:26 294:11 298:18 306:14 311:1 320:20 339:17 348:9,28 368:12,16 371:28 372:21 373:15 376:18, 23
understanding 183:27 194:12,16 202:12 225:26 226:24 230:21 233:2 236:21 275:10,25 329:13 338:2 348:7,15, 16 349:25
understood 229:17 237:18,22 257:16 293:13 300:7 310:12 346:8
undertake 239:8 258:13 340:3
undertaken 247:3
undertaking 215:6
underwriting 252:7 253:26
underwrote 299:12
undo 276:27
unencumbered 203:25
unexpected 313:10
unfair 252:13
unfiltered 340:13
unforeseen 217:28
unintentional 217:25, 28
uniquely 370:27
units 346:28
unknown 310:21
unplanned 200:4,14 223:6
unsecured 279:17,25 282:14,20 284:23,25 290:10 292:16 319:16, 25 320:5
unstable 307:21,25 310:20
unsure 321:9
unusual 347:10
unwilling 254:16
upcoming 361:6
update 273:21
updates 273:13
usage 219:19
users 231:6 240:11 295:8 373:8
utilities 204:20 213:22 220:8 223:23 276:13 279:13,27 280:5,7 281:20 282:1 283:6 284:26 301:3 302:4,19 303:5 313:27 317:11, 14,19 319:7,13
utilities' 301:28
utility 203:12,15,18,25 206:27 207:1,3,5,10,18 208:7,15,21 211:10,17 212:15 213:24 214:16, 20 222:23 262:3,21,22 268:19 273:1 280:11 281:8,25 282:10 283:5, 28 289:26,28 291:24 293:3,7,11 295:21 319:13 320:2 332:3 337:9,21,24 340:23 341:5 352:20 362:15,17 363:12 365:5,22,26 366:14 369:18 370:7,14 373:26 375:18
utility's 209:15 214:21 290:10 293:17 312:19 362:5,18
utility-owned 375:4

V

valid 186:7
valuable 230:12 262:15
valuation 323:17
variance 226:11
variant 180:11
variety 216:24
vegetation 289:15,19, 24 353:19
verifications 362:5
version 177:27 178:8 185:19,23 186:24 260:14 270:16
versions 185:20,21 363:11,22 364:25
versus 178:6 248:24 278:17 284:18,23 303:18 318:17
Vesey 325:22,26,27 326:6,14 327:17 329:6 331:14,24 334:12 336:25 344:19 349:1 355:21 358:17,27 363:7 377:8 378:9,10
Vesey's 332:4
vessel 359:27
vest 312:12
vexing 190:5
vice 330:14 351:26 354:12,13 355:26 356:1
victim 298:9 303:7
victims 269:1 298:18 299:15 303:18 305:26 306:4 321:4 322:13
victory 326:7
view 198:28 199:2 238:4 247:10 259:6

278:5,16 280:11 282:11,16 300:3 301:20 313:25 317:9 318:3 341:19 343:8 346:17,20 349:2 352:14,17

viewed 276:11

views 181:9 276:7,12 296:20 299:2,3,20

visibility 194:2

vision 195:13

volatile 301:24

Volume 273:4

vulnerable 191:3,21 193:10,11 197:22 198:19

W

wait 189:19

waiver 226:13,18,21 267:24,26,28 270:26

wall 218:22 314:8

wallet 371:4,8,22 372:12

wanted 180:19 298:17 373:25

watch 220:16

wavelength 243:2

waving 244:11

ways 206:6 212:6 300:15 305:9 315:7,24 339:7 372:28 374:26

weakening 218:8

weaker 293:28 315:1

wear 203:8

week 202:26 220:12 374:1

weighs 312:21

weighted 309:18,19,21

WEISMANN 185:4

Weissmann 177:13,16 178:12,17,25 179:2 182:22 184:16,21,24 185:2,3,8 186:21 271:28 272:2 325:22

welfare 195:8,12 196:13,16 199:8 221:8, 12,26 222:19 366:17,23 367:5,6 368:4,5

wells 179:5,23 202:25 203:4,7 204:14 205:6 247:14 254:8,12,14 278:26 324:10,18 325:8 378:11

Wells' 203:28

whirl 324:18 325:8

wide 360:5

wider 281:21 282:24

wildfire 195:26 205:10 213:17 223:11 231:15 232:6,15 233:11 234:20 235:16 236:1,15 248:4 249:7 251:12 265:21 288:28 300:21,25 303:1,6 315:12,28 316:19 317:17 353:13, 18,22,25 354:5,11 355:22,27 356:12,18 358:5,12 367:25

wildfires 213:25 232:24 235:17 236:24 276:16 307:3 367:14

William 187:8 260:4

willingness 263:14

withstand 275:3

witnesses 178:26 326:24

women 357:12

wondering 321:13

word 219:12,13,17 221:7 241:9 253:5 307:25 327:28 328:2 369:24

words 225:21 306:18 328:7,13,14 348:8 353:21

work 181:13 183:14 190:10 198:4 214:28 221:6 226:25 247:21 263:23 264:1,4 270:23 275:26 297:14 342:10 343:13 349:9,10 350:7, 20 352:9 357:5,8 374:17,21 377:23

worked 180:10 338:11

workers 225:17

workforce 366:17

working 192:9 195:25 239:4,10 243:20 245:3 260:28 261:19 313:28 346:27 349:22

workload 357:14

works 197:11 212:12 264:3,26 347:11

world 369:7

worst 291:11 359:24

wrap 320:17,22

writing 183:17 184:14 309:22

written 260:13

wrong 296:5 297:3,6,7, 8,15,20,21

Y

year 212:13 250:14 251:17,27 288:21 368:16

years 211:26 240:17 247:24 248:3,19,28 261:16,18,20 286:15 289:18,22 295:19 296:27 339:11 370:23 372:11

yes-or-no 276:21

yesterday 177:25 178:9 179:10 180:11 181:5 183:8 185:5 198:24 202:5 205:11 215:3 251:10 261:16 265:9 267:19 268:17 346:9 354:27 355:1

yesterday's 177:27 248:26