

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



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Application of Pacific Gas and Electric Company for
Authority, Among Other Things, to Increase Rates and
Charges for Electric and Gas Service Effective on January
1, 2011.

(U 39 M)

Application 09-12-020
(Filed December 21, 2009)

PROTEST OF THE GREENLINING INSTITUTE TO APPLICATION 09-12-020

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January 25, 2010

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I. Introduction

The Greenlining Institute (“Greenlining”) respectfully submits the following protest to the California Public Utilities Commission (“Commission” or “CPUC”) in proceeding A.09-12-020, *Application of Pacific Gas and Electric for Authority, Among Other Things, to Increase Rates and Charges for Electric and Gas Service Effective on January 1, 2011* (“Application”) (“PG&E”). The Application was filed on December 21, 2009 and notice of the filing first appeared on the Commission’s daily calendar on December 24, 2009. Under Commission Rules of Practice and Procedure 2.6 and 1.15, this protest is timely filed.

PG&E has requested an increase of \$1.101 billion over 2011 authorized revenue requirements,¹ with a further \$275 million increase in 2012 and yet another \$343 million increase in 2013 as a result of post-test year attrition.² It acknowledges that the application comes during unusually volatile economic times,³ and the application itself reflects this volatility

¹ Application of PG&E, p. 1.

² Application of PG&E p. 14.

³ Testimony of PG&E, Exh. (PG&E-1), p. 1-1, lines 5-8.

in its request for several new balancing accounts.⁴ PG&E offers an economic impact study that forecasts the economic growth it expects will occur as a result of the proposed increases.⁵

II. Grounds for Protest

At this early stage in the proceeding, Greenlining is still reviewing the application and has not yet determined with certainty which of the application's many issues it intends to pursue. Greenlining intends to participate actively in the proceeding to help achieve the delicate balance required by this application.

The requested increase is driven in large part by the need to invest in substantial infrastructure upgrades, and undoubtedly many such upgrades are needed in order to continue to provide safe and reliable service. However, these needs must be balanced against the needs of ratepayers, many more of whom are experiencing unmanageable arrearages and service terminations, among other financial hardships. In such turbulent times as these, the Commission's analysis must closely heed ratepayer concerns, even more so than in a rate case filed during more prosperous times.

This is not to say, of course, that the application should be denied. Certainly, ratepayer budgets are stretched thin, but at the same time PG&E has the *potential* to spur economic growth with the projects this rate increase will help to fund. However, whether this potential can be realized is unclear in PG&E's application. The true test of this rate increase will be in its broader impacts – not just whether it achieved its goal of helping PG&E rebuild its infrastructure, but how the utility will partner with underserved and economically struggling communities to

⁴ *Id.* at pp. 1-16 – 1-18.

⁵ Exh. (PG&E-1), Appendix 2A.

rebuild infrastructure and collaborate to produce as much positive economic impact as possible.⁶ The rate increase will be a worthy investment if, and only if, it results in discernable and lasting economic growth in the communities from which these additional billions would be drawn.

III. Will PG&E Play a Role in California's New Gold Rush?

Just a few months ago at the annual Diversity Public Hearing, President Peevey set forth his vision for the vital role energy must play in turning around California's flagging economy. In order to capitalize on the move toward green energy and its potential to spur economic growth, Greenlining has attempted to engage PG&E in numerous other proceedings, largely focused around renewable energy, to discuss bringing their projects in line with President Peevey's vision. Unfortunately, PG&E has declined all such advances to date, stating that each was not the proper venue in which to raise these critical questions.

The several PG&E rate applications currently pending before the Commission collectively rival the instant application in the total revenue requirements PG&E is requesting. Yet in the meantime, PG&E's ratepayers have suffered the most, as compared to the other investor owned utilities, when it comes to arrearages and service disconnections.⁷ Given the potential for extremely high total revenue increases as a result of PG&E's several pending applications, and the increasingly constrained financial circumstances faced within its service territory, this general rate case may be the last, best chance for the Commission to address

⁶ Greenlining believes that a positive economic impact must be one that does more than just bringing us back to the status quo. A positive economic impact is one that leaves the community in question on more stable economic footing than before the recession.

⁷ See Division of Ratepayer Advocates' Report entitled "Status Report on Energy Utility Service Disconnections," issued in November 2009.

PG&E's role in California's much-needed new gold rush. Greenlining urges the Commission to seize the opportunity and do so.

IV. Categorization of Proceeding

Greenlining agrees with the categorization of the proceeding as ratesetting, and requests that hearings be held to fully address the factual issues presented in the application.⁸

V. Conclusion

For the foregoing reasons, Greenlining protests PG&E's application. It will not be easy to strike the proper balance between ratepayer needs and PG&E's needs in this case, but Greenlining is ready to assist both PG&E and the Commission in achieving it nonetheless.

Dated: January 25, 2010

Respectfully submitted,

/s/ Samuel S. Kang
Samuel S. Kang
The Greenlining Institute

/s/ Stephanie C. Chen
Stephanie C. Chen
The Greenlining Institute

⁸ Both the ratesetting categorization and the need for hearings were set forth by the CPUC in Resolution ALJ 176-3247 on January 21, 2010.

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CERTIFICATE OF SERVICE

I, Stephanie Chen, am 18 years of age or older and a non-party to the within proceeding. I hereby certify that I have this day served a copy of

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on all known parties to A.09-12-020 by transmitting an e-mail message with the document attached to each party named in the official service list and by faxing or mailing a properly addressed copy by first-class mail with postage prepaid to those whose e-mail address is not available.

I certify that the foregoing is true and correct.

Executed in Berkeley, California on January 25, 2010.

/s/ Stephanie Chen
Stephanie Chen

SERVICE LIST FOR A.09-12-020

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