



BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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Application of PACIFIC GAS AND
ELECTRIC COMPANY to Recover Costs
Related to the 2008 Wildland Fires
Recorded in the Catastrophic Event
Memorandum Account (CEMA) Pursuant to
Public Utility Code Section 454.9. (U39E)

A.09-02-020
(Filed February 27, 2009)

PROTEST OF THE DIVISION OF RATEPAYER ADVOCATES

Pursuant to Rule 2.6 of the Commission's Rules of Practice and Procedure, the Division of Ratepayer Advocates (DRA) submits its Protest to the Application of Pacific Gas and Electric Company (PG&E) to Recover Costs Related to the 2008 Wildland Fires Recorded in the Catastrophic Event Memorandum Account (CEMA) Pursuant to Public Utility Code Section 454.9 (Application).¹

In the Application, PG&E requests that the Commission find recoverable \$11.72 million of the costs recorded in PG&E's CEMA for the 2008 Wildland Fires and seeks authority to recover \$6.56 million in electric revenue requirements for the time span of 2008 through 2010.² PG&E also requests a potential effective recovery date and asks that the Commission allow PG&E to record the requested revenue requirement to the Distribution Revenue Adjustment Mechanism for recovery in the AET Advice Letter, or the next electric rate change thereafter.³

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¹ PG&E filed this Application on February 23, 2009.

² Application at 9.

³ *Id.*

I. IDENTIFIED ISSUES

DRA intends to audit this Application by:

- Reviewing the sufficiency of the disaster declarations to ensure that they comply with Commission precedent;
- Reviewing the recorded and/or requested costs to determine whether they were related to CEMA-eligible events;
- Reviewing the recorded and/or requested costs to determine whether they were incurred in territories with competent disaster declarations, in a manner consistent with Commission precedent;
- Reviewing the allocation of costs between the Federal Energy Regulatory Commission and the California Public Utilities Commission;
- Examining the appropriateness of including certain categories of costs, such as straight-time/overtime labor, in the CEMA;
- Reviewing the accounting to determine whether the recorded and/or requested costs were to restore utility services to customers; to repair, replace, or restore damaged utility facilities; and/or were in compliance with governmental agency orders in connection with events declared disasters by competent state or federal authorities;
- Reviewing PG&E's decision-making regarding the storms, including decisions regarding insurance;
- Reviewing the accounting (for both capital and expenses) in order to determine the reasonableness of the recorded costs;
- Investigating any other issues that may arise in connection with this matter.

II. PROCEDURAL MATTERS

DRA agrees with PG&E that this proceeding is appropriately classified as rate-setting. At this time, DRA expects that evidentiary hearings will be necessary. The primary issues to be considered are those discussed in Section I, although additional issues may arise during discovery.

III. PROPOSED SCHEDULE

DRA has reviewed PG&E's proposed schedule and preserves its right to propose amendments at the upcoming PHC.

Respectfully submitted,

/s/ EDWARD MOLDAVSKY

Edward Moldavsky

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