

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Investigation on the Commission's Own Motion into the Rates, Operations, Practices, Service and Facilities of Pacific Gas and Electric Company.

FILED
PUBLIC UTILITIES COMMISSION
JULY 29, 2010
SAN FRANCISCO OFFICE
INVESTIGATION 10-07-027

ORDER INSTITUTING INVESTIGATION

Pacific Gas and Electric Company (PG&E) is a public utility electric corporation. The Commission regulates PG&E's rates, operations, practices, services, and the reliability, safety, and adequacy of facilities pursuant to Pub. Util. Code §§ 451 and 454, as well as other code sections. The Commission determines the manner and extent of such regulation in general rate case proceedings and other forums.

On December 21, 2009, PG&E filed Application (A.) 09-12-020, a general rate case application. In A.09-12-020, PG&E requests an increase of its base rate revenues of \$1.101 billion for Test Year 2011.

We open this investigation pursuant to Rule 5.1 of the Commission's Rules of Practice and Procedure (Rules). This investigation will be consolidated with A.09-12-020. This proceeding is opened to allow the Commission to consider proposals other than those of PG&E. This investigation allows the Commission to enter orders on matters for which the utility may not be the proponent. It also affords parties and the Commission an opportunity and forum to provide and consider evidence on issues of interest, which may result in directives to PG&E

that serve the public interest and which result in just and reasonable rates, services, and facilities.

PG&E is placed on notice that the evidence taken in this consolidated proceeding may be the basis for findings and Commission orders.

This proceeding is subject to Article 8 of the Rules of Practice and Procedure, which specifies standards for engaging in *ex parte* communications and the reporting of such communications. Pursuant to Rule 8.2, *ex parte* communications are subject to the restrictions set forth therein and the reporting requirements set forth in Rule 8.3.

IT IS ORDERED that:

1. This investigation is opened and shall be consolidated with Application 09-12-020 pursuant to Rule 5.1 of the Commission's Rules of Practice and Procedure. The purpose of this investigation is to take evidence and enter orders within the jurisdiction of the Commission in connection with Pacific Gas and Electric Company's revenue requirement, rates, operations, practices, services, and facilities. Pacific Gas and Electric Company is the respondent utility to this investigation.

2. Pacific Gas and Electric Company is hereby placed on notice that the Commission, for good cause, and to advance the public interest, may enter orders regarding matters beyond what Pacific Gas and Electric Company requests in Application 09-12-020.

3. This Ordering Paragraph constitutes the preliminary scoping memo required by Rule 7.1. We classify the investigation as ratesetting. We find a need for evidentiary hearings in the consolidated proceedings. The scope of this proceeding is set forth in the body of this investigation. The schedule for the

consolidated proceeding is set forth in the Assigned Commissioner's Ruling and Scoping Memo issued in Application 09-12-020 in March 2010.

4. The categorization of this investigation may be appealed pursuant to Rule 7.6 of the Commission's Rules of Practice and Procedure.

5. The Executive Director shall cause a copy of this order to be served on the official service list for Application 09-12-020 and Pacific Gas and Electric Company's representative for regulatory affairs:

Brian Cherry
Pacific Gas and Electric Company
77 Beale Street, Mail Code B10C
P.O. Box 77000
San Francisco, CA 94177

This order is effective today.

Dated July 29, 2010, at San Francisco, California.

MICHAEL R. PEEVEY
President
DIAN M. GRUENEICH
JOHN A. BOHN
TIMOTHY ALAN SIMON
NANCY E. RYAN
Commissioners