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

Application of Pacific Gas and Electric
Company for Wildfire Mitigation and
Catastrophic Events Interim Rates

A. 20-02-003
(Filed February 7, 2020)

**WILD TREE FOUNDATION
COMMENTS ON PROPOSED SCOPE AND SCHEDULE**

April Rose Maurath Sommer
Executive and Legal Director

Wild Tree Foundation
1547 Palos Verdes Mall #196
Walnut Creek, CA 94597
April@WildTree.org
(925) 310-6070

Dated: April 9, 2020

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Pursuant to the ALJ’s April 1, 2020 Email Ruling Wild Tree Foundation (“Wild Tree”) submits the following comments on the proposed scope for the *Application of Pacific Gas and Electric Company for Wildfire Mitigation and Catastrophic Events Interim Rates* (“Application”).

COMMENTS

In an April 1, 2020 ALJ Email Ruling and during the April 2, 2020 telephonic prehearing conference, the ALJ and Assigned Commissioner proposed the following scope and schedule for this proceeding:

Scope

- A. Consideration of whether PG&E’s request to recover, on an interim basis subject to refund, \$891 million in revenue requirements related to wildfire related costs incurred mailing during 2017-2019 in certain memorandum accounts should be granted.
 - i. Consideration of whether PG&E’s proposal minimizes the cost incurred by ratepayers and provides better rate stability for PG&E customers.

- ii. Consideration of whether the proceedings underlying the memorandum accounts require a reasonableness review before any recovery is approved.
 - iii. Consideration of whether “an interim basis subject to refund” is just and reasonable under section 451 of the Public Utilities Code.
- B. Consideration of whether PG&E’s proposal to recover, on an interim basis subject to refund, the authorized revenue requirements over a 17-month period, as soon as practicable following a final decision, should be granted.
- i. Consideration of whether PG&E has demonstrated that recovering \$891 million in 2020 and 2021 rather than in future years (e.g. 2021 and 2022) is fair to the utility and the public.
 - ii. Consideration of whether any alternative rate increase proposals may be considered.
 - iii. Consideration of what, if any, additional reporting requirements should be adopted.
- C. Consideration of whether PG&E’s proposal for interim rate relief whenever PG&E accumulates a total of \$100 million or more (in revenue requirement equivalent) in one or more memorandum accounts for new mandated activities should be granted.

Schedule

Comments on Proposed Scope	April 9, 2020
Concurrent Opening Briefs	April 25, 2020
Concurrent Reply Briefs	May 5, 2020
Proposed Decision	May
Final Decision	June

The proposed schedule does not contemplate that any hearings will be held

There is no possible way, even under normal circumstances that did not involve massive upheaval in the personal and work lives of all Californians due to the ongoing Coronavirus shelter-in-place orders, that such a schedule allows for meaningful participation by the parties and the development of a record upon which a reasoned decision can be based. This schedule is apparently motivated by a stated need to wrap this proceeding up as quickly as possible so that it doesn’t somehow interfere with PG&E’s bankruptcy. For example, during the prehearing

conference, President Batjer stated that “This proceeding will also interact with the ongoing Chapter 11 bankruptcy because the Commission intends to provide a clear regulatory landscape for PG&E to exit bankruptcy.”¹ To this end, it was announced that this proceeding would follow an extraordinarily compressed schedule. But, just because a proceeding involves PG&E asking for something from the Commission does not mean that this case has anything to do with the bankruptcy and does not mean that the Commission can ride roughshod over due process and the Public Utilities Code so that it can issue a decision in record time.

Wild Tree posits that this proceeding actually has nothing to do with PG&E’s bankruptcy and there is no justification for rushing this proceeding. In fact, in PG&E’s current proposed reorganization plan, this proceeding is *not listed* as a necessary CPUC approval for the implementation of its reorganization plan:

CPUC Approval means all necessary approvals, authorizations and final orders from the CPUC to implement the Plan, and to participate in the Go-Forward Wildfire Fund, including: (a) satisfactory provisions pertaining to authorized return on equity and regulated capital structure; (b) a disposition of proposals for certain potential changes to the Utility’s corporate structure and authorizations to operate as a utility; (c) satisfactory resolution of claims for monetary fines or penalties under the California Public Utilities Code for prepetition conduct; (d) approval (or exemption from approval) of the financing structure and securities to be issued under Article VI of the Plan, including, if applicable, one or more financing orders approving the Wildfire Victim Recovery Bonds; and (e) any approvals or determinations with respect to the Plan and related documents that may be required by the Wildfire Legislation (A.B. 1054).²

Critically, PG&E’s application seeks a departure from the longstanding status quo and therefore, the best way to provide a clear regulatory landscape would be to deny this proceeding outright. PG&E does not have any due process right in interim rates increases for which the

¹ Reporter’s Transcript March April 2, 2020 Prehearing Conference 15:10-18

² I.19-09-016, *PG&E Notice Of Amended Plan Of Reorganization* (February 3, 2020) at Exhibit A – *Amended Plan* at section 1.37, available at:

<http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M328/K286/328286977.PDF>

Commission has not ruled are just and reasonable and the Commission can thus quickly act to provide a clear landscape by denying this application. PG&E has provided no grounds for a need for the granted of interim rates on an emergency basis where the costs recorded were in fact forecasted years ago by PG&E and it can cite to no legal authority, bar a Commission decision limited to its facts, in support of its application. On the other hand, this is a case where ratepayers are due process for deprivation of property by increased rates and the proposed schedule, by absolutely by no means, establishes a process whereby ratepayer advocates will have a fair tribunal.

The proposed scope and schedule do not appear to separate out the two components of PG&E's application: 1. the immediate \$900 million interim rate increase for PG&E and 2. the establishment of a permanent system of automatic interim rate recovery. At the very least, the proposal for automatic rate recovery must be addressed in a separate track not on an expedited schedule. This proposal has absolutely nothing to do with PG&E's bankruptcy and would represent a watershed change in the way that rates are set. Wild Tree contends that such a change would be in violation of the Public Utilities Code and United States and California's prohibition of taking without due process.

Additional issues that should be added to the scope include:

What will be the cumulative impact on utility bills from this interim rate increase plus all other rate increases that PG&E ratepayers will endure over the next three years? Will such a total utility bill increase be just and reasonable especially for low-income residential customers?

Why will CCA customers face steeper increases than PG&E customers from the interim rate increase and would this increase comply with PCIA requirements?

Will accelerating a rate increase that has not been deemed just and reasonable during what will likely be the largest economic crisis our country has faced in modern times be fair to ratepayers, especially low income residential ratepayers?

Is PG&E's proposal that interest on refunds for rates found to be unreasonable will be calculated based upon 3 month commercial paper rates reasonable?

These issues among others require development of a factual record through testimony and hearings and Wild Tree restates it requests that hearings be held.

Respectfully submitted,

/s/ April Maurath Sommer

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