



FILED

08/05/21
03:55 PM

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

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, 2023. (U39M)

Application 21-06-021

**PROTEST
OF THE PUBLIC ADVOCATES OFFICE**

I. INTRODUCTION”

Pursuant to Rule 2.6 of the California Public Utilities Commission’s (Commission) Rules of Practices and Procedure, the Public Advocates Office at the California Public Utilities Commission (Cal Advocates) submits this timely¹ Protest to the *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, 2023* (Application).

Pacific Gas and Electric Company (PG&E) seeks a \$15.46 billion base revenue requirement that includes both its gas and electric services. PG&E claims that this amount is a \$3.56 billion increase over PG&E’s 2022 “adopted revenue requirement,” which if fully approved would “translate to a 9.6 percent *total company revenue* increase over currently authorized and requested base rates for 2022”.² However, PG&E’s request represents an unprecedented 30% increase over its previous General Rate Case (GRC)

¹ PG&E filed this Application on June 30, 2021, and it appeared on the Commission’s Daily Calendar on July 6, 2021.

² *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, 2023* (Hereinafter: Application), pp. 1-2. Emphasis added.

and Gas Transmission and Storage (GT&S) authorized increases.³ In its Test Year (TY) 2020 GRC application, PG&E initially requested a base revenue requirement increase of \$1 billion for electric distribution, gas distribution and generation, and in its 2019 GT&S application, PG&E asked for a \$267 million revenue requirement increase.⁴

Further, this Application combines PG&E's revenue requirement requests for both its gas and electric services for the first time since 1997 and covers four years rather than three years as in previous proceedings.⁵ The Commission's most recent rate case plan authorized PG&E to add an additional attrition year and combine revenue requests for both its electric and gas services in the TY 2023 GRC.⁶ In past proceedings, PG&E requested cost recovery for its gas transmission and storage operations in the GT&S proceeding, while the Commission considered cost recovery for PG&E's electric services and gas distribution services in its GRC.

II. ISSUES TO BE CONSIDERED

Cal Advocates is reviewing the Application and its associated workpapers. PG&E did not provide all the documentation supporting the Application at the time of its filing and proposes to update and file supplementary workpapers and testimony at a later date.⁷ Cal Advocates received PG&E's Results of Operations (RO) model on July 23, 2021, almost a month after its initial filing. Therefore, Cal Advocates' consideration of issues

³ See Application, p.14, Table 3. GRC Base Rate Revenue Requirement Amounts (Million of Dollars), showing a difference between 2022 Electric Distribution Adopted Revenue Requirement of \$5,514 and 2023 Proposed Revenue Requirement of \$8,171 for a difference of \$2,657. Cal Advocates divided the difference by the 2022 Adopted Revenue Requirement for a 48% increase. Doing the same calculation for Gas Distribution resulted in a 24% increase and for GT&S, resulted in a 20% increase. An average increase of 30%, as reflected in the \$3,560 over 2022 adopted revenue requirement of \$11,901.

⁴ 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, 2020. (U39M) (A.18-12-009) p. 1. Application of Pacific Gas and Electric Company Proposing Cost of Service and Rates for Gas Transmission and Storage Services for the Period 2019-2021. (U39G) (A.17-11-009) p. 3.

⁵ Application, p. 1.

⁶ Application, p. 1.

⁷ Application, p. 26.

in the Application is ongoing and will continue as PG&E supplements its application with additional information. Cal Advocates will develop its own independent forecasts and make recommendations to the Commission as appropriate in its testimony.

Cal Advocates recommends that the Commission consider whether the following PG&E requests and proposals are reasonable and adequately supported by PG&E's documentation and justification for each of the requests or proposals:

- Proposed revenue requirement for electric distribution and related capital and expense costs forecasts.
- Proposed revenue requirement for electric generation and related capital and expense costs forecasts;
- Proposed revenue requirement for gas distribution and related capital and expense cost forecasts;
- Proposed revenue requirement for gas transmission and storage plan and related capital and expense cost forecasts;
- Wildfire safety, management and mitigation cost forecasts;
- Forecasts of operations and maintenance, shared services, customer service and administrative and general expenses for numerous major work categories;
- Forecasts of capital expenditures for gas distribution, electric distribution and electric generation;
- Forecasts of depreciation expenses;
- Forecasts, computations and deductions pertaining to federal, state and other taxes;
- Forecasts of working cash, lead-lag study and other rate base items;
- The amount of incentives or awards to be funded by ratepayers;
- The level of settlements, claims, workers compensation, insurance, pension and benefits costs to be funded by ratepayers;
- Proposed staffing levels (i.e., new Full-Time Equivalent positions, or FTEs);
- The forecast amount of work activities and unit costs associated with those work activities;

- Costs associated with replacing aging and/or obsolete equipment and other proposed capital expenditures;
- Forecasts of post-test year revenue increases;
- New programs or initiatives;
- Forecasting methodologies employed by the utility;
- PG&E’s proposals to establish or eliminate specific balancing accounts;
- PG&E’s safety and risk management presentation; and
- PG&E’s policy-related proposals.

This list of issues is preliminary, and Cal Advocates reserves the right to raise new issues in this proceeding as additional more information becomes available.

III. CATEGORIZATION

Cal Advocates proposes the “ratesetting” categorization. The Application also recommends that this proceeding be categorized as “ratesetting.”

IV. NEED FOR A HEARING

Cal Advocates maintains that hearings will be necessary to resolve some of the issues in this proceeding. However, Cal Advocates believes it may be premature to propose a schedule for hearings at this time and will be prepared to propose a schedule at the PHC.

V. PROPOSED SCHEDULE - Rule 2.1(c)

The Application proposes a schedule for three tracks in this proceeding stating that “[t]he Rate Case Plan identifies certain activities associated with processing a GRC ...”⁸ that should occur by a certain date. However, PG&E also proposes a modification to the Rate Case Plan schedule in order to provide supplementary testimony and potentially

⁸ *Id.*

update the forecasts.² Thus, the Application’s schedule states that several dates are “to be decided,” but nonetheless inserts dates for activities subsequent to the undecided dates.¹⁰

The Application’s proposed schedule is untenable at this time, as it is premature to schedule any activities that are contingent on many parties’ availability and potential new request to the Commission. Cal Advocates will be prepared to propose and discuss a schedule at the Pre-Hearing Conference (PHC).

VI. OTHER ISSUES IN THE APPLICATION

PG&E may have included issues in this Application that are outside the scope of to the Rate Case Plan or relevant to the determination of a revenue requirement in this proceeding. Therefore, Cal Advocates reserves the right to address those issues as and when appropriate.

VII. CONCLUSION

Cal Advocates respectfully recommends that the Commission schedule a PHC to establish a schedule and adopt its recommendations in this protest.

Respectfully submitted,

/s/ NOEL A. OBIORA

Noel A. Obiora
Attorneys for:

The Public Advocates Office
California Public Utilities Commission
505 Van Ness Ave.
San Francisco, CA 94102
Telephone: (415) 703-5987
Email: Noel.Obiora@cpuc.ca.gov

August 5, 2021

² *Id.*

¹⁰ Application, p. 27.