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OPENING COMMENTS OF THE UTILITY REFORM NETWORK ON PHASE 4 PROPOSED DECISION

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TURN recommends the adoption of the Proposed Decision with the following modifications:

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- Modify the definition of Baseline Cost Forecast as shown on page 6 of these comments
- Modify the definition of Risk Mitigation Portfolio as shown on page 6 of these comments
- Modify RDF Rows 25.1, 25.2 and 26 as shown on pages 6-8 of these comments

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- Modify the definition of Risk as shown on page 10 of these comments
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- Modify Appendix C of the PD to remove the references to Tail Average Risk, Tail Average Pre- and Post-Mitigation Risk and Tail Average Risk Reduction on pages C-3, C-5, C-7, C-8 and C-16
- Modify Conclusion of Law 37 to make it consistent with the text regarding authorization to SPD Staff to change the RMAR Guidelines without a Commission Resolution

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- Insert in RDF Row 26 the paragraph shown on page 13 of these comments

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OPENING COMMENTS OF THE UTILITY REFORM NETWORK ON PHASE 4 PROPOSED DECISION

The Utility Reform Network (TURN) submits these opening comments on the Proposed Decision (PD) of Commissioner John Reynolds on Phase 4 issues, pursuant to Commission Rule of Practice and Procedure 14.3.

1. INTRODUCTION AND SUMMARY

TURN supports the key determinations in the PD: (1) requiring the presentation of optimized risk mitigation portfolios at different budget levels in Risk Assessment and Mitigation Phase (RAMP) and General Rate Case (GRC) filings; (2) incorporating reporting of Overall Residual Risk into the Risk-Based Decision-Making Framework (RDF); (3) deferring to a future proceeding a determination regarding incorporation of risk tolerance into the RDF; (4) adopting Risk Mitigation Accountability Report (RMAR) Guidelines to facilitate the future submission of reports to assess the utilities' progress in achieving risk reduction forecasts; (5) incorporating the Risk Reporting Unit (RRU) into the RDF; and (6) adopting a Data Template and Guidelines for RAMP and GRC submissions.

In these comments, TURN recommends changes to the PD to clarify and strengthen certain of these determinations and to avoid unworkable and unnecessary changes to the RDF. In each section, TURN explains the need for the recommended modifications and proposes specific changes to the PD. Appendix A to these comments also provides TURN's recommended changes to the PD's Conclusion of Law, where such changes are implicated by TURN's comments.

TURN fully supports prompt adoption of the PD with TURN's recommended modifications.

2. TURN STRONGLY SUPPORTS THE PD'S ADOPTION OF A PORTFOLIO OPTIMIZATION FRAMEWORK, AND RECOMMENDS CLARIFYING MODIFICATIONS

TURN strongly supports the optimization framework for mitigation portfolios adopted in Section 6.2 of the PD. The PD adopts TURN's optimization model where the objective to be maximized is risk reduction, the constraint is a given budget level in dollars, and the decision variable is whether a given mitigation is included in the portfolio or not.[1] Utilities will present in their RAMP and GRC filings optimized mitigation portfolios for at least four different budget scenarios, based on specified percentages of the utility's cost forecast for all RAMP-related mitigation and control programs in its current GRC application.[2] Showing these optimized portfolios at different budget levels will support the Commission's much-needed efforts to strike a reasonable balance between risk reduction and affordability by enabling the Commission and parties to see how the goal of reducing risk is affected by different budget levels and to ascertain how the portfolios change – which mitigations are removed, added, or modified in scope – depending on the budget level.[3]

TURN recommends the following changes to certain aspects of the PD that would benefit from clarification to avoid future disputes:

(1) The RDF should clarify that all required portfolios must be optimized using the model specified in the PD. As noted above, the text of the PD on page 35 specifies an optimization model to be solved to create the optimized portfolios. However, this approach is not specified in the RDF itself. Nor is the PD's RDF language clear that all portfolios required

[1] PD, p. 35.

[2] PD, pp. 35-36.

[3] TURN Opening Comments on Workshop 2 Issues, Jan. 3, 2025, pp. 28-29.

by Rows 25.1 and 25.2 must be *optimized* portfolios.[4] These issues can be addressed by, first, including a definition of Optimized Portfolio describing the model to be used for constructing optimized portfolios consistent with the language of the PD, and, second, by directly stating that both the Row 25.1 Enterprise Portfolios and Row 25.2 Risk Mitigation Portfolios must be optimized.

(2) The Baseline Cost Forecast should be based on the utility's proposal in its *RAMP* and current GRC. The PD appears to intend the budget scenarios to be based on the utility's *forecast* in its next GRC, *i.e.,* the GRC to which the RAMP relates that will be filed after the RAMP, and not to use adopted costs from the prior GRC.[5] TURN supports this intent. However, the text of the PD could lead to potential confusion in stating that the budget scenarios will be based on forecasted costs that the utility "has proposed in its most recent GRC."[6] The problem with the quoted language is that it does not recognize that, at the time of the RAMP submission in which the optimized portfolios will be submitted, the GRC to which the RAMP relates has not yet been filed. To avoid unnecessary confusion or disputes, the PD should be modified to clarify that the budget scenarios will be based on forecasts of costs in the *RAMP or current* GRC – not on costs in the "most recent GRC."

(3) The PD should clarify the relationship between the Enterprise Portfolios (Row 25.1) and Risk Mitigation Portfolios (Row 25.2). The PD specifies that utilities are to construct both Enterprise Portfolios, which include mitigation and control programs for all RAMP risks,

[4] The PD's modifications to the RDF only use the words "optimized" and "optimization" in the last sentence of Row 25.1, without directly stating that both the Row 25.1 Enterprise Portfolios and Row 25.2 Risk Mitigation Portfolios must be optimized.

[5] PD, p. 35 and fn. 61.

[6] PD, p. 35.

and Risk Mitigation Portfolios, which consist of mitigations for an individual RAMP risk.[7] However, the PD would benefit from clarification regarding the relationship between the Enterprise and Risk Mitigation Portfolios. Here, TURN presents its recommendations for such clarifications, which TURN believes are consistent with the PD's approach and will provide the most useful information for decision-making.

First, pursuant to Row 25.1, the utility will construct Optimized Enterprise Portfolios for each of the specified Budget Scenarios. These Optimized Enterprise Portfolios will yield an optimized portfolio of mitigations across all RAMP risks and will thus provide valuable information about how risk reduction can be maximized at the Enterprise level. As TURN explained in its comments, Enterprise-level optimization allows trade-offs in resource allocation among risks and will result in greater overall risk reduction than would a series of optimizations performed at the individual Risk level.[8] While these Enterprise-level optimized portfolios provide important information, there may (or may not) be good reasons to alter the allocation of resources among risks that Enterprise-level optimization would prescribe. Thus, the utility would have the option to vary the allocation of resources among risks in their Optimized Risk Mitigation Portfolios, pursuant to Row 25.2. By definition, these modified allocations of resources among individual Risks would not be optimal – *i.e.*, would produce lower aggregate risk reduction at the enterprise level – compared to the Optimized Enterprise Portfolios. Because

[7] PD, pp. 36-37, based on definitions of Enterprise Portfolio, Risk Mitigation Portfolio, Rows 25.1 and 25.2 and modifications to Row 26. It is unclear why Row 25.1 refers to portfolios of mitigations *and* controls while Row 25.2 only references mitigations. TURN's modifications below change Row 25.2 to include controls.

[8] TURN Opening Comments on Workshop 2 Issues, Jan. 3, 2025, p. 33.

these modified allocations would be less than optimal at the Enterprise level, Row 25.2 requires the utility to justify the proportion of resources devoted to each Risk.

A simplified example will illustrate TURN's recommended interplay between Rows 25.1 and 25.2. In this example, the "Enterprise" has three RAMP risks: Risks 1, 2, and 3. Under Scenario 1 of Row 25.1 (85% of the Baseline Cost Forecast), let's assume that the utility (hypothetically) finds that the Optimized Enterprise Portfolio would have a set of mitigations and control programs such that one-third of total costs (33.3%) is allocated to each of the three risks. However, if the utility disagreed with the 33.3/33.3/33.3% allocation of resources among risks in the Optimized Enterprise Portfolio, under Row 25.2, the utility could specify a different allocation of costs among the three risks, say 40% to Risk 1 and 30% each to Risks 2 and 3. By definition, these modified proportions would not be optimal compared to the Row 25.1 optimized portfolio, which is why the utility would need to justify its modified allocation. But, within each of the Budget Scenarios specified by Row 25.1, Row 25.2 would allow the utility to present an alternative portfolio of mitigations for each risk based on the utility's judgment that such a sub-optimal allocation of costs among risks would nevertheless result in better outcomes.

(4) Recommended changes to the PD. To address the three issues discussed above and to make other needed clarifications, TURN recommends the following changes to the PD.[9]

First, to address issue (1), add the following definition:

> *Optimized (Enterprise or Risk Mitigation) Portfolio: a portfolio that is optimized using an optimization model where the objective to be maximized is risk reduction, the constraint is a given budget level in dollars, and the decision variable (i.e., what is*

[9] To indicate its recommended RDF changes in these comments, TURN shows the PD's language in regular font, even where the PD's language is italicized. TURN's additions are indicated by *italics*, and stricken language is shown by ~~strike-out~~.

selected by the optimization algorithm to maximize the objective function) is whether a given mitigation is included in the portfolio or not.

Second, to address issue (2), modify the definition of Baseline Cost Forecast as follows:

Baseline Cost Forecast: An estimate of the expenditures for all RAMP-related Mitigation and Control Programs for which an IOU is seeking approval and/or funding in its *RAMP or* current GRC application.

Corresponding changes, including removal of the phrase "most recent GRC," should be made in the text of the PD (pages 2, 35 and fn. 61) and in Conclusion of Law (COL) 12.

Third, to make the definition of Risk Mitigation Portfolio consistent with the Enterprise Portfolio definition with respect to including both mitigation *and* control programs (and to use the defined term "Mitigation/Control Program"), modify the definition of Risk Mitigation Portfolio as follows:

Risk Mitigation Portfolio: A collection of one or more risk ~~mitigations~~ *Mitigation/Control Programs* with a specified Budget Scenario for reducing the risk of a given enterprise risk. …

Fourth, to make the clarifications discussed in issue (3) above, modify Rows 25.1 and 25.2 as follows:

25.1	Enterprise Portfolio	The utility will construct four *Optimized* Enterprise Portfolios with differing Budget Scenarios. The Budget Scenario for the Enterprise Portfolios will be based on the Baseline Cost Forecast. The specified four Budget Scenarios will be based on the Baseline Cost Forecast according to the following structure: Scenario 1: eighty-five percent of the Baseline Cost Forecast, Scenario 2: ninety percent of the Baseline Cost Forecast, Scenario 3: ninety-five percent of the Baseline Cost Forecast and, Scenario 4: the Baseline Cost Forecast. The utility may also present other Enterprise Portfolios with Budget Scenario of their choosing but must present the

		Enterprise Portfolios resulting from Budget Scenarios 1, 2, 3, and 4. *Optimized* Enterprise Portfolios shall *show the Risk Mitigation Portfolios that result* ~~include the optimized Risk Mitigation Portfolios consistent with Row 25.2~~ for each enterprise risk presented in the RAMP based on the enterprise-level optimization. *Optimized Enterprise Portfolios should account for the interrelationships among mitigations and controls, as described in Row 25.2.*

25.2	Risk Mitigation Portfolios	*In addition to the Optimized Enterprise Portfolios required by Row 25.1,* ~~U~~*u*tilities *may* ~~must~~ construct Optimized ~~p~~*P*ortfolios of risk mitigations for each Risk as identified in Row 8 with a specified Budget Scenario *based on a different allocation of costs among risks than result under the corresponding Optimized Enterprise Portfolio*. *For each of Scenarios 1 through 4 in Row 25.1,* ~~T~~*t*he Budget Scenario for each *Optimized* Risk Mitigation Portfolio will be some proportion *chosen by the utility* of the Enterprise Portfolio Budget Scenario ~~chosen by the utility~~. The utility shall justify why the proportion of the Enterprise Portfolio Budget Scenario was chosen for each *Optimized* Risk Mitigation Portfolio. Mitigations *and controls* in each *Optimized* Risk Mitigation Portfolio should account for interrelationships between them, such as mutual exclusivity, synergies, and diminishing returns. Mutually exclusive mitigations *and controls* must be avoided, only one or the other can address the same asset or system that exhibits risk in the same portfolio. For example, a wildfire mitigation portfolio could include for a given circuit segment: covered conductor as a mitigation, vegetation management as a mitigation, or covered conductor with vegetation management as a mitigation—but not covered conductor and vegetation management as separate mitigations since their benefits are not additive (re: may exhibit diminishing returns).

Fifth, to conform to the changes recommended above, modify the first two paragraphs of Row 26 as follows:

26	Portfolio and Mitigation Strategy Presentation in the RAMP and GRC	The utility's RAMP filing will provide a ranking of all RAMP Mitigation and Control Programs by Benefit-Cost Ratios. The utility's RAMP filing will include a dataset of Risk Reporting Units for each Mitigation and Control Program and rank each Risk Reporting Unit by Benefit-Cost Ratio. Additionally, the utility must present the set of *Optimized* Enterprise Portfolios required by Row 25.1 and *may present an alternative* ~~the~~ set of *Optimized* Risk Mitigation Portfolios within each Enterprise Portfolio *in accordance with* ~~required by~~ Row 25.2. Mitigation*/Control* Groups defined in Row 25.2 can also be ranked within each portfolio. The utility must justify the portfolio selection, optimization, and structure of Mitigation*/Control* Groups. In the GRC, the utility will provide a ranking of Mitigation and Control Programs by Benefit-Cost Ratios, as follows: (1) For any dataset of Risk Reporting Units submitted with the RAMP, the utility will provide an update of the dataset, if any is required, and provide an explanation of any differences from its RAMP filing and a justification for why the dataset from the RAMP filing required to be updated; (2) For Mitigation and Control Programs addressed in the RAMP, the utility will use risk reduction estimates, including any updates, and updated costs to calculate Benefit-Cost Ratios and explain any differences from its RAMP filing; (3) For Mitigation and Control Programs that require Step 3 analysis under and consistent with Row 28, the utility will include the Benefit-Cost Ratios, calculated in accordance with Step 3, in the ranking of Mitigations by Benefit-Cost Ratios. In the GRC, the utility will provide an updated presentation of the set of *Optimized* Enterprise Portfolios required by Row 25.1 and the *optional* set of *Optimized* Risk Mitigation Portfolios within each Enterprise Portfolio *in accordance with* ~~required by~~ Row 25.2 if an update is necessary. Any differences in these ~~o~~*O*ptimized ~~p~~*P*ortfolios from the RAMP filing must be clearly explained by the utility in its GRC filing.

3. THE PROPOSED CHANGE TO REQUIRE RISK TO BE REPRESENTED AS A PROBABILITY DISTRIBUTION IS NEITHER WORKABLE NOR NECESSARY

Section 4.4 of the PD would change the RDF's definition of Risk and Row 13 to *require* that Risk be represented as a probability distribution.[10] This change is unworkable and unnecessary.

The proposal to require Risk to be represented as a probability distribution would be a significant change to the established practice from the inception of the RDF in D.18-12-014, in which the probability distribution for CoRE was described by its expected value and that expected value for CoRE was multiplied by the LoRE to result in a single number for Risk, not a probability distribution. Since D.18-12-014, the utilities' RAMP and GRC submissions, including workpapers, have expressed risk as a single number. Likewise (and contrary to the PD's new definition of Risk), all of the fields for Risk values in the PD's Appendix C (RMAR Guidelines) show Risk as a single number, not a probability distribution. This longstanding practice reflects the fact that it would be wholly unworkable to represent Risk as a probability distribution in RAMP and GRC tables, Bow Tie charts, workpapers, and monitoring reports. Doing so does not mean that there is only one correct number to represent the risky situation. As TURN explained in its comments, if there are different views as to the best case to use for LoRE and/or CoRE, different values can be calculated via a sensitivity analysis and the preferred value for Risk can be selected.[11]

While Risk *can* be represented as a probability distribution, doing so is not useful for decision-making purposes. For instance, one cannot present a ranking of risks based on

[10] PD, p. 21.

[11] TURN Opening Comments on Workshop 2 Issues, Jan. 3, 2025, p. 40.

probability distributions, unless one first determines the expected value for a given distribution. Similarly, one cannot calculate risk reduction – and therefore BCR – without taking an expected value of the relevant probability distributions. It has long been accepted under decision theory that basing decisions on expected utility is the way to make decisions in accord with accepted axioms of rational behavior.[12] Moreover, the equations for calculating risk reduction using pre- and post-mitigation values are mathematically equivalent whether one uses the expected value of the probability distribution of CoRE or the expected value of a probability distribution for Risk.[13] It is thus unnecessary to express Risk as a probability distribution.

To avoid adding an unworkable and unnecessary new requirement to express Risk as a probability distribution, TURN recommends the following changes to the PD's proposed definition of Risk and to RDF Row 13. The recommended changes to Row 13 also modify the PD's language incorrectly suggesting that probability distributions can be added.[14]

> Risk: The potential for the occurrence of an event that would be desirable to avoid, expressed in terms of a combination of various Outcomes of an adverse event and their associated Probabilities. Risk is the product of LoRE and *the expected value of* CoRE ~~and represented as a probability distribution~~.

[12] *Chapter 3 (Section 3.3): Foundations of Decision Analysis,* pp. 49-50, 52, in *Handbook of Decision Analysis*, found at: https://students.aiu.edu/submissions/profiles/resources/onlineBook/V5f5T5_decision%20making%20in%20business.pdf

[13] Mathematically, the expected value of the random variable LoRE x CoRE, i.e., where Risk is considered a random variable and described by a probability distribution, is equal to LoRE (which is a probability) multiplied by the expected value of the probability distribution of CoRE. This is true for calculating both pre- and post-mitigation values, which are needed to calculate the Risk Reduction, which is the numerator in the BCR.

[14] Rather than adding probability distributions, one adds random variables and then finds the probability distribution of the sum of the random variables.

13.	Calculation of Risk	For purposes of the Step 3 analysis for each enterprise risk assessed in the RAMP, pre- and post-mitigation risk will be calculated by multiplying the Likelihood of a Risk Event (LoRE) by the *expected value of* ~~the probability distribution of~~ *the* Consequences of a Risk Event (CoRE) ~~and be represented as a probability distribution~~. The CoRE is the sum of each of the *uncertain* Attribute Values, ~~probability distributions~~ monetized using the utility's full Cost-Benefit Approach. *The probability distribution of the CoRE is the probability distribution of the sum of the monetized uncertain Attributes. The expected value of the CoRE is equal to the sum of the expected values of the monetized uncertain Attributes.*

4. THE RISK MITIGATION ACCOUNTABILITY REPORT (RMAR) GUIDELINES SHOULD REMOVE THE REQUIREMENT TO PROVIDE 'TAIL AVERAGE' VALUES BECAUSE TAIL AVERAGE RISK REDUCTION IS NOT A MEANINGFUL OR USEFUL NUMBER

TURN generally supports the PD's adoption of RMAR Guidelines, which are presented in Appendix C. However, TURN urges the Commission to reject the PD's inclusion of values for Tail Average Pre-Mitigated and Post-Mitigated Risk and Tail Average Risk Reduction.[15] Because tail risk is not additive (as the PD correctly notes), it is not correct to subtract a post-mitigated tail average risk value from a tail average pre-mitigation risk number. The resulting risk reduction number is not meaningful.[16] Inclusion of these Tail Average values in the RMAR would incorrectly and misleadingly convey that they provide useful information for decision-making purposes.[17]

[15] In the PD's Appendix C, "Tail Average" values for Pre-Mitigated Risk, Post-Mitigated Risk and/or Risk Reduction would be required on pages C-7, C-8, and C-16. Tail Average is also references on pages C-3 and C-5.

[16] To be meaningful, the number that results from subtracting one tail risk from another must be the reduction in tail risk that results from applying the mitigation. If that were true, then that number would have to be the tail risk of the difference between the pre-mitigation and post-mitigation risks. It is not, which follows from the non-additivity of the tail risk.

[17] Appendix C does not include a definition of Tail Average Risk, which would be necessary if Appendix C continued to include requirements to provide Tail Average Pre- and Post-Mitigation

The PD justifies the inclusion of tail risk-related entries in RMAR submissions, by stating that modeled forecasts of tail risk may be part of GRC decision-making.[18] However, as Appendix C shows, the key numbers in this accountability report relate to modeled and achieved risk *reduction*. As stated, because of the non-additivity of tail risks, useful numbers for tail risk reduction cannot be calculated. Thus, the non-additivity problem is fatal to the meaningful use of tail risk for purposes of a monitoring report. Moreover, as TURN explained in its comments, tail risk only considers a small portion of the consequences of a risk event, while the expected value – which *is* additive -- takes into account the full probability distribution.

Based on the foregoing comments, TURN recommends that the PD and Appendix C be modified to not include Tail Average Risk, Tail Average Pre- and Post-Mitigation Risk and Tail Average Risk Reduction as required elements of the RMAR. In Appendix C, this recommended change can be accomplished by removing the references to Tail Average Risk and related concepts on pages C-3, C-5, C-7, C-8 and C-16.

In addition, the PD should modify Conclusion of Law (COL) 37, which appears to determine *here* that SPD staff may make "limited changes" to the required elements in Appendix C without the need for a proceeding or Staff Resolution.[19] As currently worded, this COL is inconsistent with the text on page 89, which lists this issue as a topic for the upcoming Staff workshop and Resolution. TURN agrees with the approach presented in the text and recommends conforming changes in Appendix A to these comments.

Risk and Tail Average Risk Reduction. However, even if a definition were provided, it would not cure the fundamental non-additivity problem discussed in the text.

[18] PD, p. 85.

[19] PD, p. 115.

5. THE IMPORTANT INFORMATION THAT THE PD REQUIRES REGARDING RESIDUAL RISK SHOULD BE UPDATED IN THE GRC

TURN fully supports the PD's modifications to the RDF to track the utilities' progress in reducing residual risk.[20] TURN's only recommendation is to include language in the RDF that would require the utilities to update the required residual risk data in the GRC. Such an update would be consistent with the PD's requirement in Row 26 to provide GRC updates for optimization showings and Risk Reporting Unit (RRU) datasets.

To effectuate this change, TURN recommends that the following paragraph be inserted in Row 26 between the second and third paragraphs in that row:

> *In the GRC, the utility will provide an update of the calculations of Overall Residual Risk and associated diagrams and workpapers previously provided in the RAMP in accordance with Row 9.*

6. TO AVOID LEGAL ERROR, THE PD SHOULD BE REVISED TO CLARIFY THAT SPD'S AUTHORITY TO MAKE CHANGES TO THE DATA TEMPLATE REQUIREMENTS WITHOUT A COMMISSION RESOLUTION IS CONFINED TO MINISTERIAL CHANGES

The PD adopts a process for making changes to the RAMP Data Template that builds on TURN's recommendations.[21] TURN's only objection to the PD's process is that it does not appropriately circumscribe SPD's authority to make changes without a Commission Resolution or other Commission decision. The seventh bullet on pages 106-107 of the PD would allow SPD to prepare a modified disposition letter in response to protests that would not require a draft Resolution for Commission consideration. However, the PD does not state any limits on this authority that would be conferred on SPD. As TURN recommended in comments, SPD's

[20] PD, pp. 26-27.

[21] PD, pp. 106-107.

authority to make changes without Commission approval should be limited to ministerial changes that do not materially change the Data Template requirements adopted in this or other Commission decision. Including such a limitation is necessary to comply with the delegation doctrine and avoid legal error.[22]

TURN recommends revising the seventh bullet on pages 106-107 as follows:

> After receiving a protest to its disposition letter, SPD may prepare a draft Resolution for Commission consideration of the disputed changes. Alternatively, *for ministerial changes that do not conflict with a Commission decision or resolution,* SPD may prepare and serve to the RAMP Data Template Notification List a modified disposition letter consistent with Paragraph 3 above.

7. CONCLUSION

For the foregoing reasons, TURN urges that the PD be adopted, with the modifications described in these comments and summarized in the Subject Index of Recommended Changes.

Dated: August 14, 2025

Respectfully submitted,

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[22] *See* D.07-01-024, p. 12.

APPENDIX A

TURN's Recommended Changes to the Conclusions of Law

Additions are indicated by *italics* and deletions are indicated by ~~strikeout~~.

12. It is reasonable to require, at minimum, the presentation in the RAMP *and the GRC* of the optimal mitigation portfolios for four budget scenarios that are 85%, 90%, 95%, and 100% of the forecasted costs of Mitigations and Controls the filing utility ~~proposed~~ *proposes* in its *RAMP or current* ~~most recent proposed~~ GRC.

13. Definitions for Baseline Cost Forecast, Budget Scenario, Enterprise Portfolio, *Optimized (Enterprise or Risk Mitigation) Portfolio,* and Risk Mitigation Portfolio should be added to the RDF as set forth in Appendix A.

14. Row 25.1, which provides direction to utilities on the construction of *Optimized* Enterprise Portfolios, should be added to the RDF as set forth in Appendix A.

15. Row 25.2, which provides direction to utilities on the construction of *Optimized* Risk Mitigation Portfolios, should be added to the RDF as set forth in Appendix A.

16. Row 26 of the RDF should be modified to incorporate *Optimized* Enterprise Portfolios and *Optimized* Risk Mitigation Portfolios into the RDF as set forth in Appendix A.

37. It is reasonable for the Commission to *determine through a Commission Resolution whether to* allow SPD staff to make limited changes to the required elements in Appendix C without the need for opening a proceeding or issuing a Staff Resolution.