

Decision 20-02-070

February 27, 2020

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to
Consider Authorization of a
Nonbypassable Charge to Support
California’s Wildfire Fund.

R.19-07-017
(Filed July 26, 2019)

ORDER DENYING APPLICATION FOR REHEARING
OF DECISION 19-10-056

I. INTRODUCTION

On October 24, 2019, we issued Decision (D.) 19-10-056¹ (Decision), approving the imposition of a non-bypassable charge (NBC) to support California’s Wildfire Fund and adopting a rate agreement between the Commission and the California Department of Water Resources (DWR). We opened the underlying proceeding to implement Assembly Bill (AB) 1054, which was enacted on an urgency basis to address the effects of catastrophic wildfires in California caused by electric utility infrastructure, including the increased costs to ratepayers resulting from electric utilities’ exposure to financial liability.² As required by statute, this proceeding considered providing ratepayer funding for a fund established by Public Utilities Code section 3284 (Wildfire Fund)³ to support the financial stability of California’s electrical corporations. We issued an Order Instituting Rulemaking (OIR) at a meeting on July 26, 2019, consistent with

¹ All citations to Commission decisions issued after July 2000 are to the official pdf versions which are available on the Commission’s website at: <http://docs.cpuc.ca.gov/DecisionsSearchForm.aspx>.

² Assembly Bill (AB) 1054 (Ch. 79, Stats. 2019) was subsequently modified by AB 1513 (Ch. 396, Stats. 2019); a companion bill, AB 111 (Ch. 81, Stats. 2019), was also enacted.

³ All subsequent section references are to the Public Utilities Code unless otherwise specified.

section 3289, to consider whether the Commission should exercise its authority to require certain electrical corporations to collect from ratepayers an NBC to support the new Wildfire Fund.

On November 25, 2019, Ruth Henricks (Henricks) filed an application for rehearing of D.19-10-056. The application alleges: (1) the Commission violated the Fourteenth Amendment of the United States Constitution by denying an evidentiary hearing and attempting to take official notice of documents taking a predetermined position on the very issue in dispute; and (2) the Wildfire NBC was not just and reasonable because the principal purpose for the charge is to shift the burden of paying investor-owned utility-caused catastrophic wildfire claims from utility shareholders to utility customers, and accordingly violates the Fifth Amendment of the U.S. Constitution. Henricks also requests oral argument on the application for rehearing.

On December 10, 2019, Pacific Gas & Electric Company (PG&E), Southern California Edison Company (SCE), and San Diego Gas & Electric Company (SDG&E) filed responses to the application for rehearing.

We have carefully considered all of the arguments raised in the application for rehearing, and conclude that they demonstrate no cause for rehearing. Henricks' request for oral argument is denied.

II. DISCUSSION

A. There Are No Due Process Violations.

Henricks alleges the Commission violated due process rights by denying an evidentiary hearing and by attempting to take official notice of documents taking a predetermined position on the issue in dispute.⁴ In support of this claim, Henricks argues that the Decision relied on a series of unsupported premises that cannot legally serve as

⁴ Although Henricks asserts that the Commission "attempted" to take official notice of certain documents, thus committing some unspecified legal error, no official notice was in fact taken in the final decision. Accordingly, we dismiss this claim as a moot point.

the basis for any rate increase.⁵

As an initial matter, there is no constitutional requirement that the Commission hold an evidentiary hearing in a ratesetting proceeding. (*Wood v. Public Util. Comm.* (1971) 4 Cal.3d 288, 292.) Rather, the amount of process due depends on the particular situation. (*Mathews v. Eldridge* (1976) 424 U.S. 319, 343.) The right to be heard in a ratemaking proceeding exists as a statutory right. (*Wood*, 4 Cal.3d at 292.) Sections 1701-1736 establish Commission standards for notice and hearing procedures in Commission proceedings. Section 1701.1(b)(1) governs ratesetting proceedings, like this one, and states:

The commission, upon initiating an adjudication proceeding or ratesetting proceeding, shall assign one or more commissioners to oversee the case and an administrative law judge when appropriate. The assigned commissioner shall schedule a prehearing conference and shall prepare and issue by order or ruling a scoping memo that describes the issues to be considered and the applicable timetable for resolution and that, consistent with due process, public policy, and statutory requirements, determines whether the proceeding requires a hearing.

Thus, for Commission ratesetting proceedings, the assigned Commissioner conducts a prehearing conference, issues a scoping memo on the issues to be considered, develops a timetable for resolution, and determines whether or not an evidentiary hearing is required. In this case, notice of the issues was provided in the OIR, issued July 26, 2019, and the Assigned Commissioner's Scoping Memo and Ruling, issued August 14, 2019.

⁵ Henricks further argues that the Commission is constitutionally and statutorily empowered to use its authority to not impose the charge. As discussed in the Decision, however, Public Utilities Code section 701 grants the Commission broad powers, and the Legislature endorsed the Commission's authority under that statute to impose the Wildfire Fund NBC. (D.19-10-056 at p. 6, Conclusions of Law 1 and 2.) Moreover, pursuant to Public Utilities Code section 1732, "[t]he application for a rehearing shall set forth specifically the ground or grounds on which the applicant considers the decision or order to be unlawful...." Henricks' claim fails to specify, analyze, or explain how the Decision violates any legal authority or requirement, as required by section 1732.

The OIR was served on a broad number of persons and entities that might be interested in the proceeding, including the six electric utility respondents, the members of the service lists of 17 other Commission proceedings, and 18 other State and civic agencies.⁶ Interested parties, including Henricks, had an opportunity to be heard at the prehearing conference, two separate rounds of comments prior to a proposed decision, two rounds of comments on the proposed decision, and an oral argument before the full Commission.⁷ Moreover, as the Decision explains (and as discussed further below with regard to Henricks' particular claims), no party raised any material issues of disputed fact that required evidentiary hearing.⁸

Furthermore, Henricks' application for rehearing essentially repeats verbatim the arguments raised in her comments to the proposed decision. The rehearing application is no more than an attempt to relitigate how the Commission weighed the record evidence. An application for rehearing should raise legal error, and should not be used as a vehicle for relitigation of policy positions or to reweigh evidence. (See, *Application of Pacific Gas and Electric Company for Approval of the 2009-2011 Low Income Energy Efficiency and California Alternate Rates for Energy Programs and Budget* [D.09-10-029] at pp. 3-4, fn. 4.) The requirement is clear that the purpose of an application for rehearing is to set forth legal error. Section 1732 and Rule 16.1(c) of the Commission's Rules of Practice and Procedure require the rehearing applicant to "set forth specifically" the ground or grounds on which the applicant considers the decision or order to be unlawful. The fact that we did not weigh the evidence in Henricks' favor does not constitute legal error.

Turning to Henricks' assertion that the Decision is based on a series of "unsupported premises," we find that Henricks' claims fail to raise any disputed issues of material fact that would have warranted evidentiary hearings, and are instead largely

⁶ D.19-10-056 at pp. 5-8.

⁷ D.19-10-056 at pp. 3-5, 40-43, 55.

⁸ D.19-10-056 at pp. 41-42.

based on a misreading or mischaracterization of AB 1054. Henricks first challenges the Decision's finding that the Legislature found that the Wildfire Fund would further the Legislature's public policy. According to Henricks, the Legislature expressly charged the Commission with determining whether the Wildfire Fund in fact serves the public interest.

In making this argument, Henricks conflates the creation of the Wildfire Fund, which was established by the Legislature, with the funding of the Wildfire Fund, through subsequent adoption of the NBC by the Commission. Henricks cites section 3289(a)(1) in support of her proposition that the Legislature charged the Commission with determining whether the Wildfire Fund in fact serves the public interest. Henricks' argument is based on a misreading of the statute. Section 3289(a)(1) requires the Commission to determine whether to utilize its section 701 authority to require electrical corporations to collect an NBC from ratepayers to support the Fund. If it finds the NBC to be just and reasonable, section 3289(a)(2) enables the Commission to direct electrical corporations to impose and collect the NBC from ratepayers.

The Legislature established the Wildfire Fund. Contrary to Henricks' assertions, it did not charge the Commission with establishing the Fund or determining whether the Fund itself furthered the public policy of the State. Instead, the Legislature made clear findings in AB 1054 that the public policy interests of the state of California are served by the Wildfire Fund.² In turn, based on these Legislative findings, the record developed in the proceeding, and our own independent assessment of ratepayer benefits, we determined that the NBC was just and reasonable. Henricks fails to provide any authority demonstrating that reliance on these Legislative findings was in error.

Henricks next argues that we should have determined what a "safe actor" is and whether the utilities have met the criteria to be declared a "safe actor" prior to imposing the NBC. AB 1054 provides,

² See, AB 1054, Sections 1(a)(1)-(5); see also, AB 1054, Section 22, adding Water Code, section 80503(a).

It is the intent of the Legislature to provide a mechanism that allows electrical corporations that are safe actors to guard against impairment of their ability to provide safe and reliable service because of the financial effects of wildfires in their service territories using mechanisms that are more cost effective than traditional insurance, to the direct benefit of ratepayers and prudent electrical corporations.¹⁰

Again, Henricks misreads the statute. Use of the term “safe actors” is part of a summary description of the Wildfire Fund. In its operative provisions, the statute is clear as to prerequisites an electrical corporation must fulfill before participating in the Fund. The status of a utility as a “safe actor” is not established as a prerequisite to the adoption of the NBC, nor as a precondition to a utility’s obligations to provide shareholder funding to the Wildfire Fund in order to potentially participate in the Fund.

Finally, Henricks claims that the Decision accepts as a given that the Wildfire Fund’s stabilization of utility credit ratings results in the public interest. According to Henricks, since the Decision fails to probe why the Fund would have a positive effect on investor-owned utility (IOU) credit ratings, the rate is not just and reasonable.

In making this claim, Henricks incorrectly states that the only evidence that can be relied upon by the Commission is that which is subject to official notice.¹¹ In fact, many of Henricks’ assertions of legal error stem from this erroneous proposition. Henricks, inexplicably, cites to the Commission’s Rules of Practice and Procedure, Rules 13.6-13.9 in support of this proposition. These Rules apply in instances where an

¹⁰ AB 1054, Section 1.

¹¹ Henricks also criticizes the Decision for relying on the IOUs’ filings for the proposition that the Wildfire Fund results in a net positive for utility customers because of the financial benefits it provides to the IOUs. (App. at p. 11.) Henricks fails to demonstrate error. In the Decision, the positions of the parties are discussed, the evidence is weighed, and factual findings are made. Our analysis is based on, and refers to, the factual material in the record. In addition, we note that TURN corroborated the IOU claims that “ratings agencies have all viewed AB 1054 as a credit positive for the utilities.” (D.19-10-056 at p. 37, citing TURN Opening Comments at p. 19.)

evidentiary hearing is held; no evidentiary hearing was held in this proceeding. Moreover, contrary to Henricks' assertion that "CPUC evidentiary rules [are] subject to the California Evidence Code" (App. at p. 11, fn. 29), Rule 13.6 in fact states that "technical rules of evidence ordinarily need not be applied in hearings before the Commission." And, as discussed further below, there is ample material in the record supporting our determination that the stabilization of IOU credit ratings and the prevention of credit rating downgrades for electrical corporations reduce ratepayer costs.

Ultimately, Henricks' claims relate to the meaning and proper interpretation of AB 1054, and do not raise any issues requiring evidentiary hearings. No due process violations have occurred.

B. The Wildfire Fund NBC is Just and Reasonable and the Decision is Supported by the Record.

Henricks argues that the NBC is unjust and unreasonable because it fails to balance the interests of the utilities against those of the ratepayers.¹²

Henricks' argument seems to be premised on the proposition that costs associated with imprudently-caused wildfires should not be passed along to ratepayers. Henricks claims that AB 1054 creates a new legal standard for determining whether IOUs may seek cost recovery from the Wildfire Fund for damages caused by their equipment. According to Henricks, the new legal standard (1) shifts the burden of proof onto utility customers if an IOU receives a "safety certification,"¹³ (2) lowers the threshold by which

¹² Henricks further argues that because the rate is unjust and unreasonable, it constitutes an unlawful governmental taking in violation of the Fifth Amendment. Henricks cites no case authority for this proposition, and we are not aware of any. The cases Henricks relies on instead relate to takings of a regulated entity's property, and whether the entity is able to recover costs sufficient to cover the cost of the particular good or service and earn a fair return on its investment. See, e.g., *20th Century Ins. Co. v. Garamendi* (1984) 8 Cal. 4th 216, 292; *Duquesne Light Co. v. Barasch* (1989) 488 U.S. 299.

¹³ App. at p. 17, citing section 451.1(c).

utilities can raise rates from their customers to cover wildfire costs,¹⁴ (3) allows utilities to pay wildfire damages from the Fund without first determining whether the utility was at fault,¹⁵ and (4) provides for potentially limitless ratepayer liability if the IOUs cause too many catastrophic wildfires within the fifteen year duration of the NBC. According to Henricks, the result of these aspects of the Wildfire Fund is that it excuses IOUs from complying with safety standards, and forces ratepayers to pay for liabilities they had no fault in incurring, despite an IOU's pattern of imprudently causing catastrophic wildfires.

Section 451 provides in pertinent part:

All charges demanded or received by any public utility ... shall be just and reasonable. Every unjust or unreasonable charge demanded or received ... is unlawful.¹⁶

To be successful, Henricks must show that the Wildfire NBC is not just or reasonable in relation to the project goals and benefits.¹⁷ Court cases provide that there is a strong presumption of the correctness of the findings and conclusions of the Commission, and the burden is on the claimant to "clearly" establish unreasonableness.¹⁸

Henricks' arguments fail for several reasons. First, Henricks' objections are aimed at the text of the statute itself, not at the Commission's Decision. As the Decision noted, the text of the statute was not at issue in the proceeding.¹⁹ The scope of this proceeding was clearly laid out in the Assigned Commissioner's August 14, 2019 Scoping Memo and Ruling. All identified issues were closely and directly related to the

¹⁴ App. at p. 17, citing section 451.1(b).

¹⁵ App. at p. 17, citing section 451.1(d).

¹⁶ Section 451.

¹⁷ D.10-09-018, *supra*, at *10.

¹⁸ See, e.g., *Market St. Ry. Co. v. Railroad Com.* (1944) 24 Cal.2d 378, 397-399; see also, *Pac. Tel. & Tel. Co. v. Pub. Util. Com.* (1950) 34 Cal.2d 822, 825; *Dyke Water Co. v. Pub. Util. Com.* (1961) 46 Cal.2d 105, 129; *Pac. Tel. & Tel. Co. v. Pub. Util. Com.* (1965) 62 Cal.2d 634, 647.

¹⁹ D.19-10-056 at p. 8.

establishment of the NBC. This Decision only implements one part of AB 1054, namely, whether to impose an NBC to support the Wildfire Fund. Thus, Ruth Henricks' attacks on other aspects of AB 1054 —such as how it modifies the burden of proof and reasonableness review of an electrical corporation's conduct, how the Wildfire Fund operates to pay claims and require reimbursement, and the statute's utility safety certification compliance requirement — are out of scope and do not demonstrate legal error in the Decision.²⁰

Second, Henricks' allegations are speculative and premature, and accordingly not ripe. As the Courts have noted, the ripeness doctrine's "basic rationale is to prevent the courts, through avoidance of premature adjudication, from entangling themselves in abstract disagreements over administrative policies, and also to protect the agencies from judicial interference until an administrative decision has been formalized and its effects felt in a concrete way by the challenging parties."²¹ For example, Henricks' claim that the Fund "provides for potentially limitless ratepayer liability if the IOUs cause too many catastrophic wildfires" is wildly speculative and prospective. So too is a hypothetical utility rate increase that may result following application of the evidentiary burden in PUC catastrophic wildfire proceedings; that has not occurred and is certainly not impending.

Moreover, Henricks' complaints about imprudently managed systems are focused entirely on Pacific Gas & Electric Company (PG&E) (the application only

²⁰ These elements of AB 1054 are irrelevant to the imposition of the charge. The Commission, on its own inherent authority, could order the public utilities it regulates to collect non-bypassable charges from ratepayers, if such charges are cognate and germane to the regulation of the public utilities. So. Cal. Edison Co. v. Pub. Utils. Comm'n (2014) 227 Cal. App. 4th 172, 186-187.

²¹ Pacific Legal Foundation v. California Coastal Com. (1982) 33 Cal.3d 158, 171, citing Abbott Laboratories v. Gardner (1967) 387 U.S. 136, 148-149. See also, Davis v. Southern Cal. Edison Co. (2015) 236 Cal.App.4th 619 645, fn. 19, citing PG&E Corp. v. Public Utilities Com. (2004) 118 Cal.App.4th 1174, 1217; Schell v. Southern Cal. Edison Co. (1988) 204 Cal.App.3d 1039, 1047.

mentions PG&E, and no other electric corporation). PG&E is in the midst of federal bankruptcy, and must first satisfy the contingencies established by AB 1054 to participate in the Wildfire Fund.²²

Further, Henricks' attacks on AB 1054 are without merit. Henricks' premise—that AB 1054 results in ratepayers paying for liabilities for which they had no fault in incurring, even if the IOUs acted imprudently—is flawed, as it mischaracterizes the statutory scheme and presents exactly the type of abstract disagreement over policy that is not permitted. The Legislature found, and Henricks does not dispute, that there is an increased risk of catastrophic wildfires in the state. Nor does Henricks dispute the Legislative finding that the electrical corporations' exposure to financial liability resulting from wildfires that were caused by utility equipment has created increased costs to ratepayers.²³ What Henricks fails to recognize, however, is that AB 1054's framework essentially provides an insurance fund to protect ratepayers from future recovery in rates for prudently incurred utility wildfire costs that ratepayers otherwise would be responsible to pay in full, and from increased borrowing costs caused by concerns about utility financial health. Such a mechanism for cost recovery is within the Legislature's purview to set. The Legislature may order or empower the Commission to approve non-

²² Section 3292 contains a number of conditions that must be met by June 30, 2020 in order for PG&E to be eligible to participate in the Wildfire Fund upon its exit from bankruptcy, such as: PG&E's bankruptcy proceeding has to be resolved by June 30, 2020 with a reorganization plan or similar document not subject to a stay. (Section 3292(b)(1)(A)); the bankruptcy court has to determine that there is sufficient funding in the PG&E plan to account for existing wildfire liability claims against PG&E (Section 3292(b)(1)(B)); the Commission has to affirm that the plan is consistent with the state's climate goals and is "neutral, on average, to the ratepayers" of PG&E (Section 3292(b)(1)(D)); the Commission has to determine that the plan recognizes and compensates PG&E ratepayers for their contributions through mechanisms approved by the Commission, which may include "value appreciation." (Section 3292(b)(1)(E)).

²³ In fact, Henricks' seems to concede these points, when she claims that the Commission may impose "a more equitable system to address the looming threat of utility-caused wildfires." (App. at p. 14.)

bypassable charges, and it has long exercised this power.²⁴ Moreover, Henricks ignores the fact that the Wildfire Fund is capitalized by ratepayer and shareholder funds, meaning that a utility's shareholders are contributing to costs paid from the fund, even where they could have been fully recovered in rates absent AB 1054.

In addition, Henricks' other claims are specious and without merit. For example, Henricks' assertion that AB 1054 "excuses IOU non-compliance with safety standards"²⁵ is just plain incorrect. As the Decision explains:

Among other things, under AB 1054 utilities must comply with detailed wildfire mitigation plans, as well as enhanced safety requirements developed by the new wildfire safety division. Moreover, in order to participate in the Wildfire Fund, utilities must demonstrate that they are in compliance with the findings of its most recent safety culture assessment, and also that they have an executive compensation scheme in place that is tied to their safety performance. Importantly, the Commission's enforcement powers are not curtailed by AB 1054 and therefore the Commission may impose penalties on a utility, to be paid by its shareholders, for violations of safety rules and Commission orders.²⁶

The shifting of the burden of proof and the timing established by AB 1054 that allows claims to be paid first, before the Commission's prudence review, does not preclude the Commission from making a determination that wildfire costs were imprudently

²⁴ See, e.g., *So. Cal. Edison Co. v. Pub. Utils. Comm'n* (2014) 227 Cal. App. 4th 172, 180, 188 (Legislature enacted statutes establishing a fund and requiring a surcharge on electricity bills to fund renewable energy research, development, and demonstration projects). See also, section 841 (regarding designation of fixed transition amounts for electric industry restructuring and irrevocability of Commission financing orders). Senate Bill (SB) 901 is another example of the Legislature handling catastrophic wildfire cost and recovery. See, Stats 2018 ch. 626 § 41 (SB 901).

²⁵ App. at p. 15.

²⁶ D.19-10-056 at p. 51.

incurred.²⁷ Shareholders will have to reimburse the Wildfire Fund in the event an electrical corporation's behavior is found to be imprudent.²⁸

The Decision expressly considers these factors and determines that, on balance, the Wildfire Fund is beneficial to ratepayers, and that the NBC is just and reasonable. In addition to considering the overall statutory scheme, the Decision's determination that the Wildfire NBC is just and reasonable is supported by record evidence. The Decision relies on:

- The Legislature and Governor's determination that the creation of the Wildfire Fund furthers state policy goals and benefits ratepayers.²⁹
- Party comments that both ratepayers and utility shareholders would contribute to the fund, thus providing a benefit to both.³⁰ Accordingly, the Commission found that AB 1054's framework essentially provides an insurance fund that protects ratepayers from future recovery in rates for prudently

²⁷ Henricks fails to explain how making payments from the fund prior to any determination of IOU prudence otherwise constitutes legal error.

²⁸ And, as noted in the Decision, although it may be true that IOUs could potentially rely on the Wildfire Fund to pay a portion of imprudently incurred wildfire claims should the utility's costs exceed the statutorily mandated cap on utility reimbursement, on balance, this possibility does not undermine the Decision's finding that shareholder contributions to the Wildfire Fund benefit ratepayers. D.19-10-056 at p. 35. And contrary to Henricks' assertions, there is no cap if the electrical corporation's actions or inactions constitute "conscious or willful disregard of the rights and safety of others." (Section 3292(h)(3)(A).)

²⁹ D.19-10-056 at pp. 32-34, citing AB 1054 Sections 1(a)(1)-(5) and Water Code, section 80503(a).

³⁰ Id. at 35, citing CCUE opening comments at pp. 7-8; SDG&E opening comments at pp. 7-8 ("[b]oth ratepayers and utilities benefit from the Wildfire Fund, as structured in AB 1054. If a utility is found to have acted prudently under [Pub. Util. Code] Section 451.1, it can tap the Wildfire Fund to pay for wildfire damages, and no reimbursements are due to the fund. [Citation omitted.] Prior to AB 1054, however, if the utility was deemed prudent, ratepayers would have had to pay for those wildfire damages in their entirety.") (Emphasis in original.)

incurred utility wildfire costs for which ratepayers might otherwise be responsible to pay in full.

- Party comments stating that uncertainty about cost recovery for wildfire liabilities led to credit rating downgrades for SCE and SDG&E in 2019.³¹ Based on these comments, the Commission found that the Wildfire Fund will likely improve electrical corporations' financial stability and lower their financing costs.
- Party comments stating that the utilities accounted for these credit downgrades in applications seeking significant increases to their requested return on equity – a cost that is ultimately passed on to ratepayers.³² Based on comments in the record, the Commission found that reduced risks of credit downgrades attributable to AB 1054 have the potential to result in reduced ratepayer costs in open Commission proceedings.³³
- The Commission also considered potential imposition of double payments by utility ratepayers for the same eligible wildfire claim, concluding as a matter of law that AB 1054 does not require ratepayers to reimburse the Wildfire Fund or an electrical corporation for eligible wildfire claims paid by the Wildfire Fund that are later determined to be just and reasonable.³⁴

Ultimately the record supports the Decision's holding that the credit ratings of SCE and SDG&E were generally stabilized by AB 1054, and all else being equal, the

³¹ Id. at p. 36, citing CCUE opening comments at p. 6.

³² Id. at p. 36, citing SDG&E opening comments at pp. 7, 11; SCE reply comments at p. 4, fn. 11 (“[o]nce a [credit] downgrade has been issued it can take years to reverse, and SCE’s customers will incur higher borrowing costs until the ratings agencies moved [sic] to restore SCE’s ratings to prior levels”); Application 19-04-014, et al. The Commission also cited specific examples of increased interest rates on bonds incurred after credit downgrades. (D.19-10-056 at pp. 36-37, citing to SCE reply comments at pp. 4-5.)

³³ Id. at pp. 37-38, citing SDG&E reply comments at pp. 8-9; SCE reply comments at pp. 4-5, PG&E opening comments at p. 7. The Decision also cites TURN’s opening comments at p. 19 noting that ratings agencies have all viewed AB 1054 as a credit positive for the utilities. (D.19-10-056 at p. 37.)

³⁴ Id. at p. 44.

prevention of credit rating downgrades for electrical corporations reduces ratepayer costs. Henricks' claim that the NBC is unjust and unreasonable is without merit.

C. The Request for Oral Argument Is Denied.

Finally, Henricks' request for oral argument is denied. We have broad discretion to determine the appropriateness of oral argument in any particular matter.³⁵ Henricks fails to demonstrate how oral argument will assist us in resolving the application for rehearing. As noted above, Henricks' application for rehearing repeats almost verbatim her comments made in the proceeding, and the Commission addressed these arguments in the Decision. Oral argument was already held in this proceeding, at Henricks' request, on October 10, 2019, where the Commission heard many, if not all, of the arguments raised in the application for rehearing. Based on that, coupled with the fact that no good cause for rehearing has been shown, we accordingly deny the request for oral argument.

III. CONCLUSION

In accordance with the discussion above, we deny rehearing of D.19-10-056. Henricks' request for oral argument is also denied.

THEREFORE, IT IS ORDERED that:

1. Rehearing of D.19-10-056 is denied.
2. Henricks' request for oral argument is denied.

This Order is effective today.

Dated February 27, 2020 at San Francisco, CA.

MARYBEL BATJER
President
LIANE M. RANDOLPH
MARTHA GUZMAN ACEVES
CLIFFORD RECHTSCHAFFEN
GENEVIEVE SHIROMA

³⁵ CPUC Rules of Practice and Procedure, Rule 16.3, Cal. Code of Regs., tit. 20, § 16.3.

