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PUBLIC ADVOCATES OFFICE
CALIFORNIA PUBLIC UTILITIES COMMISSION

Report on the Results of Operations
for
Pacific Gas and Electric Company
2021 Wildfire Mitigation and
Catastrophic Events

Operations and Maintenance Cost Recorded in the
Wildfire Mitigation Balancing Account, Part 2 of 2

San Francisco, California
May 24, 2022

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1 **2020 Wildfire Mitigation Costs Recorded in the**
2 **Wildfire Mitigation Balancing Account**

3 **I. INTRODUCTION**

4 This exhibit presents the analyses and recommendations of the Public
5 Advocates Office at the California Public Utilities Commission (Cal Advocates)
6 regarding Pacific Gas and Electric Company’s (PG&E) 2020¹ wildfire mitigation costs
7 incurred for wildfire mitigation activities.

8 This exhibit covers the costs recorded in PG&E’s Wildfire Mitigation Balancing
9 Account (WMBA) for its Public Safety Power Shutoffs (PSPS) Events and Advanced
10 Fire Modeling (AFM) activities. The requested Operations and Maintenance (O&M)
11 expenses are recorded in PG&E’s WMBA.

12 PG&E’s WMBA was authorized in PG&E’s 2020 GRC decision to record
13 costs associated with its Community Wildfire Safety Program (CWSP) activities.
14 The decision requires “that an application be filed instead of a Tier 3 advice letter if
15 CWSP expenditures are in excess of 115 percent of the authorized amounts.”² The
16 Decision authorized PG&E’s forecast of \$50.1 million for its CWSP activities, which
17 is \$163 million lower than its 2020 recorded costs of \$213.1 million.³ PG&E’s 2020
18 WMBA costs exceeded adopted amounts primarily for the PSPS, and AFM
19 program.⁴ The portion of PG&E’s WMBA request associated with the PSPS Events
20 is \$80.7 million.⁵ The portion of PG&E’s WMBA request associated with the AFM
21 program is \$5.5 million, which is \$4.4 million (400%) higher than its 2020 GRC-

¹ While PG&E stated in the testimony that its incremental WMBA request is for costs incurred in 2020, PG&E also includes cost adjustments for 2019 PSPS events.

² D.20-12-005, p. 121.

³ PG&E’s Errata Testimony, p. 2-2.

⁴ PG&E’s Errata Testimony, p. 2-3.

⁵ PG&E filed its Second Errata Testimony on May 13, 2022 and revised its WMBA request associated with the PSPS events to \$80.54 million. The revision included PG&E moving \$172,000 associated with helicopter costs from WMBA to VMBA. During discovery, Cal Advocates requested clarification on the \$172,000 included in WMBA. Cal Advocates based its review, analysis and recommendation on the WMBA recovery request of \$80.708 million included in PG&E’s Errata Testimony filed on November 18, 2021.

1 authorized amount of \$1.1 million and \$4.2 million (323%) higher than the 115
2 percent threshold of \$1.327 million⁶

3 **II. SUMMARY OF RECOMMENDATIONS**

4 PG&E requests recovery of \$84.92 million for the PSPS Events and AFM
5 activities within this exhibit.⁷ PG&E's request includes \$80.71 million for PSPS
6 events O&M expenses and \$ 4.21 million for AFM O&M expenses.

7 The corresponding Cal Advocates' recommendation for the PSPS Events and
8 AFM activities is \$57.83 million. Cal Advocates' recommendation is \$27.09 million
9 lower than PG&E's request of \$84.92 million.

10 The following summarizes Cal Advocates' recommendations regarding
11 PG&E's request for recovery of its WMBA costs:

12

- 13 • Cal Advocates recommends \$54.53 million for O&M expenses
14 related to the PSPS Events recorded in PG&E's WMBA be
15 adopted. Cal Advocates' recommendation is \$26.18 million
16 lower than PG&E's request of \$80.71 million.
- 17 • Cal Advocates recommends \$3.30 million for O&M expenses
18 related to the AFM activities recorded in PG&E's WMBA be
19 adopted. Cal Advocates' recommendation is \$0.913 million
20 lower than PG&E's request of \$4.21 million.

21 Table 2-1 below summarizes PG&E's request and Cal Advocates' O&M expense
22 recommendations.

23

⁶ PG&E's Errata Testimony, p .2-3, Table 2-2.

⁷ PG&E's Errata Testimony, p. 2-3. PG&E's costs recovery for its WMBA is \$155.413 million, of which \$84.923 million is discussed in this exhibit (CA-03) and Cal Advocates' recommendation on \$70.490 million is discussed in Exhibit CA-02.

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**Table 2-1
2019-2020 Wildfire Mitigation Expenses
(\$ Thousands)**

Balancing Account (a)	Description (b)	PG&E Requested (c) ⁸	Cal Advocates Recommended (d)	Amount PG&E>Cal Advocates (e=c-d)	Percentage PG&E>Cal Advocates (f=e/d)
O&M Expenses					
WMBA	PSPS Events	\$80,708	\$54,525	\$26,183	48.0%
	Advanced Fire Modeling	\$4,215	\$3,302	\$913	27.6%
TOTAL		\$84,923	\$57,827	\$27,096	46.8%

4

5 Table 2-2 below shows Cal Advocates' O&M expense adjustments by
6 category:

7
8
9

**Table 2-2
Cal Advocates' O&M Expense Adjustments by Category
(2019-2020 dollars)**

Description (a)	Cal Advocates' Adjustments (b)
Straight-Time Labor and Overhead Costs-PSPS Events	\$20,600,000
2019 PSPS Event Cost Adjustment	\$2,966,683
December 7, 2020, Cancelled PSPS Event	\$1,331,000
PSPS Event Customer Communications Cost	\$1,285,500
Adjustments to Advanced Fire Modeling (AFM) Program	\$913,426
Total	\$27,096,609

10 **III. OVERVIEW OF CAL ADVOCATES' ANALYSES**

11 Cal Advocates conducted its analysis by reviewing PG&E's Testimony and
12 workpapers. Cal Advocates issued numerous data requests and analyzed the
13 responses to obtain additional information to clarify its recovery requests. Cal
14 Advocates also met with PG&E to discuss issues pertaining to outstanding discovery
15 requests and PG&E's new discovery document management system, Intralinks.⁹

⁸ PG&E's Errata Testimony at p. 2-3, Table 2-2.

⁹ Cal Advocates encountered unnecessary delays during its review and analysis of PG&E's costs recorded in the WMBA due to issues encountered while utilizing/testing out PG&E's Intralinks discovery management system. Cal Advocates met with PG&E on February 24,

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1 Cal Advocates analyzed the line-item detail of 2019-2020 costs recorded in PG&E's
2 WMBA to determine which costs were incremental, reasonable, and appropriate for
3 cost recovery.

4 **IV. DISCUSSION/ ANALYSIS OF 2019-2020 WILDFIRE MITIGATION**
5 **EXPENSES**

6 **A. Overview of PG&E's Request**

7 PG&E seeks a reasonableness review and cost recovery of \$84.92 million for
8 O&M expenses recorded in the WMBA deemed incremental to routine activities
9 authorized in the 2020 GRC. PG&E requests \$80.71 million for O&M expenses
10 associated with PSPS events and \$4.21 million for O&M expenses associated with
11 the AFM program recorded in the WMBA.¹⁰

12 PG&E requests \$80.71 million for costs incurred in 2020 to execute seven
13 PSPS events and costs associated with PSPS events in 2019.¹¹ The seven PSPS
14 events occurred on September 7-10, September 27-29, October 14-16, October 21-
15 23, October 25-28, December 2-3, and December 7, 2020.¹² PG&E's PSPS event
16 activities include electric distribution field resources that patrol and inspect de-
17 energized lines, operating community resource centers, employee related support,
18 notifying customers, using helicopter services, vegetation management during PSPS
19 events, and other miscellaneous and IT related costs.¹³ Cal Advocates recommends
20 \$54.53 million for PSPS events cost, which is \$26.18 million less than PG&E's
21 request.

22 PG&E requests \$4.21 million for AFM program costs recorded in the WMBA.
23 PG&E's 2020 AFM activities include developing the Technosylva Fire Spread

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2022, to follow up on discovery issues.

¹⁰ PG&E's Errata Testimony, p. 2-3, Table 2-2.

¹¹ PG&E's Errata Testimony, p. 2-11, line 4 and p. 2-12, Table 2-7, footnote (a).

¹² Note that PG&E is requesting recovery for costs associated with seven PSPS events for 2020 but one of the seven PSPS events scheduled for December 7, 2020, was cancelled.

¹³ PG&E's Errata Testimony, p. 2-12 to p. 2-15.

1 Modeling, meteorology support for the Wildfire Safety Operations Center, dead and
 2 live fuel moisture modeling, and live fuel moisture sampling and observation
 3 program.¹⁴ The primary driver for PG&E's AFM program cost is associated with the
 4 implementation of its cloud-based wildfire spread model, Technosylva.¹⁵ Cal
 5 Advocates recommends \$3.30 million for PG&E's AFM program cost, which is
 6 \$913,426 less than PG&E's request.

7 Table 2-3 below summarizes PG&E's request:

8 **Table 2-3**
 9 **2019-2020 O&M Costs**
 10 **(2019-2020 dollars)**

Memorandum Account (a)	Description (b)	PG&E Requested (c)
WMBA	PSPS Events Expense	\$80,708,000
	AFM Expense	\$4,215,000
TOTAL		\$84,923,000

11

12 **B. Straight-Time Labor and Overhead Costs- PSPS**
 13 **Events**

14 Cal Advocates recommends a downward adjustment of \$20.6 million
 15 associated with straight-time labor and overhead costs¹⁶ recorded in the WMBA for
 16 PSPS events. Straight-time labor and overhead costs are funded through existing
 17 rates authorized in PG&E's 2020 GRC decision and are not incremental costs
 18 unless supported through appropriate documentation.

19 Table 2-4 below summarizes Cal Advocates' recommendation for straight-
 20 time labor and overhead costs for costs associated with PSPS events.

21 **Table 2-4**
 22 **PG&E PSPS Events**

¹⁴ PG&E's Errata Testimony, p. 2-33 thru p. 2-40.

¹⁵ PG&E's WMCE Testimony, p. 2-33.

¹⁶ PG&E's overhead cost elements include costs such as, paid time off (vacation, sick time, holidays etc.), building service overhead (such as janitorial, rent, maintenance etc.), material burden (cash discounts, environmental support etc.) and other majority of overhead costs.

1

2020 O&M Costs

Description (a)	Cal Advocates' Adjustment (b)
PSPS Events- Straight-Time Labor	\$9,400,000
PSPS Events-Overhead	\$11,200,000
TOTAL	\$20,600,000

2

1. Straight-Time Labor Costs

3

4 As shown in Table 2-4 above, Cal Advocates recommends removing PG&E's
5 costs of \$9.4 million¹⁷ associated with straight-time labor for its existing employees
6 that were reassigned from other tasks to work on PSPS Events activities included in
7 this application because it is not incremental. PG&E's internal labor costs would be
8 considered incremental if it had unanticipated labor costs associated with hiring
9 additional employees that were not included in authorized GRC amounts. PG&E
10 confirms that it used existing employees to respond to the 2020 PSPS events.¹⁸
11 PG&E's 2020 GRC decision already authorized straight-time labor costs for these
12 existing full-time employees for 2020. Therefore, PG&E must demonstrate that the
13 costs of these employees are incremental to what was authorized in the 2020 GRC
14 and collected in rates.

14

15 Cal Advocates requested that PG&E provide the number of internal
16 employees hired after the 2020 GRC decision.¹⁹ PG&E did not provide the
17 requested information, but instead refers to another data request response where it
18 states:

18

19 This question appears to be intended to gather information relating
20 to incrementality, but that is not a relevant consideration for PSPS
21 activity costs recorded to PG&E's Wildfire Mitigation Balancing
22 Account (WMBA). The Commission approved the WMBA as a two-
23 way balancing account subject to a reasonableness threshold.
24 PG&E has submitted for review PSPS activity costs to obtain
25 approval for WMBA costs above this threshold, not on the basis of
an incrementality analysis.²⁰

¹⁷ PG&E's response to Cal Advocates' data request PubAdv-PG&E-T3-023-RA6, Q.11f.

¹⁸ PG&E's response to Cal Advocates' data request PubAdv-PG&E-023-RA6, Q.11a.

¹⁹ Cal Advocates data request PubAdv-PG&E-013--RA6, Q.1.

²⁰ PG&E's response to Cal Advocates' data request PubAdv-PG&E-011--RA6, Q.3.

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Cal Advocates disagrees with PG&E’s assertion that incrementality is not relevant to its WMBA request since costs for employees whose salaries were already funded through existing rates in the 2020 GRC Decision are not incremental costs. Incrementality refers to costs that are requested in this proceeding and have not already been recovered, such as in a GRC. PG&E’s cost recovery request includes costs that are authorized in the GRC, such as the labor cost of existing, full-time employees. PG&E provides no evidence that it hired new employees or provided the number of employees hired after the 2020 GRC Decision for PSPS Event related work.²¹ Therefore, PG&E failed to demonstrate that its straight-time labor costs are incremental to the straight-time labor costs authorized in the 2020 GRC.

Cal Advocates reviewed PG&E’s line-item detail for PSPS events cost recovery and requested that PG&E identify the portion of straight-time labor costs associated with employees hired after the 2020 GRC Decision. PG&E referred to another data request response where it objected to this request as “overbroad and seeking information beyond the scope of this proceeding” despite Cal Advocates’ question seeking information specific to PG&E’s recovery request for straight-time labor in this proceeding.²² PG&E provided the same response as it provided in its last 2020 WMCE proceeding:²³

PG&E employees fulfill many roles and PG&E’s use of them must be flexible in order to operate the electric system and respond to the many different types of urgent matters and emergencies that regularly arise. PG&E does not necessarily hire new employees when an incremental or un-forecasted activity may arise due to an urgent matter/emergency or when a new program is initiated, as this would not be a cost-effective employment practice. PG&E employees possess wide and varied experience that enable them

²¹ PG&E’s response to Cal Advocates’ data request PubAdv-PG&E-013--RA6, Q.1.

²² PG&E’s response to Cal Advocates’ data request PubAdv-PG&E-011-RA6, Q.3.

²³ PGE provided the same response to Cal Advocates’ data request PubAdv-PG&E-082-RYD, Q.2, in the 2020 Wildfire Mitigation and Catastrophic Events Proceeding (A.20.09-019).

1 to appropriately perform base work forecast in a GRC and to
2 respond to many different types of emergencies and natural
3 disasters that impact California. PG&E assigns employees to
4 support base GRC work and other incremental initiatives such as
5 Catastrophic Events (CEMA) with the intention of leveraging
6 employee skills where the work is most needed and prioritized. For
7 this reason, employees assigned to perform incremental or un-
8 forecasted activities are often not new hires, but existing employees
9 most qualified to perform the work, while new hires back-fill those
10 employees' previous positions. At times, employee assignments
11 also involve incremental or un-forecasted costs such as overtime
12 costs, either in performing a new activity or for other "GRC"
13 activities that the employees return to once the activity has been
14 completed. PG&E may also supplement its workforce with
15 contractors as needed.
16

17 Cal Advocates disagrees with PG&E's rationale for several reasons. First,
18 PG&E's reliance on supplemental contractors and overtime, and its redeployment of
19 existing employees, does not justify classifying its own internal, straight-time labor
20 costs as incremental. The costs of supplemental contractors and overtime work
21 referenced by PG&E are already included in PG&E's recovery request separately
22 from its straight-time labor costs. As an example, PG&E specified that it is
23 requesting \$1.27 million cost recovery for overtime hours²⁴, separate from its
24 straight-time labor cost recovery request.

25 Second, PG&E's reprioritization and reallocation of existing resources and
26 employees for wildfire mitigation activities does not constitute an incremental labor
27 cost. Although these employees may not have been expected or forecasted to work
28 on PSPS event activities, PG&E was already authorized funding for their straight-
29 time labor costs through existing rates in the 2020 GRC decision. PG&E was unable
30 to demonstrate, by providing detailed and verifiable documentation, and prove its
31 existing workforce is not already funded in current rates. Cal Advocates asked

²⁴ Based on PG&E's response to Cal Advocates' data request PubAdv-PG&E-023-RA6, Q.11f, PG&E provided a breakdown of \$32.7 million internal labor cost for straight-time, overtime, double-time, paid-time off and other labor. PG&E is requesting recovery of \$1.27 million for overtime hours. PG&E's line-item detail provided in response to Cal Advocates' data request PubAdv-PG&E-002-RA6 also shows costs for contractors and overtime hours separately from its internal straight-time labor costs. Cal Advocates' straight-time labor

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1 PG&E whether it performed a comprehensive analysis to calculate the incremental
2 cost of reassigning its existing employees.²⁵ PG&E provides no analysis and
3 referred to another data request response where it objected to provide supporting
4 documentation and calculation related to another section of its proceeding.²⁶

5 An independent performance audit by Crowe LLC for the Office of Energy
6 Infrastructure Safety (OEIS) at the California Natural Resources Agency determined
7 that PG&E's straight-time labor costs recorded in its wildfire memorandum accounts
8 were already included in PG&E's GRC-authorized costs. Crowe recommends, "do
9 not compensate PG&E for its straight time labor costs assigned to the wildfire
10 memorandum accounts between 2018 and 2020 as they are not incremental."²⁷

11 The audit provides the following reasoning:

12 PG&E's GRC forecast is activity-based. PG&E therefore does not
13 represent the total cost of straight time labor for all work PG&E
14 performs as part of the GRC. The GRC includes the portion of
15 PG&E's total costs that are associated with GRC activities. While
16 PG&E may have envisioned recovering some of its straight time
17 labor through other funding mechanisms, and this reduced its 2017
18 GRC forecast to account for these other known sources, in 2017,
19 PG&E would not have reduced its GRC forecast of straight time
20 labor to account for wildfire mitigation activities as PG&E's WMP
21 was not approved until 2019.²⁸
22

23 Based on Cal Advocates' review of PG&E's response to discovery requests,
24 application, testimony, and workpapers, PG&E failed to provide any quantifiable
25 evidence that can demonstrate that its straight time labor cost recovery request is
26 not already recovered in rates. Ratepayers should not fund this cost that did not
27 undergo any incremental analysis by PG&E. Cal Advocates recommends removal

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adjustment does not include costs associated with contractors or overtime hours.

²⁵ PG&E's response to Cal Advocates' data request PubAdv-PG&E-023-RA6, Q.11e.

²⁶ PG&E's response to Cal Advocates' data request PubAdv-PG&E-023-RA6, Q.15.

²⁷ Performance Audit of Pacific Gas & Electric Wildfire Mitigation Plan Expenditures, p. 5.

²⁸ Performance Audit of Pacific Gas & Electric Wildfire Mitigation Plan Expenditures,
pp. 70-71.

1 of straight-time labor costs because the costs are already included in authorized
2 revenues and existing rates.

3 **2. Overhead Costs**

4 Cal Advocates recommends a downward adjustment to remove \$11.2 million
5 in expenses related to overhead costs associated with the PSPS events.²⁹ PG&E's
6 overhead costs included in its recovery request are not incremental because its
7 company-wide overhead costs were authorized in PG&E's 2020 GRC decision.

8 PG&E uses its existing assets for its PSPS events. Cal Advocates asked
9 PG&E whether it used existing assets (for example, vehicles, buildings) for its PSPS
10 events. PG&E confirmed that it "utilizes existing assets where possible for its PSPS
11 events. However, certain assets such as helicopters and buildings for Customer
12 Resource Centers are not owned by PG&E. Additionally, contractors hired to
13 support PSPS events utilizes their own assets such as vehicles."³⁰ Cal Advocates
14 requested that PG&E confirm whether it included these "certain assets such as
15 helicopters and buildings for Customer Resource Centers" that are not owned by
16 PG&E and contractor vehicle costs as "Overheads" expense in PG&E's cost
17 recovery request.³¹ PG&E specified that "Overheads apply to internal labor only.
18 Contract costs are not included in the overhead methodology. Therefore, helicopters
19 and buildings for CRCs not owned by PG&E are not included as overhead expense."
20 PG&E's statement confirmed that it utilizes its currently funded existing assets.

21 PG&E does not provide any supporting documentation demonstrating that its
22 overhead costs are incremental to the overhead costs authorized in its 2020 GRC.
23 Cal Advocates identified line items associated with overheads in PG&E's recovery
24 request for PSPS events and requested that it provide documentation "that explains

²⁹ PG&E's spreadsheet titled "2021WMCE_DR_CalAdvocates_002-Q01Atch01" provided in response to Cal Advocates' data request PubAdv-PG&E-T3-002-RA6, Q.1, PG&E included a total of \$11.2 million for "Overheads." Based on PG&E's response to Cal Advocates' data request PubAdv-PG&E-023-RA6, Q.11f, this overhead cost includes \$5.06 million paid time off expense.

³⁰ PG&E's response to Cal Advocates' data request PubAdv-PG&E-013-RA6, Q.3e.

³¹ Cal Advocates data request PubAdv-PG&E-023-RA6, Q.14b and data request PubAdv-PG&E-023-RA6, Q.14c.

1 how PG&E measures that these costs are considered “incremental” to overhead and
2 straight time labor costs authorized in PG&E’s 2020 GRC.³² Cal Advocates also
3 asked PG&E to provide “quantifiable evidence (such as comparing what was
4 collected in rates to PG&E’s recovery request) demonstrating that these costs are
5 incrementally increased.”³³ For both of the requests, PG&E did not provide any
6 analysis,³⁴ and referred to another data request response where it objected to both
7 requests stating the request “as overbroad and seeking information beyond the
8 scope of this proceeding”³⁵ despite Cal Advocates’ question seeking information
9 specific to PG&E’s recovery request for overhead costs in this proceeding.

10 Cal Advocates requested that PG&E provide a detailed description of the
11 composition of the overhead cost elements.³⁶ PG&E’s overhead cost elements
12 include costs such as, paid time off (vacation, sick time, holidays etc.), building
13 service overhead (such as janitorial, rent, maintenance etc.), material burden (cash
14 discounts, environmental support etc.) and other majority of overhead costs³⁷, which
15 will not incrementally increase responding to PSPS events. PG&E recorded \$5.06
16 million for paid time off relating to vacation, sick time, and holidays in its cost
17 recovery request.³⁸

18 Cal Advocates asked PG&E:

³² PG&E’s response to Cal Advocates’ data request PubAdv-PG&E-013-RA6, Q.3c.

³³ PG&E’s response to Cal Advocates’ data request PubAdv-PG&E-013-RA6, Q.3d.

³⁴ PG&E’s response to Cal Advocates’ data request PubAdv-PG&E-013-RA6, Q.3c and Q.3d.

³⁵ In PG&E’s response to Cal Advocates’ data request PubAdv-PG&E-013-RA6, Q.3c and Q.3d, PG&E stated, “See response to Q3b in 2021WMCE_DR_CalAdvocates_011-Q03.” In PG&E’s response to Cal Advocates’ data request PubAdv-PG&E-011--RA6, Q.3b, PG&E objected to Cal Advocates request for information specific to PG&E’s recovery request for straight time labor costs in this proceeding.

³⁶ Cal advocates asked PG&E about the detailed description of overhead costs in data request PubAdv-PG&E-023-RA6, Q.14a. PG&E did not provide the detailed description of overhead cost elements and specified that “PG&E objects to the request as vague and ambiguous in regard to the detailed description and explanation being requested.” Cal Advocates again asked PG&E to provide detailed description of the composition of PG&E’s \$11.2 million overhead cost elements in data request PubAdv-PG&E-032-RA6, Q.3.

³⁷ PG&E’s response to Cal Advocates’ data request PubAdv-PG&E-015-RYD, Q.3.

³⁸ PG&E’s response to Cal Advocates’ data request PubAdv-PG&E-023-RA6, Q.11f.

1 Please provide supporting documentation and PG&E's calculation
2 explaining how paid time off is considered incremental considering
3 benefits such as these are already recovered in existing rates.³⁹
4

5 PG&E objected to Cal Advocates request and did not provide any documentation or
6 calculation. PG&E responded:

7 Under this approved ratemaking mechanism, the incrementality of
8 costs recorded in the WMBA is not at issue. All costs incurred
9 during a calendar year for wildfire mitigation activities authorized in
10 the GRC are to be recorded in the WMBA, whether below or above
11 GRC authorized. All recorded WMBA amounts up to 115% are
12 recoverable, and the Commission reviews only those costs
13 exceeding the 115% threshold for reasonableness. The review of
14 the amounts exceeding this threshold is therefore a prudence issue,
15 not an incrementality issue. That is, the Commission determines
16 whether the activities and associated costs exceeding the threshold
17 were prudently incurred under the reasonable manager review
18 standard.
19

20 Cal Advocates disagrees with PG&E's assertion that incrementality of costs
21 recorded in the WMBA is not an issue since costs for these personnel benefits are
22 already authorized in existing rates and do not necessarily change based on an
23 increase in hours worked. PG&E's 2021 WMCE request includes costs that are
24 already authorized in the GRC, such as benefits like paid time off. PG&E lacks
25 sufficient quantifiable and detailed analyses to substantiate that these overhead
26 costs were not already paid through the previously approved rates, thus PG&E fails
27 to meet its burden to justify that these costs are incremental.

28 The independent performance audit by Crowe LLC for the Office of Energy
29 Infrastructure Safety (OEIS) at the California Natural Resources Agency determined
30 that PG&E's overhead costs recorded in its wildfire memorandum accounts were
31 already included in PG&E's GRC-authorized costs. Crowe recommends, "PG&E
32 should not be compensated for overhead costs assigned to the wildfire
33 memorandum accounts between 2018 and 2020 as they are not incremental."⁴⁰

³⁹ PG&E's response to Cal Advocates' data request PubAdv-PG&E-023-RA6, Q.15.

⁴⁰ Performance Audit of Pacific Gas & Electric Wildfire Mitigation Plan Expenditures, p. 21.

1 PG&E does not track, identify, or calculate any overhead costs that
2 incrementally increased due to 2020 PSPS Program activities. Therefore, PG&E
3 fails to justify that its recovery request constitutes an incremental wildfire cost.

4 **C. 2019 PSPS Event Cost Adjustment**

5 Cal Advocates recommends removing \$2.966 million from PG&E's request for
6 costs PG&E recorded for 2019 PSPS events. The costs are comprised of \$2.665
7 million for employee travel and meals, \$0.172 million for helicopter contract costs
8 and \$0.129 million for IT related costs.

9 PG&E failed to provide specific supporting detail that would allow Cal
10 Advocates to track, verify, analyze and determine whether these employee travel
11 and meal expenses were reasonable, incremental, or used exclusively for wildfire
12 mitigation activities requested in this application. PG&E also failed to demonstrate
13 that these expenses were not already included in its 2020 WMCE cost recovery
14 application that covered 2019 PSPS costs. Ratepayers should not be required to
15 reimburse PG&E for these expenses for 2019 PSPS events that lack adequate
16 supporting documentation and cannot be substantiated.

17 Table 2-5 below summarizes Cal Advocates adjustments regarding 2019
18 PSPS event costs recorded in PG&E's 2021 WMCE cost recovery request:

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Table 2-5
Cal Advocates' 2019 PSPS Event Expense Adjustments by Category
(2019-2020 dollars)

Description (a)	Cal Advocates' Adjustment (b)
2019 PSPS Event Employee Travel & Meals Cost	\$2,665,318
2019 PSPS Event Helicopter Contract Cost	\$172,029
2019 PSPS Event IT Cost	\$129,336
Total	\$2,966,683

4

5 Cal Advocates asked PG&E to provide the cost breakdown of these 2019
6 PSPS event adjustments. PG&E did not provide the requested information.⁴¹

7

8 Cal Advocates requested that PG&E provide all invoices or supporting
9 documentation specific to 2019 PSPS event cost adjustments. PG&E objected to
10 Cal Advocates request stating that the request was “unduly burdensome.” PG&E
11 further stated that it “can provide a reasonable number of invoices if Cal Advocates
12 can provide a selection of line-items.”⁴² Based on PG&E’s objection, Cal Advocates
13 revised its discovery request and selected a reduced amount of line items related to
PG&E’s 2019 PSPS events and requested to review associated invoices.

14

1. 2019 PSPS Events Employee Travel and Meals Cost

15

16 Cal Advocates requested invoices and supporting documentation specific to the
17 2019 PSPS events for employee travel expenses. PG&E did not provide any
18 invoices associated with 2019 PSPS events employee travel expense, instead it
19 provided journal entries for \$4.198 million and internal email attachments⁴³ that
failed to verify that these expenses were specific to 2019 PSPS events. From the

⁴¹ PG&E’s response to Cal Advocates’ data request PubAdv-PG&E-017-RA6, Q.1c.

⁴² PG&E’s response to Cal Advocates’ data request PubAdv-PG&E-017-RA6, Q.1. Cal Advocates was unable to conduct a more thorough and detailed analysis, or independently calculate the specific line items for these costs because PG&E failed to provide all invoices requested for this miscellaneous expense.

⁴³ PG&E’s response to Cal Advocates’ data request PubAdv-PG&E-023-RA6, Q.6.

1 journal entries, Cal Advocates discovered that PG&E included lodging expenses.

2 Cal Advocates requested additional information:

3 Please provide all corresponding invoices or receipts, not just
4 journal entries for the specified line-items in data request “PubAdv-
5 PG&E-T3-023-RA6, Q6” that include the amount, date, a clear
6 explanation of the activities involved and how they are associated
7 with specific PSPS event activities.⁴⁴
8

9 PG&E did not provide any invoices or receipts, just the same journal entries
10 and US bank statements that did not include any clear explanation of the activities
11 involved or how they were associated with specific PSPS event activities. PG&E
12 mentioned that the \$2.2 million employee expense recorded in PG&E’s cost
13 recovery request are part of the same journal entry of \$4.198 million,⁴⁵ but failed to
14 demonstrate how the documentation for \$4.2 million directly related to the
15 \$2.2 million included in its request.

16 PG&E recorded a large amount of employee travel cost for 2019 PSPS
17 events, in both PG&E’s 2020 and 2021 WMCE request. Cal Advocates asked
18 PG&E:

19 Please provide the total (\$) cost recovery request for employee
20 travel expense for 2019 PSPS events in PG&E’s 2020 WMCE
21 testimony.
22

23 PG&E responded:

24 The total cost recovery request for employee travel expense for
25 2019 PSPS events in PG&E’s 2020 WMCE filing is \$29.0 million.⁴⁶
26

27 Cal Advocates asked:

28 Please provide explanation and supporting documentations that
29 can justify PG&E’s management guidelines that these \$31.25
30 million (\$29 million in 2020 WMCE filing, and \$2.25 million in 2021
31 WMCE filing) “Employee Travel” expense for 2019 PSPS events
32 are both reasonable and demonstrate prudent cost management.
33

⁴⁴ Cal Advocates data request PubAdv-PG&E-037-RA6, Q.1.

⁴⁵ PG&E’s response to Cal Advocates’ data request PubAdv-PG&E-037-RA6, Q.1e.

⁴⁶ PG&E’s response to Cal Advocates’ data request PubAdv-PG&E-023-RA6, Q.6c.

1 In response to Cal Advocates discovery requests PG&E stated:

2 PG&E is not able to tie travel related cost in the 2020 WMCE as
3 referenced in the question.⁴⁷

4

5 PG&E lacks adequate support to justify inclusion of these 2019 PSPS costs in its
6 recovery request. PG&E did not provide any analysis or verifiable documentation to
7 prove that it did not already request recovery of the costs in its 2020 WMCE. PG&E
8 recorded a substantial amount of meals cost for 2019 PSPS events, in both PG&E's
9 2020 and 2021 WMCE request.

10 Cal Advocates asked PG&E

11

12 Please provide the total (\$) cost recovery request for meals and
13 lodging expense for 2019 PSPS events in PG&E's 2020 WMCE
14 Track 1 testimony.

15

16 In response, PG&E stated:

17 PG&E objects to the request as cost for meals and lodging expense
18 for 2019 PSPS events in PG&E's 2020 WMCE testimony is out of
19 scope for the 2021 WMCE recovery request.

20

21 Subject to this objection, PG&E responds as follows:
22 PG&E requested \$2.4 million in its 2020 WMCE testimony for
23 meals and lodging expense for 2019 PSPS Events.⁴⁸

24

25 Cal Advocates disagrees with PG&E's assertion that the request is "out of
26 scope." PG&E objected to Cal Advocates request stating that the cost for these
27 expense for 2019 PSPS events in PG&E's 2020 WMCE testimony is "out of scope"
28 for the 2021 WMCE recovery request, despite the fact that PG&E itself included
29 these meals and lodging expense for 2019 PSPS events in this 2021 WMCE
30 recovery request. Cal Advocates also discovered from several invoices associated
31 with 2019 PSPS events meals cost that the amount and date of the invoice does not
32 match the amount and date in PG&E's cost recovery request. The Commission

⁴⁷ Cal Advocates data request PubAdv-PG&E-037-RA6, Q.1d.

⁴⁸ PG&E's response to Cal Advocates' data request PubAdv-PG&E-017-RA6, Q.6.

1 should deny PG&E's request to recover employee travel and meals expense for
2 2019 PSPS events that PG&E recorded in its 2021 WMCE recovery request.

3 **2. 2019 PSPS Event Helicopter Contract Cost:**

4 Cal Advocates recommends removing \$172,029 for helicopter contract
5 expense related to June 2019 PSPS event. Cal Advocates analyzed the invoices
6 and recorded cost associated with these helicopter contract costs and discovered
7 that the date of flight for these helicopters range from July to December 2019, not for
8 the June 2019 PSPS event as PG&E specified in its cost recovery request. Cal
9 Advocates also found that the order numbers in the invoices do not match with any
10 unique numbers in PG&E's cost recovery request.⁴⁹ Cal Advocates requested
11 clarification about these expenses.

12 Cal Advocates asked:

13 Provide documentation that explains how these invoices are
14 relevant for June 2019 PSPS event, while the helicopter's flight
15 date ranges between July and December 2019.
16

17 In response, PG&E stated:

18 The \$172k invoice amount should have been charged to the Vegetation
19 Management Balancing Account (VMBA) to the Enhanced Vegetation
20 Management Program as they are related to LiDAR flights. We will correct
21 this in an errata filing.⁵⁰
22

23 Cal Advocates recommends removing this \$172,029 helicopter contract
24 expense from PG&E's PSPS events cost recovery request. PG&E did not provide
25 any verifiable documentation to substantiate its assertions or to demonstrate that it
26 was not requesting duplicate costs in the WMBA and the VMBA.⁵¹

⁴⁹ PG&E provided PG&E's line-item detail cost recovery request in PG&E's spreadsheet titled "2021WMCE_DR_CalAdvocates_002-Q01Atch01" provided in response to Cal Advocates' data request PubAdv-PG&E-02-RA6, Q.1.

⁵⁰ PG&E's response to Cal Advocates' data request PubAdv-PG&E-036R-RA6, Q.1a.

⁵¹ In PG&E's Second Errata Testimony filed on May 13, 2022, PG&E moved \$172,029 associated with helicopter costs from PSPS Event costs recorded in WMBA into its VMBA under the Enhanced Vegetation Management LiDAR costs.

1 **3. 2019 PSPS Event IT- Related Cost:**

2 Cal Advocates recommends removing \$129,336 for a portion of IT related costs
3 PG&E recorded for 2019 PSPS events in its cost recovery request. This includes
4 \$52,000 recorded for vendor Environmental Systems Research Institute (ESRI),
5 \$30,016 for Amazon Web Services (AWS), \$28,920 for Tata America International
6 Corp and \$18,400 for AT&T and Verizon Cellular Service expenses. PG&E did not
7 provide documentation that could be tracked and verified to justify that these
8 expenses were specific to 2019 PSPS events or used exclusively for wildfire
9 mitigation activities or were incremental to IT costs authorized in its 2020 GRC.

10 Cal Advocates requested supporting documentation such as invoices and
11 calculations for 2019 PSPS events IT-related costs PG&E recorded in its cost
12 recovery request that includes a clear explanation of the activities involved and how
13 they are associated with specific PSPS events.⁵² From the invoices, Cal Advocates
14 found that PG&E’s supporting documentations did not include any clear explanation
15 on the activities or whether these are specific to PSPS events. Cal Advocates also
16 discovered from the invoices for three vendors⁵³ specified above that these IT
17 services purchase date or billing period was in December 2019, not October 2019
18 during the PSPS events.⁵⁴ For example, PG&E recorded \$52,000 for vendor
19 Environmental Systems Research Institute (ESRI), and the invoice for this vendor
20 clearly shows the purchase date as December 9, 2019.⁵⁵ PG&E did not provide any

⁵² PG&E’s response to Cal Advocates’ data request PubAdv-PG&E-033-RA6, Q.3.

⁵³ For three vendors, ESRI, AWS, and Tata America International Corp, the invoices show billing period covering December 2019, and no identification on whether it was incurred for PSPS events. Cal Advocates discovered from the AWS invoice specifying that “This invoice is for the billing period December 1- December 31,2019.” PG&E’s response to Cal Advocates’ data request PubAdv-PG&E-033-RA6, Q.3.

⁵⁴ Cal Advocates asked PG&E to clarify how the billing period covering December 2019 is relevant for October 9, 2019, PSPS event in data request PubAdv-PG&E-052-RA6, Q.1-Q.4. PG&E provided the same response for all three vendors, stating that “PG&E received one invoice from the vendor for services provided at different periods.”

⁵⁵ Invoice folder “2021WMCE_DR_CalAdvocates_033_Q03-Atch004” and “2021WMCE_DR_CalAdvocates_033_Q03-Atch017,” in response to Cal Advocates’ data request PubAdv-PG&E-033-RA6, Q.3.

1 invoices, just journal entries⁵⁶ for cellular phone use related expenses⁵⁷ that fail to
2 demonstrate whether they were incurred for the October 23, 2019 PSPS event.
3 Ratepayers should not provide funding for these IT related expenses that lack
4 adequate supporting documentation and cannot be verified as PSPS related
5 activities. Cal Advocates recommends removing \$129,336 for a portion of IT related
6 costs recorded for 2019 PSPS events.

7 **D. December 7, 2020, Cancelled PSPS Event**

8 PG&E's recovery request includes \$2.66 million for a December 7, 2020,
9 PSPS event that never occurred.⁵⁸ This event was cancelled on December 7, 2020,
10 due to weather changes,⁵⁹ but PG&E specified that it conducted activities such as
11 notifying customers, building community resources centers, etc., in preparation for
12 this PSPS event which was ultimately cancelled.⁶⁰

13 Cal Advocates recommends removing \$1.33 million, or 50% of PG&E's
14 recovery request for initiatives associated with this cancelled December 7, 2020,
15 PSPS event. PG&E's ratepayers did not receive any benefits from this cancelled
16 PSPS event, and it is not reasonable for them to provide full cost recovery for an
17 event that never occurred.

18 PG&E recorded \$1.47 million related to Community Resource Centers
19 (CRCs) for this cancelled PSPS event.⁶¹ According to PG&E's PSPS report, PG&E
20 prepared to open up to 43 CRCs across 18 counties to support customers across
21 and near the PSPS-affected areas. Ultimately, the CRCs that were built were not

⁵⁶ PG&E's response to Cal Advocates' data request PubAdv-PG&E-033-RA6, Q.3.

⁵⁷ PG&E recorded \$18,400 for cellular phone use during 2019 PSPS events.

⁵⁸ PG&E's 2021 Wildfire Mitigation and Catastrophic Event's Errata Testimony, Workpapers Supporting Chapter 2, p. WP 2-2, ln. 68.

⁵⁹ PG&E's 2021 Wildfire Mitigation and Catastrophic Event's Errata Testimony, Workpapers Supporting Chapter 2, p. WP 2-184.

⁶⁰ PG&E's 2021 Wildfire Mitigation and Catastrophic Event's Errata Testimony, Workpapers Supporting Chapter 2, p. WP 2-186.

⁶¹ Cal Advocates calculated \$1.47 million for order description "PSPS Event 12.7.20 – CRCs" from PG&E's spreadsheet titled "2021WMCE_DR_CalAdvocates_002-Q01Atch01," provided in response to Cal Advocates' data request PubAdv-PG&E-T3-002-RA6.

1 opened,⁶² as no customers were de-energized. PG&E opens these centers “during
2 a PSPS event to provide affected customers and residents a space that is safe,
3 energized, and air-conditioned or heated (as applicable).⁶³ During the September 7-
4 10, 2020, PSPS event, PG&E stated that 9,100 customers visited 50 CRC locations
5 and received support during the event.⁶⁴ However, no one visited these CRC
6 locations and received any such support for the December 7, 2020, PSPS event
7 because the CRCs were never opened.

8 Cal Advocates asked PG&E to provide documentation that explains and
9 justifies the ratepayer benefits and costs incurred associated with this PSPS event
10 that never occurred.⁶⁵ PG&E did not provide any supporting documentation specific
11 to this event that can justify the ratepayers benefits and costs. Although PG&E may
12 have planned for this event in advance, it is not appropriate for the ratepayers who
13 did not receive any benefit from this cancelled event to pay full recovery for PG&E’s
14 initiatives. Cal Advocates recommends removing \$1.33 million, or 50% of PG&E’s
15 recovery request for this cancelled December 7, 2020, PSPS event.

16 **E. PSPS Event Customer Communications Costs**

17 PG&E recorded \$5.9 million for Customer Communications during 2020
18 PSPS events.⁶⁶ PG&E’s customer communication costs include activities like
19 notifying customers about when power would be turned off and restored during six

⁶² PG&E Public Safety Power Shutoff (PSPS) Report to the CPUC December 7 Weather Event, p. 5.

⁶³ Visitors to PG&E’s Community Resource Centers are typically provided with PSPS event information by PG&E staff, ADA-compliant restrooms and/or hand-washing stations, physically distanced tables and chairs, power strips to meet basic charging needs (including charging for cell phones, laptops and small medical devices), and Wi-Fi and cellular service access. Typical supplies at each location include water, nonperishable snacks, bagged ice, batteries, and blankets (PG&E Public Safety Power Shutoff (PSPS) Report to the CPUC December 7 Weather Event, p. 28).

⁶⁴ PG&E’s Errata Testimony, Workpapers Supporting Chapter 2, p. WP 2-5.

⁶⁵ PG&E’s response to Cal Advocates’ data request PubAdv-PG&E-02-RA6, Q.2.

⁶⁶ PG&E’s Errata Testimony at p. 2-12, Table 2-7. In this table in testimony, PG&E identified \$5.902 million for Customer Communications (Line No.4) costs associated with 2020 PSPS events.

1 PSPS events in 2020.⁶⁷ PG&E's testimony states that it notified over 99 percent of
2 affected customers prior to de-energization in every event.⁶⁸

3 Cal Advocates recommends removing \$1.28 million associated with PG&E's
4 customer communications costs for two of its 2020 PSPS events: October 14-16,
5 2020, PSPS events, and October 25-28, 2020, PSPS events. PG&E recorded
6 \$800,000 for customer communications cost for October 14-16, 2020, PSPS event,
7 and \$1.77 million customer communications cost for October 25-28, 2020, PSPS
8 event.⁶⁹ Cal Advocates recommends removing \$400,000, or 50% of the customer
9 communication cost for October 14-16, 2020, PSPS event, and \$885,500, or 50% of
10 the customer communication cost for October 25-28, 2020, PSPS event. During
11 these two events, PG&E failed to give advance notice to 3,040 customers about the
12 shutoffs.⁷⁰ Ratepayers should not provide funding for 100% of costs that it did not
13 receive 100% of the benefits from, and were inconvenienced by PG&E's failure to
14 notify ratepayers about when power would be turned off and restored so they could
15 plan accordingly. It is also unreasonable for PG&E to be authorized full recovery for
16 failing to meet its customer communication requirements for PSPS events.

17 In the October 14-16, 2020, PSPS Event report, PG&E identified that 1100
18 customers did not receive notifications notice prior to power shutoff.⁷¹ The shutoff
19 lasted until October 17, 2019⁷², and the average outage duration was 37 hours.⁷³

⁶⁷ Although PG&E specified including customer communication costs for six 2020 PSPS event in PG&E's WMCE Errata Testimony at p. 2-14, Ins. 9-10, PG&E's line-item detail in response to Cal Advocates' data request PubAdv-PG&E-002-RA6 shows that PG&E included the cancelled December 7, 2020, PSPS event customer communication cost as well in PG&E's recovery request.

⁶⁸ PG&E's Errata Testimony at p. 2-14, Ins. 6-7.

⁶⁹ PG&E's Errata Testimony at p. 2-12, Table 2-7.

⁷⁰ In PG&E's PSPS event reports, PG&E identified that PG&E failed to notify 1100 customers for October 14-16, 2020, PSPS event, and 1940 customers for October 25-28, 2020, PSPS event about the shutoffs.

⁷¹ PG&E Public Safety Power Shutoff (PSPS) Report to the CPUC October 14-17, 2020, De-energization Event, p. 32.

⁷² PG&E Public Safety Power Shutoff (PSPS) Report to the CPUC October 14-17,2020, De-energization Event, p. 50. PG&E specified that 183 customers were restored on October 17,2020 in PG&E Public Safety Power Shutoff (PSPS) Report to the CPUC October 14-17, 2020, De-energization Event, p. 50. All of the customers, except 183 customers

(continued on next page)

1 PG&E specified several reasons for failing to notify customers, such as abnormal
2 circuit configuration not anticipated before, different device operated in the field than
3 planned, no valid contact information, error in creating a notification file, etc.⁷⁴ In
4 PG&E's PSPS Report, PG&E identified that 400 of these customers did not get
5 advance notifications due to PG&E's error in creating a notification file.⁷⁵ PG&E
6 discussed this error in creating a notification file in the lessons-learned section of
7 PG&E's PSPS report.⁷⁶ PG&E mentioned that it was a training-related process error
8 based on the steps required to manually build a notification campaign. Although
9 PG&E specified that it completed a training afterwards with staff responsible for
10 creating a notification campaign, PG&E should have provided all appropriate
11 notification trainings prior to PSPS events to avoid any inconvenience to its
12 customers.

13 Cal Advocates asked PG&E to provide the exact number of customers who
14 had no valid information on file. PG&E specified 91 customers did not have valid
15 contact information on file,⁷⁷ and it sent postcards to these customers to update their
16 contact information for future notifications.⁷⁸ PG&E is responsible for properly
17 communicating in advance with all of the customers potentially impacted. Cal
18 Advocates recommends removing \$400,000, or 50% of the customer communication
19 costs for the October 14-16, 2020, PSPS event, from PG&E's recovery request.

20 In PG&E's October 25-28, 2020 PSPS event report, PG&E specified that
21 approximately 1,940 customers who were de-energized (30 of which were Medical

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were restored on October 16, 2020.

⁷³ PG&E's Errata Testimony at p. 2-11, Table 2-6.

⁷⁴ PG&E Public Safety Power Shutoff (PSPS) Report to the CPUC October 14-17, 2020, De-energization Event, p. 32.

⁷⁵ PG&E Public Safety Power Shutoff (PSPS) Report to the CPUC October 14-17, 2020, De-energization Event, p. 32.

⁷⁶ PG&E Public Safety Power Shutoff (PSPS) Report to the CPUC October 14-17 De-energization Event, p. 61.

⁷⁷ PG&E's response to Cal Advocates' data request PubAdv-PG&E-011-RA6, Q.6.

⁷⁸ PG&E Public Safety Power Shutoff (PSPS) Report to the CPUC October 14-17 De-energization Event, p. 32, fn. 16.

1 Baseline) did not receive direct notifications prior to de-energization.⁷⁹ The average
2 outage duration for this PSPS event was 37 hours.⁸⁰ PG&E specified that abnormal
3 circuit configuration not anticipated before, and no valid contact information are the
4 reasons for failing to notify customers.⁸¹ In the PSPS report, PG&E mentioned that it
5 sent postcards to these customers to update PG&E's customers contact information
6 for future notifications.⁸² These PSPS events are a hardship on PG&E's customers,
7 and it is PG&E's responsibility to properly communicate in advance with all of the
8 customers potentially impacted.

9 For the October 25-28, 2020 PSPS event, PG&E specified that the majority of
10 the customers were restored on October 27, 2020, while approximately 10,000
11 remaining customers were restored on the evening of October 28, 2020.⁸³ Cal
12 Advocates asked PG&E whether it notified these 10,000 customers about the delay
13 in restoration and if there were any medical baseline customers who did not receive
14 the notification about delay in restoration.⁸⁴ PG&E mentioned that 2,300 customers
15 did not receive notification about the delay, which includes 145 Medical Baseline
16 customers.⁸⁵ PG&E confirmed that 30 Medical Baseline customers did not receive
17 any notification about the power shutoff, and 145 Medical Baseline customers did
18 not receive the delay in restoration notification. In PG&E's PSPS report, PG&E
19 states that PG&E's representatives are responsible for managing in-person visits to
20 medical baseline customers' homes to check on the customer (referred to as the

⁷⁹ PG&E Public Safety Power Shutoff (PSPS) Report to the CPUC October 25-28, 2020, De-energization Event, p. 34.

⁸⁰ PG&E's WMCE Errata Testimony at p. 2-11, table 2-6.

⁸¹ PG&E Public Safety Power Shutoff (PSPS) Report to the CPUC October 25-28 De-energization Event, page 34.

⁸² PG&E Public Safety Power Shutoff (PSPS) Report to the CPUC October 25-28 De-energization Event, p. 34, fn. 17.

⁸³ PG&E Public Safety Power Shutoff (PSPS) Report to the CPUC October 25-28,2020 De-energization Event, page 12.

⁸⁴ Cal Advocates data request PubAdv-PG&E-011-RA6, Q.1.

⁸⁵ PG&E's response to Cal Advocates' data request PubAdv-PG&E-011-RA6, Q.1. PG&E stated that 586 medical baseline customers power were restored on October 28th, 2020, and PG&E was able to notify 441 of these 586 medical base line customers with updates regarding estimated time of restoration.

1 “door knock” process).⁸⁶ Despite that, PG&E failed to notify these medical baseline
2 customers, which can be seriously harmful for these ratepayers with medical
3 conditions.

4 PG&E’s customers should not be required to fully fund customer
5 communication costs incurred for the October 25-28, 2020, PSPS event because
6 PG&E failed to notify all of its customers about the prolonged outage, including
7 medical baseline customers. Cal Advocates recommends removing \$885,500, or
8 50% customer communication cost for October 25-28, 2020, PSPS event, from
9 PG&E’s recovery request.

10 **F. Adjustment to Advanced Fire Modeling (AFM)**
11 **Program**

12 Cal Advocates recommends a downward adjustment of \$913,426 for costs
13 recorded in the WMBA for PG&E’s Advanced Fire Modeling (AFM) program. PG&E
14 failed to provide supporting documentation to verify this expense. Table 2-6 below
15 summarizes Cal Advocates’ recommendation for costs associated with PG&E’s AFM
16 program.

17 **Table 2-6**
18 **Advanced Fire Modeling Program Expenses**
19 **2020 O&M Costs**

Description (a)	Cal Advocates’ Adjustment (b)
AFM- Straight- Time Labor	\$787,140
AFM- Paid-time Off	\$10,431
Technosylva Fire Modeling	\$115,855
TOTAL	\$913,426

20
21 As shown in Table 2-6 above, Cal Advocates recommends removing PG&E’s
22 costs of \$797,571⁸⁷ associated with straight-time labor for its existing employees that

⁸⁶ PG&E Public Safety Power Shutoff (PSPS) Report to the CPUC October 25-28 De-energization Event, p. 34. In that PG&E’s PSPS report, PG&E described the notifying process to medical baseline customers.

⁸⁷ The total of \$797,571 adjustment includes \$787,140 for straight-time labor and \$10,431 paid-time off expenses associated with PG&E’s AFM program. PG&E’s response to Cal

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1 were reassigned from other tasks to work on AFM activities and \$10,431⁸⁸ for paid-
2 time off benefits included in this application because it is not incremental. PG&E
3 confirms that it used existing employees to support AFM work in 2020.⁸⁹ For
4 PG&E's AFM Program cost recovery, Cal Advocates reviewed PG&E's line-item
5 detail and requested that PG&E identify the portion of straight-time labor costs
6 associated with employees hired before the 2020 GRC Decision and the year 2020.
7 PG&E objected to this request as well.⁹⁰ Cal Advocates further asked PG&E to
8 confirm whether it hired any new employees to perform AFM activities in 2020.
9 PG&E stated:⁹¹

10 PG&E bases its GRC forecast costs on activity-based forecasting
11 and not on specific or even an assumed number of total
12 employees, as PG&E uses a pool of employees or contractors –
13 some existing, some new – to ultimately complete the work
14 forecasted. An activity may be incremental even if PG&E does not
15 necessarily hire new employees and uses existing employees to
16 complete work.
17

18 PG&E mentioned that the majority of the AFM work was done by contractors
19 compared to internal labor costs.⁹²

20 Cal Advocates disagrees with PG&E's assertion. PG&E is requesting over
21 \$5 million cost recovery for contractors performing AFM work, separate from
22 straight-time labor cost recovery request.⁹³ Also, PG&E's reliance on supplemental

(continued from previous page)

Advocates' data request PubAdv-PG&E-020-RA6, Q.1d.

⁸⁸ PG&E's response to Cal Advocates' data request PubAdv-PG&E-020-RA6, Q.1d.

⁸⁹ For PG&E's AFM program, PG&E asserts that it did not hire additional staff to specifically support AFM work in 2020 in PG&E's response to Cal Advocates' data request PubAdv-PG&E-056-RA6, Q.1b.

⁹⁰ PG&E's response to Cal Advocates' data request PubAdv-PG&E-020-RA6, Q.1.

⁹¹ PG&E's response to Cal Advocates' data request PubAdv-PG&E-056-RA6, Q.1b.

⁹² PG&E's response to Cal Advocates' data request PubAdv-PG&E-056-RA6, Q.1.

⁹³ PG&E's provided line-item detail cost recovery request for AFM program in spreadsheet titled "2021WMCE_DR_CalAdvocates_004-Q01Atch01," in response to Cal Advocates' data request PubAdv-PG&E-004-RA6, Q.1. PG&E further mentioned about the contractor cost for AFM program in PG&E's response to Cal Advocates' data request PubAdv-PG&E-056-RA6, Q.1.

1 contractors does not justify classifying its own internal, straight-time labor costs as
2 incremental. As discussed in section IV. B.1 above, regarding Straight-time Labor
3 Costs for PSPS events, PG&E's reallocation of existing employees to complete
4 wildfire mitigation activities does not constitute an incremental labor cost and these
5 costs are already authorized in existing rates.

6

1 **V. WITNESS QUALIFICATIONS**

2 My name is Refat Amin. My business address in 505 Van Ness Avenue, San
3 Francisco, California. I am employed by the Public Advocates Office (Cal
4 Advocates) as a Public Utilities Regulatory Analyst in the Energy Cost of Service
5 and Natural Gas Branch.

6 I earned my Master of Public Policy (Environmental Policy and Sustainability)
7 Degree from University of California, Riverside in 2018 and Bachelor of Science
8 Degree in Soil, Water and Environmental Sciences from University of Dhaka,
9 Bangladesh in 2015. Since joining Cal Advocates, I have worked on Track 3 of
10 Southern California Edison Company 2021 GRC, where I was responsible for
11 analyzing incremental wildfire costs. I was previously employed by Public
12 Advocates Office Water Branch where I worked on Sales, Revenue, Rate Design
13 and Low-Income Rate Assistance Program for the San Gabriel Valley Water
14 Company General Rate Case (A.19-01-001). I have worked for the University of
15 California Riverside as Policy Specialist where I performed quantitative and
16 qualitative analysis to investigate the role of water conservation policies on
17 wastewater treatment plants, and effluent dominated streams in California. My
18 policy research work earned the “Best Poster Award” in WaterSmart Innovations
19 Conference in 2017 and the journal was published in “Nature Sustainability”
20 Publication in 2020. I also worked as a Summer Research Intern at the Public
21 Policy Institute of California in 2017. From 2017 to 2018, I worked as a Graduate
22 Student Researcher working on environmental policy and sustainability related
23 issues.

24 This completes my prepared testimony.