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

Order Instituting Rulemaking to Implement  
Electric Utility Wildfire Mitigation Plans  
Pursuant to Senate Bill 901 (2018).

Rulemaking 18-10-007  
(Filed October 25, 2018)

**THE CITY AND COUNTY OF SAN FRANCISCO COMMENTS ON THE WILDFIRE  
MITIGATION PLANS**

Pursuant to the Assigned Commissioner’s Scoping Memo and Ruling (“Scoping Memo”), the City and County of San Francisco (“San Francisco”) respectfully submits these comments on the wildfire mitigation plans (“WMPs”) filed on February 6, 2019.

**INTRODUCTION AND SUMMARY**

San Francisco limits its comments to the “meaning of plan approval.” Pacific Gas & Electric (“PG&E”), Southern California Edison (“SCE”) and San Diego Gas & Electric (“SDG&E”) (collectively “IOUs”) seek to expand the meaning of plan approval beyond compliance with Public Utilities Codes section 8636(c).<sup>1</sup> The Commission should conclude that WMP approval does not include a determination of whether a WMP’s costs are just and reasonable. The Commission should also reject the IOUs’ claim that a utility’s conduct in connection with future wildfires is deemed prudent if the utility substantially complies with its approved WMP.

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<sup>1</sup> All statutory references are to the Public Utilities Code.

## **1. Meaning of Plan Approval**

### **A. The Commission Should Limit the Meaning of Plan Approval to Compliance with Section 8636(c).**

The Commission’s approval of WMPs should be strictly limited to analysis of whether each WMP meets the requirements of section 8636(c). Section 8636(c) requires WMPs to include nineteen elements. The Scoping Memo focuses this proceeding on the consideration of “how to interpret and apply the . . . list of required plan elements.”<sup>2</sup> The Scoping Memo also explained that this rulemaking “will provide guidance on the form and content of the initial wildfire mitigation plans, provide a venue for review of the initial plans, and develop and refine the content of and process for review and implementation of wildfire mitigation plans to be filed in future years.”<sup>3</sup>

The Scoping Memo correctly interprets SB 901. Section 8386(d) requires the Commission to “verify that the plan complies with all applicable rules, regulations, and standards, as appropriate,” after receiving public comment. The Commission must approve each plan within three months of submittal.<sup>4</sup> This limited time frame requires a schedule that provides insufficient time for review.<sup>5</sup> For example, the parties only have one opportunity to comment and only have five weeks to do so.<sup>6</sup> Accordingly, the Commission should abide by the Scoping Memo and limit its approval inquiry to whether each WMP complies with section 8386(c).

### **B. The Commission Should Reject the IOUs Efforts to Expand the Meaning of Plan Approval.**

The IOUs urge the commission to find that approval of the WMPs also means that each WMP’s costs are found reasonable.<sup>7</sup> This is contrary to the statute and should be rejected. Section

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<sup>2</sup> Scoping Memo, p. 3.

<sup>3</sup> Scoping Memo, p. 1.

<sup>4</sup> Pub. Util. Code § 8386(e).

<sup>5</sup> *See, e.g.*, PHC Transcript (Nov. 14, 2018), p. 17:24-27 (ALJ Allen explaining “we’re only going to get so much done on the timeline we have and hopefully what we do in the future is going to be improving that”).

<sup>6</sup> *See* Scoping Memo, pp. 4-5.

<sup>7</sup> *See, e.g.*, SCE 2019 Wildfire Mitigation Plan, p. 8; Joint Response of SCE and PG&E to Motions for Evidentiary Hearings by TURN and POC, R.18-10-007 (Feb. 25, 2019), p. 4-5. The IOUs also articulated this position at the Feb. 26, 2019 technical workshop. *Cf.* PHC Transcript Nov. 14, 2018), p. 53:2-3 (SCE attorney stating “I think this proceeding is what the utilities must do to comply with SB 901”).

8636(g)(1) requires the Commission to “consider whether the cost of implementing each electrical corporation’s plan is just and reasonable in its general rate case application.” The Order Instituting Rulemaking (“OIR”) explains this section:

The scope of this proceeding also does not include utility recovery of costs related to wildfire mitigation plans, which Section 8386 requires be addressed in general rate case applications. The Commission’s approval of wildfire mitigation plans in this proceeding is not a substitute – implicit or explicit – for the Commission’s review in a general rate case whether the associated costs are just and reasonable.<sup>8</sup>

Requiring that costs be considered in the general rate case follows standard Commission procedure because that proceeding specifically analyzes a utility’s costs and its impacts on rates. In a general rate case, an IOU files an application providing testimony supporting requested costs; other parties have the time to conduct discovery and the opportunity to cross-examine witnesses. The five weeks provided here is insufficient to time to analyze much less approve the reasonableness of new costs. For example, PG&E’s WMP only contains cost estimates for its programs that cost hundreds of millions dollars.<sup>9</sup> Moreover, as required by section 8386(g), PG&E’s WMP costs are being considered in its general rate case.<sup>10</sup> Despite this, PG&E and SCE argue that this proceeding provides the parties with the opportunity to contest proposed cost estimates and that plan approval should mean that costs of the WMPs are found reasonable.<sup>11</sup> Under this theory, the subsequent rate case would simply ratify the incurred costs.<sup>12</sup> If the IOUs prevail on this point, the Commission would, in effect, give the IOUs carte blanche with no serious evaluation of their spending.

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<sup>8</sup> OIR, p. 4.

<sup>9</sup> See PG&E WMP, p. 141 (“PG&E provides initial cost estimates for each program within this Plan, so that the CPUC and parties may weigh the potential cost implications of measures proposed. The costs reflect PG&E’s best estimate of the costs for the proposed programs as of January 31, 2019.”) see also PG&E WMP Appendix E (chart identifying programs and their cost estimates).

<sup>10</sup> See PG&E Data Request No.: Cal Advocates\_001-Q01Supp01Supp01 (PG&E refers Public Advocates Office to its general rate case testimony as support for its WMP and notes that this WMP proceeding “is not a traditional ratecase proceeding”) (Attachment 1). San Francisco moves that PG&E Data Request No.: Cal Advocates\_001-Q01Supp01Supp01 be included in the record.

<sup>11</sup> Joint Response of SCE and PG&E to Motions for Evidentiary Hearings by TURN and POC, R.18-10-007 (Feb. 25, 2019), p. 4-5.

<sup>12</sup> *Id.*

The Commission should explicitly affirm the scope of the proceeding and find that the approval of a WMP does not determine whether the proposed costs of the WMP are just and reasonable.

The IOUs also urge that a Commission-approved WMP should shield the IOUs from future liability; their theory is that a utility's actions should be deemed prudent in any future proceeding for wildfire cost recovery utility if that utility substantially complies with its Commission-approved WMP.<sup>13</sup> This theory ignores the plain meaning of section 451.1, which is the exclusive method for evaluating cost recovery arising from wildfires ignited after January 1, 2019.<sup>14</sup> This section does not state or imply that substantial compliance with a WMP means an IOU becomes a prudent manager. Instead, Section 451.1(a) requires consideration of utility's conduct setting out twelve criteria which include an assessment of an IOU's actions. For example, subsections (3)-(5), respectively, consider whether the IOU "failed to design its assets in a reasonable manner;" "failed to operate its assets in a reasonable manner;" and "failed to maintain its assets in a reasonable manner." Although compliance with a WMP may partially inform answers to these issues, it does not specifically answer any of them. Section 451.1 requires a fact intensive analysis.

The Commission should not overlay a prudent manager standard onto the requirements of section 451.1. Analysis of section 451.1's criteria alone should determine cost recovery for future wildfires.

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<sup>13</sup> SCE 2109 WMP, p. 7; *see also* PG&E Reply Comments on Order Instituting Rulemaking, R.19-01-006, p. 4; SCE Opening Comments on Order Instituting Rulemaking, R.19-01-006, pp. 3, 15; Initial Comments of SDG&E on Order Instituting Rulemaking to Implement Public Utilities Code Section 451.2 Regarding Criteria and Methodology for Wildfire Cost Recovery Pursuant to Senate Bill 901 (2018), R.19-01-006, pp. 14–15.

<sup>14</sup> Public Util. Code § 451.1(b).

Dated: March 13, 2019

Respectfully submitted,

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# Attachment 1

**PACIFIC GAS AND ELECTRIC COMPANY  
Wildfire Mitigation Plans  
Rulemaking 18-10-007  
Data Response**

PG&E Data Request No.:	CalAdvocates_001-Q01Supp01Supp01		
PG&E File Name:	WildfireMitigationPlans_DR_CalAdvocates_001-Q01Supp01		
Request Date:	February 7, 2019	Requester DR No.:	001
Date Sent:	February 22, 2019	Requesting Party:	Public Advocates Office
PG&E Witness:		Requester:	Nathaniel Skinner/ Shelby Chase/ David Lievanos/ Nils Stannik/ Charlyn Hook

**QUESTION 01SUPP01**

Please provide all workpapers and supporting documents related to PG&E’s Wildfire Mitigation Plan filing in searchable and original “live” format (spreadsheet, etc.).

**ANSWER 01SUPP01**

PG&E notes that because the Wildfire Safety Plan (Plan) is not a traditional ratecase proceeding, it did not prepare formal workpapers to support the Plan submission. However, PG&E did perform detailed analyses in developing the programs and strategies proposed in the Plan, but these analyses are not in workpaper format. In continued response to this request, PG&E is working to provide additional materials and information supporting the programs proposed in the Plan.

Subject to this clarification, while the Plan is focused on 2019, the work and forecasts described in the Plan are generally consistent with PG&E’s General Rate Case (GRC) testimony, Exhibit 4, Chapters 2A, 3, 5, 6, 7, 9, 10, and 18, and Exhibit 7, Chapter 2. Exceptions are noted on pages 143-144 of the Plan. In response to this data request, PG&E is providing the following workpapers: the excel version of Attachment E “WildfireMitigationPlans\_DR\_CalAdvocates\_001-Q01Atch01” and links to the relevant, publicly available testimony and workpapers submitted for PG&E’s 2020 GRC,

The 2020 GRC testimony and workpapers can be accessed via the following:

- 1) Search Public Case Documents:  
<https://pgera.azurewebsites.net/Regulation/search>
- 2) Select "GRC 2020 Ph I [A.18-12-XXX]" from the case dropdown menu
- 3) Select "PG&E" as the party to narrow the search criteria
- 4) Select date range “12/13/18 to 12/13/18”
- 5) Click Search

In addition, the Plan includes footnotes and other references to materials that informed the Plan. Some of these materials are publicly available, as indicated in the Plan.

**ANSWER 01SUPP01SUPP01**

Please see attachment WildfireMitigationPlans\_DR\_CalAdvocates\_001-Q01Supp01Atch01