GENERAL RATE CASE PLAN WORKSHOP #2 REPORT

GRC Standardization

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2. Executive Summary

On October 7, 2020, the California Public Utilities Commission's (CPUC) Energy Division (ED) hosted the second in a series of workshops to explore standardizing the organization and format of General Rate Case (GRC) filings for the large California energy utilities. The workshops were ordered in Decision (D.) 20-01-002, which modified the Commission's rate case plan for the large energy utilities. The objective of the workshops is to further explore and develop proposals to increase the efficiency of GRC proceedings. The scope of the second workshop was to consider standardization of GRC filings, specifically including the Master Data Request (MDR), Joint Comparison Exhibit (JCE), testimony chapter structure, Phase 2 and gas allocation case scheduling and standardization, base year and recorded spending data, and bill impact calculations.

In addition to CPUC staff, identified attendees at the workshop included Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), San Diego Gas & Electric Company (SDG&E), Southern California Gas Company (SoCalGas), The Utility Reform Network (TURN), the CPUC Public Advocates Office (Cal Advocates), Liberty Utilities, and Bear Valley Electric Service.

The workshop scope included six topics:

- Standardization of the MDR
- Standardization of the JCE
- Standardization of Testimony Chapter Structure
- Phase 2 and Allocation Case Scheduling and Standardization
- Base Year and Recorded Spending Data
- Standardized Bill Impact Calculations

On behalf of the joint investor-owned utilities (SCE, PG&E, SoCalGas, and SDG&E; collectively "IOUs"), PG&E presented guiding principles and other proposals for all topics except for developing a standard testimony chapter structure. SCE presented the IOUs' position on the testimony chapter structure topic. ED, Cal Advocates, and TURN were active in the discussion of the IOU proposals. Below is a high-level summary of the workshop discussion:

- **MDR**: The IOUs recommended removing MDR questions that are duplicative, outdated, or not possible to address. The IOUs also recommended providing MDR responses 30 days after filing the application. Cal Advocates' preference is to work individually with IOUs on specific refinements and to receive MDR responses at the same time the IOU's GRC application is served. TURN provided four recommendations to make it easier for intervenors to use the MDR, including a standard index of MDR question areas, posting the responses on the IOU's website, sending a notice to the service list when the responses are posted, and including TURN in future discussions on the MDR at the appropriate time to consider the addition of typical data requests from TURN.
- **JCE**: The IOUs recommended a standardized layout for the JCE that provides opportunities for IOUs to tailor certain components where appropriate. The IOUs also recommended submitting the JCE 2-4 weeks after hearings. No feedback was received during the workshop on the IOU proposal for JCE standardization.

- **Testimony Chapter Structure**: The IOUs did not propose any changes to testimony chapter structure. No other party proposed changes to the status quo on this topic during the workshop.
- **Phase 2 issues**: The IOUs made a series of proposals to improve the efficiency of filing sequencing for GRC Phase 2 and gas allocation cases. TURN stated that PG&E's proposal for filing its GRC Phase 2 is counter to the goal of standardization, at least after an initial transitional schedule, and also suggested PG&E should be able to combine its gas rate design and allocation proceedings. ED reiterated that schedule changes cannot be approved at the workshop and that the purpose of the workshop is to gather information. The IOUs noted that the question of how to implement recommendations needs to be addressed for issues discussed in the workshops and that the IOUs would make a proposal for how to proceed on each of the workshop issues, both consensus items and contested items.
- **Base Year and Recorded Spending Data**: The IOUs recommended making base-year-plus-one recorded data available through the discovery process in the late first quarter of the following year. TURN proposed that base-year-plus-one recorded data should be provided by the IOUs by no later than March 1 through an automatic process, rather than through the discovery process. In the event the IOUs cannot provide the data by March 1, TURN proposed that evidentiary hearings be delayed to April 15. Cal Advocates agreed with TURN that base-year-plus-one recorded data should be provided as an automatic standing item. The IOUs will review and consider this feedback from Cal Advocates and TURN.
- **Bill Impact Calculations**: The IOUs presented a standard format for providing bill impact calculations by climate zone, seasonally and annually, for CARE and non-CARE customers. ED made recommendations to improve the clarity of the bill impact presentation. To capture the long-term rate effects of proposed capital spending, TURN proposed providing annual bill impact calculations for 10 years and then every 5-10 years thereafter, covering 40 years overall. The IOUs will review and consider this feedback from ED and TURN.

On October 14, TURN submitted comments on the workshop, which reiterated and expanded upon the recommendations TURN made during the workshop discussion. A draft version of this workshop report was circulated for comment on October 22. The IOUs submitted comments on October 30, which summarized points made during the workshop and responded to TURN's October 14 comments.

3. Introduction

On October 7, 2020, ED hosted the second in a series of workshops to explore standardizing the organization and format of GRC filings for the large California energy utilities. The large energy utilities are PG&E, SCE, SDG&E, and SoCalGas. The workshops were ordered in D.20-01-002, which modified the Commission's rate case plan for energy utilities. The objective of the workshops is to further explore and develop proposals to increase the efficiency of GRC proceedings. The scope of the second workshop was to consider standardization of GRC filings, specifically including the MDR, JCE, testimony chapter structure, Phase 2 and gas allocation case scheduling and standardization, recorded base year data, and bill impact calculations. The workshop was facilitated by ED with support from PG&E.

4. Background

On January 16, 2020, the Commission issued D.20-01-002 (the "Decision Modifying the Commission's Rate Case Plan for Energy Utilities" in Rulemaking (R.)13-11-006). D.20-01-002 adopted changes to the Rate Case Plan for large California energy utilities to enable the Commission to conduct GRC proceedings more efficiently, including modifications to the GRC procedural schedule and extending the GRC cycle for each utility from three years to four years. R.13-11-006 was closed upon CPUC adoption of D.20-01-002.

The RCP decision also ordered a series of workshops to explore and develop proposals to increase the efficiency of GRC proceedings. CPUC staff identified four workshops and invited parties to provide feedback on the scope of each workshop:

1. Stipulated Terms / Rebuttable Presumptions / Standardized Attrition Year Ratemaking
2. Standardization of GRC Filings
3. Results of Operations (RO) Model Uniformity
4. Standardization of RAMP Filings

The IOUs (SoCalGas, SDG&E, PG&E, and SCE) are supporting CPUC staff in facilitating the workshops, and an IOU has been designated for each workshop. The RCP Decision also requires that no later than 30 days after the conclusion of the workshop, the designated IOU shall submit a report to the Directors of the Energy Division and Safety and Enforcement Division with copies served on the service list of R.13-11-006 summarizing the workshop and any agreed-upon proposals.

5. Workshop

ED held the second public workshop virtually via a recorded WebEx session on October 7, 2020. Due to the state's public health order in response to the COVID-19 pandemic, there was no in-person attendance. ED sent notice of the workshop to the service list for R.13-11-006. The public workshop notice was posted on the CPUC's Daily Calendar and website. The workshop, scheduled from 10:00 AM – 4:00 pm, included six main agenda topics:

- Standardization of the MDR
- Standardization of the JCE

- Standardization of Testimony Chapter Structure
- Phase 2 and Allocation Case Scheduling and Standardization
- Base Year and Recorded Spending Data
- Standardized Bill Impact Calculations

Participants were required to pre-register for the workshop. ED staff kicked off the workshop by outlining the workshop agenda, background, objectives, and logistics. In addition to CPUC staff, identified attendees at the workshop included PG&E, SCE, SDG&E, SoCalGas, The Utility Reform Network (TURN), the CPUC Public Advocates Office (Cal Advocates), Liberty Utilities, and Bear Valley Electric Service.

6. Topic 1: Master Data Request

6.1 IOU Presentation on the MDR

On behalf of the IOUs, PG&E presented guiding principles that the IOUs agree should be used to make the MDR more efficient and useful. These principles are as follows:

- General Requirements and Standard Requirements List of Documentation Supporting an Application formatted as a checklist; i.e. the company has complied with the following requirements (and list the requirements) instead of a generic response for each individual question.
- Remove questions that are duplicative because they ask for information readily available within the testimony and or workpapers or could be directly derived from the testimony and workpapers.
- Remove questions that are outdated or no longer useful to Cal Advocates.
- Remove questions that ask for the exact same information presented in a different way.
- Subject to Cal Advocates' review, remove questions with no follow-up data requests or cites in Cal Advocates testimony, in the context of the fact that:
    - a) Are we answering questions efficiently so there is no follow up needed or are the questions and responses not useful.
    - b) The questions themselves do not directly pertain to the General Rate Case.
- Remove (or change) questions where historical experience has consistently demonstrated that it is not possible to provide a response after reasonable inquiry and effort.

In terms of process and timing, the IOUs propose that it would be beneficial to submit the responses to the MDR no later than 30 days after the filing of the application.

6.2 Discussion on the IOUs' Presentation

ED asked whether it would be the responsibility of the IOU to notify intervenors when previously unavailable information in the MDR becomes available. PG&E responded that it would not be incumbent on IOUs to do so. PG&E explained that the intent of the streamlining proposal is to find areas where questions have been asked in numerous previous GRC cycles and the IOU consistently responded that it was not possible to provide such information, in order to focus efforts on content that is useful.

SDG&E/SoCalGas noted that it would make sense to work together to find an alternate solution that provides information of value but noted that they have provided the same response to the same MDR question many times in multiple chapters of the MDR, indicating that certain requested information is not available.

Cal Advocates stated that it is happy to work with the IOUs on the MDR on an individual basis. Cal Advocates' preference is to continue to author and retain the MDR, and work individually with the IOUs on specific refinements. Further, Cal Advocates noted that the MDR has no impact on the Commission's processing of an application and does not lead to delay. The MDR enhances Cal Advocates' understanding of an application and becomes an input in its analysis of an application, even if Cal Advocates does not necessarily cite to information from the MDR in testimony. Cal Advocates also noted its preference for the MDR to continue to be available when the IOU's GRC application is served, but it is open to further discussion on timing.

TURN stated that the IOUs should improve public access to non-confidential information that is routinely provided through the MDR to reduce the need for discovery by intervenors that may duplicate some of the questions in the MDR. TURN provided four recommendations to make it easier for intervenors to use the MDR:

1. <u>A Standard Index of MDR Question Areas:</u> TURN recognizes that the questions in each MDR would not be the same due to an IOU's distinct characteristics. However, a common index of question areas would be very helpful. This would include a common numbering system; for example, MDR Section Eight could consistently focus on administrative and general (A&G) issues.
2. <u>Public Version of MDR Questions and IOU Responses Posted on the IOU's GRC Webpage:</u> TURN proposes that any interested intervenor or member of the public have easy access to the MDR responses through the IOU's website. TURN stated that it routinely requests the IOU's responses to an MDR and is provided with them upon execution of a non-disclosure agreement. TURN noted that there is generally limited confidential information in the response, but the whole response receives confidential treatment, slowing the process of receiving the information. TURN proposed that non-confidential responses be posted publicly.
3. <u>The IOU to Send a Notice to the Service List when Responses are Posted on its Website:</u> TURN proposed this so that intervenors would have quick access to this information and be able to review it before developing their own list of questions. TURN defers to Cal Advocates on the timeline and the appropriateness of the IOUs' 30-day response proposal.
4. <u>TURN would like the IOUs to consider including its routine questions in the MDR:</u> TURN has questions it routinely requests in each GRC and would like to make the process more efficient for everyone by incorporating those questions into the MDR. TURN would like to be invited to future discussions at the appropriate time.

PG&E agreed to review TURN's proposals. SCE also noted that it would consider the proposals and would need time to do so since they were not previously available in written form. TURN responded that the proposals were previously submitted in writing as feedback on the Rate Case Plan Workshop Plan in July.

6.3 Post Workshop Comments on the MDR

In its October 14 comments, TURN reiterated the points made at the workshop and also proposed that an MDR template should be circulated to regular GRC intervenors for possible expansion to include questions routinely asked by intervenors through discovery (see Appendix B for TURN's comments).

In the October 30 IOU comments, the IOUs stated that they support Cal Advocates' inclinations with respect to JCE standardization. Provided Cal Advocates agrees, the IOUs support TURN's proposals to include a standard index, table of contents, and numbering system consistent across IOUs. The IOUs would also support making non-confidential MDR content available to parties participating in a GRC proceeding, providing GRC parties with instructions and guidance for requesting confidential MDR responses, and notifying the service list when the MDR information is available. The IOUs do not support TURN's proposal to expand the MDR to include questions routinely asked by other intervenors through discovery, stating that this proposal would further increase the IOUs' burden to respond to the MDR, and would not necessarily add to the information that is available to participants in the proceeding. The IOUs argued that the intervenors should instead review the IOUs' testimony and workpapers to determine whether further discovery is needed (see Appendix B for the IOU comments).

7. Topic 2: Joint Comparison Exhibit

7.1 IOU Presentation on the JCE

On behalf of the IOUs, PG&E presented guiding principles for a standardized JCE layout. The proposed layout includes the following sections:

1. Introduction explaining layout of the JCE
2. Expense (O&M) and Other Operating Revenue (OOR) Items
    a. Comparison of test year forecast recommendations for contested items
    b. Comparison Template Components:
        i. Testimony reference
        ii. Program/Project/Activity name or description
        iii. Witness Names
        iv. Contested items financial comparison table
        v. Succinct summary of Parties' positions on contested issues
3. Capital Items
    a. Comparison of test year, test year minus one, and when applicable, test year minus two forecasts recommendations for contested items
    b. Comparison Template Components:
        i. Testimony reference
        ii. Program/Project/Activity name or description
        iii. Witness Names
        iv. Contested items financial comparison table
        v. Succinct summary of Parties' positions on contested issues
4. Policy, Ratemaking, and Other Qualitative Items, Results of Operations, and Post-Test Year Ratemaking Items

    a. Comparison Template Components:
        i. Testimony reference Program/Project/Activity name or description
        ii. Witness Names
        iii. Succinct summary of Parties' positions on contested issues
5. Forecast Summary Tables: Comparison of IOU Proposals to Cal Advocates Recommendations
    a. Format to be based on each IOU's accounting structure.
6. Results of Operations (RO) at Proposed Rates for Test Year and Attrition Years (as applicable): Comparison of Utility RO to Cal Advocates RO

The IOUs proposed the following for the process for preparing the JCE:

- IOU drafts the JCE, including the summary of all Parties' positions, according to the principles above
- IOU provides all Parties' 2-3 weeks to review and revise positions summaries
- IOU submits final JCE 2-4 weeks after hearings (align JCE with Update Testimony positions.)

7.2 Discussion on the IOUs' Presentation

SCE noted that Section 3 of the proposed layout (Capital Items) would also include rate-based components, working cash, and tax issues. SCE also noted that preparation of the JCE requires substantial effort for the IOU and intervenors, and that the proposed standardization principles were developed with the goal of trying to streamline the document and improve the process for everyone.

No comments from other parties were made on the IOUs' JCE proposal during the workshop.

7.3 Post Workshop Comments on the JCE

In its October 14 comments, TURN noted that the IOUs' proposals will not impact the resources required by TURN to prepare the JCE, which for TURN includes reviewing items and proposing edits to ensure the IOU has accurately summarized the positions. Given the resources required to prepare a JCE, TURN encourages the consideration in each GRC of whether a JCE will meaningfully assist the assigned Commissioner and ALJ in preparing a decision. TURN notes that preparation of a more limited and focused JCE (financial impacts without position summaries) would reduce workload. TURN supports the preparation of the JCE where the assigned Commissioner and ALJ(s) find it useful.

In the IOU comments, the IOUs supported TURN's proposals to limit the JCE to program forecasts. The IOUs would also support an approach where the JCE contains citations to the place(s) in the record where each party has set forth its position, but the JCE does not add any narrative description of such position. The IOUs also stated that if the ALJ(s) or the Assigned Commissioner for a proceeding request a reinstatement of the narrative description of parties' positions, the IOU can take the lead in developing the desired material.

8. Topic 3: Testimony Chapter Structure

8.1 IOU Presentation on Testimony Chapter Structure

SCE presented the IOUs' position on standardizing the organization of GRC prepared testimony. SCE made the following points related to the current organization of testimony chapters:

- IOUs typically organize their applications to mirror the organization of their business units
- Each IOU is generally consistent from rate case to rate case
- SCE 2021 GRC: significant changeover to organize across business unit lines, and provide showing based on how work is actually performed
- Triggered by feedback from GRC parties
- Took nearly one year of work to enable the changeover, including reconfiguration of financial data applications
- SCE's 2021 GRC explained the new organization, and provided a roadmap between new and prior testimony exhibits
- Terminology used for testimony chapters varies by IOU, with the use of similar but not identical terms

SCE then made the following points related to standardization:

- The IOUs have not received feedback from litigating parties or Administrative Law Judges (ALJ) that the differences in organization amongst IOUs present any barrier to assessing utility showing or finding items within the showing.
    - Have received feedback on importance of including roadmap that walks the reader through the organization of the showing, and explains any brand-new organizational approaches
    - Have received feedback on importance of mandatory workshops to walk participants through the application
- The IOUs discussed opportunities for standardization. After careful discussion, the IOUs are not proposing to make wholesale changes to ways that each IOU currently orders and structures its rate case showing.
    - Each IOU is harmonizing the showing to reflect how the IOU's operations and activities are structured and classified. Key is to have the IOU's GRC showing mapped to the "real life" structuring of the IOU and the work it performs
    - Imposing a set of labeling and organization requirements would not take into account how each IOU's internal financial and data systems and programs operate in processing, categorizing, and reporting information
    - It is critical to avoid inefficiencies and disruptions that would result if strict labeling, organization, and classification of information in GRC does not align with IOU's internal financial and data system structures
    - It does not appear to be worthwhile to make burdensome and unproductive changes to internal IOU financial and data applications and activities to obtain relatively modest gains in ease of reference across different IOUs' rate case showings

- The IOUs welcome discussion on how we can make the presentation of our respective rate case showings easier to navigate, recognizing that each IOU has differences in structure, activities, and programs

8.2 Discussion on the IOUs' Presentation

SDG&E/SoCalGas reiterated the points SCE made in the IOU presentation, noting that each IOU is organized to reflect its business.

ED asked whether the IOUs have actively reached out to parties and ALJs to see if there are recommendations for modifying the organization of the application. SCE responded that it contacted TURN, Cal Advocates, and ED to inform them of the organizational changes prior to filing its 2021 GRC.

TURN noted that the issue of standardizing the order of testimony chapters did not originate with TURN and it finds it helpful when each IOU maintains a similar structure to its prior GRC for comparison purposes. TURN is not proposing any changes to the status quo.

8.3 Post Workshop Comments on Testimony Chapter Structure

In its October 14 comments, TURN stated that it has learned to navigate the distinct approaches taken by the IOUs in presenting their GRC testimony. TURN provided no further comments on this topic.

In the IOU comments, the IOUs stated that they do not believe that further exploration of this topic would be useful or productive.

9. Topic 4: Phase 2 and Allocation Case Scheduling and Standardization

9.1 IOU Presentation on Phase 2 Issues

On behalf of the IOUs, PG&E presented on Phase 2 and gas allocation case issues, including discussion of the various upcoming cases and IOU scheduling concerns. The IOUs presented the following guiding principles:

- Minimize case delays with schedule to minimize overlap

- Provide sufficient time for implementation and subsequent post-implementation analysis prior to development of succeeding applications (in transition and ongoing)

- Schedule each IOU's Allocation Case(s) separately from its GRC Phase 1 schedule, as warranted

The presentation included the following proposals:

- PGE's next GRC Phase 2 to be filed in summer 2024 and every 4 years subsequently
- PG&E's next GCAP to be filed within 90 Days of Gas Transmission and Storage (GT&S) Cost Allocation and Rate Design (CARD) decision
    - PG&E will file GT&S CARD within 75 days of its 2023 GRC 1 application
- SDG&E/SoCalGas's next Triennial Cost Allocation Proceeding (TCAP) to be filed in the third quarter of 2023
- No changes to SCE's filing schedule

- GRC 2 Standardization: While the methods and range of proposals vary across IOUs and across applications, the following minimum elements would be included in all GRC 2 applications:
    - Cost of Service Methodology and Studies (including TOU period analysis)
    - Proposed Allocation of Revenue Requirement by Class/Service
    - Proposed Rate Design
    - Illustrative Bill Comparison Results
    - Electronic Work Papers

The presentation also included background information and charts showing the current and proposed sequencing schedule. Appendix A includes the full slide deck that was presented.

9.2 Discussion on the IOUs' Presentation

TURN noted that PG&E's proposal for its future Phase 2 filings would not be consistent with the other IOUs and would not help achieve standardization. TURN asked if there is an alternate proposal that would allow PG&E to align in the future rather than repeating the off-schedule proposal. PG&E responded that there are no substantial dependencies between the GRC Phase 1 and Phase 2 filings and that while the original schedule has a 90-day connection between the two filings, this is no longer necessary. PG&E believes, based on other filings and limited available resources, that the timing proposal made by the IOUs would improve efficiency and make the best use of the available time.

TURN noted that the GT&S revenue requirement has been combined with the GRC Phase 1 filing and asked if PG&E has considered combining the CARD and GCAP filings into one application. Later in the discussion, ED asked the same question. PG&E responded that this had been considered but not recommended due to the following factors: it would make a very big case for PG&E, which would be inefficient in terms of staffing availability and resources; it would make it difficult for GT&S CARD to be decided in time for concurrent implementation with GRC Phase 1 case, which is desired by parties and the wholesale market; parties from GT&S CARD and GCAP are different; and a bigger case could more easily become delayed. TURN commented that if PG&E can handle a GRC Phase 1 filing with GT&S, it should also be able to handle a combined CARD and GCAP filing, which would be a smaller application.

PG&E provided a minor clarification to the presentation in term of timeline, noting that future GRC Phase 1 filings will be in the month of May, rather than March, as was shown in the slides (see Appendix A for the presentation slide decks).

ED asked whether the other IOUs are on board with proposals presented by PG&E. SDG&E/SoCalGas clarified that what was presented is also their proposal. SDG&E/SoCalGas explained that a change is needed in their TCAP schedule due to the change to the 4-year rate case cycle. Many of the cost studies used for allocation in the TCAP are based on data in the GRC Phase 1 filing, so it makes sense to move the TCAP filing to follow the GRC Phase 1 filing. Therefore, TCAP would be filed every 4 years rather than every 3 years. The IOUs reiterated that their proposals do not affect the timing of filings for any other IOUs besides PG&E and SDG&E/SoCalGas.

ED noted it had been provided with this proposal for the first time and wanted to confirm what Commission actions were being requested and what the appropriate procedural steps would be to implement those requests. PG&E confirmed that the IOUs are requesting the actions listed on presentation slide 14 (see Appendix A). Regarding GCAP, PG&E explained that there are other forums PG&E could use, including filing a Petition for Modification or request an extension. PG&E noted that an IOU can file a CARD proceeding of its own accord. For GRC Phase 2 filings, PG&E is requesting Commission permission to change the filing date.

ED asked what would happen if the Commission does not authorize the IOUs' proposals. SDG&E/SoCalGas replied that they will investigate the best way to ask CPUC, but if not authorized somehow, they would need to file a TCAP in third quarter of next year. SDG&E/SoCalGas clarified that they are not asking for a rate freeze but rather would not update studies that allocate customer class allocations. PG&E responded that, currently, the GRC Phase 2 is scheduled to have a final decision in the same timeframe as the next GRC Phase 2 is filed. As a result, PG&E would not be able to implement the final decision and plan for its next application.

PG&E noted that the question of how to implement recommendations is common across the workshops and that the IOUs would make a proposal for how to implement recommendations following the completion of all four workshops.

ED suggested that the IOUs should describe how their proposals would be implemented and what the consequences of not approving them would be. ED also reiterated that nothing can be approved at the workshop and that the purpose of the workshop is to gather information.

9.3 Post Workshop Comments on Phase 2 Issues

TURN's October 14 comments state that TURN is evaluating the implications of the IOUs' proposal and may offer recommendations after considering the draft workshop report.

TURN subsequently indicated that it has no recommendations at this time.

In the IOU comments, the IOUs responded to questions ED asked in the workshop concerning the consequences of the Commission not approving the IOUs' scheduling proposals and how the IOUs propose to effectuate their proposals. Regarding PG&E's GRC Phase 2, GCAP, and GT&S CARD, the comments stated that consequences include: disconnecting GT&S ratemaking from implementation of GT&S functional revenue requirement changes; a transitional five-year gap for both the PG&E GRC Phase 2 and GCAP; and inefficient use of the four-year rate case period for all concerned, with overlapping cases. Regarding proposal implementation, the GCAP proposal could be implemented through filing a Petition for Modification or a request for extension. The CARD proceeding can be filed of an IOU's own accord. For GRC Phase 2 filings, PG&E is requesting Commission permission to change the filing date. The IOUs' comments also reiterated that the IOUs would make a proposal for how to implement recommendations following the completion of all four workshops. SoCalGas and SDG&E noted that their proposal to move their cost allocation proceeding to occur every four years, and filing their next cost allocation proceeding in the third quarter of 2023, would avoid substantial scheduling overlap with the Track 2 schedule of the gas system reliability and planning rulemaking. Additionally, this schedule proposal would avoid scheduling overlap with PG&E's gas allocation cases, which would be an inefficient use of time for all concerned. SoCalGas/SDG&E are still analyzing the appropriate next steps for moving to a four-year cost allocation proceeding cycle. A likely procedural path discussed in the comments would be to file a Petition for Modification. SoCalGas/SDG&E will confer with CPUC staff before filing such a petition should SoCalGas and SDG&E seek this procedural path (see Appendix B for the IOU comments).

10. Topic 5: Base Year and Recorded Spending Data

10.1 IOU Presentation on Base Year and Recorded Spending Data

On behalf of the IOUs, PG&E presented on base year and recorded spending data. The presentation included the following background information:

- January 2020 RCP Decision 20-01-002: Agreement on a standard approach to "Base Year +1 data" should be an important topic for future workshops. Stakeholders should endeavor to reach consensus on a means of incorporating recorded spending data from the year of filing into every GRC on an agreed-upon schedule.
- On January 11, 2017, Energy Division hosted a GRC rate cycle workshop in Rulemaking R.13-11-016. The purpose of the workshop was to explore options that will help the Commission process GRC proceedings more efficiently and timely.
    - At the workshop, Cal Advocates and TURN proposed that the Commission move the base year to the year of the GRC filing, or streamline adding the filing year's recorded data into the GRC record.
    - IOUs explained that actual recorded data would be available after the financial close was complete for the year, typically several months after the end of the year.

The presentation then provided the following information on identification of the base year:

- Base Year: the most current year of completed recorded spending data at the time of a GRC filing
- In a three-year GRC cycle, the base year for a future GRC filing is the test year of the last GRC filing. For example, 2017 was the base year in PG&E's 2020 GRC
- In a four-year rate case cycle, the base year is the year after the test year of the last GRC, or test year minus 3 in the current GRC. For example, in PG&E's 2019 GT&S case, 2016 was the year after the test year of the 2015 GT&S rate case and the base year of the 2019 GT&S case

Finally, the presentation provided the IOUs' proposed approach for providing recorded spending data in the GRC:

1. Base Year Data: Use full year recorded data in the GRC application filing

2. Base Year Plus One Recorded Data: Data would be made available by late Q1 of the following year through the discovery process (the GRC hearings scheduled to be concluded by mid-March)

10.2 Discussion on the IOUs' Presentation

TURN noted that the IOUs' proposal to make base-year-plus-one recorded data available late in the first quarter of the year does not provide time for intervenors to make use of that data, as evidentiary hearings are scheduled to close by March 15. Citing D.20-01-002, TURN stated that the IOUs' proposal renders the base-year-plus-one recorded data useless for intervenors in the GRC proceeding and is therefore unacceptable. TURN proposed that the base-year-plus-one recorded data should instead be served by the IOUs by March 1. TURN also proposed that data be provided through an automatic process, rather than through the discovery process.

PG&E indicated that it is looking to improve its processes so that the data is available by March 1, but that providing the data is dependent in part on the timing of the U.S. Securities Exchange Commission (SEC)-regulated earnings call.

SCE stated that the base-year-plus-one recorded data would probably not be ready on March 1 due to data adjustments that need to take place and the new process of preparing the Risk Spending Accountability Report by the end of March, which may be the first time some of the data is available. SCE also noted that it will work to provide data as early as possible.

SDG&E/SoCalGas agreed with SCE and noted they worked to provide data as quickly as possible in their last GRC proceeding and were able to distribute it by mid-March. SDG&E/SoCalGas noted that they cannot commit to the requested March 1 date without first reexamining their internal process, including the Risk Spending Accountability Report.

TURN replied that if the IOUs cannot commit to the March 1 date, the only alternative is to postpone hearings to April 15 or later. SDG&E/SoCalGas asked whether there are other avenues to providing the data that achieve what TURN wants without slowing down hearings. TURN responded that it cannot rule out using the information in hearings. The IOUs will consider the issues raised by TURN.

Cal Advocates noted that it is happy to see five years of recorded data in the IOUs' presentation, as that data is important. Cal Advocates also agrees with TURN that base-year-plus-one recorded data should be provided as an automatic standing item rather than as a data request. Cal Advocates noted that the timing is to be determined.

10.3 Post Workshop Comments on Base Year and Recorded Spending Data

TURN's October 14 comments reiterated TURN's opposition to the IOUs' base-year-plus-one recorded data proposal and recommends the following changes to the RCP schedule to standardize incorporation of base-year-plus-one recorded data (*new events are in italics*):

Date	**Days**	**Event**
By February 25	~Day 285	Evidentiary hearings begin
Q1, By March 1	*~Day 290*	*Utility serves exhibit with BY+1 recorded spending data*
By March 15	*~Day 305*	*ALJ admits BY+1 recorded spending data exhibit into the record during evidentiary hearings or by written ruling*
By March 15	~Day 305	Evidentiary hearings end
By April 20	~Day 340	Briefs filed

TURN's comments also provided feedback on the presentation of historical spending data included with the GRC application. TURN supports the IOU proposal to provide 5 years of recorded data with their applications and recommends it be provided in the testimony, and in a table that also includes the forecast. TURN also recommends that the applicant include the authorized amount for the year in the historical series corresponding to the last test year.

In the IOU comments, the IOUs stated that they cannot commit to providing base-year-plus-one recorded data by March 1, as requested by TURN, but can commit to providing the data by March 31 and will endeavor to provide the data earlier. The comments also noted that if base-year-plus-one recorded data was provided on March 31, parties would still have 20 days to incorporate the data into their briefs. The IOUs also suggested that the base-year-plus-one recorded data be made available as part of the regular post-hearing update testimony so that parties can ask the witness sponsoring the data questions at the update hearing. The IOU comments also stated that the IOUs already include a table with five years of recorded data and test year forecast in testimony and/or workpapers. The IOUs do not agree with TURN's proposal to include the authorized amount for the year in the historical series corresponding to the last test year (which would be the year prior to the base year in the new 4-year GRC cycle). The IOUs stated that the prior authorized amount would not aid in the resolution of the reasonableness of the current forecast, but TURN could access the data and use it in its testimony if TURN disagrees (see Appendix B for the IOU comments).

11. Topic 6: Bill Impact Calculations

11.1 IOU Presentation on Bill Impact Calculations

On behalf of the IOUs, PG&E presented on standardized utility bill impact calculations, including the following guiding principles:

1. Calculate Historic Average Monthly Seasonal and Average Usage per Individually Metered CARE and per Individually Metered non-CARE residential customer by Climate Zone for the most currently available calendar year at the time of GRC Phase 1 application
2. Using adopted rate design at the time of the GRC application apply adopted baseline allowances by Climate Zone, present rates and rates (CARE vs non-CARE) under the proposed GRC RRQ's to the seasonal and annual average monthly usage in each of the distributions in (1) to calculate illustrative average monthly present and proposed bills by season and the annual average
3. Calculate the absolute dollar and percent change in illustrative monthly average seasonal and annual average bills under the proposed change in GRC RRQ

The presentation included sample bill impact calculations for different climate zones by season (winter and summer) and annually (see Appendix A).

11.2 Discussion on the IOUs' Presentation

ED requested labelling the tables to clarify that they refer to bundled customers, which PG&E agreed was a good idea. ED asked if the bill impact calculations are just for basic baseline or combined baseline and all electric, or if the IOUs could provide a version for all-electric customers. PG&E replied that the current presentation is for basic baseline customers only and that it would explore doing an all-electric version as well.

TURN recommended including an additional line on each slide that indicates the service territory-wide information, rather than just by climate zone. ED requested a map of the baseline areas so that a customer could visually identify which climate zone applies to them. PG&E responded that it would consider how to incorporate these comments.

TURN stated that D.20-01-002 calls for consideration of the long-term impacts of capital investments on customer rates. TURN recommended that the tables be supplemented to model the bill impacts for the first 10 years, rather than just the first year. Considering that long term capital investments could have a useful life of 40 years, TURN suggested providing a calculation for every 5-10 years after the first 10 years. TURN noted that capital investments could distort customer rates in first year. TURN further stated that the decision calls for ongoing monitoring of rate impacts, and that the plain meaning of the decision is to go beyond the attrition years in the bill impact calculations.

PG&E responded that it interprets the decision as requesting what was presented and clarified that the IOUs' presentation showed bill impacts for 3 years in the GRC revenue requirement, which will be increased to 4 years as a result of the rate case plan change. SCE stated that it had the same interpretation as PG&E and questioned the value of providing 10 years of data, given other factors that could confuse the issue. SDG&E/SoCalGas asked how the IOUs would account for revenue requirement changes and forecast changes. TURN responded that the IOUs should incorporate forecasts to the extent they are available, or else hold other factors constant. TURN and the IOUs discussed when a capital addition could cause revenue requirement reductions in the early years of the investment, depending on tax attributes and depreciation. TURN stated that since a reduction in revenue requirements in early years is possible, the additional requested information needs to be presented in the GRC.

The IOUs will take TURN's feedback into consideration.

11.3 Post Workshop Comments on Bill Impact Calculations

TURN's October 14 comments reiterated the recommendations TURN made at the workshop, including: presenting bill impacts on a service-territory wide basis, in addition to by climate zone; and presenting the long-term revenue requirement impact of its proposed GRC capital spending, covering at least 10 years of impacts. TURN provided an example of an IOU showing on long-term revenue requirement impacts from proposed capital spending in its comments (see Appendix B). In addition, TURN's comments stated that the IOUs' proposal did not address the recommendation in ED's Preliminary RCP Workshop Plan to show the cumulative effect of the GRC rate change request with all other pending rate change requests. TURN believes this cumulative analysis would be useful in reviewing an IOU's GRC proposals and recommends that the IOUs amend their proposal to include it.

In the IOU comments, the IOUs agreed to implement changes proposed by ED, including labeling the bill impact tables to clarify that the table references bundled service customers, providing a version for all-electric customers, and providing a map of the baseline areas so that a customer could visually identify which climate zone applies to them. The IOUs also agreed to implement TURN's proposal to present the proposed bill impacts on a service territory-wide basis in addition to climate zone.

The IOUs disagreed with TURN's proposal to model bill impacts for 10 years and argued that the request is not supported by any Commission decision or guidance. The IOUs stated that providing calculations beyond the attrition years of a GRC application would involve providing information that is not informed by changes to customer and sales forecasts and revenue requirements and that the calculations would be incomplete and would provide customers with inaccurate information. The IOU comments also stated that aggregating outstanding rate increases for the purpose of determining rates or rate affordability is not in the scope of the workshop and does not appear ripe for implementation (see Appendix B for the IOU comments).

12. Next Steps

Following the presentations, SCE noted that there was an earlier question about how recommendations from the workshops would be approved by the Commission and whether a decision is needed as part of the workshops. SCE reiterated the IOUs' written comments on Workshop 1, stating that the IOUs will make a procedural recommendation on how to implement proposals at the end of the workshops. SCE noted that this will be the appropriate time for such a recommendation, since the recommendation will be informed based on the discussion and feedback from all the workshops.

ED staff requested that comments be sent to the PG&E representative and to ED, and provided the following schedule for comments and the report:

- Workshop comments due October 14
- Draft report due October 23
- Comments on the draft report due October 30
- Final report issued November 6

ED thanked the workshop attendees and organizers and noted that the next Rate Case Plan workshop will be held in November.

13. Appendix A: Workshop Presentations

13.1 Energy Division Workshop Introduction

13.2 Standardization of the MDR

13.3 Standardization of the JCE

13.4 Standardization of Testimony Chapter Structure

13.5 Phase 2 and Allocation Case Scheduling and Standardization

13.6 Base Year and Recorded Spending Data

13.7 Standardized Bill Impact Calculations

13.1 Energy Division Workshop Introduction

Rate Case Plan (Decision 20-01-002) Workshop #2
General Rate Case Filing Standardization

October 7, 2020
10am – 4pm
California Public Utilities Commission (CPUC)

CPUC Energy Division
PG&E Lead

Workshop #2 Agenda

Item	Facilitator	Time
Introduction	CPUC	10:00 – 10:15 (15 min)
Master Data Request	Hannah Keller (PG&E)	10:15 – 10:40 (25 min)
Joint Comparison Exhibit	Greg Holisko (PG&E)	10:40 – 11:05 (25 min)
Break		11:05 – 11:15 (10 min)
Testimony Chapters Order	Greg Holisko (PG&E)	11:15 – 11:45 (30 min)
Lunch		11:45 – 12:30 (45 min)
Phase 2 Scheduling & Filing	Chris McRoberts (PG&E)	12:30 – 2:00 (90 min)
Break		2:00 – 2:15 (15 min)
Recorded Year Spending	Rebecca Katerndahl (PG&E)	2:15 – 2:55 (40 min)
Stretch Break		2:55 – 3:00 (5 min)
Bill Impact Calculation	Ken Niemi & Ben Kolnowski (PG&E)	3:00 – 3:30 (30 min)
Summary and Wrap-Up	CPUC	3:30 – 4:00 (30 min)

13.2 Standardization of the MDR

Rate Case Plan Workshop #2

Master Data Request

Hannah Keller
Case Manager, State and Regulatory Affairs
October 7th, 2020

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Master Data Request

PG&E, SCE, and SEMPRA agree that, in order to standardize and streamline the Master Data Request (MDR) to become more efficient and useful, there are several revisions that should be considered.

We have worked together to review each IOU's most recent General Rate Case MDR and have produced the following guiding principles.

Master Data Request

Principles:

- General Requirements and Standard Requirements List of Documentation Supporting an Application formatted as a checklist; i.e. the company has complied with the following requirements (and list the requirements) instead of a generic response for each individual question.

- Remove questions that are duplicative because they ask for information readily available within the testimony and or workpapers or could be directly derived from the testimony and workpapers.

- Remove questions that are outdated or no longer useful to Cal Advocates.

- Remove questions that ask for the exact same information presented in a different way.

Master Data Request

Principles Cont.:

- Subject to Cal Advocates' review, remove questions with no follow-up data requests or cites in Cal Advocates testimony, in the context of the fact that:

  a) Are we answering questions efficiently so there is no follow up needed or is the questions and responsive content not useful.
  b) The questions themselves do not directly pertain to the General Rate Case.

- Remove (or change) questions where historical experience has consistently demonstrated that it is not possible to provide a response after reasonable inquiry and effort.

Process and timing:

- The IOUs agree that it would be beneficial to submit the responses to the Master Data Request no later than 30 days after the filing of the application.

13.3 Standardization of the JCE

Rate Case Plan Workshop #2

Joint Comparison Exhibit Baseline Standardization Principles

Greg Holisko
Case Manager, State and Regulatory Affairs
October 7th, 2020

Together, Building a Better California

Joint Comparison Exhibit Layout

1. Introduction explaining layout of the JCE

2. Expense (O&M) and Other Operating Revenue (OOR) Items
    - Comparison of test year forecast recommendations for contested items
    - Comparison Template Components:
        - Testimony reference
        - Program/Project/Activity name or description
        - Witness Names
        - Contested items financial comparison table
        - Succinct summary of Parties' positions on contested issues

JCE Layout, Continued

3. Capital Items
   - Comparison of test year, test year minus one, and when applicable, test year minus two forecasts recommendations for contested items
   - Comparison Template Components:
     - Testimony reference
     - Program/Project/Activity name or description
     - Witness Names
     - Contested items financial comparison table
     - Succinct summary of Parties' positions on contested issues

4. Policy, Ratemaking, and Other Qualitative Items, Results of Operations, and Post-Test Year Ratemaking Items
   - Comparison Template Components:
   - Testimony reference Program/Project/Activity name or description
   - Witness Names
   - Succinct summary of Parties' positions on contested issues

JCE Layout, Continued

6. Forecast Summary Tables: Comparison of Utility Proposals to Cal Advocates Recommendations
    - Format to be based on each utility's accounting structure.

7. Results of Operations (RO) at Proposed Rates for Test Year and Attrition Years (as applicable): Comparison of Utility RO to Cal Advocates RO

8. Process for Preparing JCE
    - Utility drafts the JCE, including the summary of all Parties' positions, according to the principles above
    - Utility provides all Parties' 2-3 weeks to review and revise positions summaries
    - Utility submits final JCE 2-4 weeks after hearings (align JCE with Update Testimony positions.)

Appendix: Examples

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Expense (O&M) and Other Operating Revenue (OOR) Items

PG&E's Position

MWC KK includes activities to operate the Natural Gas (NG) facilities and required clerical and engineering support. This function also includes: site management and support services; materials, such as chemicals and lube oil; and contracts associated with operating a safe and reliable plant. MWC KK is used by the Gateway Generating Station (GGS), the Colusa Generating Station (CGS) and the Humboldt Bay Generating Station (HBGS) for planning and performing routine operations for the NG units.[831]

PG&E forecasts expense costs of $12.8 million for 2020.[832]

Cal Advocates' Position

Cal Advocates recommends using 2017 recorded costs for PG&E's 2020 forecast amount:

1. The base year 2017 expense level reflects non-recurring costs for miscellaneous O&M costs.
2. Cal Advocates' forecast is higher than prior years 2013, 2014 and 2015 recorded levels.
3. Cal Advocates' forecast is comparable to PG&E's 2018 recorded expenses.[833]

TURN's Position

The major part of PG&E's forecast increase is due to CGS operations costs forecast rise to $4,640,000 from 2017 to 2018; however, CGS operations' recorded costs decreased in 2018 by $616,000 to $3,356,000. As a result, TURN supports Cal Advocates use of the last recorded year.[834]

PG&E's Position
PG&E is in the process of replacing the RIBA scoring approach with the RSE calculation, as set forth in the S-MAP Settlement Agreement, for scoring mitigation programs.[36]

TURN's Position
Beginning in 2020, PG&E should be directed to abandon its flawed Risk Informed Budget Allocation scoring approach and adopt in full the quantitative methodology set forth in the S-MAP settlement adopted in D.18-12-014 to inform PG&E's decisions about how to prioritize risk mitigation programs.[37]

13.4 Standardization of Testimony Chapter Structure

Rate Case Plan Workshop #2 - Ox

Ordering and Structuring Testimony Chapters in Utility General Rate Cases

Kris Vyas

SCE Law Department

Current Organization of Testimony Chapters

- IOUs typically organized their applications to mirror the organization of their business units
- Each IOU was generally consistent from rate case to rate case
  - SCE 2021 GRC: significant changeover to organize across business unit lines, and provide showing based on how work is actually performed
    - Triggered by feedback from GRC parties
    - Took nearly one year of work to enable the changeover, including reconfiguration of financial data applications
  - SCE's 2021 GRC explained new organization, and provided a roadmap between new and prior testimony exhibits
- Terminology used for testimony chapters: varies by utility, with the use of similar but not identical terms

Changing Organization of Rate Case Presentation

- Utilities have not received feedback from litigating parties or ALJs that the differences in organization amongst utilities present any barrier to assessing utility showing or finding items within the showing
  - Have received feedback on importance of including roadmap that walks the reader through the organization of the showing, and explains any brand-new organizational approaches
  - Have received feedback on importance of mandatory workshop that walks through the application
- IOUs discussed opportunities for standardization. After careful discussion, we are not proposing to make wholesale changes to ways that each IOU currently orders and structures its rate case showing
  - Each IOU is harmonizing the showing to how the IOU's operations and activities are structured and classified. Key is to have the utility's GRC showing map to the "real life" structuring of the utility and the work it performs
  - Imposing an inflexible set of labeling and organization requirements would not take into account how each utility's internal financial and data systems and programs operate in processing, categorizing, and reporting information
  - It is critical to avoid inefficiencies and disruptions that would result if strict labeling, organization, and classification of information in GRC does not align with utility's internal financial and data system structures
  - It does not appear to be worthwhile to make burdensome and unproductive changes to internal utility financial and data applications and activities to obtain relatively modest gains in ease of reference across different IOUs' rate case showings
- IOUs welcome discussion on how we can make the presentation of our respective rate case showings easier to navigate, recognizing that each IOU has differences in structure, activities, and programs

13.5 Phase 2 and Allocation Case Scheduling and Standardization

Rate Case Plan (RCP) Workshop #2

Efficient Scheduling of GCAPs, GRC 2s, GT&S CARDs, and TCAPS: Joint IOU Recommendations

October 7, 2020

Together, Building
a Better California

1. Overview of Topic

- Allocation Cases, IOU Scheduling Concerns, and Proposed Guiding Principles
- More Efficient Scheduling
- GRC 2 Filing Standardization Requirements
- Outcomes Requested From Workshop
- Appendix

2. Allocation Cases, IOU Scheduling Concerns, and Proposed Guiding Principles

- IOU Allocation Cases to Schedule Within Four Year RCP
- PG&E GRC 1 versus GT&S CARD versus GCAP
- IOU Allocation Case Scheduling Concerns
- Proposed Guiding Principles for Allocation Case Scheduling Across California IOU's

3. IOU Allocation Cases to Schedule Within Four Year RCP

	Pacific Gas and Electric Company (PG&E)	Sempra (Southern California Gas and San Diego Gas & Electric) (SoCalGas/SDG&E)	Southern California Edison Company (SCE)
Electric Rates	• General Rate Case Phase 2 (GRC 2)	• General Rate Case Phase 2 (GRC 2)	• General Rate Case Phase 2 (GRC 2)
Gas Rates	• Gas Cost Allocation Proceeding (GCAP) • Gas Transmission & Storage Cost Allocation and Rate Design (GT&S CARD)	• Triennial Cost Allocation Proceeding (TCAP)	

4. PG&E GRC 1 versus GT&S CARD versus GCAP

PG&E GRC 1

PG&E GT&S RATE CASE

PG&E GCAP

RRQ

Non-RRQ

PG&E GRC 1

PG&E GT&S CARD

PG&E GCAP

PG&E GRC 1

- Includes GT&S RRQ beginning in 2023 GRC
- Limited to Authorizing Revenue Requirements for Four-Year Rate Case Period

PG&E GT&S CARD

- Filed for Simultaneous Implementation with PG&E 2023 GRC 1 using GRC 1 Revenue requirement as present rates to see GT&S rate case proposal impacts.
- Market Structure, GT&S Services and related Gas Capacities, balancing rules, market concentration limits, long term contract limits
- Gas Billings and Throughput Forecasts
- Sharing Mechanism/Balancing Account Treatment of Revenues
- Gas Backbone, Local Transmission, and Storage Cost Allocation and Rate Design
- Backbone Transmission System Load Factors
- Core Gas Supply (c.f., chapter included in previous GT&S Rate Cases)
- Core Transport Agent (CTA)-related issues

PG&E GCAP

- Addresses all non-GT&S PG&E Gas Ratemaking;
- Incorporates Adopted GT&S CARD Throughput and Billings Forecasts
- Cost Studies, Allocations, and Rate Design concerning Distribution, Public Purpose Program Surcharges, and Core Procurement

5. IOU Allocation Case Concerns

1. Continue CPUC consideration of PG&E GT&S and GCAP issues in separate applications with GT&S CARD filed for Simultaneous Implementation with PG&E GRC 1 and GCAP Filed after CARD Decision

2. PG&E GRC 2 Future Filing Schedule Considers:
   A. 2020 GRC 2 Decision Timing (Expected in 3rd Qtr 2021) and ability to implement, analyze and prepare for the following application,
   B. SCE/SDG&E GRC 2 Timing to minimize overlap, and
   C. PG&E Resource Constraints, particularly timing of preparation and litigation of PG&E GCAP

3. Transition/timing of Sempra TCAP on Four-Year Cycle instead of Current Three-Year Cycle that minimizes overlap to extent possible with PG&E GCAP and GT&S CARD

4. Maintain Historic Required GRC 2 Filing Schedule of 90-Days Following GRC 1 application for SCE and SDG&E with ability for requesting extension and opportunity within Rate Design Windows

6. Proposed Guiding Principles for Allocation Case Scheduling Across California IOU's

1. **Minimize case delays with schedule to minimize overlap**
   - For each commodity across IOUs, that allows efficient oversight/participation by CPUC Staff, Public Advocates Office, and other parties within four-year rate case plan cycle
   - Within each IOU, to enhance IOU's ability to (a) develop application and testimony on-time, and (b) provide more timely responses to data requests.

2. **Provide sufficient time for implementation and subsequent post-implementation analysis prior to development of succeeding Applications (in transition and ongoing)**

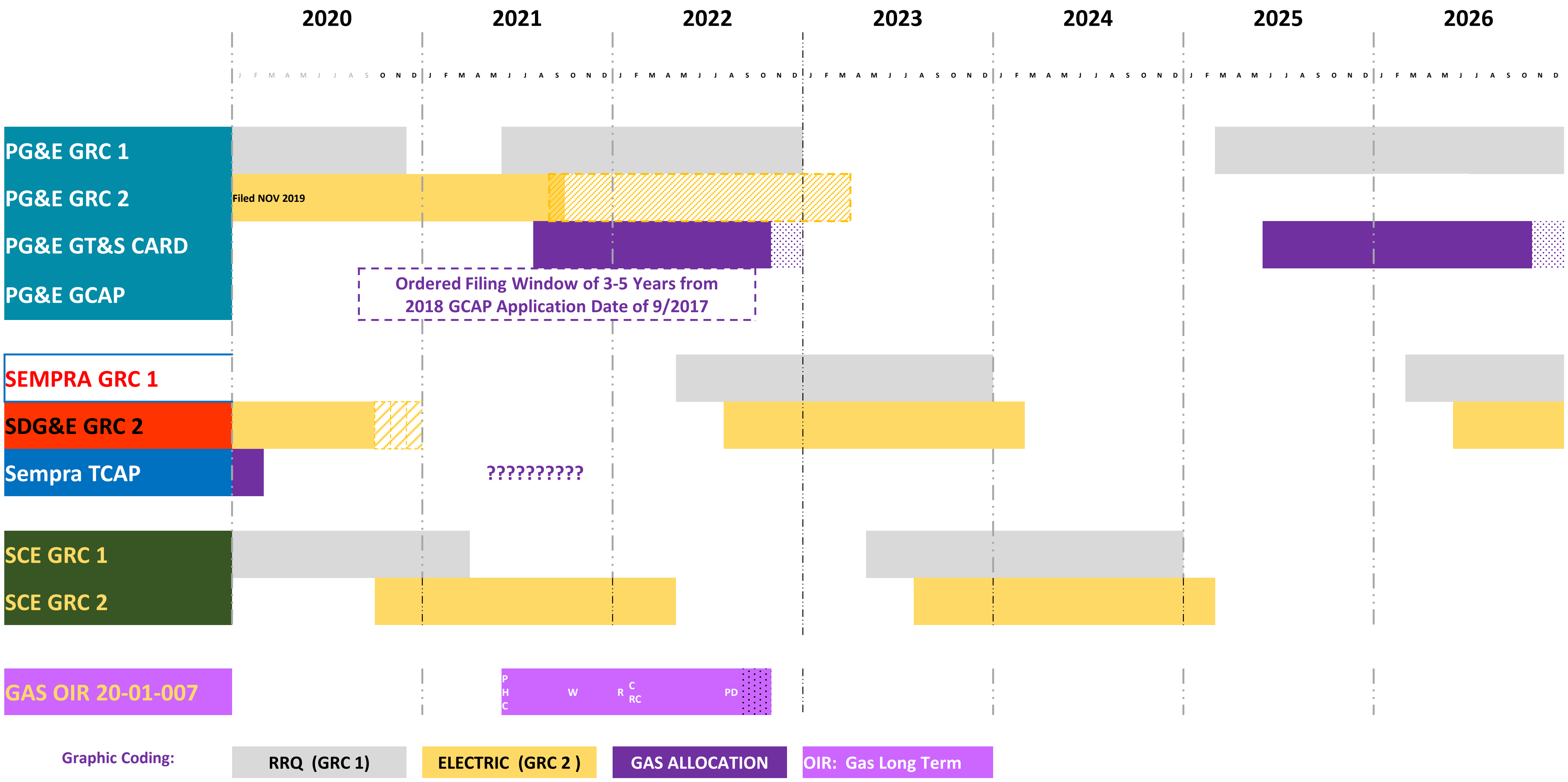
3. **Schedule each IOU's Allocation Case(s) vs its RCP GRC 1 schedule, as warranted**
   A. SCE and SDG&E: File GRC 2 within 90 days of scheduled GRC 1 application
   B. PG&E: Because PG&E's 2020 GRC 2 won't be decided until Fall '21, 90-day interval from 2023 GRC 1 is not workable. Due to linkage of gas wholesale market with GT&S CARD/GRC 1, PG&E should file GT&S CARD in 2021 (and every 4 yrs), and GRC 2 later.
      - GT&S CARD timed for simultaneous implementation with PG&E GRC 1 GT&S revenue requirement

   C. For Sempra TCAP and PG&E GRC 2, schedule to avoid inefficient overlaps per (1)

7. More Efficient Scheduling

- Step 1: Known Schedules As Starting Point
- Step 2: When Should PG&E's GRC 2's Be Filed?
- Step 3: When Should PG&E's GCAPs Be Filed?
- Step 4: When Should Sempra's TCAP be Scheduled?
- Summary: Allocation Case Four-Year Filing Cadence

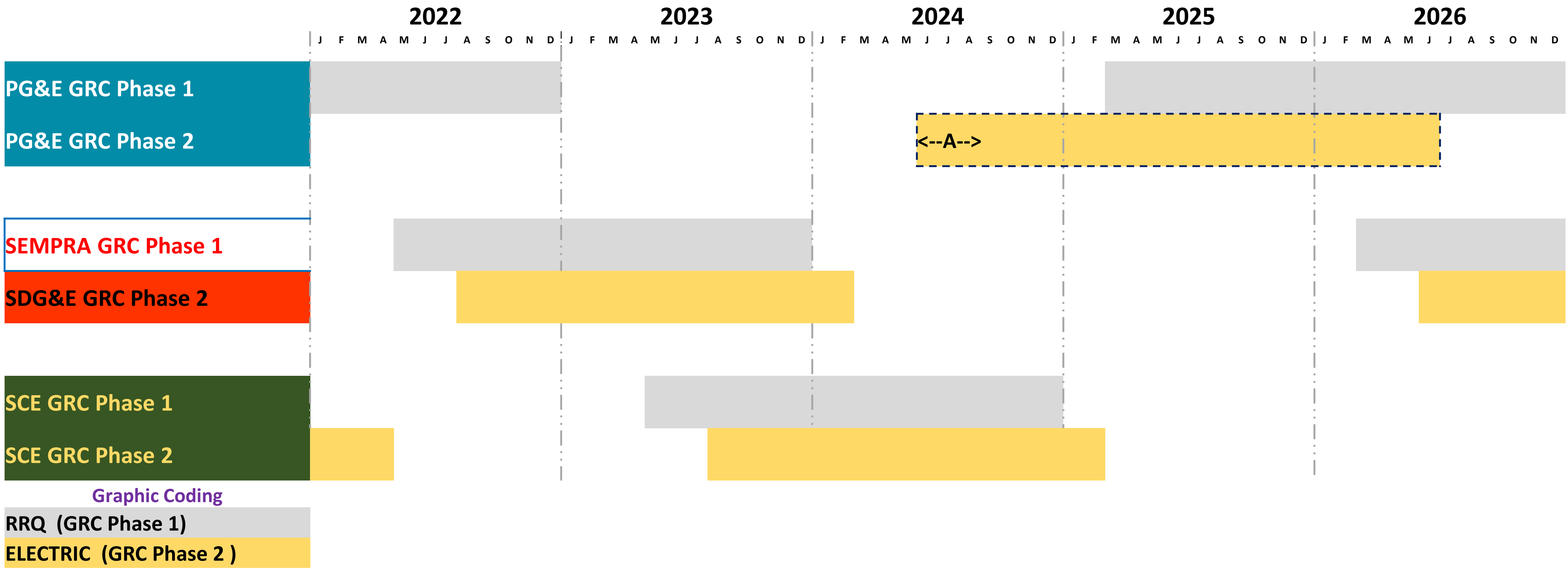
8. More Efficient Scheduling:
Step 1: Known Schedules As Starting Point



9. More Efficient Scheduling:
Step 2: When Should PG&E's GRC 2's Be Filed?

Filing PG&E's next GRC 2 in Summer of 2024 is most practical and expeditious timing:

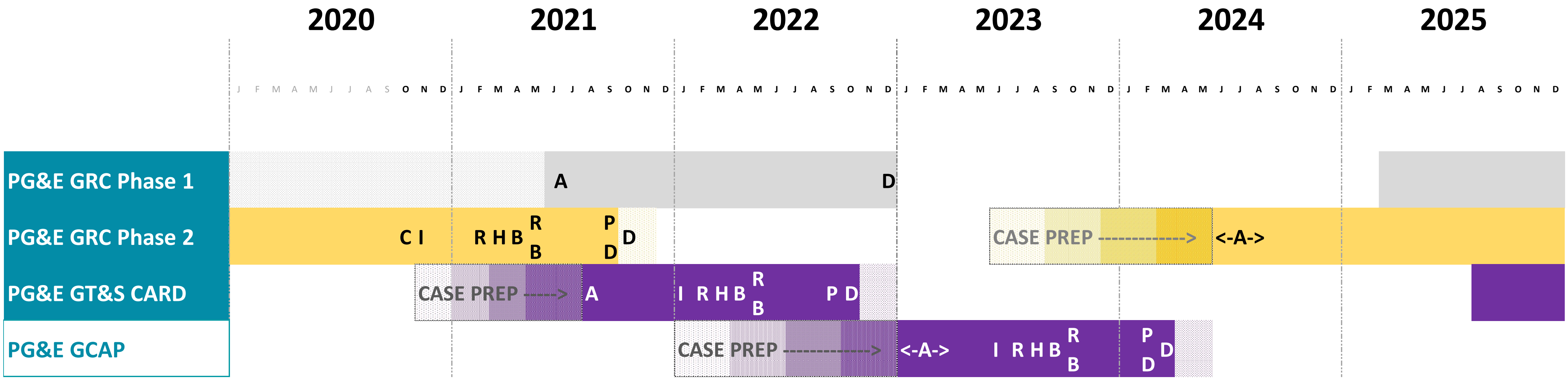
- Allows for a full year of usage under phased 2020 GRC 2 implementation before beginning case preparation
- Avoids overlap with SDG&E or SCE GRC 2's in 2022 or 2023 that could cause delays
- Prevents an even longer gap and parallel demand on PG&E resources (GT&S CARD) from filing in Summer 2025
- File every four years subsequently



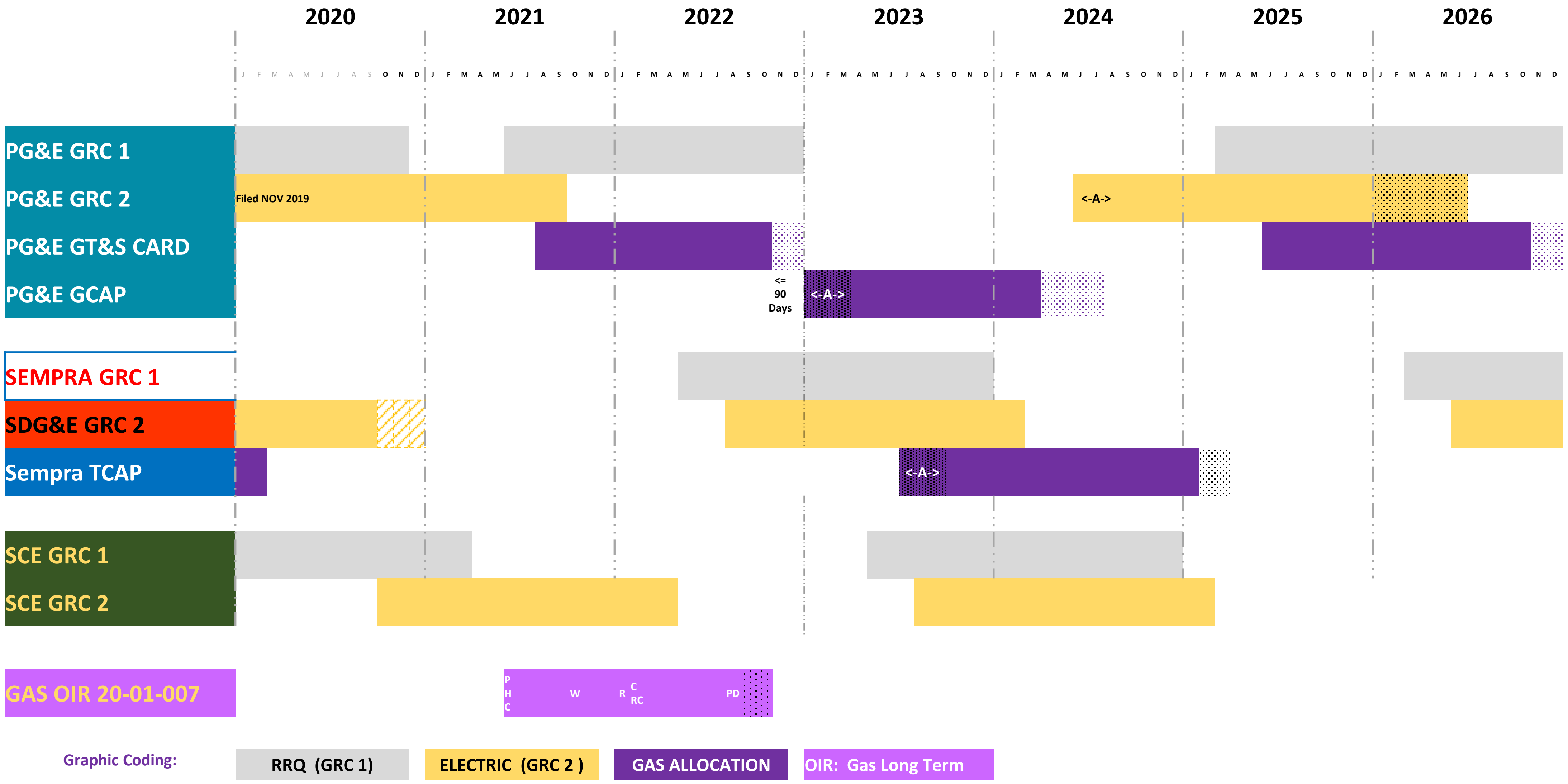
10. More Efficient Scheduling:
Step 3: When Should PG&E's GCAPs Be Filed?

Filing PG&E's Next GCAP within 90 Days of GT&S CARD decision is most practical:

- Allows Incorporation of Gas Throughput Forecast Adopted in 2023 GT&S CARD while still relevant
- Avoids overlap for PG&E Staff supporting GRC 2 in 2023/24 and GT&S in 2021/22
- One-time delay of ~5 months beyond the 3-5 year period from 9/2017 required in 2018 GCAP Decision
- Subsequently filed within 90 days of each GT&S CARD decision



11. More Efficient Scheduling:
Step 4: When Should Sempra's TCAP be Scheduled?



12. Summary: Allocation Case Four-Year Filing Cadence

Utility	Case	Filing Timeframe	Transitional Scheduling Issues	Other
PG&E	GT&S CARD	<= 75 Days After GRC 1	< =60 Days in 2021	Implemented with GRC 1 RRQ's
	GCAP	<= 90 Days from GT&S CARD Decision	One-time delay from D.19-10-036 3-5 Year OP 12	Incorporates GT&S CARD Throughput
	GRC 2	Filed Summer of Year Prior to GRC 1 Application Filing	Filed Summer 2024 instead of 2021	Use RDW's as warranted
Sempra	TCAP	Next TCAP Filed 3rd Qtr 2023		
SDG&E	GRC 2	File 90 Days After GRC 1	None	Use RDW's as warranted
SCE	GRC	File 90 Days After GRC 1	None	Use RDW's as warranted

13. GRC 2's Filing Standardization Requirements

While the methods and range of proposals vary across electric utilities and across applications, the following minimum elements would be included in all GRC 2 applications:

1. Cost of Service Methodology and Studies (including TOU period analysis)
2. Proposed Allocation of Revenue Requirement by Class/Service
3. Proposed Rate Design
4. Illustrative Bill Comparison Results
5. Electronic Work Papers

14. Outcomes Requested From Workshop

<u>Existing Authority confirmed</u>

- GT&S and GD Ratemaking for PG&E will be addressed in separate applications to allow GT&S ratemaking to be implemented with GRC 1 RRQ (*OP 4*)
- Submission of SDG&E and SCE GRC 2's 90 Days from GRC 1 Filing continues on a four-year cycle parallel with GRC 1 under RCP D. 20-01-02

<u>Commission actions</u>:

- Authorizes PG&E to file next GCAP within 90 days of 2023 GT&S CARD Decision, which would result in a one-time filing beyond the 3-5 year period authorized in D.19-10-036
- Authorizes PG&E's Next GRC 2 to be filed in Summer 2024 and every four years thereafter
- Authorizes Sempra to File TCAPs on Four-Year Cycle Commencing 3rd Qtr 2023

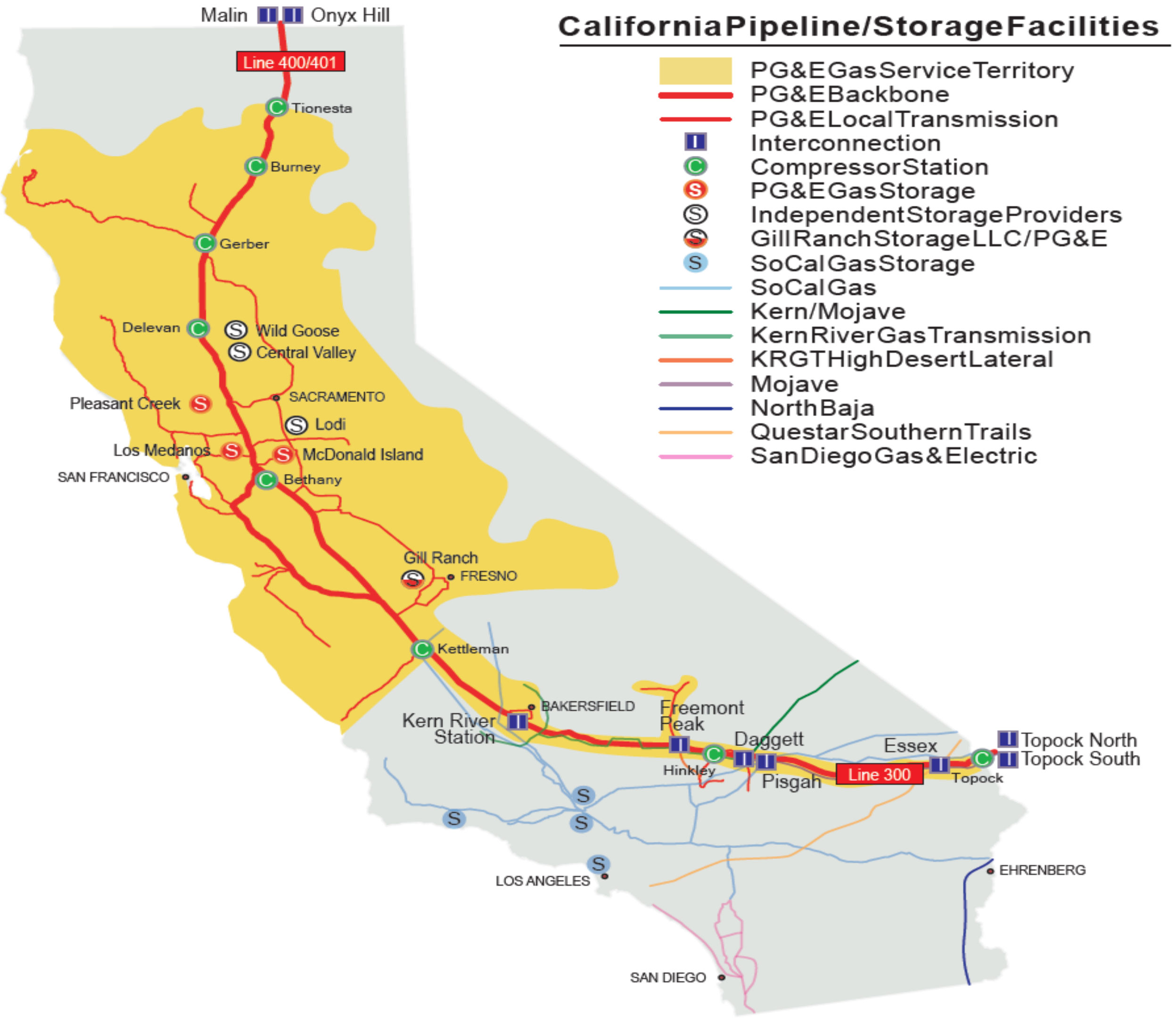
15. Appendix

A. PG&E Gas Transmission System

B. CPUC GT&S Scheduling Requirements

C. Gas Marketplace and GT&S Ratemaking

A. PG&E Gas Transmission System



B. CPUC GT&S Scheduling Requirements

GT&S Ratemaking:

- Because the Rate Case Plan Phase 1 decision (D.20-01-002) did not order GT&S ratemaking to be incorporated in PG&E's Gas Cost Allocation Proceedings (GCAP), and only ordered in (OP) 4 that GT&S Revenue Requirement proposals to be filed with PG&E's next GRC (in June 2021), the schedule for the rate design portion of PG&E's next GT&S is still governed by Ordering Paragraph (OP) 4 of D.19-09-025, which requires PG&E to file "in 2021" unless changed in the RCP proceeding.
- Accordingly, PG&E plans to file its GT&S rate design showing in Q3 2021, building from its GT&S revenue requirement to be filed in PG&E's 2023 GRC Ph 1 application in June 2021.

C. Gas Marketplace and GT&S Ratemaking

- **PG&E's Gas Transmission system provides service similar to Interstate Pipelines**
  - From California's borders with Oregon to Arizona and with interstate/Canadian connections to Gas Basins of western Canada, Rocky Mountains, New Mexico, and Western Texas
  - For Producers/Shippers, Marketers/Brokers/Core Transport Agents including PG&E Core Gas Supply, other Utilities, and large end-user customers acting as their own gas procurement agent
  - With impacts on CAISO Market through gas-fired electric generation located inside and out of PG&E's service territory

- **Goal for Western Gas Marketplace via Gas Accords that became GT&S Rate Cases (1998 to 2019)**
  - infrequent rate changes with revenue requirement and ratemaking changing simultaneously and efficiently for rate case participants, particularly market participants
  - Timely updates of the throughput forecast are needed and appropriate in an era of dynamic changes to gas demand
  - Unlike most other electric and gas revenues, PG&E's GT&S revenue is partially at risk under the Sharing Mechanism* and not subject to 100% balancing account treatment.

    * 50% of PG&E gas Backbone Transmission allocated to noncore and 25% of Local Transmission allocated to noncore is at risk

13.6 Base Year and Recorded Spending Data

Rate Case Plan Workshop #2

Base Year and Recorded Spending Data

Rebecca Katerndahl
Senior Manager, Revenue Requirements
October 7th, 2020

Together, Building a Better California

The Base Year and Requirements Regarding Recorded Data

- January 2020 RCP Decision 20-01-002: Agreement on a standard approach to "Base Year +1 data" should be an important topic for future workshops. Stakeholders should endeavor to reach consensus on a means of incorporating recorded spending data from the year of filing into every GRC on an agreed-upon schedule.

- Background: on January 11, 2017, Energy Division hosted a GRC rate cycle workshop in Rulemaking R.13-11-016. The purpose of the workshop was to explore options that will help the Commission process GRC proceedings more efficiently and timely.

  - At the workshop, Cal Advocates and TURN proposed that the Commission move the base year to the year of the GRC filing, or streamline adding the filing year's recorded data into the GRC record.

  - IOUs explained that actual recorded data would be available after the financial close was complete for the year, typically several months after the end of the year.

Identification of the Base Year

- Base Year – the most current year of completed recorded spending data at time of a GRC filing

- In a three-year GRC cycle, the base year for a future GRC filing is the test year of the last GRC filing. For example, 2017 was the base year in PG&E's 2020 GRC

- In a four-year rate case cycle, the base year is the year after the test year of the last GRC, or test year minus 3 in the current GRC. For example, in PG&E's 2019 GT&S case, 2016 was the year after the test year of the 2015 GT&S rate case and the base year of the 2019 GT&S case

Base Year Recorded Spending Data

Description	PG&E Test Year 2027 GRC	SCE Test Year 2025 GRC	SDG&E / SoCalGas Test Year 2024 GRC
GRC Application Filing	May 15, 2025	May 15, 2023	May 15, 2022
5 Years of Recorded Data	2020-2024	2018-2022	2017-2021
Base Year (Test Year Minus 3)	2024	2022	2021
Base Year Recorded Data Available	By late Q1 2025	By late Q1 2023	By late Q1 2022
Base Year +1 Data Available	By late Q1 2026	By late Q1 2024	By late Q1 2023

Utilities' Proposed Approach of Providing Recorded Data:

1. Base Year Data
   - Use full year recorded data in the GRC application filing
2. Base Year +1 Recorded Data
   - Data would be made available by late Q1 through the discovery process (the GRC hearings scheduled to be concluded by mid March, per D. 20-01-002, Appendix A, Table 1)

Adopted Revised GRC Application Filing Schedule D. 20-01-002

Date	Days	Event
Test Year minus-1		
By January 30	~Day 260	Concurrent rebuttal testimony served
By February 25	~Day 285	Evidentiary hearings begin
By March 15	~Day 305	Evidentiary hearings end
To be decided		Update testimony and hearings, if necessary
By April 20	~Day 340	Briefs filed
By May 12	~Day 360	Reply briefs filed
By August 3	~Day 445	Status conference, proceeding submitted for Commission decision [Rule 13.14(a)]
By November 1	~Day 535	Proposed decision mailed for comment
By December 1	~Day 565	Final decision adopted
Test Year		
January 1	~Day 595	Effective date of final decision

13.7 Standardized Bill Impact Calculations

Rate Case Plan (RCP) Workshop #2

GRC Standard Bill Impact Calculation

October 7, 2020

Together, Building
a Better California

1. RCP Workshop #2: Topic 6

- RCP D. 20-01-002 Ordering Paragraph
- Standard Calculation of Residential Bill Impacts
- Standardized Electric and Gas GRC 1 Bill Impact Format Across IOU's
    - PG&E Presentation as Illustrative of All IOU Formats

2. Workshop #2 Topic 6: D.20-01-002 Compliance Item

- A standardized **Bill impact calculation:* the work for this topic would be completed off-line; and the utilities would "present their standardized calculation for discussion at the workshop…" (OP #6 D.20-01-002)

- *6. As a compliance item in this docket, Pacific Gas and Electric Company, Southern California Edison Company, Southern California Gas Company, and San Diego Gas & Electric Company shall develop bill impact calculations for residential customers in the applicant's service territory, differentiated by usage in each climate zone, or other means as may be directed by the Commission or by the Director of the Energy Division, to be included in every future GRC application. The utilities shall present their standardized calculations for discussion at the workshop or workshops facilitated by the Energy Division, in consultation with the Safety and Enforcement Division, as needed, pursuant to Ordering Paragraph 5 of this decision.*

3. Standard Calculation of Residential Bill Impacts

1. Calculate Historic Average Monthly Seasonal and Average Usage per Individually Metered CARE and per Individually Metered non-CARE residential customer by Climate Zone for the most currently available calendar year at the time of GRC 1 application

2. Using adopted rate design at the time of the GRC application apply adopted baseline allowances by Climate Zone, present rates and rates (CARE vs non-CARE) under the proposed GRC RRQ's to the seasonal and annual average monthly usage in each of the distributions in (1) to calculate illustrative average monthly present and proposed bills by season and the annual average

3. Calculate the absolute $ and % change in illustrative monthly average seasonal and annual average bills under the proposed change in GRC RRQ

4. PG&E Residential Electric Bill Impact Format: Seasonal

Electric Bill Impact: Non-CARE, Summer

ELECTRIC BILL CHANGES	SUMMER												
	Avg. Mo.	Present	Proposed	$	%		Proposed	$	%		Proposed	$	%
	kWh	Rates	Rates	Chg from	Chg from		Rates	Chg from	Chg from		Rates	Chg from	Chg from
Non-CARE Average Bill	**per Cust**	7/1/2018	1/1/2020	Present	Present		1/1/2021	1/1/2020	1/1/2020		1/1/2022	1/1/2021	1/1/2021
Baseline Territory Valley P	545	$119.92	$129.10	$9.18	7.7%		$132.31	$3.21	2.5%		$135.86	$3.55	2.7%
Baseline Territory Coast Q	506	$122.69	$132.07	$9.38	7.6%		$135.35	$3.28	2.5%		$138.98	$3.62	2.7%
Baseline Territory Desert R	685	$156.55	$168.40	$11.84	7.6%		$172.54	$4.14	2.5%		$177.11	$4.57	2.7%
Baseline Territory Valley S	594	$133.54	$143.72	$10.17	7.6%		$147.28	$3.56	2.5%		$151.20	$3.92	2.7%
Baseline Territory Coast T	282	$58.82	$63.57	$4.75	8.1%		$65.23	$1.66	2.6%		$67.06	$1.83	2.8%
Baseline Territory Coast V	331	$69.11	$74.60	$5.49	7.9%		$76.53	$1.92	2.6%		$78.65	$2.12	2.8%
Baseline Territory Desert W	753	$173.78	$186.87	$13.10	7.5%		$191.45	$4.58	2.5%		$196.51	$5.05	2.6%
Baseline Territory Hills X	432	$94.98	$102.36	$7.37	7.8%		$104.93	$2.58	2.5%		$107.78	$2.85	2.7%
Baseline Territory Desert Y	399	$84.52	$91.13	$6.61	7.8%		$93.44	$2.31	2.5%		$95.99	$2.55	2.7%
Baseline Territory Desert Z	236	$47.46	$51.39	$3.93	8.3%		$52.76	$1.37	2.7%		$54.27	$1.51	2.9%

Illustrative rate and usage values from PG&E's 2020 GRC Phase I

5. PG&E Residential Electric Bill Impact Format: Seasonal

Electric Bill Impact: Non-CARE, Winter

ELECTRIC BILL CHANGES	WINTER												
	Avg. Mo.	Present	Proposed	$	%		Proposed	$	%		Proposed	$	%
	kWh	Rates	Rates	Chg from	Chg from		Rates	Chg from	Chg from		Rates	Chg from	Chg from
Non-CARE Average Bill	per Cust	7/1/2018	1/1/2020	Present	Present		1/1/2021	1/1/2020	1/1/2020		1/1/2022	1/1/2021	1/1/2021
Baseline Territory Valley P	491	$107.41	$115.69	$8.28	7.7%		$118.58	$2.89	2.5%		$121.78	$3.20	2.7%
Baseline Territory Coast Q	585	$134.35	$144.57	$10.23	7.6%		$148.15	$3.58	2.5%		$152.10	$3.95	2.7%
Baseline Territory Desert R	440	$95.75	$103.18	$7.43	7.8%		$105.78	$2.60	2.5%		$108.65	$2.87	2.7%
Baseline Territory Valley S	457	$100.00	$107.74	$7.74	7.7%		$110.45	$2.71	2.5%		$113.43	$2.99	2.7%
Baseline Territory Coast T	340	$72.58	$78.32	$5.74	7.9%		$80.33	$2.01	2.6%		$82.55	$2.22	2.8%
Baseline Territory Coast V	413	$88.98	$95.92	$6.94	7.8%		$98.35	$2.43	2.5%		$101.02	$2.68	2.7%
Baseline Territory Desert W	391	$83.55	$90.09	$6.54	7.8%		$92.38	$2.29	2.5%		$94.91	$2.53	2.7%
Baseline Territory Hills X	453	$99.67	$107.38	$7.71	7.7%		$110.08	$2.70	2.5%		$113.06	$2.98	2.7%
Baseline Territory Desert Y	416	$85.62	$92.31	$6.69	7.8%		$94.65	$2.34	2.5%		$97.24	$2.59	2.7%
Baseline Territory Desert Z	258	$49.52	$53.59	$4.07	8.2%		$55.01	$1.42	2.7%		$56.59	$1.58	2.9%

Illustrative rate and usage values from PG&E's 2020 GRC Phase I

6. PG&E Residential Electric Bill Impact Format: Seasonal

Electric Bill Impact: CARE, Summer

ELECTRIC BILL CHANGES	SUMMER												
	Avg. Mo.	Present	Proposed	$	%		Proposed	$	%		Proposed	$	%
	kWh	Rates	Rates	Chg from	Chg from		Rates	Chg from	Chg from		Rates	Chg from	Chg from
CARE Average Bill	**per Cust**	7/1/2018	1/1/2020	Present	Present		1/1/2021	1/1/2020	1/1/2020		1/1/2022	1/1/2021	1/1/2021
Baseline Territory Valley P	534	$71.65	$77.32	$5.67	7.9%		$79.31	$1.99	2.6%		$81.50	$2.20	2.8%
Baseline Territory Coast Q	521	$78.16	$84.31	$6.15	7.9%		$86.47	$2.16	2.6%		$88.84	$2.38	2.7%
Baseline Territory Desert R	713	$101.71	$109.57	$7.86	7.7%		$112.32	$2.75	2.5%		$115.35	$3.03	2.7%
Baseline Territory Valley S	610	$85.08	$91.74	$6.65	7.8%		$94.07	$2.33	2.5%		$96.64	$2.57	2.7%
Baseline Territory Coast T	276	$33.89	$36.83	$2.94	8.7%		$37.86	$1.03	2.8%		$38.99	$1.13	3.0%
Baseline Territory Coast V	313	$38.38	$41.64	$3.26	8.5%		$42.78	$1.14	2.7%		$44.04	$1.26	2.9%
Baseline Territory Desert W	774	$111.35	$119.91	$8.56	7.7%		$122.90	$3.00	2.5%		$126.21	$3.31	2.7%
Baseline Territory Hills X	375	$47.68	$51.61	$3.93	8.3%		$52.99	$1.38	2.7%		$54.51	$1.52	2.9%
Baseline Territory Desert Y	454	$61.14	$66.06	$4.91	8.0%		$67.78	$1.72	2.6%		$69.68	$1.90	2.8%
Baseline Territory Desert Z	251	$30.54	$33.23	$2.70	8.8%		$34.18	$0.94	2.8%		$35.22	$1.04	3.0%

Illustrative rate and usage values from PG&E's 2020 GRC Phase I

7. PG&E Residential Electric Bill Impact Format: Seasonal

Electric Bill Impact: CARE, Winter

ELECTRIC BILL CHANGES	WINTER												
	Avg. Mo.	Present	Proposed	$	%		Proposed	$	%		Proposed	$	%
	kWh	Rates	Rates	Chg from	Chg from		Rates	Chg from	Chg from		Rates	Chg from	Chg from
CARE Average Bill	**per Cust**	7/1/2018	1/1/2020	Present	Present		1/1/2021	1/1/2020	1/1/2020		1/1/2022	1/1/2021	1/1/2021
Baseline Territory Valley P	511	$69.45	$74.96	$5.52	7.9%		$76.89	$1.93	2.6%		$79.03	$2.13	2.8%
Baseline Territory Coast Q	661	$96.63	$104.12	$7.49	7.8%		$106.74	$2.62	2.5%		$109.64	$2.90	2.7%
Baseline Territory Desert R	429	$56.32	$60.89	$4.57	8.1%		$62.48	$1.59	2.6%		$64.25	$1.76	2.8%
Baseline Territory Valley S	443	$58.75	$63.49	$4.74	8.1%		$65.16	$1.66	2.6%		$66.99	$1.83	2.8%
Baseline Territory Coast T	327	$41.23	$44.69	$3.47	8.4%		$45.91	$1.22	2.7%		$47.25	$1.34	2.9%
Baseline Territory Coast V	389	$49.74	$53.82	$4.09	8.2%		$55.25	$1.43	2.7%		$56.83	$1.58	2.9%
Baseline Territory Desert W	390	$50.61	$54.76	$4.15	8.2%		$56.21	$1.45	2.7%		$57.81	$1.61	2.9%
Baseline Territory Hills X	409	$52.84	$57.15	$4.31	8.2%		$58.66	$1.51	2.6%		$60.33	$1.67	2.8%
Baseline Territory Desert Y	533	$73.11	$78.89	$5.78	7.9%		$80.91	$2.02	2.6%		$83.15	$2.24	2.8%
Baseline Territory Desert Z	312	$37.97	$41.21	$3.23	8.5%		$42.34	$1.13	2.8%		$43.59	$1.25	2.9%

Illustrative rate and usage values from PG&E’s 2020 GRC Phase I

8. PG&E Residential Gas Bill Impact Format: Seasonal

Gas Bill Impact: Non-CARE, Summer

GAS BILL CHANGES	SUMMER												
Non-CARE Average Bill	**Avg. Mo. Therms per Cust**	Present Rates 7/1/2018	Proposed Rates 1/1/2020	$ Chg from Present	% Chg from Present		Proposed Rates 1/1/2021	$ Chg from 1/1/2020	% Chg from 1/1/2020		Proposed Rates 1/1/2022	$ Chg from 1/1/2021	% Chg from 1/1/2021
Baseline Territory Valley P	22	$30.61	$31.85	$1.23	4.0%		$32.95	$1.11	3.5%		$34.07	$1.12	3.4%
Baseline Territory Desert R	17	$20.74	$21.60	$0.86	4.2%		$22.38	$0.78	3.6%		$23.16	$0.78	3.5%
Baseline Territory Valley S	18	$21.99	$22.90	$0.91	4.1%		$23.71	$0.82	3.6%		$24.54	$0.82	3.5%
Baseline Territory Coast T	26	$32.90	$34.18	$1.28	3.9%		$35.33	$1.15	3.4%		$36.49	$1.16	3.3%
Baseline Territory Coast V	31	$43.26	$44.93	$1.67	3.9%		$46.43	$1.50	3.3%		$47.94	$1.51	3.3%
Baseline Territory Desert W	17	$20.57	$21.43	$0.86	4.2%		$22.19	$0.77	3.6%		$22.97	$0.78	3.5%
Baseline Territory Hills X	23	$30.45	$31.65	$1.21	4.0%		$32.74	$1.08	3.4%		$33.83	$1.09	3.3%
Baseline Territory Desert Y	30	$40.33	$41.88	$1.55	3.8%		$43.28	$1.39	3.3%		$44.69	$1.41	3.3%

Illustrative rate and usage values from PG&E's 2020 GRC Phase I

9. PG&E Residential Gas Bill Impact Format: Seasonal

Gas Bill Impact: Non-CARE, Winter

GAS BILL CHANGES	**WINTER**										
	Avg. Mo.	Present	Proposed	$	%	Proposed	$	%	Proposed	$	%
	Therms	Rates	Rates	Chg from	Chg from	Rates	Chg from	Chg from	Rates	Chg from	Chg from
Non-CARE Average Bill	**per Cust**	7/1/2018	1/1/2020	Present	Present	1/1/2021	1/1/2020	1/1/2020	1/1/2022	1/1/2021	1/1/2021
Baseline Territory Valley P	76	$111.11	$114.96	$3.84	3.5%	$118.41	$3.45	3.0%	$121.90	$3.49	2.9%
Baseline Territory Desert R	58	$83.84	$86.73	$2.89	3.4%	$89.32	$2.60	3.0%	$91.95	$2.62	2.9%
Baseline Territory Valley S	61	$88.86	$91.92	$3.06	3.4%	$94.67	$2.75	3.0%	$97.45	$2.78	2.9%
Baseline Territory Coast T	53	$73.88	$76.40	$2.51	3.4%	$78.66	$2.26	3.0%	$80.94	$2.28	2.9%
Baseline Territory Coast V	62	$88.90	$91.96	$3.05	3.4%	$94.70	$2.74	3.0%	$97.47	$2.77	2.9%
Baseline Territory Desert W	53	$76.33	$78.96	$2.63	3.4%	$81.32	$2.36	3.0%	$83.70	$2.38	2.9%
Baseline Territory Hills X	65	$93.76	$96.99	$3.23	3.4%	$99.89	$2.90	3.0%	$102.81	$2.93	2.9%
Baseline Territory Desert Y	87	$125.06	$129.36	$4.30	3.4%	$133.22	$3.86	3.0%	$137.12	$3.90	2.9%

Illustrative rate and usage values from PG&E's 2020 GRC Phase I

10. PG&E Residential Gas Bill Impact Format: Seasonal

Gas Bill Impact: CARE, Summer

GAS BILL CHANGES	SUMMER												
	Avg. Mo.	Present	Proposed	$	%		Proposed	$	%		Proposed	$	%
	Therms	Rates	Rates	Chg from	Chg from		Rates	Chg from	Chg from		Rates	Chg from	Chg from
CARE Average Bill	**per Cust**	7/1/2018	1/1/2020	Present	Present		1/1/2021	1/1/2020	1/1/2020		1/1/2022	1/1/2021	1/1/2021
Baseline Territory Valley P	20	$20.26	$21.11	$0.85	4.2%		$21.87	$0.77	3.6%		$22.64	$0.77	3.5%
Baseline Territory Desert R	19	$17.93	$18.70	$0.76	4.2%		$19.38	$0.68	3.7%		$20.07	$0.69	3.6%
Baseline Territory Valley S	19	$17.83	$18.59	$0.76	4.2%		$19.27	$0.68	3.7%		$19.96	$0.69	3.6%
Baseline Territory Coast T	26	$24.83	$25.82	$0.99	4.0%		$26.71	$0.89	3.4%		$27.60	$0.90	3.4%
Baseline Territory Coast V	30	$31.55	$32.79	$1.23	3.9%		$33.90	$1.11	3.4%		$35.02	$1.12	3.3%
Baseline Territory Desert W	20	$20.30	$21.15	$0.85	4.2%		$21.91	$0.76	3.6%		$22.68	$0.77	3.5%
Baseline Territory Hills X	21	$19.74	$20.56	$0.81	4.1%		$21.29	$0.73	3.6%		$22.03	$0.74	3.5%
Baseline Territory Desert Y	28	$28.37	$29.48	$1.11	3.9%		$30.49	$1.00	3.4%		$31.50	$1.01	3.3%

Illustrative rate and usage values from PG&E's 2020 GRC Phase I

11. PG&E Residential Gas Bill Impact Format: Seasonal

Gas Bill Impact: CARE, Winter

GAS BILL CHANGES	WINTER												
	Avg. Mo.	Present	Proposed	$	%		Proposed	$	%		Proposed	$	%
	Therms	Rates	Rates	Chg from	Chg from		Rates	Chg from	Chg from		Rates	Chg from	Chg from
CARE Average Bill	**per Cust**	7/1/2018	1/1/2020	Present	Present		1/1/2021	1/1/2020	1/1/2020		1/1/2022	1/1/2021	1/1/2021
Baseline Territory Valley P	39	$71.89	$74.31	$2.41	3.4%		$76.48	$2.17	2.9%		$78.67	$2.19	2.9%
Baseline Territory Desert R	33	$58.79	$60.76	$1.97	3.4%		$62.54	$1.78	2.9%		$64.33	$1.79	2.9%
Baseline Territory Valley S	34	$61.10	$63.15	$2.05	3.3%		$64.99	$1.84	2.9%		$66.85	$1.86	2.9%
Baseline Territory Coast T	33	$47.67	$49.24	$1.57	3.3%		$50.66	$1.41	2.9%		$52.08	$1.43	2.8%
Baseline Territory Coast V	41	$62.48	$64.57	$2.09	3.3%		$66.46	$1.88	2.9%		$68.36	$1.90	2.9%
Baseline Territory Desert W	34	$59.99	$62.01	$2.02	3.4%		$63.83	$1.82	2.9%		$65.68	$1.84	2.9%
Baseline Territory Hills X	33	$52.20	$53.92	$1.72	3.3%		$55.47	$1.55	2.9%		$57.04	$1.56	2.8%
Baseline Territory Desert Y	47	$81.25	$83.95	$2.70	3.3%		$86.39	$2.43	2.9%		$88.84	$2.46	2.8%

Illustrative rate and usage values from PG&E's 2020 GRC Phase I

12.PG&E Residential Electric Bill Impact: Annual Monthly Avg.

Electric Bill Impact: Non-CARE, Annual

ELECTRIC BILL CHANGES	ANNUAL												
	Avg. Mo.	Present	Proposed	$	%		Proposed	$	%		Proposed	$	%
	kWh	Rates	Rates	Chg from	Chg from		Rates	Chg from	Chg from		Rates	Chg from	Chg from
Non-CARE Average Bill	**per Cust**	7/1/2018	1/1/2020	Present	Present		1/1/2021	1/1/2020	1/1/2020		1/1/2022	1/1/2021	1/1/2021
Baseline Territory Valley P	518	$113.66	$122.39	$8.73	7.7%		$125.44	$3.05	2.5%		$128.82	$3.37	2.7%
Baseline Territory Coast Q	546	$128.52	$138.32	$9.80	7.6%		$141.75	$3.43	2.5%		$145.54	$3.79	2.7%
Baseline Territory Desert R	563	$126.15	$135.79	$9.64	7.6%		$139.16	$3.37	2.5%		$142.88	$3.72	2.7%
Baseline Territory Valley S	525	$116.77	$125.73	$8.95	7.7%		$128.86	$3.13	2.5%		$132.32	$3.46	2.7%
Baseline Territory Coast T	311	$65.70	$70.95	$5.25	8.0%		$72.78	$1.83	2.6%		$74.81	$2.03	2.8%
Baseline Territory Coast V	372	$79.05	$85.26	$6.21	7.9%		$87.44	$2.18	2.6%		$89.84	$2.40	2.7%
Baseline Territory Desert W	572	$128.66	$138.48	$9.82	7.6%		$141.92	$3.43	2.5%		$145.71	$3.79	2.7%
Baseline Territory Hills X	443	$97.33	$104.87	$7.54	7.7%		$107.51	$2.64	2.5%		$110.42	$2.91	2.7%
Baseline Territory Desert Y	408	$85.07	$91.72	$6.65	7.8%		$94.05	$2.33	2.5%		$96.62	$2.57	2.7%
Baseline Territory Desert Z	247	$48.49	$52.49	$4.00	8.2%		$53.88	$1.40	2.7%		$55.43	$1.55	2.9%

Illustrative rate and usage values from PG&E’s 2020 GRC Phase I

13.PG&E Residential Electric Bill Impact: Annual Monthly Avg.

Electric Bill Impact: CARE, Annual

ELECTRIC BILL CHANGES	**ANNUAL**										
	Avg. Mo.	Present	Proposed	$	%	Proposed	$	%	Proposed	$	%
	kWh	Rates	Rates	Chg from	Chg from	Rates	Chg from	Chg from	Rates	Chg from	Chg from
CARE Average Bill	**per Cust**	7/1/2018	1/1/2020	Present	Present	1/1/2021	1/1/2020	1/1/2020	1/1/2022	1/1/2021	1/1/2021
Baseline Territory Valley P	522	$70.55	$76.14	$5.60	7.9%	$78.10	$1.96	2.6%	$80.26	$2.16	2.8%
Baseline Territory Coast Q	591	$87.40	$94.22	$6.82	7.8%	$96.60	$2.39	2.5%	$99.24	$2.63	2.7%
Baseline Territory Desert R	571	$79.02	$85.23	$6.21	7.9%	$87.40	$2.17	2.6%	$89.80	$2.40	2.7%
Baseline Territory Valley S	527	$71.92	$77.62	$5.70	7.9%	$79.61	$2.00	2.6%	$81.81	$2.20	2.8%
Baseline Territory Coast T	301	$37.56	$40.76	$3.20	8.5%	$41.88	$1.12	2.8%	$43.12	$1.24	3.0%
Baseline Territory Coast V	351	$44.06	$47.73	$3.67	8.3%	$49.02	$1.29	2.7%	$50.43	$1.42	2.9%
Baseline Territory Desert W	582	$80.98	$87.33	$6.35	7.8%	$89.56	$2.23	2.5%	$92.01	$2.46	2.7%
Baseline Territory Hills X	392	$50.26	$54.38	$4.12	8.2%	$55.82	$1.44	2.7%	$57.42	$1.60	2.9%
Baseline Territory Desert Y	493	$67.13	$72.47	$5.35	8.0%	$74.35	$1.87	2.6%	$76.41	$2.07	2.8%
Baseline Territory Desert Z	282	$34.26	$37.22	$2.96	8.7%	$38.26	$1.04	2.8%	$39.40	$1.15	3.0%

Illustrative rate and usage values from PG&E's 2020 GRC Phase I

14. PG&E Residential Gas Bill Impact: Annual Monthly Avg.

Gas Bill Impact: Non-CARE, Annual

Gas BILL CHANGES	ANNUAL												
	Avg. Mo.	Present	Proposed	$	%		Proposed	$	%		Proposed	$	%
	Therms	Rates	Rates	Chg from	Chg from		Rates	Chg from	Chg from		Rates	Chg from	Chg from
Non-CARE Average Bill	per Cust	7/1/2018	1/1/2020	Present	Present		1/1/2021	1/1/2020	1/1/2020		1/1/2022	1/1/2021	1/1/2021
Baseline Territory Valley P	45	$77.57	$80.33	$2.75	3.7%		$82.80	$2.48	3.2%		$85.30	$2.50	3.1%
Not Applicable													
Baseline Territory Desert R	34	$57.55	$59.59	$2.04	3.7%		$61.43	$1.84	3.3%		$63.29	$1.85	3.2%
Baseline Territory Valley S	36	$61.00	$63.16	$2.16	3.7%		$65.10	$1.95	3.3%		$67.07	$1.96	3.2%
Baseline Territory Coast T	37	$56.81	$58.81	$2.00	3.6%		$60.61	$1.80	3.2%		$62.42	$1.81	3.1%
Baseline Territory Coast V	44	$69.88	$72.36	$2.48	3.6%		$74.59	$2.22	3.1%		$76.83	$2.25	3.1%
Baseline Territory Desert W	32	$53.10	$54.99	$1.89	3.7%		$56.68	$1.70	3.3%		$58.40	$1.71	3.2%
Baseline Territory Hills X	41	$67.38	$69.77	$2.39	3.7%		$71.91	$2.14	3.2%		$74.07	$2.16	3.1%
Baseline Territory Desert Y	54	$89.76	$92.91	$3.15	3.6%		$95.75	$2.83	3.1%		$98.61	$2.86	3.1%
Not Applicable													

Illustrative rate and usage values from PG&E's 2020 GRC Phase I

15. PG&E Residential Gas Bill Impact: Annual Monthly Avg.

Gas Bill Impact: Non-CARE, Annual

Gas BILL CHANGES	ANNUAL										
	Avg. Mo.	Present	Proposed	$	%	Proposed	$	%	Proposed	$	%
	Therms	Rates	Rates	Chg from	Chg from	Rates	Chg from	Chg from	Rates	Chg from	Chg from
CARE Average Bill	per Cust	7/1/2018	1/1/2020	Present	Present	1/1/2021	1/1/2020	1/1/2020	1/1/2022	1/1/2021	1/1/2021
Baseline Territory Valley P	39	$50.38	$52.14	$1.76	3.7%	$53.73	$1.59	3.2%	$55.32	$1.60	3.2%
Not Applicable											
Baseline Territory Desert R	33	$41.77	$43.24	$1.47	3.7%	$44.56	$1.32	3.2%	$45.89	$1.33	3.2%
Baseline Territory Valley S	34	$43.07	$44.58	$1.51	3.7%	$45.94	$1.36	3.2%	$47.31	$1.37	3.2%
Baseline Territory Coast T	33	$38.15	$39.48	$1.33	3.6%	$40.68	$1.19	3.1%	$41.88	$1.21	3.1%
Baseline Territory Coast V	41	$49.59	$51.33	$1.73	3.6%	$52.89	$1.56	3.1%	$54.47	$1.58	3.1%
Baseline Territory Desert W	34	$43.45	$44.99	$1.53	3.7%	$46.36	$1.38	3.2%	$47.76	$1.39	3.2%
Baseline Territory Hills X	33	$38.68	$40.02	$1.34	3.6%	$41.23	$1.21	3.2%	$42.45	$1.22	3.1%
Baseline Territory Desert Y	47	$59.22	$61.25	$2.04	3.6%	$63.10	$1.83	3.1%	$64.95	$1.86	3.0%
Not Applicable											

Illustrative rate and usage values from PG&E's 2020 GRC Phase I

14. Appendix B: Post-Workshop Comments

14.1 TURN Comments: October 14, 2020

14.2 IOU Comments: October 30, 2020

14.1 TURN Comments: October 14, 2020

Comments of The Utility Reform Network on Rate Case Plan Workshop #2

Oct. 14, 2020

The Utility Reform Network (TURN) offers the following comments on the topics covered during Rate Case Plan (RCP) Workshop #2, held on October 7, 2020. This workshop covered topics related to standardization in the presentation and processing of GRCs. The Commission's aim in requiring this workshop, among the others ordered in D.20-01-002, has been to promote "efficiencies and improvements in GRCs."[1]

1. Master Data Request

During the workshop, the IOUs offered six "guiding principles" regarding the Master Data Request (MDR) "in order to standardize and streamline" the MDR "to become more efficient and useful."[2] Five of the six "guiding principles" involve removing questions from each utility-specific MDR to eliminate duplicative or essentially redundant questions, questions that ask for information readily obtained from the utility's testimony and workpapers, and questions that are outdated, not used or apparently useful to the Public Advocates Office (Cal Advocates), irrelevant, or impossible to answer.[3] The IOUs also "agree that it would be beneficial to submit the responses to the Master Data Request no later than 30 days after the filing of the application."[4]

TURN expects that the recommendations offered by the IOUs will streamline their production of MDR responses in each GRC, and, by removing duplicative questions, might theoretically save intervenors some amount of time. However, the IOUs have not addressed any of the concerns that intervenors like TURN have expressed over the years regarding the MDR and how it could evolve to reduce the need for additional discovery from parties other than Cal Advocates.

For instance, in comments filed in R.13-11-006 in January 2014, TURN recommended that the MDR be updated to incorporate some of the standard data requests that TURN propounds in every GRC to reduce the need for discovery by TURN. TURN noted that other intervenors might likewise benefit from this accommodation.[5] Then in comments filed in R.13-11-006 in April 2018, TURN expressed support for a proposal from SCE to start meeting with a broader group of Commission staff, as well as TURN and other intervenors, to inform the MDR for each GRC "so that all parties have the opportunity to provide input and guidance on the data they are most interested in obtaining through the MDR."[6] TURN recommended the immediate extension of SCE's proposal to all IOU GRCs.[7]

Most recently, TURN provided feedback on the "Preliminary RCP Workshop Plan" prepared by Energy Division Staff in preparation for this workshop series. There TURN again

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[1] D.20-01-002, pp. 56-57.
[2] Workshop #2 – IOU Presentation, Slide 4.
[3] *Id.*, Slides 5-6.
[4] *Id.*, Slide 6.
[5] TURN Comments on OIR, 1/15/14, p. 36 (responding to the Commission's question "Whether or not the NOI is retained, should the "master data request" be reviewed and possibly updated?").
[6] TURN Reply Comments on Staff Workshop Report, 4/19/18, pp. 8-9.
[7] *Id.*, p. 9.

highlighted the opportunity to reduce discovery in GRCs by incorporating some of TURN's routine GRC data requests into the MDR. TURN also recommended that the IOUs post non-confidential versions of the MDR on their GRC webpages with a clear index of topics so that all intervenors could benefit from the efficiencies intended by the MDR. Finally, TURN advocated a standard numbering system for MDR questions across utilities to facilitate ease of access.[8]

During Workshop #2, TURN offered the following four proposals, which incorporate TURN's earlier suggestions. These proposals are intended to make the MDR available and more useful to a broader range of GRC stakeholders and promote efficiencies in GRC processing by reducing the need for party-specific discovery and preventing duplication in data requests.

a. **A proposed MDR template should be circulated to regular GRC intervenors for possible expansion to include questions routinely asked by intervenors through discovery.**

b. **The MDR should be revised to include a standard index, table of contents, and high-level numbering system used consistently across utilities.** For instance, "Chapter 8" of the MDR could include A&G questions, with the understanding that some sub-topics would be applicable only to certain IOUs.

c. **The applicant IOU should post a public version of the MDR responses (including a table of contents or index) on its GRC webpage, where testimony and workpapers are provided, with instructions regarding how to request access to confidential responses.**

d. **The applicant IOU should send a notice to the GRC service list when the MDR responses are posted.**

TURN believes these recommendations would promote efficiencies in GRC processing in furtherance of the Commission's goals expressed in D.20-01-002.

2. Joint Comparison Exhibit

The IOUs proposed a standardized approach to organizing the Joint Comparison Exhibit (JCE) layout.[9] They also proposed a general timeline for preparing the JCE, which would have the JCE submitted "2-4 weeks after hearings."[10]

The IOUs' proposals will not impact the resources required by TURN (and presumably other parties) to prepare the JCE, which are significant. While the IOUs undertake the initial drafting effort – a substantial effort, no doubt – TURN must carefully review all entries and provide proposed edits for the IOU to incorporate. In addition to double-checking financial impacts, this review requires consideration of whether the utility has accurately and fairly summarized both TURN's position and its own position. TURN has on many occasions throughout the years flagged sections of the draft JCE that read more like the utility's brief than a neutral comparison of parties' positions. This detailed review occurs at the same time that

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[8] TURN Feedback on Preliminary RCP Workshop Plan, 7/10/20.
[9] Workshop #2 – IOU Presentation, Slides 8-10.
[10] *Id.*, Slide 10.

TURN is preparing its opening brief and involves the very same people.

It is TURN's understanding that the JCE is prepared for the convenience of the ALJ(s) and assigned Commissioner, and perhaps Energy Division staff, rather than the parties to a GRC. However, in D.20-01-002, the Commission contemplated that the assigned Commissioner and ALJ might decide not to require parties to prepare a JCE at all in some cases.[11] Given the resources required of all parties to prepare a JCE, TURN encourages the consideration in each GRC of whether a JCE will meaningfully assist the assigned Commissioner and ALJ in preparing a decision. TURN notes that preparation of a more limited JCE, such as one that compares only the financial impacts of parties' positions without the position summaries, would reduce workload considerably for parties like TURN. At the same time, TURN fully supports the preparation of the JCE where the assigned Commissioner and ALJ(s) find it useful.

3. Testimony Chapters Order

In D.20-01-002, the Commission promoted the idea of a "standardized index" for GRC testimony. The Commission explained that "a standardized presentation of each applicant's request will assist the Commission as a whole to understand the issues in any given GRC."[12] Likewise, the Commission stated, "By presenting their testimony according to a common outline, and using consistent terminology and standard table formats, the utilities will ease the work of the Commission."[13]

At Workshop #2, the IOUs proposed no material changes in the way that each IOU orders and structures its rate case showing.[14] As TURN indicated at Workshop #2, TURN appreciates the Commission's desire for standardization but has learned to navigate the distinct (and dynamic) approaches taken by the IOUs in presenting their GRC testimony. TURN has no further comments at this time.

4. Phase 2 Scheduling & Filing

The IOUs proposed a schedule for processing PG&E's, SCE's, and SDG&E's GRC Phase 2s, PG&E's Gas Cost Allocation Proceedings (GCAPs), PG&E's GT&S Cost Allocation and Rate Design proceedings (CARDs), and the Sempra Utilities' Triennial Cost Allocation Proceedings (TCAPs).[15] TURN is continuing to evaluate the implications of the IOUs' proposal and may offer recommendations after considering the draft workshop report.

5. Presentation of Recorded Spending Data

a. Incorporation of Base Year +1 Recorded Spending Data

In D.20-01-002, the Commission identified a "standard approach to 'Base Year +1 data'" as an "important topic for future workshops" and directed stakeholders to "endeavor to reach

[11] D.20-01-002, p. 60.
[12] D.20-01-002, p. 60.
[13] *Id.*, pp. 60-61.
[14] Workshop #2 – IOU Presentation, Slides 15-16.
[15] Workshop #2 – IOU Presentation, Slides 29, 31.

consensus on a means of incorporating this data into every GRC on an agreed upon schedule."[16] The Commission discussed the benefits to its past GRC decisionmaking from having Base Year +1 (BY+1) data available and suggested that the incorporation of BY+1 data into the case "should be considered a standard milestone in every energy GRC."[17] Accordingly, the Commission directed Staff to include among the GRC "standardization" workshop topics the following:

> "Developing and recommending general ground rules regarding identification of the Base Year, as well as a common framework for incorporating updated 'Base Year +1' recorded data at a given stage of the GRC proceeding."[18]

Nonetheless, at Workshop #2 the IOUs proposed to retain the status quo approach to BY+1 recorded spending data. That is, the IOUs would make this data available by late Q1 (of BY+2) only upon request through the discovery process.[19]

TURN opposes this approach. It does nothing to increase efficiency in GRC processing, and it ignores the Commission's directive that parties strive to make the incorporation of BY+1 recorded data "a standard milestone in every energy GRC."

TURN discussed an alternative approach at Workshop #2, wherein the applicant IOU would serve an exhibit containing BY+1 recorded spending data by *no later than* March 1 of BY+2. The exhibit should include electronic Excel files (as is typically how BY+1 data is presented), as well as PDF versions.

While not ideal, TURN's proposed timeline would at least provide parties with an opportunity to use BY+1 data in briefing, which will occur in April and May in the new RCP schedule adopted in D.20-01-002.[20] Parties might also use BY+1 data during evidentiary hearings, which will occur between February 25 and March 15 according to the new schedule.[21] To facilitate the use of BY+1 data during briefing, the Commission would need to admit the BY+1 exhibit into the evidentiary record. This could either occur during evidentiary hearings or through a written ALJ ruling in March addressing the admission of BY+1 data into the record.

TURN recommends the following amendment to the new RCP schedule to standardize the incorporation of BY+1 data (*new events are in italics*):

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[16] D.20-01-002, p. 61.
[17] D.20-01-002, pp. 61-62.
[18] D.20-01-002, pp. 69-70; Ordering Paragraph 5.
[19] Workshop #2 – IOU Presentation, Slide 39.
[20] Workshop #2 – IOU Presentation, Slide 40.
[21] *Id.*

Date	Days	Event
By February 25	~Day 285	Evidentiary hearings begin
Q1, By March 1	*~Day 290*	*Utility serves exhibit with BY+1 recorded spending data*
By March 15	*~Day 305*	*ALJ admits BY+1 recorded spending data exhibit into the record during evidentiary hearings or by written ruling*
By March 15	~Day 305	Evidentiary hearings end
By April 20	~Day 340	Briefs filed

b. Recorded Spending Data Included in GRC Application

TURN additionally offers feedback on the presentation of historical spending data included with the GRC application. TURN did not provide this feedback during the workshop but, upon further reflection, believes it will promote the Commission's objectives for Workshop #2.

The IOUs propose to provide 5 years of recorded data with their applications, including the Test Year minus 3 and 4 prior years. For an example, a GRC application filed in 2025 for Test Year 2027 would include recorded data for 2020-2024.[22] TURN supports this proposal and has a strong preference for the full five years of data to be provided (1) in the testimony, and (2) in a table that also includes the forecast. Some utilities provide the pre-base year historical data only in workpapers and separated from the forecast.

Second, TURN believes it would be useful for the applicant to include the authorized amount for the year in the historical series corresponding to the last test year. This would be the year prior to the base year in the new 4-year GRC cycle, according to the IOUs' proposal.[23] Given the Commission's attention to spending accountability in D.20-01-002, TURN submits that having this information in the same place as the applicant's forecast would support the efficient examination of the reasonableness of the IOU's test year forecast.

6. Bill Impact Calculation

The last topic addressed at Workshop #2 was the IOUs' proposed standard bill impact calculations for residential customers to be included with each GRC application.[24] The IOUs offered a thoughtful proposal, which TURN supports with two additions. TURN discussed each of these changes during Workshop #2.

a. The applicant IOU should present all of the proposed bill impacts on a service territory-wide basis, in addition to by climate zone.

[22] Workshop #2 – IOU Presentation, Slide 39.
[23] *See* Workshop #2 – IOU Presentation, Slide 38.
[24] *See* D.20-01-002, p. 67; Ordering Paragraph 6.

Presenting this information on a service territory-wide basis will facilitate comparisons between GRCs of the same utility (including past GRCs where bill impacts were not provided by climate zone) and across utilities. It will also simplify mass-market communications with utility customers, whether from the Commission or other GRC stakeholders.

b. The applicant IOU should present the long-term revenue requirement impact of its proposed GRC capital spending, covering at least 10 years of impacts.

This second addition captures the Commission's concern in D.20-01-002 about the "long-term impact of capital investments on customer rates."[25] Indeed, as some workshop participants acknowledged, depreciation and taxes can sometimes cause short-term negative impacts on revenue requirements, only to be followed by large increases in revenue requirements in later years. It is important for the Commission and stakeholders to have a clear understanding of how the IOU's proposed capital spending will impact revenue requirements beyond the initial years in the GRC cycle.

In other proceedings, the Commission has had the benefit of this type of showing by the utility in evaluating the reasonableness of proposed capital spending. TURN attaches an example of the type of showing we are recommending for GRCs that comes from SDG&E's Electric Vehicle-Grid Integration Pilot Program application, filed in 2014. See Appendix B of the attached testimony, providing the "Annual Revenue Requirement" from 2015 through 2037 as well as total revenue requirements associated with the proposed program. This exhibit illustrates why the Commission needs to understand the full costs that ratepayers will pay overtime for proposed GRC capital projects (first year annual revenue requirement impacts of less than $1 million jump to more than $10 million by the fourth year and total nearly $200 million for the full recovery period).

For purposes of an initial, standard GRC showing, TURN proposes that the utility provide at least 10 years of annual revenue requirement impacts from its proposed GRC capital spending. TURN recognizes that this time period will not cover the full recovery in rates from all capital spending. TURN may advocate a longer time period in the future.

c. The IOUs did not address GRC bill impacts in addition to all other pending rate change requests, as suggested by Staff.

Last but not least, TURN notes that the IOUs' proposal did not address the second part of the assignment suggested in Energy Division's Preliminary RCP Workshop Plan. Staff suggested that the IOUs would additionally submit sample bill impacts "showing the cumulative effect of the GRC rate change request with all other pending rate change requests." TURN agrees with Staff's preliminary determination that such bill impacts would be useful for the Commission and parties to have in reviewing the IOU's GRC proposals. TURN accordingly recommends that the IOUs amend their proposal to include a template for "cumulative" bill impacts (referring to the cumulative effect of all other pending rate change requests).

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[25] D.20-01-002, p. 64.

ATTACHMENT

Example of Utility Showing on Long-Term Revenue Requirement Impacts from Proposed Capital Spending

Application No. A.14-04-____
Exhibit No.: ______
Witness: Jonathan B. Atun

Application of SAN DIEGO GAS & ELECTRIC COMPANY (U 902 E) For Approval of its Electric Vehicle-Grid Integration Pilot Program.	))))	Application No. 14-04-___ (Filed April 11, 2014)

PREPARED DIRECT TESTIMONY OF

JONATHAN B. ATUN

CHAPTER 4

ON BEHALF OF SAN DIEGO GAS & ELECTRIC COMPANY

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

April 11, 2014

#286657

TABLE OF CONTENTS

PREPARED DIRECT TESTIMONY OF

JONATHAN B. ATUN

CHAPTER 4

I. PURPOSE AND SUMMARY

The purpose of my testimony is to: (1) identify the costs associated with San Diego Gas & Electric Company's (SDG&E's) proposed Vehicle-Grid Integration (VGI) Pilot Program, (2) describe the methodology used by SDG&E in determining the revenue requirements for the VGI Pilot Program, and (3) identify the resulting annual revenue requirement. Since the VGI Pilot Program proposes services and capital costs above and beyond those authorized by the Commission in SDG&E's most recent general rate case (GRC),[1] all costs associated with the VGI Pilot Program are incremental, and thus additive to any currently authorized levels of revenue requirement.

II. VGI PILOT PROGRAM COSTS

A. Capital Costs

Table JBA-1 below identifies the capital costs[2] for the VGI Pilot Program, prior to adjustment for overhead and escalation factors.

Table JBA-1
Capital Costs
(excludes escalation and loaders; includes sales tax)

(in $000)	2015	2016	2017	2018	2019	2020 - 2037	Total
Engineering Design and Permitting	$ 143	$ 287	$ 574	$ 574	$ -	$ -	$ 1,578
New Electric Service	902	1,804	3,608	3,608	-	-	9,922
Transformer Installation	88	176	353	353	-	-	970
EVSE and Control Equipment Installation	3,739	7,478	14,957	14,957	-	-	41,132
Billing System Integration	1,475	-	-	-	-	-	1,475
Billing System Hardware	89	-	-	-	-	-	89
Total Capital Costs	$ 6,437	$ 9,746	$ 19,491	$ 19,491	$ -	$ -	$ 55,165

Differences due to rounding for Table JBA-1 and all other tables in Chapter IV

[1] Decision (D.)13-05-010.
[2] As provided by witness Randy Schimka in Chapter 2. Appendix A converts the per-installation costs provided by Mr. Schimka to the total capital costs in Table JBA-1.

B. Operation and Maintenance (O&M) Costs

Table JBA-2 below identifies the O&M costs[3] for the VGI Pilot Program, prior to any adjustment factors. O&M consists of ongoing services and replacement costs which will be provided by third party vendors (for the service, maintenance, and upkeep of the charging stations and software) and SDG&E (for sales and marketing, customer support, billing system integration, and pricing signals analysis).

Table JBA-2
O&M Costs
(excludes escalation and loaders; includes sales tax)

(in $000)	2015	2016	2017	2018	2019	2020 - 2037	Total
Charging Equipment Replacement	$ -	$ -	$ -	$ -	$ -	$ 22,982	$ 22,982
Access Control Fees	53	158	370	581	581	10,454	12,197
Transformer Installation O&M	10	20	39	39	-	-	108
SDG&E Internal Labor	275	275	275	275	90	1,620	2,810
Contract Labor	225	225	225	425	-	-	1,100
Customer Engagement Support	83	83	33	33	-	-	230
Total O&M Costs	$ 645	$ 761	$ 941	$ 1,353	$ 671	$ 35,056	$ 39,426

C. Adjustments to Capital and O&M Costs

1. Overhead Loaders

Overhead loaders are used to allocate undistributed company overhead costs across capital projects and O&M. Overhead costs are those activities and services that are associated with direct costs, such as payroll taxes and pension and benefits, or are costs that cannot be economically direct-charged, such as administrative and general overheads. Overhead loader values for the VGI Pilot Program adhere to the methodology proposed by the Federal Energy Regulatory Commission (FERC)[4] and were derived using the same methodology used in SDG&E's most recent GRC filing.

[3] As provided by witness Randy Schimka in Chapter 2. Appendix A converts the O&M costs provided by Mr. Schimka to the total O&M costs in Table JBA-2.

[4] FERC guidelines reference the Statement of Federal Financial Accounting Standards 4: Managerial Cost Accounting Standards and Concepts.

2. Escalation of Future Costs

Cost escalation factors are used to reflect the effect of inflation on SDG&E's costs. SDG&E's escalation costs were derived using 2013 Global Insight forecast indices. No escalation factors were applied to third-party vendor costs associated with ongoing O&M because SDG&E intends to enter into fixed-price contractual agreements with these vendors. SDG&E also assumes no change to the pricing of Electric Vehicle Supply Equipment (EVSE) component costs. This assumption is supported by current and historical charging station prices provided by Clipper Creek, Inc.[5]

Tables JBA-3 and JBA-4 show the capital and O&M costs adjusted for SDG&E overhead loaders and cost escalation.[6]

Table JBA-3
Capital Costs
(includes escalation, loaders, and sales tax)

(in $000)	2015	2016	2017	2018	2019	2020 - 2037	Total
Engineering Design and Permitting	$ 151	$ 302	$ 605	$ 605	$ -	$ -	$ 1,663
New Electric Service	951	1,902	3,804	3,804	-	-	10,460
Transformer Installation	187	382	782	804	-	-	2,155
EVSE and Control Equipment Installation	3,942	7,884	15,768	15,768	-	-	43,361
Billing System Integration	1,485	-	-	-	-	-	1,485
Billing System Hardware	94	-	-	-	-	-	94
Total Capital Costs	$ 6,810	$ 10,470	$ 20,958	$ 20,980	$ -	$ -	$ 59,218

[5] Clipper Creek, Inc. is a leading manufacturer of EVSE.
[6] No allowance for funds used during construction (AFUDC) is included, as payments will only be made when the VGI Pilot Program work is complete and placed in service.

Table JBA-4 O&M Costs (includes escalation, loaders, and sales tax)							
(in $000)	2015	2016	2017	2018	2019	2020 - 2037	Total
Charging Equipment Replacement	$ -	$ -	$ -	$ -	$ -	$ 23,195	$ 23,195
Access Control Fees	53	160	373	586	586	10,552	12,310
Transformer Installation O&M	23	47	96	98	-	-	264
SDG&E Internal Labor	508	519	531	544	182	4,083	6,367
Contract Labor	229	234	240	464	-	-	1,167
Customer Engagement Support	83	83	33	33	-	-	232
Total O&M Costs	$ 897	$ 1,043	$ 1,272	$ 1,725	$ 768	$ 37,830	$ 43,536

D. Total Costs

After updating the capital and O&M costs with the appropriate adjustment factors noted above, the total VGI Pilot Program costs for purposes of calculating the revenue requirement are shown in Table JBA-5 below.

Table JBA-5 Capital and O&M Costs (includes escalation, loaders, and sales taxes)							
(in $000)	**2015**	**2016**	**2017**	**2018**	**2019**	**2020 - 2037**	**Total**
Capital	$ 6,810	$ 10,470	$ 20,958	$ 20,980	$ -	$ -	$ 59,218
O&M	$ 897	$ 1,043	$ 1,272	$ 1,725	$ 768	$ 37,830	$ 43,536
Total	$ 7,706	$ 11,513	$ 22,230	$ 22,706	$ 768	$ 37,830	$ 102,753

III. REVENUE REQUIREMENT

The revenue requirement represents the total dollars that need to be collected each year in order to cover the costs and returns associated with the VGI Pilot Program. Specifically, the components that make up the revenue requirement are: return of capital (via depreciation), O&M costs, debt and equity returns, federal and state taxes, franchise fees, and uncollectible revenue. The projected revenue requirements are broken out by component and presented in Appendix B. A more detailed description of the components of the revenue requirement is presented in the sections that follow.

A. Return of Capital

The return of capital is equal to annual book depreciation, which uses the straight-line remaining life method.[7] Consistent with the FERC Code of Federal Regulations, SDG&E assumes the following useful lives for each asset category as presented in Table JBA-6.

Table JBA-6
Capital - FERC Useful Life

Asset Category	FERC Useful Life (Years)
Kiosk, Pedestal, Chargers	19
New Electric Service to EVSE	50
Transformers & Install Costs	33
Billing System Integration	5
Design, Permits, & Meters	19
Servers & Hardware	5

B. O&M Costs

O&M costs represent the total costs required to ensure the ongoing successful operation of the VGI Pilot Program. O&M costs are included in the revenue requirement and treated as a pass-through item.

C. Return

The current authorized annual return components of the revenue requirement for the VGI Pilot Program consist of return on debt (5.00 percent), return on preferred stock (6.22 percent), and return on equity (10.30 percent).[8] These values are then weighted by their

[7] This method is consistent with Standard Practice U-4, Determination of Straight-Line Remaining Life Depreciation Accruals. The CPUC issued this standard practice in 1961 as a guide for determining proper depreciation accruals.
[8] As adopted in D.12-12-034.

authorized capital allocation percentages and multiplied by the average rate base[9] to determine the revenue requirement for each return component. The authorized[10] weighted returns are listed in Table JBA-7 below.

Table JBA-7
SDG&E Rate of Return (ROR) Calculation

	Capital Ratio %	Cost	Authorized Weighed Cost
Long-Term Debt	45.25%	5.00%	2.26%
Preferred Equity	2.75%	6.22%	0.17%
Common Equity	52.00%	10.30%	5.36%
	100.00%		7.79%

D. Tax

1. Property Tax

The annual property tax expense for the VGI Pilot Program is calculated by multiplying the period ending rate base by SDG&E's effective property tax rate of 1.328 percent.[11]

[9] Rate base represents the amount of capital on which shareholders are allowed to earn a return. The calculation of rate base for this filing is consistent with the methodology used in SDG&E's 2012 General Rate Case filing.
[10] As adopted in D.12-12-034.
[11] Consistent with previous filings, SDG&E's effective property tax rate is calculated by dividing the total property taxes due by county (per SDG&E property tax bills) by the total assessed value by county.

2. Federal and State Income Tax

a. Federal Income Tax

Federal income tax expense is calculated by multiplying federal Earnings Before Income Tax (EBIT)[12] by the current corporate federal income tax rate of 35 percent. In accordance with established Commission policy,[13] federal income taxes are computed on a normalized basis for utility ratemaking purposes.[14] An annual breakout of the federal tax component of the revenue requirement is provided in Appendix B.

b. State Income Tax

State income tax expense is calculated by multiplying state EBIT[15] by the current California Corporation Franchise Tax rate of 8.84 percent. State income taxes are not normalized, but instead are calculated on a flow-through basis.[16]

E. Franchise Fees and Uncollectibles

Franchise Fees and Uncollectibles (FF&U) are the final calculated components of the revenue requirement. Franchise fees cover the payments made to counties and incorporated cities pursuant to local ordinances granting a franchise to the company to place utility property in the public rights of way. Uncollectibles represent the estimated uncollectible expenses incurred by SDG&E. FF&U is calculated by multiplying the sum of all other

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[12] For ratemaking purposes, federal EBIT is calculated as the sum of Common and Preferred Stock Returns minus prior year state taxes, multiplied by a tax gross-up factor. The tax gross-up factor is mathematically required to compute a pre-tax earnings number that, once taxes are applied, results in SDG&E's achievement of its authorized rate of return.

[13] *See* the direct testimony of Randall Rose, SDG&E General Rate Case proceeding (A.10-12-005).

[14] Normalization requires that any tax adjustments for deferred taxes (due to accelerated federal tax depreciation methods) are not included when calculating the annual required taxes due from ratepayers through the revenue requirement.

[15] For ratemaking purposes, state EBIT is calculated as the sum of Common and Preferred Stock Returns minus any deferred state income tax, multiplied by a tax gross-up factor. The tax gross-up factor is mathematically required to compute a pre-tax earnings number that, once taxes are applied, results in SDG&E's achievement of its authorized rate of return.

[16] Consistent with Commission policy, flow-through accounting treats temporary differences between recognition of expenses for book purposes and their tax return treatment as current adjustments to the revenue requirement.

revenue requirement components by the authorized multipliers[17] for franchise fees and uncollectibles.

IV. CONCLUSION

The final revenue requirement for the VGI Pilot Program, broken out by component, is summarized in Appendix B. This concludes my direct testimony.

[17] FF&U multipliers used for the VGI Pilot Program revenue requirement are consistent with those supported in D.13-05-010.

V. STATEMENT OF QUALIFICATIONS

My name is Jonathan Atun. My business address is 8330 Century Park Court, San Diego, California 92123. I am employed by SDG&E as the Financial and Strategic Analysis Manager. In my current role, I am responsible for managing, directing and coordinating the financial analysis of SDG&E projects.

I received a Bachelor of Science degree from San Diego State University in Business Administration with an emphasis in Accounting in 1988. I received a Master of Science degree from San Diego State University in Business Administration with an emphasis in Information Systems. I am licensed as a Certified Public Accountant by the State of California. I also hold a Certified Fraud Examiner Credential from the Association of Certified Fraud Examiners.

Prior to being employed by SDG&E, I was a financial analyst, forensic accountant and expert witness. My work involved analyzing and quantifying economic losses in business disputes and testifying in civil courts. I also provided general business consulting and services.

I have not previously testified before this Commission.

APPENDIX A

CAPITAL AND O&M BREAKDOWN

VGI Pilot Program Capital Breakdown

(in dollars) Capital Category	Single Installation Cost	2015	2016	2017	2018	2019	2020 - 2037	Total
		x 50	x 100	x 200	x 200			x 550
Engineering Design and Permitting	2,869	$ 143,440	$ 286,880	$ 573,760	$ 573,760	$ -	$ -	**$ 1,577,840**
New Electric Service	18,040	902,000	1,804,000	3,608,000	3,608,000	-	-	**9,922,000**
Transformer Installation	1,764	88,175	176,350	352,700	352,700	-	-	**969,926**
EVSE and Control Equipment Installation								
Electric Vehicle Supply Equipment & Install	21,571							
Access Control Equipment & Installation	47,702							
ADA, Parking Modifications and Signage	5,512							
(Subtotal) EVSE and Control Equipment Installation	74,785	3,739,230	7,478,460	14,956,920	14,956,920	-	-	**41,131,530**
Billing System Integration								
Software Development	1,296,768							
VGI Phone and Web Applications	178,200							
(Subtotal) Billing System Integration*	1,474,968	1,474,968	-	-	-	-	-	**1,474,968**
Billing System Hardware*	89,100	89,100	-	-	-	-	-	**89,100**
Total Capital		**$6,436,913**	**$9,745,690**	**$19,491,380**	**$19,491,380**	**$ -**	**$ -**	**$55,165,364**

*One time cost

VGI Pilot Program O&M Breakdown

(in dollars)

O&M Category	Cost	Frequency	2015	2016	2017	2018	2019	2020 - 2037	Total
Charging Equipment Replacement									
Replacement EVSE Equipment	$21,571	x 550							
Replacement Access Control Equipment	14,702	x 550							
Replacement ADA Costs	5,512	x 550							
(Subtotal) Charging Equipment Replacement			$ -	$ -	$ -	$ -	$ -	$22,981,530	**$22,981,530**
Access Control Fees	1,056	annually/unit	52,800	158,400	369,600	580,800	580,800	10,454,400	**12,196,800**
Transformer Installation O&M	197		9,833	19,665	39,330	39,330	-	-	**108,158**
SDG&E Internal Labor									
Customer Engagment Internal labor	90,000	years: 1-4							
Billing System Integration Internal Labor	95,000	years: 1-4							
Rates/Dist. Circuit Modeling Labor	90,000	years: 1-23							
(Subtotal) SDG&E Internal Labor			275,000	275,000	275,000	275,000	90,000	1,620,000	**2,810,000**
Contract Labor									
Customer Engagment Contractor Labor	75,000	years: 1-4							
Customer Engagment Contractor Labor	75,000	years: 3-4							
Billing System Integration Contractor Labor	75,000	years: 1-2							
Cust. Support and Integration Svcs Contractor Labor	75,000	years: 1-4							
Evaluation of VGI Program Contract Labor	200,000	years: 4 only							
(Subtotal) Contract Labor			225,000	225,000	225,000	425,000	-	-	**1,100,000**
Customer Engagement Support									
Education and Outreach	200,000	total over 4 years							
Marketing Material	30,000	total over 4 years							
(Subtotal) Customer Engagement Support			82,500	82,500	32,500	32,500	-	-	**230,000**
Total O&M			**$ 645,133**	**$ 760,565**	**$ 941,430**	**$ 1,352,630**	**$ 670,800**	**$35,055,930**	**$39,426,488**

APPENDIX B

ANNUAL REVENUE REQUIREMENT

San Diego Gas & Electric

Vehicle Grid Integration

(in $000)	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
Depreciation:	278	796	1,517	2,479	2,960	2,802
O&M:	897	1,043	1,272	1,725	768	1,019
Return On Debt:	75	257	584	1,006	1,169	1,095
Return on Preferred:	6	19	44	76	88	83
Return on Common:	178	608	1,382	2,380	2,767	2,591
Property Taxes:	44	150	342	589	684	641
Federal Taxes:	(617)	632	952	1,532	1,708	1,493
State Taxes:	(163)	124	206	335	392	361
FF&U:	29	132	233	376	392	376
Revenue Requirement	$ 727	$ 3,761	$ 6,532	$10,497	$10,928	$10,461

(in $000)	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**
Depreciation:	2,644	2,644	2,644	2,644	2,644	2,644
O&M:	1,691	3,030	4,722	5,429	5,188	4,525
Return On Debt:	1,028	964	901	841	781	722
Return on Preferred:	78	73	68	64	59	55
Return on Common:	2,433	2,281	2,134	1,990	1,849	1,709
Property Taxes:	602	564	528	492	457	422
Federal Taxes:	1,339	1,266	1,183	1,103	1,024	946
State Taxes:	336	334	329	324	318	311
FF&U:	379	417	468	482	460	424
Revenue Requirement	$ 10,529	$ 11,573	$12,977	$13,369	$12,781	$11,756

(in $000)	2027	2028	2029	2030	2031	2032
Depreciation:	2,644	2,644	2,644	2,644	2,644	2,644
O&M:	3,194	1,512	814	819	824	830
Return On Debt:	662	603	544	485	425	366
Return on Preferred:	50	46	41	37	32	28
Return on Common:	1,568	1,428	1,288	1,147	1,007	867
Property Taxes:	387	353	318	283	248	214
Federal Taxes:	867	789	710	632	553	474
State Taxes:	303	295	285	275	263	250
FF&U:	362	287	248	236	224	212
Revenue Requirement	$ 10,039	$ 7,956	$ 6,893	$ 6,558	$ 6,223	$ 5,885

(in $000)	2033	2034	2035	2036	2037
Depreciation:	2,644	2,536	2,213	1,567	705
O&M:	835	841	847	853	859
Return On Debt:	307	248	193	146	116
Return on Preferred:	23	19	15	11	9
Return on Common:	727	587	457	346	274
Property Taxes:	179	144	112	85	67
Federal Taxes:	395	310	225	149	101
State Taxes:	233	202	150	69	(27)
FF&U:	200	183	157	121	79
Revenue Requirement	$ 5,543	$ 5,071	$ 4,369	$ 3,346	$ 2,182

(in $000)	Remainder	Total
Depreciation:	6,989	59,218
O&M:	-	43,536
Return On Debt:	1,407	14,924
Return on Preferred:	106	1,128
Return on Common:	3,330	35,329
Property Taxes:	823	8,729
Federal Taxes:	1,877	19,644
State Taxes:	(115)	5,390
FF&U:	539	7,014
Revenue Requirement	$ 14,956	$194,910

APPENDIX C

GLOSSARY OF ACRONYMS AND DEFINED TERMS

ACRONYM	TERM
AFUDC	Allowance for funds used during construction
EBIT	Earnings before income tax
EVSE	Electric vehicle supply equipment
FF&U	Franchise fees and Uncollectibles
GRC	General rate case
O&M	Operations and maintenance
ROR	Rate of return
VGI	Vehicle-grid integration

14.2 Joint IOU Comments: October 30, 2020

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Develop a Risk-Based Decision-Making Framework to Evaluate Safety and Reliability Improvements and Revise the General Rate Case Plan for Energy Utilities	Rulemaking 13-11-006 (Filed November 14, 2013)

JOINT COMMENTS OF SOUTHERN CALIFORNIA GAS COMPANY (U 904-G), SAN DIEGO GAS & ELECTRIC COMPANY (U 902-M), SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E) AND PACIFIC GAS AND ELECTRIC COMPANY (U 39-M) ON RATE CASE PLAN WORKSHOP NUMBER 2

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Dated: October 30, 2020

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

Order Instituting Rulemaking to Develop a Risk-Based Decision Making Framework to Evaluate Safety and Reliability Improvements and Revise the General Rate Case Plan for Energy Utilities	Rulemaking 13-11-006 (Filed November 14, 2013)

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SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E) AND
PACIFIC GAS AND ELECTRIC COMPANY (U 39-M)
ON RATE CASE PLAN WORKSHOP NUMBER 2**

I. INTRODUCTION

In accordance with guidance provided by the Staff of the California Public Utilities Commission ("Commission"), the Investor-Owned Utilities ("IOUs") Southern California Gas Company ("SoCalGas"), San Diego Gas & Electric Company ("SDG&E"), Southern California Edison Company ("SCE") and Pacific Gas and Electric Company ("PG&E") (collectively, the "IOUs") respectfully submit their joint comments regarding the October 7, 2020 General Rate Case Workshop ("Workshop 2"). Workshop 2 was conducted pursuant to the Commission's recent decision ("D") in Rulemaking ("R.") 13-11-006 (the "Rate Case Plan" or "RCP" Rulemaking), D.20-01-002 (hereinafter referred to as the "RCP Decision").

Workshop 2 included six topics:

- Standardization of the Master Date Requests (MDR)
- Standardization of the Joint Comparison Exhibit (JCE)
- Standardization of Testimony Chapter Structure
- Phase 2 and Allocation Case Scheduling and Standardization
- Base Year and Recorded Spending Data
- Standardized Bill Impact Calculations

PG&E presented guiding principles and other proposals on behalf of the IOUs for all topics except for developing a standard testimony chapter structure. SCE presented the IOUs' position on the topic of structuring and standardizing testimony chapters. Participants from Energy Division, the Public Advocates Office ("Cal Advocates") and The Utility Reform Network ("TURN") actively participated in the workshop discussions.

Energy Division issued a draft workshop report, originally prepared by PG&E, for party comments on October 23, 2020. TURN provided additional comments on the issues addressed in Workshop 2 that were included in the draft workshop report at Appendix B.

Below, the IOUs provide a response to participants' comments at the Workshop as summarized in the draft report and TURN's post workshop comments.

II. DISCUSSION

A. Master Data Request

The IOUs explained at the workshop that the Master Data Request ("MDR") propounded by Cal Advocates in each GRC proceeding is burdensome for the utility staff, who are required to prepare responses simultaneously with the development of their GRC testimony and workpapers. The IOUs also noted that while Cal Advocates generally finds the information received to be useful, the responses to the MDR rarely appear in or are cited in the record of the proceeding; that approximately one-third of the questions were unnecessary since the topics were covered in testimony or workpapers; and that some questions requested data in a format that the IOUs did not have and could not provide. The IOUs made several proposals to streamline the MDR, including a new checklist, removal of duplicative questions regarding information in the IOUs' testimony or workpapers, and removal of questions that are not useful to Cal Advocates or are duplicative of other MDR questions.

Cal Advocates stressed that it prefers to have the ability to address the specific parameters of each rate case's MDR with the applicant, so that the questions asked of the utility and the responsive product provided by the utility are, to a degree, tailored to the specific preferences of Cal Advocates in that particular proceeding. The IOUs support Cal Advocates' inclinations with respect to standardization. The IOUs will continue to actively engage in any further discussions that may occur on this topic, whether at a subsequent workshop or in some other public forum.

TURN made several proposals for the MDR at the workshop that are explained more fully in its workshop comments.[1] While the IOUs support some of TURN's suggestions that are geared towards making the MDR more useful to the parties, others would increase, rather than decrease, the IOUs' burden to respond to the MDR and should not be adopted.

TURN proposes that the MDR be reorganized to include a standard index, table of contents, and numbering system consistent across the IOUs. The IOUs support this change if it is amenable to Cal Advocates. TURN also proposes that the public versions of the MDR responses be posted on the IOUs' websites, consistent with how the IOUs post their public testimony and workpapers, that instructions to request access to confidential responses be provided, and that an email be sent to the service list notifying them when the public version is available. Provided Cal Advocates agrees, the IOUs support making the non-confidential MDR content available to parties participating in a GRC proceeding, providing GRC parties with instructions and guidance for requesting confidential MDR responses, and notifying the service list when the MDR information is available, as this may reduce the number of data responses required in the proceeding if the other parties review the data responses before propounding additional, duplicative data requests.

The IOUs do not support, however, TURN's additional proposal that "[a] proposed MDR template should be circulated to regular GRC intervenors for possible expansion to include questions routinely asked by intervenors through discovery."[2] Adding to the MDR additional questions by intervenors prior to their review of testimony and workpapers would further increase the IOUs' burden to respond to the MDR, and would not necessarily add to the

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[1] TURN, Appendix B,

[2] TURN, Appendix B, pp. 1-2.

information that is available to participants in the proceeding. The intervenors should instead review the IOUs' testimony and workpapers to determine whether further discovery is needed.

B. Joint Comparison Exhibit

The IOUs proposed changes to the Joint Comparison Exhibit ("JCE") to make the JCEs more uniform in the IOUs' GRCs for the convenience of the Commission and parties. Participants did not express concerns with the IOUs' proposals at the workshop. TURN's workshop comments indicate that while the IOUs take the laboring oar by initially drafting the JCEs for all of the parties, it is still burdensome for the other parties to review and edit the JCEs.

To address this burden and materially reduce the size of the JCEs, TURN suggests that the JCEs could be limited to the forecasts for the various programs and not include a narrative description of the parties' positions.[3] The IOUs support this change and agree that it would reduce the burden of preparing the JCE for all concerned. Alternatively, the IOUs would support an approach where the JCE contains citations to the place(s) in the record where each party has set forth its position, but the JCE does not add any narrative description of such position. Moreover, within the docket of any individual GRC, if the Administrative Law Judges or the Assigned Commissioner state that the particular issues or contours of the case warrant a reinstatement of the narrative description of parties' positions with respect to all or some portion of the case, the IOU can take the lead in developing the desired material, for that particular proceeding.

C. Testimony Chapters Order

The IOUs' presentation indicated that it would be difficult to standardize the IOUs' testimony since differences are found in each of the IOUs' respective organizational structures, accounting and financial systems, and other key elements. None of the workshop participants indicated that a problem actually exists with the current, non-standardized approach. TURN also helpfully stated in its workshop comments that it "has learned to navigate the distinct (and

[3] TURN, Appendix B, p. 3.

dynamic) approaches taken by the IOUs in presenting their testimony."[4] The IOUs do not believe that further exploration of this topic would be useful or productive.

D. Phase 2 Scheduling and Filing

The IOUs presented their proposal for the timing and content of future rate design proceedings, including the IOUs' GRC phase 2 proceedings, PG&E's next Gas Cost Allocation Proceeding ("GCAP"), PG&E's Gas Transmission and Storage ("GT&S") Cost Allocation and Rate Design ("CARD") proceeding, and SDG&E/SoCalGas' Triennial Cost Proceeding (TCAP). The IOU presentation included the following proposals:

- PGE's next GRC Phase 2 to be filed in summer 2024 and every 4 years subsequently
- PG&E's next GCAP to be filed within 90 Days of GT&S CARD decision
    - PG&E will file its GT&S CARD proceeding within 75 days of its 2023 GRC Phase 1 application
- SDG&E/SoCalGas's next Cost Allocation Proceeding to be filed in the third quarter of 2023 and future cost allocation proceedings to occur every four years, rather than every three
- No changes to SCE's filing schedule

While there were questions and discussions about the IOUs' proposals, none of the parties proposed an alternative schedule. In its written comments, TURN noted that it is continuing to evaluate the IOUs' proposal and may offer recommendations after considering the draft workshop report.[5]

Energy Division requested more information from the IOUs on what the consequences would be if the Commission did not approve PG&E's requests related to timing of its GRC Phase 2 application, GCAP filing, and CARD filing, and if the Commission did not approve Sempra's request related to timing of its next TCAP filing. Energy Division also asked how the IOUs propose to effectuate their recommendations. The following sections address these questions for PG&E and for SDG&E/SoCalGas.

[4] TURN, Appendix B, p. 3.

[5] TURN, Appendix B, p. 3.

1. PG&E's GRC Phase 2, GCAP, GT&S CARD

While PG&E has not been able to identify any tangible benefits to not implementing its timing proposals, PG&E notes the following identifiable consequences:

1. Rejecting the proposed IOU scheduling would permanently disconnect and distance GT&S ratemaking from implementation of GT&S functional revenue requirement changes in the GRC Phase 1, ending 22 years of simultaneous determination for the California gas marketplace and participants in PG&E's rate cases.

2. Rejecting the proposed IOU scheduling would cause a transitional five-year gap for both the PG&E GRC Phase 2 and GCAP versus the four-year rate case plan cycle in a time of dynamic but unknown changes in energy usage and pace of electrification across PG&E's service territory and across customer classes.

3. Rejecting the proposed IOU scheduling would be an inefficient use of the four-year rate case period for not only PG&E staff, but for CPUC Energy Division, Cal Advocates, and gas ratemaking intervenors, with Sempra's TCAP and PG&E's GCAP overlapping, and PG&E's GCAP litigation period overlapping with PG&E's GRC Phase 2 application development.

PG&E also notes that while its GRC Phase 2 scheduling proposal does not follow the 90-day traditional filing after its GRC Phase 1, its proposal to instead file the GRC Phase 2 in the summer prior to the filing of its GRC Phase 1 does not cause an overlap conflict with either SCE's or SoCalGas/SDG&E's GRC Phase 2 case schedule.

PG&E has prepared an extended graphic of the case schedules to illustrate the consequences of adopting the IOUs' near term scheduling proposals in transition, but then having PG&E move back to filing its GRC Phase 2 ninety days after filing its 2031 GRC Phase 1 and PG&E's GCAP including GT&S ratemaking beginning with its 2026 application, which is attached to these comments as Attachment 1. If parties can identify tangible benefits that increase overall efficiency of the allocation case from a schedule other than that proposed jointly by the IOUs, the IOUs would consider those comments. Regarding proposal implementation, as

PG&E stated in the workshop, there are other forums PG&E could use to implement the GCAP proposal, including filing a Petition for Modification or a Request for Extension. PG&E notes that a utility can file a CARD proceeding of its own accord. For GRC Phase 2 filings, PG&E is requesting Commission permission to change the filing date. PG&E also noted in the workshop that the IOUs would make a proposal for how to implement recommendations following the completion of all four workshops.

2. SDG&E/SoCalGas' TCAP

SoCalGas and SDG&E currently submit TCAPs, generally the gas equivalent of a GRC Phase 2 application for electric utilities, addressing rate design and demand determinant issues, every three years. Given the modification to SoCalGas' and SDG&E's rate case cycle and the commensurate change to SDG&E's electric GRC Phase 2 application, SoCalGas and SDG&E considered at the workshop likewise moving their cost allocation proceeding to occur every four years, rather than every three. SoCalGas and SDG&E also discussed the possibility of seeking to file their next cost allocation proceeding in Q3 2023, rather than Q3 2021, to align with the new rate case schedule and the GRC Phase 2 standard of making a cost allocation showing after submitting the rate case. This schedule proposal would avoid substantial scheduling overlap with the Track 2 (long-term natural gas policy and planning) schedule of the gas system reliability and planning rulemaking (R.20-01-007). Additionally, this schedule proposal would avoid scheduling overlap with PG&E's gas allocation cases, which would be an inefficient use of Energy Division, Cal Advocates, and other parties' ability to effectively and efficiently participate in the various proceedings.

CPUC staff inquired at the workshop as to how SoCalGas and SDG&E might effectuate this change. CPUC D.09-11-006 adopted a joint motion for adoption of settlement agreement in A.08-02-001, SoCalGas' and SDG&E's then-pending Biennial Cost Allocation Proceeding (BCAP). One of the terms adopted by that settlement agreement was to move cost allocation proceedings to occur every three years rather than every two years. Consistent with D.09-11-006, SoCalGas and SDG&E filed their 2020 TCAP application, A.18-07-024, for rates effective

January 1, 2020 through December 31, 2022. D.20-02-045 addressed all open issues in that proceeding and approved a cost allocation methodology for the three-year 2020 TCAP period.

SoCalGas and SDG&E are still analyzing the appropriate next steps for moving to a four-year cost allocation proceeding cycle. At this time, should SoCalGas and SDG&E seek to move to a four-year cost allocation proceeding cycle, one likely procedural path would be to file a Petition for Modification of D.20-02-045 to clarify that the current TCAP cycle will extend two addition years – through December 31, 2024. Consistent with this procedural path, when SoCalGas and SDG&E file their next TCAP application in Q3 2023, they would also include testimony seeking to modify their tariffs to memorialize a four-year cost allocation cycle moving forward. SoCalGas and SDG&E will confer with CPUC staff before filing such a petition should SoCalGas and SDG&E seek this procedural path.

E. Recorded Spending Data

1. Base Year and Recorded Year Spending Data

The IOUs and workshop participants agreed that the base year for a GRC test year should continue to be the recorded year spending for the year preceding the filing of the application. Participants also discussed a desire for the IOUs to produce the recorded year data for the year the application is filed, referred to as base year + 1 data. The participants acknowledged that the new rate case plan schedule, which includes evidentiary hearings from February 25 to March 15 precludes the parties from using this data in their written testimony.

TURN proposes that the IOUs produce the data by March 1 during evidentiary hearings so that it can be admitted into the record of the proceeding.[6] The IOUs discussed how producing the recorded data by March 1 would be difficult, given constraints including the U.S. Securities Exchange Commission (SEC)-regulated earnings call, the need to analyze the data and convert it to a format consistent with what is presented in the GRC, and the need to check the data for accuracy for it to be useful in the proceeding. In addition, the IOUs are required to file a Risk

[6] TURN, Appendix B, pp. 4-5.

Spending Accountability Report (RSAR) by March 31, which requires the same financial data and further constrains the IOUs' resources.

The IOUs are examining their internal processes to try and produce the base year + 1 data as early as possible to accommodate TURN's request to "provide parties with an opportunity to use BY+1 data in briefing"[7] while managing the practical constraints discussed in the workshop and noted above. While the IOUs cannot commit to meeting the March 1 date, they can commit to providing the data by March 31, and will endeavor to try to provide the data earlier. The IOUs also note that the adopted revised GRC application filing schedule sets a milestone for opening briefs to be filed by April 20.[8] If base year + 1 data was provided on March 31, parties would still have 20 days to incorporate the data into their briefs. Finally, the IOUs suggest that the base year + 1 recorded spending data be made available as part of the regular post-hearing update testimony. In this way, parties could ask the witness sponsoring the data questions about it, if necessary, at the update hearing.

2. Recorded Spending Data in Testimony

TURN's workshop comments provide two additional proposals regarding presentation of forecast and spending data in the IOUs' testimony.

First TURN proposes that the IOUs' testimony include a table with five years of recorded data and its test year forecast. The IOUs note this data is already made available to the Commission and intervenors in testimony and/or workpapers in the format requested by TURN.[9]

Second, TURN proposes that the IOUs "include the authorized amount for the year in the historical series corresponding to the last test year. This would be the year prior to the base year in the new 4-year GRC cycle, according to the IOUs' proposal."[10] The IOUs do not agree to this

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[7] TURN, Appendix B, p. 4.

[8] D.20-01-002 at p. 49

[9] In TURN comments (Appendix B, p. 5), TURN incorrectly stated that some utilities provide the pre-base year historical data separated from the forecast.

[10] TURN, Appendix B, p. 5.

proposal. The prior authorized amount, which is available to TURN in the spending accountability report, would be based on a forecast from the year preceding the filing of the prior GRC application. As such, the IOUs do not think this data would aid in the resolution of the reasonableness of the current forecast. However, if TURN disagrees, it can access the data regarding the prior authorized amounts and use it in its testimony. It should not however, be required to be included in the IOUs' testimony.

F. Bill Impact Calculations

The IOUs' workshop proposal addressed the following requirement in Ordering Paragraph 6 of D.20-01-002:

> 6. As a compliance item in this docket, Pacific Gas and Electric Company, Southern California Edison Company, Southern California Gas Company, and San Diego Gas & Electric Company shall develop bill impact calculations for residential customers in the applicant's service territory, differentiated by usage in each climate zone, or other means as may be directed by the Commission or by the Director of the Energy Division, to be included in every future GRC application. The utilities shall present their standardized calculations for discussion at the workshop or workshops facilitated by the Energy Division, in consultation with the Safety and Enforcement Division, as needed, pursuant to Ordering Paragraph 5 of this decision.

At the workshop, Energy Division staff requested to label the bill impact tables to clarify they refer to bundled customers, provide a version for all-electric customers, and provide a map of the baseline areas so that a customer could visually identify which climate zone applies to them. The IOUs agree that these would be constructive improvements and will implement these changes.

TURN proposed two additional changes to the IOUs' presentation regarding bill impacts calculations at the workshop, which it further addressed in its comments. It also added a third proposal, which was not raised at the workshop.

First, TURN suggests the IOUs present all of the proposed bill impacts on a service territory-wide basis in addition to climate zone.[11] It asserts that this type of information would facilitate comparison between rate cases and among the utilities " and simplify mass-market communications with utility customers whether from the Commission or other stakeholders."

The IOUs agree with this proposal.

Second, TURN asserted during the workshop that the plain meaning of D.20-01-002 requires ongoing monitoring of the long-term impacts of capital investments on customer rates and proposed that the IOUs model bill impacts for the first 10 years, followed by providing a calculation for every 5-10 years after the first 10 years. In its written comments TURN moderated its position compared to what was stated at the workshop and proposed that the IOUs "provide at least 10 years of annual revenue requirement impacts from its proposed GRC capital spending"[12] to provide better visibility into the long-term impact of the IOUs' capital spending, but did not specifically request more than 10 years, stating that TURN may advocate a longer time period in the future.

Contrary to its assertions about the plain meaning of D.20-01-002, TURN's request is not supported by any Commission decision or guidance. TURN's written comments provide a citation to a section of D.20-01-002 that discusses formula-based attrition year revenue requirements and concerns about such an approach to cost escalation putting capital expenditures on "autopilot."[13] This is a separate topic that was covered in Rate Case Plan Workshop 1. The discussion of incorporating standardized bill impact calculations into every GRC application in D.20-01-002 does not support TURN's request.[14]

In addition, TURN's request would place a significant burden on the IOUs to provide information that would be inaccurate and of dubious value. Providing calculations beyond the

[11] TURN, Appendix B, p. 5.

[12] TURN, Appendix B, p. 6.

[13] TURN, Appendix B, p. 6, citing D.20-01-002, p. 64.

[14] D.20-01-002, pp. 67, 70, 78, 79

attrition years of a GRC application would involve providing information that is not informed by changes to customer and sales forecasts and revenue requirements. These calculations would be incomplete and would provide customers with inaccurate information.[15] The IOUs believe that, with the changes proposed by Energy Division and TURN that the IOUs have agreed to, the IOUs will follow a robust approach that fulfills the Commission's requirements by providing standardized bill impact calculations for residential customers, by climate zone annually and seasonally and on a service-territory-wide basis, with supporting maps, for CARE and non-CARE customers, for basic baseline customers and all-electric customers, and for all attrition years.

Finally, TURN's comments address an additional issue regarding bill impact calculations that was ***not*** part of Workshop 2 and is ***not*** a topic identified for workshops in the RCP decision. TURN states that Energy Division's preliminary – but not final – agenda for Workshop 2 included a subject of whether the IOUs should submit bill impacts "showing the cumulative effect of the GRC rate change request with all other pending rate change requests."[16] This was not on the final agenda for the workshop and there was no discussion of this topic.

Aggregating outstanding rate increases for the purpose of determining rates or rate affordability is not in the scope of these workshops. That issue is better examined by the Commission as part of the OIR *to Establish a Framework and Processes for Assessing the Affordability of Utility Service*, R. 18-07-006. The Decision in Phase 1 of that proceeding, D.20-07-032, notes (1) several parties and Commission staff desired a framework to comprehensively analyze the cumulative impact of rate requests across proceedings, (2) a rate and bill tracker tool is under development that will facilitate tracking of costs, rates, and bill impacts and may meet

[15] In some proceedings outside of the GRC, some utilities have in the past provided revenue requirements for a longer duration because revenue requirements for these projects were independent of the GRC term at the onset. However, once the revenue requirement associated with the projects are incorporated into a subsequent GRC application, the revenue requirements presented for these projects are limited to the duration of GRC term. TURN's proposal would necessitate a revenue requirement projection far beyond the term of a GRC cycle.

[16] TURN, Appendix B, p. 6.

the aforementioned desire, and (3) unresolved issues about how that rate and bill tracker tool will be used will likely be addressed in a further phase of the Affordability proceeding.[17] Additionally, any such cumulative impact showing in the GRC Phase 1 filing could quickly be overcome by events, unlike the aforementioned rate and bill tracker tool as requested by Energy Division. The IOUs do not believe the Commission should include the issue in this workshop as it does not appear ripe for implementation or intended by the Commission to be addressed in these workshops.

III. CONCLUSION

The IOUs appreciate this opportunity to present in Workshop 2 and to provide written comments. The IOUs look forward to further discussions with the parties regarding efficiencies that can be achieved in the GRC proceedings.

Respectfully Submitted on behalf of the Investor-Owned Utilities,

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Attorneys for
PACIFIC GAS AND ELECTRIC COMPANY

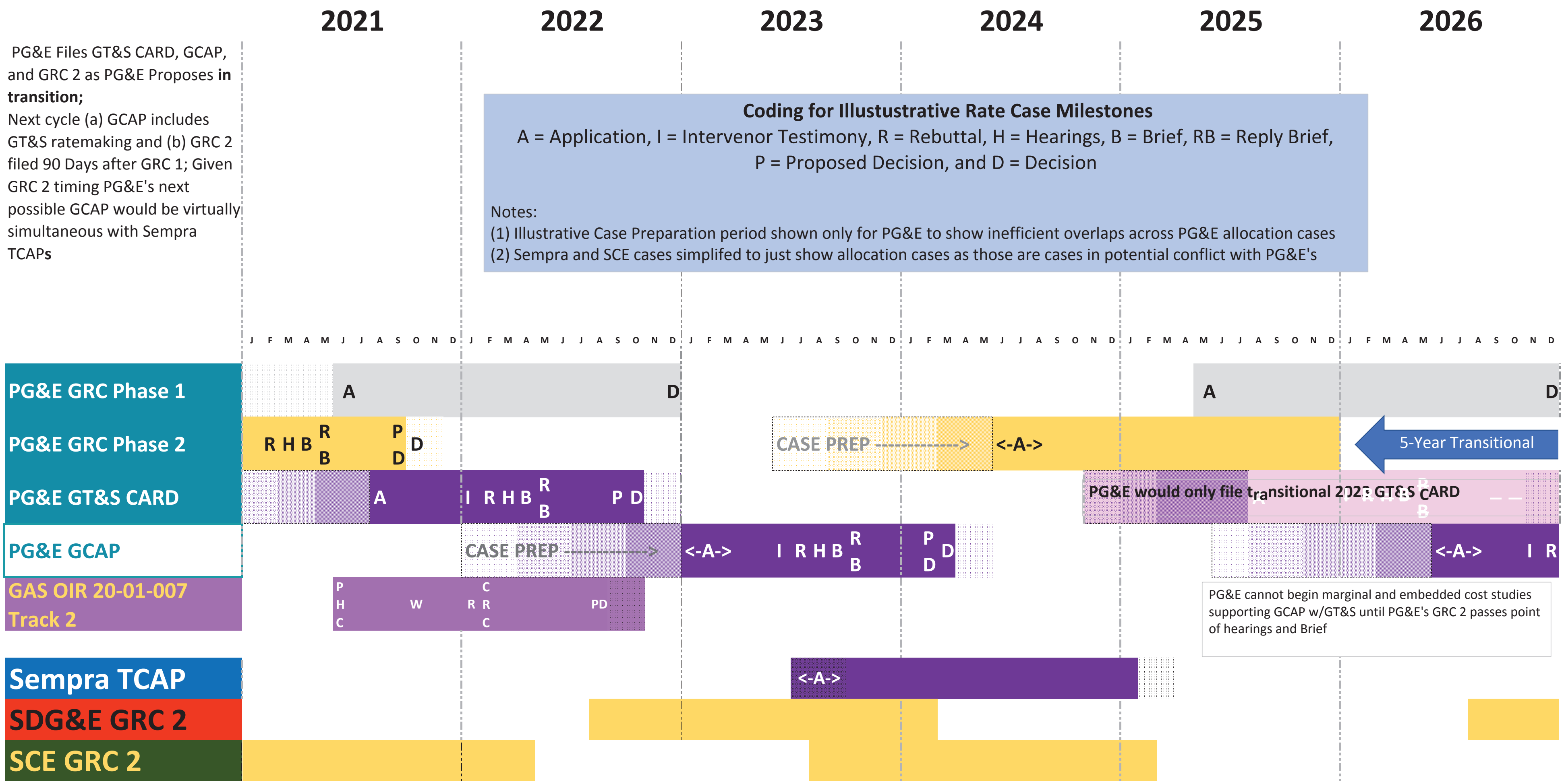
Dated: October 30, 2020

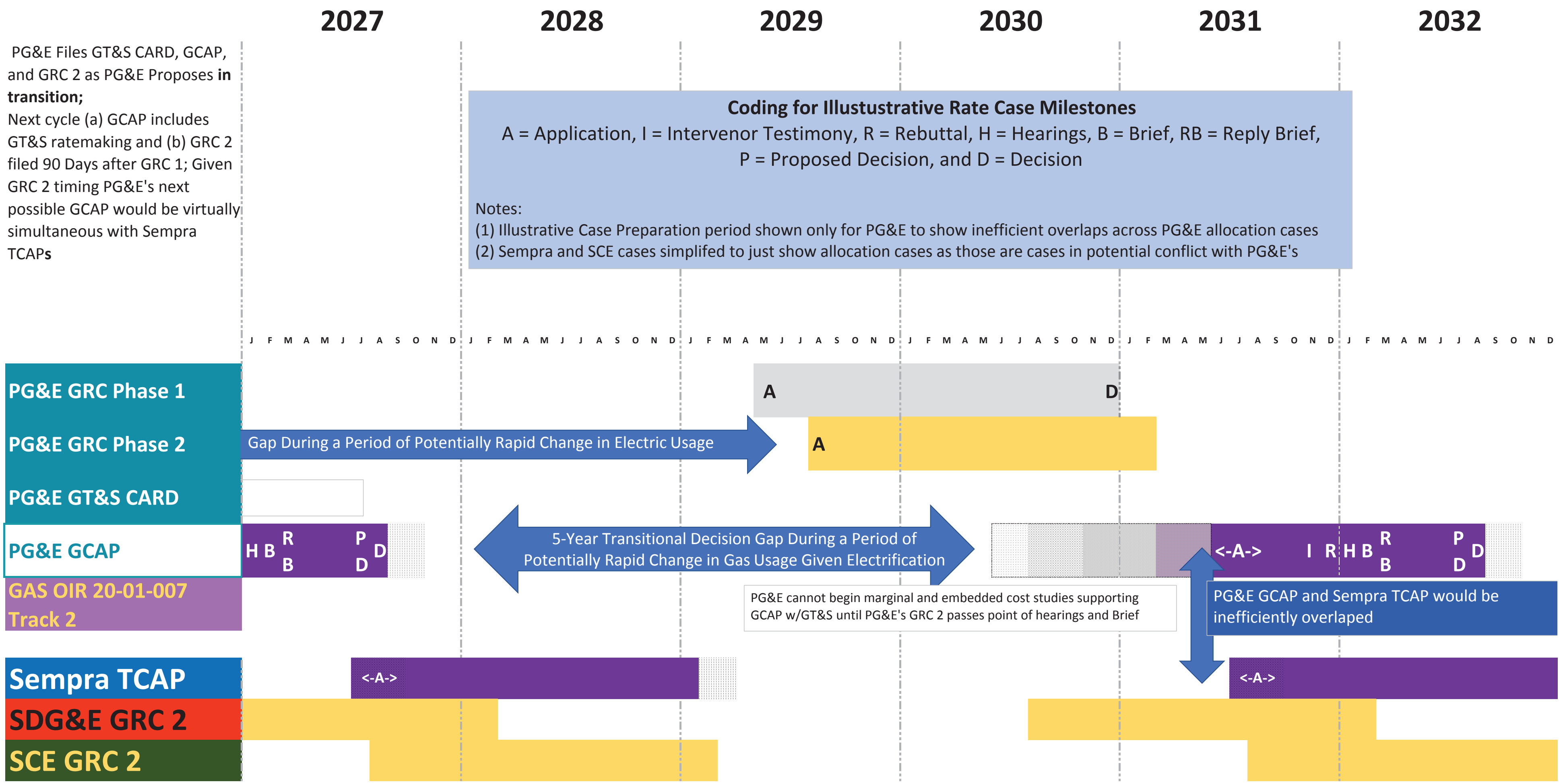
[17] D.20.07-032, pp. 70-74. Cal Advocates filed a motion to amend the scope of the June 9, 2020 scoping memo issued in the Affordability proceeding to ensure that the second phase of that proceeding will consider how the rate and bill tracker tool can be used for ongoing support of Commission work. The Third Amended Scoping Memo and Ruling issued on October 21, 2020 in R.18-07-006 adopts the issue requested by Cal Advocates.

PACIFIC GAS AND ELECTRIC COMPANY

ATTACHMENT 1

Attachment 1: Alternative Scenario where Near-Term IOU Proposals are Adopted but Long-Term IOU Proposals are Not Adopted





2027
2028
2029
2030
2031
2032
PG&E Files GT&S CARD, GCAP, and GRC 2 as PG&E Proposes in transition;
Next cycle (a) GCAP includes GT&S ratemaking and (b) GRC 2 filed 90 Days after GRC 1; Given GRC 2 timing PG&E's next possible GCAP would be virtually simultaneous with Sempra TCAPs
Coding for Illustustrative Rate Case Milestones
A = Application, I = Intervenor Testimony, R = Rebuttal, H = Hearings, B = Brief, RB = Reply Brief,
P = Proposed Decision, and D = Decision
Notes:
(1) Illustrative Case Preparation period shown only for PG&E to show inefficient overlaps across PG&E allocation cases
(2) Sempra and SCE cases simplifed to just show allocation cases as those are cases in potential conflict with PG&E's
J F M A M J J A S O N D J F M A M J J A S O N D J F M A M J J A S O N D J F M A M J J A S O N D J F M A M J J A S O N D J F M A M J J A S O N D
PG&E GRC Phase 1
A
D
PG&E GRC Phase 2
Gap During a Period of Potentially Rapid Change in Electric Usage
A
PG&E GT&S CARD
PG&E GCAP
H B
R
B
P
D
D
5-Year Transitional Decision Gap During a Period of Potentially Rapid Change in Gas Usage Given Electrification
<-A->
I
R
H B
R
B
P
D
D
GAS OIR 20-01-007 Track 2
PG&E cannot begin marginal and embedded cost studies supporting GCAP w/GT&S until PG&E's GRC 2 passes point of hearings and Brief
PG&E GCAP and Sempra TCAP would be inefficiently overlaped
Sempra TCAP
<-A->
<-A->
SDG&E GRC 2
SCE GRC 2