

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

Application of Pacific Gas and Electric
Company for Authority, Among Other Things,
to Increase Rates and Charges for Electric and
Gas Service Effective on January 1, 2011.

(U 39 M)

Application 09-12-020
(Filed December 21, 2009)

**MOTION OF PACIFIC GAS AND ELECTRIC COMPANY
REQUESTING ORDER MAKING NEW REVENUE
REQUIREMENTS FOR GAS AND ELECTRIC SERVICE
EFFECTIVE JANUARY 1, 2011**

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Dated: August 6, 2010

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I. INTRODUCTION AND SUMMARY OF RELIEF SOUGHT

Pursuant to Rule 11.1 of the Commission's Rules of Practice and Procedure, Pacific Gas and Electric Company (PG&E) files this motion requesting that the Commission issue an order as expeditiously as possible, but no later than December 31, 2010, making the revenue requirements the Commission will determine in PG&E's 2011 General Rate Case (GRC) effective January 1, 2011, even though the Commission may not issue a final decision on the GRC until sometime after that date.

The Division of Ratepayer Advocates (DRA), The Utility Reform Network (TURN) and Aglet Consumer Alliance (Aglet) have authorized PG&E to state that they have no opposition to the relief requested in this motion.

II. BACKGROUND

The Assigned Commissioner's Ruling and Scoping Memo (Scoping Memo), dated March 5, 2010, established a schedule for this GRC which referenced a December 16, 2010, date for

the issuance of a final decision.^{1/} Through effective management of the proceedings by the assigned ALJ and diligent work by the parties, these evidentiary hearings, while extended, were completed, as stated by the ALJ, "...within a reasonable amount of time."^{2/}

In his Scoping Memo, the Assigned Commissioner stated:

As discussed at the PHC, the Commission has a well-established policy of supporting the resolution of disputed matters through settlement. Settlements can reduce the time and expense of litigation, conserve Commission resources and allow parties to reduce the risks associated with litigation. Parties are encouraged to settle as many issues as possible.^{3/}

PG&E, DRA, Aglet, and TURN ("Joint Parties") and other parties are currently engaged in settlement discussions. In order to allow time for such discussions to continue, Joint Parties sought a revision to the current briefing schedule. On August 4, 2010, ALJ Fukutome granted Joint Parties' request, which extends the date for the filing of the opening briefs to August 26, 2010, and the date for reply briefs to September 20, 2010.^{4/}

In light of these revisions to the schedule, it is possible that the Commission will not issue a final decision establishing new GRC-related revenue requirements this year. Consequently, PG&E seeks an order from the Commission, consistent with prior decisions, making any increase or decrease to the revenue requirements effective January 1, 2011, even if a Commission decision on the case is issued after that date.

^{1/} The Schedule attached to the Scoping Memo called for a final decision to be issued by the Commission on December 16, 2010. (Scoping Memo, Appendix A).

^{2/} Tr: Vol. 29, 3864:22-24. One remaining DRA witness, unavailable for his original scheduled appearance, was presented on July 22, at which time hearings were recessed until the commencement of update hearings. Tr: Vol. 30, 3906:25 to 3907:1.

^{3/} Scoping Memo, p. 6, fn. 6.

^{4/} The Scoping Memo provides that the assigned Commissioner or Administrative Law Judge "may modify the schedule as needed." (Scoping Memo, p. 5).

III. THE COMMISSION HAS GRANTED INTERIM REVENUE REQUIREMENT RELIEF TO PROTECT BOTH RATEPAYERS AND SHAREHOLDERS IN PG&E'S PREVIOUS GRCS

In PG&E's 2007 GRC, the Commission granted interim revenue requirement relief, explaining:

Here, the time consumed by the parties' good faith settlement efforts has made it unlikely that a decision that determines PG&E's 2007 test year GRC revenue requirement can be issued in time to implement the adopted revenue requirement on January 1, 2007, as requested by PG&E in A.05-12-002 and contemplated by the assigned Commissioner's Ruling and Scoping Memo. Given these circumstances, we conclude that it is reasonable to grant PG&E's unopposed motion to make its 2007 test-year GRC revenue requirement ultimately adopted by the Commission effective on January 1, 2007, in the event the Commission issues a final decision adopting the revenue requirement after that date. The adopted revenue requirement ultimately adopted by the Commission may include interest, as necessary, to keep PG&E, its ratepayers, and other affected parties indifferent to the timing of the Commission's final decision.^{5/}

In PG&E's 2003 GRC, the Commission also granted PG&E's request for interim revenue requirement relief, stating "it is fair and appropriate to approve revenue requirement relief that leaves shareholders and ratepayers essentially indifferent to the actual date of the GRC decision that authorizes PG&E's TY 2003 revenue requirements."^{6/} In this case, the Joint Parties' attempts to resolve this large and complex case through settlement and the resulting extension of the briefing schedule warrant a determination making any change in the GRC-related revenue requirement – whether up or down – effective January 1, 2011.^{7/}

^{5/} D.06-10-033, *mimeo*, pp. 3-4, footnote omitted.

^{6/} D.02-12-073, *mimeo*, p. 7.

^{7/} PG&E is not asking the Commission to prejudge any settlement which may be achieved or to opine on PG&E's GRC revenue requirement, but rather to establish a January 1, 2011 effective date for whatever revenue requirement the Commission ultimately determines is just and reasonable.

IV. THE COMMISSION SHOULD ISSUE A DECISION BEFORE THE END OF 2010 THAT MAKES ANY CHANGES IN PG&E'S REVENUE REQUIREMENT RESULTING FROM THIS GRC EFFECTIVE JANUARY 1, 2011

For PG&E and its customers to remain indifferent to the timing of the final decision in this GRC, any revenue changes must be made effective January 1, 2011. In addition, the decision authorizing the January 1, 2011, effective date of any increase or decrease must be issued prior to the end of 2010 to avoid potential claims of retroactive ratemaking.

V. CONCLUSION

For the foregoing reasons, PG&E respectfully requests that the Commission issue an order on or before December 31, 2010, directing that PG&E's GRC revenue requirement for the 2011 test year, as determined in this proceeding, shall be effective as of January 1, 2011, even if the Commission issues a final decision in this proceeding after that date.

Respectfully Submitted,

PATRICK G. GOLDEN

By: _____ /s/
PATRICK G. GOLDEN

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Dated: August 6, 2010.

Attorney for
PACIFIC GAS AND ELECTRIC COMPANY

CERTIFICATE OF SERVICE

I, the undersigned, state that I am a citizen of the United States and am employed in the City and County of San Francisco; that I am over the age of eighteen (18) years and not a party to the within cause; and that my business address is 77 Beale Street, San Francisco, California 94105

On August 6, 2010, I served a true copy of:

**MOTION OF PACIFIC GAS AND ELECTRIC COMPANY REQUESTING ORDER
MAKING NEW REVENUE REQUIREMENTS FOR GAS AND ELECTRIC SERVICE
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- [XX] By Electronic Mail – serving the enclosed via e-mail transmission to each of the parties listed on the official service list for A.09-12-020 with an e-mail address.
- [XX] By U.S. Mail – by placing the enclosed for collection and mailing, in the course of ordinary business practice, with other correspondence of Pacific Gas and Electric Company, enclosed in a sealed envelope, with postage fully prepaid, addressed to those parties listed on the official service list for A.09-12-020 without an e-mail address.

I certify and declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on this 6th day of August, 2010, at San Francisco, California.

/s/

MARTIE L. WAY