

12/5/2011 L. Jan Reid

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Integrate and Refine Procurement Policies and Consider Long-Term Procurement Plans.

Rulemaking 10-05-006
(Filed May 6, 2010)

**REPLY COMMENTS OF L. JAN REID
ON PROPOSED DECISION OF ALJ ALLEN**

December 5, 2011

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I. Overview

Pursuant to Rule 14.3 of the Commission's Rules of Practice and Procedure, L. Jan Reid (Reid) submits these reply comments on the proposed decision (PD) of Administrative Law Judge (ALJ) Peter Allen in Track II of Rulemaking (R.) 10-05-006 concerning the bundled procurement plans of the Investor Owned Utilities (IOUs)¹ in Rulemaking (R.) 10-05-006. (Agenda ID #10827) Chief ALJ Karen Clopton mailed the PD on November 10, 2011. Reply comments are due Monday, December 5, 2011. I will file this pleading electronically on the due date, intending that it be timely filed.

I urge the Commission to do the following:

1. Do not accept PG&E's suggestion that the Commission reject all outstanding intervenor proposals.
2. Order PG&E to distribute meeting summaries to its Procurement Review Group (PRG) members for their review and comment 48 hours in advance of PG&E's next regularly scheduled monthly PRG meeting.

II. Recommendations

I have relied on state law and past Commission decisions in developing recommendations concerning the bundled procurement plans of the IOUs.

I recommend the following:²

1. The Commission should not summarily reject all outstanding intervenor proposals as recommended by PG&E. (pp. 2-3)

¹ The IOUs in this proceeding are Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), and San Diego Gas & Electric Company (SDG&E).

² Citations for these recommendations and proposed findings are given in parentheses at the end of each recommendation and finding.

2. The Commission should order PG&E to distribute meeting summaries to its Procurement Review Group (PRG) members for their review and comment 48 hours in advance of PG&E's next regularly scheduled monthly PRG meeting. (pp. 3-4)

My recommendations are based on the following proposed findings:

1. The PD does not state that the PD resolves all issues in Track II of the instant rulemaking. (pp. 2-3)
2. There were a number of issues that were not addressed in this PD, and some issues have been raised in all tracks of the instant rulemaking. . (pp. 2-3)
3. The Commission may issue a future decision that resolves additional Track II issues. . (pp. 2-3)
4. Reid and PG&E agree that meeting summaries should be distributed to PRG members for their review and comment 48 hours in advance of the next regularly scheduled monthly PRG meeting. (pp. 2-3)

III. Rejection of Intervenor Proposals

PG&E recommends that "the PD should be clarified to state that unless otherwise expressly adopted, proposals made by intervenors to modify the utilities' bundled procurement plans are rejected." (PG&E Comments, p. 2) As explained below, the Commission should not summarily reject all outstanding intervenor proposals as recommended by PG&E.

The PD does not state that the PD resolves all issues in Track II of the instant rulemaking. To the contrary, the PD states that "Because this decision largely follows existing policies rather than make new policies, the scope of this decision is relatively narrow." (PD, p. 4) There were a number of issues that were not addressed in this decision, and some issues have been raised in all tracks of the instant rulemaking. I hope that the Commission issues a future decision that resolves additional Track II issues.

Issues that were not addressed include:

- Pacific Environment proposed that the Commission contract directly with Independent Evaluators, and that the utilities be required to file all transactions for Commission approval by advice letter.
- Women's Energy Matters (WEM) proposed shutting down all nuclear power plants in California. Reid, WEM, PG&E, and SCE also filed testimony on this issue in Tracks I and III (combined) of this rulemaking.
- Reid suggested a number of modifications to the risk management portion of PG&E's plan. (See Exhibit 1301-C, pp. 3-7)
- Reid recommended that the IOUs be required to provide meeting summaries to its Procurement Review Group (PRG) members within 30 days of a PRG meeting. (Exhibit 1300, p. 13) PG&E responded to Reid's proposal by recommending that "meeting summaries be distributed to PRG members for their review and comment 48 hours in advance of the next regularly scheduled monthly meeting." (Exhibit 103, p. I-1)

For the reasons given above, I recommend that the Commission should not summarily reject all outstanding intervenor proposals as recommended by PG&E.

IV. Meeting Summaries

As mentioned in Section III, Reid recommended that the IOUs be required to provide meeting summaries to their PRG members within 30 days of a PRG meeting. Reid's recommendation was supported conceptually by PG&E, but opposed by SCE.

PG&E recommended that "meeting summaries be distributed to PRG members for their review and comment 48 hours in advance of the next regularly scheduled monthly meeting." (Exhibit 103, p. I-1) In Tracks I and III (combined),

Reid accepted PG&E's compromise proposal. (Reply Brief of L. Jan Reid on Track I and Track III issues, October 3, 2011, p. 8) This issue was addressed by three parties: Reid, PG&E, and SCE.

The Commission should resolve this issue by considering two important facts:

1. Reid has no economic interest in the rates charged by SCE or by SDG&E. (Exhibit 1300, p. 1)
2. Reid and PG&E agree that meeting summaries should be distributed to PRG members for their review and comment 48 hours in advance of the next regularly scheduled monthly PRG meeting.

Therefore, the Commission should order PG&E to distribute meeting summaries to PRG members for their review and comment 48 hours in advance of PG&E's next regularly scheduled monthly PRG meeting.

V. Conclusion

The Commission should accept Reid's recommendations for the reasons given herein.

* * *

Dated December 5, 2011, at Santa Cruz, California.

/s/
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VERIFICATION

I, L. Jan Reid, make this verification on my behalf. The statements in the foregoing document are true to the best of my knowledge, except for those matters that are stated on information and belief, and as to those matters I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct.

Dated December 5, 2011, at Santa Cruz, California.

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