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December 13, 2011

The Honorable Michael R. Peevey  
State of California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, CA 94102

RE: A.10-03-014, TURN/PG&amp;E Response to WMA Reply Comments on GRC Phase 2

Dear President Peevey:

TURN and PG&E address here two new arguments presented in WMA's December 12, 2011 Reply Comments on master meter mobile home park (MM MHP) discount issues in A.10-03-014. In seeking a last minute delay, WMA makes misrepresentations and feigns confusion, in the face of an already robust record on MMMHP issues. That record provides strong support for the PD, which the CPUC should vote out on December 15.

In a surprising last ditch effort, just days before the decision conference, WMA suddenly seeks to "bifurcate" the case claiming the MMMHP issue "is so esoteric and unfamiliar to many of the participants that it may require additional scrutiny to resolve." There is no need at this late moment to segregate these issues and cause the long-pending Phase 2 proceeding to continue on any further. The parties have created a voluminous record, engaged in two full days of rigorous hearings, and filed over 150 pages of briefs just on the MMMHP issue. The ALJ carefully scrutinized this record and devoted a full 18 pages of the PD to the MMMHP discount. There is no requirement that the PD address each and every one of WMA's arguments. Clearly, the participants understand the issues. There is no mystery here. Having failed to convince the ALJ, WMA is seeking an 11<sup>th</sup> hour stay. But doing so would be unwise as it will lead to even more precious resources being spent on this issue, with no assurance that WMA will ever be satisfied. Worse still, bifurcation would force all other ratepayers to continue to fund a discount that has remained higher than avoided costs for too long, and is far higher than SCE's and SDG&E's. Put differently, delay would raise all total rate levels paid by residential Schedule E-1 Tier 3 and Tier 4 customers, as well as all non-residential total rates. Enough is enough – WMA's penchant to fight and re-fight the same battles should not be further indulged. The CPUC should bring this issue to a conclusion now and support the PD.

The CPUC can also lay to rest the claim in WMA's reply that multifamily costs somehow "can't be used for MMMHPs" because "Decision 04-11-033 specifically prohibited subclass customer costs from being used as proxy costs." This assertion is simply not supported by FOFs 33, 40 and COL 11 of that decision, which expressly contemplate *different* costs as between MMMHPs

versus residential ratepayers as a whole. In fact, PG&E and SCE have repeatedly used multifamily costs to calculate the MMMHP discount, rather than the residential class average costs to which WMA now wishes to switch. (*See* citations in PG&E's October 7 Reply Brief, pp. 8–11) As the PD notes, the length of service lines for MMMHPs best match those of multifamily units, both averaging about 12 feet long, in contrast with 55 feet for single family units (yet the latter comprises 85% of the overall residential class, skewing the results too high).

Finally, WMA's newest claim -- that PG&E could "never update" the PD's adopted multifamily-based discount calculation -- is not only wrong but constitutes an improper extra-record assertion. WMA's Reply at page 3 quotes PG&E out of context; in fact PG&E *did* make such a breakout of multifamily costs in its 2003, 2007 and 2011 GRCs. (*see* Exh. 106, p. WP1-9.)

The PD's conclusions are sound, well supported, and should now be adopted as scheduled on December 15, 2011.

Sincerely,

Pacific Gas and Electric Company

The Utility Reform Network

/s/  
Gail L. Slocum

/s/  
Matthew Freedman

GLS/as

cc: *Commissioner Timothy A. Simon*  
*Commissioner Michel P. Florio*  
*Commissioner Catherine JK Sandoval*  
*Commissioner Mark J. Ferron*  
*Administrative Law Judge Thomas Pulsifer*  
*All Parties of Record in A.10-03-014*