

**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, 2014 (U 39 M).

Application 12-11-009
(Filed November 15, 2012)

PROTEST OF THE GREENLINING INSTITUTE

THE GREENLINING INSTITUTE
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Introduction

Pursuant to Rule 2.6 of the California Public Utilities Commission's (Commission) Rules of Practice and Procedure, the Greenlining Institute (Greenlining) hereby submits this protest in the above-captioned proceeding, the Application of Pacific Gas and Electric Company (PG&E) for Authority, Among Other Things, to Increase Rates and Charges for Electric and Gas Service Effective on January 1, 2014 (Application, General Rate Case, or GRC). Notice of the filing of the application first appeared in the Commission's Daily Calendar on November 16, 2012; accordingly, this protest is timely filed. (*See* Rule 2.6(a)).

Greenlining continues to review the application to uncover specific issues and concerns. However, at this stage, Greenlining makes the following observations.

The company is at a crossroads. It recognizes it needs to regain trust, and it must demonstrate to the Commission, parties to this proceeding, and the public how it intends to do so. PG&E must affirmatively prove to the Commission that it can provide safe and reliable service. But it also must show that it can repair and cultivate, over time, its relationship with the communities it serves.

PG&E has already taken key steps in this regard. PG&E is the first utility in California to offer billing in Spanish and Chinese, the two most frequently spoken non-English languages in

its service territory. This is a monumental step toward fully engaging the rich diversity of California's communities. Additionally, its focus on improving quality of service for small businesses will help to ensure California's economic growth in all sectors. Many of the goals set forth by PG&E in the instant application are shared goals of the communities it serves – more accessible, expansive, and higher quality service, particularly in the area of customer service. Through participation in this proceeding, we hope to clarify the specifics of how these shared goals will be achieved, and identify ways the community served can be of assistance and partnership in the achievement of these goals.

I. PG&E Must Demonstrate, and the Commission Must Critically Review, the Quality of PG&E's Proposed Investments

The Commission must scrutinize not just the quantity but the quality of the investments PG&E proposes in this application. In order to grant PG&E's request, the Commission must not only find that the investments come at a reasonable price, which will be amply debated over the course of the proceeding. It must also find that the investments achieve the reputational and cultural gains PG&E needs to make at this time. The Commission must closely scrutinize PG&E's showing with regard to the quality of its investment, and PG&E must provide sufficient support for any and all of its requests. Greenlining submits that PG&E's application in its present state does not sufficiently support its request, and thus must be denied unless and until an appropriate showing has been made.

At this time, Greenlining offers the following observations on some of the issues on which it intends to engage in this proceeding. The issues included here are not meant to be exclusive, and Greenlining reserves the right to engage on other issues of relevance to its constituency, as the need arises. The analysis presented here is, needless to say, incomplete at

this early stage. Greenlining intends to conduct discovery and engage in direct dialogue with PG&E to seek answers to these and other key questions.

A. Will Our Communities Benefit from the Work Being Proposed?

PG&E requests funds for a significant amount of construction work during the GRC cycle, and has justified its related funding requests in part by estimating the jobs that will be created.¹ It appears that PG&E is suggesting jobs as a benefit of its investments. However, more information about these jobs is needed to accurately measure the benefit. Assuming that its estimates are accurate, who will get these jobs? Will they pay good wages and offer good benefits? Will they be temporary stints or a foot in the door to a family-supporting career with the potential for upward mobility? PG&E's application does not yet address these critical questions.

B. How Does the Quality of In-Language Service Compare to the Quality of Service in English?

The Commission must ensure that PG&E's investments designed to build customer satisfaction are of benefit to all customers in its service territory. For example, PG&E indicates it will substantially increase its customer service representatives, to 145 FTE, with a focus on representatives serving small and medium-sized business customers.² Greenlining is supportive of these efforts. To ensure that they are successful, PG&E should assess how service quality for non-English speaking customers compares to the service quality for English speaking customers. It will also be important to clarify whether PG&E is basing its customer service personnel needs on the results of such an assessment. Other specific questions to address include:

- Does PG&E plan to add bilingual staff in this expansion?

¹ See "Economic Impact of PG&E Proposed Generation, Distribution & Related Infrastructure Investments," Attachment 5A to Exhibit PG&E-1, Summary of PG&E's 2014 General Rate Case.

² Exhibit PG&E-5, Customer Care, p. 1-13.

- Are bilingual staff able to answer questions from small business customers as well as residential?
- Will personnel in the field be able to respond to inquiries from customers who do not speak English?

As mentioned above, PG&E has already taken great strides to increase engagement of non-English proficient customers. This proceeding is an ideal opportunity to continue on this path, and Greenlining is confident that if done the right way, these investments will pay off greatly.

C. Is Our Customer Satisfaction Measured and Rewarded?

PG&E seeks revenues for its Short Term Incentive Program, or STIP. The Commission must examine STIP, to ensure that it properly encourages conduct that is of benefit to ratepayers. For example, customer satisfaction counts for 30% of STIP.³ How is it measured? Which customers are surveyed, and how? Are surveys conducted in languages other than English, and if so, how are those results factored into STIP or any other company operations?

D. How Do Concerns from Our Communities Translate into Action by PG&E?

PG&E discusses several means by which it intends to receive and act on feedback from sources that were previously underutilized. It has established Customer Advisory Panels, attended by officers, to receive feedback directly from customers, and asserts that it is putting that feedback into action. What was the feedback, and what actions are being taken? PG&E has also established two safety-related committees, the Chairman's Safety Review Committee and the Executive Safety Steering Committee. Through the course of the proceeding, Greenlining will seek clarification on how these committees receive information from the "boots on the

³ Exhibit PG&E-1, Summary, p. 1-4.

ground,” to ensure they are incorporating feedback from all levels of the company, as well as its customer base.

E. How Will PG&E Help Struggling Customers?

While it is important to acknowledge PG&E’s recognition that it must, and will, do right by its customers, it also estimates 270,000 disconnections for nonpayment in 2014 alone, done remotely via smart meters.⁴ However, PG&E’s application lacks specifics on how it plans to continue helping struggling customers reduce disconnections once the current protections are (presumably) lifted.⁵ PG&E must affirmatively and specifically demonstrate how it plans to help vulnerable customers after the present protections are lifted. Otherwise, customers are likely to interpret that remote disconnections could be used as a revenue generation tool. Of course, this is not the interpretation intended by the Commission or PG&E. However, PG&E must do more if its assertions are to elicit the intended interpretation by its customers.

II. Procedural Issues.

A. The Effect of the Application on the Protestants.

Greenlining is a policy, organizing, and leadership institute working for racial and economic justice. Greenlining’s by-laws authorize it to represent the interests of low income communities, minorities and residential ratepayers, including users of electricity and energy services. Greenlining’s by-laws also authorize it to represent the interests of small businesses, including their interest in affordable energy. The proposals in this Application would likely

⁴ Exhibit PG&E-5, Customer Care, p. 4-31.

⁵ D. 12-03-054, Section 3.9, discussing CARE disconnection benchmarks for each utility and tying the lifting of certain mandatory customer protection measures to successful maintenance of disconnection rates below the stated benchmarks. These protection requirements will lift either December 31, 2012 or after 12 months of CARE disconnection rates below the 5% benchmark.

increase the bills of residential ratepayers and of small businesses, but they could also be of great benefit to the communities PG&E serves, if they are structured and executed the right way.

B. Proposed Category.

Greenlining agrees with PG&E's determination that this proceeding should be categorized as ratesetting.⁶

C. Need for Hearing.

Greenlining agrees that an evidentiary hearing is required.

D. Issues to Be Considered.

As discussed briefly above, Greenlining has identified several issues to be considered related to PG&E's proposals. However, given the size of the application and supportive materials, Greenlining's position is still under development as it conducts discovery and engages in direct conversations with PG&E and other stakeholders.

E. The Proposed Schedule.

Given the volume of material to be considered in any General Rate Case, and given the new CPSD component of the analysis to be considered in this case, Greenlining submits that the schedule proposed by PG&E⁷ is unrealistically aggressive. Greenlining anticipates a robust discussion of how to reasonably accommodate the volume of a GRC at the upcoming Prehearing Conference.

Conclusion

PG&E has been a part of Northern and Central California communities for generations. It may be facing difficult times right now, but the challenges we face together in the years will

⁶ Application, p. 18.

⁷ Application, p. 22.

also be formidable. California is aggressively remaking its energy system, its building stock, its transportation systems, and other critical infrastructure components in order to remain competitive and secure in the 21st century. Our communities are struggling to rebuild ourselves in the ebbing of a recession that ravaged our businesses and families. And we must make up for lost time in the race to overcome climate change. These are the goals that PG&E and California's communities must work toward together, and the programs included in this GRC are among the many potential solutions. But how will they actually work in practice? And will they achieve the intended results? These questions must be asked critically and answered thoroughly before the Commission can consider approving PG&E's request.

Greenlining remains, however, optimistic that positive results and genuine working solutions will arise from this proceeding and the proposals contained in it. What PG&E wants in this proceeding is also what our communities want – safe, reliable, responsive, affordable energy service that provides access to modern energy technologies in a way that meets individual customer needs. This rate case presents an opportunity to take further steps down this same path, and capitalizing on those opportunities will be the focus of Greenlining's advocacy herein. We are confident that this rate case will result in not just a bare assessment of costs and bill impacts, but a nuanced understanding of the investments being made – in customers and in communities – through the proposals discussed in it.

Respectfully submitted,

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