

From: Zafar, Marzia
Sent: 9/16/2013 7:55:31 PM
To: Allen, Meredith (/O=PG&E/OU=Corporate/cn=Recipients/cn=MEAe); dhaval.dagli@sce.com (dhaval.dagli@sce.com); Zafar, Marzia (marzia.zafar@cpuc.ca.gov)
Cc: Affonsa, Deborah (/O=PG&E/OU=CORPORATE/CN=RECIPIENTS/CN=DTA31); BPrusnek@semprautilities.com (BPrusnek@semprautilities.com); Ralff Douglas, Kristin (kristin.ralffdouglas@cpuc.ca.gov); JEekhout@semprautilities.com (JEekhout@semprautilities.com); Michael.Hoover@sce.com (Michael.Hoover@sce.com); Reilly, Brooke A (/O=PG&E/OU=Corporate/cn=Recipients/cn=BARI1); Janos.Kakuk@sce.com (Janos.Kakuk@sce.com); anna.ching@sce.com (anna.ching@sce.com)
Bcc:
Subject: RE: October 8th UBMOTF.pptx

Hey guys,
I cannot thank you enough. This is great. I am not sure we need slide 3 anymore. I love slide 6. Kristen and I will discuss tomorrow and send you guys the finished product. Thanks again very much.

Marzia

Sent from my Verizon Wireless 4G LTE Smartphone

----- Original message -----

From: "Allen, Meredith" <MEAe@pge.com>
Date: 09/16/2013 7:17 PM (GMT-08:00)
To: "'Dhaval.Dagli@sce.com'" <Dhaval.Dagli@sce.com>,"Zafar, Marzia" <marzia.zafar@cpuc.ca.gov>
Cc: "Prusnek, Brian C" <BPrusnek@semprautilities.com>,"Affonsa, Deborah" <DTA3@pge.com>,"Eekhout, Juancho" <JEekhout@semprautilities.com>,"Ralff Douglas, Kristin" <kristin.ralffdouglas@cpuc.ca.gov>,michael.hoover@sce.com,Janos.Kakuk@sce.com,Anna.Chi Brooke A" <BARI@pge.com>
Subject: RE: October 8th UBMOTF.pptx

Attached are PG&E's recommendations for the presentation. We have included slides from the original presentation, SCE's slides and a couple of additional slides. In regard to slide 3, we agree with SCE that the last columns should include question marks and should be consolidated into one column or deleted.

Please let us know if you have questions or would like to discuss.

Thanks,
Meredith

-----Original Message-----

From: Dhaval.Dagli@sce.com [mailto:Dhaval.Dagli@sce.com]

Sent: Monday, September 16, 2013 11:42 AM

To: Zafar, Marzia

Cc: Prusnek, Brian C; Affonsa, Deborah; Eekhout, Juancho; Ralff Douglas, Kristin; Allen, Meredith; michael.hoover@sce.com; Janos.Kakuk@sce.com; Anna.Ching@sce.com

Subject: Re: October 8th UBMOTF.pptx

Hi Marzia,

We are offering the following comments on your deck. My apologies for not getting back to you sooner.

Slide 2: Objective and Key Takeaways

SCE recommends that the question "Are we experiencing PURPA all over again?" be removed. We believe that there are too many interpretations of this question, and are not sure of the value in asking the question.

SCE has offered additional questions that you may want to consider asking in this deck. See slide 1 in SCE's deck that is attached below for your reference.

Slides 3/4: Timeline of the Utility Business and Utility Roles Across the Supply Chain

SCE recommends changing the title of slide 3 to "Evolution of the Utility Business" instead of a "Timeline..."

2020 & Beyond: The current slides appear to pre-judge an outcome beyond 2020, whereas as articulated in subsequent slides, there are many potential end-states based on the business model. Depending on the end-state, the post-2020 roles/responsibilities/functions could look very different than what's listed on the slides. For example, regarding generation, slide 3 currently says that the utilities would retain net short procurement responsibility. SCE is not sure that under a "wires and meters operator" business model, the utilities would or should retain this function (at a minimum, it is a topic to be discussed). Similarly, under RPS, the slide says that there will be increased RPS and green tariffs. Once again, in a wires-only model, it is not clear who will serve the load and therefore will have to comply with an increased RPS requirement. Bottomline is that SCE does not agree with this column and would prefer that this column show only question marks.

<2020: SCE has similar comments as above. We think that what's listed here are still guesses, with a number of potential options that might also unfold. Therefore, it might be better to list a series of trends on a separate slide, while showing more question

marks under this column.

Slide 5: Electric Utility Business Models

We strongly prefer removing the Advantages/Disadvantages discussion from this slide because such comments reflect opinions, which we don't necessarily share. Indeed, we believe that the current bullets raise many open questions rather than answer them.

SCE is offering our version of the slides that could be used to contrast the business models if that was the objective (slide 2 and 3 in SCE's attached deck).

Slide 6: Utility Business Models

SCE recommends that the Harvey Balls be clearly labelled as reflecting the level of utility involvement/participation.

SCE does not fully agree with the level of utility involvement in several areas as shown in this slide. For example, it may be premature to assume that the bulk-transmission function continues to be a part of "wires and meters operator" model. Also, it is equally unclear whether a "wires and meters operator" would be able to completely shed any role in commodity supply, customer programs etc., which appears to be an assumption here. Once again, it may be premature to articulate the business models in this format, rather than highlighting the key features of each business model (which is what we have attempted to do in our two slides).

Hope these comments are helpful. Let us know if we need to discuss this matter over the phone. Thanks.

CPUC Deck with SCE Comments/Recommended Edits - ALL SCE EDITS/COMMENTS ARE IN RED (See attached file: October 8th UBMOTF_SCE.pptx)

SCE Slides
(See attached file: SCE_BusinessModels_Questions.pptx)

Regards,

Dhaval Dagli
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Cc: "Ralff Douglas, Kristin" <kristin.ralffdouglas@cpuc.ca.gov>
Date: 09/10/2013 10:18 AM
Subject: October 8th UBMOTF.pptx

Hello,

This is what I would like to send to the 5 Commissioners to get their thoughts jump started for the October 8th en banc. I'm big on prep and I think this is a good and simple prep source for them. Additionally, Kristin is also working on a short briefing paper.

Let me know your thoughts. I would like to say that I have copied Juancho's slides, if that's okay with him. I feel weird saying that these are all my ideas – I wish they were...

Thanks,
Marzia

Marzia Zafar - Director, Policy & Planning Division California Public Utilities Commission | zaf@cpuc.ca.gov | 415-703-1997

(See attached file: October 8th UBMOTF.pptx)

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