

**DIVISION OF RATEPAYER ADVOCATES**  
**A.13-02-023 Energy Resource Recovery Acct 2012-Compliance**  
**DRA Response to PG&E DR #1 (1<sup>st</sup> Partial Response)**

Recipient	Division of Ratepayer Advocates		
PG&E Data Request No.:	PGE_DRA-001		
PG&E File Name:	EnerResourceRecoveryAcct2012-Compliance_DR_PGE_DRA-001/Q1		
Request Date:	September 5, 2013	PG&E Witness:	Redacted
Due Date:	September 12 , 2013	DRA Witness:	Michael Yeo

**Question 1.1**

**Chapter 1 – Executive Summary (Michael Yeo)**

1.1. Should the word “fine” on page 1-6, line 13 be “find”?

DRA Response

Yes, it should be “find”.

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PG&E Data Request No.:	PGE_DRA-001		
PG&E File Name:	EnerResourceRecoveryAcct2010-Compliance_DR_PGE_DRA-001/Q2		
Request Date:	September 5, 2013	PG&E Witness:	Redacted
Due Date:	September 12, 2013	DRA Witness:	Yakov Lasko

**Question 1.2**

**Chapter 2 – PG&E’s Management of Utility-Owned Generation - Nuclear and Hydro (Yakov Lasko)**

1.2. Should the word “three” on page 2-2, line 10 be “two”?

DRA Response

Yes, the correct word should be “two”.

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PG&E File Name:	EnerResourceRecoveryAcct2010-Compliance_DR_PGE_DRA-001/Q3		
Request Date:	September 5, 2013	PG&E Witness:	Redacted
Due Date:	September 12, 2013	DRA Witness:	Yakov Lasko

**Question 1.3**

**Chapter 2 – PG&E’s Management of Utility-Owned Generation - Nuclear and Hydro (Yakov Lasko)**

1.3. On page 2-1, lines 9-11, DRA states that it “reviewed generation outage information, including the underlying factors for certain outages, to ensure that ratepayers do not suffer any economic losses due to unreasonable UOG management errors or emissions.”

- a. In its approach to addressing the prudence of PG&E’s management of its hydro utility-owned generation, did DRA consider the performance of PG&E’s hydro generation portfolio during the 2012 record period?
- b. In its approach to addressing the prudence of PG&E’s management of Diablo Canyon, did DRA consider the performance of Diablo Canyon during the 2012 record period?

DRA Response

- a. DRA is unclear what PG&E means by “consider the performance of PG&E’s hydro generation portfolio.” However, assuming that the word “performance” means the “Forced Outage Factor,” DRA did not consider the performance of PG&E’s hydro generation portfolio of resources during the 2012 record period in determining which individual forced outages should be investigated further.
- b. DRA is unclear what PG&E means by “consider the performance of Diablo Canyon.” Assuming the word “performance” means the “Forced Loss Rate” of Diablo Canyon, DRA did not consider the performance of Diablo Canyon in 2012 in determining which individual forced outages should be investigated further.

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Request Date:	September 5, 2013	PG&E Witness:	Redacted
Due Date:	September 12, 2013	DRA Witness:	YakovLasko/ColinRizzo

**Question 1.10a:**

**Chapter 4 – Qualifying Facility Contract Administration (Colin Rizzo)**

1.10. On page 4-4, DRA recommends that “[c]ompliance audits should occur at least every three years and should focus on whether PG&E is complying with its contractual obligations, prudently administering its contracts, and dispatching energy at the lowest possible cost for ratepayers.”

- a. Describe in detail the type of audit DRA is proposing with regard to compliance with contractual obligations.
  - i. What would the audit include?
  - ii. How would the audit be performed?
  - iii. How in-depth would the audit be (*e.g.*, a sampling of contracts or all contracts).
  - iv. How would the results of the audit be used?
  - v. Would the audit results be filed in an ERRA compliance proceeding or some other proceeding?

DRA Response

- a. Describe in detail the type of audit DRA is proposing with regard to compliance with contractual obligations.
  - i. What would the audit include?  
 The testimony beginning in Chapter 4, page 4 does not list mutually exclusive elements. The goal of the audit is to encompass PG&E’s compliance with its contractual obligations, prudent administration of its contracts, and dispatching energy at the lowest cost for ratepayers
  - ii. How would the audit be performed?  
 The auditor will determine how to perform the audit.
  - iii. How in-depth would the audit be (*e.g.*, a sampling of contracts or all contracts).  
 The auditor will determine the scope of the audit.
  - iv. How would the results of the audit be used?  
 DRA suggests that the results be used to show that PG&E has conformed its conduct to

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comply to its contractual obligations and has taken preventative steps to prevent past misconduct from occurring in the future.

- v.                    Would the audit results be filed in an ERRA compliance proceeding or some other proceeding?

Yes, the audit could be filed in an ERRA compliance proceeding.

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Request Date:	September 5, 2013	PG&E Witness:	Redacted
Due Date:	September 12, 2013	DRA Witness:	YakovLasko/ColinRizzo

**Question 1.10b:**

**Chapter 4 – Qualifying Facility Contract Administration (Colin Rizzo)**

1.10 On page 4-4, DRA recommends that “[c]ompliance audits should occur at least every three years and should focus on whether PG&E is complying with its contractual obligations, prudently administering its contracts, and dispatching energy at the lowest possible cost for ratepayers.”

- b. Describe in detail the type of audit DRA is proposing with regard to prudently administering contracts.
  - i. What would the audit include?
  - ii. How would the audit be performed?
  - iii. How in-depth would the audit be (*e.g.*, a sampling of contracts or all contracts).
  - iv. How would the results of the audit be used?
  - v. Would the audit results be filed in an ERRA compliance proceeding or some other proceeding?

DRA Response

- b. Describe in detail the type of audit DRA is proposing with regard to prudently administering contracts.
  - i. What would the audit include?  
 The testimony beginning in Chapter 4, page 4 does not list mutually exclusive elements. The goal of the audit is to encompass PG&E’s compliance with its contractual obligations, prudent administration of its contracts, and dispatching energy at the lowest cost for ratepayers.
  - ii. How would the audit be performed?  
 The audit would be performed as determined by the auditor performing the audit.
  - iii. How in-depth would the audit be (*e.g.*, a sampling of contracts or all contracts).  
 The scope of the audit is determined by the auditor.
  - iv. How would the results of the audit be used?  
 DRA suggests that the results be used to show that PG&E has conformed its conduct to

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comply to its contractual obligations and has taken preventative steps to prevent past misconduct from occurring in the future.

v. Would the audit results be filed in an ERRA compliance proceeding or some other proceeding?

Yes, the audit could be filed in an ERRA compliance proceeding.

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Request Date:	September 5, 2013	PG&E Witness:	Redacted
Due Date:	September 12, 2013	DRA Witness:	YakovLasko/ColinRizzo

**Question 1.10c:**

**Chapter 4 – Qualifying Facility Contract Administration (Colin Rizzo)**

1.10 On page 4-4, DRA recommends that “[c]ompliance audits should occur at least every three years and should focus on whether PG&E is complying with its contractual obligations, prudently administering its contracts, and dispatching energy at the lowest possible cost for ratepayers.”

- c. Describe in detail the type of audit DRA is proposing with regard to dispatching energy at the lowest possible cost.
  - i. What would the audit include?
  - ii. How would the audit be performed?
  - iii. How in-depth would the audit be (*e.g.*, a sampling of contracts or all contracts).
  - iv. How would the results of the audit be used?
  - v. Would the audit results be filed in an ERRA compliance proceeding or some other proceeding?
  - vi. Is this an audit of PG&E’s Least Cost Dispatch practices?

DRA Response

- c. Describe in detail the type of audit DRA is proposing with regard to dispatching energy at the lowest possible cost.
  - i. What would the audit include?  
 The testimony beginning in Chapter 4, page 4 does not list mutually exclusive elements. The goal of the audit is to encompass PG&E’s compliance with its contractual obligations, prudent administration of its contracts, and dispatching energy at the lowest cost for ratepayers.
  - ii. How would the audit be performed?  
 The audit would be performed as determined by the auditor performing the audit.
  - iii. How in-depth would the audit be (*e.g.*, a sampling of contracts or all



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contracts).

The scope of the audit is determined by the auditor.

iv. How would the results of the audit be used?

DRA suggests that the results be used to show that PG&E has conformed its conduct to comply to its contractual obligations and has taken preventative steps to prevent past misconduct from occurring in the future.

v. Would the audit results be filed in an ERRA compliance proceeding or some other proceeding?

Yes, the audit could be filed in an ERRA compliance proceeding.

vi. Is this an audit of PG&E's Least Cost Dispatch practices?

The testimony beginning in Chapter 4, page 4 does not list mutually exclusive elements. The goal of the audit is to encompass PG&E's compliance with its contractual obligations, prudent administration of its contracts, and dispatching energy at the lowest cost for ratepayers.

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**Question 1.10d:**

**Chapter 4 – Qualifying Facility Contract Administration (Colin Rizzo)**

1.10 On page 4-4, DRA recommends that “[c]ompliance audits should occur at least every three years and should focus on whether PG&E is complying with its contractual obligations, prudently administering its contracts, and dispatching energy at the lowest possible cost for ratepayers.”

- d. Is DRA recommending that the audit be performed by PG&E’s Internal Audit department, a third-party, or some other PG&E Department?

DRA Response

- d. Is DRA recommending that the audit be performed by PG&E’s Internal Audit department, a third-party, or some other PG&E Department?  
DRA does not have a recommendation as to whether the audit should be performed by PG&E’s Internal Audit department or a third party.

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**Question 1.10e:**

**Chapter 4 – Qualifying Facility Contract Administration (Colin Rizzo)**

1.10 On page 4-4, DRA recommends that “[c]ompliance audits should occur at least every three years and should focus on whether PG&E is complying with its contractual obligations, prudently administering its contracts, and dispatching energy at the lowest possible cost for ratepayers.”

- e. What does it mean on p. 4-4, line 14 and p. 4-5, line 2 that the corrective action report would be “certified.”
  - i. What aspect of the report will be “certified”?

DRA Response

- e. What does it mean on p. 4-4, line 14 and p. 4-5, line 2 that the corrective action report would be “certified.”  
 Certified means that the officer of the company has reviewed and approved the corrective action report.
  - i. What aspect of the report will be “certified”?  
 The entire corrective action report will be certified.