BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Insituting Rulemaking on the Commission's Own Motion to Conduct a Comprehensive Examination of Investor Owned Electric Utilities' Residential Rate Structures, the Transition to Time Varying and Dynamic Rates, and Other Statutory Obligations

R. 12-06-013 (Phase 2)

RESPONSE OF PACIFIC GAS AND ELECTRIC COMPANY (U 39 E) TO MOTION OF THE GREENLINING INSTITUTE AND CENTER FOR ACCESSIBLE TECHNOLOGY TO STRIKE PORTIONS OF ASSIGNED COMMISSIONER'S RULING

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Dated: November 25, 2013

Pursuant to Rule 11.1(e) of the Commission's Rules of Practice and Procedure, Pacific Gas and Electric Company (PG&E) hereby responds to the "Motion of the Greenlining Institute and the Center for Accessible Technology to Strike Portions of the Assigned Commissioner's Ruling Inviting Utilities to Submit Interim Rate Change Applications" (Greenlining/CforAT Motion).

The Greenlining/CforAT Motion requests that certain sentences in the October 25, 2013, Assigned Commissioner's Ruling (ACR) be struck because the ACR "has prejudged the substance of the [rate design] applications" in this proceeding, "impermissibly incorporates conclusions of law and orders as to interim rate design changes," and "does not provide appropriate due process." (Greenlining/CforAT Motion, pp. 1, 3.)

The Greenlining/CforAT Motion should be rejected. The ACR on its face is strictly a procedural ruling, and is not a substantive order or decision of the Commission. Even if the ACR were a substantive order or decision, its references to rate design principles are consistent with the rate design principles referenced in the Order Instituting Rulemaking (OIR), Scoping Memo and other rulings adopted in this proceeding. For example, the ACR references the objectives to "better align residential electricity prices with the ... cost to serve" and "to prevent further disparity in lower and upper tiers, ... increased revenue requirements should be applied first to the lower tiers." (ACR, pp. 4-5.) Both objectives are referenced in the OIR and in the rate design principles adopted in the rulings in the OIR. (See Order Instituting Rulemaking, June 28, 2013, pp. 2, 10-13, referencing rate design principles, including that "Rates should be based on costcausation principles" and stating that "Inequitable rates and cross-subsidies are of particular concern for residential customers in Tiers 3 and 4 of the current rate structure, since most increases in utility costs can only be recovered by increasing rates in those tiers."); see also, March 19, 2013, Administrative Law Judge's Ruling Requesting Residential Rate Design Proposals, Attachment A, Principles for Rate Design.)

The ACR on its face is procedurally and substantively consistent with

Commission procedures, decision and orders. PG&E requests that the Commission reject the Greenlining/CforAT Motion.

Respectfully submitted,

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By: <u>/s/ Christoher J. Warner</u> CHRISTOPHER J. WARNER

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