

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to
Develop a Risk-Based Decision-Making
Framework to Evaluate Safety and
Reliability Improvements and Revise the
General Rate Case Plan for Energy
Utilities.

R.13-11-006
(Filed November 14, 2013)

**REPLY COMMENTS OF THE
COALITION OF CALIFORNIA UTILITY EMPLOYEES
ON THE PRELIMINARY SCOPING MEMO INVITING COMMENTS**

January 30, 2014

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Pursuant to the Preliminary Scoping Memo included in the Order Instituting Rulemaking to Develop a Risk-Based Decision-Making Framework to Evaluate Safety and Reliability Improvements and Revise the General Rate Case Plan for Energy Utilities (OIR) issued November 14, 2013, the Coalition of California Utility Employees (CUE) offers these reply comments.

I. INTRODUCTION

The OIR states that the “overarching issue for this proceeding is how to modify or update the current RCP for energy utilities to more purposefully and appropriately prioritize safety, reliability, and security considerations and related revenue requirements, with the goal of developing risk-based decision-making framework and related evaluation tools.”¹ Parties responded with thoughtful and creative proposals and comments on the OIR’s considerations. It is clear from the robust response that indeed, the current RCP needs several modifications. Most

¹ OIR, p. 10.

importantly, the majority of parties agree *and* agree that the GRC does not provide for adequate analysis of safety and reliability issues. While the parties' proposals may diverge in terms of timing and how best to incorporate safety and reliability metrics into the GRC schedule, the push to prioritize overall safety and reliability considerations is evident.

II. NOI PHASE SHOULD BE REPLACED

CUE proposes replacing the NOI phase with a Safety and Reliability phase, as the NOI phase is an inefficient use of time. UWUA specifically agrees with CUE's proposal to replace the NOI phase.² Additionally, several other parties also recommended either eliminating the NOI phase altogether or shortening the NOI phase to accommodate a more efficient schedule.³ Indeed, even ORA suggested shortening the NOI submittal by one month to accommodate their workload.⁴ As CUE proposed, the NOI phase of the GRC should be replaced by a Safety and Reliability phase. Using the months previously earmarked for NOI to analyze the utilities' safety and reliability metrics and proposals both eliminates a significant amount of downtime for most intervenors and creates a space to incorporate safety and reliability into the GRC.

III. SAFETY AND RELIABILITY PROPOSALS IDENTIFY EXISTING PROBLEMS WITH RCP

While there is little consensus on how exactly to incorporate and prioritize safety and reliability analysis into the RCP, several parties offer proposals which

² UWUA Opening Comments, p. 10.

³ PG&E, Sempra, EPUC, SCE, SWGas.

⁴ ORA Opening Comments, p. 15.

recognize it as a necessary correction. In addition to our proposal, ORA, TURN, UWUA, and to some extent the large IOUs each provide options for better incorporating safety and reliability into the GRC. There is a general consensus that the Commission *must* develop a more explicit process for analyzing safety and risk in GRCs.

ORA, like CUE, proposes completing safety and reliability analysis before requesting funding in the GRC.⁵ ORA's proposal creates an entirely separate proceeding—the Long Term Safety Plan—which informs the GRC. TURN also proposes a separate safety and reliability analysis to be completed six months prior to filing the NOI.⁶ The Sempra utilities suggest bifurcating the safety and reliability analysis out of the GRC altogether.⁷ UWUA supports CUE's proposal.⁸

Almost every party recommends developing uniform reporting standards and metrics. Senator Hill provided extensive comments on proposed legislation that would inform and be informed by this OIR.⁹ These comments highlight and discuss in detail the difficulty in incorporating safety and reliability into the current GRC structure and propose several changes to the Rate Case Plan. The other parties' comments and proposals identify potential resolutions but it is unclear how or if these proposals will work in practice. CUE appreciates all parties' comments and work done in developing proposals to implement in this OIR. Although there are

⁵ ORA Opening Comments, p. 3.

⁶ TURN Opening Comments, pp. 9-11.

⁷ San Diego Gas & Electric and Southern California Gas Opening Comments, p. 9.

⁸ UWUA Opening Comments, pp. 10-11.

⁹ Senator Hill's Notification of the Introduction of Legislation Pertaining to Safety Treatment in Rate Case Proceedings, p. 2.

parties whose comments did not focus on the OIR's stated goals, the Commission should take note and focus on those parties who provided real solutions to a serious problem.

CUE's proposal, unlike other parties' proposals, offers the best option to incorporate safety and reliability into the Rate Case Plan. However, other parties have offered interesting suggestions and we look forward to collaborating throughout this proceeding to reach the OIR's goals and ultimately creating a safer utility system.

IV. CONCLUSION

CUE appreciates that the Commission is using this OIR as an opportunity to better incorporate and prioritize safety and reliability in the GRCs, and respectfully requests that the Commission consider the CUE's proposal as described in our opening comments.

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Respectfully submitted,

/s/

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