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Sent: 4/17/2014 2:47:41 PM
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Subject: Idea for Simplification

Michael – I understand you are looking for ideas towards simplification of processes at the PUC. Here's one I thought I'd share regarding revenue requests. General Rate Cases for major electric and gas IOUs are thousands of pages with 100-200 witnesses testifying to costs that all get litigated. One way to streamline the approval process might be to implement a litigation cap on revenue requests per item – say CPI or 2%. For example, requests that are below the cap are deemed “reasonable” on their face and there is no need to litigate the matter any further. If they exceed the cap or the inflation rate, they are subject to discovery, litigation et al. It might be a way for interveners to focus more on the big dollar items and for the utility to reduce its ask in many areas so it wouldn't have to litigate it. Just a thought.