

**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.

Rulemaking 13-11-006  
(Filed November 14, 2013)

**JOINT FIRST ROUND COMMENTS OF LIBERTY UTILITIES (CALPECO ELECTRIC) LLC (U 933-E), BEAR VALLEY ELECTRIC SERVICE (U 913-E), A DIVISION OF GOLDEN STATE WATER COMPANY, AND PACIFICORP (U 901-E) ON REFINED STRAW PROPOSAL**

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May 23, 2014

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ON REFINED STRAW PROPOSAL**

Pursuant to the *Administrative Law Judge’s Ruling Regarding Refined Straw Proposal* issued on April 17, 2014 (“ALJ Ruling”) and the *Scoping Memo and Ruling of the Assigned Commissioner and Administrative Law Judge* (“Scoping Memo”) issued on May 15, 2014, Liberty Utilities (CalPeco Electric) LLC (U 933-E) (“Liberty Utilities”), Bear Valley Electric Service (U 913-E) (“BVES”), and PacifiCorp, d/b/a Pacific Power (U 901-E) (“PacifiCorp”) (jointly, the California Association of Small and Multijurisdictional Utilities or “CASMU”)<sup>1</sup> provides comments on the refined straw proposal attached as Appendix A to the ALJ Ruling (“Straw Proposal”).

The Straw Proposal represents an important first step in the Commission’s process to develop methodologies to incorporate and prioritize safety and reliability issues for all utilities, including CASMU members. However, the Commission should first focus on fine-tuning the Straw Proposal to develop a risk-based decision making framework that is useful for the four large investor-owned utilities: Pacific Gas and Electric Company, Southern California Edison

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<sup>1</sup> Pursuant to Commission Rule 1.8(d), PacifiCorp and BVES have authorized Liberty Utilities to sign and submit this filing on their behalf.

Company, San Diego Gas & Electric Company, and Southern California Gas Company (the “Large IOUs”). Once a proposal is finalized and adopted for the Large IOUs, the Commission can then best determine how to cost-effectively adapt the proposal or create some other form of risk assessment for the CASMU members.

Every other party, other than the CASMU members, that has participated in this proceeding has been primarily and understandably focused on the manner in which the Straw Proposal incorporates and prioritizes safety and reliability issues for the Large IOUs. Parties will better meet the Commission’s goals of transparency, participatory inclusivity, and accountability in their proposed modifications to the current general rate case process if they focus on refining the Straw Proposal for the Large IOUs, rather than refining the Straw Proposal for the Large IOUs while simultaneously adapting or revising the Straw Proposal for the CASMU members. In order to ensure administrative efficiency for all parties involved, potential adaptations and revisions to the Straw Proposal to reflect the significant differences between CASMU members and the Large IOUs should be considered separately from and after the Straw Proposal is developed and adopted for the Large IOUs.

To date, the Commission has refrained from imposing a one-size-fits-all approach on all investor-owned utilities in California based on the many differences between the CASMU members and the Large IOUs. As has been previously discussed, these differences (which no party disputes) include the much less complex general rate case applications filed by CASMU members, as well as the geographical differences and significantly smaller customer bases, total revenues, and distribution systems.<sup>2</sup> Given these myriad differences, many of the complex and sophisticated risk assessment tools and processes that have been highlighted and extolled in

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<sup>2</sup> See Liberty Utilities, BVES, and PacifiCorp Joint Reply Comments, at 3; ORA Opening Comments, at 7, PacifiCorp and BVES Opening Comments, at 6.

