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)

PACIFIC GAS AND ELECTRIC COMPANY'S REPLY COMMENTS ON THE REFINED STRAW PROPOSAL

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Pacific Gas and Electric Company (PG&E) provides this reply to parties' opening comments on the April 17, 2014 Refined Straw Proposal addressing improvements to the California Public Utilities Commission's (CPUC's) Rate Case Plan (RCP).^{1/}

PG&E's recommended modifications to the Refined Straw Proposal set forth in PG&E's opening comments^{2/} fairly balance the various parties' interests and should be adopted. In brief, PG&E's reply comments address the following topics:

- Risk Assessment and Mitigation Phase (RAMP) Participation: Parties' comments to make the RAMP more inclusive mean well, but will bog down the proceeding and will likely over-tax the resources of ORA and some intervenors. The RAMP, to be successful, must focus on technical issues and should only involve parties with technical expertise. To do otherwise will result in a lengthening of the general rate case (GRC) process with no real improvements to the consideration of safety and risk reduction.
- RAMP Scope: Some parties advocate immediately broadening the scope of the RAMP to include non-asset related risks and to allow for a comprehensive prioritization of work.

 These should be long-term goals of the RAMP, however, it would be premature to expect a broadened scope for the first iterations of the RAMP.
- <u>Safety Model Assessment Proceeding (S-MAP)</u>: Parties' comments illustrate the uncertainty around the scope, and even the necessity, of the proposed S-MAP. To address this uncertainty, the CPUC should convene workshops to discuss the topics

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Opening comments were provided by: the Coalition of California Utility Employees (CCUE), Communities for a Better Environment (CBE), Energy Producers and Users Coalition (EPUC), ExxonMobil Power and Gas Services, Inc. (ExxonMobil), John Lathrop, Ph.D., Director, Decision Strategies, LLC; Liberty Utilities, Bear Valley Electric Service and PacificCorp (Liberty/BearValley/PacificCorp.), Mussey Grade Road Alliance (Mussey Grade), The Office of Ratepayer Advocates (ORA), San Diego Gas & Electric Company and Southern California Gas Company (collectively, Sempra), Southern California Edison Company (SCE), Southwest Gas Corporation (Southwest Gas), Southern California Generation Coalition (SCGC), The Utility Reform Network (TURN), Utility Consumers' Action Network (UCAN), Utility Workers Union of America (UWUA) and PG&E. Unless otherwise noted, all citations are to these opening comments.

^{2/} Attachment 1 to PG&E's Opening Comments (Redlined Refined Straw Proposal).

- mentioned for possible inclusion in the S-MAP, but not initiate a formal proceeding at this time.
- <u>Gas Distribution, Transmission and Storage</u>: Parties are split regarding whether or not PG&E's gas distribution, transmission and storage costs should be combined into one proceeding. For the sound reasons for which they have been separated, they should remain separated. The benefits that some see from combination has already been addressed by the Refined Straw Proposal.
- <u>Uniformity</u>: Parties overreach in their calls for uniformity of risk models as well as the
 presentation of RAMP and GRC submittals. The utilities have different operational
 needs, organizational structures, and manners of operation. To the extent that the
 Commission would force the utilities into a common framework, it would be forcing
 form over substance.
- Reports and Verification: SCE and Sempra are correct to remind the parties of the limitations inherent in current risk quantification. Whatever reports are required of the utilities, the Commission should acknowledge such limitations. The content of the verification reports could be addressed in workshops.
- GRC Interval: Parties are split regarding whether or not a three-year cycle should be continued. A lengthening of the cycle would produce a more stale record at a time when technical details are of increasing importance. No party requesting a longer cycle has reconciled its position with the Commission's statutory duty to audit utilities every three years.
- <u>Notice of Intent (NOI)</u>: A few parties advocate revising the Refined Straw Proposal to bring back an NOI. Their comments for doing so are unpersuasive. The Refined Straw Proposal was correct to remove it.
- Rate Case Schedule: No schedule should be adopted that presumes a final decision in the test year. It is one thing for a late decision to be an unintended consequence. It is another thing for this to be deliberate. A policy of putting out late decisions would be

irresponsible. Also, parties are right to emphasize that the time provided in the Refined Straw Proposal for rebuttal testimony is unrealistically short.

• <u>Standard of Proof</u>: ORA repeats its arguments that the applicable standard of proof should be "clear and convincing." ORA has litigated, and lost, this issue in each of the last several major GRCs. The standard is "preponderance of the evidence."

PG&E's reply comments are organized below in the same order as the points above. As a point of clarification, PG&E supports the approach advocated by the smaller energy utilities: namely to apply the principles in the Refined Straw Proposal first to the larger energy utilities.^{3/} PG&E's comments are so intended.

I. THE RAMP SHOULD BE LED BY THE SAFETY AND ENFORCEMENT DIVISION (SED) OR ITS CONSULTANTS

While some parties expressly support a primary role for the SED in the RAMP,^{4/} others criticize the proposed RAMP as not being properly inclusive.^{5/} The critics are wrong. The Refined Straw Proposal describes an open process, led by public officials, with an open record, discovery and drafts for public review, welcome to input from interested parties. In the process described by some parties, the transparency envisioned by the Refined Straw Proposal would be replaced by a rugby scrum. Order would be replaced by confusion, a less-informed (but more voluminous) record, and delay.

It is standard practice in administrative proceedings to have a lead agency or (lead entity within an agency) charged to undertake a review. The process, inputs, and outputs of that lead agency are subject to review and comments from interested persons. This is the method described in the Refined Straw Proposal, led by SED. It is not credible to describe such a method as offending principles of inclusivity.

^{3/} Liberty/BearValley/PacifiCorp; pp. 1-3; Southwest Gas, pp. 1-3.

^{4/} See Sempra, p. 7; PG&E, p. 4.

^{5/} See ORA, p. 2; TURN, pp. 8-10; CCUE, pp. 3-4.

The RAMP process in the Refined Straw Proposal cannot be fairly read to diminish the opinions of any participant. Rather, the process is intended to be administratively efficient and to impose upon our public servants the duties for which they are responsible.

Parties' proposals to put themselves on equal footing with Commission staff are intended well, no doubt. However, these proposals threaten to bog down the proceeding and to inject non-technical opinions into a technical process. To be successful, the RAMP must focus on technical issues and should give priority to parties with technical expertise. If the RAMP process is not limited to a technical assessment of the risks and risk mitigations put forward by the utilities — with that assessment performed by technical experts — then it will be no different than the current GRC process and nothing will have been gained but to extend the GRC cycle.

Therefore, PG&E reiterates its prior-stated view that the applicants should give priority to the requests and needs of SED (or its consultants) during the RAMP. To the extent that other parties wish to participate actively in discovery or have reports considered by the Commission as part of the RAMP, the parties should make two showings. Such showings should be made at the commencement of the RAMP to the assigned Administrative Law Judge(s) (ALJ). First, the parties should bring technical expertise to the proceeding and be required to affirmatively show technical qualifications for the experts that will conduct the parties' reviews. Such persons should be registered engineers with utility operational experience. Second, each such party should be required to attest that its participation in the RAMP will neither compromise the schedule of the RAMP, nor impair that party's ability to engage in other CPUC matters, such as the traditional review of other utility GRCs that may be taking place concurrently. Absent such showings, parties should not be allowed to participate on equal footing with Commission staff.

^{6/} CBE offers a helpful compromise toward promoting participation without contributing to delay. To ensure consideration of parties' comments on a Commission staff report, "[a]n efficient method could require all interested party responses to be part of the official record for the future GRC proceeding." (CBE, p. 4.)

See TURN, p. 18 ("[Staffing] challenges will only get more difficult as S-MAPs and RAMPs are added to the GRC process. In this new environment, TURN would not be able to effectively participate in more than one GRC per year, and would expect the same to be true of ORA and other intervenors.").

II. PARTIES' PROPOSALS TO BROADEN THE SCOPE OF THE RAMP ARE GOOD LONG-TERM GOALS, BUT SOME ARE PREMATURE

PG&E generally supports the scope of the RAMP as defined in the Refined Straw Proposal. Some parties advocate broadening the scope of the RAMP to include non-asset related risks such as workforce qualifications^{8/} and to allow for a comprehensive prioritization of safety risks.^{9/} While the solutions that these parties advocate may be premature in some instances, PG&E agrees with the general spirit of these comments.

PG&E considers its aging workforce as a key risk facing the company. Regardless of whether it is addressed in the RAMP or in the traditional phase, PG&E intends to explain the dimensions of this risk -- and the mitigation measures PG&E proposes to take -- in its 2017 GRC.¹⁰/

With respect to parties' call for prioritization of the entire operational work portfolio (not just the work associated with the top ten asset risks), PG&E is also working toward this goal. While it is important to remember that work portfolios are driven by factors other than risk (e.g., compliance activities), broadening the scope of the RAMP along this line is a reasonable longer-term goal of this process. Yet, it would be unwise for the Commission to expect such a broadened scope for the first iterations of the RAMP. Instead, PG&E supports the more limited scope described in the Refined Straw Proposal as an appropriate short-term goal. As utility and stakeholder capacities improve, the proceeding can broaden. The Commission can effectuate this broadening through directives in utilities' successive GRCs.

EPUC and ExxonMobil call for greater emphasis on reliability in the redesign of the Rate Case Plan. 12/ EPUC states:

9/ TURN, p. 6; EPUC, p. 18; Mussey Grade, p. 3.

^{8/} CCUE, pp. 4-5.

^{10/} Parties should understand that not all risks will be necessarily addressed in the RAMP. Others will be addressed in the traditional phase to follow.

To provide a sense of what such an expansion of the first RAMP might entail, of the more than 360 risks currently included on PG&E's risk register, there are over 150 in electric and gas operations alone with a safety score of "major," extensive," "severe," or "catastrophic."

^{12/} EPUC, p. 11; ExxonMobil, pp. 2-4.

Maintaining a reliable infrastructure will impact the safety of customers beyond the grid since delivery outages can have significant safety implications. Power outages can impact the operation of critical medical, heating and cooling devices for residential customers. Public transit systems and regional traffic grids cannot function safely or efficiently without near-100% reliability. Power outages can also raise safety and environmental implications for complex industrial sites and otherwise detrimentally impact the safety and security of customer premises and property. ^{13/}

Similarly, CBE urges the definition of "safety" risk to "include environmental and public health hazards and pollution emissions." ¹⁴/

PG&E agrees with EPUC's comments about reliability and supports CBE's concern for the environment. For these and other reasons, PG&E incorporates weighting factors for reliability and the environment in its risk model.

III. THE COMMISSION SHOULD NOT INITIATE A FORMAL S-MAP PROCEEDING AT THIS TIME AND SHOULD START WITH WORKSHOPS

Parties' comments illustrate the uncertainty around the scope, and question the necessity, of the proposed S-MAP. Even ORA, a co-sponsor with TURN of the S-MAP idea, now appears to have second-thoughts regarding how it might unfold:

Since this will be a brand new type of proceeding, having an initial straw proposal by advisory staff, followed by workshops and comments can help clarify expectations and set the Commission and parties on a better path towards the resolution of the proceeding.

While developing common risk elements and models is a laudable objective, ORA believes that this step is premature for the first S-MAP proceeding. Parties and the Commission would benefit the most from understanding the strengths and weaknesses of a variety of approaches before beginning to narrow down solutions to a single mechanism or way of assessing risk.^{15/}

Given such uncertainty, even among the S-MAP's initial proponents, it would be unwise to formally initiate an S-MAP proceeding at this point, let alone assume that it would be a

^{13/} EPUC, p. 11.

^{14/} CBE, p. 6.

^{15/} ORA, p. 5.

regularly occurring proceeding. The current record does not support imposing such burdens on the parties.^{16/}

A prudent course would be to have the CPUC convene workshops to discuss the topics mentioned for possible inclusion in the S-MAP, but not to initiate a formal proceeding at this time. This approach would be consistent with the many calls from parties for workshops to better define such a process and assess the need for a formal S-MAP proceeding. 17/

III. GAS DISTRIBUTION WAS SEPARATED FROM GAS TRANSMISSION AND STORAGE FOR GOOD REASONS AND SHOULD REMAIN SEPARATE

ORA believes that PG&E should continue to submit a separate Gas Transmission and Storage (GT&S) rate case. ¹⁸/ As ORA explains:

While there are similar elements between natural gas transmission and distribution, they generally have significantly different threats and risks to maintain this split. Further division of these two proceedings has evolved such that controversial cost allocation and operational issues can be efficiently addressed in the Gas Transmission and Storage case. 19/

PG&E agrees.

In contrast, TURN and CCUE argue that gas distribution costs should be presented in the same proceeding as GT&S costs.^{20/} TURN's position rests on the argument that "[b]y addressing the safety issues related to gas operations in a single proceeding, the Commission can better achieve effective prioritization of risk mitigation activities within the ratepayers' and utilities' resource limitations."^{21/}

TURN's concern is already addressed in the Refined Straw Proposal. Specifically, the Refined Straw Proposal calls upon PG&E to present in its RAMP all of the CPUC-jurisdictional

^{16/ &}quot;There is no question that S-MAP and RAMP will be new activities that will impose increased burdens on all parties, TURN included." (TURN, p. 18.)

^{17/} See ORA, p. 5; SCE, pp. 4-5; Sempra, p. 7; EPUC, p. 22; TURN, p. 22; SCGC, pp. 2-3.

^{18/} ORA, p. 3.

^{19/} ORA, p. 3.

^{20/} TURN, pp. 15-17; CCUE, p. 7.

^{21/} TURN, p. 15.

risks facing the company.^{22/} This means that PG&E will present its key gas distribution risks ranked alongside those from the gas transmission and storage parts of the business, which will also be ranked alongside those pertaining to electric operations and energy supply. PG&E supports this approach, which should achieve the objectives of TURN and CCUE without causing any of the problems that have caused the cases to be separated.

As pointed out by ORA and PG&E, the issues and parties are significantly different in the two cases. If all the parties in PG&E's most recent GRC and GT&S cases were combined, it would make more than 50 parties, only two of which overlap.^{23/} Only one of the two parties that overlap (i.e., TURN) advocates combining the issues into one case. Presumably, most if not all of the non-overlapping parties, most of whom are not participating in this Order Instituting Rulemaking, would prefer the cases to be separate. A combined proceeding would be unwieldy.

IV. UNIFORMITY OF PRESENTATIONS AND MODELS CAN BE HELPFUL IN SOME INSTANCES, BUT SHOULD NEVER BE PROMOTED ABOVE SUBSTANCE

Some parties promote greater uniformity in the utilities' risk models and GRC and RAMP presentations. EPUC even calls for "a *uniform* approach by the utilities, with commonality in organizational management, strategic and operational asset management and management of the risks of uncontrollable events." EPUC claims that such uniformity "encourages administrative efficiency and stakeholder participation." Maybe so. What is not so, however, is EPUC's claim that "adoption of uniform methodologies will best address safety and reliability risks." The reverse is true. 27/

Refined Straw Proposal, p. 5 ("Additionally, if the GRC (e.g., in PG&E's case) does not address all aspects of the utility's CPUC-jurisdictional operations, the utility should place the risks that are germane to the GRC in the context of all risks faced by the utility.").

^{23/} PG&E, pp. 10-11.

^{24/} EPUC, p. 2 (emphasis in original).

^{25/} EPUC, p. 2.

^{26/} EPUC, p. 2.

^{27/} Indeed, one can only wonder how the EPUC member entities (e.g., Chevron, ExxonMobil, Phillips 66, Shell Oil and Tesoro) would themselves react to the suggestion that a common approach to organizational, strategic and operational management would be beneficial to addressing safety and reliability risks for their respective operations.

Utilities' methodologies to address safety and reliability risks should be tailored to the utilities' specific assets, workforces and operational needs. For some areas, the main weatherrelated risk could be from drought, winds and fire. In other areas, the concern may be from snow and ice. Some utilities may have a highly trained workforce on the brink of retirement. Others may have a young workforce in need of experience and training. The risks vary utility-by-utility. So too will the management of the risks vary. Forcing utilities into a uniform framework could thus impede the management of safety and reliability risks and must be rejected.

UCAN recommends "a standardized and uniform presentation by the utilities" to promote administrative ease. 28/ UCAN's recommendation should fail for the same reasons described above. Each utility is different, manages its operations in a different manner, and its rate case filings should respect, and reflect, its differences. As TURN stated at the three-day workshop in March, what matters less is consistency among the utilities and what matters more is consistency among sequential filings of a utility so that costs and categories can be tracked over time.

To the extent that consistent reporting formats would be helpful for certain programs or projects, a good venue for addressing this need would be the Master Data Request. Today, many parties that want data presented in a certain format ask for such a presentation through discovery. No party has shown that today's process is not working. Absent such a showing, the Commission should not mandate standardized presentations.

THE PROPOSED REPORTS AND VERIFICATION HAVE SIGNIFICANT V. **LIMITATIONS**

SCE provides an excellent summary of the limitations associated with the Refined Straw Proposal's Risk Mitigation Accountability Report. 29/ If the report, or something like it, is adopted nonetheless, then the Commission and parties should heed SCE's warnings of the limitations inherent in such a report. SCE's description of the challenges associated with

^{28/} UCAN, p. 4.

SCE, pp. 15-18. See also, Sempra, pp. 5-6. 29/

identifying Commission "authorized" amounts are a good reminder that determining "authorized" or "imputed" amounts is often as much art as it is science. ^{30/}

CCUE is also right to call for an inventory of all reporting requirements.^{31/} This is an important first step to the rationalization PG&E advocated in its opening comments.^{32/} This is an area ripe for further discussion in a workshop setting.

VI. THE GRC INTERVAL SHOULD REMAIN THREE YEARS

PG&E agrees with those parties that support the current three-year interval, which is supported in the Refined Straw Proposal.^{33/} In its April 7, 2014 redline of the Staff Straw Proposal, SCGC summarizes well the shortcomings of a four-year cycle which would require increased Commission scrutiny of the forecast beyond the test year and would result in a stale forecast.^{34/} While ORA argues for a four-year interval^{35/} and others recommend a four-year cycle depending on certain factors,^{36/} none of the parties considering a longer cycle attempts to reconcile its position with the Commission's statutory duty under Public Utilities Code Section 314.5 to audit utilities every three years. Nor has any party addressed the problem of stale data and the decreasing accuracy in forecasting as intervals lengthen. This is a particular problem in light of the Commission's objective to improve risk-informed decision-making that is rooted in a technical record.

TURN is one of the parties that argues for a four-year cycle if its proposal to combine PG&E's gas distribution with gas transmission and storage in a single rate case is adopted.

TURN is wrong to suggest that a separate GT&S rate case is another "major GRC."^{37/} It is not. GRCs deal not only with gas issues, but also with electric distribution, electric generation and procurement, customer care, shared services (e.g., corporate real estate, fleet, environmental

^{30/} SCE, pp. 18-19.

^{31/} CCUE, p. 8.

^{32/} PG&E, pp. 7-8.

^{33/} See PG&E, p. 5; SCE, p. 12; CCUE, p. 7; EPUC, p. 21.

^{34/} See SCGC redline of the Staff Straw Proposal, p. 8-9.

^{35/} ORA, p. 4.

^{36/} See Sempra, p. 3; TURN, p. 18.

^{37/} TURN, p. 18.

programs), information technology, human resources, administrative and general expenses (.e.g, finance, regulatory relations, law department, insurance) and many other topics. While the revenue requirement associated with the recent GT&S rate case is significant, the scope of issues – relative to those litigated in GRCs – is not.

VII. THE TIME THAT WOULD OTHERWISE BE SPENT ON AN NOI IS BETTER SPENT ON DISCOVERY WITH ALL PARTIES, NOT JUST ORA

Most parties addressing the issue agree with the Refined Straw Proposal that the NOI is not warranted.^{38/} ORA's arguments that the absence of an NOI could delay the proceeding — by resulting in additional motions to compel — are not logical.^{39/}

Motions to compel are to be used where a party has reason to believe that another party is not being responsive to legitimate *discovery* requests. ^{40/} In contrast, the current NOI process charges ORA to look for *deficiencies* in a utility's showing, meaning those areas where the utility has failed to provide information required by the Rate Case Plan. ^{41/}

ORA states that the NOI promotes a "cleaner filing for the Commission and other parties to review." PG&E agrees. PG&E's applications have benefitted from ORA's review. However, PG&E disagrees that the benefits are worth the time and resources required for the NOI period. As the Refined Straw Proposal correctly acknowledges, to the extent that the utility fails to meets its burden because of a flawed application, that risk should rest on the shoulders of the utility. PG&E is willing to shoulder that burden.

Skipping the NOI period and filing the GRC earlier will allow more parties to engage in discovery earlier in the process. This earlier start to discovery will accelerate the rate case schedule relative to recent rate cases, an acceleration that is necessary to provide more time for the Commission to issue a timely final decision.

^{38/} See PG&E, p. 5; SCE, p.12; Sempra, p. 3; CCUE, p. 7; EPUC, p. 21.

^{39/} ORA, p.4. See also, TURN, p. 17 and SCGC, p. 5.

^{40/} Resolution ALJ-164, pp. 2-3.

^{41/} D.07-07-004, p. A-11.

^{42/} ORA, p. 4, fn. 7.

^{43/} Refined Straw Proposal, p. 8.

VIII. THE COMMISSION SHOULD ENSURE THAT IT ADOPTS A REALISTIC SCHEDULE THAT WILL ISSUE A DECISION PRIOR TO THE TEST YEAR

CCUE proposes a schedule that calls for a final decision to issue after the test year has commenced. 44/ Adopting such a schedule would be irresponsible.

In practice, all recent major utility GRC decisions have issued well into the test year. This is an indisputable failure of the current process. It is something to be fixed, not accommodated. PG&E's proposed schedule allows more time for the Commission to prepare a proposed decision prior to the test year than the competing schedules offered by CCUE, ORA and, for that matter, the Refined Straw Proposal.

PG&E's schedule gives the Commission five months (after the submission of reply briefs) to prepare a proposed decision. In comparison, in PG&E's 2014 GRC, it has taken the Commission over eight months to prepare a proposed decision. PG&E is optimistic that the five months in PG&E's proposed schedule will be sufficient time — that is, with two ALJs working in concert — to prepare a proposed decision. If the Commission is unable to appoint two ALJs to the larger cases, the five-month period should be extended. CCUE's schedule, and others like it, should be disregarded.

Also, parties' are right to point out that the Refined Straw Proposal provides an insufficient amount of time for rebuttal testimony. In particular, PG&E appreciates TURN's acknowledgment that "the two week period for utility rebuttal testimony is unrealistically short. some additional time would be more realistic, given that utilities often have to respond to testimony from a number of parties." Six weeks is better practice, as recommended by SCE. 47/

IX. THE STANDARD OF PROOF IS PREPONDERANCE OF EVIDENCE

ORA repeats old arguments from other proceedings that the applicable standard of proof is one of "clear and convincing evidence." ORA fails to mention, however, that the

^{44/} CCUE, p. 6.

^{45/} SCE, pp. 12-13; Sempra, p. 5; TURN, p. 13; PG&E, pp. 5-6.

^{46/} TURN, p. 13.

^{47/} SCE, pp. 12-13.

^{48/} ORA, Appendix A.

Commission has rejected ORA's position in each of the last several GRCs. Focusing on SCE's 2009 GRC, ORA argues that the Commission "inexplicably departed" from precedent. ORA made these same arguments in PG&E's 2011 GRC, in which the Commission expressly ruled against ORA. The Commission found that the "preponderance of evidence" standard should apply. It stated:

First, we do not agree that clear and convincing is the appropriate standard of proof for GRC matters. . . . [B]y principally citing previous decisions where the term "clear and convincing" was used and where the Commission has since stated that such characterization was incorrect, TURN and [ORA] have not provided sufficient reason for reversing the latest decision on this matter. ^{50/}

The Commission goes on to state that its use of the "preponderance of evidence" standard is consistent with Evidence Code Section 115, which states, "Except as otherwise provided by law, the burden of proof requires proof by a preponderance of the evidence." Accordingly, the Commission should find again, as it has in PG&E's and SCE's last GRCs, 52/ that the applicable evidentiary standard is "preponderance of the evidence.

While ORA should find no traction in revising this Commission precedent, PG&E agrees that the Commission should address the increasing evidentiary burden faced by utilities. As PG&E described in its April 7, 2014, comments in this docket:

The burden of proof should be clarified as a matter of statewide policy and guidance provided to reduce the volume of data submitted by utilities. The data presented, and requested by intervenors, in the larger rate cases is increasing in a manner that threatens to overwhelm the Commission and many stakeholders. The increased volume, and concomitant case delays, are also contributing to higher costs. Therefore, the Commission should clarify that the burden remains on the utilities to support its forecasts by a preponderance of evidence and that once the utilities have made a prima facie showing, the burden shifts to intervenors to reverse the weight of the utilities' evidence. Furthermore, utilities and intervenors should support their arguments

^{49/} ORA, Appendix A, p. 3.

^{50/} D.11-05-018, mimeo, p. 68.

^{51/} D.11-05-018, *mimeo*, p. 69 (emphasis in original).

^{52/} D.11-05-018, mimeo, p. 68-69; D.12-11-051, mimeo, p. 9.

with facts, not mere opinion or disagreement. Arguments without evidence should be summarily rejected. 53/

PG&E did not reiterate these concerns in its first round of opening comments because PG&E believed these issues best addressed in the second round of comments, due July 25, 2014. PG&E continues to believe these issues are best addressed in the second round and will further pursue these issues then.

X. CONCLUSION

For the foregoing reasons, PG&E recommends that the Refined Straw Proposal be revised as set forth in Attachment 1 to PG&E's opening comments.

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Dated: June 13, 2014 PACIFIC GAS AND ELECTRIC COMPANY

R.13-11-006, "Pacific Gas and Electric Company's Proposed Revisions to the February 20, 2014 Straw Proposal," Exhibit 2, p. 11.