

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

Application of Pacific Gas and Electric Company
Proposing Cost of Service and Rates for Gas
Transmission and Storage Services for the Period 2015-
2017 (U39G)

And Related Matter.

Application 13-12-012
(Filed December 19, 2013)

Investigation 14-06-016

**REPLY OF COMMERCIAL ENERGY OF CALIFORNIA
TO PACIFIC GAS AND ELECTRIC COMPANY'S
RESPONSE TO THE MOTION TO COMPEL RESPONSE
TO DATA REQUESTS OF COMMERCIAL ENERGY OF
CALIFORNIA**

GOODIN, MACBRIDE, SQUERI,
DAY & LAMPREY, LLP
Michael B. Day
Megan Somogyi
505 Sansome Street, Suite 900
San Francisco, California 94111
Telephone: (415) 392-7900
Facsimile: (415) 398-4321
Email: mday@goodinmacbride.com

Attorneys for Commercial Energy of California

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Pursuant to Rule 11.1(f) of the Commission's Rules of Practice and Procedure, Commercial Energy of California ("Commercial Energy") submits its Reply to Pacific Gas and Electric Company's ("PG&E") Response to the Motion to Compel Response to Data Requests of Commercial Energy. On July 7, 2014, Michael B. Day, counsel to Commercial Energy, sought permission by telephone to file this Reply under Rule 11.1(f) from Administrative Law Judge ("ALJ") Hallie Yacknin, the Law and Motion ALJ for this proceeding. ALJ Yacknin gave her verbal approval for Commercial Energy to file this Reply. On July 8, 2014, Mr. Day sent an e-mail confirmation of ALJ Yacknin's approval of Commercial Energy's request to ALJ Yacknin and the service list.

I. THE OTHER COMMISSION PROCEEDINGS CITED BY PG&E DO NOT ADEQUATELY ADDRESS THE INFORMATION SOUGHT

PG&E contends in its Response that the information sought by Commercial Energy relating to PG&E’s practice of negotiating payment plans with Core Transport Agent (“CTA”) customers and PG&E’s customer service representative training practices has already been addressed in “a number of open proceedings at the Commission.”¹ A cursory reading of the two proceedings cited by PG&E shows that neither proceeding adequately addresses the information sought by Commercial Energy.

PG&E claims Decision 14-06-036, issued in proceeding R.10-02-005, the *Order Instituting Rulemaking on the Commission’s Own Motion to Address the Issue of Customers’ Electric and Natural Gas Service Disconnection*, disposes of Commercial Energy’s inquiries regarding PG&E’s practice of negotiating payment extensions.² PG&E asserts that the OIR’s requirement that PG&E work with customers requesting payment due date extensions, and the resulting payment arrangement pilot program, fully encompasses Commercial Energy’s issues and makes it improper for the Commission to consider any “proposals in the GT&S Rate Case that would overlap with the issues determined in Decision 14-06-036.”³ Decision 14-06-036 does not, however, come close to addressing the billing-related concerns of Commercial Energy and other CTAs in this proceeding.⁴ The only mention of PG&E’s payment extension practices in D.14-06-036 is a summary of Article 4.4.1 of the Settlement Agreement entered into by the parties to that proceeding.⁵ Article 4.4.1 provides in its entirety: “The Joint Utilities shall continue to work with customers requesting payment extensions (i.e., customer requests an extra

¹ PG&E Response, p. 4.

² *Id.*

³ *Id.*

⁴ See *Response of Core Transport Agent Consortium in Support of the Motion to Compel Response to Data Requests of Commercial Energy of California*, pp. 7-8 (“CTAC Response”).

⁵ D.14-06-036, p. 6.

week or two to pay their bill) and provide the customers with extensions.”⁶ This provision does not on its face address the specific concerns of Commercial Energy and other CTAs that PG&E routinely provides six-month extensions to CTA customers without providing any notice to CTAs serving the same customer. Furthermore, the illustrative parenthetical indicates that the extensions envisioned by the Settlement Agreement are drastically different and much shorter than those extensions that the CTAs seek to address in the Gas Accord.

The provisions of the Settlement Agreement relating to PG&E’s “more structured payment arrangements” also fail to address the payment extensions that are the subject of Commercial Energy’s data requests.⁷ “Under PG&E’s proposed Payment Arrangement Pilot all residential customers will be offered the opportunity to enter into a three-month payment arrangement unless their service has already been disconnected.”⁸ While broader than the one-week extension envisioned by the general provisions of the Settlement Agreement, a three-month extension for residential customers only does not equate to the six-month extensions given to the wide array of commercial and residential customers served by CTAs. Even if PG&E’s pilot program did cover the breadth of affected CTA customers, the Settlement Agreement does not shed any light on PG&E’s billing practices with respect to CTA customers and PG&E’s failure to inform the CTAs of any negotiated payment extensions.

The recent complaint filed by United Energy Trading, LLC (“UET”) (C.14-06-006) also fails to adequately encompass the issues addressed in Commercial Energy’s data requests. While a number of CTAs are affected generally by PG&E’s practice of granting payment extensions, not all CTAs are similarly affected by the confidentiality policy that is cited

⁶ D.14-06-036, Attachment A, p. 10.

⁷ D.14-06-036, Attachment A, p. 11.

⁸ *Id.*

as a major contributing factor to UET's billing disputes with PG&E.⁹ Complaint 14-06-036 is largely specific to issues affecting UET, and is therefore not an adequate vehicle for addressing the broader billing practices that affect the CTAs involved in this proceeding.¹⁰

PG&E's argument that the issues encompassed in Commercial Energy's data requests are adequately addressed in other Commission proceedings is, therefore, without merit.

II. PG&E'S CHARACTERIZATION OF THE SCOPE OF THIS PROCEEDING AND THE COMPANION OII IS OVERLY RESTRICTIVE

PG&E contends "the function of billing customers and negotiating bill extension plans is not an 'operational issue' concerning a 'GT&S service.'"¹¹ The only issues that fall within the proper scope of GT&S service are, according to PG&E, revenues, rates, and operation of PG&E's gas transmission and storage system.¹² PG&E offers no authority or justification for this narrow reading, other than its own declaration that its interpretation is correct. The Scoping Memo did not limit or qualify the content of Issue No. 23, which allows consideration of "other operational issues concerning PG&E's GT&S services."¹³ The CTA Program,¹⁴ under which CTAs provide gas service to residential and commercial customers in conjunction with PG&E's physical pipeline system and billing system, is indisputably a part of PG&E's gas transmission and storage system. PG&E's apparent wish to avoid addressing the CTAs' concerns regarding PG&E's payment extension practices does not change this fact.¹⁵

⁹ See C.14-01-006, paragraphs 15-22, 37-43.

¹⁰ See also, CTAC Response, *passim*.

¹¹ PG&E Response, p. 3.

¹² *Id.*

¹³ Scoping Memo, p. 4.

¹⁴ CTAC Response, pp. 4-7.

¹⁵ Commercial Energy is not alone in its belief that PG&E's billing practices fall within the scope of this proceeding. CTAC strongly supports Commercial Energy's interpretation of the scope of this proceeding and the companion OII, and has advocated for inclusion of CTA operational issues from the start. (CTAC Response, pp. 4-8.)

Furthermore, the scope of the companion Order Instituting Investigation clearly encompasses the operational issues in Commercial Energy's data requests:¹⁶

*The purpose of this OII is to allow the Commission to consider proposals other than PG&E's revenue requirement, cost allocation, and rate design of its GT&S operations and to enable the Commission to enter orders on matters for which the utility may not be the proponent. This companion OII will also allow parties the opportunity and forum to provide evidence on issues of interest, including safety related issues to the Commission. These issues may result in directives to PG&E that serve the public interest, and that result in just and reasonable rates, services, and facilities.*¹⁷

PG&E argues that this same broad language--particularly the focus on issues other than revenue requirement, cost allocation, and rate design--somehow requires that the issues in the OII remain restricted to PG&E's narrow definition of gas transmission and storage operations.¹⁸ The plain language of the OII belies this strained interpretation.

Finally, PG&E's dire prediction that allowing consideration of Commercial Energy's billing- and customer service training-related issues will open the floodgates to "any proposal any party makes in this proceeding, on any subject, regardless of how far attenuated from PG&E's gas transmission and storage services,"¹⁹ is not credible. Ordering Paragraph No. 1 of the OII requires that the additional issues raised in the OII be made "in connection with [PG&E's] revenue requirement, rates, operations, practices, services, and facilities for its gas transmission and storage operations."²⁰ The issues embraced in the OII may not be issues posed by PG&E, but the issues will certainly be relevant to PG&E's GT&S operations; PG&E's distaste for addressing such issues does not put them outside the scope of this proceeding.

¹⁶ I.14-06-016 (issued July 2, 2014).

¹⁷ I.14-06-016, p. 2 (emphasis added).

¹⁸ PG&E Response, p. 3.

¹⁹ *Id.* (emphasis original).

²⁰ I.14-06-016, p. 2.

III. CONCLUSION

For the foregoing reasons, Commercial Energy respectfully requests that its Motion to Compel Responses to Data Requests be granted. The deadline for submitting prepared testimony is fast approaching (August 14, 2014), and Commercial Energy and the other CTAs require the information sought in the data requests in order to submit complete testimony that addresses the full scope of issues in this proceeding. Commercial Energy therefore further requests that the Law and Motion ALJ address the Motion to Compel as soon as possible, as PG&E's refusal to reach an agreement with respect to the data requests at issue continues to prejudice Commercial Energy as it prepares its case in this proceeding.

Respectfully submitted July 8, 2014 at San Francisco, California.

GOODIN, MACBRIDE, SQUERI,
DAY & LAMPREY, LLP
Michael B. Day
Megan Somogyi
505 Sansome Street, Suite 900
San Francisco, California 94111
Telephone: (415) 392-7900
Facsimile: (415) 398-4321
Email: mday@goodinmacbride.com

By /s/ Michael B. Day

Michael B. Day

Attorneys for Commercial Energy of California