

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

Application of Pacific Gas and Electric Company
for Authority, Among Other Things, to Increase
Rates and Charges for Electric and Gas Service
Effective on January 1, 2014.

(U 39 M)

And Related Matter.

Application 12-11-009
(Filed November 15, 2012)

Investigation 13-03-007

**COMMENTS OF MARIN CLEAN ENERGY ON THE PROPOSED
DECISION FOR THE GENERAL RATE CASE APPLICATION OF
PACIFIC GAS AND ELECTRIC COMPANY**

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SUBJECT INDEX

1. MCE supports the Commission's determination to approve the proposed settlement agreement regarding allocation of settlement funds resulting from litigation with the Department of Energy ("DOE").
2. MCE supports the Commission's determination to ensure proper cost allocation of Public Purpose Program funds.
3. MCE recommends PG&E's request for \$1.5 million in customer retention funds be denied.

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I. INTRODUCTION

In accordance with Rule 14.3 of the California Public Utilities Commission (“Commission”) Rules of Practice and Procedure (“Rules”), Marin Clean Energy¹ (“MCE”) respectfully submits comments on the Proposed Decision Authorizing Pacific Gas & Electric Company’s (“PG&E’s”) General Rate Case Revenue Requirement for 2014 -2016 (“PD”) issued by Administrative Law Judge (“ALJ”) Thomas R. Pulsifer on June 18, 2014. MCE supports the Commission’s approval of proposed settlements regarding the distribution of funds resulting from a litigation settlement with the Department of Energy (“DOE”), as well as a proposed settlement regarding cost allocation and administrative costs of Public Purpose Program (“PPP”) funds. However, MCE urges the Commission to reject PG&E’s request for \$1.5 million in Customer Retention Funds in accordance with Commission precedent and in furtherance of the public interest.

¹ In December 2013, the Marin Energy Authority’s Board of Directors changed the name of the entity to “Marin Clean Energy” or “MCE.”

II. MCE SUPPORTS THE COMMISSION'S DETERMINATION TO APPROVE A SETTLEMENT AGREEMENT REGARDING FUNDS RESULTING FROM DEPARTMENT OF ENERGY ("DOE") LITIGATION

MCE supports the Commission's authorization to credit back customer funds received from the litigation with the DOE in accordance with MCE's joint recommendation with PG&E and The Utility Reform Network ("TURN") to equitably return revenues to those customers who made payments regarding DOE litigation.²

Rule 12.1(d) of the Rules requires the Commission to approve settlements that are only "reasonable in light of the whole record, consistent with law, and in the public interest." MCE agrees with the Commission's determination that Rule 12.1(d) is satisfied in MCE's settlement agreement regarding DOE settlement funds and reallocation of PPP costs.

III. MCE SUPPORTS THE COMMISSION'S DETERMINATION TO APPROVE A SETTLEMENT AGREEMENT REGARDING ALLOCATION OF COSTS RESULTING FROM PPP FUNDS

MCE further supports the Commission's approval and adoption of the Partial Settlement Agreement among PG&E, TURN, and MCE regarding the allocation of certain administrative and general costs from the distribution category to the Customer Program category. MCE further supports the adoption of Public Purpose Program labor costs to reduce double payment by CCA customers of overhead costs associated with the PPP. MCE agrees with the Commission's determination that Rule 12.1(d) is satisfied in this matter.

IV. CUSTOMER RETENTION ACTIVITIES DO NOT MERIT RATEPAYER FUNDING

MCE urges the Commission to reconsider its approval of PG&E's request for \$1.5 million in Customer Retention Funds as anticompetitive and contrary to the Commission precedent. MCE's position is mischaracterized within the PD. MCE is fully aware an Investor-Owned

² Proposed Decision, Ordering Paragraph 37.

Utility (“IOU”) is required to submit a marketing plan to the Commission and receive approval before undertaking anti-CCA marketing activities. Rather, MCE recognizes that the ambiguously-defined “customer retention activities” that PG&E aims to undertake against municipal utilities may affect consideration of other competitive energy options as well, including CCAs. Further, given MCE’s status as a not-for-profit local government entity, MCE supports a robust and diverse California energy market that provides choice to ratepayers — municipalization is one of the options that contribute to a more competitive energy market. The approval of these customer retention funds simply entrenches the inherent market power PG&E wields against public power options, including municipalization and CCA. PG&E shareholders are well suited and have significant incentives to expend shareholder dollars to achieve this outcome.

In addition, the Commission noted that no customer retention efforts have been funded in PG&E’s previous three GRC requests.³ PG&E was able to fund its Customer Retention activities through alternate means for the past ten years. PG&E has not provided compelling evidence in order to depart from the Commission precedent on this issue. Why should the ratepayers now be made responsible for these costs?

MCE urges the Commission to reconsider its approval of \$1.5 million for Customer Retention purposes.

V. **CONCLUSION**

MCE thanks Commissioner Florio and ALJ Pulsifer for their consideration of the issues herein.

³ Proposed Decision at 329.

Respectfully Submitted,

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APPENDIX A

PROPOSED FINDINGS OF FACT AND CONCLUSIONS OF LAW

Finding of Fact

144. PG&E forecasts \$1.5 million for customer retention activities to provide a full and accurate analysis of the financial impact to remaining customers if a publicly -owned utility (POU) takes over or expands service in PG&E's service area. *The claimed benefits from the customer retention activities are not sufficient to prioritize it for ratepayer funding in this GRC.*