Challenges to the Timely Processing of GRCs Within the current RCP

Discussions

1. Does the current Rate Case Plan schedule allow sufficient time for the utilities, all intervening parties, and Commission staff to process GRC proceedings in a timely manner? If not, why not?

* Current GRC schedule provides insufficient time for ORA to file its testimony.
  + April date for ORA testimony is manageable and consistent with past GRC schedules and latest GRC schedules.
* In past GRCs, ORA typically filed its testimony in April.
  + In recent PG&E GRC (A.15-09-001) and SCE GRC (A.16-09-001), the ALJ has adopted schedules which have afforded ORA sufficient time to file its testimony in early April.
* The current GRCs overlap the Risk Assessment and Mitigation Phases (RAMPs) which may impact parties’ ability to fully examine issues in both cases.
  + Any delays in SMAP and RAMP processes could impact GRCs.

1. Are there ways to reduce the complexity of GRC proceedings and streamline GRC filings? What are they?

* Complexity is dependent on the specific application and request.
  + It may be inevitable given proposed capital investment and the need to support any new programs.
* PG&E could be required to provide one RAMP that covers both the GRC and the Gas Transmission & Storage (GT&S) proceeding. This would reduce complexity and overlap for the PG&E RAMP.

1. What are other areas needing improvement within the current Rate Case Plan?

* There is evidence that eliminating the NOI may be problematic.
  + Must use discovery (within a shorter time frame) to obtain basic historical data and appropriate support for programs / forecasts which had been circumvented through the NOI process.

1. Are there things the utilities or parties can do to assist the Commission to review GRC filings more efficiently? If so, what are they?

* The filing of ORA testimony in April allows ORA to obtain recorded data for capital investments in one of the three capital investment forecast years. The ability to produce this information, incorporate the data into its testimony and present the data to the Commission provides some efficiency since it allows for consideration of additional capital investment recorded data for the record.
* Utilities are holding informational workshops to inform and educate parties and ALJ/Commission staff.

Exploring the pros and cons of a 3-year vs 4-year GRC cycle

Discussions

1. Does a 4-year GRC cycle relieve constrained resources issues (Commission staff – ALJ, ED, SED, ORA, parties)? What resources would be freed up with the 4-year cycle that are currently constrained by the 3-year GRC cycle?

* Resources are constrained and timing of cases are impacted when there is overlap among GRC proceedings (i.e. TY 2015 SCE GRC and PG&E GT&S)
* It will reduce overlap in the various processes – the Safety Model Assessment Proceedings (SMAP), the RAMPs and the GRCs.
* Current example: TY 2019 GRCs will be filed in late 2017 for PG&E GT&S; Sempra utilities (SoCalGas and SDG&E) and PacifiCorp. Also possibly Southwest Gas. This equates to constrained resources at every level of the Commission, but especially acute for ORA. If a 4-year rate case cycle had been adopted for Sempra utilities GRC then it would have a TY 2020 thereby alleviating the current constrained resources situation for late 2018 – 2019. Note that this example, does not consider the additional RAMP and SMAP responsibilities.

1. What processes and/or procedures are improved with a 4-year GRC cycle?

What other benefits does a 4-year GRC cycle bring?

* **Elimination of Overlapping Major Energy GRC Proceedings**
* **Evaluation of one major energy utility rate case per year:**
* PG&E (Gas & Electric Dist. and Gen.);
* PG&E Gas Transmission & Storage;
* Sempra Utilities (SoCalGas & SDG&E Gas and Electric Operations)
* Southern California Edison Company
* **In a 3-year GRC cycle the Current Test Year is the Base Year for the following GRC.** 
  + Recorded test year costs may not be representative of future costs as utilities are often initiating new programs during the test year and initial costs may not reflect a more stable level of expenditures and expenses. (Utilities have often commented on how the delays impact test-year recorded costs.)
* **A 4-year GRC cycle will use the year after the test year as the Base Year for the ensuing GRC.** 
  + Allows utilities time to implement and deploy new programs/projects; and to develop and present adequate recorded data pertaining to the programs in future GRCs.
* **Allows for more development and understanding of both the SMAP and RAMP proceeding.**
  + While timing issues will always exist between SMAP and GRC process, spacing out the GRCs will allow the Commission and intervenors to better develop and understand the risk showings.

3) What issues does a 4-year cycle create that would not occur in a 3-year cycle?

4) Why should the Commission pursue or not pursue a 4-year GRC cycle? What assurances are there that a 4-year cycle wouldn’t suffer the same delays as the 3-year cycle currently experience?

* The Commission and intervenors are resource constrained with the additional processes of the SMAP and RAMP.
* The 4-year rate case cycle is more efficient with one major energy GRC application per year.
* The 4-year cycle will not completely eliminate all overlap, it will eliminate the primary GRC overlap.
* While it may not entirely eliminate delays, it should result in shorter delay and an ability to target major energy GRC decisions to be issued within the first quarter of the test year
  + It should avoid and alleviate substantial delays such as those that occurred in the last PG&E GT&S case (A.13-12-012) and in the Sempra utilities 2012 GRCs (A.10-12-005; A.10-12-006) which were litigated simultaneous with other GRCs.
  + There will always be many issues, some complexity and voluminous utility showings associated with GRCs.