

**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)

NOT CONSOLIDATED

Order Instituting Rulemaking to Further Develop a Risk-Based Decision Making Framework for Electric and Gas Utilities.

Rulemaking 20-07-013
(Filed July 16, 2020)

**JOINT COMMENTS OF SAN DIEGO GAS & ELECTRIC COMPANY (U 902-M) AND
SOUTHERN CALIFORNIA GAS COMPANY (U 904-G) ON WORKSHOP 4 REPORT**

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March 25, 2021

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I. INTRODUCTION

In accordance with the guidance and timeline provided by the Energy Division of the California Public Utilities Commission (“Commission”),¹ San Diego Gas & Electric Company (“SDG&E”) and Southern California Gas Company (“SoCalGas”) respectfully submit their joint comments to the final Rate Case Plan Workshop #4 Report dated March 11, 2021 (“Workshop 4 Report”). The Workshop 4 Report was issued in response to the consolidated workshop² hosted by Commission Staff on February 9, 2021, which explored and discussed proposals for potential efficiencies related to Risk Assessment and Mitigation Phase (“RAMP”) filings (“Workshop 4”).

¹ Consolidated Workshop RCP-RDF, D.20-01-002 Rate Case Plan (RCP) Workshop 4 R.20-07-013 Risk-based Decision-making framework (RDF) Track 3 (aka S-MAP 2.0) (February 9, 2021) (“Consolidated Workshop RCP-RDF Presentation Slides”) at Slide 47.

² This consolidated workshop was ordered in Decision (“D.”) 20-01-002, *The Decision Modifying the Commission’s Rate Case Plan for Energy Utilities* (the “RCP Decision”) in Rulemaking (“R.”) 13-11-006 at 69-70, and Phase 1, Track 3 of R.20-07-013, *The Order Instituting Rulemaking to Further Develop a Risk-Based Decision Making Framework for Electric and Gas Utilities* (“RDF”), Assigned Commissioner’s Scoping Memo and Ruling (November 2, 2020) at 4.

II. DISCUSSION

A. Purpose and Scope of the Workshop 4

In January 2020, the Commission issued the RCP Decision to address the Commission's preference for greater efficiencies in processing the large energy utilities' general rate case ("GRC") proceedings.³ The RCP Decision did not reach a determination on all issues raised by the parties to the Rulemaking, and, instead, the Commission ordered additional workshops to be facilitated by the Commission's Energy Division (in consultation with the Safety and Enforcement Division as appropriate) "to further explore and develop proposals to increase the efficiency of GRC proceedings"⁴ on four topics, which included "standardizing the organization and format of GRC and RAMP filings."⁵ Due to the similarity in scope of the RDF Phase 1, Track 3 Rulemaking, workshop topics were consolidated for Workshop 4 with the objective to:

- Improve integration of RAMP into the GRC and GRC-related reporting into the Risk Spending Accountability Report ("RSAR"); and
- Standardize the organization and format of GRC and RAMP filings.⁶

SDG&E and SoCalGas appreciated the opportunity to present along with Southern California Edison Company ("SCE") and Pacific Gas and Electric Company ("PG&E") (collectively, "the Utilities") on the various tracks for discussion at Workshop 4, to provide feedback and comments on the presentations made by the Energy Division and Safety Policy Division and to respond to the questions posed by Administrative Law Judge Fogel. We reiterate

³ D.20-01-002 at 2.

⁴ *Id.* at 3-4. *See also id.*, Ordering Paragraph ("OP") 5 at 79.

⁵ *Id.* at 3-4 and Finding of Fact 8 at 76 ("Additional workshops could explore standardizing the organization and format of GRC and RAMP filings; the possible use of stipulated terms and rebuttable presumptions to reduce litigated issues, and improving the accuracy of attrition year forecasting, escalation factors, and ratemaking. . . .").

⁶ Consolidated Workshop RCP/RDF Presentation Slides at Slide 4.

the views discussed by the Utilities during Workshop 4 about the challenges an attempt to standardize GRC and RAMP filings would present, given the differences among utility structure and accounting systems, and the differences between the purpose and showing required in the RAMP and the GRC applications. However, we believe that progress can be made in some of the areas discussed and we remain open to participating in working groups to advance potential alignment with other parties in areas that could remove redundancy and increase transparency where practical and achievable. SDG&E and SoCalGas will not repeat the comments made by the Utilities during Workshop 4 but do wish to comment on matters that were presented for the first time in the comments filed on March 4, 2021 by the Public Advocates Office (“Cal. Advocates”) and Protect Our Communities Foundation (“PCF”) after the draft workshop report was served.

B. Comments on Workshop 4 Report

1. There is no need to incorporate the Climate Change Vulnerability Assessment into RAMP

In its comments to the draft workshop report, Cal. Advocates recommended that “[u]tility RAMP Applications should include and consider the results of utility Climate Change Vulnerability Assessments, the requirements for which are laid out in D.20-08-046.”⁷ In D.20-08-046, however, the Commission elected to establish a parallel path for the submission of the Climate Change Vulnerability Assessment (“Assessment”), and specifically ordered the utilities to file that Assessment on the same date as their respective RAMP filing.⁸ There is no reason to re-write the

⁷ *Comments of the Public Advocates Offices on the Rulemaking 20-07-013 Phase 1 Track 3 and Decision 20-01-002 Rate Case Plan Consolidated Workshop Draft Report Comments to Draft Workshop Report* (March 4, 2021) (“Cal Advocates Comments on Draft Report”) at 4 and n.4, citing D.20-08-046, *Decision on Energy Utility Climate Change Vulnerability Assessments And Climate Adaptation in Disadvantaged Communities* (Phase 1, Topics 4 and 5) (August 27, 2020).

⁸ D.20-08-046 at 82 (“We view the vulnerability assessment and RAMP processes as complementary and interlinked, and requiring both filings by the same deadline will help provide useful information and context for parties engaged in both proceedings.”) and 83 (requiring vulnerability assessment to

Commission's determination now. Both the RAMP submission and the Climate Change Vulnerability Assessment will inform the utility's next GRC, and parties will receive this information on the same day and in an appropriate context.⁹ A duplication of effort, by including the Assessment results in the RAMP filing, is unnecessary.

2. PCF's Comments should be given no weight

Workshop 4 was conducted in an orderly and collaborative manner, with engaged discussion by participants after each of the seven topic presentations. Although PCF attended Workshop 4, it elected to submit written views on the draft workshop report, instead of oral comments at the workshop.¹⁰ PCF's written comments did not reflect a collaborative tone consistent with a workshop setting and rehashed PCF's litigation positions from other proceedings, some closed with a Commission determination on those issues and some still open and awaiting the Commission's decision. SoCalGas and SDG&E do not believe addressing PCF's litigation positions in its workshop comments would be constructive toward achieving the Commission's stated goals for Workshop 4. However, the Workshop 4 Report contains the essence of PCF's written comments in a neutral tone, and SDG&E and SoCalGas have replies to those comments in the areas related to RAMP Standardization and RAMP to GRC Integration:

The Workshop 4 Report states: "In its March 4 Post-Workshop Comments, PFC expresses that there is 'no meaningful justification for not standardizing RAMPs across the utilities.' PCF also indicated its 'agree[ment]' with the Energy Division that the utilities should

be filed by the same day as the utility's RAMP) and OP 11 at 128 (requiring that Assessment be filed as Tier 2 Advice Letter on same date as utility's RAMP filing).

⁹ See D.20-08-046 at 79 ("We envision vulnerability assessments as part of a process informing the GRC as to climate risk and vulnerabilities the utility will be facing in the long term of 20 to 50 years.") and 84.

¹⁰ See Workshop 4 Report at 1.

present activities in the same manner in both the GRC and the RAMP.’’¹¹ SCE presented on this topic and explained in detail why standardization across utilities and in the presentment of each utility’s RAMP to GRC integration was not practical or realistically achievable.¹² SDG&E and SoCalGas concur with SCE on these points. There does not need to be a one-size-fits-all approach to filing RAMPs or their structure. RAMPs can be different among the utilities because each utility is structured differently. Standardization should not be the goal. All of the utilities will continue to provide roadmaps demonstrating the integration of its RAMP to the GRC.

In addition, in their presentation and comments during the February 9, 2021 workshop, SDG&E and SoCalGas related that their GRCs are presented by organization.¹³ PCF commented on this approach, stating that this “raises serious concerns for PCF” because “the Commission has been clear that the programs should be traceable from the RAMP to the GRC to the RSAR.”¹⁴ By this comment, PCF appears to suggest that a GRC presented by organization is not compliant with Commission decisions, as RAMP submissions are to be presented on a program basis. However, the S-MAP settlement at Row 28 (D.18-12-014, Appendix A at A-16) specifically explains what a “program” means for SDG&E and SoCalGas: “Capital programs are defined at the budget code level” and an “expense program is presented by workpaper, which typically contains a single cost center or a group of center centers.” This is the “organizational” GRC presentation that SDG&E and SoCalGas were referring to in their presentation on the topic.

¹¹ See Workshop 4 Report at 7, citing The Protect Our Communities Foundation Comments on Draft Report For Integration in Final Report Required by D.20-01-002 (March 4, 2021) (“PFC Comments on Draft Report”) at 4-5.

¹² See Workshop 4 Report at 6; Consolidated Workshop RCP/RDF Presentation Slides at Slide 11-12.

¹³ See Workshop 4 Report at 13-14.

¹⁴ See Workshop 4 Report at 14, citing PFC Comments on Draft Report at 9.

Accordingly, PCF's concerns are misplaced. SDG&E's and SoCalGas' organizational presentation is entirely consistent with the Commission's RAMP and GRC decisions.

3. RAMP Proceedings should be closed prior to the filing of the Utility's GRC

During the discussion of Topic 6, Track 3b (Updates to RCP Requirements), Energy Division posed questions about the appropriate timing for closure of the utility's RAMP proceeding.¹⁵ SDG&E and SoCalGas concur with the premise of Energy Division's suggestion that "working groups discuss how to accomplish closing RAMP proceedings in an efficient and effective timeframe prior to the filing of the GRC Application."¹⁶ The RAMP's stated purpose is to "inform" the utility's next GRC.¹⁷ For this to occur efficiently, however, the utility must receive timely input from the Commission and other interested parties in order to effectively process and incorporate the RAMP feedback into its GRC application.

Under the RCP Decision, the utility's GRC application is filed one year after its RAMP submission. A process exists that requires the Safety Enforcement Division's report and party opening and reply comments within 200 days of the RAMP filing.¹⁸ There is no benefit to keep the RAMP proceeding open after the GRC has been filed. The utility is required to take both the RAMP report and any comments into account in developing its GRC requests for authorization. As discussed in Workshop 4, parties focus on how the utility has addressed their RAMP comments in its GRC.¹⁹ And, any evidentiary weighting and decision-making on those requests

¹⁵ See Workshop 4 Report at 12-14.

¹⁶ *Id.* at 14.

¹⁷ See D.14-12-025 at 34, 35-36.

¹⁸ See D.20-01-002, Appendix A at A-1, Table 1 (outlining schedule for RAMP Application May 15, SED Report by September 1, Opening Comments on RAMP submission and SED Report by November 15 and Reply Comments by December 1).

¹⁹ See, e.g., Workshop 4 Report at 13.

will be made in the GRC, not the RAMP proceeding. Once timely comments are provided on the utility's RAMP submission, that proceeding has served its purpose and may appropriately be closed.

III. CONCLUSION

SDG&E and SoCalGas appreciate the efforts, presentations and discussion by the Energy Division, Safety Policy Division, and other participating parties to Workshop 4 and the other RCP-related workshops to develop efficiencies in the Energy Utilities' General Rate Cases and related submissions. We look forward to participating in any working groups to further the discussions held during the four workshops and remain optimistic that consensus among the parties on some of the workshop topics may be achievable.

Respectfully submitted,

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