

# California State Senate

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November 15, 2017

SENATOR  
JERRY HILL

THIRTEENTH SENATE DISTRICT



COMMITTEES  
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President Michael Picker  
Commissioner Martha Guzman Aceves  
Commissioner Carla J. Peterman  
Commissioner Liane M. Randolph  
Commissioner Clifford Rechtschaffen  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, CA 94102

## **RE: Commission Delay in Voting on Proposed Decision Denying A. 15-09-010**

Dear President Picker and Commissioners Aceves, Peterman, Randolph, and Rechtschaffen,

I write to express my concern with the Commission's continued delay in voting on the proposed decision (PD) of San Diego Gas and Electric's (SDG&E) Wildfire Expense Memorandum Account (WEMA) application from the 2007 wildfires. I believe I share this concern with the public, not only in SDG&E's service area but all of the communities affected by utility-caused wildfires.

Two administrative law judges spent over a year holding hearings and in August concluded that SDG&E "did not reasonably manage and operate its facilities" and thus could not pass along \$379 million in uninsured expenses to ratepayers. The fires killed two people, burned over 200,000 acres, injured 40 firefighters, and destroyed over 1,300 homes.

Since August you have delayed a decision four times on whether or not to uphold the judges' decision. During that same time, utility representatives from SDG&E, PG&E and SoCal Edison have met with your staff over a dozen times arguing why they should be able to charge ratepayers for wildfires caused by their powerlines.

The perception your delay casts is troublesome, and your public rationale as to the need for delay is inadequate. Having a chance to "review and reply" to comments in a decade-old case seems counter to your core values of accountability and excellence, especially when the only recent activity in this proceeding involves the large utilities asking you to overturn the judges' decision since they also want to pass along uninsured costs to their ratepayers. PG&E will likely request the ability to charge its customers for uninsured costs from the 2015 Butte Fire which killed two people, burned 70,868 acres and destroyed more than 900 homes.

PG&E and SoCal Edison, having now jumped into this proceeding, argue that your vote on this PD will be precedent setting. On this we agree. Voting against the PD is dangerous precedent for the future of disaster cost recovery. The utilities in their comments make sleight-of-hand arguments about reasonableness and inverse condemnation. But the Commission has full authority to consider whether the utility acted reasonably, regardless of SDG&E's settlements or any finding of strict liability.

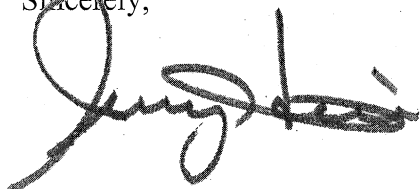
As you ordered in December 2012, SDG&E may apply to recover WEMA balances "subject to a reasonableness review at a later time."<sup>1</sup> This is that later time; and your judges have taken pains to apply reasonableness throughout this PD.

Both your Safety Division and the administrative law judges make this case very clear: SDG&E did not act reasonably. Your delay indicates a hesitancy to accept your judges' findings. I urge you to accept them.

As I have said repeatedly, the CPUC must increase its focus on safety. Allowing utilities to collect losses incurred from unreasonable behavior disincentivizes them from prioritizing safety.

I'll be introducing legislation this coming January to ensure that unreasonable or unsafe actions by the utilities do not result in ratepayers bearing the expense. As safe electric service is one of the Commission's core missions, it is my hope you will also consider safety in your deliberations of this PD.

Sincerely,

A handwritten signature in black ink, appearing to read "Jerry Hill", written in a cursive style.

JERRY HILL  
Senator, 13<sup>th</sup> District

cc: Governor Jerry Brown  
Senator Ben Hueso  
Assemblymember Chris Holden  
Timothy Sullivan, Executive Director of CPUC  
Service List, R. 15-09-010

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<sup>1</sup> D. 12-12-029