Assembly Committee on Utilities and Energy

Assemblymember Chris R. Holden, Chair

California Legislature

The California Public Utilities Commission's Duties

The California Public Utilities Commission (CPUC) is mandated to regulate services and utilities, protect consumers, safeguard the environmental, and assure Californians' access to safe and reliable utility infrastructure and services. The CPUC maintains authority over public utilities in the following sectors: electric, natural gas, telecommunications, water, railroad, rail transit, and passenger transportation companies.

Through proceedings, the CPUC regulates the above entities. Proceedings of the CPUC are a formal judicial process used to evaluate a variety of requests related to the industries that the CPUC regulates. A proceeding can be a request, complaint, or application by a person, group, or company, or it can be a CPUC initiated investigation or rulemaking, etc. The purpose of proceedings is to establish an evidentiary record on which CPUC decisions is based. The CPUC's regulatory process is largely undertaking through three types of proceedings: 1) Ratesetting – Sets or investigates rates for utilities. Includes applications from utilities and formal complaints that challenge the reasonableness of rates; 2) Quasi-Legislative – Proceedings can be initiated by legislation, petition, or by the CPUC to establish policy or rules affecting a class of regulated entities and may be resolved based on documents submitted and without hearings; and 3) Adjudicatory – Investigates possible violations of state law and/or CPUC order or rule.

The following is a summary of the major proceeding conducted by the CPUC in 2019.

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Summary of the California Public Utilities Commission's 2019 Proceedings

Key Proceedings

Wildfire Recovery Costs Methodology (D.19-06-027) **-** In June, the CPUC adopted a methodology in D.19-06-027 for determining appropriate recovery of wildfire costs in future utility applications and to determine the maximum amount utilities that are not active in Chapter 11 proceedings can pay without harming ratepayers or materially impacting their ability to provide adequate and safe service. The adopted framework, known as the "stress test," allows the CPUC to determine the company's financial status, which includes, among other considerations, its capital structure, liquidity needs, and liabilities, as well as its capacity to raise additional debt, cash, or resources that are reasonably available to the utility.

PG&E Cost Recovery (D.19-04-039) **-** Application 18-03-015 addresses Pacific Gas &Electric's (PG&E) Catastrophic Emergency Memorandum Account expenditures that it asserts were made pursuant to three fires in 2016, four sets of storms in 2016 and 2017, and vegetation management related to tree mortality and fire risk reduction in 2016 and 2017. The CPUC denied PG&E forecasted costs, but authorized PG&E to recover $373 million in recorded costs in interim rates in the interests of fairness and rate stability.

PG&E Bankruptcy OII (19-09-016) **-** The CPUC opened investigation 19-09-016 to consider the ratemaking and other implications of PG&E's proposed plan for resolution of its voluntary Chapter 11 bankruptcy case. Parties to the proceeding commented on matters related to a proposed Plan of Reorganization filed with the CPUC, any proposed settlements between PG&E and the CPUC, and other regulatory approvals sought by PG&E in connection with its Chapter 11 bankruptcy filing. The CPUC expects to render a Decision by June 2020.

Emergency Disaster Relief (R.18-03-011, D.19-07-015, D.19-08-025) **-** The CPUC adopted two Decisions with new protections to ensure that Californians who experienced housing or financial crises due to devastating fires will not lose access to vital utility services or receive charges for services they were not using. D.19-07-015 directed electric, natural gas, water and sewer corporations to implement customer relief programs during times of disaster. The second, D.19-08-025, directed communications service providers to implement customer relief programs during times of disaster. These Decisions adopted the language and outreach requirements from the Wildlife Mitigation Plans.

Surcharge in Support of California's New Wildfire Fund (D. 19-10-056) **-** Pursuant to AB 1054, the CPUC approved in D. 19-10-056 a non-bypassable charge to support California's new Wildfire Insurance Fund.

Natural Gas Safety

Investigation of the SoCalGas Natural Gas Explosion (D.16-09-055, G.19-02-001, I.19-06-014) - In this decision the Safety Enforcement Division (SED) issued citation G.19-02-001 for $3.3 million against SoCalGas for failing to properly and timely investigate a natural gas explosion in accordance with State and Federal Code and the company's own procedures.

In June, the CPUC opened OII I.19-06-014 to determine whether the organizational culture and governance of SoCalGas and its parent company, Sempra Energy, prioritize safety and adequately direct resources to promote accountability and achieve safety performance goals, standards and improvements.

Investigation into PG&E's Failure to Comply with Locate-and-Mark Program (I.18-12-007) **-** The CPUC initiated a formal investigation (I.18-12-007) of allegations that PG&E failed to accurately record requests to mark locations of natural gas lines, falsified some tickets and violated other rules meant to prevent damage to natural gas pipelines during excavation activities occurring over a number of years. This investigation is ongoing. In October, PG&E, California Coalition of Utility Employees and SED proposed a settlement where shareholders would pay a $65 million penalty and the utility would enact a series reforms related to the violations.

Aliso Canyon Leak Investigation (I.19-06-016) **-** In October 2015, a natural gas injection and extraction well failed at SoCalGas's Aliso Canyon natural gas storage facility (Aliso Canyon), resulting in a blowout and the uncontrolled release of gas into the atmosphere for 111 days. The CPUC opened I.19-06-016 to investigate SoCalGas operations and practices with respect to the event.

Aliso Canyon Reliability (I.17-02-002) **-** In February 2017, the CPUC opened an Order Instituting an Investigation (OII) (I.17-02-002) to determine the long-term feasibility of minimizing or eliminating the use of Aliso Canyon. In July, CPUC staff issued a revised Aliso Canyon Withdrawal Protocol to allow more flexible use of Aliso, in response to energy reliability challenges and customer price impacts in Southern California. Staff has conducted its own economic modeling, hydraulic flow modeling, and production cost modeling and analysis to support the investigation and held a workshop in November to discuss the initial results with stakeholders. Also, in response to the Governor's request in November that the CPUC expedite the matter, the CPUC began the process of engaging a third party independent expert to help us identify possible alternatives to the facility and scenarios to inform a path to closure.

Natural Gas Leak Abatement Program (D.17-06-015, D.19-08-020) **-** The CPUC established the Natural Gas Leak Abatement Program under D.17-06-015. In August, the CPUC approved D.19-08-020, adopting new methodologies for evaluating costs for proposed methane reduction measures and leak compliance plans, and added a restriction on rate recovery beginning in 2025 to ensure that expenditures achieve their intended methane emissions reductions.

Electric Sector Safety

Proceeding to Consider Amendments to General Order 95 (R.17-10-010) **-** The CPUC opened rulemaking R.17-10-010 to consider provisions regarding maintenance of pole climbing space, worker fall protection, pole strength requirements, use of pole steps, and related issues. In September, the Administrative Law Judge issued a Ruling inviting parties to file and serve further comments to a workshop report. A Proposed Decision was filed on December 13 and may be heard, at the earliest, at the CPUC's January 16, 2020 Business Meeting.

Safety Model Assessment Proceeding (A.15-05-002, D.19-04-020) **-** In A.15-05-002 et al, the CPUC reviewed the models that major energy utilities use to identify, rank, and budget for safety risk mitigations. In April, the CPUC issued Decision 19-04-020 to adopt 26 safety performance metrics, detailed requirements for utility risk spending accountability reports, and guidelines for smaller utilities.

Physical Security at Electric Substations (D.19-010-018) **-** The CPUC issued D.19-010-018, establishing a physical security assessment and compliance program for electric utilities. CPUC staff continue to review, monitor, and evaluate investor- and publicly-owned utilities' compliance with the new rules.

Utility Pole Database (I.17-06-027, R.17-06-028) **-** The CPUC initiated I.17-06-027 and R.17-06-028 to create a shared database or statewide census of utility poles and conduits in California. This information will be critical to determine whether a downed or damaged pole contributes to fires. The parties submitted proposals for how to meet the pole identification requirements, and for providing CPUC staff with remote access to pole databases.

Undergrounding Electric Distribution Infrastructure (R.17-05-010) **-** The CPUC is reviewing policies and funding mechanisms for the overhead to the Underground Conversion Program administered by electric utilities for cities and other jurisdictions. In April, the CPUC held a workshop on near-term improvements to the Program and associated tariffs.

Southern California Edison (SCE) Grid Safety and Resiliency Program (18-09-002) **-** In Application 18-09-002, SCE proposed investments of $582 million for wildfire-risk mitigation measures. SCE claims that approval of its request will help address California's increasing fire risk by further hardening the electric system and enhancing utility situational awareness and operational capabilities. In July, parties to the proceeding submitted a proposed settlement to approve the application with additional requirements for cost recovery, metrics, reporting and other ratepayer protections. The Office of the Safety Advocate (OSA) opposed the proposal settlement. The CPUC continues to consider the proposed settlement and modifications recommended by OSA.

Risk Assessment Fully Informs Utility GRC Budget Requests - (Multiple Proceedings, Including A.15-05-002, A.16-09-001, A.17-10-007/008, I.17-11-003, and A.17-11-009). The CPUC continued its multi-year effort to bring risk-informed decision making into utility general rate cases (GRC), which are proceedings to establish that rates charged by the utility to their customers are just and reasonable.

Utility Safety Investigations

Investigation into Safety Culture of PG&E - I.15-08-019 will consider changes to corporate governance, management and structure. SED staff managed the completion of an initial safety report and recommendations by NorthStar consultants.

SCE Risk Assessment Mitigation (RAMP) Phase - In I.18-11-006 SED completed its evaluation report on SCE's RAMP submission of the utility's RAMP and conducted a workshop to review findings and recommendations. The utility's RAMP proposal examines the top safety risks identified by SCE, evaluating these risks as required by the Safety Model Assessment Proceeding and considering mitigation plans to address these risks.

Transportation Proceedings

TNC Accessibility for Persons with Disabilities (D.19-06-033) **-** Following public workshops, the CPUC adopted D.19-06-033 creating the "TNC Access for All Fund" and imposing a 10-cent per-trip fee on each transportation network company (TNC) trip to subsidize the costs of increasing the availability of "on-demand" transportation to non-folding wheelchair users who need a wheelchair accessible vehicle.

Autonomous Vehicle (AV) Testing in Passenger Service (D.18-05-043) **-** The CPUC is evaluating two pilot programs authorized under D.18-05-043 for AV testing in passenger service, increasing to four the number of entities testing AVs in passenger service.

Communications Sector Proceedings

California LifeLine (D.19-04-021) **-** The California LifeLine Program continued to provide roughly 1.7 million low-income households with low-cost or no-cost phone service. LifeLine transitioned to a new Third-Party Administrator, replaced subsidies for Californian households that were cut by the Federal Communications Commission (FCC), and analyzed the costs of partially or fully making up for further declines in subsidies planned by the FCC. Staff also launched pilot programs with Boost Mobile and iFoster (approved in D.19-04-021), which use innovative methods to provide discounts to foster youth and recipients of California Alternative Rates for Energy (CARE), and held workshops to develop additional pilots.

Small Incumbent Local Exchange Carriers (D.19-04-017, D.19-06-025, A.17-12-004) **-** The CPUC adopted three Test Year 2019 General Rate Cases for Small Incumbent Local Exchange Carriers, an intrastate revenue requirement of $5.026 million for the Foresthill Telephone Company (D.19-04-017); $2.395 million for the Ducor Telephone Company (D.19-06-025); and $.690 million for the Pinnacles Telephone Company (A.17-12-004).

Energy Proceedings

Renewables Portfolio Standard (RPS) (D.19-060-023, D.19-09-007, D.19-02-007) **-** In June, the CPUC adopted D.19-060-023 to implement SB 100 (De Leon, 2018) expanding California's commitment to clean energy by increasing the State's RPS to 60 percent by 2030 and setting a goal that 100 percent of California's electricity come from renewables and zero-carbon resources by 2045. The CPUC also adopted D.19-09-007 and D.19-02-007 on the 2018 procurement plans of retail sellers of electricity, including IOUs, community choice aggregators, and electric service providers. In addition, the CPUC implemented the procurement quantity requirements for the California RPS program for years beginning in 2021.

Integrated Resource Planning (IRP) (R.16-02-007, D.19-11-016) **-** The CPUC administers an IRP process that ensures its jurisdictional load-serving entities (LSEs) – including utilities, community choice aggregations, and direct access (DA) providers – develop optimal resource portfolios and action plans to meet California's greenhouse gas (GHG) emissions reduction goals at low costs while maintaining a reliable electric system. The CPUC evaluated the first round of individual IRP filings in R.16-02-007 for all LSEs in its jurisdiction and adopted a Preferred System Portfolio to achieve 2030 goals. The CPUC also opened a procurement track to assess reliability needs between 2021-2023. The CPUC adopted D.19.11.016 requiring all LSEs to procure a share of new resources identified as necessary to ensure safe and reliable electric service.

Power Charge Indifference Adjustment (PCIA) (R.17-06-026, D.19-10-001) **-** The CPUC opened R.17-06-026 to review, revise, and consider alternatives to the PCIA, which is to ensure that when electric customers of the IOUs depart from IOU service, those customers remain responsible for costs previously incurred on their behalf by the IOUs. The CPUC refined in D.19-10-001 the method, data, and process requirements for the forecast and true-up of the Market Price Benchmarks used in PCIA rate calculations. In R.17-06-026 the CPUC continued to work with stakeholder groups that are developing proposals to improve forecasts of customer departures from IOU service, to establish a framework for customers to prepay the PCIA, and to require IOUs to optimize their generation portfolios by allocating or selling excess resources.

Energy Storage (D.19-06-032, D.19-08-001, D.19-09-027) **-** The CPUC adopted three significant energy storage Decisions. The first, D.19-06-032, approved a portion of utilities' applications to procure energy storage required by AB 2868 (Gatto, 2016), and denied portions of the applications that did not meet cost reasonableness requirements. The second, D.19-08-001, implemented SB 700 (Weiner, 2018) by adopting new GHG emission requirements for Self-Generation Incentive Program (SGIP) storage systems. The third, D.19-09-027, modified the program requirements of SGIP's "equity budget" to increase participation of disadvantaged communities and affordable housing residents. D.19-09-027 also established a $100 million equity resiliency budget for vulnerable customers and critical services in Tier 2 and 3 High Fire Threat Districts, and modified program requirements so SGIP systems can provide backup generation during Public Safety Power Shutoff (PSPS) events.

Integrated Distributed Energy Resources (IDER) and Distributed Resource Plans (DRP) (D.19-05-019) **-** In May, the CPUC approved D.19-05-019 to adopt a societal cost test as part of its framework for integrated Distributed Energy Resources (DERs), such as onsite energy storage and rooftop solar. The CPUC issued a staff proposal to determine how to estimate the value that results from using DERs to defer investments in transmission and distribution infrastructure.

Demand Response Auction Mechanism (DRAM) (D.19-07-009) **-** After evaluating CPUC staff's DRAM Evaluation Report, the CPUC approved D.19-07-009 to extend the program four years, with critical design changes intended to improve performance and reliability of DRAM resources.

Microgrids (R.19-09-009) **-** The CPUC initiated R.19-09-009 to begin crafting a policy framework, in consultation with the California Energy Commission (CEC) and the California Independent System Operator, to facilitate the commercialization of microgrids for distribution customers of large electrical corporations to maintain access to essential services during PSPS events and other outages.

Direct Access (DA) (R.19-03-009, D.19-08-004) **-** The CPUC authorizes and facilitates direct transactions between electricity suppliers and retail end-use customers, subject to an annual maximum allowable total kilowatt-hour limit. The CPUC opened Rulemaking 19-03-009 to implement the two requirements set forth in SB 237 (Hertzberg, 2018). The CPUC adopted D.19-08-004, apportioning the 4,000 GWh increase in direct access, set by SB 237, to the IOUs and allowing the increase to be available to non-residential customers over a two-year period so the new service is implemented consistent with the CPUC's Resource Adequacy Program.

Resource Adequacy (RA) (D.19-02-022, D.19-06-026, D.19-10-021) **-** The RA program was established to ensure that sufficient energy generation resources are available to reliably operate the grid, especially during conditions of stress or scarcity. The CPUC issued several decisions in 2019 (D.19-02-022, D.19-06-026 and D.19-10-021) to refine the RA program, adopt flexible capacity obligations, and affirm existing rules for imports. Specific changes include RA procurement requirements that look three years ahead, mandated proposals for how to procure RA most efficiently, and new rules clarifying how imported energy can qualify as RA.

Solar Consumer Protections (D.18-09-044) **-** The CPUC released the first *California Solar Consumer Protection Guide*, in accordance with D.18-09-044, a consumer document that provides prospective rooftop solar customers with information on how to avoid solar fraud and make a more informed decision about going solar. In September, the CPUC released the Guide in Chinese, Korean, Spanish, Tagalog, Vietnamese and audio format.

Environmental Justice for San Joaquin Valley Communities (D.18-12-015, D.19-09-027) **-** The CPUC previously approved (D.18-12-015) up to $56 million for pilot projects in nine disadvantaged communities in the San Joaquin Valley to electrify homes lacking access to natural gas and to extend natural gas lines to homes. The CPUC also completed implementation plans for bill protection measures for participating residents. And the CPUC adopted D.19-09-027 increasing equity-targeted subsidies for energy storage and creating a $10 million storage budget set-aside to support the San Joaquin Valley Disadvantaged Communities Pilot projects.

Energy Efficiency (D.19-08-034, D.19-08-009, D.19-12-021) **-** The CPUC adopted several Decisions refining energy efficiency programs. In D.19-08-034, the CPUC established electric and natural gas energy savings goals for 2020 - 2030. In D.19-08-009 the CPUC adopted new rules that allow energy efficiency budgets to be used for customers wishing to switch from gas to electric appliances. The CPUC also revised the implementation and oversight of large customized energy efficiency projects as required by SB 1131 (Hertzberg, 2018). Finally, in Decision (D.19-12-021) the CPUC reaffirmed the value of Regional Energy Networks, coalitions of local governments that administer energy efficiency programs in hard-to-reach buildings, and authorized a new Market Transformation Initiative to catalyze and support the next wave of energy efficiency innovations.

Transportation Electrification (D.19-08-026, D.19-11-017, D.19-10-005) **-** The CPUC adopted several new transportation electrification charging infrastructure funding programs and electric vehicle (EV) rates, including:

- In D.19-08-026, the CPUC approved San Diego Gas and Electric's (SDG&E's) proposal to install charging infrastructure to support the electrification of 3,000-6,000 medium and heavy-duty vehicles, and provide rebates to cover up to 50 percent of the cost of the charging stations at sites in disadvantaged communities (DAC) and sites electrifying transit and school buses.
- The CPUC adopted D.19-11-017 approving proposals by PG&E, SCE, SDG&E and Liberty Utilities to invest $54 million to provide EV charging infrastructures at state parks, beaches, and educational institutions pursuant to AB 1082 (Burke, 2017) and AB 1083 (Burke, 2017).
- The CPUC adopted D.19-10-005 on PG&E's application for commercial EV charging rates.

Biomethane and Renewable Natural Gas (D.19-05-018) **-** The CPUC adopted D.19-05-018 in May to lower the pipeline injection standard for heating value for renewable natural gas projects from 990 to 970. The CPUC also held multiple workshops to consider a standard renewable natural gas interconnection tariff, standards for injecting and interconnecting renewable methane and hydrogen projects, and establishing a process for considering interconnection requests that allow renewable natural gas blending in pipelines.

Electric Program Investment Charge (EPIC) (R.19-10-005) **-** The CPUC created EPIC to provide investments in energy innovation that benefit IOU ratepayers through increased reliability, lower costs, and improved safety. The CEC, PG&E, SCE, and SDG&E administer the EPIC program within parameters set by the CPUC. The program investment budget for 2018-2020 is $555 million for three project types: Applied Research and Development, Technology Demonstration and Deployment, and Market Facilitation. The CPUC is examining the Research Administration Plan and considering funding for EPIC past 2020, along with any appropriate administrative and programmatic changes. On October 10, 2019, the CPUC opened a rulemaking (R.19-10-005) to consider renewal of the EPIC.

Affordable Utility Services Framework (R.18-07-006) **-** In July 2018, the CPUC launched R.18-07-006 to develop tools and a framework for evaluating affordability across regulated utility industries. Utility affordability is based on cumulative bill impacts of electricity, gas, water, and telecommunications services on a single household budget. In January and August, the CPUC held workshops to examine: (1) existing definitions and measures of affordability and applicability across water, energy, and telecommunication services, and (2) a draft staff proposal setting forth three key metrics for assessing affordability by geographic region leveraging several sets of data. The proposal informs trade-offs necessary for reliability, choice and safe, reliable access.

Low-Income Energy Programs (D.19-08-020, D.19-06-022) **-** The CPUC issued guidance Decisions (D.19-08-020 and D.19-06-022) for the utilities' CARE and Energy Savings Assistance (ESA) program applications for the next cycle of funding (2021-2026). The CARE low-income rate assistance program has approximately 4.5 million households enrolled, while the Family Electric Rate Assistance program has approximately 51,000 households enrolled. Utilities were on track to meet their 2020 goal of treating all willing and eligible low-income households in the no-cost ESA weatherization program. During the previous cycle, the ESA program included an average annual authorized budget of $547 million and average household treatment goal of approximately 401,500 homes per year.

Gas & Electric Service Disconnections (D.18-12-013) **-** The CPUC conducted workshops throughout the state to reduce disconnections for customers of the large IOUs. Previously, in D.18-12-013 the CPUC set temporary restrictions on when utilities can disconnect a customer's services. Additionally, in January, the CPUC formally requested the state's major energy utilities to help keep the lights on, avoid late payment penalties and prevent diminished credit scores of employees who had been affected by the 2018-2019 federal government shutdown.

Solar on Multifamily Affordable Housing (SOMAH) (D.17-12-022) **-** The CPUC adopted D.17-12-022 to provide incentives for installation of 300 MW of solar on affordable multifamily housing, funded at up to $100 million annually from electric utilities' cap and trade proceeds in accordance with AB 693 (Eggman, 2015). After the CPUC selected a statewide program administrator through a competitive bid process, the SOMAH Program launched in July. There has been strong interest in the program with more than 240 applications representing over 74 MW of solar and $163 million in reserved funding. The high volume of applications resulted in

SOMAH's first-year funding allocations being exhausted in three of the five utility company territories. This quick start means the SOMAH Program has, in the program's first year of operation, already reserved funds for nearly 25 percent of its overall goal of 300 MW of solar installations.

Climate Adaptation (D.19-10-054) **-** The CPUC is providing guidance to utilities on how to integrate climate adaptation into planning and operations and to integrating climate change adaptation planning into CPUC proceedings. The CPUC approved D.19-10-054 in October, putting forward a climate adaptation definition and proposing guidance on the climate projections and climate data to be used in planning processes. Future phases may expand or add guidance for small multi-jurisdictional utilities, water utilities, and telecommunications companies under CPUC jurisdiction.

Electric and Gas Rate Proceedings

SCE General Rate Case (D.19-05-020) **-** In May, the CPUC issued D.19-05-020 authorizing a revenue requirement of $5.117 billion for the Test Year 2018 for SCE, which is 7.53 percent lower than SCE's updated request but reflects the CPUC's assessment and determination of operating expenses and capital expenditures necessary for SCE to provide safe and reliable service at just and reasonable rates. This Decision also authorized a revenue requirement increase of $335 million for 2019 and $410 million for 2020.

SDG&E/SoCalGas General Rate Case (D.19-09-051) **-** In September, the CPUC issued D.19-09-051, adopting a revenue requirement for Test Year 2019 of $1.99 billion for SDG&E's combined operations ($1.59 billion for electric and $0.400 billion for gas operations) which is $212.5 million less than SDG&E requested. For SoCalGas, D.19-09-051 adopted a revenue requirement for Test Year 2019 of $2.77 billion, which is $166.109 million less than requested. The Decision also adopts post-test year adjustments for SDG&E of $134.157 million (6.74 percent increase) and $102.493 million for 2021 (4.83 percent increase). For SoCalGas, the post-test year adjustments are $219.539 million for 2020 (7.92 percent increase) and $149.551 million for 2021 (5 percent increase). Much of the increases represent costs for safety-related work, such as programs to mitigate the risk of utility equipment causing wildfires, catastrophic damage from pipeline failures and third-party dig-ins, and SoCalGas's Pipeline Safety Enhancement Plan.

PG&E General Rate Case (A.18-12-009) **-** In December 2018, PG&E filed its General Rate Case for the test year of 2020. After testimony from parties was served in July, the CPUC held 17 Public Participation Hearings during the summer of 2019 and evidentiary hearings concluded in November. A Decision is expected to be issued in mid 2020.

Time of Use Rates (D.19-07-004) **-** The CPUC approved D.19-07-004, authorizing default time-of-use rates for PG&E and SCE. The CPUC also held evidentiary hearings on the issue of default fixed charges for residential customers.

PG&E Gas Transmission and Storage (D.19-09-025) **-** In D.19-09-025, the CPUC adopted the revenue requirement and rates for PG&E's gas transmission and storage system for 2019 through 2022. The CPUC disallowed $304 million for past overspending on pipe replacements and unreasonable cost forecasts. To reduce the customer impact, the Decision also authorized PG&E to decommission a small gas storage field, Pleasant Creek, and file an advice letter in 2021 to request decommissioning of the larger Los Medanos gas storage field, if the utility demonstrates that service reliability can be maintained.

Cost of Capital (A.19-04-014, A.19-04-015, A.19-04-01, A.19-04-018) **-** The largest electric and gas utilities filed their first cost of capital applications (A.19-04-014, A.19-04-015, A.19-04-017 and A.19-04-018) since 2012. The CPUC held extensive evidentiary hearings on investor return on equity, the cost of debt, and the capital structure of the utilities for ratemaking purposes. Given the substantial impact to customer rates and the controversies surrounding wildfire risks, many parties have intervened.