

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF KENTUCKY)	
POWER COMPANY FOR (1) A GENERAL)	
ADJUSTMENT OF ITS RATES FOR ELECTRIC)	
SERVICE; (2) APPROVAL OF TARIFFS AND)	CASE NO.
RIDERS; (3) APPROVAL OF CERTAIN)	2025-00257
REGULATORY AND ACCOUNTING)	
TREATMENTS; AND (4) ALL OTHER REQUIRED)	
APPROVALS AND RELIEF)	

COMMISSION STAFF'S POST-HEARING REQUEST FOR INFORMATION
TO KENTUCKY POWER COMPANY

Kentucky Power Company (Kentucky Power), pursuant to 807 KAR 5:001, shall file with the Commission an electronic version of the following information. The information requested is due no later than January 27, 2026. The Commission directs Kentucky Power to the Commission's July 22, 2021 Order in Case No. 2020-00085¹ regarding filings with the Commission. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

Each response shall include the question to which the response is made and shall include the name of the witness responsible for responding to the questions related to the information provided. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a

¹ Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Kentucky Power shall make timely amendment to any prior response if Kentucky Power obtains information that indicates the response was incorrect or incomplete when made or, though correct or complete when made, is now incorrect or incomplete in any material respect.

For any request to which Kentucky Power fails or refuses to furnish all or part of the requested information, Kentucky Power shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied and scanned material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a paper containing personal information, Kentucky Power shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to the Settlement Testimony of Tanner Wolffram (Wolffram Settlement Testimony) at page S13. Explain how "levelized" was defined and how it operates in the context of the Deferred Tax Liability (DTL) credit allocation.

2. Refer to the Wolfram Settlement Testimony. Provide all supporting workpapers in Excel spreadsheet format with all formulas, rows, and columns unprotected and fully accessible.

3. Refer to the Wolfram Settlement Testimony, Exhibit TSW-S1. Provide a list all the riders the stipulated 9.8 percent ROE would apply to if the Stipulation Agreement were accepted.

4. Refer to the Wolfram Settlement Testimony, Exhibit TSW-S1, page 26. Provide the table shown and any supporting workpapers in Excel spreadsheet format with all formulas, rows, and columns unprotected and fully accessible.

5. Refer to the Wolfram Settlement Testimony, Exhibit TSW-S1, pages 9-10, Section 4.B. and Section 4.C.ii., discussing the return on the DTL Regulatory Asset and the deferral of incremental interest on short-term debt needed to fund the DTL Credits. Refer also to the Settlement Testimony of David Hodgson (Hodgson Settlement Testimony) at S7, explaining that the Deferred Tax Liability Rider Revenue Requirement includes a return on the DTL Regulatory Asset to recognize that Kentucky Power will no longer have the benefit of the interest-free loan from the federal government as the DTLs are credited to reduce rates.

a. State whether the incremental short-term interest identified on page 10 of Exhibit TSW-S1 would be limited to short-term interest on the difference between DTLs credited to customers and the DTL Regulatory Asset.

b. If the Settlement Agreement would allow for the deferral of short-term interest on amounts other than the difference between the DTL's credited to customers and the DTL Regulatory Asset, explain in detail why allowing the deferral of incremental

interest on short-term debt needed to fund the DTL Credits and a return on the DTL Regulatory Asset to reflect the replacement of zero-cost capital with capital that has a carrying cost at the weighted average cost of capital would not result in customers paying carrying costs on the same capital twice.

c. Explain in detail how the amount of the DTL Regulatory Asset offsetting zero-cost capital will be calculated in the years in which the DTL Regulatory Asset is accruing. e.g. state whether the return be applied on a monthly basis as the DTL Regulatory Asset grows each month, and if so, how the accrual of the asset in each month will be determined; or whether the return will be applied to the full amount in each year or some average amount.

d. Explain in detail how the amount of the DTLs and DTL Regulatory Asset will be calculated in the years in which the DTLs and DTL Regulatory Asset are being amortized.

6. Refer to January 15, 2026 Hearing Testimony of Franz Messner (Messner Hearing Testimony), Hearing Video Transcript (H.V.T.) at 11:43:50, discussing the metrics that the credit rating agencies consider and the weight that they place on each. Provide documentation from Moody's, S&P, and Fitch identifying the metrics that they use for credit ratings and the weight that they place on those metrics.

7. Refer to January 15, 2026 Messner Hearing Testimony, H.V.T. at 11:44:28, discussing Kentucky Power's credit ratings over the last two decades.

a. Provide Kentucky Power's most recent credit ratings and outlook as of January 1, 2006, from Moody's, S&P, and Fitch, and identify changes in Kentucky

Power's credit ratings and outlook from Moody's, S&P, and Fitch since that time, including when those changes occurred.

b. For any long-term debt Kentucky Power has issued since January 1, 2006, identify the principal balance of the debt, the interest rate on the debt, the Date of Offering, the Date of Maturity, the weighted average life of the debt at issuance, and the spread between the interest rate on the debt and U.S. Treasuries with the same maturities based on the I-curve.

8. Refer to January 15, 2026 Messner Hearing Testimony, H.V.T. at 11:49:41, discussing steps to investigate whether debt is sold at a premium or discount shortly or immediately after an initial public offering. Refer also to Application, Section V, Workpaper S-3, pg.1 reflecting certain recent long-term debt offerings.

a. For each initial offering of long-term debt in Workpaper S-3, explain the extent to which the debt was trading at a premium or a discount within the first seven days or so following the issuance and provide any information or documentation provided by underwriters following the initial offering indicating whether the debt was trading at a discount or premium.

b. For each initial offering of long-term debt in Workpaper S-3, identify the subscription rate for the debt at the time issuance.

9. Refer to January 15, 2026 Messner Hearing Testimony, H.V.T. at 11:55:30, in which Kentucky Power's witness discussed how the interest rate for Kentucky Power's short-term debt is determined but indicated a more thorough answer could be provided through a post hearing request. Refer also to Application, Section V, Workpaper S-3,

page 2, reflecting Kentucky Power's short-term debt in each month from June 2024 through May 2025.

a. Explain in detail how Kentucky Power's short-term interest is determined.

b. Provide any written policy or procedure discussing how the interest rate on short-term debt is determined.

c. Provide the "Notes Payable Outstanding at the End of Month" as that term is used in Workpaper S-3 for each month from January 2019 through May 2024 and June 2025 through December 2025.

10. Provide the number of disconnections and subsequent reconnections per month for the test year separated by rate class.

11. Refer to Direct Testimony of Tanner S. Wolfram, pages 32-36. Provide net present value of storm expenses to be deferred.

12. Refer to Kentucky Power's response to Commission Staff's Fourth Request for Information (Staff's Fourth Request), Item 5(c) and (d).

a. For the month preceding the test year and for each month in the test year, provide a breakdown of all net plant balance as of the end of each month associated with the trees outside of right-of-way (TOR) program, including the plant in service and accumulated depreciation as of the end of each month.

b. Explain how the cost of the TOR program is expensed for federal tax purposes.

c. Provide the test year amount spent on the TOR program.

13. Refer to Kentucky Power's response to Staff's Fourth, Item 5(e) in which Kentucky Power identifies FERC regulations it contends justify capitalizing the annual cost of the TOR program. Refer also to FERC's decision in *Pacific Gas and Electric Company*, 189 FERC P 61021, 2024 WL 4778014, (Oct. 8, 2024), attached as an Appendix.

a. Explain why the cost of the TOR program should be capitalized in light of FERC's decision in that case.

b. Identify orders, if any, of the Kentucky Commission in which the capitalization of the cost of Kentucky Power's TOR program was raised and specifically addressed by the Commission.

14. Refer to Direct Testimony of John J. Spanos, pages 10-13. Provide net present value of decommissioning cost-related assets.

15. Refer to the Application, Exhibit E. Provide an updated version of Exhibit E reflecting any approved revisions made outside of this case that are still in effect, any proposed revisions made as a result of discovery in this case, and any proposed revisions made as part of the Settlement Agreement such that they are distinguishable from the revisions included in the original Exhibit E to the application.

16. Provide a clean version of the entire tariff as currently proposed by the Settlement Agreement.

17. Refer to the Settlement Testimony of Tanner Wolfram, Exhibit TSW-S1, page 7, Section 2(D)(vi). Consider a hypothetical where interim retirements and interim net salvage are removed from the revenue requirement in the instant case, and the

proposed securitization legislation does not pass, bringing those costs back into the revenue requirement in Kentucky Power's next general rates case.

a. Explain the impact that inclusion would have on the revenue requirement and, more specifically, the residential class in Kentucky Power's next general rates case.

b. Provide any carrying costs that would be included in the calculation.

18. Refer to Kentucky Power's response to Commission Staff's Second Request for Information, Item 94, Attachment 1. Provide an update to the referenced spreadsheet through the most recent month for which hedging data is available. Separate incidental gas gains/losses from gas price hedging gains/losses.

19. Provide the application fees charged by Kentucky Power's sister utilities when a prospective COGEN/SPP customer seeks to connect distributed energy resources to their systems.

20. Provide a breakdown of the costs incurred by Kentucky Power when an average COGEN/SPP customer seeks to connect distributed energy resources to its system.

21. Provide copies of actual FlexPay billing statements from other American Electric Power service areas.

22. Explain whether Kentucky Power could add a statement to FlexPay bills advising customers that they can contact Kentucky Power if they have questions about how the daily charges included on the billing statement are broken down between various bill components.

23. Explain whether a COGEN/SPP application will be considered filed for purposes of establishing a legally enforceable obligation as of the date it is first submitted to Kentucky Power and any required application fee is paid or some other date.

24. Refer to the January 15, 2026 Hearing Testimony of Michael M. Spaeth (Spaeth Hearing Testimony), H.V.T. at 10:52:09 in which he discussed prospective Qualifying Facility (QF) customers and the Rebuttal Testimony of Michael M. Spaeth, page R20, lines 20–21.

a. Explain how long it generally takes the engineering team to determine whether additional studies are needed on a prospective Qualifying Facility (QF) that has provided all of the relevant information.

b. Explain whether Kentucky Power allows or will allow a prospective QF customer to contest a finding that additional studies are needed or the costs of the additional studies.

c. Explain how long a prospective QF customer would have to pay the additional study costs if an additional study is deemed necessary.

25. Refer to the January 13, 2026 Hearing Testimony of Cynthia Wiseman, (Wiseman Hearing Testimony), H.V.T. at 02:11:28 in regard to Witness Wiseman's discussion on estimated usage on bills.

a. Provide a spreadsheet that entails the reason a meter could not be accessed which resulted of an estimated bill for the test year in Excel spreadsheet format with all formulas, rows, and columns unprotected and fully accessible.

b. Provide the data and justification of a “98 percent” successful meter read rate per month during the test year. If possible, provide the data separated by county or zip code.

c. Provide and explain any written policy in regard to usage estimates on customer bills. Additionally, provide a detailed description on the methodology utilized by Kentucky Power to estimate a user’s billing usage.

26. Refer to the January 13, 2026 Wiseman Hearing Testimony at H.V.T at 01:59:30 regarding customers with usage over 4,00kWh. Explain whether Kentucky Power could contact and perform an energy audit for the approximate 3,000 residential customers with regular usage above 4,000 kWh. Explain what other steps Kentucky Power could take to solve the issue of the amount of high energy users.

27. Refer to January 15, 2026 H.V.T. at 09:18:46 in which Witness Spaeth discussed presenting residential rate design options to Kentucky Power. Provide the data and analysis that aided in the determination of the proposed residential rate design.

28. Refer to the January 15, 2026 Spaeth Hearing Testimony H.V.T at 10:08:41 in which Witness Spaeth discussed Kentucky Power’s attachment provided in response to Commission Staff’s Second Request for Information, Item 19, “KY Res Customer Usage_Wthnrm” tab. Provide a detailed table using the unadjusted residential usage data for the test year broken out by structure type (hunting cabins, barns, etc.) in percentage of and total amount of residential customers.

29. Refer to the Rebuttal Testimony of Michael Spaeth at R6. Provide all of the data and analysis used to develop the usage statistics mentioned in the testimony.

30. Refer to the Application, Section II, Volume I, Exhibit F at 7. Refer also to Kentucky Power's response to Commission Staff's First Request for Information (Staff's First Request), Item 55, Attachment 29, Spaeth WP9, row 16. Reconcile the discrepancy between the \$183.37 current bill amount on the customer notice, and the current base bill, \$174.70, and total current bill amount, \$214.47, in the work paper.

31. Refer to the Rebuttal Testimony of Tanner Wolfram (Wolfram Rebuttal Testimony), page R16. It is stated that Kentucky Power does not currently have sufficient metering data to allow it to conduct the analysis witness Colton recommended. However, with the ongoing deployment of AMI meters, explain whether Kentucky Power would be able to monitor and notify customers who may benefit from switching to the residential time-of-day rate when there is a clear financial benefit for the customer over the 12-month period once AMI meters were installed.

32. Refer to the Wolfram Rebuttal Testimony, page R16. If Kentucky Power were to expand the outreach and participation of the Residential Time-of-Day rates, explain whether it could reduce bill volatility for customers who would benefit from the rate.

33. Refer to January 15, 2026 Spaeth Hearing Testimony, H.V.T. at 10:45:46 in which Witness Spaeth discussed LIHEAP customer usage data. Provide the past three calendar years of monthly kWh frequency distributions for residential and residential LIHEAP customers. Provide a document that compares this data with the data submitted in response to Commission Staff's Sixth Request for Information, Item 11 and Commission Staff's Post Hearing Request for Information, Item 5 in Case No. 2023-00159.

34. Refer to the Application, Section II, Volume 1, Exhibit D at 12, Monitoring Usage procedure.

a. Provide and explain multiple examples of a usage deviation that would trigger Kentucky Power to contact a customer.

b. Explain the method in which Kentucky Power contacts a customer with a usage deviation.

c. Explain what types of solutions Kentucky Power could provide a customer who is experiencing a usage deviation that does not involve a faulty meter.

d. Explain how the implementation of an AMI meter impacts the Monitoring Usage procedure.

35. Refer to the January 14, 2026 Hearing Testimony of Stevi Cobern (Cobern Hearing Testimony) H.V.T. at 05:54:27 in which Witness Cobern discussed Kentucky Power's billing system.

a. Explain what the term "checkpoint" means and how that functions.

b. Provide the "checkpoint" thresholds for a residential customer.

36. Refer to the January 14, 2026 Cobern Hearing Testimony H.V.T. at 05:57:17 in which Witness Cobern discussed Kentucky Power's previous issue of longer billing cycles appearing on bills. Explain what Kentucky Power has done, and is continuing to do, to make sure that billing cycles do not exceed the typical 30 days.

37. Refer to January 14, 2026 Cobern Hearing Testimony at H.V.T. at 6:02:36. Explain why Kentucky Power could not improve transparency on a customer's FlexPay bill by adding the daily amount of surcharges and riders.

38. Refer January 14, 2026 Cobern Hearing Testimony at H.V.T at 06:01:06 regarding FlexPay customers and reporting of disconnections. For a customer under FlexPay, if there were multiple instances disconnections in a given month, explain how this situation may impact the disconnection report filed annually with the Commission.

39. Refer to Kentucky Power's attachment in response to Commission Staff's First Request for Information, Item 55, attachment 28, "Exhibit H" tab. Refer also to Kentucky Power's attachment in response to Commission's Staff's Second Request for Information, Item 19, "KY Res Customer Usage_Wthnrm" tab. Explain, in detail, what types of scenarios resulted in approximately 15,000 accounts to be adjusted out of the test year residential customer total.

40. Refer to the Direct Testimony of Michael Spaeth at 14, Figure MMS-3. Explain the impact and provide a chart similar to MMS-3 for the following scenarios:

a. A comparison of the proposed and a standard monthly bill for a residential customer who uses less than 600 kWh every month.

b. A comparison of the proposed and a standard monthly bill for a residential customer who teeters around the 2,000 kWh threshold every month.

c. A comparison of the proposed and a standard monthly bill for a residential customer who uses more than 2,001 kWh per month but less than 3,000 kWh per month every month.

d. A comparison of the proposed and a standard monthly bill for a residential customer who uses around 4,000 kWh every month.

41. Refer to the January 13, 2026 H.V.T. at 03:19:20 discussing Figure JDN-1 from the Direct Testimony of Jeffrey D. Newcomb (Newcomb Direct Testimony). Refer

to Newcomb Direct Testimony at 8 and Figure JDN-1 which stated that Kentucky Power's earned Return on Equity (ROE) at the end of its test year, May 2025, was approximately 3.9 percent. Refer also to Case No. 2023-00159,² specifically the Direct Testimony of Cynthia G. Wiseman at 13 and Figure CGW-2.

a. Confirm that Kentucky Power's earned ROE in March 2023, at the end of the test year in its prior rate case, was approximately 2.9 percent.

b. Provide when the increased rates that resulted from Case No. 2023-00159 went into effect.

c. Explain what material changes to Kentucky Power's financials occurred between the end of the test period and the effective date in that proceeding such that, following the implementation of rates, Kentucky Power's earned ROE has not exceeded 5 percent, according to Figure JDN-1.

d. Explain whether Kentucky Power anticipates those same material changes in its financials between the test period and effective date in this proceeding.

e. Explain whether, and if so how, the calculation of the earned ROE in Figure JDN-1 accounted for the deferral of the return associated with the net operating

² Case No. 2023-00159, *Electronic Application Of Kentucky Power Company For (1) A General Adjustment Of Its Rates For Electric Service; (2) Approval Of Tariffs And Riders; (3) Approval Of Accounting Practices To Establish Regulatory Assets And Liabilities; (4) A Securitization Financing Order; And (5) All Other Required Approvals And Relief* (filed June 29, 2023), KPCO_Section_III_Vol_1_Testimony.

loss carryforward deferred tax assets included in the settlement in Case No. 2023-00159, e.g. were the DTAs included in rate base when calculating the earned ROE; or were the deferred return amounts included in the calculation of income.

f. Explain whether, and if so how, the transmissions mission expense adjustment initially rejected in Case No. 2023-00159 was included in the calculation of the earned ROE in Figure JDN-1.



Linda C. Bridwell, PE
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

DATED **JAN 20 2026**

cc: Parties of Record

APPENDIX

APPENDIX TO A REQUEST FOR INFORMATION OF THE KENTUCKY PUBLIC
SERVICE COMMISSION IN CASE NO. 2025-00257 DATED JAN 20 2026

TWENTY PAGES TO FOLLOW

189 FERC P 61021 (F.E.R.C.), 2024 WL 4778014

FEDERAL ENERGY REGULATORY COMMISSION

***1** Commission Opinions, Orders and Notices

Before Commissioners: Willie L. Phillips, Chairman; Mark C. Christie, David Rosner, Lindsay S. See and Judy W. Chang.

Pacific Gas and Electric Company

Docket Nos. ER19-13-000, ER19-1816-000, ER20-2265-000

ORDER ON FORMULA RATE INFORMATIONAL FILING AND
ESTABLISHING HEARING AND SETTLEMENT JUDGE PROCEDURES

(Issued October 8, 2024)

1. On December 1, 2021, Pacific Gas and Electric Company (PG&E) filed its annual informational filing to update its transmission rates under its Transmission Owner Tariff (TO Tariff) for Rate Year 2022, to be effective from January 1, 2022 through December 31, 2022 (Rate Year 2022 Informational Filing).¹ Several interested parties filed timely formal challenges alleging that the rates in the Rate Year 2022 Informational Filing are unjust and unreasonable with respect to eight matters. As discussed below, in this order we grant the formal challenges in part, deny them in part, and set the remaining issues for hearing and settlement judge procedures.

I. Background

2. PG&E filed its formula rate in its twentieth TO Tariff rate filing (TO20 Formula Rate Case) in Docket No. ER19-13-000.² PG&E's formula rate, set forth in Appendix VIII of its TO Tariff, consists of two components: (1) the Protocols;³ and (2) the formula rate model. The Protocols set forth the terms and operation of the formula rate, including annual update and informational filing timelines, as well as review and challenge procedures. The formula rate model is a spreadsheet containing individual schedules that calculate the base transmission revenue requirement (Base TRR) and transmission rates.

3. PG&E's formula rate model calculates the Base TRR by taking the prior year TRR (representing actual costs from PG&E's FERC Form No. 1 supplemented by PG&E company records as needed), plus an Incremental TRR (representing the additional transmission costs associated with capital additions that PG&E forecasts to incur during the period of time the Base TRR will be in effect), plus an Annual True-up Adjustment (which is the difference between PG&E's actual transmission costs and revenues received, plus interest).

4. The Protocols allow interested parties to: (1) review PG&E's proposed rates before they become effective; (2) request information; (3) participate in a technical conference; and (4) propose changes to PG&E. Specifically, the Protocols provide for PG&E to post the draft informational filing by July 1 and provide for a review period with information exchange and meetings up to November 1.⁴ PG&E makes an annual update informational filing with the Commission on or before December 1 of each year for rates and charges to become effective January 1 of the following year.⁵ In addition, any interested party may challenge the justness and reasonableness of PG&E's implementation of the formula rate by filing a protest.⁶

II. PG&E's Informational Filing

***2** 5. On December 1, 2021, PG&E filed its Rate Year 2022 Informational Filing to update its transmission rates for Rate Year 2022, to be effective from January 1, 2022 through December 31, 2022. PG&E states that the annual update reflects an increase in its retail Base TRR from the currently effective amount of \$2,214 million to \$2,812 million and reflects an increase

in the wholesale Base TRR from \$2,202 million to \$2,799 million.⁷ PG&E states that the prior year TRR for this annual update represents the transmission costs that PG&E incurred in 2020, the Incremental TRR represents the incremental transmission costs that PG&E expects to incur in 2022, and the True-Up Adjustment calculates the difference between the actual transmission revenues collected and actual transmission costs during the prior year 2020.⁸

6. PG&E states that it provided responses to numerous information requests by interested parties on the draft annual update and conducted several meetings from June 2021 through October 2021. PG&E explains that on November 9, 2021, it provided interested parties the revised annual update, which incorporated changes to correct errors, included an updated capital addition forecast, and addressed several issues that the California Public Utilities Commission (CPUC) and other interested parties had raised during the review process.⁹

7. PG&E states that the prior year information for this annual update is information from the calendar year ending December 31, 2020, and is largely obtained from PG&E's FERC Form No. 1. PG&E explains that the most significant drivers of the changes include increases in: (i) operation and maintenance (O&M) expenses incurred to provide safe and reliable service, including cost increases related to wildfire mitigation and COVID-related costs to maintain grid operations; and (ii) administrative and general (A&G) expenses largely associated with costs incurred for general liability insurance, injuries and damages, salaries, property insurance, and other A&G items.¹⁰ PG&E states that other components contributing to cost increases include recovery of abandoned plant and depreciation expenses due to increased investments in capital expenditures.

8. PG&E states that a significant portion of forecasted capital expenditures relates to wildfire mitigation and/or repairing or replacing facilities damaged by wildfires, as well as other programs for capacity and reliability. Specifically, PG&E states that its forecasted capital expenditures for 2022 will be \$128 million higher than the capital expenditures forecast for 2021.¹¹

9. PG&E states that it has removed from the Rate Year 2022 Informational Filing capital expenditure forecast, costs associated with electric facilities that are not under the California Independent System Operator Corporation's (CAISO) operational control.¹² PG&E also states that the Rate Year 2022 capital expenditure forecasts included 60% of the costs for planning orders¹³ associated with Caltrain projects.¹⁴

***3** 10. PG&E also notes that it filed a request with the Commission's Chief Accountant for an interpretation of the Commission's Uniform System of Accounts regarding whether its Tower Coating Program satisfies the requirements of Electric Plant Instruction No. 10(C)(1) for authorization to capitalize the costs of PG&E's Tower Coating Program. PG&E states that if the Chief Accountant approves the request, it will begin reflecting such costs as capital in its future annual updates in the forecast of capital additions and in the true-up components as provided by the formula rate.¹⁵ PG&E states that it also made other changes to its capital expenditure forecast to reflect its Boardwalk Program, which replaces deteriorated boardwalks to transmission towers in wetland areas and to reflect the removal of a planning order related to a trench failure that occurred at a project on PG&E's Gates substation.¹⁶

11. PG&E states that it has excluded the cost of underwriting fees associated with the issuance of debt from the calculation of the cost of long-term debt consistent with a CPUC decision on PG&E's plan of reorganization, and has removed from the A&G recorded expenses, costs for 2020 external legal services related to PG&E's bankruptcy proceeding, the 2017 North Bay Fire, the 2018 Camp Fire, and PG&E's probation proceeding in the United States District Court for the Northern District of California.¹⁷

12. PG&E explains that an uncontested settlement in PG&E's nineteenth TO Tariff rate case (TO19 Rate Case) approved by the Commission provides for a process to flow back the remaining excess Accumulated Deferred Income Tax (ADIT).¹⁸ PG&E states that in Rate Year 2022, PG&E's flow back of the remaining excess unprotected ADIT will be \$14.695 million per year, and states that the protected and nonprotected adjustment is shown in Schedule 1-Base TRR, Line 405.¹⁹ PG&E also states

that, as directed by the Commission in its order on PG&E's 2021 informational filing issued September 23, 2021, this annual update reflects the correction of an error in the allocation of the Property Tax deferred tax asset in the 2017 FERC Form No. 1.²⁰

13. Finally, PG&E states that it identified some errors contained in the true-up of prior year 2019 in the Rate Year 2021 Informational Filing that affects the True-up TRR of that period. PG&E explains that it has recalculated the true-up component for prior year 2019 in the previous Rate Year 2021 Informational Filing and reflected the difference in the true-up component for this annual update, resulting in a refund to customers of \$12,429,138 in principal and \$235,069 in interest.²¹

III. Notice of Filings and Responsive Pleadings

14. Notice of the filing was published in the *Federal Register*, 86 Fed. Reg. 70,835 (Dec. 7, 2021) with interventions and protests due on or before December 22, 2021. Caltrain filed a timely motion to intervene. CPUC filed a timely notice of intervention and protest. Timely motions to intervene and protests were filed by the Cities of Anaheim, Azusa, Banning, Colton, Pasadena, and Riverside, California (collectively, Six Cities), and the Transmission Agency of Northern California (TANC).²² On January 10, 2022, PG&E filed a motion for leave to answer and answer to the protests (PG&E Answer). On January 25, 2022, CPUC and Six Cities each filed a motion for leave to answer and answer to the PG&E Answer (CPUC Answer and Six Cities Answer, respectively). On January 27, 2022, TANC filed a motion for leave to answer and comments in support of CPUC Answer and Six Cities Answer (TANC Answer).²³

IV. Discussion

A. Procedural Matters

*4 15. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2024), the notice of intervention and timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding.

16. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.213(a)(2) (2024), prohibits an answer to a protest or answer unless otherwise ordered by the decisional authority. We accept PG&E's, CPUC's, Six Cities', and TANC's answers because they have provided information that assisted us in our decision-making process.

B. Substantive Matters

17. As discussed below, we address the merits of issues raised on costs associated with the Zogg and Kincade fires, capitalization of certain costs, including vegetation management, tower coating, and Supervisory Control and Data Acquisition (SCADA) replacement, as well as issues raised on the costs of boardwalk construction, undeveloped and deferred projects, and additional adjustments. As to the remaining issues involving insurance proceeds and wildfire-related costs and expenditures related to wildfires where imprudent conduct has been alleged, we find that PG&E's annual informational filing raises issues of material fact that cannot be resolved based on the record before us and are more appropriately addressed in the hearing and settlement judge procedures ordered below.

C. Summarily Decided Issues

1. Costs Associated with the Zogg and Kincade Fires

a. Protests

18. CPUC requests that the Commission require PG&E to remove costs related to the 2019 Kincade Fire and 2020 Zogg Fire, but allow it to account for them for possible future recovery once liability has been determined in the criminal, investigatory, and state regulatory proceedings related to the fires. CPUC states that it cannot take a position on the reasonableness of recovery of these costs, as it will be considering the prudence and cost-recovery of state jurisdictional costs related to these wildfires at a future date, and taking a position on the reasonableness of PG&E's actions, operations, and these costs at the present time would require improper pre-decisional positions by the CPUC.²⁴

19. CPUC states that Sonoma County and Shasta County have brought criminal charges against PG&E in relation to these fires, and that official state investigatory reports detailing the causes of the Zogg Fire are not currently available.²⁵ CPUC thus asks the Commission to avoid holding ratepayers responsible for costs related to the Kincade and Zogg Fires while criminal investigations and CPUC's regulatory proceedings are pending.²⁶

b. Answers

20. PG&E responds that CPUC made a similar request to hold in abeyance issues concerning recovery of wildfire-related costs in San Diego Gas & Electric Company's (SDG&E) Formula Rate Annual Update, which the Commission denied.²⁷ PG&E argues that the outcome in this case should be no different, and that the Commission should not hold this issue in abeyance simply to accommodate CPUC.

*5 21. CPUC argues that the SDG&E precedent cited by PG&E supports resolving this issue in hearing and settlement judge proceedings.²⁸ CPUC explains that, in the SDG&E proceeding, it asked for an abeyance to ongoing hearing and settlement judge proceedings at a point when a settlement agreement had been reached on all issues except wildfire related costs. CPUC reiterates that it is asking the Commission to establish hearing and settlement proceedings for the instant Annual Update.²⁹

22. CPUC states that the costs at issue in the SDG&E proceeding stemmed from a 2007 fire, yet it did not ask for an abeyance to SDG&E formula rate filing proceedings until 2015. CPUC contrasts this with the Kincade and Zogg Fires, which occurred in 2019 and 2020, respectively, and argues that it is reasonable to ask for an abeyance of these initial fire costs because they are relatively recent.³⁰

c. Commission Determination

23. We deny CPUC's challenge on this issue. CPUC requests that the Commission hold in abeyance the allowance of costs related to the 2019 Kincade Fire and 2020 Zogg Fire until liability has been determined in the criminal, investigatory, and state regulatory proceedings related to the fires. The Commission denied a similar request by CPUC in a prior proceeding, stating that the Commission was loath "to hold our proceedings in abeyance solely to accommodate a party that may be involved in other proceedings of its own, including a state commission that wishes to pursue a matter first before the Commission addresses the matter."³¹

24. Consistent with this precedent, we are not persuaded to hold the allowance of costs at issue in this proceeding in abeyance pending resolution of the state criminal, investigatory, and regulatory proceedings. As in the SDG&E proceeding, the ongoing and potential state proceedings CPUC describes could take significant time to resolve, meaning that this proceeding would "be held in abeyance for an indefinite period of time."³² The Commission's decision in this proceeding is also not dependent upon any decision by CPUC in its own proceedings. Finally, we note that acting on the record in this proceeding does not limit any

party's right to challenge the justness and reasonableness of the allowance of costs associated with the Kincade and Zogg fires in subsequent PG&E annual informational filings, including by pointing the Commission to any relevant information that may emerge from state proceedings regarding the Kincade and Zogg fires. Therefore, there is no reason for the Commission to delay its decision until such time as the state proceeding is concluded.³³ For these reasons, we are also unpersuaded by CPUC's argument that the relative recency of the Kincade and Zogg Fires should lead to a different result. We, therefore, reject CPUC's request to hold the allowance of the 2019 Kincade Fire and 2020 Zogg Fire costs in abeyance.

2. Capitalization of Vegetation Management Costs

a. Protests

*6 25. Six Cities and CPUC assert that PG&E is proposing to capitalize the vegetation management costs associated with its Wildfire Right of Way (ROW) Expansion Program. CPUC asserts that PG&E is improperly capitalizing 90% of its vegetation management clearance costs and inappropriately recording such costs as transmission plant in FERC Accounts 350, 356, or 359, which it contends is inconsistent with FERC accounting guidance. CPUC maintains that PG&E should instead reflect costs associated with vegetation management as expense.³⁴

26. CPUC asserts that PG&E is improving vegetation clearance on long-standing, existing transmission lines. CPUC states that Electric Plant Instruction No. 8(A) allows for first clearing and grading of land and rights of way to be capitalized but explains that PG&E's vegetation clearance includes trimming along existing circuits rather than a first clearing and grading. CPUC contends that PG&E's proposal does not include the removal of all vegetation within the expanded ROW, but rather "compliant vegetation," such as smaller trees that would remain in the expanded ROW.³⁵

27. Six Cities maintains that under Electric Plant Instruction No. 10, Additions and Retirements of Electric Plant, PG&E must provide information to show that its Wildfire ROW Expansion Program results in a substantial addition (of plant) and the cost shall be added to the appropriate electric account.³⁶

28. CPUC and TANC contend that PG&E has failed to support its proposed capitalization to expense ratio of 90% to 10%, respectively.³⁷ CPUC asserts that PG&E has not supported its proposal to capitalize costs associated with ROW vegetation management when customer benefits from that vegetation management exceed a year. CPUC notes that it is unclear how long vegetation management benefits ratepayers and reiterates that PG&E's proposal is along existing circuits. CPUC continues that PG&E's justification for capitalizing 90% of its ROW vegetation management is based on cost estimation of generally assigned vegetation management workload. CPUC states PG&E concedes that this accounting split "has not been formally tested since it was developed," and claims that it will update the allocation ratio based on 2020 and 2021 actual costs moving forward.³⁸

29. CPUC also asserts that PG&E's accounting treatment of its vegetation management is inconsistent with Commission accounting precedent. CPUC explains that cost for "*first clearing* and grading of land and rights of way and the damage costs associated with construction and installation of plant" can be capitalized, but ongoing maintenance work is considered maintenance expense.³⁹ CPUC contends that PG&E's vegetation management work is not part of initial construction of plant assets, and therefore is inappropriately capitalized.

b. Answers

*7 30. PG&E explains that the Reliability ROW Expansion Program and the Wildfire ROW Expansion Program are separate programs related to the expansion of ROWs for transmission lines. PG&E states that it withdrew a November 2021 Petition

for Declaratory Order seeking to capitalize costs for the Wildfire ROW Expansion because it would not continue the program and therefore the request to capitalize the costs is moot, and any costs incurred will be treated as expense costs, reflected in its Rate Year 2023 Annual Update, as provided for by section 4.75 of its Protocols. PG&E concludes that Six Cities' substantive arguments regarding the capitalization of the Wildfire ROW Expansion Program costs are therefore moot.⁴⁰

31. PG&E explains that ROWs are established when a transmission line is first constructed. PG&E states that in response to an increase in vegetation-caused transmission outages, it initiated a new program, the Reliability ROW Expansion Program, to target 67 circuits, consistent with guidance from CAISO and the North American Electric Reliability Corporation. PG&E states that it proposes to capitalize the costs because it is a new program with a defined scope.⁴¹ PG&E argues that the Reliability ROW Expansion Program is different from routine vegetation management and is similar to the ROW that was cleared when the line was constructed because it includes tree removal.

32. PG&E represents that in the TO19 Rate Case, the 2019 forecasted expenditure for the program was \$8 million, and no party protested the capitalization of the costs in the TO19 Rate Case or in annual formula rate updates for the Rate Years 2020 and 2021.⁴² PG&E therefore asserts that CPUC's concerns regarding the capitalization of the Reliability ROW Expansion Program's costs are untimely and that it should have raised any issues in the TO19 Rate Case and TO20 Formula Rate Case proceedings. PG&E notes that, while these rate cases were settled,⁴³ the treatment of the costs should have been previously raised.

33. PG&E disagrees with CPUC's assertion that PG&E's proposal to allocate 90% of the Reliability ROW Expansion Program costs to capital and 10% to expense may be unjust and unreasonable.⁴⁴ PG&E explains that the proposed allocation was based on estimated workload and will be updated in 2022 based on actual cost data for Rate Year 2023.⁴⁵ PG&E states that there is no Commission precedent regarding the circumstance of the ROW expansion, as CPUC contends.⁴⁶

34. CPUC asserts that PG&E's argument that the Reliability ROW Expansion Program is new, significant, or has a defined scope of work is insufficient justification to capitalize 90% of the program's costs, as PG&E proposes. CPUC maintains that ROW Expansion Programs should be expensed to FERC Account 571, Maintenance of Overhead Lines.⁴⁷ CPUC states that, for consistency, the Wildfire ROW and Reliability ROW Expansion Programs should have similar cost treatment, noting that the scope of work is similar.⁴⁸

*8 35. Further, CPUC refutes PG&E's assertions that the Reliability ROW Expansion Program is different from routine vegetation management, noting that it includes tree trimming on existing circuits to maintain reliability on existing transmission lines that have operated for many years. CPUC maintains that, because this work is not associated with initial construction of the plant assets, PG&E's comparison to initial land clearance for construction is inappropriate.⁴⁹

c. Commission Determination

36. We grant in part and deny in part protesters' challenges on this issue. We agree with protesters that PG&E's capitalization of its Reliability ROW Expansion Program costs is not consistent with the Commission's accounting regulations. Accordingly, we direct PG&E to remove these costs from rate base, and as discussed below, record these costs as utility O&M expenses.

37. We disagree with PG&E's assertions that the tree removal associated with the ROW expansion is analogous to the clearance of land for initial construction activities,⁵⁰ as described in Electric Plant Instruction No. 8(A).⁵¹ Rather, such activities, taking place after the initial clearing associated with construction of an asset, are considered maintenance expense, unless such activities result in a substantial addition to plant.⁵² The Commission has previously clarified that to qualify as a substantial addition, an item added to the cost of an in-service asset must extend the useful life of the asset beyond its original estimated useful life,

or increase operating capacity or efficiency of the asset.⁵³ PG&E has not demonstrated that tree removal associated with its ROW expansion qualifies as a substantial addition to plant nor a construction of a new asset, and accordingly, PG&E must record such costs in the appropriate O&M expense account.

38. Regarding costs for PG&E's ROW Expansion Programs that were previously capitalized during PG&E's settled TO19 Rate Case and TO20 Formula Rate Case proceedings, the Commission has broad authority to require companies to issue refunds when utilities have made errors impacting their formula rate.⁵⁴ However, because PG&E's Protocols provide for a true-up adjustment to address errors identified within a previously filed Informational Filing that impact the formula rate,⁵⁵ we will not direct PG&E to make refunds, but instead reflect the adjustment in its true-up adjustment.⁵⁶ To the extent any such costs that have previously been capitalized still remain on the balance sheet, such costs should be reclassified as appropriate.

3. Capitalization of Tower Coating Program Costs

a. Protests

39. Six Cities argues that PG&E's proposal to begin capitalizing the costs of its Tower Coating Program is not just and reasonable. Six Cities contends that the Commission should require that such costs be recorded to an appropriate expense account and deferred as a regulatory asset for rate recovery, which would save ratepayers \$584 million over the life of PG&E's proposed capitalization and depreciation.⁵⁷

b. Answers

*9 40. PG&E states that the Tower Coating Program it initiated in 2021 applies a coating system that acts as a protective barrier to steel components in a transmission tower, with the goal of extending the original estimated useful life of steel transmission towers.⁵⁸ PG&E states that it filed a request with the Commission's Chief Accountant for authorization to capitalize the costs of its Tower Coating Program in Docket No. AC21-153-000, and if the Chief Accountant approves its request, it will begin reflecting such costs as capital in future annual updates in the forecast of capital additions and in the true-up components provided by the formula rate.⁵⁹ PG&E asserts that Six Cities' request that the Tower Coating Program costs be treated as an expense and not capital pending the resolution of that proceeding is unnecessary, as PG&E states that it has treated these costs as an expense in its 2022 Annual Update filing.⁶⁰

c. Commission Determination

41. We deny Six Cities' challenge on this issue. In an order issued on February 22, 2022, the Commission granted PG&E's accounting request, finding that PG&E has provided information demonstrating that PG&E's Tower Coating Program costs can be capitalized, based on PG&E's representations that the first-time activities will extend the lives of the transmission assets beyond their original estimated useful lives. Thus, the Commission found in the Tower Coating Order that PG&E's Tower Coating Program meets the requirements of Electric Plant Instruction No. 10(C)(1) as a substantial addition, and may be capitalized.⁶¹ Accordingly, we find that it is appropriate for PG&E's Tower Coating Program costs to be reflected as capital in its future annual updates and as true-up components in the formula rate. PG&E states that it included in the Rate Year 2022 Informational Filing the recorded costs related to the Tower Coating Program as expenses and will begin reflecting such costs as capital in future informational filings if the Chief Accountant approves its request.⁶² Accordingly, no adjustments in the Rate Year 2022 Informational Filing are necessary for Tower Coating Program costs.

4. Capitalization of SCADA Replacement Program Costs

a. Protests

42. CPUC states that the primary work streams of PG&E's Transmission SCADA Replacement Program⁶³ include operation and maintenance activities or administrative and general expenses. CPUC states that, despite these numerous maintenance activities, PG&E has erroneously recorded Transmission SCADA Replacement Program costs as capital additions to Account 397, Communication Equipment, adding over \$10 million to rate base in 2020, and it forecasts adding \$375,484 to rate base in the Rate Year 2022 Informational Filing.⁶⁴

*10 43. CPUC contends that costs from the Transmission SCADA Replacement Program are for ongoing operation and maintenance of the system, and that improper recording of all costs in forecasted capital additions results in unjust and unreasonable rates. CPUC argues that allowing PG&E to fully capitalize a longstanding and necessary communication system transition might prompt the utility to capitalize other operations and maintenance costs, and perversely incentivize the utility to further delay the SCADA platform transition in order to add to rate base a project needed for cybersecurity and to reduce errors.⁶⁵ Finally, CPUC argues that the Commission should require PG&E to conduct a one-time true-up to remedy the amount erroneously capitalized in 2020.⁶⁶

b. Answers

44. PG&E objects to CPUC's argument asserting that the Transmission SCADA Replacement Program includes activities on an already deployed system. PG&E states that its Transmission SCADA Replacement Program involves migrating transmission substations and line switches to a new Energy Management System application in order to improve operability, efficiency, security, and safety, and that PG&E is undertaking a process to add new SCADA capabilities and functionalities to the Energy Management System application.⁶⁷ PG&E explains that the Transmission SCADA Replacement Program will allow the Energy Management System to directly monitor, alarm, and control transmission-related SCADA-enabled equipment. PG&E states that, despite using other functionalities of the Energy Management System application, PG&E was not previously using any of the modules for SCADA functionality.

45. Therefore, PG&E argues that the installation of a new subset of Energy Management System modules is akin to installation of a new hardware and software system.⁶⁸ PG&E asserts that Transmission SCADA Replacement Program investments are properly recorded, as they involve a software program that is capitalized as a component of hardware, which is an approved capital unit.⁶⁹ PG&E argues that these costs are correctly attributed to Account 397 because they are not costs for ongoing operation and maintenance of the system. PG&E also contends that CPUC's argument that allowing capitalization of Transmission SCADA Replacement Program costs will create a perverse incentive for PG&E to delay the SCADA platform is unfounded, as the timing of the project depends on work on thousands of units at various substations.⁷⁰ PG&E states that it will methodically address the new platform for the SCADA controlled devices in light of safety and operational priorities.⁷¹

46. In response, CPUC argues that PG&E's work on the communication platform it has been operating for decades is not "akin" to installing new hardware and software, but is rather a modification of already operational equipment after installation and thus a maintenance activity that should be recorded to Account 935, Maintenance of General Plant.⁷² CPUC asserts that the planning orders identified in its protest contain costs that fall into categories that PG&E admits should be expenses—i.e., modifications of equipment after operationalization, data conversion, change management, repair and maintenance.⁷³ CPUC concludes that

PG&E has not explained why the Transmission SCADA Replacement Program costs in these planning orders are not expenses, and thus failed to meet its burden of demonstrating the correctness of its annual update.⁷⁴

c. Commission Determination

***11** 47. We deny CPUC's challenge on this issue. Our review finds that PG&E is properly accounting for the Transmission SCADA Replacement Program as a capital addition. PG&E represents that the project, which consists of the installation of a new hardware and software system and the addition of new functionality to Energy Management System modules, is a capital unit (i.e., retirement unit), under PG&E's accounting guidelines. Hence, consistent with Electric Plant Instruction No. 10(B) (1), the project is properly capitalized in Account 397, Communication Equipment, rather than expensed as ongoing operation and maintenance of an existing system.

5. Other Costs and Adjustments

a. Protests

48. CPUC asserts that PG&E made errors in recording capital additions for its Boardwalk Replacement Program in its 2020 and 2021 Formula Rate Informational Filings, and that these errors should be corrected now to avoid unjust and unreasonable rates.⁷⁵ Specifically, CPUC asserts that although PG&E has admitted that its boardwalk replacements were not completed until 2021, it erroneously recorded boardwalk materials as used and useful for years prior to installation.⁷⁶ CPUC argues that the Commission should order a disallowance of the overcollection of the \$16,931,555 added to the rate base prior to 2020, and to order a true up for the \$15,279,938 in plant additions erroneously booked in 2019 and 2020.⁷⁷

49. CPUC also contends that PG&E improperly included costs for undeveloped, deferred projects in the 2022 Annual Update. Specifically, CPUC states that PG&E includes Planning Order 5533251, containing \$353,107 in capital additions for the last three months of 2021, in the plant additions workpaper yet PG&E admitted that this planning order is a placeholder for undeveloped, deferred projects in its December 1, 2021 STAR Process transmittal letter.⁷⁸ CPUC argues that the premature addition of this \$353,107 to rate base is inappropriate and erroneous, and requests that the Commission require PG&E to exclude this capital addition from rate base.⁷⁹

b. Answers

50. PG&E asserts that CPUC's arguments regarding forecasts for boardwalk replacement plant additions in 2020 and 2021 are outside the scope of whether PG&E has correctly implemented the 2022 Annual Update, and that any discrepancy between the actual plant additions and the forecasts will be corrected through True-Up Adjustments.⁸⁰ With respect to the inclusion of the planning order for the last three months of 2021, PG&E contends that including it as a placeholder was proper, as actual costs will be trued-up in subsequent annual updates.⁸¹ PG&E concludes that any adjustments will be reflected in the next Annual Update rather than revising the 2022 Annual Update.⁸²

c. Commission Determination

***12** 51. We deny CPUC's challenge on this issue. PG&E does not refute CPUC's assertion that the errors occurred, stating that “[t]he True-up Adjustment ... is the remedy for correcting any errors that may have occurred with order management related to

the forecast capital additions for the Boardwalk Project.”⁸³ Rather, PG&E contends that any errors will be remedied via the True-Up mechanism in a subsequent annual update.

52. Section 4.7.5 of the Protocols provides for PG&E to make any revisions to the Base TRR and resulting rates required by a final Commission order on an annual update, plus interest, in the next annual update as a component of the Annual True-Up Adjustment. Section 4.7.6 of the Protocols provides that if PG&E determines that a previously filed annual update contained errors that affected the True-up TRR calculated in that annual update, PG&E will recalculate the True-up TRR for all affected prior years, plus interest. The recalculation will be included as an additional component to PG&E's Annual True-Up Adjustment in the subsequent annual update as a one-time True-up Adjustment.

53. Therefore, because PG&E's Protocols provide for a True-Up Adjustment to address errors identified within a previously filed Informational Filing that impact the formula rate,⁸⁴ we will not direct PG&E to make refunds in the 2022 Annual Update, but instead, consistent with the Protocols, PG&E must reconcile any errors in recording capital additions for its Boardwalk Replacement Program in a future True-Up Adjustment for all affected prior years, plus interest.

D. Issues Set for Hearing and Settlement Judge Procedures

54. We discuss below the issues that we set for hearing and settlement judge procedures.

1. Insurance Proceeds and Wildfire-Related Costs

a. Protests

55. CPUC and Six Cities argue that PG&E is improperly allocating costs associated with wildfire damage and liability insurance, contending that PG&E is diverting a portion of insurance proceeds to offset shareholder responsibility.⁸⁵ CPUC states that PG&E has removed the cost of external legal fees related to the 2017 North Bay fire and the 2018 Camp Fire from FERC Account 923, Outside Services Employed, thus not seeking ratepayer recovery for these wildfire-related attorney fees. However, CPUC states that PG&E also removed insurance proceeds related to these fires from FERC Account 923. CPUC argues that removing these proceeds effectively adds back expenses that PG&E otherwise claims to have excluded.⁸⁶ CPUC argues that the entire amount of insurance proceeds allocated to external legal costs should, instead, offset other ratepayer-borne costs, or to be booked to FERC Account 925, Injuries and Damages, to satisfy claims by wildfire victims.⁸⁷

***13** 56. Six Cities asserts that, to the extent the Commission decides not to modify PG&E's allocation of insurance proceeds, the Commission should exclude charges that are directly associated with PG&E's receipt of insurance proceeds.⁸⁸ Six Cities also argues that PG&E should not be permitted to include in its TRR any wildfire-related costs that were caused or exacerbated by negligent management practices or other disregard of the maintenance and operation of utility assets.⁸⁹

b. Answers

57. PG&E contends that CPUC and Six Cities do not dispute that PG&E properly implemented the formula rate. PG&E argues that the protesters “advance the novel theory that insurance reimbursements should not be used to offset the eligible costs that they are intended to recover (i.e., legal expenses and third-party claims), but instead should be directly allocated to customers to offset other costs.”⁹⁰ PG&E explains that it receives insurance reimbursements that cover eligible legal expenses and the costs of third-party claims and then applies these reimbursements to the actual or accrued costs as an offset, which PG&E

argues is reasonable and consistent with the Commission's guidance for Account 925.⁹¹ In response to the argument that the Commission should not allow PG&E to recover premiums paid for these insurance policies, PG&E contends that it would be unjust and unreasonable for customers to not pay for the insurance premiums, while at the same time receiving the benefits of those insurance policies.⁹² PG&E also contends that, other than cursory statements and references to CPUC fines, Six Cities provides no evidence to support the assertion that “negligent management practices” caused these fires.⁹³

58. CPUC, Six Cities, and TANC⁹⁴ object to PG&E's approach to credit the insurance proceeds into Account 923 when the Uniform System of Accounts indicates that PG&E should credit insurance reimbursements to Account 925, because instructions for Account 923 do not describe any such reimbursement from insurance proceeds.⁹⁵

59. CPUC states that while PG&E excludes third-party claims from rates for the 2015-2018 wildfires, it also excludes the insurance reimbursements, so that none of the expenses or credits appear in rates; thus, according to CPUC, there is a net zero-dollar impact on the transmission revenue requirement from either the third-party claims or the insurance proceeds. However, CPUC explains that when PG&E excludes both legal fees and insurance reimbursements from Account 923 in its Rate Year 2022 Informational Filing, there is a net increase in costs to ratepayers, as the dollars credited to Account 923 are more than the legal costs excluded. CPUC contends that by removing the net credit (i.e., subtracting a negative), PG&E thereby increases Account 923 by \$21.15 million more than the excluded legal fees.⁹⁶ CPUC requests that the Commission order PG&E to credit the \$21.15 million in insurance proceeds that exceeded the legal fees included in Account 923 to Account 925, as PG&E has not and cannot show that the challenged expenditures are properly recorded pursuant to the Uniform System of Accounts.⁹⁷

2. Removal Costs for the Caribou-Palermo Transmission Line

a. Protests

*14 60. CPUC notes that PG&E pleaded guilty to 84 counts of involuntary manslaughter and one count of unlawfully starting a fire in criminal proceedings related to the 2018 Camp Fire.⁹⁸ CPUC states that it also conducted an enforcement action against PG&E based on findings in investigation reports prepared by the CPUC's Safety and Enforcement Division on the Camp Fire, which found that PG&E committed 12 violations of CPUC orders and regulations associated with the Camp Fire.⁹⁹ CPUC argues that ratepayers should not pay for any costs that directly resulted from the Camp Fire, given PG&E's admission of criminal behavior and the CPUC's Safety and Enforcement Division's allegations that PG&E committed numerous violations of CPUC orders in causing the fire.¹⁰⁰

61. CPUC argues that it is unjust and unreasonable for ratepayers to pay the costs for removal of the Caribou-Palermo transmission line, which ignited the Camp Fire. CPUC explains that the 115 kV Caribou-Palermo line was permanently de-energized following the Camp Fire, and that PG&E is removing the line—including all 53.5 miles of conductor and structures—because it remains a public safety hazard.¹⁰¹ CPUC asserts that PG&E's actions in operating and maintaining the line were imprudent and unreasonable, as a reasonable utility manager could not in good faith, under the same circumstances, fail to inspect that transmission line or maintain and operate it contrary to law and internal procedures as PG&E did.

62. CPUC also points to PG&E's criminal plea and the CPUC's Camp Fire determinations as demonstrating that PG&E imprudently managed the Caribou-Palermo line. CPUC thus argues that the costs related to the removal of the line in the RY2022 filing should be disallowed. Finally, CPUC argues that capital additions related to the removal of the Caribou-Palermo line that PG&E added to rate base in 2020 should also be removed from rate base with a one-time true up adjustment to refund these costs.¹⁰²

b. Answers

63. PG&E states that although the Caribou-Palermo line was de-energized after the Camp Fire, its decision to remove the line was not based on the Camp Fire but the result of the public safety risk created by the potential for voltage and current to be induced on the de-energized line. Specifically, PG&E states that a public safety risk was identified in 2020 where energized guest circuit lines sharing towers and parallel circuits sharing the same corridor created the potential to induce voltage and current on the Caribou-Palermo line despite its de-energization.¹⁰³ PG&E asserts that this decision is entirely reasonable and consistent with reasonable utility management.

64. PG&E states that the Caribou-Palermo line is over 100 years old and would need to be replaced at some point given its advanced age.¹⁰⁴ PG&E notes that CPUC does not assert that the replacement of an aging facility is imprudent, and concludes that customers would ultimately have been required to pay for the removal and/or replacement of the line.¹⁰⁵

***15** 65. CPUC responds that PG&E's Answer fails to dispel the serious doubt raised in CPUC's Protest that the removal of the Caribou-Palermo line is a prudently incurred expense. CPUC asserts that PG&E does not cast doubt on the causal connection established between that the safety risk of the Caribou-Palermo line and PG&E's mismanagement.¹⁰⁶ CPUC states that PG&E knew that the Caribou-Palermo line was an "aging facility" and should have replaced the line before it sparked the Camp Fire. CPUC asserts that it would be unjust and unreasonable to burden ratepayers for costs that directly flow from PG&E's imprudent mismanagement.¹⁰⁷

3. Grizzly Powerhouse Reconnection Costs**a. Protests**

66. CPUC argues that it is unjust and unreasonable for ratepayers to pay the costs to reconnect the Grizzly Powerhouse to the transmission grid. CPUC explains that the Grizzly Powerhouse is a hydropower project owned by Silicon Valley Power, which was connected to the electric grid by a 115 kV gen-tie to the Caribou-Palermo line.¹⁰⁸ CPUC states that the powerhouse has been unable to transmit power to Silicon Valley Power since the Camp Fire took the Caribou-Palermo line out of service.¹⁰⁹ CPUC quotes the Advance Authorization for the interconnection of the powerhouse in the aftermath of the Camp Fire, which states that PG&E is obligated to transmit power generated by the Grizzly Powerhouse to Silicon Valley Power, and that one option being reviewed is connecting the powerhouse to Bucks Creek-Rock Creek-Cresta 230 kV Line and installing a 115/230 step-up transformer at Bucks Creek Switchyard.¹¹⁰

67. CPUC states that the building of a new interconnection between the Grizzly Powerhouse and the higher-voltage transmission line and the transformer work at the substation at Bucks Creek would not be necessary but for the Camp Fire.¹¹¹ CPUC asserts that these projects will provide no meaningful increase in functionality and are solely being constructed to reconnect the powerhouse to the transmission grid due to the Camp Fire.¹¹² CPUC argues that, while it is reasonable to reconnect the powerhouse to the grid, PG&E should not profit from its imprudent behavior in causing the Camp Fire. CPUC asserts that the Camp Fire is the sole cause of the subsequent planning orders to re-establish an interconnection for the powerhouse that PG&E is including in rate base.¹¹³ CPUC concludes that the nearly \$38 million in capital costs associated with the reconnection of the Grizzly Powerhouse should be disallowed.

b. Answers

68. PG&E contends that because the removal of the Caribou-Palermo line is prudent utility management, the associated need to reconnect the Grizzly Powerhouse is also reasonable. PG&E states that the Grizzly Reconnection Project includes upgrades that are not impacted by the removal of the Caribou-Palermo line, such as a new 230 kV bus at the Bucks Creek substation.¹¹⁴ PG&E also asserts that the Grizzly Reconnection Project may have additional future benefits to consumers based on project design.¹¹⁵ PG&E concludes that CPUC has failed to satisfy its burden of proof of raising serious doubt regarding the prudence of the Grizzly Reconnection Project costs.

***16** 69. CPUC responds that PG&E's Answer fails to rebut the serious doubt raised in CPUC's Protest as to the prudence of costs to reconnect the Grizzly Powerhouse to the electrical grid. CPUC reiterates that PG&E's behavior is the sole cause of the Camp Fire, necessitating removal of the Caribou-Palermo line and creating the need to reestablish an interconnection for the Grizzly Powerhouse.¹¹⁶ CPUC asserts that PG&E's claim that the Grizzly Powerhouse reconnection may have possible future benefits is irrelevant, vague, unsupported, and contradicted by evidence presented in CPUC's Protest.¹¹⁷ CPUC maintains that PG&E did not prudently manage the Caribou-Palermo line, making it unjust and unreasonable for transmission customers to pay for costs associated with the Camp Fire.

4. Commission Determination

70. We find that the matters involving (1) insurance proceeds and wildfire-related costs, (2) removal costs for the Caribou-Palermo transmission line, and (3) Grizzly Powerhouse reconnection costs raise issues of material fact that cannot be resolved based on the record before us and that are more appropriately addressed in the hearing and settlement judge procedures ordered below.

71. While we are setting these matters for a trial-type evidentiary hearing,¹¹⁸ we encourage efforts to reach settlement before hearing procedures commence. To aid settlement efforts, we will hold the hearing in abeyance and direct that a settlement judge be appointed, pursuant to Rule 603 of the Commission's Rules of Practice and Procedure.¹¹⁹ If parties desire, they may, by mutual agreement, request a specific judge as the settlement judge in the proceeding. The Chief Judge, however, may not be able to designate the requested settlement judge based on workload requirements which determine judges' availability.¹²⁰ The settlement judge shall report to the Chief Judge and the Commission within 60 days of the date of the appointment of the settlement judge, concerning the status of settlement discussions. Based on this report, the Chief Judge shall provide additional time to continue settlement discussions or provide for commencement of a hearing by assigning the cases to a presiding judge.

The Commission orders:

(A) Protesters' challenges to PG&E's annual update informational filing are hereby granted in part, denied in part, and set for hearing as discussed in the body of this order.

(B) Pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Energy Regulatory Commission by section 402(a) of the Department of Energy Organization Act and the FPA, particularly sections 205 and 206 thereof, and pursuant to the Commission's Rules of Practice and Procedure and the regulations under the FPA (18 C.F.R. Chapter I), a public hearing shall be held concerning the justness and reasonableness of certain aspects of PG&E's annual update informational filing, as discussed in the body of this order. However, the hearing shall be held in abeyance to provide time for settlement judge procedures, as discussed in Ordering Paragraphs (C) and (D) below.

***17** (C) Pursuant to Rule 603 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.603 (2023), the Chief Judge is hereby directed to appoint a settlement judge in this proceeding within 45 days of the date of this order. Such settlement judge shall have all powers and duties enumerated in Rule 603 and shall convene a settlement conference as soon as practicable

after the Chief Judge designates the settlement judge. If the participants decide to request a specific judge, they must make their request to the Chief Judge within five days of the date of this order.

(D) Within 60 days of the appointment of the settlement judge, the settlement judge shall file a report with the Commission and the Chief Judge on the status of the settlement discussions. Based on this report, the Chief Judge shall provide participants with additional time to continue their settlement discussions, if appropriate, or assign this case to a presiding judge for a trial-type evidentiary hearing, if appropriate. If settlement discussions continue, the settlement judge shall file a report at least every 60 days thereafter, informing the Commission and the Chief Judge of the participants' progress toward settlement.

(E) If settlement judge procedures fail and a trial-type evidentiary hearing is to be held, a presiding judge, to be designated by the Chief Judge, shall, within 45 days of the date of the presiding judge's designation, convene a prehearing conference in these proceedings in a hearing room of the Commission, 888 First Street, NE, Washington, DC 20426, or remotely (by telephone or electronically), as appropriate. Such a conference shall be held for the purpose of establishing a procedural schedule. The presiding judge is authorized to establish procedural dates, and to rule on all motions (except motions to dismiss) as provided in the Commission's Rules of Practice and Procedure.

By the Commission.

(SEAL)

Debbie-Anne A. Reese
Secretary

Footnotes

- 1 On December 1, 2022, PG&E filed its annual informational filing for Rate Year 2023 in the above-captioned proceedings, which is pending Commission action.
- 2 PG&E's formula rate was the subject of an Offer of Settlement resolving all remaining issues set for hearing in Docket Nos. ER19-13-000, ER19-1816-000, and ER20-2265-000 (consolidated), which was approved by the Commission. *See Pac. Gas & Elec. Co.*, 173 FERC ¶ 61,281 (2020). Docket Nos. ER19-1816-000 and ER20-2265-000 involved proposed revisions to the capital structure calculation in the formula rate.
- 3 PG&E, TO Tariff, app. VIII (Formula Rate), attach. 1 (Protocols) (2.0.0) (Protocols).
- 4 *Id.* § 4.
- 5 *Id.* § 4.7.1.
- 6 *Id.* § 4.7.4.
- 7 PG&E December 1, 2021 Transmittal at 1 (Transmittal).
- 8 *Id.* at 3.
- 9 *Id.* at 2-3.
- 10 *Id.* at 3.

- 11 *Id.* at 4.
- 12 *Id.* at 4-5.
- 13 Planning orders describe specific jobs and the dollar amounts, the major work category, and the plant category where they are recorded.
- 14 The Peninsula Corridor Joint Powers Board, generally referred to as Caltrain, operates a commuter rail transit service between Gilroy and San Francisco, California. Caltrain is in the process of electrifying its commuter rail, which involves upgrades to PG&E's distribution and transmission electric facilities. PG&E states that this allocation is consistent with revisions to Rate Schedule No. 249 that provide for the allocation of certain project costs of 40% to Caltrain and 60% to PG&E. Transmittal at 5 & n.5 (citing *Pac. Gas & Elec. Co.*, Docket No. ER21-2901-000 (Nov. 10, 2021) (delegated order)).
- 15 Transmittal at 5-6. In an order issued on February 22, 2022, the Commission granted PG&E's request. *Pac. Gas & Elec. Co.*, 178 FERC ¶ 61,123 (2022) (Tower Coating Order).
- 16 Transmittal at 6.
- 17 *Id.* at 6-7.
- 18 *Id.* at 7-8 and n.9 (citing *Pac. Gas & Elec. Co.*, 165 FERC ¶ 61,244 (2018)) (TO19 Rate Case Settlement). The TO19 Rate Case was PG&E's last stated rate case before filing its formula rate.
- 19 *Id.* at 8. In *Pub. Util. Transmission Rate Changes to Address Accumulated Deferred Income Taxes*, Order No. 864, 169 FERC ¶ 61,139 (2019), *order on reh'g and clarification*, Order No. 864-A, 171 FERC ¶ 61,033 (2020), the Commission clarified that it expects public utilities to identify each specific source of excess or deficient ADIT, classify the excess or deficient ADIT as protected or unprotected, and list the proposed amortization period associated with each classification or source in their proposed ADIT Worksheets. Order No. 864, 169 FERC ¶ 61,139 at P 65. Protected ADIT is subject to normalization where public utilities are required to return this excess ADIT no more rapidly than over the life of the underlying asset, while unprotected ADIT is not subject to such normalization requirements, and amortization periods for unprotected excess or deficient ADIT are evaluated on a case-by-case basis.
- 20 Transmittal at n.11 (citing *Pac. Gas & Elec. Co.*, 176 FERC ¶ 61,196, at P 34 (2021)).
- 21 *Id.* at 8-10.
- 22 TANC supports and adopts the protest filed by CPUC.
- 23 TANC supports the answers filed by CPUC and Six Cities.
- 24 CPUC Protest at 36.
- 25 *Id.* at 37 (citing *People v. Pac. Gas & Elec. Co.*, No. SCR 745228, Counts 1-3, 8-10 (Super. Ct. Sonoma County 2021); *People v. Pac. Gas & Elec. Co.*, No. 21-06622, Counts 1-12, 14, 17 (Super. Ct. Shasta County 2021)).
- 26 *Id.*
- 27 PG&E Answer at 20 (citing *San Diego Gas & Elec. Co.*, 152 FERC ¶ 61,233, at P 26 (2015), *reh'g denied*, 155 FERC ¶ 61,045 (2016)).
- 28 CPUC Answer at 25.

- 29 *Id.*
- 30 *Id.*
- 31 *San Diego Gas & Elec. Co.*, 152 FERC ¶ 61,233 at P 26.
- 32 *Id.* at 27.
- 33 *See Kern River Transmission Co.*, 50 FERC ¶ 61,069, at 61,148 (1990).
- 34 CPUC Protest at 9; Six Cities Protest at 10.
- 35 CPUC Protest at 10-11, n.29.
- 36 *Id.* at 9 (citing 18 C.F.R. pt. 101 (2024); Electric Plant Instruction No. 10(C)(1) (emphasis added); and Electric Plant Instruction No. 10(B)(1)).
- 37 TANC Protest at 2-3 (adopting CPUC's protest). *See also* CPUC Protest at 13.
- 38 CPUC Protest at 13-14, nn.36-38.
- 39 *Id.* at 15-16 (citing Uniform System of Accounts, Electric Plant Instruction No. 8(A), *Structures and Improvements* and Uniform System of Accounts, Operating Expense Instruction No. 2, *Maintenance* (“Work performed specifically for the purpose of preventing failure, restoring serviceability or maintaining life of plant.”)) (emphasis added).
- 40 PG&E Answer at 21-22.
- 41 *Id.* at 23-24.
- 42 *Id.* at 25 (citing *Pac. Gas & Elec. Co.*, Docket No. ER17-2154-000, Ex. PGE-0015 at 36: 27-37:14; Ex. PG&E-0035 at 70:369 and 378 (July 27, 2017)).
- 43 *Id.* at 26 n.63 (citing *Pac. Gas & Elec. Co.*, 172 FERC ¶ 61,142 (2020) (approving partial settlement); *Pac. Gas & Elec. Co.*, 173 FERC ¶ 61,281 (2020) (TO20 Formula Rate Case Settlement) (approving settlement of remaining issues)).
- 44 *Id.* at 29 (citing CPUC Protest at 9, n.23, and 14).
- 45 *Id.* at 29-30.
- 46 *Id.* at 30-31.
- 47 CPUC Answer at 10-11 (citing PG&E Answer at 30; CPUC Protest at 9, 13).
- 48 *Id.* at 11-12 (citing PG&E Answer at 22).
- 49 *Id.* at 12 (citing PG&E Answer at 16).
- 50 PG&E Answer at 28-29.
- 51 18 C.F.R. § 101 (2024).
- 52 *See id.*, Electric Plant Instruction No. 10(C).

- 53 See, e.g., Tower Coating Order, 178 FERC ¶ 61,123 at P 17, which states “The Commission has previously allowed utilities to treat the addition of minor items of property that previously did not exist as substantial additions ... when the costs extend the useful lives, operating capacity, or efficiency of the associated retirement units.”
- 54 *Ameren Ill. Co.*, 174 FERC ¶ 61,209, *on reh'g*, 177 FERC ¶ 61,107 (2021), *affirmed in Ameren Ill. Co. v. FERC*, 58 F.4th 501, 505 (D.C. Cir. 2023) (ruling that “the Commission has broad statutory authority to grant refunds ... [u]pon finding that [a regulated entity] failed to correctly record certain ... costs”). See also *Duke Energy Progress, LLC*, 163 FERC ¶ 61,051 (2018).
- 55 PG&E Protocols § 4.7.6 states:
- If PG&E determines that a previously-filed Annual Update contained errors that affected the True-up TRR calculated in that Annual Update, including but not limited to filed corrections to its FERC Form 1 that affect the inputs to the Formula Rate or errors in other input data used in determining the True-up TRR, then PG&E shall: (1) recalculate the True-up TRR for all affected Prior Years; (2) compare the difference between the initial incorrect True-up TRR and the revised correct True-up TRR; and (3) calculate the cumulative amount of the difference, including interest calculated pursuant to FERC's regulations. Absent an order requiring refunds outside of the true-up process, the difference calculated above shall be included as an additional component to PG&E's [Annual True-up Adjustment] ATA in the subsequent Annual Update as a one-time True-up Adjustment in accordance with the Formula Rate.
- 56 The TO20 Formula Rate Case was the subject of an uncontested settlement, *see* TO20 Formula Rate Case Settlement, 173 FERC ¶ 61,281. The TO19 Rate Case involved stated rates which pre-dated the formula rate and was also the subject of an uncontested settlement, *see* TO19 Rate Case Settlement, 165 FERC ¶ 61,244.
- 57 Six Cities Protest at 11.
- 58 PG&E Answer at 32.
- 59 *Id.* at 33 (citing Transmittal at 6). PG&E's request in Docket No. AC21-153-000 for an interpretation of the Commission's Uniform System of Accounts regarding whether its Tower Coating Program satisfies the requirements of Electric Plant Instruction No. 10(C)(1) for capitalization was subsequently granted by the Commission. See Tower Coating Order, 178 FERC ¶ 61,123 at PP 15-21.
- 60 PG&E Answer at 33.
- 61 Tower Coating Order, 178 FERC ¶ 61,123.
- 62 Transmittal at 6; PG&E Answer at 33.
- 63 PG&E has undertaken a program to migrate its transmission system off the Microsoft Access-based SCADA platform onto an existing Energy Management System platform. PG&E refers to the program as the Transmission SCADA Replacement Program.
- 64 CPUC Protest at 31 (citing app. F: STAR Process Dec. 1, 2021, Public PDS, Capital Additions Tab 35.36).
- 65 *Id.* at 32.
- 66 *Id.*
- 67 PG&E Answer at 33-34.
- 68 *Id.* at 34.

- 69 *Id.* The Commission's Uniform System of Accounts refers to the term as retirement unit. 18 C.F.R. pt. 101 (Definition No. 34).
- 70 PG&E states that the Transmission SCADA Replacement Program consists of designing and building communication circuits between the Grid Control Center and each substation and transmission switch and programming the Energy Management System for remote station polling and transmission SCADA consoles displaying alarms, controls, and site-specific data (*e.g.*, circuit breaker open or closed, line current, and frequency). PG&E Answer at 34.
- 71 *Id.* at 35.
- 72 CPUC Answer at 16 (citing CPUC Protest at 32).
- 73 *Id.* (citing PG&E Answer at 35; CPUC Protest at 31).
- 74 *Id.* at 16-17.
- 75 CPUC Protest at 34-36.
- 76 *Id.* at 34 (citing STAR Process, PG&E Response to GridSME 009-Q34 (July 30, 2021); STARP Process, PG&E Response to GridSME 010-Q03 (Sept. 27, 2021)). PG&E states that boardwalk additions are added to Plant and thus included in rate base when the boardwalk is marked operative. Stakeholder Transmission Asset Review Data Response to GridSME_010-Q03, Answer 03, app. E, attach. 4.
- 77 *Id.*
- 78 *Id.* at 35 (citing Rate Year 2022 Annual Update, WP_9 - PlantAdditions 4- Network Transmission Forecast Capital Additions, line 133; STAR Process December 1, 2021, Transmittal Letter at 2).
- 79 *Id.* at 36.
- 80 PG&E Answer at 35-36.
- 81 *Id.* at 37.
- 82 *Id.* at 38.
- 83 *Id.* at 36.
- 84 As noted above, PG&E Protocols § 4.7.6 states:
- If PG&E determines that a previously-filed Annual Update contained errors that affected the True-up TRR calculated in that Annual Update, including but not limited to filed corrections to its FERC Form 1 that affect the inputs to the Formula Rate or errors in other input data used in determining the True-up TRR, then PG&E shall: (1) recalculate the True-up TRR for all affected Prior Years; (2) compare the difference between the initial incorrect True-up TRR and the revised correct True-up TRR; and (3) calculate the cumulative amount of the difference, including interest calculated pursuant to FERC's regulations. Absent an order requiring refunds outside of the true-up process, the difference calculated above shall be included as an additional component to PG&E's [Annual True-up Adjustment] ATA in the subsequent Annual Update as a one-time True-up Adjustment in accordance with the Formula Rate.
- 85 CPUC Protest at 3-9; Six Cities Protest at 3-8.
- 86 CPUC Protest at 3.
- 87 *Id.* at 4.

- 88 Six Cities Protest at 6.
- 89 *Id.* at 8.
- 90 PG&E Answer at 7.
- 91 *Id.* at 15.
- 92 *Id.* at 13.
- 93 *Id.* at 13-14.
- 94 TANC contends that CPUC's and Six Cities' Answers demonstrate that PG&E has not carried its burden to show that it has properly accounted for insurance proceeds. TANC Answer at 4.
- 95 CPUC Answer at 6; Six Cities Answer at 3.
- 96 CPUC Answer at 8.
- 97 *Id.* at 9; Six Cities Answer at 4-5.
- 98 CPUC Protest at 20 (citing *People v. Pac. Gas & Elec. Co.*, No. 20CF01422 (Super. Ct. Butte County 2020)).
- 99 *Id.* (citing CPUC D.20-05-019, *Decision Approving Proposed Settlement Agreement with Modifications*, 2020 WL 2487018, (May 7, 2020), 9, 7, 11-12, and Finding of Fact 4, p. 75).
- 100 *Id.* at 21.
- 101 *Id.* at 23 (citing PG&E Response to CPUC-PGE-AU.90 (Response Date Aug. 26, 2021); PG&E Response to CPUC-PGE-AU.95 (Response Date Aug. 13, 2021); PG&E Response to CPUC-PGE-AU.99 (Response Date Aug. 26, 2021); PG&E Response to CPUC-PGE-AU.245 (Response Date Sept. 27, 2021)).
- 102 *Id.* at 24 (citing PG&E Protocols at § 4.7.6; Rate Year 2021 Annual Update Workpaper 9 Tab 4, Capital Additions for 2020).
- 103 PG&E Answer at 16-17 (citing CPUC Protest, app. C.1, attach. 1 at 2 & attach. 6).
- 104 *Id.* at 17 (citing CPUC Protest, app. C.1, attach. 4; app. C.2, attach. 11).
- 105 *Id.*
- 106 CPUC Answer at 21 (citing CPUC Protest at 24).
- 107 *Id.* at 22.
- 108 CPUC Protest at 24 (citing Grizzly Powerhouse Interconnection Business Case T.0004715 dated 6/1/19, p. 1 (C) Background).
- 109 *Id.* (citing STAR Process, Reauthorization BC, *supra* n.82, p. 1 2.A Overview).
- 110 *Id.* at 25 (citing Grizzly Powerhouse Interconnection Advance Authorization Request T.0004715, page 1 (A) High Level Project Description).
- 111 *Id.* (citing STAR Process, PG&E Response to GridSME 010-QO4 (Response Date Sept. 27, 2021); PG&E Response to CPUC-PGE-AU.249 (Response Date Sept. 28, 2021); PG&E Response to CPUC-PGE-AU.252 (Response Date Sept. 28, 2021); PG&E Response to CPUC-PGE-AU.256 (Response Date Sept. 28, 2021); PG&E Response to CPUC-PGE-

AU.257 (Response Date Sept. 28, 2021); PG&E Response to CPUC-PGE-AU.260 (Response Date Sept. 28, 2021); PG&E Response to CPUC-PGE-AU.261 (Response Date Sept. 28, 2021); PG&E Response to CPUC-PGE-AU.264 (Response Date Sept. 28, 2021); PG&E Response to CPUC-PGE-AU.265 (Response Date Sept. 28, 2021)).

112 *Id.* at 25-26 (citing PG&E Response to CPUC-PGE-AU.246 (Response Date Sept. 27, 2021); PG&E Response to CPUC-PGE-AU.250 (Response Date Sept. 27, 2021); PG&E Response to CPUC-PGE-AU.254 (Response Date Sept. 30, 2021); PG&E Response to CPUC-PGE-AU.258 (Response Date Sept. 30, 2021); PG&E Response to CPUC-PGE-AU.262 (Response Date Sept. 30, 2021); PG&E Response to CPUC-PGE-AU.263 (Response Date Sept. 30, 2021); PG&E Response to CPUC-PGE-AU.264 (Response Date Sept. 28, 2021); PG&E Response to CPUC-PGE-AU.265 (Response Date Sept. 28, 2021); STAR Process, PG&E Response to GridSME 009-Q52 (Response Date July 30, 2021)).

113 *Id.* at 26 (citing Grizzly Powerhouse Interconnection Business Case T.0004715 dated 6/1/19, p. 1 (C) Background).

114 PG&E Answer at 19.

115 *Id.* (citing CPUC Protest, app. C.2, attach. 33).

116 CPUC Answer at 23 (citing CPUC Protest at 25-29).

117 *Id.* at 23-24 (citing CPUC Protest at 26).

118 Trial Staff is a participant in the hearing and settlement judge procedures. *See* 18 C.F.R. § 385.102(b), (c) (2024).

119 18 C.F.R. § 385.603 (2024).

120 If the parties decide to request a specific judge, they must make their joint request to the Chief Judge by telephone at (202) 502-8500 within five days of this order. The Commission's website contains a list of Commission judges available for settlement proceedings and a summary of their background and experience (<https://www.ferc.gov/available-settlement-judges>).

189 FERC P 61021 (F.E.R.C.), 2024 WL 4778014

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*Angela M Goad
Assistant Attorney General
Office of the Attorney General Office of Rate
700 Capitol Avenue
Suite 20
Frankfort, KY 40601-8204

*Jody Kyler Cohn
Boehm, Kurtz & Lowry
425 Walnut Street
Suite 2400
Cincinnati, OH 45202

*Honorable Kimberly S McCann
Attorney at Law
VanAntwerp Attorneys, LLP
1544 Winchester Avenue, 5th Floor
P. O. Box 1111
Ashland, KY 41105-1111

*Ashley Wilmes
Kentucky Resources Council, Inc.
Post Office Box 1070
Frankfort, KY 40602

*Jennifer L. Parrish
Kentucky Power Company
1645 Winchester Avenue
Ashland, KY 41101

*Lawrence W Cook
Assistant Attorney General
Office of the Attorney General Office of Rate
700 Capitol Avenue
Suite 20
Frankfort, KY 40601-8204

*Byron Gary
Kentucky Resources Council, Inc.
Post Office Box 1070
Frankfort, KY 40602

*Jeffery D. Newcomb
Kentucky Power Company
1645 Winchester Avenue
Ashland, KY 41101

*Matt Partymiller
President
Kentucky Solar Industries Association
1038 Brentwood Court
Suite B
Lexington, KY 40511

*Honorable David Edward Spenard
Strobo Barkley PLLC
239 South 5th Street
Ste 917
Louisville, KY 40202

*John Horne
Office of the Attorney General Office of Rate
700 Capitol Avenue
Suite 20
Frankfort, KY 40601-8204

*Michael West
Office of the Attorney General Office of Rate
700 Capitol Avenue
Suite 20
Frankfort, KY 40601-8204

*Tom Fitzgerald
Kentucky Resources Council, Inc.
Post Office Box 1070
Frankfort, KY 40602

*Kentucky Power Company
1645 Winchester Avenue
Ashland, KY 41101

*Michael J. Schuler
American Electric Power Service Corporation
1 Riverside Plaza, 29th Floor
Post Office Box 16631
Columbus, OH 43216

*Hector Garcia
Kentucky Power Company
1645 Winchester Avenue
Ashland, KY 41101

*Kenneth J Gish, Jr.
Stites & Harbison
250 West Main Street, Suite 2300
Lexington, KY 40507

*Honorable Michael L Kurtz
Attorney at Law
Boehm, Kurtz & Lowry
425 Walnut Street
Suite 2400
Cincinnati, OH 45202

*Harlee P. Havens
Stites & Harbison
250 West Main Street, Suite 2300
Lexington, KY 40507

*Katie M Glass
Stites & Harbison
421 West Main Street
P. O. Box 634
Frankfort, KY 40602-0634

*Randal A. Strobo
Strobo Barkley PLLC
239 South 5th Street
Ste 917
Louisville, KY 40202

*Toland Lacy
Office of the Attorney General
700 Capital Avenue
Frankfort, KY 40601

*Tanner Wolfram
American Electric Power Service Corporation
1 Riverside Plaza, 29th Floor
Post Office Box 16631
Columbus, OH 43216

*W. Mitchell Hall, Jr.
VanAntwerp Attorneys, LLP
1544 Winchester Avenue, 5th Floor
P. O. Box 1111
Ashland, KY 41105-1111