

EPUC Ex. EPUC-06  
PG&E Stress Test Application  
Docket A.20-04-023

**EPUC CROSS EXAMINATION EXHIBIT**

PG&E Response to EPUC Data Request, Set 1, Questions 9 and 10, and Attachment

## QUESTION 09

Regarding the following statement at rebuttal testimony page 9-1, "The costs being securitized are costs and expenses from settlement of claims related to damages for catastrophic wildfires ignited in 2017 ..."

- a. For each of the identified catastrophic wildfires, please identify the source of ignition, if known.
- b. For any instances of the cited "catastrophic wildfires" in which the source of ignition is identified as contact with, or otherwise associated with, PG&E transmission or distribution facilities, please provide details of the circumstances and indicate what portion of the total costs and expenses from settlement of claims related to damages is composed of such instances.
- c. Is it Mr. Pease's understanding that the costs being securitized vary with, or are otherwise associated with, customer energy usage? If so, please provide the basis for such understanding.

## ANSWER 09

PG&E objects to this request as not relevant. Subject to its objections, PG&E responds as follows:

- a. – b. PG&E refers EPUC to the stipulated facts attached as Exhibit A to the settlement agreement attached to decision D.20-05-019 as Attachment A. There is no allocation of costs paid and contributed in settlement of Fire Claims based on transmission or distribution facilities.
- c. PG&E objections that this question is vague and ambiguous as to what it means to be "associated with" customer usage. Subject to that objection, PG&E responds: PG&E does not maintain that the wildfire claims costs being securitized vary with usage, or are otherwise associated with, customer usage.

## QUESTION 10

Regarding the following statement at rebuttal testimony pages 9-1 through 9-2, "To use a distribution allocation would provide a proportionally higher allocation to small customers (for example, residential customers) than proposed by PG&E and would be unfair to those customers when the securitization is not for distribution infrastructure costs."

- a. Please provide the allocation amounts, by customer class, that would result from 1) PG&E's proposal and 2) the use of a distribution allocation.
- b. Please describe the standard of fairness adopted by Mr. Pease in making this statement and explain how allocating a larger amount to non-residential customers, when the securitization is not for energy costs, would be more "fair."

## ANSWER 10

a. 2020Securitization\_DR\_EPUC\_01-Q10Atch01 provides a comparison of the allocation of the FRC based on equal cents per kWh as proposed by PG&E and based on distribution rate allocation factors as requested by EPUC. PG&E does not propose using this allocation of the FRC.

b. PG&E's reference to fairness is specific to requiring customers to pay the FRC as if the costs were required to provide safe and reliable electric distribution service, when in fact these costs are not incurred to provide electric distribution service. As noted in PG&E's response to Question 9, part c, these costs do not vary with energy consumption and have not been incurred to provide distribution service, nor any other utility service. Accordingly, PG&E does not find cost allocation factors used for allocating costs of providing utility service (such as distribution allocation factors) suitable for this purpose. See *a/so* Chapter 9, Rate Proposal – Rebuttal (D. Pease).

EPUC DR 2\_Q10a

Proposed Allocation of FRC based on Equal Cents per Kwh

EPUC Allocation of FRC based on Distribution Allocation Factors

	Sales (kWh)	Average Rate Change for Dist/CIA (\$/kWh)	Average Rate Change for PPP (\$/kWh)	Average Rate Change for FRC (\$/kWh)	Total Average Rate Change (\$/kWh)	Total Revenue Change for FRC (\$millions)	Bundled Percent Change	Average Rate Change for Dist/CIA (\$/kWh)	Average Rate Change for PPP (\$/kWh)	Average Rate Change for FRC (\$/kWh)	Total Average Rate Change (\$/kWh)	Total Revenue Change for FRC (\$millions)	Bundled Percent Change
<b>BDLD RESULTS</b>													
<b>Class/Schedule</b>													
<b>RESIDENTIAL</b>													
CARE	4,475,103,949	0.00283	0.00000	0.00000	0.00283	12.7	1.8%	0.00440	0.00000	0.00000	0.00440	19.7	2.8%
Non-CARE	9,413,026,194	-0.00032	-0.00018	0.00537	0.00487	45.8	1.9%	-0.00031	-0.00034	0.00823	0.00758	71.3	2.9%
TOTAL RES	13,888,130,144	0.00069	-0.00012	0.00364	0.00421	58.5	1.8%	0.00121	-0.00023	0.00558	0.00655	91.0	2.9%
TOTAL SMALL	3,141,528,117	0.00001	-0.00018	0.00540	0.00523	16.4	2.0%	0.00001	-0.00034	0.00782	0.00750	23.6	2.8%
TOTAL MEDIUM	3,096,947,126	0.00002	-0.00018	0.00539	0.00522	16.2	2.2%	0.00003	-0.00034	0.00486	0.00455	14.1	1.9%
<b>E-19 CLASS</b>													
E-19 T	15,483,234	0.00000	-0.00018	0.00541	0.00523	0.1	3.2%	0.00000	-0.00034	0.00124	0.00090	0.0	0.5%
E-19 P	488,379,922	0.00000	-0.00018	0.00541	0.00523	2.6	2.8%	0.00001	-0.00034	0.00301	0.00268	1.3	1.4%
E-19 S	3,729,687,420	0.00001	-0.00018	0.00539	0.00522	19.5	2.5%	0.00002	-0.00034	0.00365	0.00334	12.5	1.6%
TOTAL E-19	4,233,550,576	0.00001	-0.00018	0.00540	0.00522	22.1	2.5%	0.00002	-0.00034	0.00357	0.00325	13.8	1.6%
STREETLIGHTS	86,876,530	0.00000	-0.00001	0.00541	0.00540	0.5	1.8%	0.00000	-0.00003	0.00439	0.00436	0.4	1.4%
<b>STANDBY</b>													
STANDBY T	440,014,836	0.00000	-0.00018	0.00541	0.00523	2.3	2.0%	0.00000	-0.00034	0.00147	0.00113	0.5	0.6%
STANDBY P	11,406,733	0.00000	-0.00018	0.00541	0.00523	0.1	1.3%	0.00000	-0.00034	0.01595	0.01562	0.2	3.8%
STANDBY S	6,709,679	0.00000	-0.00018	0.00541	0.00523	0.0	2.1%	0.00000	-0.00034	0.00757	0.00723	0.0	3.0%
TOTAL STANDBY	458,131,249	0.00000	-0.00018	0.00541	0.00523	2.4	2.8%	0.00000	-0.00034	0.00192	0.00158	0.7	0.9%
TOTAL AG	4,610,167,057	0.00000	-0.00018	0.00541	0.00523	24.1	2.1%	0.00000	-0.00034	0.00760	0.00727	33.5	2.9%
<b>E-20 CLASS</b>													
E-20 T	2,647,715,830	0.00000	-0.00018	0.00541	0.00523	13.8	3.7%	0.00000	-0.00034	0.00002	-0.00032	-0.8	-0.2%
E-20 P	2,709,060,042	0.00000	-0.00018	0.00541	0.00523	14.2	2.9%	0.00000	-0.00034	0.00243	0.00209	5.7	1.2%
E-20 S	1,072,594,767	0.00000	-0.00018	0.00541	0.00523	5.6	2.6%	0.00000	-0.00034	0.00311	0.00277	3.0	1.4%
TOTAL E-20	6,429,370,638	0.00000	-0.00018	0.00541	0.00523	33.6	3.1%	0.00000	-0.00034	0.00155	0.00121	7.8	0.7%
Bundled Total	35,944,701,438	0.00027	-0.00016	0.00472	0.00483	173.8	2.2%	0.00047	-0.00029	0.00496	0.00514	184.8	2.3%

Proposed Allocation of FRC based on Equal Cents per Kwh

EPUC Allocation of FRC based on Distribution Allocation Factors

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DA/CCA RESULTS													
Class/Schedule													
RESIDENTIAL													
CARE	2,207,230,076	0.00268	-	-	0.00268	5.9	3.6%	0.00418	0.00000	0.00000	0.00418	9.2	5.5%
Non-CARE	11,698,945,634	(0.00014)	(0.00018)	0.00537	0.00505	59.0	2.6%	-0.00003	-0.00034	0.00823	0.00785	91.9	4.1%
TOTAL RES	13,906,175,710	0.00030	(0.00015)	0.00452	0.00467	65.0	2.7%	0.00063	-0.00028	0.00692	0.00727	101.1	4.2%
TOTAL SMALL	4,799,005,051	0.00001	(0.00018)	0.00540	0.00522	25.1	2.9%	0.00001	-0.00034	0.00782	0.00749	36.0	4.2%
TOTAL MEDIUM	5,296,207,227	0.00001	(0.00018)	0.00539	0.00522	27.6	3.5%	0.00002	-0.00034	0.00486	0.00454	24.0	3.1%
E-19 CLASS													
E-19 T	11,384,180	0.00000	(0.00018)	0.00541	0.00523	0.1	4.8%	0.00000	-0.00034	0.00140	0.00106	0.0	1.0%
E-19 P	586,467,746	0.00000	(0.00018)	0.00541	0.00523	3.1	4.5%	0.00000	-0.00034	0.00302	0.00268	1.6	2.3%
E-19 S	8,670,568,870	0.00001	(0.00018)	0.00539	0.00522	45.2	4.4%	0.00001	-0.00034	0.00365	0.00333	28.9	2.8%
TOTAL E-19	9,268,420,796	0.00001	(0.00018)	0.00540	0.00522	48.4	4.4%	0.00001	-0.00034	0.00361	0.00329	30.5	2.8%
STREETLIGHTS	158,033,043	0.00000	(0.00000)	0.00541	0.00541	0.9	3.1%	0.00000	0.00000	0.00439	0.00438	0.7	2.5%
STANDBY													
STANDBY T	31,929,173	0.00000	(0.00018)	0.00541	0.00523	0.2	4.1%	0.00000	-0.00034	0.00147	0.00113	0.0	0.9%
STANDBY P	16,628,273	0.00000	(0.00018)	0.00541	0.00523	0.1	2.3%	0.00000	-0.00034	0.01595	0.01562	0.3	6.8%
STANDBY S	534,166	0.00000	(0.00018)	0.00541	0.00523	0.0	2.0%	0.00000	-0.00034	0.00757	0.00723	0.0	2.8%
TOTAL STANDBY	49,091,612	0.00000	(0.00018)	0.00541	0.00523	0.3	3.2%	0.00000	-0.00034	0.00644	0.00611	0.3	3.7%
TOTAL AG	1,034,585,721	0.00000	(0.00018)	0.00541	0.00523	5.4	3.2%	0.00000	-0.00034	0.00746	0.00712	7.4	4.3%
E-20 CLASS													
E-20 T	3,700,758,544	0.00000	(0.00018)	0.00541	0.00523	19.4	10.2%	0.00000	-0.00034	0.00002	-0.00032	-1.2	-0.6%
E-20 P	4,266,410,978	0.00000	(0.00018)	0.00541	0.00523	22.3	5.6%	0.00000	-0.00034	0.00242	0.00208	8.9	2.2%
E-20 S	1,436,457,357	0.00000	(0.00018)	0.00541	0.00523	7.5	5.3%	0.00000	-0.00034	0.00295	0.00261	3.8	2.7%
TOTAL E-20	9,403,626,880	0.00000	(0.00018)	0.00541	0.00523	49.2	6.8%	0.00000	-0.00034	0.00156	0.00122	11.5	1.6%
DA/CCA Total	43,915,146,040	0.00010	(0.00017)	0.00512	0.00505	221.7	3.7%	0.00021	-0.00032	0.00493	0.00481	211.4	3.5%