

NOTICE OF PACIFIC GAS AND ELECTRIC COMPANY'S REQUEST TO INCREASE RATES FOR THE 2015 NUCLEAR DECOMMISSIONING COST TRIENNIAL PROCEEDING (A.16-03-006)

Summary

On March 1, 2016, Pacific Gas and Electric Company (PG&E) submitted an application to the California Public Utilities Commission (CPUC) requesting to increase its electric rates for its 2015 Nuclear Decommissioning Triennial Proceeding (NDCTP). In this application, PG&E requests approval to recover costs associated with funding the nuclear decommissioning trusts for the Diablo Canyon Power Plant and Humboldt Bay Power Plant. This application also addresses the amount PG&E's customers are responsible for paying to decommission the nuclear power plants. If approved, PG&E's request would raise electric rates effective January 1, 2017.

What is the NDCTP?

The NDCTP provides the CPUC, and other interested parties, an opportunity to review PG&E's updated nuclear decommissioning cost studies for Humboldt Bay Power Plant Unit 3 (HBPP Unit 3) and Diablo Canyon Units 1 & 2 (Diablo Canyon). The nuclear decommissioning cost studies are detailed estimates of costs associated with decommissioning (tearing down) PG&E's nuclear power plants. The NDCTP also provides the opportunity for review of the associated customer contribution analysis, which determines the annual amount customers, as a whole, will contribute to the nuclear decommissioning trust funds. The contributions made by PG&E customers to the HBPP Unit 3 trust fund will support the ongoing decommissioning activities for the HBPP Unit 3. These contributions will also fund the operations and maintenance (O&M) activities associated with the storage of spent fuel at HBPP Unit 3. Customer contributions to the Diablo Canyon trust fund will pay for the eventual safe and responsible decommissioning of Diablo Canyon. The NDCTP also provides review of PG&E's O&M costs associated with maintaining the existing nuclear license at HBPP Unit 3.

Additionally, the NDCTP provides the CPUC and interested parties the opportunity to review the costs associated with completed nuclear decommissioning activities at HBPP Unit 3 to ensure that those activities costs are accurate.

How will PG&E's application affect me?

PG&E is requesting to reduce rates by \$34.73 million from \$97.654 million to \$62.924 million for the HBPP Unit 3 Trust and \$5.286 million from \$9.779 million to \$4.493 million for HBPP Unit 3 Nuclear Regulatory Commission license O&M costs. Additionally PG&E is requesting to increase rates by \$117.324 million from \$0 to \$117.324 million for the Diablo Canyon Trusts. This will result in an overall increase for PG&E customers.

For 2017, the forecasted electric revenue requirement increase is \$77.308 million from \$107.433 million (2016 authorized) to \$184.741 million (2017 proposed).

If approved, PG&E's request would raise electric rates effective January 1, 2017, for bundled customers who receive electric generation and distribution service from PG&E. For a typical residential customer using 500 kWh per month the rate would increase from \$97.14 to \$97.65, or less than one percent.

How will PG&E's application affect non-bundled customers?

Direct Access (DA) and Community Choice Aggregation (CCA) customers purchase electricity from another provider and receive electric transmission and distribution service from PG&E. The net impact of PG&E's application on DA and CCA customers is \$15.66 million, or an average increase of 1.42 percent.

Departing Load (DL) customers do not receive electric generation, transmission or distribution services from PG&E. However, they are required to pay certain charges as required by law or CPUC decision. The net impact on DL customers is \$2.95 million, or an average increase of 9.25 percent.

How do I find out more about PG&E's proposals?

If you have questions about PG&E's filing, please contact PG&E at **1-800-743-5000**. For TDD/TTY (speech-hearing impaired), call **1-800-652-4712**. If you would like a copy of PG&E's filing and exhibits, please write to PG&E at the address below:

Pacific Gas and Electric Company
2015 NDCTP application (16-03-006)
P.O. Box 7442
San Francisco, CA 94120

A copy of PG&E's filing and exhibits are also available for review at the CPUC's Central Files Office by appointment only. For more information contact **aljcentralfilesid@cpuc.ca.gov** or **1-415-703-2045**. PG&E's application (without exhibits) is available on the CPUC's website at **www.cpuc.ca.gov/pao**.

CPUC process

This application will be assigned to an Administrative Law Judge (Judge) who will determine how to receive evidence and other related documents necessary for the CPUC to establish a record upon which to base its decision. Evidentiary hearings may be held where parties will present their testimony and may be subject to cross-examination by other parties. These evidentiary hearings are open to the public, but only those who are formal parties in the case can participate.

After considering all proposals and evidence presented during the hearings, the assigned Judge will issue a proposed decision which may adopt PG&E's proposal, modify it or deny it. Any of the five CPUC Commissioners may sponsor an alternate decision. The proposed decision, and any alternate decisions, will be discussed and voted upon at a scheduled CPUC Voting Meeting.

The Office of Ratepayer Advocates (ORA) may review this application. ORA is the independent consumer advocate within the CPUC with a legislative mandate to represent investor-owned utility customers to obtain the lowest possible rate for service consistent with reliable and safe service levels. ORA has a multi-disciplinary staff with expertise in economics, finance, accounting and engineering. For more information about ORA, please call **1-415-703-1584**, email **ora@cpuc.ca.gov** or visit ORA's website at **www.ora.ca.gov**.

Stay informed

If you would like to follow this proceeding, or any other issue before the CPUC, you may use the CPUC's free subscription service. Sign up at: **http://subscribecpuc.cpuc.ca.gov/**. If you would like to learn how you can participate in the proceeding, if you have informal comments about the application, or questions about the CPUC processes, you may access the CPUC's Public Advisor Office (PAO) webpage at **http://consumers.cpuc.ca.gov/pao/**.

You may also contact the PAO as follows:

Email: **public.advisor@cpuc.ca.gov**

Mail: CPUC
Public Advisor's Office
505 Van Ness Avenue, Room 2103
San Francisco, CA 94102

Call: **1-866-849-8390** (toll-free) or **1-415-703-2074**

TTY: **1-866-836-7825** (toll-free) or **1-415-703-5282**

If you are writing or emailing the PAO, please include the proceeding number (2015 NDCTP, A.16-03-006). All comments will be circulated to the Commissioners, the assigned Judge and appropriate CPUC staff, and will become public record.