August 24, 2015

Erik Jacobson
Director, Regulatory Relations
Pacific Gas and Electric Company
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, CA 94177

Subject: PG&E’s Franchise Fees and Uncollectibles Factor
Effective January 1, 2016

Dear Mr. Jacobson:

Advice Letter 3612-G/4675-E is effective January 1, 2016.

Sincerely,

Edward Randolph
Director, Energy Division
July 27, 2015

Advice 3612-G/4675-E
(Pacific Gas and Electric Company ID U 39 M)

Public Utilities Commission of the State of California

Subject: PG&E’s Franchise Fees and Uncollectibles Factor Effective January 1, 2016

Purpose

Pacific Gas and Electric Company (PG&E or the Company) submits this Tier 1 advice letter to update the Franchise Fees and Uncollectibles (FF&U) factor included in the calculation of revenue requirements effective January 1, 2016. Refer to Attachment 1 for the calculation of the 2016 uncollectibles factor and overall FF&U factor.

Background

In the 2014 General Rate Case (GRC) decision (D.) 14-08-032\(^1\), the California Public Utilities Commission (Commission or CPUC) adopted a revised methodology to determine PG&E’s uncollectibles factor, which is based on a 10-year rolling average using recorded uncollectible data. The 2016 uncollectibles factor using historical data from 2005 through 2014 is 0.003347.

Attachment 1 - Page 1 shows the 2016 franchise and uncollectible factors that will be used in the calculation of 2016 revenue requirements. Attachment 1 - Page 2 shows the derivation of the uncollectible factors based on the 10-year rolling average method.

Protests

Anyone wishing to protest this filing may do so by letter sent via U.S. mail, facsimile or E-mail, no later than August 17, 2015, which is 21 days\(^2\) after the date of this filing. Protests must be submitted to:

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\(^1\) 2014 GRC D.14-08-032, Section 5.4.4 Uncollectibles Mechanism, pages 291-292.

\(^2\) The 20-day protest period concludes on a weekend. PG&E is hereby moving this date to the following business day.
Copies of protests also should be mailed to the attention of the Director, Energy Division, Room 4004, at the address shown above.

The protest shall also be sent to PG&E either via E-mail or U.S. mail (and by facsimile, if possible) at the address shown below on the same date it is mailed or delivered to the Commission:

Erik Jacobson
Director, Regulatory Relations
Pacific Gas and Electric Company
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, California 94177

Facsimile: (415) 973-7226
E-mail: PGETariffs@pge.com

Any person (including individuals, groups, or organizations) may protest or respond to an advice letter (General Order 96-B, Section 7.4). The protest shall contain the following information: specification of the advice letter protested; grounds for the protest; supporting factual information or legal argument; name, telephone number, postal address, and (where appropriate) e-mail address of the protestant; and statement that the protest was sent to the utility no later than the day on which the protest was submitted to the reviewing Industry Division (General Order 96-B, Section 3.11).

Effective Date

PG&E submits this advice letter as a Tier 1 filing. PG&E requests that this advice letter become effective on January 1, 2016.

Notice

In accordance with General Order 96-B, Section IV, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list and the parties on the service lists for A.09-03-003, A.11-11-017, A.12-11-009, and A.13-07-001. Address changes to the General Order 96-B service list should be directed to PG&E at email address PGETariffs@pge.com. For changes to any other service list, please
contact the Commission's Process Office at (415) 703-2021 or at Process_Office@cpuc.ca.gov. Send all electronic approvals to PGETariffs@pge.com. Advice letter filings can also be accessed electronically at: http://www.pge.com/tariffs/.

/S/
Erik Jacobson
Director, Regulatory Relations

Attachments

cc: Service Lists A.09-03-003, A.11-11-017, A.12-11-009, and A.13-07-001
## CALIFORNIA PUBLIC UTILITIES COMMISSION

### ADVICE LETTER FILING SUMMARY

#### ENERGY UTILITY

Company name/CPUC Utility No. **Pacific Gas and Electric Company (ID U39 M)**

<table>
<thead>
<tr>
<th>Utility type:</th>
<th>Contact Person: Jennifer Wirowek</th>
</tr>
</thead>
<tbody>
<tr>
<td>☑ ELC  ☑ GAS</td>
<td>Phone #: (415) 973-1419</td>
</tr>
<tr>
<td>☐ PLC  ☐ HEAT  ☐ WATER</td>
<td>E-mail: <a href="mailto:j6ws@pge.com">j6ws@pge.com</a> and <a href="mailto:PGETariffs@pge.com">PGETariffs@pge.com</a></td>
</tr>
</tbody>
</table>

#### EXPLANATION OF UTILITY TYPE

<table>
<thead>
<tr>
<th>ELC = Electric</th>
<th>GAS = Gas</th>
</tr>
</thead>
<tbody>
<tr>
<td>PLC = Pipeline</td>
<td>HEAT = Heat</td>
</tr>
<tr>
<td>WATER = Water</td>
<td></td>
</tr>
</tbody>
</table>

Advice Letter (AL) #: **3612-G/4675-E**

**Tier: 1**

**Subject of AL:** **PG&E’s Franchise Fees and Uncollectibles Factor Effective January 1, 2016**

Keywords (choose from CPUC listing): Franchise Fee/User Tax, Revenue Allocation

AL filing type: ☑ Monthly ☐ Quarterly ☑ Annual ☐ One-Time ☐ Other _____________________________

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: D.14-08-032

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: No

Summarize differences between the AL and the prior withdrawn or rejected AL: ____________________

Is AL requesting confidential treatment? If so, what information is the utility seeking confidential treatment for: No

Confidential information will be made available to those who have executed a nondisclosure agreement: N/A

Name(s) and contact information of the person(s) who will provide the nondisclosure agreement and access to the confidential information: __________________________________________________________________________________________________

Resolution Required? ☐ Yes ☑ No

Requested effective date: **January 1, 2016**

No. of tariff sheets: N/A

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: N/A

Service affected and changes proposed: N/A

Pending advice letters that revise the same tariff sheets: N/A

Protests, dispositions, and all other correspondence regarding this AL are due no later than 21 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:

**CPUC, Energy Division**

ED Tariff Unit

505 Van Ness Avenue, 4th Floor
San Francisco, California 94102

E-mail: EDTariffUnit@cpuc.ca.gov

**Pacific Gas and Electric Company**

Attn: Erik Jacobson

Director, Regulatory Relations

77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, CA 94177

E-mail: PGETariffs@pge.com

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1 The 20-day protest period concludes on a weekend. PG&E is hereby moving this date to the following business day.
## 2014 GRC for the Year 2016

### Franchise and Uncollectible Factors

<table>
<thead>
<tr>
<th>Electric Department* (CPUC Jurisdiction)</th>
<th>Gas Department*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue Factor (use 0.011745)</strong></td>
<td><strong>Revenue Factor (use 0.017177)</strong></td>
</tr>
<tr>
<td>Uncollectible</td>
<td>Uncollectible</td>
</tr>
<tr>
<td>14,287 (2)</td>
<td>5,768 (5)</td>
</tr>
<tr>
<td>Franchise Requirements</td>
<td>Franchise Requirements</td>
</tr>
<tr>
<td>35,843 (3)</td>
<td>23,829 (6)</td>
</tr>
<tr>
<td>Total 50,129</td>
<td>Total 29,596</td>
</tr>
<tr>
<td>Franchise &amp; Uncollect. 50,129 = 0.011745</td>
<td>Franchise &amp; Uncollect. 29,596 = 0.017177</td>
</tr>
<tr>
<td>Operating Revenues (1) 4,268,090 *</td>
<td>Operating Revenues (4) 1,723,042 *</td>
</tr>
<tr>
<td><strong>Expense Factor (use 0.011885)</strong></td>
<td><strong>Expense Factor (use 0.017477)</strong></td>
</tr>
<tr>
<td>0.011745 = 0.011885</td>
<td>0.017177 = 0.017477</td>
</tr>
<tr>
<td>1-0.011745</td>
<td>1-0.017177</td>
</tr>
</tbody>
</table>

### Electric Revenue Factor:

| Franchise: 35,843 = 0.008398 4,268,090 |
| Uncollectibles: 14,287 = 0.003347 4,268,090 |
| Total 0.011745 |

### Gas Revenue Factor:

| Franchise: 23,829 = 0.013830 1,723,042 |
| Uncollectibles: 5,768 = 0.003347 1,723,042 |
| Total 0.017177 |

### Electric Expense Factor:

| Franchise: 0.008398 = 0.008498 1-0.011745 |
| Uncollectibles: 0.003347 = 0.003387 1-0.011745 |
| Total 0.011745 |

### Gas Expense Factor:

| Franchise: 0.013830 = 0.014071 1-0.017177 |
| Uncollectibles: 0.003347 = 0.003406 1-0.017177 |
| Total 0.017177 |

**Check**

- -

**Notes:**

* Electric FF&U Factors based on Electric Distribution revenues and FF&U expense
* Operating Revenues exclude interdepartmental revenues in this calculation
1) 2014 PG&E GRC 2016 RO Run Appendix C: Table 6, Line 3A
2) 2014 PG&E GRC 2016 RO Run Appendix C: Table 6, Line 5A
3) 2014 PG&E GRC 2016 RO Run Appendix C: Table 6, Line 16A
4) 2014 PG&E GRC 2016 RO Run Appendix C: Table 6, Line 3B
5) 2014 PG&E GRC 2016 RO Run Appendix C: Table 6, Line 5B
6) 2014 PG&E GRC 2016 RO Run Appendix C: Table 6, Line 16B
2014 General Rate Case Decision 14-08-032
Derivation of the Uncollectibles Factor
Using the Ten-Year Rolling Average Method

<table>
<thead>
<tr>
<th>Line</th>
<th>Year</th>
<th>Revenue</th>
<th>Net Write-Off</th>
<th>Factor</th>
</tr>
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<tbody>
<tr>
<td>1</td>
<td>2014</td>
<td>$15,512,016,801</td>
<td>$52,813,891</td>
<td>0.003405</td>
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<td>2</td>
<td>2013</td>
<td>15,321,271,027</td>
<td>59,368,756</td>
<td>0.003875</td>
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<td>3</td>
<td>2012</td>
<td>14,827,143,097</td>
<td>57,972,520</td>
<td>0.003910</td>
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<td>4</td>
<td>2011</td>
<td>14,629,492,318</td>
<td>54,258,945</td>
<td>0.003709</td>
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<tr>
<td>5</td>
<td>2010</td>
<td>14,741,296,164</td>
<td>37,988,685</td>
<td>0.002577</td>
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<td>6</td>
<td>2009</td>
<td>14,414,013,463</td>
<td>70,821,246</td>
<td>0.004913</td>
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<td>2008</td>
<td>15,173,862,974</td>
<td>55,803,703</td>
<td>0.003678</td>
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<td>8</td>
<td>2007</td>
<td>14,645,346,583</td>
<td>41,053,982</td>
<td>0.002803</td>
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<td>9</td>
<td>2006</td>
<td>14,435,385,419</td>
<td>31,185,872</td>
<td>0.002160</td>
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<td>10</td>
<td>2005</td>
<td>13,216,767,873</td>
<td>32,287,187</td>
<td>0.002443</td>
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<tr>
<td>11</td>
<td></td>
<td></td>
<td></td>
<td>0.003347</td>
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</tbody>
</table>

*Average Uncollectibles Factor [Sum of C / 10]*
PG&E Gas and Electric
Advice Filing List
General Order 96-B, Section IV

AT&T
Albion Power Company
Alcantar & Kahl LLP
Anderson & Poole
BART
Barkovich & Yap, Inc.
Bartle Wells Associates
Braun Blaising McLaughlin, P.C.

CPUC
California Cotton Ginners & Growers Assn.
California Energy Commission
California Public Utilities Commission
California State Association of Counties
Calpine
Casner, Steve
Cenergy Power
Center for Biological Diversity
City of Palo Alto
City of San Jose
Clean Power
Coast Economic Consulting
Commercial Energy
Cool Earth Solar, Inc.
County of Tehama - Department of Public Works
Crossborder Energy
Davis Wright Tremaine LLP
Day Carter Murphy
Defense Energy Support Center
Dept of General Services
Division of Ratepayer Advocates

Don Pickett & Associates, Inc.
Douglass & Liddell
Downey & Brand
Ellison Schneider & Harris LLP
G. A. Krause & Assoc.
GenOn Energy Inc.
GenOn Energy, Inc.
Goodin, MacBride, Squeri, Schlotz & Ritchie
Green Power Institute
Hanna & Morton
In House Energy
International Power Technology
 Interstate Gas Services, Inc.
Kelly Group
Leviton Manufacturing Co., Inc.
Linde
Los Angeles County Integrated Waste Management Task Force
Los Angeles Dept of Water & Power
MRW & Associates
Manatt Phelps Phillips
Marin Energy Authority
McKenna Long & Aldridge LLP
McKenzie & Associates
Modesto Irrigation District
Morgan Stanley
NLine Energy, Inc.
NRG Solar
Nexant, Inc.
ORA
Occidental Energy Marketing, Inc.
Office of Ratepayer Advocates
OnGrid Solar
Pacific Gas and Electric Company
Praxair
Regulatory & Cogeneration Service, Inc.
SCD Energy Solutions
SCE
SDG&E and SoCalGas
SPURR
San Francisco Water Power and Sewer
Seattle City Light
Sempra Energy (SoCal Gas)
Sempra Utilities
SoCalGas
Southern California Edison Company
Spark Energy
Sun Light & Power
Sunshine Design
Tecogen, Inc.
Tiger Natural Gas, Inc.
TransCanada
Troutman Sanders LLP
Utility Cost Management
Utility Power Solutions
Utility Specialists
Verizon
Water and Energy Consulting
Wellhead Electric Company
Western Manufactured Housing Communities Association (WMA)
YEP Energy