

## **NOTIFICATION OF PACIFIC GAS AND ELECTRIC COMPANY'S JOINT UTILITIES APPLICATION FOR APPROVAL OF THE PORTFOLIO ALLOCATION METHODOLOGY FOR ALL CUSTOMERS (A.17-04-018)**

### **Summary**

On April 25, 2017, Pacific Gas and Electric Company (PG&E) jointly filed an application with the California Public Utilities Commission (CPUC) along with Southern California Edison Company (SCE) and San Diego Gas & Electric Company (SDG&E) (Joint Utilities) for approval to put into effect the Portfolio Allocation Methodology (PAM). The application proposes a new methodology for electric generation costs and benefits to all customers. If approved, this application will not change the overall amount of revenues collected from PG&E customers. However, this request will eventually impact rates for certain PG&E customer classes. The timing and impact to rates have not been determined at this time.

### **About the application**

The current methodology distributes the purchase costs of certain energy producing resources among all utility customers. This includes those who leave bundled service to receive electricity from an alternative provider (for example, an Electric Service Provider or a Community Choice Aggregator). These customers, known as departing load customers, currently pay these costs through a Power Charge Indifference Adjustment (PCIA) and a Competition Transition Charge (CTC) as part of their rates. Under PAM, the Joint Utilities propose that the current methodology for determining who is assigned these costs be replaced with a new methodology that would establish new Portfolio Allocation Charge (PAC) and CTC rates.

Under PAM, all departing load and bundled service customers will pay an equitable portion of the actual market costs of the utility's generation portfolio based on how much was purchased on their behalf. All of these customers will also be assigned an equitable portion of the benefits associated with these resources. PAM will allocate these costs based on actual market results to more effectively protect customers from cost increases or shifts as a result of departing load.

If the CPUC approves this application, electric rates for certain customer classes will be impacted. However, the overall amount of revenues collected from PG&E customers for these generation resources will not change. The timing and magnitude of changes to certain customer classes are not currently known, as PAM is not expected to be implemented until 2019, at the earliest. Rate changes will be implemented through future ratemaking proceedings and detailed rate impacts will be noticed at that time.

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

If you have questions about the 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  
2017 Portfolio Allocation Methodology (PAM) Application (A.17-04-018)  
P.O. Box 7442  
San Francisco, CA 94120

A copy of PG&E's filing and exhibits is also available for review at the CPUC's Central Files Office by appointment only. For more information, contact [aljcentralfilesid@cpuc.ca.gov](mailto: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](http://www.cpuc.ca.gov).

## 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](mailto:ora@cpuc.ca.gov) or visit ORA's website at [www.ora.ca.gov](http://www.ora.ca.gov).

## Stay informed

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You may also contact the PAO as follows:

**Email:** [public.advisor@cpuc.ca.gov](mailto:public.advisor@cpuc.ca.gov)

**Mail:** CPUC  
Public Advisor's Office  
505 Van Ness Avenue  
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 (2017 Portfolio Allocation Methodology (PAM) Application, A.17-04-018). All comments will be circulated to the Commissioners, the assigned Judge and appropriate CPUC staff, and will become public record.