

NOTIFICATION OF PACIFIC GAS AND ELECTRIC COMPANY'S REQUEST TO INCREASE RATES FOR GAS TRANSMISSION AND STORAGE APPLICATION (A.17-11-009)

Summary

On November 17, 2017, Pacific Gas and Electric Company (PG&E) filed its Gas Transmission and Storage (GT&S) application with the California Public Utilities Commission (CPUC) requesting to increase rates for the following:

- Comply with new regulatory requirements for the safety of gas transmission and storage facilities
- Infrastructure investments to ensure gas transmission pipelines and storage facilities continue to operate safely and reliably
- Retirement of two gas storage fields in order to reduce costs to customers in the long term, reduce risk and streamline operations

Related to the programs above, PG&E is requesting a total increase of \$1.317 billion to be collected in rates from customers during the period 2019-2021.

Background

The GT&S Application is submitted approximately every three years by PG&E. The scope of the Application includes gas transmission and gas storage facilities. In this Application, PG&E forecasts the costs necessary to operate gas transmission and storage facilities in a safe and reliable manner. This Application also proposes how the costs to operate PG&E's transmission and storage business will be assigned to each customer class. The Application covers the years 2019-2021, although PG&E has also forecast the costs necessary for 2022 should the CPUC or stakeholders wish to consider extending the case into a fourth year.

How will PG&E's Application affect me?

For each year covered in this Application, PG&E is requesting increases of \$289 million in 2019, \$135 million in 2020 and \$180 million in 2021. If approved, this application would increase rates effective beginning January 1, 2019.

How will PG&E's Application affect customers who buy gas from a third party?

Certain residential customers only receive gas distribution services from PG&E and purchase their gas from a third party. PG&E does not purchase gas for these customers. The impact of PG&E's Application on the transportation component of the bill is an average increase of \$0.65, or 1.6 percent. Transportation components of the customer bill are the same regardless of whether the customer obtains gas service from PG&E or from a third party.

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 TTY, 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
2019 GT&S Application (A.17-11-009)
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 or **1-415-703-2045**. PG&E's Application (without exhibits) is available on the CPUC's website at 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 or visit ORA's website at www.ora.ca.gov.

A summary of the rate impact for PG&E's gas customers is provided below.¹

	Current Rates as of 1/1/2018 (\$ per therm)	Proposed Rates as of 1/1/2019 (\$ per therm)	Percentage Change
Core bundled customers who receive gas supplies from PG&E			
Residential²	1.613	1.646	2.0%
Small Commercial²	1.151	1.175	2.1%
Large Commercial	0.899	0.916	1.9%
Natural Gas Vehicle (Customer Compression)	0.750	0.766	2.1%
Natural Gas Vehicle (PG&E Compression)	2.216	2.259	1.9%
Core customers who purchase gas from a third party (see below for description)			
Residential²	1.188	1.207	1.6%
Small Commercial²	0.743	0.754	1.5%
Large Commercial	0.520	0.526	1.0%
Natural Gas Vehicle (Customer Compression)	0.374	0.378	1.0%
Natural Gas Vehicle (PG&E Compression)	1.840	1.870	1.7%
Noncore customers who purchase gas from a third party			
Industrial Distribution	0.306	0.352	14.9%
Industrial Transmission	0.159	0.204	28.7%
Industrial Backbone	0.048	0.052	8.5%
Natural Gas Vehicle (Customer Compression) Distribution	0.291	0.336	15.7%
Natural Gas Vehicle (Customer Compression) Transmission	0.144	0.189	31.7%
Electric Generation Distribution/Transmission	0.112	0.157	41.1%
Electric Generation Backbone	0.009	0.013	47.3%
Wholesale Transport Service			
Alpine Natural Gas	0.109	0.155	42.4%
Coalinga	0.109	0.155	42.2%
Island Energy	0.120	0.164	36.6%
Palo Alto	0.106	0.152	42.9%
West Coast Gas: Castle	0.293	0.338	15.6%
West Coast Gas: Mather Distribution	0.347	0.393	13.2%
West Coast Gas: Mather Transmission	0.110	0.156	41.8%

¹The figures above may not compute due to rounding.

²CARE customers receive a 20 percent discount on transportation and procurement and are exempt from PG&E's Public Purpose Program Surcharge and CSI Solar Water Heater rate components.

Based on rates currently in effect, the bill for a typical residential non CARE customer averaging 34 therms per month of gas usage would increase from \$54.85 to \$55.96, or 2.0 percent. Actual impacts will vary depending on energy usage across the months.

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You may also contact the PAO as follows:

Email: 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 application number (2019 GT&S Application; A.17-11-009). All comments will be circulated to the Commissioners, the assigned Judge and appropriate CPUC staff, and will become public record.