

## NOTICE OF PACIFIC GAS AND ELECTRIC COMPANY'S REQUEST TO INCREASE RATES FOR THE CATASTROPHIC EVENT MEMORANDUM ACCOUNT (CEMA) (A.18-03-015)

### Summary

On March 30, 2018, Pacific Gas and Electric Company (PG&E) filed an application with the California Public Utilities Commission (CPUC) for approval to increase rates related to the Catastrophic Event Memorandum Account (CEMA).

The application seeks recovery of \$588 million for the following recorded costs related to PG&E's 2016 and 2017 emergency work:

- Fire and storm emergency response
- Drought-related work such as pruning and removing hazardous trees and vegetation

The application also includes \$555 million for forecasted costs related to the drought-related work referenced above in 2018 and 2019, for a total of \$1.1 billion included in the application. No costs associated with the October 2017 Northern California wildfires or the 2015 Butte Fire are included in this application.

If the CPUC approves this application, PG&E will begin to recover costs in electric rates beginning January 1, 2019. PG&E is proposing the recovery of costs and any rate increase be extended over a two-year period to reduce the impact on customer bills.

### Background

CEMA is used to record unexpected costs incurred as a result of significant events declared to be disasters by the state of California or federal authorities. Costs are related to the following:

- a) safely restoring utility services to customers during declared natural disasters
- b) repairing, replacing or restoring damaged utility facilities
- c) complying with governmental agency orders

CEMA is directly associated with restoring and repairing damage to critical energy infrastructure as well as PG&E facilities that help deliver energy. In addition, PG&E has been directed by the CPUC to perform additional work related to reducing fire risk.

Previously, PG&E has recovered CEMA-related costs after they were incurred. Due to the increasing fire risk mitigation work required by the CPUC, PG&E is requesting to recover future costs in advance. These costs will include proposals to address severe tree mortality and management of hazardous trees.

## How will PG&E's Application affect me?

Many customers receive bundled electric service from PG&E, meaning they receive electric generation, transmission and distribution services. A summary of the rate impact for these customers, depending on their rate schedule customer class, is provided below.



### PROPOSED ELECTRIC RATE INCREASE

Customer Class	Current Average Rate (¢/kWh) As of March 1, 2018	Proposed Average Rate (¢/kWh)	Total Increase (¢/kWh) to Current Average Rate	Overall Percentage Change
<b>Bundled Service</b>				
Residential	20.14	21.11	0.97	4.8%
Small Commercial	23.60	24.62	1.02	4.3%
Medium Commercial	21.26	21.90	0.64	3.0%
Large Commercial	18.40	18.91	0.51	2.8%
Streetlights	23.10	23.63	0.54	2.3%
Standby	17.17	17.59	0.42	2.4%
Agriculture	20.05	20.87	0.82	4.1%
Industrial	14.90	15.17	0.27	1.8%
Average System	19.55	20.29	0.75	3.8%

Based on rates currently in effect, the bill for a typical residential Bundled Non-CARE customer using 500 kWh per month would increase from \$111.59 to \$116.89, or 4.7 percent. Actual impacts will vary depending on energy usage. PG&E customer service is available to help customers with energy saving tips and tools which can help minimize the impact of any bill increase.

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

Direct Access (DA) and Community Choice Aggregation (CCA) customers only receive electric transmission and distribution services from PG&E. Within this category, residential customers will see an increase in rates. On average, DA and CCA customers will see an increase of 5.7 percent.

Departing Load 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. These customers will not be impacted by this application.

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## 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 (speech and hard of hearing), 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  
2018 CEMA Application (A.18-03-015)  
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 multidisciplinary 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).

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## Stay informed

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If you would like to learn how you can participate in the proceeding, have informal comments about the application, or have 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](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 contacting the CPUC, please include the application number (2018 CEMA Application; A.18-03-015). All comments will be circulated to the Commissioners, the assigned Judge and appropriate CPUC staff and will become public record.