

NOTIFICATION OF PACIFIC GAS AND ELECTRIC COMPANY'S APPLICATION REQUESTING TO CHANGE RATES FOR THE RECOVERY OF ENERGY PURCHASES AND THE RETURN OF REVENUES FROM THE SALE OF GREENHOUSE GAS (GHG) ALLOWANCES (A.18-06-001)

Summary

On June 1, 2018, Pacific Gas and Electric Company (PG&E) filed its 2019 Energy Resource Recovery Account (ERRA) Forecast Application with the California Public Utilities Commission (CPUC) requesting approval to change rates for the following:

- Recovery of \$2.7 billion in costs related to the fuel needed to produce electricity as well as costs of buying energy from third parties
- Setting certain charges for departing load customers, including the Power Charge Indifference Adjustment (PCIA), Ongoing Competition Transition Charge (CTC) and Cost Allocation Mechanism (CAM)
- Return of \$314 million to eligible customers for the sale of GHG emission allowances (including the California Climate Credit for residential customers)

Exact amounts are subject to change and CPUC regulatory approval. PG&E will provide the CPUC with updated amounts later in the year to ensure the most current information is used to set customer rates.

Background

The ERRA is used to record fuel and purchased power costs which can be recovered in rates. While this may result in a change in rates, PG&E recovers these costs with no mark up for return or profit. The purpose of this application is to forecast costs of obtaining energy for customers and also to approve the amount to be returned to customers from the sale of GHG emission allowances for the calendar year of 2019. If the CPUC approves this application, PG&E will begin to recover its costs in electric rates effective January 1, 2019. At the end of 2019, PG&E will compare actual costs to the amounts forecasted in this application and will incorporate any differences in next year's application.

Another category of non-bundled customers is Departing Load. These customers do not receive electric generation, transmission or distribution services from PG&E. However, these customers are required to pay certain charges by law or CPUC decision, including the PCIA, CTC and CAM. The impact of PG&E's application on these customers is an average decrease of 2.3 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 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 ERRR Forecast Application (A.18-06-001)
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.

How will PG&E's Application affect me?

Most 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 is provided below, including the effect of the California Climate Credit for residential customers and GHG allowance returns for eligible non-residential customers.



PROPOSED ELECTRIC RATE CHANGES

Customer Class	Current Average (¢/kWh)	Proposed Average (¢/kWh)	Total Change (¢/kWh)	Total Percentage Change
Bundled Service				
Residential	19.97	19.24	-0.73	-3.6%
Small Commercial	24.35	22.87	-1.48	-6.1%
Medium Commercial	22.97	21.46	-1.51	-6.6%
Large Commercial	19.19	17.89	-1.30	-6.8%
Streetlights	21.69	21.83	0.14	0.7%
Standby	16.41	14.19	-2.22	-13.5%
Agriculture	20.21	18.92	-1.29	-6.4%
Industrial	15.01	13.74	-1.26	-8.4%
Average System Rate Change	19.66	18.55	-1.10	-5.6%

Based on rates currently in effect, the bill for a typical residential Non-CARE customer using 500 kWh per month would decrease from \$111.59 to \$106.43 or 4.6 percent. Actual impacts will vary depending on energy usage. Twice a year, in April and October, eligible residential customers will also receive a California Climate Credit in the amount of approximately \$29.15. The annual credit amount will be approximately \$58.30.

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

Direct Access (DA) and Community Choice Aggregation (CCA) customers only receive electric transmission and distribution services from PG&E. PG&E does not purchase energy for these customers. However, this application addresses the cost of transporting energy for these customers through PG&E's electrical system using the PCIA, CTC and CAM. Residential DA/CCA customers also receive the benefit of the California Climate Credit. In addition, eligible non-residential DA and CCA customers receive the benefit of the GHG allowance returns. The impact of PG&E's application on these customers is an average increase of 2.0 percent.

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, 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

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 (2019 ERRR Forecast Application (A.18-06-001)). All comments will be circulated to the Commissioners, the assigned Judge and appropriate CPUC staff and will become public record.