

NOTIFICATION OF PACIFIC GAS AND ELECTRIC COMPANY'S RATE DESIGN WINDOW APPLICATION (A.17-12-011)

Summary

On December 20, 2017, Pacific Gas and Electric Company (PG&E) filed its 2018 Rate Design Window (RDW) application with the California Public Utilities Commission (CPUC). This application complies with CPUC's requirement that all three major gas and electric utilities in California (PG&E, Southern California Edison and San Diego Gas & Electric) propose a plan for transitioning to Time-of-Use rate plans. Additionally, this application will include several residential rate options designed to promote energy efficiency and have less impact on the environment.

Background

In 2015, the CPUC launched its residential rate reform efforts to address concerns about customer bill impacts and volatility caused by the five-tiered rate structure that was put into place after the California Energy Crisis. This 2018 RDW proceeding is the next step in the CPUC's process of residential electric rate reform for all of California's major utilities.

The State of California is taking steps to create a cleaner and more reliable energy grid by encouraging energy usage when demand is lower and renewable energy is more plentiful. Based on lessons learned from other customer classes (such as commercial and agricultural) being on Time-of-Use rate plans, the CPUC has determined that more residential customers should be moved to Time-of-Use rate plans. Time-of-Use rate plans can help bring down the overall cost of electricity, make better use of clean renewable energy such as solar, and support the needs of the electric grid. Customers will always have a choice of rate plans, meaning Time-of-Use is not mandatory.¹ The first year will be risk-free, with bill protection, and an individualized rate comparison for all customers.²

How will PG&E's Application affect me?

This application includes the following:

- Plan to transition residential customers to a Time-of-Use rate plan, meaning the cost of electricity depends on the time of day it is used.³
- Options of three core rate plans for customers to choose from, designed to meet a variety of customer needs.
- Future fixed monthly charge to reduce bill volatility and better align customer bills with cost of service. A fixed charge reduces the price per kilowatt hour, which helps reduce customer's bill volatility.
- Simplified California Alternate Rates for Energy (CARE) low-income subsidy, including a percentage discount from the total bill amount. (Note: for most customers, this change won't reduce the discount amount. It will just become easier to understand.)
- Alignment of the SmartRate™ program's peak hours with Time-of-Use rate plans to match the current highest cost and demand hours.

The transition to Time-of-Use rate plans is being piloted statewide to gain important lessons before full transition. PG&E's application proposes to start this transition on October 1, 2020, after all pilots are complete and lessons learned from pilot programs have been reflected in implementation plans.

There is no direct request to increase rates in this application. However, the proposed implementation plan will eventually impact rates as rate design changes are implemented. Specific impacts to rates have not been determined at this time. Requests to increase rates will be made in future rate increase applications and information about rate impacts will be provided at that time. This application is intended to give customers more control over their bill amounts. The majority of customers will either see a reduction in their total bill amount or see a small annual increase, depending on how much energy they are able to shift to off-peak hours when prices are lower.

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
2018 Rate Design Window Application (A.17-12-011)
P.O. Box 7442
San Francisco, CA 94120

A copy of PG&E's filing and exhibits are 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 representing a wide range of interests 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 that 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.

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://subscribe.puc.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.puc.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 contacting the CPUC, please include the application number (2018 Rate Design Window Application; A.17-12-011). All comments will be circulated to the Commissioners, the assigned Judge and appropriate CPUC staff, and will become public record.

¹ Cal. Pub. Util. Code Section 745 (b)

² Cal. Pub. Util. Code Section 745 (c)(4)

³ Pending CPUC decision. Certain exclusions may apply.