

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE



April 25, 2019

Advice Letter 4083-G/5511-E

Erik Jacobson
Director, Regulatory Relations
Pacific Gas and Electric Company
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, CA 94177

SUBJECT: PG&E's Pension-Related Revenue Requirement for 2019

Dear Mr. Jacobson:

Advice Letter 4083-G/5511-E is effective as of March 29, 2019.

Sincerely,

A handwritten signature in cursive script that reads "Edward Randolph".

Edward Randolph
Deputy Executive Director for Energy and Climate Policy/
Director, Energy Division

March 29, 2019

Advice 4083-G/5511-E

(Pacific Gas and Electric Company ID U 39 M)

Public Utilities Commission of the State of California

Subject: PG&E's Pension-Related Revenue Requirement for 2019

Purpose

The purpose of this advice letter is to revise Pacific Gas and Electric Company's (PG&E) authorized pension-related revenue requirement for 2019. By this submittal, PG&E does not propose any change to the pension contribution amount or any change to customers' rates.

Background

On January 8, 2018, the California Public Utilities Commission's (Commission or CPUC) Energy Division issued PG&E a Disposition Letter¹ approving Advice 3915-G/5195-E, which described required changes to the accounting for pension costs and the revised revenue requirement calculations necessary to conform to the accounting changes. The required change to accounting for pension costs had the effect of increasing the pension cost allocated to capital projects and decreasing the pension cost recorded as a current expense. Advice 3915-G/5195-E provided for the submittal of a Tier 1 advice letter to revise the pension-related revenue requirements included in the functional base revenue balancing accounts (e.g., Distribution Revenue Adjustment Mechanism (DRAM), Utility Generation Balancing Account (UGBA), Core Fixed Cost Account (CFCA), and Noncore Customer Class Charge Account (NCA)).

PG&E has computed the 2019 revenue requirements associated with the 2019 pension contribution. The table below shows the pension-related revenue requirements for 2017 through 2019 associated with the 2017, 2018 and 2019 pension contributions.

¹ https://www.pge.com/tariffs/assets/pdf/adviceletter/GAS_3915-G.pdf

PACIFIC GAS AND ELECTRIC COMPANY

**Retirement Plan Contribution
Revenue Requirement**

Line No	Year of Plan Contribution	Contribution Amount	Year of Revenue Requirement Calculation		
			2017	2018	2019
Total Revenue Requirements (Millions of Dollars)					
1	2017	327.000	197.560	20.781	20.169
2	2018	327.000		123.417	29.183
3	2019	327.000			151.233
4	Total	981.000	197.560	144.198	200.585
Functional Revenue Requirements (Millions of Dollars)					
		O&M Labor Factor			
5	Elec Dist.	36.22%	71.556	52.228	72.652
6	Gas Dist.	23.78%	46.980	34.290	47.699
7	Gen	24.67%	48.738	35.574	49.484
8	Total GRC	84.67%	167.274	122.092	169.835
9	GT&S	8.98%	17.741	12.949	18.013
10	TOTAL CPUC Jurisdiction		185.015	135.041	187.848

The 2019 pension-related revenue requirement will be recorded effective January 1, 2019, in the functional base revenue accounts as follows:

Assignment to Base Revenue Accounts (Millions of Dollars)					
Function	Total	DRAM	UGBA	CFCA	NCA
Elec Dist.	72.652	72.652			
Gas Dist.	47.699			46.038	1.661
Gen	49.484		49.484		
GT&S	18.013			11.436	6.577
TOTAL	187.848	72.652	49.484	57.474	8.238

Attachment 1 provides the Rolling Revenue Requirement Report for the General Rate Case functions updated for the 2019 pension revenue requirements.

Workpapers showing the computation of the 2019 pension-related revenue requirement are available upon request.

The submittal would not increase any current rate or charge, cause the withdrawal of service, or conflict with any rate schedule or rule.

Protests

Anyone wishing to protest this submittal may do so by letter sent via U.S. mail, facsimile or E-mail, no later than April 18, 2019, which is 20 days after the date of this submittal. Protests must be submitted to:

CPUC Energy Division
ED Tariff Unit
505 Van Ness Avenue, 4th Floor
San Francisco, California 94102

Facsimile: (415) 703-2200
E-mail: EDTariffUnit@cpuc.ca.gov

Copies of protests also should be mailed to the attention of the Director, Energy Division, Room 4004, at the address shown above.

The protest shall also be sent to PG&E either via E-mail or U.S. mail (and by facsimile, if possible) at the address shown below on the same date it is mailed or delivered to the Commission:

Erik Jacobson
Director, Regulatory Relations
c/o Megan Lawson
Pacific Gas and Electric Company
77 Beale Street, Mail Code B13U
P.O. Box 770000
San Francisco, California 94177

Facsimile: (415) 973-3582
E-mail: PGETariffs@pge.com

Any person (including individuals, groups, or organizations) may protest or respond to an advice letter (General Order 96-B, Section 7.4). The protest shall contain the following information: specification of the advice letter protested; grounds for the protest; supporting factual information or legal argument; name, telephone number, postal address, and (where appropriate) e-mail address of the protestant; and statement that the protest was sent to the utility no later than the day on which the protest was submitted to the reviewing Industry Division (General Order 96-B, Section 3.11).

Effective Date

PG&E requests that this Tier 1 advice submittal become effective upon date of submittal, which is March 29, 2019.

Notice

In accordance with General Order 96-B, Section IV, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list and the parties on the service list for A.09-03-003, A.17-11-009 and A.18-12-009. Address changes to the General Order 96-B service list should be directed to PG&E at email address PGETariffs@pge.com. For changes to any other service list, please contact the Commission's Process Office at (415) 703-2021 or at Process_Office@cpuc.ca.gov. Send all electronic approvals to PGETariffs@pge.com. Advice letter submittals can also be accessed electronically at: <http://www.pge.com/tariffs/>.

/S/

Erik Jacobson
Director, Regulatory Relations

Attachments

cc: Service List A.09-03-003, A.17-11-009 and A.18-12-009



ADVICE LETTER SUMMARY

ENERGY UTILITY



MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No.: Pacific Gas and Electric Company (ID U39 M)

Utility type:

- ELC GAS WATER
 PLC HEAT

Contact Person: Annie Ho
 Phone #: (415) 973-8794
 E-mail: PGETariffs@pge.com
 E-mail Disposition Notice to: AMHP@pge.com

EXPLANATION OF UTILITY TYPE

ELC = Electric GAS = Gas WATER = Water
 PLC = Pipeline HEAT = Heat

(Date Submitted / Received Stamp by CPUC)

Advice Letter (AL) #: 4083-G/5511-E

Tier Designation: 1

Subject of AL: PG&E's Pension-Related Revenue Requirement for 2019

Keywords (choose from CPUC listing): Compliance, Revenue Allocation

AL Type: Monthly Quarterly Annual One-Time Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #: D.09-09-020

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: No

Summarize differences between the AL and the prior withdrawn or rejected AL:

Confidential treatment requested? Yes No

If yes, specification of confidential information:

Confidential information will be made available to appropriate parties who execute a nondisclosure agreement. Name and contact information to request nondisclosure agreement/ access to confidential information:

Resolution required? Yes No

Requested effective date: 3/29/19

No. of tariff sheets: N/A

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: N/A

Service affected and changes proposed¹: N/A

Pending advice letters that revise the same tariff sheets: N/A

¹Discuss in AL if more space is needed.

Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this submittal, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division
Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, CA 94102
Email: EDTariffUnit@cpuc.ca.gov

Name: Erik Jacobson, c/o Megan Lawson
Title: Director, Regulatory Relations
Utility Name: Pacific Gas and Electric Company
Address: 77 Beale Street, Mail Code B13U
City: San Francisco, CA 94177
State: California Zip: 94177
Telephone (xxx) xxx-xxxx: (415)973-2093
Facsimile (xxx) xxx-xxxx: (415)973-3582
Email: PGETariffs@pge.com

Name:
Title:
Utility Name:
Address:
City:
State: District of Columbia Zip:
Telephone (xxx) xxx-xxxx:
Facsimile (xxx) xxx-xxxx:
Email:

Adopted Rolling Revenue Requirements Report
From 2017 GRC through 2019
in thousands

	Electric Distribution	Electric Generation	Gas Distribution	Total	Decision(s)	Notes
2017 Adopted GRC RRQ	4,269,025	2,120,971	1,766,584	8,156,580	D.17-05-013	
Less: Other Operating Revenue	(117,977)	(6,025)	(28,091)	(152,093)	D.17-05-013	
2017 Adopted Net GRC Base Revenue Amount (Eff. 1/1/17)	4,151,048	2,114,946	1,738,493	8,004,487		
Final 2017 Uncollectibles Factor Update	(25)	(12)	(10)	(47)	D.17-05-013, adopted method	
Remove Forecasted Savings Credits included in the Adopted GRC Revenue Requirement*						
DOE Litigation Funds (Appendix A, Table 3-C, Line 17)		20,000		20,000	D.17-05-013	
Associated Revenue Fees, and Uncollectible (RF&U)		227		227	D.17-05-013	
2017 Adopted Gross GRC Base Revenue Amount (Eff. 1/1/17)	4,151,023	2,135,161	1,738,483	8,024,667		
2017 Pension	71,556	48,738	46,980	167,274	D.09-09-020/D.17-05-013	
2017 Base Revenue Amount including Pension (Eff. 1/1/17)	4,222,579	2,183,899	1,785,463	8,191,941		
Remove Adopted Forecasted Revenue Requirement Sale of Merced Falls Hydroelectric Project		(1,158)		(1,158)	D.16-10-026/D.17-05-013	
2017 Base Revenue Amount including Pension (Eff. 2/16/17)	4,222,579	2,182,741	1,785,463	8,190,784		
Attrition						
2018 Attrition	250,000	84,000	110,000	444,000	D.17-05-013	
Final 2018 Uncollectibles Factor Update	3	(2)	3	4	D.17-05-013, adopted method	
Pension						
Remove 2017 Pension	(71,556)	(48,738)	(46,980)	(167,274)	D.09-09-020/D.17-05-013	
2018 Pension	79,083	53,865	51,922	184,869	D.09-09-020/D.17-05-013	
Cost of Capital						
Reduction for Cost of Capital(AL 3887-G/5148-E)	(60,172)	(23,254)	(22,627)	(106,053)	D.17-07-005	
Merced Falls Sale						
Remove 2017 Merced Falls Revenue Requirement		1,158		1,158	D.16-10-026/D.17-05-013	
2018 Merced Falls Revenue Requirement (includes 2018 Cost of Capital)**		(1,135)		(1,135)	D.16-10-026/D.17-05-013	
2018 Base Revenue Amount including Pension (Eff. 1/1/18)	4,419,937	2,248,635	1,877,780	8,546,352		
Pension						
Remove 2018 Pension	(79,083)	(53,865)	(51,922)	(184,869)	D.09-09-020/D.17-05-013	
2018 Pension Update	52,228	35,574	34,290	122,092	D.09-09-020/D.17-05-013 / AL 3915- G/5195-E / AL 3960-G/5261-E	
2018 Base Revenue Amount including Pension Adjustment (Eff. 1/1/18)	4,393,083	2,230,343	1,860,149	8,483,575		
Attrition						
2019 Attrition	195,000	70,000	96,000	361,000	D.17-05-013	
Final 2019 Uncollectibles Factor Update	(177)	(84)	(71)	(332)	D.17-05-013, adopted method	
Merced Falls Sale						
Remove 2018 Merced Falls Revenue Requirement		1,135		1,135	D.16-10-026/D.17-05-013	
2019 Merced Falls Revenue Requirement (includes 2018 Cost of Capital)**		(1,123)		(1,123)	D.16-10-026/D.17-05-013	
Pension						
Remove 2018 pension	(52,228)	(35,574)	(34,290)	(122,092)	D.09-09-020/D.17-05-013 / AL 3915- G/5195-E / AL 3960-G/5261-E	
2019 Pension	72,652	49,484	47,699	169,836	D.09-09-020/D.17-05-013 / AL 3915- G/5195-E / AL 4083-G/5511-E	
2019 Base Revenue Amount including Pension Adjustment (Eff. 1/1/19)	4,608,329	2,314,183	1,969,487	8,891,998		

Note: Some totals may not add precisely due to rounding.

Note: On March 30, 2018, PG&E submitted a Petition for Modification (PFM) D.17-05-013 concerning PG&E's 2017 GRC, seeking to revise its 2018 and 2019 authorized revenue requirements to reflect the lower corporate tax rate set forth in the Tax Cuts and Jobs Act of 2017. PG&E has not yet reflected the revenue requirement adjustment. The GRC base revenue requirements will be adjusted once the Commission issues a Final Decision on PG&E's PFM of D. 17-05-013.

*Actual savings credits will be transferred to the Utility Generation Balancing Account and refunded to customers as part of the Annual Electric True-up advice filing process.

**D.16-10-026 Approved a joint motion of PG&E and the ORA for approval of a settlement. This decision authorized the sale of the Merced Falls Hydroelectric Project to the Merced Irrigation District and related ratemaking treatment, which includes removal of the Merced Falls Project from its generation revenue requirement, as described in Section 3.8 of the settlement. The revenue requirement reduction reflects the full year of 2018. The final date of sale was 2/16/2017.

**PG&E Gas and Electric
Advice Filing List
General Order 96-B, Section IV**

AT&T	Downey & Brand	Pioneer Community Energy
Albion Power Company	East Bay Community Energy	Praxair
Alcantar & Kahl LLP	Ellison Schneider & Harris LLP	Regulatory & Cogeneration Service, Inc.
	Energy Management Service	SCD Energy Solutions
Alta Power Group, LLC	Evaluation + Strategy for Social	
Anderson & Poole	Innovation	
	GenOn Energy, Inc.	SCE
Atlas ReFuel	Goodin, MacBride, Squeri, Schlotz &	SDG&E and SoCalGas
BART	Ritchie	
	Green Charge Networks	SPURR
Barkovich & Yap, Inc.	Green Power Institute	San Francisco Water Power and Sewer
P.C. CalCom Solar	Hanna & Morton	Seattle City Light
California Cotton Ginners & Growers Assn	ICF	Sempra Utilities
California Energy Commission	International Power Technology	Southern California Edison Company
California Public Utilities Commission	Intestate Gas Services, Inc.	Southern California Gas Company
California State Association of Counties	Kelly Group	Spark Energy
Calpine	Ken Bohn Consulting	Sun Light & Power
	Keyes & Fox LLP	Sunshine Design
Cameron-Daniel, P.C.	Leviton Manufacturing Co., Inc.	Tecogen, Inc.
Casner, Steve	Linde	TerraVerde Renewable Partners
Cenergy Power	Los Angeles County Integrated Waste	Tiger Natural Gas, Inc.
Center for Biological Diversity	Management Task Force	
City of Palo Alto	Los Angeles Dept of Water & Power	TransCanada
	MRW & Associates	Troutman Sanders LLP
City of San Jose	Manatt Phelps Phillips	Utility Cost Management
Clean Power Research	Marin Energy Authority	Utility Power Solutions
Coast Economic Consulting	McKenzie & Associates	Utility Specialists
Commercial Energy		
County of Tehama - Department of Public	Modesto Irrigation District	Verizon
Works	Morgan Stanley	Water and Energy Consulting
Crossborder Energy	NLine Energy, Inc.	Wellhead Electric Company
Crown Road Energy, LLC	NRG Solar	Western Manufactured Housing
Davis Wright Tremaine LLP		Communities Association (WMA)
Day Carter Murphy	Office of Ratepayer Advocates	Yep Energy
	OnGrid Solar	
Dept of General Services	Pacific Gas and Electric Company	
Don Pickett & Associates, Inc.		
Douglass & Liddell		