

PUBLIC UTILITIES COMMISSION
505 Van Ness Avenue
San Francisco CA 94102-3298



Pacific Gas & Electric Company
ELC (Corp ID 39)
Status of Advice Letter 4373G/6067E
As of February 19, 2021

Subject: PG&E's 2021 Base Revenue Requirements Effective January 1, 2021

Division Assigned: Energy

Date Filed: 01-25-2021

Date to Calendar: 01-27-2021

Authorizing Documents: None

Disposition:	Accepted
Effective Date:	01-01-2021

Resolution Required: No

Resolution Number: None

Commission Meeting Date: None

CPUC Contact Information:

edtariffunit@cpuc.ca.gov

AL Certificate Contact Information:

Kimberly Loo

415-973-4587

PGETariffs@pge.com

PUBLIC UTILITIES COMMISSION
505 Van Ness Avenue
San Francisco CA 94102-3298



To: Energy Company Filing Advice Letter

From: Energy Division PAL Coordinator

Subject: Your Advice Letter Filing

The Energy Division of the California Public Utilities Commission has processed your recent Advice Letter (AL) filing and is returning an AL status certificate for your records.

The AL status certificate indicates:

- Advice Letter Number
- Name of Filer
- CPUC Corporate ID number of Filer
- Subject of Filing
- Date Filed
- Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)
- Effective Date of Filing
- Other Miscellaneous Information (e.g., Resolution, if applicable, etc.)

The Energy Division has made no changes to your copy of the Advice Letter Filing; please review your Advice Letter Filing with the information contained in the AL status certificate, and update your Advice Letter and tariff records accordingly.

All inquiries to the California Public Utilities Commission on the status of your Advice Letter Filing will be answered by Energy Division staff based on the information contained in the Energy Division's PAL database from which the AL status certificate is generated. If you have any questions on this matter please contact the:

Energy Division's Tariff Unit by e-mail to
edtariffunit@cpuc.ca.gov

January 25, 2021

Advice 4373-G/6067-E

(Pacific Gas and Electric Company ID U 39 M)

Public Utilities Commission of the State of California

Subject: PG&E's 2021 Base Revenue Requirements Effective January 1, 2021**Purpose**

Pacific Gas and Electric Company (PG&E or the Company) submits this Tier 1 advice letter updating its 2021 base revenue requirements effective January 1, 2021, as approved by the California Public Utilities Commission (Commission or CPUC) for the following items:

Amounts in Thousands				
<u>Line No.</u>	<u>Revenue Requirements (\$000s)</u>	<u>2021 GRC</u>	<u>2021 Pension¹</u>	<u>Total</u>
1	Electric Distribution	\$4,938,947	\$38,570	\$4,977,517
2	Gas Distribution	\$2,104,295	\$22,431	\$2,126,726
3	Electric Generation	\$2,273,636	\$25,126	\$2,298,762
4	Total	\$9,316,878	\$86,128	\$9,403,005

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

[1] The 2021 Pension revenue requirement reflected above remains unchanged from 2020. As approved in Advice 3915-G/5195-E on January 8, 2018, the data to calculate the annual pension revenue requirement is not available until after the first of the year. Once available, PG&E will submit an advice letter to update the 2021 pension revenue requirement. The base revenue requirements table will also be updated at that time to reflect the 2021 Pension revenue requirement.

Attachment 1 includes the Rolling Revenue Requirement Report updated for these 2021 base revenue requirements.

Background**2020 General Rate Case**

On December 13, 2018 PG&E filed its 2020 General Rate Case Application (A.18-12-009), including proposed electric and gas distribution and electric generation revenue requirements. On December 20, 2019, PG&E filed a joint settlement in PG&E's 2020-2022 GRC, Joint Motion of the Public Advocates Office, The Utility Reform Network, Small Business Utility Advocates, Center for Accessible Technology, The National Diversity Coalition, Coalition of California Utility Employees, California City County Street Light Association, The Office of the Safety Advocate and Pacific Gas and Electric Company. On December 11, 2020, the Commission issued a Final Decision (D.20-12-005) in PG&E's 2020 GRC. The Decision deferred implementation of the authorized 2020 and 2021 revenue requirements to March 1, 2021. Those revenue requirements are reflected in Attachment 1 of this advice letter - *Adopted Rolling Revenue Requirements Report*.

Revenue, Fees and Uncollectibles Expense

Decision 20-12-005, adopted PG&E's methodology to forecast the uncollectible factor to be revised annually by advice letter submittal using a 10 year rolling average based on updated historical data. On December 28, 2020, PG&E submitted Advice Letters 4352-G/6038-E and 4353-G/6039-E, updating its 2020 and 2021 Uncollectibles factor respectively, using historical recorded data. The impact of the updated uncollectibles factor is reflected in Attachment 1 of this advice letter.

Pension

On February 27, 2020, the CPUC Executive Director granted PG&E's request for an extension of time to comply with Advice Letter 3915-G/5195-E until 30 days after the issuance of a decision in PG&E's 2020 GRC to allow the computation of the pension related revenue requirement to be based on the capitalization and Administrative and General expense allocation factors used by the CPUC in computing the authorized 2020 GRC revenue requirement. On December 11, 2020, the CPUC issued Decision (D.) 20-12-005 in PG&E's 2020 GRC. On December 31, 2020, PG&E submitted Advice Letter 4357-G/6048-E, with its 2020 pension-related revenue requirement using the factors from the 2020 GRC. The updated 2020 pension revenue requirements are reflected in attachment 1 of the advice letter. PG&E will update its *Adopted Rolling Revenue Requirements Report* when it updates the 2021 pension revenue requirements through a subsequent advice letter submittal.

2020 Cost of Capital

On December 20, 2019, the California Public Utilities Commission (CPUC or Commission) issued D.19-12-056, adopting PG&E's cost of capital for test year 2020.

The Commission authorized PG&E's cost of long-term cost debt as 5.16% but recognized that the cost of debt could be different after PG&E's emergence from Chapter 11 bankruptcy. Issues specific to PG&E's bankruptcy were directed to the Commission proceeding related to PG&E's bankruptcy, Investigation (I.) 19-09-016. On June 1, 2020, the Commission issued D.20-05-053 in that proceeding, approving PG&E's Plan of Reorganization (POR) with conditions and modifications. In D.20-05-053, the Commission directed PG&E to update its cost of capital within 30 days of the Effective Date of the POR to reflect the debt cost savings associated with PG&E's POR.

In compliance with Ordering Paragraph (OP) 6 of PG&E's POR OII Decision 20-05-053, on July 22, 2020, PG&E submitted Advice Letter 4275-G/5887-E to update its cost of capital effective July 1, 2020. PG&E requested that its cost of long-term debt be updated from 5.16%, as previously authorized by D.19-12-056, to 4.17%. PG&E's overall return on rate base would be reduced from 7.81% to 7.34%. Advice Letter 4275-G/5887-E was approved as submitted on August 20, 2020. The revenue requirements associated with the 2020 Cost of Capital Decision and update are reflected in Attachment 1 of this advice letter.

Decision 18-04-014, Ex Parte Penalty

Decision 18-04-014 adopted a settlement related to PG&E's failure to report ex parte communications in a timely manner. The decision adopted both non-financial and financial penalties. One of those penalties required PG&E to implement a one-time adjustment of \$10 million amortized in equivalent annual amounts for its next General Rate Case cycle. PG&E has reflected the \$10 million credit which will be given back in equal annual amounts of \$3.3 million starting in January 2020 through December 2022. The adjustment is reflected in Attachment 1.

Decision 19-12-013, Ex Parte Penalty Phase II

On December 5, 2019, the Commission issued a Phase II Decision (D. 19-12-013) Granting the Joint Motion of the City of San Bruno, The City of San Carlos, The Public Advocates Office, The Safety Enforcement Division, The Utility Reform Network and Pacific Gas and Electric Company for Adoption of the Phase II Settlement Agreement.

The Settlement Agreement resolved the Commission's investigation into eight separate proceedings in which PG&E admittedly failed to timely report ex parte communications, and engaged in improper ex parte communications. The Decision also adopted the following financial penalty which is reflected in Attachment I of this advice letter:

2.2.C General Rate Case Ratemaking Remedy - PG&E shall additionally forego collection of \$1,000,000 in revenue requirements in its 2020 General Rate Case ("GRC") cycle, with such amount to be reduced from the overall amount authorized by the Commission in its upcoming 2020 GRC decision. This remedy shall be implemented through PG&E's Annual Electric and Gas True-up Advice Letters, or such mechanisms

as may be agreed upon by the Parties. The amount above shall be allocated among and within customer classes in accordance with the applicable allocation and ratemaking methodologies then adopted by the Commission.

Decision 19-10-010, Narrows Project Sale

On April 18, 2019, PG&E filed Application (A.) 19-04-011 requesting that the CPUC authorize the sale by PG&E of the Narrows Project to the YCWA as set forth in the Purchase and Sale Agreement, dated September 21, 2018.

On October 10, 2019, the Commission adopted D.19-10-010, which authorized the sale of the Narrows Project to the YCWA, approved PG&E's proposed approach to ratemaking, and ordered PG&E to submit a Tier 1 advice letter within 45-days following closing to trueup the final financial and tax information related to the transaction. PG&E's advice letter 5825-E/E-A/E-B was approved on September 16, 2020. PG&E has reflected the reduction to its electric generation revenue requirement for the sale in Attachment I of this advice letter.

Protests

*****Due to the COVID-19 pandemic and the shelter at home orders, PG&E is currently unable to receive protests or comments to this advice letter via U.S. mail or fax. Please submit protests or comments to this advice letter to EDTariffUnit@cpuc.ca.gov and PGETariffs@pge.com*****

Anyone wishing to protest this submittal may do so by letter sent via U.S. mail, facsimile or E-mail, no later than February 16, 2021, which is 22 days¹ 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.

¹ The 20-day protest period concludes on a weekend and then a holiday; therefore, PG&E is moving this date to the following business day.

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

Pursuant to General Order (GO) 96-B, Rule 5.1, this advice letter is submitted with a Tier 1 designation. PG&E requests that this Tier 1 advice submittal become effective on January 1, 2021.

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.15-09-001, I.15-11-015 and A.19-04-015. 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

Attachment 1 - *Adopted Rolling Revenue Requirements Report*

cc: Service Lists for

A.15-09-001 – 2017 General Rate Case, Phase I

I.15-11-015 – Ex Parte Phase I

A.19-04-015 – Cost of Capital 2020



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 U39M)

Utility type:

☒ ELC ☒ GAS ☐ WATER
☐ PLC ☐ HEAT

Contact Person: Kimberly Loo

Phone #: (415)973-4587

E-mail: PGETariffs@pge.com

E-mail Disposition Notice to: KELM@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) #: 4373-G/6067-E

Tier Designation: 1

Subject of AL: PG&E's 2021 Base Revenue Requirements Effective January 1, 2021

Keywords (choose from CPUC listing): Compliance

AL Type: ☐ Monthly ☐ Quarterly ☐ Annual ☒ One-Time ☐ Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #:

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: 1/1/21

No. of tariff sheets: 0

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:

Clear Form

ATTACHMENT I

Adopted Rolling Revenue Requirements Report
From 2020 GRC
in thousands

	Electric Distribution	Electric Generation	Gas Distribution	Total	Decision(s)
2020 Adopted GRC RRQ	4,799,849	2,289,345	2,013,276	9,102,470	D.20-12-005, 2020 GRC Decision
2020 Revenue, Fees & Uncollectibles Expense Adjustment	49	23	19	92	AL 4352-G/6038-E
DOE Litigation Funds *		20,500		20,500	D.20-12-005, 2020 GRC Decision
Ex Parte Penalty	(1,729)	(881)	(724)	(3,333)	D.18-04-014
Ex Parte Penalty Phase II	(176)	(84)	(74)	(333)	D. 19-12-013
2020 Pension	38,570	25,126	22,431	86,128	D.09-09-020/ AL 4357-G/6048-E
Cost of Capital/Cost of Debt					
2020 Cost of Capital Adjustment	18,798	5,863	7,876	32,538	D.19-12-056, CoC Decision
2020 Cost of Debt Adjustment	(40,091)	(12,559)	(16,871)	(69,520)	D.19-12-056, CoC Decision/AL 4275-G/5887-E
Hydroelectric Sale					
Narrows Sale - 2020 Reduction		(\$634)		(634)	D. 19-10-010/AL 5825-E-B
2020 Base Revenue Amount including Pension Adjustment (Eff. 1/1/20)	4,815,272	2,326,701	2,025,934	9,167,907	
2021 Attrition	210,781	(15,531)	120,719	315,969	D.20-12-005, 2020 GRC Decision
2021 Revenue, Fees & Uncollectibles Expense Adjustment	(4)	27	(10)	13	AL 4353-G/6039-E
Cost of Capital					
Reverse 2020 Cost of Capital	(18,798)	(5,863)	(7,876)	(32,538)	D.19-12-056, CoC Decision
2021 Cost of Capital	21,216	5,690	8,665	35,571	D.19-12-056, CoC Decision/AL 4275-G/5887-E
Cost of Debt					
Reverse 2020 Cost of Debt Adjustment	40,091	12,559	16,871	69,520	D.19-12-056, CoC Decision/AL 4275-G/5887-E
2021 Cost of Debt Adjustment	(91,040)	(24,636)	(37,577)	(153,253)	D.19-12-056, CoC Decision/AL 4275-G/5887-E
Hydroelectric Sales					
Reverse Narrows Sale - 2020 Reduction		\$634		634	D. 19-10-010/AL 5825-E-B
Narrows Sale - 2021 Reduction		(\$818)		(818)	D. 19-10-010/AL 5825-E-B
2021 Base Revenue	4,977,517	2,298,762	2,126,726	9,403,005	

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

*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.

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

AT&T
Albion Power Company

Alta Power Group, LLC
Anderson & Poole

Atlas ReFuel
BART

Barkovich & Yap, Inc.
California Cotton Ginners & Growers Assn
California Energy Commission

California Hub for Energy Efficiency
Financing

California Alternative Energy and
Advanced Transportation Financing
Authority
California Public Utilities Commission
Calpine

Cameron-Daniel, P.C.
Casner, Steve
Cenergy Power
Center for Biological Diversity

Chevron Pipeline and Power
City of Palo Alto

City of San Jose
Clean Power Research
Coast Economic Consulting
Commercial Energy
Crossborder Energy
Crown Road Energy, LLC
Davis Wright Tremaine LLP
Day Carter Murphy

Dept of General Services
Don Pickett & Associates, Inc.
Douglass & Liddell

East Bay Community Energy Ellison
Schneider & Harris LLP Energy
Management Service
Engineers and Scientists of California

GenOn Energy, Inc.
Goodin, MacBride, Squeri, Schlotz &
Ritchie
Green Power Institute
Hanna & Morton
ICF
IGS Energy
International Power Technology
Intestate Gas Services, Inc.
Kelly Group
Ken Bohn Consulting
Keyes & Fox LLP
Leviton Manufacturing Co., Inc.

Los Angeles County Integrated
Waste Management Task Force
MRW & Associates
Manatt Phelps Phillips
Marin Energy Authority
McKenzie & Associates

Modesto Irrigation District
NLine Energy, Inc.
NRG Solar

Office of Ratepayer Advocates
OnGrid Solar
Pacific Gas and Electric Company
Peninsula Clean Energy

Pioneer Community Energy

Redwood Coast Energy Authority
Regulatory & Cogeneration Service, Inc.
SCD Energy Solutions
San Diego Gas & Electric Company

SPURR
San Francisco Water Power and Sewer
Semptra Utilities

Sierra Telephone Company, Inc.
Southern California Edison Company
Southern California Gas Company
Spark Energy
Sun Light & Power
Sunshine Design
Tecogen, Inc.
TerraVerde Renewable Partners
Tiger Natural Gas, Inc.

TransCanada
Utility Cost Management
Utility Power Solutions
Water and Energy Consulting Wellhead
Electric Company
Western Manufactured Housing
Communities Association (WMA)
Yep Energy