

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



Pacific Gas & Electric Company
ELC (Corp ID 39)
Status of Advice Letter 6688E
As of September 29, 2022

Subject: Phased Implementation of the New Line-Item Discount Schedule D-MEDICAL Effective December 1,

Division Assigned: Energy

Date Filed: 09-02-2022

Date to Calendar: 09-07-2022

Authorizing Documents: D2204004

Disposition:	Accepted
Effective Date:	12-01-2022

Resolution Required: No

Resolution Number: None

Commission Meeting Date: None

CPUC Contact Information:

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AL Certificate Contact Information:

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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- Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)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

September 2, 2022

Advice 6688-E

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: Phased Implementation of the New Line-Item Discount Schedule D-MEDICAL Effective December 1, 2022, in Compliance With Decision 22-04-004

Purpose

The purpose of this advice letter is to implement, in part, Schedule D-MEDICAL, which is a new rate approved by the California Public Utilities Commission (CPUC, or Commission) in Decision (D.) 22-04-004.¹ As described in further detail below, this advice letter addresses the following items:

1. Compliance with Ordering Paragraph 1 and 3 of D.22-04-004 (How D-MEDICAL will be applied to unbundled customers²);
2. The phased implementation of D-MEDICAL beginning with Schedule E-ELEC (also known as “Electric Home” rate); and
3. Proposed tariff sheets.

Background

Currently, the benefits received by PG&E’s Medical customers are inextricably tied to the customer taking service on a tiered rate schedule like PG&E’s default TOU rate, Schedule E-TOU-C, or its simple tiered (non-TOU) rate, Schedule E-1. This is because the benefits

¹ D.22-04-004 was issued in PG&E’s Application (A.) 20-10-006 (Application of Pacific Gas and Electric Company for Approval to Provide Eligible Residential Medical Customers on Non-Tiered Rates a Medical Baseline Benefit Through a Line-Item Discount).

² Unbundled customers are those who obtain their generation service from a provider other than PG&E. These can include both Community Choice Aggregation (CCA) and Direct Access (DA) customers.

are provided to Medical customers via augmented baseline allowances that are only applicable to tiered rates.³

In A.20-10-006, PG&E proposed to offer an additional option, Schedule D-MEDICAL, for Medical customers who wish to take service on non-tiered TOU rates that would retain the approximate value of the benefits they receive on tiered rates, on average, via a 12 percent line-item discount. This proposed rate makes it more attractive for Medical customers to participate in the Self-Generation Incentive Program (SGIP) energy storage program by enrolling in the only PG&E SGIP-approved TOU rate, non-tiered Schedule EV2. In addition, though, PG&E proposed that the D-MEDICAL rate be available to Medical customers wishing to take service on any other open non-tiered PG&E TOU rate, regardless of whether or not they participated in SGIP.

Subsequently, PG&E and the other parties to the proceeding negotiated an all-party settlement agreement (Settlement) that was submitted to the Commission in February 2021 that endorsed PG&E's proposed option for its Medical customers to receive a 12 percent line-item discount on non-tiered TOU rates.⁴ The Settlement also included additional protections for existing Medical customers selecting a non-tiered TOU rate. Specifically, the Settlement relaxed the provisions of Electric Rule 12 for such customers, allowing them to return to their previous rate schedule if their request to do so is made within the first twelve months that Schedule D-MEDICAL is effective.⁵

Compliance With Ordering Paragraphs 1 and 3 (How D-MEDICAL Will Be Applied to Unbundled Customers)

Ordering Paragraph (OP) 1 of D.22-04-004 approved the Settlement, except with provisions specific to unbundled customers. The Commission's concern regarding how Schedule D-MEDICAL's discount calculation would be applied for such unbundled customers was enunciated in OP 3 of the decision, which directed PG&E to take the following two actions to implement the new discount for such customers:

- (a) Meet and confer with California Community Choice Association about how to apply the bill discount to CCA and DA customers prior to filing its Tier 2 advice letter to implement the new discount; and

³ Medical customers typically have their baseline allowances augmented by 500 kilowatt-hours, which allows them to have a greater percentage of their total kWh usage billed at the lowest Tier 1 rate.

⁴ Motion for Adoption of the Medical Baseline Settlement Agreement in Pacific Gas and Electric's Application for Approval to Provide Eligible Residential Medical Customers on Non-Tiered Rates a Medical Baseline Benefit Through a Line-Item Discount, February 6, 2021. The parties to the Settlement Agreement were the Public Advocates Office of the CPUC (Cal Advocates), The Utility Reform Network (TURN), the Center for Accessible Technology (CforAT), and PG&E.

⁵ However, customers would not be able to return to their previous rate schedule if that schedule is closed to new customers. In addition, Medical customers participating in the SGIP who are required to enroll in Schedule EV Option A are ineligible to return to their previous rate.

- (b) Include in this Tier 2 advice letter a proposal for how to apply the bill discount to CCA and DA customers.

With regard to (a), PG&E held the required meet and confer session with the California Community Choice Association on August 26, 2022. In this meet and confer session, PG&E (1) explained how the Schedule D-MEDICAL discount will be calculated for CCA customers and (2) demonstrated that the discount provided for Medical customers would be the exact same amount regardless of whether they chose PG&E bundled or CCA generation service and in both instances would not affect generation rates). On August 29, 2022, PG&E received confirmation via email that the California Community Choice Association and CCA operations teams are supportive of PG&E's approach.

With regard to (b), PG&E's proposal has already been summarized in its prepared testimony in this proceeding, wherein PG&E described how it would determine the Medical discount for DA/CCA customers based on total bundled charges – thus ensuring that DA/CCA Medical customers receive the identical discount as they would have received as bundled PG&E customers.⁶ This is the same methodology for calculating line-item discounts as the Commission has previously approved for PG&E's California Alternate Rates for Energy (CARE) and Family Electric Rate Assistance (FERA) customers. However, in response to OP 3, PG&E herein provides additional detail via an illustrative bill calculation that is presented in Attachment 2. This bill calculation shows, in detail, how a DA/CCA Medical customer's bill will be calculated compared to the bill of a bundled Medical customer, and demonstrates that the DA/CCA Medical customer will receive the same discount as a bundled Medical customer and will also continue to receive a full, undiscounted, generation rate credit. These two features ensure that the economics of customers' choice of generation service providers will be unaffected by the provision of the D-MEDICAL line-item discount.

Phased Implementation of D-MEDICAL

As background, PG&E confirmed in its Opening Brief that it is in the process of upgrading its billing systems and had estimated a timeline of 2023 to implement D-MEDICAL on EV2-A and E-TOU-D.⁷ Moreover, PG&E clarified that this timeline was subject to change due to further refinement during the planning phase of the activities to be performed for the billing system upgrades.⁸ As such, OP 2 of D.22-04-004 requires that D-MEDICAL be implemented by December 31, 2023, but confirms that PG&E may request an extension of time for compliance if unexpected delays occur in upgrading its billing systems.⁹ Therefore, PG&E proposes to implement D-MEDICAL in phases, beginning

⁶ PG&E Prepared Testimony, October 9, 2020, page 1-11.

⁷ Opening Brief of Pacific Gas and Electric Company, June 22, 2021.

⁸ Opening Brief of Pacific Gas and Electric Company, p. 4.

⁹ "If PG&E encounters unexpected delays in upgrading its billing system that impact its ability to implement the new line-item medical discount, PG&E may request an extension of time for compliance in accordance with the Commission's Rules of Practice and Procedure." p. 13.

with the Electric Home rate (Schedule E-ELEC), followed by Schedules EV2-A and E-TOU-D.

In the initial phase, PG&E intends to implement D-MEDICAL to coincide with the launch of its new electrification rate, Electric Home (Schedule E-ELEC). On December 1, 2022, D-MEDICAL will be available for non-net energy metering (NEM) residential customers on the Electric Home rate and is anticipated to become available for NEM 1.0 and NEM 2.0 customers in the fourth quarter of 2023.¹⁰ Additionally, in the final phase, PG&E will implement D-MEDICAL for the remaining open non-tiered rates EV2-A and E-TOU-D via a subsequent advice letter. That advice letter will also include a plan to update all relevant Medical Baseline forms and existing outreach to reflect the availability of D-MEDICAL on all open non-tiered rates.¹¹

Proposed Tariff Sheets

Attachment 2 presents *pro forma* tariff language for new Schedule D-MEDICAL. This language is largely identical to the *pro forma* tariff language included in PG&E's prepared testimony in A.20-10-006 that reflected PG&E's original proposal,¹² with a few exceptions. First, the language in the Applicability section has been modified to reflect that, in this initial stage, Schedule D-MEDICAL will only be available to non-NEM Medical customers selecting the pro-electrification rate, Electric Home (as described in the previous section). Second, per the Settlement, the Applicability section now has an additional paragraph that permits Rule 12 to be relaxed for certain Medical customers (as described above in the Background section). Third, because PG&E is not immediately implementing D-MEDICAL on Schedule EV2-A (as the SGIP-approved TOU rate), the related language has been removed.¹³ Fourth, the reference to DWR Bond charges has been replaced with Wildfire Fund Charge (the successor to the DWR Bond charge). Finally, the erroneous 11.7 percent discount figure in the Rates section has been corrected to 12 percent. Attachment 2 shows, in red-line form, the changes in the final tariff language compared to the language in PG&E's prepared testimony. Attachment 3 shows the clean version of the final tariff language.

¹⁰ See AL-6690 advice letter to implement New Pro-Electrification Rate Schedule E-ELEC (Residential Time-of-Use, Electric Home).

¹¹ To both reduce customer confusion inherent in phased implementation and effectively manage program costs, PG&E proposes to update customer-facing information the Medical Baseline program after D-MEDICAL is completely implemented.

¹² Pacific Gas and Electric Company Medical Baseline Time of Use Rate Prepared Testimony, Attachment A – Proposed Schedule D-MEDICAL Tariff Language, October 9, 2020,

¹³ To confirm, once D-MEDICAL is implemented on Schedule EV2-A, the language will be added back.

Protests

Anyone wishing to protest this submittal may do so by letter sent electronically via E-mail, no later than September 22, 2022, which is 20 days after the date of this submittal. Protests must be submitted to:

CPUC Energy Division
ED Tariff Unit
E-mail: EDTariffUnit@cpuc.ca.gov

The protest shall also be electronically sent to PG&E via E-mail at the address shown below on the same date it is electronically delivered to the Commission:

Sidney Bob Dietz II
Director, Regulatory Relations
c/o Megan Lawson
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 and 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 5.2, this advice letter is submitted with a Tier 2 designation. PG&E requests that this Tier 2 advice submittal become effective on December 1, 2022, which is 91 calendar days after the date of submittal.

Notice

In accordance with General Order 96-B, Section IV, a copy of this advice letter is being sent electronically to parties shown on the attached list and the parties on the service list for A.20-10-006. 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/>.



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 E)

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) #: 6688-E

Tier Designation: 2

Subject of AL: Phased Implementation of the New Line-Item Discount Schedule D-MEDICAL Effective December 1, 2022, in Compliance With Decision 22-04-004

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 #: D. 22-04-004

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: 12/1/22

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

California Public Utilities Commission
Energy Division Tariff Unit Email:
EDTariffUnit@cpuc.ca.gov

Contact Name: Sidnev Bob Dietz II. c/o Megan Lawson
Title: Director, Regulatory Relations
Utility/Entity Name: Pacific Gas and Electric Company

Telephone (xxx) xxx-xxxx:
Facsimile (xxx) xxx-xxxx:
Email: PGETariffs@pge.com

Contact Name:
Title:
Utility/Entity Name:

Telephone (xxx) xxx-xxxx:
Facsimile (xxx) xxx-xxxx:
Email:

CPUC
Energy Division Tariff Unit
505 Van Ness Avenue
San Francisco, CA 94102

Clear Form

Attachment 1

**Illustrative PG&E Bill Calculation for a Medical Customer
Taking Direct Access or Community Choice Aggregation
(DA/CCA) Service**

Attachment 1

Illustrative PG&E Bill Calculation for a Medical Customer Taking Direct Access or Community Choice Aggregation (DA/CCA) Service

The table below presents an illustrative bill calculation for a residential customer on PG&E's Medical program who elects to take DA/CCA service. It assumes the customer uses 800 kilowatt-hours (kWh) in a summer month and takes service on new Schedule E-ELEC. The example is based on the illustrative Schedule E-ELEC rate rates submitted by PG&E in Advice Letter 6690-E.¹

(1)	(2)	(3)	Bundled Bill Calculation	CCA Bill Calculation					
			(4)=(2)*(3)	(5)	(6)=- (5)*(3)	(7)	(8)=(7)*(3)	(9)=(4)+(6)+(8)	(10)=(9)-(4)
Rate Components	Schedule E-ELEC Total Rates	Usage	Bundled Bill	Generation Rate	Generation Credit	PCIA Rate	PCIA Charge	DA/CCA Bill	Bill Difference
Fixed Charge	\$15.00		\$15.00					\$15.00	\$0.00
TOU Energy Charges									
Peak	\$0.52942	160	\$84.71	\$0.27112	-\$43.38	\$0.02572	\$4.12	\$45.45	-\$39.26
Summer Part-Peak	\$0.36754	120	\$44.10	\$0.17201	-\$20.64	\$0.02572	\$3.09	\$26.55	-\$17.55
Summer Off-Peak	\$0.31086	520	\$161.65	\$0.12691	-\$65.99	\$0.02572	\$13.37	\$109.03	-\$52.62
Bill Prior to Medical Discount		800	\$305.46		-\$130.01		\$20.58	\$196.03	-\$109.43
Medical Discount	12%		-\$36.66					-\$36.66	\$0.00
Bill After Medical Discount			\$268.80					\$159.37	-\$109.43

Column (2) shows the E-ELEC summer rates, while Column (3) shows the assumed distribution of the 800 kWh of usage between E-ELEC's three time-of-use (TOU) periods. Column (4) shows what the Medical customer's bill would be if it took PG&E bundled service, and is obtained by multiplying Column (2) by Column (3). Prior to the application of the Medical discount, the customer would have a bill of \$305.46. The 12 percent line-item Medical discount from Schedule D-MEDICAL would then be applied, resulting in a \$36.66 credit that reduces the summer monthly bill to \$268.80.

Columns (5) through (9) show the calculation of the Medical customer's bill if, instead of taking PG&E bundled service, it elects to take DA or CCA service. Since a DA/CCA customer does not take generation service from PG&E, PG&E first provides a generation credit on the customer's bill and then adds in the Power Charge Indifference Adjustment (PCIA). Column (6) shows the generation credit, which is calculated by multiplying the E-ELEC generation rates in Column (5) times the usage in Column (3), and then multiplying by negative one to convert it into a credit. In this example, the DA/CCA customer would receive a generation credit of \$130.01. Similarly, Column (8) shows the calculation of the \$20.58 PCIA charge, which is obtained by multiplying the PCIA rates in Column (7) by the usage

¹ Advice Letter 6690-E was submitted by PG&E on September 1, 2022.

figures in Column (3). The total DA/CCA customer bill is shown in Column (9), which is obtained by summing the figures in Columns (4), (6) and (8). Prior to the application of the Medical discount, the customer's bill is \$196.03, but it is reduced to \$159.37 once the \$36.66 Medical discount is applied.

Column (10) shows the difference between the Medical customer's PG&E bill if it chooses to take DA/CCA service compared to bundled service. Prior to the application of the Medical discount, the DA/CCA customer's PG&E bill savings would be \$109.43 (\$196.03 compared to \$305.46), reflecting the generation cost avoided by PG&E.² Since the Medical discount is calculated based on a bundled customer's bill, a DA/CCA customer will receive the identical \$36.66 discount that it would have received as a bundled service customer. So this same \$109.43 bill savings remains after the application of the Medical discount (\$159.37 compared to \$268.80), leaving the customer's economic choice between bundled and DA/CCA service unchanged.

² The customer would, of course, still need to pay its Energy Service Provider or Community Choice Aggregator for generation service.

Advice 6688-E
September 2, 2022

Attachment 2

**Pro Forma Tariff Language for Schedule D-MEDICAL
(Redline)**



ELECTRIC SCHEDULE D-MEDICAL
LINE-ITEM DISCOUNT FOR MEDICAL CUSTOMERS

Sheet 1

APPLICABILITY: This schedule is applicable to single-phase and polyphase residential service in single-family dwellings and in flats and apartments separately metered by PG&E, where the applicant qualifies for PG&E's Medical program under the eligibility and certification criteria set forth in Electric Rule 19, Sections B through E. Initially, Schedule D-MEDICAL is available, on an optional basis, to customers taking service on either of PG&E's open non-tiered time-of-use (TOU) pro-electrification rates, Schedule E-ELECE-TOU-D or Schedule EV2-Option A. It is not available to net energy metering (NEM) customers.

A Medical program customer who was (1) taking service on a tiered electric rate schedule that includes a Medical discount prior to the establishment of Schedule D-MEDICAL and (2) who subsequently enrolls into Schedule E-ELEC is eligible to return to its previous tiered rate schedule, so long as that schedule is open to new customers, if the request is made to PG&E before the date exactly one year after the Schedule D-MEDICAL first becomes effective.

TERRITORY: This rate schedule applies everywhere PG&E provides electric service.

RATES: Customers taking service on this rate schedule will receive ~~an 11.7~~ 12 percent discount on their total bundled charges on their otherwise applicable rate schedule (except for the California Climate Credit, which will not be discounted). The MEDICAL discount will be calculated for direct access and community choice aggregation customers based on the total charges as if they were subject to bundled service rates. Discounts will be applied as a residual reduction to distribution charges, after D-MEDICAL customers are exempted from the Wildfire Fund Charge rate component~~DWR bond charge~~.

SPECIAL CONDITIONS:

1. OTHERWISE APPLICABLE SCHEDULE: The Special Conditions of the Customer's otherwise applicable rate schedule will apply to this schedule.
2. ELIGIBILITY: To be eligible to receive D-MEDICAL the applicant must qualify under the criteria set forth in PG&E's Electric Rules 19, Sections B through E, and meet the certification requirements thereof to the satisfaction of PG&E. Qualifying Direct Access, Community Choice Aggregation Service, and Transitional Bundled Service customers on applicable rate schedules are also eligible to take service on Schedule D-MEDICAL. Applicants may qualify for D-MEDICAL at their primary residence only.

Advice 6688-E
September 2, 2022

Attachment 3

**Pro Forma Tariff Language for Schedule D-MEDICAL
(Clean)**

**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.
Braun Blasing Smith Wynne, P.C.
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
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
Engineers and Scientists of California

GenOn Energy, Inc.
Goodin, MacBride, Squeri, Schlotz &
Ritchie
Green Power Institute
Hanna & Morton
ICF
International Power Technology

Intertie

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
McClintock IP
McKenzie & Associates

Modesto Irrigation District
NLine Energy, Inc.
NRG Solar

OnGrid Solar
Pacific Gas and Electric Company
Peninsula Clean Energy

Pioneer Community Energy

Public Advocates Office

Redwood Coast Energy Authority
Regulatory & Cogeneration Service, Inc.

Resource Innovations

SCD Energy Solutions
San Diego Gas & Electric Company

SPURR

San Francisco Water Power and Sewer
Sempra Utilities

Sierra Telephone Company, Inc.
Southern California Edison Company
Southern California Gas Company
Spark Energy
Sun Light & Power
Sunshine Design
Stoel Rives LLP

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