

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



**Pacific Gas & Electric Company**  
**ELC (Corp ID 39)**  
**Status of Advice Letter 6854E**  
**As of July 20, 2023**

Subject: Information-Only Advice Letter Reporting Revenue Shortfall Due to Reduction in PG&E's High Usage Surcharge in Compliance with Ordering Paragraph 9 of Decision 20-05-013

Division Assigned: Energy

Date Filed: 02-03-2023

Date to Calendar: 02-10-2023

Authorizing Documents: D2005013

<b>Disposition:</b>	<b>Accepted</b>
<b>Effective Date:</b>	<b>02-03-2023</b>

Resolution Required: No

Resolution Number: None

Commission Meeting Date: None

CPUC Contact Information:

[edtariffunit@cpuc.ca.gov](mailto:edtariffunit@cpuc.ca.gov)

AL Certificate Contact Information:

Kimberly Loo

(415)973-4587

[PGETariffs@pge.com](mailto: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- Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)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](mailto:edtariffunit@cpuc.ca.gov)**

February 3, 2023

**Advice 6854-E**

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

**Subject: Information-Only Advice Letter Reporting Revenue Shortfall Due to Reduction in PG&E's High Usage Surcharge in Compliance with Ordering Paragraph 9 of Decision 20-05-013**

**Purpose**

The purpose of this advice letter is to comply with Ordering Paragraph (OP) 9 of the California Public Utilities Commission's (CPUC, or Commission) Decision (D.) 20-05-013, which directed PG&E to provide an estimate of the revenue shortfall that resulted from that decision's implementation of a short-term reduction to PG&E's high usage surcharge (HUS) in mid-2020 in response to the pandemic.<sup>1</sup>

**Background*****Decision 20-05-013***

Early during the COVID-19 pandemic, on March 4, 2020, Governor Newsom proclaimed a state of emergency in California. Shortly after, on March 19, 2020, the Governor issued Executive Order N-33-20 requiring Californians to follow state health directives to stay at home. The result of this stay-at-home order was to significantly increase residential electric sales and bills, as many people began to spend significantly more time at home. To help ameliorate the resulting bill increases, in May 2020 the Commission issued D.20-05-013, which directed PG&E to temporarily reduce its HUS rate -- from its then-current level of 1.752 times the Tier 2 rate, to a level just 1.25 times the Tier 2 rate. PG&E implemented this temporary HUS rate reduction effective June 1, 2020.

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<sup>1</sup> During the proceeding leading to the issuance of D.20-05-013, to avoid confusion this charge for usage in excess of 400 percent of a customer's baseline amount was called the high usage charge, or HUC. This is the terminology used by Southern California Edison (SCE) and San Diego Gas and Electric (SDG&E). However, for PG&E the charge for usage in excess of 400 percent of a customer's baseline amount is called the high usage surcharge, or HUS. In this advice letter we use the terms "HUC" and "HUS" interchangeably.

OP 5 of D.20-05-013 anticipated that the temporary HUS rate reduction might only be in place through October of 2020, stating, “Between November 1, 2020 and November 15, 2020, Pacific Gas and Electric Company shall return to the price ratio of the high usage charge to the ratio utilized on May 31, 2020 unless Executive Order N-33-20, or a similar order to stay at home related to COVID-19, is still in place on as of October 31, 2020.”

However, because the duration of the stay-at-home order was uncertain, OP 6 of that decision allowed the temporary reduction to continue beyond the end of October 2020 if necessary, noting “In the event Executive Order N-33-20, or a similar order to stay at home related to COVID-19, is still in place as of October 31, 2020, Pacific Gas and Electric Company shall maintain the price of the high usage charge at 25% of the Tier 2 price per kilowatt-hour until receipt of a letter from the Commission’s Executive Director advising it of the termination of the relevant order and instructing it to return the high usage charge ratio utilized on May 31, 2020.”

To address this uncertainty, D.20-05-013 included a specific plan for revisiting the temporary reduction’s duration, directing the assigned Administrative Law Judge (ALJ) to “schedule a status conference for September 1, 2020 to discuss with parties whether Executive Order N-33-20, or a similar order to stay at home related to COVID-19, is expected to be in place on October 31, 2020,” and to “subsequently issue a Ruling no later than October 31, 2020 advising the parties if Executive Order N-33-20, or a similar order to stay at home related to COVID-19, is expected to be in place on October 31, 2020.”<sup>2</sup>

Regardless of the ultimate duration, however, OP 9 directed PG&E to estimate, on a monthly basis, the amount of revenue shortfall that ultimately resulted from the temporary HUS rate reduction, and to submit these estimates via a Tier 1 information-only advice letter no later than 60 days after the temporary reduction in the HUS rate is no longer in place. These monthly HUS-related revenue shortfalls, as presented in this advice letter, resulted because the temporary reduction to the HUS rate was not -- at least not initially -- accompanied by a “rebalancing” of the Tier 1 and 2 rates (i.e., increasing those two rates to offset the reduced revenues collected from sales in the HUS tier).

### ***Events Subsequent to Decision 20-05-013***

On August 31, 2020, the assigned ALJ held the (telephonic) status conference mandated by D.20-05-013 to hear parties’ recommendations for whether to extend the temporary HUC rate. Shortly thereafter, on September 2, 2020, the ALJ issued an email Ruling directing PG&E, SCE, and SDG&E to “maintain the price of the high usage charge at 25% of the Tier 2 price per kilowatt-hour until receipt of a letter from the Commission’s

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<sup>2</sup> D.20-05-013, p.14.

Executive Director instructing it to return the high usage charge ratio to the ratio utilized on May 31, 2020.”<sup>3</sup>

At this status conference, the ALJ also addressed rate rebalancing,<sup>4</sup> noting D.20-05-013’s silence on that issue and directing PG&E to confer with Energy Division staff about how to proceed. Accordingly, PG&E conferred with Energy Division about rate rebalancing, and on October 8, 2020 Energy Division emailed PG&E, SCE, and SDG&E instructions on how to proceed, stating:

“Since the re-adjustment of the HUC to its original levels has taken longer than expected, and keeping the rates as is potentially creates a revenue shortfall, Energy Division is directing the electric utilities to rebalance the current temporary HUC as well as the Tier 1 and 2 price ratios to ensure revenue neutrality. The IOUs shall timely file a Tier 2 AL to Energy Division with an effective date of January 1, 2021.”

In compliance, on October 29, 2020, PG&E submitted Advice 5987-E to rebalance its tiered residential rates; that Advice Letter became effective on January 1, 2021.

### **Revenue Shortfall Estimates**

OP 9 of D.20-05-013 specifically states:

“Pacific Gas and Electric Company shall file and serve a Tier 1 information-only advice letter in this proceeding no later than 60 days after the day the short-term adjustment to the high usage charge is no longer applied to any customer’s bill. That advice letter shall report on a monthly basis the actual revenue collected from the residential class, including a specific breakout of high usage charge revenue collected, during the short-term adjustment ordered by this decision. That advice letter shall also compare that reported revenue with the estimate of residential class and high usage charge revenue Pacific Gas and Electric Company expected to receive during the short-term adjustment had the high usage charge not been reduced.”

For PG&E, the date on which the short-term HUS rate adjustment no longer applied to any customer’s bill was January 1, 2023, PG&E’s HUS elimination date. This advice letter is being submitted within the required 60-day post elimination deadline.

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<sup>3</sup> No such letter was ever sent, and very shortly after the Commission issued D.21-03-08 eliminating the HUC rate entirely once certain conditions were met. So PG&E’s HUS rate remained at 1.25 times the Tier 2 rate until its HUS rate was eliminated entirely on January 1, 2023.

<sup>4</sup> PG&E had raised the rate rebalancing issue in its August 24, 2020 Pre-Status Conference statement.

As noted earlier, PG&E's residential rates were rebalanced on January 1, 2021, to eliminate any revenue shortfalls due to the temporary reduction in its HUS rate (i.e., the Tier 1 and 2 rates were increased to offset the reduced HUS revenues). So PG&E provides here the monthly revenue loss estimates just for the period from June 1, 2020 through December 31, 2020. This period represents the seven months during which the HUS rate was reduced with no compensating rebalancing of the Tier 1 and 2 rates (thus resulting in revenue shortfalls).

During this pre-rebalancing period, implementation of PG&E's temporary reduction to its HUS rate affected only HUS revenues (since the Tier 1 and 2 rates were the same as they otherwise would have been). Thus, the revenue shortfall calculation focuses exclusively on the effects on monthly HUS revenues during each of those seven months. The revenue shortfall calculation for each month is simply the difference in HUS revenues actually collected from customers, compared to the revenues that would have been collected had the HUS rate not been reduced.

After the initial implementation of the reduced HUS rate on June 1, 2020, PG&E had another rate change become effective on October 1, 2020. Table 1 below compares the HUS rates for the two different rate periods, (a) June through September 2020 and (b) October through December 2020. Column (2) shows the higher rates that would have been in effect had there been no temporary HUS rate reduction, Column (3) lists the reduced HUS rates that were actually in charged to customers, and Column (4) calculates the rate differences. As shown in Column (4), the temporary HUS rate significantly reduced the price customers paid for HUS usage, by about 10 cents per kWh for California Alternate Rates for Energy (CARE) customers and about 15 cents per kWh for non-CARE customers.

**Table 1**  
HUS Rate Comparison

(1)	(2)	(3)	(4) = (3) - (2)
Period	If No Reduced HUS Rate (\$/kWh)	With Reduced HUS Rate (\$/kWh)	HUS Rate Difference (\$/kWh)
<b>Non-CARE</b>			
Jun 1, 2020 - Sep 30, 2020	\$0.53738	\$0.38340	-\$0.15398
Oct 1, 2020 - Dec 31, 2020	\$0.53861	\$0.38428	-\$0.15433
<b>CARE</b>			
Jun 1, 2020 - Sep 30, 2020	\$0.35004	\$0.24974	-\$0.10030
Oct 1, 2020 - Dec 31, 2020	\$0.35085	\$0.25032	-\$0.10053

Table 2 shows how these lower HUS rates affected PG&E's revenue collections during each month of the June-December 2020 period. Column (2) shows the higher revenues that would have been collected absent the temporary HUS rate reduction, while Column (3) provides the reduced HUS revenues that were actually collected, and Column (4) calculates the revenue differences. As Column (4) shows, the implementation of the temporary HUS rate resulted in a revenue shortfall of about \$59 million over the seven-month period in 2020 when the reduced HUS rate was in effect prior to the rate rebalancing which occurred on January 1, 2021.

**Table 2**  
HUS Revenue Comparison

(1)	(2)	(3)	(4) = (3) - (2)
Month	HUS Revenue If No Reduced HUS Rate (\$ million)	HUS Revenue With Reduced HUS Rate (\$ million)	HUS Revenue Difference (\$ million)
Jun 2020	\$36,584,075	\$24,861,284	-\$11,722,791
Jul 2020	\$37,614,844	\$25,715,868	-\$11,898,976
Aug 2020	\$34,141,523	\$23,213,624	-\$10,927,899
Sep 2020	\$12,063,097	\$8,163,947	-\$3,899,150
Oct 2020	\$27,175,365	\$18,549,084	-\$8,626,280
Nov 2020	\$10,220,240	\$6,945,804	-\$3,274,436
Dec 2020	\$27,030,233	\$18,377,228	-\$8,653,005
<b>Total</b>	<b>\$184,829,376</b>	<b>\$125,826,839</b>	<b>-\$59,002,537</b>

### Protests

This is an information-only AL submittal. Pursuant to General Order 96-B Section 6.2, PG&E is not seeking relief through this AL, and it is not subject to protest.

### Effective Date

PG&E requests that this information-only advice letter become effective upon date of submittal, which is February 3, 2023.

### 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.19-09-014. 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) #: 6854-E

Tier Designation: Information-Only

Subject of AL: Information-Only Advice Letter Reporting Revenue Shortfall Due to Reduction in PG&E's High Usage Surcharge in Compliance with Ordering Paragraph 9 of Decision 20-05-013

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.20-05-013

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: 2/3/23

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 proposed<sup>1</sup>: N/A

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

<sup>1</sup>Discuss 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](mailto: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

**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  
Dish Wireless L.L.C.

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

iCommLaw  
International Power Technology  
Intertie

Intestate Gas Services, Inc.

Johnston, Kevin  
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