

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE



March 18, 2022

Advice Letter PG&E 4543-G, 4543-G-A

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: Annual Gas True-Up of Gas Transportation Balancing Accounts for Rates Effective January 1, 2022.

Dear Mr. Jacobson:

Advice Letter PG&E 4543-G, 4543-G-A are effective as of January 1, 2022, and April 1, 2022.

Sincerely,

A handwritten signature in cursive script, appearing to read "P. Skala".

Pete Skala
Interim Deputy Executive Director for
Energy & Climate Policy, CPUC
Director for Procurement, Efficiency, and
Electrification, Energy Division, CPUC



Sidney Bob Dietz II
Director
Regulatory Relations

Pacific Gas and Electric Company
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P.O. Box 770000
San Francisco, CA 94177

Fax: 415-973-3582

March 1, 2022

Advice 4543-G-A

(Pacific Gas and Electric Company ID U 39 G)

Public Utilities Commission of the State of California

Subject Supplemental: Annual Gas True-Up of Gas Transportation Balancing Accounts for Rates Effective January 1, 2022

Purpose

Pacific Gas and Electric Company (PG&E) submits this Tier 1 advice letter to update its forecast of gas rates effective January 1, 2022 that were presented in its Annual Gas True-Up (AGT), Advice 4543-G, submitted on December 23, 2021.

This supplemental advice letter supersedes original Advice 4543-G in part. PG&E will be updating the Residential Uncollectible Balancing Account as forecast in the AGT, the rest contained in original Advice 4543-G remains unchanged.

Background and Purpose

On October 29, 2021, PG&E submitted its Tier 2 AGT¹ Advice 4518-G, requesting approval to amortize forecast December 31, 2021 gas transportation balancing account balances in rates effective January 1, 2022, based on September recorded balances and a forecast of October through December activity. On December 20, 2021, the Energy Division approved Advice 4518-G, effective January 1, 2022.

On December 23, 2021, PG&E submitted its Tier 1 supplemental AGT Advice Letter (Advice 4543-G), presenting its final forecast of gas rates effective January 1, 2022. The supplemental AGT consolidates final authorized gas revenue requirements approved by the CPUC. This also includes updates to the balancing account balances based on November recorded balances with a forecast of December activity. On January 12, 2021, TURN protested PG&E's Advice 4543-G.

¹ The AGT is an annual process to update gas transportation balancing accounts as established in PG&E's 2005 Biennial Cost Allocation Proceeding (BCAP) Decision (D.) 05-06-029, p.10 and Finding of Fact 9.

TURN objected to PG&E's proposal in Advice 4543-G to recover \$73.7 million in costs recorded to the gas Residential Uncollectibles Balancing Account (RUBA-G) due to the pending California Arrearage Payment Plant (CAPP) disbursement.² According to TURN, "the disbursement of CAPP will almost certainly decrease the balance of the RUBA."³ As a result, TURN recommends that PG&E submit an Advice Letter to recover the RUBA-G balance by April 15, 2022, once CAPP funds have been applied to customers' past due balances and the impact of CAPP funds to the RUBA-G is known.⁴

Therefore, PG&E plans to update its gas transportation rates effective April 1, 2022 to reflect a reduction to its RUBA-G for the estimated impact for CAPP funding. As detailed below, PG&E will reflect a reduction to gas transportation rates for the estimated impact of the CAPP funding to the Transportation Subaccount of the RUBA-G as well as include an adjustment to reflect an estimate of the amounts collected from customers in rates between January 1, 2022 through March 31, 2022 for CAPP funding.

Updates to the Residential Uncollectible Balancing Account – Gas

On June 11, 2020, the CPUC adopted Decision (D.) 20-06-003, which authorized PG&E to establish a new two-way balancing accounts to record uncollectibles recovered from residential electric and gas customers compared to actual uncollectibles. On April 13, 2021, the Commission approved PG&E's Gas Preliminary Statement Part FJ, Residential Uncollectibles Balancing Account – Gas, effective June 11, 2020.⁵ The purpose of the RUBA is to record uncollectibles recovered from residential gas customers compared to actual uncollectibles to create more transparency and accurately reflect the actual costs of uncollectible charges in rates and to record the Arrearage Management Program (AMP) debt forgiveness of charges for PG&E provided services, services provided by eligible third-party service providers participating in AMP, and third-party taxes, charges, and fees.

The AGT included a \$73.7 million forecasted undercollection for the Transportation Subaccount of the RUBA. As stated in Advice 4543-G, this forecast was based on recorded balances through November and a forecast of December activity. It did not include an adjustment for CAPP funds.

On January 27, 2022 PG&E received \$340.9 million in funds from the CAPP program to reduce past due energy bill balances that increased during the COVID-19 pandemic from March 4, 2020 through June 15, 2021 and are at least 60 days past due. Out of this total amount awarded to PG&E, an estimated \$306 million covers past due bill balances owed to PG&E while \$35 million covers past due bill balances owed to other energy service

² "TURN's Protest to Pacific Gas and Electric Company ("PG&E") Advice Letter ("AL") 4543-G," (TURN Protest) p. 1.

³ TURN Protest, p. 1.

⁴ TURN Protest, p. 1.

⁵ See Advice Letter 4334-G-A

providers. The State of California instituted a waterfall approach to apply the CAPP funding to eligible customer accounts receivable where the funding is first applied based on the defined priority groups outlined in Assembly Bill 135. The priority groups are defined as 1) active residential customers at risk of disconnection, 2) active residential customers with delinquent balances, 3) inactive residential customers with delinquent balances and 4) commercial customers with delinquent balances. As a result, PG&E has estimated that the net impact to the gas Transportation Subaccount of the RUBA is a reduction of \$29.2 million.

In this advice letter, PG&E has updated the balance for the gas Transportation Subaccount of the RUBA-G to reflect the impact of CAPP funding and actual balances as of December 31, 2021 which reduces the undercollected balance to \$40.0 million, a reduction of \$33.7 million. In addition, PG&E has estimated that it will have collected \$8.4 million of the \$33.7 million from customers between January 1, 2022 and March 31, 2022 related to CAPP funds. Therefore, PG&E will be decreasing its gas transportation revenue requirement by \$42.1 million on April 1, 2022 to reflect the impact of CAPP funding, as detailed in the table below.

Gas Residential Uncollectibles Balancing Account Adjustment		
		\$(1,000's)
Current Balance in Rates effective January 1	(A)	\$ 73,662
Reduction for Capp Funding	(B)	\$ (29,155)
Reduction for Forecast Difference versus December Recorded balance	(C)	\$ (4,516)
Adjusted RUBA-G Balance	(D)=(A)+(B)+(C)	\$ 39,991
Net Change in RUBA-G	(E) = (D) - (A)	\$ (33,671)
Adjustment for Amounts Collected between January 1 and March 31, 2022 (\$33.7M/12*3)	(F) = (E) / 12*3	\$ (8,418)
Net Adjustment to RUBA-G for Rates Effective April 1, 2022	(E) + (F)	\$ (42,089)

The RUBA balance is included in the rate component of the Core Cost Subaccount of the CFCA and the Noncore Subaccount of the NCA. Note that the balance in the Procurement Subaccount of the RUBA will be recovered through the Purchased Gas Account and addressed in PG&E's Core Monthly Pricing Advice Submittal.

Attachment 1 includes the impacts to transportation rates for the reduction in the RGBA-G balance. As shown in Attachment 1, Line 1, the impact on non-CARE residential customers from this change is a reduction to their average transportation rate of approximately \$0.007 per therm, effective April 1, 2022. For the average non-CARE

2019 Gas Transmission and Storage Proceeding (A. 17-11-009) (Public Version)
2020 GRC Phase I (A.18-12-009) (Public Version)
Wildfire Expense Memorandum Account (A.20-02-004)
San Francisco General Office Sale (A. 20-09-018)
2020 Cost of Capital (A.19-04-015)
Greenhouse Gas Natural Gas OIR (R.14-03-003)
Self Generation Incentive Program (R.12-11-005)
Dairy Pilot Biomethane Program (R.17-06-015)
Carlos Velasquez, Energy Division
Andrew Ngo, Energy Division
Elizabeth LaCour, Energy Division



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 G)

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) #: 4543-G-A

Tier Designation: 1

Subject of AL: Supplemental: Annual Gas True-Up of Gas Transportation Balancing Accounts for Rates Effective January 1, 2022

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.05-06-029, D.20-12-005, E-4926

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: 1/1/22

No. of tariff sheets: N/A

Estimated system annual revenue effect (%): 9.7% this is transportation and PPP RRQ increase)

Estimated system average rate effect (%): 11.2% (this is the residential transportation/ppp rate increase)

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: Sidney Bob Dietz II, 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:

ATTACHMENT 1

**AVERAGE END-USER GAS TRANSPORTATION RATES AND PUBLIC PURPOSE PROGRAM SURCHARGES
(\$/th; Annual Class Averages)⁽³⁾**

Line

No.	Customer Class	January-22			January 2022			Percentage Change from January 2022		
		Transportation ⁽¹⁾⁽⁵⁾	G-PPPS ⁽²⁾	Total	Transportation	G-PPPS	Total	Transportation	G-PPPS	Total
RETAIL CORE										
1	Residential Non-CARE ⁽⁴⁾	\$1.498	\$.103	\$1.602	\$1.492	\$0.103	\$1.595	(0.4%)	0.0%	(0.4%)
2	Small Commercial Non-CARE ⁽⁴⁾	\$.996	\$.062	\$1.058	\$0.990	\$0.062	\$1.052	(0.6%)	0.0%	(0.6%)
3	Large Commercial	\$.644	\$.056	\$.701	\$0.638	\$0.056	\$.694	(1.0%)	0.0%	(0.9%)
4	NGV1 - (uncompressed service)	\$.643	\$.044	\$.686	\$0.636	\$0.044	\$.680	(1.0%)	0.0%	(0.9%)
5	NGV2 - (compressed service)	\$2.212	\$.044	\$2.256	\$2.206	\$0.044	\$2.250	(0.3%)	0.0%	(0.3%)
RETAIL NONCORE (6)										
6	Industrial - Distribution	\$.527	\$.063	\$.590	\$.521	\$.063	\$.583	(1.2%)	0.0%	(1.1%)
7	Industrial - Transmission	\$.271	\$.049	\$.320	\$.264	\$.049	\$.314	(2.4%)	0.0%	(2.0%)
8	Industrial - Backbone	\$.142	\$.049	\$.192	\$.136	\$.049	\$.185	(4.5%)	0.0%	(3.4%)
9	Electric Generation - Transmission (G-EG-D/LT)	\$.255		\$.255	\$.249		\$.249	(2.5%)		(2.5%)
10	Electric Generation - Backbone (G-EG-BB)	\$.136		\$.136	\$.129		\$.129	(4.7%)		(4.7%)
11	NGV 4 - Distribution (uncompressed service)	\$.527	\$.044	\$.571	\$.521	\$.044	\$.564	(1.2%)	0.0%	(1.1%)
12	NGV 4 - Transmission (uncompressed service)	\$.260	\$.044	\$.304	\$.254	\$.044	\$.298	(2.5%)	0.0%	(2.1%)
WHOLESALE CORE AND NONCORE (G-WSL) (6)										
13	Alpine Natural Gas	\$.152		\$.152	\$.145		\$.145	(4.2%)		(4.2%)
14	Coalinga	\$.152		\$.152	\$.145		\$.145	(4.2%)		(4.2%)
15	Island Energy	\$.160		\$.160	\$.154		\$.154	(4.0%)		(4.0%)
16	Palo Alto	\$.149		\$.149	\$.143		\$.143	(4.3%)		(4.3%)
17	West Coast Gas - Castle	\$.467		\$.467	\$.460		\$.460	(1.4%)		(1.4%)
18	West Coast Gas - Mather Distribution	\$.688		\$.688	\$.681		\$.681	(0.9%)		(0.9%)
19	West Coast Gas - Mather Transmission	\$.153		\$.153	\$.146		\$.146	(4.2%)		(4.2%)

- (1) Transportation Only rates include: i) a transportation component that recovers customer class charges, customer access charges, CPUC fees, local transmission (where applicable), distribution costs (where applicable), and AB32 Cost of Implementation Fee (wholesale and certain large customers are directly billed by the Air Resource board, and are exempt from PG&E's AB32 COI rate component of \$0.00148 per therm). Transport only customers must arrange for their own gas purchases and transportation to PG&E's citygate/local transmission system.
- (2) D. 04-08-010 authorized PG&E to remove the gas public purpose program surcharge that recovers the costs of low income California Alternate Rates for Energy (CARE), low income energy efficiency, energy efficiency, Research Development and Demonstration program and BOE/CPUC Administration costs from transportation rates and into its own separate surcharge tariff. Certain customers are exempt from paying the PPP surcharge; see tariff G-PPPS for details. G-PPPS rates are determined annually in PG&E's PPP Filing.
- (3) Rates are rounded to 3 decimals for viewing ease. Percentage rate changes are calculated on a 5-digit basis.
- (4) CARE Customers receive a 20% discount off of PG&E's total bundled rate and are exempt from the CARE portion of PG&E's Public Purpose Program Surcharge (G-PPPS) rates and cost recovery of the California Solar Initiative Thermal Program.
- (5) Billed Transportation rates paid by all customers include an additional GHG Compliance Cost of \$0.10235 and Operational Cost component of \$0.00211
- (6) Covered Entities within classes and the wholesale class (i.e. customers that currently have a direct obligation to pay for allowances directly to the Air Resources Board) will see a line item credit on their bill equal to the GHG Compliance Cost \$0.10235 per therm times their monthly billed volumes.

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

AT&T Albion Power Company	East Bay Community Energy Ellison Schneider & Harris LLP Engineers and Scientists of California	Pioneer Community Energy
Alta Power Group, LLC Anderson & Poole	GenOn Energy, Inc. Goodin, MacBride, Squeri, Schlotz & Ritchie Green Power Institute Hanna & Morton ICF International Power Technology	Public Advocates Office Redwood Coast Energy Authority Regulatory & Cogeneration Service, Inc. SCD Energy Solutions San Diego Gas & Electric Company
Atlas ReFuel BART		SPURR San Francisco Water Power and Sewer Sempra Utilities
Barkovich & Yap, Inc. Braun Blasing Smith Wynne, P.C. California Cotton Ginners & Growers Assn California Energy Commission	Intertie	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.
California Hub for Energy Efficiency Financing	Intestate Gas Services, Inc. Kelly Group Ken Bohn Consulting Keyes & Fox LLP Leviton Manufacturing Co., Inc.	TransCanada Utility Cost Management Utility Power Solutions Uplight Water and Energy Consulting Wellhead Electric Company Western Manufactured Housing Communities Association (WMA) Yep Energy
California Alternative Energy and Advanced Transportation Financing Authority California Public Utilities Commission Calpine	Los Angeles County Integrated Waste Management Task Force MRW & Associates Manatt Phelps Phillips Marin Energy Authority McClintock IP McKenzie & Associates	
Cameron-Daniel, P.C. Casner, Steve Center for Biological Diversity	Modesto Irrigation District NLine Energy, Inc. NRG Solar	
Chevron Pipeline and Power City of Palo Alto	OnGrid Solar Pacific Gas and Electric Company Peninsula Clean Energy	
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		