

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



Pacific Gas & Electric Company
ELC (Corp ID 39)
Status of Advice Letter 5029G/7499E
As of April 8, 2025

Subject: Proposed Increase in Convenience Fees Associated with Residential and Nonresidential Credit/Debit Card

Division Assigned: Energy

Date Filed: 01-29-2025

Date to Calendar: 02-14-2025

Authorizing Documents: None

Disposition:	Accepted
Effective Date:	02-28-2025

Resolution Required: No

Resolution Number: None

Commission Meeting Date: None

CPUC Contact Information:

edtariffunit@cpuc.ca.gov

AL Certificate Contact Information:

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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- Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)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 29, 2025

Advice 5029-G/7499-E

(Pacific Gas and Electric Company ID U 39 M)

Public Utilities Commission of the State of California

Subject: Proposed Increase in Convenience Fees Associated with Residential and Nonresidential Credit/Debit Card Payments

Purpose

Pacific Gas and Electric Company (PG&E) hereby submits this Advice Letter to request approval to adjust convenience fees associated with credit or debit card payments made by residential and non-residential gas and electric customers. PG&E proposes to implement the increased fees no earlier than April 1, 2025.

Background

Public Utilities Code Section 755 permits an electrical, gas, or water utility to charge a reasonable transaction fee when customers pay their utility bills by credit card and debit card.¹

On July 14, 2006, PG&E submitted AL 2744-G/2861-E, seeking authorization to commence a 12-month pilot credit card payment option for its customers to determine costs and savings associated with the credit card payment option. On September 7, 2006, Resolution G-3390 approved PG&E's proposed pilot credit card program with modifications.²

On August 20, 2008, PG&E submitted AL 2950-G/3320-E requesting approval to implement a transaction convenience fee-based credit/debit card payment option for residential customers. This new program was intended to replace PG&E's credit card pilot program. AL 2950-G/3320-E became effective as of September 19, 2008.

On December 21, 2009, PG&E submitted AL 3073-G/3580-E requesting approval to expand the venues for gas and electric bill payments through the use of authorized third-party bill payment kiosks for gas and electric bill payments by credit cards and debit cards. AL 3073-G/3580-E became effective as of January 20, 2010.

¹ Cal. Pub. Util. Code section 755(a)(1).

² Resolution G-3390, pp.8.

On January 12, 2012, PG&E submitted AL 3272-G/3988-E requesting approval to expand the use of credit cards for gas and electric bill payments to include certain nonresidential customers. Advice Letter 3272-G/3988-E became effective February 11, 2012.

Proposed Modifications

Under PG&E's current transaction fee-based credit card payment option for residential and nonresidential customers, customers can pay their bills using an authorized credit or debit card by telephone and electronically via web. These customer transactions are managed by an independent third-party service provider authorized by PG&E to accept bill payments by credit or debit card and to collect a transaction fee for each payment. At no time does PG&E have possession or otherwise use of these fees.

PG&E wishes to continue to offer customers the convenience of payment via credit and debit cards. Card payments now represent over 21 percent of all energy payments submitted to PG&E, and have been increasing at a rate of approximately 2 percent per year since 2016.

Though currently authorized to charge up to \$1.45,³ the last adjustment to PG&E's convenience fee was made in 2017 when it increased by ten cents, from \$1.25 to \$1.35. In the seven years since the last fee change, PG&E's payment processing vendor has experienced higher card payment processing fees owing to increasing costs in the card payment environment. Some contributing factors include:

1. Increases in the prime lending rate between 2017 and 2024 (from 4.5 percent to 8 percent) directly influenced credit card interchange fees. Interchange fees are paid by PG&E's payment processing vendor to card acquirers and others for card transactions. Interchange fees and associated assessments paid by PG&E's vendor increased during this period. Despite increases to the interchange fees, the fee collected by the vendor has remained fixed at \$1.35 during this period.
2. Customer utilization of "reward"-type credit cards and other commercial cards has increased substantially since 2017, accounting for over 60 percent of all new card originations in the U.S. as of 2023.⁴ These cards carry a higher interchange rate to fund the reimbursement or other incentive to the consumer.
3. Average card payment amounts directly influence the interchange fee charged to PG&E's payment processor. PG&E has observed a 32 percent increase in average card payment amounts between 2017 and 2024.

³ PG&E Advice Letter 2950-G/3320-E, page 2. PG&E negotiated a transaction convenience fee in the amount of \$1.45, which was approved when the AL became effective September 19, 2008. However, PG&E ultimately implemented the residential credit card program with a fee of \$1.25.

⁴ Federal Reserve Board, "Who Pays for Your Rewards? Redistribution in the Credit Card Market" 2023 pg 8

PG&E proposes an adjustment to the convenience fees associated with these types of payments. Understanding that affordability is a significant concern, PG&E has performed benchmarking to assess the current fees being charged nationally across the utilities and within the state. Despite the previous increase to \$1.35, PG&E continued to have one of the lowest card payment fees among California and national utilities. While PG&E now finds it necessary to increase fees at this time due to increased vendor expense, the fee increase as detailed in Table 1 below will be equivalent to or lower than those charged by many other California and national utilities (see Appendix 1).

PG&E proposes separate flat fees for residential and commercial customers, and a percentage-based fee for transactions which utilize a commercial-type credit card as defined by major credit card companies. Residential customers using a consumer type credit card would continue to have a flat fee, in the amount of \$1.50 per transaction, an increase of \$0.15 or 11 percent over the current fee and an increase of \$0.05 or 3.4 percent over the amount authorized in 2008. Commercial⁵ customers using a consumer-type card⁶ would have a flat fee of \$6.95. Any customer paying with a commercial-type credit card⁷ would have a fee based on 1.95 percent of the payment amount. Below is a summary of the proposed increases:

Table 1: Proposed Convenience Fee Increases

	Current Fee	Proposed Fees			
Residential Customers		ACH One Time	Consumer Credit/Debit Card	Signature Debit	Commercial Card
One Time Web and Pay by Phone	\$1.35	\$1.50	\$1.50	\$1.50	1.95% of payment amount
Web Autopay	\$1.35	\$1.50	\$1.50	\$1.00	1.95% of payment amount

⁵ A commercial customer is a PG&E customer receiving gas and/or electric service on a non-residential rate schedule.

⁶ A consumer card is a credit card typically issued by financial institutions, banks, and department stores to individual customers for their personal purchases. These cards, including debit cards, typically incur a lower interchange fee per transaction than commercial cards.

⁷ A commercial credit card is typically issued by businesses to their employees authorized to use the credit card for business expenses. These cards typically incur a higher interchange fee per transaction.

	Current Fee	Proposed Fees			
Commercial Customers		ACH One Time	Consumer Credit/Debit Card	Signature Debit	Commercial Card
One Time Web and Pay by Phone	\$1.35	\$6.95	\$6.95	\$6.95	1.95% of payment amount
Web Autopay	\$1.35	\$6.95	\$6.95	\$1.00	1.95% of payment amount

Since credit and debit cards were added as payment options in 2008, PG&E has taken measures to ensure customers are well-informed about the payment methods available. Customers electing to use a credit or debit card payment option will be advised by PG&E and the third-party service provider that there is a transaction fee.

Consistent with PG&E's historical practice, policies concerning bill payments and associated transaction fees remain unchanged.

Bill payments and the associated transaction fees are collected by the authorized third-party service provider. The third-party service provider is required by its written agreement with PG&E to employ stringent consumer protection measures. The agreement and the consumer protection measures embodied within it ensure (1) the customers are well informed about the service they are using; (2) customers are protected from various forms of fraud; (3) customers receive adequate access to service support; and (4) customer information is kept strictly confidential. PG&E will not have access to, nor store, the customer's credit card information. As with all vendors who have access to customer information, PG&E requires the service provider to strictly maintain confidentiality of customer information and has established and maintained procedures to safeguard that information.

Public Utilities Code Section 755 allows utilities to collect convenience fees from customers for credit card transactions. These proposed modifications to the fee amounts will not increase any rate or charge, cause the withdrawal of service, or conflict with any rate schedule or rule.

Customer Communication Plan

If approved, PG&E intends to build awareness of the modifications to the credit and debit card fees via planned customer notifications, sent at least one month prior to the pricing schedule going into effect. Customers will be informed of the updated fee amounts as well as the date on which they will take effect. Additionally, these notifications will provide definitions for customer type and card type, to help customers better understand the differences and select the most affordable option when making a payment. As mentioned above, customers electing to make a credit or debit card payment shall be advised of the

fees upon making the payment. However, PG&E would like to provide customers with advanced notice as a courtesy and to keep customers informed during the transition.

1. Modifications will be made to PG&E's web pages to provide customers with information on the fee amounts and applicability by customer class and card type. The fee will also be displayed to the customer during the payment transaction prior to submission. Customers will have the option to cancel the transaction if desired and can then submit payment using a lower cost card type, or via other options such as an enrolled bank payment, which does not require a fee.
2. PG&E will modify customer facing emails to advise customers of the pending fee changes at least one month prior to the effective date. This will include bill and payment related emails such as new bill notifications, payment confirmations, and autopay status notifications.
3. Select customers who have made card payments in the past, or those who may not have an email address on file with PG&E will receive communications via direct mail.
4. PG&E's Pay-by-Phone channel will carry an upfront message informing customers of the pending fee change at least one month prior to the effective date. Similar to the web, customers will hear the fee amount prior to payment submission and will have the option to cancel the phone payment and submit their payment via a different method.

Tariff Revisions

Tariff revisions will not be necessary since PG&E's current Gas Rule 9, E.4., and Electric Rule 9, E. 4. state credit cards may be accepted by PG&E:

Debit card, credit card, or PG&E Gift Card payment(s) where the customer initiates through a third party (A transaction fee over and above the PG&E bill amount may be charged to the customer by a third-party vendor for these services). These services are available through a third party operated pay-by-phone service, authorized bill payment kiosk, authorized gift card merchant or PG&E online.

Protests

Anyone wishing to protest this submittal may do so by letter sent electronically via E-mail, no later than **February 18, 2025**, 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



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 (U 39 M)

Utility type:

ELC GAS WATER
 PLC HEAT

Contact Person: Michael Finnerty
Phone #: (279) 789-6216
E-mail: PGETariffs@pge.com
E-mail Disposition Notice to: michael.finnerty@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) #: 5029-G/7499-E

Tier Designation: 2

Subject of AL: Proposed Increase in Convenience Fees Associated with Residential and Nonresidential Credit/Debit Card Payments

Keywords (choose from CPUC listing): Compliance, Credit

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: N/A

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: 2/28/25

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

Appendix 1

Benchmarking Results for Utility Convenience Fees

Company	CC Accepted Cust Class	Dollar Limit	Transaction Limit	Residential CC Fee	Small/Medium Business Fee CC	Large Customer CC Fee
PG&E	All	\$20,000	\$20,000 max in 30 days	\$1.50	\$6.95	1.95%
SDG&E	All	\$1,000	N/A	\$1.50	\$1.50	\$1.50
SoCal Gas	All	N/A	N/A	\$1.50	\$1.50	\$1.50
Salt River Project	All	\$750	\$1,500 max per day	\$2.00	\$2.00	\$2.00
Puget Sound Energy	All	N/A	\$8,000 rolling monthly limit	0	2.65%	2.65%
Gulf Power	All	N/A	N/A	\$1.95	\$5.95	\$5.95
Georgia Power	All	N/A	10 transaction limit per month	\$1.50	\$1.5	\$1.5
PECO Energy	All	N/A	N/A	\$1.75	\$1.75	\$1.75
Commonwealth Edison	All	N/A	N/A	0	0	0
XCEL Energy	All	\$1,000 residential limit per transaction \$250,000 commercial limit per transaction	25 payment limit per 28 rolling-day period	1.8	2.2%	2.2%
Austin Energy	All	\$1,000 residential limit per transaction \$800 commercial limit per transaction	N/A	\$3.95	\$8.95	\$8.95
LA Dept of Water & Power	All		N/A	0	0	0
Southern California Edison	All	The greater of: \$500 or 12 times the current balance owed	N/A	\$1.65	2.65%	2.65%
Consolidated Edison	All	N/A	N/A	\$1.50	2.65%	2.65%
Hawaii Gas Co	All	\$1,000 residential limit per transaction \$5,000 commercial limit per transaction	N/A	\$2.95	\$9.95	\$9.95
Portland General Electric	All	N/A	N/A	\$1.35	\$1.35	\$1.35

SMUD	All	N/A	N/A			
Arizona Power Service	All	N/A	N/A	\$2.65	\$2.65	\$2.65
Duke Energy (N. Carolina)	All	N/A	N/A	0	Small Fee	Small Fee
Duke Energy (N. Carolina - Progress Energy)	All	N/A	N/A	0	Small Fee	Small Fee
Duke Energy (Florida)	All	N/A	N/A	0	Small Fee	Small Fee
Duke Energy (Indiana)	All	N/A	N/A	0	Small Fee	Small Fee
Duke Energy (Kentucky)	All	N/A	N/A	0	Small Fee	Small Fee
Dominion Resources	All	\$1,000 residential limit per transaction \$15,000 commercial limit per transaction	N/A	\$1.65	\$14.95	\$1.95
Florida Power & Light	All	N/A	N/A	\$1.99	\$5.95	\$5.95
Hawaii Electric Co.	All	\$500 residential limit per transaction \$2,500 commercial limit per transaction	N/A	\$3.25	\$45.00	\$45.00

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

AT&T	East Bay Community Energy	Pacific Gas and Electric Company
Albion Power Company	Ellison Schneider & Harris LLP	Peninsula Clean Energy
Alta Power Group, LLC	Electrical Power Systems, Inc. Fresno	Pioneer Community Energy
Anderson & Poole	Engie North America	Public Advocates Office
Atlas ReFuel BART	Engineers and Scientists of California	Redwood Coast Energy Authority
		Regulatory & Cogeneration Service, Inc.
BART	GenOn Energy, Inc.	Resource Innovations
Buchalter	Green Power Institute	Rockpoint Gas Storage
Barkovich & Yap, Inc.		
Braun Blasing Smith Wynne, P.C.	Hanna & Morton LLP	San Diego Gas & Electric Company
		SPURR
California Community Choice Association	ICF consulting	San Francisco Water Power and Sewer
California Cotton Ginners & Growers Association	iCommLaw	Sempra Utilities
California Energy Commission	International Power Technology	Sierra Telephone Company, Inc.
California Hub for Energy Efficiency	Intertie	Southern California Edison Company
California Alternative Energy and Advanced Transportation Financing Authority	Intestate Gas Services, Inc.	Southern California Gas Company
California Public Utilities Commission		Spark Energy
Calpine	Kelly Group	Sun Light & Power
Cameron-Daniel, P.C.	Ken Bohn Consulting	Sunshine Design
Casner, Steve	Keyes & Fox LLP	Stoel Rives LLP
Center for Biological Diversity		
Chevron Pipeline and Power	Leviton Manufacturing Co., Inc.	Tecogen, Inc.
City of Palo Alto	Los Angeles County Integrated	TerraVerde Renewable Partners
City of San Jose		Tiger Natural Gas, Inc.
Clean Power Research	Waste Management Task Force	TransCanada
Coast Economic Consulting		
Commercial Energy	MRW & Associates	Utility Cost Management
Crossborder Energy	Manatt Phelps Phillips	Utility Power Solutions
Crown Road Energy, LLC	Marin Energy Authority	
Communities Association (WMA)	McClintock IP	Water and Energy Consulting
	McKenzie & Associates	Wellhead Electric Company
Davis Wright Tremaine LLP	Modesto Irrigation District	Western Manufactured Housing Communities Association (WMA)
Day Carter Murphy	NOSSAMAN LLP	Yep Energy
Dept of General Services	NRG Solar	
Douglass & Liddell		
Downey Brand LLP		
Dish Wireless L.L.C.	OnGrid Solar	