

# NOTICE OF PACIFIC GAS AND ELECTRIC COMPANY'S REQUEST TO CHANGE RATES FOR ELECTRICITY PRODUCTION IN 2016 AND THE RETURN OF REVENUES FROM THE SALE OF GREENHOUSE GAS ALLOWANCES (A.15-06-001)

## Summary

On June 1, 2015, Pacific Gas and Electric (PG&E) Company filed an application with the California Public Utilities Commission (CPUC) requesting approval for the forecasted funding required in 2016 to obtain electricity on behalf of its customers. In addition, PG&E also requests approval of forecasted revenues from the sale of emissions allowances associated with California's Greenhouse Gas (GHG) reduction program. This application is referred to as the 2016 Energy Resource Recovery Account and Generation Non-bypassable Charges Forecast and Greenhouse Gas Forecast Revenue and Reconciliation (Application 15-06-001). If approved, this application will change electrical rates and customers' electric bills effective January 2016. PG&E's application primarily includes requests for approval of:

1. The forecasted recovery of \$4.77 billion in electricity costs. These costs are associated with the fuel needed to produce electricity as well as the costs of buying electricity from third parties, such as renewable energy producers
2. The forecast spending of \$0.8 million for administrative and outreach expenses associated with California's GHG reduction program
3. The return of \$311 million to eligible customers from the sale of emissions allowances

The use of all funds collected and the exact amounts of returned revenues from the GHG program may change and are subject to CPUC regulatory approval.

## About the filing

The CPUC regulates and oversees all requests for any rate changes. PG&E would not profit from any of the requests in this application. The cost of energy is passed directly to PG&E's customers without any markup. If the CPUC approves the application, PG&E will begin to recover its costs in electric rates, effective January 1, 2016. At the same time, PG&E will apply eligible GHG allowance revenue to rates because PG&E is required to pass the revenue received from the sale of allowances on to its customers. This is done through rates and with California Climate Credits. The revenue will be returned to PG&E's residential, small business customers and some industrial customers, based on legislative and CPUC determined methods. The GHG allowance revenue bill credits reduce the electric rate impacts of the GHG costs. At the end of 2016, to ensure all funds are used on the customers' behalf, PG&E will compare the actual costs to produce and purchase energy against revenues collected from customers and will incorporate any differences in next year's application.

## How will PG&E's application affect me?

PG&E's request would result in a rate decrease for most customers. Altogether, PG&E proposes to reduce revenues collected from bundled service customers, those who receive electrical production, as well as transmission and distribution service from PG&E, by \$322 million.

A table presenting a more illustrative description of the impact of this application was included in a bill insert announcing this filing that was sent directly to customers in the June 2015 billing cycle.

**PG&E estimates that a typical residential customer using 500 kWh per month would see no change in the average bill of \$89.30.** Individual customers' bill will differ. Eligible residential customers will receive a California Climate Credit twice a year in April and October on their electricity bills of approximately \$20.94.

## How will PG&E's application affect non-bundled customers?

Direct Access (DA) and Community Choice Aggregation (CCA) customers only receive electric transmission and distribution service from PG&E. Since PG&E does not obtain energy for these customers, PG&E's application addresses the cost responsibility of DA customers and CCA customers that purchase electricity from another provider but transport it through PG&E's electrical system. Eligible DA and CCA customers will receive GHG revenues. The net impact of PG&E's application on DA and CCA customers is \$63 million, or an average increase of 6.9 percent.

Another category of non-bundled customers is Departing Load (DL) customers. These customers do not receive electric generation, transmission or distribution services from PG&E for their departing load. However, like DA and CCA customers, they are required to pay certain non-bypassable charges as required by law or Commission decision. The net impact on DL customers is -\$0.4 million, or an average decrease of 1.4 percent.

## How do I find out more about PG&E's proposals?

If you have questions about PG&E's application, please contact PG&E at **1-800-743-5000**. For TDD/TTY (speech-hearing impaired), call **1-800-652-4712**. Para más detalles llame al **1-800-660-6789** • 詳情請致電 **1-800-893-9555**.

If you would like a copy of PG&E's filing and exhibits, please write to PG&E at the address below:

Pacific Gas and Electric Company  
2016 ERRR & GHG  
P.O. Box 7442  
San Francisco, CA 94120

A copy of PG&E's filing and exhibits are also available for review at the CPUC, 505 Van Ness Avenue, San Francisco, CA 94102, Monday-Friday, 8 a.m.-noon. PG&E's application (without exhibits) is available on the CPUC's website at [www.cpuc.ca.gov/puc](http://www.cpuc.ca.gov/puc).

## CPUC process

This application will be assigned to an Administrative Law Judge (Judge) who will determine how to receive evidence and other related documents, necessary for the CPUC to establish a record upon which to base its decision. Evidentiary hearings may be held where parties of record will present their testimony and may be subject to cross-examination by other parties. These evidentiary hearings are open to the public, but only those who are parties of record can participate.

After considering all proposals and evidence presented during the formal hearing process, the assigned Judge will issue a proposed decision which may adopt PG&E's proposal, modify it or deny it. Any CPUC Commissioner may sponsor an alternate decision. The proposed decision, and any alternate decisions, will be discussed and voted upon at a scheduled CPUC Voting Meeting.

As a party of record, the Office of Ratepayer Advocates (ORA) will review this application. ORA is the independent consumer advocate within the CPUC with a legislative mandate to represent investor-owned utility customers to obtain the lowest possible rate for service consistent with reliable and safe service levels. ORA has a multi-disciplinary staff with expertise in economics, finance, accounting and engineering.

Other parties of record will also participate in the CPUC's proceeding to consider this application. For more information about ORA, please call 1-415-703-1584, email [ora@cpuc.ca.gov](mailto:ora@cpuc.ca.gov) or visit ORA's website at <http://ora.ca.gov/default.aspx>.

## Stay informed

If you would like to follow this proceeding, or any other issue before the CPUC, you may use the CPUC's free subscription service. Sign up at: <http://subscribecpuc.cpuc.ca.gov/>. If you would like to learn how you can participate in the proceeding, or if you have informal comments about the application, or questions about the CPUC processes, you may access the CPUC's Public Advisor Office (PAO) webpage at [www.cpuc.ca.gov/puc](http://www.cpuc.ca.gov/puc) and click on "Public Advisor" from the CPUC Information Menu. You may also contact the PAO as follows:

**Email:** [public.advisor@cpuc.ca.gov](mailto:public.advisor@cpuc.ca.gov)

**Mail:** Public Advisor's Office  
505 Van Ness Avenue, Room 2103  
San Francisco, CA 94102

**Call:** 1-866-849-8390 (toll-free) or 1-415-703-2074  
TTY 1-866-836-7825 (toll-free) or 1-415-703-5282

If you are writing or emailing the Public Advisor's Office, please include the proceeding number (ERRR & GHG, A.15-06-001). All comments will be circulated to the Commissioners, the assigned Judge and appropriate CPUC staff, and will become public record.