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**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Application of Pacific Gas and Electric Company
To Revise Its Electric Marginal Costs, Revenue
Allocation, and Rate Design.

Application No. 16-06-013
(Filed: June 30, 2016)

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**MOTION OF PACIFIC GAS AND ELECTRIC COMPANY FOR ADOPTION OF THE
SMALL LIGHT AND POWER RATE DESIGN (SLP) SUPPLEMENTAL
SETTLEMENT AGREEMENT**

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I. INTRODUCTION

Pursuant to Rule 11.1 of the California Public Utilities Commission's (Commission) Rules of Practice and Procedure, Pacific Gas and Electric Company (PG&E) submits this motion to respectfully request Commission approval of the attached Supplemental Settlement Agreement^{1/} that resolves small light and power rate design issues.^{2/}

For the reasons set forth below, the Small Light and Power Rate Design Settlement Agreement (the SLP Settlement Agreement) is reasonable in light of the record as a whole, consistent with law, and in the public interest, and therefore should be adopted without modification.

II. PROCEDURAL HISTORY

The procedural and settlement history of this proceeding was set forth in PG&E's Motion for Approval of Settlement on Marginal Cost and Revenue Allocation issues in this proceeding, filed on October 26, 2017 (MC/RA Settlement Agreement), and is incorporated herein by reference. PG&E

^{1/} This filing, seeking approval of the Small Light and Power Rate Design Settlement Agreement, is supplemental to the Motion for adoption of the Marginal Cost and Revenue Allocation Settlement Agreement, filed with the CPUC on October 26, 2017, and should be consolidated with it for a combined decision resolving all remaining issues not yet resolved in PG&E's 2017 GRC Phase II proceeding.

^{2/} The SLP Settling Parties for purposes of this Motion are: the Solar Energy Industries Association (SEIA), the California Solar Energy Industries Association (CALSEIA), Energy Users Forum (EUF), California Street Light Association (CALSLA), the Small Business Utility Advocates (SBUA), the Office of Ratepayer Advocates (ORA), and PG&E.

served its prepared testimony on small light and power rate design issues on June 30, 2016 and updated that testimony on December 2, 2016, and November 2, 2017.^{3/} Responsive testimony on small light and power rate design issues was served on March 15, 2017 by SEIA,^{4/} CALSEIA,^{5/} SBUA,^{6/} ORA,^{7/} CALSLA,^{8/} and EUF.^{9/}

III. SETTLEMENT TERMS^{10/}

A. General Terms

The SLP Settlement Agreement accompanying this motion is supplemental to the MC/RA Settlement Agreement. This SLP Settlement Agreement uses the revenue allocation agreed to in the MC/RA Settlement Agreement, and addresses rate design issues that were not resolved in the MC/RA Settlement Agreement. The SLP Settling Parties request that the complementary outcomes of this supplemental SLP Settlement Agreement and the MC/RA Settlement Agreement be consolidated into the Commission's final decision in this GRC Phase II proceeding.

In the appended SLP Settlement Agreement, the parties agree that all testimony served prior to the date of this SLP Settlement Agreement that addresses the issues resolved by this SLP Settlement Agreement should be admitted into evidence without cross-examination by the SLP Settling Parties. The SLP Settling Parties believe that all rate design issues for small light and power that are resolved in this SLP Settlement Agreement are unopposed by any party. The SLP Settling Parties believe that all small light and power rate design issues have been resolved by the SLP Settlement Agreement.

^{3/} See Exhibit (PG&E-8), Chapter 5(Quadrini), dated December 2, 2016, as updated in Exhibit (PG&E-14) dated November 2, 2017.

^{4/} See SEIA Direct Testimony, Chapter III, V and VI (Beach), dated March 15, 2017.

^{5/} See CALSEIA Direct Testimony, Chapter 2 (Soleil), dated March 15, 2017.

^{6/} See SBUA Direct Testimony, Chapter IV, Part B, C and D (Brown), dated March 15, 2017.

^{7/} See ORA Direct Testimony, Chapter 9 (Danforth) and Chapter 11 (Khoury), dated March 15, 2017.

^{8/} See CALSLA Direct Testimony, (Lechowicz), p. 15, dated March 15, 2017.

^{9/} See EUF Direct Testimony, (Kehrein), dated March 15, 2017.

^{10/} This section summarizes the fundamental components of the SLP Settlement Agreement and necessarily simplifies some of the terms. To the extent that there is any conflict between the exact wording of the settlement agreement and this motion, the attached SLP Settlement Agreement should govern.

B. Legacy Rate Schedules

Schedules A-1 TOU and A-6 will be retained with their current time of use (TOU) periods until rates with new time TOU periods adopted in this proceeding become mandatory. For purposes of this settlement, these schedules will be referred to as Schedule A-1TOU_{leg} and Schedule A-6_{leg}. The “leg” subscript refers to existing “legacy” rate schedules.^{11/} When the revenue allocation set forth in the MC/RA Settlement Agreement is implemented, the SLP Settling Parties agree that rates for these schedules, as well as Schedules A-1 (non-TOU), A-15 and TC-1, will be calculated consistent with the revenue allocation set forth in Tables 1 and 2 of the MC/RA Settlement Agreement, which was based on March 1, 2017 effective rates. The SLP Settling Parties have further agreed that the allocation to Schedules A-1, A-6 and TC-1 be set at the same percentage change as shown on an illustrative basis in Table 1, below. Rates for Schedule A-15 will continue to be set equal to the rates for Schedule A-1 (non-TOU), and be subject to the single phase customer charge and the A-15 facility charge.

Illustrative Revenue Allocation for Small Light and Power

Schedule	Present Rate	Proposed Rate	Percent Change
A-1	0.23020	0.23014	-0.03%
A-6	0.22161	0.22155	-0.03%
A-15	0.59461	0.60820	2.29%
TC-1	0.22018	0.22012	-0.03%
Total	0.22870	0.22865	-0.03%

Rate design that will govern changes to these legacy rates (as well as to Schedules A-1 (non-TOU), TC-1 and A-15) when the MC/RA Settlement Agreement is implemented, and when legacy rates are changed prospectively for revenue requirement and sales changes, will be consistent with the rules for rate changes set forth in the MC/RA Settlement Agreement and in Section G below.

C. Time of Use Transition

The SLP Settling Parties agree that, assuming a final decision in this case by August 2018, the rates with new TOU periods as further described below are expected to be available for opt-in

^{11/} For purposes of this settlement, the new rate schedules replacing these legacy schedules will retain the same rate schedule name, with no subscript.

on or before October 2019. The rates will be available for an opt-in transition period of at least 6 months prior to the rates becoming mandatory. The mandatory transition to new rates with the new TOU periods will occur in the first November following the opt-in transition period.

This timeline comports with PG&E's proposed timeline in Exhibit (PG&E-8), Volume 1, Chapter 10, pp. 10-22 to 10-27 that: (1) rates with new TOU periods will be implemented on a voluntary basis nine to twelve months following a decision in this proceeding; and (2) those voluntary rates will become mandatory six to nine months after they are offered on a voluntary basis. If the final decision in this proceeding occurs later than August 2018, PG&E will re-assess the timeline for the availability of the opt-in rates to assess whether the opt-in date of October 2019 is still reasonable, consistent with the two timeline guidelines presented earlier in this paragraph. In addition, additional general caveats with regard to implementation timing are set forth in Section IV, below, and apply equally to the timing of these changes. For purposes of this settlement, rate schedules with new periods that are subject of this Settlement Agreement will be referred to as Schedules A-1TOU, A-1STORE and A-6.

D. Illustrative Rate Design

Illustrative rates that reflect the new TOU periods, and that would be offered on a voluntary basis 9 to 12 months after a decision in this proceeding, are provided in Appendix A. The SLP Settling Parties agree that the illustrative rates set forth in Appendix A are consistent with the revenue allocation set forth in Tables 1 and 2 of the MC/RA Settlement Agreement, which was based on March 1, 2017 effective rates. The SLP Settling Parties agree that the actual rates derived at the time of implementation of these rates on a voluntary basis, once adopted by the CPUC, shall be designed on an overall revenue-neutral basis to collect the then-required revenue allocated to each customer class. As a result, the actual rates that will result when these rates are implemented on a voluntary basis will vary from those shown in Appendix A. However, these small light and power rates shall be based on the same rate relationships provided in illustrative rates but modified to reflect sales and revenue requirement changes that take place between March 1, 2017 and the date

these rates become effective on a voluntary basis. In order to transition rates from the illustrative rates shown in Appendix A, to the date the rates become effective, PG&E will apply the rules for rate changes between General Rate Cases (GRCs) as set forth in the MC/RA Settlement Agreement and as specified for small light and power rate design in this Settlement Agreement.

(1) Customer Charge

The SLP Settling Parties agree that customer charges will remain at their current levels until Schedules A1-TOU and A-6 with new TOU periods are implemented on a voluntary basis which is expected to be 9 to 12 months following a decision in this proceeding. At that time, customer charges will also be revised on the legacy versions of the rates, including Schedules A1 (non-TOU) and TC-1. Customer charges^{12/} will be revised as follows:

Schedule A1/A6 - Single-phase: maintain customer charge at \$10;
Schedule A1/A6 - Poly-phase: increase customer charge from \$20 to \$25;
Schedule A-15 - \$10 customer charge, and retain facility charge of \$25;
Schedule TC-1 - Increase customer charge from \$10 to \$15.

(2) Schedule A-1TOU

Schedule A-1TOU will be the default small light and power TOU rate schedule. The TOU periods and seasons that will apply to Schedule A-1TOU are as follows:

Summer: June through September (4 months)

Winter: October through May (8 months)

Peak Period: 4 pm to 9 pm, all days of the year.

Partial Peak Period: 2 pm to 4 pm and 9 pm to 11 pm, every day during the summer months only.

Super Off Peak Period (SOP): 9 am to 2 pm, every day in March, April and May, only.

Off Peak Period: All remaining hours.

Customers on Schedule A-1TOU will pay single phase and poly phase customer charges as set forth on Section (1), above. Seasonal and TOU differentials for Schedule A-1TOU will be maintained at levels equal to those shown in the illustrative rates on a cents per kWh basis.

^{12/} Customer charges are shown on a monthly basis but will be implemented on the basis of a daily charge.

(3) Schedule A-6

Schedule A-6 will be available on an optional basis. Schedule A-6 will have a slightly simpler TOU structure that does not include a summer partial peak period, and somewhat higher TOU differentials. The TOU periods and seasons that will apply to Schedule A-6 are as follows:

Summer: June through September (4 months)

Winter: October through May (8 months)

Peak Period: 4 pm to 9 pm, all days of the year.

Super Off Peak Period (SOP): 9 am to 2 pm, every day in March, April and May, only.

Off Peak Period: All remaining hours.

Customers on Schedule A-6 will pay single phase and poly phase customer charges as set forth on Section (1), above. Seasonal and TOU differentials for Schedule A-6 will be maintained at levels equal to those shown in the illustrative rates on a cents per kWh basis.

(4) Schedule A1-STORE

Schedule A1-STORE is a new optional pilot rate available only to customers that qualify for Schedule A-1TOU and that install storage. The pilot program will be offered with a cap on the number of participants of 15,000. The SLP Settling Parties will confer with regard to the future of the program when enrollment reaches 8,000 participants. Participants will be required to have a minimum energy storage capacity equal to the greater of either 4.8 kWh or at least 0.05 percent of the customer's annual usage (in kWh) for the previous 12 months.

Schedule A-1STORE includes a partial peak period all year. The TOU periods and seasons that will apply to Schedule A-1STORE are as follows:

Summer: June through September (4 months)

Winter: October through May (8 months)

Peak Period: 4 pm to 9 pm, all days of the year.

Partial Peak Period: 2 pm to 4 pm and 9 pm to 11 pm, all days of the year.

Super Off Peak Period (SOP): 9 am to 2 pm, every day in March, April and May, only.

Off Peak Period: All remaining hours.

Customers on Schedule A-1STORE will pay single phase and poly phase customer charges as set forth on Section (1), above. Seasonal and TOU differentials for Schedule A-1STORE will be maintained at levels equal to those shown in the illustrative rates on a cents per kWh basis.

Schedule A-1STORE will also include a non-coincident demand charge which will be applied to the maximum demand in the partial peak and on peak periods all year. Customers will be subject to the maximum demand eligibility requirements for the class of 75 kW or usage in excess of 150,000 kWh per year (as defined in each rate schedule) regardless of when the demand was incurred.

E. Rates for Grandfathered TOU Periods

At the time that rates with new TOU periods become mandatory, two Legacy Schedules (Schedules A-1_{leg} and A-6_{leg}) will be retained to satisfy the requirement to continue the current TOU periods for solar customers on those Legacy Schedules, as directed by D.17-01-006. Rates for grandfathered TOU periods for solar customers are being considered separately in other negotiations in this proceeding, and are not part of this supplemental settlement.

F. Other Issues

The SLP Settling Parties further agree as follows:

(1) CARE discount rates under schedule E-CARE will continue to provide an average annual commercial CARE rate discount percentage that is commensurate with the annual average residential CARE discount percentage. The E-CARE discount will continue to be billed on a cents per kWh basis at the rate value level appropriate to each applicable rate schedule.

(2) The threshold for eligibility for Schedules A-1 and A-6 shall be retained. Specifically, customer accounts with demand in excess of 75 kW or usage in excess of 150,000 kWh per year (as defined in each rate schedule) may not take service on these rate schedules.

(3) Food Bank Rate: For eligible electric accounts, PG&E will calculate a 20 percent discount based on the customer's bundled bill amount, and apply that discount to the distribution component of rates. The discount will be funded in the CARE surcharge component of the Public Purpose Program rate and collected on an equal cents per kWh basis. For eligible gas accounts, the Schedule G-CARE discount shall apply to eligible Food Banks. The gas food bank discount will be funded through the CARE surcharge component of the gas Public Purpose Program rate. Food banks will certify annually their eligibility for the PG&E electric and gas discount by

providing a copy of their Memorandum of Understanding (MOU) executed with the California Department of Social Services that qualifies them to participate in The Emergency Food Assistance Program (TEFAP) in California.

(4) PG&E will meet and confer with ORA and SBUA at least 6 months prior to filing PG&E's next GRC Phase II proceeding to discuss whether an A-1 DMD or other rate schedule should be proposed in the next GRC Phase II proceeding for the purpose of providing a meaningful rate option for small businesses to manage energy costs. PG&E agrees to submit testimony in the next GRC Phase II proceeding on the results of this meet and confer session.

G. Rate Changes Between GRC Phase II Proceedings

Rates for Legacy Schedules with grandfathered TOU periods, as well as the illustrative rates with new TOU periods provided in Appendix A, will be subject to variations in the revenue requirements and sales between GRC Phase II proceedings. In general, total rates for the small light and power change as the sum of the individual components (e.g., distribution, generation, Public Purpose Programs, etc.) change, where rules for each component are separately stated. The rules for changing rates are set forth in the MC/RA Settlement Agreement for all components of rates except for the generation and distribution rates (see Section VIII, Part 3). In this SLP Settlement Agreement, rules for setting generation rates and distribution rates for rate changes between GRCs are set forth below:

(1) Distribution: Rates will be designed to collect the distribution revenue requirement allocated to each rate schedule as provided in the MC/RA Settlement Agreement. Customer charge rates will change only as prescribed above. Demand and energy charges each will be designed to change by the same percentage change in rate necessary to collect the required revenue. That is, demand charges will each be changed by the same percentage, and energy charges in total will also be changed by the same percentage amount. However, the change in energy charges will be determined by whatever equal cents per kWh adder is required to collect the necessary change in energy charge revenue. This approach to setting the distribution energy charges

will ensure that the differential in rates between seasons and TOU periods remains the same on a cents per kWh basis.

(2) Generation: Rates will be designed to collect the generation revenue requirement allocated to each rate schedule as provided in the MC/RA Settlement Agreement. Demand and energy charges will be designed to each change by the same percentage amount as necessary to collect the required revenue. That is, demand charges will be changed by the same percentage, and energy charges in total will also be changed by the same percentage amount. However, the change in energy charges will be determined by whatever equal cents per kWh adder that is required to collect the necessary change in energy charge revenue. This approach to setting the generation energy charges will ensure that the differential in rates between seasons and TOU periods remains the same on a cents per kWh basis.

Beginning with the date that the rates with new TOU periods become mandatory, the Legacy Schedules (Schedules A-1_{leg}, A-6_{leg}) will be retained to satisfy the requirement to continue the current TOU periods for solar customers on those Legacy Schedules, as noted above. The rules for generation and distribution rate changes between GRCs for rates for grandfathered TOU periods for solar customers are being considered separately in other negotiations in this proceeding and are not part of this settlement.

H. Mandatory Transition to TOU Rates

Each year, PG&E migrates bundled customers that take service on the non-TOU option of Schedule A-1 to the TOU option of that rate (or alternatively, the customer can select an otherwise applicable TOU rate). The transition occurs on a billing serial basis beginning on November 1st of each year, for eligible customers with 12 months of interval data. The SLP Settling Parties have agreed that, beginning on November 1, 2018, this transition process should be suspended until rates with new TOU periods become mandatory for commercial and industrial customers, as discussed above. PG&E will resume the transition process for bundled customers with 12 months of interval data that take service on the non-TOU option of Schedule A-1 to rates with new TOU periods when

those rates become mandatory. PG&E will also begin the transition process for customers served under Direct Access and Community Choice Aggregation (DA/CCA) with 12 months of interval data that take service on the non-TOU option of Schedule A-1, to rates with new TOU periods when those rates become mandatory.

I. PDP and Default of Customers to PDP (Opt Out to TOU)

The SLP Settling Parties agree that the annual adjustment to the Peak Day Pricing (PDP) revenue neutral credits should continue, together with the direct assignment of costs to each schedule for bill protection and the adjustment for number of events per year (when the number of events is more or less than the design basis).

In addition, the SLP Settling Parties agree to the following conditions regarding keeping PDP in effect for the period prior to the 2020 test year in PG&E's next GRC Phase II proceeding. Each year, PG&E defaults eligible customers to PDP, provided each customer may opt out of PDP to take service on a TOU rate. The transition occurs on a billing serial basis beginning on November 1st of each year, for eligible customers with 12 months of interval data and 24 months on TOU service. The SLP Settling Parties have agreed that beginning on November 1, 2018, this default PDP process should be suspended until rates with new TOU periods become mandatory. PG&E will retain PDP on an opt in basis with the current PDP hours for customers that continue to take service on the legacy rates (Schedules A-1_{leg}, A-6_{leg}) until the rates with new TOU periods become mandatory for commercial and industrial customers. Customers who opt in to the new TOU hours while rates with new TOU periods are available on an optional basis, must un-enroll from PDP, and then at the time of the mandatory date for new TOU periods, must transition to the new PDP hours or continue on non-PDP service.

The SLP Settling Parties support adoption of new PDP event hours when the new TOU periods adopted in this proceeding become mandatory. The SLP Settling Parties agree that if the Commission approves event hours of 5 pm to 8 pm for the residential SmartRateTM^{13/} program in the

^{13/} SmartRateTM is PG&E's critical peak pricing program for residential customers. A change to the event hours for SmartRate has been proposed in PG&E's 2018 Rate Design Window proceeding.

2018 RDW, PG&E will file a Tier 3 advice letter with the Commission to request approval of the new event hours and pricing for PG&E's PDP program for non-residential customers to be effective when the change in TOU periods becomes mandatory. The SLP Settling Parties agree to support approval of that advice letter. However, because all the SLP Settling Parties will not be participants in the 2018 RDW, should the Commission approve event hours other than 5pm to 8 pm for the SmartRate program, PG&E agrees that the SmartRate program event hours will be limited to the operation of the SmartRate program. To ensure that PDP is available to non-residential customers, when rates with the new TOU periods adopted herein become mandatory, PG&E will file a Tier 3 advice letter to establish PDP with event hours of 5 pm to 8 pm for all non-residential customers. These hours will remain in effect on an interim basis until the Commission determines the PDP event hours for all non-residential customers either in PG&E's 2019 Rate Design Window or 2020 GRC Phase II proceeding. The SLP Settling Parties reserve their rights to make proposals concerning the PDP program, including without limitation the PDP event hours in PG&E's 2019 RDW or the 2020 GRC Phase II proceedings, where any party can present its proposal for PDP. PG&E will resume defaulting customers to PDP (subject to opt out to TOU) beginning on November 1, following the approval of a Tier 3 advice letter, provided approval occurs by July 1 of that year.

IV. TIMING OF RATE CHANGES

The provisions regarding the timing of this GRC Phase II rate change and rate changes between General Rate Cases, which are agreed to in the MC/RA Settlement Agreement, shall apply to this SLP Settlement Agreement, except as specifically noted above or otherwise determined by the Commission.

To the extent that any elements of this SLP Settlement Agreement will require employee training and/or changes to PG&E systems beyond those required for a normal change in rate value, these structural and system changes will be implemented by PG&E diligently as time permits in a manner consistent with smooth operation of the systems involved , and which may result in

deviation from the timetables set out in Section III, part C, above. The SLP Settling Parties recognize that these changes could take an extended period of time to implement. Where feasible, PG&E agrees to consolidate rate changes required by this Settlement Agreement with rate changes that may arise in other proceedings.

V. THE COMMISSION SHOULD ADOPT THE SLP SETTLEMENT AGREEMENT

A. Commission Policy Favors Settlements

The Commission has a history of supporting settlement of disputes if they are fair and reasonable in light of the whole record.^{14/} As the Commission has reiterated over the years, the “Commission favors settlement because they generally support worthwhile goals, including reducing the expense of litigation, conserving scarce Commission resources, and allowing parties to reduce the risk that litigation will produce unacceptable results.”^{15/} This strong public policy favoring settlements weighs in favor of the Commission resisting the temptation to alter the results of the negotiation process. As long as a settlement taken as a whole is reasonable in light of the record, consistent with the law, and in the public interest, it should be adopted.^{16/}

Each portion of this SLP Settlement Agreement is dependent upon the other portions of that same agreement. Changes to one portion of the SLP Settlement Agreement would alter the balance of interests and the mutually agreed upon compromises and outcomes contained in the SLP Settlement Agreement. As such, the SLP Settling Parties request that this SLP Settlement Agreement be adopted as a whole by the Commission, without modification.

^{14/} D.05-03-022, mimeo, pp. 7-8, *citing* D.88-12-083 (30 CPUC 2d 189, 221-223) and D.91-05-029 (40 CPUC 2d. 301, 326).

^{15/} D.10-12-035, 2010 Cal PUC LEXIS 467 at *87; *and see* D.05-03-022, mimeo, p. 8, *citing* D.92-12-019, 46 CPUC 2d 538, 553. *See also* D.10-12-051, 2010 Cal. PUC LEXIS 566 at *55 (Commission decisions “express the strong public policy favoring settlement of disputes if they are fair and reasonable”); D.10-11-035, 2010 Cal. PUC LEXIS 495 at *17 (the Commission’s longstanding policy favoring settlement...reduces litigation expenses, conserves scarce Commission resources...” *and see* D.10-11-011, 2010 Cal. PUC LEXIS 533 at *50 (“There is a strong public policy favoring the settlement of disputes to avoid costly and protracted litigation.”))

^{16/} *See, generally*, D.05-03-022, mimeo, pp. 7-13.

B. The SLP Settlement Agreement is Supported by All Parties Who Served Testimony on SLP Rate Design Issues

The SLP Settlement Agreement is reasonable because the SLP Settling Parties represent all active parties who submitted testimony on small light and power rate design in this proceeding.^{17/} In addition, the SLP Settling Parties fairly represent the interests of the parties affected by this SLP Settlement Agreement.

C. The SLP Settlement Agreement is Reasonable in Light of the Record as a Whole

The Commission should adopt this SLP Settlement Agreement as reasonable in light of the entire record, as it represents reasonable compromises after careful review and discussion by all interested parties with regard to small light and power rate design discussed above, after incorporating appropriate revisions and updates. Prior to reaching this settlement, parties served testimony on small light and power rate design^{18/} and conducted discovery thereon. The SLP Settling Parties' agreement contains reasonable compromises after careful review and discussion by all interested parties of the wide variety of rate design proposals presented in the parties' prepared testimony, after incorporating appropriate revisions and updates, as well as information obtained during discovery. This SLP Settlement Agreement was reached only after substantial give-and-take

^{17/} Parties to the proceeding that did not sign this SLP Settlement Agreement, and did not serve testimony on small light and power rate design were aware of these rate design settlement talks but did not indicate an interest in participating in the SLP settlement subgroup. This situation – where all of the active parties who filed testimony on small light and power rate design subjects have all signed the SLP Settlement Agreement – is adequate because, under Rule 12.1 of the CPUC's Rules of Practice and Procedure, "settlements need not be joined by all parties." Indeed the CPUC has approved settlements in PG&E's 2011 and 2014 GRCs (approved in D. 11-05-047 and D.15-08-005 respectively) that included as signatories the subset of active parties who served testimony on that sub-issue in the proceeding.

^{18/} See Exhibit (PG&E-8), Chapter 5(Quadrini), dated December 2, 2016, as updated in Exhibit (PG&E-14) dated November 2, 2017; SEIA Direct Testimony, Chapter III, V and VI (Beach), dated March 15, 2017; CALSEIA Direct Testimony, Chapter 2 (Soleil), dated March 15, 2017; SBUA Direct Testimony, Chapter IV, Part B, C and D (Brown), dated March 15, 2017; ORA Direct Testimony, Chapter 9 (Danforth) and Chapter 11 (Khoury), dated March 15, 2017; CALSLA Direct Testimony, (Lechowicz), p. 15, dated March 15, 2017; and EUF Direct Testimony, (Kehrein), dated March 15, 2017.

in arms-length negotiation, and after each party had made significant concessions to resolve issues in a manner that reflects a reasonable compromise of their litigation positions.^{19/}

The prepared testimony submitted in this proceeding, this Motion, and the attached SLP Settlement Agreement, contains sufficient information for the Commission to judge the reasonableness of the SLP Settlement Agreement, and for the Commission to discharge any future regulatory obligations with respect to this matter.

D. The SLP Settlement Agreement is Consistent with Law

In addition, this SLP Settlement Agreement is consistent with current law, as it complies with all applicable statutes and prior Commission decisions. These include Public Utilities Code Section 451, which requires that utility rates must be just and reasonable.

E. The SLP Settlement Agreement is in the Public Interest.

Finally, the SLP Settlement Agreement is in the public interest. This agreement is a reasonable compromise of the SLP Settling Parties' respective positions, and is in the public interest as well as in the interest of PG&E's customers. Resolution of the issues and their outcome was achieved through participation of the SLP Settling Parties during 14 settlement conference calls or meetings over a 5 month period – resulting in a balanced settlement for all ratepayers. It fairly resolves issues and provides more certainty to customers regarding their present and future costs, which is in the public interest. The SLP Settlement Agreement, if adopted by the Commission, avoids the time, expense and uncertainty associated with further litigating these issues,^{20/} and frees up Commission resources for other proceedings (as well as other issues in this proceeding). This SLP Settlement Agreement frees up the time and resources of other parties as well, so that they may focus on other proceedings (or other issues in this proceeding) that impact their constituencies.

^{19/} D.13-11-003, mimeo, pp. 6-7; D. 13-07-029, mimeo, pp. 7-8; D.13-12-045, mimeo, pp. 10-11.

^{20/} D.13-11-003, mimeo, p. 8; D.13-12-045, mimeo, p. 12.

F. The SLP Settlement Agreement is a Careful Balance of Interests Based on Agreed Compromise and Should Be Construed as an Integrated Whole.

Each portion of the SLP Settlement Agreement is dependent upon the other portions of the agreement. Changes to one portion of the SLP Settlement Agreement would alter the balance of interests and the mutually agreed upon compromises and outcomes which are contained in the agreement. To accommodate the interests related to diverse issues, the compromises made by Settling Parties in one section of this SLP Settlement Agreement resulted in changes, concessions, or compromises by the Settling Parties in other sections. As such, the Settling Parties request that the SLP Settlement Agreement be adopted as a whole by the Commission, without modification, as it is reasonable in light of the whole record, consistent with law, and in the public interest.

VI. CONCLUSION

For the reasons set forth above, the SLP Settling Parties respectfully request that the Commission:

1. Find the attached SLP Settlement Agreement to be reasonable in light of the whole record, consistent with law, and in the public interest;
2. Adopt the attached SLP Settlement Agreement without modification;
- and
3. Grant such other relief as is necessary and proper.

Respectfully Submitted,

GAIL L. SLOCUM

By: 

GAIL L. SLOCUM

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Attorneys for
PACIFIC GAS AND ELECTRIC COMPANY

Dated: January 29, 2018

On Behalf of the SLP Settling Parties

ATTACHMENT 1

SUPPLEMENTAL SETTLEMENT AGREEMENT IN PG&E'S GENERAL RATE CASE PHASE II (APPLICATION 16-06-013) ON SMALL LIGHT AND POWER RATE DESIGN

I. INTRODUCTION

In accordance with Article 12 of the Rules of Practice and Procedure of the California Public Utilities Commission (CPUC), the parties to this Small Light and Power Rate Design (SLP) Settlement Agreement (SLP Settling Parties, listed in Section II below) agree on a mutually acceptable outcome to all of the rate design issues for small light and power rate design presented in Application (A.) 16-06-013, Application of Pacific Gas and Electric Company to Revise Its Electric Marginal Costs, Revenue Allocation, and Rate Design. The details of this SLP Settlement Agreement are set forth herein.

The SLP Settlement Agreement is a direct result of the Administrative Law Judges'^{1/} and the Assigned Commissioner's^{2/} facilitation for the active parties to meet and seek a workable compromise. Although the active parties held differing views on certain aspects of small light and power rates design, they bargained earnestly and in good faith to seek a compromise and to develop this SLP Settlement Agreement, which is the product of arms-length negotiations among the SLP Settling Parties on a number of disputed issues. These negotiations considered the interests of all active parties on small light and power rate design; the resulting SLP Settlement Agreement addresses each of these issues in a fair and balanced manner.

The SLP Settling Parties crafted this SLP Settlement Agreement by mutually accepting concessions and trade-offs among themselves. Thus, the various elements and sections of this SLP Settlement Agreement are intimately interrelated, and should not be altered, as the SLP Settling Parties intend that the SLP Settlement Agreement be treated as a package solution that

^{1/} Originally this Application was assigned to ALJ McKinney. Subsequently, the CPUC reassigned this case to ALJs Cooke and Atamturk. Recently, the CPUC reassigned this case to ALJ's Cooke and Doherty.

^{2/} The Assigned Commissioner for this proceeding is Commissioner Peterman.

strives to balance and align the interests of each party. Accordingly, the SLP Settling Parties respectfully request that the Commission approve each and every aspect of the SLP Settlement Agreement without modification. Any material change to this SLP Settlement Agreement shall render it null and void, unless all of the SLP Settling Parties agree in writing to such changes.

This SLP Settlement Agreement is supplemental to the Settlement on Marginal Cost and Revenue Allocation in A.16-06-013, filed with the CPUC on October 26, 2017 (MC/RA Settlement Agreement) in that it uses the revenue allocation agreed to in the MC/RA Settlement Agreement, and addresses small light and power rate design issues that were not resolved in the MC/RA Settlement Agreement. The SLP Settling Parties request that the complementary outcomes of this SLP Settlement Agreement and the MC/RA Settlement Agreement be consolidated in the Commission's final decision in this proceeding.

II. SLP SETTTLING PARTIES^{3/}

The SLP Settling Parties are as follows:

- California Solar Energy Industries Association (CALSEIA);
- California Street Light Association (CALSLA);
- Pacific Gas and Electric Company (PG&E);
- Solar Energy Industries Association (SEIA);
- Energy Users Forum (EUF);
- Small Business Utility Advocates (SBUA); and
- Office of Ratepayer Advocates (ORA).

^{3/} Santa Clara Valley Transportation Authority (SCVTA), the Energy Producers and Users Coalition (EPUC), and the County of Santa Clara participated in some or all of the settlement discussions. While these parties have not signed the SLP Settlement Agreement, they have indicated they will not oppose it.

III. SLP SETTLEMENT AGREEMENT

This SLP Settlement Agreement resolves the issues raised by the SLP Settling Parties in A.16-06-013 (PG&E's 2017 GRC Phase II) on small light and power rate design, subject to the conditions set forth below:

1. This SLP Settlement Agreement embodies the entire understanding and agreement of the SLP Settling Parties with respect to the matters described, and it supersedes prior oral or written agreements, principles, negotiations, statements, representations, or understandings among the SLP Rate Design Settling Parties with respect to those matters. This SLP Settlement Agreement builds on and supplements the underlying marginal cost and revenue allocation in the MC/RA Settlement Agreement, and incorporates that agreement by reference.
2. This SLP Settlement Agreement represents a negotiated compromise among the SLP Rate Design Settling Parties' respective litigation positions on the matters described, and the SLP Design Settling Parties have assented to the terms of this SLP Settlement Agreement only to arrive at the agreement embodied herein. Nothing contained in this SLP Settlement Agreement should be considered an admission of, acceptance of, agreement to, or endorsement of any disputed fact, principle, or position previously presented by any of the SLP Settling Parties on these matters in this proceeding.
3. This SLP Settlement Agreement does not constitute and should not be used as a precedent regarding any principle or issue in this proceeding or in any future proceeding.
4. The SLP Settling Parties agree that this SLP Settlement Agreement is reasonable in light of the testimony submitted, consistent with law, and in the public interest.
5. The SLP Settling Parties agree that the language in all provisions of this SLP Settlement Agreement shall be construed according to its fair meaning and not for

or against any Settling Party because that Settling Party or its counsel or advocate drafted the provision.

6. The SLP Settling Parties agree that the SLP Settlement Agreement addresses all issues with regard to small light and power rate design as specifically identified.
7. This SLP Settlement Agreement may be amended or changed only by a written agreement signed by the SLP Settling Parties.
8. The SLP Settling Parties shall jointly request Commission approval of this SLP Settlement Agreement and shall actively support its prompt approval. Active support shall include written and oral testimony if testimony is required, briefing if briefing is required, comments and reply comments on the proposed decision,^{4/} advocacy to Commissioners and their advisors as needed, and other appropriate means as needed to obtain the requested approval.
9. The SLP Settling Parties intend that the terms of the SLP Settlement Agreement are to be interpreted and treated as a unified, integrated agreement incorporating the MC/RA Settlement Agreement, to the degree applicable to small light and power rate design. In the event the Commission rejects or modifies any portion of this SLP Settlement Agreement or the underlying MC/RA Settlement Agreement, the SLP Rate Design Settling Parties reserve their rights under CPUC Rule 12.4, and the SLP Settlement Agreement should not be admitted into evidence in this or any other proceeding.

IV. PROCEDURAL AND SETTLEMENT HISTORY

The procedural and settlement history of this proceeding (A.16-06-013) is set forth in Section IV and Section V of the MC/RA Settlement Agreement filed in this proceeding on October 26, 2017, which is incorporated herein by reference. PG&E served its prepared

^{4/} Any oral and written testimony or briefing that might be required by the CPUC, or comments on a Proposed Decision, may be prepared and submitted jointly by parties whose interests are similar.

testimony on June 30, 2016 and updated that testimony on December 2, 2016, and November 2, 2017.

V. SETTLEMENT TERMS

A. General Terms

Considering and both recognizing and compromising the litigation positions taken by the individual parties, the SLP Settling Parties agree to the small light and power rate design set forth in this SLP Settlement Agreement. The rate design proposals presented herein are reasonable in light of the entire record in this proceeding, and reflect a fair and balanced compromise of SLP Settling Parties' proposals.

The SLP Settling Parties agree that all testimony served prior to the date of this SLP Settlement Agreement that addresses the issues resolved by this SLP Settlement Agreement should be admitted into evidence without cross-examination by the SLP Settling Parties. The SLP Settling Parties further agree that this SLP Settlement Agreement resolves all issues regarding small light and power rate design in A.16-06-013, which are not being resolved through other settlement conferences in this proceeding. The SLP Settling Parties request that the complementary outcomes of this SLP Settlement Agreement be consolidated into the Commission's final decision in this GRC Phase II proceeding. The SLP Settling Parties further state that they believe the subset of small light and power rate design issues being resolved in this SLP Settlement Agreement are unopposed by any party.

The SLP Settlement Agreement describes small light and power rate design as set forth below. The recommendations for small light and power rate design resolved by and presented in the SLP Settlement Agreement are reasonable and should be adopted without modification.

The SLP Settlement Agreement is supplemental to the MC/RA Settlement Agreement. The SLP Settlement Agreement uses the revenue allocation agreed to in the MC/RA Settlement, and addresses rate design issues that were not resolved in that initial settlement. The SLP Settling Parties request that the complementary outcomes of the issues that were resolved without

litigation in this SLP Settlement Agreement and the MC/RA Settlement Agreement, be consolidated into the Commission's final decision of this GRC Phase II proceeding.

This SLP Settlement Agreement describes the manner in which small light and power rates will be designed and includes the following fundamental components to which the SLP Settling Parties have agreed, as follows.

B. Legacy Rate Schedules

Schedules A-1 TOU and A-6 will be retained with their current time of use (TOU) periods until rates with new TOU periods adopted in this proceeding become mandatory. For purposes of this settlement, these Legacy Schedules will be referred to as Schedules A-1TOU_{leg} and Schedule A-6_{leg}. (The “leg” subscript refers to existing “Legacy” Schedules.^{5/}) When the revenue allocation set forth in the MC/RA Settlement Agreement is implemented, the SLP Settling Parties agree that rates for these schedules, as well as Schedules A-1 (non-TOU), A-15 and TC-1, will be calculated consistent with the revenue allocation set forth in Tables 1 and 2 of the MC/RA Settlement Agreement, which was based on March 1, 2017 effective rates. The SLP Settling Parties have further agreed that the allocation to Schedules A-1, A-6 and TC-1 be set at the same percentage change as shown on an illustrative basis in Table 1, below. Rates for Schedule A-15 will continue to be set equal to the rates for Schedule A-1 (non-TOU), and be subject to the single phase customer charge and the A-15 facility charge.

Illustrative Revenue Allocation for Small Light and Power

Schedule	Present Rate	Proposed Rate	Percent Change
A-1	0.23020	0.23014	-0.03%
A-6	0.22161	0.22155	-0.03%
A-15	0.59461	0.60820	2.29%
TC-1	0.22018	0.22012	-0.03%
Total	0.22870	0.22865	-0.03%

Rate design that will govern changes to these Legacy Schedules (as well as to Schedules A-1 (non-TOU), TC-1 and A-15) when the MC/RA Settlement Agreement is implemented, and when

^{5/} For purposes of this settlement, the new rate schedules replacing these legacy schedules will retain the same rate schedule name, with no subscript.

legacy rates are updated prospectively for revenue requirement and sales changes, will be consistent with the rules for rate changes set forth in the MC/RA Settlement Agreement and in Section G below.

C. Time of Use Transition

The SLP Settling Parties agree that, assuming a final decision in this case by August, 2018, the rates with new TOU periods as further described below are expected to be available for opt-in on or before October 2019. The rates will be available for an opt-in transition period of at least 6 months prior to the rates becoming mandatory. The mandatory transition to new rates with the new TOU periods is expected to occur in the first November following the opt-in transition period.

This timeline comports with PG&E's proposed timeline in Exhibit (PG&E-8), Volume 1, Chapter 10, pp. 10-22 to 10-27 that: (1) rates with new TOU periods will be implemented on a voluntary basis nine to twelve months following a decision in this proceeding; and (2) those voluntary rates will become mandatory six to nine months after they are offered on a voluntary basis. If the final decision in this proceeding occurs later than August 2018, PG&E will re-assess the timeline for the availability of the opt-in rates to assess whether the opt-in date of October 2019 is still reasonable, consistent with the two timeline guidelines presented earlier in this paragraph. In addition, additional general caveats with regard to implementation timing are set forth in Section VI, below, and apply equally to the timing of these changes. For purposes of this settlement, rate schedules with new periods that are subject of this Settlement Agreement will be referred to as Schedules A-1TOU, A-1STORE and A-6.

D. Illustrative Rate Design

Illustrative rates that reflect the new TOU periods, and that would be offered on a voluntary basis 9 to 12 months after a decision in this proceeding, are provided in Appendix A. The SLP Settling Parties agree that the illustrative rates set forth in Appendix A are consistent with the revenue allocation set forth in Tables 1 and 2 of the MC/RA Settlement Agreement,

which was based on March 1, 2017 effective rates. The SLP Settling Parties agree that the actual rates derived at the time of implementation of these rates on a voluntary basis, once adopted by the CPUC, shall be designed on an overall revenue-neutral basis to collect the then-required revenue allocated to each customer class. As a result, the actual rates that will result when these rates are implemented on a voluntary basis will vary from those shown in Appendix A.

However, these small light and power rates shall be based on the same rate relationships provided in the illustrative rates, but modified to reflect sales and revenue requirement changes that take place between March 1, 2017 and the date these rates become effective on a voluntary basis. In order to transition rates from the illustrative rates shown in Appendix A, to the date the rates become effective, PG&E will apply the rules for rate changes between General Rate Cases (GRCs) as set forth in the MC/RA Settlement Agreement and as specified for small light and power rate design in this Settlement Agreement.

(1) Customer Charge

The SLP Settling Parties agree that customer charges will remain at their current levels until Schedules A1-TOU and A-6 with new TOU periods are implemented on a voluntary basis which is expected to be 9 to 12 months following a decision in this proceeding. At that time, customer charges will also be revised on the legacy versions of the rates, including Schedules A1 (non-TOU) and TC-1. Customer charges^{6/} will be revised as follows:

Schedule A1/A6 - Single-phase: maintain customer charge at \$10;
Schedule A1/A6 - Poly-phase: increase customer charge from \$20 to \$25;
Schedule A-15 - \$10 customer charge, and retain facility charge of \$25;
Schedule TC-1 - Increase customer charge from \$10 to \$15.

(2) Schedule A-1TOU

Schedule A-1TOU will be the default small light and power TOU rate schedule. The TOU periods and seasons that will apply to Schedule A-1TOU are as follows:

Summer: June through September (4 months)
Winter: October through May (8 months)

^{6/} Customer charges are shown on a monthly basis but will be implemented on the basis of a daily charge.

Peak Period: 4 pm to 9 pm, all days of the year.

Partial Peak Period: 2 pm to 4 pm and 9 pm to 11 pm, every day during the summer months only.

Super Off Peak Period (SOP): 9 am to 2 pm, every day in March, April and May, only.

Off Peak Period: All remaining hours.

Customers on Schedule A-1TOU will pay single phase and poly phase customer charges as set forth on Section (1), above. Seasonal and TOU differentials for Schedule A-1TOU will be maintained at levels equal to those shown in the illustrative rates on a cents per kWh basis.

(3) Schedule A-6

Schedule A-6 will be available on an optional basis. Schedule A-6 will have a slightly simpler TOU structure that does not include a summer partial peak period, and somewhat higher TOU differentials. The TOU periods and seasons that will apply to Schedule A-6 are as follows:

Summer: June through September (4 months)

Winter: October through May (8 months)

Peak Period: 4 pm to 9 pm, all days of the year.

Super Off Peak Period (SOP): 9 am to 2 pm, every day in March, April and May, only.

Off Peak Period: All remaining hours.

Customers on Schedule A-6 will pay single phase and poly phase customer charges as set forth on Section (1), above. Seasonal and TOU differentials for Schedule A-6 will be maintained at levels equal to those shown in the illustrative rates on a cents per kWh basis.

(4) Schedule A1-STORE

Schedule A1-STORE is a new optional pilot rate available only to customers that qualify for Schedule A-1TOU and that install storage. The pilot program will be offered with a cap on the number of participants of 15,000. The SLP Settling Parties will confer with regard to the future of the program when enrollment reaches 8,000 participants. Participants will be required to have a minimum energy storage capacity equal to the greater of either 4.8 kWh or at least 0.05 percent of the customer's annual usage (in kWh) for the previous 12 months.

Schedule A-1STORE includes a partial peak period all year. The TOU periods and seasons that will apply to Schedule A-1STORE are as follows:

Summer: June through September (4 months)

Winter: October through May (8 months)

Peak Period: 4 pm to 9 pm, all days of the year.

Partial Peak Period: 2 pm to 4 pm and 9 pm to 11 pm, all days of the year.

Super Off Peak Period (SOP): 9 am to 2 pm, every day in March, April and May, only.

Off Peak Period: All remaining hours.

Customers on Schedule A-1STORE will pay single phase and poly phase customer charges as set forth on Section (1), above. Seasonal and TOU differentials for Schedule A-1STORE will be maintained at levels equal to those shown in the illustrative rates on a cents per kWh basis. Schedule A-1STORE will also include a non-coincident demand charge which will be applied to the maximum demand in the partial peak and on peak periods all year. Customers will be subject to the maximum demand eligibility requirements for the class of 75 kW or usage in excess of 150,000 kWh per year (as defined in each rate schedule) regardless of when the demand was incurred.

E. Rates for Grandfathered TOU Periods

At the time that rates with new TOU periods become mandatory, two Legacy Schedules (Schedules A-1_{leg} and A-6_{leg}) will be retained to satisfy the requirement to continue the current TOU periods for solar customers on those Legacy Schedules, as directed by D.17-01-006. Rates for grandfathered TOU periods for solar customers are being considered separately in other negotiations in this proceeding, and are not part of this supplemental settlement.

F. Other Issues

The SLP Settling Parties further agree as follows:

(1) CARE discount rates under schedule E-CARE will continue to provide an average annual commercial CARE rate discount percentage that is commensurate with the annual average residential CARE discount percentage. The E-CARE discount will continue to be billed on a cents per kWh basis at the rate value level appropriate to each applicable rate schedule.

(2) The threshold for eligibility for Schedules A-1 and A-6 shall be retained. Specifically, customer accounts with demand in excess of 75 kW or usage in excess of 150,000 kWh per year (as defined in each rate schedule) may not take service on these rate schedules.

(3) Food Bank Rate: For eligible electric accounts, PG&E will calculate a 20 percent discount based on the customer's bundled bill amount, and apply the discount to the distribution component of rates. The discount will be funded in the CARE surcharge component of the Public Purpose Program rate and collected on an equal cents per kWh basis. For eligible gas accounts, the Schedule G-CARE discount shall apply to eligible Food Banks. The gas food bank discount will be funded through the gas CARE surcharge component of the Public Purpose Program rate. Food banks will certify annually their eligibility for the PG&E electric and gas discount by providing a copy of their Memorandum of Understanding (MOU) executed with the California Department of Social Services that qualifies them to participate in The Emergency Food Assistance Program (TEFAP) in California.

(4) PG&E will meet and confer with ORA and SBUA at least 6 months prior to filing PG&E's next GRC Phase II proceeding to discuss whether an A-1 DMD or other rate schedule should be proposed in the next GRC Phase II proceeding for the purpose of providing a meaningful rate option for small businesses to manage energy costs. PG&E agrees to submit testimony in the next GRC Phase II proceeding on the results of this meet and confer session.

G. Rate Changes Between GRC Phase II Proceedings

Rates for the Legacy Schedules with grandfathered TOU periods, as well as the illustrative rates with new TOU periods provided in Appendix A, will be subject to variations in the revenue requirements and sales between GRC Phase II proceedings. In general, total rates for the small light and power change as the sum of the individual components (e.g., distribution, generation, Public Purpose Programs, etc.) change, where rules for each component are separately stated. The rules for changing rates are set forth in the MC/RA Settlement Agreement for all components of rates except for generation and distribution rates (see Section VIII, Part 3). In this SLP Settlement Agreement, rules for setting generation rates and distribution rates for rate changes between GRCs are set forth below:

(1) Distribution: Rates will be designed to collect the distribution revenue requirement allocated to each rate schedule as provided in the MC/RA Settlement Agreement. Customer charge rates will change only as prescribed above. Demand and energy charges each will be designed to change by the same percentage change in rate necessary to collect the required revenue. That is, demand charges will each be changed by the same percentage, and energy charges in total will also be changed by the same percentage amount. However, the change in energy charges will be determined by whatever equal cents per kWh adder is required to collect the necessary change in energy charge revenue. This approach to setting the distribution energy charges will ensure that the differential in rates between seasons and TOU periods remains the same on a cents per kWh basis.

(2) Generation: Rates will be designed to collect the generation revenue requirement allocated to each rate schedule as provided in the MC/RA Settlement Agreement. Demand and energy charges will be designed to each change by the same percentage amount as necessary to collect the required revenue. That is, demand charges will be changed by the same percentage and energy charges in total will also be changed by the same percentage amount. However, the change in energy charges will be determined by whatever equal cents per kWh adder that is required to collect the necessary change in energy charge revenue. This approach to setting the generation energy charges will ensure that the differential in rates between seasons and TOU periods remains the same on a cents per kWh basis.

Beginning with the date that the rates with new TOU periods become mandatory, the Legacy Schedules (Schedules A-1_{leg}, A-6_{leg}) will be retained to satisfy the requirement to continue rates with the current TOU periods for solar customers on those Legacy Schedules, as noted above. The rules for generation and distribution rate changes between GRCs for rates for grandfathered TOU periods for solar customers are being considered separately in other negotiations in this proceeding and are not part of this settlement.

H. Mandatory Transition to TOU Rates

Each year, PG&E migrates bundled customers that take service on the non-TOU option of Schedule A-1 to the TOU option of that rate (or alternatively, the customer can select an otherwise applicable TOU rate). The transition occurs on a billing serial basis beginning on November 1st of each year, for eligible customers with 12 months of interval data. The SLP Settling Parties have agreed that, beginning on November 1, 2018, this transition process should be suspended until rates with new TOU periods become mandatory for commercial and industrial customers, as discussed above. PG&E will resume the transition process for bundled customers with 12 months of interval data that take service on the non-TOU option of Schedule A-1 to rates with new TOU periods when those rates become mandatory. PG&E will also begin the transition process for customers served under Direct Access and Community Choice Aggregation (DA/CCA) with 12 months of interval data that take service on the non-TOU option of Schedule A-1, to rates with new TOU periods when those rates become mandatory.

I. PDP and Default of Customers to PDP (Opt Out to TOU)

The SLP Settling Parties agree that the annual adjustment to the Peak Day Pricing (PDP) revenue neutral credits should continue, together with the direct assignment of costs to each schedule for bill protection and the adjustment for the number of events per year (when the number of events is more or less than the design basis).

In addition, the SLP Settling Parties agree to the following conditions regarding keeping PDP in effect for the period prior to the 2020 test year in PG&E's next GRC Phase II proceeding. Each year, PG&E defaults eligible customers to PDP, provided each customer may opt out of PDP to take service on a TOU rate. The transition occurs on a billing serial basis beginning on November 1st of each year, for eligible customers with 12 months of interval data and 24 months on TOU service. The SLP Settling Parties have agreed that beginning on November 1, 2018, this default PDP process should be suspended until rates with new TOU periods become mandatory. PG&E will retain PDP on an opt in basis with the current PDP hours for customers that continue to take service on the legacy rates (Schedules A-1_{leg}, A-6_{leg})

until the rates with new TOU periods become mandatory for commercial and industrial customers. Customers who opt in to the new TOU hours while rates with new TOU periods are available on an optional basis, must un-enroll from PDP, and then at the time of the mandatory date for new TOU periods, must transition to the new PDP hours or continue on non-PDP service.

The SLP Settling Parties support adoption of new PDP event hours when the new TOU periods adopted in this proceeding become mandatory. The SLP Settling Parties agree that if the Commission approves event hours of 5 pm to 8 pm for the residential SmartRate^{TM1/} program in the 2018 RDW, PG&E will file a Tier 3 advice letter with the Commission to request approval of the new event hours and pricing for PG&E's PDP program for non-residential customers to be effective when the change in TOU periods becomes mandatory. The SLP Settling Parties agree to support approval of that advice letter. However, because all the SLP Settling Parties will not be participants in the 2018 RDW, should the Commission approve event hours other than 5pm to 8 pm for the SmartRate program, PG&E agrees that the SmartRate program event hours will be limited to the operation of the SmartRate program. To ensure that PDP is available to non-residential customers, when rates with the new TOU periods adopted herein become mandatory, PG&E will file a Tier 3 advice letter to establish PDP with event hours of 5 pm to 8 pm for all non-residential customers. These hours will remain in effect on an interim basis until the Commission determines the PDP event hours for all non-residential customers, either in PG&E's 2019 Rate Design Window or 2020 GRC Phase II proceeding. The SLP Settling Parties reserve their rights to make proposals concerning the PDP program, including without limitation the PDP event hours in PG&E's 2019 RDW or the 2020 GRC Phase II proceedings, where any party can present its proposal for PDP. PG&E will resume defaulting customers to PDP (subject to opt out to TOU) beginning on November 1, following the approval of a Tier 3 advice letter, provided approval occurs by July 1 of that year.

^{1/} SmartRateTM is PG&E's critical peak pricing program for residential customers. A change to the event hours for SmartRate has been proposed in PG&E's 2018 Rate Design Window proceeding.

VI. TIMING OF RATE CHANGES

The provisions regarding the timing of this GRC Phase II rate change, and rate changes between General Rate Cases agreed to in the MC/RA Settlement Agreement, shall apply to this SLP Settlement Agreement unless specifically noted above or otherwise determined by the Commission.

To the extent that any elements of this SLP Settlement Agreement will require employee training and/or changes to PG&E systems beyond those required for a normal change in rate value, these structural and system changes will be implemented by PG&E diligently as time permits, in a manner consistent with smooth operations of the systems involved, and which may result in deviation from the timetables set out in Section V, part C, above. The SLP Settling Parties recognize that these changes could take an extended period of time to implement. Where feasible, PG&E agrees to consolidate rate changes required by this Settlement Agreement with rate changes that may arise in other proceedings.

VII. SETTLEMENT EXECUTION

This SLP Settlement Agreement may be executed in separate counterparts by different SLP Settling Parties hereto and all so executed will be binding and have the same effect as if all the SLP Settling Parties had signed one and the same document. Each such counterpart will be deemed to be an original, but all of which together shall constitute one and the same instrument, notwithstanding that the signatures of all the SLP Settling Parties do not appear on the same page of this SLP Settlement Agreement. This SLP Settlement Agreement shall become effective among the SLP Settling Parties on the date the last Settling Party executes the SLP Settlement Agreement, as indicated below. In witness whereof and intending to be legally bound by the Terms and Conditions of this SLP Settlement Agreement as stated above, the SLP Settling Parties duly execute this SLP Settlement Agreement on behalf of the SLP Settling Parties they represent, as follows:

The undersigned represent that they are authorized to sign on behalf of the Party represented, for the purposes of this 2017 GRC Phase II SLP Settlement Agreement.

California Solar Energy Industries Association

By: B. W. H. H.

Title: Policy Director

Date: 1-26-18

The undersigned represent that they are authorized to sign on behalf of the Party represented, for the purposes of this 2017 GRC Phase II SLP Settlement Agreement.

California Street Light Association

By:  _____

Title: Attorney for CALSLA

Date: 1/29/18

The undersigned represent that they are authorized to sign on behalf of the Party represented, for the purposes of this 2017 GRC Phase II SLP Settlement Agreement.

Solar Energy Industries Association

By:

A handwritten signature in blue ink, appearing to read 'Rick Umoff', with a stylized flourish at the end.


Rick Umoff

Title: Regulatory Counsel and California Director

Date: January 26, 2018

The undersigned represent that they are authorized to sign on behalf of the Party represented, for the purposes of this 2017 GRC Phase II SLP Settlement Agreement.

Energy Users Forum

By: _____

Title: Consultant

Date: January 26, 2018

The undersigned represent that they are authorized to sign on behalf of the Party represented, for the purposes of this 2017 GRC Phase II SLP Settlement Agreement.

Small Business Utility Advocates

By: 

Title: President

Date: January 25, 2018

The undersigned represent that they are authorized to sign on behalf of the Party represented, for the purposes of this 2017 GRC Phase II SLP Settlement Agreement.

Office of Ratepayer Advocates

By: Elizabeth Cohen

Title: Director

Date: 1-24-17

Appendix A

Pacific Gas and Electric Company
2017 General Rate Case - Phase II
Small Light and Power Rate Design Settlement Appendix A
Present and Illustrative Proposed Rates

PRESENT RATES

PROPOSED RATES

A-1 TOU

	Distr	Gen	PPP	Other	Total		Distr	Gen	PPP	Other	Total	
ENERGY CHARGE (/kWh)												
Summer												
Peak	.08107	.14538	.01613	.03491	.27749		.08426	.15932	.01593	.03491	.29442	
Part-Peak	.08107	.13605	.01613	.03491	.26816		.08426	.11009	.01593	.03491	.24519	
Off-Peak	.08107	.10765	.01613	.03491	.23976		.08426	.08928	.01593	.03491	.22438	
Winter												
Part-Peak	.06241	.08851	.01613	.03491	.20195		.06408	.10407	.01593	.03491	.21899	
Off-Peak	.06241	.06869	.01613	.03491	.18213		.06408	.08795	.01593	.03491	.20288	
Super Off-Peak							.06408	.07154	.01593	.03491	.18646	
CUSTOMER CHARGE (/meter/day)												
Single-phase	.32854				.32854	10.00	.32854				.32854	10.00
Polyphase	.65708				.65708	20.00	.82136				.82136	25.00

A-1 TOU Time Periods

Summer	June through September
Winter	Oct Thorough May
Peak	4 pm to 9 pm, all days, all year
Partial Peak	2 pm to 4 pm, all days, summer only
	9 pm to 11 pm, all days, summer only
Super Off Peak	9 am to 2 pm, all days, March, April, May only.
Off Peak	All other hours.

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A1-STORAGE

	Distr	Gen	PPP	Other	Total		Distr	Gen	PPP	Other	Total	
DEMAND CHARGE (/kW)												
Summer							3.75	.00	.00	.00	3.75	
Winter							3.75	.00	.00	.00	3.75	
This is a newly proposed rate schedule												
ENERGY CHARGE (/kWh)												
Summer												
Peak							.15982	.16540	.01593	.03492	.37607	
Part-Peak							.06098	.12294	.01593	.03492	.23477	
Off-Peak							.04940	.08719	.01593	.03492	.18744	
Winter												
Peak							.11245	.11482	.01593	.03492	.27812	
Part-Peak							.09529	.10248	.01593	.03492	.24862	
Off-Peak							.02824	.08048	.01593	.03492	.15957	
Super Off-Peak							.02824	.06406	.01593	.03492	.14315	
CUSTOMER CHARGE (/meter/day)												
Single-phase							.32854				.32854	10.00
Polyphase							.82136				.82136	25.00

A-1 STORAGE Time Periods

Summer	June through September
Winter	Oct Thorough May
Peak	4 pm to 9 pm, all days, all year
Partial Peak	2 pm to 4 pm, all days, all year
	9 pm to 11 pm, all days, all year
Super Off Peak	9 am to 2 pm, all days, March, April, May only.
Off Peak	All other hours.

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A-6

ENERGY CHARGE (/kWh)

	Distr	Gen	PPP	Other	Total		Distr	Gen	PPP	Other	Total	
Summer												
Peak	.14084	.36486	.01416	.03491	.55478		.11414	.16732	.01478	.03491	.33116	
Part-Peak	.08360	.12528	.01416	.03491	.25796		.00000	.00000	.00000	.00000	.00000	
Off-Peak	.07031	.06699	.01416	.03491	.18637		.06737	.09616	.01478	.03491	.21323	
Winter												
Part-Peak	.06289	.09245	.01416	.03491	.20441		.07006	.10380	.01478	.03491	.22355	
Off-Peak	.06214	.07496	.01416	.03491	.18617		.06737	.08675	.01478	.03491	.20381	
Super Off-Peak							.06737	.07033	.01478	.03491	.18740	
CUSTOMER CHARGE (/meter/day)												
Single-phase	.32854				.32854	10.00	.32854				.32854	10.00
Polyphase	.65708				.65708	20.00	.82136				.82136	25.00

A-6 Time Periods

Summer	June through September
Winter	Oct Thorough May
Peak	4 pm to 9 pm, all days, all year
Super Off Peak	9 am to 2 pm, all days, March, April, May only.
Off Peak	All other hours.

OPTIONAL METER DATA

ACCESS CHARGE (/meter/day)	.98563				.98563	30.00	.98563				.98563	30.00
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