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

Order Instituting Rulemaking on the
Commission's Own Motion to Conduct a
Comprehensive Examination of Investor
Owned Electric Utilities' Residential Rate
Structures, the Transition to Time Varying and
Dynamic Rates, and Other Statutory
Obligations

(U 39 E)

R.12-06-013
(Filed June 21, 2012)

**PROPOSAL OF PACIFIC GAS AND ELECTRIC COMPANY (U 39 E) TO RECOVER
2015- 2016 COSTS RECORDED IN THE RESIDENTIAL RATE REFORM
MEMORANDUM ACCOUNT**

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Dated: July 11, 2018

Attorney for
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OF THE STATE OF CALIFORNIA**

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I. INTRODUCTION

Pursuant to Public Utilities Code Sections 451, 739, 739.1, 739.9 and 745, and Commission Decisions (D.) 17-05-013, 15-07-001, and rulings and advice filings to implement D.15-07-001,^{1/} Pacific Gas and Electric Company (PG&E) hereby provides its Proposal requesting that the Commission authorize PG&E to increase electric rates and charges to collect a total of \$20,520,369 in 2015- 2016 costs plus interest recorded in the Residential Rate Reform Memorandum Account (RRRMA) to implement the Commission's residential rate reforms required by D.15-07-001. Prepared testimony supporting the detailed accounting for the 2015-2016 costs is being served on the service list for this proceeding and PG&E's 2017 General Rate Case (GRC) service list with this Proposal.

II. SUMMARY OF PG&E'S PROPOSAL TO RECOVER 2015- 2016 COSTS TO IMPLEMENT RESIDENTIAL RATE REFORM PURSUANT TO D.15-07-001

In July 2015, the Commission issued D.15-07-001 in the Residential Rates OIR proceeding, which provided direction to the investor-owned utilities (IOUs) on implementation

^{1/} D.17-05-013, PG&E's 2017 Phase 1 GRC decision, adopted a revised settlement among PG&E and interested parties which authorizes PG&E to file a proposal in this rulemaking proceeding to seek recovery of the 2015- 2016 recorded costs in the Residential Rate Reform Memorandum Account. Pursuant to the express terms of D.17-05-013, "the costs will be reviewed via an application *or through the existing rulemaking on residential rate reform in a manner subject to the same procedural considerations of a new application.*" (D.17-05-013, p. 225, emphasis added.)

of rate design reforms, including time-of-use (TOU) pilots and studies, marketing, education and outreach, IT, data analysis, and other reasonable expenditures required to implement the decision. Among other things, the Commission ordered each IOU to create a memorandum account (the Residential Rate Reform Memorandum Account, or RRRMA, for PG&E) to track costs related to implementation of D.15-07-001. PG&E applied for recovery of these residential rate reform implementation costs in its 2017 General Rate Case (GRC), A.15-09-001. In D.17-05-013, the decision in PG&E's 2017 GRC, the Commission approved a settlement agreement among the Office of Ratepayer Advocates (ORA), The Utility Reform Network (TURN), PG&E and other GRC settling parties under which PG&E is required to file a standalone application for recovery of the 2015-2016 recorded costs in its RRRMA, or seek recovery of such costs in this Commission Rulemaking 12-06-013.^{2/} This Proposal implements the requirements of D.17-05-013 as follows:

1. PG&E's accounting for its 2015-2016 costs is supported in the attached prepared testimony to this Proposal which demonstrates that the 2015-2016 costs booked to the RRRMA are incremental, verifiable and reasonable; consistent with the requirements and implementation orders, rules and advice filings of implementation plans in D.15-07-001, including plans submitted by PG&E and/or approved for Time-of-Use Opt-In Pilot; Time-of-Use Rates; Residential Rate Reform Marketing, Education and Outreach; and consistent with implementation of other residential rate reform requirements in D.15-07-001.

2. PG&E has shared a copy of its Proposal and accounting and testimony in support of recovery of its 2015-2016 recorded RRRMA costs with interested parties for their comments prior to the filing of this Proposal, and has taken their comments into account and explained any basis for not adopting their recommendations. PG&E's response to comments received from ORA and Community Choice Aggregators (CCA) parties is provided at Appendix B to the prepared testimony served with this Proposal.

^{2/} D.17-05-013, p. 225.

III. COST RECOVERY PROPOSAL

A. Revenue Requirements

Table 1 sets forth PG&E's expenditures associated with this request.

TABLE 1
PACIFIC GAS AND ELECTRIC COMPANY
EXPENSE AND REVENUE REQUIREMENT REQUEST
(THOUSANDS OF DOLLARS)

2015 Expenditures	\$1,417.1
2016 Expenditures	\$19,103.2
Total 2015-2016 Incurred Expenditures	\$20,520.3

Notes:

(1) Interest Expense is not included in this table, but will be included in the amount to be recovered in rates. Interest accrues on a monthly basis and will continue to accrue until the costs are recovered through rates.

(2) Revenue Fees and Uncollectibles (RF&U) Expense is not included in this table, but will be included in the amount to be recovered in rates. When the above costs are put into rates for recovery, the authorized RF&U factor effective at that time will be used to calculate RF&U expense.

B. Cost Recovery

PG&E requests that the Commission adopt its ratemaking proposal to recover the 2015-2016 costs recorded in RRRMA to implement D.15-07-001 and other related residential electric rate reform requirements, orders and rulings, using the same rate design and results of operation methodologies approved by the Commission in D.17-05-013 for recovery of Customer Care expenditures. PG&E further requests that the Commission make a finding that the 2015-2016 costs recorded in the RRRMA are reasonable. If approved, the 2015-2016 recorded costs including interest and an allowance for RF&U will be transferred to the Distribution Revenue Adjustment Mechanism (DRAM) for recovery through PG&E's next Annual Electric True-up (AET) or other appropriate rate change. Rates set to recover RRRMA costs will be set in the same manner as rates that are set to recover other distribution (i.e. DRAM) costs, using adopted methodologies for revenue allocation and rate design.

IV. STATUTORY AND PROCEDURAL REQUIREMENTS

A. Statutory Authority

This Proposal is filed in compliance with Public Utilities Code Sections 451, 739, 739.1, 739.9 and 745, and Commission Decisions 17-05-013, 15-07-001, and rulings and advice filings to implement D.15-07-001.

B. Categorization and Relevant Safety Considerations - Rule 2.1(c)

PG&E proposes that this Proposal be categorized as a “ratesetting” proceeding.

C. Relevant Safety Considerations - Rule 2.1(c)

In D.16-01-017, the Commission adopted an amendment to Rule 2.1(c) requiring applications to clearly state the “relevant safety considerations.” The Commission has previously explained that the “safe and reliable provisions of utilities at predictable rates promotes public safety” (D.14-12-053 at pp. 12-13). As demonstrated in this Proposal and the prepared testimony, PG&E’s proposals in this proceeding support the safe and reliable provision of electric service and establish predictable rates, all of which can help facilitate public safety.

D. Need for Hearing - Rule 2.1(c)

PG&E anticipates that evidentiary hearings may be needed. PG&E’s proposed schedule is set forth in subsection F, below.

E. Issues to be Considered - Rule 2.1(c)

The principal issue presented in this Proposal is whether the Commission should approve PG&E’s request for approval of its 2015- 2016 RRRMA costs in compliance with Commission Decisions 17-05-013, 15-07-001, and rulings and advice filings to implement D.15-07-001, including approval of its actual costs and revenue requirement changes, in compliance with the requirements of the Public Utilities Code and Commission decisions, orders and resolutions.

F. Proposed Schedule – Rule 2.1(c)

File Proposal	July 11, 2018
Protest or Response	August 10, 2018
Reply	August 27, 2018
Prehearing Conference	August 29, 2018
Intervenor Comments or Testimony	September 28, 2018
Rebuttal Comments or Testimony	October 19, 2018
Evidentiary Hearings (if necessary)	October 30- 31, 2018
Concurrent Opening Briefs	November 13, 2018
Concurrent Reply Briefs	November 28, 2018
Proposed Decision	December 28, 2018
Decision	January, 2019

G. Legal Name and Principal Place of Business – Rule 2.1(a)

The legal name of the Applicant is Pacific Gas and Electric Company. PG&E's principal place of business is San Francisco, California. Its mailing address is Post Office Box 7442, San Francisco, California 94120.

H. Correspondence and Communication Regarding This Proposal – Rule 2.1(b)

All correspondence and communications regarding this Proposal should be addressed to Christopher J. Warner and Catherine Buckley at the addresses listed below:

Christopher J. Warner
Law Department
Pacific Gas and Electric Company
Post Office Box 7442
San Francisco, California 94120
Telephone: (415) 973-6695
Fax: (415) 973-5220
E-mail: Christopher.Warner@pge.com

Overnight hardcopy delivery:

Christopher J. Warner
Law Department
Pacific Gas and Electric Company
77 Beale Street, B30A
San Francisco, California 94105

Jane Oliveira
Regulatory Affairs
Pacific Gas and Electric Company
77 Beale Street, B10A
San Francisco, California 94105
Telephone: (415) 973-4332
E-Mail: jop1@pge.com

I. Articles of Incorporation – Rule 2.2

PG&E is, and since October 10, 1905, has been, an operating public utility corporation organized under California law. It is engaged principally in the business of furnishing electric and gas services in California. A certified copy of PG&E’s Restated Articles of Incorporation, effective April 12, 2004, is on record before the Commission in connection with PG&E’s Application 04-05-005, filed with the Commission on May 3, 2004. These articles are incorporated herein by reference pursuant to Rule 2.2 of the Commission’s Rules.

J. Balance Sheet and Income Statement - Rule 3.2(a)(1)

PG&E’s most current balance sheet and income statement for the period ending March 31, 2018, were filed on May 15, 2018 in Application 18-05-014 and are incorporated by reference herein.

K. Statement of Presently Effective Rates - Rule 3.2(a)(2)

PG&E’s presently effective electric rates were filed on March 30, 2018, in Application 18-03-015 and are incorporated herein by reference.

L. Statement of Proposed Changes and Results of Operations at Proposed Rates - Rule 3.2(a)(3)

Approval of this Proposal would increase electric rates for distribution customers by less than one percent; therefore, a statement setting forth PG&E’s proposed increases or changes to electric rates is not needed.

M. General Description of PG&E’s Electric and Gas Department Plant – Rule 3.2(a)(4)

Because this submittal is not a general rate application, this requirement is not applicable.

N. Summary of Earnings – Rule 3.2(a)(5) and (6)

A summary of recorded 2016 revenues, expenses, rate cases and rate of return for PG&E’s Electric and Gas Departments was filed with the Commission on September 14, 2017 in Application 17-09-006 and is incorporated by reference.

O. Statement of Election of Method of Computing Depreciation Deduction for Federal Income Tax - Rule 3.2(a)(7)

Because this submittal is not a general rate application, this requirement is not applicable.

P. Most Recent Proxy Statement - Rule 3.2(a)(8)

PG&E's most recent proxy statement dated April 10, 2018, was filed with the Commission on May 15, 2018 in Application 18-05-014 and is incorporated by reference.

Q. Type of Rate Change Requested - Rule 3.2(a)(3)

Results of Operations at proposed rates are not required because the proposed changes in revenues do not exceed one percent.

R. Notice to Governmental Entities – Rule 3.2(b)

Within twenty days of filing this Proposal, PG&E will mail or send electronically a notice stating in general terms the proposed revenues, rate changes and ratemaking mechanisms requested in this Proposal to parties listed in Exhibit A of this Proposal, including the State of California and cities and counties served by PG&E.

S. Publication – Rule 3.2(c)

Within twenty days of filing this Proposal, PG&E will publish in newspapers of general circulation in each county in its service territory a notice of filing.

T. Notice to Customers – Rule 3.2(d)

PG&E is serving this Proposal and its Prepared Testimony on the service list in Rulemaking No. 12-06-013 and PG&E's 2017 General Rate Case, A.15-09-001. Within 45 days of filing this Proposal, PG&E will include notices with the regular bills mailed or emailed to all customers affected by the proposed changes, and within twenty days of completion of mailing PG&E will file proof of compliance pursuant to Rule 3.2(e).

U. Exhibit List and Statement of Readiness

PG&E is ready to proceed with this case based on the Proposal and the prepared testimony accompanying the Proposal.

V. REQUEST FOR COMMISSION ORDERS

PG&E requests that the Commission issue appropriate orders:

1. Approving PG&E's Proposal as fully compliant with the Public Utilities Code and Commission decisions;

2. Approving as reasonable PG&E's proposed ratemaking and cost recovery mechanisms and forecasted revenue requirements to be included in changes to its rates and revenue requirements to support its Proposal;

3. Granting such additional relief as the Commission may deem proper.

VI. CONCLUSION

PG&E respectfully requests that the Commission approve its Proposal for recovery of its 2015-2016 costs recorded in the RRRMA to implement D.15-07-001 in compliance with the procedural requirements in D.17-05-013.

Respectfully Submitted,
CHRISTOPHER J. WARNER

By: /s/ Christopher J. Warner
CHRISTOPHER J. WARNER

Pacific Gas and Electric Company
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San Francisco, CA 94105
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Facsimile: (415) 973-5520
E-Mail: Christopher.Warner@pge.com

Dated: July 11, 2018

Attorneys for
PACIFIC GAS AND ELECTRIC COMPANY

VERIFICATION

I, the undersigned, say:

I am an officer of Pacific Gas and Electric Company, a corporation, and am authorized to make this verification on its behalf. The statements in the foregoing document are true of my own knowledge, except as to matters which are therein stated on information or belief, and as to those matters I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on July 11, 2018, at San Francisco, California.

/s/ Scott Sanford

Name: Scott Sanford
Vice President, Customer Operations

Exhibit A

SERVICE OF NOTICE OF APPLICATION

In accordance with Rule 3.2(b), Applicant will mail a notice to the following, stating in general terms its proposed change in rates.

State of California

To the Attorney General and the Department of General Services.

State of California
Office of Attorney General
1300 I St Ste 1101
Sacramento, CA 95814

and

Department of General Services
Office of Buildings & Grounds
505 Van Ness Avenue, Room 2012
San Francisco, CA 94102

Counties

To the County Counsel or District Attorney and the County Clerk in the following counties:

Alameda	Mariposa	Santa Clara
Alpine	Mendocino	Santa Cruz
Amador	Merced	Shasta
Butte	Modoc	Sierra
Calaveras	Monterey	Siskiyou
Colusa	Napa	Solano
Contra Costa	Nevada	Sonoma
El Dorado	Placer	Stanislaus
Fresno	Plumas	Sutter
Glenn	Sacramento	Tehama
Humboldt	San Benito	Trinity
Kern	San Bernardino	Tulare
Kings	San Francisco	Tuolumne
Lake	San Joaquin	Yolo
Lassen	San Luis Obispo	Yuba
Madera	San Mateo	
Marin	Santa Barbara	

Municipal Corporations

To the City Attorney and the City Clerk of the following municipal corporations:

Alameda	Colusa	Hanford
Albany	Concord	Hayward
Amador City	Corcoran	Healdsburg
American Canyon	Corning	Hercules
Anderson	Corte Madera	Hillsborough
Angels Camp	Cotati	Hollister
Antioch	Cupertino	Hughson
Arcata	Daly City	Huron
Arroyo Grande	Danville	Ione
Arvin	Davis	Isleton
Atascadero	Del Rey Oakes	Jackson
Atherton	Dinuba	Kerman
Atwater	Dixon	King City
Auburn	Dos Palos	Kingsburg
Avenal	Dublin	Lafayette
Bakersfield	East Palo Alto	Lakeport
Barstow	El Cerrito	Larkspur
Belmont	Elk Grove	Lathrop
Belvedere	Emeryville	Lemoore
Benicia	Escalon	Lincoln
Berkeley	Eureka	Live Oak
Biggs	Fairfax	Livermore
Blue Lake	Fairfield	Livingston
Brentwood	Ferndale	Lodi
Brisbane	Firebaugh	Lompoc
Buellton	Folsom	Loomis
Burlingame	Fort Bragg	Los Altos
Calistoga	Fortuna	Los Altos Hills
Campbell	Foster City	Los Banos
Capitola	Fowler	Los Gatos
Carmel	Fremont	Madera
Ceres	Fresno	Manteca
Chico	Galt	Maricopa
Chowchilla	Gilroy	Marina
Citrus Heights	Gonzales	Mariposa
Clayton	Grass Valley	Martinez
Clearlake	Greenfield	Marysville
Cloverdale	Gridley	McFarland
Clovis	Grover Beach	Mendota
Coalinga	Guadalupe	Menlo Park
Colfax	Gustine	Merced
Colma	Half Moon Bay	Mill Valley

Millbrae
Milpitas
Modesto
Monte Sereno
Monterey
Moraga
Morgan Hill
Morro Bay
Mountain View
Napa
Newark
Nevada City
Newman
Novato
Oakdale
Oakland
Oakley
Orange Cove
Orinda
Orland
Oroville
Pacific Grove
Pacifica
Palo Alto
Paradise
Parlier
Paso Robles
Patterson
Petaluma
Piedmont
Pinole
Pismo Beach
Pittsburg
Placerville
Pleasant Hill
Pleasanton
Plymouth
Point Arena
Portola
Portola Valley
Rancho Cordova
Red Bluff
Redding
Redwood City
Reedley
Richmond

Ridgecrest
Rio Dell
Rio Vista
Ripon
Riverbank
Rocklin
Rohnert Park
Roseville
Ross
Sacramento
Saint Helena
Salinas
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Saratoga
Sausalito
Scotts Valley
Seaside
Sebastopol
Selma
Shafter
Shasta Lake
Soledad
Solvang
Sonoma
Sonora
South San Francisco
Stockton
Suisun City

Sunnyvale
Sutter Creek
Taft
Tehama
Tiburon
Tracy
Trinidad
Turlock
Ukiah
Union City
Vacaville
Vallejo
Victorville
Walnut Creek
Wasco
Waterford
Watsonville
West Sacramento
Wheatland
Williams
Willits
Willows
Windsor
Winters
Woodland
Woodside
Yountville
Yuba City