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11/05/18
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A1811003

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

Application for Approval of Pacific Gas and
Electric Company's Commercial Electric
Vehicle Rate.

(U 39 E)

Application No. 18-11-____

**APPLICATION OF PACIFIC GAS AND ELECTRIC COMPANY (U 39 E) FOR
APPROVAL OF ITS COMMERCIAL ELECTRIC VEHICLE RATES**

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PACIFIC GAS AND ELECTRIC COMPANY

Dated: November 5, 2018

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OF THE STATE OF CALIFORNIA**

Application for Approval of Pacific Gas and Electric Company's Commercial Electric Vehicle Rate.

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I. INTRODUCTION

Pursuant to Public Utilities Code Sections 451 and 454, Senate Bill (SB) 350, and California Public Utilities Commission (CPUC or Commission) Decision (D.) 18-05-040, Pacific Gas and Electric Company (PG&E) by this Application requests that the Commission approve PG&E's new commercial electric vehicle rates (Commercial EV Rate) to accelerate EV deployment and support for commercial customers. Prepared testimony supporting PG&E's Commercial EV Rates is being served on the service list for D.18-05-040 and R.13-11-007 with this Application.

II. SUMMARY OF PG&E'S COMMERCIAL EV RATE PROPOSAL

Through this application, PG&E proposes to create a new Commercial EV Charging rate class, which would include two new rate schedules (EV-Small and EV-Large). Distinct from current commercial and industrial rates, these EV schedules would feature two components, a monthly "subscription charge," based on the customer's maximum charging capacity, and a time-of-use volumetric rate, designed to encourage customers to charge at times of greater grid capacity and renewable generation, and lower marginal cost.

These new rate proposals aim to improve the fuel costs of commercial EV charging, simplify rate structures and price signals for customers, and align with utility costs. Designed to be cost of service, the design of the proposed rates aligns with the Commission's guidance ruling for S.B. 350 Transportation Electrification, as well as the Commission's general principles for

rate design. These new rate schedules will accelerate transportation electrification by improving the total cost of ownership to EV drivers, fleets, and charging infrastructure developers, which should encourage further investments in clean transportation. Accelerated EV adoption can increase charging loads and revenues, which may improve the use of PG&E's electric system and put downward pressure on rates for all customers.

PG&E's Small CEV Rate Proposal

PG&E proposes a new rate, E-CEV-S, for small CEV chargers. The rate consists of a subscription rate and time-differentiated energy rates. It applies to separately-metered EV charging sites with a maximum load of 100 kW.

E-CEV-S Subscription Rate

The E-CEV-S Subscription rate is per 10 kW of connected load. That is, this charge is applied to each 10 kW of connected load, up to 100 kW. For example, if a customer has 56 kW of connected load, the billing determinant for the subscription rate is 6 units (56/10, rounded up to the nearest 10 kW or 60 kW). The subscription rate is a per month charge. The unbundled rate includes separate subscription charges for generation and distribution and no subscription charge for transmission or other charges.

The distribution subscription charge was designed to capture all non-variable distribution costs. That is, all but Primary marginal distribution costs, including the EPMC. The generation subscription charge was set to the fixed charges times the proportion of PCAF in the non-peak to ensure these fixed costs are collected despite usage patterns.

Customers will be able to choose a subscription below their connected load unit level of service if they can manage their load to that level (e.g., for the example above, they could choose a subscription of only 50 kW connected load). If a customer's actual maximum demand in a month exceeds the subscription level, the customer will pay an overage fee equal to 200 percent of the equivalent monthly kW subscription rate for all additional units of subscription. For example, if this example customer elected a 50 kW level of service, but maximum demand was

56 kW, the customer would be charged their selected subscription rate (rate times 5 units), plus an overage fee of 1 unit times 200 percent of the subscription rate.

The overage fee was designed to incent customers to choose their optimal subscription service while dis-incenting gaming. An overage fee is consistent with other PG&E rate options that apply set service levels.

E-CEV-S Volumetric Rates

The E-CEV-S volumetric rates have been designed to send significant price signals to customers to consume in the non-peak hours. To that end, this rate has the addition of a super-off-peak rate that applies between 9 a.m. and 2 p.m. every day, all year. The peak hours for this class are defined as 4 p.m. to 10 p.m. every day and the off-peak hours are all other hours. PG&E is proposing constant peak, off-peak and SOP prices throughout the year, rather than seasonal rates. Furthermore, PG&E expects EV charging load to be highly price-responsive, relative to other system loads, so a price signal is required to discourage consumption during that hour.

The rates have four components: generation, distribution, transmission and NBCs. The generation volumetric component consists of the marginal generation cost by TOU plus the Power Charge Indifference Adjustment (PCIA). Fixed costs not collected in the subscription (e.g., the peak PCAF portion of fixed costs) are applied to the peak rate. Further, the marginal capacity costs are allocated to each time period using the system PCAF proportions in each period.

The distribution volumetric component collects only the primary distribution costs because all other costs are collected in the subscription charge. The allocation among TOU periods is based on the CEV distribution PCAF proportions.

Finally, the volumetric rate for transmission is set to the A-6 TO rate plus current transmission related balancing account volumetric rates. Also, the NBCs are set to the A-10 NBC rates. Table 1 below shows the PCIA and NBC rates that apply to the E-CEV-S rate.

**TABLE 1
SMALL CEV PCIA AND NON-BYPASSABLE RATES**

Line No.	Rate Component	
1	PCIA	\$0.02466
2	<u>NBCs</u>	
3	PPP	0.01337
4	ND	0.00020
5	CTC	0.00097
6	ECRA	(0.00005)
7	DWR Bond	0.00549
8	NSGC	<u>0.00167</u>
9	Total NBCs	\$0.02165

E-CEV-S Rate Proposal

The proposed rates for E-CEV-S are shown in Table 2.

**TABLE 2
SMALL CEV RATE PROPOSAL
(E-CEV-S)**

Line No.	Rate	
1	Subscription (per 10 kW)	\$25.10
2	<u>Energy Charges</u>	
3	Peak (4 – 10 p.m.)	\$0.30297
4	Off-Peak (all other hours)	\$0.11800
5	SOP (9 a.m. – 2 p.m.)	\$0.09266

The rate components are shown in Table 3.

**TABLE 3
SMALL CEV RATE COMPOSITION
(E-CEV-S)**

Line No.	Rate	Generation	Distribution	Transmission	NBCs	Total
1	Subscription Charge	\$2.51	\$22.60	–	–	\$25.10
2	Peak	\$0.24078	\$0.01379	\$0.02674	\$0.02165	\$0.30297
3	Off-Peak	\$0.06402	\$0.00559	\$0.02674	\$0.02165	\$0.11800
4	SOP	\$0.04012	\$0.00415	\$0.02674	\$0.02165	\$0.09266

PG&E’s Large CEV Rate Proposal

PG&E proposes a new rate, E-CEV-L, for Large CEV charging. The rate consists of a subscription rate and time-differentiated energy rates. To account for the potential for different

distribution level service connections, two rates were computed for E-CEV-L: Primary (E-CEV-L P), and Secondary (E-CEV-L S).

E-CEV-L Subscription Rate

The E-CEV-L Subscription rate is per 50 kW of connected load. That is, this charge is applied to each 50 kW of connected load. For example, if a customer has 560 kW of connected load, the billing determinant for the subscription rate is 12 units (560/50 rounded up). The subscription rate is a per month charge. There are separate subscription charges for generation and distribution and no subscription charge for transmission or other charges.

The distribution subscription charge was designed to capture all non-variable distribution costs. That is, all but primary marginal distribution costs, including the EPMC. The generation subscription charge was set to the percent of non-peak PCAF fixed charges to ensure these fixed costs are collected despite usage patterns.

As with the E-CEV-S rate, customers will be able to choose their connected load unit level of service (e.g., choose only 11 units or 550 kW connected load for the example above). In the event that a customer's actual maximum demand in a month exceeds the subscription level, the customer will pay an overage fee equal to 200 percent of the equivalent monthly kW subscription rate for all additional units of subscription. As with the E-CEV-S rate, the overage fee was designed to incent customer to choose their optimal subscription service while discouraging gaming.

E-CEV-L Volumetric Rates

The E-CEV-L volumetric rate has the same TOU periods proposed in the E-CEV-S rate. The actual rates differ reflecting the different cost allocations and billing determinants (amount of Peak, SOP and Off-Peak energy or kWh).

Table 4 shows the PCIA and the NBCs for the E-CEV-L rates.

**TABLE 4
LARGE CEV PCIA AND NON-BYPASSABLE RATES**

Line No.	Rate Component	E-CEV-L P	E-CEV-L S
1	PCIA	\$0.02104	\$0.02104
2	<u>NBCs</u>		
3	PPP	0.01173	0.01269
4	ND	0.00020	0.00020
5	CTC	0.00083	0.00083
6	ECRA	(0.00005)	(0.00005)
7	DWR Bond	0.00549	0.00549
8	NSGC	0.00155	0.00155
9	Total NBCs	\$0.01975	\$0.02071

E-CEV-S Rates Proposal

The proposed rates for E-CEV-L P are shown in Table 5.

**TABLE 5
LARGE CEV RATE PROPOSAL
(E-CEV-L)**

Line No.	Rate	Primary E-CEV-L P	Secondary E-CEV-L S
1	Subscription (per 50 kW)	\$172.87	\$183.86
2	<u>Energy Charges</u>		
3	Peak (4 – 10 p.m.)	\$0.29526	\$0.30267
4	Off-Peak (all other hours)	\$0.10807	\$0.11079
5	SOP (9 a.m. – 2 p.m.)	\$0.08663	\$0.08882

The rate components are shown in Table 6.

**TABLE 6
LARGE CEV RATE COMPOSITION
(E-CEV-L)**

Line No.	Rate	Generation	Distribution	Transmission	NBCs	Total
1	<u>(E-CEV-L P)</u>					
2	Subscription Charge	\$15.74	\$157.13	–	–	\$172.87
3	Peak	\$0.23552	\$0.01325	\$0.02674	\$0.01975	\$0.29526
4	Off-Peak	\$0.05855	\$0.00304	\$0.02674	\$0.01975	\$0.10807
5	SOP	\$0.03577	\$0.00437	\$0.02674	\$0.01975	\$0.08663
6	<u>(E-CEV-L S)</u>					
7	Subscription Charge	\$17.60	\$166.26	–	–	\$183.86
8	Peak	\$0.24459	\$0.01063	\$0.02674	\$0.02071	\$0.30267
9	Off-Peak	\$0.06040	\$0.00294	\$0.02674	\$0.02071	\$0.11079
10	SOP	\$0.03650	\$0.00487	\$0.02674	\$0.02071	\$0.08882

PG&E's prepared testimony describes in detail its proposed Commercial EV Rate as follows:

- *Chapter 1 – Commercial Electric Vehicle Rate Design Policy and Proposal Overview*
- *Chapter 2 – Commercial Electric Vehicle Rate Proposal.*

III. STATUTORY AND PROCEDURAL REQUIREMENTS

A. Statutory Authority

This Application is filed in compliance with Public Utilities Code Sections 451, 454, SB 350, and D.18-05-040.

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

PG&E proposes that this Application 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 Application and the prepared testimony, PG&E's proposal in this proceeding supports 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 not be needed, because the application may be considered and reviewed consistent with the Commission's prior guidance and criteria for commercial EV rates and rate design in D.18-05-040. 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 Application is whether the Commission should approve PG&E's request for approval of its Commercial EV Rate in compliance with Public

Utilities Code Sections 451 and 454, SB 350, and D.18-05-040, in compliance with the requirements of the Public Utilities Code and Commission decisions, orders and resolutions.

F. Proposed Schedule – Rule 2.1(c)

File Application	November 5, 2018
Protest or Response	December 5, 2018
Reply	December 17, 2018
Prehearing Conference	January 4, 2018
Workshop (if necessary)	January 21, 2018
Concurrent Opening Briefs	February 18, 2018
Concurrent Reply Briefs	March 11, 2018
Proposed Decision	April 19, 2018
Decision	May, 2018

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 Application – Rule 2.1(b)

All correspondence and communications regarding this Application 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

Catherine Buckley
 Regulatory Affairs
 Pacific Gas and Electric Company
 77 Beale Street, B10A
 San Francisco, California 94105
 Telephone: (415) 973-5461
 E-Mail: yxt5@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 recent balance sheet and income statement were filed on July 30, 2018 in Application 18-07-020 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 Application would not increase electric rates for distribution customers; 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 increase application, this requirement is not applicable.

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

Exhibit A shows for the recorded year 2017 revenues, expenses, rate cases and rate of return for PG&E’s Electric and Gas Departments.

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 increase 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 proposal does not make changes in revenues.

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

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

S. Publication – Rule 3.2(c)

Because this Application does not increase rates, PG&E does not need to 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 Application and its Prepared Testimony on the service list in D.18-05-040 and Rulemaking No. 13-11-007. Within 45 days of filing this Application, 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 Application and the prepared testimony accompanying the Application.

IV. REQUEST FOR COMMISSION ORDERS

PG&E requests that the Commission issue appropriate orders:

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

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

V. CONCLUSION

PG&E respectfully requests that the Commission approve its Application for approval of its Commercial EV Rate in compliance with the requirements in the Public Utilities Code and Commission rulings and orders.

Respectfully Submitted,

CHRISTOPHER J. WARNER

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

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Attorney for
PACIFIC GAS AND ELECTRIC COMPANY

Dated: November 5, 2018

Exhibit A

PACIFIC GAS AND ELECTRIC COMPANY
REVENUE, EXPENSE, RATE BASE AND RATE OF RETURN
YEAR 2017 SUMMARY OF EARNINGS
RECORDED ADJUSTED FOR RATEMAKING
\$000

<u>Line</u> <u>No.</u>		<u>Total Utility</u> <u>Operations</u>
1	Operating Revenue	17,318,917
2	Expenses	
3	Operation & Maintenance Expense	10,780,452
4	Depreciation	2,852,785
5	Taxes	1,150,978
6	Other	(13,684)
7	Total Expenses (Line 3 to Line 6)	<u>14,770,531</u>
8	Operating Income (Line 1 less Line 7)	<u><u>2,548,385</u></u>
9	Weighted Average Rate Base	33,990,656
10	Return on Rate Base (Line 8/Line 9)	7.50%
11	Return on Equity	10.00%

Exhibit B

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
San Anselmo
San Bruno
San Carlos
San Francisco
San Joaquin
San Jose
San Juan Bautista
San Leandro
San Luis Obispo
San Mateo
San Pablo
San Rafael
San Ramon
Sand City
Sanger
Santa Clara
Santa Cruz
Santa Maria
Santa Rosa
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