

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



April 14, 2016

Advice Letters: 3597-G-B, 3597-G-C

Pacific Gas and Electric Company
Attn: Erik Jacobson, Director, Regulatory Relations
Senior Director, Regulatory Relations
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, CA 94177

SUBJECT: Gas One-Time Bill Credit Plan in Compliance with Decision 15-04-024

Dear Mr. Jacobson:

Advice Letters 3597-G-B and 3597-G-C are effective as of March 1, 2016.

Sincerely,

A handwritten signature in cursive script that reads "Edward Randolph".

Edward Randolph
Director, Energy Division

February 4, 2016

Advice 3597-G-B

(Pacific Gas and Electric Company ID U 39 G)

Public Utilities Commission of the State of California

Subject: Second Supplemental: PG&E Gas Customers One-Time Bill Credit Plan in Compliance with Decision 15-04-024 and Resolution G-3512

Pacific Gas and Electric Company (PG&E) hereby submits this second supplemental advice letter to present the Gas One-Time Bill Credit Plan (Bill Credit Plan) pursuant to Decision (D.) 15-04-024 and Resolution G-3512.

Purpose

This filing complies with Ordering Paragraphs (OPs) 4 and 5 of D.15-04-024, approved April 9, 2015 and Resolution G-3512 adopted January 28, 2016. In accordance with the Decision and Resolution, PG&E submits the Bill Credit Plan described herein to return to PG&E's gas ratepayers their proportional share of the \$400 million bill credit as ordered by the California Public Utilities Commission (CPUC or Commission).

Background

On April 9, 2015, the Commission approved final decisions in the three investigations pending against PG&E relating to (1) PG&E's safety recordkeeping for its natural gas transmission system, (2) PG&E's operation of its natural gas transmission pipeline system in or near locations of higher population density, and (3) PG&E's pipeline installation, integrity management, recordkeeping and other operational practices, and other events or courses of conduct, that could have led to or contributed to the natural gas explosion that occurred in the City of San Bruno, California on September 9, 2010.

The CPUC also approved a fourth decision (D.15-04-024), which, among other things, requires that PG&E provide a one-time \$400 million bill credit to its end-user natural gas customers, i.e. core, noncore, and wholesale customers.

On May 21, 2105, PG&E submitted Advice 3597-G containing a proposed Bill Credit Plan. In response to the protests to Advice 3597-G, PG&E submitted Advice 3597-G-A which contained suggested modifications to the Bill Credit Plan.

On January 28, 2016, the CPUC adopted Resolution G-3512 which addressed the protests to Advice 3597-G and 3597-G-A and adopted various clarifications and modifications to the Bill Credit Plan.

Bill Credit Plan

Attachment 1 describes the process PG&E will use to implement the \$400 million bill credit. In accordance with D.15-04-024 and Resolution G-3512, PG&E will first allocate the \$400 million credit (less a 1% contingency amount) between 1) core and wholesale customers and 2) noncore customers based on these classes average gas consumption during the December 2015 and January 2016 billing cycles. PG&E will then calculate bill credit rates per therm applicable to 1) core and wholesale customers and 2) noncore customers.

The bill credit for individual core and wholesale customers will be based on each customer's average monthly gas consumption during the December 2015 and January 2016 billing cycles. The bill credit for individual noncore customers will be based on each customer's average monthly gas consumption during the February 2015 through January 2016 billing cycles.¹

As noted in Advice 3597-G and acknowledged in Resolution G-3512, PG&E bills core customers on a "serial" basis throughout the month, dividing its customers into 21 serial groups. Resolution G-3512 directs PG&E to use data from the December and January billing cycles as representing the period with high total gas usage. The last scheduled meter reading date in January 2016 is on January 29 for the group of customers in serial "G". To capture the December 2015 and January 2016 billing cycles, PG&E will start with serial "H" read on December 2, 2015, and include billed usage through two billing cycles ending on January 29, 2016.

In order to provide wholesale and non-core customers the full benefit of the bill credit in the month of June, wholesale and non-core customers will receive the bill credit in the form of a check.

For customers served by Core Transport Agents (CTAs), all commercial customers, all master metered residential customers, and individually metered residential customers with a gross credit greater than \$30 will receive the bill credit in the form of a check. Other individually metered residential customers served by CTAs will receive a credit on their bill.

¹ Most noncore and wholesale customers are billed on the first business day of each month for usage during the previous calendar month. Therefore, to align noncore and wholesale usage with core usage, PG&E will use the bills reflective of consumption during the aforementioned months for allocation to the wholesale and noncore customer classes and the actual bill credit determination for individual wholesale and noncore customers.

The amount of the bill credit will not be recovered through any regulatory mechanism. Bills for PG&E's interdepartmental gas usage, including gas usage at PG&E owned electric generation facilities, will not be eligible for this bill credit.

Protests

As provided in Resolution G-3512, anyone wishing to protest this filing may do so by letter sent via U.S. mail, facsimile or E-mail, no later than February 16, 2016, which is 12 days² after the date of this filing. Protests must be submitted to:

CPUC Energy Division
ED Tariff Unit
505 Van Ness Avenue, 4th Floor
San Francisco, California 94102

Facsimile: (415) 703-2200
E-mail: EDTariffUnit@cpuc.ca.gov

Copies of protests also should be mailed to the attention of the Director, Energy Division, Room 4004, at the address shown above.

The protest shall also be sent to PG&E either via E-mail or U.S. mail (and by facsimile, if possible) at the address shown below on the same date it is mailed or delivered to the Commission:

Erik Jacobson
Director, Regulatory Relations
c/o Megan Lawson
Pacific Gas and Electric Company
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, California 94177

Facsimile: (415) 973-7226
E-mail: PGETariffs@pge.com

Any person (including individuals, groups, or organizations) may protest or respond to an advice letter (General Order 96-B, Section 7.4). The protest shall contain the following information: specification of the advice letter protested; grounds for the protest; supporting factual information or legal argument; name, telephone number, postal address, and (where appropriate) e-mail address of the protestant; and statement that

² The 10-day protest period concludes on a weekend and holiday, therefore, PG&E is moving this date to the following business day.

the protest was sent to the utility no later than the day on which the protest was submitted to the reviewing Industry Division (General Order 96-B, Section 3.11).

Effective Date

In compliance with Resolution G-3512, PG&E requests that this Tier 1 advice filing become effective on or before March 1, 2016 to ensure ample time to conduct the analysis of customer usage data, modify and test its billing system, and issue the credits to eligible customers during the June 2016 billing cycle.

Notice

In accordance with General Order 96-B, Section IV, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list and the parties on the service lists for A.13-12-012, I.12-01-007, I.11-02-016, I.11-11-009, A.12-11-009, I.13-03-007, and R.11-02-019. Address changes to the General Order 96-B service list should be directed to PG&E at email address PGETariffs@pge.com. For changes to any other service list, please contact the Commission's Process Office at (415) 703-2021 or at Process_Office@cpuc.ca.gov. Send all electronic approvals to PGETariffs@pge.com. Advice letter filings can also be accessed electronically at: <http://www.pge.com/tariffs/>.

/S/

Erik Jacobson
Director, Regulatory Relations

Attachments

cc: Eugene Cadenasso, Energy Division
Nathaniel Skinner, Office of Ratepayer Advocates (ORA)
Sam Chant, OLAM
Ted Keller, Wonderful Pistachios & Almonds, LLC
John Larrea, California League of Food Processors (CLFP) and Agricultural
Energy Consumers Association (AECA)
Ken Bohn and Lori Nalley, Tiger Natural Gas
Anthony Cusati, III, Interstate Gas Supply (IGS) Energy
Michael Rochman, School Project for Utility Rate Reduction (SPURR)
Leah E. Capritta and Billi Joel Lupton, United Energy Trading (UET)
Michael B. Day, Commercial Energy of California
Stephanie C. Kueffner and Bob Blake, XOOM Energy
Evelyn Kahl and Katy Morsony, Indicated Shippers
C. Susie Berlin, Northern California Generation Coalition (NCGC)
Service Lists for A.13-12-012, I.12-01-007, I.11-02-016, I.11-11-009,
A.12-11-009 (and I.13-03-007), and R.11-02-019.
PG&E GO 96-B

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No. **Pacific Gas and Electric Company (ID U39 G)**

Utility type:

ELC GAS
 PLC HEAT WATER

Contact Person: Jennifer Wirowek

Phone #: (415) 973-1419

E-mail: J6WS@pge.com and PGETariffs@pge.com

EXPLANATION OF UTILITY TYPE

(Date Filed/ Received Stamp by CPUC)

ELC = Electric GAS = Gas
PLC = Pipeline HEAT = Heat WATER = Water

Advice Letter (AL) #: **3597-G-B**

Tier: 1

Subject of AL: **Second Supplemental: Gas One-Time Bill Credit Plan in Compliance with Decision 15-04-024 and Resolution G-3512**

Keywords (choose from CPUC listing): Compliance, Core, Noncore, Credit

AL filing type: Monthly Quarterly Annual One-Time Other _____

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: Decision 15-04-024 and Resolution G-3512

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: No

Summarize differences between the AL and the prior withdrawn or rejected AL: N/A

Is AL requesting confidential treatment? If so, what information is the utility seeking confidential treatment for: No

Confidential information will be made available to those who have executed a nondisclosure agreement: N/A

Name(s) and contact information of the person(s) who will provide the nondisclosure agreement and access to the confidential information: _____

Resolution Required? Yes No

Requested effective date: March 1, 2016

No. of tariff sheets: N/A

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: N/A

Service affected and changes proposed: N/A

Pending advice letters that revise the same tariff sheets: N/A

In compliance with Resolution G-3512, protests, dispositions, and all other correspondence regarding this AL are due no later than 12 days¹ after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:

California Public Utilities Commission
Energy Division
EDTariffUnit
505 Van Ness Ave., 4th Flr.
San Francisco, CA 94102
E-mail: EDTariffUnit@cpuc.ca.gov

Pacific Gas and Electric Company
Attn: Erik Jacobson
Director, Regulatory Relations
c/o Megan Lawson
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, CA 94177
E-mail: PGETariffs@pge.com

¹ The 10-day protest period concludes on a weekend and holiday, therefore, PG&E is moving this date to the following business day.

Attachment 1

**PACIFIC GAS AND ELECTRIC COMPANY
GAS ONE-TIME BILL CREDIT PLAN**

1. PURPOSE

This Gas One-Time Bill Credit Plan (Bill Credit Plan) complies with Ordering Paragraphs (OPs) 4 and 5 of D.15-04-024, issued April 9, 2015, as modified and clarified by Resolution G-3512, issued January 28, 2016. Resolution G-3512 requires PG&E to credit PG&E's gas end-use customers their proportional share of the \$400 million bill credit on their June 2016 bills. Since the bill credit for many wholesale and noncore customers is expected to be greater than their monthly PG&E transportation bill, wholesale and noncore customers will receive the bill credit in the form of a check in order to provide them the benefit of the bill credit in the month of June 2016. As described in 5.D below, certain core customers electing procurement service from Core Transport Agents will also receive a check.

2. INITIAL BILL CREDIT DATE

Credits will be made to eligible gas customers on their June 2016 bills, as described in Section 4 below. Credits to core and wholesale customers will be based on each customer's average monthly billed consumption in their December 2015 and January 2016 billing cycles using a uniform cents per therm amount. Credits to noncore customers will be based on each customer's average monthly billed consumption in their February 2015 through January 2016 billing cycles using a uniform cents per therm amount. Most noncore and wholesale customers are billed on the first non-holiday weekday following the last day of a month. Therefore, PG&E will use the bills reflective of consumption during the aforementioned months to align their usage with the usage of core customers.

3. TOTAL AMOUNT TO BE CREDITED

The total amount to be credited to PG&E eligible end-use customers is \$400 million. A contingency amount equal to one (1) percent of the total credit amount will be temporarily retained by PG&E to address disputes customers may make on their eligibility for the bill credit or of the credit amount.

The amount of the bill credit is not to be recovered through any regulatory mechanism.

4. CUSTOMER ELIGIBILITY

An eligible core or wholesale customer is a PG&E natural gas end-use customer who has usage billed in the December 2015 and/or January 2016 billing cycles, or a bill delayed beyond January 31, 2016 that would normally include these billing cycle periods, and whose account is open during the June 2016 billing cycle. An eligible noncore customer is a PG&E natural gas end-use customer who has usage billed during the February 2015 through January 2016 billing cycles, or a bill delayed beyond their normal billing statement date that would normally include these billing cycle periods, and whose account is open during the June 2016 billing cycle.

5. METHODOLOGY FOR DISTRIBUTION OF CREDITS TO ELIGIBLE CUSTOMERS

Credits will be made to PG&E's eligible end-use gas customers based on the method described below:

A) The total bill credit, less the 1% contingency described above, will be allocated between 1) core and wholesale customers and 2) noncore customers based on the ratio of the monthly average billed usage for these two customer groups during December 2015 and January 2016 billing cycles.

B) Computation of bill credit for core and wholesale customers: The core and wholesale portion of the total bill credit determine in A) above will be divided by the average monthly core and wholesale billed usage during December 2015 and January 2016 billing cycles to compute a core/wholesale bill credit rate. The bill credit for each core and wholesale customer will be determined by multiplying the core/wholesale bill credit rate times the customer's average billed usage during December 2015 and January 2016 billing cycles.

C) Computation of bill credit for noncore customers: The noncore portion of the total bill credit determine in A) above will be divided by the average monthly noncore billed usage during February 2015 through January 2016 billing cycles to compute a noncore bill credit rate. The bill credit for each noncore customer will be determined by multiplying the noncore bill credit rate times the noncore customer's average billed usage during February 2015 through January 2016 billing cycles.

D) PG&E will remit the credit amount due to each eligible core customer taking bundled gas service through a one-time bill credit appearing on their June 2016 bills. Since the bill credit for many wholesale and noncore customers is expected to be greater than their monthly gas transportation bill, wholesale and noncore customers will receive the bill credit in the form of a check in order to provide them the benefit of the bill credit in the month of June. For customers

served by Core Transport Agents (CTAs), all commercial customers, all master metered multi-family residential customers, and individually metered residential customers with a gross credit greater than \$30 will receive the bill credit in the form of a check. Other individually metered residential customers served by CTAs will receive a credit on their bill.

E) The bill credit will not be recorded as a reduction in revenue. Therefore, there will be no effect in utility user taxes or franchise fee payments to cities and counties.

F) Bills for PG&E's interdepartmental gas usage, including gas usage at PG&E owned electric generation facilities, will not be eligible for this bill credit nor included in the calculation of the per therm credit rate.

6. ADJUSTMENTS OF BILL CREDITS UPON CUSTOMER INQUIRY

If any former or present customer contends, within six months after the initial implementation date of the Bill Credit Plan, that the amount received by the customer is incorrect, PG&E will investigate and make an appropriate adjustment.

7. UNCASHED CHECKS

Any uncashed checks resulting from the Bill Credit Plan will remain a liability of PG&E to the individual customer for one year after the date of the check issuance. The claim of any person legally entitled to one of the uncashed checks (whether or not the check is returned to PG&E) will be honored. Where a check has been returned, PG&E will make every reasonable effort to locate the payee. Checks which remain uncashed after twelve months will escheat to the State.

8. REPORT ON BILL CREDIT PLAN

A preliminary report of the total amount of credits made to PG&E customers pursuant to the Bill Credit Plan will be reported to the Commission no later than 60 days after the \$400 million bill credit has been distributed describing the calculation of the bill credit on a customer class basis, the number of customers it was distributed to on a customer class basis, and the total amount of bill credits distributed. This report cannot be considered a final report due to potential customer adjustments and corrections made pursuant to Section 6 of the Bill Credit Plan. A final report of the total amount of credits made to PG&E customers will be reported seven months after the preliminary report was issued to allow for adjustments of bill credits upon customer inquiry as described in Section 6. If the total amount of bill credits distributed is less or more than \$400 million, PG&E will, at the time it submits its final report to the

Commission, submit a Tier 2 advice letter proposing a method of truing up the \$400 million using existing balancing accounts. These reports will also identify the disposition of any remaining amount of the \$4 million contingency described in Item 3. PG&E will submit a report to the Commission regarding the amounts of uncashed checks escheated to the State after the escheatment process is completed in 2018.

9. CUSTOMER NOTIFICATION

A bill credit will be shown as a line item on eligible customers' bills. The amount of the credit will be labeled as "CPUC Mandated Gas Credit." When necessary, there will be an additional line item on the bill for certain customers noting that they will receive the bill credit in the form of a check. There will be a separate statement/instruction to master-metered customers at mobile home parks and other residential complexes of their obligation to pass the bill credit on to their submetered customers in the manner required by Public Utilities Code Section 739.5(b). A sample of the statement/instruction in the form of a Master-Metered Customer Letter is attached as Exhibit 1 to this plan.

Exhibit 1
Pacific Gas and Electric Company
Sample Master-Metered Customer Letter



Pacific Gas and Electric Company
P.O. Box 770000
San Francisco, CA 94177-1490

SAMPLE MASTER-METERED CUSTOMER LETTER

June x, 2016

«CUSTOMER_NAME»
«MAILING_ADDRESS»
«MAILING_ADDRESS2»
«MAILING_CITY», «MAILING_STATE»
«MAILING_POSTAL»

Dear Valued Customer,

In June 2016, PG&E gas customers will receive a credit on their bills. This credit is being given in compliance with the California Public Utilities Commission (CPUC's) decision on investigations related to PG&E's gas transmission pipelines (specifically, CPUC Decision 15-04-024). The one-time credit is based on average monthly billed consumption in the December 2015 and January 2016 billing cycles using a uniform cents per therm rate. In total, PG&E's gas customers will receive a credit of \$400 million.

California Public Utilities Code Section 739 directs master-metered customers to pass on credits received on the master-metered bill to their sub-metered tenants.

“Every master-meter customer of a gas or electrical corporation subject to subdivision (a) who, on or after January 1, 1978, receives any rebate from the corporation shall distribute to, or credit to the account of, each current user served by the master-meter customer...”

As a master-metered customer, you are required by state law to pass along any credit or rate reduction that you may receive to your tenants. The credit is the same for both CARE and non-CARE customers and should be passed on to each dwelling unit. The uniform per therm rate based on average monthly billed consumption in the December 2015 and January 2016 billing cycles is \$0.xx. For example, if a dwelling were billed for 6 therms in November and 8 therms in December, totaling 14 therms for that period, then the credit would be \$x.xx (14 therms divided by 2 multiplied by per therm rate of \$0.xx)

Please take a moment to check the number of dwelling units PG&E has on record for your facility. This information can be found on the bill you receive for your master meter. Should the number of units need updating, please call the number below.

PG&E is committed to providing exceptional customer service. If you have questions or need further assistance, please call our **Business Customer Contact Center** at **1 (800) 468-4743**.

Please post this notice in a conspicuous place. Thank you.

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

AT&T	Division of Ratepayer Advocates	OnGrid Solar
Albion Power Company	Don Pickett & Associates, Inc.	Pacific Gas and Electric Company
Alcantar & Kahl LLP	Douglass & Liddell	Praxair
Anderson & Poole	Downey & Brand	Regulatory & Cogeneration Service, Inc.
Atlas ReFuel	Ellison Schneider & Harris LLP	SCD Energy Solutions
BART	G. A. Krause & Assoc.	SCE
Barkovich & Yap, Inc.	GenOn Energy Inc.	SDG&E and SoCalGas
Bartle Wells Associates	GenOn Energy, Inc.	SPURR
Braun Blaising McLaughlin & Smith, P.C.	Goodin, MacBride, Squeri, Schlotz & Ritchie	San Francisco Water Power and Sewer
Braun Blaising McLaughlin, P.C.	Green Power Institute	Seattle City Light
CPUC	Hanna & Morton	Sempra Energy (Socal Gas)
California Cotton Ginners & Growers Assn	International Power Technology	Sempra Utilities
California Energy Commission	Intestate Gas Services, Inc.	SoCalGas
California Public Utilities Commission	Kelly Group	Southern California Edison Company
California State Association of Counties	Ken Bohn Consulting	Spark Energy
Calpine	Leviton Manufacturing Co., Inc.	Sun Light & Power
Casner, Steve	Linde	Sunshine Design
Cenergy Power	Los Angeles County Integrated Waste Management Task Force	Tecogen, Inc.
Center for Biological Diversity	Los Angeles Dept of Water & Power	Tiger Natural Gas, Inc.
City of Palo Alto	MRW & Associates	TransCanada
City of San Jose	Manatt Phelps Phillips	Troutman Sanders LLP
Clean Power	Marin Energy Authority	Utility Cost Management
Coast Economic Consulting	McKenna Long & Aldridge LLP	Utility Power Solutions
Commercial Energy	McKenzie & Associates	Utility Specialists
Cool Earth Solar, Inc.	Modesto Irrigation District	Verizon
County of Tehama - Department of Public Works	Morgan Stanley	Water and Energy Consulting
Crossborder Energy	NLine Energy, Inc.	Wellhead Electric Company
Davis Wright Tremaine LLP	NRG Solar	Western Manufactured Housing Communities Association (WMA)
Day Carter Murphy	Nexant, Inc.	YEP Energy
Defense Energy Support Center	ORA	
Dept of General Services	Office of Ratepayer Advocates	