

From: Mistry, Dinyar
Sent: 11/16/2012 7:46:25 AM
To: Doll, Laura (/O=PG&E/OU=CORPORATE/CN=RECIPIENTS/CN=LRDD);
'gregory.reisinger@cpuc.ca.gov' (gregory.reisinger@cpuc.ca.gov)
Cc:
Bcc:
Subject: Re: Your question
Greg:

Generally differences between authorized revenue requirements and billed revenues are tracked in balancing accounts. In the situation you are contemplating, I would assume that the rate increase would be incorporated into billed revenues, but authorized revenue requirements would not be changed, so that difference would be accumulated in the balancing account. The interest rate used and frequency of update would be prescribed in the tariff/preliminary statement for that particular balancing account.

If you have a specific rate component or balancing account in mind, we would be glad to research that. Or, if I've misunderstood your question, please let me know. Thanks,

Dinyar

From: Doll, Laura
Sent: Friday, November 16, 2012 07:36 AM
To: 'gregory.reisinger@cpuc.ca.gov' <gregory.reisinger@cpuc.ca.gov>; Mistry, Dinyar
Subject: Re: Your question

Greg -- looping in the master, Dinyar!
I'm betting he can answer.
Laura

From: Reisinger, Gregory S. [mailto:gregory.reisinger@cpuc.ca.gov]
Sent: Friday, November 16, 2012 06:57 AM
To: Doll, Laura
Subject: RE: Your question

Laura,

Thanks for the quick response. The information is very helpful. At the risk of pushing my luck I will ask a further question. The specific situation I am looking into concerns a rate increase that is subject to refund. If that refund occurs the refunded amounts will be credited with interest using the 3 month commercial paper rate as discussed. In addition to the info you already provided, do you or would Dinyar know if the rate is adjusted monthly, quarterly (i.e., every three months) or held the same after the initial rate is set. So for an example a refund of a rate increase dating back to 2012 might start with an interest rate of 2% -- would it then be

adjusted, and how frequently, to account for changes in the rate?

Thanks again for your help.

Sincerely,

Greg Reisinger

From: Doll, Laura [mailto:LRDD@pge.com]
Sent: Thursday, November 15, 2012 11:01 AM
To: Reisinger, Gregory S.
Cc: Myers, Richard A.
Subject: Your question

Greg

Hope this info helps. As you can see we have a summary of interest rates we use in this attachment, and then Susan Hunter's email provides a link to the Fed's website.

Let me know if you need anything further.

Regards,

Laura

From: Mistry, Dinyar
Sent: Thursday, November 15, 2012 10:56 AM
To: Doll, Laura

Laura: fyi, this is our process. Attached is an internal document that Redacted from Reg Rel provides us, which lays out the interest rates. Also, there's a link to the Fed's website where the rates are published. Please let me know if you need anything else. Thanks, Dinyar

From: Hunter, Susan
Sent: Thursday, November 15, 2012 9:59 AM

Hi Dinyar,

We receive an updated interest rate monthly from Redacted in Regulatory Analysis and Forecasting.

The rate is published at the Federal Reserve Board's webpage:

<http://www.federalreserve.gov/releases/H15/default.htm>

Click on any date in October. The interest rate can be found under Commercial Paper / Non-financial / 3-month in the last column which will indicate the previous calendar month. The interest rate has a one month lag. The October interest is labeled September in the FRB report.

I've attached the latest interest rate summary from Ken which shows the interest rates for the past 12 months.

Regards, Susan

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