From:     Pagedar, Sujata

Sent:     4/17/2013 5:52:13 PM

To:       Houck, Jason (jason.houck@cpuc.ca.gov)

Cc:       Allen, Meredith (/O=PG&E/OU=Corporate/cn=Recipients/cn=MEAe); Franz,
          Damon A. (damon.franz@cpuc.ca.gov)

Bcc:

Subject:  Re: Data Request - 2013 GHG Costs in Electricity Rates - Due Friday, 4/19

We'll go forward with the rate model. I think we can make Tuesday, but will keep in touch if
we can't.

On Apr 17, 2013, at 5:19 PM, "Houck, Jason" <jason.houck@cpuc.ca.gov> wrote:

> Let's just go ahead and do the more accurate analysis with the full rate model.
> Would it be possible to have the data by Monday or Tuesday?

> Thanks,

> Jason

> **From:** Pagedar, Sujata [mailto:sxpg@pge.com]
> **Sent:** Tuesday, April 16, 2013 6:13 PM
> **To:** Houck, Jason; Franz, Damon A.
> **Cc:** Allen, Meredith
> **Subject:** RE: Data Request - 2013 GHG Costs in Electricity Rates - Due Friday, 4/19

> Jason,

> Thanks for the question.  The calculation of the Revenue Requirement isn't
> really the hard part- we can, as you said, calculate a revenue requirement based
> on the GHG we removed from our 2013 ERRA filing, and that won't take very
> long.  It's the rate model that is difficult- we have to run the rate model in order
> to allocate these costs to each rate schedule.  Running the rate model takes 3 to 4
> days.

I ran your proposal below by our rates team, and they agree that it could work. It would be less accurate than re-running the rate model, but it would be close enough. I've asked them to see how long it would take to do that- we might be able to get a response by Friday.

In an application where customer rates will be set, we'd want to use the rate model because it has such a high degree of accuracy. But in this case, since it's more informative than actual rate-setting, the back of the envelope approach should be fine, and faster.

Sujata

**From:** Houck, Jason [mailto:jason.houck@cpuc.ca.gov]
**Sent:** Tuesday, April 16, 2013 5:07 PM
**To:** Pagedar, Sujata; Franz, Damon A.
**Cc:** Allen, Meredith
**Subject:** RE: Data Request - 2013 GHG Costs in Electricity Rates - Due Friday, 4/19

Hi Sujata,

My initial thought was that PG&E could use the GHG-related costs it initially forecasted, and then removed, from its ERRA filing last December, in order to calculate the $/kWh GHG costs that would have been present in rates in 2013. Do you feel you need to recalculate your revenue requirement because it has changed significantly since your ERRA filing, or is the update due to the way your rate model works?

I assumed that you would be able to simply multiply GHG-related costs by the cost allocation factors for each rate, and then divide that total by the forecasted sales for each rate to arrive at a $/kWh value. Is the calculation more complicated than that, or does your rate model have certain limits that require total revenue requirements to be input, not just GHG-related revenue

requirements?

If you feel the updated revenue requirement will give us a more accurate number, then I have no problem with an extension until next Wednesday. I'm just curious why the complexity is needed – we'll have to ask for and review these numbers more formally at least once a year (in the IOUs' August applications), and it would be helpful to understand how this calculation is done, if it is more complex than I am imagining. Happy to talk if that's easier.

Thanks for your time!

Jason

Jason,

Some parts of this data request are fairly straightforward, and we shouldn't have any difficulty responding by Friday April 19th. However, the last question is more challenging. To answer that question, we'll need to calculate a new revenue requirement with GHG costs included, and use that revenue requirement to re- run our rate model. Running the rate model takes 3 to 4 days, and then we'll need to compare the rates for each rate schedule both with GHG costs and without, in order to isolate the costs attributable to GHG.

For that last bullet, we'd like to ask for an extension of time until next Wednesday. We'll do our best to get it to you earlier than that. Please let me know if that's a problem.

Sujata

**From:** Allen, Meredith
**Sent:** Tuesday, April 16, 2013 11:28 AM
**To:** Pagedar, Sujata
**Subject:** FW: Data Request - 2013 GHG Costs in Electricity Rates - Due Friday, 4/19
**Importance:** High

**From:** Houck, Jason [mailto:jason.houck@cpuc.ca.gov]
**Sent:** Tuesday, April 16, 2013 10:55 AM
**To:** Laura.Genao@sce.com; Allen, Meredith; Peacock, Tanya
**Cc:** Franz, Damon A.
**Subject:** Data Request - 2013 GHG Costs in Electricity Rates - Due Friday, 4/19
**Importance:** High

Hi All,

I have a quick data request that I hope won't take your teams very long. Would it be possible to reply **by Friday, April 19**? Apologies for the multiple requests in recent weeks.

**Data Needed**

We would like a report of the bundled 2013 GHG-related costs, in $/kWh for each rate schedule, that would have been included in rates in 2013 if D.12-12-033 had not ordered the utilities to defer these costs.

Could you each provide me with a spreadsheet that includes the following

information:

●⬜⬜⬜⬜⬜⬜⬜ Total bundled 2013 GHG-related costs that would have been included in rates in 2013 without the deferment authorized in D.12-12-033 (i.e. those GHG-related costs that would have been included in your 2013 ERRA forecasts)

●⬜⬜⬜⬜⬜⬜⬜ For each electricity rate schedule, please provide the:

o   Generation cost allocator for this rate schedule

o   GHG-related costs apportioned to this rate schedule (in dollars)

o   Forecasted bundled annual usage for 2013 (in kWh)

o   GHG-related costs in dollars per kWh that would have been present in this rate schedule in 2013 without D.12-12-033.


Please let me know if you have any questions.


Many thanks,


Jason Houck

Analyst, Emerging Procurement Strategies

Energy Division

California Public Utilities Commission

Office: 415.703.1223

Email: jason.houck@cpuc.ca.gov




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