PACIFIC GAS AND ELECTRIC COMPANY
2014 General Rate Case Phase I
Application 12-11-009
Data Response

PG&E Data Request No.:	CCSF_001-04		
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Request Date:	April 12, 2013	Requester DR No.:	CCSF-PG&E 001-006
Date Sent:	April 26, 2013	Requesting Party:	City and County of San Francisco
PG&E Witness:	Steve Dannecker	Requester:	William K. Sanders

QUESTION 4

In Exhibit PG&E-4, page 19-5 through page 19-6, PG&E explains PG&E's proposed revenue collection method for its Light Emitting Diode (LED) streetlight program. The proposed revenue collection method assumes that customers that choose to participate will fully fund the conversion by the end of 2016.

a.   Would streetlights owned by PG&E in CCSF be eligible to participate in the LED streetlight program? If the answer is no, please explain.

b.   If the program is implemented as proposed, would the incremental facility charge for PG&E streetlights in CCSF be the same as that proposed for other LS-1 classes ($2.814 per month)?

c.   Are existing streetlights in CCSF included in the anticipated 159,309 High Pressure Sodium Vapor (HPSV) streetlights (Table 19-1) that PG&E estimates will be converted to LED as part of the program? If so, how many?

d.   Please explain the duration of the incremental facility charge for customers that choose to participate in PG&E's LED conversion program. When does the incremental facility charge begin for each streetlight and for how many months does the charge apply? Will customers continue to pay this charge beyond the GRC period?

e.   PG&E proposes to recapture 75% of expected energy savings (page 19-6) as an incremental facility charge to pay for LED conversions. Please provide support for how PG&E chose this percentage, rather than a lower percentage that would amortize the costs over the lifetime of the street lights.

ANSWER 4

a.   No. PG&E has not yet found a mechanism to address LED conversions for CCSF that can provide benefits similar to those available to other customers because PG&E's current proposed method of revenue collection to pay for the conversions would not be applicable to CCSF. PG&E and CCSF have not yet had any direct discussions related to replacements of PG&E-owned street lights as PG&E does

not have any mechanism (other than the current provisions of Rate Schedule LS-1) to propose. If PG&E's proposed approach is approved for other LS-1 customers, PG&E will be willing to work with CCSF to discuss options, but CCSF will need to determine if such an approach will provide sufficient benefit to make it worth pursuing the replacements.

b. PG&E would need to perform a separate calculation to determine the incremental facilities charge for CCSF. It is likely that the resulting incremental charge will be very similar to the illustrative example used, but no calculations applicable to CCSF have been performed.

c. No.

d. Billing adjustments, including both the energy cost reduction and the proposed incremental facility charge for each light, will be effective on the date the light is changed to LED. PG&E's proposal is to complete the program within the three years of the 2014 General Rate Case (GRC) cycle. It is not PG&E's intent that any incremental charge will extend beyond the end of the 2014 GRC cycle, but any final determination will need to be made in the 2017 GRC proceeding.

e. LS-1 facility charges are set once during each GRC cycle. PG&E proposes to recover 75 percent of the energy cost savings to allow the cost recovery to be completed during a single rate case cycle, allowing customers to fully benefit from energy cost savings as early as possible. PG&E intends that incremental facility charges will be discontinued as soon as possible following completion of the proposed program. Using a process that "amortizes" the costs over the life of the lights would require a continuation of separate facility charge class divisions for many years. This is likely to cause confusion and potentially result in billing errors or incorrect class assignments for LED lights installed in future years.