

From: Jacobson, Erik B (RegRel)  
Sent: 4/8/2014 9:41:32 AM  
To: Franz, Damon A. (damon.franz@cpuc.ca.gov) (damon.franz@cpuc.ca.gov)  
Cc:  
Bcc:  
Subject: Small business GHG revenue return

Damon,

I left you a voice message yesterday to discuss this issue of GHG revenue return for small business. We had a conversation with Jason Houck yesterday. I'm concerned that we may not have a good long term solution to fix this problem in a timely fashion pursuant to the direction we got from Jason yesterday. This is not an IT problem; it is a data problem.

It would very helpful if we could meet with you, Jason and Ed Randolph to discuss later this week. Could you please hold off rejecting the AL until after we have a chance to discuss it with you in person? We mentioned this to Jason yesterday and he indicated he would be following up with you.

Erik

**From:** Houck, Jason [mailto:jason.houck@cpuc.ca.gov]  
**Sent:** Friday, April 04, 2014 3:43 PM  
**To:** [Redacted]  
**Cc:** Pagedar, Sujata; Allen, Meredith; Franz, Damon A.; Parrillo, Jordan  
**Subject:** Imminent Rejection of PG&E AL 4371-E  
**Importance:** High

[Redacted]

I am sorry that PG&E has chosen the path it did in its Tier 1 AL 4371-E to define small business eligibility for the Climate Credit in a manner out of compliance with previous Commission orders.

I am sending this email as forewarning that Energy Division will be rejecting the entire advice letter specifically because PG&E's proposed Electric Rule No. 1, Definitions, Sheet 26, is out of compliance with D.12-12-033. Another advice letter filing will be required.

PG&E should begin to make the IT system changes necessary to implement the small business climate credit in a manner consistent with the Commission's definitions and orders spelled out in D.12-12-033. PG&E has had almost a year and a half to make these system changes, and in D.13-12-003 PG&E was ordered to complete these changes as of January 1, 2014.

The approach PG&E laid out in AL 4371-E angered a number of people at the Commission, and I hope PG&E will read this email as urgent guidance to finally begin taking the necessary steps to properly implement the small business climate credit according to the eligibility definition established in D.12-12-033.

We will provide additional details about requirements to file a compliant advice letter as soon as we can.

Jason Houck

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