

From: Jacobson, Erik B (RegRel)
Sent: 6/24/2014 11:59:11 AM
To: Houck, Jason (jason.houck@cpuc.ca.gov)
Cc: Pagedar, Sujata (/O=PG&E/OU=Corporate/cn=Recipients/cn=sxpg)
Bcc:
Subject: RE: Question about Sample Weighted Average Cost Calculation

Jason,

There is a math error in the illustrative WAC calculation shown on page 69 of the Joint Utility Proposal. Attached is a revised example that corrects the error and results in the same illustrative WAC of \$89.25.

We apologize for the error and would be happy to walk through the accounting procedures in detail if you have questions.

Best regards,

Erik

From: Houck, Jason [mailto:jason.houck@cpuc.ca.gov]
Sent: Monday, June 23, 2014 4:01 PM
To: Jacobson, Erik B (RegRel)
Subject: Question about Sample Weighted Average Cost Calculation

Hi Erik,

In the initial Joint Utility Proposal to A.13-08-002, et al, Phase 2, PG&E copied its response to

an ORA data request. In PG&E Attachment D-2 (p. 69 on the attached PDF file), PG&E gives an example of how it calculates the weighted average cost (WAC) of GHG compliance instruments.

I'm trying to figure out if the sample WAC of \$89.25 that PG&E provided is correct, in which case I would appreciate if one of your staff can give me a call to explain how PG&E arrived at that number, or if you can clarify if there is a calculation error. When I try to replicate the calculation I arrive at a different WAC, and I'm trying to understand why.

Thanks,

Jason Houck

Analyst, Emerging Procurement Strategies

Energy Division

California Public Utilities Commission

Office: 415.703.1223

Email: jason.houck@cpuc.ca.gov