

DATE: June 5, 2020

TO: STATE, CITY AND LOCAL OFFICIALS

NOTICE OF PACIFIC GAS AND ELECTRIC COMPANY'S REQUEST TO CHANGE RATES FOR ITS RECOVERY BOND APPLICATION (A.20-04-023)

FILED

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Acronyms you need to know

PG&E: Pacific Gas and Electric Company

CPUC: California Public Utilities Commission

Summary

On April 30, 2020, PG&E filed an application proposing to finance \$7.5 billion in recovery bonds after emerging from bankruptcy. While this proposal would result in a new charge on customer bills, PG&E is also proposing a credit to customers that will be funded by shareholders. The credit is expected to equal the charge, meaning there would be **no impact to customer bills**.

PG&E will file a second application later in 2020 asking the CPUC to approve issuing the recovery bonds.

Background

The legislature approved Senate Bill 901, authorizing issuance of bonds to fund the costs of certain catastrophic wildfires.

The proposals would expedite PG&E's path back to an investment-grade credit rating. This is important for customers because it will allow PG&E to continue making critical safety and reliability improvements in its electric system at the lowest cost to customers.

How will the proposal affect my electric rate?

On their monthly Energy Statement starting in 2021, customers will see a charge for the recovery bonds as well as a credit from PG&E in the same amount. The charge and credit would occur simultaneously, meaning customers are expected to experience no change in their monthly bill amount as a result of the bonds. More detailed rate information is being sent directly to customers in a bill insert.

Based on rates currently in effect, the bill for a typical residential customer using 500 kWh per month would increase from \$124.08 to \$126.53, or 2.0%. However, as noted above, customers are also expected to see an offsetting credit in the same amount.

Direct Access and Community Choice Aggregation customers only receive electric transmission and distribution services from PG&E. On average, these customers would see an increase of 3.9%. However, as noted above, customers are also expected to see an offsetting credit in the same amount.

Another category of nonbundled customers is Departing Load. These customers do not receive electric generation, transmission or distribution services from PG&E. However, these customers are required to pay certain charges by law or CPUC decision. These customers will not be impacted by the proposals in this application.

CPUC process

This application will be assigned to a judge, who will consider proposals and evidence presented during the formal hearing process. The judge will issue a proposed decision which may adopt PG&E's application, modify it or deny it. Any CPUC Commissioner may sponsor an alternate decision. The proposed decision, and any alternate decisions, will be discussed and voted upon by the CPUC Commissioners.

The Public Advocates Office (Cal Advocates) is currently reviewing this application. Cal Advocates is the independent consumer advocate within the CPUC with a statutory mandate to represent customers of investor-owned utilities to obtain the lowest possible rate for service consistent with safe and reliable service and the state's environmental policy goals. Cal Advocates has a multidisciplinary staff with expertise in economics, finance, accounting and engineering. For more information about Cal Advocates, please call **415-703-1584**, email **PublicAdvocatesOffice@cpuc.ca.gov**, or visit Cal Advocates' website at **PublicAdvocates.cpuc.ca.gov**.

Where can I get more information?

CONTACT PG&E

If you have questions about PG&E's filing, please contact PG&E at **1-800-743-5000**. Para más detalles llame al **1-800-660-6789** • 詳情請致電 **1-800-893-9555**. For TTY, call **1-800-652-4712**.

If you would like a copy of the filing and exhibits, please write to the address below:

Pacific Gas and Electric Company
Recovery Bond Charge (A.20-04-023)
P.O. Box 7442
San Francisco, CA 94120

CONTACT CPUC

You may also get information about this proceeding by contacting the CPUC.

- If you would like to make a comment, please visit **cpuc.ca.gov/ A2004023Comment** to submit a comment on the CPUC Docket Card. You can also review other public comments related to this rate request.
- If you have questions about CPUC processes, you may contact the CPUC's Public Advisor's Office at:

Email: Public.Advisor@cpuc.ca.gov

Mail: CPUC
Public Advisor's Office
505 Van Ness Avenue
San Francisco, CA 94102

Call: 1-866-849-8390 (toll-free)
For TTY, call **1-866-836-7825** (toll-free)

Please reference **Recovery Bond Charge (A.20-04-023)** in any communications you have with the CPUC regarding this matter.