



FILED
11-18-16
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**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Application of Pacific Gas and Electric Company
for Authority, Among Other Things, to Increase
Rates and Charges for Electric and Gas Service
Effective on January 1, 2017. (U39M)

Application 15-09-001
(Filed September 1, 2015)

**PACIFIC GAS AND ELECTRIC COMPANY
NOTICE OF *EX PARTE* COMMUNICATION**

Pursuant to Rule 8.4 of the Commission's Rules of Practice and Procedure,
Pacific Gas & Electric (PG&E) hereby gives notice of the following ex-parte
communications. The communications occurred on Tuesday, November 15, 2016 at 4:38
PM by email to the offices of California Public Utilities Commission (CPUC). The
communication is attached to this notice.

Minci Han, Principal Case Manager, PG&E, responded to a data request from
Elaine Lau, Regulatory Analyst, Energy Division. Subsequent to sending this data
response, PG&E learned that Ms. Han's response was forwarded to David Peck, Energy
Advisor to Commission President Michael Picker, and Stephen Roscow, Administrative
Law Judge. Ms. Han's data response addresses interest cost calculations associated with
a delay in PG&E's General Rate Case.

Respectfully submitted,

/s/ Erik B. Jacobson

Erik B. Jacobson
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Dated: November 18, 2016

From: Han, Minci
Sent: Tuesday, November 15, 2016 4:38 PM
To: Lau, Elaine (elaine.lau@cpuc.ca.gov)
Subject: RE: Questions

Elaine,

Here is the interest info you requested. Hope this helps. Please let me know if you need anything else.

Minci

From: Lau, Elaine [<mailto:elaine.lau@cpuc.ca.gov>]
Sent: Tuesday, November 15, 2016 1:04 PM
To: Han, Minci
Subject: Questions
Importance: High

This is an EXTERNAL EMAIL. Stop and think before clicking links or opening attachments.

Hi Minci,

Can you send me the answers to these questions before the end of the day?

Assume hypothetically that the PD for PG&E's GRC mails for 30-day comment on December 16, and the Commission votes it out on January 19, 2017.

1. When would the resulting rate change take effect?

Assuming we get the Final Decision on January 19, we would increase rates on March 1, 2017.

2. Based on the answer to #1, what is the interest cost attributable to that effective date?

In accordance with D.16-03-009, PG&E will include accrued interest, based on a Federal Reserve three-month commercial paper rate (nonfinancial companies) at the time of the Final Decision. The Fed's website today shows that Federal Reserve's Three-month Commercial Paper for Nonfinancial companies is 0.63% annually (latest as of Nov 14). Assuming the Final GRC Decision adopts the settlement proposed increase of \$88.4 million in 2017 and the interest rate stays relatively stable, the interest cost would be about \$46k per month ($\$88.4 \text{ Million} \times 0.63\% / 12$). If PG&E increases rates on March 1, 2017, then the estimated accrued interest would be about $\$46\text{k/month} \times 2 \text{ months} = \92k .

3. Please provide a "rule of thumb" for calculating the interest costs due to any ongoing delay past 1/1/2017.

The rule of thumb is about \$46k per month on interest (assuming 0.63% annually) before PG&E can make the rate change.