



FILED
6-30-17
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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 (U 39 M).

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

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

Pursuant to Rule 8.4 of the Commission's Rules of Practice and Procedure, Pacific Gas and Electric Company (PG&E) here by gives notice of a late-filed *ex parte* communication. The communication occurred on Thursday, June 29, 2017 at approximately 4:33 PM by electronic mail (e-mail) to the offices of the California Public Utilities Commission (CPUC). A copy of the e-mail transmittal is attached to this Notice.

Kathy Wade, GRC Case Manager of Electric Distribution, PG&E, provided Administrative Law Judge Stephen Roscow, Energy Division staff, Office of Ratepayer Advocates staff, and the cities of Hayward and San Luis Obispo with a proposed outline for the Rule 20A audit scope of work. This proposed scope of work will be discussed in a meet and confer session on July 6, 2017 as required by PG&E's 2017 GRC decision (D.17-05-013).

Respectfully submitted,

/s/ Erik B. Jacobson

Erik B. Jacobson
Director, Regulatory Relations
Pacific Gas and Electric Company
P.O. Box 770000, Mail
San Francisco, CA 94177
Phone: 415-973-4464
Fax: 415-973-7226
E-mail: EBJ1@pge.com

Dated: June 30, 2017

From: Wade, Kathy

Sent: Thursday, June 29, 2017 4:33 PM

To: Roscow, Stephen C.; Frost, Jonathan; Loewen, James; Lau, Elaine; Petlin, Gabriel; Sterkel, Merideth "Molly"; Pocta, Robert M.; Lee, David K.; Charkowicz, Ed; Morad.Fakhrai@Hayward-ca.gov; Joseph.Brick@Hayward-ca.gov; Kelly.McAdoo@Hayward-ca.gov; Michael.Lawson@Hayward-ca.gov; CDietrick@slocity.org

Cc: Daniel, Aichi (Law); Smith, Bruce; Miller, Andrea; Han, Minci; Sharp, Shelly

Subject: PG&E 2017 GRC Rule 20A Audit - PG&E Draft Outline

All,

To help guide the discussion at the July 6th meeting to discuss the scope of the Rule 20A audit ordered by the 2017 GRC Final Decision, PG&E has drafted the attached outline of a proposal for the Rule 20A audit scope.

PG&E plans to bring copies of this outline to the meeting. If you have suggested edits, please circulate by COB July 5th, and bring hard copies with those edits to the meeting as well.

Thanks,
Kathy Wade

*Kathy Wade
PG&E GRC Case Manager, Electric Distribution
Office: (415) 973-4401
Cell: (415) 328-5685*

**OUTLINE OF PG&E'S PROPOSAL OF SCOPE AND FUNDING ESTIMATE FOR THE RULE 20A AUDIT
PURSUANT TO D.17-05-013**

Objective: PG&E provides the outline of its proposal of scope and funding estimate for the Rule 20A audit ordered in D. 17-05-013¹ below as a starting point to the discuss during the July 6, 2017 Meet and Confer with the City of Hayward and the Commission's Energy Division.

1. Time Period Covered in the Audit
 - a. PG&E recommends using data from 2012-2016 (a five year period)
2. Time to Complete the Audit
 - a. PG&E recommends 180 days (after the individual firm or auditor has been contracted) to complete the audit
3. Funding Estimate and Auditor
 - a. PG&E does not have a funding estimate or an individual firm or auditor identified at this time, but recommends using a certified diverse supplier.
4. Issues to be Covered in the Audit
 - a. Annual Spending of Rule 20A budgeted amounts
 - i. PG&E budgeting process for Rule 20A adopted amounts
 - ii. Historical re-prioritization of Rule 20A budgeted amounts
 - iii. Factors that led to historical re-prioritization of Rule 20A budgeted amounts
 - b. Work Credit Allocations to Governmental Agencies
 - i. Review of work credits allocated to Governmental Agencies
 - ii. Review of the work credit usage by Governmental Agencies
 - iii. Review of projects initiated, but not completed
 - c. Progress in implementing steps to increase PG&E's capability to perform Rule 20A conversions
 - i. Review of PG&E's process improvements
 - d. PG&E process to verify eligibility of Rule 20A projects
 - i. Process for Governmental Agencies to Initiate Project
 - ii. PG&E process to ensure tariff requirements are met
 - e. Reliability of Rule 20A cost estimates
 - i. Review of PG&E's final project cost with approved design estimates
 - ii. Factors that contribute to cost variances

¹ D.17-05-013, Ordering Paragraph 8 states: "Pacific Gas and Electric Company (PG&E), the City of Hayward, and Commission staff are directed to meet and confer to determine a joint estimate of the scope and funding required for an audit of PG&E's Rule 20A program. Other governmental entities that are parties to this proceeding shall be also invited to the meet and confer session. PG&E and the City of Hayward shall jointly file and serve the joint estimate of the scope and the required funding within 60 days of the effective date of this decision. The assigned Commissioner and assigned Administrative Law Judge shall determine further procedural steps following receipt and review of the audit scope and funding estimate."