

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**



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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, 2020.

(U 39 M)

Application 18-12-009  
(Filed on December 13, 2018)

**RESPONSE OF THE  
INDICATED SHIPPERS**

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January 17, 2019

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**RESPONSE OF THE  
INDICATED SHIPPERS**

Pursuant to Rule 2.6 of the Rules of Practice and Procedure of the California Public Utilities Commission (Commission), the Indicated Shippers submit this response to the *Test Year 2020 General Rate Case Application of Pacific Gas and Electric Company (U 39 M)* (Application) filed by Pacific Gas and Electric Company (PG&E). This General Rate Case (GRC) proceeding reviews increased rates and charges requested by PG&E for electric and gas service effective January 1, 2020.

**I. INTRODUCTION**

On December 13, 2018, PG&E filed its Application requesting that the Commission increase 2020 gas and electric distribution and generation base revenue requirements by a total of \$1.058 billion. PG&E's request represents a 12.4 percent increase over the 2019 adopted revenue of \$8.518 billion.<sup>1</sup>

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<sup>1</sup> PG&E Test Year 2020 General Rate Case Application at 6, Table 3.

Due to the breadth and size of PG&E's revenue request, the Application raises numerous issues regarding the calculation, purpose, necessity and justification of all revenue requested. These issues require an opportunity for discovery, intervenor testimony and development of a record.

## **II. INDICATED SHIPPERS' INTEREST IN THIS PROCEEDING**

The Indicated Shippers<sup>2</sup> are an *ad hoc* association whose members own and operate industrial and cogeneration end-use facilities, produce and deliver California natural gas and/or operate as Contracted Marketers on the PG&E system. The Indicated Shippers actively participate in PG&E rate cases to address rate impacts to large natural gas transportation customers of PG&E.

In its Application, PG&E requests an increase of its gas and electric distribution and generation base revenue requirements by a total of *\$1.058 billion*.<sup>3</sup> Overall, this request will increase the base revenue amounts by 11 percent for gas distribution between 2018 and 2020.<sup>4</sup> For noncore customers specifically, PG&E proposes rate impacts to increase by more than \$6.8 million from 2018 to 2020.<sup>5</sup> The largest revenue increases will affect Industrial Distribution (increase of \$3.3 million or 3.7 percent), Industrial Transmission (increase of \$2.9 million or 1.0 percent), Electric Generation – D/T (increase of \$351 thousand or 0.3 percent) and Electric Generation – Backbone (increase of \$243 thousand or 0.3 percent).<sup>6</sup>

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<sup>2</sup> Members of the Indicated Shippers include: California Resources Corporation, Chevron U.S.A., Inc., Phillips 66 Company, and Shell Oil Products US.

<sup>3</sup> The increase is attributable to a \$134 million increase on the gas side of PG&E's operations and a \$924 million increase on the electric side.

<sup>4</sup> PG&E Test Year 2020 General Rate Case Application at 6, Table 3.

<sup>5</sup> *Id.* at 10, Table 9.

<sup>6</sup> *Id.*

If adopted as proposed, the Application would result in a significant rate increase for members of the Indicated Shippers. As marketers, shippers and customers served by the PG&E natural gas system, the Indicated Shippers have a direct interest in the instant proceeding that cannot be represented by any other party. The Indicated Shippers request party status in this proceeding to address the issues identified herein.

### **III. NOTICE**

The Indicated Shippers request that all correspondence, pleadings, notices, orders, rulings and other communications concerning this proceeding be emailed to the following:

Evelyn Kahl  
Buchalter, A Professional Corporation  
55 Second Street, Suite 1700  
San Francisco, CA 94105  
415.227.0900 office  
ekahl@buchalter.com

### **IV. CONCLUSION**

The Indicated Shippers intend to actively participate in this proceeding; therefore, the Indicated Shippers request that they be granted party status. The Indicated Shippers appreciate the opportunity to submit this response.

January 17, 2019

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Evelyn Kahl".

EVELYN KAHL  
Counsel to Indicated Shippers