

NOTICE OF EVIDENTIARY HEARINGS FOR PACIFIC GAS AND ELECTRIC COMPANY'S REQUEST TO INCREASE RATES IN ITS COST OF CAPITAL APPLICATION (A.19-04-015)

DATE AND TIME	LOCATION
September 3–6, 2019, at 9:30 a.m. (Daily)	CPUC Commission Courtroom State Office Building 505 Van Ness Avenue San Francisco 94102

SUMMARY

The Evidentiary Hearings (EHs) listed with dates and times above have been scheduled by the California Public Utilities Commission (CPUC) to review PG&E's Cost of Capital Application.

Please note: The CPUC's Courtroom is wheelchair accessible. If you wish to attend and need specialized accommodations, please contact the Public Advisor's Office (PAO) at least five business days prior to the hearing date. Any changes to the dates, times and locations of the hearings will be posted to the CPUC's Daily Calendar.

ABOUT THE APPLICATION

The Cost of Capital application was filed on April 22, 2019. On August 1, 2019, PG&E filed supplemental testimony with the CPUC to update its proposals based on the passage of Assembly Bill 1054. PG&E's revised proposals are summarized below:

	CURRENT		PROPOSED	
	Cost	Capital structure	Cost	Capital structure
Common equity	10.25%	52.0%	12%	52.0%
Preferred stock	5.6%	1.0%	5.52%	0.5%
Long-term debt	4.89%	47.0%	5.16%	47.5%

In a Cost of Capital proceeding, the CPUC determines how much is allowed in rates as a return on the Utility's investment. In this application, PG&E requests the CPUC determine a reasonable capital structure (i.e., the relative amounts of long-term debt and equity), the costs of long-term debt (loans and financial obligations over one year), and an appropriate rate of return on common stock (profit for PG&E shareholders) as well as preferred stock.

Approval of PG&E's proposals in this application will help the company:

- Continue making investments in safety operations and reliability
- Attract the necessary capital critical to safely and efficiently serve 16 million Californians
- Return to an investment-grade credit rating, thereby reducing overall financing costs

The proposed changes to the cost of capital would increase PG&E's current authorized revenues by \$395 million (4.3%). If the CPUC approves this application, PG&E's request would increase rates beginning January 1, 2020, and until the next Cost of Capital application is filed and approved.

HOW COULD PG&E'S APPLICATION AFFECT ELECTRIC RATES?

Many customers receive bundled electric service from PG&E, meaning they receive electric generation, transmission and distribution services. Based on rates currently in effect at the time the application was filed, the bill for a typical residential NonCARE customer using 500 kWh per month would increase from \$118.05 to \$120.81, or 2.3%. Actual bill impacts will vary depending on usage.

Direct Access (DA) and Community Choice Aggregation (CCA) customers only receive electric transmission and distribution services from PG&E. On average, these customers will see an increase of 1.9%.

Departing Load customers do not receive electric generation, transmission or distribution services from PG&E. However, they are required by law or CPUC decision to pay certain charges. On average, these customers will see an increase of 1.9%.

HOW COULD PG&E'S APPLICATION AFFECT GAS RATES?

Based on rates currently in effect, the gas bill for a typical residential NonCARE customer averaging 34 therms per month of gas usage would increase from \$53.56 to \$54.93, or 2.6%. Actual bill impacts will vary depending on usage each month.

TO OBTAIN COPIES

If you would like a copy of PG&E's filing and exhibits, please write to: **PG&E, Cost of Capital Application A.19-04-015, P.O. Box 7442, San Francisco, CA 94120**. Copies of PG&E's filing and exhibits are also available for review by appointment at the CPUC's Central Files Office in San Francisco. For more information, please contact them at aljcentralfilesid@cpuc.ca.gov or **1-415-703-2045**. PG&E's filing (without exhibits) is available on the CPUC's website at www.cpuc.ca.gov/puc.

CPUC PROCESS

At these EHs, the assigned Administrative Law Judge (Judge) will receive testimonies from PG&E, consumer advocacy groups and other parties to this proceeding. These hearings are open to the public, but only those who are parties to the proceeding may present evidence or testimony and be subject to cross-examination. The hearings and documents submitted during this proceeding will become part of the formal record the Judge will rely upon in writing a proposed decision to present to the Commissioners for their consideration.

After considering all proposals and evidence presented during the formal hearing process, the assigned Judge will issue a proposed decision which may adopt, modify or deny PG&E's proposal. Any of the five CPUC Commissioners may also sponsor an alternate decision. The proposed decision and any alternate decisions will be discussed and voted upon by the Commissioners at a scheduled public CPUC Voting Meeting.

The California Public Advocates Office (CalPA) has reviewed this application. CalPA is the independent consumer advocate within the CPUC with a legislative mandate to represent investor-owned utility customers to obtain the lowest possible rate for service consistent with reliable and safe service levels. CalPA has a multidisciplinary staff with expertise in economics, finance, accounting and engineering. For more information about CalPA, please call **1-415-703-1584**, email PublicAdvocatesOffice@cpuc.ca.gov or visit <http://www.publicadvocates.cpuc.ca.gov>.

STAY INFORMED

If you would like to follow this proceeding, or any other issue before the CPUC, you may use the CPUC's free subscription service. Sign up at: <http://subscribecpuc.cpuc.ca.gov/>.

If you would like to learn how you can participate in the proceeding, have informal comments, or if you have questions about the CPUC processes, you may access the CPUC's PAO webpage at www.cpuc.ca.gov/pao/. You may also contact the PAO as follows:

Write:

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

Email: public.advisor@cpuc.ca.gov

Phone: 1-866-849-8390 (toll-free) or **1-415-703-2074**

TTY: 1-866-836-7825 (toll-free) or **1-415-703-5282**

Please reference **Cost of Capital Application (A.19-04-015)** in any communications you have with the CPUC regarding this matter. All public comments will become part of the public correspondence file for this proceeding and made available for review by the assigned Judge, the Commissioners and appropriate CPUC staff.