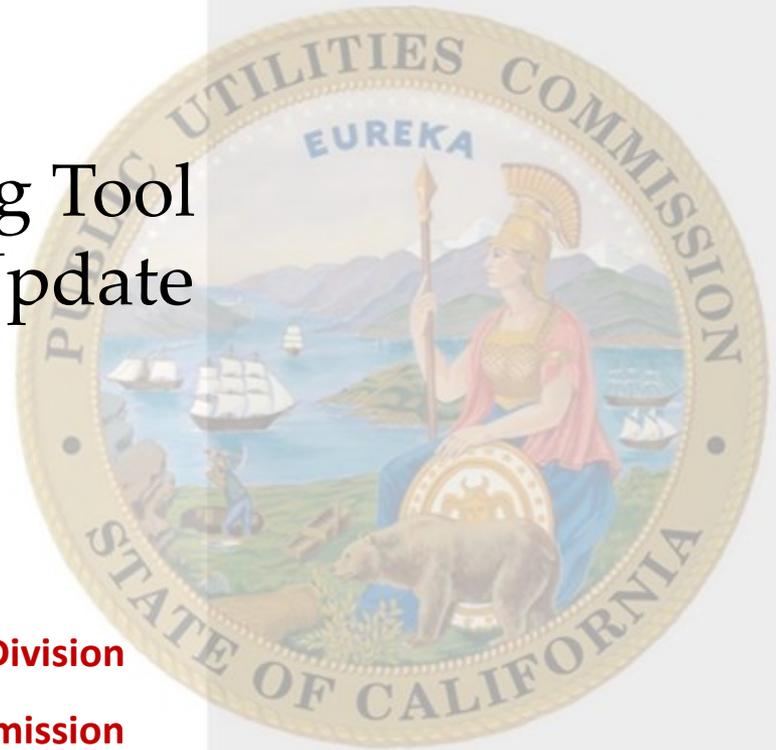


Utility Cost & Rate Tracking Tool Status Update

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California Public Utilities Commission
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Purpose and Objectives

Energy Division (Retail Rates Section) is developing a new system of tracking and evaluating comprehensive cost information from our electric investor owned utilities (IOUs), with the following objectives in mind:

- 1. To develop a cost, rate and bill tracking tool** in partnership with the IOUs that will enable greater visibility into the individual and cumulative ratepayer impacts of applications for programs and policies.
 - This tool is being initially piloted and evaluated for the three large IOUs in 2019, and may be expanded to the Small Multijurisdictional Utilities (SMJUs) starting in Q1 2020.
- 2. To intake, manage, and evaluate cost, rate, and bill impact data** from the IOUs on an incremental filing and quarterly (summary) basis.
- 3. To present results, trends and findings to Commissioners and stakeholders** to better inform decision making, utility rates and revenue requirement, and program implementation.
 - Reports summarizing these findings may be incorporated into certain proceedings and/or published on the Commission website



Summary of Proposed Cost & Rate Tracking Tool Design and Process

▪ Two Reporting Requirements of the Utilities:

(1) **Quarterly Cost & Rate Reports:** Data responses from IOUs with summaries of all submitted applications, actual/approved funding outcomes in decisions, and individual and cumulative associated revenue requirement, rate and bill impacts.

- This will be submitted as an Excel workbook with revenue, rate, and bill impact data and calculation tools separated into tabs.

(1) **Application Cost Summary:** Proposed cost, rate, and bill impact associated with each funding request will be ordered via standing data request for submission with each new application.

- Each individual application should contain incremental revenue, rate, and bill impact information in the same Excel format as presented in the quarterly reports.



Application Revenue and Rate Impact Summary in Each New Application

- **Pending Development**: Energy Division intends to have IOUs to include basic revenue, rate and bill impact information at the front end of each application.

- **Benefits**:
 - Up front assessment of revenue, rate, and bill implications for individual application requests and program cycles to firm up quarterly forecasts.

 - Works in concert with the quarterly reports to aid decision-makers in managing rate and bill impacts on a per program or application basis.



Quarterly Workbook Data Responses

- **ED Quarterly Revenue and Rate Data Submissions:**
 - ED developed an Excel workbook with input from Cal Advocates and the IOUs (mainly SCE's input) to ensure transparency, coordination and consensus on the type of information needed as well as the capacity and functionality of a rate and bill impact calculator.

- **First Data Response from SCE (9/18) contains the following information:**
 - Authorized revenues by proceeding and revenue recovery mechanism for Q1 and Q2 2019 (through July 1).
 - Incremental revenue requests pending approval since Jan 1 2019.
 - System Average Rates (SAR) and Residential Average Rate (RAR) based on SCE's 2020 ERRRA forecast.
 - **Rate Impacts based on 2020 ERRRA forecast.**
 - **Bill Impacts based on 2018 average usage by baseline territory.**



Sample Application Revenue Inputs in Cost, Rate, and Bill Tracking Tool: 2020 ERRA Forecast

- **2020 ERRA Forecast Application** (A.)19-06-002: includes 2019 YE balances to be recovered in 2020.
 - **Incremental Revenue Requirement** tab breaks out incremental authorized and pending revenue requirement by recovery mechanism.
 - These are among the inputs into the RAR / SAR and bill impact tabs.

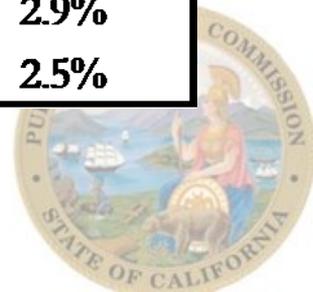
Filing Description	Proceeding	Proposed Revenue Recovery Mechanism	Change in Projected Authorized Revenue Requirement (\$000)
Recovery Year			2020
2020 ERRA Forecast	A. 19-06-002	Generation	(256,371)
2020 ERRA Forecast (2019 YE balance)	A. 19-06-002	Generation	325,375
2020 ERRA Forecast	A. 19-06-002	New System Gen	249,557
2020 ERRA Forecast (2019 YE balance)	A. 19-06-002	New System Gen	(56,127)
2020 ERRA Forecast	A. 19-06-002	GHG Revenue	(22,976)
2020 ERRA Forecast	A. 19-06-002	Nuclear	37
2020 ERRA Forecast	A. 19-06-002	Distribution	(23,568)
2020 ERRA Forecast	A. 19-06-002	Public Purpose	18,659
2020 ERRA Forecast (2019 YE balance)	A. 19-06-002	Public Purpose	85,243
		TOTAL	319,830



2020 ERRA Bundled Residential Average Rate (RAR) and Bundled Residential Average Bill Impact (SCE Baseline Territory 13)

Bundled Average Rates				
Customer Group	January 2019 Rates (¢/kWh)	2019 Authorized (As of July 2019)	2020 Rates (¢/kWh)	% Change over January 2019
Residential	18.0	18.3	18.5	2.7%
System	15.9	15.9	16.4	2.8%

Bundled Residential Monthly Average Bills - Annual				
	January 2019	2019 Authorized (As of July 2019)	2020	% Change over January 2019
Non-CARE residential bill	\$ 142.40	\$ 144.82	\$ 146.50	2.9%
CARE residential bill	\$ 83.66	\$ 84.89	\$ 85.79	2.5%



How Could This Data Connect to Our Affordability Rulemaking Metrics?

- **Affordability Rulemaking Status:** Interdivisional staff proposal on affordability metrics has been issued for stakeholder comments. A revised proposal and Proposed Decision are pending.
- Affordability metrics would be based on **essential utility service quantities across Public Use Microdata Areas (PUMAs)**. Staff would need to establish a separate calculator to apply the metrics to the rate impact outputs.
- **Near Term (Q3 or Q4 workbook data response):**
 - Staff could add a tab to the Cost & Rate tracker tool that calculates the change in a customer's essential utility bill (i.e. the proposed rate x essential service use quantity) without applying the metrics to the rate request.
 - The metrics would then need to be separately applied using the metrics calculator (database).
- **Longer Term – Part of Affordability Metrics Implementation:**
 - Could be incorporated into the implementation of the affordability metrics as a way to evaluate proposed rate changes and resulting essential utility service bill data.
 - Cost & Rate Tracking Tool could be used to validate the proposed rates that the IOUs submit in their applications.



How Decisionmakers and Stakeholders Might Leverage This Tool

- Commissioners and Advisors could use the rate and bill tracker to calculate rate and bill impacts for an application decision on any agenda.
- Assuming a PD is issued approving the same revenue requirements as in the application, the user could run the revenue requirement through the calculator.
- **Example:** SCE's workbook includes 3 pending public policy revenue requirements as of June 30, 2019.
 - The user can assess the cumulative impact of one decision (i.e. Charge Ready 2 Pilots) along with other public policy revenue requests that haven't gone into rates yet (i.e. the SJV DAC Pilots and Energy Efficiency revenue requirements).



Other Uses for the Cost & Rate Tracking Tool

- Senate Bill 695 and AB 67 Reports – supplemental and ongoing foundational data and analysis.
- Decision and Program spending prioritization tool by combining any number of application revenue requests to examine cumulative impacts.
- Backcast and forecast of individual or cumulative quarterly revenue changes and rate and bill impacts.



Caveats, Limitations, and Questions

- This tool only traces rate and bill impacts for a single rate at this time
 - Rate and bill impacts will differ for TOU versus tiered rates, for example.
- The amount of data is potentially voluminous, so navigating the tool can be challenging at first (but gets easier with experience).
 - A more user friendly iteration of the rate and bill impact calculator is forthcoming.
- Questions about how the data will be analyzed and reported still remain – and what standards and protocols should be in place to maximize its use for staff and decisionmakers.
- **Open Questions for Commissioners:**
 - Should reports appear on the CPUC web:site, and if so, how frequently?
 - Are there other customized functions for this report that would be useful?

