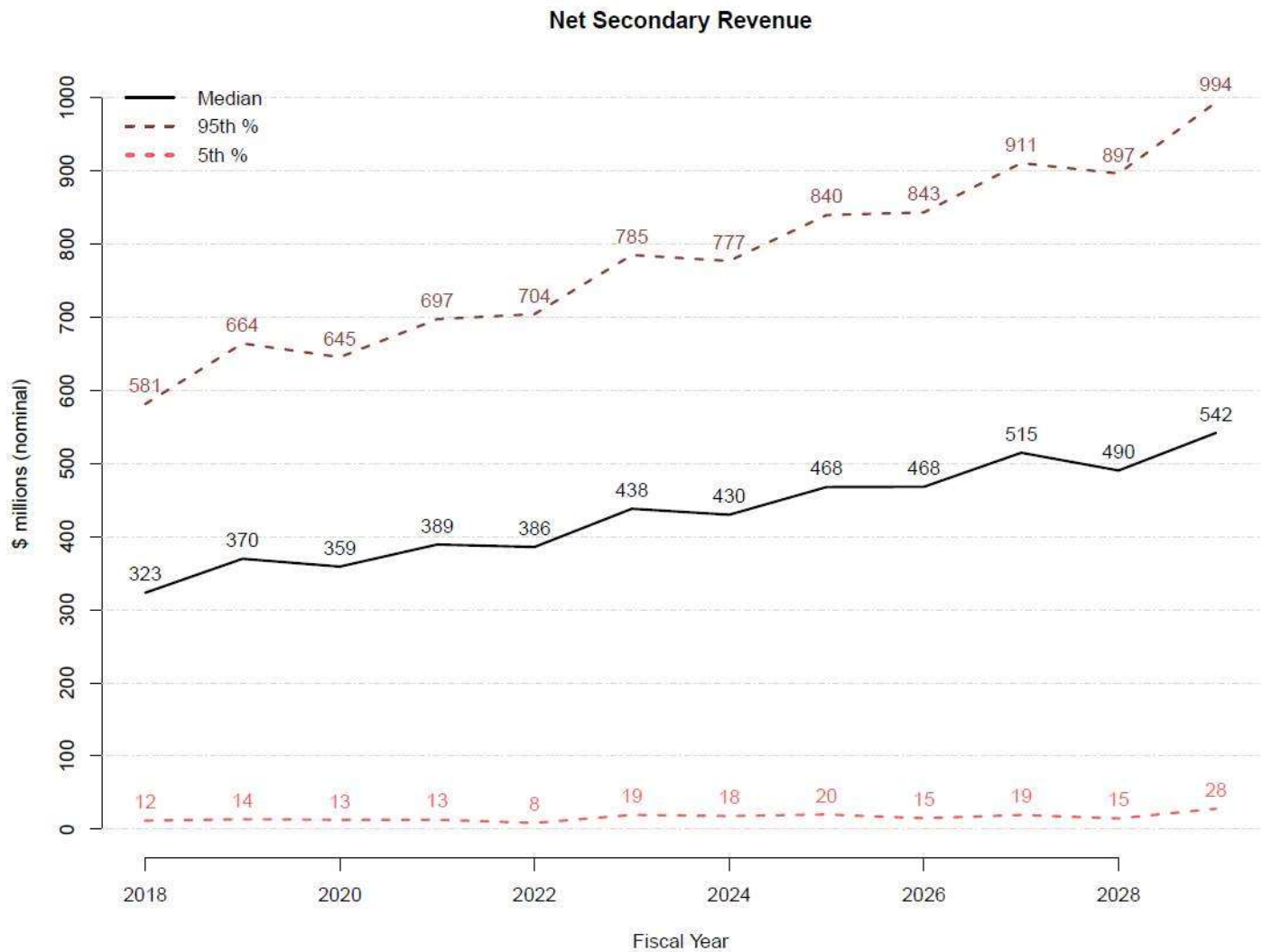


Reference Case Workshop Follow-ups

Risk bands for NSR comparison



REP refund impacts. Is it included in our rate analysis?

The short answer is that the REP refund expiry happens starting in FY 2020.

However, the true VALUE of the REP refund is already embedded in the lower schedule of benefits. So all other things equal, the schedule of IOUs benefits subsumes the REP Refund, before even accounting for the credits on customers' bills. To make sure the IP rate is paying the right amount (so that it isn't linked to an artificially low PF rate), we have a "cost" of the refund amount embedded in the PF Melded rate, to which the IP rate is linked.

This "cost" is a real cost in the Composite Cost Pool, but customers get their refund amount also on their bill. So the net amount that shows up (in aggregate, across all customers) on their bill is just the IOUs scheduled benefits, which have been lowered already in the Settlement.

The existence of the Refund amount was only needed to 1) make sure IP customers were paying their fair share, and 2) make sure that differences between customers under subscription versus under regional dialogue, was fair over time. The rate benefit has been (and is being) realized FY 2012-2019 in lower IOU benefits than would otherwise have been the case had look back amounts been paid down fully BEFORE the start of Regional Dialogue.