

STATE OF CALIFORNIA

ARNOLD SCHWARZENEGGER, Governor

## PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE

SAN FRANCISCO, CA 94102-3298



February 13, 2007

Advice Letter 2433-E-D

Brian K. Cherry, Vice President, Regulatory Relations  
Pacific Gas & Electric Company  
77 Beale Street, Mail Code B10C  
P.O. Box 770000  
San Francisco, CA 94177

Subject: Staff Disposition of Revised Transferred Municipal Departing Load Tariffs in  
Compliance with Resolution E-3999

Dear Mr. Cherry:

The Energy Division has verified that Advice Letter (AL) 2433-E-D, with substitute sheets submitted on January 18<sup>th</sup>, February 7<sup>th</sup>, and February 8<sup>th</sup>, 2007 is in compliance with Resolution E-3999, and shall be effective July 10, 2003, with the exception that the tariff provision regarding ongoing CTC recovery shall be effective April 1, 2002. A complete copy of the advice letter with effective tariff sheets is returned herewith for your records.

The substitute sheets addressed some of the issues raised in the January 12<sup>th</sup> protests of Merced Irrigation District and Modesto Irrigation District (collectively, "the Districts") and the Northern California Power Agency and Turlock Irrigation District (NCPA/Turlock).

The remaining issues raised in protests by the Districts and NCPA/Turlock, as well as the issue raised in the January 11<sup>th</sup> protest of the California Municipal Utilities Association (CMUA), are not addressed in the substitute sheets. Those issues are not grounds for denial of the relief requested in the supplemental advice letter because they do not demonstrate that any tariffs submitted in AL 2433-E-D are out of compliance with Resolution E-3999.

The Energy Division's approval of Advice Letter 2433-E-D is a "ministerial" act, as that term is used regarding advice letter review and disposition (See D. 02-02-049), made upon the determination that the filing was in compliance with Resolution E-3999.

Sincerely,

A handwritten signature in black ink, appearing to read "Sean H. Gallagher".

Sean H. Gallagher, Director  
Energy Division

cc: Scott Blaising, Braun & Blaising, P.C. (Attorney for CMUA)  
Dan L. Carroll, Downey Brand LLP (Attorney for the Districts)  
C. Susie Berlin, McCarthy & Berlin, LLP (Attorney for NCPA/Turlock)



**Pacific Gas and  
Electric Company**

**Karen A. Tomcala**  
Vice President  
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February 18, 2004

**Advice 2433-E-B**  
(Pacific Gas and Electric Company ID U39E)

415.972.5209  
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Public Utilities Commission of the State of California

**Subject: Revision to Proposed Schedule E-MDL – Municipal Departing Load  
and Form 79-1006 in Compliance with D.03-07-028**

Pacific Gas and Electric Company (PG&E) hereby submits for filing revisions to its proposed Schedule E-MDL – Municipal Departing Load, as filed on October 29, 2003, in Advice 2433-E and supplemented by Advice 2433-E-A. The affected tariff sheets are listed on the enclosed Revised Attachment 1.

### **Purpose**

By this supplemental advice letter, PG&E requests that the Commission approve the revisions to Schedule E-MDL shown in the attached tariff sheets to clarify that departing load customers subject to that rate schedule are responsible for payment of the Regulatory Asset charge. In addition, PG&E requests that the Commission grant the request in Advice 2433-E and Advice 2433-E-A to make the tariffs effective on July 10, 2003, for purposes of the nonbypassable charges included in the original tariff sheets.

### **Background**

On January 26, 2004, PG&E filed Advice 2465-E to implement Decision (D.) 03-12-035 and the Modified Settlement Agreement (MSA) adopted therein, as well as the proposed Rate Design Settlement Agreement (RDSA) entered into by various parties. In Advice 2465-E, PG&E provided sample tariffs for two rate schedules and stated that it "will file a complete set of revised rate schedules prior to implementing the rates provided herein." PG&E's intent had been to file revised tariffs to reflect the MSA and RDSA in mid- to late-February 2004.

On February 4, 2004, The Utility Reform Network (TURN) filed a limited protest to Advice 2465-E on the basis that PG&E had neglected to include in its proposed tariffs an appropriate rate schedule by which to recover the costs of the Regulatory Asset (and perhaps other charges) from departing load customers not otherwise exempt from such charges under the terms of the RDSA and other relevant Commission decisions. TURN requested that PG&E file a new version of its former tariff E-DEPART to recover the appropriate costs from departing load customers who are not exempt from the relevant charges.

On February 6, 2004, PG&E filed its reply to TURN's limited protest and acknowledged that, in the light of the apparent confusion caused by its omission of revised tariffs specifically applicable to departing load customers, it would be both appropriate and helpful to provide such tariffs at this time. PG&E appended to its reply certain illustrative revised tariffs sheets for departing load customers, including specifically a revised Schedule E-DEPART and a revised Schedule E-MDL, which PG&E has proposed to supersede portions of Schedule E-DEPART.

By this advice letter, PG&E formally supplements Advice 2433-E and Advice 2433-E-A to revise Schedule E-MDL to clarify that departing load customers subject to that rate schedule are responsible for payment of the Regulatory Asset charge. Please note that PG&E has also made minor changes to the illustrative tariffs it appended to its February 6, 2004 response to TURN's protest in order to conform to pending legislation, Senate Bill 772.

### Schedule E-MDL

On October 29, 2003, PG&E filed Advice 2433-E for the purpose of submitting proposed electric rate Schedule E-MDL – Municipal Departing Load, and Form No. 79-1006 – Municipal Departing Load Nonbypassable Charge Statement, to implement the Commission's July 10, 2003, Decision (D.) 03-07-028, as modified by D.03-08-076, in the Direct Access Suspension Proceeding, Rulemaking (R.) 02-01-011. D.03-07-028 describes the obligations of customers who depart from an investor-owned utility (IOU) to take service from a local publicly-owned utility (POU) and thereby displace usage formerly delivered by the IOU. Under Schedule E-MDL as originally filed, such obligations could include charges for the Department of Water Resources (DWR) Bond Charge, the DWR Power Charge, ongoing competition transition charge (CTC), and other applicable nonbypassable charges. On November 4, 2003, PG&E filed Advice 2433-E-A to revise the Rates section of the original advice letter and to make other minor editorial changes. The Commission has not yet acted on either Advice 2433-E or Advice 2433-E-A.

### Effective Date

PG&E requests an effective date for this supplemental filing of July 10, 2003, which is the requested effective date of the original filing.

### Protests

Anyone wishing to protest this amended filing should do so by sending a letter via postal mail and facsimile by **March 9, 2004**, which is 20 days after the date of this filing. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. Protests should be mailed to:

IMC Branch Chief  
Energy Division  
California Public Utilities Commission  
505 Van Ness Avenue, Room 4002  
San Francisco, California 94102  
Facsimile: (415) 703-2200  
E-mail: [jjr@cpuc.ca.gov](mailto:jjr@cpuc.ca.gov)

Copies should also be mailed to the attention of the Director, Energy Division, Room 4005 and Jerry Royer, Energy Division, at the address shown above. It is also requested that a copy of the protest be sent via postal mail and facsimile to Pacific Gas and Electric Company on the same date it is mailed or delivered to the Commission at the address shown below.

Brian K. Cherry  
Director, Regulatory Relations  
Pacific Gas and Electric Company  
P.O. Box 770000 Mail Code B10C  
San Francisco, California 94177  
Facsimile: (415) 973-7226  
E-mail: [RxDd@pge.com](mailto:RxDd@pge.com)

The protest shall set forth the grounds upon which it is based and shall be submitted expeditiously. There is no restriction on who may file a protest.

### Notice

In accordance with General Order 96-A, Section III, Paragraph G, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached lists. Address changes should be directed to Sandra Ciach (415) 973-7572. Advice letter filings can also be accessed electronically at:

<http://www.pge.com/tariffs>

*Karen A. Tomcala /TSN*

Vice President - Regulatory Relations

Attachments

Cal P.U.C Sheet No.	Title of Sheet	Cancelling Cal P.U.C. Sheet No.
21197-E	Schedule E-MDL – Municipal Departing Load	20834-E
21198-E	Schedule E-MDL (Cont'd.)	20835-E
21199-E	Table of Contents (Cont'd.)– Rate Schedules	21106, 20829-E
21200-E	Table of Contents	21107-E



SCHEDULE E-MDL—MUNICIPAL DEPARTING LOAD

**APPLICABILITY:** This schedule is applicable to customers that have Municipal Departing Load as defined in Special Condition 1.a., below, including customers who displace all or a portion of their load with service from a Publicly Owned Utility (POU) as defined in Special Condition 1.e., below, and customers who assume responsibility for Municipal Departing Load at a previously departed premises. ("New Party" as defined in Special Condition 1.b., below.) This schedule supercedes the portions of Schedules E-DEPART and Electric Preliminary Statement Part BB- *Competition Transition Charge Responsibility for All Customers and CTC Procedure for Departing Load*, that address Nonbypassable Charge obligations that would otherwise pertain to Municipal Departing Load. (N)

**TERRITORY:** The entire territory served.

**RATES:** Customers under this schedule are responsible for the following charges unless expressly exempted from such charges under Special Condition 2, below:

1. **DWR BOND CHARGE:** The Department of Water Resources (DWR) Bond Charge recovers DWR's bond financing costs. The DWR Bond Charge is the property of DWR for all purposes under California law. The DWR Bond Charge applies to Municipal Departing Load unless sales under the customer's Otherwise-Applicable Schedule (OAS) were CARE or medical baseline or unless exempt under Special Condition 2, below.  
  
The currently applicable DWR Bond Charge is \$0.00493 per kilowatt-hour (kWh).
2. **DWR POWER CHARGE:** The DWR Power Charge recovers the uneconomic portion of DWR's prospective power purchase costs. The DWR Power Charge applies to Municipal Departing Load unless sales under the customer's OAS were CARE or medical baseline or exempt under Special Condition 2, below.  
  
The DWR Power Charge shall be set equal to the difference between \$0.02700 per kWh and the sum of: (a) the DWR Bond Charge (Section 1, above), (b) the Regulatory Asset Charge (Section 6, below), and (c) the Competition Transition Charge (Section 3, below). If a customer is exempt from any of the charges (a) through (c), the DWR Power Charge shall be set equal to the difference between \$0.02700 per kWh and the sum of just the charges (a) through (c) for which the customer is not exempt.
3. **COMPETITION TRANSITION CHARGE (CTC):** The CTC recovers the cost of qualifying facilities and power purchase agreements that are in excess of a market benchmark determined by the California Public Utilities Commission (Commission), plus employee transition costs. The currently applicable CTC is \$0.01098 per kWh.
4. **TRUST TRANSFER AMOUNT (TTA) CHARGE:** The TTA funds the cost of bonds used for paying for a 10 percent rate reduction for residential and small commercial customers. The TTA charge applies to all Municipal Departing Load that would have otherwise been responsible for the TTA, as specified in Schedule E-RRB. The TTA charge is separately shown in the customer's OAS. (N)

(Continued)



SCHEDULE E-MDL—MUNICIPAL DEPARTING LOAD  
(Continued)

RATES:  
(Cont'd.)

- 5. **NUCLEAR DECOMMISSIONING (ND) CHARGE:** The ND charge collects the funds required for site restoration when a nuclear power plant is removed from service. The ND charge applies to all Municipal Departing Load. The ND charge is separately shown in the customer's OAS. (N)
- 6. **REGULATORY ASSET (RA) CHARGE:** The RA charge recovers the costs associated with the Regulatory Asset adopted by the Commission in Decision 03-12-035. The currently applicable RA charge is \$0.00597 per kWh. The effective date of the RA charge is March 1, 2004.

SPECIAL  
CONDITIONS:

- 1. **DEFINITIONS:** The following terms when used in this tariff have the meanings set forth below:
  - a. **Municipal Departing Load:** Municipal Departing Load (or MDL) is that portion of an electric load at a premises, for which a customer, on or after December 20, 1995, discontinues or reduces its purchases of bundled or direct access electricity service from PG&E to take electricity service from a Publicly Owned Utility (POU). For purposes of this rate schedule, MDL does not include "new load," as that term is defined in Decision 03-07-028.
  - b. **Change of Party:** When a person or agency with Municipal Departing Load leaves the premises with the Municipal Departing Load and another person or agency (New Party) assumes liability for the Municipal Departing Load at that same premises.
  - c. **Nonbypassable Charges:** The DWR Bond Charge, the DWR Power Charge, the CTC, the TTA, the ND, and the RA Charges.
  - d. **Otherwise-Applicable Schedule (OAS):** The Otherwise-Applicable Schedule shall be the last schedule under which a customer took service before load was displaced by service from a POU.
  - e. **Publicly Owned Utility (POU):** A Publicly-Owned Utility (or POU) is any public entity that qualifies as a local publicly owned electric utility under Public Utilities Code Section 9604.
- 2. **EXEMPTION:** Municipal Departing Load that departed prior to February 1, 2001, is exempt from the DWR Bond Charge and the DWR Power Charge. Municipal Departing Load that departed prior to January 1, 2000 is exempt from the RA Charge. In addition, Municipal Departing Load is exempt from the RA Charge if it departed from a location that subsequently, as of December 19, 2003, was no longer part of PG&E's service area.
- 3. **PROCEDURES FOR MUNICIPAL DEPARTING LOAD:** Customers are obligated to notify PG&E of their intent to discontinue or reduce electric service in a manner that would qualify their load as Municipal Departing Load in accordance with the following procedures:
  - a. **Customer Notice to PG&E:** Customers shall notify PG&E, in writing or by reasonable means, through a designated PG&E representative authorized to receive such notification, of their intention to take steps that will qualify their load as Municipal Departing Load at least 30 days in advance of discontinuation or reduction of electric service from PG&E. The customer shall specify in its notice the following: (N)



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RATE SCHEDULES

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**PG&E Electric Advice Filing List  
General Order 96-A, Section III(G)**

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House, Lon  
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Integrated Utility Consulting Group  
International Power Technology  
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JTM, Inc  
Kaiser Cement Corp  
Korea Elec Power Corp  
Marcus, David  
Masonite Corporation  
Matthew V. Brady & Associates  
Maynor, Donald H.  
McKenzie & Assoc  
McKenzie & Associates  
Meek, Daniel W.  
Mirant California, LLC  
Modesto Irrigation Dist  
Morrison & Foerster  
Morse Richard Weisenmiller & Assoc.  
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