

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



April 14, 2007

Advice Letter 2965-E

Rose de la Torre  
Pacific Gas & Electric  
77 Beale Street, Room 1088  
Mail Code B10C  
San Francisco, CA 94105

Subject: Notice of the Transmission Access Charge Balancing Account Adjustment  
(TACBAA) Federal Energy Regulatory Commission Filing

Dear Ms. de la Torre:

Advice Letter 2965-E is effective March 01, 2007. A copy of the advice letter is returned herewith for your records.

Sincerely,

Sean H. Gallagher, Director  
Energy Division

<b>REGULATORY RELATIONS</b>	
M Brown Tariffs Section	D Poster
R Dela Torre	M Hughes
B Lam	
APR 18 2007	
Return to _____	Records _____
	File _____
cc to _____	



**Brian K. Cherry**  
Vice President  
Regulatory Relations

77 Beale Street, Room 1087  
San Francisco, CA 94105

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Pacific Gas and Electric Company  
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415.973.4977  
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January 8, 2007

**Advice 2965-E**

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

**Subject: Notice of the Transmission Access Charge Balancing Account Adjustment (TACBAA) Federal Energy Regulatory Commission Filing**

**Purpose**

Pacific Gas and Electric Company (PG&E) hereby submits this advice letter to provide the Commission with notice of PG&E's recent Transmission Access Charge Balancing Account Adjustment (TACBAA) filing with the Federal Energy Regulatory Commission (FERC).

**Background**

On December 15, 2006, PG&E filed its TACBAA filing with FERC in Docket No. ER07-327-000. Commission Resolution E-3930, approved on May 26, 2005, established a new process for CPUC notification and review of transmission-related changes, and embodies this understanding in new Process Element 1, where it states, "The Commission recognizes that under the filed rate doctrine, the Commission should allow a pass through of these transmission rates that are filed with and become effective at the FERC." PG&E is filing this advice letter to provide the Commission with notice of the FERC filing to allow the pass through of the transmission rates.

**TACBAA Rate**

The TACBAA is a ratemaking mechanism designed to ensure that the amount of costs shifted from New Participating Transmission Owners (TOs) in the California Independent System Operator (ISO) control area to existing TOs will be recovered from PG&E's end-use customers.

As described in the TO Tariff the effective date for the updated TACBAA is April 1 each year. In its FERC filing, PG&E requested an effective date of March 1, 2007 to coincide with several retail rate adjustments ordered for March 1, 2007, including the effective date of rates proposed in PG&E's TO9 rate case (FERC Docket No. ER06-1325-000). PG&E provided notice to the Commission of the TO9 rate change in Advice 2878-E.

Section 5.7 of the TO Tariff describes the items to be included in the Transmission Access Charge Balancing Account (TACBA) and sets forth the procedure for revising the TACBAA rate on an annual basis. The 2007 TACBAA rate is based on the balance in the TACBA as of December 31, 2006, and a forecast of the net annual Access Charge billings by the ISO to PG&E during the following year.

The total revenue requirement used in the development of the retail 2007 TACBAA rate is the sum of four components: (1) the forecasted 2007 TACBA costs of \$4,491,375, (2) the balance of the TACBA as of December 31, 2006, (3) interest of (\$3,304,372), and (4) the Franchise Fees and Uncollectible Amount (FF&U) of \$11,398. The resultant TACBAA revenue requirement is \$1,198,401 and the corresponding rate is \$0.00001/kWh.

### **Compliance with Resolution E-3930**

PG&E submits this advice pursuant to Process Element 3 of Resolution E-3930. Consistent with past practice, PG&E has also provided the Commission with a complete copy of the FERC filing on the same date that it was filed with FERC, by service to Mr. Randolph L. Wu of the Commission's Legal Division.

In this advice, PG&E requests authority to revise each corresponding transmission rate component of its CPUC-jurisdictional tariffs on the date which FERC ultimately authorizes these changes to become effective subject to refund, and to make corresponding adjustments to its total applicable CPUC-jurisdictional rates, with exceptions only as described below for the residential tariffs.

As described under Process Elements 5 and 6 of Resolution E-3930, California Assembly Bill 1X (AB 1X) constraints continue to apply to total rates for residential usage up to 130 percent of baseline ("Tier 1 and 2 usage").

The TACBA rate will change from \$0.00033 to \$0.00001. We will provide the more detailed information prior to March 1, 2007, or the date which FERC ultimately authorizes these TACBAA changes to become effective subject to refund, once all other rate changes that take place on or before March 1, 2007 are identified.

As anticipated under Process Element 4 of Resolution E-3930, PG&E will supplement this advice letter when the requested TACBAA rate changes are

approved, modified, denied or have been otherwise acted upon by the FERC. To the extent possible, PG&E proposes to consolidate the final tariff changes with other rate changes occurring at the same time.

### **Protests**

Anyone wishing to protest this filing may do so by letter sent via U.S. mail, by facsimile or electronically, any of which must be received no later than **January 29, 2007**, which is 21 days after the date of this filing.<sup>1</sup> Protests should be mailed to:

CPUC Energy Division  
Tariff Files, Room 4005  
DMS Branch  
505 Van Ness Avenue  
San Francisco, California 94102

Facsimile: (415) 703-2200  
E-mail: [ijnj@cpuc.ca.gov](mailto:ijnj@cpuc.ca.gov) and [mas@cpuc.ca.gov](mailto:mas@cpuc.ca.gov)

Copies of protests also should be mailed to the attention of the Director, Energy Division, Room 4004, at the address shown above.

The protest also should be sent via U.S. mail (and by facsimile and electronically, if possible) to PG&E at the address shown below on the same date it is mailed or delivered to the Commission:

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

Facsimile: (415) 973-7226  
E-mail: [PGETariffs@pge.com](mailto:PGETariffs@pge.com)

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<sup>1</sup> The 20 day protest period concludes on a weekend. PG&E is hereby moving this date to the following business day.

**Effective Date**

PG&E requests that this advice filing become effective on either **March 1, 2007** or such later date as the FERC determines that these FERC-jurisdictional rate changes are to become effective, subject to refund.

**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 list. Address changes to the General Order 96-A service list should be directed to Rose de la Torre at (415) 973-4716. Advice letter filings can also be accessed electronically at: **<http://www.pge.com/tariffs>**

Handwritten signature of Brian K. Cheng in black ink.

Vice President, Regulatory Relations

Attachments

# CALIFORNIA PUBLIC UTILITIES COMMISSION

## ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No. **Pacific Gas and Electric Company (ID U39)**

Utility type:

ELC

GAS

PLC

HEAT

WATER

Contact Person: Bernard Lam

Phone #: (415) 973-4878

E-mail: bxlc@pge.com

EXPLANATION OF UTILITY TYPE

(Date Filed/ Received Stamp by CPUC)

ELC = Electric

GAS = Gas

PLC = Pipeline

HEAT = Heat

WATER = Water

Advice Letter (AL) #: **2965-E**

Subject of AL: Notice of the Transmission Access Charge Balancing Account Adjustment (TACBAA) Federal Energy Regulatory Commission Filing

Keywords (choose from CPUC listing): Compliance Filing

AL filing type:  Monthly  Quarterly  Annual  One-Time  Other \_\_\_\_\_

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #:

Resolution E-3930

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: No

Summarize differences between the AL and the prior withdrawn or rejected AL<sup>1</sup>: \_\_\_\_\_

Resolution Required?  Yes  No

Requested effective date: **March 1, 2007**

No. of tariff sheets: 0

Estimated system annual revenue effect (%): TBD

Estimated system average rate effect (%): TBD

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: N/A

Service affected and changes proposed<sup>1</sup>: Pass-through of FERC rate

Pending advice letters that revise the same tariff sheets: N/A

**Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:**

CPUC, Energy Division

Tariff Files, Room 4005

DMS Branch

505 Van Ness Ave.,

San Francisco, CA 94102

[ijnj@cpuc.ca.gov](mailto:ijnj@cpuc.ca.gov) and [mas@cpuc.ca.gov](mailto:mas@cpuc.ca.gov)

Pacific Gas and Electric Company

Attn: Brian K. Cherry

Vice President, Regulatory Relations

77 Beale Street, Mail Code B10C

P.O. Box 770000

San Francisco, CA 94177

E-mail: [PGETariffs@pge.com](mailto:PGETariffs@pge.com)

<sup>1</sup> Discuss in AL if more space is needed.

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

ABAG Power Pool	Douglass & Liddell	PG&E National Energy Group
Accent Energy	Downey, Brand, Seymour & Rohwer	Pinnacle CNG Company
Aglet Consumer Alliance	Duke Energy	PITCO
Agnews Developmental Center	Duke Energy North America	Plurimi, Inc.
Ahmed, Ali	Duncan, Virgil E.	PPL EnergyPlus, LLC
Alcantar & Kahl	Dutcher, John	Praxair, Inc.
Ancillary Services Coalition	Dynegy Inc.	Price, Roy
Anderson Donovan & Poole P.C.	Ellison Schneider	Product Development Dept
Applied Power Technologies	Energy Law Group LLP	R. M. Hairston & Company
APS Energy Services Co Inc	Energy Management Services, LLC	R. W. Beck & Associates
Arter & Hadden LLP	Exelon Energy Ohio, Inc	Recon Research
Avista Corp	Exeter Associates	Regional Cogeneration Service
Barkovich & Yap, Inc.	Foster Farms	RMC Lonestar
BART	Foster, Wheeler, Martinez	Sacramento Municipal Utility District
Bartle Wells Associates	Franciscan Mobilehome	SCD Energy Solutions
Blue Ridge Gas	Future Resources Associates, Inc	Seattle City Light
Bohannon Development Co	G. A. Krause & Assoc	Sempra
BP Energy Company	Gas Transmission Northwest Corporation	Sempra Energy
Braun & Associates	GLJ Energy Publications	Sequoia Union HS Dist
C & H Sugar Co.	Goodin, MacBride, Squeri, Schlotz &	SESCO
CA Bldg Industry Association	Hanna & Morton	Sierra Pacific Power Company
CA Cotton Ginners & Growers Assoc.	Heeg, Peggy A.	Silicon Valley Power
CA League of Food Processors	Hitachi Global Storage Technologies	Smurfit Stone Container Corp
CA Water Service Group	Hogan Manufacturing, Inc	Southern California Edison
California Energy Commission	House, Lon	SPURR
California Farm Bureau Federation	Imperial Irrigation District	St. Paul Assoc
California Gas Acquisition Svcs	Integrated Utility Consulting Group	Sutherland, Asbill & Brennan
California ISO	International Power Technology	Tabors Caramanis & Associates
Calpine	Interstate Gas Services, Inc.	Tecogen, Inc
Calpine Corp	IUCG/Sunshine Design LLC	TFS Energy
Calpine Gilroy Cogen	J. R. Wood, Inc	Transcanada
Cambridge Energy Research Assoc	JTM, Inc	Turlock Irrigation District
Cameron McKenna	Luce, Forward, Hamilton & Scripps	U S Borax, Inc
Cardinal Cogen	Manatt, Phelps & Phillips	United Cogen Inc.
Cellnet Data Systems	Marcus, David	URM Groups
Chevron Texaco	Matthew V. Brady & Associates	Utility Cost Management LLC
Chevron USA Production Co.	Maynor, Donald H.	Utility Resource Network
City of Glendale	MBMC, Inc.	Wellhead Electric Company
City of Healdsburg	McKenzie & Assoc	Western Hub Properties, LLC
City of Palo Alto	McKenzie & Associates	White & Case
City of Redding	Meek, Daniel W.	WMA
CLECA Law Office	Mirant California, LLC	
Commerce Energy	Modesto Irrigation Dist	
Constellation New Energy	Morrison & Foerster	
CPUC	Morse Richard Weisenmiller & Assoc.	
Cross Border Inc	Navigant Consulting	
Crossborder Inc	New United Motor Mfg, Inc	
CSC Energy Services	Norris & Wong Associates	
Davis, Wright, Tremaine LLP	North Coast Solar Resources	
Defense Fuel Support Center	Northern California Power Agency	
Department of the Army	Office of Energy Assessments	
Department of Water & Power City	OnGrid Solar	
DGS Natural Gas Services	Palo Alto Muni Utilities	