

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



October 1, 2008

Advice Letter 3194-E

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

**Subject: Revision of Electric Rate Schedule E-DCG –
Departing Customer Generation, CG**

Dear Mr. Cherry:

Advice Letter 3194-E is effective May 3, 2007.

Sincerely,

A handwritten signature in black ink, appearing to read "Ken Lewis".

Kenneth Lewis, Acting Director
Energy Division



January 9, 2008

**Advice 3194-E
(Pacific Gas and Electric Company ID U 39 E)**

Public Utilities Commission of the State of California

**Subject: Revision of Electric Rate Schedule E-DCG–
Departing Customer Generation, CG**

Pacific Gas and Electric Company (PG&E) hereby submits for filing revisions to its electric tariffs. The affected tariff sheets are listed on the enclosed Attachment I. These tariffs sheets entirely supersede the tariffs filed in Advice 2871-E and Advice 2375-E, E-A, E-B, and E-C.

Purpose

The revisions to electric rate schedule E-DCG are in compliance with Ordering Paragraph (OP) 2 of Decision (D.) 07-05-006, which grants, in part, the California Clean DG Coalition's (CCDC's) petition for modification of D.03-04-030.

Background

In D.03-04-030, the Commission authorized a limited exemption from the Cost Responsibility Surcharge (CRS) for clean distributed generation units under 1 megawatt (MW) in size. In D.07-05-006, the Commission granted the CCDC's petition for modification in part, and ordered: "The 1 megawatt (MW) exemption from the Cost Responsibility Surcharge previously granted to clean distributed generation (DG) units not exceeding 1 MW in size is hereby extended to apply to clean DG units up to 5 MW in size." (D.07-05-006, OP 2.) The Commission denied the CCDC's petition "to the extent that it seeks to increase the per-MW exemption per clean DG unit above 1 MW." (*Id.*, OP 3.)

D.07-05-006 requires PG&E to modify its Schedule E-DCG to allow partial CRS exemptions for clean distribution generation units in the 1 MW to 5 MW range. In order to do so, PG&E must allocate each such customer's total departed load into an exempt portion and a non-exempt portion. The most accurate way to determine the customer's exempt usage would be for the customer to provide PG&E with interval metered generation output data. Another, less accurate way to determine the customer's exempt usage would be for the customer to provide PG&E with monthly

metered generation output data. Absent any metered data, PG&E would have to estimate the portion of the customer's generation that is exempt from the CRS.

Recognizing that D.03-04-030 and D.07-05-006 were silent as to the specific method for allocating the CRS exemption for clean distributed generation units between 1 MW and 5 MW in size, and at the suggestion of the Energy Division, PG&E consulted with CCDC on appropriate tariff language that would cover various metering situations. This Advice reflects the allocation method that PG&E and CCDC agreed would be reasonable.

Proposed Tariff Changes

In compliance with D.07-05-006, this advice letter proposes to revise Special Condition 2.d. of PG&E Electric Rate Schedule E-DCG. Please note that, under Special Condition 5, the amount of Customer Generation Departing Load is to be measured or estimated by PG&E in accordance with PG&E's Electric Preliminary Statement Part BB. Section 2.b of Preliminary Statement Part BB provides:

The billed CTC will be based on metered consumption. Third party metering will be allowed subject to verification procedures sufficient to assure reliability...If reliable metered consumption information is not available to PG&E, PG&E will estimate the consumption based on that customer's historical load as set forth in Section BB.5.e.

For customers providing hourly interval metered data, total departing load for each customer will continue to be calculated as the sum, over all the hours of the month, of the hourly generator energy output. The exempt portion will be calculated as the sum, over all the hours of the month, of the smaller of either (1) the hourly generator energy output in kW, or (2) 1,000 kW.

For customers providing monthly metered data, total departing load will continue to be calculated as equal to the monthly generator energy output. The exempt portion will be calculated by dividing the Commission-adopted exemption of 1 MW by the connected load of the generator (yielding an "exemption ratio"). This "exemption ratio" will then be multiplied by the monthly generator energy output to obtain the exempt portion of departing load.

For customers providing neither interval nor monthly metered data, or for customers proposing an alternative to the monthly metered data calculation, PG&E will work with the customer to obtain some other form of information that would reasonably estimate the amount of departing load that should be exempt from the CRS. Absent any agreement on an appropriate estimation methodology, total departing load will continue to be estimated based on historical load as set forth in Preliminary Statement Part BB Section 5.e. The exempt portion will be calculated by dividing the Commission-adopted exemption of 1 MW by the connected load of the generator (yielding an "exemption ratio"). This "exemption ratio" will then be multiplied by the

estimated monthly energy output of the generator to obtain the exempt portion of departing load.

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, 2008**, which is 20 days after the date of this filing. 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: anj@cpuc.ca.gov and 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

Effective Date

PG&E requests that this advice filing become effective on **February 8, 2008**, which is 30 days after this filing. PG&E believes that this filing is subject to Energy Division disposition and should be classified as Tier 2 (effective after staff approval) pursuant to GO 96-B.

Notice

In accordance with General Order 96-B, Section IV, a copy of this Advice Letter is being sent electronically and via U.S. mail to parties shown on the R.02-01-011 list. Address changes to the General Order 96-B 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>

A handwritten signature in cursive script that reads "Brian K. Cheng / DC". The signature is written in black ink and is positioned below the URL.

Vice President - Regulatory Relations

Attachments

cc: R.02-01-011
Ann Trowbridge

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 M)**

Utility type:

ELC GAS
 PLC HEAT WATER

Contact Person: Daren Chan

Phone #: (415) 973-5361

E-mail: d1ct@pge.com

EXPLANATION OF UTILITY TYPE

ELC = Electric GAS = Gas
PLC = Pipeline HEAT = Heat WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: **3194-E**

Tier: 2

Subject of AL: Revision of Electric Rate Schedule E-DCG: Departing Customer Generation, CG

Keywords (choose from CPUC listing): Compliance, Direct Access

AL filing type: Monthly Quarterly Annual One-Time Other _____

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: D.07-05-006

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 AL¹: _____

Is AL requesting confidential treatment? If so, what information is the utility seeking confidential treatment for:

Confidential information will be made available to those who have executed a nondisclosure agreement: Yes No

Name(s) and contact information of the person(s) who will provide the nondisclosure agreement and access to the confidential information: _____

Resolution Required? Yes No

Requested effective date: **February 8, 2008**

No. of tariff sheets: 4

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

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 proposed¹: N/A

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

Protests, dispositions, 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
jnj@cpuc.ca.gov and 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

**ATTACHMENT 1
Advice 3194-E**

Cal P.U.C. Sheet No.	Title of Sheet	Cancelling Cal P.U.C. Sheet No.
27054-E	Schedule E-DCG--DCG Departing Customer Generation, CG	25123-E
27055-E	Schedule E-DCG (Cont.)	New
27056-E	Table of Contents -- Rate Schedules	26540-E
27057-E	Table of Contents -- Title Page	26723-E



RATE TITLE

SPECIAL
 CONDITIONS:
 (Cont'd.)

2. EXEMPTIONS AND EXCEPTIONS: (Cont'd.)

- d. Clean Customer Generation Systems Up to 5 MW. Customer Generation Departing Load up to 5 megawatts (MW) in size that is eligible for (i) net metering; or (ii) financial incentives from the Commission's self-generation program; or (iii) financial incentives from the California Energy Commission, is excepted from the DWR Bond Charge, Power Charge Indifference Adjustment, RA Charge, ECRA Charge, and the CTC, for the first 1 MW of generation and to the extent that such excepted load falls within the Customer Generation Cap described in Special Condition 2.g. below. (T)
 (T)
- (i) For customers providing hourly interval metered data, total departing load for each customer will be calculated as the sum, over all the hours of the month, of the hourly generator energy output. The exempt portion will be calculated as the sum, over all the hours of the month, of the smaller of either (1) the hourly generator energy output in kW; or (2) 1,000 kW. (N)
- (ii) For customers providing monthly metered data, total departing load will be calculated as equal to the monthly generator energy output. The exempt portion will be calculated by dividing the Commission-adopted exemption of 1 MW by the connected load of the generator (yielding an "exemption ratio"). This "exemption ratio" will then be multiplied by the monthly generator energy output to obtain the exempt portion of departing load.
- (iii) For customers providing neither interval nor monthly metered data, or for customers proposing an alternative to subdivision 2.d(ii) above, PG&E will work with the customer to obtain some other form of information that would reasonably estimate the amount of departing load that should be exempt from the CRS. Absent any agreement on an appropriate estimation methodology, total departing load will be estimated based on historical load as set forth in Preliminary Statement Part BB, Section 5.e. The exempt portion will be calculated by dividing the Commission-adopted exemption of 1 MW by the connected load of the generator (yielding an "exemption ratio"). This "exemption ratio" will then be multiplied by the estimated monthly energy output of the generator to obtain the exempt portion of departing load. (N)
- e. Ultra-Clean and Low-Emission Customer Generation Systems over 1 MW. Customer Generation Departing Load that is over 1 MW in size but that otherwise meets all criteria in Public Utilities Code Section 353.2 as "ultra-clean and low-emissions" is exempt from the Power Charge Indifference Adjustment, RA Charge, and ECRA Charge to the extent that such load falls within the Customer Generation Cap as described in Special Condition 2.g. below.
- f. Other Customer Generation Systems. Customer Generation Departing Load that employs best available control technology standards set by local air quality management districts and/or the California Air Resources Board, as applicable, and is not (a) back-up generation, (b) diesel-fired generation, or (c) discussed in Special Conditions 2.a. through 2.e. above, is exempted from the Power Charge Indifference Adjustment, RA Charge, and ECRA Charge to the extent that such load falls within the Customer Generation Cap described in Special Condition 2.g. below. (L)

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**PG&E Gas and Electric
Advice Filing List
General Order 96-B, Section IV**

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	Dynergy 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 Resource Network
Chevron USA Production Co.	Maynor, Donald H.	Wellhead Electric Company
City of Glendale	MBMC, Inc.	White & Case
City of Healdsburg	McKenzie & Assoc	WMA
City of Palo Alto	McKenzie & Associates	
City of Redding	Meek, Daniel W.	
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	