

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



December 5, 2012

Advice Letter 3195-E

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

**Subject: Notice of the PacifiCorp Settlement (PacifiCorp) and the
Transmission Access Charge Balancing Account Adjustment
(TACBAA) Filings with the Federal Energy Regulatory
Commission**

Dear Mr. Cherry:

Advice Letter 3195-E is effective November 16, 2012.

Sincerely,

A handwritten signature in cursive script that reads "Edward F. Randolph".

Edward F. Randolph, Director
Energy Division



Brian K. Cherry
Vice President
Regulatory Relations

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San Francisco, CA 94105

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January 11, 2008

Advice 3195-E

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: Notice of the PacifiCorp Settlement (PacifiCorp) and the Transmission Access Charge Balancing Account Adjustment (TACBAA) filings with the Federal Energy Regulatory Commission

Purpose

Pacific Gas and Electric Company (PG&E) hereby submits this advice letter to provide the Commission with notice of two recent PG&E filings with the Federal Energy Regulatory Commission (FERC). The first is a settlement with PacifiCorp and the second is the TACBAA filing.

Background

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.

PacifiCorp Settlement and Lease Rates

On December 20, 2007, FERC approved a settlement that will resolve the disputes raised by PacifiCorp's proposal to provide transmission service over the 47-mile segment of the eastern 500 kV Pacific Intertie (PACI) lines owned by PacifiCorp. PacifiCorp and PG&E will enter into a 20-year Transmission Exchange Agreement (TEA) under which PG&E and PacifiCorp will each have rights to half

of the capacity on the eastern 94-mile segment of the PACI between Malin and Round Mountain Substations. PacifiCorp also receives rights to transfer power across the bus at Round Mountain to non-CAISO transmission systems interconnected there. PG&E and PacifiCorp will, over the next year, attempt to negotiate a joint ownership agreement for the line which would replace the TEA.

In addition, PG&E will lease a portion of the capacity allocated to PacifiCorp for the first ten (10) years of the TEA. As a condition of the settlement, PG&E's lease payments to PacifiCorp can be fully recovered through the TO Tariff transmission rates. For the first four (4) years, PG&E will lease from PacifiCorp all 800 MW allocated to PacifiCorp for \$20,000,000/year, making the entire 1600 MW capacity of the eastern PACI line between Malin and Round Mountain substations available to California Independent System Operator Corporation (ISO) grid users.

The PacifiCorp Intertie Lease Revenue Requirement of \$23,333,333 for PG&E's lease payment to PacifiCorp for 2008 shall be allocated to End-Use Customers though the PacifiCorp Intertie lease rates between March 1, 2008 and February 28, 2009. (The \$23,333,333 revenue requirement reflected here will recover the first 14 months of the lease payments to PacifiCorp, which began on January 1, 2008. Subsequent to February 28, 2009, PG&E expects to recover future lease payments as part of its overall TO tariff retail revenue requirement.)

TACBAA Rate Filing

On December 6, 2007, PG&E filed its TACBAA filing with FERC in Docket No. ER08-312-000.

The TACBAA is a ratemaking mechanism designed to ensure that the amount of costs shifted from New Participating Transmission Owners (TOs) in the 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 a TO tariff terms and conditions revision to reflect an effective date of March 1. This revision will help coincide several retail rate adjustments ordered for March 1, 2008, including the effective date of rates proposed in PG&E's TO10 rate case (FERC Docket No. ER07-1213-000). PG&E provided notice to the Commission of the TO10 rate change in Advice 3110-E, filed August 22, 2007.

Section 5.7 of PG&E's 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 2008 TACBAA rate is based on the balance in the TACBA as of December 31, 2007, 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 2008 TACBAA rate is the sum of four components: (1) the forecasted 2008 TACBA costs of negative \$14,000,261, (2) the balance of the TACBA plus interest as of December 31, 2007, of negative \$18,749,192, and (3) the Franchise Fees and Uncollectible Amount of negative \$335,846. The resultant TACBAA revenue requirement is negative \$33,085,299, and the corresponding rate is negative \$0.00039/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 each of the FERC filings on the same date that each 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 on which FERC ultimately authorizes these changes to become effective, and to make corresponding adjustments to its total applicable CPUC-jurisdictional rates, with exceptions only as described below for the residential tariffs.

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. 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"). Compliance with the AB1X requirements requires making offsetting adjustments to rates for Tier 3 through Tier 5 usage while holding the total effective rates for Tier 1 and Tier 2 usage unchanged, and these adjustments will also be included when PG&E files consolidated tariff changes for electric rates effective March 1, 2008.

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 31, 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 either **March 1, 2008** or such later date as the FERC determines that these FERC-jurisdictional rate changes are to become effective.

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 attached 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>

Brian H. Cheney / DC

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 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) #: **3195-E**

Tier: 2

Subject of AL: Notice of the PacifiCorp Settlement (PacifiCorp) and the Transmission Access Charge Balancing Account Adjustment (TACBAA) filings with the Federal Energy Regulatory Commission

Keywords (choose from CPUC listing): Compliance

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

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: Res. 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 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: **March 1, 2008**

No. of tariff sheets: N/A

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 proposed¹: Pass through of FERC-rate

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

**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	