

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



September 17, 2008

Advice Letter 3227-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: Community Choice Aggregation Service (CCA Service) Tariff
Revisions in Compliance with Decision 08-02-013

Dear Mr. Cherry:

Advice Letter 3227-E is effective April 9, 2008.

Sincerely,

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

Kenneth Lewis, Acting Director
Energy Division



Brian K. Cherry
Vice President
Regulatory Relations

Pacific Gas and Electric Company
77 Beale St., Mail Code B10C
P.O. Box 770000
San Francisco, CA 94177

415.973.4977
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March 10, 2008

Advice 3227-E

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: Community Choice Aggregation Service (CCA Service) Tariff Revisions in Compliance with Decision 08-02-013.

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.

Purpose

The purpose of the advice letter is to file modifications to PG&E's electric Rules 23 and 23.2 to comply with Decision (D.) 08-02-013.

Background

Decision 08-02-013, issued February 28, 2008, in Rulemaking 03-10-003 ordered PG&E, Southern California Edison, and San Diego Gas and Electric Company to modify their respective tariffs regarding certain aspects of customer notifications and the open season applicable to Community Choice Aggregators (CCAs). The Decision also clarified the Commission's intent in Decision 05-12-041 with regard to the requirements for CCAs' insurance, self-insurance or bonds and the types of liabilities those instruments would cover. As ordered by the Commission, PG&E submits this filing with the revised tariffs.

Tariff Revisions

In compliance with the Ordering Paragraphs (OP) of D. 08-02-013, PG&E is making the three following modifications:

1. In compliance with OP 1, PG&E is modifying Rule 23 to delete Section H.3.c which had required mandatory review and approval of a CCA's customer notices by the Commission's Public Advisor's office.

2. In compliance with OP 3 and Finding Of Fact 4, PG&E is modifying the first paragraph of Rule 23.2.B to clarify how CCAs may change their operational date.
3. In compliance with OP 5, PG&E is modifying the third paragraph of Rule 23.2.B to add a new line at the end stating "A CCA does not need to provide evidence of insurance, self-insurance or a bond to cover the costs associated with utility forecasting errors."

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 **March 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 regular notice, **April 9, 2008**, which is 30 calendar days after the date of filing.

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 and on the service list for R. 03-10-003. 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. Cheny, Inc".

Vice President, Regulatory Relations

Attachments

cc: Service List R. 03-10-003

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) #: **3227-E**

Tier: 2

Subject of AL: Community Choice Aggregation Service (CCA Service) Tariff Revisions in Compliance with Decision 08-02-013.

Keywords (choose from CPUC listing): Compliance, Tariffs, CCA

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

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: D.08-02-013

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: **April 9, 2008**

No. of tariff sheets: 5

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: Rule 23, Rule 23.2

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 3227-E**

Cal P.U.C. Sheet No.	Title of Sheet	Cancelling Cal P.U.C. Sheet No.
27268-E	Rule 23--Community Choice Aggregation	25546-E
27270-E	Rule 23.2--Community Choice Aggregation Open Season	25578-E
27271-E	Rule 23.2 (Cont.)	25579-E
27272-E	Table of Contents -- Rules	26568-E
27273-E	Table of Contents -- Title Page	27060-E



RULE 23—COMMUNITY CHOICE AGGREGATION SERVICE
 (Continued)

H. CCA CUSTOMER NOTIFICATION PROCESSES (Cont'd.)

3. The following additional provisions apply to CCA Customer Notifications:

a. The CCA and utility must mutually agree on the date before the CCA's Customer Notification process can begin.

b. CCA Customer Notifications may be sent concurrently with the utility's billing cycles.

c. Neither CCAs nor PG&E shall use the other party's logo on CCA Customer Notifications or other materials absent express written consent to do so. Neither party shall express nor imply that the other party is affiliated with, is a sponsor of, or endorses their services or other programs.

d. If a CCA's Automatic Enrollment process is suspended by the CCA, the Commission or any other State agency, the CCA shall be responsible for all utility costs, including, but not limited to, customer communications associated with the suspension.

(D)
 (T)

(T)

(Continued)



Rule 23.2—Community Choice Aggregation Open Season
 (Continued)

A. CCA Open Season (Cont'd.)

4. Potential Penalties for Deviating From CCA Binding Notice of Intent

If the CCA fails to meet its commencement of service date or fails to offer service in good faith to all customer classes stated in the Notice of Intent, PG&E shall make a filing with the Commission detailing the incremental costs it incurred as a result of the CCA's failure to fulfill its commitment, for Commission determination of a CCA penalty. The potential penalty to the CCA shall not exceed the would-be transferred load that PG&E must continue to serve times the difference between PG&E's incremental per kWh cost of acquiring the energy and capacity to serve the load not served by the CCA, and the average cost of PG&E's procurement portfolio. This penalty will be calculated on a per day basis for every day that the CCA deviates from the date provided in its BNI. The CCA shall not be entitled to a credit if PG&E's per/kWh cost of serving the load not served by the CCA is below the average cost of PG&E's procurement portfolio.

B. Adjustments to Forecasts

In a subsequent Open Season that takes place prior to the CCA commencing service to its customers, the Participating CCA may update its service commencement date, subject to the following conditions:

- The new commencement date specified in the updated BNI must not be more than three (3) months after the date specified in the original BNI.
- Updates that provide for service through the CCA to commence later than stated in the original BNI must be made during the serving utility's open season process that is held at least a year in advance of the original commencement date in the BNI.
- A CCA can change its BNI date, at any time, to an earlier date. The change of a BNI to an earlier date does not need to occur during the serving utility's open season process. Any additional costs incurred by the serving utility resulting from this change will be recovered from CCA customers and may be allocated to the CCA's CRS.

(T)
 (T)
 (N)

 (N)

(Continued)



Rule 23.2—Community Choice Aggregation Open Season
 (Continued)

B. Adjustments to Forecasts (Cont'd.)

(L)

To the extent the CCA and PG&E have collaborated on the load forecast as described above, the CCA and PG&E shall provide updates to load forecasting data, such as projected rate or service changes, as they become available in advance of the CCA commencement date. This data shall be used solely to refine the collaborative load forecast when necessary. The CEC may also make adjustments to the CCA's Forecast as part of its review of all Load Serving Entity forecasts in the resource adequacy process. The CCA must satisfy PG&E credit worthiness standards (which may include provision of adequate security or other assurance) to cover the amount of any potential penalties.

As part of the collaborative forecast process, the parties should explore options for mitigating risks associated with forecasts. Such options could include, but are not limited to, agreeing in advance that the party who has excess power will sell power to the party that is short on power. A CCA does not need to provide evidence of insurance, self-insurance or a bond to cover the costs associated with utility forecasting errors.

(L)

C. Open Season Phase-In Requirements

In the event a CCA elects to phase-in its service and participate in the Open Season, the CCA shall provide in its BNI the schedule by which it intends to phase-in service which shall include the number of customers for each class to be served per the schedule provided. The CCA shall be required to accept the transfer of customers on the dates provided for each phase of its implementation unless it provides an adjustment in a subsequent Open Season period. The CCA load forecast shall reflect the incremental changes in CCA load as a result of phasing implementation. All other provisions of the Open Season tariff, including penalties for default and confidentiality, apply to participating CCAs that elect to phase-in implementation.

D. CCA Open Season Participation Confidentiality

Due to both the binding nature of the CCA commitment to serve customers on a specified date and the potential penalties a CCA may incur if it fails to fulfill its responsibility to prepare for timely commencement of service under this tariff, there is a potential to create market power for suppliers responding to a CCA's solicitation to provide electric power services. In order to prevent the possibility that participation in this tariff may create market power for potential CCA suppliers, all information concerning CCA participation in this tariff will be confidential and, at the option of the CCA, subject to a nondisclosure agreement. Use of information provided by either the CCA or PG&E for purposes of load forecasting shall be limited solely for the purposes of the collaborative load forecast. Access to load forecasting information shall be restricted to authorized CCA/PG&E staff assigned to prepare the load forecasts for submission to the CEC, and the Commission and CEC staff assigned to review such forecasts.

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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
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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
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City of Palo Alto	McKenzie & Associates	
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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	