

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



July 25, 2011

**Advice Letter 3812-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 Intent to Change the Method of Calculating System  
Reliability Indices from that Specified in CPUC D.96-09-045,  
Dated September 4, 1996**

Dear Mr. Cherry:

Advice Letter 3812-E is effective July 25, 2011.

Sincerely,

A handwritten signature in blue ink that reads "Julie A. Fitch".

Julie A. Fitch, Director  
Energy Division



**Jane K. Yura**  
Vice President  
Regulation and Rates

Pacific Gas and Electric Company  
Mail Code B10B  
P.O. Box 770000  
San Francisco, CA 94177  
  
Fax: 415.973.6520

March 7, 2011

**Advice 3812-E**

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

**Subject: Notice of Intent to Change the Method of Calculating System Reliability Indices From That Specified in CPUC Decision 96-09-045, Dated September 4, 1996**

**Purpose**

In response to Mr. Paul Clanon's letter to Mr. John Hughes dated August 27, 2010, Pacific Gas and Electric Company (PG&E or Company), supports the proposed use of the Institute of Electrical and Electronic Engineers (IEEE) Standard 1366-2003 to categorize major event days and hereby requests approval for making this change in PG&E's reporting requirements covered under Decision (D.) 96-09-045.

**Background**

In a letter to PG&E dated August 27, 2010, Mr. Clanon noted that Southern California Edison has recommended the adoption of the IEEE standard for the definition of major event days which would: 1) provide consistency in comparing reliability data from different utilities across the country; and 2) provide more objectivity in the determination of what major events are excludable for the purpose of calculating the reliability indices. Mr. Clanon further states that if PG&E agrees with this proposal, the Company should submit an advice letter requesting this change.

As industry definitions for measuring electric reliability have evolved, the Company has continued to evaluate its system reliability indices using various methods. The

Company concluded that the application of IEEE 1366-2003 correlated with extreme outlier days better than the excludable major event criteria as defined in D. 96-09-045. Indeed, in 2005, the Company proposed the use of IEEE 1366-2003 as part of its 2007 GRC filing addressing performance incentive mechanisms.<sup>1</sup>

In 2007, the Company participated in workshops attended by investor-owned electric utility representatives and Energy Division staff to consider migrating to the recently adopted industry standard, IEEE 1366-2003. Further interchanges of data, data requests and responses demonstrated that assumptions used in IEEE 1366-2003 were appropriate for data sets PG&E uses to evaluate reliability. Since 2008, the Company has been using the IEEE Standard 1366-2003 for internal evaluation, and has been reporting results under both D.96-09-045 and IEEE 1366-2003 in its annual March 1 reliability report filed with the CPUC.

### **Proposed Changes**

The Company agrees to utilize IEEE-1366-2003 to categorize major event days in its annual March 1 reliability report and now seeks approval to implement this change and supports reporting results from both methods for a period of an additional three years, after which time the Company will only report the IEEE 1366-2003 calculation. This proposed change also impacts PG&E's May 1 report per D.04-10-034 after the three year transition period.

The Company recognizes that further changes to the reporting requirements contained in D.96-09-045 may be recommended and supports evaluating the benefits of future additional proposals.

### **Implementation Date**

This change in the method of calculating system reliability indices from that specified in CPUC Decision 96-09-45 will be effective on March 1, 2012.

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<sup>1</sup> Exhibit (PG&E-11), Chapter 3. In the 2007 GRC, the Settling Parties agreed that PG&E would withdraw its performance incentive mechanism. There was no opposition to the Settlement outcome for this matter and the CPUC concurred with this outcome (Decision 07-03-044, p. 257).

**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 28, 2011**, which is 20 days after the date of this filing.<sup>2</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: [jjn@cpuc.ca.gov](mailto:jjn@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:

Jane K. Yura  
Vice President, Regulation and Rates  
Pacific Gas and Electric Company  
77 Beale Street, Mail Code B10B  
P.O. Box 770000  
San Francisco, California 94177

Facsimile: (415) 973-6520  
E-mail: [PGETariffs@pge.com](mailto:PGETariffs@pge.com)

**Effective Date**

PG&E requests that this Tier 2 advice filing become effective on regular notice, April 6, 2011, which is 30 calendar days after the date of filing.

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<sup>2</sup> The 20 day protest period concludes on a weekend. PG&E is hereby moving this date to the following business day.

**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 and all electronic approvals should be directed to e-mail [PGETariffs@pge.com](mailto:PGETariffs@pge.com). For changes to any other service list, please contact the Commission's Process Office at (415) 703-2021 or at [Process\\_Office@cpuc.ca.gov](mailto:Process_Office@cpuc.ca.gov). Advice letter filings can also be accessed electronically at <http://www.pge.com/tariffs/>.

A handwritten signature in cursive script that reads "Jane Yura" followed by a smaller signature that appears to be "JY".

Vice President – Regulation and Rates

Attachments

cc: GO 96-B Service List

# 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: Greg Backens

Phone #: (415) 973-4390

E-mail: GAB4@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) #: **3812-E**

Tier: **2**

Subject of AL: **Notice of Intent to Change the Method of Calculating System Reliability Indices from that Specified in CPUC Decision 96-09-045, dated September 4, 1996**

Keywords (choose from CPUC listing): Reliability

AL filing type:  Monthly  Quarterly  Annual  One-Time  Other

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

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: N/A

Is AL requesting confidential treatment? If so, what information is the utility seeking confidential treatment for: No

Confidential information will be made available to those who have executed a nondisclosure agreement: N/A

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

Resolution Required?  Yes  No

Requested effective date: **April 6, 2011**

No. of tariff sheets: N/A

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 proposed: 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: Jane Yura, Vice President, Regulation and Rates**

**77 Beale Street, Mail Code B10B**

**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**

Alcantar & Kahl LLP	Division of Business Advisory Services	Occidental Energy Marketing, Inc.
Ameresco	Douglass & Liddell	OnGrid Solar
Anderson & Poole	Downey & Brand	Praxair
Arizona Public Service Company	Duke Energy	R. W. Beck & Associates
BART	Dutcher, John	RCS, Inc.
Barkovich & Yap, Inc.	Economic Sciences Corporation	Recurrent Energy
Bartle Wells Associates	Ellison Schneider & Harris LLP	SCD Energy Solutions
Bloomberg	Foster Farms	SCE
Bloomberg New Energy Finance	G. A. Krause & Assoc.	SMUD
Boston Properties	GLJ Publications	SPURR
	Goodin, MacBride, Squeri, Schlotz & Ritchie	San Francisco Public Utilities Commission
Braun Blasing McLaughlin, P.C.	Green Power Institute	Santa Fe Jets
Brookfield Renewable Power	Hanna & Morton	Seattle City Light
CA Bldg Industry Association	Hitachi	Sempra Utilities
CLECA Law Office	In House Energy	Sierra Pacific Power Company
CSC Energy Services	International Power Technology	Silicon Valley Power
California Cotton Ginners & Growers Assn	Intestate Gas Services, Inc.	Silo Energy LLC
California Energy Commission	Lawrence Berkeley National Lab	Southern California Edison Company
California League of Food Processors	Los Angeles Dept of Water & Power	Spark Energy, L.P.
California Public Utilities Commission	Luce, Forward, Hamilton & Scripps LLP	Sun Light & Power
Calpine	MAC Lighting Consulting	Sunshine Design
Cardinal Cogen	MBMC, Inc.	Sutherland, Asbill & Brennan
Casner, Steve	MRW & Associates	Tabors Caramanis & Associates
Chris, King	Manatt Phelps Phillips	Tecogen, Inc.
City of Palo Alto	McKenzie & Associates	Tiger Natural Gas, Inc.
City of Palo Alto Utilities	Merced Irrigation District	TransCanada
Clean Energy Fuels	Modesto Irrigation District	Turlock Irrigation District
Coast Economic Consulting	Morgan Stanley	United Cogen
Commercial Energy	Morrison & Foerster	Utility Cost Management
Consumer Federation of California	NLine Energy, Inc.	Utility Specialists
Crossborder Energy	NRG West	Verizon
Davis Wright Tremaine LLP	Navigant Consulting	Wellhead Electric Company
Day Carter Murphy	Norris & Wong Associates	Western Manufactured Housing Communities Association (WMA)
		eMeter Corporation
Defense Energy Support Center	North America Power Partners	
Department of Water Resources	North Coast SolarResources	
Dept of General Services	Northern California Power Association	