

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



January 10, 2012

**Advice Letter 3959-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: Modification of Electric Rate Schedule Transitional Bundled  
Commodity Cost (TBCC) to Align with the California Independent  
Systems Operator's (CAISO) Changes to the Grid Management  
Charge (GMC)**

Dear Mr. Cherry:

Advice Letter 3959-E is effective January 1, 2012.

Sincerely,

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

Edward F. Randolph, Director  
Energy Division



**Brian K. Cherry**  
Vice President  
Regulation and Rates

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

Fax: 415.973.6520

November 30, 2011

**Advice 3959-E**

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

**Subject:     **Modification of Electric Rate Schedule Transitional Bundled Commodity Cost (TBCC) to Align With the California Independent Systems Operator's (CAISO) changes to the Grid Management Charge (GMC)****

Pacific Gas and Electric Company (PG&E) hereby submits for filing revisions to its Electric Rate Schedule Transitional Bundled Commodity Cost (TBCC) tariff. The affected tariff sheets are listed on the enclosed Attachment I.

**Purpose**

The purpose of this advice letter is to revise the Electric Rate Schedule TBCC to incorporate GMC charge code changes initiated by the CAISO.

**Background**

The TBCC rate schedule applies to Direct Access and Community Choice Aggregation Service customers who: (1) elect Transitional Bundled Service (TBS) as prescribed in Rule 22.1 (Direct Access Service Switching Exemption Rules); or (2) who take Bundled Service prior to the end of the mandatory six-month notice period required to elect Bundled Service as prescribed in Rules 22.1 and 23 (Community Choice Aggregation Service). Currently, the TBCC hourly market price is calculated based on the CAISO hourly Integrated Forward Market (IFM) Locational Marginal Price (LMP) for the PGE Utility Distribution Company (UDC) control Area (LAP\_PGAE), as adjusted by an allowance for Unaccounted for Energy (UFE) plus an allowance for Ancillary Services and the Grid Management Charges (GMC). The hourly market prices are then adjusted for Distribution Line Losses and Franchise Fees & Uncollectibles.

**Tariff Revisions**

PG&E proposes to revise the Electric Rate Schedule TBCC to reflect the revised GMC charge codes that are necessary for the TBCC calculations.

**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 **December 20, 2011**, 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: [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, Regulation and Rates  
Pacific Gas and Electric Company  
77 Beale Street, Mail Code B10C  
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 be approved effective **January 1, 2012**.

**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 PG&E at email address [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).

Send all electronic approvals to [PGETariffs@pge.com](mailto:PGETariffs@pge.com). Advice letter filings can also be accessed electronically at: <http://www.pge.com/tariffs>

A handwritten signature in cursive script that reads "Brian Cherry". The signature is written in black ink and is positioned above the typed name.

Vice President, Regulation and Rates

Attachments

cc: 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) #: **3959-E**

**Tier: 2**

Subject of AL: **Modification of Electric Rate Schedule Transitional Bundled**

**Commodity Cost (TBCC) to Align With the California Independent Systems Operator's (CAISO) changes to the Grid Management Charge (GMC)**

Keywords (choose from CPUC listing): Direct Access, Text Changes

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: N/A

Summarize differences between the AL and the prior withdrawn or rejected AL: N/A

Is AL requesting confidential treatment? No.

If so, what information is the utility seeking confidential treatment for: N/A

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: **January 1, 2012**

No. of tariff sheets: 3

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: Electric Rate Schedule Transitional Bundled Commodity Cost (TBCC)

Service affected and changes proposed: Revise text for revised CAISO Grid Management Charge (GMC) codes

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

**Pacific Gas and Electric Company**

**Attn: Brian K. Cherry, Vice President, Regulation and Rates**

**77 Beale Street, Mail Code B10C**

**P.O. Box 770000**

**San Francisco, CA 94177**

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

**ATTACHMENT 1  
Advice 3959-E**

**Cal P.U.C.  
Sheet No.**

**Title of Sheet**

**Cancelling Cal  
P.U.C. Sheet No.**

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30749-E	ELECTRIC SCHEDULE TBCC TRANSITIONAL BUNDLED COMMODITY COST Sheet 2	30398-E
30750-E	ELECTRIC TABLE OF CONTENTS Sheet 1	30738-E
30751-E	ELECTRIC TABLE OF CONTENTS RATE SCHEDULES Sheet 8	30401-E



**ELECTRIC SCHEDULE TBCC**  
**TRANSITIONAL BUNDLED COMMODITY COST**

Sheet 2

RATES: Development of the Hourly Market Prices  
 (Cont'd.)

The hourly market price shall consist of the California Independent System Operator (CAISO) hourly Integrated Forward Market (IFM) Locational Marginal Price (LMP) for the PGE Utility Distribution Company (UDC) control Area (LAP\_PGAE), multiplied by an allowance for Unaccounted for Energy (UFE), plus an allowance for Ancillary Services and the ISO Grid Management Charges (GMC).

The UFE allowance will equal one plus the straight average of the most recent six month actual UFE percentages available from the ISO Management Report for the Board of Governors posted on the CAISO website. The UFE allowance will be revised semi-annually (January and July).

The allowance for Ancillary Services, calculated hourly, will equal the ISO's corresponding Ancillary Service Marginal Price (ASMP) Day Ahead (IFM) and Hour Ahead/Real Time (HASP/RT) Regional Ancillary Services procurement costs divided by the UDC control area system load. If regional Ancillary Services (A/S) data or UDC control area system load data is not made publicly available in a timely manner, the rate will be derived from the Ancillary Service Marginal Price (ASMP) Zones Day Ahead (IFM) and Hour Ahead/Real Time (HASP/RT) Ancillary Services total procurement costs divided by the CASIO control area system load. The data used to calculate the Ancillary Services rate is subject to change by the ISO without notice. Therefore, the Ancillary Service rate will be calculated using the best available data at the time of downloading.

The ISO GMC will equal the sum of the GMC – Market Services Charge (Charge Code 4560) and GMC – System Operations Charge (Charge Code 4561). The ISO GMC shall be charged on the customer's hourly metered demand. (T)  
 |  
 |  
 (T)

2. Adjustments for DLFs and Franchise Fees and Uncollectibles:

The hourly cost at the transmission/distribution interface, as determined in Part 1, is multiplied by the DLF and a franchise fees and uncollectible factor to determine the appropriate price to be paid by end-use customers served at each voltage level. DLFs will be calculated by PG&E based on the forecast hourly PG&E Service Area Load (Direct Access, Community Choice Aggregation, plus Bundled Service) per Decisions 97-08-056 and 04-12-046. The hourly DLFs will be broken out by service voltage level and made available each day to market. PG&E will calculate the hourly DLFs based on samples of hourly service area load by applying the approach approved in Decisions 92-12-057, and 04-12-046.

The franchise fee and uncollectible factor is equal to:..... 1.01079

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Sheet 8

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DA-CRS	Direct Access Cost Responsibility Surcharge .....	28595,28596-E
E-CCA	Services to Community Choice Aggregators .....	30384,25511,25512, 30385, 30386, 30387, 30388, 25517-E
E-CCAINFO	Information Release to Community Choice Aggregators .....	25518, 30316,25520,25521-E
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**PG&E Gas and Electric  
Advice Filing List  
General Order 96-B, Section IV**

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