

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



January 31, 2012

**Advice Letter 3979-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 Transmission Access Charge Balancing Account Adjustment  
("TACBAA") Filing With the Federal Energy Regulatory Commission**

Dear Mr. Cherry:

Advice Letter 3979-E are effective January 30, 2012.

Sincerely,

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

Edward F. Randolph, Director  
Energy Division

December 28, 2011

**Advice 3979-E**

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

**Subject: Notice of the Transmission Access Charge Balancing Account Adjustment (“TACBAA”) Filing With the Federal Energy Regulatory Commission**

**Purpose**

In compliance with Resolution E-3930 (“Resolution”), Pacific Gas and Electric Company (“PG&E”) hereby submits this advice letter to provide the California Public Utilities Commission (“Commission” or “CPUC”) with notice of PG&E’s recent filing with the Federal Energy Regulatory Commission (“FERC”) requesting a transmission rate change for its retail electric customers. The purpose of PG&E’s FERC filing is to request the annual update to the Transmission Access Charge Balancing Account Adjustment (“TACBAA”).

**Background**

On December 7, 2011, PG&E filed its TACBAA filing with FERC in Docket No. ER12-573-000.

The TACBAA is a ratemaking mechanism designed to ensure that the difference in the amount of costs billed to PG&E as a load-serving entity and the revenues paid to PG&E as a Participating Transmission Owner (“TO”) under the California Independent System Operator Corporation (“ISO”) Tariff is recovered from or returned to PG&E’s End-Use customers.

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. As described in PG&E’s TO Tariff, the effective date for the updated TACBAA rate is March 1 of each year. The 2012 TACBAA rate is based on the balance in the TACBA as of December 31, 2011, 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 2012 TACBAA rate is the sum of the balance of the TACBA as of December 31, 2011 of \$40,971,630; the interest balance for the TACBA of \$1,671,441; the forecasted TACBA costs and customer usage volumes for 2012 of \$216,533,463; and the FF&U adjustment of \$2,796,515. The resultant TACBAA revenue requirement is \$261,973,049, and the corresponding rate is \$0.00314/kWh. This represents an increase from the 2011 TACBAA of \$200,173,892 and the corresponding rate of \$0.00239/kWh.

### **Compliance With Resolution E-3930**

PG&E submits this advice letter pursuant to Process Element 3 of the Resolution. Consistent with past practice, PG&E has also provided the Commission with a complete copy of the FERC filing on the same date that it was filed with FERC, by service to the Commission's Legal Division.

In this advice letter, PG&E requests authority to revise each corresponding transmission rate component of its Commission-jurisdictional tariffs on the date which FERC ultimately authorizes these changes to become effective, subject to refund, and to make corresponding adjustments to its total applicable Commission-jurisdictional rates, with exceptions only as described below for the residential tariffs.

As described under Process Elements 5 and 6 of the Resolution, total rates for residential usage up to 130 percent of baseline ("Tier 1 and 2 usage") were previously constrained by California Assembly Bill 1X ("AB 1X"). California Senate Bill 695 ("SB 695"), enacted October 11, 2009, modified the constraints on total rates for residential usage up to 130 percent of baseline and Decision (D.) 09-12-048 also adopted PG&E's revised residential rate design as compliant therewith. In addition, D.11-05-047 on residential rate design in Phase 2 of PG&E's 2011 General Rate Case established tier 3 rates for California Alternative Rates for Energy (CARE). The level of these CARE tier 3 rates (applicable to CARE usage over 130 percent of baseline) is constrained by D.11-05-047 and is compliant with the constraints of SB 695.

PG&E designs residential rates by adjusting residential distribution and generation rates proportionately so that total residential rates for all CARE usage and for non-CARE usage up to 130 percent of baseline comply with the constraints noted above. PG&E then sets non-CARE rates for usage in excess of 130% of baseline to ensure the revenue allocated to the residential class is fully collected, while maintaining the 4 cent differential between non-CARE tier 3 and tier 4 rates established by D.11-05-047. Finally, as noted in D.07-09-044, Appendix C, Section VI, part D, revenue reductions to the residential class will be implemented by not changing rates for usage up to 130 percent of baseline, or for CARE usage in excess of 130% of baseline, and will be used to reduce non-CARE rates for usage in excess of 130% of baseline.

As anticipated under Process Element 4 of Resolution E-3930, PG&E will supplement this advice letter or indicate in a separate advice letter that coincides with other retail rate changes when the requested TACBAA rate is approved, modified, denied or otherwise acted upon by the FERC. At that time, PG&E will also provide complete updated tariff sheets.

### **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 17, 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: [jj@cpuc.ca.gov](mailto:jj@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 advice filing become effective as soon as practicable after FERC authorizes these changes to become effective. PG&E proposes to consolidate the electric rate changes resulting from the transmission rate change, to the extent practicable, with the first planned rate change after FERC authorizes PG&E's requests.

**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 purple ink that reads "Brian Cherry" followed by a circled "P&E" logo.

Vice President – Regulation and Rates

# 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: Britta Brown

Phone #: (415) 973-8584

E-mail: B2Bn@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) #: **3979-E**

**Tier: 2**

Subject of AL: **Notice of the Transmission Access Charge Balancing Account Adjustment ("TACBAA")  
Filing 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 #: 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:

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: \_\_\_\_\_

Resolution Required?  Yes  No

Requested effective date:

No. of tariff sheets: **0**

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:

Service affected and changes proposed:

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

[ijnj@cpuc.ca.gov](mailto:ijnj@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)

**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
BART	Duke Energy	Praxair
Barkovich & Yap, Inc.	Economic Sciences Corporation	R. W. Beck & Associates
Bartle Wells Associates	Ellison Schneider & Harris LLP	RCS, Inc.
Bloomberg	Foster Farms	Recurrent Energy
Bloomberg New Energy Finance	G. A. Krause & Assoc.	SCD Energy Solutions
Boston Properties	GLJ Publications	SCE
Braun Blaising McLaughlin, P.C.	GenOn Energy, Inc.	SMUD
Brookfield Renewable Power	Goodin, MacBride, Squeri, Schlotz & Ritchie	SPURR
CA Bldg Industry Association	Green Power Institute	San Francisco Public Utilities Commission
CLECA Law Office	Hanna & Morton	Seattle City Light
CSC Energy Services	Hitachi	Sempra Utilities
California Cotton Ginners & Growers Assn	In House Energy	Sierra Pacific Power Company
California Energy Commission	International Power Technology	Silicon Valley Power
California League of Food Processors	Intestate Gas Services, Inc.	Silo Energy LLC
California Public Utilities Commission	Lawrence Berkeley National Lab	Southern California Edison Company
Calpine	Los Angeles Dept of Water & Power	Spark Energy, L.P.
Cardinal Cogen	Luce, Forward, Hamilton & Scripps LLP	Sun Light & Power
Casner, Steve	MAC Lighting Consulting	Sunshine Design
Center for Biological Diversity	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	