

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



October 10, 2012

Advice Letter 3980-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: Agricultural Account Aggregation Study Memorandum
Account Preliminary Statement Part FV in Compliance
with D.11-12-053 in PG&E's 2011 General Rate Case,
Phase 2**

Dear Mr. Cherry:

Advice Letter 3980-E is effective January 1, 2012.

Sincerely,

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

Edward F. Randolph, Director
Energy Division

December 28, 2011

Advice 3980-E

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: Agricultural Account Aggregation Study Memorandum Account
Preliminary Statement Part FV in Compliance with Decision 11-12-
053 in PG&E's 2011 General Rate Case, Phase 2

Pacific Gas and Electric Company (PG&E) hereby submits for filing proposed revisions to its electric preliminary statement tariff sheets. Attachment 1 provides proposed new electric Preliminary Statement Part FV, *Agricultural Account Aggregation Study Memorandum Account*. This tariff provision is made pursuant to D.11-12-053 in PG&E's 2011 General Rate Case (GRC) Phase 2 proceeding, for an effective date of January 1, 2012.

Purpose

PG&E is filing a Tier 1 advice letter to request this tariff revision in compliance with Ordering Paragraphs 3 and 4 of Decision (D.) 11-12-053 in A.10-03-014, PG&E's 2011 GRC Phase 2 proceeding, on non-residential rate design issues. That decision adopted an Agricultural Rate Design Settlement, which provided for recovery of up to \$150,000 for customer participation incentives to defray participation costs, and \$100,000 for customer coordination and other study costs incurred by the consultants assisting PG&E in performing an agricultural account aggregation study, for a total cost of up to \$250,000 plus interest. (See D.11-12-053, Appendix F, Term V.B.4, "Account Aggregation," and in Appendix F, Exhibit C, Term 3, "Costs of the Study.")

In this advice letter, PG&E proposes a tracking account to record actual account aggregation study expenditures for later recovery as authorized.

Background

As stated in the Commission-approved, all-party Agricultural Rate Design Settlement, the purpose of the 2011 GRC Phase 2 agricultural settlement account aggregation study is to obtain data and other information on a group of agricultural customers' electrical usage to allow evaluation of these agricultural customers' usage with account aggregation and what benefits, if any, might result from aggregating multiple accounts that serve separate loads located on the agricultural

customer's farm operation. The study may also investigate whether allowing agricultural customers to aggregate such multiple accounts would affect their management of their loads.

Exhibit C Term 3 specifies that the amounts that PG&E pays to participants and agricultural consultants under the Agricultural Settlement, up to \$250,000 plus accrued interest, shall be immediately recoverable in agricultural rates (excluding Schedule E-37) once the study is made available in PG&E's 2014 GRC Phase 2. The study costs, up to \$250,000 plus accrued interest, will be recovered in agricultural customers' distribution rates via the Distribution Revenue Adjustment Mechanism (DRAM) and the Annual Electric True-Up (AET). This adjustment to agricultural rates will be in addition to any allocation separately established in other parts of the agricultural settlement or the related March 14, 2011 Settlement on Marginal Costs and Revenue Allocation.

This compliance advice letter relates only to the need to establish a memorandum account to track the costs of the agricultural account aggregation study. Two other compliance advice letters relating to implementation of D.11-12-053 in the non-residential portion of PG&E's 2011 GRC Phase 2 proceeding are as follows: (1) Advice 3973-E, filed December 19, 2011, to describe the associated rate and tariff changes of GRC Phase 2 cost allocation and rate design realignments that would hypothetically be implemented on January 1, 2012 prior to the Annual Electric True-Up (AET) revenue requirement changes, along with certain initiatives deferred to later dates; and (2) Advice 3896-E-B, scheduled to be filed December 30, 2011, that will in fact implement the GRC Phase 2 realignments in a consolidated manner on January 1, 2012 in combination with the AET revenue requirement changes.

Tariff Changes

New Preliminary Statement Part FV--Agricultural Account Aggregation Study Memorandum Account (AAASMA):

This memorandum account will record and track the costs of participant incentives and consultant costs associated with conducting the agricultural account aggregation study. The AAASMA costs shall be allocated to the distribution rates of the agricultural class only, excluding Schedule E-37. Based upon the expected timing of the study to be made available in 2013, AAASMA costs would be transferred to DRAM, with interest, and amortized into agricultural distribution rates through the AET on January 1, 2014.

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, 2012**, 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, 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

Effective Date

PG&E requests that this Tier 1 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 and the parties on the service list for A.10-03-014. Address changes to the General Order 96-B service list and all electronic approvals should be directed to 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. Advice letter filings can also be accessed
electronically at: <http://www.pge.com/tariffs>

A handwritten signature in cursive script that reads "Brian Cherry". To the right of the name, there is a smaller, less legible signature or set of initials.

Vice President, Regulatory Relations

Attachments

cc: Service List A.10-03-014

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 E)**

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) #: **3980-E**

Tier: 1

Subject of AL: **Agricultural Account Aggregation Study Memorandum Account Preliminary Statement Part FV in Compliance with Decision 11-12-053 in PG&E's 2011 General Rate Case, Phase 2**

Keywords (choose from CPUC listing): Compliance, Memorandum Account

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

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: D.11-12-053

Does AL replace a withdrawn or rejected AL? No. 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: New Electric Preliminary Statement Part FV

Service affected and changes proposed: New memorandum account.

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, Regulation and Rates

77 Beale Street, Mail Code B10C

P.O. Box 770000

San Francisco, CA 94177

E-mail: PGETariffs@pge.com

**ATTACHMENT 1
Advice 3980-E**

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

Title of Sheet

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

30868-E AGRICULTURAL ACCOUNT AGGREGATION
STUDY
MEMORANDUM ACCOUNT (AAASMA)
Sheet 1

30869-E ELECTRIC TABLE OF CONTENTS
Sheet 1

30842-E

30870-E ELECTRIC TABLE OF CONTENTS
PRELIMINARY STATEMENT
Sheet 17

30847-E



AGRICULTURAL ACCOUNT AGGREGATION STUDY
MEMORANDUM ACCOUNT (AAASMA)

Sheet 1 (N)
 (N)

FV. AGRICULTURAL ACCOUNT AGGREGATION STUDY MEMORANDUM ACCOUNT (AAASMA) (N)

1. **PURPOSE:** The purpose of the AAASMA is to record and recover the expense costs associated with conducting an agricultural account aggregation study to be filed in PG&E's 2014 General Rate Case (GRC) Phase 2 proceeding, as ordered in 2011 GRC Phase 2 D.11-12-053. The total costs excluding interest are not to exceed \$250,000, comprised of customer participation incentives not to exceed \$150,000, nor more than \$10,000 to any one participating farm operation, for up to 15 farm operations, and consultant costs not to exceed \$100,000. (N)
2. **APPLICABILITY:** The AAASMA shall apply only to agricultural electric customers, and shall not apply to Schedule E-37.
3. **REVISION DATE:** Disposition of amounts in this account shall be transferred to the Distribution Revenue Adjustment Mechanism (DRAM) once the study is made available in PG&E's 2014 GRC Phase 2 proceeding. The DRAM amounts shall be recovered in January 1, 2014 rates through the Annual Electric True-Up process, or as otherwise directed by the Commission.
4. **DISTRIBUTION RATES:** There is no rate component for the AAASMA.
5. **ACCOUNTING PROCEDURES:** PG&E shall maintain the AAASMA by making entries to this account at the end of each month as follows:
 - a. A debit entry for the revenue requirement based on the expense cost items supporting the study noted above equal to:
 - (1) an expense amount equal to the average of the beginning and the end-of-month balance of the total expenses for participant incentives.
 - (2) an expense amount equal to the average of the beginning and the end-of-month balance of the total expenses for consultant payments.
 - b. A debit entry equal to interest on the average balance in the account at the beginning of the month and the balance after the above entries, at a rate equal to one-twelfth of the interest rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15 or its successor. (N)



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Sheet 1

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(Continued)

Advice Letter No: 3980-E
 Decision No. 11-12-053

Issued by
Brian K. Cherry
 Vice President
 Regulation and Rates

Date Filed December 28, 2011
 Effective January 1, 2012
 Resolution No. _____



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PRELIMINARY STATEMENT

Sheet 17

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(Continued)

**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	