

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



August 31, 2012

**Advice Letter 4084-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: Submission of Revised 2011 Ongoing CTC Rates in Compliance  
with D.11-12-018 and Energy Division Disposition Letter for  
Advice Letter 4044-E**

Dear Mr. Cherry:

Advice Letter 4084-E is effective August 13, 2012.

Sincerely,

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

Edward F. Randolph, 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

Fax: 415.973.7226

July 13, 2012

**Advice 4084-E  
(Pacific Gas and Electric Company ID U 39 E)**

**Public Utilities Commission of the State of California**

**Subject:** Submission of Revised 2011 Ongoing CTC Rates in Compliance with Decision 11-12-018 and Energy Division Disposition Letter for Advice Letter 4044-E

Pacific Gas and Electric Company ("PG&E") hereby submits for filing revisions to its 2011 Ongoing Competition Transition Cost ("CTC") rates. Direct Access ("DA"), Community Choice Aggregation ("CCA") and some departing load customers will be affected by this revision. An illustrative rate table is attached showing the revised 2011 Ongoing CTC rates.

**Purpose**

In compliance with Decision ("D.") 11-12-018 and the Energy Division Disposition Letter for Advice Letter 4044-E, PG&E is submitting revised 2011 Ongoing CTC rates.

**Background**

On January 6, 2012, in compliance with Ordering Paragraph ("OP") 4 of D. 11-12-018, PG&E submitted Advice Letter 3987-E which provided specific information regarding:

- a. The most recent 12 months figures derived from US Department of Energy survey of Western US renewable energy premiums in calculating a weighted proxy for the Market Price Benchmark compiled by the National Renewable Energy Laboratory; and
- b. All Renewable Portfolio Standard ("RPS") - compliant resources that are used to serve PG&E customers during the current year (i.e., most recent 12 months) and those projected to serve customers during the next year, including both contracts and utility-owned resources, and the projected costs together with the net qualifying capacity of energy produced by each of these resources.

The Energy Division used this information, along with similar information provided by Southern California Edison Company and San Diego Gas & Electric Company, to calculate the RPS adder that is included in the Market Price Benchmark ("MPB"). Advice Letter 3987-E also provided the Resource Adequacy Capacity Value, which is also used in the MPB calculation.

On May 10, 2012, the California Public Utilities Commission ("CPUC") approved Resolution E-4475, which adopted the inputs into the "URGreen" for RPS adder for 2011 and 2012<sup>1</sup> and the Resource Adequacy Capacity Value. It also adopted a formula to calculate the MPB.<sup>2</sup>

On May 16, 2012, in compliance with Resolution E-4475, PG&E submitted Advice Letter 4044-E, which provided revisions to its 2011 and 2012 Power Charge Indifference Amount ("PCIA") Revenue Requirements and Rates. Substitute sheets were filed on June 7, 2012 to correct the revised 2011 PCIA rates, which inadvertently left out a factor in its calculation.

On June 14, 2012, the Energy Division approved Advice Letter 4044-E. The Disposition Letter for Advice Letter 4044-E also clarified the intent of Commission D.11-12-018 was to include adjustments to the Ongoing CTC rates as well as the PCIA rates. In compliance with the Disposition Letter, this advice letter submittal provides the revised 2011 Ongoing CTC rates.

### **Tariff Revisions**

The revised 2011 Ongoing CTC rates are shown in the illustrative rate table in Attachment I and are shown under the column titled "As Filed Proposed." The rate table presents the revised 2011 Ongoing CTC rates alongside the 2011 adopted Ongoing CTC rates by customer class. Also shown in the illustrative rate table are the adopted 2012 Ongoing CTC rates and the revised and approved 2012 Ongoing CTC rates. The revised 2012 Ongoing CTC rates were approved in Advice Letter 4044-E. These revised rates, once approved by the CPUC, will be used to determine the difference between the previously adopted 2011 and 2012 Ongoing CTC and the revised Ongoing CTC rates. They will be refunded to DA, CCA, and certain other non-exempt departing load customers. For pre-2009 vintage year customers that received a full offset of the originally billed Ongoing CTC through a negative PCIA, the revised Ongoing CTC is similarly offset in its entirety with a revised PCIA. As a result, the net sum refund for the revised Ongoing CTC and revised PCIA is zero.

The updated revenue requirements supporting the revised Ongoing CTC rates for 2011, are found in Attachment II and include the supporting workpapers.

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<sup>1</sup> Resolution E-4475, Table 1, page 10

<sup>2</sup> Resolution E-4475, Exhibit A, page 1

PG&E is requesting approval of the 2011 revised Ongoing CTC rates by August 13, 2012. This will allow PG&E to begin refunds of the CTC along with the PCIA refunds at the end of August. Approval of the 2011 revised Ongoing CTC rates beyond the August 13, 2012 may delay the start of the refund.

### **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 **August 2, 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: EDTariffUnit@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 Tier 2 advice filing become effective on regular notice, **August 13, 2012**, which is 31 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 the parties

on the service list for R.07-05-025. Address changes to the General Order 96-B service list should be directed to PG&E at email address 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. Send all electronic approvals to PGETariffs@pge.com. Advice letter filings can also be accessed electronically at: <http://www.pge.com/tariffs>

A handwritten signature in black ink, appearing to read "Brian Chung". The signature is written in a cursive, flowing style with a long horizontal stroke extending to the right.

Vice President, Regulatory Relations

Attachments

cc: Service List R. 07-05-025

Attachment I: 2011 Adopted and Proposed Ongoing CTC Rates and 2012 Adopted and Approved Ongoing CTC Rates

Attachment II: 2011 Ongoing CTC Revenue Requirement Calculations and Supporting Workpapers

# 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: Kimberly Chang

Phone #: (415) 972-5472

E-mail: kwcc@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) #: **4084-E**

Tier: **2**

Subject of AL: **Submission of Revised 2011 Ongoing CTC Rates in Compliance with Decision 11-12-018 and Energy Division Disposition Letter for Advice Letter 4044-E**

Keywords (choose from CPUC listing): Compliance, Capacity

AL filing type:  Monthly  Quarterly  Annual  One-Time  Other \_\_\_\_\_

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: D.11-12-018

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:

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: **August 13, 2012**

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

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  
E-mail: [EDTariffUnit@cpuc.ca.gov](mailto:EDTariffUnit@cpuc.ca.gov)**

**Pacific Gas and Electric Company  
Attn: Brian Cherry  
Vice President, Regulatory Relations  
77 Beale Street, Mail Code B10C  
P.O. Box 770000  
San Francisco, CA 94177  
E-mail: [PGETariffs@pge.com](mailto:PGETariffs@pge.com)**

Advice 4084-E

Attachment I:

2011 Adopted and Proposed  
Ongoing CTC Rates and 2012 Adopted  
and Approved Ongoing CTC Rates

PACIFIC GAS AND ELECTRIC COMPANY  
 Advice Letter 4084-E  
 Attachment I

2011 CTC Rates

Customer Class	As Adopted	As Filed Proposed
Residential	\$0.00881	\$0.00516
Small L&P	\$0.00766	\$0.00449
Medium L&P	\$0.00778	\$0.00456
E19	\$0.00660	\$0.00387
Streetlights	\$0.00119	\$0.00070
Standby	\$0.00366	\$0.00214
Agriculture	\$0.00759	\$0.00445
E20 T	\$0.00523	\$0.00306
E20 P	\$0.00587	\$0.00344
E20 S	\$0.00629	\$0.00369

2012 CTC Rates

Customer Class	As Adopted	As Filed and approved in AL 4044-E
Residential	\$0.00555	\$0.00117
Small L&P	\$0.00448	\$0.00095
Medium L&P	\$0.00476	\$0.00100
E19	\$0.00400	\$0.00084
Streetlights	\$0.00049	\$0.00010
Standby	\$0.00311	\$0.00066
Agriculture	\$0.00457	\$0.00096
E20 T	\$0.00317	\$0.00067
E20 P	\$0.00356	\$0.00075
E20 S	\$0.00377	\$0.00080

Advice 4084-E

Attachment II:

2011 Ongoing CTC Revenue Requirement  
Calculations and Supporting Workpapers

**DA Reopening - Revised Ongoing CTC Revenue Requirement**

<b>TABLE 7-2</b> <b>PACIFIC GAS AND ELECTRIC COMPANY</b> <b>2011 ONGOING CTC FORECAST REVENUE REQUIREMENT</b> <b>NOVEMBER 5, 2010 UPDATE</b>				
Line No.	Description	\$/MWh	GWh	\$000
1	Qualifying Facilities (Ongoing CTC Eligible)			
2	Gas Hedging for QF SRAC payments			
3	Metropolitan Water District			
4	Irrigation Districts and Water Agencies			
5	Total (Lines 1 - 4)		16,600	1,187,690
6	6% Line Loss		(996)	
7	Net Pre-1996 Contracts (Lines 6 - 7)		15,604	1,187,690
8	<b>Revised Market Benchmark Cost</b>	<b>\$59.53</b>	15,604	<b>928,930</b>
9	Above Market Costs (Lines 7 Minus line 8)			258,759
10	QF Restructuring Costs			20,700
11	<b>Subtotal Ongoing CTC Costs</b>			<b>279,459</b>
12	FFU			2,866
13	Subtotal, Ongoing CTC Cost With FF&U			282,325
14	Year-end 2010 MTCBA Balance			99,471
15	<b>Total 2011 Ongoing CTC Revenue Requirement</b>			<b>381,796</b>

From Table 5-2 Line 5 & 6  
Calculated from Table 6-2 (Cell B6)  
From Table 5-2 Line 12 & 13  
From Table 5-2 Line 9 & 10  
D.07-01-030  
From Table 5-2 Line 7  
Based on AET

Line No.	Forecast Year	Portfolio 2011 Forecast	2011 Forecast by Vintage						
			Pre-1996	Pre-2002	2009	2010	2011		
			Ongoing CTC	D.06-07-030 PCIA	D.04-12-048 PCIA	D.04-12-048 PCIA	D.04-12-048 PCIA		
	Forward Price Location	Oct-11							
	Average Prices from October Postings	NP15	NP15	NP15	NP15	NP15	NP15	NP15	NP15
		PG&E	PG&E	PG&E	PG&E	PG&E	PG&E	PG&E	PG&E
1	On Peak								
2	Off Peak								
3	Publication	Platts ICE							
4									
5									
6	Off-peak Weighting	37.8%	37.8%	37.8%	37.8%	37.8%	37.8%	37.8%	37.8%
7	On-peak Weighting	62.2%	62.2%	62.2%	62.2%	62.2%	62.2%	62.2%	62.2%
8									
9	Calculated Baseload Price	\$ 36.57	\$ 36.57	\$ 36.57	\$ 36.57	\$ 36.57	\$ 36.57	\$ 36.57	\$ 36.57
10	Capacity Adder	\$ 10.54	\$ 7.99	\$ 9.22	\$ 11.77	\$ 11.82	\$ 11.82	\$ 11.82	\$ 11.82
11									
12	Subtotal Before Line Loss	\$47.10	\$44.56	\$45.78	\$48.34	\$48.38	\$48.38	\$48.38	\$48.38
13									
14	Line Loss	1.060	1.060	1.060	1.060	1.060	1.060	1.060	1.060
15									
16	Brown Market Price Benchmark, by Vintage	\$49.93	\$47.23	\$48.53	\$51.24	\$51.29	\$51.29	\$51.29	\$51.29
17									
18									
19	<u>Renewable Premium</u>								
20									
21	Resolution E-4475	\$ 91.13							
22	less Brown Power BM (no capacity value)	\$36.57							
23	IOU RPS Premium	\$ 54.57							
24									
25	<u>PD Weighting</u>								
26	IOU 2012 RPS Premium, delivered energy @ \$54.57	68% \$ 37.11	\$ 37.11	\$ 37.11	\$ 37.11	\$ 37.11	\$ 37.11	\$ 37.11	\$ 37.11
27	DOE REC Value \$18.151/MWh @	32% \$ 5.81	\$ 5.81	\$ 5.81	\$ 5.81	\$ 5.81	\$ 5.81	\$ 5.81	\$ 5.81
28	Weighted Average Renewable Premium	\$ 42.91	\$ 42.91	\$ 42.91	\$ 42.91	\$ 42.91	\$ 42.91	\$ 42.91	\$ 42.91
29									
30	Renewable Percentage in Portfolio	19.7%	27.0%	11.2%	20.5%	21.6%	21.6%	21.6%	21.6%
31	Renewable Adder, by Vintage (In. 27 * In. 29)	\$ 8.44	\$ 11.61	\$ 4.81	\$ 8.81	\$ 9.25	\$ 9.25	\$ 9.25	\$ 9.25
32									
33	Revised MPB at Generator (In. 16 + In. 30)	\$55.55	\$56.16	\$50.59	\$57.14	\$57.63	\$57.63	\$57.63	\$57.63
34	Line Loss	1.060	1.060	1.060	1.060	1.060	1.060	1.060	1.060
34	<b>Revised MPB with Renewable Premium, by Vintage</b>	<b>\$58.88</b>	<b>\$59.53</b>	<b>\$53.62</b>	<b>\$60.57</b>	<b>\$61.09</b>	<b>\$61.09</b>	<b>\$61.09</b>	<b>\$61.09</b>

**PG&E Gas and Electric  
Advice Filing List  
General Order 96-B, Section IV**

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