

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



August 5, 2013

**Advice Letter 4088-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: Revise Schedule A-1 Eligibility to Exclude Customers Over 75 kW  
or 150,000 kWh per Year in Compliance with D.11-12-053**

Dear Mr. Cherry:

Advice Letter 4088-E is effective July 19, 2012.

Sincerely,

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

Edward F. Randolph, Director  
Energy Division

July 19, 2012

**Advice 4088-E**

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

**Subject: Revise Schedule A-1 Eligibility to Exclude Customers Over 75 kW or 150,000 kWh per Year in Compliance With Decision 11-12-053**

Pacific Gas and Electric Company (PG&E) hereby submits for filing proposed revisions to its electric tariff sheets. The affected tariff sheets are listed on the enclosed Attachment 1.

**Purpose**

PG&E is filing a Tier 1 advice letter to revise small commercial electric rate Schedule A-1, *Small General Service*<sup>1</sup>, in compliance with PG&E's 2011 GRC Phase 2 Decision (D.) 11-12-053 adopting PG&E's settlement with the Division of Ratepayer Advocates (DRA) and other parties regarding customer eligibility criteria to qualify for service on Schedule A-1.

**Background**

In PG&E's 2011 GRC Phase 2 proceeding, DRA proposed that PG&E implement a 20 kW cutoff between small and medium commercial customers, similar to the demarcation in place for many years at Southern California Edison (SCE) and San Diego Gas and Electric Company (SDG&E). Through settlement negotiations, PG&E and DRA agreed upon a 75 kW or 150,000 kWh per year threshold for the cutoff between PG&E's small and medium commercial classes, effective November 1, 2012.<sup>2</sup>

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<sup>1</sup> Through this Advice Letter, references to A-1 are meant to include the A-1-TOU and A-1 PDP options available on Schedule A-1.

<sup>2</sup> For implementation purposes, a 150,000 kWh per year criteria was selected as a proxy for the 75 kW threshold. Under the terms of the settlement, these kW or kWh cutoff criteria do not apply to small commercial Time-of-Use (TOU) Schedule A-6.

Consistent with the policies the Commission adopted in Peak Day Pricing D.10-02-032 and later in D.11-11-008, the settlement also stipulated that affected customers must have at least 12 months of interval data available before they are required to migrate off of Schedule A-1. This allows customers to make more informed rate analysis decisions regarding the optional TOU and demand-metered rate options available to them. Affected Schedule A-1 customers may choose among Schedule A-6, A-10-TOU, or E-19-Voluntary rates.

This settlement was filed in the *First Amendment to the Supplemental Settlement Agreement on Small Light and Power Rate Design Issues in PG&E's Application 10-03-014*.<sup>3</sup> This settlement agreement is described on pages 30 to 31 of D.11-12-053, and is contained in Appendix C to D.11-12-053.

PG&E's analysis shows that ultimately about 3,000 customers will be required to migrate off Schedule A-1. PG&E estimates that approximately 1,000 customers will have the required 12 months of interval data to be affected in the November 2012 transition. The remaining affected customers will be expected to migrate in November 2013 or later. PG&E proposes that affected customers who do not actively select a schedule shall be migrated to Schedule A-10-TOU.

In the future, PG&E proposes that the Schedule A-1 kW cutoff criteria, as with the small and medium business customer TOU default, will be implemented only once per year, on bill cycles each November, rather than on a rolling monthly basis, to synchronize with the TOU default procedures developed by PG&E to implement D.10-02-032 and D.11-11-008.

Under the terms of the settlement adopted in D.11-12-053, all parties are free to propose further Schedule A-1 kW cutoff reductions in PG&E's 2014 GRC Phase 2 proceeding. The purpose of this size-based eligibility criteria is to better separate small from medium light and power customers for purposes of marginal cost estimation, revenue allocation, and rate design.

### **Tariff Revisions Effective November 1, 2012**

PG&E's proposed revisions to Schedule A-1 are included in Attachment 1, and are limited to the "Applicability" clause of Schedule A-1.

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<sup>3</sup> On September 22, 2011, PG&E filed a joint *First Amendment to the Supplemental Settlement Agreement on Small Light and Power Rate Design Issues in PG&E's Application 10-03-014* on behalf of the Settling Parties. This amendment revised the original April 8, 2011, *Supplemental Settlement Agreement on Small Light and Power Rate Design Issues in PG&E's Application 10-03-014*, Term V.B.4, *Kilowatt Threshold Delineating Small from Medium L&P*. The original April 8, 2011 Settlement Agreement presented two cutoff levels at 100 kW and 75 kW with two waves of migration off Schedule A-1.

**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 8, 2012**, which is 20 after the date of this filing. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. 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 1 advice letter become effective upon filing on **July 19, 2012**. PG&E plans to send a rate analysis to affected customers in early August 2012, and seeks to have the tariff revisions proposed herein in place should customers consult the tariffs for provisions supporting this Schedule A-1 kW or kWh cutoff criteria.

**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 and A.09-02-022. Address changes to the General Order 96-B service list and all electronic approvals should be directed to [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>

Handwritten signature of Brian Cherry in cursive script.

Vice President, Regulatory Relations

**Attachments**

cc: Service List A.10-03-014  
Service List A.09-02-022

# 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: Shirley Wong

Phone #: (415) 972-5505

E-mail: slwb@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) #: 4088-E

Tier: 1

Subject of AL: Revise Schedule A-1 Eligibility to Exclude Customers Over 75 kW or 150,000 kWh per Year in Compliance With Decision 11-12-053

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 #: PG&E's 2011 GRC Phase 2 Decision (D.) 11-12-053

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: July 19, 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 A-1

Service affected and changes proposed: Revise applicability

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

EDTariffUnit@cpuc.ca.gov

Pacific Gas and Electric Company

Attn: Brian K. Cherry, Vice President, Regulatory Relations

77 Beale Street, Mail Code B10C

P.O. Box 770000

San Francisco, CA 94177

E-mail: PGETariffs@pge.com

**ATTACHMENT 1  
Advice 4088-E**

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

**Title of Sheet**

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

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31856-E	ELECTRIC SCHEDULE A-1 SMALL GENERAL SERVICE Sheet 1	31244-E
31857-E	ELECTRIC TABLE OF CONTENTS Sheet 1	31845-E
31858-E	ELECTRIC TABLE OF CONTENTS RATE SCHEDULES Sheet 4	31848-E



**ELECTRIC SCHEDULE A-1**  
**SMALL GENERAL SERVICE**

Sheet 1

**APPLICABILITY :** Schedule A-1 applies to single-phase and polyphase alternating-current service (for a description of these terms, see Section D of Rule 2\*). This schedule is not available to residential or agricultural service for which a residential or agricultural schedule is applicable, except for single-phase and polyphase service in common areas in a multifamily complex (see Common-Area Accounts section). (D)

Effective November 1, 2012, Schedule A-1 is closed to customers with a maximum demand of 75 kW or greater for three consecutive months in the most recent twelve months, or with usage of 150,000 kWh per year or greater, and who have at least twelve (12) months of hourly usage data available. Eligibility for A-1 will be reviewed annually and migration of ineligible customers will be implemented once per year, on bill cycles each November, using the same procedures described below for Time-of-Use (TOU) rates adopted in Decision 10-02-032 as modified by Decision 11-11-008. (N)

The provisions of Schedule S—Standby Service Special Conditions 1 through 6 shall also apply to customers whose premises are regularly supplied in part (but not in whole) by electric energy from a non-utility source of supply. These customers will pay monthly reservation charges as specified under Section 1 of Schedule S, in addition to all applicable Schedule A-1 charges. Exemptions to Standby Charges are outlined in the Standby Applicability Section of this rate schedule.

**Peak Day Pricing Default Rates:** Peak Day Pricing (PDP) rates provide customers the opportunity to manage their electric costs by reducing load during high cost periods or shifting load from high cost periods to lower cost periods. Decision 10-02-032, as modified by Decision 11-11-008, ordered that beginning November 1, 2014, eligible small and medium Commercial and Industrial (C&I) customers (those with demands that are not equal or greater than 200kW for three consecutive months) default to PDP rates. A customer is eligible for default when it has at least twelve (12) billing months of hourly usage data available and two years of experience on TOU rates. All eligible customers will be placed on PDP rates unless they opt-out to a TOU rate. Customers with a SmartMeter™ system installed that can be remotely read by PG&E may also voluntarily elect to enroll on PDP rates prior to their default dates.

Bundled service customers are eligible for PDP. Direct Access (DA) and Customer Choice Aggregation (CCA) service customers are not eligible, including those DA customers on transitional bundled service (TBS). Customers on standby service (Schedule S), net-energy metering (NEM, NEMFC, NEMBIO, etc.), or an energy payment demand response program are not eligible for PDP. In addition, master-metered customers are not eligible, except for commercial buildings with submetering as stated in PG&E Rule 1 and Rule 18. Non-residential SmartAC customers are eligible. Smart A/C customers may request PG&E to activate their A/C Cycling switch or Programmable Controllable Thermostat (PCT) when the customer is participating solely in a PDP event.

For additional details and program specifics, see the Peak Day Pricing Details section below.

**Time-of-Use Rates:** Decision 10-02-032, as modified by Decision 11-11-008, makes time-of-use (TOU) rates mandatory beginning November 1, 2012, for small and medium C&I customers that have at least twelve (12) billing months of hourly usage data available .

\* The Rules referred to in this schedule are part of PG&E's electric tariffs. Copies are available at PG&E's local offices and website at <http://www.pge.com/tariffs>

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Advice Letter No: 4088-E  
 Decision No. 11-12-053

Issued by  
**Brian K. Cherry**  
 Vice President  
 Regulatory Relations

Date Filed July 19, 2012  
 Effective July 19, 2012  
 Resolution No. \_\_\_\_\_



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Advice Letter No: 4088-E  
 Decision No. 11-12-053

Issued by  
**Brian K. Cherry**  
 Vice President  
 Regulatory Relations

Date Filed July 19, 2012  
 Effective July 19, 2012  
 Resolution No. \_\_\_\_\_

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

AT&T	Defense Energy Support Center	Norris & Wong Associates
Alcantar & Kahl LLP	Department of Water Resources	North America Power Partners
Ameresco	Dept of General Services	North Coast SolarResources
Anderson & Poole	Douglass & Liddell	Northern California Power Association
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California Energy Commission	In House Energy	Silicon Valley Power
California League of Food Processors	International Power Technology	Silo Energy LLC
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Cardinal Cogen	Los Angeles Dept of Water & Power	Sun Light & Power
Casner, Steve	Luce, Forward, Hamilton & Scripps LLP	Sunrun Inc.
Center for Biological Diversity	MAC Lighting Consulting	Sunshine Design
Chris, King	MBMC, Inc.	Sutherland, Asbill & Brennan
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City of Palo Alto Utilities	Manatt Phelps Phillips	Tiger Natural Gas, Inc.
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City of Santa Rosa	McKenzie & Associates	Turlock Irrigation District
Clean Energy Fuels	Merced Irrigation District	United Cogen
Clean Power	Modesto Irrigation District	Utility Cost Management
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Crossborder Energy	NLine Energy, Inc.	Western Manufactured Housing Communities Association (WMA)
Davis Wright Tremaine LLP	NRG West	eMeter Corporation
Day Carter Murphy	NaturEner	