

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



January 29, 2013

Advice Letters 4143-E & 4143-E-A

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: Schedule AG-ICE 1.5 Percent Annual Escalation in Compliance w/D.05-06-016

Dear Mr. Cherry:

Advice Letters 4143-E & 4143-E-A are effective as of January 1, 2013.

Sincerely,

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

Edward F. Randolph, Director
Energy Division

November 16, 2012

Advice 4143-E

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

**Subject: Schedule AG-ICE 1.5 Percent Annual Escalation in Compliance
with D.05-06-016**

Pacific Gas and Electric Company (PG&E) hereby submits for filing proposed revisions to Schedule AG-ICE – *Agricultural Internal Combustion Engine Conversion Incentive Rate*. PG&E proposes to revise Schedule AG-ICE unbundled rate components to comply with the 1.5 percent annual increase to Schedule AG-ICE total average rates adopted in Decision (D.) 05-06-016. The affected tariff sheets in draft form are listed on the enclosed Attachment I.

Purpose

Conclusion of Law No. 2 of D.05-06-016 states the following:

“2. The provision in the Joint Settlement that the initial rate of \$0.07539 per kWh shall escalate at a rate of 1.5% per year during the 10 years these incentive rates are in effect, is reasonable and should be approved.” (D.05-06-016, page 38.)

Accordingly, the purpose of this filing is to request Commission approval to revise the unbundled generation components of Schedule AG-ICE total rates to comply with D.05-06-016. PG&E proposes no revision to the unbundled distribution components of Schedule AG-ICE.

Schedule AG-ICE first took effect on August 1, 2005. Since that time, PG&E has used generation energy charge revisions to maintain constant total rates throughout the calendar year, and generation energy and demand charge revisions to achieve the 1.5 percent annual escalation on January 1.¹ On January

¹ Advice 2738-E and 2738-E-A were approved by the Commission to establish the 1.5 percent annual increase to total Schedule AG-ICE rates on January 1, 2006. Advice 2933-E and 2933-E-A were approved effective January 1, 2007. Advice 3155-E and 3155-E-A were approved effective January 1, 2008. Advice

1, 2013, PG&E proposes to use generation energy and demand charge revisions to achieve the Schedule AG-ICE 1.5 percent annual escalation. PG&E first used generation demand charge revisions on January 1, 2009, and proposes to again focus on increasing generation demand charges on January 1, 2013. This will gradually increase Schedule AG-ICE demand charges toward the levels in otherwise applicable agricultural rates, to help avoid demand charge sticker shock when Schedule AG-ICE expires December 31, 2015.

For dates other than January 1, PG&E will continue to exclusively use only generation energy charge revisions to maintain constant total Schedule AG-ICE rates throughout the calendar year. Consistent with current practice, PG&E will revise all Schedule AG-ICE non-generation and non-distribution component rates to match corresponding levels and mid-year rate changes on Schedule AG-5B, simultaneously revising only the Schedule AG-ICE generation energy charges to maintain constant total rates.

On January 1 of each subsequent year, PG&E wishes to preserve the flexibility to achieve the 1.5 percent annual increase through either distribution or generation demand charge or energy charge component revisions, or through some combination thereof, as appropriate after non-generation and non-distribution revisions are considered.

Tariff Revisions

Attachment I reflects the illustrative draft proposed January 1, 2013 revisions to Schedule AG-ICE rate components. Schedule AG-ICE non-generation and non-distribution rate components reflect those filed for Schedule AG-5B in Table 4 on August 31, 2012 in PG&E's Annual Electric True-Up (AET) Advice 4096-E for rates effective January 1, 2013. Schedule AG-ICE distribution rate components remain at current levels, generation demand charges are set at proposed levels, and generation energy charges are revised on a residual basis as needed to achieve the mandated 1.5 percent escalation in the total annual average rate for Schedule AG-ICE.

The attached Schedule AG-ICE rate changes are not the final result, and therefore are provided in draft form. PG&E will supplement this Schedule AG-ICE advice letter to reflect the update of the AET advice letter scheduled to be filed before the end of the year. Specifically, this advice letter will be supplemented to reflect final AET Schedule AG-5B non-generation and non-distribution energy charge revisions, and to finalize the offsetting revisions to the unbundled generation demand and energy charges necessary to yield the mandated 1.5 percent Schedule AG-ICE total average rate increase.

Protests

Anyone wishing to protest this advice letter may do so by letter sent via U.S. mail, facsimile, or E-mail, no later than **December 6, 2012**, which is 20 days after the date of this filing. Protests must be submitted to:

CPUC Energy Division
ED Tariff Unit
505 Van Ness Avenue, 4th Floor
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 shall also be sent to PG&E either via E-mail or U.S. mail (and by facsimile, if possible) 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

Any person (including individuals, groups, or organizations) may protest or respond to an advice letter. (General Order 96-B, Rule 7.4.) The protest shall contain the following information: specification of the advice letter protested; grounds for the protest; supporting factual information or legal argument; name, telephone number, postal address, and (where appropriate) e-mail address of the protestant; and statement that the protest was sent to the utility no later than the day on which the protest was submitted to the reviewing Industry Division (General Order 96-B, Rule 3.11).

Effective Date

PG&E requests this Tier 2 advice letter be approved effective **January 1, 2013**, in conjunction with supplemental Schedule AG-ICE Advice 4143-E-A, which PG&E will submit no later than December 31, 2012, to reflect the supplement to AET Advice 4096-E.

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 service list for A.04-11-007. Address changes to the General Order 96-B service list should be directed to email 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 submissions can also be accessed electronically at: <http://www.pge.com/tariffs>.



Vice President - Regulatory Relations

Attachments

cc: Service List A.04-11-007

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) #: **4143-E**

Tier: **2**

Subject of AL: **Schedule AG-ICE 1.5 Percent Annual Escalation in Compliance with D.05-06-016**

Keywords (choose from CPUC listing): Compliance, Increase Rates

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

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: D.05-06-016

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: **January 1, 2013**

No. of tariff sheets: N/A

Estimated system annual revenue effect (%): 1.5% increase to AG-ICE participants

Estimated system average rate effect (%): 1.5% increase to AG-ICE participants

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 Schedule AG-ICE

Service affected and changes proposed: Schedule AG-ICE 1.5 Percent Annual Escalation per D.05-06-016

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:

California Public Utilities Commission
Energy Division
EDTariffUnit
505 Van Ness Ave., 4th Flr.
San Francisco, CA 94102
E-mail: 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

November 16, 2012

Advice 4143-E

Attachment I

Proposed January 1, 2013 Revisions to
Electric Schedule AG-ICE
Rate Components



ELECTRIC SCHEDULE AG-ICE Sheet 3
 AGRICULTURAL INTERNAL COMBUSTION ENGINE CONVERSION INCENTIVE
 RATE

RATES: Total bundled service charges are calculated using the total rates shown below.

TOTAL RATES

Total Customer/Meter Charge Rates	
Customer Charge (\$ per meter per day)	\$1.31417
TOU Meter Charge (\$ per meter per day)	\$0.19713
Total Demand Rates (\$ per kW)	
Secondary	
Maximum Peak Demand Summer	\$3.33 (I)
Maximum Demand Summer	\$4.17 (I)
Maximum Demand Winter	\$0.00
Primary	
Maximum Peak Demand Summer	\$3.33 (I)
Maximum Demand Summer	\$3.43 (I)
Maximum Demand Winter	\$0.00
Transmission	
Maximum Peak Demand Summer	\$3.33 (I)
Maximum Demand Summer	\$1.89 (I)
Maximum Demand Winter	\$0.00
Total Energy Rates (\$ per kWh)	
Peak Summer	\$0.12051 (R)
Part-Peak Summer	\$0.09400 (R)
Off-Peak Summer	\$0.04820 (R)
Part-Peak Winter	\$0.09641 (R)
Off-Peak Winter	\$0.04820 (R)

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- Deleted: 7
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- Deleted: 3
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Advice Letter No:
 Decision No.

Issued by
Brian K. Cherry
 Vice President
 Regulation and Rates

Date Filed _____
 Effective _____
 Resolution No. _____



ELECTRIC SCHEDULE AG-ICE Sheet 4
AGRICULTURAL INTERNAL COMBUSTION ENGINE CONVERSION INCENTIVE
RATE

RATES: Total bundled service charges shown on customers' bills are unbundled according to the
 (Cont'd.) component rates shown below.

UNBUNDLING OF TOTAL RATES

Customer/Meter Charge Rates: Customer/Meter charge rates provided in the Total Rate section above are assigned entirely to the unbundled distribution component.

Demand Rates by Component (\$ per kW)

Generation:

Secondary

Maximum Peak Demand Summer	\$2.92 (I)
Maximum Demand Summer	\$2.74 (I)
Maximum Demand Winter	\$0.00

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Primary

Maximum Peak Demand Summer	\$2.92 (I)
Maximum Demand Summer	\$2.02 (I)
Maximum Demand Winter	\$0.00

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Transmission

Maximum Peak Demand Summer	\$2.92 (I)
Maximum Demand Summer	\$1.43 (I)
Maximum Demand Winter	\$0.00

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Distribution:**

Secondary

Maximum Peak Demand Summer	\$0.41
Maximum Demand Summer	\$1.43
Maximum Demand Winter	\$0.00

Primary

Maximum Peak Demand Summer	\$0.41
Maximum Demand Summer	\$1.40
Maximum Demand Winter	\$0.00

Transmission

Maximum Peak Demand Summer	\$0.41
Maximum Demand Summer	\$0.45
Maximum Demand Winter	\$0.00

** Distribution and New System Generation Charges are combined for presentation on customer bills.

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Advice Letter No:
 Decision No.

Issued by
Brian K. Cherry
 Vice President
 Regulation and Rates

Date Filed _____
 Effective _____
 Resolution No. _____



ELECTRIC SCHEDULE AG-ICE Sheet 5
 AGRICULTURAL INTERNAL COMBUSTION ENGINE CONVERSION INCENTIVE
 RATE

RATES:
 (Cont'd.)

UNBUNDLING OF TOTAL RATES
 (Cont'd.)

Energy Rates by Component (\$ per kWh)

Generation:

Peak Summer	\$0.08 976 (I)
Part-Peak Summer	\$0.06 325 (I)
Off-Peak Summer	\$0.01 746 (I)
Part-Peak Winter	\$0.06 566 (I)
Off-Peak Winter	\$0.01 746 (I)

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- Deleted: 229

Transmission* \$0.00864

Transmission Rate Adjustments* \$0.001~~67~~ (I)

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Reliability Services* (\$0.00008)

Public Purpose Programs \$0.013~~40~~ (R)

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Nuclear Decommissioning \$0.0005~~1~~ (R)

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Competition Transition Charges \$0.00~~289~~ (I)

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Energy Cost Recovery Amount \$0.00~~016~~ (R)

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DWR Bond Charge \$0.00513

New System Generation Charge** \$0.000~~96~~ (I)

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* Transmission, Transmission Rate Adjustments, and Reliability Service charges are combined for presentation on customer bills.

** Distribution and New System Generation Charges are combined for presentation on customer bills.

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Advice Letter No:
 Decision No.

Issued by
Brian K. Cherry
 Vice President
 Regulatory Relations

Date Filed _____
 Effective _____
 Resolution No. _____

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

1st Light Energy	Department of General Services	North America Power Partners
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	PG&E
Barkovich & Yap, Inc.	Economic Sciences Corporation	Praxair
Bartle Wells Associates	Ellison Schneider & Harris LLP	R. W. Beck & Associates
Bloomberg	Foster Farms	RCS, Inc.
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	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
California Cotton Ginners & Growers Assn	Hitachi	Sierra Pacific Power Company
California Energy Commission	In House Energy	Silicon Valley Power
California League of Food Processors	International Power Technology	Silo Energy LLC
California Public Utilities Commission	Intestate Gas Services, Inc.	Southern California Edison Company
Calpine	Lawrence Berkeley National Lab	Spark Energy, L.P.
Cardinal Cogen	Los Angeles County Office of Education	Sun Light & Power
Casner, Steve	Los Angeles Dept of Water & Power	Sunrun Inc.
Center for Biological Diversity	MAC Lighting Consulting	Sunshine Design
Chris, King	MRW & Associates	Sutherland, Asbill & Brennan
City of Palo Alto	Manatt Phelps Phillips	Tecogen, Inc.
City of Palo Alto Utilities	Marin Energy Authority	Tiger Natural Gas, Inc.
City of San Jose	McKenna Long & Aldridge LLP	TransCanada
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
Coast Economic Consulting	Morgan Stanley	Utility Specialists
Commercial Energy	Morrison & Foerster	Verizon
Consumer Federation of California	Morrison & Foerster LLP	Wellhead Electric Company
Crossborder Energy	NLine Energy, Inc.	Western Manufactured Housing Communities Association (WMA)
Davis Wright Tremaine LLP	NRG West	eMeter Corporation
Day Carter Murphy	NaturEner	
Defense Energy Support Center	Norris & Wong Associates	