

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



March 7, 2013

Advice Letter 4183-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 Transmission Access Charge Balancing Account Adjustment
Filing with the Federal Energy Regulatory Commission**

Dear Mr. Cherry:

Advice Letter 4183-E is effective as of February 24, 2013.

Sincerely,

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

Edward F. Randolph, Director
Energy Division

January 25, 2013

Advice 4183-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 Energy 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 21, 2012, PG&E filed its TACBAA update with FERC in Docket No. ER13-613-000.

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 year¹. The 2013 TACBAA rate is

¹ In its TACBAA update in FERC Docket No. ER13-613-000, PG&E has requested a one-time waiver of this TO Tariff section to make the 2013 revision effective on May 1, 2013, the same effective date as the TO14 case (141 FERC ¶ 61,168).

based on the balance in the TACBA as of December 31, 2012, 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 2013 TACBAA rate is the sum of the balance of the TACBA as of December 31, 2012 of \$213,778; the interest balance for the TACBA of \$6,783,409; the forecasted TACBA costs for 2013 of \$334,649,372; and the Franchise Fees and Uncollectible Accounts ("FF&U") adjustment of \$3,686,366. The resultant TACBAA revenue requirement is \$348,429,968, and the corresponding rate is \$0.00403/kWh. This represents an increase from the 2012 TACBAA of \$261,973,049 and the corresponding rate of \$0.00314/kWh.

Compliance With Resolution E-3930

PG&E submits this advice letter pursuant to Process Element 3 of Resolution E-3930. 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, or as soon thereafter as possible, 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 (related to AB 1X) and 6a (related to usage under 130 percent of baseline) of Resolution E-3930, California Senate Bill 695 (SB 695), constraints, codified by California Public Utilities Code (PUC) Sections 739.1 and 739.9, continue to apply to total rates for residential usage up to 130 percent of baseline ("Tiers 1 and 2 usage").² 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 Conservation Incentive Adjustment (CIA) rates proportionately so that total residential rates for all CARE and non-CARE usage up to 130 percent of baseline, and for CARE Tier 3 usage, comply with the constraints noted above. PG&E then sets non-CARE rates for usage in excess of 130 percent of baseline to ensure the revenue allocated to the residential class is fully collected, while maintaining the 4 cent differential between non-CARE Tier

² SB 695 was enacted October 11, 2009, and modified the prior constraints on total rates for residential usage up to 130 percent of baseline imposed by California Assembly Bill 1X (2001) to instead allow annual price increases tied to the Consumer Price Index.

3 and Tier 4 rates established by D.11-05-047.

As anticipated under Process Element 4 of Resolution E-3930, PG&E will supplement this advice or indicate in a separate advice letter that coincides with other retail rate changes when the requested TACBAA rate is approved, modified, denied or has been 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, facsimile or E-mail, no later than **February 14, 2013**, 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 that this Tier 2 advice filing become effective on regular notice, **February 24, 2013**, which is 30 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. 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 Cherry". The signature is written in a cursive style with a horizontal line through the middle.

Vice President, Regulatory Relations

Attachments

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 and PGETariffs@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) #: **4183-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, Balancing Account

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

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: Res E-3930

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: **February 24, 2013**

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: 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:

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

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

, Helen	Dept of General Services	PG&E
1st Light Energy	Douglass & Liddell	Praxair
AT&T	Downey & Brand	R. W. Beck & Associates
Alcantar & Kahl LLP	Duke Energy	RCS, Inc.
Ameresco	Economic Sciences Corporation	Ross, Jim
Anderson & Poole	Ellison Schneider & Harris LLP	Rutherford, Reid
BART	Foster Farms	SCD Energy Solutions
Barkovich & Yap, Inc.	G. A. Krause & Assoc.	SCE
Bartle Wells Associates	GLJ Publications	SMUD
Bear Valley Electric Service	GenOn Energy Inc.	SPURR
Bloomberg	GenOn Energy, Inc.	Salazar, Julie
Bloomberg New Energy Finance	Goodin, MacBride, Squeri, Schlotz & Ritchie	San Francisco Public Utilities Commission
Boston Properties	Green Power Institute	Seattle City Light
Braun Blasing McLaughlin, P.C.	Hamlin, Corey	Sempra Utilities
Brookfield Renewable Power	Hanna & Morton	Shaw, Tim
CA Bldg Industry Association	Hitachi	Sheriff, Nora
CENERGY POWER	House, Lon	Sierra Pacific Power Company
CLECA Law Office	In House Energy	Silicon Valley Power
Cade, Mike	International Power Technology	Silo Energy LLC
California Cotton Ginners & Growers Assn	Intestate Gas Services, Inc.	Smith, Allison
California Energy Commission	Kelly, Kate	SoCalGas
California League of Food Processors	Lawrence Berkeley National Lab	Southern California Edison Company
California Public Utilities Commission	Los Angeles County Office of Education	Spark Energy, L.P.
Calpine	Los Angeles Dept of Water & Power	Srinivasan, Seema
Cardinal Cogen	MAC Lighting Consulting	Stewart, Michael
Casner, Steve	MRW & Associates	Sun Light & Power
Castracane, Steve	Manatt Phelps Phillips	Sunrun Inc.
Center for Biological Diversity	Marin Energy Authority	Sunshine Design
Chris, King	McKenna Long & Aldridge LLP	Sutherland, Asbill & Brennan
City of Palo Alto	McKenzie & Associates	Tecogen, Inc.
City of Palo Alto Utilities	Merced Irrigation District	Terranova, Karen
City of San Jose	Modesto Irrigation District	Tiger Natural Gas, Inc.
City of Santa Rosa	Morgan Stanley	TransCanada
Clean Energy Fuels	Morrison & Foerster	Turlock Irrigation District
Clean Power	Morrison & Foerster LLP	United Cogen
Coast Economic Consulting	NLine Energy, Inc.	Utility Cost Management
Commercial Energy	NRG West	Utility Specialists
Consumer Federation of California	NaturEner	Verizon
Crossborder Energy	Norris & Wong Associates	Wellhead Electric Company
Davis Wright Tremaine LLP	North America Power Partners	Western Manufactured Housing Communities Association (WMA)
Day Carter Murphy	North Coast SolarResources	White, David
Day, Michael	Northern California Power Association	Wodtke, Alexis
Defense Energy Support Center	O'Brien, Ed	eMeter Corporation
Department of General Services	Occidental Energy Marketing, Inc.	
Department of Water Resources	OnGrid Solar	