

## PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298

**Revised**

March 26, 2014

**Advice Letter 4229-E and 4229-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: Revisions to Electric Rule 22 – Direct  
Access and Electric Rule 22.1 – Direct Access Switching  
Exemption Rules, and the Submittal of ESP Financial Security  
Requirements in Compliance with D.13-01-021, D.13-02-017,  
and D.13-04-001 and Supplemental Filing**

Dear Mr. Cherry:

Advice Letter 4229-E and 4229-E-A are effective March 22, 2014.

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

February 20, 2014

**Advice 4229-E-A**

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

**Subject: Supplemental Filing: Revisions to Electric Rule 22 – Direct Access and Electric Rule 22.1 – Direct Access Switching Exemption Rules, and the Submittal of ESP Financial Security Requirements in Compliance With D.13-01-021, D.13-02-017, and D.13-04-001**

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

This supplemental advice letter replaces the original advice letter in part.

**Purpose**

On May 24, 2013, PG&E filed Advice 4229-E to modify its Electric Rule 22, *Direct Access*, in compliance with Ordering Paragraph (OP) 15 of the California Public Utilities Commission's (CPUC or Commission) Decision (D.) 13-01-021\*. Pursuant to the disposition letter for Advice 4229-E, dated January 10, 2014, from Edward Randolph – Director of the Energy Division, PG&E is submitting proposed revisions to its Electric Rule 22, *Direct Access*, to incorporate the adopted methodologies for determining the Electric Service Provider (ESP) financial security, reentry fees, and related provisions applicable to the involuntary return of DA customers.

**Background**

On January 24, 2013, the Commission issued D.13-01-021 which revised the frequency for posting financial security updates from once a year to twice a year and adopted a methodology to derive incremental procurement costs for the financial security requirement and re-entry fees for an involuntary return of direct access (DA) residential and small commercial customers. On February 25, 2013, the Commission issued D.13-02-017, and on April 2, 2013, the Commission issued D.13-04-001. These two decisions corrected inadvertent technical errors in D.13-01-021.

---

\* As corrected by D.13-02-017, issued on February 25, 2013, and D.13-04-001, issued on April 2, 2013.

On March 21, 2013, the Executive Director granted Southern California Edison (SCE), PG&E and San Diego Gas and Electric Company (SDG&E) (Utilities) request for an extension of time to file Tier 2 advice letters pursuant to OP 15 of D.13-01-021. The request was approved on March 21, 2013, and the time was extended to May 24, 2013. The additional time allowed the Utilities to collaborate with the ESPs on an appropriate process for requesting and obtaining certified lists of each ESP's small unaffiliated service accounts.

On April 18, 2013, the Commission issued Resolution E-4479 which approved PG&E's Advice 3983-E and 3983-E-A with modifications. On May 8, 2013, PG&E filed Advice 3983-E-B to submit the ordered modifications to Electric Rule 22, *Direct Access*.

On May 24, 2013, PG&E filed Advice 4229-E to revise its Electric Rule 22, *Direct Access*, and Electric Rule 22.1, *Direct Access Switching Exemption Rules*, to incorporate the ESP financial security provisions and re-entry fee provisions applicable to the involuntary return of DA customers, and its calculation of the financial security requirements for the ESPs serving customers within its service territory.

On November 12, 2013, PG&E filed Advice 4312-E in compliance with D.13-01-021, D.13-02-017, and D.13-04-001 to update the applicable ESP financial security amounts.

On January 10, 2014, Edward Randolph, Director of the Energy Division, issued a disposition letter directing PG&E, SCE and SDG&E to file supplemental filings to PG&E's Advice 4229-E, SCE's Advice 2903-E and SDG&E's Advice 2484-E revising the methodology for calculating the ESP's financial security amounts.

The purpose of this filing is to submit revisions to PG&E's direct access tariffs to incorporate the adopted methodologies for determining the ESP financial security, reentry fees, and related provisions applicable to the involuntary return of DA customers. PG&E does not plan to submit revised financial security amounts in this filing, but will supplement its more recent Advice 4312-E to update the applicable financial security amounts for each ESP.

### **Tariff Revisions**

In compliance with D.13-01-021, D.13-02-017, D.13-04-001, and the January 10, 2014 Disposition, PG&E is proposing to make revisions to its Electric Rule 22, *Direct Access*, to clarify the form of the ESP financial security amount to be posted with the Commission, the means by which the Utilities may access the posted financial security amount in the event of default and revised the financial security calculation methodology in Section Q.3.a, Re-entry Fees For The Involuntary Return of Customers, to provide for the netting of negative procurement costs against all administrative costs, not just those administrative costs associated with residential and small commercial customers unaffiliated with large commercial customers.

**Protests**

Anyone wishing to protest this filing may do so by letter sent via U.S. mail, facsimile or E-mail, no later than March 12, 2014, which is 20 days from the date of this filing. Protests should be submitted to:

CPUC Energy Division  
ED Tariff Unit  
505 Van Ness Avenue, 4<sup>th</sup> Floor  
San Francisco, California 94102

Facsimile: (415) 703-2200  
E-mail: EDTariffUnit@cpuc.ca.gov

Copies 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 E-mail or U.S. Mail (and by facsimile, 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

Any person (including individuals, groups, or organizations) may protest or respond to an advice letter (General Order 96-B, Section 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, Section 3.11).

**Effective Date**

PG&E requests that this Tier 2 advice filing become effective on regular notice, **March 22, 2014**, 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 and the service list for Rulemaking (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 cursive script that reads "Brian Cherry /sw".

Vice President – Regulatory Relations

cc: Service List R. 07-05-025  
Kathryn Auriemma, Energy Division

Attachment:

Attachment 1– List of Revised Tariff Sheets

# 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 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) #: **4229-E-A**

Tier: **2**

Subject of AL: **Supplemental Filing: Revisions to Electric Rule 22 - Direct Access and Electric Rule 22.1 - Direct Access Switching Exemption Rules, and the Submittal of ESP Financial Security Requirements in Compliance With D.13-01-021, D.13-02-017, and D.13-04-001**

Keywords (choose from CPUC listing):

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

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: **D.13-01-021, D.13-02-017, and D.13-04-001**

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: **March 22, 2014**

No. of tariff sheets: **15**

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:

Service affected and changes proposed:

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

ED Tariff Unit

505 Van Ness Ave., 4<sup>th</sup> Floor

San Francisco, CA 94102

E-mail: [EDTariffUnit@cpuc.ca.gov](mailto: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](mailto:PGETariffs@pge.com)

**ATTACHMENT 1  
Advice 4229-E-A**

<b>Cal P.U.C. Sheet No.</b>	<b>Title of Sheet</b>	<b>Cancelling Cal P.U.C. Sheet No.</b>
33491-E	ELECTRIC RULE NO. 22 DIRECT ACCESS Sheet 1	30871-E
33492-E	ELECTRIC RULE NO. 22 DIRECT ACCESS Sheet 54	30916-E
33493-E	ELECTRIC RULE NO. 22 DIRECT ACCESS Sheet 55	30917-E
33494-E	ELECTRIC RULE NO. 22 DIRECT ACCESS Sheet 56	30918-E
33495-E	ELECTRIC RULE NO. 22 DIRECT ACCESS Sheet 57	30919-E
33496-E	ELECTRIC RULE NO. 22 DIRECT ACCESS Sheet 58	30920-E
33497-E	ELECTRIC RULE NO. 22 DIRECT ACCESS Sheet 59	30921-E
33498-E	ELECTRIC RULE NO. 22 DIRECT ACCESS Sheet 60	30922-E
33499-E	ELECTRIC RULE NO. 22 DIRECT ACCESS Sheet 65	30927*-E
33500-E	ELECTRIC RULE NO. 22 DIRECT ACCESS Sheet 66	30928-E
33501-E	ELECTRIC RULE NO. 22 DIRECT ACCESS Sheet 67	30929-E
33502-E	ELECTRIC RULE NO. 22 DIRECT ACCESS Sheet 68	30930-E

**ATTACHMENT 1  
Advice 4229-E-A**

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

**Title of Sheet**

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

---

33503-E      ELECTRIC RULE NO. 22  
                    DIRECT ACCESS  
                    Sheet 69

33504-E      ELECTRIC TABLE OF CONTENTS  
                    Sheet 1

33445-E

33505-E      ELECTRIC TABLE OF CONTENTS  
                    RULES  
                    Sheet 21

32997-E



**ELECTRIC RULE NO. 22**  
**DIRECT ACCESS**

Sheet 1

TABLE OF CONTENTS

- A. CUSTOMER SERVICE ELECTIONS
- B. GENERAL TERMS
- C. CUSTOMER INQUIRIES AND DATA ACCESSIBILITY
- D. ESP SERVICE ESTABLISHMENT
- E. DIRECT ACCESS SERVICE REQUEST (DASR)
- F. INDEPENDENT VERIFICATION
- G. METERING SERVICES
- H. UTILITY METER SERVICE OPTIONS AND OBLIGATIONS
- I. GENERAL TERMS AND CONDITIONS FOR DIRECT ACCESS METERS AND METERING SERVICES
- J. METER READING DATA OBLIGATIONS
- K. BILLING SERVICE OPTIONS AND OBLIGATIONS
- L. PAYMENT AND COLLECTION TERMS
- M. LATE OR PARTIAL PAYMENTS AND UNPAID BILLS
- N. INVOLUNTARY SERVICE CHANGES AND INVOLUNTARY RETURNS (T)
- O. SERVICE DISCONNECTIONS AND RECONNECTIONS
- P. CREDIT REQUIREMENTS
- Q. ESP FINANCIAL SECURITY REQUIREMENTS

(Continued)



**ELECTRIC RULE NO. 22**  
**DIRECT ACCESS**

Sheet 54

M. LATE OR PARTIAL PAYMENTS AND UNPAID BILLS (Cont'd.)

3. Under Separate PG&E/ESP Billing

- a. PG&E and the ESP are responsible for collecting their respective unpaid balances, sending notices to customers informing them of the unpaid balance, and taking appropriate actions to recover their respective unpaid balances. Customer disputes with ESP charges must be directed to the ESP, and customer disputes with PG&E charges must be directed to PG&E. Late fees and fees for collections may be charged by PG&E as approved by the CPUC.
- b. Late payment of PG&E charges by customers will be handled in accordance with applicable CPUC rules.

N. INVOLUNTARY SERVICE CHANGES AND INVOLUNTARY RETURNS

(T)

1. Service Changes

The customer may have service of electricity, billing, or metering from an ESP changed involuntarily in the following circumstances:

- a. The ESP Has Been Decertified by the CPUC or receives a CPUC order that otherwise prohibits the ESP from serving that customer;
- b. The ESP has materially failed to meet its obligations under the terms of the ESP Service Agreement (including applicable tariffs) so as to constitute an event of default and PG&E exercises a contractual right to terminate the agreement;
- c. The ESP has materially failed to meet its obligations under the terms of the ESP Service Agreement (including applicable tariffs) so as to constitute an event of default and PG&E exercises a contractual right to change billing options;
- d. The ESP has materially failed to meet its obligations under the terms of the ESP Service Agreement (including applicable tariffs) so as to constitute an event of default and PG&E exercises a contractual right to change metering options;

(Continued)



**ELECTRIC RULE NO. 22**  
**DIRECT ACCESS**

Sheet 55

N. INVOLUNTARY SERVICE CHANGES AND INVOLUNTARY RETURNS (Cont'd.) (T)

1. Service Changes (Cont'd.)

- e. The ESP ceases to perform by failing to provide schedules through a Scheduling Coordinator wherever such schedules are required.
- f. The customer fails to meet its direct access requirements and obligations under the utility's rules and tariffs.
- g. Notices of involuntary service changes or termination in Direct Access will be sent to the ESP, the MDMA if different from the ESP, and to each customer under contract as described in this Section N, and to the CPUC. (T)

2. Change of Service Election In Exigent Circumstances

In the event PG&E finds that an ESP or the customer has materially failed to meet its obligations under this tariff or ESP Service Agreement such that PG&E seeks to invoke its remedies under this Section N (other than a termination of ESP consolidated billing under Section N.4. or metering under Section N.5.), and the failure constitutes an emergency (i.e., the failure poses a substantial threat to the reliability of the electric system or to public health and safety or the failure poses a substantial threat of irreparable economic or other harm to PG&E or the customer), or the failure relates to ESP's unauthorized energy use, then PG&E may initiate a change, or, in some cases, terminate a customer's service election, or an ESP's ability to provide certain services under Direct Access. In such case, PG&E shall initiate the change or termination by preparing a DASR, but the change or termination may be made immediately notwithstanding the applicable DASR processing times set forth in this tariff. PG&E shall provide such notice and/or opportunity to cure the problem to the ESP and/or the affected customer as is reasonable under the circumstances of this section, if any is reasonable. The ESP or the affected customer shall have the right to seek an order from the CPUC restoring the customer's service election and/or the ESP's ability to provide services. Unless expressly ordered by the CPUC, these provisions do not disconnect electric service provided to the customer.

(Continued)



**ELECTRIC RULE NO. 22**  
**DIRECT ACCESS**

Sheet 56

N. INVOLUNTARY SERVICE CHANGES AND INVOLUNTARY RETURNS (Cont'd.) (T)

3. Change of Service Election Absent Exigent Circumstances

In the event PG&E finds that an ESP has materially failed to meet its obligations under this tariff or the ESP Service Agreement such that PG&E seeks to invoke its remedies under this Section N (other than a termination of ESP Consolidated Billing under Section N.4. or metering under Section N.5.), but the failure does not constitute an emergency (as defined in Section N.2) or involve ESP's unauthorized energy use, PG&E shall notify the ESP and the affected customer of such finding in writing stating specifically:

- a. The nature of the alleged non-performance;
- b. The actions necessary to cure it;
- c. The consequences of failure to cure it and the remedy PG&E proposes to invoke in the event of a failure to cure; and
- d. The name, address and telephone number of a contact person at PG&E authorized to discuss resolution of the problem.

The ESP shall have thirty (30) days from receipt of such notice to cure the alleged non-performance or reach an agreement regarding it with PG&E. If the problem is not cured or an agreement is not reached following this thirty (30) day period, PG&E may initiate the DASR process set forth in this tariff to accomplish the remedy set forth in the notice; provided that PG&E shall suspend the exercise of such remedy if, before the end of the cure period, the ESP has filed an application with the CPUC requesting an order from the CPUC that the ESP is entitled to continue the ESP Service Agreement and PG&E is not entitled to exercise the remedy it has identified in its notice. The status of the ESP shall not change pending the CPUC's review of PG&E's request provided that an emergency, as described in Section N.2. does not arise. Unless expressly ordered by the CPUC, these provisions do not disconnect electric service provided to the customer. PG&E's action to defer the exercise of its remedies in accordance with this section does not constitute a waiver of any rights.

(Continued)



**ELECTRIC RULE NO. 22**  
**DIRECT ACCESS**

Sheet 57

N. INVOLUNTARY SERVICE CHANGES AND INVOLUNTARY RETURNS (Cont'd.) (T)

4. Termination of Consolidated ESP Billing

Consolidated ESP billing services will be terminated under the following circumstances. (Among other things, this section describes the notice and opportunity to cure provisions applicable to defaults that permit a remedy of terminating ESP Consolidated Billing):

- a. If PG&E finds that the information provided by the ESP in ESP Service Agreement is materially false, incomplete, or inaccurate; the ESP attempts to avoid payment of CPUC-authorized PG&E charges; or the ESP files for bankruptcy, fails to have a bankruptcy proceeding filed against it dismissed within sixty (60) calendar days, admits insolvency, makes a general assignment for the benefit of creditors, or is unable to pay its debts as they mature, or has a trustee or receiver appointed over all or a substantial portion of its assets, customers will be notified that consolidated ESP billing services will be terminated, and will be switched to Separate PG&E Billing as promptly as possible.
- b. If the ESP does not pay PG&E (or dispute payment pursuant to the procedures set forth herein) the full amount of all PG&E and TTA charges by the applicable past due date, PG&E shall notify the ESP of the past due amount within two (2) days of the applicable past due date. If the full amount has not been received by PG&E (or properly disputed) within seven (7) days of the applicable past due date, the ESP's customers and the ESP will be notified on approximately the twenty-fourth (24<sup>th</sup>) day following the date the bill was rendered to the ESP that Consolidated ESP Billing services will be terminated, and that they will be switched to separate PG&E billing on the first regular scheduled meter reading date for each customer approximately thirty (30) days after the bill was rendered.
- c. If the ESP fails to comply within fifteen (15) calendar days of the transmittal of a written notice from PG&E of any additional or increased credit requirements as set forth in Section P, the ESP's customers and the ESP will be notified on approximately the twenty-fourth (24<sup>th</sup>) day following the date of transmittal that Consolidated ESP Billing services will be terminated, and that they will be switched to separate PG&E billing on the first regular scheduled meter reading date for each customer.

(Continued)



**ELECTRIC RULE NO. 22**  
**DIRECT ACCESS**

Sheet 58

N. INVOLUNTARY SERVICE CHANGES AND INVOLUNTARY RETURNS (Cont'd.) (T)

4. Termination of Consolidated ESP Billing (Cont'd.)

d. Upon termination of consolidated ESP billing pursuant to this Section N, PG&E may deliver a separate bill for all PG&E charges which were not previously billed by the ESP. The ESP or the affected customer shall have the right to seek an order from the CPUC restoring the ESP's eligibility to engage in Consolidated ESP Billing.

e. At any time not less than six (6) months after termination of Consolidated ESP Billing pursuant to this Section N, the ESP's eligibility to engage in consolidated billing services shall be reinstated upon a reasonable showing by the ESP that the problems causing revocation of its consolidated billing right have been cured, including payment of any late charges and re-establishment of compliance with credit requirements under Section P. (T)

5. Termination of ESP Metering Services

PG&E will terminate an ESP's eligibility to provide metering services in PG&E's service territory if the ESP fails to comply with industry-accepted standards approved for PG&E by the CPUC for metering services. PG&E shall provide the ESP with fifteen (15) days written notice prior to such termination. ESP failure to comply is defined in Section G, Metering. The ESP or the affected customer shall have the right to seek an order from the CPUC restoring the ESP's eligibility to provide metering services.

6. Burden of Proof Before CPUC

In any case before the CPUC the party bearing the burden of going forward and the party bearing the burden of proof shall be established in the manner normally established at the CPUC.

7. Action in the Event of Termination

Upon termination of ESP Direct Access services pursuant to this Section N, unless the customer has previously selected another ESP under the procedures set forth in Section E, service changes for the ESP's involuntarily returned customers will be in accordance with Section Q.3.e. (T)  
 |  
 |  
 (T)

(Continued)



**ELECTRIC RULE NO. 22**  
**DIRECT ACCESS**

Sheet 59

**N. INVOLUNTARY SERVICE CHANGES AND INVOLUNTARY RETURNS (Cont'd.) (T)**

**8. Prohibition**

PG&E is prohibited from using any of the involuntary service changes in an anti-competitive manner.

**9. Involuntary Returns (N)**

a. An Involuntary Return is defined in Section B.18 herein.

b. Action in the Event of Involuntary Return

Upon the involuntary return of a DA customer, the customer will be returned to default PG&E bundled service on a transitional basis pursuant to Section Q.3 and Rule 22.1, unless the customer has previously selected another ESP under the procedures set forth in Section E.

(N)  
 |  
 |  
 |  
 |  
 |  
 |  
 |  
 |  
 |  
 |  
 (N)

**O. SERVICE DISCONNECTIONS AND RECONNECTIONS**

**1. Consolidated PG&E Billing**

a. PG&E will notify the customer of PG&E's right to disconnect electric service for the non-payment of PG&E charges pursuant to electric Rule 8 and 11. The customer, and not PG&E, is responsible for contacting the ESP in the event it receives notice of late payment or service termination from PG&E for any of its DA Service Accounts. If a customer has been disconnected, and is not reconnected within two (2) days, PG&E will promptly notify the ESP. To the extent authorized by the CPUC, a service charge will be imposed on the customer if a field call is performed to disconnect electric service.

b. PG&E will not disconnect electric service to the customer for the non-payment of ESP charges. In the event of non-payment of ESP charges by the customer, the ESP may submit a DASR requesting transfer of the service account to PG&E Bundled service according to Section E.

c. PG&E will reconnect electric service for a CPUC-authorized service fee when the criteria for reconnection, as specified in Rule 11, Discontinuance of Service, have been met.

(L)

(Continued)



**ELECTRIC RULE NO. 22**  
**DIRECT ACCESS**

Sheet 60

O. SERVICE DISCONNECTIONS AND RECONNECTIONS (Cont'd.)

- 2. Consolidated ESP Billing (T)
  - a. PG&E will not disconnect electric service to the customer for either the non-payment of ESP charges by the customer, or the non-payment of PG&E charges by the ESP. In the event of non-payment of ESP charges by the customer, the ESP may submit a DASR requesting transfer of the service account to PG&E Bundled service according to Section E. (L)
    - |
    - |
    - |
    - |
    - |
  - b. If an ESP fails to pay in full the charges that PG&E has transmitted to it (consisting of PG&E charges and the TTA charges) by the applicable past due date, the provisions of Section N.4.b. of this rule shall govern. (L)
    - |
    - |
  - c. In accordance with CPUC rules, PG&E has the right to disconnect electric service to the customer for the non-payment of prior PG&E closing bills or any past due charges by the customer, and evidences of safety violations, energy theft, or fraud, by the customer. If a customer has been disconnected, and is not reconnected within two (2) days, PG&E will promptly notify the ESP. To the extent authorized by the CPUC, a service charge will be imposed on the customer if a field call is performed to disconnect electric service.
  - d. PG&E will reconnect electric service for a CPUC-authorized service fee when the criteria for reconnection, as specified in Rule 11, Discontinuance of Service, have been met.
- 3. Separate PG&E/ESP Bills
  - a. In accordance with CPUC rules, PG&E may disconnect electric service to the customer for the non-payment of PG&E charges by the customer, but PG&E will not disconnect electric service to the customer for the non-payment of ESP charges. If a customer has been disconnected, and is not reconnected within two (2) days, PG&E will promptly notify the ESP. In the event of non-payment of ESP charges by the customer, the ESP may submit a DASR requesting transfer of the service account to PG&E Bundled service according to Section E. In the event of non-payment of PG&E charges, and to the extent authorized by the CPUC, a service charge will be imposed on the customer if a field call is performed to disconnect electric service.
  - b. PG&E will reconnect electric service for a service fee when the criteria for reconnection, as specified in Rule 11, Discontinuance of Service, have been met.

(Continued)



**ELECTRIC RULE NO. 22**  
**DIRECT ACCESS**

Sheet 65

**Q. ESP FINANCIAL SECURITY REQUIREMENTS**

As described in Section D.3, all new and existing ESPs are required to post a bond, an irrevocable letter of credit, a cash deposit, a guarantee from an investment grade rated guarantor and/or other financial security reasonably acceptable to CPUC and should be payable directly to CPUC (collectively, "financial security") sufficient to cover the re-entry fees associated with the involuntary return of its DA customers to PG&E's bundled service. The required financial security amount shall be the higher of the amounts determined based on PU Code Section 394.25(e) determined in accordance with the Ordering Paragraphs of D.13-01-021 (as corrected by D.13-02-017 and D.13-04-001), or the deposit required in D.99-05-034 for ESP registration pursuant to PU Code Section 394(b)(9). The calculated financial security amount will include the incremental administrative costs related to switching a customer back to bundled service and pursuant to the methodology set forth in Appendix 1 of D.13-01-021 (as corrected by D.13-02-017 and D.13-04-001), the incremental procurement costs for involuntarily returned residential and small commercial service accounts that are not affiliated with a large DA customer for a sixty (60) day safe harbor period and then for an additional six-month period. For purposes of the ESP financial security amount, as described in D.13-01-021, a commercial service account is considered "small" if it has a billing demand of less than twenty (20) kW for three (3) consecutive months. The incremental administrative costs shall be calculated for each involuntarily returned customer service account using the Customer Re-Entry Fee set forth in rate Schedule E-CCA, in effect at the time the financial security is calculated. As described in Sections Q.1.b and Q.2, below, the ESP is responsible for the identification and certification of the residential and small commercial service accounts that are affiliated with a large DA customer. Residential and small commercial service accounts that are not timely certified by the ESP as being affiliated with a large DA customer will be deemed to be an unaffiliated residential or small commercial service account for purposes of determining the financial security amount. (T)

1. The initial financial security for existing and new ESPs will be established as follows: (T)

a. For existing ESPs, pursuant to D.11-12-018, PG&E will perform the initial financial security calculation based upon the administrative costs of switching an ESP's customer back to bundled service and submit the proposed financial security amount in separate Tier 2 advice letter filings for each applicable ESP for CPUC approval. For purposes of calculating the number of customer service accounts for each ESP, any customers that have submitted Direct Access Service Requests (DASRs) to switch to DA service may be included in the calculation of the respective ESP's financial security amount, and any customers that have submitted DASRs to switch to Bundled Service may be excluded. Any confidential data relating to an (T)

(L)

(Continued)



**ELECTRIC RULE NO. 22**  
**DIRECT ACCESS**

Sheet 66

**Q. ESP FINANCIAL SECURITY REQUIREMENTS (Cont'd)**

- 1. The initial financial security for existing and new ESPs will be established as follows: (Cont'd) (T)
  - a. (Cont'd) (T)
 

ESP utilized in the calculation shall be redacted. Concurrent with submitting the advice letter to the CPUC's Energy Division, PG&E will serve by electronic means on each applicable ESP a copy of the advice letter, with the relevant supporting data and calculations of each respective ESP's financial security amount provided confidentially only to that specific ESP in complete and unredacted form. Financial security amounts must be posted by June 30, 2012, subject to approval by the Energy Division. (L)
  - b. Per D.13-01-021, D.13-02-017, and D.13-04-001, for a new ESP that begins service in Month M + 2 (where M denotes the month when PG&E will calculate the financial security amount), the financial security calculation will be performed using Month M-1 data, and the financial security will be for the period from the start date through the next semi-annual calculation. Customers that have submitted Direct Access Service Requests (DASRs) to switch to DA service may be included in the calculation of the respective ESP's financial security amount. PG&E will submit the proposed financial security amount for each ESP in separate Tier 2 advice letter filings for each applicable ESP for CPUC approval. Any confidential data relating to an ESP utilized in the calculation shall be removed from the public version of the advice letter. Upon CPUC approval of the relevant ESP financial security amounts, the Energy Division will notify each ESP of the final financial security amounts due on an aggregate statewide basis. The ESP's financial security amount must be posted with the CPUC before the ESP may begin serving customers. It is the responsibility of the ESP to provide PG&E with an accurate forecast of the expected number of customers and associated loads, including a break-down by unaffiliated residential and small commercial service accounts, in the format and by the date specified by PG&E. (T)
- 2. Semi-annual Financial Security Calculation: (T)
 

On an annual basis, the ESP shall provide PG&E with a certified list of the residential and small commercial service accounts that are affiliated with a large DA customer for use in the semi-annual financial security calculations. Upon request, PG&E will provide the ESP with a list of residential and small commercial service accounts for use in the certification process. Residential (N)

(Continued)



**ELECTRIC RULE NO. 22**  
**DIRECT ACCESS**

Sheet 67

Q. ESP FINANCIAL SECURITY REQUIREMENTS (Cont'd)

2. Semi-annual Financial Security Bond Calculation: (Cont'd) (T)

and small commercial service accounts not certified by the ESP as being (N)  
 affiliated with a large DA customer will be deemed to be an unaffiliated |  
 residential or small commercial service account. If PG&E does not receive |  
 the information from the ESP by no later than thirty (30) calendar days before |  
 the date PG&E's semi-annual update filing is due to the CPUC, PG&E may |  
 proceed with the semi-annual update based upon the assumption that none |  
 of the ESP's residential and small commercial service accounts are affiliated |  
 with a large DA customer. (N)

PG&E will update the amount of an ESP's financial security requirement (L)(T)  
 semi-annually, and submit the updated calculation to the Energy Division by | |  
 May 10 and November 10 of each year, and any adjustments to the financial | |  
 security amount would be implemented on the following July 1 or January 1, | |  
 respectively. Updated financial security amounts for each ESP will be | |  
 submitted in a Tier 2 advice letter to the Energy Division. Any confidential | |  
 data relating to an ESP utilized in the calculation shall be removed in the | |  
 public version of the advice letter. (L)(T)

The ESP shall adjust the required posted financial security amount if and (T)  
 when it is more than ten percent (10%) above or below the ESP's current |  
 posted financial security amount. Upon CPUC approval of the relevant ESP (T)  
 financial security amounts, the Energy Division will notify each ESP of the |  
 final financial security amounts due on an aggregate statewide basis. (T)

An ESP is required to post the aggregated financial security amounts within (T)  
 thirty (30) days of notification by the Energy Division, subject to correction for |  
 any errors. If an ESP believes that a portion of the financial security amount |  
 calculated by PG&E has been calculated inaccurately or in conflict with the |  
 adopted processes, the ESP will confer with PG&E to resolve the |  
 inaccuracies, and may file comments with the Energy Division, and served (T)  
 upon PG&E, indicating any appropriate corrections with relevant supporting  
 explanation and detail within twenty (20) days of the advice letter filing.

The posted financial security may be a bond, an irrevocable letter of credit, a cash (T)  
 deposit, a guarantee from an investment grade rated guarantor and/or other |  
 financial security reasonably acceptable to the CPUC and should be payable |  
 directly to the CPUC. The issuer of a bond or irrevocable standby letter of credit |  
 must have an investment grade rating equivalent to at least an A- by S&P and A3 |  
 by Moody's and must be acceptable to the CPUC. Furthermore, the bond forms, |  
 irrevocable standby letter of credit forms, and guarantee forms must be (T)  
 (L)

(Continued)



**ELECTRIC RULE NO. 22**  
**DIRECT ACCESS**

Sheet 68

Q. ESP FINANCIAL SECURITY REQUIREMENTS (Cont'd)

acceptable to the CPUC. In the event an ESP fails to timely pay the re-entry fees demanded by PG&E pursuant to Section Q.3, below, PG&E will notify the CPUC's Executive Director in writing of the amount of the unpaid re-entry fee owed by the ESP along with the relevant supporting data and calculation. Upon notification by PG&E, the CPUC will take the necessary measures to secure funds from the ESP's financial security instrument to cover the ESP's re-entry fee liability. Following its review and approval of PG&E's request for reimbursement, the CPUC will disburse the funds for payment of the ESP's re-entry fee liability to PG&E.

(L)(T)  
 | |  
 | |  
 | |  
 | |  
 | |  
 | |  
 | |  
 | |  
 | |  
 | |  
 | |  
 | |  
 (L)(T)

3. Re-Entry Fees For The Involuntary Return Of Customers

The ESP is responsible for all applicable re-entry fees for its customers that are involuntarily returned.

a. PG&E will calculate re-entry fees pursuant to the methodology set forth in Appendix 1 of D.13-01-021 within sixty (60) days of the earlier of (i) the start of the involuntary return of customers, or (ii) PG&E's receipt of the ESP's written notice of involuntary return. The re-entry fee will be a binding estimate of:

- 1) The administrative cost to switch the involuntarily returned large DA customers service accounts and their affiliated residential and small commercial service accounts to bundled service, which will be established for each customer service account using the Customer Re-Entry Fee set forth in rate Schedule E-CCA; plus,
- 2) The administrative cost to switch the involuntarily returned unaffiliated residential and small commercial DA service accounts to bundled service, which will be established for each customer service account using the Customer Re-Entry Fee set forth in rate Schedule E-CCA; plus,
- 3) The incremental procurement costs for involuntarily returned residential and small commercial service accounts, that are not certified by the ESP as being affiliated with a large DA customer, for a sixty (60) day safe harbor period, as described in electric Rule 22.1, and then for an additional six-month period for those customers remaining on bundled service as set forth in Appendix 1 of D.13-01-021.

At no time shall the sum of the administrative costs and the incremental procurement costs for involuntarily returned customers

(Continued)





**ELECTRIC TABLE OF CONTENTS**

Sheet 1

**TABLE OF CONTENTS**

<b>SCHEDULE</b>	<b>TITLE OF SHEET</b>	<b>CAL P.U.C. SHEET NO.</b>	
	Title Page .....	<b>33504-E</b>	(T)
	Rate Schedules .....	33434,33435,33436,33437,33438,33446,32705,31541,33440-E	
	Preliminary Statements .....	33441,32706,30376,32544,32398,30846,32783,33138-E	
	Rules .....	32424, 32425, <b>33505-E</b>	(T)
	Maps, Contracts and Deviations.....	33253-E	
	Sample Forms .....	32777,32429,32726,32431,32504,32433,33209,32506,32648,32437,32508,32439-E	

(Continued)



**ELECTRIC TABLE OF CONTENTS  
 RULES**

Sheet 21

RULE	TITLE OF SHEET	CAL P.U.C. SHEET NO.
<b>Rules (Cont'd)</b>		
Rule 20	Replacement of Overhead with Underground Electric Facilities .....	30474, 11240, 11241, 19013, 16665, 15611, 19014-E
Rule 21	Generating Facility Interconnections... 31865*-31871*, 31872, 31873*-31875*, 31876- 31877, 31878*, 31879*, 31880-31896, 31897*, 31898-31901, 31902*, 31903, 31904, 31905*- 31907* 31908-31912, 31913*, 31914*, 31915-31919, 31920*-31922*, 31923-31927, 31928*, 31929- 31933, 31934*, 31935*, 31936, 31937*, 31938, 31939, 31940*, 31941, 31942*, 31943- 31945, 31946*, 31947-31952, 31953*, 31954, 31955*, 31956*, 31957-31962, 31963*- 31970*, 31971, 31972, 31973*-31979*, 31980, 31981*, 31982*, 31983-31988, 31989*, 31990- 31998, 31999*, 32000-32012, 32013*, 32014-32019, 32020*, 32021-32036-E	
Rule 22	Direct Access Service.....	<b>33491</b> , 29165-29171, 14896, 30872-30874, (T) 32992-32995, 30879-30915, <b>33492-33502</b> , (T) ..... <b>33503-E</b> (N)
Rule 22.1	Direct Access Service Switching Exemption Rules.....	31145-31147, 20999, 31148, 29178, 29179, 29464, 29181, 29182, 29183, 29465, 29466, 29186-29190-E
Rule 23	Community Choice Aggregation.... 25527*-25528*, 32810, 25530*-25534*, 30933, 29202, 25537*, ..... 25538*, 29471, 25540*-25544*, 29472, 27268, 30934-30958, 32811, 30960-30962	
Rule 23.2	Community Choice Aggregation Open Season.....	25575-25577, 27270, 27271-E

(Continued)

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

1st Light Energy	Douglass & Liddell	OnGrid Solar
AT&T	Downey & Brand	Pacific Gas and Electric Company
Alcantar & Kahl LLP	Ellison Schneider & Harris LLP	Praxair
Anderson & Poole	G. A. Krause & Assoc.	Regulatory & Cogeneration Service, Inc.
BART	GenOn Energy Inc.	SCD Energy Solutions
Barkovich & Yap, Inc.	GenOn Energy, Inc.	SCE
Bartle Wells Associates	Goodin, MacBride, Squeri, Schlotz & Ritchie	SDG&E and SoCalGas
Braun Blaising McLaughlin, P.C.	Green Power Institute	SPURR
CENERGY POWER	Hanna & Morton	San Francisco Public Utilities Commission
California Cotton Ginners & Growers Assn	In House Energy	Seattle City Light
California Energy Commission	International Power Technology	Sempra Utilities
California Public Utilities Commission	Intestate Gas Services, Inc.	SoCalGas
California State Association of Counties	K&L Gates LLP	Southern California Edison Company
Calpine	Kelly Group	Spark Energy
Casner, Steve	Linde	Sun Light & Power
Center for Biological Diversity	Los Angeles Dept of Water & Power	Sunshine Design
City of Palo Alto	MRW & Associates	Tecogen, Inc.
City of San Jose	Manatt Phelps Phillips	Tiger Natural Gas, Inc.
Clean Power	Marin Energy Authority	TransCanada
Coast Economic Consulting	McKenna Long & Aldridge LLP	Utility Cost Management
Commercial Energy	McKenzie & Associates	Utility Power Solutions
County of Tehama - Department of Public Works	Modesto Irrigation District	Utility Specialists
Crossborder Energy	Morgan Stanley	Verizon
Davis Wright Tremaine LLP	NLine Energy, Inc.	Water and Energy Consulting
Day Carter Murphy	NRG Solar	Wellhead Electric Company
Defense Energy Support Center	Nexant, Inc.	Western Manufactured Housing Communities Association (WMA)
Dept of General Services	North America Power Partners	
Division of Ratepayer Advocates	Occidental Energy Marketing, Inc.	