

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



March 5, 2014

Advice Letter: 4344-E

Brian Cherry
Vice President, Regulation and Rates
Pacific Gas and Electric Company
P.O. Box 770000
San Francisco, CA 94177

**SUBJECT: NOTICE OF THE TRANSMISSION ACCESS CHARGE BALANCING ACCOUNT
ADJUSTMENT (TACBAA) FILING WITH THE FEDERAL ENERGY
REGULATORY COMMISSION**

Dear Mr. Cherry:

Advice Letters 4344-E is effective as of February 12, 2014.

Sincerely,

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

Edward Randolph
Director, Energy Division

January 13, 2014

Advice 4344-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

Pacific Gas and Electric 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, in compliance with Resolution E-3930 (“Resolution”). The purpose of PG&E’s FERC filing is to request the annual update to the Transmission Access Charge Balancing Account Adjustment (“TACBAA”) for an effective date on or after March 1, 2014.

Background

On December 20, 2013, PG&E filed its TACBAA with the FERC in Docket No. ER14-799-000.

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 (“CAISO”) 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 year. The 2014 TACBAA rate is based on the balance in the TACBA as of February 28, 2014, and a forecast of the net annual Access Charge billings by the CAISO to PG&E for next year’s rate.

The 2014 TACBAA rate consists of three components: (1) the balance of the TACBA, including interest, (2) the forecasted TACBA costs and customer usage volumes, and (3) the Franchise Fees and Uncollectible Accounts (“FF&U”).

The total revenue requirement used in the development of the 2014 TACBAA rate is the sum of the balance of the TACBA, including interest, as of February 28, 2014 of \$132,700,074, the forecasted TACBA costs for the next rate year of \$342,823,915, and the FF&U adjustment of \$5,130,904. The resultant TACBAA revenue requirement is \$480,654,892, and the corresponding rate is \$0.00554/kWh. This represents an increase from the 2013 TACBAA of \$348,429,968 and the corresponding rate of \$0.00403/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% 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”).¹ In addition, Decision (“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 695.²

¹ 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.

² SB 695 limits CARE Tier 3 to no more than 80% of non-CARE Tier 3, less DWR bond, the CARE Surcharge, and California Solar Initiative.

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 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 change is approved, modified, denied or has been otherwise acted upon by the FERC.

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 3, 2014, which is 21 days³ 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

³ The 20-day protest period concludes on a weekend. PG&E is hereby moving this date to the following business day.

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 as soon as practicable after FERC authorizes these changes to become effective which PG&E expects on or after March 1, 2014. PG&E proposes to consolidate the electric rate changes resulting from the transmission rate change, to the extent practicable, with the first planned rate change after FERC authorizes PG&E's requests.

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. Send all electronic approvals to PGETariffs@pge.com. Advice letter filings can also be accessed electronically at: <http://www.pge.com/tariffs>.



Vice President – Regulatory Relations

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: Kingsley Cheng

Phone #: (415) 973-5265

E-mail: k2c0@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) #: **4344-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: 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: **Upon Commission Approval**

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 21 days¹ 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 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

¹ The 20-day protest period concludes on a weekend. PG&E is hereby moving this date to the following business day.

**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.	