

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



August 17, 2012

**Advice Letters 3282-G/4008-E & 3282-G-A/4008-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: Revision to Gas Rule 15 Residential Allowances and  
Supplemental Filing**

Dear Mr. Cherry:

Advice Letters 3282-G/4008-E and 3282-G-A/4008-E-A are effective  
August 8, 2012.

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

July 09, 2012

**Advice 3282-G-A/4008-E-A**  
(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

**Subject: Supplemental - Revision to Gas Rule 15 Residential Allowances**

Pacific Gas and Electric Company (PG&E) hereby submits for filing revisions to its Gas Rule 15 line and service extension allowances.

### **Purpose**

This supplemental advice filing is submitted to correct a recently discovered error in the calculation of PG&E's gas line and service extension allowances approved in 2009 and in effect since July 1, 2009. This error does not change the amount of the new gas allowances requested by PG&E in Advice 3282-G/4008-E, although it does alter the "Percent Change" of the 2012 proposed revisions. PG&E requests that the California Public Utilities Commission (Commission): (1) approve the new gas residential allowances proposed by PG&E on March 1, 2012 in Advice 3282-G/4008-E; and (2) approve the issuance of refunds to customers who received allowances since July 1, 2009 and who would have paid less had the allowances been correctly calculated.

### **Background**

#### **Error in Calculation of Currently-Effective Gas Line Extension Allowances**

On March 1, 2012 PG&E filed Advice 3282-G/4008-E requesting Commission approval to revise its Gas Rule 15 line and service extension allowances. In the course of reviewing the relatively large changes in PG&E's proposed residential "Oven/Range" allowance (i.e., from the current \$27 to \$57 – a 112.9% increase) and "Dryer/Stub" allowance (i.e., from the current \$34 to \$22 – a 35.9% decrease) proposed in Advice 3282-G/4008-E, PG&E discovered an error in the calculation of the currently effective allowances for these two categories. The current allowances were adopted in PG&E Advice Letter (AL) 3005-G-A / 3438-E-A and have been in effect since July 1, 2009.

Specifically, the saturation percentages used to calculate the weighted consumption in these two categories were inadvertently transposed (i.e., the saturation percentage for "Oven/Range" was applied to "Dryer/Stub" consumption and vice versa). When these saturation percentages are applied correctly, the allowance for the "Oven/Range" category would have been \$50, rather than the currently effective \$27 and the allowance for the "Dryer/Stub" category would have been \$18, rather than the currently effective \$34. This miscalculation did not have any impact on PG&E's current allowances for the "Water Heating" and "Space Heating" categories.

Table 1 summarizes the impact of the corrected saturation percentages on the "Oven/Range" and "Dryer/Stub" allowances, similar to how they are presented in the Revised Allowances table shown on page 2 of PG&E's AL 3282-G / 4008-E, submitted March 1, 2012. This table reflects the difference between the currently effective allowances and the values that would have been adopted had it not been for the transposition error described above.

**Table 1**

<b>Allowance Category</b>		<b>Current</b>	<b>Allowance Based on "Correct" Saturation Percentage</b>	<b>As Updated in AL 3282-G / 4008-E</b>	<b>Percent Change</b>
<b>Oven/Range</b>	As shown in AL 3282-G / 4008-E	\$27		\$57	112.9%
	Based on "correct" saturation percentage		\$50	\$57	15.0%
<b>Dryer/Stub</b>	As shown in AL 3282-G / 4008-E	\$34		\$22	<35.9%>
	Based on "correct" saturation percentage		\$18	\$22	21.1%

As shown by Table 1, once the transposition error is corrected for the “current” allowances, the percent changes are significantly reduced, from 112.9% to 15% for Oven/Range and from a reduction of 35.9% to an increase of 21.1% for Dryer/Stub.

### **Refunds For Customers Adversely Impacted By Transposition Error**

In reviewing its contracts going back to July 1, 2009, PG&E has determined that approximately 3,500 customers, with approximately 20,000 residential lots, have been adversely affected by the 2009 transposition error. These are customers who received \$27 in “Oven/Range” allowances rather than the \$50 allowance that would have been in effect had the saturation amounts not been inadvertently transposed. PG&E proposes to issue refunds to these customers. PG&E requires Commission approval for its proposed refunds, as the erroneous allowance amounts were shown in tariffs adopted by the Commission.

As stated above, PG&E proposes only to issue refunds to customers who have been adversely affected. PG&E does not propose to collect a retroactive payment from customers that received the \$34 allowance (rather than the \$18 allowance that would have been in effect if the error had not been made) for dryer stubs under the currently effective tariff. However, for customers who have received both types of allowances, PG&E will only issue refunds to the customer if the net effect was that the customer received less of a refund than it would have received absent the error, and then only for the net amount.

Upon receipt of Commission approval, PG&E will proceed with the issuance of refunds to PG&E’s affected customers. PG&E estimates the total amount of the refunds will be approximately \$200,000.

### **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 **July 30, 2012** which is 21 days<sup>1</sup> after the date of this filing. 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

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<sup>1</sup> The 20 day protest period concludes on a weekend. PG&E hereby moves this date to the following business day.

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 2 advice filing become effective on regular notice, **August 8, 2012**, 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 parties on the service list for A.09-12-020. 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>



Vice President, Regulatory Relations

Attachments

cc: Service List for A.09-12-020

# 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 M)**

Utility type:

ELC

GAS

PLC

HEAT

WATER

Contact Person: Kimberly Chang

Phone #: (415) 973-5472

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) #: **3282-G-A/4008-E-A**

**Tier: 2**

Subject of AL: **Supplemental - Revision to Gas Rule 15 Residential Allowances**

Keywords (choose from CPUC listing): Compliance, Agreements, Line Extensions

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

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: D.07-07-019

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: **August 8, 2012**

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:

**CPUC, Energy Division**

**Tariff Files, Room 4005**

**DMS Branch**

**505 Van Ness Ave.,**

**San Francisco, CA 94102**

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

**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	Occidental Energy Marketing, Inc.
BART	Downey & Brand	OnGrid Solar
Barkovich & Yap, Inc.	Duke Energy	Praxair
Bartle Wells Associates	Economic Sciences Corporation	R. W. Beck & Associates
Bloomberg	Ellison Schneider & Harris LLP	RCS, Inc.
Bloomberg New Energy Finance	Foster Farms	Recurrent Energy
Boston Properties	G. A. Krause & Assoc.	SCD Energy Solutions
Braun Blaising McLaughlin, P.C.	GLJ Publications	SCE
Brookfield Renewable Power	GenOn Energy, Inc.	SMUD
CA Bldg Industry Association	Goodin, MacBride, Squeri, Schlotz & Ritchie	SPURR
CLECA Law Office	Green Power Institute	San Francisco Public Utilities Commission
CSC Energy Services	Hanna & Morton	Seattle City Light
California Cotton Ginners & Growers Assn	Hitachi	Sempra Utilities
California Energy Commission	In House Energy	Sierra Pacific Power Company
California League of Food Processors	International Power Technology	Silicon Valley Power
California Public Utilities Commission	Intestate Gas Services, Inc.	Silo Energy LLC
Calpine	Lawrence Berkeley National Lab	Southern California Edison Company
Casner, Steve	Los Angeles Dept of Water & Power	Spark Energy, L.P.
Cenergy Power	Luce, Forward, Hamilton & Scripps LLP	Sun Light & Power
Center for Biological Diversity	MAC Lighting Consulting	Sunrun Inc.
Chris, King	MBMC, Inc.	Sunshine Design
City of Palo Alto	MRW & Associates	Sutherland, Asbill & Brennan
City of Palo Alto Utilities	Manatt Phelps Phillips	Tecogen, Inc.
City of San Jose	Marin Energy Authority	Tiger Natural Gas, Inc.
City of Santa Rosa	McKenzie & Associates	TransCanada
Clean Energy Fuels	Merced Irrigation District	Turlock Irrigation District
Clean Power	Modesto Irrigation District	United Cogen
Coast Economic Consulting	Morgan Stanley	Utility Cost Management
Commercial Energy	Morrison & Foerster	Utility Specialists
Consumer Federation of California	Morrison & Foerster LLP	Verizon
Crossborder Energy	NLine Energy, Inc.	Wellhead Electric Company
Davis Wright Tremaine LLP	NRG West	Western Manufactured Housing Communities Association (WMA)
Day Carter Murphy	NaturEner	eMeter Corporation