

December 2, 2024

Ms. Debbie-Anne Reese, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, DC 20426

Re: Informational Filing

**Pacific Gas and Electric Company Wholesale Distribution Tariff,
FERC Electric Tariff Volume No. 4, Annual Update for Rate Year 2025
under the Formula Rate in Docket No. ER20-2878-000, et al.**

Dear Ms. Reese:

Pacific Gas and Electric Company (“PG&E”) submits to the Federal Energy Regulatory Commission (“FERC” or “Commission”) for informational purposes, its Annual Update for Rate Year 2025 (“RY2025”) revising its Wholesale Distribution Revenue Requirement (“DRR”), Distribution Rates, Cost of Ownership (“CoO”) rates, and Customer Service Charges, as those terms are defined in PG&E’s Wholesale Distribution Tariff (“WDT”), FERC Electric Tariff Volume No. 4, effective January 1, 2025. PG&E submits this filing pursuant to Section 4.6 of the Wholesale Distribution Formula Rate (“Formula Rate”) Protocols using the Formula Rate Model¹ as revised pursuant to the Second Offer of Partial Settlement and Stipulation (“Second Partial Settlement”) filed in Docket No. ER20-2878-013² for PG&E’s third WDT rate case (“WDT3”), Docket No. ER20-2878-000, et al.³

¹ The Protocols are included in Appendix I, Wholesale Distribution Formula Rate, Attachment 1 of PG&E’s WDT (“Protocols”). The Model, a spreadsheet containing individual worksheets (“Schedules”), is included in Appendix I, Wholesale Distribution Formula Rate, Attachment 2 of PG&E’s WDT (“Model”). Together, the Protocols and the Model comprise the Formula Rate.

² The Second Partial Settlement, which included revisions to the Protocols and Model, was filed March 31, 2022 and approved by the Commission on June 2, 2022. See *Pac. Gas & Elec. Co.*, 179 FERC ¶ 61,167 (2022).

³ Docket No. ER20-2878-000 contains the WDT3 filing. PG&E submitted a total of eight (8) filings to amend and align the terms of WDT3 with the service agreements (“SA”) of its six (6) wholesale load distribution customers – City and County of San Francisco (“CCSF”), Port of Oakland (“Port”), Power and Water Resources Pooling Authority (“PWRPA”), Shelter Cove Resort Improvement District No. 1 (“Shelter Cove”), Western Area Power Administration (“WAPA”), and the Westside Power Authority (“Westside”) – in sub-Docket Nos. ER20-2878-001 through -008.

On October 25, 2024, PG&E submitted its fourth WDT rate case (“WDT4”).⁴ PG&E requested a December 25, 2024 effective date and also requested that the Commission suspend the WDT4 rates until January 1, 2025. PG&E submits the WDT3 RY2025 Annual Update to provide the true up for 2023 rates and also serve as the basis of WDT rates in the event that the Commission suspends the WDT4 rates beyond January 1, 2025. If the Commission suspends WDT4 rates beyond January 1, 2025, then PG&E requests the rates from the WDT3 RY2025 Annual Update to be in effect during the suspension period.

This Annual Update filing revises the Wholesale DRR, from which each of PG&E’s wholesale load distribution customer’s (“Customer”) allocated revenue requirement is calculated, from the currently effective amount of \$6,894 million to \$7,996 million. The total DRR allocated to Customers is being revised from \$50.7 million to \$58.0 million.⁵ This is an increase of the allocated Wholesale DRR of \$7.3 million.

Consistent with the WDT Protocols, this filing shall not modify the Formula Rate or subject the Formula Rate to modification and shall not constitute a rate change filing under Section 205 of the Federal Power Act.⁶ This filing is an informational filing. PG&E requests that the Commission issue a notice of this filing and establish a comment date of January 30, 2025, irrespective of when WDT4 rates are permitted to be effective.

I. BACKGROUND

On September 15, 2020, PG&E filed proposed revisions to certain non-rate terms and conditions and revisions to rate terms including moving to a Formula Rate in WDT3 and those revisions became effective on April 15, 2021.

On April 6, 2021, in Docket No. ER20-2878-010, PG&E submitted an Offer of Partial Settlement (“First Partial Settlement”) resolving certain Model and Protocol issues that was approved by the Commission on July 15, 2021.⁷ On December 1, 2021, PG&E filed its first Annual Update for Rate Year 2022 using the Formula Rate as revised pursuant to the First Partial Settlement. On March 31, 2022, in Docket No. ER20-2878-013, PG&E submitted to FERC another Offer of Partial Settlement (“Second Partial Settlement”) resolving all rate related issues

⁴ Docket No. ER25-209-000 filed on October 25, 2024, requesting the Commission to authorize WDT4 rates to go in effect on January 1, 2025.

⁵ Sum of Lines 103, 103a and 110 on Schedule 4-WholesaleRates of WDT3 Model.

⁶ Protocols § 4.6.2.

⁷ *Pac. Gas & Elec. Co.*, 176 FERC ¶ 61,012 (2021).

in the WDT3 proceeding, as well as some non-rate related issues. The Second Partial Settlement was approved by the Commission on June 2, 2022.⁸

On October 3, 2022, PG&E submitted a Petition for Declaratory Order (“Petition”) requesting approval to establish a revenue sharing mechanism for secondary products and services in its WDT in Docket No. EL23-2-000. The Commission granted the Petition on December 15, 2022.⁹ On January 26, 2023, in Docket No. ER23-942-000, PG&E added Schedule 26-NP&S to the Model and revised Schedules 20, 1, and 2 in the Model to reflect the addition of the NP&S revenue sharing mechanism. These revisions were accepted and made effective March 28, 2023¹⁰ and are included in the Model beginning from the RY2024 Annual Update.

II. WDT FORMULA RATE

A. Overview

PG&E’s Model provides a DRR for RY2025, which represents the distribution costs that PG&E incurred in the previous calendar year (“Prior Year” or “PY”), in this instance calendar year 2023 (“PY2023”). The DRR is then used as the basis for allocation among Customers (“Allocated DRR”) to recover their respective shares of the DRR through distribution service rates. The calculation of the Allocated DRR for primary load service is found on Line 103 of Schedule 4-WholesaleRates of the Model and the calculation of the Allocated DRR for secondary load service is found on Line 110 of Schedule 4-WholesaleRates. These calculations are made pursuant to Section 12 of the Protocols.

Pursuant to Section 5 of the Protocols, the Model also provides for an Annual True-up Adjustment (“ATA”) that compares PG&E’s costs in the Prior Year that were allocated to each Customer with wholesale distribution revenues collected from each Customer in the Prior Year. A summary of the Customer-specific ATAs in the RY2025 Annual Update can be found in Schedule 3-ATA, Lines 400 - 405.

The Cost of Ownership rate is calculated in Schedule 21-CoO using the RY2025 Total Distribution Revenue Requirement found in Schedule 1-DRR, pursuant to Section 15 of the Protocols.

The Customer Service Charges are calculated in Schedule 23-CustServCharge using a revised average annual hourly billing rate and as applicable, revised monthly hours for each Customer, pursuant to Section 13 of the Protocols.

⁸ *Pac. Gas & Elec. Co.*, 179 FERC ¶ 61,167 (2022).

⁹ *Pac. Gas & Elec. Co.*, 181 FERC ¶ 61,203 (2022).

¹⁰ *See* Delegated Letter Order dated March 21, 2023, eLibrary Accession No. 20230321-3065.

B. Annual Update Process

Consistent with Section 4.1 of the WDT Protocols, on June 28, 2024, PG&E provided a draft Annual Update for Rate Year 2025 to Interested Parties. PG&E also hosted a technical conference on August 8, 2024 and responded to multiple rounds of Information Requests.

On October 4 and November 1, 2024, PG&E provided to the parties an updated draft Annual Update Model which addressed errors identified by the parties and PG&E. This filing includes additional changes identified after the November 1 version.

C. DRR

PG&E’s total wholesale DRR used to calculate Distribution Service Rates for RY2025 is \$7,996 million, an increase of \$1.1 billion or 16% over the current DRR of \$6,894 million. This total DRR is the sum of the primary DRR, \$4,726 million, and secondary DRR, \$3,270 million. For RY2025, the allocated DRR for primary service to be recovered from wholesale customers through Distribution Rates is \$49.3 million and the allocated DRR for secondary service to be recovered from wholesale customers through Distribution Rates is \$8.7 million for a total allocation of \$58.0 million.

D. Annual True-up Adjustments

The total Annual True-up Adjustments for primary and secondary can be found on Schedule 3-ATA, Lines 401 and 404, respectively, and are charges of \$0.9 million for primary and \$4.0 million for secondary.

E. Distribution Service Rates

The RY2025 wholesale distribution rates for PG&E’s Customers for can be found in Schedule 4-WholesaleRates of the Model and are compared to RY2024 rates below:

Customer & Service Agreement Number	RY2024 Primary Rates (\$/kW)	RY2025 Primary Rates (\$/kW)
CCSF SA 275	\$8.303	\$12.948
PWRPA SA 56	\$12.803	\$15.343
Shelter Cove SA 382	\$15.353	\$21.292
WAPA SA 17	\$11.032	\$16.506
Westside SA 15	\$21.987	\$20.419

Customer & Service Agreement Number	RY2024 Secondary Rates (\$/kW)	RY2025 Secondary Rates (\$/kW)
CCSF SA 275	\$9.919	\$22.192
WAPA SA 17	\$12.202	\$33.689

F. Cost of Ownership Rate

The Cost of Ownership rate for RY2025 can be found on Schedule 21-CoO and is compared to the RY2024 rate below:

Monthly CoO Rate	RY2024	RY2025
Customer Financed	0.80%	0.87%

G. Customer Service Charges

The monthly Customer Service Charges for RY2025 can be found on Schedule 23-CustServCharge and are compared to RY2024 rates below:

Customer	RY2024 Hrs	RY2024 Charge (Hrs x \$130.33 Rate)	RY2025 Hrs	RY2025 Charge (Hrs x \$155.53 Rate)
CCSF	40	\$5,213.08	40	\$6,221.37
Port	3.5	\$456.14	3.5	\$544.37
PWRPA	3.5	\$456.14	3.5	\$544.37
Shelter Cove	3.5	\$456.14	3.5	\$544.37
WAPA	45	\$5,864.72	45	\$6,999.04
Westside	3.5	\$456.14	3.5	\$544.37

III. INCREASE IN WHOLESALE DRR

The increase of \$1.1 billion in the Wholesale DRR for RY2025 (based on Prior Year 2023) in comparison to RY2024 Wholesale DRR (which is based on a Prior Year 2022) is attributable to a \$457 million increase in operations and maintenance expenses, \$269 million in administrative and general expenses, \$318 million increase in return of capital, and \$74 million increase in income taxes. The increase was offset by a \$44 million decrease to depreciation.

The details of the calculations of all components of the DRR are included in the Model and supporting Workpapers.

IV. CORRECTIONS TO PRIOR ANNUAL UPDATE FILING

Corrections were identified for the Prior Year 2022 and 2021. Details of the corrections are provided below. Please refer to Attachment C and Attachment D for the updated PY2022 and PY2021 which shows the calculation, including interest.

- 1) Reclassification of direct assigned Common, General and Intangible plant for Planning Order number 5779319 (“ElecOps-CCSF WDT Load Controls CAP”)
from electric distribution to network transmission: The plant addition is approximately \$9.6 million as of December 2023. The plant-related adjustments are reflected in Schedule 7, line 400 and 401; Schedule 10, line 400 and 401 and Schedule 11, line 200 for Prior Year 2021 and 2022.
- 2) Removal of depreciation expenses related to plant under the AB1054 securitization: The relevant rate base has been excluded for Prior Year 2021 and 2022. Therefore, only the depreciation is removed for Prior Year 2021 and 2022 and is reflected on Schedule 11, Line 100 in asset classes EDP36400, EDP36500, EDP36600, EDP36700, EDP36801 and EDP36802.
- 3) Removal of functional plant for Planning Order number 5547947 from EDP36001: The adjustment was made for Prior Year 2022 and reflected on Schedule 7, lines 100 to 112, column 1.

The incremental true up differences including interest by customer are reflected on Schedule 3-ATA (e.g. line 501, col 5 and 8 for service agreement number 275) for calculation of the Annual True-up Adjustment for 2023 which will be charged or refunded in rate year 2025.

V. MODEL REFERENCES

PG&E updated the workpaper references on Schedule 14-ADIT, line 501 from “WP_14-ADIT 7, L. 105, Col 6” to “WP_14-ADIT 5, L. 100, Col 4” and line 502 from “WP_14-ADIT 7, L. 100 + L. 101, col 6” to “WP_14-ADIT 5, L. 101, col 4”.

VI. DOCUMENTS SUBMITTED WITH THIS FILING

This filing consists of the following documents:

- 1) This transmittal letter;
- 2) Certificate of Service;
- 3) Attachment A: WDT3 RY2025 – 2023 True Up Model (PDF);
- 4) Attachment B: WDT3 RY2025 – 2023 True Up Model (Model);
- 5) Attachment C: WDT3 2022 True Up Model (Excel); and
- 6) Attachment D: WDT3 2021 True Up Model (Excel)

Ms. Debbie-Anne Reese, Secretary

December 2, 2024

Page 7

VII. SERVICE AND POSTING

Copies of this filing have been served on all parties designated on the official service list in this proceeding. A copy of this transmittal letter and a link to this filing will be posted and available at www.pge.com.

VIII. CORRESPONDENCE

PG&E requests that all correspondence, pleadings, and other communications concerning this filing be served upon the following:

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Ms. Debbie-Anne Reese, Secretary

December 2, 2024

Page 8

IX. CONCLUSION

PG&E respectfully requests that the Commission issue a notice of filing for this RY2025 Annual Update informational filing and establish a comment date of January 30, 2025.

Respectfully submitted,

/s/ Alexandra J. Ward

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Attachments and Enclosures

CERTIFICATE OF SERVICE

I hereby certify that I have this day caused a copy of the foregoing document to be served upon all the parties designated on the official service list in this proceeding pursuant to 18 C.F.R. § 385.2010 of the Commission's Rules of Practice and Procedure.

Dated at San Francisco, California, this 2nd day of December, 2024.

/s/ Ollen Erich Hunt

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