

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



June 27, 2012

Advice Letter 3722-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 Federal Energy Regulatory Commission Rate
Increase Filing (TO13)**

Dear Mr. Cherry:

Advice Letter 3722-E is effective August 1, 2011.

Sincerely,

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

Edward F. Randolph, Director
Energy Division



August 23, 2010

Advice 3722-E

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

**Subject: Notice of Federal Energy Regulatory Commission Rate Increase
Filing (TO13)**

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 increase for its retail electric customers. The purpose of PG&E's FERC filing is to request rates for 2011 that reflect PG&E's most current estimates of the cost of providing transmission service.

Background

PG&E's thirteenth FERC-jurisdictional electric transmission revenue requirement request (TO13) was filed with the FERC on July 28, 2010, and assigned FERC Docket No. ER10-2026-000.

The Commission has long recognized that FERC has jurisdiction over unbundled retail electric transmission rates in California, including transmission services provided under the FERC-approved California Independent System Operator Corporation (ISO) Tariff. To the extent that FERC decisions addressing ISO or other transmission service have been issued, they are deemed reasonable for purposes of inclusion in retail electric rates. (See *New York v. FERC*, 535 US 1 (2002). The decision states, "When a bundled retail sale is unbundled and becomes separate transmission and power sales transactions, the resulting transmission transaction falls within the Federal Sphere of regulation," *Id.* at 12 (citing FERC Order 888 approvingly, citations omitted).

Resolution E-3930, approved on May 26, 2005, established a process for CPUC notification and review of transmission-related changes, and embodies this understanding in new Process Element 1, which states, "The Commission recognizes that under the filed rate doctrine, the Commission should allow a pass

through of these transmission rates that are filed with and become effective at the FERC.”

In its TO13 docket, PG&E has requested a \$152.3 million increase over its currently effective retail transmission rates, which would represent, approximately, a 17 percent increase over currently-authorized transmission access rates. However, because transmission access rates account for a relatively small fraction of total bundled service rates (approximately 8 percent), the resulting system average bundled service rate increase would be only approximately 1.2 percent. PG&E has requested an effective date of October 1, 2010, for this rate change. Between now and that date, PG&E expects FERC to either accept the filed rates and authorize these rates to become effective on the requested date (subject to refund), or to accept the filing but suspend the effective date for a period of up to five months, with a possible effective date of March 1, 2011.

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 multiple-volume FERC filing on the same date as filed with FERC, by service to Mr. Frank Lindh of the Commission’s Legal Division.

Pursuant to Process Elements 3 through 5 of Resolution E-3930, PG&E provides, as Attachment A, a complete copy of its Exhibit PGE-19, as filed in the TO13 docket. Exhibit PGE-19 includes a complete statement of PG&E’s current and proposed retail transmission rates. In this advice letter, PG&E requests authority to revise each corresponding transmission rate component of its CPUC-jurisdictional tariffs on the date on which FERC ultimately authorizes these changes to become effective (subject to refund), and to make corresponding adjustments to PG&E’s total applicable CPUC-jurisdictional rates, with exceptions only as described below for the residential tariffs.

As described under Process Elements 5 and 6 of Resolution E-3930, California Senate Bill 695 (SB 695) constraints continue to apply to total rates for residential usage up to 130 percent of baseline (Tier 1 and 2 usage).¹ As shown in Attachment A, PG&E’s TO13 filing would increase the transmission access component of total rates under each of PG&E’s applicable residential tariffs, from \$0.01158 to \$0.01444 per kilowatt-hour (kWh).² Consistent with current practice, PG&E proposes to meet SB 695 requirements for the TO13 rate change by:

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 The applicable residential tariff of \$0.01158 per kWh represents the final approved rate in letter order approving Offer of Settlement and Stipulation, Docket No. ER09-1521, Pacific Gas and Electric Co., 132 FERC ¶ 61,073 (2010). PG&E presented the rates ultimately approved in that decision to the CPUC in Advice 3652-E.

(1) making the indicated adjustment to the transmission rate component of each residential tariff (increase of \$0.00286 per kWh), applicable to all tiers;
(2) decreasing the distribution and generation rates proportionately so that total residential rates for usage up to 130 percent of baseline do not change; and
(3) setting the non-California Alternate Rates for Energy (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 fixed differential (\$0.10967/kWh) between non-CARE Tier 3 and Tier 4 rates approved by Decision (D.) 10-05-051.³

The result of these adjustments will be to hold PG&E's total bundled service rates fixed for residential Tier 1 and Tier 2 usage up to 130 percent of baseline, as required by SB 695. The method adopted in D.07-09-004 in PG&E's 2007 General Rate Case (GRC) Phase 2 proceeding (A.06-03-005), as modified by D.10-05-051 in PG&E's Summer 2010 Rate Relief proceeding (A.10-02-029), will be used to develop the necessary adjustments to the distribution and generation components of rates for usage in excess of 130 percent of baseline.

As anticipated under Process Element 4 of Resolution E-3930, PG&E will supplement this advice letter when the requested TO13 rate changes are approved, modified, denied or have been otherwise acted upon by FERC. When FERC authorizes rates to become effective, PG&E will also provide complete updated tariff sheets, including final adjustments to the generation rate components of the residential tariffs based on the specific method for adjusting upper-tier generation rates that is in effect on the date the FERC rate changes are to become effective.

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 **September 13, 2010**, which is 21 days 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

³ D.10-05-051 approved a Settlement Agreement filed by PG&E, the Division of Ratepayer Advocates (DRA) and The Utility Reform Network (TURN) in A.10-02-029 which established a fixed differential between Tier 3 and the then newly consolidated Tier 4/5 rates that would be maintained while implementing revenue requirement changes after June 1, 2010, and until the Commission issues a decision and the approved rates are implemented in Phase 2 of PG&E's 2011 General Rate Case (GRC), A.10-03-014.

Facsimile: (415) 703-2200

E-mail: jnj@cpuc.ca.gov and mas@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 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:

Jane K. Yura
Vice President, Regulation and Rates
Pacific Gas and Electric Company
77 Beale Street, Mail Code B10B
P.O. Box 770000
San Francisco, California 94177

Facsimile: (415) 973-6520

E-mail: PGETariffs@pge.com

Effective Date

PG&E requests that this advice filing become effective as soon as practicable after FERC authorizes these changes to become effective. 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 accepts PG&E's request.

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

Handwritten signature of Jane Yura in cursive script, followed by the initials "OB".

Vice President – Regulation and Rates

Attachments:

Attachment A:

Exhibit 19 of PG&E's TO13 filing, FERC Docket
No. ER10-2026-000

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: Olivia Brown

Phone #: 415.973.9312

E-mail: oxb4@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) #: 3722-E

Tier: 2

Subject of AL: Notice of Federal Energy Regulatory Commission Rate Increase Filing (TO13)

Keywords (choose from CPUC listing): Compliance

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

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: Resolution 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: N/A

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: N/A

Resolution Required? ☐ Yes ☒ No

Requested effective date: September 22, 2010

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). N/A

Tariff schedules affected: N/A

Service affected and changes proposed: 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

gnj@cpuc.ca.gov and mas@cpuc.ca.gov

Pacific Gas and Electric Company

Attn: Jane K. Yura, Vice President, Regulation and Rates

77 Beale Street, Mail Code B10B

P.O. Box 770000

San Francisco, CA 94177

E-mail: PGETariffs@pge.com

ADVICE 3722-E

**Attachment A: Exhibit 19 of
PG&E's TO13 Filing,
FERC Docket No. ER10-2026-000**

FILING WITH THE FEDERAL ENERGY REGULATORY COMMISSION

PACIFIC GAS AND ELECTRIC COMPANY

**TRANSMISSION OWNER TARIFF
2011**

EXHIBIT PGE-19

TRANSMISSION OWNER TARIFF

TO13



FERC DOCKET NO. _____

**Pacific Gas and Electric Company
Transmission Owner Tariff**

TO13

Exhibit PGE-19, Part 1: Clean Version

3.77 [Omitted]

3.106 Uncontrollable Force

Any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm, flood, earthquake, explosion, any curtailment, order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities or any other cause beyond the reasonable control of the ISO or Market Participant which could not be avoided through the exercise of Good Utility Practice.

3.107 [Omitted]

6. Ancillary Services - Applicability and Charges

Ancillary Services are needed to maintain reliability within the ISO Controlled Grid. Ancillary Services may be provided to the ISO. The prices for Ancillary Services shall be determined in accordance with the ISO Tariff. Participating TO rates or bidding rules for Ancillary Services are set forth in Appendix IV of this TO Tariff.

7.3 Wheeling Revenues

The ISO, pursuant to the ISO Tariff, shall pay to Participating TOs all Wheeling revenues at the same time as other ISO charges and payments are settled. For Wheeling revenues associated with CRRs allocated to Load Serving Entities outside the ISO Balancing Authority Area, the ISO shall pay the Participating TOs any excess prepayment amounts within thirty (30) days of the end of the term of the CRR Allocation.

APPENDIX I: TRANSMISSION AND RELIABILITY SERVICES REVENUE REQUIREMENTS

Total revenue requirement associated with transmission facilities and entitlements turned over to the operational control of the ISO by the Participating TO, which reflects a reduction or increase for Transmission Revenue Credits.

1. The Transmission Revenue Requirement for purposes of calculating End-User transmission rates shall be \$979,950,450 which is composed of the Base Transmission Revenue Requirement of \$1,025,902,125, and the TRBAA of (\$45,951,675).
2. For purposes of the ISO's calculation of Access Charges under Section 26.1 of the ISO Tariff:
 - a. The High Voltage Transmission Revenue Requirement shall be \$453,220,933, which is composed of a High Voltage Base Transmission Revenue Requirement of \$482,613,917, Standby Transmission Demand Revenue credit of (\$1,693,564), and a High Voltage TRBAA of (\$27,699,420).
 - b. The Low Voltage Transmission Revenue Requirement shall be \$510,612,281, which is composed of a Low Voltage Base Transmission Revenue Requirement of \$531,348,201, Standby Transmission Demand Revenue credit of (\$1,896,695), and a Low Voltage TRBAA of (\$18,839,225).
 - c. The High Voltage Transmission Revenue Requirement associated with New High Voltage Transmission Facilities is \$283,297,172, which is composed of a High Voltage Base Transmission Revenue Requirement of \$301,666,264, Standby Transmission Demand Revenue credit of (\$1,058,390), and a High Voltage TRBAA of (\$17,310,703).
 - d. The forecast of Gross Load at the High Voltage/Low Voltage interface is 89,146,773 megawatt-hours.

3. The Reliability Services Balancing Account shall be equal to \$52,901,499, which includes the forecast of Reliability Services payments PG&E will make to the ISO during 2010 of \$34,605,593, plus an adjustment of \$18,295,906. This amount shall be effective until amended by PG&E in accordance with Appendix V to this Tariff.

The Reliability Service Balancing Account shall be allocated to End-Use Customers as follows:

	<u>Retail Total</u>
2010 RMR Costs	\$34,605,593
Adjustment	\$18,295,906
2010 Revenue Requirement	\$52,901,499

The End-Use Customer Refund Adjustment Account shall be allocated to End-Use Customers and include a Revenue Requirement of (\$38,283,096).

APPENDIX II: ACCESS CHARGES FOR WHOLESALE TRANSMISSION

	<u>Per kWh</u>
High Voltage Access Charge	See ISO Tariff
Low Voltage Access Charge	\$0.005728
High Voltage Utility-Specific Access Charge	\$0.005084
 <u>High Voltage Wheeling Access Charge</u>	
High Voltage Wheeling Access Charge	See ISO Tariff
 <u>Low Voltage Wheeling Access Charge</u>	
High Voltage Wheeling Access Charge	See ISO Tariff
Low Voltage Wheeling Access Charge	\$0.005728

APPENDIX III: ACCESS CHARGES FOR END-USE SERVICE

TABLE OF CONTENTS

RESIDENTIAL SCHEDULES

COMMERCIAL AND INDUSTRIAL SCHEDULES

SCHEDULE A-1

SCHEDULE A-6

SCHEDULE A-15

SCHEDULE TC-1

SCHEDULE A-10

SCHEDULE E-19

SCHEDULE E-20

SCHEDULE E-37

SCHEDULE S

AGRICULTURAL SCHEDULES

STREETLIGHTING SCHEDULES

These charges represent the rates for recovery of the Base Transmission Revenue Requirement.

A TRBAA Rate of (\$0.00054) per kWh and a TACBAA Rate of \$0.00099 per kWh shall also apply to all of the rate schedules described in this Appendix.

The applicability of these rates is described in the California Public Utilities Commission jurisdictional retail tariffs.

RESIDENTIAL SCHEDULES

SCHEDULE E-1 AND EL-1 (CARE)

SCHEDULES E-6 AND EL-6 (CARE)

SCHEDULES E-7 AND EL-7 (CARE)

SCHEDULES E-A7 AND EL-A7 (CARE)

SCHEDULE E-8 AND EL-8 (CARE)

SCHEDULE E-9

SCHEDULE EM AND EML (CARE)

SCHEDULE EM TOU AND EML TOU (CARE)

SCHEDULE ES AND ESL (CARE)

SCHEDULE ESR AND ESRL (CARE)

SCHEDULE ET AND ETL (CARE)

	<u>TO RATES</u>	<u>ECRA RATES</u>
Energy Charge (\$/kWh)	\$0.01444	(\$0.00185)

COMMERCIAL & INDUSTRIAL SCHEDULES

SCHEDULE A-1

SCHEDULE A-6

SCHEDULE A-15

SCHEDULE TC-1

	<u>TO RATES</u>	<u>ECRA RATES</u>
Energy Charge (\$/kWh)	\$0.01216	(\$0.00173)

SCHEDULE A-10

BASIS FOR DEMAND CHARGE: The customer will be billed for demand according to the customer's "maximum demand" each month. The number of kW used will be recorded over 15-minute intervals; the highest 15-minute average in the month will be the customer's maximum demand. **SPECIAL CASES:** (1) If the customer's use of energy is intermittent or subject to severe fluctuations, a 5-minute interval may be used, and (2) If the customer uses welders, the demand charge will be subject to the minimum demand charges for those welders' ratings, as explained in Section J of PG&E's CPUC Rule 2.

	<u>TO RATES</u>	<u>ECRA RATES</u>
Maximum Demand Charge (\$/kW/mo)	\$4.09	
Energy Charge (\$/kWh)		(\$0.00166)

SCHEDULE E-19

BASIS FOR DEMAND CHARGE: Demand will be averaged over 15-minute intervals. "Maximum demand" will be the highest of all the 15-minute averages for the billing month. If the customer's use of electricity is intermittent or subject to severe fluctuations, a 5-minute interval may be used. If the customer has any welding machines, the diversified resistance welder load, calculated in accordance with Section J of PG&E's CPUC Rule 2, will be considered the maximum demand if it exceeds the maximum demand that results from averaging the demand over 15-minute intervals.

	<u>TO RATES</u>	<u>ECRA RATES</u>
Maximum Demand Charge (\$/kW/mo)	\$4.09	
Energy Charge (\$/kWh)		(\$0.00166)

SCHEDULE E-20

BASIS FOR DEMAND CHARGE: Demand will be averaged over 15-minute intervals. "Maximum demand" will be the highest of all the 15-minute averages for the billing month. If the customer's use of electricity is intermittent or subject to severe fluctuations, a 5-minute

interval may be used. If the customer has any welding machines, the diversified resistance welder load, calculated in accordance with Section J of PG&E's CPUC Rule 2, will be considered the maximum demand if it exceeds the maximum demand that results from averaging the demand over 15-minute intervals.

	<u>TO RATES</u>	<u>ECRA RATES</u>
Maximum Demand Charge (\$/kW/mo)	\$4.33	
Energy Charge (\$/kWh)		(\$0.00131)

SCHEDULE E-37

	<u>TO RATES</u>	<u>ECRA RATES</u>
Energy Charge (\$/kWh)	\$0.00950	(\$0.00129)

SCHEDULE S

RESERVATION CAPACITY: The Reservation Capacity to be used for billing under the above rates shall be as set forth in the customer's contract for service. For new or revised contracts, the Reservation Capacity shall be determined by the customer. However, if the customer's standby demand exceeds this new contracted capacity in any billing month, that standby demand shall become the new Reservation or Contract Capacity for 12 months, beginning with that month. See Special Condition 7 for the definition of Reservation Capacity for Supplemental Standby Service customers.

The **Reservation Charge**, in dollars per kilowatt (kW), applies to 85 percent of the customer's Reservation Capacity, as defined in Special Condition 1 of the tariffs.

	<u>TO RATES</u>	<u>ECRA RATES</u>
Reservation Charge (\$/kW/mo)	\$0.51	
Energy Charge (\$/kWh)	\$0.00998	(\$0.00288)

AGRICULTURAL SCHEDULES

The CPUC-jurisdictional retail tariffs should be referred to for detailed descriptions of how agricultural demand charges are assessed.

SCHEDULE AG-1

SCHEDULE AG-R

SCHEDULE AG-V

SCHEDULE AG-4

SCHEDULE AG-5

SCHEDULE AG-ICE

	<u>TO RATES</u>	<u>ECRA RATES</u>
Energy Charge (\$/kWh)	\$0.00950	(\$0.00129)

STREETLIGHTING SCHEDULES

SCHEDULE LS-1

SCHEDULE LS-2

SCHEDULE LS-3

SCHEDULE OL-1

	<u>TO RATES</u>	<u>ECRA RATES</u>
Energy Charge (\$/kWh)	\$0.00812	(\$0.00076)

APPENDIX IV: RATES FOR CERTAIN ANCILLARY SERVICES AND REPLACEMENT RESERVE

1. Availability: Pacific Gas and Electric Company makes Regulation, Spinning Reserve, on-Spinning Reserve, and Replacement Reserve available at wholesale under this Rate Schedule to the ISO and to others that are self-providing ancillary services to the ISO.
2. Applicability: This Rate Schedule applies to all such wholesale sales of Regulation, Spinning Reserve, Non-Spinning Reserve, and Replacement Reserve by Pacific Gas and Electric Company that are not otherwise subject to a particular rate schedule or contract to the ISO.
3. Rates: Sales made under this Rate Schedule shall be at rates established between PIC15c Gas and Electric Company and the purchaser of Regulation, Spinning Reserve, Non-Spinning Reserve, and/or Replacement Reserve.
4. Other Terms and Conditions: All other terms and conditions of sale shall be established by agreement between Pacific Gas and Electric Company and the purchaser of Regulation, Spinning Reserve, Non-Spinning Reserve, and/or Replacement Reserve.
5. Prohibited Affiliate Transactions: Sales of Regulation, Spinning Reserve, Non-Spinning Reserve and Replacement Reserve will not be made pursuant to this rate schedule to PG&E Corporation or any other marketer affiliated with PG&E.
6. Effective Date: This Rate Schedule shall be effective for service rendered on and after November 3, 1998.

Filed in compliance with an Order of the Federal Energy Regulatory Commission issued on the 28th day of October, 1998 in Docket No. ER98-2843-001, et al.

The rates filed under this Appendix for Voltage Support Service in Schedule 4 are cost-based and applicable when PG&E generation resources (other than must-run resources) bid to supply this service to the ISO under the terms of the ISO Tariff. PG&E may bid to supply this Voltage Support Service subject to the availability of its resources under the applicable terms and

conditions of the ISO Tariff. PG&E may submit discounted ancillary service bids on a nondiscriminatory basis. Ancillary Service and Replacement Reserve Service Schedules are listed below.

Spinning Reserve Service:	Schedule 1.
Non-Spinning Reserve Service:	Schedule 2.
Replacement Reserve Service:	Schedule 3.
Voltage Support Service:	Schedule 4.
Regulation Service:	Schedule 5.

SCHEDULE 1

Spinning Reserve Service

Spinning Reserve Service is needed to serve load immediately in the event of a system contingency. Spinning Reserve Service may be provided by PG&E generating units (other than must run units) that are on-line and loaded at less than maximum output.

The charge for this service will be determined under the ISO Tariff.

SCHEDULE 2

Non-Spinning Reserve Service

Non-Spinning Reserve Service is needed to serve load immediately in the event of a system contingency. Non-Spinning Reserve Service may be provided by generating units that are off-line and can be synchronized to the grid and loaded within 10 minutes with the capability to sustain that load for 2 hours.

The charge for this service will be determined under the ISO Tariff.

SCHEDULE 3

Replacement Reserve Service

Replacement Reserves are those reserves that the ISO may need when system conditions require the ISO to use both Spinning and Non-Spinning Reserves to maintain system stability and reliability.

The charge for this service will be determined under the ISO Tariff.

SCHEDULE 4

Voltage Support Service

In order to maintain transmission voltages on the ISO Controlled Grid within acceptable limits, generation facilities within the ISO Controlled Grid may be operated to produce (or absorb) reactive power.

Voltage Support Service may be provided directly from PG&E generation resources (other than must run units). Cost-based rates for Voltage Support Service are set forth below.

Yearly Service Rate:	\$1.52/kW-year
Monthly Service Rate:	\$0.1267/kW-month
Weekly Service Rate:	\$0.0292/kW-week
Daily Service Rate:	\$0.0042/kW-day
Hourly Service Rate:	\$0.00017/kW-hour

The charge for this service will be determined under the ISO Tariff.

SCHEDULE 5

Regulation Service

Regulation Service is necessary to provide for the continuous balancing of resources (generation and interchange) with load and for maintaining scheduled interconnection frequency at sixty cycles per second (60 Hz). Regulation Service is accomplished by committing on-line generation whose output is raised or lowered (predominantly through the use of automatic generating control equipment) as necessary to follow the moment-by-moment changes in load.

The charge for this service will be determined under the ISO Tariff.

**Pacific Gas and Electric Company
Transmission Owner Tariff**

TO13

Exhibit PGE-19, Part 2: Redlined Version

3.77 ~~Power Exchange (“PX”)~~[Omitted]

~~The California Power Exchange Corporation, a state chartered, nonprofit corporation charged with providing a Day Ahead and forward market for Energy, in accordance with the PX Tariff. The PX is a Scheduling Coordinator and is independent of both the ISO and all other Market Participants.~~

3.106 Uncontrollable Force

Any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm, flood, earthquake, explosion, any curtailment, order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities or any other cause beyond the reasonable control of the ISO or Market Participant ~~or the PX or PX Participant (as the case may be) which could not be civilian authorities or any other cause beyond the reasonable control of the ISO or Market Participant or the PX or PX Participant (as the case may be)~~ which could not be avoided through the exercise of Good Utility Practice.

3.107 ~~Usage Charge~~[Omitted]

~~The amount of money, per 1 kW of scheduled flow, that the ISO charges a Scheduling Coordinator for use of a specific congested Inter Zonal Interface during a given hour.~~

6. Ancillary Services - Applicability and Charges

Ancillary Services are needed to maintain reliability within the ISO Controlled Grid. Ancillary Services may be provided to the ISO ~~and PX~~. The prices for Ancillary Services shall be determined in accordance with the ISO Tariff. Participating TO rates or bidding rules for Ancillary Services are set forth in Appendix IV of this TO Tariff.

7.3 Wheeling ~~and Usage Charge~~ Revenues

The ISO, pursuant to the ISO Tariff, shall pay to Participating TOs all Wheeling ~~and Usage Charge Revenues excluding Usage Charge~~ revenues payable to FTR Holders at the same

time as other ISO charges and payments are settled. For Wheeling revenues associated with CRRs allocated to Load Serving Entities outside the ISO Balancing Authority Area, the ISO shall pay the Participating TOs any excess prepayment amounts within thirty (30) days of the end of the term of the CRR Allocation.

APPENDIX I: TRANSMISSION AND RELIABILITY SERVICES REVENUE REQUIREMENTS

Total revenue requirement associated with transmission facilities and entitlements turned over to the operational control of the ISO by the Participating TO, which reflects a reduction or increase for Transmission Revenue Credits.

1. The Transmission Revenue Requirement for purposes of calculating End-User transmission rates shall be ~~\$829,048,325~~ \$979,950,450, which is composed of the Base Transmission Revenue Requirement of ~~\$875,000,000~~ \$1,025,902,125, and the TRBAA of (\$45,951,675).
2. For purposes of the ISO's calculation of Access Charges under Section 26.1 of the ISO Tariff:
 - a. The High Voltage Transmission Revenue Requirement shall be ~~\$369,950,683~~ \$453,220,933, which is composed of a High Voltage Base Transmission Revenue Requirement of ~~\$399,088,935~~ \$482,613,917, Standby Transmission Demand Revenue credit of (\$1, ~~523,914~~ 693,564), and a High Voltage TRBAA of (\$27, ~~614,339~~ 699,420).
 - b. The Low Voltage Transmission Revenue Requirement shall be ~~\$435,172,404~~ \$510,612,281, which is composed of a Low Voltage Base Transmission Revenue Requirement of ~~\$455,911,065~~ \$531,348,201, Standby Transmission Demand Revenue credit of (\$1, ~~814,356~~ 896,695), and a Low Voltage TRBAA of (\$18, ~~924,305~~ 839,225).
 - c. The High Voltage Transmission Revenue Requirement associated with New High Voltage Transmission Facilities is ~~\$209,625,978~~ \$283,297,172, which is composed of a High Voltage Base Transmission Revenue Requirement of ~~\$226,118,751~~ \$301,666,264, Standby Transmission Demand Revenue credit of (\$ ~~863,057~~ 1,058,390), and a High Voltage TRBAA of (\$ ~~15,629,716~~ 17,310,703).

- d. The forecast of Gross Load at the High Voltage/Low Voltage interface is 90,326,715,89,146,773 megawatt-hours.
3. The Reliability Services Balancing Account shall be equal to \$52,901,499, which includes the forecast of Reliability Services payments PG&E will make to the ISO during 2010 of \$34,605,593, plus an adjustment of \$18,295,906. This amount shall be effective until amended by PG&E in accordance with Appendix V to this Tariff.

The Reliability Service Balancing Account shall be allocated to End-Use Customers as follows:

	<u>Retail Total</u>
2010 RMR Costs	\$34,605,593
Adjustment	\$18,295,906
2010 Revenue Requirement	\$52,901,499

The End-Use Customer Refund Adjustment Account shall be allocated to End-Use Customers and include a Revenue Requirement of (\$38,283,096).

APPENDIX II: ACCESS CHARGES FOR WHOLESALE TRANSMISSION

Per kWh

High Voltage Access Charge

See ISO Tariff

Low Voltage Access Charge

\$0.~~004818~~005728

High Voltage Utility-Specific Access Charge

\$0.~~004096~~005084

High Voltage Wheeling Access Charge

High Voltage Wheeling Access Charge

See ISO Tariff

Low Voltage Wheeling Access Charge

High Voltage Wheeling Access Charge

See ISO Tariff

Low Voltage Wheeling Access Charge

\$0.~~004818~~005728

APPENDIX III: ACCESS CHARGES FOR END-USE SERVICE

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SCHEDULE A-10

SCHEDULE E-19

SCHEDULE E-20

SCHEDULE E-37

SCHEDULE S

AGRICULTURAL SCHEDULES

STREETLIGHTING SCHEDULES

These charges represent the rates for recovery of the Base Transmission Revenue Requirement.

A TRBAA Rate of (\$0.00054) per kWh and a TACBAA Rate of \$0.00099 per kWh shall also apply to all of the rate schedules described in this Appendix.

The applicability of these rates is described in the California Public Utilities Commission jurisdictional retail tariffs.

RESIDENTIAL SCHEDULES

SCHEDULE E-1 AND EL-1 (CARE)

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SCHEDULE ES AND ESL (CARE)

SCHEDULE ESR AND ESRL (CARE)

SCHEDULE ET AND ETL (CARE)

	<u>TO RATES</u>	<u>ECRA RATES</u>
Energy Charge (\$/kWh)	\$0. 01158 <u>01444</u>	(\$0.00185)

COMMERCIAL & INDUSTRIAL SCHEDULES

SCHEDULE A-1

SCHEDULE A-6

SCHEDULE A-15

SCHEDULE TC-1

	<u>TO RATES</u>	<u>ECRA RATES</u>
Energy Charge (\$/kWh)	\$0. 01083 <u>01216</u>	(\$0.00173)

SCHEDULE A-10

BASIS FOR DEMAND CHARGE: The customer will be billed for demand according to the customer's "maximum demand" each month. The number of kW used will be recorded over 15-minute intervals; the highest 15-minute average in the month will be the customer's maximum demand. **SPECIAL CASES:** (1) If the customer's use of energy is intermittent or subject to severe fluctuations, a 5-minute interval may be used, and (2) If the customer uses welders, the demand charge will be subject to the minimum demand charges for those welders' ratings, as explained in Section J of PG&E's CPUC Rule 2.

	<u>TO RATES</u>	<u>ECRA RATES</u>
Maximum Demand Charge (\$/kW/mo)	\$3.71 <u>4.09</u>	
Energy Charge (\$/kWh)		(\$0.00166)

SCHEDULE E-19

BASIS FOR DEMAND CHARGE: Demand will be averaged over 15-minute intervals. "Maximum demand" will be the highest of all the 15-minute averages for the billing month. If the customer's use of electricity is intermittent or subject to severe fluctuations, a 5-minute interval may be used. If the customer has any welding machines, the diversified resistance welder load, calculated in accordance with Section J of PG&E's CPUC Rule 2, will be considered the maximum demand if it exceeds the maximum demand that results from averaging the demand over 15-minute intervals.

	<u>TO RATES</u>	<u>ECRA RATES</u>
Maximum Demand Charge (\$/kW/mo)	\$3.71 <u>4.09</u>	
Energy Charge (\$/kWh)		(\$0.00166)

SCHEDULE E-20

BASIS FOR DEMAND CHARGE: Demand will be averaged over 15-minute intervals. "Maximum demand" will be the highest of all the 15-minute averages for the billing month. If the customer's use of electricity is intermittent or subject to severe fluctuations, a 5-minute

interval may be used. If the customer has any welding machines, the diversified resistance welder load, calculated in accordance with Section J of PG&E's CPUC Rule 2, will be considered the maximum demand if it exceeds the maximum demand that results from averaging the demand over 15-minute intervals.

	<u>TO RATES</u>	<u>ECRA RATES</u>
Maximum Demand Charge (\$/kW/mo)	\$3.75 <u>4.33</u>	
Energy Charge (\$/kWh)		(\$0.00131)

SCHEDULE E-37

	<u>TO RATES</u>	<u>ECRA RATES</u>
Energy Charge (\$/kWh)	\$0. 00862 <u>00950</u>	(\$0.00129)

SCHEDULE S

RESERVATION CAPACITY: The Reservation Capacity to be used for billing under the above rates shall be as set forth in the customer's contract for service. For new or revised contracts, the Reservation Capacity shall be determined by the customer. However, if the customer's standby demand exceeds this new contracted capacity in any billing month, that standby demand shall become the new Reservation or Contract Capacity for 12 months, beginning with that month. See Special Condition 7 for the definition of Reservation Capacity for Supplemental Standby Service customers.

The **Reservation Charge**, in dollars per kilowatt (kW), applies to 85 percent of the customer's Reservation Capacity, as defined in Special Condition 1 of the tariffs.

	<u>TO RATES</u>	<u>ECRA RATES</u>
Reservation Charge (\$/kW/mo)	\$0.45 <u>51</u>	
Energy Charge (\$/kWh)	\$0. 00794 <u>00998</u>	(\$0.00288)

AGRICULTURAL SCHEDULES

The CPUC-jurisdictional retail tariffs should be referred to for detailed descriptions of how agricultural demand charges are assessed.

SCHEDULE AG-1

SCHEDULE AG-R

SCHEDULE AG-V

SCHEDULE AG-4

SCHEDULE AG-5

SCHEDULE AG-ICE

	<u>TO RATES</u>	<u>ECRA RATES</u>
Energy Charge (\$/kWh)	\$0. 00862 <u>00950</u>	(\$0.00129)

STREETLIGHTING SCHEDULES

SCHEDULE LS-1

SCHEDULE LS-2

SCHEDULE LS-3

SCHEDULE OL-1

	<u>TO RATES</u>	<u>ECRA RATES</u>
Energy Charge (\$/kWh)	\$0. 00466 <u>00812</u>	(\$0.00076)

APPENDIX IV: RATES FOR CERTAIN ANCILLARY SERVICES AND REPLACEMENT RESERVE

1. Availability: Pacific Gas and Electric Company makes Regulation, Spinning Reserve, on-Spinning Reserve, and Replacement Reserve available at wholesale under this Rate Schedule to the ISO and to others that are self-providing ancillary services to the ISO.
2. Applicability: This Rate Schedule applies to all such wholesale sales of Regulation, Spinning Reserve, Non-Spinning Reserve, and Replacement Reserve by Pacific Gas and Electric Company that are not otherwise subject to a particular rate schedule or contract to the ISO.
3. Rates: Sales made under this Rate Schedule shall be at rates established between PIC15c Gas and Electric Company and the purchaser of Regulation, Spinning Reserve, Non-Spinning Reserve, and/or Replacement Reserve.
4. Other Terms and Conditions: All other terms and conditions of sale shall be established by agreement between Pacific Gas and Electric Company and the purchaser of Regulation, Spinning Reserve, Non-Spinning Reserve, and/or Replacement Reserve.
5. Prohibited Affiliate Transactions: Sales of Regulation, Spinning Reserve, Non-Spinning Reserve and Replacement Reserve will not be made pursuant to this rate schedule to PG&E Corporation or any other marketer affiliated with PG&E.
6. Effective Date: This Rate Schedule shall be effective for service rendered on and after November 3, 1998.

Filed in compliance with an Order of the Federal Energy Regulatory Commission issued on the 28th day of October, 1998 in Docket No. ER98-2843-001, et al.

The rates filed under this Appendix for Voltage Support Service in Schedule 4 are cost-based and applicable when PG&E generation resources (other than must-run resources) bid to supply this service to ~~either the PX or~~ the ISO under the terms of the ~~PX and~~ ISO Tariffs. PG&E may bid to supply this Voltage Support Service subject to the availability of its resources under

the applicable terms and conditions of the ISO ~~and PX Tariffs.~~Tariff. PG&E may submit discounted ancillary service bids on a nondiscriminatory basis. Ancillary Service and Replacement Reserve Service Schedules are listed below.

Spinning Reserve Service: Schedule 1.

Non-Spinning Reserve Service: Schedule 2.

Replacement Reserve Service: Schedule 3.

Voltage Support Service: Schedule 4.

Regulation Service: Schedule 5.

SCHEDULE 1

Spinning Reserve Service

Spinning Reserve Service is needed to serve load immediately in the event of a system contingency. Spinning Reserve Service may be provided by PG&E generating units (other than must run units) that are on-line and loaded at less than maximum output.

The charge for this service will be determined under ~~PX and~~the ISO Tariffs ~~s and~~
~~protocols~~.

SCHEDULE 2

Non-Spinning Reserve Service

Non-Spinning Reserve Service is needed to serve load immediately in the event of a system contingency. Non-Spinning Reserve Service may be provided by generating units that are off-line and can be synchronized to the grid and loaded within 10 minutes with the capability to sustain that load for 2 hours.

The charge for this service will be determined under ~~PX and~~the ISO Tariffs ~~and~~
~~protocols.~~

SCHEDULE 3

Replacement Reserve Service

Replacement Reserves are those reserves that the ISO may need when system conditions require the ISO to use both Spinning and Non-Spinning Reserves to maintain system stability and reliability.

The charge for this service will be determined under ~~PX and~~the ISO Tariffs ~~and~~
~~protocols.~~

SCHEDULE 4

Voltage Support Service

In order to maintain transmission voltages on the ISO Controlled Grid within acceptable limits, generation facilities within the ISO Controlled Grid may be operated to produce (or absorb) reactive power.

Voltage Support Service may be provided directly from PG&E generation resources (other than must run units). Cost-based rates for Voltage Support Service are set forth below.

Yearly Service Rate:	\$1.52/kW-year
Monthly Service Rate:	\$0.1267/kW-month
Weekly Service Rate:	\$0.0292/kW-week
Daily Service Rate:	\$0.0042/kW-day
Hourly Service Rate:	\$0.00017/kW-hour

The charge for this service will be determined under ~~PX and the~~ ISO Tariffs ~~and~~ protocols.

SCHEDULE 5

Regulation Service

Regulation Service is necessary to provide for the continuous balancing of resources (generation and interchange) with load and for maintaining scheduled interconnection frequency at sixty cycles per second (60 Hz). Regulation Service is accomplished by committing on-line generation whose output is raised or lowered (predominantly through the use of automatic generating control equipment) as necessary to follow the moment-by-moment changes in load.

The charge for this service will be determined under ~~PX and the~~ ISO Tariffs ~~and~~ protocols.

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

Alcantar & Kahl	Department of Water Resources	Northern California Power Association
Ameresco	Department of the Army	Occidental Energy Marketing, Inc.
Anderson & Poole	Dept of General Services	OnGrid Solar
Arizona Public Service Company	Division of Business Advisory Services	Praxair
BART	Douglass & Liddell	R. W. Beck & Associates
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