July 31, 2014

Advice Letter 3903-E

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

SUBJECT: Third Annual Reasonableness Review of PG&E's Schedule E-31
Contracts- Compliance Advice Letter Pursuant to Electric Schedule E-31
and D.09-06-025 and Confidential Attachments Submitted Pursuant to
PUC Section 583

Dear Mr. Cherry:

Advice Letter 3903-E is effective as of June 12, 2014, per Resolution E-4643 approved
June 12, 2014.

Sincerely,

Edward Randolph
Director, Energy Division
September 16, 2011

Advice 3903-E
(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: Third Annual Reasonableness Review of Pacific Gas and Electric Company’s Schedule E-31 Contracts – Compliance Advice Letter Pursuant to Electric Schedule E-31 and D.09-06-025 and Confidential Attachments Submitted Pursuant to PUC Section 583

Purpose

Pacific Gas and Electric Company ("PG&E") hereby submits this advice letter in accordance with Decision ("D.") 09-06-025, Decision Adopting a Settlement Resolving Modesto Irrigation District’s Complaint Against Pacific Gas and Electric Company (PG&E), Regarding Tariff Schedule E-31.

The purpose of this filing is to comply with (a) PG&E’s obligations for an annual reasonableness review of PG&E’s E-31 contracts that were executed for service on Schedule E-31, and (b) D.09-06-025, consistent with the terms of the Settlement Agreement ("Agreement") that the California Public Utilities Commission ("CPUC" or "Commission") approved in D.09-06-025.

Background

In D.09-06-025, the Commission adopted the Agreement between Modesto Irrigation District ("MID") and PG&E resolving MID’s complaint against PG&E’s provision of service to customers under Schedule E-31.

Ordering Paragraphs ("OP") 2, 5 and 6 of D. 09-06-025 state:
2. Pacific Gas and Electric Company shall file annual advice letter reasonableness reviews, with accompanying documentation, as provided for in Article IV of the settlement agreement.¹

5. The first reasonableness review shall include a rate review, but not a procedural review because all existing procedural review issues have been resolved in the settlement agreement.

6. Subsequent reasonableness reviews will include both a rate review and a procedural review of any new Schedule E-31 contracts, and only a rate review of contracts in existence after the previous review.

On September 16, 2009, PG&E filed its first annual reasonableness review in Advice 3524-E, and on June 2, 2010, PG&E filed its second annual reasonableness review in Advice 3680-E, both in accordance with D.09-06-025. The Commission, as of the date of this filing, is still in the process of conducting its review of Advice 3524-E and Advice 3680-E.

Section 4.4(e) of the Agreement provides that PG&E may file data in compliance with the annual reasonableness review under seal if it is confidential or proprietary. Because the data that is required by the Agreement (as specified in Sections 4.4 (a) through (d)) is customer-specific, the information is confidential and PG&E submits it for filing under seal in accordance with Section 583 of the California Public Utilities Code. PG&E submits these confidential documents as Attachments A, B, and C. As specified in the Agreement, PG&E will also provide the documents specified under Sections 4.4(a), 4.4(b) and 4.4(c) to MID in a separate letter.

PG&E did not enter into any new E-31 contracts during the 2010 period. Thus, pursuant to OP 6 of D. 09-06-025 (stated above), a procedural review is not necessary by the Commission’s Energy Division on ensuring compliance for Agreements during the time period of this filing. Thus, PG&E does not have any documents to provide per Section 4.4(b).

With respect to the rate review required by Section 4.4 (d) of the Agreement, PG&E has conducted its review and found that the revenues it received from customers taking service under Schedule E-31 for the 2010 period exceeded the contract floor price, as required by tariff, and herein submits that they were reasonable. As discussed above,

¹ The Commission should review the reasonableness of PG&E’s E-31 contracts on an annual basis, and propose the Energy Division review and confirm both (a) the accuracy of PG&E’s calculations and the attendant E-31 rates on which its E-31 contracts are based, including, without limitation, compliance with the marginal cost floor price as required by sections 7 and 8 of the Agreement for “Customers Taking Service on Schedule E-31,” Form No. 79-995 (“Rate Review”), and (b) PG&E’s compliance with the procedures set forth for “Customers Taking Service on Schedule E-31,” Form No. 79-995, and this Agreement (“Procedural Review”).
information necessary for the Commission to conduct its reasonableness analysis is
provided herein under seal in confidential Attachment C to the advice letter. Consistent
with Section 4.4(d) of the Settlement Agreement, PG&E shall not provide confidential
Attachment C to MID.

**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 **October 6, 2011**, which is
20 days from 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: jnj@cpuc.ca.gov and mas@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 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, Regulation and Rates
Pacific Gas and Electric Company
77 Beale Street, Mail Code B10C
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 upon Commission approval.
This advice letter is submitted as a Tier 3 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 C.07-08-027. Address changes to the General Order 96-B service list and all electronic approvals should be directed to 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. Advice letter filings can also be accessed electronically at http://www.pge.com/tariffs/.

Vice President – Regulation and Rates

cc: Service List for C.07-08-027

Attachments:

Confidential Attachment A – List of Current Customers
Confidential Attachment B – List of Contracts That Expired During the 2010 Review Period
Confidential Attachment C – E-31 Customer Discount Summary and E-31 Customer Data and Detail
## Advice Letter Filing Summary

**Company name/CPUC Utility No.** Pacific Gas and Electric Company (ID U39 M)

**Utility type:**
- ☑ ELC
- ☑ GAS
- ☐ PLC
- ☐ HEAT
- ☐ WATER

**Contact Person:** Linda Tom-Martinez  
**Phone #:** (415) 973-4612  
**E-mail:** lmt1@pge.com

### EXPLANATION OF UTILITY TYPE
- ELC = Electric
- GAS = Gas
- PLC = Pipeline
- HEAT = Heat
- WATER = Water

**Advice Letter (AL) #:** 3903-E  
**Tier:** 3  
**Subject of AL:** Third Annual Reasonableness Review of Pacific Gas and Electric Company’s Schedule E-31 Contracts – Compliance Advice Letter Pursuant to Electric Schedule E-31 and D.09-06-025 and Confidential Attachments Submitted Pursuant to PUC Section 583

**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 #: **D.09-06-025**

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: **Attachments A-C**  
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: **Upon Commission Approval**  
**No. of tariff sheets:**

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**  
**jnj@cpuc.ca.gov and mas@cpuc.ca.gov**

**Pacific Gas and Electric Company**  
**Attn: Brian Cherry**  
**Vice President, Regulation and Rates**  
**77 Beale Street, Mail Code B10C**  
**P.O. Box 770000**  
**San Francisco, CA 94177**  
**E-mail: PGETariffs@pge.com**
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