

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



July 31, 2014

Advice Letter 4057-E

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

**SUBJECT: Fourth 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 Sec. 583**

Dear Mr. Cherry:

Advice Letter 4057-E is effective as of June 12, 2014, per Resolution E-4643 approved June 12, 2014.

Sincerely,

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

Edward Randolph
Director, Energy Division



June 7, 2012

Advice 4057-E

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: Fourth 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 review¹ of PG&E's E31 contracts that were executed for service on Schedule E-31, and (b) D. 09-06-025, consistent with the terms of the

¹ **This Fourth Annual Reasonableness Review—which typically would pertain to only one annual review period—pertains to two annual review periods: (1) the 2011 annual review period ending December 31, 2011; and, (2) the 2012 annual review period, because PG&E's last E-31 contract outstanding on December 31, 2011, has expired on March 7, 2012, such that as of the date of this advice letter, there now are no active contracts for the remainder of 2012.** Should PG&E enter into any new E-31 contracts in 2012 after the date of this advice letter, PG&E will fully comply with (a) the Company's obligations for an annual reasonableness review by providing in an advice letter next year an amended 2012 annual reasonableness review for the full 2012 annual review period ending December 31, 2012, and (b) D.09-06-025, consistent with the terms of the Agreement the Commission approved in D.09-06-025

Settlement Agreement (Agreement) that the California Public Utilities Commission (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 agreement².
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.

In accordance with D. 09-06-025, on September 16, 2009, PG&E filed its first annual reasonableness review in Advice 3524-E; on June 2, 2010, PG&E filed its second annual reasonableness review in Advice 3680-E; and on September 16, 2011, PG&E filed its third annual reasonableness review in Advice 3903-E. The Commission, as of the date of this filing, is still in the process of conducting its review of Advice 3524-E, Advice 3680-E, and Advice 3903-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

² 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").

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 2011 or 2012 periods (see footnote 1). 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 2011 period exceeded the contract floor price; and for the several months in 2012 that the last contract was in force, the customer is to be back-billed up to the contract floor price, as required by tariff. Therefore, PG&E herein submits that the rates were reasonable. As discussed above, 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 **June 27, 2012** 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: EDTariffUnit@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 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 on regular notice, July 7, 2012, which is 30 calendar days after the date of filing. 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 2011 and
2012 Review Periods
Confidential Attachment C – E-31 Customer Discount Summary and E-31
Customer Data and Detail

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: Kimberly Chang

Phone #: (415) 972-5472

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) #: **4057-E**

Tier: **3**

Subject of AL: **Fourth 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, Contracts

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:

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: **July 7, 2012 (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 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**

**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**

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

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