

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



November 18, 2013

Advice Letter 4228-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: Update to PG&E's 2013 Revenue Requirement for the
Photovoltaic Program**

Dear Mr. Cherry:

Advice Letter 4228-E is effective June 26, 2013.

Sincerely,

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

Edward F. Randolph, Director
Energy Division



May 24, 2013

Advice 4228-E

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

**Subject: Update to PG&E's 2013 Revenue Requirement for the
Photovoltaic Program**

Pacific Gas and Electric Company ("PG&E") hereby submits for filing revisions to its electric generation revenue requirements.

Purpose

Pacific Gas and Electric Company submits this Tier 1 advice letter to update its electric generation revenue requirements for the Photovoltaic Program ("PV Program") revenue requirements for Program Year ("PY") 2 sites (Cantua, Huron and Giffen) in the Utility Generation Balancing Account ("UGBA") base amount effective June 26, 2013.

Background

On April 22, 2010, the Commission issued Decision ("D.")10-04-052 (the "Decision"), which adopted PG&E's PV Program in Application ("A.")09-02-019. The Decision adopts a five-year solar Photovoltaic (PV) program to develop up to 500 Megawatts (MW) of solar PV facilities. The Decision provides for the development of solar facilities through both Utility-owned generation ("UOG") and power purchase agreements. Under the UOG portion of the PV Program, PG&E is authorized to install up to 250 MWs of UOG facilities at a rate of 50 MW per year. Pursuant to Ordering Paragraph ("OP") 4 of the Decision:

"Pacific Gas and Electric Company is authorized to recover up to \$1.45 billion in capital costs for the Utility-owned generation portion of its Photovoltaic Program via cost-of service ratemaking as follows:

- a.) Pacific Gas and Electric Company may book the authorized revenue requirement in its Utility Generation Balancing Account."

In compliance with the Decision, PG&E is recording the authorized revenue requirements in the UGBA. The revenue requirement recorded in the UGBA each month is calculated by multiplying the total amount of capacity in service for the month in MWs by the adopted revenue requirement per MW.

Below PG&E provides the PY 2 PV sites that were placed into operation in 2012, as well as the corresponding operative dates and 2nd annual revenue requirements by site:

| <u>PY 2 Site</u> | <u>Operative Date</u> | <u>MWs</u> | (Amounts in millions) <u>2nd Annual RRQs</u> |
|------------------|-----------------------|------------|---|
| Cantua | 6/26/2012 | 20 | \$15.500 |
| Huron | 6/28/2012 | 20 | 15.500 |
| Giffen | 7/02/2012 | 10 | <u>7.750</u> |
| Total | | | \$38.750 |
| \$ Per MW | | | \$0.775 |

Attachment 1 of this filing shows the cumulative adjustments to the base revenue requirements through September 26, 2013.

Also, as provided in advice filing 3920-E, Attachment 1 has been updated for the 3rd annual revenue requirements for PY 1 PV sites placed into operation in 2011 (Westside, Five Points, and Stroud). The Commission approved advice 3920-E on November 3, 2011.

On December 10, 2012, PG&E filed advice letter 4160-E requesting to terminate the UOG portion of the PV Program following completion of the PY 3 PV sites, expected to occur in July 2013. Concurrently, PG&E also filed advice 4161-E seeking authority to utilize the Renewable Auction Mechanism ("RAM") Program to accommodate the procurement of 252 MW of solar PV generation originally authorized for PG&E's PV Program. As of the date of this advice filing, the Commission has not approved advice letters 4160-E and 4161-E.

As described in advice letter 4160-E, in its 2014 General Rate Case (GRC) request, PG&E proposed a PV Program cost savings credit associated with UOG PV sites to account for lower actual and forecasted PV Program costs compared to the revenue requirement authorized in D.10-04-052. Assuming the Commission approves PG&E's GRC proposal, PG&E will submit a Tier 2 advice letter to establish eligibility for the accounting of any additional cost savings incentives, after completion of PY 3 UOG projects and once all actual capital cost data has been finalized. Until that time, PG&E will continue to record to the UGBA the

authorized revenue requirement adopted by the Commission in D.10-04-052 and shown in the table above.

Protests

Anyone wishing to protest this filing may do so by letter sent via U.S. mail, facsimile or E-mail, no later than June 13, 2013, which is 20 days after the date of this filing. Protests must be submitted to:

CPUC Energy Division
ED Tariff Unit
505 Van Ness Avenue, 4th Floor
San Francisco, California 94102

Facsimile: (415) 703-2200
E-mail: EDTariffUnit@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 shall also be sent to PG&E either via E-mail or U.S. mail (and by facsimile, if possible) 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

Any person (including individuals, groups, or organizations) may protest or respond to an advice letter (General Order 96-B, Section 7.4). The protest shall contain the following information: specification of the advice letter protested; grounds for the protest; supporting factual information or legal argument; name, telephone number, postal address, and (where appropriate) e-mail address of the protestant; and statement that the protest was sent to the utility no later than the day on which the protest was submitted to the reviewing Industry Division (General Order 96-B, Section 3.11).

Effective Date

PG&E submits this advice letter as a Tier 1 filing. PG&E requests that this advice letter become effective on **June 26, 2013**.

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 A. 09-02-019. 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 – Regulatory Relations

cc: Service List A. 09-02-019

Attachment 1: Rolling Revenue Requirements from 2011 GRC Through 2013

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 and PGETariffs@pge.com

EXPLANATION OF UTILITY TYPE

(Date Filed/ Received Stamp by CPUC)

ELC = Electric

GAS = Gas

PLC = Pipeline

HEAT = Heat

WATER = Water

Advice Letter (AL) #: **4228-E**

Tier: **1**

Subject of AL: **Update to PG&E's 2013 Revenue Requirement for the Photovoltaic Program**

Keywords (choose from CPUC listing): Compliance, Balancing Account

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

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: D. 10-04-052

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: **June 26, 2013**

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:

California Public Utilities Commission

Energy Division

EDTariffUnit

505 Van Ness Ave., 4th Flr.

San Francisco, CA 94102

E-mail: 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

ATTACHMENT 1

Rolling Revenue Requirements
From 2011 GRC through 2013
in thousands

| | Electric Distribution | Electric Generation | Gas Distribution | Total |
|--|--------------------------|------------------------|---------------------|------------------|
| 2011 Adopted GRC RRQ | 3,358,335 | 1,667,848 | 1,154,351 | 6,180,534 |
| less: Other Operating Revenue | 97,880 | 11,608 | 22,922 | 132,410 |
| less: FERC jurisdictional amount | 16,722 | 37 | | 16,759 |
| 2011 Base Revenue Amount (Eff. 1/1/11) | 3,243,733 | 1,656,203 | 1,131,429 | 6,031,365 |
| 2011 Taxes on Retired Meters Revenue | 4,850 | | | 4,850 |
| 2011 Pension | 70,751 | 34,754 | 35,009 | 140,514 |
| 2011 Pension Adjustment | (100) | 324 | (313) | (89) |
| 2011 Cornerstone | 12,926 | | | 12,926 |
| 2011 Diablo Canyon Seismic Studies | | 2,658 | | 2,658 |
| 2011 Base Revenue Amount (Eff. 1/1/11) | 3,332,160 | 1,693,939 | 1,166,125 | 6,192,224 |
| 2011 Colusa Performance Incentive Payment | | 376 | | 376 |
| 2011 Base Revenue Amount (Eff. 2/8/11) | 3,332,160 | 1,694,315 | 1,166,125 | 6,192,600 |
| 2011 Fuel Cell Project - All 3 Units | | 5,677 | | 5,677 |
| 2011 Base Revenue Amount (Eff. 8/17/11) | 3,332,160 | 1,699,992 | 1,166,125 | 6,198,277 |
| 2011 Solar PV Program - Westside 15 MWs | | 14,865 | | 14,865 |
| 2011 Base Revenue Amount (Eff. 8/31/11) | 3,332,160 | 1,714,857 | 1,166,125 | 6,213,142 |
| 2011 Solar PV Program - Five Points 15 MWs | | 14,865 | | 14,865 |
| 2011 Base Revenue Amount (Eff. 9/24/11) | 3,332,160 | 1,729,722 | 1,166,125 | 6,228,007 |
| 2011 Solar PV Program - 20 Stroud MWs | | 19,820 | | 19,820 |
| 2011 Base Revenue Amount (Eff. 9/26/11) | 3,332,160 | 1,749,542 | 1,166,125 | 6,247,827 |
| 2012 Attrition Adjustments | 123,000 | 22,000 | 35,000 | 180,000 |
| Pension: | | | | |
| Reverse 2011 Pension | (70,651) | (35,078) | (34,696) | (140,425) |
| 2012 Pension | 89,114 | 44,246 | 43,764 | 177,124 |
| Cornerstone: | | | | |
| Reverse 2011 Cornerstone | (12,926) | | | (12,926) |
| 2012 Cornerstone | 32,537 | | | 32,537 |
| Diablo Canyon Seismic Studies: | | | | |
| Reverse 2011 Diablo Canyon Seismic Studies | | (2,658) | | (2,658) |
| 2012 Diablo Canyon Seismic Studies | | 11,907 | | 11,907 |
| 2012 Base Revenue Amount (Eff. 1/1/12) | 3,493,234 | 1,789,959 | 1,210,193 | 6,493,386 |
| 2012 Solar PV Program - Cantua 20 MWs | | 18,300 | | 18,300 |
| 2012 Base Revenue Amount (Eff. 6/26/12) | 3,493,234 | 1,808,259 | 1,210,193 | 6,511,686 |
| 2012 Solar PV Program - Huron 20 MWs | | 18,300 | | 18,300 |
| 2012 Base Revenue Amount (Eff. 6/28/12) | 3,493,234 | 1,826,559 | 1,210,193 | 6,529,986 |
| 2012 Solar PV Program - Giffen 10 MWs | | 9,150 | | 9,150 |
| 2012 Base Revenue Amount (Eff. 7/2/12) | 3,493,234 | 1,835,709 | 1,210,193 | 6,539,136 |
| 2011 Solar PV Program - Westside 15 MWs | | (14,865) | | (14,865) |
| 2012 Solar PV Program - Westside 15 MWs | | 12,435 | | 12,435 |
| 2012 Base Revenue Amount (Eff. 8/31/12) | 3,493,234 | 1,833,279 | 1,210,193 | 6,536,706 |
| 2011 Solar PV Program - Five Points 15 MWs | | (14,865) | | (14,865) |
| 2012 Solar PV Program - Five Points 15 MWs | | 12,435 | | 12,435 |
| 2012 Base Revenue Amount (Eff. 9/24/12) | 3,493,234 | 1,830,849 | 1,210,193 | 6,534,276 |
| 2011 Solar PV Program - 20 Stroud MWs | | (19,820) | | (19,820) |
| 2012 Solar PV Program - 20 Stroud MWs | | 16,580 | | 16,580 |
| 2012 Base Revenue Amount (Eff. 9/26/12) | 3,493,234 | 1,827,609 | 1,210,193 | 6,531,036 |
| 9/16/10-12/31/12 Humboldt Cost Cap Incr | | 1,184 | | 1,184 |
| 2012 Base Revenue Amount (Eff. 9/26/12) | 3,493,234 | 1,828,793 | 1,210,193 | 6,532,220 |

ATTACHMENT 1

| | Electric Distribution | Electric Generation | Gas Distribution | Total |
|---|--------------------------|------------------------|---------------------|------------------|
| 2013 Attrition Adjustments | 123,000 | 27,000 | 35,000 | 185,000 |
| Pension: | | | | |
| Reverse 2012 Pension | (89,114) | (44,246) | (43,764) | (177,124) |
| 2013 Pension | 108,448 | 53,845 | 53,259 | 215,552 |
| 2013 Pension COC RRQ Decreases | (1,155) | (573) | (568) | (2,296) |
| Cornerstone: | | | | |
| Reverse 2012 Cornerstone | (32,537) | | | (32,537) |
| 2013 Cornerstone | 54,033 | | | 54,033 |
| Diablo Canyon Seismic Studies: | | | | |
| Reverse 2012 Diablo Canyon Seismic Studies | | (11,907) | | (11,907) |
| 2013 GRC COC RRQ Decreases | (117,555) | (47,745) | (28,710) | (194,010) |
| Humboldt: | | | | |
| Reverse 9/16/10-12/31/12 Humboldt Cost Cap Incr | | (1,184) | | (1,184) |
| 2013 Humboldt Cost Cap Incr | | 1,525 | | 1,525 |
| 2013 Humboldt COC RRQ Decrease | | (96) | | (96) |
| 2013 Base Revenue Amount (Eff. 1/1/13) | 3,538,354 | 1,805,412 | 1,225,410 | 6,569,176 |
| 2012 Solar PV Program - Cantua 20 MWs | | (18,300) | | (18,300) |
| 2012 Solar PV Program - Cantua 20 MWs | | 15,500 | | 15,500 |
| 2013 Base Revenue Amount (Eff. 6/26/13) | 3,538,354 | 1,802,612 | 1,225,410 | 6,566,376 |
| 2012 Solar PV Program - Huron 20 MWs | | (18,300) | | (18,300) |
| 2012 Solar PV Program - Huron 20 MWs | | 15,500 | | 15,500 |
| 2013 Base Revenue Amount (Eff. 6/28/13) | 3,538,354 | 1,799,812 | 1,225,410 | 6,563,576 |
| 2012 Solar PV Program - Giffen 10 MWs | | (9,150) | | (9,150) |
| 2012 Solar PV Program - Giffen 10 MWs | | 7,750 | | 7,750 |
| 2013 Base Revenue Amount (Eff. 7/2/13) | 3,538,354 | 1,798,412 | 1,225,410 | 6,562,176 |
| 2011 Solar PV Program - Westside 15 MWs | | (12,435) | | (12,435) |
| 2011 Solar PV Program - Westside 15 MWs | | 11,655 | | 11,655 |
| 2013 Base Revenue Amount (Eff. 8/31/13) | 3,538,354 | 1,797,632 | 1,225,410 | 6,561,396 |
| 2011 Solar PV Program - Five Points 15 MWs | | (12,435) | | (12,435) |
| 2011 Solar PV Program - Five Points 15 MWs | | 11,655 | | 11,655 |
| 2013 Base Revenue Amount (Eff. 9/24/13) | 3,538,354 | 1,796,852 | 1,225,410 | 6,560,616 |
| 2011 Solar PV Program - 20 Stroud MWs | | (16,580) | | (16,580) |
| 2011 Solar PV Program - 20 Stroud MWs | | 15,540 | | 15,540 |
| 2013 Base Revenue Amount (Eff. 9/26/13) | 3,538,354 | 1,795,812 | 1,225,410 | 6,559,576 |

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

| | | |
|--|---|--|
| 1st Light Energy | Downey & Brand | OnGrid Solar |
| AT&T | Ellison Schneider & Harris LLP | Pacific Gas and Electric Company |
| Alcantar & Kahl LLP | G. A. Krause & Assoc. | Praxair |
| Anderson & Poole | GenOn Energy Inc. | Regulatory & Cogeneration Service, Inc. |
| BART | GenOn Energy, Inc. | SCD Energy Solutions |
| Barkovich & Yap, Inc. | Goodin, MacBride, Squeri, Schlotz & Ritchie | SCE |
| Bartle Wells Associates | Green Power Institute | SDG&E and SoCalGas |
| Bear Valley Electric Service | Hanna & Morton | SPURR |
| Braun Blaising McLaughlin, P.C. | In House Energy | San Francisco Public Utilities Commission |
| CENERGY POWER | International Power Technology | Seattle City Light |
| California Cotton Ginners & Growers Assn | Intestate Gas Services, Inc. | Sempra Utilities |
| California Energy Commission | Kelly Group | SoCalGas |
| California Public Utilities Commission | Linde | Southern California Edison Company |
| Calpine | Los Angeles Dept of Water & Power | Spark Energy |
| Casner, Steve | MAC Lighting Consulting | Sun Light & Power |
| Center for Biological Diversity | MRW & Associates | Sunshine Design |
| City of Palo Alto | Manatt Phelps Phillips | Tecogen, Inc. |
| City of San Jose | Marin Energy Authority | Tiger Natural Gas, Inc. |
| Clean Power | McKenna Long & Aldridge LLP | TransCanada |
| Coast Economic Consulting | McKenzie & Associates | Utility Cost Management |
| Commercial Energy | Modesto Irrigation District | Utility Power Solutions |
| Crossborder Energy | Morgan Stanley | Utility Specialists |
| Davis Wright Tremaine LLP | NLine Energy, Inc. | Verizon |
| Day Carter Murphy | NRG Solar | Water and Energy Consulting |
| Defense Energy Support Center | Nexant, Inc. | Wellhead Electric Company |
| Dept of General Services | North America Power Partners | Western Manufactured Housing Communities Association (WMA) |
| Douglass & Liddell | Occidental Energy Marketing, Inc. | |