

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



March 19, 2014

**Advice Letter 4312-E-A**

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: Supplemental Filing – Submittal of ESP Financial Security  
Requirements in Compliance with D.13-01-021, D.13-02-017,  
and D.13-04-001**

Dear Mr. Cherry:

Advice Letter 4312-E-A is effective April 5, 2014.

Sincerely,

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

Edward F. Randolph, Director  
Energy Division



**Brian K. Cherry**  
Vice President  
Regulatory Relations

Pacific Gas and Electric Company  
77 Beale St., Mail Code B10C  
P.O. Box 770000  
San Francisco, CA 94177

Fax: 415.973.7226

March 6, 2014

**Advice 4312-E-A**

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

**Subject: Supplemental Filing: Submittal of Electric Service Provider (ESP) Financial Security Requirements in Compliance With D.13-01-021, D.13-02-017, and D.13-04-001**

This supplemental advice letter replaces the original advice letter in its entirety.

**Purpose**

In compliance with Ordering Paragraph (OP) 6 of the California Public Utilities Commission's (CPUC or Commission) Decision (D.) 13-01-021<sup>1</sup>, and pursuant to the disposition letter for Advice 4229-E, dated January 10, 2014, from Edward Randolph – Director of the Energy Division, PG&E is resubmitting its semi-annual update to the financial security requirement amounts to incorporate the adopted methodologies for determining the Electric Service Provider (ESP) financial security, re-entry fees, and related provisions applicable to the involuntary return of Direct Access (DA) customers.

**Background**

On January 24, 2013, the Commission issued D.13-01-021, which revised the frequency for posting financial security updates from once a year to twice a year and adopted a methodology to derive incremental procurement costs for the financial security requirement and re-entry fees for an involuntary return of DA residential and small commercial customers. On February 25, 2013, the Commission issued D.13-02-017, and on April 2, 2013, the Commission issued D.13-04-001. These two decisions corrected inadvertent technical errors in D.13-01-021.

OP 6 of D.13-01-021 required the Investor Owned Utilities to update the applicable ESP financial security amounts by the 10th of May and November of each year and to submit them in a Tier 2 Advice Letter.

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<sup>1</sup> As corrected by D.13-02-017, issued on February 25, 2013, and D.13-04-001, issued on April 2, 2013.

On January 10, 2014, Edward Randolph, Director of the Energy Division, issued a disposition letter directing PG&E, SCE and SDG&E to file supplemental filings to PG&E's Advice 4229-E, SCE's Advice 2903-E and SDG&E's Advice 2484-E revising the methodology for calculating the ESP's financial security amounts. PG&E filed its supplement, Advice 4229-E-A, on February 20, 2014.

Attachment B contains a table showing, by ESP, the updated calculated financial security amount based upon the revision made to the methodology adopted in Appendix 1 of D.13-01-021. In addition, PG&E found that it had used the incorrect value for the RPS Adder and corrected it from \$9.94 to \$13.77 in the updated calculation. The table has been redacted of any confidential ESP data utilized in the calculation. An unredacted version with the relevant supporting data and calculation of each respective ESP's financial security amount will be filed under confidential seal to the Energy Division. A Declaration supporting confidential treatment is found in Attachment A.

The filing would not increase any current rate or charge, cause the withdrawal of service, or conflict with any rate schedule or rule.

### **Protests**

Anyone wishing to protest this filing may do so by letter sent via U.S. mail, facsimile or E-mail, no later than March 26, 2014, which is 20 days from the date of this filing. Protests should be submitted to:

CPUC Energy Division  
ED Tariff Unit  
505 Van Ness Avenue, 4<sup>th</sup> Floor  
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 E-mail or U.S. Mail (and by facsimile, 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, 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 requests that this Tier 2 supplemental advice filing become effective on regular notice, **April 5, 2014**, which is 30 calendar days after the date of 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 Rulemaking (R.) 07-05-025. Address changes to the General Order 96-B service list should be directed to PG&E at email address 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. Send all electronic approvals to PGETariffs@pge.com. Advice letter filings can also be accessed electronically at <http://www.pge.com/tariffs>.



Vice President – Regulatory Relations

cc: Service List R.07-05-025

Attachments:

Attachment A – Declaration of Ronald Jang supporting confidential treatment  
Confidential Attachment B – ESP Financial Security Requirement  
(Redacted copy provided in public version)

# 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: Kingsley Cheng

Phone #: (415) 973-5265

E-mail: k2c0@pge.com and PGETariffs@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) #: **4312-E-A**

Tier: **2**

Subject of AL: **Supplemental Filing: Submittal of Electric Service Provider (ESP) Financial Security Requirements in Compliance With D.13-01-021, D.13-02-017, and D.13-04-001**

Keywords (choose from CPUC listing): Compliance, Direct Access

AL filing type:  Monthly  Quarterly  Annual  One-Time  Other \_\_\_\_\_

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: D.13-01-021, D.13-02-017, and D.13-04-001

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: Yes. Attachment B - ESP Financial Security Requirement

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: **Ronald Jang, (415) 973-2973**

Resolution Required?  Yes  No

Requested effective date: **April 5, 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., 4<sup>th</sup> Flr.**  
**San Francisco, CA 94102**  
**E-mail: EDTariffUnit@cpuc.ca.gov**

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

**DECLARATION OF RONALD JANG  
SEEKING CONFIDENTIAL TREATMENT  
FOR CERTAIN DATA AND INFORMATION  
CONTAINED IN ADVICE LETTER 4312-E-A  
(PACIFIC GAS AND ELECTRIC COMPANY - U 39 E)**

I, Ronald Jang, declare:

1. I am presently employed by Pacific Gas and Electric Company (PG&E) and have been an employee at PG&E since 1977. My current title is Principal Account Manager within PG&E's Customer Impact organization. In this position, my responsibilities include maintaining the on-going business relationship with third-party electric service providers (ESPs) participating in PG&E's direct access service program. In carrying out these responsibilities, I have acquired knowledge of the operations of electric service providers in general. Through this experience, I have become familiar with the type of information ESPs' consider confidential and proprietary.

2. Based on my knowledge and experience, I make this declaration seeking confidential treatment of "Attachment B to Advice Letter 4312-E-A," submitted on March 6, 2014. By this Advice Letter, PG&E is seeking this Commission's approval of its calculations of the financial security requirements for individual ESPs in compliance with Ordering Paragraph 6 of Decision 13-01-021.

3. PG&E is seeking confidential treatment of the number of customers served by each ESP, historic usage information, forecasted electric pricing information, and the calculated financial security requirement. The material PG&E is seeking to protect constitutes information that should be protected under Public Utilities Code § 583 and General Order 66-C. Finally, PG&E states that: (1) the information is not already public; and (2) the data cannot be aggregated, redacted, summarized or otherwise protected in a way that allows partial disclosure.

I declare under penalty of perjury, under the laws of the State of California, that the foregoing is true and correct. Executed on March 6, 2014 at San Francisco, California.

/s/ Ronald O. Jang  
Ronald O. Jang

**ATTACHMENT B**  
**Redacted Public Version**

<b>ESP FINANCIAL SECURITY REQUIREMENT</b>	
<b>Pacific Gas and Electric Company</b>	
<b>November 12, 2013</b>	
<b>Electric Service Provider</b>	<b>Total Financial Security</b>
3phases Renewables LLC	
Calpine Power America LLC	
Commerce Energy	
Commercial Energy of Montana, Inc	
Constellation Newenergy, Inc	
Direct Energy Business LLC	
EDF Industrial Power Services (CA), LLC	
Gexa Energy of California Inc	
Glacial Energy of California Inc	
Liberty Power Holdings LLC	
Noble Americas Energy Solutions LLC	
Pilot Power Group Inc	
Shell Energy North America (US) LP	
Tiger, Inc.	

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

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