

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



June 13, 2014

Advice Letter 4416-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: 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 4416-E is effective June 11, 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

May 12, 2014

Advice 4416-E

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: 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

Pacific Gas and Electric Company (PG&E) hereby submits its calculation of the financial security requirements for the ESPs serving customers within its service territory.

Purpose

In compliance with Ordering Paragraph (OP) 6 of Decision (D.) 13-01-021¹, this advice filing is to provide the California Public Utilities Commission (Commission or CPUC) with the updated ESP financial security requirements.

Background

On January 24, 2013, the Commission issued D.13-01-021, which adopted a methodology to derive incremental procurement costs for the financial security requirement and re-entry fees for an involuntary return of Direct Access (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 requires the Investor Owned Utilities to update the applicable ESP financial security amounts by the 10th of May² and November of each year and to submit them in a Tier 2 Advice Letter.

Attachment B contains a table showing, by ESP, the calculated financial security

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

² May 10, 2014, is a Saturday. Commission Rules of Practice and Procedure Rule 1.15 provides that when the last day falls on a Saturday, Sunday, holiday, or other day when the Commission offices are closed, the time limit is extended to include the first day thereafter. Therefore, this advice letter is timely submitted.

amount based upon the methodology adopted in Appendix 1 of D.13-01-021. 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 version of this advice letter posted at www.pge.com is redacted.

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 2, 2014, which is 21 days³ from the date of this filing. Protests should 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 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

³ The 20-day protest period ends on a weekend date so PG&E is moving the protest period end date to the next business day.

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 advice filing become effective on regular notice, June 11, 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>.

Handwritten signature of Brian Cherry in cursive script.

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: **Shirley Wong**

Phone #: **(415) 972-5505**

E-mail: **slwb@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) #: **4416-E**

Tier: **2**

Subject of AL: **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**

AL filing type: Monthly Quarterly Annual One-Time Other **Bi-annual**

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? **Yes.**

If so, what information is the utility seeking confidential treatment for: **Confidential 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: **June 11, 2014**

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**

Protests, dispositions, and all other correspondence regarding this AL are due no later than 21 days¹ after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division

Pacific Gas and Electric Company

Energy Division

Attn: **Brian K. Cherry**

ED Tariff Unit

Vice President, Regulatory Relations

505 Van Ness Ave., 4th Flr.

77 Beale Street, Mail Code B10C

San Francisco, CA 94102

P.O. Box 770000

E-mail: **EDTariffUnit@cpuc.ca.gov**

San Francisco, CA 94177

E-mail: **PGETariffs@pge.com**

¹ The 20-day protest period ends on a weekend so PG&E is moving the protest period end date to the next business day.

ATTACHMENT A

DECLARATION OF RONALD JANG SEEKING CONFIDENTIAL TREATMENT FOR CERTAIN DATA AND INFORMATION CONTAINED IN ADVICE LETTER 4416-E (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 4416-E," submitted on May 12, 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 May 12, 2014 at San Francisco, California.

/s/ Ronald O. Jang
Ronald O. Jang

ATTACHMENT B
Redacted Public Version

| ESP FINANCIAL SECURITY REQUIREMENT | |
|---|---------------------------------|
| Pacific Gas and Electric Company | |
| Advice 4416-E | |
| May 12, 2014 | |
| | |
| Electric Service Provider | Total Financial Security |
| 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 | Division of Ratepayer Advocates | North America Power Partners |
| AT&T | Douglass & Liddell | Occidental Energy Marketing, Inc. |
| Alcantar & Kahl LLP | Downey & Brand | OnGrid Solar |
| Anderson & Poole | Ellison Schneider & Harris LLP | Pacific Gas and Electric Company |
| BART | G. A. Krause & Assoc. | Praxair |
| Barkovich & Yap, Inc. | GenOn Energy Inc. | Regulatory & Cogeneration Service, Inc. |
| Bartle Wells Associates | GenOn Energy, Inc. | SCD Energy Solutions |
| Braun Blaising McLaughlin, P.C. | Goodin, MacBride, Squeri, Schlotz & Ritchie | SCE |
| CENERGY POWER | Green Power Institute | SDG&E and SoCalGas |
| California Cotton Ginners & Growers Assn | Hanna & Morton | SPURR |
| California Energy Commission | In House Energy | San Francisco Public Utilities Commission |
| California Public Utilities Commission | International Power Technology | Seattle City Light |
| California State Association of Counties | Intestate Gas Services, Inc. | Sempra Utilities |
| Calpine | K&L Gates LLP | SoCalGas |
| Casner, Steve | Kelly Group | Southern California Edison Company |
| Center for Biological Diversity | Linde | Spark Energy |
| City of Palo Alto | Los Angeles County Integrated Waste Management Task Force | Sun Light & Power |
| City of San Jose | Los Angeles Dept of Water & Power | Sunshine Design |
| Clean Power | MRW & Associates | Tecogen, Inc. |
| Coast Economic Consulting | Manatt Phelps Phillips | Tiger Natural Gas, Inc. |
| Commercial Energy | Marin Energy Authority | TransCanada |
| Cool Earth Solar, Inc. | 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) |