

## PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



September 22, 2014

**Advice Letter 3479-G/4430-E**

Meredith Allen  
Senior Director, Regulatory Relations  
Pacific Gas and Electric Company (PG&E)  
77 Beale Street Mail Code B10C  
P.O. Box 770000  
San Francisco, CA 94177

**Subject: Approval of PG&E's request to modify its electric and gas tariff sheets related to 21st Century Energy Systems (CES-21) program and costs, pursuant to D.14-03-029**

Dear Ms. Allen:

On March 27, 2014, the Commission issued Decision (D.) 14-03-029, which modified D. 12-12-031 to comply with SB 96 (Chapter 356, Statutes of 2013) and granted authority for PG&E, Southern California Edison Company, and San Diego Gas & Electric Company, collectively referred to as the Joint Utilities, to enter into a research and development agreement with Lawrence Livermore National Laboratory as part of the CES-21 Program.

On April 25, 2014, the Joint Utilities filed a joint Tier 3 Advice Letter (AL) 4402-E et al requesting approval of CES-21 projects and Cooperative Research and Development Agreement. The Tier 3 joint AL is under Commission review. On May 30, 2014, PG&E filed Tier 1 AL 3479-G/4430-E to request modifications of its CES-21 related tariffs. It requested the modifications be made effective on the date filed.

D.14-03-029 Ordering Paragraph 7 states, "PG&E is authorized to ...recover these costs through the Distribution Revenue Adjustment Mechanism. ...[and] to open a balancing account to record the difference between its share of the program expenses, and its annual revenue requirement." D.14-03-029 states that PG&E may not expend any funds prior to the final approval of the CES-21 projects and CRADA. Accordingly, PG&E has confirmed via a response to a data request that it has not incurred or booked to its balancing accounts any CES-21 costs.

Energy Division staff reviewed PG&E's AL 3479-G/4430-E and determined that it is in compliance with the Commission's decisions and is consistent with state policy. Therefore, the changes to PG&E's tariffs proposed in AL 3479-G/4430-E are approved effective on the requested date and the AL is hereby disposed.

Sincerely,

Edward Randolph  
Director, Energy Division

Cc: Kingsley Cheng, PG&E

May 30, 2014

**Advice 3479-G/4430-E**

(Pacific Gas and Electric Company ID U 39 M)

Public Utilities Commission of the State of California

**Subject: Revision to Electric and Gas Tariffs Associated with the California Energy Systems for the 21<sup>st</sup> Century Program Pursuant to Decision 14-03-029**

Pacific Gas and Electric Company (PG&E) hereby submits for filing revisions to its Electric and Gas tariffs. The affected Electric and Gas tariff sheets are included in the enclosed Attachment 1.

**Purpose**

The purpose of this advice letter is to revise the following electric and gas tariff sheets associated with the California Energy Systems for the 21<sup>st</sup> Century (CES-21) Program to comply with Decision (D.) 14-03-029, which modifies D.12-12-031 to comply with Senate Bill (SB) 96.

**Background**

On December 20, 2012, the California Public Utilities Commission (Commission or CPUC) issued D.12-12-031, which authorized PG&E, Southern California Edison Company (SCE), and San Diego Gas & Electric Company (SDG&E) (collectively referred to as the Joint Utilities) to recover costs associated with the CES-21 Program. On March 7, 2013, the Commission approved Advice 3364-G/4189-E, which established electric and gas CES-21 balancing accounts to recover the CES-21 Program costs up to the authorized amounts.

**Discussion**

On March 27, 2014, the Commission approved D.14-03-029, which modified D.12-12-031 to comply with SB 96. In this decision, the Commission, among other things:

- Reduced the CES-21 budget to \$35 million (including “franchise fees” and “uncollectibles”) over a five-year period;<sup>1</sup>

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<sup>1</sup> D.14-03-029, OP 2.

- Limited areas of research to “cyber security” and “grid integration”;<sup>2</sup> and
- Modified the cost allocation to PG&E – 50%, SCE – 41%, and SDG&E – 9%.<sup>3</sup>

In compliance with D.14-03-029, PG&E proposes the following tariff revisions:

1. Elimination of the CES-21 gas balancing account:
  - a. Gas Preliminary Statement Part CZ for California Energy Systems for the 21<sup>st</sup> Century Balancing Account – Gas (CES21BA-G)
2. Revisions of three existing balancing accounts:
  - a. Electric Preliminary Statement Part GC for California Energy Systems for the 21<sup>st</sup> Century Balancing Account – Electric (CES21BA-E);
  - b. Gas Preliminary Statement Part F for Core Fixed Cost Account (CFC); and
  - c. Gas Preliminary Statement Part J for Noncore Customer Class Charge Account (NCA).

### **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 19, 2014, 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, 4<sup>th</sup> 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:

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<sup>2</sup> Id. Gas operations research activities were excluded from the CES-21 Program scope by SB 96 and D.14-03-029.

<sup>3</sup> Id., OP 6-8.

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 1 advice filing become effective on May 30, 2014, which is 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 parties on the service list for A.11-07-008. 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, with the initials 'KAC' written at the end.

Vice President, Regulatory Relations

Attachments

cc: Service List for A.11-07-008

# 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 M)**

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) #: **3479-G/4430-E**

**Tier: 1**

Subject of AL: **Revision to Electric and Gas Tariffs Associated with the California Energy Systems for the 21st Century Program Pursuant to Decision 14-03-029**

Keywords (choose from CPUC listing): Compliance, Agreements

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

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: D.14-03-029

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: No

Confidential information will be made available to those who have executed a nondisclosure agreement: N/A

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: **May 30, 2014**

No. of tariff sheets: **7**

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: **Electric Preliminary Statement Part GC, Gas Preliminary Statement Part F, and Gas Preliminary Statement Part J**

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**

**ATTACHMENT 1  
Advice 3479-G**

<b>Cal P.U.C. Sheet No.</b>	<b>Title of Sheet</b>	<b>Cancelling Cal P.U.C. Sheet No.</b>
31284-G	GAS PRELIMINARY STATEMENT PART F CORE FIXED COST ACCOUNT Sheet 3	30593-G
31285-G	GAS PRELIMINARY STATEMENT PART J NONCORE CUSTOMER CLASS CHARGE ACCOUNT Sheet 2	30595-G
31286-G	GAS TABLE OF CONTENTS Sheet 1	31247-G
31287-G	GAS TABLE OF CONTENTS Sheet 4	31213-G*



**GAS PRELIMINARY STATEMENT PART F**  
**CORE FIXED COST ACCOUNT**

Sheet 3

6. ACCOUNTING PROCEDURE: (Cont'd.)

b. Core Cost Subaccount (Cont'd.)

- 4) a debit entry equal to one-twelfth of the core portion of the authorized local transmission revenue requirement, excluding the allowance for F&U and excluding the portion of the \$30 million seed value from the Gas Transmission and Storage Revenue Sharing Mechanism allocated to core local transmission;
- 5) a debit or credit entry, as appropriate, to record the transfer of amounts from other accounts to this subaccount for recovery in rates, upon approval by the CPUC;
- 6) an entry equal to 65.907 percent of the local transmission revenue shortfall or over-recovery resulting from a change in customers qualifying for backbone-level end-use service, and associated throughput reduction or increase, as applicable;
- 7) a debit or credit entry equal to any amounts authorized by the CPUC to be recorded in this subaccount;
- 8) a debit entry equal to one-twelfth of the core portion of the current year Self Generation Incentive Program (SGIP) revenue requirement authorized by the CPUC; (D)
- 9) an entry equal to the core portion of the gain or loss on the sale of a gas transmission non-depreciable asset, as approved by the Commission; (T)
- 10) a debit entry equal to the core gas portion of incremental administrative costs and amounts written off as uncollectible associated with the payment deferral plan for qualifying citrus and other agricultural growers pursuant to Resolution E-4065; (T)
- 11) an entry equal to the core portion of the transportation revenue for deliveries during the month under gas rate schedule G-LNG, excluding the allowance for F&U. The distribution between core and noncore is the "equal distribution based on all transportation volumes" allocator as specified in Preliminary Statement Part C.3; and (T)
- 12) an entry equal to interest on the average of the balance in the account at the beginning of the month and the balance in the account after entries F.6.b.1 through F.6.b.10 above, are made, at a rate equal to one-twelfth the interest rate of the three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release. H.15, or its successor. (T)

(Continued)



**GAS PRELIMINARY STATEMENT PART J**  
**NONCORE CUSTOMER CLASS CHARGE ACCOUNT**

Sheet 2

J. NONCORE CUSTOMER CLASS CHARGE ACCOUNT (NCA) (Cont'd.)

6. ACCOUNTING PROCEDURE: (Cont'd.)

a. Noncore Subaccount

The following entries will be made to this subaccount each month, or as applicable:

- 1) a debit entry equal to one-twelfth of the noncore portion of the procurement-related G-10 employee discount allocation shown on Preliminary Statement Part C.2;
- 2) a debit entry equal to the noncore portion of intervenor compensation and any other expense adopted by the CPUC as a cost to be included in this subaccount;
- 3) a credit entry equal to the NCA-Noncore revenue, excluding the allowance for Franchise Fees and Uncollectible Accounts Expense (F&U);
- 4) an debit or credit entry, as appropriate, to record the transfer of amounts from other accounts to this subaccount for recovery in rates, upon approval by the CPUC;
- 5) an entry equal to 34.093 percent of the local transmission revenue shortfall or over-recovery resulting from a change in customers qualifying for backbone-level end-use service, and associated throughput reduction or increase, as applicable;
- 6) a debit entry equal to one-twelfth of the noncore portion of the current year Self Generation Incentive Program (SGIP) revenue requirement authorized by the CPUC; (D)
- 7) an entry equal to the noncore portion of the gain or loss on the sale of a gas transmission non-depreciable asset, as approved by the Commission; (T)
- 8) a debit entry equal to the noncore gas portion of incremental administrative costs and amounts written off as uncollectible associated with the payment deferral plan for qualifying citrus and other agricultural growers pursuant to Resolution E-4065; (T)
- 9) an entry equal to the noncore portion of the transportation revenue for deliveries during the month under gas rate schedule G-LNG, excluding the allowance for F&U. The distribution between core and noncore is the "equal distribution based on all transportation volumes" allocator as specified in Preliminary Statement Part C.3; and (T)
- 10) an entry equal to interest on the average of the balance in the subaccount at the beginning of the month and the balance after entries from J.6.a.1 through J.6.a.8 above, are made, at a rate equal to one-twelfth of the interest rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor. (T)

(Continued)



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Advice Letter No: 3479-G  
 Decision No. 14-03-029

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

Date Filed May 30, 2014  
 Effective May 30, 2014  
 Resolution No. \_\_\_\_\_



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Part C	Gas Accounting Terms and Definitions .....28876,30981-30983, ..... 28880-28883,28110,28884,28885,23351,29141-G	
Part D	Purchased Gas Account.....	27761,25095,25096,27762-G
Part F	Core Fixed Cost Account.....	27763,24623, <b>31284</b> ,30262-G (T)
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Part Q	Affiliate Transfer Fees Account .....	23275-G
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**ATTACHMENT 1  
Advice 4430-E**

**Cal P.U.C.  
Sheet No.**

**Title of Sheet**

**Cancelling Cal  
P.U.C. Sheet No.**

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33937-E	ELECTRIC PRELIMINARY STATEMENT PART GC CALIFORNIA ENERGY SYSTEMS FOR THE 21ST CENTURY BALANCING ACCOUNT Sheet 1	32455-E
33938-E	ELECTRIC TABLE OF CONTENTS Sheet 1	33892-E
33939-E	ELECTRIC TABLE OF CONTENTS PRELIMINARY STATEMENT Sheet 18	33660-E*



**ELECTRIC PRELIMINARY STATEMENT PART GC**  
**CALIFORNIA ENERGY SYSTEMS FOR THE 21ST CENTURY**  
**BALANCING ACCOUNT**

Sheet 1

GC. California Energy Systems for 21<sup>st</sup> Century Balancing Account - Electric (CES21BA-E)

1. PURPOSE: The purpose of the California Energy Systems for 21st Century Balancing Account – Electric (CES21BA-E) is to record and track the difference between the authorized and actual costs allocated to PG&E for the California Energy Systems for the 21st Century (CES-21) Program, pursuant to Decision (D.) 12-12-031 and D.14-03-029. (T)  
 I  
 (T)
2. APPLICABILITY: The CES21BA-E shall apply to all customer classes, except for those schedules or contracts specifically excluded by the Commission.
3. REVISION DATE: Disposition of the balances in this account shall be determined in the Annual Electric True-Up (AET) Advice filing, or as otherwise authorized by the Commission, through the Distribution Revenue Adjustment Mechanism (DRAM).
4. RATES: The CES21BA-E does not have a rate component.
5. ACCOUNTING PROCEDURE: PG&E shall maintain the CES21BA-E by making entries to this account at the end of each month as follows:
  - a) A credit entry equal to one-twelfth of the authorized annual amount that was included as a debit in the DRAM, excluding an allowance for franchise fees and uncollectibles (FF&U); the amount recorded in DRAM shall include (FF&U) ; (T)  
 (T)
  - b) A debit entry equal to the actual CES-21 project expenses; (T)
  - c) An entry to record the transfer of amounts to or from other accounts as approved by the Commission, and
  - d) An entry equal to the interest on the average of the balance in this account at the beginning of the month and the balance in this account after the above entries at a rate equal to one-twelfth the interest rate on three month Commercial paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor.

The CES21BA-E is a one-way balancing account. PG&E shall only record the actual CES-21 project costs up to the authorized amount through the end of the five year program period, as authorized in D.14-03-029. If the actual costs are less than the authorized amount, any unspent amounts, or over collected balance, will be returned to customers. (T)  
 (T)



**ELECTRIC TABLE OF CONTENTS**

Sheet 1

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	Rules .....	33841,32425,33725-E	
	Maps, Contracts and Deviations.....	33253-E	
	Sample Forms.....	32777,32429,32726,33726,32504,33654,33209,32506,32648,32437,32508,32439-E	

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Part GD	Smart Grid Pilot Deployment Project Balancing Account .....	32540-32542-E
Part GE	Statewide Marketing, Education and Outreach Expenditure Balancing Account .....	32643-E
Part GF	Customer Data Access Balancing Account – Electric .....	33136-E
Part GG	Hercules Safety and Service Enhancements Memorandum Account (HSSEMA) .....	33658*-E

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

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
California Cotton Ginners & Growers Assn	Green Power Institute	SDG&E and SoCalGas
California Energy Commission	Hanna & Morton	SPURR
California Public Utilities Commission	In House Energy	San Francisco Public Utilities Commission
California State Association of Counties	International Power Technology	Seattle City Light
Calpine	Intestate Gas Services, Inc.	Sempra Utilities
Casner, Steve	K&L Gates LLP	SoCalGas
Cenergy Power	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)
Division of Ratepayer Advocates	North America Power Partners	