

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



August 28, 2014

Advice Letter 4459-E

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

SUBJECT: Update to PG&E's 2014 Electric Generation Revenue Requirements for the Photovoltaic Program

Dear Mr. Cherry:

Advice Letter 4459-E is effective as of June 6, 2014.

Sincerely,

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

Edward Randolph
Director, Energy Division



July 14, 2014

Advice 4459-E

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: Update to PG&E's 2014 Electric Generation Revenue Requirements for the Photovoltaic Program

Purpose

Pacific Gas and Electric Company (PG&E) submits this Tier 1 advice letter to update its electric generation revenue requirements for the Photovoltaic Program (PV Program) Program Years (PY) 1 through 3 sites effective June 6, 2014.

Background

On April 22, 2010, the California Public Utilities Commission (Commission or CPUC) issued Decision (D.) 10-04-052, which adopted PG&E's PV Program. The decision adopts a five-year solar PV Program to develop up to 500 Megawatts (MW) of solar PV facilities. The decision provides for the development of solar facilities through both PG&E's 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 at a rate of 50 MW per year.

The revenue requirement for each installed PV site is calculated by multiplying the total amount of installed capacity by various adopted average amounts per megawatt. The decision adopted varying average amounts per megawatt for each program year as well as varying average per megawatt amounts depending on the program year the PV site went operative. The annual revenue requirement for each site is effective on the date the site went operative.

Table 1 below shows the annual revenue requirements for each of PG&E's PV sites. The Program Year represents the year of the PV Program that the site became operative.¹

Table 1
(Amounts in Thousands)

Program Year	PV Site	Installed MWs	Operative Date	Adopted \$ Per MW	Annual RRQ Year	Annual RRQ Amount	RRQ Effective Date
Year 1	Westside	15	8/31/2011	\$ 725	4th	\$ 10,875	8/31/2014
Year 1	Five Points	15	9/24/2011	\$ 725	4th	\$ 10,875	9/24/2014
Year 1	Stroud	20	9/26/2011	\$ 725	4th	\$ 14,500	9/26/2014
Year 2	Cantua	20	6/26/2012	\$ 728	3rd	\$ 14,560	6/26/2014
Year 2	Huron	20	6/28/2012	\$ 728	3rd	\$ 14,560	6/28/2014
Year 2	Giffen	10	7/2/2012	\$ 728	3rd	\$ 7,280	7/2/2014
Year 3	West Gates	10	6/6/2013	\$ 748	2nd	\$ 7,480	6/6/2014
Year 3	Gates	20	6/7/2013	\$ 748	2nd	\$ 14,960	6/7/2014
Year 3	Guernsey	20	7/31/2013	\$ 748	2nd	\$ 14,960	7/31/2014

Attachment 1 of this advice filing shows the authorized revenue requirements currently in effect, which includes the Solar PV Program cumulative adjustment to base electric generation revenue requirements through September 26, 2014.

Protests

Anyone wishing to protest this filing may do so by letter sent via U.S. mail, facsimile or E-mail, no later than August 4, 2014, which is 21 days² 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.

¹ Although D.10-04-052 adopted a five year PV Program, there are only three program years. On February 26, 2014, PG&E filed a Petition to Modify the decision to terminate the last two years of the UOG portion of the PV Program.

² The 20-day protest period concludes on a weekend. PG&E is hereby moving this date to the following business day.

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 6, 2014.

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 lists for A.09-02-019 and A.11-11-017. 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/>.

Handwritten signature of Brian Cherry in cursive, with the initials 'KAC' written at the end.

Vice President – Regulatory Relations

cc: Service List A.09-02-019 and A.11-11-017

Attachment 1: Rolling Revenue Requirements from 2011 GRC Through 2014

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) #: **4459-E**

Tier: 1

Subject of AL: **Update to PG&E's 2014 Electric Generation Revenue Requirements 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 #: N/A

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 6, 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

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 21 days¹ 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

¹ The 20-day protest period concludes on a weekend. PG&E is hereby moving this date to the following business day.

Attachment 1

Rolling Revenue Requirements
From 2011 GRC through 2014
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

Attachment 1

Rolling Revenue Requirements
From 2011 GRC through 2014
in thousands

	Electric Distribution	Electric Generation	Gas Distribution	Total
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
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
2013 Solar PV Program - 10 West Gates MWs		8,800		8,800
2013 Base Revenue Amount (Eff. 6/6/13)	3,538,354	1,814,212	1,225,410	6,577,976
2013 Solar PV Program - 20 Gates MWs		17,600		17,600
2013 Base Revenue Amount (Eff. 6/7/13)	3,538,354	1,831,812	1,225,410	6,595,576
Smart Grid Pilot Deployment Plan Project		594		594
2013 Base Revenue Amount (Eff. 6/21/13)	3,538,354	1,832,406	1,225,410	6,596,170
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	1,829,606	1,225,410	6,593,370
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	1,826,806	1,225,410	6,590,570
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	1,825,406	1,225,410	6,589,170
2013 Solar PV Program - 20 Guernsey MWs		17,600		17,600
2013 Base Revenue Amount (Eff. 7/31/13)	3,538,354	1,843,006	1,225,410	6,606,770
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	1,842,226	1,225,410	6,605,990
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	1,841,446	1,225,410	6,605,210
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	1,840,406	1,225,410	6,604,170

Attachment 1

Rolling Revenue Requirements
From 2011 GRC through 2014
in thousands

	Electric Distribution	Electric Generation	Gas Distribution	Total
Pension:				
Reverse 2013 Pension	(107,293)	(53,272)	(52,691)	(213,256)
2014 Pension	85,684	48,362	46,015	180,061
Smart Grid Pilot Deployment Plan Projects:				
Reverse 2013 Smart Grid Pilot Deployment Project		(594)		(594)
2014 Smart Grid Pilot Deployment Projects	577	492		1,069
2014 Base Revenue Amount (Eff. 1/1/14)	3,517,322	1,835,394	1,218,734	6,571,450
Hercules Municipal Utility Assets - NBV***	1,131			1,131
2014 Base Revenue Amount (Eff. 4/10/14)	3,518,453	1,835,394	1,218,734	6,572,581
2013 Solar PV Program - 10 West Gates MWs		(8,800)		(8,800)
2013 Solar PV Program - 10 West Gates MWs		7,480		7,480
2014 Base Revenue Amount (Eff. 6/6/14)	3,518,453	1,834,074	1,218,734	6,571,261
2013 Solar PV Program - 20 Gates MWs		(17,600)		(17,600)
2013 Solar PV Program - 20 Gates MWs		14,960		14,960
2014 Base Revenue Amount (Eff. 6/7/14)	3,518,453	1,831,434	1,218,734	6,568,621
2012 Solar PV Program - Cantua 20 MWs		(15,500)		(15,500)
2012 Solar PV Program - Cantua 20 MWs		14,560		14,560
2014 Base Revenue Amount (Eff. 6/26/14)	3,518,453	1,830,494	1,218,734	6,567,681
2012 Solar PV Program - Huron 20 MWs		(15,500)		(15,500)
2012 Solar PV Program - Huron 20 MWs		14,560		14,560
2014 Base Revenue Amount (Eff. 6/28/14)	3,518,453	1,829,554	1,218,734	6,566,741
2012 Solar PV Program - Giffen 10 MWs		(7,750)		(7,750)
2012 Solar PV Program - Giffen 10 MWs		7,280		7,280
2014 Base Revenue Amount (Eff. 7/2/14)	3,518,453	1,829,084	1,218,734	6,566,271
2013 Solar PV Program - 20 Guernsey MWs		(17,600)		(17,600)
2013 Solar PV Program - 20 Guernsey MWs		14,960		14,960
2014 Base Revenue Amount (Eff. 7/31/14)	3,518,453	1,826,444	1,218,734	6,563,631
2011 Solar PV Program - Westside 15 MWs		(11,655)		(11,655)
2011 Solar PV Program - Westside 15 MWs		10,875		10,875
2014 Base Revenue Amount (Eff. 8/31/14)	3,518,453	1,825,664	1,218,734	6,562,851
2011 Solar PV Program - Five Points 15 MWs		(11,655)		(11,655)
2011 Solar PV Program - Five Points 15 MWs		10,875		10,875
2014 Base Revenue Amount (Eff. 9/24/14)	3,518,453	1,824,884	1,218,734	6,562,071
2011 Solar PV Program - 20 Stroud MWs		(15,540)		(15,540)
2011 Solar PV Program - 20 Stroud MWs		14,500		14,500
2014 Base Revenue Amount (Eff. 9/26/14)	3,518,453	1,823,844	1,218,734	6,561,031

**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
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)
Division of Ratepayer Advocates	North America Power Partners	