

September 12, 2014

Advice 4491-E

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: Billing of Station Power Protocol Generators Pursuant to Resolution E-4674

Purpose

The purpose of this advice letter is to comply with Ordering Paragraph (OP) 1.c of California Public Utilities Commission (Commission or CPUC) Resolution E-4674 (Resolution). Per OP 1.c of the Resolution, Pacific Gas and Electric Company (PG&E) is required to file a Tier 1 advice letter specifying which account will be used to flow the revenues received by PG&E from Station Power Protocol (SPP) generators beginning with an initial billing date of August 30, 2010.

Background

Prior to 2006, PG&E's CPUC-approved standby service tariff provided for retail charges for standby service for all generator customers and was in compliance with both CPUC and Federal Energy Regulatory Commission (FERC) policies. In early 2000s, FERC began issuing a series of orders requiring adoption of FERC's station power policies, which resulted in modification of the Tariff of the California Independent System Operator Corporation (CAISO) in 2006. The new policies conflicted with PG&E's CPUC tariff. As a result, in 2009 PG&E modified its standby service tariff to cease charging certain generators for standby service pending resolution of the conflicting policies of the FERC and CPUC, subject to retroactive billing once the conflict was resolved. That conflict has since been resolved, as the U.S. Court of Appeals for the District of Columbia Circuit has found that the state of California has jurisdiction over whether a retail sale of energy has occurred and the appropriate retail charges.

On October 25, 2013, PG&E filed advice letter 3951-E-B¹ revising Electric Rate Schedule S - *Standby Service*, to allow for appropriate retail charges for standby service, consistent with the jurisdiction of the CPUC, as acknowledged by FERC, in its

¹ Advice letter 3951-E-B was filed on October 25, 2013 and superceded advice letter 3951-E and 3951-E-A in its entirety.

“Order on Remand” issued on August 30, 2010, in Docket Nos. EL04-130-002 and ER05-849-011.² Advice letter 3951-E-B also proposed a new billing approach to accrued charges and to give a credit to SPP Generators for the wholesale energy charges they have already paid to the CAISO to resolve a double payment issue.

On August 15, 2014, the CPUC issued Resolution E-4674 approving advice letter 3951-E-B. The Resolution authorizes PG&E to provide a credit for those charges starting beginning August 30, 2010, the date the SPP generators will be billed under the PG&E tariff approved in the Resolution and to negotiate with SPP generators to arrive at a fair estimate of the wholesale energy charges that SPP generators paid to CAISO.

Accounting and Ratemaking

PG&E proposes to bill customers in the functional categories reflected in tariffs including Generation, Distribution, Transmission, Transmission Rate Adjustments, DWR Bond, Reliability Services, Public Purpose Programs, Nuclear Decommissioning, Competition Transition Charges, Energy Cost Recovery Amount and the New System Generation Charge. Revenue received from these billings will accrue to the balancing account(s) as appropriate for each function. For example, distribution revenue will accrue to the Distribution Revenue Adjustment Mechanism (DRAM). It should be noted that FERC-jurisdictional base transmission revenues are not subject to balancing account treatment. Finally, PG&E proposes to allocate the credit for wholesale energy charges to the generation function.

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 October 2, 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, 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.

² Duke Energy Moss Landing LLC v. California Independent System Operator Corp., 132 FERC 61,183 (2010) (Order on Remand).

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:

Meredith Allen
Senior Director, 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 upon filing, which is September 12, 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 parties on the service list for A.02-11-017. 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/>.

Meredith Allen /KHC

Senior Director, Regulatory Relations

Attachments

cc: Service List A.02-11-017

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) #: **4491-E**

Tier: 1

Subject of AL: **Billing of Station Power Protocol Generators Pursuant to Resolution E-4674**

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

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

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: Resolution E-4674

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: **September 12, 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 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: Meredith Allen
Senior Director, Regulatory Relations
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, CA 94177
E-mail: PGETariffs@pge.com

**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	