

**PUBLIC UTILITIES COMMISSION**505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298

October 24, 2014

Meredith Allen  
Senior Director, Regulatory Relations  
Pacific Gas and Electric Company  
77 Beale St., Mail Code B10C  
P.O. Box 770000  
San Francisco, California 94177

**Subject: Disposition rejecting without prejudice Pacific Gas and Electric Company's Advice Letter 4492-E proposing to record the Solar PV Program revenue requirements associated with actual costs directly to the Utility Generation Balancing Account and close the Photovoltaic Program Memorandum Account**

Dear Ms. Allen:

On September 15, 2014 Pacific Gas and Electric Company (PG&E) filed advice letter (AL) 4492-E which proposes to record the Solar Photovoltaic (PV) Program revenue requirements associated with actual costs directly to the Utility Generation Balancing Account (UGBA), transfer the over-collected balance of the PV Program Memorandum Account (PVPMA) to the UGBA, and close the PVPMA.

PG&E's proposal filed in AL 4492-E is not appropriate to an advice letter as the relief requested in the advice letter is seeking to modify a decision in a formal proceeding (see General Rule 5/2 of General Order 96-B). Commission Decision (D.)10-04-052 in Application (A.)09-02-019 allowed PG&E to book its authorized revenue requirement for the Solar PV Program to the UGBA, and required PG&E to establish the PVPMA to track the difference between the estimated and actual capital costs of the program. Although PG&E notes in AL 4492-E that its proposal in its 2014 general rate case (GRC) A.12-11-009 to "prospectively adjust the revenue requirements for the Solar PV Program to minimize any excess revenue collection from 2014 onward" was uncontested, D.14-08-032 adopted in the 2014 GRC did not approve PG&E's proposal.

If you have any questions please contact Don Lafrenz of the Energy Division (415-703-1063).

Sincerely,

A handwritten signature in blue ink, appearing to be "ER", with a checkmark-like flourish at the end.

Edward Randolph  
Director, Energy Division

September 15, 2014

**Advice 4492-E**

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

**Subject: Implement Solar Photovoltaic Program Cost Recovery and Tariff Changes Resulting from the 2014 General Rate Case**

**Purpose**

In Pacific Gas and Electric Company's (PG&E) 2014 General Rate Case (GRC) Application (A.) 12-11-009, PG&E proposed to "prospectively adjust the revenue requirements for the Solar [Photovoltaic] PV Program to minimize any excess revenue collection from 2014 onward."<sup>1</sup> PG&E's proposal was uncontested.

Accordingly, in this advice filing PG&E proposes to record the Solar PV Program revenue requirements associated with actual costs directly to the Utility Generation Balancing Account (UGBA), transfer the over-collected balance of Photovoltaic Program Memorandum Account (PVPMA) to the UGBA and close the PVPMA. PG&E will record the necessary accounting changes upon approval of this advice letter that results in this change being implemented effective January 1, 2014.

This change in revenue requirements based on actual versus forecasted costs will eliminate the continuing over-collection of revenues associated with the Solar PV program.

The affected tariffs are listed in **Attachment 1**. Refer to **Attachment 2** for the Rolling Revenue Requirement Report which has been updated to include Solar PV Program January 1, 2014 through December 31, 2014 revenue requirements based on actual costs.

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

---

<sup>1</sup> PG&E Testimony, Exhibit 6, Chapter 6, Page 6-7.

## **Background**

On April 22, 2010, the California Public Utilities Commission (Commission or CPUC) issued Decision (D.) 10-04-052, which adopted PG&E's Solar PV Program in Application (A.) 09-02-019. That decision adopts a five-year Solar PV Program to develop up to 500 Megawatts (MWs) 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.

D.10-04-052 allowed for recovery of the UOG portion of Solar PV Program revenue requirements based on adopted costs through the UGBA, subject to true-up with revenue requirements based on actual costs recorded and tracked in the PVPMA, and with any over-collections to be refunded to customers at the end of the five-year program.<sup>2</sup> The actual costs to construct and develop the Solar PV projects were much lower than the forecast adopted in D.10-04-052. As a result, the recorded balance in the PVPMA is a large over-collection.

In the 2014 GRC A.12-11-009, the Commission approved in D.14-08-032 PG&E's proposal to refund to customers the December 31, 2013 balance in the PVPMA over the 2014-2016 GRC period.<sup>3</sup> Additionally, PG&E proposed to eliminate future over-collections beginning in 2014 onward by recovering from customers revenue requirements based on actual costs as described above. This proposal was uncontested.

## **Tariff Revisions**

- Retire Electric Preliminary Statement Part FJ, *Photovoltaic Program Memorandum Account (PVPMA)*

## **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 6, 2014, which is 21 days<sup>4</sup> after the date of this filing. Protests must be submitted to:

---

<sup>2</sup> A.09-02-019, Section 3.1 UOG Portion of the Proposed PV Program (PV UOG), Page 7.

<sup>3</sup> D.14-08-032, Page 9, "PG&E's proposal is approved to credit back to customers the savings associated with the first three years of its photovoltaic generation program." The over-collected balance is referred to as the Solar PV Program savings credits.

<sup>4</sup> The 20-day protest period concludes on a weekend. PG&E is hereby moving this date to the following business day.

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:

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 2 advice filing become effective on January 1, 2014, pursuant to D.14-08-032.

### **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.12-11-009. 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



# 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) #: **4492-E**

Tier: **2**

Subject of AL: **Implement Solar Photovoltaic Program Cost Recovery and Tariff Changes Resulting from the 2014 General Rate Case**

Keywords (choose from CPUC listing): **Compliance, GRC / General Rate Case, Memorandum Account**

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

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: **Decision 14-08-032**

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: **January 1, 2014**

No. of tariff sheets: **2**

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 FJ, Photovoltaic Program Memorandum Account (PVPMA)**

Service affected and changes proposed: **PG&E proposes to record the Solar PV Program revenue requirements associated with actual costs directly to the Utility Generation Balancing Account (UGBA), transfer the over-collected balance of Photovoltaic Program Memorandum Account (PVPMA) to the UGBA and close the PVPMA**

Protests, dispositions, and all other correspondence regarding this AL are due no later than 21 days<sup>1</sup> after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division  
ED Tariff Unit  
505 Van Ness Ave., 4<sup>th</sup> Floor  
San Francisco, CA 94102  
E-mail: [EDTariffUnit@cpuc.ca.gov](mailto: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](mailto:PGETariffs@pge.com)

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

**ATTACHMENT 1  
Advice 4492-E**

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

**Title of Sheet**

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

---

34362-E      ELECTRIC TABLE OF CONTENTS  
Sheet 1

34356-E

34363-E      ELECTRIC TABLE OF CONTENTS  
PRELIMINARY STATEMENT  
Sheet 17

34359-E



**ELECTRIC TABLE OF CONTENTS**

Sheet 1

**TABLE OF CONTENTS**

<b>SCHEDULE</b>	<b>TITLE OF SHEET</b>	<b>CAL P.U.C. SHEET NO.</b>	
	Title Page.....	<b>34362-E</b>	(T)
	Rate Schedules.....	33833,33834,34275,34349,34276,34277,32705,31541,34278-E	
	Preliminary Statements.....	33840,32706,30376,34343,34357,34358, <b>34363</b> ,34344-E	(T)
	Rules.....	34360,34361,34339-E	
	Maps, Contracts and Deviations.....	33253-E	
	Sample Forms.....	32777,32429,32726,33726,32504,33654,33209,32506,34256,32437,32508,32439-E	

(Continued)



**ELECTRIC TABLE OF CONTENTS**  
**PRELIMINARY STATEMENT**

Sheet 17

PART	TITLE OF SHEET	CAL P.U.C. SHEET NO.
<b>Preliminary Statements (Cont'd)</b>		
Part FB	Fire Hazard Prevention Memorandum Account.....	32781-E
Part FD	Smart Grid Project Memorandum Account.....	28944,28945-E
Part FE	On-Bill Financing Balancing Account (OBFBA) .....	30840-E
Part FG	CARE/TANF Balancing Account .....	28950-E
Part FI	Operations and Maintenance Contingency Balancing Account.....	30655-E
Part FM	Diablo Canyon Seismic Studies Balancing Account.....	34352,34353-E
Part FO	AB32 Cost of Implementation Fee Memorandum Account – Electric .....	28120-E
Part FR	Tax Act Memorandum Account – Electric .....	32459,32460-E
Part FS	New System Generation Balancing Account.....	32211,32212-E
Part FT	Low Income 2012 Memorandum Account (LIMA) .....	30721,30722-E
Part FU	Electric Program Investment Charge Revenue Adjustment Mechanism Balancing Account .....	31670-E
Part FV	Agricultural Account Aggregation Study Memorandum Account (AAASMA) .....	33668-E
Part FW	SmartMeter™ Opt-Out Memorandum Account - Electric (SOMA-E) .....	31312-31314-E
Part FX	Revised Customer Energy Statement Balancing Account – Electric (RCESBA-E) .....	31472-E
Part FY	Electric Program Investment Charge (EPIC) Balancing Account .....	31671, 31672-E

(D)

(Continued)

**Advice 4492-E**  
**ATTACHMENT 2**

Rolling Revenue Requirements  
From 2014 GRC through 2016  
in thousands

	Electric Distribution	Electric Generation	Gas Distribution	Total
2014 Adopted GRC RRQ	3,862,187	1,778,734	1,584,276	7,225,197
less: Other Operating Revenue	74,537	17,940	25,228	117,705
less: FERC jurisdictional amount	13,002	6	0	13,008
Rounding	(1)	0	1	0
<b>2014 Base Revenue Amount (Eff. 1/1/14)</b>	<b>3,774,649</b>	<b>1,760,788</b>	<b>1,559,047</b>	<b>7,094,484</b>
Removed Forecasted Savings Credits included in the Adopted GRC Revenue Requirement*				
Solar PV Program Savings (2011-2013)		31,000		31,000
DOE Litigation Funds, net of costs		121,821		121,821
Associated FF&U, Taxes and Net for Return		1,809		1,809
<b>2014 Base Revenue Amount excl Credits (Eff. 1/1/14)</b>	<b>3,774,649</b>	<b>1,915,418</b>	<b>1,559,047</b>	<b>7,249,114</b>
2014 Pension	85,684	48,362	46,015	180,061
2014 Smart Grid Pilot Deployment Projects	577	492		1,069
2014 Solar PV Program		80,654		80,654
<b>2014 Base Revenue Amount (Eff. 1/1/14)</b>	<b>3,860,910</b>	<b>2,044,926</b>	<b>1,605,062</b>	<b>7,510,898</b>
Hercules Municipal Utility Assets - NBV***	1,131			1,131
<b>2014 Base Revenue Amount (Eff. 4/10/14)</b>	<b>3,862,041</b>	<b>2,044,926</b>	<b>1,605,062</b>	<b>7,512,029</b>

\*Actual savings credits will be transferred to the Utility Generation Balancing Account and refunded to customers as part of the Annual Electric True-up advice filing process.

**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	