

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



July 14, 2015

**Advice Letter 4524-E**

Erik Jacobson  
Director, Regulatory Relations  
Pacific Gas and Electric Company  
77 Beale Street, Mail Code B10C  
P.O. Box 770000  
San Francisco, California 94177

**SUBJECT: Notice of Federal Energy Regulatory Commission Rate Filing for Annual Updates to the Transmission Revenue Balancing Account Adjustment, the Reliability Services Rates and the End-Use Customer Refund Balancing Account Adjustment**

Dear Mr. Jacobson:

Advice Letter 4524-E is effective as of January 1, 2015.

Sincerely,

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

Edward Randolph  
Director, Energy Division



**Meredith Allen**  
Senior Director  
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

October 29, 2014

**Advice 4524-E**

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

**Subject: Notice of Federal Energy Regulatory Commission Rate Filing for Annual Updates to the Transmission Revenue Balancing Account Adjustment, the Reliability Services Rates and the End-Use Customer Refund Balancing Account Adjustment**

**Purpose**

In compliance with California Public Utilities Commission ("Commission" or "CPUC") Resolution E-3930, Pacific Gas and Electric Company ("PG&E") submits this advice letter to notify the Commission of PG&E's October 3, 2014 filing with the Federal Energy Regulatory Commission ("FERC"), in FERC Docket No. ER15-34-000, requesting transmission rate changes for PG&E's retail electric customers. That FERC filing requested annual updates to the transmission revenue requirements ("TRR") and associated rates in PG&E's Transmission Owner ("TO") Tariff related to three of PG&E's FERC balancing accounts: the Transmission Revenue Balancing Account ("TRBA"); the Reliability Services Balancing Account ("RSBA"); and the End-Use Customer Refund Balancing Account ("ECRBA") (the "2015 Balancing Account Filing"); with an effective date of January 1, 2015.

**Background**

PG&E's TO Tariff specifies the rates and charges for transmission access over the California Independent System Operator Corporation- ("CAISO") controlled grid. The base transmission rates in the TO Tariff, along with the three transmission rate components discussed in this advice letter filing and the Transmission Access Charge Balancing Account Adjustment ("TACBAA") rate,<sup>1</sup> make up the total transmission rates for PG&E's retail customers.

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<sup>1</sup> The TACBAA rate is updated in a separate filing at FERC that is typically submitted in December.

## **TRBAA**

The TRBA adjustment (“TRBAA”) is the ratemaking mechanism designed to ensure, among other things, that all Transmission Revenue Credits flow through to TO Tariff retail and wholesale transmission customers.

In its 2015 Balancing Account Filing, PG&E proposed revisions to:

1. The retail TRBAA TRR and the resulting retail TRBAA rate; and
2. The wholesale High and Low Voltage TRRs used by the CAISO to calculate the CAISO Transmission Access Charge (“TAC”) rates under the CAISO Tariff.

The retail TRBAA rate revision is based on: (1) the TRBA balance, which includes the principal TRBA balance as of September 30, 2014, the projected change for the remaining months of 2014 prior to the commencement of the January 2015 billing cycle, and interest; (2) PG&E’s TRBAA forecast, which is a forecast of Transmission Revenue Credits for 2015; and (3) an adjustment for Franchise Fees and Uncollectible Accounts (“FF&U”).

The TRBA balance is a charge to end-use customers of \$884,953, the TRBAA forecast is a credit of \$96,432,734, and the FF&U adjustment is a credit of \$1,126,508. The resulting 2015 retail TRBAA TRR is a credit to end-use customers of \$96,674,289, as compared to the 2014 TRBAA TRR, which was a credit of \$109,076,656. To pass through this credit, PG&E proposed a 2015 TRBAA retail rate of (\$0.00112) per kWh, compared to the current retail rate of (\$0.00125) per kWh.

The total 2014 TRBAA wholesale TRR used for calculating the CAISO TAC rates is a credit to customers of \$104,553,898, which has been allocated to High and Low Voltage at \$72,330,789 and \$32,223,109, respectively.

## **RS Rates**

FERC Opinion No. 459 approved a September 21, 2001, partial settlement allowing recovery of PG&E’s Reliability Services (“RS”) costs from Retail TO Tariff customers.

The TRR for the RS rate consists of three components: (1) the RSBA balance, which includes the principal balance of the RSBA as of September 30, 2014, the projected change for the remaining months of 2014, prior to the commencement of the January 2015 billing cycle, and interest; (2) the forecast of RS costs for 2015; and (3) an adjustment for FF&U.

The total RS TRR used in the development of the retail 2015 RS rates is a charge to customers of \$10,541,145. This amount consists of the RSBA balance, which is a charge of \$4,591,621, plus the forecast of RS costs for 2015, which is a charge of \$5,826,693, plus the FF&U adjustment, which is a charge of \$122,832.

## **ECRBAA**

The ECRBA adjustment (“ECRBAA”) is a mechanism designed to refund over-collected transmission rate charges to PG&E’s End-Use customers. ECBRAA is a credit or a charge equal to the refund or surcharge amount due to end-use customers, including interest.

The ECRBAA consists of two components: (1) the ECRBA balance, which consists of the principal balance of the ECRBA as of September 30, 2014, the projected change for the remaining months of 2014 prior to the commencement of the January 2015 billing cycle, and interest; and (2) the forecast of refunds from the settlement of PG&E’s applicable TO Tariff rate cases.

PG&E prepared two options for the 2015 ECRBAA. Which option is used depends on whether the FERC approves the Uncontested Settlement and Stipulation of PG&E’s fifteenth TO Tariff rate case (“TO15 Settlement”) before the FERC accepts the 2015 Balancing Account Filing. If the FERC issues its order approving the TO15 Settlement prior to the acceptance of the 2015 Balancing Account Filing, PG&E requested that FERC implement the ECRBAA under Option A, as it includes the refund amount from the TO15 Settlement. If the FERC has not approved the TO15 Settlement by the time it accepts the 2015 Balancing Account Filing, PG&E requested that FERC implement the ECRBAA under Option B, which does not include the TO15 Settlement refunds. Both options include refunds and interest from the FERC-approved settlements of PG&E’s third, sixth and fourteenth TO Tariff rate cases (“TO3 Settlement,” “TO6 Settlement,” and “TO14 Settlement,” respectively).

The 2015 ECRBAA under Option A is a credit of \$41,426,906. This total consists of the ECRBA balance, which is a charge of \$47,558,855, plus the forecast of TO3, TO6, TO14 and TO15 Settlement refunds, which is a credit of \$88,985,761.

The 2015 ECRBAA under Option B is a credit of \$8,208,051. This total consists of the ECRBA balance, which is a charge of \$47,558,855, plus the forecast of TO3, TO6, and TO14 Settlements, which is a credit of \$55,766,907.

## **Compliance with Resolution E-3930**

PG&E submits this advice letter pursuant to Process Element 3 of Resolution E-3930. Consistent with past practice, PG&E also provided the Commission with a complete copy of the 2015 Balancing Account Filing on the same date that it was filed with FERC, by service to the Commission’s Legal Division.

In this advice letter, PG&E requests authority to revise each corresponding transmission rate component of its Commission-jurisdictional tariffs on the date which FERC ultimately authorizes these changes to become effective, or as soon thereafter as possible, subject to refund, and to make corresponding adjustments to its total applicable Commission jurisdictional rates. Adjustments to total residential rates will be made pursuant to CPUC Decision 14-06-029, Decision on Phase 2 Rate Change Proposal Settlement Agreements of Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company for Summer 2014 Rate Reform.

As anticipated under Process Element 4 of Resolution E-3930, PG&E will supplement this advice letter, or indicate in a separate advice letter that coincides with other retail rate changes, when the requested TRBAA, RS, and ECRBAA rate changes are accepted, modified, rejected or have been otherwise acted upon by the FERC.

These FERC rate changes will generally affect the rates of all bundled, Direct Access, and Community Choice Aggregation customers. Typically, these FERC TRBAA, RS, and ECRBAA rate changes will be consolidated into PG&E's Annual Electric True-Up (AET) supplement to its Advice 4484-E, scheduled to be filed in late December for an effective date of January 1, 2015. At that time, PG&E will also provide complete updated tariff sheets.

### **Protests**

Anyone wishing to protest this filing may do so by letter sent via U.S. mail, facsimile or E-mail, no later than November 18, 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:

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 as soon as practicable after FERC authorizes these changes to become effective, which PG&E expects to be on or after January 1, 2015. PG&E proposes to consolidate the electric rate changes resulting from the 2015 Balancing Account Filing, to the extent practicable, with the first planned rate change after FERC authorizes PG&E's requests.

### **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. 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>.

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/S/

Senior Director  
Meredith Allen, Regulatory Relations

Attachments

# 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) #: **4524-E**

Tier: **2**

Subject of AL: **Notice of Federal Energy Regulatory Commission Rate Filing for Annual Updates to the Transmission Revenue Balancing Account Adjustment, the Reliability Services Rates and the End-Use Customer Refund Balancing Account Adjustment**

Keywords (choose from CPUC listing): **Compliance**

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

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: **Resolution E-3930**

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: **Upon approval.**

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 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division  
Energy Division  
ED Tariff Unit  
505 Van Ness Ave., 4th Floor  
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	