January 26, 2015

Advice Letter 4534-E and 4534-E-A

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

Subject: Schedule AG-ICE 1.5 Percent Annual Escalation in Compliance with D.05-06-016 and Supplemental

Dear Ms. Allen:

Advice Letter 4534-E and 4534-E-A are effective January 1, 2015.

Sincerely,

Edward Randolph
Director, Energy Division
November 14, 2014

Advice 4534-E
(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: Schedule AG-ICE 1.5 Percent Annual Escalation in Compliance with D.05-06-016

Pacific Gas and Electric Company (PG&E) hereby submits for filing proposed revisions to Schedule AG-ICE – Agricultural Internal Combustion Engine Conversion Incentive Rate. PG&E proposes to revise Schedule AG-ICE unbundled rate components to comply with the 1.5 percent annual increase to Schedule AG-ICE total average rates adopted in Decision (D.) 05-06-016. The affected tariff sheets in draft form are listed on the enclosed Attachment I.

Purpose

Conclusion of Law No. 2 of D.05-06-016 states the following:

“2. The provision in the Joint Settlement that the initial rate of $0.07539 per kWh shall escalate at a rate of 1.5% per year during the 10 years these incentive rates are in effect, is reasonable and should be approved.” (D.05-06-016, page 38.)

Accordingly, the purpose of this filing is to request California Public Utilities Commission (Commission or CPUC) approval to revise the unbundled generation components of Schedule AG-ICE total rates to comply with D.05-06-016. PG&E proposes no revision to the unbundled distribution components of Schedule AG-ICE.

Schedule AG-ICE first took effect on August 1, 2005. Since that time, PG&E has used generation energy charge revisions to maintain constant total rates throughout the calendar year, and generation energy and demand charge
revisions to achieve the 1.5 percent annual escalation on January 1. On January 1, 2015, PG&E proposes to use generation energy and demand charge revisions to achieve the Schedule AG-ICE 1.5 percent annual escalation. PG&E first used generation demand charge revisions on January 1, 2009, and proposes to increase generation demand charges on January 1, 2015. This will gradually increase Schedule AG-ICE demand charges toward the levels in otherwise applicable agricultural rates, to help mitigate large demand charge increases when Schedule AG-ICE expires December 31, 2015.

For dates other than January 1, PG&E will continue to exclusively use only generation energy charge revisions to maintain constant total Schedule AG-ICE rates throughout the calendar year. Consistent with current practice, PG&E will revise all Schedule AG-ICE non-generation and non-distribution component rates to match corresponding levels and mid-year rate changes on Schedule AG-5B, simultaneously revising only the Schedule AG-ICE generation energy charges to maintain constant total rates.

**Tariff Revisions**

Attachment I includes the illustrative draft proposed January 1, 2015 revisions to Schedule AG-ICE rate components. Schedule AG-ICE non-generation and non-distribution rate components reflect those filed for Schedule AG-5B in Table 4 on August 29, 2014 in PG&E’s Annual Electric True-Up (AET) Advice 4484-E for rates effective January 1, 2015. Schedule AG-ICE distribution rate components remain at current levels, generation demand charges are set at proposed levels, and generation energy charges are revised on a residual basis as needed to achieve the mandated 1.5 percent escalation in the total annual average rate for Schedule AG-ICE.

The attached Schedule AG-ICE rate changes are not the final result, and therefore are provided in draft form. PG&E will supplement this Schedule AG-ICE advice letter to reflect the update of the AET advice letter scheduled to be filed before the end of the year. Specifically, this advice letter will be supplemented to reflect final AET Schedule AG-5B non-generation and non-distribution energy charge revisions, and to finalize the offsetting revisions to the unbundled generation demand and energy charges necessary to yield the mandated 1.5 percent Schedule AG-ICE total average rate increase.

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1 Advice 4315-E and 4315-E-A were approved by the Commission to establish the 1.5 percent annual increase to total Schedule AG-ICE rates on January 1, 2014.
Protests

Anyone wishing to protest this advice letter may do so by letter sent via U.S. mail, facsimile, or E-mail, no later than December 4, 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.

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, Rule 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, Rule 3.11).
Effective Date

PG&E requests this Tier 2 advice letter be approved effective January 1, 2015, in conjunction with supplemental Schedule AG-ICE Advice 4534-E-A, which PG&E will submit no later than December 31, 2014, to reflect the supplement to AET Advice 4484-E.

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 list for A.04-11-007. Address changes to the General Order 96-B service list should be directed to email 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 submissions can also be accessed electronically at: http://www.pge.com/tariffs.

/S/
Meredith Allen
Senior Director - Regulatory Relations

Attachments

cc: Service List A.04-11-007
## Advice Letter Filing Summary

### Energy Utility

**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

**Advice Letter (AL) #:** 4534-E  
**Tier:** 2

**Subject of AL:** Schedule AG-ICE 1.5 Percent Annual Escalation in Compliance with D.05-06-016

**Keywords (choose from CPUC listing):** Compliance, Increase Rates

**AL filing type:**

- ☑ Annual  
- ☐ Quarterly  
- ☐ Monthly  
- ☐ One-Time  
- ☐ Other ________________________

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: D.05-06-016

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, 2015

**Estimated system annual revenue effect (%):** 1.5% increase to AG-ICE participants

**Estimated system average rate effect (%):** 1.5% increase to AG-ICE participants

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:** Schedule AG-ICE 1.5 Percent Annual Escalation per D.05-06-016

**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
Advice 4534-E

Attachment I

Proposed January 1, 2015 Revisions to Electric Schedule AG-ICE Rate Components
**ELECTRIC SCHEDULE AG-ICE**

**AGRICULTURAL INTERNAL COMBUSTION ENGINE CONVERSION INCENTIVE RATE**

**RATES:**

Total bundled service charges are calculated using the total rates shown below.

### TOTAL RATES

- **Total Customer/Meter Charge Rates**
  - Customer Charge ($ per meter per day): $1.31417
  - TOU Meter Charge ($ per meter per day): $0.19713

- **Total Demand Rates ($ per kW)**
  - **Secondary**
    - Maximum Peak Demand Summer: $3.94 (I)
    - Maximum Demand Summer: $4.73 (I)
    - Maximum Demand Winter: $0.00
  - **Primary**
    - Maximum Peak Demand Summer: $3.94 (I)
    - Maximum Demand Summer: $3.91 (I)
    - Maximum Demand Winter: $0.00
  - **Transmission**
    - Maximum Peak Demand Summer: $3.94 (I)
    - Maximum Demand Summer: $2.32 (I)
    - Maximum Demand Winter: $0.00

- **Total Energy Rates ($ per kWh)**
  - Peak Summer: $0.12144 (I)
  - Part-Peak Summer: $0.09472 (I)
  - Off-Peak Summer: $0.04857 (I)
  - Part-Peak Winter: $0.09715 (I)
  - Off-Peak Winter: $0.04857 (I)

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*(Continued)*
**UNBUNDLING OF TOTAL RATES**

Customer/Meter Charge Rates: Customer/Meter charge rates provided in the Total Rate section above are assigned entirely to the unbundled distribution component.

<table>
<thead>
<tr>
<th>Component</th>
<th>Secondary</th>
<th>Primary</th>
<th>Transmission</th>
<th>Distribution**</th>
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<tbody>
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<td>Generation</td>
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<td>** Distribution**</td>
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<td>Maximum Peak Demand Summer</td>
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<tr>
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<td>Maximum Peak Demand Summer</td>
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<td>Maximum Demand Winter</td>
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** Distribution and New System Generation Charges are combined for presentation on customer bills.
**ELECTRIC SCHEDULE AG-ICE**

**AGRICULTURAL INTERNAL COMBUSTION ENGINE CONVERSION INCENTIVE RATE**

**RATES:**

(Cont’d.)

**UNBUNDLING OF TOTAL RATES**

(Cont’d.)

Energy Rates by Component ($ per kWh)

<table>
<thead>
<tr>
<th>Component</th>
<th>Rate</th>
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<tbody>
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<td><strong>Generation:</strong></td>
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</tr>
<tr>
<td>Peak Summer</td>
<td>$0.09290</td>
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<tr>
<td>Part-Peak Summer</td>
<td>$0.06618</td>
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<tr>
<td>Off-Peak Summer</td>
<td>$0.02003</td>
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<tr>
<td>Part-Peak Winter</td>
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<td>Off-Peak Winter</td>
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<td><strong>Transmission</strong></td>
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<td><strong>Transmission Rate Adjustments</strong></td>
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<tr>
<td><strong>Reliability Services</strong></td>
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<tr>
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<td><strong>Nuclear Decommissioning</strong></td>
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<td><strong>Energy Cost Recovery Amount</strong></td>
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<td><strong>DWR Bond Charge</strong></td>
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<td><strong>New System Generation Charge</strong></td>
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<tr>
<td><strong>California Climate Credit (all usage)</strong></td>
<td>($0.00000)</td>
</tr>
</tbody>
</table>

* Transmission, Transmission Rate Adjustments, and Reliability Service charges are combined for presentation on customer bills.

** Distribution and New System Generation Charges are combined for presentation on customer bills.

*** Only customers that qualify as Small Businesses – California Climate Credit under Rule 1 are eligible for the California Climate Credit.

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

AT&T
Albion Power Company
Alcantar & Kahl LLP
Anderson & Poole
BART
Barkovich & Yap, Inc.
Bartle Wells Associates
Braun Blaising McLaughlin, P.C.

CENERGY POWER
California Cotton Ginners & Growers Assn
California Energy Commission
California Public Utilities Commission
California State Association of Counties
Calpine
Casner, Steve
Center for Biological Diversity
City of Palo Alto

City of San Jose
Clean Power
Coast Economic Consulting
Commercial Energy
Cool Earth Solar, Inc.
County of Tehama - Department of Public Works
Crossborder Energy
Davis Wright Tremaine LLP
Day Carter Murphy
Defense Energy Support Center
Dept of General Services

Division of Ratepayer Advocates
Downey & Brand
Ellison Schneider & Harris LLP
G. A. Krause & Assoc.
GenOn Energy Inc.
GenOn Energy, Inc.
Goodin, MacBride, Squeri, Schlotz & Ritchie
Green Power Institute
Hanna & Morton
In House Energy
International Power Technology
Intestate Gas Services, Inc.
K&L Gates LLP
Kelly Group
Linde
Los Angeles County Integrated Waste Management Task Force
Los Angeles Dept of Water & Power
MRW & Associates
Manatt Phelps Phillips
Marin Energy Authority
McKenna Long & Aldridge LLP
McKenzie & Associates
Modesto Irrigation District
Morgan Stanley
NLine Energy, Inc.
NRG Solar
Nexant, Inc.

North America Power Partners
Occidental Energy Marketing, Inc.
OnGrid Solar
Pacific Gas and Electric Company
Praxair
Regulatory & Cogeneration Service, Inc.
SDC Energy Solutions
SCE
SDG&E and SoCalGas
SPURR
San Francisco Public Utilities Commission
Seattle City Light
Sempra Utilities
SoCalGas
Southern California Edison Company
Spark Energy
Sun Light & Power
Sunshine Design
Tecogen, Inc.
Tiger Natural Gas, Inc.
TransCanada
Utility Cost Management
Utility Power Solutions
Utility Specialists
Verizon
Water and Energy Consulting
Wellhead Electric Company
Western Manufactured Housing Communities Association (WMA)