March 1, 2016

Pacific Gas and Electric Company
Attn: Erik Jacobson, Director, Regulatory Relations
Senior Director, Regulatory Relations
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, CA 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 4733-E is effective as of January 1, 2016.

Sincerely,

Edward Randolph
Director, Energy Division
October 30, 2015

Advice 4733-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 8, 2015 filing with the Federal Energy Regulatory Commission (“FERC”), in FERC Docket No. ER16-42-000, requesting transmission rate changes for PG&E’s retail electric customers. The FERC filing requested authority to implement, effective January 1, 2016, the 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 “2016 Balancing Account Filing”).

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\(^1\), make up the total transmission rates for PG&E’s retail customers.

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\(^1\) 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 2016 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 TRBAA balance, which includes the principal TRBA balance as of September 30, 2015, the projected change for the remaining months of 2015 prior to the commencement of the January 2016 billing cycle, an historical correction, and interest; (2) PG&E’s TRBAA forecast, which is a forecast of Transmission Revenue Credits for 2016; and (3) an adjustment for Franchise Fees and Uncollectible Accounts ("FF&U").

The TRBAA balance is a credit to end-use customers of $25,772,177, the TRBAA forecast is a credit of $108,862,257, and the FF&U adjustment is a credit of $1,587,340. The resulting 2016 retail TRBAA TRR is a credit to end-use customers of $136,221,774.

To pass through this credit, PG&E proposed a 2015 TRBA retail rate of ($0.00159) per kWh, compared to the current retail rate of ($0.00112) per kWh.

The total 2016 TRBAA wholesale TRR used for calculating the CAISO TAC rates is a charge to customers of $118,206,631, which have been allocated to High and Low Voltage at $81,334,295 and $36,872,336, 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, 2015, the projected change for the remaining months of 2015 prior to the commencement of the January 2016 billing cycle, and interest; (2) the forecast of RS costs for 2016; and (3) an adjustment for FF&U.

The total RS TRR used in the development of the retail 2016 RS rates is a charge to customers of $16,169,097. This amount consists of the RSBA balance, which is a charge of $6,287,491, plus the forecast of RS costs for 2016, which is a charge of $9,693,194, plus the FF&U adjustment, which is a charge of $188,412.
ECRBAA

The ECRBA adjustment ("ECRBAA") is a mechanism designed to refund over-collected transmission rate charges to PG&E’s End-Use customers. ECRBAA 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, 2015, the projected change for the remaining months of 2015 prior to the commencement of the January 2016 billing cycle, and interest; and (2) the forecast of refunds from the settlement of PG&E’s applicable TO Tariff rate cases.

The 2016 ECRBAA is a credit of $88,857,193. This total consists of the ECRBA balance, which is a charge of $912,789, plus the forecast of the TO16 Settlement refund, which is a credit of $89,769,982.

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 2016 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 15-07-001 on residential rate reform and transition to time-of-use rates.

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 4696-E, scheduled to be filed in late December for an effective date of January 1, 2016. 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 19, 2015, 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:

Erik Jacobson
Director, Regulatory Relations
c/o Megan Lawson
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.co

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 January 1, 2016. PG&E proposes to consolidate the electric rate changes resulting from the 2016 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/.

/S/
Erik Jacobson
Director, Regulatory Relations
**Company name/CPUC Utility No.** Pacific Gas and Electric Company (ID U39 E)  

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<tr>
<th>Utility type:</th>
<th>Contact Person: Jennifer Wirowek</th>
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<tr>
<td>☑ ELC</td>
<td>Phone #: (415) 973-1419</td>
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<tr>
<td>☐ GAS</td>
<td>E-mail: <a href="mailto:J6WS@pge.com">J6WS@pge.com</a> and <a href="mailto:PGETariffs@pge.com">PGETariffs@pge.com</a></td>
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**EXPLANATION OF UTILITY TYPE**  
ELC = Electric  
GAS = Gas  
PLC = Pipeline  
HEAT = Heat  
WATER = Water  

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<tr>
<th>Advice Letter (AL) #: 4733-E</th>
<th>Tier: 2</th>
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**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, Balancing Account  

**AL filing type:** ☑ One-Time  

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? ☑ No  

Requested effective date: January 1, 2016  

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: Erik Jacobson  

Director, Regulatory Relations  

c/o Megan Lawson  

77 Beale Street, Mail Code B10C  

P.O. Box 770000  

San Francisco, CA 94177  

E-mail: PGETariffs@pge.com
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