

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



June 30, 2014

Advice Letter: 3480-G/4434-E

Brian Cherry
Vice President, Regulation and Rates
Pacific Gas and Electric Company
P.O. Box 770000
San Francisco, CA 94177

**SUBJECT: Post-Retirement Benefits Other Than Pensions (PBOPs) For The Period
From 2011 to 2013**

Dear Mr. Cherry:

Advice Letter 3480-G/4434-E is effective as of July 4, 2014.

Sincerely,

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

Edward Randolph
Director, Energy Division



June 4, 2014

Advice 3480-G/4434-E

(Pacific Gas and Electric Company ID U 39 M)

Public Utilities Commission of the State of California

**Subject: Post-Retirement Benefits Other Than Pensions (PBOPs) for the
Period From 2011 to 2013**

Purpose

Pacific Gas and Electric Company (PG&E) hereby submits this advice filing in compliance with the requirement in Decision (D.) 11-05-018 in PG&E's 2011 General Rate Case (GRC), Application (A.) 09-12-020, to provide a reconciliation of the revenue requirement associated with contributions to the PBOPs and Long Term Disability (LTD) trusts. As described below, since the contributions to the trusts matched the amounts adopted in D.11-05-018, no adjustment to PG&E's revenue requirements during 2011 to 2013 is necessary.

Background

This filing is made in compliance with Section 3.6.2(a) of the Settlement adopted in D.11-05-018¹ in PG&E's 2011 Test Year GRC and pursuant to D.92-12-015.² The 2011 GRC continued the PBOPs adjustment treatment previously adopted in PG&E's 1999 GRC Decision (D.00-02-046) and PG&E's 1996 GRC Decision (Ordering Paragraph (OP) 8 of D.95-12-055), as modified by D.96-05-010.

¹ Section 3.6.2(a) – PG&E's current PBOP/LTD balancing account shall remain a one-way account. The estimate of total contributions for 2011 to the PBOPs medical and life, and LTD trusts will be \$163.3 million (total company before allocation to capital and other non-GRC Unbundled Cost Categories (UCCs)). This total amount will also apply to the attrition years. In compliance with D.92-12-015 and D.95-12-055, PG&E will file a consolidated true-up of the revenue requirements associated with the PBOPs medical, life, and LTD contributions at the end of the 2011 GRC cycle.

² In D.92-12-015, the Commission established the conditions under which rate recovery of PBOP costs would be allowed for periods beginning on or after January 1, 1993. Those conditions were: a) an independent trust dedicated solely to PBOP costs; b) PBOP costs should be reasonable and necessary to meet funding requirements and be based on fair actuarial assumptions, contributions, and investments; and c) rate recovery that exceeds the lesser of tax deductible contributions or FAS 106 expense will be subject to refund to ratepayers.

However, in the Settlement of the 2007 GRC, the Office of Ratepayer Advocates (ORA) and PG&E agreed to a consolidated approach for the adopted contribution amounts for PBOPs and LTD. The 2011 GRC Settlement continued this consolidated approach. For example, if the amount adopted for the contribution to the PBOP medical plan trust could not be contributed to the plan's trust on a tax deductible basis, the amount could be contributed to the LTD trust (up to the maximum tax deductible amount).

The following table shows that the contributions to the PBOPs medical and life and LTD trusts matched the amount adopted in the 2011 GRC for the years 2011 to 2013:

2011 GRC Cycle (2011 - 2013)

**PBOPs Medical and Life and LTD Trust Contributions (including Medicare Part D)^{[a], [b], [c]}
(Millions of Dollars)**

<u>Line</u>	<u>Plan</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>Total</u>
1	PBOP-Med	114.5	122.8	86.3	289.1
2	PBOP-Life	14.6	15.9	50	80.5
3	Long Term Disability (LTD)	34.1	24.5	26.9	85.5
4	Sub-Total	163.3	163.3	163.3	489.9
5	Medicare Part D Subsidy				
6	PBOP-Med	4.5	7.5	5.2	17.2
7	LTD	0.3	0.5	0.4	1.2
8	Sub-Total	4.8	8.0	5.6	18.4
9	Total Contributions to Trusts	168.1	171.2	168.9	508.1
10	Adopted	163.3	163.3	163.3	489.9
11	Difference	4.8	8.0	5.6	18.4

[a] Totals do not add due to rounding

[b] All Trust contributions were tax deductible.

[c] The net over contribution is due to the Medicare Part D subsidy received from Centers for Medicare and Medicaid Services (CMS) which PG&E and the labor unions agreed would be credited to retirees and, therefore, are additional contributions to the PBOPs medical and LTD trusts.

Since the amounts contributed to the trusts matched the amount adopted in the 2011 GRC decision, no adjustment to PG&E's revenue requirement is necessary.

This filing will not affect any other rate or charge, cause the withdrawal of service, or conflict with any other 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 June 24, 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:

Brian K. Cherry
Vice President, 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 regular notice, July 4, 2014, which is 30 days after the date of filing.

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.09-12-020. 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/>.



Vice President – Regulatory Relations

cc: Service List A.09-12-020

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 M)**

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

(Date Filed/ Received Stamp by CPUC)

ELC = Electric

GAS = Gas

PLC = Pipeline

HEAT = Heat

WATER = Water

Advice Letter (AL) #: **3480-G/4434-E**

Tier: 2

Subject of AL: **Post-Retirement Benefits Other Than Pensions (PBOPs) for the Period From 2011 to 2013**

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

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

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: D.11-05-018

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: **July 4, 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: Brian K. Cherry

Vice President, 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
California Cotton Ginners & Growers Assn	Green Power Institute	SDG&E and SoCalGas
California Energy Commission	Hanna & Morton	SPURR
California Public Utilities Commission	In House Energy	San Francisco Public Utilities Commission
California State Association of Counties	International Power Technology	Seattle City Light
Calpine	Intestate Gas Services, Inc.	Sempra Utilities
Casner, Steve	K&L Gates LLP	SoCalGas
Cenergy Power	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	