

## PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE



February 4, 2021

**Advice Letter 6037-E**

Erik Jacobson  
Director, Regulatory Relations  
Pacific Gas and Electric Company  
77 Beale Street, Mail Code B13U  
P.O. Box 770000  
San Francisco, California 94177

**SUBJECT:**

Advice Letter 6037-E – Notice of Federal Energy Regulatory Commission Rate Filing for Annual Updates to the Transmission Access Charge Balancing Account Adjustment

Dear Mr. Jacobson,

The Commission is in receipt of Advice Letter 6037-E, which pertains to PG&E's Notice of Federal Energy Regulatory Commission Rate Filing for Annual Updates to the Transmission Access Charge Balancing Account Adjustment. Consistent with Commission Resolution E-3930, which establishes a process whereby the Commission authorizes the pass-through of rate changes for transmission-related costs that have been filed with and become effective at FERC, subject to refund (in both FERC and Commission jurisdictional rates), the Commission approves March 1, 2021 as the effective date for this Advice Letter.<sup>1</sup>

**BACKGROUND**

On December 15, 2020, PG&E filed its TACBAA annual update with FERC in Docket No. ER21-657-000.

The total revenue requirement ("RRQ") used in the development of the 2021 TACBAA rate is \$59,626,327, which is the sum of the projected balance of the TACBA, which is a credit of \$272,328,804, the forecasted TACBA costs and customer usage volumes for the next rate period, which is a charge of \$331,169,938, and the RF&U adjustment, which is a charge of \$785,192. The corresponding TACBAA rate is \$0.00076/kWh. This represents a decrease from the March 1, 2019 TACBAA RRQ of \$494,816,633 and the corresponding rate of \$0.00618/kWh.

This 2021 TACBAA rate is to become effective in FERC rates on March 1, 2021 and is the first update in the TACBAA rate since March 1, 2019, as the 2020 TACBAA<sup>2</sup> rate was never implemented.

No protests were filed in response to AL 6037-E.

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<sup>1</sup> Resolution E-3930 at 5 (explaining that "[c]onsistent with the filed rate doctrine, it is just and reasonable under State law for the utilities to recover through retail rates the transmission rates that are filed with and become effective at the FERC, provided that those rate adjustments are subject to refund to the same extent as they are at the FERC.").

<sup>2</sup> See Advice Letter 6010-E.

**DISPOSITION**

The Energy Division approves AL-6037-E with an effective date of March 1, 2021 for the updated revenue requirement and rates subject to refund. The CPUC’s authorization to pass through the updated transmission revenue requirement and FERC rates to retail customers neither constitutes the CPUC’s approval that PG&E’s FERC-jurisdictional expenditures were prudently incurred nor represents the CPUC’s agreement that the resulting FERC rates are just and reasonable.<sup>3</sup>

Sincerely,

 FOR

Edward Randolph  
Deputy Executive Director for Energy and Climate Policy/  
Director, Energy Division

cc: Relevant parties and/or Service List Number (please include emails if external contact)

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<sup>3</sup> As explained in Commission Resolution E-3930, “[t]he CPUC routinely files as an intervener in the proceedings at FERC.” The Commission will continue to represent California ratepayers in any FERC proceedings related to these or any other advice letter filings, as the Commission deems necessary, including, but not limited to circumstances in which errors in the filings are subsequently identified and/or other issues arise.

December 28, 2020

**Advice 6037-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 Access Charge Balancing Account Adjustment**

**Purpose**

Pacific Gas and Electric Company (“PG&E”) submits this advice letter to provide the California Public Utilities Commission (“Commission” or “CPUC”) with notice of PG&E’s recent filing with the Federal Energy Regulatory Commission (“FERC”) requesting a transmission rate change for its retail electric customers, in compliance with Resolution E-3930 (Resolution). PG&E’s FERC filing requests approval of the annual update to the Transmission Access Charge Balancing Account Adjustment (“TACBAA”) with a requested effective date of March 1, 2021.

**Background**

On December 15, 2020, PG&E filed its TACBAA annual update with FERC in Docket No. ER21-657-000.

**TACBAA**

The TACBAA is a ratemaking mechanism designed to ensure that the difference in the amount of costs billed to PG&E as a load-serving entity and the revenues paid to PG&E as a Participating Transmission Owner (“PTO”) under the California Independent System Operator Corporation (“CAISO”) Tariff is recovered from, or returned to, PG&E’s End-Use customers.

Section 5.7 of PG&E’s Transmission Owner (“TO”) Tariff describes the items to be included in the Transmission Access Charge Balancing Account (“TACBA”) and sets forth the procedure for revising the TACBAA rate on an annual basis. As described in PG&E’s TO Tariff, the effective date for the updated TACBAA rate is March 1 of each year. The 2021 TACBAA rate consists of three components: (1) the projected balance

of the TACBA as of February 28, 2021, including interest; (2) the forecasted TACBA costs and customer usage volumes for the next rate period; and (3) an amount for Revenue Fees and Uncollectible Accounts (“RF&U”).

The total revenue requirement (“RRQ”) used in the development of the 2021 TACBAA rate is \$59,626,327, which is the sum of the projected balance of the TACBA, which is a credit of \$272,328,804, the forecasted TACBA costs and customer usage volumes for the next rate period, which is a charge of \$331,169,938, and the RF&U adjustment, which is a charge of \$785,192. The corresponding TACBAA rate is \$0.00076/kWh. This represents a decrease from the March 1, 2019 TACBAA RRQ of \$494,816,633 and the corresponding rate of \$0.00618/kWh.

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

PG&E submits this advice letter pursuant to Process Element 3 of Resolution E-3930. Consistent with past practice, by service to the Commission’s Legal Division, PG&E also provided the Commission with a complete copy of the 2021 TACBAA annual update filing on the same date that it was filed with FERC.

In this advice letter, PG&E requests authority to revise each corresponding transmission rate component of its Commission-jurisdictional tariffs on the date 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 Decisions D.15-07-001 on residential rate reform and D18-08-013 on 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 TACBAA rate change is accepted, modified, rejected, or otherwise acted upon by FERC.

This FERC rate change will generally affect the rates of all bundled, Direct Access, and Community Choice Aggregation customers. Typically, the TACBAA rate change will be consolidated into other rate changes scheduled to be filed in late February for an effective date of March 1, 2021. At that time, PG&E will also provide complete updated tariff sheets.

**Protests**

**\*\*\*Due to the COVID-19 pandemic and the shelter at home orders, PG&E is currently unable to receive protests or comments to this advice letter via U.S. mail or fax. Please submit protests or comments to this advice letter to EDTariffUnit@cpuc.ca.gov and PGETariffs@pge.com\*\*\***

Anyone wishing to protest this filing may do so by letter sent via U.S. mail, facsimile, or E-mail, no later than **January 19, 2021**, which is 22<sup>1</sup> 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:

Erik Jacobson  
Director, Regulatory Relations  
Pacific Gas and Electric Company  
77 Beale Street, Mail Code B13U  
P.O. Box 770000  
San Francisco, California 94177

Facsimile: (415) 973-3582  
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;

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<sup>1</sup> Pursuant to Rule 1.5 of General Order 96-B, PG&E requests to extend the protest period by two additional days because twenty days following submission of this advice letter is Sunday, January 17, 2021, and the proceeding day, January 18, 2021, is a holiday.

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 the TACBAA annual update changes to become effective, which PG&E expects to be on or after **March 1, 2021**. PG&E proposes to consolidate the electric rate changes resulting from the 2021 TACBAA 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 the 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](mailto: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](mailto:Process_Office@cpuc.ca.gov). Send all electronic approvals to [PGETariffs@pge.com](mailto:PGETariffs@pge.com). Advice letter filings can also be accessed electronically at: <http://www.pge.com/tariffs/>.

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/S/

Erik Jacobson  
Director, Regulatory Relations

Attachments



# ADVICE LETTER SUMMARY

## ENERGY UTILITY



MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No.: Pacific Gas and Electric Company (ID U 39 E)

Utility type:

- ELC       GAS       WATER  
 PLC       HEAT

Contact Person: Stuart Rubio

Phone #: (415) 973-4587

E-mail: PGETariffs@pge.com

E-mail Disposition Notice to: SHR8@pge.com

EXPLANATION OF UTILITY TYPE

ELC = Electric      GAS = Gas      WATER = Water  
 PLC = Pipeline      HEAT = Heat

(Date Submitted / Received Stamp by CPUC)

Advice Letter (AL) #: 6037-E

Tier Designation: 2

Subject of AL: Notice of Federal Energy Regulatory Commission Rate Filing for Annual Updates to the Transmission Access Charge Balancing Account Adjustment

Keywords (choose from CPUC listing): Compliance

AL Type:  Monthly  Quarterly  Annual  One-Time  Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #: R. 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: N/A

Confidential treatment requested?  Yes  No

If yes, specification of confidential information:

Confidential information will be made available to appropriate parties who execute a nondisclosure agreement. Name and contact information to request nondisclosure agreement/ access to confidential information:

Resolution required?  Yes  No

Requested effective date: 3/1/21

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<sup>1</sup>: N/A

Pending advice letters that revise the same tariff sheets: N/A

<sup>1</sup>Discuss in AL if more space is needed.

**Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this submittal, unless otherwise authorized by the Commission, and shall be sent to:**

CPUC, Energy Division  
Attention: Tariff Unit  
505 Van Ness Avenue  
San Francisco, CA 94102  
Email: [EDTariffUnit@cpuc.ca.gov](mailto:EDTariffUnit@cpuc.ca.gov)

Name: Erik Jacobson, c/o Megan Lawson  
Title: Director, Regulatory Relations  
Utility Name: Pacific Gas and Electric Company  
Address: 77 Beale Street, Mail Code B13U  
City: San Francisco, CA 94177  
State: California Zip: 94177  
Telephone (xxx) xxx-xxxx: (415)973-2093  
Facsimile (xxx) xxx-xxxx: (415)973-3582  
Email: [PGETariffs@pge.com](mailto:PGETariffs@pge.com)

Name:  
Title:  
Utility Name:  
Address:  
City:  
State: District of Columbia Zip:  
Telephone (xxx) xxx-xxxx:  
Facsimile (xxx) xxx-xxxx:  
Email:

**PG&E Gas and Electric  
Advice Submittal List  
General Order 96-B, Section IV**

AT&T  
Albion Power Company

Alta Power Group, LLC  
Anderson & Poole

Atlas ReFuel  
BART

Barkovich & Yap, Inc.  
California Cotton Ginners & Growers Assn  
California Energy Commission

California Hub for Energy Efficiency  
Financing

California Alternative Energy and  
Advanced Transportation Financing  
Authority  
California Public Utilities Commission  
Calpine

Cameron-Daniel, P.C.  
Casner, Steve  
Cenergy Power  
Center for Biological Diversity

Chevron Pipeline and Power  
City of Palo Alto

City of San Jose  
Clean Power Research  
Coast Economic Consulting  
Commercial Energy  
Crossborder Energy  
Crown Road Energy, LLC  
Davis Wright Tremaine LLP  
Day Carter Murphy

Dept of General Services  
Don Pickett & Associates, Inc.  
Douglass & Liddell

East Bay Community Energy Ellison  
Schneider & Harris LLP Energy  
Management Service  
Engineers and Scientists of California

GenOn Energy, Inc.  
Goodin, MacBride, Squeri, Schlotz &  
Ritchie

Green Power Institute  
Hanna & Morton  
ICF

IGS Energy  
International Power Technology  
Intestate Gas Services, Inc.  
Kelly Group  
Ken Bohn Consulting  
Keyes & Fox LLP  
Leviton Manufacturing Co., Inc.

Los Angeles County Integrated  
Waste Management Task Force  
MRW & Associates  
Manatt Phelps Phillips  
Marin Energy Authority  
McKenzie & Associates

Modesto Irrigation District  
NLine Energy, Inc.  
NRG Solar

Office of Ratepayer Advocates  
OnGrid Solar  
Pacific Gas and Electric Company  
Peninsula Clean Energy

Pioneer Community Energy

Redwood Coast Energy Authority  
Regulatory & Cogeneration Service, Inc.  
SCD Energy Solutions  
San Diego Gas & Electric Company

SPURR  
San Francisco Water Power and Sewer  
Sempra Utilities

Sierra Telephone Company, Inc.  
Southern California Edison Company  
Southern California Gas Company  
Spark Energy  
Sun Light & Power  
Sunshine Design  
Tecogen, Inc.  
TerraVerde Renewable Partners  
Tiger Natural Gas, Inc.

TransCanada  
Utility Cost Management  
Utility Power Solutions  
Water and Energy Consulting Wellhead  
Electric Company  
Western Manufactured Housing  
Communities Association (WMA)  
Yep Energy