

PUBLIC UTILITIES COMMISSION  
505 Van Ness Avenue  
San Francisco CA 94102-3298



**Pacific Gas & Electric Company**  
**ELC (Corp ID 39)**  
**Status of Advice Letter 6541E**  
**As of April 25, 2022**

Subject: Update to Pacific Gas and Electric Company's Bundled Procurement Plan Natural Gas Procurement Limits (Appendix C) and Risk Management Policy and TeVAR Methodology (Appendix N)

Division Assigned: Energy

Date Filed: 03-31-2022

Date to Calendar: 04-06-2022

Authorizing Documents: D0712052

<b>Disposition:</b>	<b>Accepted</b>
<b>Effective Date:</b>	<b>03-31-2022</b>

Resolution Required: No

Resolution Number: None

Commission Meeting Date: None

CPUC Contact Information:

[edtariffunit@cpuc.ca.gov](mailto:edtariffunit@cpuc.ca.gov)

AL Certificate Contact Information:

Stuart Rubio

415-973-4587

[PGETariffs@pge.com](mailto:PGETariffs@pge.com)

**PUBLIC UTILITIES COMMISSION**  
505 Van Ness Avenue  
San Francisco CA 94102-3298



To: Energy Company Filing Advice Letter

From: Energy Division PAL Coordinator

Subject: Your Advice Letter Filing

The Energy Division of the California Public Utilities Commission has processed your recent Advice Letter (AL) filing and is returning an AL status certificate for your records.

The AL status certificate indicates:

- Advice Letter Number
- Name of Filer
- CPUC Corporate ID number of Filer
- Subject of Filing
- Date Filed
- Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)
- Effective Date of Filing
- Other Miscellaneous Information (e.g., Resolution, if applicable, etc.)

The Energy Division has made no changes to your copy of the Advice Letter Filing; please review your Advice Letter Filing with the information contained in the AL status certificate, and update your Advice Letter and tariff records accordingly.

All inquiries to the California Public Utilities Commission on the status of your Advice Letter Filing will be answered by Energy Division staff based on the information contained in the Energy Division's PAL database from which the AL status certificate is generated. If you have any questions on this matter please contact the:

Energy Division's Tariff Unit by e-mail to  
**[edtariffunit@cpuc.ca.gov](mailto:edtariffunit@cpuc.ca.gov)**

March 31, 2022

**Advice 6541-E**  
(Pacific Gas and Electric Company U 39 E)

Public Utilities Commission of the State of California

**Subject: Update to Pacific Gas and Electric Company's Bundled Procurement Plan –Natural Gas Procurement Limits (Appendix C) and Risk Management Policy and TeVAR Methodology (Appendix N)**

**Introduction**

Pacific Gas and Electric Company (PG&E) hereby submits to the California Public Utilities Commission (Commission or CPUC) this advice letter (AL) to update the natural gas procurement limits and the Customer Risk Tolerance (CRT) calculation in PG&E's approved Conformed Bundled Procurement Plan (BPP).

**Background**

PG&E's BPP establishes the utility's procurement authority on behalf of bundled customers, consistent with Public Utilities Code Section 454.5, which obviates the need for an after-the-fact reasonableness review by the Commission as long as the resulting utility procurement decisions are consistent with the approved plan. In Decision (D.) 15-10-031, the Commission adopted the investor-owned utilities' proposed BPPs with modifications and required PG&E to submit a conformed copy of its BPP, which was submitted on December 10, 2015.<sup>1</sup> Since then, PG&E has updated the BPP as needed, pursuant to certain AL filings that have appropriately been approved by the Commission, when market conditions or electric portfolio changes necessitate modifying the BPP. On March 18, 2021, the Commission approved PG&E's AL 5985-E via Resolution E-5129, which extended PG&E's procurement authority under its BPP on a rolling basis until an updated or new bundled procurement plan is approved for PG&E in the 2020 Integrated Resource Plan Proceeding (R.20-05-003) or elsewhere.

---

<sup>1</sup> On June 15, 2016, Energy Division issued a disposition letter approving PG&E's Conformed BPP submitted in Advice Letter 4750-E, consistent with D.15-10-031 and D.16-01-015.

PG&E's BPP establishes electrical capacity procurement limits and ratable rates that apply to electric capacity transactions with deliveries beyond the prompt calendar year.<sup>2</sup> The BPP indicates that PG&E will file an "annual (or more frequent, if necessary) update to its electrical capacity, electric energy, natural gas, and greenhouse gas procurement limit and ratable rates in Appendix C in a Tier 1 AL".<sup>3</sup> During the years in which PG&E does not file an updated BPP, PG&E will submit changes to the BPP procurement limits and ratable rates via a Tier 1 AL.

On December 22, 2021 PG&E filed with the Commission AL 6444-E to updated greenhouse gas (GHG) and natural gas pipeline capacity procurement limits in PG&E's BPP. PG&E also proposed to update its BPP to revise PG&E's Resource Adequacy (RA) Solicitation Schedule within Appendix S (Sales Framework) to cover delivery periods for the then current and upcoming calendar years.

On December 29, 2021, the Public Advocates Office filed a data request pertaining to PG&E's proposed restatement of its BPP natural gas pipeline capacity procurement limits for electric fuels, pursuant to AL 6444-E. PG&E timely responded to the data request and committed to update the remaining BPP Natural Gas Procurement Limits by March 31, 2022.

Finally, the BPP in Appendix N – Risk Management Policy and To-expiration Value-at-Risk (TeVAR) Methodology, provides PG&E's CRT calculation. Pursuant to D.12-01-033, this CRT calculation shall be updated every two years from the filing of the previous Long-Term Procurement Plan (LTPP) via either the LTPP filing or a Tier 1 AL. PG&E previously updated the CRT calculation by submitting Tier 1 AL 5884-E, which was filed with the Commission and effective on July 20, 2020.<sup>4</sup>

## **Discussion**

In this AL, PG&E adjusts the previously approved natural gas procurement and 1x ratable rate limits and natural gas storage procurement limits as illustrated by Confidential Attachments A and B, but is not proposing any other updates to its approved natural gas pipeline capacity limits at this time. Confidential Attachments A and B of this AL include redlined and clean versions of the revised procurement limits tables appearing in Section B ("Natural Gas Procurement Limits") of Appendix C of the BPP. Attachments C and D are redacted versions of those attachments.

Also, in this AL PG&E updates the previously approved CRT calculation as illustrated by Attachment E which represents the redlined version of the changes to Appendix N and Attachment F the clean version of those same changes.

---

<sup>2</sup> BPP, Sheet Nos. 65-67.

<sup>3</sup> BPP, Sheet No. 37.

<sup>4</sup> [https://www.pge.com/tariffs/assets/pdf/adviceletter/ELEC\\_5884-E.pdf](https://www.pge.com/tariffs/assets/pdf/adviceletter/ELEC_5884-E.pdf).

In accordance with D.07-12-052, all proposed updates to the BPP are to be made via an advice letter and shall include red-lined pages of the BPP as well as clean replacement pages.<sup>5</sup> As described above, PG&E has included redlined, as well as clean, replacement pages for each update requested as part of this AL.

### **Confidentiality**

In support of this AL, PG&E submits Confidential Attachments A and B in the manner directed by D.14-10-033, D.06-06-066, and D.08-04-023 to demonstrate the confidentiality of the material and to invoke the protection of confidential utility information provided under D.14-10-033, D.06-06-066, General Order 66-D and Public Utilities Code Section 454.5(g). A separate Declaration Seeking Confidential Treatment is being submitted concurrently with this AL.

### **Attachments**

Confidential Attachment A	Proposed Edits to Natural Gas Procurement and 1X Ratable Rate Limit and Natural Gas Storage Procurement Limit, BPP Sheets 72, 73, 77 (Redline)
Confidential Attachment B	Proposed Edits to Natural Gas Procurement and 1X Ratable Rate Limit and Natural Gas Storage Procurement Limit, BPP Sheets 72, 73, 77 (Clean)
Public Attachment C	Proposed Edits to Natural Gas Procurement and 1X Ratable Rate Limit and Natural Gas Storage Procurement Limit, BPP Sheets 72, 73, 77 (Redline)
Public Attachment D	Proposed Edits to Natural Gas Procurement and 1X Ratable Rate Limit and Natural Gas Storage Procurement Limit, BPP Sheets 72, 73, 77 (Clean)
Public Attachment E	Proposed Edits to CRT calculation, BPP Sheet 205 (Redline)
Public Attachment F	Proposed Edits to CRT calculation, BPP Sheet 205 (Clean)
Public Attachment G	Declaration of John Ullola Seeking Confidential Treatment Pursuant to D.06-06-066 and Public Utilities Code §454.5(g).

---

<sup>5</sup> D.07-12-052 at pp. 184-185.

**Protests**

Anyone wishing to protest this submittal may do so by letter sent electronically via E-mail, no later than April 20, 2022, which is 20 days after the date of this submittal. Protests must be submitted to:

CPUC Energy Division  
ED Tariff Unit  
E-mail: EDTariffUnit@cpuc.ca.gov

The protest shall also be electronically sent to PG&E via E-mail at the address shown below on the same date it is electronically delivered to the Commission:

Sidney Bob Dietz II  
Director, Regulatory Relations  
c/o Megan Lawson  
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 and 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 1 advice letter become effective on March 31, 2022.

**Notice**

In accordance with General Order 96-B, Section IV, a copy of this advice letter is being sent electronically to parties shown on the attached list and the parties on the service list for R.20-05-003. 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 submittals can also be accessed electronically at: <http://www.pge.com/tariffs/>.

/S/

\_\_\_\_\_  
Sidney Bob Dietz II  
Director, Regulatory Relations

cc: Service List R.20-05-003



# 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 (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) #: 6541-E

Tier Designation: 1

Subject of AL: Update to Pacific Gas and Electric Company's Bundled Procurement Plan –Natural Gas Procurement Limits (Appendix C) and Risk Management Policy and TeVAR Methodology (Appendix N)

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 #: D.07-12-052

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: See confidential declaration and matrix  
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: John Ulloa, JPU1@pge.com.

Resolution required?  Yes  No

Requested effective date: 3/31/22

No. of tariff sheets: 0

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

California Public Utilities Commission  
Energy Division Tariff Unit Email:  
[EDTariffUnit@cpuc.ca.gov](mailto:EDTariffUnit@cpuc.ca.gov)

Contact Name: Sidnev Bob Dietz II. c/o Megan Lawson  
Title: Director, Regulatory Relations  
Utility/Entity Name: Pacific Gas and Electric Company  
  
Telephone (xxx) xxx-xxxx: (415)973-2093  
Facsimile (xxx) xxx-xxxx:  
Email: PGETariffs@pge.com

Contact Name:  
Title:  
Utility/Entity Name:  
  
Telephone (xxx) xxx-xxxx:  
Facsimile (xxx) xxx-xxxx:  
Email:

CPUC  
Energy Division Tariff Unit  
505 Van Ness Avenue  
San Francisco, CA 94102

Clear Form

## **Confidential Attachment A**

**Proposed Edits to Natural Gas Procurement and 1X Ratable Rate  
Limit and Natural Gas Storage Procurement Limit, BPP Sheets  
72, 73, 77 (Redline)**

## **Confidential Attachment B**

**Proposed Edits to Natural Gas Procurement and 1X Ratable Rate  
Limit and Natural Gas Storage Procurement Limit, BPP Sheets  
72, 73, 77 (Clean)**

## **Public Attachment C**

**Proposed Edits to Natural Gas Procurement and 1X Ratable Rate  
Limit and Natural Gas Storage Procurement Limit, BPP Sheets  
72, 73, 77 (Redline)**



purposes of assessing compliance with its procurement limits. PG&E will establish monthly gas procurement limits as the sum of forecast portfolio gas requirements minus delta adjusted hedges for each month assuming a two-standard deviation high IMHR based on: (1) economic dispatch the portfolio; and (2) an equivalent volume of natural gas that would be required to serve the forecast net-short electrical energy position. Table C-6 below contains PG&E gas purchase procurement limits, displaying the maximum allowable net forward procurement for natural gas for the CPUC Approved Scenario.

**TABLE C-6  
PACIFIC GAS AND ELECTRIC COMPANY  
NATURAL GAS PROCUREMENT AND 1 X RATABLE  
RATE LIMITS – CPUC APPROVED SCENARIO  
(MILLION MMBTU) CONFIDENTIAL**

Line No.	Month	<del>2022</del> 015	<del>2023</del> 016	<del>2024</del> 017	<del>2025</del> 018	<del>2026</del> 019	<del>2027</del> 020	<del>2028</del> 021	<del>2029</del> 022	<del>2030</del> 023	2024
1	Jan										
2	Feb										
3	Mar										
4	Apr										
5	May										
6	Jun										
7	Jul										
8	Aug										
9	Sep										
10	Oct										
11	Nov										
12	Dec										

The annual ratable rate equals 100 percent of the sum of the monthly procurement limits for Year 1, 50 percent for Year 2, 33 percent for Year 3, and so on, as shown in



Table C-7. The ratable rate methodology will allow for net natural gas purchases and sales of two times the ratable rate for delivery Year 2 through Year 5 when certain market conditions are present, subject to individual monthly procurement limits. The operative transaction limit for net purchases and sales in delivery Year 2 through Year 5 are as follows:

1. Two times the ratable rate if the prompt 12-month forward PG&E Citygate gas price is less than the two-standard deviation high value contained in Table C-8.
2. One times the ratable rate if the prompt 12-month forward natural gas price is greater than or equal to the two-standard deviation high value contained in Table C-8.

**TABLE C-7  
PACIFIC GAS AND ELECTRIC COMPANY  
NATURAL GAS RATABLE RATE AUTHORITY**

Line No.	Period	From Delivery Month	To Delivery Month	Ratable Rate (RR) As % of Monthly Procurement Limit	2 x RR
1	Year 1	Prompt + 1	Prompt + 12	100.00%	100.0%
2	Year 2	Prompt + 13	Prompt + 24	50.00%	100.0%
3	Year 3	Prompt + 25	Prompt + 36	33.30%	66.7%
4	Year 4	Prompt + 37	Prompt + 48	25.00%	50.0%
5	Year 5	Prompt + 49	Prompt + 60	20.00%	40.0%
6	Year 6	Prompt + 61	Prompt + 72	16.70%	n/a
7	Year 7	Prompt + 73	Prompt + 84	14.30%	n/a
8	Year 8	Prompt + 85	Prompt + 96	12.50%	n/a
9	Year 9	Prompt + 97	Prompt + 108	11.10%	n/a
10	Year 10	Prompt + 109	Prompt + 120	10.00%	n/a

**TABLE C-8  
PACIFIC GAS AND ELECTRIC COMPANY  
NATURAL GAS PRICE MARKET CONDITION MEASURE CONFIDENTIAL**

Line No.	Measure	Value\$/MMBtu
1	Two-standard-deviation high	[REDACTED]



**TABLE C-11**  
**PACIFIC GAS AND ELECTRIC COMPANY**  
**NATURAL GAS STORAGE PROCUREMENT LIMITS**  
**CONFIDENTIAL**

Line No.	Limit	Description
1	Storage Volume Limits	<p>Withdrawal Limit – Withdrawal equal to the largest difference between the maximum daily portfolio demand forecast and the expected demand forecast for each month throughout the year.</p> <p>Injection Limit – injection equal to the largest difference between minimum daily forecast demand and expected daily demand for each month throughout the year.</p> <p>Inventory Limit – [REDACTED] times the Withdrawal Limit</p>
2	Term	Up to 10 years, subject to BPP-approval requirements.

**TABLE C-12**  
**PACIFIC GAS AND ELECTRIC COMPANY**  
**NATURAL GAS STORAGE PROCUREMENT LIMITS**  
**CONFIDENTIAL**

Year	Withdrawal Capacity MMBtu/d	Injection Capacity MMBtu/d	Inventory Million MMBtu
<del>2022</del> 2015	[REDACTED]	[REDACTED]	[REDACTED]
<del>2023</del> 2016	[REDACTED]	[REDACTED]	[REDACTED]
<del>2024</del> 2017	[REDACTED]	[REDACTED]	[REDACTED]
<del>2025</del> 2018	[REDACTED]	[REDACTED]	[REDACTED]
<del>2026</del> 2019	[REDACTED]	[REDACTED]	[REDACTED]
<del>2027</del> 2020	[REDACTED]	[REDACTED]	[REDACTED]
<del>2028</del> 2021	[REDACTED]	[REDACTED]	[REDACTED]
<del>2029</del> 2022	[REDACTED]	[REDACTED]	[REDACTED]
<del>2030</del> 2023	[REDACTED]	[REDACTED]	[REDACTED]
2024	[REDACTED]	[REDACTED]	[REDACTED]

**C. GHG Procurement Limits**

**1. Maximum Volume Limits**

Consistent with D.12-04-046, specific overall volume limits for PG&E’s GHG product procurement will correspond to the actual and forecasted GHG emissions for PG&E’s facilities, certain tolling agreements, and electric imports.

## **Public Attachment D**

**Proposed Edits to Natural Gas Procurement and 1X Ratable Rate  
Limit and Natural Gas Storage Procurement Limit, BPP Sheets  
72, 73, 77 (Clean)**



purposes of assessing compliance with its procurement limits. PG&E will establish monthly gas procurement limits as the sum of forecast portfolio gas requirements minus delta adjusted hedges for each month assuming a two-standard deviation high IMHR based on: (1) economic dispatch the portfolio; and (2) an equivalent volume of natural gas that would be required to serve the forecast net-short electrical energy position. Table C-6 below contains PG&E gas purchase procurement limits, displaying the maximum allowable net forward procurement for natural gas for the CPUC Approved Scenario.

**TABLE C-6  
PACIFIC GAS AND ELECTRIC COMPANY  
NATURAL GAS PROCUREMENT AND 1 X RATABLE  
RATE LIMITS – CPUC APPROVED SCENARIO  
(MILLION MMBTU) CONFIDENTIAL**

Line No.	Month	2022	2023	2024	2025	2026	2027	2028	2029	2030
1	Jan									
2	Feb									
3	Mar									
4	Apr									
5	May									
6	Jun									
7	Jul									
8	Aug									
9	Sep									
10	Oct									
11	Nov									
12	Dec									

The annual ratable rate equals 100 percent of the sum of the monthly procurement limits for Year 1, 50 percent for Year 2, 33 percent for Year 3, and so on, as shown in



Table C-7. The ratable rate methodology will allow for net natural gas purchases and sales of two times the ratable rate for delivery Year 2 through Year 5 when certain market conditions are present, subject to individual monthly procurement limits. The operative transaction limit for net purchases and sales in delivery Year 2 through Year 5 are as follows:

1. Two times the ratable rate if the prompt 12-month forward PG&E Citygate gas price is less than the two-standard deviation high value contained in Table C-8.
2. One times the ratable rate if the prompt 12-month forward natural gas price is greater than or equal to the two-standard deviation high value contained in Table C-8.

**TABLE C-7  
PACIFIC GAS AND ELECTRIC COMPANY  
NATURAL GAS RATABLE RATE AUTHORITY**

Line No.	Period	From Delivery Month	To Delivery Month	Ratable Rate (RR) As % of Monthly Procurement Limit	2 x RR
1	Year 1	Prompt + 1	Prompt + 12	100.00%	100.0%
2	Year 2	Prompt + 13	Prompt + 24	50.00%	100.0%
3	Year 3	Prompt + 25	Prompt + 36	33.30%	66.7%
4	Year 4	Prompt + 37	Prompt + 48	25.00%	50.0%
5	Year 5	Prompt + 49	Prompt + 60	20.00%	40.0%
6	Year 6	Prompt + 61	Prompt + 72	16.70%	n/a
7	Year 7	Prompt + 73	Prompt + 84	14.30%	n/a
8	Year 8	Prompt + 85	Prompt + 96	12.50%	n/a
9	Year 9	Prompt + 97	Prompt + 108	11.10%	n/a
10	Year 10	Prompt + 109	Prompt + 120	10.00%	n/a

**TABLE C-8  
PACIFIC GAS AND ELECTRIC COMPANY  
NATURAL GAS PRICE MARKET CONDITION MEASURE CONFIDENTIAL**

Line No.	Measure	Value\$/MMBtu
1	Two-standard-deviation high	[REDACTED]



**TABLE C-11  
PACIFIC GAS AND ELECTRIC COMPANY  
NATURAL GAS STORAGE PROCUREMENT LIMITS  
CONFIDENTIAL**

Line No.	Limit	Description
1	Storage Volume Limits	<p>Withdrawal Limit – Withdrawal equal to the largest difference between the maximum daily portfolio demand forecast and the expected demand forecast for each month throughout the year.</p> <p>Injection Limit – injection equal to the largest difference between minimum daily forecast demand and expected daily demand for each month throughout the year.</p> <p>Inventory Limit – [redacted] times the Withdrawal Limit</p>
2	Term	Up to 10 years, subject to BPP-approval requirements.

**TABLE C-12  
PACIFIC GAS AND ELECTRIC COMPANY  
NATURAL GAS STORAGE PROCUREMENT LIMITS  
CONFIDENTIAL**

Year	Withdrawal Capacity MMBtu/d	Injection Capacity MMBtu/d	Inventory Million MMBtu
2022	[redacted]	[redacted]	[redacted]
2023	[redacted]	[redacted]	[redacted]
2024	[redacted]	[redacted]	[redacted]
2025	[redacted]	[redacted]	[redacted]
2026	[redacted]	[redacted]	[redacted]
2027	[redacted]	[redacted]	[redacted]
2028	[redacted]	[redacted]	[redacted]
2029	[redacted]	[redacted]	[redacted]
2030	[redacted]	[redacted]	[redacted]

**C. GHG Procurement Limits**

**1. Maximum Volume Limits**

Consistent with D.12-04-046, specific overall volume limits for PG&E’s GHG product procurement will correspond to the actual and forecasted GHG emissions for PG&E’s facilities, certain tolling agreements, and electric imports.

## **Public Attachment E**

**Proposed Edits to CRT calculation, BPP Sheet 205 (Redline)**



investment grade. For exchanges and cleared transactions, PG&E is required to post initial margin as well as mark to market and the portfolio does not benefit from any unsecured credit limits.

PG&E reports its electric portfolio TeVaR to the Commission’s Energy Division (“ED”) on a monthly basis.<sup>1</sup> Consistent with Decision (“D.”) 07-12-052, PG&E measures TeVaR as the potential change in portfolio costs under a low probability (5 percent) outcome or a 95 percent confidence level. The TeVaR measure assumes that no further forward hedging is performed, and that all existing positions are taken to delivery. In D.12-01-033, the Customer Risk Tolerance (“CRT”) level was set by the Commission at 10 percent of PG&E’s system average rate. The calculation of the CRT value is derived by multiplying 10 percent of the adopted bundled system average rate by the bundled forecasted sales for the rolling 12-month period. Based on PG&E’s effective ~~Marchy 2020~~ bundled system average rate of ~~22.169~~27.756 cents per kilowatt-hour (“kWh”),<sup>2</sup> a 10 percent risk tolerance factor yields a CRT of ~~2.22~~78 cents/kWh Or \$~~77~~95 million. Pursuant to D.12-01-033, this CRT calculation will be updated every two years in each Long-Term Procurement Plan (“LTPP”) filing. If the LTPP filing is delayed or not made, the CRT will be updated two years from the filing of the previous LTPP via a

<sup>1</sup> See also Appendix M (regarding TeVaR notification to the Procurement Review Group as required by D.07-12-052 and D.12-01-033).

<sup>2</sup> PG&E Advice Letter (“AL”) ~~5661~~6509-E-A “Supplemental: ~~2020~~ Annual Electric True-Up – Consolidated Electric Rate Changes Effective ~~Marchy 1, 2020~~.”  
[https://www.pge.com/tariffs/assets/pdf/adviceletter/ELEC\\_5661-E-A.pdf](https://www.pge.com/tariffs/assets/pdf/adviceletter/ELEC_5661-E-A.pdf)  
[https://www.pge.com/tariffs/assets/pdf/adviceletter/ELEC\\_6509-E-A.pdf](https://www.pge.com/tariffs/assets/pdf/adviceletter/ELEC_6509-E-A.pdf)

## **Public Attachment F**

**Proposed Edits to CRT calculation, BPP Sheet 205 (Clean)**



investment grade. For exchanges and cleared transactions, PG&E is required to post initial margin as well as mark to market and the portfolio does not benefit from any unsecured credit limits.

PG&E reports its electric portfolio TeVaR to the Commission's Energy Division ("ED") on a monthly basis.<sup>1</sup> Consistent with Decision ("D.") 07-12-052, PG&E measures TeVaR as the potential change in portfolio costs under a low probability (5 percent) outcome or a 95 percent confidence level. The TeVaR measure assumes that no further forward hedging is performed, and that all existing positions are taken to delivery. In D.12-01-033, the Customer Risk Tolerance ("CRT") level was set by the Commission at 10 percent of PG&E's system average rate. The calculation of the CRT value is derived by multiplying 10 percent of the adopted bundled system average rate by the bundled forecasted sales for the rolling 12-month period. Based on PG&E's effective March 2022 bundled system average rate of 27.756 cents per kilowatt-hour ("kWh"),<sup>2</sup> a 10 percent risk tolerance factor yields a CRT of 2.78 cents/kWh Or \$775 million. Pursuant to D.12-01-033, this CRT calculation will be updated every two years in each Long-Term Procurement Plan ("LTPP") filing. If the LTPP filing is delayed or not made, the CRT will be updated two years from the filing of the previous LTPP via a Tier 1

<sup>1</sup> See also Appendix M (regarding TeVaR notification to the Procurement Review Group as required by D.07-12-052 and D.12-01-033).

<sup>2</sup> PG&E Advice Letter ("AL") 6509-E-A "Supplemental: 2022 Annual Electric True-Up – Consolidated Electric Rate Changes Effective March 1, 2022."

[https://www.pge.com/tariffs/assets/pdf/adviceletter/ELEC\\_6509-E-A.pdf](https://www.pge.com/tariffs/assets/pdf/adviceletter/ELEC_6509-E-A.pdf)

## **Public Attachment G**

**Declaration of John Ulloa Seeking Confidential Treatment  
Pursuant to D.06-06-066 and Public Utilities Code §454.5(g).**

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

**DECLARATION OF ROBERT GOMEZ  
SEEKING CONFIDENTIAL TREATMENT  
FOR CERTAIN DATA AND INFORMATION  
CONTAINED IN PG&E'S ADVICE LETTER 6541-E**

I, John Ulloa, declare:

1. I am presently employed by Pacific Gas and Electric Company ("PG&E") and have been an employee since 1998. My current title is Manager, Electric Gas Supply in the Electric and Gas Acquisition Department, which is part of the Energy Policy and Procurement organization. I am responsible for physical and financial trading of gas in support of PG&E's utility-owned generation plants and PG&E's tolling agreements. In carrying out these responsibilities, I have acquired knowledge of gas supply and gas hedging for electric generation, the markets for physical and financial products for gas supply and hedging, and the various types of transactions involved. This declaration is based on my personal knowledge of PG&E's practices and my understanding of the Commission's decisions protecting the confidentiality of market-sensitive information.

2. Based on my knowledge and experience, and in accordance with the Decisions 06-06-066, 08-04-023, 14-10-033, and relevant Commission rules, I make this declaration seeking confidential treatment for certain procurement data and information contained in Advice Letter 6541-E, which provides an update to PG&E's Natural Gas Procurement Limits.

3. Attached to this declaration is a matrix identifying the data and information for which PG&E is seeking confidential treatment. The matrix specifies that the material PG&E is seeking to protect constitutes confidential market sensitive procurement data and information covered by Public Utilities Code Section 454.5(g), D.14-10-033, and General Order (GO) 66-D, Section 2.2b. The matrix also specifies why confidential protection is justified. Further, the data and information: (1) is not already public; and (2) cannot be aggregated, redacted, summarized or otherwise protected in a way that allows partial disclosure. By this reference, I am incorporating

into this declaration all of the explanatory text that is pertinent to my testimony in the attached matrix.

I declare under penalty of perjury, under the laws of the State of California, that the foregoing is true and correct. Executed on March 31, 2022.

/s/

---

John Ulloa

**PACIFIC GAS AND ELECTRIC COMPANY (U 39 E)**  
**ADVICE LETTER 6541-E**  
**MARCH 31, 2022**

**IDENTIFICATION OF CONFIDENTIAL INFORMATION**

Redaction Reference	Category from D.06-06-066, Appendix 1, or Separate Confidentiality Statute or Order That Data Corresponds To	Justification for Confidential Treatment	Length of Time Data To Be Kept Confidential
<b>Document: Advice Letter 6541-E</b>			
Attachment A	D.06-06-066, <i>Appendix 1</i> (Item I.A.4 Long-term fuel (gas) buying and hedging plans) Pub. Util., Code § 454.5(g)	Information concerning a description of PG&E's long term fuel (gas) buying and hedging strategies, which constitutes market sensitive information that could cause harm to PG&E's customers and put PG&E at an unfair business disadvantage if publicly disclosed.	Indefinite
Attachment B	D.06-06-066, <i>Appendix 1</i> (Item I.A.4 Long-term fuel (gas) buying and hedging plans) Pub. Util., Code § 454.5(g)	Information concerning a description of PG&E's long term fuel (gas) buying and hedging strategies, which constitutes market sensitive information that could cause harm to PG&E's customers and put PG&E at an unfair business disadvantage if publicly disclosed.	Indefinite

**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.  
Braun Blasing Smith Wynne, P.C.  
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  
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  
Engineers and Scientists of California

GenOn Energy, Inc.  
Goodin, MacBride, Squeri, Schlotz &  
Ritchie  
Green Power Institute  
Hanna & Morton  
ICF  
International Power Technology

Intertie

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  
McClintock IP  
McKenzie & Associates

Modesto Irrigation District  
NLine Energy, Inc.  
NRG Solar

OnGrid Solar  
Pacific Gas and Electric Company  
Peninsula Clean Energy

Pioneer Community Energy

Public Advocates Office

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  
Uplight  
Water and Energy Consulting Wellhead  
Electric Company  
Western Manufactured Housing  
Communities Association (WMA)  
Yep Energy