

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



December 18, 2023

Advice Letter 7065-E

Sidney Bob Dietz II
Director, Regulatory Relations
Pacific Gas and Electric Company
300 Lakeside Drive
Oakland, California 94612

SUBJECT:

Advice Letter 7065-E – Notice of Federal Energy Regulatory Commission Rate Increase Submittal (TO21)

Dear Mr. Dietz,

Energy Division has received PG&E's Advice Letter (AL) 7065-E, which pertains to PG&E's filing of its twenty-first transmission owner rate case (TO21) at the Federal Energy Regulatory Commission (FERC) on October 13, 2023, in Docket No. ER24-96. Energy Division approves this Advice Letter to be effective as of the date of this letter, knowing the actual effective date of the TO21 rates at FERC is still to be determined.

BACKGROUND

PG&E's Advice Letter 7065-E was filed on November 13, 2023, in compliance with CPUC Resolution E-3930, which established a process by which the CPUC authorizes the pass-through of rate changes for transmission-related costs that California electric utilities have filed at FERC.¹

On October 13, 2023, PG&E filed its TO21 rate case at FERC and requested an effective date of January 1, 2024. However, according to PG&E's Advice Letter, if FERC accepts the TO21 filing but suspends the effective date for the maximum statutory period of up to 5 months, then the effective date becomes May 14, 2024.²

PG&E's AL filing reflects its most current estimates of the cost of providing electric transmission service. The TO21 base transmission revenue requirement (TRR) is \$2.83 billion for 2024, approximately \$350 million less than the current Rate Year (RY) 2023 TRR of \$3.17 billion. PG&E's AL states that because transmission rates account for 13.7% of total bundled service rates, the lower TO21 base TRR results in a decrease of \$2.64 per month in Residential Bundled (Non-CARE) bills, as compared to RY2023.

PG&E filed its RY 2024 Annual Update on December 1, 2023, with an effective date of January 1, 2024. TO21 has been protested, and we await a FERC order to determine whether TO21 rates will go into

¹ Resolution E-3930 at 5 states: "[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."

² Energy Division Staff note that May 14, 2024 would be seven months from the FERC filing on October 13, 2024, but a five-month suspension of PG&E's proposed January 1, 2024 effective date would be June 1, 2024.

effect on January 1, 2024. In the absence of a FERC order on TO21, TO20's RY2024 rates would go into effect, subject to refund, on January 1, 2024.

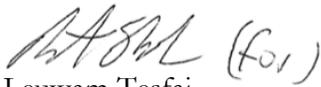
No protests of AL 7065-E were filed.

DISPOSITION

With the understanding that a FERC order is needed to determine when TO21 rates will take effect, Energy Division approves AL 7065-E with an effective date of the date of this letter for the updated revenue requirement and rates, subject to refund.

The CPUC's authorization to pass through the TO21 transmission 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.³

Kindly,



Leuwam Tesfai
Deputy Executive Director for Energy and Climate Policy/
Director, Energy Division
California Public Utilities Commission

cc: PG&E Tariff Unit (PGETariffs@pge.com)
ED Tariff Unit (EDTariffUnit@cpuc.ca.gov)

³ 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.

November 13, 2023

Advice 7065-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 Increase Submittal (TO21)

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 submittal with the Federal Energy Regulatory Commission (FERC) requesting a transmission rate change for its retail electric customers. The purpose of PG&E's FERC submittal is to request rates for 2024 that reflect PG&E's most current estimates of the cost of providing transmission service.

Background

PG&E's twenty first FERC-jurisdictional electric transmission revenue requirement request (TO21) was filed with the FERC on October 13, 2023, and has been assigned FERC Docket No. ER24-96-000.

FERC has jurisdiction over unbundled retail electric transmission rates in California, including transmission services provided under the FERC-approved California Independent System Operator Corporation (CAISO) Tariff. As the United States Supreme court has said, "when a bundled retail sale is unbundled and becomes separate transmission and power sales transactions, the resulting transmission transaction falls within the Federal Sphere of regulation," (See *New York v. FERC*, 535 US 1, at 12 (2002), citing FERC Order No. 888 approvingly, citations omitted). When FERC issues decisions addressing CAISO or other transmission service, they are deemed reasonable for purposes of inclusion in retail electric rates. *Id.*

Commission Resolution E-3930, approved on May 26, 2005, acknowledged this jurisdictional division and established a process for CPUC notification and review of transmission-related changes approved by FERC. That process is contained in Process Element 1, which states, "The Commission recognizes that under the filed rate doctrine, the Commission should allow a pass through of these transmission rates that are filed with and become effective at the FERC."

The TO21 Base Transmission Revenue Requirement (Base TRR) used to calculate Access Charges for retail Network Transmission Services for 2024 is \$2.81 billion, which represents a decrease of \$360 million or 11.3% compared to the current Rate Year 2023 filed rates under TO20. However, because transmission rates account for a relatively small percentage of total bundled service rates (approximately 13.7 percent), the resulting system average bundled service rate would decrease by approximately 1.3% decrease that would result in a decrease of \$2.64 per month in the Residential Bundled (Non-CARE) Bill. PG&E has requested that FERC accepts its TO21 filing and authorize the proposed rates to become effective on January 1, 2024, subject to refund. If FERC accepts the TO21 rates but decides to suspend the effective date of implementing the rates for the maximum statutory period of up to five (5) months, the effective date for the TO21 rates would be May 14, 2024.

Compliance with Resolution E-3930

PG&E is submitting this advice letter pursuant to Process Element 3 of Resolution E-3930. On October 13, 2023, consistent with past practice, PG&E served the Commission, the Energy Division and other interested parties with an electronic notice of the filing. In addition, PG&E provided a link to the filing in FERC's electronic filing system, and a full set of the supporting workpapers. Consistent with its past practice PG&E is providing a comparison between present and proposed rates in the documents contained in Attachment A.

In this advice letter, PG&E requests authority to revise each corresponding transmission rate component of its CPUC-jurisdictional tariffs and to be effective on the date on which FERC ultimately authorizes these changes to become effective (subject to refund), and to make corresponding adjustments to PG&E's total applicable CPUC-jurisdictional rates.

As anticipated under Process Element 4 of Resolution E-3930, PG&E will supplement this advice letter when the requested TO21 rate changes are approved, modified, denied or have been otherwise acted upon by FERC. When FERC authorizes rates to become effective, PG&E will also provide complete updated tariff sheets.

All non-residential tariffs will also be modified with the appropriate energy charge per kWh, and/or demand charge per kW, changes to transmission rates and commensurate changes to total rates applicable on each non-residential tariff.

Protests

Anyone wishing to protest this submittal may do so by letter sent electronically via E-mail, no later than December 4, 2023, which is 21¹ 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 2 advice submittal become effective as soon as practicable after FERC authorizes these changes to become effective. PG&E proposes to consolidate the electric rate changes resulting from the TO21 transmission rate change, to the extent practicable, with the first planned CPUC-jurisdictional rate change that occurs after FERC accepts PG&E's request.

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. 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/>.

¹ Pursuant to Rule 1.5 of General Order 96-B, PG&E requests to extend the protest period by one additional day because twenty days following submission of this advice letter is Sunday, December 3, 2023.

/S/
Sidney Bob Dietz II
Director, Regulatory Relations
CPUC Communications

Attachment A: Comparison of Proposed (Rate Year 2024) vs. Current Retail Rates (Rate Year 2023).



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 #: 279-789-6210

E-mail: PGETariffs@pge.com

E-mail Disposition Notice to: stuart.rubio@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) #: 7065-E

Tier Designation: 2

Subject of AL: Notice of Federal Energy Regulatory Commission Rate Increase Submittal (TO21)

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 #:

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:

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 proposed¹: N/A

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

¹Discuss 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

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

Attachment A

Comparison of Proposed (Rate Year 2024)
vs. Current Retail Rates (Rate Year 2023)

Schedule 29-RetailRates-1
Proposed Retail Rates
Rate Design

Current Year for Forecast Billing Determinants
5 Yr. Historical Avg. Data for 12-CP Allocation of TRR to Customer Class

Input cells are shaded gold

Line	Code	Class Name	Col 1	Col 2	Col 3	Col 4	Col 5	Line
			Note 1 Adjusted 12-CP Cost Allocation	Note 2 Forecast Billing Determinants	= col 1/col 2 Retail Rate	Note 3 Annual Sales (kWh)	= col 1/col 4 Average Rate (\$/kWh)	
100	RES-	Residential	\$1,323,940,442	27,666,722,782 kWh	\$0.04785 /kWh	27,666,722,782	\$0.04785	100
101	A1/B1-	Small L&P	\$270,222,806	8,074,913,236 kWh	\$0.03346 /kWh	8,074,913,236	\$0.03346	101
102	A10/B10-	Medium L&P		29,336,261 kW-mo		7,953,343,255	\$0.03742	102
103	E19/B19-	At Transmission		132,962 kW-mo		51,486,492	\$0.02620	103
104	E19/B19-	At Primary		3,431,810 kW-mo		1,313,285,739	\$0.02651	104
105	E19/B19-	At Secondary		33,609,673 kW-mo		12,722,209,440	\$0.02680	105
106	Medium Light and Power		\$674,682,751	66,510,706 kW-mo	\$10.14 /kW-mo			106
107	STL-	Streetlights	\$7,093,961	253,429,733 kWh	\$0.02799 /kWh	253,429,733	\$0.02799	107
108	AGA-	AG: A Schedules		115,953,240 kWh		115,953,240	\$0.03154	108
109	AGB/C-	AG: B Schedules		5,396,087,006 kWh		5,396,087,006	\$0.03154	109
110	Agriculture		\$173,847,069	5,512,040,246 kWh	\$0.03154 /kWh			110
111	E20/B20-	At Transmission		11,234,365 kW-mo		5,813,304,545	\$0.02375	111
112	E20/B20-	At Primary		13,735,879 kW-mo		6,366,762,979	\$0.02652	112
113	E20/B20-	At Secondary		4,130,441 kW-mo		1,802,238,689	\$0.02817	113
114	Schedule E-20		\$357,703,713	29,100,685 kW-mo	\$12.29 /kW-mo			114
115	STB/SB-	At Transmission		8,514,190 kW-mo		509,584,664	\$0.03438	115
116	STB/SB-	At Primary		1,279,798 kW-mo	50% Volumetric Charge \$0.01796 /kWh	17,656,940	\$0.08919	116
117	STB/SB-	At Secondary		71,329 kW-mo	50% Reservation Charge \$1.16 /.85*kW-mo	12,693,664	\$0.02348	117
118	Standby Service		\$19,391,224	9,865,317 kW-mo		539,935,268	\$0.03591	118
119	Total	Rate Design:	\$2,826,881,967			78,069,672,405	\$0.03621	119

Notes:

- Adjusted 12-CP Cost Allocations are from 29-RetailRates-2, col 8.
- Forecast kWh Billing Determinates are from 29-RetailRates-2, col 2. Forecast kW-mo. Billing Determinants are detailed in WP_29-RetailRates 8 (A-10, E-19, E-20 and Standby Reservation).
- Forecast kWh Annual Sales are from 29-RetailRates-2, col 2.

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**Pacific Gas and Electric Company
Formula Rate Model
Schedule 29-RetailRates-1**

**Proposed Retail Rates
Rate Design**

Input cells are shaded gold

Current Year for Forecast Billing Determinants
5 Yr. Historical Avg. Data for 12-CP Allocation of TRR to Customer Class

Line	Code	Class Name	Col 1	Col 2	Col 3	Col 4	Col 5	Line
			Note 1 Adjusted 12-CP Cost Allocation	Note 2 Forecast Billing Determinants	= col 1/col 2 Billing Units Retail Rate	Note 3 Annual Sales (kWh)	= col 1/col 4 Average Rate (\$/kWh)	
100	RES-	Residential	\$1,470,441,637	27,986,117,172 kWh	\$0.05254 /kWh	27,986,117,172	\$0.05254	100
101	A1-	Small L&P	\$299,753,756	8,170,970,533 kWh	\$0.03669 /kWh	8,170,970,533	\$0.03669	101
102	A10-	Medium L&P		28,573,782 kW-mo		7,905,628,709	\$0.04202	102
103	E19-	At Transmission		130,434 kW-mo		47,969,131	\$0.03161	103
104	E19-	At Primary		3,394,078 kW-mo		1,295,857,674	\$0.03045	104
105	E19-	At Secondary		32,996,630 kW-mo		13,079,422,246	\$0.02933	105
106	Medium Light and Power		\$756,794,607	65,094,924 kW-mo	\$11.63 /kW-mo			106
107	STL-	Streetlights	\$7,225,816	226,995,462 kWh	\$0.03183 /kWh	226,995,462	\$0.03183	107
108	AGA-	AG: A Schedules		397,561,552 kWh		397,561,552	\$0.03474	108
109	AGB-	AG: B Schedules		6,171,587,359 kWh		6,171,587,359	\$0.03474	109
110	Agriculture		\$228,191,990	6,569,148,911 kWh	\$0.03474 /kWh			110
111	E20-	At Transmission		10,996,890 kW-mo		5,743,354,916	\$0.02717	111
112	E20-	At Primary		13,080,927 kW-mo		6,321,274,535	\$0.02936	112
113	E20-	At Secondary		4,009,315 kW-mo		1,821,435,326	\$0.03123	113
114	Schedule E-20		\$398,555,176	28,087,132 kW-mo	\$14.19 /kW-mo			114
115	STB-	At Transmission		7,206,768 kW-mo		452,505,129	\$0.03739	115
116	STB-	At Primary		458,684 kW-mo	50% Volumetric Charge \$0.01887 /kWh	13,523,930	\$0.05830	116
117	STB-	At Secondary		72,443 kW-mo	50% Reservation Charge \$1.37 /.85*kW-mo	10,740,854	\$0.02671	117
118	Standby Service		\$17,992,379	7,737,895 kW-mo		476,769,913	\$0.03774	118
119	Total	Rate Design:	\$3,178,955,361			79,644,944,528	\$0.03991	119

Notes:

- 1) Adjusted 12-CP Cost Allocations are from 29-RetailRates-2, col 8.
- 2) Forecast kWh Billing Determinates are from 29-RetailRates-2, col 2. Forecast kW-mo. Billing Determinates are detailed in WP_29-RetailRates 8 (A-10, E-19, E-20 and Standby Reservation).
- 3) Forecast kWh Annual Sales are from 29-RetailRates-2, col 2.

**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
Buchalter
Barkovich & Yap, Inc.
Braun Blaising Smith Wynne, P.C.
California Community Choice Association
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
Downey Brand LLP
Dish Wireless L.L.C.

East Bay Community Energy Ellison
Schneider & Harris LLP

Electrical Power Systems, Inc.
Fresno
Engineers and Scientists of California

GenOn Energy, Inc.
Green Power Institute
Hanna & Morton
ICF

iCommLaw
International Power Technology
Intertie

Intestate Gas Services, Inc.

Johnston, Kevin
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
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.

Resource Innovations

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
Stoel Rives LLP

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