

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



Pacific Gas & Electric Company
GAS (Corp ID 39)
Status of Advice Letter 4511G
As of November 10, 2021

Subject: Modifications to Gas Preliminary Statement Part DH

Division Assigned: Energy

Date Filed: 10-20-2021

Date to Calendar: 10-25-2021

Authorizing Documents: D1510032

Authorizing Documents: D1402040

Disposition:	Accepted
Effective Date:	10-20-2021

Resolution Required: No

Resolution Number: None

Commission Meeting Date: None

CPUC Contact Information:

edtariffunit@cpuc.ca.gov

AL Certificate Contact Information:

Stuart Rubio

4159734587

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- Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)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

October 20, 2021

Advice 4511-G

(Pacific Gas and Electric Company U 39 G)

Public Utilities Commission of the State of California

Subject: **Modifications to Gas Preliminary Statement Part DH**

Pacific Gas & Electric Company (PG&E) hereby submits to the California Public Utilities Commission (Commission or CPUC) proposed modifications to its Preliminary Statement Part DH, *Gas Programs Balancing Account (GPBA)* tariff.

Purpose

The purpose of this Tier 1 advice letter is to propose modifications to PG&E's Gas Preliminary Statement Part DH, *Gas Programs Balancing Account (GPBA)*, to clarify that the Greenhouse Gas Compliance Cost Subaccount will record covered entity exemption administrative related costs, in compliance with Decision (D.)15-10-032¹ and D.14-02-040².

Background

During CA Air Resource Board's (CARB's) review of PG&E's Natural Gas Supplier (NGS) Use of Allowance Value Reporting Form³ (Reporting Year 2020) originally filed on June 30, 2021, and submitted on August 12, 2021, with revisions, CARB staff found PG&E's 2020 labor expense to administer and implement compliance cost for exemption billing adjustments for covered entities⁴, as ineligible to be funded by allocated allowance auction proceeds under CARB's Cap-and-Trade Regulation Section 95893(d)(3)(A)-(C). As the Commission recognized in D.18-03-017, aside from Public Utilities Code that governs generally, the sole regulation governing the distribution of GHG allowance proceeds to natural gas utilities is Section 95893 of the Cap-and-Trade Regulation.⁵ Accordingly to comply with CARB's request that PG&E's distribution of natural gas allowance revenues conform to CARB's interpretation of Section 95893 of the Cap-and-Trade Regulation, PG&E is (1) proposing to adjust the 2020 labor expenditures of concern

¹ Ordering Paragraph (OP) 2 and 11.

² OP 6.

³ Cap-and-Trade Regulation Sections 95893(d) and (e).

⁴ D.15-10-032 Section 4.6 Exempt Customer, last paragraph on page 30.

⁵ See D. 18-03-017, COLs 11-13.

to CARB via its next Annual Gas True Up filing; and (2) proposing going-forward accounting changes to accord such costs.

PG&E considers the annual billing adjustment effort for covered entities as administrative work, and previously, had allocated these labor costs, along with the residential Climate Credit administrative labor, in the Greenhouse Gas Expense Memorandum Account (GHGEMA-G) – specifically the Greenhouse Gas Revenues Subaccount⁶. The effort to exempt covered entities, as outlined in D.15-10-032, requires PG&E to review CARB’s list of covered entities annually, identify PG&E customers who are 1) newly covered or 2) newly excluded entities and adjust their bills accordingly⁷, described in bullets 1 and 2 below. Further, CARB does not provide its annual exemption data to PG&E until approximately September 30 of the following year⁸, which requires extensive effort for PG&E to identify eligible customers and adjust their bills for approximately 21 months of GHG compliance costs.

1. Newly covered entities would receive a credit for any GHG compliance costs charged by the utility while they were covered entities, so they are not double charged for their pollution during any year.
2. Newly excluded entities would not have paid GHG compliance costs in their natural gas rates for the period of time. The utility should adjust applicable customer’s bills to ensure they are charged for the GHG compliance costs for the period of time that they were excluded from paying GHG compliance costs but not a covered entity.

To comply with CARB’s request and record the labor expenditures that CARB determined is not a project or activity that is eligible to be funded by allocated allowance auction proceeds under sections 95893(d)(3)(A)-(C) of the Cap-and-Trade Regulation in the appropriate account, PG&E proposes modifying its Gas Preliminary Statement Part DH, *Gas Programs Balancing Account (GPBA)*, to record covered entity exemption administrative related costs in the *Greenhouse Gas Compliance Cost Subaccount*. The proposed tariff revisions outlined below clarifies that 1) residential CA Climate Credit administrative costs would continue to be funded by allocated allowance auction proceeds, though the Greenhouse Gas Revenues Subaccount and 2) labor costs to administer the covered entity exemptions would be funded though the Greenhouse Gas Compliance Cost Subaccount. PG&E proposes recording these costs to the balancing subaccount because the labor cost is to ensure covered entities are exempted from the subaccount’s rate component (AB 32 GHG Compliance).

⁶ D. 15-10-032, p. 2.

⁷ Id 3.

⁸ D.15-10-032 at Section 4.6, Exempt Customer, paragraph 2 on page 28.

Tariff Revisions

PG&E proposes revising the Gas Preliminary Statement Part DH, *Gas Programs Balancing Account (GPBA)* to reflect the following revision(s):

1. Greenhouse Gas Compliance Cost Subaccount:
 - a. Added line 3 to clarify debit/credit entries of covered entity exemption related costs will be recorded in this subaccount.
2. Greenhouse Gas Revenues Subaccount:
 - a. Revised line 2 to clarify only natural gas GHG residential CA Climate Credit administrative costs will be recorded in this subaccount.

The affected tariff sheets are listed on the enclosed Attachment 1. For convenience of the reader, PG&E has included redline revisions of the tariffs in Attachment 2.

Protests

Anyone wishing to protest this submittal may do so by letter sent via U.S. mail, facsimile or E-mail, no later than **November 9, 2021**, which is 20 days after the date of this submittal. 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:

Sidney Bob Dietz II
Director, Regulatory Relations
c/o Megan Lawson
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; 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 1** advice submittal become effective upon date of submittal, which is **October 20, 2021**.

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 **R.11-03-012 and R.14-03-003**. 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

Attachments

cc: Service List R.11-03-012 and R.14-03-003



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 G)

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) #: 4511-G

Tier Designation: 1

Subject of AL: Modifications to Gas Preliminary Statement Part DH

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.15-10-032 and D.14-02-040

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: 10/20/21

No. of tariff sheets: 3

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: See Attachment 1

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 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

Name: Sidney Bob Dietz II, 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

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

Cal P.U.C. Sheet No.	Title of Sheet	Cancelling Cal P.U.C. Sheet No.
37456-G	GAS PRELIMINARY STATEMENT PART DH GAS PROGRAMS BALANCING ACCOUNT (GPBA) Sheet 2	36757-G
37457-G	GAS TABLE OF CONTENTS Sheet 1	37451-G
37458-G	GAS TABLE OF CONTENTS Sheet 5	36670-G



GAS PRELIMINARY STATEMENT PART DH
GAS PROGRAMS BALANCING ACCOUNT (GPBA)

Sheet 2

5. ACCOUNTING PROCEDURE: (Cont'd)

The "Renewable Gas Interconnection Program Incentive Subaccount" is to record and track PG&E's respective share of the \$40 million California Air Resources Board (CARB) allocation of cap-and-trade allowance proceeds (42.34% or \$16.936 million) compared to the monetary incentive payments to biomethane producers for the development, deployment, and utilization of the utilities' gas pipeline pursuant to Decision 20-12-031.

a. Greenhouse Gas Compliance Cost Subaccount

PG&E shall make the following entries at the end of each month, as applicable, as follows:

- 1) A debit entry equal to GHG compliance costs incurred, including financing costs on the monthly GHG compliance instruments inventory held for future compliance, under the ARB's Cap-and-Trade Program;
- 2) A credit entry equal to the revenues from the AB 32 GHG Compliance rate component, excluding Revenue Fees and Uncollectible (RF&U) accounts expense;
- 3) A debit/(credit) entry to record the incurred covered entity exemption related costs¹ (N)
- 4) A debit/(credit) entry, as appropriate, to record the transfer of amounts to or from other accounts as approved by the Commission, and (T)
- 5) An entry equal to the interest on the average of the balance in this account at the beginning of the month and the balance in this account after the above entries at a rate equal to one-twelfth the interest rate on three month Commercial paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor. (T)

b. Greenhouse Gas Revenues Subaccount

PG&E shall make the following entries at the end of each month, as applicable, as follows:

- 1) A credit entry equal to GHG revenues generated from auctions of consigned natural gas GHG allowances;
- 2) A debit entry equal to the GHG revenue to recover natural gas GHG residential CA Climate Credit administrative costs approved through a reasonableness review, which is transferred to the Greenhouse Gas Expense Memorandum Account – Gas (GHGEMA-G); (T)
- 3) A debit entry equal to the GHG allowance revenues returned to customers, net of an allowance for RF&U;
- 4) A debit/(credit) entry, as appropriate, to record the transfer of amounts to or from other accounts as approved by the Commission, and
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¹ D.14-12-040 at Ordering Paragraph (OP) 6 and D.15-10-032 at OP 2 and 11. (N)

(Continued)

Advice	4511-G	Issued by	Submitted	October 20, 2021
Decision	15-10-032, 14-02-040.	Robert S. Kenney	Effective	October 20, 2021
		Vice President, Regulatory Affairs	Resolution	



GAS TABLE OF CONTENTS

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Part AG	Core Firm Storage Account.....	35864-G
Part AN	Hazardous Substance Mechanism.....	23281,33423,23283,16693,32964-G
Part AW	Self-Generation Program Memorandum Account	33442-G
Part BA	Public Purpose Program-Energy Efficiency	36117,36118-G
Part BB	Public Purpose Program Memorandum Account	23362,29327-G
Part BH	Public Purpose Program Surcharge-Low Income Energy Efficiency Balancing Account	33443-G
Part BI	Public Purpose Program Surcharge-Research, Development and Demonstration Balancing Account	33444,23366-G
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Part CI	AB32 Cost of Implementation Fee Memorandum Account – Gas.....	28673-G
Part CK	TID Almond Power Plant Balancing Account	28889,28890-G
Part CL	Transmission Integrity Management Program Balancing Account.....	36056,36057-G
Part CN	Topock Adder Projects Balancing Account	33457-G
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Part CP	Gas Transmission & Storage Revenue Sharing Mechanism	32758,33461,33462,33463-G
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(Continued)

Advice 4511-G
October 20, 2021

Attachment 2
Redline Tariff Revisions



GAS PRELIMINARY STATEMENT PART DH
GAS PROGRAMS BALANCING ACCOUNT (GPBA)

Sheet 2

5. ACCOUNTING PROCEDURE: (Cont'd)

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¹ D.14-12-040 at Ordering Paragraph (OP) 6 and D.15-10-032 at OP 2 and 11. (N)

(Continued)

**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

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