December 5, 2012

Advice Letter 3195-E

Brian K. Cherry
Vice President, Regulation and Rates
Pacific Gas and Electric Company
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, CA 94177

Subject: Notice of the PacifiCorp Settlement (PacifiCorp) and the Transmission Access Charge Balancing Account Adjustment (TACBAA) Filings with the Federal Energy Regulatory Commission

Dear Mr. Cherry:

Advice Letter 3195-E is effective November 16, 2012.

Sincerely,

Edward F. Randolph, Director
Energy Division
January 11, 2008

Advice 3195-E
(Pacific Gas and Electric Company ID U 39 E)

Subject: Notice of the PacifiCorp Settlement (PacifiCorp) and the Transmission Access Charge Balancing Account Adjustment (TACBAA) filings with the Federal Energy Regulatory Commission

Purpose

Pacific Gas and Electric Company (PG&E) hereby submits this advice letter to provide the Commission with notice of two recent PG&E filings with the Federal Energy Regulatory Commission (FERC). The first is a settlement with PacifiCorp and the second is the TACBAA filing.

Background

Commission Resolution E-3930, approved on May 26, 2005, established a new process for CPUC notification and review of transmission-related changes, and embodies this understanding in new Process Element 1, where it 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.” PG&E is filing this advice letter to provide the Commission with notice of the FERC filing to allow the pass through of the transmission rates.

PacifiCorp Settlement and Lease Rates

On December 20, 2007, FERC approved a settlement that will resolve the disputes raised by PacifiCorp’s proposal to provide transmission service over the 47-mile segment of the eastern 500 kV Pacific Intertie (PACI) lines owned by PacifiCorp. PacifiCorp and PG&E will enter into a 20-year Transmission Exchange Agreement (TEA) under which PG&E and PacifiCorp will each have rights to half
of the capacity on the eastern 94-mile segment of the PACI between Malin and Round Mountain Substations. PacifiCorp also receives rights to transfer power across the bus at Round Mountain to non-CAISO transmission systems interconnected there. PG&E and PacifiCorp will, over the next year, attempt to negotiate a joint ownership agreement for the line which would replace the TEA.

In addition, PG&E will lease a portion of the capacity allocated to PacifiCorp for the first ten (10) years of the TEA. As a condition of the settlement, PG&E's lease payments to PacifiCorp can be fully recovered through the TO Tariff transmission rates. For the first four (4) years, PG&E will lease from PacifiCorp all 800 MW allocated to PacifiCorp for $20,000,000/year, making the entire 1600 MW capacity of the eastern PACI line between Malin and Round Mountain substations available to California Independent System Operator Corporation (ISO) grid users.

The PacifiCorp Intertie Lease Revenue Requirement of $23,333,333 for PG&E’s lease payment to PacifiCorp for 2008 shall be allocated to End-Use Customers though the PacifiCorp Intertie lease rates between March 1, 2008 and February 28, 2009. (The $23,333,333 revenue requirement reflected here will recover the first 14 months of the lease payments to PacifiCorp, which began on January 1, 2008. Subsequent to February 28, 2009, PG&E expects to recover future lease payments as part of its overall TO tariff retail revenue requirement.)

**TACBAA Rate Filing**

On December 6, 2007, PG&E filed its TACBAA filing with FERC in Docket No. ER08-312-000.

The TACBAA is a ratemaking mechanism designed to ensure that the amount of costs shifted from New Participating Transmission Owners (TOs) in the ISO control area to existing TOs will be recovered from PG&E’s end-use customers.

As described in the TO Tariff the effective date for the updated TACBAA is April 1 each year. In its FERC filing, PG&E requested a TO tariff terms and conditions revision to reflect an effective date of March 1. This revision will help coincide several retail rate adjustments ordered for March 1, 2008, including the effective date of rates proposed in PG&E’s TO10 rate case (FERC Docket No. ER07-1213-000). PG&E provided notice to the Commission of the TO10 rate change in Advice 3110-E, filed August 22, 2007.

Section 5.7 of PG&E’s 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. The 2008 TACBAA rate is based on the balance in the TACBA as of December 31, 2007, and a forecast of the net annual Access Charge billings by the ISO to PG&E during the following year.
The total revenue requirement used in the development of the retail 2008 TACBAA rate is the sum of four components: (1) the forecasted 2008 TACBA costs of negative $14,000,261, (2) the balance of the TACBA plus interest as of December 31, 2007, of negative $18,749,192, and (3) the Franchise Fees and Uncollectible Amount of negative $335,846. The resultant TACBAA revenue requirement is negative $33,085,299, and the corresponding rate is negative $0.00039/kWh.

**Compliance with Resolution E-3930**

PG&E submits this advice pursuant to Process Element 3 of Resolution E-3930. Consistent with past practice, PG&E has also provided the Commission with a complete copy of each of the FERC filings on the same date that each was filed with FERC, by service to Mr. Randolph L. Wu of the Commission’s Legal Division.

In this advice, PG&E requests authority to revise each corresponding transmission rate component of its CPUC-jurisdictional tariffs on the date on which FERC ultimately authorizes these changes to become effective, and to make corresponding adjustments to its total applicable CPUC-jurisdictional rates, with exceptions only as described below for the residential tariffs.

As anticipated under Process Element 4 of Resolution E-3930, PG&E will supplement this advice letter when the requested TACBAA rate changes are approved, modified, denied or have been otherwise acted upon by the FERC. To the extent possible, PG&E proposes to consolidate the final tariff changes with other rate changes occurring at the same time. As described under Process Elements 5 and 6 of Resolution E-3930, California Assembly Bill 1X (AB 1X), constraints continue to apply to total rates for residential usage up to 130 percent of baseline (“Tier 1 and 2 usage”). Compliance with the AB1X requirements requires making offsetting adjustments to rates for Tier 3 through Tier 5 usage while holding the total effective rates for Tier 1 and Tier 2 usage unchanged, and these adjustments will also be included when PG&E files consolidated tariff changes for electric rates effective March 1, 2008.

**Protests**

Anyone wishing to protest this filing may do so by letter sent via U.S. mail, by facsimile or electronically, any of which must be received no later than January 31, 2008 which is 20 days after the date of this filing. Protests should be mailed to:
Advice 3195-E

CPUC Energy Division
Tariff Files, Room 4005
DMS Branch
505 Van Ness Avenue
San Francisco, California 94102

Facsimile: (415) 703-2200
E-mail: jnj@cpuc.ca.gov and mas@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 also should be sent via U.S. mail (and by facsimile and electronically, if possible) to PG&E 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

Effective Date

PG&E requests that this advice filing become effective on either March 1, 2008 or such later date as the FERC determines that these FERC-jurisdictional rate changes are to become effective.

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. Address changes to the General Order 96-B service list should be directed to Rose de la Torre at (415) 973-4716. Advice letter filings can also be accessed electronically at: http://www.pge.com/tariffs
Vice President, Regulatory Relations

Attachments
Company name/CPUC Utility No. Pacific Gas and Electric Company (ID U39 M)

<table>
<thead>
<tr>
<th>Utility type:</th>
<th>Contact Person: Daren Chan</th>
</tr>
</thead>
<tbody>
<tr>
<td>☑ ELC</td>
<td>☑ GAS</td>
</tr>
<tr>
<td>☐ PLC</td>
<td>☐ HEAT</td>
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**EXPLANATION OF UTILITY TYPE**

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

Advice Letter (AL) #: **3195-E**

Subject of AL: Notice of the PacifiCorp Settlement (PacifiCorp) and the Transmission Access Charge Balancing Account Adjustment (TACBAA) filings with the Federal Energy Regulatory Commission

Keywords (choose from CPUC listing): Compliance

AL filing type: ☑ Monthly ☐ Quarterly ☐ Annual ☐ One-Time ☐ Other

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: Res. 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:

Is AL requesting confidential treatment? If so, what information is the utility seeking confidential treatment for:

Confidential information will be made available to those who have executed a nondisclosure agreement: ☐ Yes ☐ No

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: **March 1, 2008**

No. of tariff sheets: N/A

Estimated system annual revenue effect (%): TBD

Estimated system average rate effect (%): TBD

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: Pass through of FERC-rate

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:

**CPUC, Energy Division**

**Pacific Gas and Electric Company**

Tariff Files, Room 4005

Attn: Brian K. Cherry

DMS Branch

Vice President, Regulatory Relations

505 Van Ness Ave.,

77 Beale Street, Mail Code B10C

San Francisco, CA 94102

P.O. Box 770000

jnij@cpuc.ca.gov and mas@cpuc.ca.gov

San Francisco, CA 94177

E-mail: PGETariffs@pge.com
PG&E Gas and Electric
Advice Filing List
General Order 96-B, Section IV

ABAG Power Pool
Accent Energy
Aglet Consumer Alliance
Agnews Developmental Center
Ahmed, Ali
Alcantar & Kahl
Ancillary Services Coalition
Anderson Donovan & Poole P.C.
Applied Power Technologies
APS Energy Services Co Inc
Arter & Hadden LLP
Avista Corp
Barkovich & Yap, Inc.
BART
Bartle Wells Associates
Blue Ridge Gas
Bohannon Development Co
BP Energy Company
Braun & Associates
C & H Sugar Co.
CA Bldg Industry Association
CA Cotton Ginners & Growers Assoc.
CA League of Food Processors
CA Water Service Group
California Energy Commission
California Farm Bureau Federation
California Gas Acquisition Svcs
California ISO
Calpine
Calpine Corp
Calpine Gilroy Cogen
Cambridge Energy Research Assoc
Cameron McKenna
Cardinal Cogen
Cellnet Data Systems
Chevron Texaco
Chevron USA Production Co.
City of Glendale
City of Healdsburg
City of Palo Alto
City of Redding
CLECA Law Office
Commerce Energy
Constellation New Energy
CPUC
Cross Border Inc
Crossborder Inc
CSC Energy Services
Davis, Wright, Tremaine LLP
Defense Fuel Support Center
Department of the Army
Department of Water & Power City
DGS Natural Gas Services
Douglass & Liddell
Downey, Brand, Seymour & Rohwer
Duke Energy
Duke Energy North America
Duncan, Virgil E.
Dutcher, John
Dynegy Inc.
Ellison Schneider
Energy Law Group LLP
Energy Management Services, LLC
Exelon Energy Ohio, Inc
Exeter Associates
Foster Farms
Foster, Wheeler, Martinez
Franciscan Mobilehome
Future Resources Associates, Inc
G. A. Krause & Assoc
Gas Transmission Northwest Corporation
GLJ Energy Publications
Goodin, MacBride, Squeri, Schlotz & Hanna & Morton
Heeg, Peggy A.
Hitachi Global Storage Technologies
Hogan Manufacturing, Inc
House, Lon
Imperial Irrigation District
Integrated Utility Consulting Group
International Power Technology
Interstate Gas Services, Inc.
IUCG/Sunshine Design LLC
J. R. Wood, Inc
JTM, Inc
Luce, Forward, Hamilton & Scripps
Manatt, Phelps & Phillips
Marcus, David
Matthew V. Brady & Associates
Maynor, Donald H.
MBMC, Inc.
McKenzie & Assoc
McKenzie & Associates
Meek, Daniel W.
Mirant California, LLC
Modesto Irrigation Dist
Morrison & Foerster
Morse Richard Weisenmiller & Assoc.
Navigant Consulting
New United Motor Mfg, Inc
Norris & Wong Associates
North Coast Solar Resources
Northern California Power Agency
Office of Energy Assessments
OnGrid Solar
Palo Alto Muni Utilities
PG&E National Energy Group
Pinnacle CNG Company
PITCO
Plurimi, Inc.
PPL EnergyPlus, LLC
Praxair, Inc.
Price, Roy
Product Development Dept
R. M. Hairston & Company
R. W. Beck & Associates
Recon Research
Regional Cogeneration Service
RMC Lonestar
Sacramento Municipal Utility District
SCD Energy Solutions
Seattle City Light
Sempra
Sempra Energy
Sequioa Union HS Dist
SESCO
Sierra Pacific Power Company
Silicon Valley Power
Smurfit Stone Container Corp
Southern California Edison
SPURR
St. Paul Assoc
Sutherland, Asbill & Brennan
Tabors Caramanis & Associates
Tecogen, Inc
TFS Energy
Transcanada
Turlock Irrigation District
U S Borax, Inc
United Cogen Inc.
URM Groups
Utility Resource Network
Wellhead Electric Company
White & Case
WMA

14-Jun-07