

October 26, 2011

**Advice 3896-E-A**

(Pacific Gas and Electric Company ID U 39 M)

Public Utilities Commission of the State of California

**Subject: Supplement to Annual Electric True-Up Filing - Change PG&E  
Electric Rates on January 1, 2012**

**Purpose**

The purpose of this supplemental filing is to amend the Illustrative 2012 Rate Design and Resulting Rates section of Advice 3896-E.

**Background**

On September 1, 2011, Pacific Gas and Electric Company (PG&E) filed the Annual Electric True Up (AET) Advice 3896-E: (1) to establish 2012 electric rates for recovery of the balances in balancing accounts already approved for amortization in 2012 (listed in Table 1); (2) to establish the 2012 Energy Recovery Bonds Balancing Account revenue requirement; and (3) to provide a vehicle to consolidate authorized changes to PG&E's January 1, 2012 electric rates.

During the filing of this advice letter, there were uncertainties surrounding the extension of the Public Goods Charge (PGC) beyond December 31, 2011.<sup>1</sup> Advice 3896-E assumed that the PGC is not extended and that the energy efficiency portion of the PGC is recovered through procurement energy efficiency. Therefore, PG&E eliminated all components of the PGC and combined the electric Public Purpose Program Revenue Adjustment Mechanism (PPPRAM) funding for energy efficiency with the Procurement Energy Efficiency Revenue Adjustment Mechanism (PEERAM), thus reflecting a total PEERAM projected 2012 revenue of \$395,356,496 in Table 2 (Line 50) of Advice 3896-E. Because the approved allocation methodologies for PGC Energy Efficiency (EE) and procurement EE differ,<sup>2</sup> the allocation of combined funding for these two programs in the initial AET Advice 3896-E resulted in an incorrect representation of Public Purpose Program (PPP) rates at the schedule level, and

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<sup>1</sup> The expiration of the PGC is being addressed in Phase III of Rulemaking 09-11-014 for energy efficiency and in Rulemaking 11-10-003 for other PGC-funded programs.

<sup>2</sup> The allocation methodologies for PGC EE and procurement EE were adopted by the CPUC in Decision 07-09-004, which approved PG&E's 2007 GRC Phase 2 revenue allocation and rate design settlement. See D.07-09-004, Appendix B, Section VII, Part 3(F) for a description of the approved PGC EE and Procurement EE allocation methodologies.

subsequently of total rates at the schedule level, in the illustrative 2012 Rate Design and Resulting Rates included in Advice 3896-E.

### **Proposed Amendments to Advice 3896-E**

Without changing the overall revenue, PG&E proposes to adjust the public purpose program revenue for energy efficiency to maintain the PGC portion of funding in the PPPRAM and remove it from the PEERAM to retain the cost allocation for these separate revenue requirements as follows:

|              | Filed Advice 3896-E  | Adjustment      | Revised Advice 3896-E |
|--------------|----------------------|-----------------|-----------------------|
| PPPRAM       | \$0                  | \$120,734,365   | \$120,734,365         |
| PEERAM       | \$365,815,496        | (\$120,734,365) | \$245,081,131         |
| <b>Total</b> | <b>\$365,815,496</b> | <b>\$0</b>      | <b>\$365,815,496</b>  |

Attachment 1 to this advice letter provides a comparison of the illustrative total rates at the schedule level in the AET as filed in Advice 3896-E with the illustrative total rates at the schedule level resulting from the adjusted revenue requirements as provided in the above table. As the attachment shows, average rates for individual schedules may increase or decrease due to the adjusted allocation described in this advice letter supplement, however total revenue remains unchanged from the original filing.

As stated in Advice 3896-E, PG&E will update its 2012 revenue and rates, including the electric funding for energy efficiency in the December supplement to Advice 3896-E, based on Commission action on pending proceedings and advice letters prior to the end of 2011.

### **Protests**

Due to the limited scope of PG&E's supplemental filing, PG&E respectfully requests the protest period for this filing not be re-opened.

### **Effective Date**

PG&E requests that this advice filing become effective on **January 1, 2012**, concurrently with the Commission's approval of Advice 3896-E, and by resolution no later than at the Commission's December 15, 2011 business meeting.

**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 service lists for A.08-05-022, A.09-12-020, A.10-01-014, A.10-03-014, A.10-08-002, A.10-08-011, A.11-02-011, A.11-03-001, A.11-05-019, A.11-06-004, A.11-06-028, R.07-01-041, R.08-02-007, R.08-03-008, R.09-01-019, R.09-06-018 and R.11-03-006. Address changes to the General Order 96-B service list should be directed to email [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>.



Vice President - Regulation and Rates

**Attachment**

cc: Service Lists for A.08-05-022, A.09-12-020, A.10-01-014, A.10 03 014, A.10-08-002, A.10-08-011, A.11-02-011, A.11 03 001, A.11-05-019, A.11-06-004, A.11-06-028, R.07 01 041, R.08-02-007, R.08-03-008, R.09-01-019, R.09 06 018 and R.11-03-006

# CALIFORNIA PUBLIC UTILITIES COMMISSION

## ADVICE LETTER FILING SUMMARY ENERGY UTILITY

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

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

Utility type:

ELC       GAS  
 PLC       HEAT       WATER

Contact Person: Greg Backens

Phone #: (415) 973-4390

E-mail: gab4@pge.com

EXPLANATION OF UTILITY TYPE

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

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: **3896-E-A**

**Tier: 3**

Subject of AL: **Supplement to Annual Electric True-Up Filing - Change PG&E Electric Rates on January 1, 2012**

Keywords (choose from CPUC listing): Compliance, Balancing Accounts, Increase Rates

AL filing type:  Monthly  Quarterly  Annual  One-Time  Other \_\_\_\_\_

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: Resolutions E-3906, E-3956, E-4032, E-4121, E-4217, E-4289 and E-4379

Does AL replace a withdrawn or rejected AL? No If so, identify the prior AL: N/A

Summarize differences between the AL and the prior withdrawn or rejected AL: N/A

Is AL requesting confidential treatment? No.

If so, what information is the utility seeking confidential treatment for: N/A

Confidential information will be made available to those who have executed a nondisclosure agreement: N/A

Name(s) and contact information of the person(s) who will provide the nondisclosure agreement and access to the confidential information: N/A

Resolution Required?  **Yes**  No

Requested effective date: **January 1, 2012**

No. of tariff sheets: N/A

Estimated system annual revenue effect (%): \$398 million

Estimated system average rate effect (%): 3.6%

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:

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**

**Tariff Files, Room 4005**

**DMS Branch**

**505 Van Ness Ave., San Francisco, CA 94102**

**[jnj@cpuc.ca.gov](mailto:jnj@cpuc.ca.gov) and [mas@cpuc.ca.gov](mailto:mas@cpuc.ca.gov)**

**Pacific Gas and Electric Company**

**Attn: Brian K. Cherry, Vice President, Regulation and Rates**

**77 Beale Street, Mail Code B10C**

**P.O. Box 770000**

**San Francisco, CA 94177**

**E-mail: [PGETariffs@pge.com](mailto:PGETariffs@pge.com)**

Pacific Gas and Electric Company  
2012 Annual Electric True-Up (AET)  
Attachment 1 to Advice 3896-E-A  
Comparison of AET as Filed to AET with Corrected Energy Efficiency (EE) Allocation

| Class/Schedule        | ILLUSTRATIVE BUNDLED TOTAL RATE RESULTS |                        |                                  |                           | ILLUSTRATIVE DA/CCA TOTAL RATE RESULTS |                        |                                  |                           |
|-----------------------|---|------------------------|----------------------------------|---------------------------|--|------------------------|----------------------------------|---------------------------|
|                       | AET as Filed                            |                        | AET with Corrected EE Allocation |                           | AET as Filed                           |                        | AET with Corrected EE Allocation |                           |
|                       | Advice 3896-E<br>(A)                    | Advice 3896-E-A<br>(B) | \$ Difference<br>(C = B - A)     | % Difference<br>(D = C/A) | Advice 3896-E<br>(E)                   | Advice 3896-E-A<br>(F) | \$ Difference<br>(G = F - E)     | % Difference<br>(H = G/E) |
| <b>RESIDENTIAL</b>    |   |                        |                                  |                           |  |                        |                                  |                           |
| E-1                   | 0.19191                                 | 0.19203                | 0.00012                          | 0.1%                      | 0.16063                                | 0.16080                | 0.00018                          | 0.1%                      |
| EL-1                  | 0.08756                                 | 0.08756                | 0.00000                          | 0.0%                      | 0.04084                                | 0.04096                | 0.00012                          | 0.3%                      |
| E-7                   | 0.17393                                 | 0.17408                | 0.00014                          | 0.1%                      | 0.12115                                | 0.12070                | -0.00045                         | -0.4%                     |
| E-8                   | 0.22410                                 | 0.22432                | 0.00022                          | 0.1%                      | 0.10781                                | 0.10701                | -0.00080                         | -0.7%                     |
| EL-8                  | 0.07593                                 | 0.07593                | 0.00000                          | 0.0%                      | -0.02142                               | -0.02219               | -0.00077                         | 3.6%                      |
| TOTAL RES             | 0.16345                                 | 0.16354                | 0.00009                          | 0.1%                      | 0.14815                                | 0.14824                | 0.00008                          | 0.1%                      |
| <b>SMALL L&amp;P</b>  |   |                        |                                  |                           |  |                        |                                  |                           |
| A-1                   | 0.18691                                 | 0.18701                | 0.00010                          | 0.1%                      | 0.11747                                | 0.11757                | 0.00010                          | 0.1%                      |
| A-6                   | 0.18132                                 | 0.18131                | -0.00001                         | 0.0%                      | 0.11429                                | 0.11428                | -0.00001                         | 0.0%                      |
| A-15                  | 0.47714                                 | 0.47724                | 0.00010                          | 0.0%                      | 0.24848                                | 0.24858                | 0.00010                          | 0.0%                      |
| TC-1                  | 0.17533                                 | 0.17514                | -0.00019                         | -0.1%                     |  |                        | 0.00000                          |                           |
| TOTAL SMALL           | 0.18590                                 | 0.18598                | 0.00008                          | 0.0%                      | 0.11628                                | 0.11633                | 0.00005                          | 0.0%                      |
| <b>MEDIUM L&amp;P</b> |   |                        |                                  |                           |  |                        |                                  |                           |
| A-10 T                | 0.13480                                 | 0.13491                | 0.00011                          | 0.1%                      |  |                        |                                  |                           |
| A-10 P                | 0.15296                                 | 0.15284                | -0.00012                         | -0.1%                     | 0.08326                                | 0.08314                | -0.00012                         | -0.1%                     |
| A-10 S                | 0.16467                                 | 0.16453                | -0.00014                         | -0.1%                     | 0.08396                                | 0.08382                | -0.00014                         | -0.2%                     |
| TOTAL MEDIUM          | 0.16458                                 | 0.16444                | -0.00014                         | -0.1%                     | 0.08395                                | 0.08381                | -0.00014                         | -0.2%                     |
| <b>E-19 CLASS</b>     |   |                        |                                  |                           |  |                        |                                  |                           |
| E-19 FIRM T           | 0.12044                                 | 0.12042                | -0.00002                         | 0.0%                      |  |                        |                                  |                           |
| E-19 V T              | 0.11987                                 | 0.11984                | -0.00003                         | 0.0%                      |  |                        |                                  |                           |
| Total E-19 T          | 0.12023                                 | 0.12021                | -0.00002                         | 0.0%                      |  |                        |                                  |                           |
| E-19 FIRM P           | 0.13652                                 | 0.13640                | -0.00011                         | -0.1%                     | 0.06537                                | 0.06526                | -0.00011                         | -0.2%                     |
| E-19 V P              | 0.13403                                 | 0.13392                | -0.00011                         | -0.1%                     | 0.07192                                | 0.07181                | -0.00011                         | -0.2%                     |
| Total E-19 P          | 0.13590                                 | 0.13579                | -0.00011                         | -0.1%                     | 0.06606                                | 0.06595                | -0.00011                         | -0.2%                     |
| E-19 FIRM S           | 0.14719                                 | 0.14708                | -0.00010                         | -0.1%                     | 0.06880                                | 0.06870                | -0.00010                         | -0.2%                     |
| E-19 V S              | 0.14199                                 | 0.14188                | -0.00010                         | -0.1%                     | 0.06509                                | 0.06498                | -0.00010                         | -0.2%                     |
| Total E-19 S          | 0.14358                                 | 0.14347                | -0.00010                         | -0.1%                     | 0.06618                                | 0.06607                | -0.00010                         | -0.2%                     |
| E-19 T                | 0.12023                                 | 0.12021                | -0.00002                         | 0.0%                      |  |                        |                                  |                           |
| E-19 P                | 0.13590                                 | 0.13579                | -0.00011                         | -0.1%                     | 0.06606                                | 0.06595                | -0.00011                         | -0.2%                     |
| E-19 S                | 0.14358                                 | 0.14347                | -0.00010                         | -0.1%                     | 0.06618                                | 0.06607                | -0.00010                         | -0.2%                     |
| TOTAL E-19            | 0.14292                                 | 0.14281                | -0.00010                         | -0.1%                     | 0.06617                                | 0.06607                | -0.00010                         | -0.2%                     |
| <b>STREETLIGHTS</b>   |   |                        |                                  |                           |  |                        |                                  |                           |
| STREETLIGHTS          | 0.16829                                 | 0.16822                | -0.00007                         | 0.0%                      |  |                        |                                  |                           |
| <b>STANDBY</b>        |   |                        |                                  |                           |  |                        |                                  |                           |
| STANDBY T             | 0.11576                                 | 0.11590                | 0.00015                          | 0.1%                      | 0.08140                                | 0.08155                | 0.00015                          | 0.2%                      |
| STANDBY P             | 0.26169                                 | 0.26097                | -0.00072                         | -0.3%                     |  |                        |                                  |                           |
| STANDBY S             | 0.21127                                 | 0.21035                | -0.00093                         | -0.4%                     |  |                        |                                  |                           |
| TOTAL STANDBY         | 0.12427                                 | 0.12435                | 0.00008                          | 0.1%                      | 0.08140                                | 0.08155                | 0.00015                          | 0.2%                      |
| <b>AGRICULTURE</b>    |   |                        |                                  |                           |  |                        |                                  |                           |
| AG-1A                 | 0.31938                                 | 0.31891                | -0.00047                         | -0.1%                     | 0.24959                                | 0.24912                | -0.00047                         | -0.2%                     |
| AG-RA                 | 0.23140                                 | 0.23115                | -0.00025                         | -0.1%                     |  |                        |                                  |                           |
| AG-VA                 | 0.23346                                 | 0.23319                | -0.00027                         | -0.1%                     | 0.14932                                | 0.14905                | -0.00027                         | -0.2%                     |
| AG-4A                 | 0.23090                                 | 0.23067                | -0.00023                         | -0.1%                     | 0.11169                                | 0.11147                | -0.00023                         | -0.2%                     |
| AG-5A                 | 0.18277                                 | 0.18252                | -0.00025                         | -0.1%                     | 0.09884                                | 0.09859                | -0.00025                         | -0.2%                     |
| AG-1B                 | 0.24251                                 | 0.24246                | -0.00005                         | 0.0%                      | 0.23972                                | 0.23967                | -0.00005                         | 0.0%                      |
| AG-RB                 | 0.20426                                 | 0.20435                | 0.00009                          | 0.0%                      |  |                        |                                  |                           |
| AG-VB                 | 0.20804                                 | 0.20806                | 0.00002                          | 0.0%                      | 0.30413                                | 0.30415                | 0.00002                          | 0.0%                      |
| AG-4B                 | 0.19606                                 | 0.19615                | 0.00009                          | 0.0%                      | 0.10430                                | 0.10439                | 0.00009                          | 0.1%                      |
| AG-4C                 | 0.19874                                 | 0.19852                | -0.00022                         | -0.1%                     |  |                        |                                  |                           |
| AG-5B                 | 0.12946                                 | 0.12958                | 0.00013                          | 0.1%                      | 0.07624                                | 0.07637                | 0.00013                          | 0.2%                      |
| AG-5C                 | 0.12936                                 | 0.12949                | 0.00013                          | 0.1%                      | 0.06054                                | 0.06068                | 0.00013                          | 0.2%                      |
| Total AG A            | 0.25952                                 | 0.25919                | -0.00034                         | -0.1%                     | 0.15740                                | 0.15708                | -0.00032                         | -0.2%                     |
| Total AG B            | 0.14083                                 | 0.14095                | 0.00011                          | 0.1%                      | 0.07424                                | 0.07437                | 0.00013                          | 0.2%                      |
| TOTAL AG              | 0.14998                                 | 0.15006                | 0.00008                          | 0.1%                      | 0.07526                                | 0.07538                | 0.00012                          | 0.2%                      |
| <b>E-20 CLASS</b>     |   |                        |                                  |                           |  |                        |                                  |                           |
| E-20 FIRM T           | 0.10063                                 | 0.10059                | -0.00004                         | 0.0%                      | 0.03166                                | 0.03161                | -0.00005                         | -0.1%                     |
| FPP T                 |   |                        |                                  |                           | 0.01246                                | 0.01241                | -0.00005                         | 0.0%                      |
| TOTAL                 | 0.10063                                 | 0.10059                | -0.00004                         | 0.0%                      | 0.02872                                | 0.02867                | -0.00005                         | -0.2%                     |
| E-20 FIRM P           | 0.12473                                 | 0.12463                | -0.00010                         | -0.1%                     | 0.05353                                | 0.05343                | -0.00010                         | -0.2%                     |
| FPP P                 |   |                        |                                  |                           | 0.02343                                | 0.02334                | -0.00009                         | 0.0%                      |
| TOTAL                 | 0.12473                                 | 0.12463                | -0.00010                         | -0.1%                     | 0.05342                                | 0.05332                | -0.00010                         | -0.2%                     |
| E-20 FIRM S           | 0.13797                                 | 0.13791                | -0.00006                         | 0.0%                      | 0.06441                                | 0.06435                | -0.00006                         | -0.1%                     |
| FPP S                 |   |                        |                                  |                           | 0.02892                                | 0.02886                | -0.00006                         | 0.0%                      |
| TOTAL                 | 0.13797                                 | 0.13791                | -0.00006                         | 0.0%                      | 0.06173                                | 0.06167                | -0.00006                         | -0.1%                     |
| E-20 T                | 0.10063                                 | 0.10059                | -0.00004                         | 0.0%                      | 0.02872                                | 0.02867                | -0.00005                         | -0.2%                     |
| E-20 P                | 0.12473                                 | 0.12463                | -0.00010                         | -0.1%                     | 0.05342                                | 0.05332                | -0.00010                         | -0.2%                     |
| E-20 S                | 0.13797                                 | 0.13791                | -0.00006                         | 0.0%                      | 0.06173                                | 0.06167                | -0.00006                         | -0.1%                     |
| TOTAL E-20            | 0.11964                                 | 0.11956                | -0.00007                         | -0.1%                     | 0.04584                                | 0.04577                | -0.00007                         | -0.2%                     |
| <b>SYSTEM</b>         |   |                        |                                  |                           |  |                        |                                  |                           |
| SYSTEM                | 0.15632                                 | 0.15633                | 0.00001                          | 0.0%                      | 0.05973                                | 0.05964                | -0.00008                         | -0.1%                     |

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

|  |   |  |
|--|---|--|
| AT&T                                     | Dept of General Services                    | Northern California Power Association                      |
| Alcantar & Kahl LLP                      | Douglass & Liddell                          | Occidental Energy Marketing, Inc.                          |
| Ameresco                                 | Downey & Brand                              | OnGrid Solar   |
| Anderson & Poole                         | Duke Energy                                 | Praxair  |
| Arizona Public Service Company           | Economic Sciences Corporation               | R. W. Beck & Associates                                    |
| BART                                     | Ellison Schneider & Harris LLP              | RCS, Inc.  |
| Barkovich & Yap, Inc.                    | Foster Farms                                | Recurrent Energy   |
| Bartle Wells Associates                  | G. A. Krause & Assoc.                       | SCD Energy Solutions                                       |
| Bloomberg                                | GLJ Publications                            | SCE  |
| Bloomberg New Energy Finance             | GenOn Energy, Inc.                          | SMUD   |
| Boston Properties                        | Goodin, MacBride, Squeri, Schlotz & Ritchie | SPURR  |
| Braun Blaising McLaughlin, P.C.          | Green Power Institute                       | San Francisco Public Utilities Commission                  |
| Brookfield Renewable Power               | Hanna & Morton                              | Seattle City Light   |
| CA Bldg Industry Association             | Hitachi                                     | Sempra Utilities   |
| CLECA Law Office                         | In House Energy                             | Sierra Pacific Power Company                               |
| CSC Energy Services                      | International Power Technology              | Silicon Valley Power                                       |
| California Cotton Ginners & Growers Assn | Intestate Gas Services, Inc.                | Silo Energy LLC  |
| California Energy Commission             | Lawrence Berkeley National Lab              | Southern California Edison Company                         |
| California League of Food Processors     | Los Angeles Dept of Water & Power           | Spark Energy, L.P.   |
| California Public Utilities Commission   | Luce, Forward, Hamilton & Scripps LLP       | Sun Light & Power  |
| Calpine                                  | MAC Lighting Consulting                     | Sunshine Design  |
| Cardinal Cogen                           | MBMC, Inc.                                  | Sutherland, Asbill & Brennan                               |
| Casner, Steve                            | MRW & Associates                            | Tabors Caramanis & Associates                              |
| Chris, King                              | Manatt Phelps Phillips                      | Tecogen, Inc.  |
| City of Palo Alto                        | McKenzie & Associates                       | Tiger Natural Gas, Inc.                                    |
| City of Palo Alto Utilities              | Merced Irrigation District                  | TransCanada  |
| City of San Jose                         | Modesto Irrigation District                 | Turlock Irrigation District                                |
| Clean Energy Fuels                       | Morgan Stanley                              | United Cogen   |
| Coast Economic Consulting                | Morrison & Foerster                         | Utility Cost Management                                    |
| Commercial Energy                        | NLine Energy, Inc.                          | Utility Specialists  |
| Consumer Federation of California        | NRG West                                    | Verizon  |
| Crossborder Energy                       | NaturEner                                   | Wellhead Electric Company                                  |
| Davis Wright Tremaine LLP                | Navigant Consulting                         | Western Manufactured Housing Communities Association (WMA) |
| Day Carter Murphy                        | Norris & Wong Associates                    | eMeter Corporation   |
| Defense Energy Support Center            | North America Power Partners                |  |
| Department of Water Resources            | North Coast SolarResources                  |  |