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June 11, 2012

Energy Division Tariff Unit
Energy Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Re: Pacific Gas and Electric Company's Reply to the Response of the Joint Parties to PG&E's Advice Letter 4044-E, "Submission of Revised 2011 PCIA Rates and Revised 2012 Revenue Requirements and Rates, in Compliance with Decision (D.) 11-12-031 and Resolution E-4475"

Dear Energy Division Tariff Unit:

Pursuant to General Order ("GO") 96-B, Pacific Gas and Electric Company ("PG&E") hereby submits this reply to the June 5, 2012, response of the California Municipal Utilities Association ("CMUA"), Alliance for Retail Energy Markets ("AREM"), Direct Access Customer Coalition ("DACC"), and the Retail Energy Supply Association ("RESA") (together the "Joint Parties") to PG&E's Advice Letter 4044-E ("Response").

In compliance with Ordering Paragraph ("OP") 5 of California Public Utilities Commission's ("CPUC" or "Commission") Decision ("D.") 11-12-031 and Resolution E-4475, PG&E submitted Advice Letter 4044-E revising its 2012 revenue requirements, revised 2011 Power Charge Indifference Amount ("PCIA") rates, new 2012 PCIA rates, and revised 2012 Ongoing Competition Transition Charge ("CTC"), Generation and Total rates.

PG&E also filed a substitute sheet on June 7, 2011, correcting the calculation of the revised 2011 PCIA rates.

On June 5, 2012, the Joint Parties filed a response to PG&E's advice letter. In their response, the Joint Parties requested the Commission to clarify that under D.11-12-018, modifications should be made to the PCIA and CTC consistently with the result that PG&E should refund the 2011 PCIA and CTC.

The plain language of OP 41 of D.11-12-018 states that "Once Pacific Gas and Electric Company (PG&E) implements the revised Power Charge Indifference Amount (PCIA) consistent with the methodologies adopted in this proceeding, PG&E shall promptly revise its previously adopted 2011 PCIA rate to incorporate this deferred difference. This resulting difference shall be remitted in the form of a refund to each of the utility's customers who were direct access, community choice aggregation or non-exempt departing load customers during the period from April 14, 2011, through the effective date of the revised PCIA implemented pursuant to the revisions adopted in this proceeding." PG&E interpreted this plain language to mean the refund of PCIA rates only.

If the Commission clarifies that the 2011 CTC should also be refunded, PG&E will comply. PG&E requests that this clarification be made by June 15 so PG&E can plan on implementing the PCIA and CTC refunds at the same time.

PG&E supports the Joint Parties' request to not delay the implementation of the prospective changes to the PCIA and CTC and to not delay the implementation of the PCIA refund.

Sincerely,

A handwritten signature in black ink that reads "Brian Cherry". The signature is written in a cursive, flowing style. There is a small mark or flourish at the end of the signature.

Vice President – Regulation and Rates

cc: Edward Randolph, Director - Energy Division
Kathryn Auriemma - Energy Division
Scott Blaising – Braun Blaising Mclaughlin & Smith P.C (Counsel on behalf of
the Joint Parties)
Ryan Bernardo - Braun Blaising Mclaughlin & Smith P.C
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