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July 13, 2012

**Advice 4084-E  
(Pacific Gas and Electric Company ID U 39 E)**

**Public Utilities Commission of the State of California**

**Subject:** Submission of Revised 2011 Ongoing CTC Rates in Compliance with Decision 11-12-018 and Energy Division Disposition Letter for Advice Letter 4044-E

Pacific Gas and Electric Company ("PG&E") hereby submits for filing revisions to its 2011 Ongoing Competition Transition Cost ("CTC") rates. Direct Access ("DA"), Community Choice Aggregation ("CCA") and some departing load customers will be affected by this revision. An illustrative rate table is attached showing the revised 2011 Ongoing CTC rates.

**Purpose**

In compliance with Decision ("D.") 11-12-018 and the Energy Division Disposition Letter for Advice Letter 4044-E, PG&E is submitting revised 2011 Ongoing CTC rates.

**Background**

On January 6, 2012, in compliance with Ordering Paragraph ("OP") 4 of D. 11-12-018, PG&E submitted Advice Letter 3987-E which provided specific information regarding:

- a. The most recent 12 months figures derived from US Department of Energy survey of Western US renewable energy premiums in calculating a weighted proxy for the Market Price Benchmark compiled by the National Renewable Energy Laboratory; and
- b. All Renewable Portfolio Standard ("RPS") - compliant resources that are used to serve PG&E customers during the current year (i.e., most recent 12 months) and those projected to serve customers during the next year, including both contracts and utility-owned resources, and the projected costs together with the net qualifying capacity of energy produced by each of these resources.

The Energy Division used this information, along with similar information provided by Southern California Edison Company and San Diego Gas & Electric Company, to calculate the RPS adder that is included in the Market Price Benchmark ("MPB"). Advice Letter 3987-E also provided the Resource Adequacy Capacity Value, which is also used in the MPB calculation.

On May 10, 2012, the California Public Utilities Commission ("CPUC") approved Resolution E-4475, which adopted the inputs into the "URGreen" for RPS adder for 2011 and 2012<sup>1</sup> and the Resource Adequacy Capacity Value. It also adopted a formula to calculate the MPB.<sup>2</sup>

On May 16, 2012, in compliance with Resolution E-4475, PG&E submitted Advice Letter 4044-E, which provided revisions to its 2011 and 2012 Power Charge Indifference Amount ("PCIA") Revenue Requirements and Rates. Substitute sheets were filed on June 7, 2012 to correct the revised 2011 PCIA rates, which inadvertently left out a factor in its calculation.

On June 14, 2012, the Energy Division approved Advice Letter 4044-E. The Disposition Letter for Advice Letter 4044-E also clarified the intent of Commission D.11-12-018 was to include adjustments to the Ongoing CTC rates as well as the PCIA rates. In compliance with the Disposition Letter, this advice letter submittal provides the revised 2011 Ongoing CTC rates.

### **Tariff Revisions**

The revised 2011 Ongoing CTC rates are shown in the illustrative rate table in Attachment I and are shown under the column titled "As Filed Proposed." The rate table presents the revised 2011 Ongoing CTC rates alongside the 2011 adopted Ongoing CTC rates by customer class. Also shown in the illustrative rate table are the adopted 2012 Ongoing CTC rates and the revised and approved 2012 Ongoing CTC rates. The revised 2012 Ongoing CTC rates were approved in Advice Letter 4044-E. These revised rates, once approved by the CPUC, will be used to determine the difference between the previously adopted 2011 and 2012 Ongoing CTC and the revised Ongoing CTC rates. They will be refunded to DA, CCA, and certain other non-exempt departing load customers. For pre-2009 vintage year customers that received a full offset of the originally billed Ongoing CTC through a negative PCIA, the revised Ongoing CTC is similarly offset in its entirety with a revised PCIA. As a result, the net sum refund for the revised Ongoing CTC and revised PCIA is zero.

The updated revenue requirements supporting the revised Ongoing CTC rates for 2011, are found in Attachment II and include the supporting workpapers.

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<sup>1</sup> Resolution E-4475, Table 1, page 10

<sup>2</sup> Resolution E-4475, Exhibit A, page 1

PG&E is requesting approval of the 2011 revised Ongoing CTC rates by August 13, 2012. This will allow PG&E to begin refunds of the CTC along with the PCIA refunds at the end of August. Approval of the 2011 revised Ongoing CTC rates beyond the August 13, 2012 may delay the start of the refund.

### **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 **August 2, 2012**, which is 20 days after the date of this filing. Protests should be mailed to:

CPUC Energy Division  
Tariff Files, Room 4005  
DMS Branch  
505 Van Ness Avenue  
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 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 Tier 2 advice filing become effective on regular notice, **August 13, 2012**, which is 31 calendar days after the date of filing.

### **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.07-05-025. 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 filings can also be accessed electronically at: <http://www.pge.com/tariffs>



Vice President, Regulatory Relations

Attachments

cc: Service List R. 07-05-025

Attachment I: 2011 Adopted and Proposed Ongoing CTC Rates and 2012 Adopted and Approved Ongoing CTC Rates

Attachment II: 2011 Ongoing CTC Revenue Requirement Calculations and Supporting Workpapers

# 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 E)**

Utility type:

ELC       GAS  
 PLC       HEAT       WATER

Contact Person: Kimberly Chang

Phone #: (415) 972-5472

E-mail: kwcc@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) #: **4084-E**

**Tier: 2**

Subject of AL: **Submission of Revised 2011 Ongoing CTC Rates in Compliance with Decision 11-12-018 and Energy Division Disposition Letter for Advice Letter 4044-E**

Keywords (choose from CPUC listing): Compliance, Capacity

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

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: D.11-12-018

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: **August 13, 2012**

No. of tariff sheets: N/A

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 proposed: N/A

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**

**Tariff Files, Room 4005**

**DMS Branch**

**505 Van Ness Ave.,**

**San Francisco, CA 94102**

**E-mail: EDTariffUnit@cpuc.ca.gov**

**Pacific Gas and Electric Company**

**Attn: Brian Cherry**

**Vice President, Regulatory Relations**

**77 Beale Street, Mail Code B10C**

**P.O. Box 770000**

**San Francisco, CA 94177**

**E-mail: PGETariffs@pge.com**

Advice 4084-E

Attachment I:

2011 Adopted and Proposed  
Ongoing CTC Rates and 2012 Adopted  
and Approved Ongoing CTC Rates

PACIFIC GAS AND ELECTRIC COMPANY  
 Advice Letter 4084-E  
 Attachment I

2011 CTC Rates

| Customer<br>Class | As Adopted | As Filed<br>Proposed |
|-------------------|------------|----------------------|
| Residential       | \$0.00881  | \$0.00516            |
| Small L&P         | \$0.00766  | \$0.00449            |
| Medium L&P        | \$0.00778  | \$0.00456            |
| E19               | \$0.00660  | \$0.00387            |
| Streetlights      | \$0.00119  | \$0.00070            |
| Standby           | \$0.00366  | \$0.00214            |
| Agriculture       | \$0.00759  | \$0.00445            |
| E20 T             | \$0.00523  | \$0.00306            |
| E20 P             | \$0.00587  | \$0.00344            |
| E20 S             | \$0.00629  | \$0.00369            |

2012 CTC Rates

| Customer<br>Class | As Adopted | As Filed and<br>approved in AL<br>4044-E |
|-------------------|------------|--|
| Residential       | \$0.00555  | \$0.00117                                |
| Small L&P         | \$0.00448  | \$0.00095                                |
| Medium L&P        | \$0.00476  | \$0.00100                                |
| E19               | \$0.00400  | \$0.00084                                |
| Streetlights      | \$0.00049  | \$0.00010                                |
| Standby           | \$0.00311  | \$0.00066                                |
| Agriculture       | \$0.00457  | \$0.00096                                |
| E20 T             | \$0.00317  | \$0.00067                                |
| E20 P             | \$0.00356  | \$0.00075                                |
| E20 S             | \$0.00377  | \$0.00080                                |

Advice 4084-E

Attachment II:

2011 Ongoing CTC Revenue Requirement  
Calculations and Supporting Workpapers



DA Reopening - Revised Ongoing CTC Revenue Requirement

| TABLE 7-2<br>PACIFIC GAS AND ELECTRIC COMPANY<br>2011 ONGOING CTC FORECAST REVENUE REQUIREMENT<br>NOVEMBER 5, 2010 UPDATE |   |         |        |                |
|---|---|---------|--------|----------------|
| Line No.  | Description                                       | \$/MWh  | GW/h   | \$000          |
| 1   | Qualifying Facilities (Ongoing CTC Eligible)      |         |        |                |
| 2   | Gas Hedging for QF SRAC payments                  |         |        |                |
| 3   | Metropolitan Water District                       |         |        |                |
| 4   | Irrigation Districts and Water Agencies           |         |        |                |
| 5   | Total (Lines 1 - 4)                               |         | 16,600 | 1,187,690      |
| 6   | 6% Line Loss                                      |         | (996)  |                |
| 7   | Net Pre-1996 Contracts (Lines 6 - 7)              |         | 15,604 | 1,187,690      |
| 8   | Revised Market Benchmark Cost                     | \$59.53 | 15,604 | 928,930        |
| 9   | Above Market Costs (Lines 7 Minus line 8)         |         |        | 258,759        |
| 10  | QF Restructuring Costs                            |         |        | 20,700         |
| 11  | Subtotal Ongoing CTC Costs                        |         |        | 279,459        |
| 12  | FFU   |         |        | 2,866          |
| 13  | Subtotal, Ongoing CTC Cost With FF&U              |         |        | 282,325        |
| 14  | Year-end 2010 MTCBA Balance                       |         |        | 99,471         |
| 15  | <i>Total 2011 Ongoing CTC Revenue Requirement</i> |         |        | <i>381,796</i> |

From Table 5-2 Line 5 & 6  
Calculated from Table 6-2 (Cell B6)  
From Table 5-2 Line 12 & 13  
From Table 5-2 Line 9 & 10  
D.07-01-030  
From Table 5-2 Line 7  
Based on AET

| Line No. | Forecast Year   | Portfolio<br>2011<br>Forecast | 2011 Forecast<br>by Vintage |                     |                     |                     |                     |                |                |                |
|----------|---|-------------------------------|-----------------------------|---------------------|---------------------|---------------------|---------------------|----------------|----------------|----------------|
|          |   |                               | Pre-1996                    | Pre-2002            | 2009                | 2010                | 2011                |                |                |                |
|          |   |                               | Ongoing CTC                 | D.06-07-030<br>PCIA | D.04-12-048<br>PCIA | D.04-12-048<br>PCIA | D.04-12-048<br>PCIA |                |                |                |
|          | Forward Price Location                                | Oct-11                        |                             |                     |                     |                     |                     |                |                |                |
|          | Average Prices from October Postings                  | NP15                          | NP15                        | NP15                | NP15                | NP15                | NP15                | NP15           | NP15           | NP15           |
|          |   | PG&E                          | PG&E                        | PG&E                | PG&E                | PG&E                | PG&E                | PG&E           | PG&E           | PG&E           |
| 1        | On Peak   |                               |                             |                     |                     |                     |                     |                |                |                |
| 2        | Off Peak  |                               |                             |                     |                     |                     |                     |                |                |                |
| 3        | Publication   | Platts ICE                    |                             |                     |                     |                     |                     |                |                |                |
| 4        |   |                               |                             |                     |                     |                     |                     |                |                |                |
| 5        |   |                               |                             |                     |                     |                     |                     |                |                |                |
| 6        | Off-peak Weighting                                    | 37.8%                         | 37.8%                       | 37.8%               | 37.8%               | 37.8%               | 37.8%               | 37.8%          | 37.8%          | 37.8%          |
| 7        | On-peak Weighting                                     | 62.2%                         | 62.2%                       | 62.2%               | 62.2%               | 62.2%               | 62.2%               | 62.2%          | 62.2%          | 62.2%          |
| 8        |   |                               |                             |                     |                     |                     |                     |                |                |                |
| 9        | Calculated Baseload Price                             | \$ 36.57                      | \$ 36.57                    | \$ 36.57            | \$ 36.57            | \$ 36.57            | \$ 36.57            | \$ 36.57       | \$ 36.57       | \$ 36.57       |
| 10       | Capacity Adder  | \$ 10.54                      | \$ 7.99                     | \$ 9.22             | \$ 11.77            | \$ 11.82            | \$ 11.82            | \$ 11.82       | \$ 11.82       | \$ 11.82       |
| 11       |   |                               |                             |                     |                     |                     |                     |                |                |                |
| 12       | Subtotal Before Line Loss                             | \$47.10                       | \$44.56                     | \$45.78             | \$48.34             | \$48.38             | \$48.38             | \$48.38        | \$48.38        | \$48.38        |
| 13       |   |                               |                             |                     |                     |                     |                     |                |                |                |
| 14       | Line Loss   | 1.060                         | 1.060                       | 1.060               | 1.060               | 1.060               | 1.060               | 1.060          | 1.060          | 1.060          |
| 15       |   |                               |                             |                     |                     |                     |                     |                |                |                |
| 16       | <b>Brown Market Price Benchmark, by Vintage</b>       | <b>\$49.93</b>                | <b>\$47.23</b>              | <b>\$48.53</b>      | <b>\$51.24</b>      | <b>\$51.29</b>      | <b>\$51.29</b>      | <b>\$51.29</b> | <b>\$51.29</b> | <b>\$51.29</b> |
| 17       |   |                               |                             |                     |                     |                     |                     |                |                |                |
| 18       |   |                               |                             |                     |                     |                     |                     |                |                |                |
| 19       | <b>Renewable Premium</b>                              |                               |                             |                     |                     |                     |                     |                |                |                |
| 20       |   |                               |                             |                     |                     |                     |                     |                |                |                |
| 21       | Resolution E-4475                                     | \$ 91.13                      |                             |                     |                     |                     |                     |                |                |                |
| 22       | less Brown Power BM (no capacity value)               | \$36.57                       |                             |                     |                     |                     |                     |                |                |                |
| 23       | IOU RPS Premium                                       | \$ 54.57                      |                             |                     |                     |                     |                     |                |                |                |
| 24       |   |                               |                             |                     |                     |                     |                     |                |                |                |
| 25       | IOU 2012 RPS Premium, delivered energy @ \$54.57      | 68% \$ 37.11                  | \$ 37.11                    | \$ 37.11            | \$ 37.11            | \$ 37.11            | \$ 37.11            | \$ 37.11       | \$ 37.11       | \$ 37.11       |
| 26       | DOE REC Value \$18.151/MMWh @                         | 32% \$ 5.81                   | \$ 5.81                     | \$ 5.81             | \$ 5.81             | \$ 5.81             | \$ 5.81             | \$ 5.81        | \$ 5.81        | \$ 5.81        |
| 27       | Weighted Average Renewable Premium                    | \$ 42.91                      | \$ 42.91                    | \$ 42.91            | \$ 42.91            | \$ 42.91            | \$ 42.91            | \$ 42.91       | \$ 42.91       | \$ 42.91       |
| 28       |   |                               |                             |                     |                     |                     |                     |                |                |                |
| 29       | Renewable Percentage in Portfolio                     | 19.7%                         | 27.0%                       | 11.2%               | 20.5%               | 21.6%               | 21.6%               | 21.6%          | 21.6%          | 21.6%          |
| 30       | Renewable Adder, by Vintage (In. 27 * In. 29)         | \$ 8.44                       | \$ 11.61                    | \$ 4.81             | \$ 8.81             | \$ 9.25             | \$ 9.25             | \$ 9.25        | \$ 9.25        | \$ 9.25        |
| 31       |   |                               |                             |                     |                     |                     |                     |                |                |                |
| 32       | Revised MPB at Generator (In. 16 + In. 30)            | \$55.55                       | \$56.16                     | \$50.59             | \$57.14             | \$57.63             | \$57.63             | \$57.63        | \$57.63        | \$57.63        |
| 33       | Line Loss   | 1.060                         | 1.060                       | 1.060               | 1.060               | 1.060               | 1.060               | 1.060          | 1.060          | 1.060          |
| 34       | <b>Revised MPB with Renewable Premium, by Vintage</b> | <b>\$58.88</b>                | <b>\$59.53</b>              | <b>\$53.62</b>      | <b>\$60.57</b>      | <b>\$61.09</b>      | <b>\$61.09</b>      | <b>\$61.09</b> | <b>\$61.09</b> | <b>\$61.09</b> |

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

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