



Brian K. Cherry
Vice President
Regulatory Relations

Pacific Gas and Electric Company
77 Beale St., Mail Code B10C
P.O. Box 770000
San Francisco, CA 94177

Fax: 415-973-7226

August 29, 2012

Energy Division Tariff Unit
Energy Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102
EDtariffunit@cpuc.ca.gov

Re: PG&E's Comments on Draft Resolution E-4530

Dear Energy Division Tariff Unit:

Pacific Gas and Electric Company (PG&E) provides the following comments on Draft Resolution E-4530 (Draft Resolution), which address PG&E's Advice Letter (AL) 3995-E. PG&E generally supports the Draft Resolution but highlights the need for continued collaboration with the California Independent System Operator (CAISO) on a wholesale market "index" signal.

BACKGROUND

On July 28, 2011, the California Public Utilities Commission (CPUC or Commission) issued a Decision Adopting Rules to Protect the Privacy and Security of the Electricity Usage Data of the Customers of PG&E, Southern California Edison Company ("SCE"), and San Diego Gas & Electric Company ("SDG&E") (D.11-07-056).

In OP 6, the Commission ordered PG&E, along with SCE, and SDG&E, to change its tariffs within six months "to make price, usage and cost information available to its customers online and updated at least on a daily basis, with each day's usage, data, along with applicable price and cost details and with hourly or 15-minute granularity, available by the next day." OP 6 also ordered that the tariff changes "must offer residential customers bill-to-date, bill forecast data, projected month-end tiered rate, and notifications as the customers cross rate tiers as part of the pricing data provided to customers." Lastly, OP 6 stated that "[t]he prices must state an "all in" price that customers pay for electricity."

In OP 7, the Commission ordered PG&E, SCE, and SDG&E to work "with the California Independent System Operator in developing a methodology to make wholesale prices available to customers on its website ... [and to] include the

results of the methodological discussions and a proposal for providing wholesale prices in the advice letters required by Ordering Paragraphs 5 and 6 above.”

On January 30, 2012, PG&E filed AL 3995-E in compliance with OP 6 and OP 7 of D.11-07-056.

On August 9, 2012, the Energy Division issued Draft Resolution E-4530 approving AL 3995-E, with modifications, and providing additional direction to the IOUs regarding implementation of pilots to provide wholesale price information to customers. For PG&E, the Draft Resolution:

1. Adopts AL 3995-E with modifications;
2. Directs PG&E to file a Tier 1 Advice Letter within 30 days of approval of the Draft Resolution making changes to Electric Rule 12 as outlined in the Draft Resolution;
3. Requires the IOUs to inform the CPUC of the definition of the “all-in” price as part of the Tier 1 Advice Letter;
4. Directs the IOUs to continue to participate in the development and implementation of CAISO’s process to provide a wholesale market “index” signal, incorporate the signal in an approved pilot, provide an update on the progress of the development of the signal in the Tier 1 Advice Letter, and continue to provide subsequent reports as directed by OP 10 of D.11-07-056.

DISCUSSION

Modifications to Electric Rule 12

The Draft Resolution directs PG&E and the other IOUs to modify Electric Rule 12 (OP 4). PG&E supports these tariff modifications in order to maintain consistency across the three IOUs. As such, PG&E supports the requirement to file a Tier 1 AL within 30 days modifying Electric Rule 12.

All-in price definition

The Draft Resolution adopts time for additional dialog and coordination of the “all-in” price definition and determination. PG&E looks forward to working with the CPUC staff, DRA, and other parties, with the aim to arrive at a consensus definition that can be included in the required Tier 1 AL filing identified above.

CAISO Wholesale Price Signals

The Draft Resolution requires that the IOUs continue “to continue to participate in the development and implementation of a California Independent System Operator process to provide a wholesale market “index” signal” (OP 6). PG&E supports working with the CAISO and other stakeholders to develop a wholesale pricing signal and to identify potential pilots to test customer responses to such a

price signal. At the same time, PG&E expresses concerns that a wholesale market “index” signal may be confusing for customers, especially those on tiered rates. Additional discussions with the CAISO and other stakeholders will be necessary to ensure that a wholesale market “index” signal provides value to customers and benefits the reliability and stability of the electric grid.

CONCLUSION

PG&E appreciates the opportunity to comment on Draft Resolution E-4530.

Sincerely,

Handwritten signature of Brian Cherry in cursive script.

Vice President, Regulatory Relations

cc: Commissioners Michael Peevey, Mark Ferron, Mike Florio,
Catherine Sandoval and Timothy Simon
Frank Lindh, General Counsel
Edward Randolph – Director, Energy Division
Chris Villarreal – Policy and Planning Division
Liza Malashenko – Energy Division
Christopher Danforth – Division of Ratepayer Advocates
Service List R.08-12-009 (Phase 1)