

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



February 6, 2014

File No.: A.10-03-014/D.11-12-053

Brian Cherry
Vice President, Regulatory Relations
Pacific Gas and Electric Company
77 Beale Street
P. O. Box 770000
San Francisco, CA 94177

RE: Request to Defer Termination of Agricultural Rate Schedules Pursuant to
Decision 11-12-053

Dear Mr. Cherry:

This is in response to your letter dated February 3, 2014, on behalf of Pacific Gas and Electric Company (PG&E), the California Farm Bureau Federation (Farm Bureau), the Agricultural Energy Consumers Association (AECA) and the South San Joaquin Irrigation District (SSJID) this requesting to delay the ordered termination of two PG&E agricultural rate schedules due to impacts related to the current drought in California. This request is for a one-year deferral in the termination of the AG-R and AG-V schedules to March 1, 2015, in light of Governor Brown's drought declaration.¹ The details and basis giving rise to this request are explained below.

In accordance with the Agricultural Rate Design Settlement approved in Decision (D.) 11-12-053 for the PG&E 2011 General Rate Case (GRC) Phase 2 (Application (A.) 10-03-014), schedules AG-R and AG-V have been slated for elimination as of March 1, 2014, for customers with at least 12 months of interval data.² Your letter indicates that Farm Bureau has learned that the focus of the impact of the elimination of the schedules has shifted from the change in energy costs associated with the termination to the impact on water usage and water availability for irrigation, and that PG&E shares the agricultural customers' concerns about maintaining electric rate options that support conservation of water resources.

¹ Proclamation declaring Drought State of Emergency, dated January 17, 2014, <http://gov.ca.gov/news.php?id=18379>.

² D.11-12-053, at 61, Paragraph 3.6.1.5.

As indicated in your letter, Farm Bureau members have alerted the Farm Bureau to their concerns that water shortages will be exacerbated by the elimination of AG-R and AG-V schedules. The schedules allow for longer continuous off peak periods during weekday hours, which when coupled with weekend off-peak hours accommodate certain irrigation practices that require minimum continuous water application. In light of the Governor's drought declaration and the concern about potential adverse effects on water availability expressed by the Farm Bureau, PG&E agrees that a one-year deferral of the termination date for schedules AG-R and AG-V to March 15, 2015 would be appropriate.

Based on the foregoing, you indicate that PG&E, the Farm Bureau, AECA and SSJID request that the termination of PG&E's rate schedules AG-R and AG-V be extended to March 15, 2015 due to current drought conditions.

While the AG-R and AG-V customers that were to transition in March 2014 have already been contacted, you state that PG&E and the Farm Bureau believe outreach can be quickly undertaken to inform these customers that their mandatory transition has been deferred one full year.

I find that your request for an extension of time until March 15, 2015 is reasonable.

Accordingly, I grant your request, and authorize a one-year deferral to March 15, 2015 for the termination data of schedules AG-R and AG-V.

Pursuant to Rule 16.6 of the Commission's Rules of Practice and Procedure, PG&E must promptly inform all parties in A.10-03-014 and A.11-12-009 (PG&E's currently pending GRC) of the extension granted herein, stating in the opening paragraph that the Executive Director has authorized the extension.

Sincerely,



Paul Clanon
Executive Director