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August 6, 2014

VIA EMAIL AND FEDEX

CPUC Energy Division ED Tariff Unit 505 Van Ness Avenue, 4th Floor San Francisco, California 94102

Re: Pacific Gas and Electric Company Advice Letters 4461 and 4462

Dear Energy Division:

The Alliance for Retail Energy Markets (AReM) hereby responds in support of the Pacific Gas and Electric Company (PG&E) customer refund plans as described in Advice Letters (AL) 4461 and 4462. As the two advice letters are closely related and both arise from the Commission's June 12, 2014 issuance of Resolution E-4647, AReM replies to both jointly. As noted in AL 4462, PG&E was directed to consult with AReM on a method to reallocate approximately \$64.1 million of refunds recorded in the Headroom Account in 2004 and credited to generation customers, to distribution and transmission customers.¹ AL 4461 notes that on June 30, 2014, PG&E and AReM participated in a conference call to discuss PG&E's proposed refund reallocation to distribution and transmission customers from generation customers. PG&E accurately summarizes that conversation when it says "AReM has stated that it supports this methodology."²

AReM wishes to commend the Energy Division for continuing to follow up on this issue despite the passage of time since the original PG&E AL 2555-G-A/2125-E-A was protested by AReM on January 9, 2005. We also appreciate the cooperative manner in which PG&E has

¹ Resolution E-4647, at pp. 2-3.

² AL 4461, at p. 2.

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consulted with AReM and proposed a mutually acceptable solution to the refund issue. Advice Letters 4461 and 4462 should be approved as submitted.

Respectfully,

Daniel W. Denfase

Daniel W. Douglass Attorney for Alliance for Retail Energy Markets

cc: Mr. Edward Randolph, Director, Energy Division Mr. Brian Cherry, PG&E, Director, Regulatory Relations