

170 FERC ¶ 61,171
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Neil Chatterjee, Chairman;
Richard Glick and Bernard L. McNamee.

Pacific Gas and Electric Company

Docket No. ER20-853-000

ORDER GRANTING REQUEST FOR WAIVER

(Issued February 28, 2020)

1. On January 17, 2020, Pacific Gas and Electric Company (PG&E) filed a request for a limited, one-time waiver of Section 5.7 of its Transmission Owner (TO) Tariff that requires that the Transmission Access Charge Balancing Account Adjustment (TACBAA)¹ be revised effective March 1 of each year. The waiver would allow PG&E to implement the 2020 TACBAA concurrently with its retail rates, once they are established, thereby reducing rate volatility for PG&E's customers. For the reasons discussed below, we grant PG&E's request for waiver.

I. Background

2. Section 5.7 of PG&E's TO Tariff specifies that PG&E shall maintain a Transmission Access Charge Balancing Account and on a monthly basis, make two entries to the account. Specifically, the first entry equals the difference between the forecast of the annual access charge billings from CAISO and the forecast of the annual access charge revenues disbursed by CAISO to PG&E pursuant to the CAISO tariff. The second entry reflects the TACBAA rate revenues billed to end-use customers during the month. Further, interest on the amounts accumulated in the Transmission

¹ The TACBAA is a mechanism established by PG&E that will ensure that the difference between (i) the actual charges by the California Independent System Operator Corporation (CAISO) pursuant to Section 26.1.2 of the CAISO tariff for the High Voltage Access Charge and Transition Charge and (ii) the revenues disbursed by CAISO pursuant to Section 26.1.3 of the CAISO tariff are recovered from PG&E's end-use customers. *See* PG&E TO Tariff, Volume No. 5, § 3.100.

Access Charge Balancing Account shall be calculated based on the average principal balance each month, compounded quarterly.²

3. PG&E explains that, pursuant to its TO Tariff, the TACBAA is to be effective on March 1 of each year.³ This rate change is scheduled to be implemented on the same day as retail rate changes that are under the jurisdiction of the California Public Utilities Commission (CPUC). However, according to PG&E, these retail rate changes are still pending in proceedings before the CPUC, and therefore will not become effective on March 1, 2020, as planned. PG&E states that the most significant of these proceedings is PG&E's 2020 General Rate Case. According to PG&E, if the March 1, 2020 implementation date for the TACBAA is not waived, customers will experience a rate decrease resulting from the TACBAA, followed soon thereafter by rate increases in subsequent months once the CPUC rate proceedings are final.⁴ PG&E explains that it attempts to limit requests for rate changes to a few times per calendar year and to combine various rate changes to lessen the impact on customers by offsetting approved increases with offsetting approved decreases.⁵ To avoid multiple rate changes in 2020, PG&E is requesting waiver of the TO Tariff provision directing a March 1, 2020 effective date for the TACBAA. PG&E explains that, when it refiles its TACBAA, it will request that the Commission approve a later effective date for the TACBAA rate change that will coincide with future CPUC rate changes.⁶

II. Waiver Request

4. PG&E requests waiver of Section 5.7 of its TO Tariff, which requires implementation of the TACBAA on March 1, 2020. PG&E explains that it is making this one-time waiver request in order to delay the date for implementation to reduce the number of rate changes in 2020, providing a more consistent rate for the year.⁷ PG&E

² See 18 C.F.R. § 35.19a (2019).

³ Section 5.7 also states that nothing in the PG&E's TO Tariff shall limit PG&E from filing with the Commission to revise the TACBAA rate at any other time.

⁴ PG&E Transmittal at 2.

⁵ *Id.*

⁶ *Id.* at 3.

⁷ PG&E explains that, on December 6, 2019, it filed an adjustment to the TACBAA rate and revenue requirement under PG&E's TO Tariff in Docket No. ER20-541-000, but subsequently filed to withdraw that filing contemporaneous with this waiver request. PG&E explains that because of its internal testing procedures for

proposes to re-file its TACBAA with the Commission in March 2020 so that the TACBAA will be implemented to coincide with future rate changes determined by the CPUC. Under this approach, PG&E expects to combine various rate changes to lessen the impact on its customers. Further, PG&E states that prior to filing, it will evaluate whether there are additional customer benefits to updating the data underlying its calculations of the TACBAA rate and, if so, the TACBAA rate proposal PG&E will submit in March may be different than the previous filing.⁸

5. PG&E asserts that its request for waiver is consistent with prior requests of waiver where the Commission granted PG&E a waiver of TO Tariff provisions. PG&E explains that, in this case, the waiver will allow PG&E to make balancing account adjustments at a later date.⁹ PG&E explains that this waiver request is limited in scope to a one-time request for waiver of the March 1, 2020 implementation date for the 2020 TACBAA.¹⁰

6. PG&E states that its waiver request will not have any undesirable consequences or harm customers. PG&E explains that the TACBAA rate is a balancing account rate that is adjusted each year and can be adjusted more frequently, as needed. PG&E also explains that the account balances are adjusted with interest, so that customers are economically indifferent to any timing differences from changes to the effective date.¹¹

7. Finally, PG&E states that this waiver request benefits customers by allowing the rate and revenue requirements to be implemented simultaneously with other rate changes. By coordinating the timing of the rate changes, PG&E states that it will avoid incremental rate changes and rate volatility for its customers.¹² PG&E explains that, prior to re-filing its TACBAA rate case with the Commission, it will evaluate whether

implementing rate changes in its retail billing system take approximately three weeks, PG&E routinely requests that the annual TACBAA rate adjustments are accepted well in advance of the proposed effective date. *Id.* n.3.

⁸ *Id.* at 3.

⁹ *Id.* at 4 (citing *Pac. Gas & Elec. Co.*, 165 FERC ¶ 61,272 (2018)).

¹⁰ *Id.*

¹¹ *Id.*

¹² *Id.*

there are additional benefits to customers from recalculating the components of its 2020 TACBAA rate.¹³

III. Notice and Responsive Pleadings

8. Notice of PG&E's filing was published in the *Federal Register*, 85 Fed. Reg. 4964 (Jan. 28, 2020), with interventions and protests due on or before January 27, 2020. A timely motion to intervene was filed by Southern California Edison Company.

IV. Discussion

A. Procedural Matters

9. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2019), Southern California Edison Company's timely, unopposed motion to intervene serves to make it a party to this proceeding.

B. Substantive Matters

10. The Commission has granted waiver of tariff provisions where: (1) the applicant acted in good faith; (2) the waiver is of limited scope; (3) the waiver addresses a concrete problem; and (4) the waiver does not have undesirable consequences, such as harming third parties.¹⁴ We find that PG&E's waiver request satisfies these criteria, as discussed below, and we therefore grant PG&E's request.

11. First, we find that PG&E acted in good faith in requesting the waiver of specific language in Section 5.7 of its TO Tariff, which specifies a March 1 effective date for the TACBAA, to implement a later effective date for its TACBAA rate change so that it will coincide with future CPUC rate changes. Granting the waiver request will reduce rate volatility for PG&E's customers.

12. Second, we find that the waiver request is of limited scope because PG&E seeks a one-time waiver of the specified effective date in one provision of its TO Tariff. As noted above, PG&E intends to resubmit its 2020 TACBAA filing with an adjusted effective date established to coincide with future rate changes reflecting the CPUC rates. Also, PG&E explains that, in conjunction with its resubmittal of the TACBAA filing, it will evaluate whether there are additional customer benefits to updating the data

¹³ *Id.*

¹⁴ See, e.g., *Midcontinent Indep. Sys. Operator, Inc.*, 154 FERC ¶ 61,059, at P 13 (2016).

underlying its TACBAA rate calculations. PG&E comments that, for example, updating the data underlying PG&E's TACBAA rate calculation may include the consideration of including additional months of recorded balances, which may increase the rate decrease or reduce rate volatility.¹⁵

13. Third, we find that the waiver addresses a concrete problem of rate volatility resulting from different timing for the TACBAA rate and the CPUC rates. If the Commission does not grant this waiver, a series of rate changes that will occur in the ensuing months will increase rate volatility for PG&E's customers.

14. Finally, we find that granting this one-time waiver request would have no undesirable consequences such as harm to third parties. Section 5.7 permits rate adjustments on a more frequent basis and, as PG&E notes, the account balances are adjusted with interest, so customers will not experience any undesirable consequences or harm.¹⁶

The Commission orders:

PG&E's waiver request is hereby granted, as discussed in the body of this order.

By the Commission.

(S E A L)

Nathaniel J. Davis, Sr.,
Deputy Secretary.

¹⁵ PG&E Transmittal at 3.

¹⁶ *Id.* at 4.