

157 FERC ¶ 61,108
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

November 17, 2016

In Reply Refer To:
Pacific Gas and Electric Company
Docket Nos. ER15-2294-000
ER15-2294-002

Pacific Gas and Electric Company
Law Department, B30A
P.O. Box 7442
San Francisco, CA 94120

Attention: Mark D. Patrizio, Esq.

Dear Mr. Patrizio:

1. On September 1, 2016, Pacific Gas and Electric Company (PG&E) filed an Offer of Settlement and Stipulation (Offer of Settlement) in the above-referenced dockets. The Offer of Settlement concerns PG&E's proposed changes to its wholesale and retail transmission rates under its Transmission Owner Tariff. The Offer of Settlement resolves all issues set for hearing and settlement judge procedures by the Commission in Docket No. ER15-2294-000.¹

¹ See *Pac. Gas and Elec. Co.*, 148 FERC ¶ 61,252 (2015) (Hearing Order). The California Public Utilities Commission (CPUC) filed a timely request for rehearing of the Hearing Order in Docket No. ER15-2294-001 in which the CPUC asserted that the Commission erred in summarily granting PG&E a 50 basis point incentive adder for participating in the California Independent System Operator Corporation. On February 18, 2016, the Commission denied the CPUC's request for rehearing. *Pac. Gas and Elec. Co.*, 154 FERC ¶ 61,118 (2016). The CPUC subsequently filed an appeal in the United States Court of Appeals for the Ninth Circuit on February 22, 2016. Section 3.3 of the Offer of Settlement provides that the CPUC retains the right to pursue, without prejudice, its pending appeal.

2. On September 15, 2016 and September 21, 2016, respectively, the CPUC and Commission Trial Staff filed comments in support of the Offer of Settlement. No other comments were filed. On October 4, 2016, the Settlement Judge certified the Offer of Settlement to the Commission as an uncontested settlement.²
3. Section 2.1 of the Offer of Settlement provides that PG&E's wholesale base transmission revenue requirement (TRR) shall be \$1,319,000,000, and Section 2.2 provides that PG&E's retail base TRR shall be \$1,331,000,000. Refunds shall be made in accordance with the Offer of Settlement.
4. Section 4.5 of the Offer of Settlement states that "[t]he applicable standard of review for the Settlement is the just and reasonable standard."
5. The Offer of Settlement appears to be fair and reasonable and in the public interest, and is hereby approved. The Commission's approval of this Offer of Settlement does not constitute approval of, or precedent regarding, any principle or issue in this proceeding. The Commission's approval of the Settlement constitutes approval of the tariff records contained in Appendices I, II and III thereto.
6. This letter terminates Docket Nos. ER15-2294-000 and ER15-2294-002.

By direction of the Commission.

Kimberly D. Bose,
Secretary.

² *Pac. Gas and Elec. Co.*, 157 FERC ¶ 63,002 (2016).