

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

Tel. No. (415) 703-1691



July 26, 2006

Advice Letter 2727-E

Ms Rose de la Torre
Pacific Gas and Electric Company
77 Beale Street, Room 1088
Mail Code B10C
San Francisco, CA 94105

REGULATORY RELATIONS DEPARTMENT

AUG - 2 2006

Subject: Daylight Saving Time Changes Contemplated Under Federal Energy Policy
Act of 2005

Dear Ms de la Torre:

Advice Letter 2727-E is effective December 31, 2005. A copy of the advice letter is sent herewith for your records.

Sincerely,

A handwritten signature in black ink, appearing to read "S H Gallagher".

Sean H. Gallagher
Director
Energy Division



**Pacific Gas and
Electric Company®**

Brian K. Cherry
Director
Regulatory Relations

77 Beale Street, Room 1087
San Francisco, CA 94105

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Pacific Gas and Electric Company
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October 24, 2005

Advice 2727-E

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: Daylight Saving Time Changes Contemplated Under Federal Energy Policy Act of 2005

Pacific Gas and Electric Company (PG&E) hereby submits for approval changes to its electric time-of-use (TOU) rate schedules that it recommends as a consequence of certain calendar changes affecting Daylight Saving Time (DST), as contemplated under the U.S. Energy Policy Act of 2005, which may become effective in March of 2007.

Background and Purpose

The Energy Policy Act of 2005 ("Act") was passed by the United States Congress on July 29, 2005 and was signed into law on August 8, 2005. Section 110 of the Act contemplates extending DST for a period of three to four weeks each spring and for a period of one week in the fall, beginning in March of 2007. As enacted, the Act amends Section 3(a) of the Uniform Time Act of 1966 to provide that clocks be set forward beginning on the second Sunday of March (instead of the first Sunday of April) and set back on the first Sunday in November (rather than the last Sunday of October). Section 110 also calls for the U.S. Department of Energy (DOE) to submit a report to Congress not later than December 11, 2007, addressing any impacts of the revised DST schedule on energy consumption. Congress has explicitly retained a "right to revert" to the current DST schedule after the DOE study is completed.

PG&E provides service under TOU rate schedules to approximately 240,000 of its nearly 5 million electric customers. The vast majority of current TOU meters use internal electronic clocks programmed to determine how energy consumption will be recorded by TOU period. Adjusting clocks in all of the current meters to account for the DST change would require sending meter workers to each site for either re-programming the meter or replacing it with a meter that has been re-programmed to account for the revised DST schedule. The removed meter would

then be shipped to a central location for retirement (if obsolete), or re-programming and re-use.

PG&E anticipates that full re-programming and re-installation of the existing TOU meter stock would cost approximately \$38 million. Such a project would require staffing and training a crew of several hundred new meter technicians for an effort that would extend over a period of six to twelve months. Moreover, this effort would likely detract from resources that might otherwise be available for longer-term infrastructure activities, such as PG&E's proposed Advanced Metering Infrastructure (AMI) Project (A.05-06-028).¹ There would also be some risk that a second round of re-programming would be required shortly thereafter, should Congress exercise the "right to revert" that is already contemplated in the Energy Policy Act.

Requested Tariff Change

As an alternative to full re-programming of the existing TOU meter stock, PG&E requests that it be authorized to modify its existing TOU period definitions as they relate to the short periods of time each spring and fall that are affected by the DST change. Specifically, PG&E proposes that the following new tariff language be added to the Special Condition defining "Time Periods" under each current TOU rate schedule:

"The time periods shown above will begin and end one hour later for the period between the second Sunday in March and the first Sunday in April, and for the period between the last Sunday in October and the first Sunday in November."

Making this change, which affects only those short periods during the early spring and late fall where the newly-expanded DST calendar differs from the current DST calendar, will conform PG&E's TOU period definitions to the currently-existing DST calendar and thus avoid the need for an extensive and costly meter re-programming effort.

This new tariff language would apply to all TOU rate schedules. PG&E's TOU rate schedules currently are comprised of the following:

E-2	Experimental Residential Time-of-Use Service
E-3	Experimental Residential Critical Peak Pricing Service
E-7	Residential Time-of-Use Service
E-A7	Experimental Residential Alternate Peak Time-of-Use Service

¹ If the AMI Project were already installed, future DST schedule changes could be accommodated at very little expense.

E-9	Experimental Residential Time-of-Use Service for Low Emission Vehicle Customers
EL-7	Residential CARE Program Time-of-Use Service
EL-A7	Experimental Residential CARE Program Alternate Peak Time-of-Use Service
A-6	Small General Time-of-Use Service
A-10	Medium General Demand-Metered Service
E-19	Medium General Demand-Metered Time-of-Use Service
E-20	Service to Customers with Maximum Demands of 1,000 Kilowatts or More
E-25	Restricted Variable-Peak-Period Time-of-Use Service to Water Agencies
E-37	Medium General Demand-Metered Time-of-Use Service to Oil and Gas Extraction Customers
S	Standby Service
AG-R	Split-Week Time-of-Use Agricultural Power
AG-V	Short-Peak Time-of-Use Agricultural Power
AG-4	Time-of-Use Agricultural Power
AG-5	Large Time-of-Use Agricultural Power
AG-7	Experimental Tiered Time-of-Use Agricultural Power
AG-ICE	Agricultural Internal Combustion Engine Conversion Incentive Rate
E-CPP	Critical Peak Pricing Program

Energy Conservation

PG&E understands that the amended DST calendar was included in the Energy Policy Act as one among a great number of measures that are intended to promote additional energy conservation. PG&E has long been a national leader in energy efficiency efforts and continues to support energy efficiency as an important policy goal. After analyzing the relationship between DST revisions and energy conservation, PG&E has concluded that its proposed TOU tariff revisions should not detract in any substantive way from achieving those modest additional energy usage reductions that may result from adopting the DST calendar change.

DST is recognized as reducing the amount of electricity needed for early evening lighting loads, because lights will not need to be turned on until an hour later. In the summer months, there is generally no offsetting rise in early morning use of electric lights, because the sun still has risen before most people begin their days.

During the early spring and late fall, the energy conservation effects may be less pronounced, because there will be some increased need for early morning lighting applications.

A staff report published in 2001 by the California Energy Commission ("Effects of Daylight Saving Time on California Electricity Use") found that expanded DST might be expected to reduce early spring and late fall evening peak electricity demands by as much as 3 percent, but would reduce total daily electric usage by a much smaller amount, only about 0.5 percent.² In PG&E's service area, this estimate suggests there would be approximately 30 million kWh of total energy savings during the entire period affected by the DST change. (Early spring and late fall are periods when PG&E's daily peak electricity demands are already at relatively low levels.)

Because all published analysis of the relationship between DST and electricity use indicates that conservation effects occur primarily as a consequence of changed lighting usage requirements, PG&E does not believe the revised TOU period definitions that it requests in this advice letter will detract from this effect. Also, the longer of the two calendar periods affected by this change (during March and early April) occurs during the period when PG&E's winter season rates are in effect, and PG&E's winter season rates differ significantly less between peak and off-peak periods than do the summer season rates.

Protests

Anyone wishing to protest this filing may do so by sending a letter by **November 14, 2005**, which is 21 days from the date of this filing. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. Protests should be mailed to:

IMC Branch Chief – Energy Division
California Public Utilities Commission
505 Van Ness Avenue, 4th Floor
San Francisco, California 94102

Facsimile: (415) 703-2200
E-mail: jjr@cpuc.ca.gov and ijn@cpuc.ca.gov

Protests also should be sent by e-mail and facsimile to Mr. Jerry Royer, Energy Division, as shown above, and by U.S. mail to Mr. Royer at the above address.

The protest should be sent via both e-mail and facsimile to PG&E on the same date it is mailed or delivered to the Commission at the address shown below.

² See: http://www.energy.ca.gov/reports/2001-05-23_400-01-013.PDF for the full CEC report.

Pacific Gas and Electric Company
Attention: Brian Cherry
Director, Regulatory Relations
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, California 94177

Facsimile: (415) 973-7226
E-mail: PGETariffs@pge.com

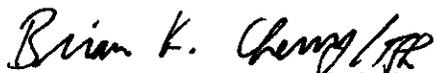
Effective Date

PG&E is requesting that the Commission approve this advice letter **on or before December 31, 2005**. Although the tariff changes requested here would not become effective until 2007, PG&E is requesting approval now so as to facilitate making effective alternative plans for the DST change in the event that this advice letter is not approved. If the Commission approves this advice letter, PG&E will consolidate its requested tariff changes with its Annual Electric True-Up changes for rates effective January 1, 2007.

Notice

In accordance with General Order 96-A, Section III, Paragraph G, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list. Address changes should be directed to Rose de la Torre at (415) 973-4716. Advice letter filings can also be accessed electronically at:

<http://www.pge.com/tariffs/>


Director - Regulatory Relations

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No. **Pacific Gas and Electric Company (ID U39)**

Utility type:

ELC

GAS

PLC

HEAT

WATER

Contact Person: Bernard Lam

Phone #: (415) 973-4878

E-mail: bxlc@pge.com

EXPLANATION OF UTILITY TYPE

ELC = Electric

GAS = Gas

PLC = Pipeline

HEAT = Heat

WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: **2727-E**

Subject of AL: Daylight Saving Times Change Contemplated Under Federal Energy Policy Act of 2005

Keywords (choose from CPUC listing): Conservation

AL filing type: Monthly Quarterly Annual One-Time Other _____

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #:

N/A

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: N/A

Summarize differences between the AL and the prior withdrawn or rejected AL¹: _____

Resolution Required? Yes No

Requested effective date: On or before 12/31/05

No. of tariff sheets: 0 – proposed tariff changes to be consolidated with AET (AL 2706-E) supplement

Estimated system annual revenue effect: (%): N/A

Estimated system average rate effect (%): N/A

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: Electric Time of Use rate schedules listed in advice letter

Service affected and changes proposed¹: N/A

Pending advice letters that revise the same tariff sheets: To be determined

Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division

Attention: Tariff Unit

505 Van Ness Ave.,

San Francisco, CA 94102

jjr@cpuc.ca.gov and jnj@cpuc.ca.gov

Pacific Gas and Electric Company

Attn: Brian K. Cherry

Director, Regulatory Relations

77 Beale Street, Mail Code B10C

P.O. Box 770000

San Francisco, CA 94177

E-mail: PGETariffs@pge.com

¹ Discuss in AL if more space is needed.

**PG&E Gas and Electric Advice
Filing List
General Order 96-A, Section III(G)**

ABAG Power Pool	Department of Water & Power City	North Coast Solar Resources
Accent Energy	DGS Natural Gas Services	Northern California Power Agency
Aglet Consumer Alliance	DMM Customer Services	Office of Energy Assessments
Agnews Developmental Center	Douglass & Liddell	Palo Alto Muni Utilities
Ahmed, Ali	Downey, Brand, Seymour & Rohwer	PG&E National Energy Group
Alcantar & Elsesser	Duke Energy	Pinnacle CNG Company
Anderson Donovan & Poole P.C.	Duke Energy North America	PITCO
Applied Power Technologies	Duncan, Virgil E.	Plurimi, Inc.
APS Energy Services Co Inc	Dutcher, John	PPL EnergyPlus, LLC
Arter & Hadden LLP	Dynegy Inc.	Praxair, Inc.
Avista Corp	Ellison Schneider	Price, Roy
Barkovich & Yap, Inc.	Energy Law Group LLP	Product Development Dept
BART	Energy Management Services, LLC	R. M. Hairston & Company
Bartle Wells Associates	Enron Energy Services	R. W. Beck & Associates
Blue Ridge Gas	Exelon Energy Ohio, Inc	Recon Research
Bohannon Development Co	Exeter Associates	Regional Cogeneration Service
BP Energy Company	Foster Farms	RMC Lonestar
Braun & Associates	Foster, Wheeler, Martinez	Sacramento Municipal Utility District
C & H Sugar Co.	Franciscan Mobilehome	SCD Energy Solutions
CA Bldg Industry Association	Future Resources Associates, Inc	Seattle City Light
CA Cotton Ginners & Growers Assoc.	G. A. Krause & Assoc	Sempra
CA League of Food Processors	Gas Transmission Northwest Corporation	Sempra Energy
CA Water Service Group	GLJ Energy Publications	Sequoia Union HS Dist
California Energy Commission	Goodin, MacBride, Squeri, Schlotz &	SESCO
California Farm Bureau Federation	Hanna & Morton	Sierra Pacific Power Company
California Gas Acquisition Svcs	Heeg, Peggy A.	Silicon Valley Power
California ISO	Hitachi Global Storage Technologies	Smurfit Stone Container Corp
Calpine	Hogan Manufacturing, Inc	Southern California Edison
Calpine Corp	House, Lon	SPURR
Calpine Gilroy Cogen	Imperial Irrigation District	St. Paul Assoc
Cambridge Energy Research Assoc	Integrated Utility Consulting Group	Stanford University
Cameron McKenna	International Power Technology	Sutherland, Asbill & Brennan
Cardinal Cogen	Interstate Gas Services, Inc.	Tabors Caramanis & Associates
Collnet Data Systems	J. R. Wood, Inc	Tansev and Associates
Chevron Texaco	JTM, Inc	Tecogen, Inc
Chevron USA Production Co.	Kaiser Cement Corp	TFS Energy
Childress, David A.	Korea Elec Power Corp	Transcanada
City of Glendale	Luce, Forward, Hamilton & Scripps	Turlock Irrigation District
City of Healdsburg	Manatt, Phelps & Phillips	U S Borax, Inc
City of Palo Alto	Marcus, David	United Cogen Inc.
City of Redding	Masonite Corporation	URM Groups
CLECA Law Office	Matthew V. Brady & Associates	Utility Cost Management LLC
Commerce Energy	Maynor, Donald H.	Utility Resource Network
Constellation New Energy	McKenzie & Assoc	Wellhead Electric Company
Cooperative Community Energy	McKenzie & Associates	Western Hub Properties, LLC
CPUC	Meek, Daniel W.	White & Case
Cross Border Inc	Mirant California, LLC	WMA
Crossborder Inc	Modesto Irrigation Dist	
CSC Energy Services	Morrison & Foerster	
Davis, Wright Tremaine LLP	Morse Richard Weisenmiller & Assoc.	
Davis, Wright, Tremaine, LLP	Navigant Consulting	
Defense Fuel Support Center	New United Motor Mfg, Inc	
Department of the Army	Norris & Wong Associates	