

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE

SAN FRANCISCO, CA 94102-3298

Tel. No. (415) 703-1691



August 30, 2006

Advice Letter 2674G/2733-E

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

Subject: Request for transfer of the advanced metering infrastructure memorandum accounts and disposition and recovery of the balance in the advanced metering and demand response account and the gas advanced metering account

Dear Ms de la Torre:

Advice Letter 2674G/2733-E is effective July 24, 2006 by Resolution E-3391. A copy of the advice letter and resolution are returned herewith for your records.

Sincerely,

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

Sean H. Gallagher, Director
Energy Division

REGULATORY RELATIONS	
Tariffs Section	
M Brown	D Postar
R Dela Torre	S Ramaiya
B Lam	
SEP 6 2006	
Records	
Return to	File
cc to	



**Pacific Gas and
Electric Company®**

Brian K. Cherry
Director
Regulatory Relations

77 Beale Street, Room 1087
San Francisco, CA 94105

Mailing Address
Mail Code B10C
Pacific Gas and Electric Company
P.O. Box 770000
San Francisco, CA 94177

415.973.4977
Internal: 223.4977
Fax: 415.973.7226
Internet: BKC7@pge.com

November 2, 2005

**Advice 2674-G/2733-E
(Pacific Gas and Electric Company ID U 39 E)**

Public Utilities Commission of the State of California

Subject: Request for Transfer of the Advanced Metering Infrastructure Memorandum Accounts and Disposition and Recovery of the Balances in the Advanced Metering and Demand Response Account and the Gas Advanced Metering Account

Purpose

Pursuant to Decision (D.) 05-09-044, Ordering Paragraph 7, Pacific Gas and Electric Company (PG&E) submits this Advice Letter to request the transfer of costs in the Advanced Metering Infrastructure Memorandum Account – Electric (AMIMA-E) to costs in the Advanced Metering and Demand Response Account (AMDRA) and the transfer of Advanced Metering Infrastructure Memorandum Account – Gas (AMIMA-G) to the Gas Advanced Metering Account (GAMA). In addition, pursuant to D. 05-09-044, Ordering Paragraph 6, PG&E is requesting review of the costs in AMDRA and GAMA, as filed in Advice 2658-G/2717-E pending approval, to determine that the costs recorded are consistent with the cost categories adopted in D. 05-09-044. Upon verification, PG&E requests the disposition of the balances through the Distribution Revenue Adjustment Mechanism (DRAM) and the Core Fixed Cost Account (CFCA) consistent with the AMDRA and GAMA preliminary statements.

The detailed cost worksheet for AMDRA and AMIMA-E is in Attachment A and B. The detailed cost worksheet for GAMA and AMIMA-G is in Attachment C and D.

Background

On September 22, 2005, the Commission approved PG&E's Application for Recovery of Pre-deployment Costs of the Advanced Metering Infrastructure (AMI) Project in D.05-09-044. As part of that decision, the Commission authorized PG&E to file an Advice Letter to transfer any recorded costs that are consistent with the activities and funding level authorized in the decision from the AMIMAs to AMDRA and GAMA. In addition, D.05-09-044 authorized PG&E to book future costs which were authorized in that decision directly into AMDRA and GAMA. Also, the Commission authorized PG&E to file quarterly Advice

Letters to request cost recovery subject to review of the cost categories. On September 30, 2005, the Energy Division verbally provided PG&E permission to request the transfers from the AMIMAs to AMDRA and GAMA and to request disposition of the balances in AMDRA and GAMA in one advice letter filing.

The AMDRA account balance on Attachment B includes the following for the period August 1 through September 30, 2005:

- (1) The AMDRA account balance includes the incremental costs associated with AMI Project development and management activities, consistent with the PG&E preliminary statement, Part CS -- Advanced Metering and Demand Response Account authorized as part of D. 05-09-044¹. Those activities include costs such as project management, Request for Proposal development and analysis, Business Case development, contract negotiation, development of PG&E's rate case applications, and the September 2005 costs for electric AMI pre-deployment activities.
- (2) As directed by D. 05-01-056, PG&E implemented its approved 2005 Demand Response programs. In accordance with that decision, and prior decisions in Rulemaking (R.) 02-06-001, the costs to develop, implement, and measure these demand response programs are currently placed in the AMDRA account.
- (3) Pursuant to D. 04-01-012, PG&E included in AMDRA the costs of the Statewide Pricing Pilot (SPP) activities.

Attachment A illustrates the amount and cost categories to move from AMIMA-E to AMDRA. The AMIMA-E account balance includes the costs for electric AMI pre-deployment activities for July and August 2005 and the September interest on the July and August balances.

Attachment B illustrates the August 1 through September 30 costs charged to AMDRA, plus the amount transferred from AMIMA-E (shown on Attachment A). PG&E seeks final disposition of \$10,242,688.86 through DRAM.

Attachment C illustrates the amount and cost categories for AMIMA-G to move from AMIMA-G to GAMA. The AMIMA-G account balance includes the costs for gas AMI pre-deployment activities for July and August 2005 and the September interest on the July and August balances.

¹ On September 27, 2005, PG&E filed and Advice Letter (AL) 2658-G/2717-E which consolidated the versions of the AMDRA preliminary statements from the May 24, 2005 Commission approval of AL 2623-E effective March 19, 2005, and the July 6, 2005 Commission approval of AL 2633-E/2633-E-A effective February 24, 2005. The changes to the AMDRA preliminary statement in compliance with D. 05-09-044 proposed in AL 2658-G/2717-E were made on top of the consolidated tariffs from both AL 2623-E and 2633-E-A. AL 2658-G/2717-E is pending approval.

Attachment D illustrates the September 30 balance for GAMA which includes the cost for gas AMI pre-deployment activities, plus the amount transferred from AMIMA-G (shown on Attachment C). PG&E seeks final disposition of \$106,604.58 through CFCA.

AMDRA and GAMA Recovery

The AMDRA Preliminary Statement states: "Quarterly, PG&E will file an advice letter, which shall include a summary of the entries to this account requesting recovery of the balance." PG&E requests recovery of the current balance² in the account, plus the costs recorded in AMIMA-E pending approval for transfer to AMDRA, and includes a summary of the entries to these accounts for this period in Attachment A and B.

The proposed GAMA Preliminary Statement states: "Quarterly, PG&E will file an advice letter, which shall include a summary of the entries to this account requesting recovery of the balance." PG&E requests the recovery of the current balance in the account, plus the costs recorded in AMIMA-G pending approval for transfer to GAMA, and includes a summary of the entries to these accounts for this period in Attachment C and D.

Approval of Advice 2658-G/2717-E as well as this Advice filing before December 2005 will allow PG&E to place these costs in rates by consolidating these balances with the request for recovery of DRAM through PG&E's Annual Electric True-up and CFCA through PG&E's Annual Gas True-up filing for rates effective January 1, 2006.

Request for Commission Approval

PG&E requests the Commission approve by resolution on or before the Commission's scheduled meeting of **December 15, 2005**, PG&E's request for a specific finding that PG&E is authorized to recover the account balances through distribution rates, as described in PG&E's preliminary statement.

Protests

If the Energy Division deems it necessary to issue a draft resolution 30 days prior to the December 15, 2005 Commission meeting, then PG&E requests Energy Division to shorten the protest period to 10 days from the date of filing, with protests due on **November 12, 2005**. 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:

² PG&E is seeking approval of August through September 2005 costs. The balance prior to January 1, 2004, was included in the headroom calculation filed in Advice 2555-G/2521-E, dated June 14, 2004. The activity from January 2004 through September 2004 was approved in Resolution E-3911. The activity from October 2004 through July 2005 was requested in Advice E-2701 dated August 18, 2005 and is pending approval.

November 2, 2005

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

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

Copies of protests also should be mailed to the attention of the Director, Energy Division, Room 4004, at the address shown above.

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.

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

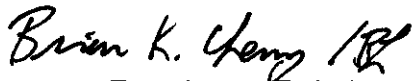
In accordance with General Order 96-A, Section V.B., PG&E requests that this advice filing be effective the date of approval.

November 2, 2005

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 and the parties on the service list for R.02-06-001. 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>

Handwritten signature of Brian K. Cheng in black ink.

Director - Regulatory Relations

Attachments

cc: Service List R.02-06-001

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) #: **2674-G/2733-E**

Subject of AL: Request for Transfer of the Advanced Metering Infrastructure Memorandum Accounts and Disposition and Recovery of the Balances in the Advanced Metering and Demand Response Account and the Gas Advanced Metering Account

Keywords (choose from CPUC listing): Balancing Account, Metering

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

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

Decision 05-09-044

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: Not applicable

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

Resolution Required? ☒ Yes ☐ No

Requested effective date: 12/15/2005

No. of tariff sheets: 0

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: N/A

Service affected and changes proposed¹: _____

Pending advice letters that revise the same tariff sheets: N/A

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.

Advanced Metering Infrastructure Memorandum Account - Electric (AMIMA-E)
July 1, 2005 through September 30, 2005 Account Activity

Per Month

	Program	2005			Total
		July	August	September	
AMI Project Pre-deployment Activities (AMIMA-E)¹					
	Systems Software Upgrades & Integration	\$ 89,877.65	\$ 89,877.65		\$ 89,877.65
	Project Management	\$ 4,054.02	\$ 4,215.99		\$ 8,270.01
	Subtotal	\$ 4,054.02	\$ 94,093.64	\$ -	\$ 98,147.66
Interest	Interest Rate	3.27%	3.47%	3.64%	
	Interest Total	\$ 5.52	\$ 754.60	\$ 287.77	\$ 1,047.89
	Monthly Totals AMIMA-E to be Transferred to AMDRA	\$ 4,059.54	\$ 94,848.24	\$ 287.77	\$ 99,195.55

¹ August charges include \$141,626.11 of prior period adjustments from July 2005 and associated interest of \$421.88. September interest is for July and August charges which have not been transferred to AMDRA.

Advanced Metering and Demand Response Account (AMDRA)
August 1, 2005 through September 30, 2005 Account Activity
Per Month

Program	2005		Total
	July ²	August	
Large Customer Demand Response Programs			
Critical Peak Pricing	\$ 46,535.06	\$ 78,604.17	\$ 125,139.23
Demand Bidding	\$ 35,269.38	\$ 25,022.49	\$ 60,291.87
Demand Reserves Partnership (DRP)	\$ 12,339.65	\$ 88.65	\$ 12,428.30
Interval Meters ¹	\$ 102,699.85	\$ 93,481.85	\$ 196,181.70
E-Save			\$ -
Power Down			\$ -
Customer Market Research	\$ 13,555.52	\$ 15,875.60	\$ 29,431.12
Flex Your Power Now	\$ 17,400.92	\$ 4,539,953.88	\$ 4,557,354.80
Integrated Demand Side Management	\$ 3,741.56	\$ 28,465.71	\$ 32,207.27
California 20/20 Rebate Program	\$ 150,540.52	\$ 253,733.15	\$ 404,273.67
Interact Payments	\$ 29,596.13	\$ 111,540.72	\$ 141,136.85
Demand Response Database	\$ 1,918.75	\$ 3,120.87	\$ 5,039.62
California Power Authority DRP			\$ -
California Power Authority Statewide	\$ (310.04)		\$ (310.04)
Business Energy Coalition	\$ 138,483.42	\$ 1,530.05	\$ 140,013.47
General Education	\$ 108,184.06	\$ 149,850.37	\$ 258,034.43
A/C Cycling Analysis			\$ -
Community Partner			\$ -
TA/TI Total			\$ -
Subtotal			\$ 163,527.30
SPP Pilot			
Statewide Pricing Pilot ²	\$ -	\$ 185,387.62	\$ 185,387.62
Subtotal			\$ 185,387.62
AMI Project Development and Management			
Contract Negotiation and Administration	\$ 5,891.81	\$ 886,269.04	\$ 892,160.85
Business Case Development	\$ 964,471.51	\$ 545,263.87	\$ 1,509,735.38
RFP Development and Analysis	\$ 825,889.95	\$ 1,314.10	\$ 827,204.05
AMI Applications	\$ 221,616.96	\$ 134,353.63	\$ 355,970.59
Project Management	\$ (3,870.82)	\$ 74,377.43	\$ 70,506.61
Subtotal	\$ -	\$ 2,013,999.41	\$ 1,841,578.07
AMI Project Pre-deployment Activities (AMDRA)			
Systems Software Upgrades & Integration		\$ 17,125.41	\$ 17,125.41
Project Management		\$ 8,769.19	\$ 8,769.19
Subtotal⁴	\$ -	\$ 25,894.60	\$ 25,894.60
Interest			
Interest Rate	3.27%	3.47%	3.64%
Interest Total			
Monthly Totals AMDRA			
Monthly Totals AMIMA-E (from Attachment A)	\$ -	\$ 2,896,442.76	\$ 7,247,050.55
Grand Total - AMDRA and AMIMA - E	\$ 4,059.54	\$ 94,848.24	\$ 287.77
	\$ 4,059.54	\$ 2,991,291.00	\$ 7,247,338.32

Note: Totals above do not include pre-deployment costs which was shown with a zero balance in the prior paperwork filed with Advice 2569-E on October 15, 2004.

¹ Includes \$30,387.02 of capital-related costs for August and \$38,738.17 of capital-related costs for September.

² Incentive payments are recovered directly through the ERRA account per D.03-03-036 and therefore, have not been included in this category.

³ July costs for AMDRA are shown as zero on this paperwork and are included on the paperwork filed with Advice 2701-E filed on August 18, 2005.

⁴ September charges represent the first charges authorized under D. 05-09-044

Advanced Metering Infrastructure Memorandum Account - Gas (AMIMA-G)
July 1, 2005 through September 30, 2005 Account Activity

Per Month

Program	2005			Total
	July	August	September	
AMI Project Pre-deployment Activities (AMIMA-G) ¹				
Systems Software Upgrades & Integration	\$ 3,453.43	\$ 76,562.45	\$ -	\$ 76,562.45
Project Management	\$ 3,453.43	\$ 3,591.39	\$ -	\$ 7,044.82
Subtotal	\$ 3,453.43	\$ 80,153.84	\$ -	\$ 83,607.27
Interest ¹	3.27%	3.47%	3.64%	
Interest Rate	\$ 4.71	\$ 656.55	\$ 244.22	\$ 905.48
Interest Total	\$ 3,458.14	\$ 80,810.39	\$ 244.22	\$ 84,512.75
Monthly Totals AMIMA-G to be transferred to GAMA				

¹ August charges include \$120,644.47 of prior period adjustments from July 2005 and associated interest of \$359.38. September interest is for July and August charges which have not been transferred to GAMA.

Gas Advanced Metering Account (GAMA)
September 22, 2005 through September 30, 2005 Account Activity
Per Month

	Program	2005			Total
		July	August	September	
AMI Project Pre-deployment Activities (GAMA)					
	Systems Software Upgrades & Integration		\$ 14,588.31	\$ 14,588.31	\$ 14,588.31
	Project Management		\$ 7,470.06	\$ 7,470.06	\$ 7,470.06
	Subtotal ¹	\$ -	\$ -	\$ 22,058.37	\$ 22,058.37
Interest	Interest Rate			3.64%	
	Interest Total		\$ 33.46	\$ 33.46	\$ 33.46
Monthly Totals GAMA		\$ -	\$ -	\$ 22,091.83	\$ 22,091.83
Monthly Totals AMIMA-G to be transferred to GAMA (from Attachment C)		\$ 3,458.14	\$ 80,810.39	\$ 244.22	\$ 84,512.75
Grand Total GAMA and AMIMA-G		\$ 3,458.14	\$ 80,810.39	\$ 22,336.05	\$ 106,604.58

¹ September charges represent the first charges authorized under D. 05-09-044

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

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