

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

Tel. No. (415) 703-1691



January 20, 2006

Advice Letter 2738-E-A

RECEIVED
REGULATORY RELATIONS DEPARTMENT

JAN 24 2006

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

Subject: Supplemental filing – Schedule AG-ICE 1.5 percent annual escalation in compliance with D.05-06-016

Dear Ms de la Torre:

Advice Letter 2738-E-A is effective January 1, 2006. A copy of the advice letter is returned herewith for your records.

Sincerely,

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

Sean H. Gallagher, Director
Energy Division



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: 223.4877
Fax: 415.973.9572
Internet: BKC7@pge.com

December 30, 2005

Advice 2738-E-A

(Pacific Gas and Electric Company ID U 39 E)

**Subject: Supplemental Filing – Schedule AG-ICE 1.5 Percent Annual
Escalation in Compliance with D.05-06-016**

Public Utilities Commission of the State of California

Pacific Gas and Electric Company (PG&E) hereby submits for filing proposed revisions to Schedule AG-ICE – *Agricultural Internal Combustion Engine Conversion Incentive Rate*. The affected tariff sheets are listed on the enclosed Attachment I.

Purpose

PG&E filed Advice 2738-E on November 15, 2005 to revise Schedule AG-ICE total and unbundled rate components on January 1, 2006 to comply with the 1.5 percent annual increase to Schedule AG-ICE total average rates adopted in Decision (D.) 05-06-016. On December 9, 2005, the Commission approved PG&E's proposal in Advice 2738-E.

As stated in Advice 2738-E, Advice 2738-E-A updates the proposed Schedule AG-ICE rates to reflect PG&E's final Annual Electric True-Up (AET) Supplemental Advice 2706-E-A, filed December 30, 2005, for rate changes effective January 1, 2006. Schedule AG-ICE non-generation and non-distribution rate components are set equal to those of Schedule AG-5B in AET Advice 2706-E-A. As a result, after offsetting these other component rate changes, the generation portion of Schedule AG-ICE energy charges must increase by an additional 2.59 percent to achieve the required 1.5 percent increase to the Schedule AG-ICE total average rate on January 1, 2006.

Tariff Revisions

Attachment I reflects the proposed total and unbundled rate component revisions to Schedule AG-ICE. In addition, a footnote has been added to the fourth page of Schedule AG-ICE to correct a previous omission.

Protests

The protest period for Advice 2738-E elapsed on December 5, 2005, with no comments filed by any party, and the Commission approved PG&E's proposal in Advice 2738-E on December 9, 2005.

Anyone wishing to protest Advice 2738-E-A may do so by sending a letter by **January 19, 2006**, which is 20 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:

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

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

PG&E requests that this advice filing be approved effective **January 1, 2006**.

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 A. 04-11-007. 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 - A.04-11-007

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) #: **2738-E-A**

Subject of AL: Supplemental Filing - Schedule AG-ICE 1.5 Percent Annual Escalation in Compliance with D.05-06-016

Keywords (choose from CPUC listing): Compliance Filing, Agricultural

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

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

D.05-06-016

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: No

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

Resolution Required? Yes No

Requested effective date: 1/1/2006

No. of tariff sheets: 4

Estimated system annual revenue effect (%): To Be Determined

Estimated system average rate effect (%): 1.5% increase for participants

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: Rate Schedule AG-ICE

Service affected and changes proposed¹: N/A

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.

**ATTACHMENT 1
Advice 2738-E-A**

Cal P.U.C. Sheet No.	Title of Sheet	Cancelling Cal P.U.C. Sheet No.
24287-E	Schedule AG-ICE--Agricultural Internal Combustion Engine Conversion Incentive Rate	23644-E
24288-E	Schedule AG-ICE (Cont.)	23899-E
24289-E	Table of Contents -- Rate Schedules	24012-E
24290-E	Table of Contents -- Rate Schedules	24013-E



SCHEDULE AG-ICE—AGRICULTURAL INTERNAL COMBUSTION ENGINE CONVERSION INCENTIVE RATE
(Continued)

RATES: Total bundled service charges are calculated using the total rates shown below.

TOTAL RATES

<u>Total Customer/Meter Charge Rates</u>		
Customer Charge (\$ per meter per day)		\$1.31417
TOU Meter Charge (\$ per meter per day)		\$0.19713
<u>Total Demand Rates (\$ per kW)</u>		
Secondary		
Maximum Peak Demand Summer		\$0.41
Maximum Demand Summer		\$1.43
Maximum Demand Winter		\$0.00
Primary		
Maximum Peak Demand Summer		\$0.41
Maximum Demand Summer		\$1.40
Maximum Demand Winter		\$0.00
Transmission		
Maximum Peak Demand Summer		\$0.41
Maximum Demand Summer		\$0.45
Maximum Demand Winter		\$0.00
<u>Total Energy Rates (\$ per kWh)</u>		
Peak Summer		\$0.12337 (I)
Part-Peak Summer		\$0.09608
Off-Peak Summer		\$0.04893
Part-Peak Winter		\$0.09856
Off-Peak Winter		\$0.04893 (I)

(Continued)



SCHEDULE AG-ICE—AGRICULTURAL INTERNAL COMBUSTION ENGINE CONVERSION INCENTIVE RATE
(Continued)

RATES:
(Cont'd.)

UNBUNDLING OF TOTAL RATES
(Cont'd.)

Energy Rates by Component (\$ per kWh)

Generation:

Peak Summer	\$0.09687	(I)
Part-Peak Summer	\$0.06958	
Off-Peak Summer	\$0.02243	
Part-Peak Winter	\$0.07206	
Off-Peak Winter	\$0.02243	(I)

Transmission* \$0.00519

Transmission Rate Adjustments* (\$0.00030) (R)

Reliability Services* \$0.00193 (R)

Public Purpose Programs \$0.00536 (I)

Nuclear Decommissioning \$0.00038 (I)

Competition Transition Charges \$0.00472 (R)

Energy Cost Recovery Amount \$0.00437 (R)

DWR Bond Charge \$0.00485 (I)

* Transmission, Transmission Rate Adjustments, and Reliability Service charges are combined for presentation on customer bills.

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AG-V	Short-Peak Time-of-Use Agricultural Power	24233,24234,24235,24236,22825,22826,24237,24238,24239,24240,24241-E
AG-4	Time-of-Use Agricultural Power	24242,24243,24244,24245,24246,22833,22834,24247,24248,24249,24250,24251-E
AG-5	Large Time-of-Use Agricultural Power	24252,24253,24254,24255,24256,22841,22842,24257,24258,24259,24260,24261-E
AG-7	Experimental Tiered Time-of-Use Agricultural Power	24262,24263,24264,24265,15705,24266,24267,24268,24269-E
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RATE SCHEDULES

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E-7	Residential Time-of-Use Service	21268,24104,24105,21595,22909,24106-E
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**PG&E Gas and Electric Advice
Filing List
General Order 96-A, Section III(G)**

ABAG Power Pool	DGS Natural Gas Services	Northern California Power Agency
Accent Energy	DMM Customer Services	Office of Energy Assessments
Aglet Consumer Alliance	Douglass & Liddell	Palo Alto Muni Utilities
Agnews Developmental Center	Downey, Brand, Seymour & Rohwer	PG&E National Energy Group
Ahmed, Ali	Duke Energy	Pinnacle CNG Company
Alcantar & Elsesser	Duke Energy North America	PITCO
Anderson Donovan & Poole P.C.	Duncan, Virgil E.	Plurimi, Inc.
Applied Power Technologies	Dutcher, John	PPL EnergyPlus, LLC
APS Energy Services Co Inc	Dynergy Inc.	Praxair, Inc.
Arter & Hadden LLP	Ellison Schneider	Price, Roy
Avista Corp	Energy Law Group LLP	Product Development Dept
Barkovich & Yap, Inc.	Energy Management Services, LLC	R. M. Hairston & Company
BART	Enron Energy Services	R. W. Beck & Associates
Bartle Wells Associates	Exelon Energy Ohio, Inc	Recon Research
Blue Ridge Gas	Exeter Associates	Regional Cogeneration Service
Bohannon Development Co	Foster Farms	RMC Lonestar
BP Energy Company	Foster, Wheeler, Martinez	Sacramento Municipal Utility District
Braun & Associates	Franciscan Mobilehome	SCD Energy Solutions
C & H Sugar Co.	Future Resources Associates, Inc	Seattle City Light
CA Bldg Industry Association	G. A. Krause & Assoc	Sempra
CA Cotton Ginners & Growers Assoc.	Gas Transmission Northwest Corporation	Sempra Energy
CA League of Food Processors	GLJ Energy Publications	Sequoia Union HS Dist
CA Water Service Group	Goodin, MacBride, Squeri, Schlotz &	SESCO
California Energy Commission	Hanna & Morton	Sierra Pacific Power Company
California Farm Bureau Federation	Heeg, Peggy A.	Silicon Valley Power
California Gas Acquisition Svcs	Hitachi Global Storage Technologies	Smurfit Stone Container Corp
California ISO	Hogan Manufacturing, Inc	Southern California Edison
Calpine	House, Lon	SPURR
Calpine Corp	Imperial Irrigation District	St. Paul Assoc
Calpine Gilroy Cogen	Integrated Utility Consulting Group	Stanford University
Cambridge Energy Research Assoc	International Power Technology	Sutherland, Asbill & Brennan
Cameron McKenna	Interstate Gas Services, Inc.	Tabors Caramanis & Associates
Cardinal Cogen	IUCG/Sunshine Design LLC	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	
Defense Fuel Support Center	New United Motor Mfg, Inc	
Department of the Army	Norris & Wong Associates	
Department of Water & Power City	North Coast Solar Resources	