

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

Tel. No. (415) 703-1691



April 4, 2006

Advice Letter 2770-E

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

Subject: Notice of the Transmission Access Charge Balancing Account Adjustment Federal Energy Regulatory Commission filing

Dear Ms de la Torre:

Advice Letter Advice Letter 2770-E is effective April 1, 2006. A copy of the advice letter is returned herewith for your records.

Sincerely,

Sean H. Gallagher, Director
Energy Division

REGULATORY RELATIONS	
M Brown	Tariffs Section
R De la Torre	D Poster
B Lam	S Ramalya
APR 11 2006	
Return to _____	Records _____
cc to _____	File _____



Brian K. Cherry
Director
Regulatory Relations

77 Beale Street, Room 1087
San Francisco, CA 94105

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Mail Code B10C
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San Francisco, CA 94177

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January 27, 2006

Advice 2770-E

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: Notice of the Transmission Access Charge Balancing Account Adjustment (TACBAA) Federal Energy Regulatory Commission Filing

Purpose

Pacific Gas and Electric Company (PG&E) hereby submits this advice to provide the Commission with notice of PG&E's recent Transmission Access Charge Balancing Account Adjustment (TACBAA) filing with the Federal Energy Regulatory Commission (FERC).

Background

On January 12, 2006, PG&E filed its TACBAA filing with FERC in Docket No. ER06-4801. Commission Resolution E-3930, approved on May 26, 2005, established a new process for CPUC notification and review of transmission-related changes, and embodies this understanding in new Process Element 1, where it states, "The Commission recognizes that under the filed rate doctrine, the Commission should allow a pass through of these transmission rates that are filed with and become effective at the FERC."

TACBAA Rate

The TACBAA is a ratemaking mechanism designed to ensure that the amount of costs shifted from New Participating Transmission Owners (TOs) in the California Independent System Operator (ISO) control area to existing TOs will be recovered from PG&E's end-use customers. Section 5.7 of the TO Tariff describes the items

¹ PG&E filed an errata to this filing on January 18, 2006. The information in this Advice Letter reflects the errata filing.

to be included in the Transmission Access Charge Balancing Account (TACBA) and sets forth the procedure for revising the TACBAA rate on an annual basis. The 2006 TACBAA rate is based on the balance in the TACBA as of December 31, 2005, and a forecast of the net annual Access Charge billings by the ISO to PG&E during the following year.

The TACBAA rate is calculated by dividing the total revenue requirement by the total gross load in kilowatt-hours as measured at the customer-meter level. For the 2006 TACBAA rate calculation, PG&E will use a 12 month period ending December 31 total gross load, as specified in the TO Tariff. The total revenue requirement used in the development of the retail 2006 TACBAA rate is the sum of four components: (1) the forecasted 2006 TACBAA charges of \$20,337,055, (2) the balance of the TACBA as of December 31, 2005, \$2,037,818, (3) interest of \$1,094,529, and (4) the Franchise Fees and Uncollectible Amount (FF&U) of \$259,092. The forecast of the TACBA charges for 2006 were obtained from the ISO on January 3, 2006. The TACBA charges were calculated based on the PTO's 2006 TRBAA filings with the FERC, and will be used in the ISO's TAC Rate Filing to the FERC. The resultant TACBAA revenue requirement is \$27,242,273. The total gross load used in the TACBAA calculation is 81,364,227,028 kWh. The corresponding rate is \$0.00033/kWh.

In PG&E's February 28, 2004, TACBAA implementation filing, and in compliance with Assembly Bill (AB) 1890, PG&E began a three-year amortization of the TACBA balance covering January 2001 through December 2003. AB 1890 called for amortization of the TACBA balance over the first three years to avoid rate shock. One-third of the TACBA balance was used to calculate the 2004 revenue requirement. In the December 2004 filing for the 2005 TACBAA, the actual amount remaining to be amortized was calculated and half of that balance was included in the TACBAA. In the current filing, the three-year amortization period concludes. PG&E, therefore, will include the remainder of the amortized amount as well as the TACBA balance from January 2004 to December 2005.

Compliance with Resolution E-3930

PG&E submits this advice pursuant to Process Element 3 of Resolution E-3930. Consistent with past practice, PG&E has also provided the Commission with a complete copy of the FERC filing on the same date that it was filed with FERC, by service to Mr. Randolph L. Wu of the Commission's Legal Division.

In this advice, PG&E requests authority to revise each corresponding transmission rate component of its CPUC-jurisdictional tariffs on that date which FERC ultimately authorizes these changes to become effective subject to refund, and to make corresponding adjustments to its total applicable CPUC-jurisdictional rates, with exceptions only as described below for the residential tariffs.

As described under Process Elements 5 and 6 of Resolution E-3930, California Assembly Bill 1X (AB 1X) constraints continue to apply to total rates for residential usage up to 130 percent of baseline ("Tier 1 and 2 usage").

The TACBA rate will change from \$0.00034 to \$0.00033. We will provide the more detailed information prior to April 1, 2006, once all other rate changes that take place on or before April 1, 2006 are identified.

As anticipated under Process Element 4 of Resolution E-3930, PG&E will supplement this advice when the requested TACBAA rate changes are approved, modified, denied or have been otherwise acted upon by the FERC. At that time, PG&E will also provide complete updated tariff sheets, including final adjustments to the generation rate components of the residential tariffs in light of any interim rate change filings that will be effective prior to April 1, 2006.

Protests

Anyone wishing to protest this filing may do so by sending a letter by **February 16, 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:

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

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 become effective on either April 1, 2006 or such later date as the FERC determines that these FERC-jurisdictional rate changes are to become effective, subject to refund.

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/>

Handwritten signature of Brian K. Cheng in black ink.

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: bxic@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) #: **2770-E**

Subject of AL: Notice of the Transmission Access Charge Balancing Account Adjustment (TACBAA) Federal Energy Regulatory Commission Filing

Keywords (choose from CPUC listing): Compliance

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

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

E-3930

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: **April 1, 2006 or such later date as the FERC determines that these FERC-jurisdictional rate changes are to become effective, subject to refund** No. of tariff sheets: 0

Estimated system annual revenue effect (%): TBD

Estimated system average rate effect (%): TBD

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: 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.

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

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