

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



April 2, 2007

Advice Letters 2779-E
2779-E-A

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

REVISED

Subject: New Electric Preliminary Statement CJ – Negative Ongoing Competition
Transition Charge Memorandum Account to Track Negative Ongoing
Competition Transition Charge (CTC) in Compliance with D. 05-12-045

Dear Ms. de la Torre:

Advice Letters 2779-E and 2779-E-A are effective January 1, 2006. Copies of the advice letters
and resolution are returned herewith for your records.

Sincerely,

Sean H. Gallagher, Director
Energy Division

REGULATORY RELATIONS	
M Brown	Tariffs Section
R Dela Torre	D Poster
B Lam	M Hughes
APR 4 2007	
Return to _____	Records _____
cc to _____	File _____



Brian K. Cherry
Vice President
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

February 23, 2007

Advice 2779-E-A
(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: Revised Electric Preliminary Statement CJ – Negative Ongoing Competition Transition Charge Memorandum Account to Track Negative Ongoing Competition Transition Charge (CTC) in Compliance with Decision 05-12-045 and Resolution E-4044

In compliance with Resolution E-4044, Pacific Gas and Electric Company (PG&E) hereby submits for filing revisions to its electric tariffs. The affected tariff sheets are listed on the enclosed Attachment 1.

Purpose

Resolution E-4044 (the Resolution) approved, with modifications, PG&E's Advice 2779-E. Advice 2779-E-A is submitted to comply with the Resolution.

Tariff Changes

In compliance with Resolution E-4044, PG&E requests approval of modifications to Preliminary Statement CJ – Negative Ongoing Competition Transition Charge Memorandum Account (NOCTCMA), to clarify that positive and negative above-market cost amounts included in ongoing CTC will be netted against each other from January 1, 2006 forward, regardless of which occurs first.

Protest

Anyone who wishes to protest this filing may do so by sending a letter by **March 15, 2007**, 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
Tariff Files, Room 4005
DMS Branch
505 Van Ness Avenue
San Francisco, California 94102

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

Protests also should be sent via U.S. mail (and by facsimile and electronically, if possible) to PG&E at the address shown below on the same date it is mailed or delivered to the Commission:

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

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

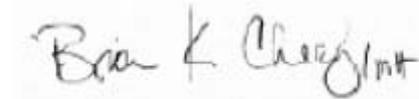
Effective Date

In compliance with Resolution E-4044, PG&E requests that Advice 2779-E-A 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 parties on the service list for Rulemaking (R.) 01-10-024 and Application (A.) 05-06-007. 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>



Vice President – Regulatory Relations
Attachments

CC: Service Lists R.01-10-024, A.05-06-007

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 U39M

Utility type:

ELC GAS
 PLC HEAT WATER

Contact Person: Megan Hughes

Phone #: (415) 973-1877

E-mail: MEHr@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) #: **2779-E-A**

Subject of AL: Revised Electric Preliminary Statement – Negative Ongoing Competition Transition Charge Memorandum Account to Track Negative Ongoing Competition Transition Charge (CTC) in Compliance with Decision 05-12-045 and Resolution E-4044

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:

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL

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

Resolution Required? Yes No

Requested effective date: **January 1, 2006**

No. of tariff sheets: 3

Estimated system annual revenue effect: (%)

Estimated system average rate effect (%)

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

inj@cpuc.ca.gov and mas@cpuc.ca.gov

Utility Info (including e-mail)

Attn: Brian K. Cherry

Vice President, 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 2779-E-A**

Cal P.U.C. Sheet No.	Title of Sheet	Cancelling Cal P.U.C. Sheet No.
25999-E	Preliminary Statement Part CJ--Negative Ongoing Transition Charge Memorandum Account	24322-E
26000-E	Table of Contents -- Preliminary Statements	25898-E
26001-E	Table of Contents -- Title Page	25899-E



PRELIMINARY STATEMENT
(Continued)

CJ. NEGATIVE ONGOING COMPETITION TRANSITION CHARGE MEMORANDUM ACCOUNT (NOCTCMA) (N)

1. PURPOSE: The purpose of the NOCTCMA is to record and track negative costs associated with the above-market component of the ongoing competition transition charge (CTC), effective January 1, 2006. Beginning January 1, 2006 and thereafter, the above-market component of ongoing CTC is calculated monthly and negative results are to be tracked and applied to offset positive above-market results in accordance with Decision 05-12-045, Ordering Paragraph (O.P.) 6. Netting positive and negative CTC shall not result in paying negative CTC to any customers. Any negative CTC that is not offset by positive CTC will remain in the NOCTCMA where it will have no effect on customers.

The above-market cost calculation is associated with PG&E's portfolio of CTC-eligible contracts as defined in Public Utilities Code Section 367(a). The negative above-market costs are not eligible to be applied to other elements of the ongoing CTC revenue requirement such as contract restructuring amounts, employee transition costs, or the 10 percent shareholder savings associated with restructuring existing CTC-eligible contracts. Nor are the negative above-market amounts eligible to be applied to a balance undercollection in the Modified Transition Cost Balancing Account (MTCBA).

No interest shall accrue on a negative CTC balance in the NOCTCMA. The tracking of negative CTC shall cease when all ongoing CTC costs associated with the CTC-eligible portfolio have been recovered. Any remaining negative CTC balance in the NOCTCMA shall have no further effect on cost allocation or rates, pursuant to Decision 05-12-045. Costs in the NOCTCMA will be tracked consistent with any customer-specific subaccount allocation carried in the MTCBA, pursuant to Decision 05-12-045.

2. APPLICABILITY: The NOCTCMA shall apply to all customers who are obligated to pay ongoing CTC subject to the jurisdiction of the Commission, except for those specifically excluded by the Commission.

3. RATES: The NOCTCMA does not have a rate component.

4. ACCOUNTING PROCEDURES: PG&E shall make entries at the end of each month as follows:

- a. A credit entry equal to the negative above-market costs, allocated and tracked by customer-specific subaccounts defined in the MTCBA, as applicable.
- b. A debit entry equal to the positive above-market costs allocated and tracked by customer-specific subaccounts defined in the MTCBA, as applicable.

(N)

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Part CF	Net Energy Metering Memorandum Account	18831-E
Part CG	Utility Generation Balancing Account.....	25367, 24736-E
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**PG&E Gas and Electric Advice
Filing List
General Order 96-A, Section III(G)**

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