

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

Tel. No. (415) 703-1691



July 12, 2006

Advice Letter 2703-G-A/2782-E-A

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

Subject: Establishment of pension interest memorandum accounts for electric and gas for a 2006 pension contribution

Dear Ms de la Torre:

Advice Letter 2703-G-A/2782-E-A is effective January 1, 2006. A copy of the advice letter is returned herewith for your records.

Sincerely,

Sean H. Gallagher, Director
Energy Division

REGULATORY RELATIONS	
Tariffs Section	
M Brown	D Poster
R Dela Torre	S Ramaiya
B Lam	
JUL 14 2006	
_____ Records	
Return to _____	File _____
cc to _____	



Brian K. Cherry
Senior Director
Regulatory Relations

77 Beale Street, Room 1087
San Francisco, CA 94105

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Mail Code B10C
Pacific Gas and Electric Company
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June 20, 2006

Advice 2703-G-A/2782-E-A

(Pacific Gas and Electric Company ID U 39 M)

Public Utilities Commission of the State of California

**Subject: Supplement - Establish Pension Interest Memorandum
Accounts for Electric and Gas for a 2006 Pension Contribution**

Purpose and Background

In compliance with Decision (D.) 06-06-014 approved on June 15, 2006, Pacific Gas and Electric Company (PG&E) hereby submits a supplement to Advice 2703-G/2782-E which establishes new electric Preliminary Statement EB – Pension Interest Memorandum Account (PIMA-E) and gas Preliminary Statement BN – Pension Interest Memorandum Account (PIMA-G). The affected tariff sheets are listed on the enclosed Attachment I and supersede the tariff sheets submitted in Advice 2703-G/2782-E.

Changes to Proposed Preliminary Statements

The proposed PIMA-E and PIMA-G are modified from those proposed in Advice 2703-G/2782-E by eliminating the references to the “subject to refund” description of the revenue requirements. Ordering Paragraph 2 of D.06-06-014 states, “The \$155 million that PG&E is currently collecting in rates pursuant to Decision 05-12-046 is no longer subject to refund.” Therefore the references to “subject to refund” in the PIMA-E and PIMA-G are no longer necessary and are being removed in this filing.

Upon completion of the 2006 contribution to the Pension Plan trust in accordance with D.06-06-014, PG&E will file an advice letter closing the PIMA-E and PIMA-G as they will no longer be necessary.

Protests

In accordance with D.05-01-035¹, "The filing of a supplement, or of additional information at the request of the reviewing Industry Division, does not automatically continue or reopen the protest period or delay the effective date of the advice letter."

Effective Date

Per Ordering Paragraph 3 of D.06-06-014, affirming the Administrative Law Judge ruling, PG&E requests that this advice filing become effective on **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 list for A.05-12-021. 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>



Senior Director, Regulatory Relations

Attachments

cc: Service List A.05-12-021

¹ Third Interim Opinion Adopting Certain Requirements Regarding Advice Letter Filing, Service, Suspension, and Disposition

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) #: **2703-G-A/2782-E-A**

Subject of AL: Supplement - Establish Pension Interest Memorandum Accounts for Electric and Gas for a 2006 Pension Contribution

Keywords (choose from CPUC listing): Compliance, Memorandum Account

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

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

D.06-06-014

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: 6

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 Preliminary Statements BN and EA

Service affected and changes proposed¹: N/A

Pending advice letters that revise the same tariff sheets: 2703-G/2782-E

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 2703-G-A**

Cal P.U.C. Sheet No.	Title of Sheet	Cancelling Cal P.U.C. Sheet No.
23777-G*	Preliminary Statement Part BN--Pension Interest Memorandum Account (PIMA-G)	New
23778-G*	Table of Contents -- Preliminary Statements	23784-G
23779-G*	Table of Contents -- Rate Schedules	24039-G

**ATTACHMENT 1
Advice 2782-E-A**

Cal P.U.C. Sheet No.	Title of Sheet	Cancelling Cal P.U.C. Sheet No.
24336-E**	Preliminary Statement Part EB--Pension Interest Memorandum Account (PIMA-E)	New
24337-E*	Table of Contents -- Preliminary Statements	25026-E
24338-E*	Table of Contents -- Rate Schedules	25027-E



PRELIMINARY STATEMENT
(Continued)

BN. PENSION INTEREST MEMORANDUM ACCOUNT (PIMA-G)

(N)

1. PURPOSE:

The purpose of the PIMA-G is to accumulate interest on the revenue requirement for a 2006 pension contribution pursuant to D.05-12-046 and as requested in A. 05-12-021. The PIMA-G will track interest for the interim period from January 1, 2006, until a decision is issued on A.05-12-021.

2. APPLICABILITY:

The PIMA-G shall apply to all customer classes, except for any classes that may be specifically excluded by the CPUC.

3. REVISION DATE:

Disposition of the balance in this account shall be to PG&E's Retirement Plan trust to the extent PG&E's revenue requirement request for \$43.3 million for gas distribution in A.05-12-021 is approved, and as a refund to PG&E's customers to the extent PG&E's request is denied, or as otherwise ordered by the Commission.

4. RATES:

The PIMA-G does not currently have a rate component.

5. CALCULATION:

Each month PG&E shall calculate interest on the pension revenues as follows:

- a. Ending balance from the previous month;
- b. Plus an amount equal to one-twelfth of the authorized revenue requirement for a 2006 pension contribution of \$43.3 million for gas distribution;
- c. Plus interest on the average of a. and b. , at a rate equal to one-twelfth the interest rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H. 15 or its successor;
- d. Ending balance for the current month equals a + b + c.

6. ACCOUNTING PROCEDURE:

PG&E shall maintain the PIMA-G by making entries at the end of each month as follows:

- a. A credit entry equal to the amount calculated in section 5.c above.
- b. A debit entry as directed by the Commission to accomplish the disposition of the balance in the account as described in section 3 above.

(N)



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Part AP	Not Being Used	
Part AQ	Pipeline Expansion Balancing Account	16519 to 16521-G
Part AR	Demand-Side Management Tax Change Memorandum Account	16502-G
Part AS	Not Being Used	
Part AT	Not Being Used	
Part AU	Allocation of Residual Costs Memorandum Account.....	19933,19934-G
Part AV	Capital Audit Consultant Cost Memorandum Account	20432-G
Part AW	Self-Generation Program Memorandum Account	23782-G
Part AX	Food Service Technology Center Memorandum Account	20987-G
Part AY	Not Being Used	
Part AZ	Not Being Used	
Part BA	Public Purpose Program Surcharge-Energy Efficiency	23360,23361-G
Part BB	Public Purpose Program Surcharge Memorandum Account.....	23362,23363-G
Part BC	Financial Hedging Memorandum Account	21818-G
Part BE	Not Being Used	
Part BF	Gas Reimbursable Fees Balancing Account.....	23763-G
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Part BH	Public Purpose Program Surcharge-Low Income Energy Efficiency	23364-G
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RATE SCHEDULES

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PRELIMINARY STATEMENT
(Continued)

EB. PENSION INTEREST MEMORANDUM ACCOUNT (PIMA-E)

(N)

1. PURPOSE:

The purpose of the PIMA-E is to accumulate interest on the revenue requirement for a 2006 pension contribution pursuant to D.05-12-046 and as requested in A.05-12-021. The PIMA-E will track interest for the interim period from January 1, 2006, until a decision is issued on A.05-12-021.

2. APPLICABILITY:

The PIMA-E shall apply to all customer classes, except for any classes that may be specifically excluded by the CPUC.

3. REVISION DATE:

Disposition of the balance in this account shall be to PG&E's Retirement Plan trust to the extent PG&E's revenue requirement requests for \$77.2 million for electric distribution and \$34.5 million for generation in A.05-12-021 are approved, and as a refund to PG&E's customers to the extent PG&E's request is denied, or as otherwise ordered by the Commission.

4. RATES:

The PIMA-E does not currently have a rate component.

5. CALCULATION:

Each month PG&E shall calculate interest on the pension revenues as follows:

- a. Ending balance from the previous month;
- b. Plus an amount equal to one-twelfth of the authorized revenue requirement for a 2006 pension contribution of \$77.2 million for electric distribution and \$34.5 million for generation;
- c. Plus interest on the average of a. and b., at a rate equal to one-twelfth the interest rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H. 15 or its successor;
- d. Ending balance for the current month equals a + b + c.

6. ACCOUNTING PROCEDURE:

PG&E shall maintain the PIMA-E by making entries at the end of each month as follows:

- a. A credit entry equal to the amount calculated in section 5.c above.
- b. A debit entry as directed by the Commission to accomplish the disposition of the balance in the account as described in section 3 above.

(N)



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RATE SCHEDULES

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

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