

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

Tel. No. (415) 703-1691



August 21, 2006

Advice Letter 2808-E

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

Subject: Annual adjustments to the electric public purpose programs funding obligations in compliance with Resolution E-3792

Dear Ms de la Torre:

Advice Letter 2808-E is effective March 30, 2006. A copy of the advice letter is returned herewith for your records.

Sincerely,

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

Sean H. Gallagher, Director
Energy Division

AUG 25 2006

Brian K. Cherry
Director
Regulatory Relations

77 Beale Street, Room 1087
San Francisco, CA 94105

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March 30, 2006

Advice 2808-E

(Pacific Gas and Electric Company ID U39 E)

Public Utilities Commission of the State of California

Subject: Annual Adjustments to the Electric Public Purpose Programs Funding Obligations in Compliance with Resolution E-3792

Pacific Gas and Electric Company (PG&E) hereby submits for filing the annual adjustments to the electric Public Purpose Programs (PPP) funding obligations in compliance with Resolution E-3792. The 2006 PPP funding obligations for PG&E are the same as in 2005.

Purpose

This filing complies with Resolution E-3792 issued on December 17, 2002. Specifically, this filing submits the annual adjustments to electric Public Purpose Programs funding obligations in compliance with Ordering Paragraph 7 of Resolution E-3792.

Background

Resolution E-3792 specified the methodology for utilities to adjust the electric Public Purpose Program funding obligations required by the Public Utility Code Section 399.8(d)(2). This section states: "the [target funding] amounts shall be adjusted annually at a rate equal to the lesser of the annual growth in electric commodity sales or inflation, as defined by the gross domestic product deflator."

The section did not identify when these adjustments should begin, but since the section extended these programs starting January 1, 2002, Resolution E-3792 proposed applying the adjustment methodology one year later, on January 1, 2003. Advice Letter 2363-E dated March 28, 2003 was PG&E's first filing in compliance with this resolution. This advice letter stated that adjustments for 2003 would be based on changes in sales and prices during 2002. Continuing this methodology, adjustments for 2006 will be based on changes in sales and prices during 2005.

Resolution E-3792 also specified that the adjustment to one utility's allocated amounts in Table 7 should be governed by changes in its own sales (assuming that this statistic is lower than the rate of inflation), rather than by changes in the sales of all three utilities.

PG&E's electric sales were 81.747 billion kWh in 2005 and 83.232 billion kWh in 2004. The percentage change of sales was -1.78%.

The percentage change in prices as measured by the change in the GDP deflator in 2005, as published by the U.S. Department of Commerce on February 28, 2006, was $(112.134-109.099)/109.099 = 2.78\%$.

Since the lower of sales change and price change is negative (-1.78%), according to Resolution E-3792, the authorization for the subsequent year shall remain constant. Therefore, the electric Public Purpose Programs funding obligations (Table 7 of Resolution E-3792) for PG&E in 2006 is the same as in 2005:

EE Programs	Renewables	RDD	Total
\$110,618,335.73	\$69,605,551.90	\$32,283,815.80	\$212,507,703.43

The revenue requirements established for Public Purpose Programs are collected in rates set in each year's Annual Electric True-Up, using the Public Programs Revenue Adjustment Mechanism (PPPRAM). The accounting procedures for this cost recovery mechanism are contained in PG&E's Tariff book, Electric Preliminary Statement DA. The 0% funding increase will be included in the PPPRAM effective January 1, 2006 and will be reflected in rates in PG&E's next Annual Electric True-Up (AET) effective January 1, 2007.

Effective Date

In accordance with Resolution E-3792, PG&E respectfully requests an effective date of **January 1, 2006**.

Protests

Anyone wishing to protest this filing may do so by sending a letter by **April 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
505 Van Ness Avenue
San Francisco, California 94102

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

Protests also should be sent by e-mail and facsimile to Mr. Jerry Royer, Energy Division, as shown above, and by U.S. mail to Mr. Royer at the above address. A copy of the protest should be sent via e-mail, facsimile and by U.S. mail to:

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

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/>

Brian K. Cherry / CKF

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 U39M

Utility type:

ELC GAS
 PLC HEAT WATER

Contact Person: Chris Fan

Phone #: (415) 973-4887

E-mail: ckf4@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) #: **2808-E**

Subject of AL: Annual Adjustments to the Electric Public Purpose Programs Funding Obligations in Compliance with Resolution E-3792

Keywords (choose from CPUC listing): Compliance, Energy Efficiency

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

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution: Resolution E-3792

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: **1-1-2006**

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:

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**

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