

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



January 18, 2007

Advice Letter 2819-E-A

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

Subject: Supplement – Notice of Federal Energy Regulatory Commission Rate Filing to  
Transmission Revenue Balancing Account

Dear Ms. de la Torre:

Advice Letter 2819-E-A is effective January 1, 2007. A copy of the advice letter is returned  
herewith for your records.

Sincerely,

Sean H. Gallagher, Director  
Energy Division

<b>REGULATORY RELATIONS</b>	
Tariffs Section	
M Brown	D Poster
R Dela Torre	S Ramaiya
B Lam	
JAN 29 2007	
_____ Records _____	
Return to _____ File _____	
cc to _____	



**Brian K. Cherry**  
Vice President  
Regulatory Relations

77 Beale Street, Room 1087  
San Francisco, CA 94105

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Mail Code B10C  
Pacific Gas and Electric Company  
P.O. Box 770000  
San Francisco, CA 94177

415.973.4977  
Internal: 223.4977  
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Internet: BKC7@pge.com

October 26, 2006

**Advice 2819-E-A**

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

**Subject: Supplement - Notice of Federal Energy Regulatory Commission  
Rate Filing to Transmission Revenue Balancing Account**

**Purpose**

Pacific Gas and Electric Company (PG&E) hereby submits this supplement to PG&E Advice 2819-E to provide the Commission with notice of the Federal Energy Regulatory Commission (FERC) granting PG&E's motion to modify the effective date of revisions to its Transmission Owner (TO) Tariff reflecting a rate change in its Tariff Transmission Revenue Balancing Account (TRBA). This filing is in compliance with Resolution E-3930.

**Background**

On April 19, 2006, PG&E submitted Advice 2819-E to notify the Commission of PG&E's filing in FERC Docket No. ER06-836 (TRBA Docket).<sup>1</sup> The filing in the TRBA Docket was a supplemental update to PG&E's TRBA filing to recover \$109,013,0146 in accumulated Existing Transmission Contract (ETC) Cost Differentials, plus interest of approximately \$46,761,683, that PG&E incurred over a period of seven and a half years as the Scheduling Coordinator (SC) for certain ETCs. PG&E has requested authority to recover this amount over 3 ½ years at a rate of approximately \$50 million annually. PG&E requested an effective date of July 1, 2006 for this rate change.

On May 26, 2006, the Commission's Office of Energy Markets and Reliability issued a letter advising PG&E that its April 4 Filing was deficient (Deficiency Letter) and requested specific information to supplement the April 4 Filing. The Deficiency Letter requested that PG&E submit the requested information within

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<sup>1</sup> PG&E submitted its TRBA update in FERC Docket No. ER06-034 on October 13, 2005. That filing was approved by a FERC letter dated December 8, 2005. The updated rate of negative \$0.00064 became effective on January 1, 2006, and is the rate currently in effect.

thirty (30) days. PG&E submitted the requested information on June 21, 2006, and submitted new tariff pages requesting an effective date of September 1, 2006.

On August 31, 2006, FERC accepted the TO Tariff revisions, in which PG&E proposed to recover, through its TRBA, the difference between the costs it incurred as the SC for its ETCs and the revenues it received from ETC customers, effective September 1, 2006. Because PG&E was unable to install and test a change in rates following the August 31 Order in preparation of billing customers on September 1, 2006, PG&E was unable to implement this rate change on the effective date.

Accordingly, PG&E subsequently requested FERC's permission to implement the changes on January 1, 2007 to coordinate the TRBA rate adjustment with other adjustments, which occur annually on January 1. PG&E will recover the ETC Cost Differentials from January 1, 2007 through December 31, 2009, which reduces the recovery period from 40 to 36 months. 90 percent (i.e. 36/40) of the revenues approved in the August 31 FERC Order will be collected over the 36-month recovery period with any ETC Cost Differential balance remaining on December 31, 2009 to be added to the overall TRBA balance.

On October 17, 2006, FERC granted PG&E's request to modify the effective date of revisions to the TO Tariff to January 1, 2007, as described above.<sup>2</sup>

As anticipated under Process Element 4 of Resolution E-3930, PG&E will supplement this advice, or indicate in a separate advice letter that coincides with other retail rate changes, to provide complete updated tariff sheets, including final adjustments to the rate components of the residential tariffs

### **Protests**

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

Facsimile: (415) 703-2200  
E-mail: [ijnj@cpuc.ca.gov](mailto:ijnj@cpuc.ca.gov)

Copies of protests also should be mailed to the attention of the Director, Energy

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<sup>2</sup> 117 FERC ¶ 61,053.

Division, Room 4004, at the address shown above.

The protest 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:

Pacific Gas and Electric Company  
Attention: Brian Cherry  
Vice President, 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 as soon as practicable and an effective date of **January 1, 2007** granted. PG&E proposes to consolidate the electric rate changes resulting from the transmission rate change, to the extent practicable, with the next planned rate change.

### **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 / TEM*

Vice President, 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 U39E

Utility type:

ELC       GAS  
 PLC       HEAT       WATER

Contact Person: Ted Maguire

Phone #: (415) 973-0888

E-mail: temn@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) #: 2819-E-A

Subject of AL: Supplement - Notice of Federal Energy Regulatory Commission Rate Filing to Transmission Revenue Balancing Account

AL filing type:  Monthly  Quarterly  Annual  One-Time  Other \_\_\_\_\_

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: Resolution E-3930

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 AL<sup>1</sup>: N/A

Resolution Required?  Yes  No

Requested effective date: 1/1/2007

No. of tariff sheets: N/A

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: \_\_\_\_\_

Service affected and changes proposed: See advice letter

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  
jnj@cpuc.ca.gov**

**Pacific Gas and Electric Company  
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**

**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 & Elsesser	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	