

Brian K. Cherry
Director
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

June 2, 2006

Advice 2840-E
(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

**Subject: Direct Access Service Switching Exemption Rules - Three
Year Commitment Clarification**

Purpose

This advice filing revises Section B.2.b of Electric Rule 22.1, Direct Access Service Switching Exemption Rules, to add clarity to the tariff regarding the commitment period for customers electing to remain on Bundled Portfolio Service ("BPS").

Background

In August of 2006, PG&E will be sending the first courtesy notices to customers taking electric service under BPS as provided in PG&E's Electric Rule 22.1 B. 2. These notices will remind customers that they are 8 months away from the end of their three (3) year bundled service commitment period and that they have the option of returning to Direct Access (DA) service as long as they provide PG&E with notice six (6) months in advance. The letter will also inform customers that they do not need to take any action if they elect to remain on BPS and that they will be subject to a new commitment period of three years.

As currently drafted, Rule 22.1B.2.b. provides that: "Customers electing to remain on BPS are not required to take any action and will automatically be subject to a new commitment period, if any based upon the then current rules in effect."

This language reflects that at the time this tariff was drafted, the Commission anticipated further proceedings that it has not yet undertaken. Since the Commission has not modified the length of the BPS commitment period since setting the three (3) year minimum in Decision (D.) 03-05-034, three years continues to be the length of the commitment period for any DA customer electing BPS service today. The "current" rule regarding the length of the BPS commitment period is spelled out in Rule 22.1 B.1.a. This section provides in pertinent part: "Customers

electing this service make a three (3) year commitment and will not be allowed to return to DA service until their three (3) year minimum period has been completed."

Proposed Tariff Changes

To make sure there is no ambiguity about the "current" rule for customers electing to remain on BPS for a second or subsequent period, PG&E proposes to modify the language in Rule 22.1 B.2.b. as follows: "Customers electing to remain on BPS are not required to take any action and will automatically be subject to a new commitment period of three (3) years. Unless a customer has submitted a six-month advance notice to return to DA service at the end of the three-year BPS commitment period, the customer will automatically be subject to a new commitment period of three (3) years. The conditions set forth in Section B shall apply to customers subject to a new three-year commitment period." This minor revision (as shown in Attachment 1) will clarify that until such time as the Commission acts to revise these rules, the commitment period is three years for all customers electing to take service, or to continue to take service, under BPS.

Protests

Anyone wishing to protest this filing may do so by sending a letter by June 22, 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

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.

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: PG&ETariffs@pge.com

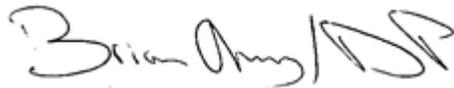
Effective Date

PG&E requests that this advice filing become effective July 2, 2006, which is **30 days** after the date of this filing.

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 to service list R.02-01-011. 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>

A handwritten signature in black ink, appearing to read "Brian Amy" followed by a stylized monogram or initials.

Director - Regulatory Relations

Attachment 1 – Tariff Changes

Cc: Service List R.02-01-011

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: David Poster

Phone #: (415) 973-1082

E-mail: dxpu@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) #: **2840-E**

Subject of AL: Direct Access Service Switching Exemption Rules - Three Year Commitment Clarification

Keywords (choose from CPUC listing): Direct Access

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

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

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 AL:

Resolution Required? Yes No

Requested effective date: **7-2-06**

No. of tariff sheets: 3

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: Rule 22.1

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)

**ATTACHMENT 1
Advice 2840-E**

Cal P.U.C. Sheet No.	Title of Sheet	Canceling Cal P.U.C. Sheet No.
25028-E	Rule 22.1--Direct Access Service Switching Exemption Rules	21001-E
25029-E	Table of Contents -- Rate Schedules	24602-E
25030-E	Table of Contents -- Rules, Maps, Contracts and Deviations	25022-E



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2	Description of Service	11257,11896,11611,14079,11261 to 11264, 11498,11266,11267,11499,11269 to 11278,14055,11280 to 11283-E
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5	Special Information Required on Forms.....	11287,14192,11289-E
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11	Discontinuance and Restoration of Service	13140,13141,13142,13143,23966,23967, 13146,13147,13148,13149,13150,21672,13152-E
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19	Medical Baseline Quantities	18974,18975,18976-E
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22.1	Direct Access Service Switching Exemption Rules.....	20996,20997 to 21000,21002,21003,25028-E (T)
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23.1	Community Choice Aggregation Service Switching Exemption Rules.....	23045 to 23048-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	Plurimi, Inc.
Agnews Developmental Center	Duke Energy North America	PPL EnergyPlus, LLC
Ahmed, Ali	Duncan, Virgil E.	Praxair, Inc.
Alcantar & Elsesser	Dutcher, John	Price, Roy
Anderson Donovan & Poole P.C.	Dynergy Inc.	Product Development Dept
Applied Power Technologies	Ellison Schneider	R. M. Hairston & Company
APS Energy Services Co Inc	Energy Law Group LLP	R. W. Beck & Associates
Arter & Hadden LLP	Energy Management Services, LLC	Recon Research
Avista Corp	Enron Energy Services	Regional Cogeneration Service
Barkovich & Yap, Inc.	Exelon Energy Ohio, Inc	RMC Lonestar
BART	Exeter Associates	Sacramento Municipal Utility District
Bartle Wells Associates	Foster Farms	SCD Energy Solutions
Blue Ridge Gas	Foster, Wheeler, Martinez	Seattle City Light
Bohannon Development Co	Franciscan Mobilehome	Sempra
BP Energy Company	Future Resources Associates, Inc	Sempra Energy
Braun & Associates	G. A. Krause & Assoc	Sequoia Union HS Dist
C & H Sugar Co.	Gas Transmission Northwest Corporation	SESCO
CA Bldg Industry Association	GLJ Energy Publications	Sierra Pacific Power Company
CA Cotton Ginners & Growers Assoc.	Goodin, MacBride, Squeri, Schlotz &	Silicon Valley Power
CA League of Food Processors	Hanna & Morton	Smurfit Stone Container Corp
CA Water Service Group	Heeg, Peggy A.	Southern California Edison
California Energy Commission	Hitachi Global Storage Technologies	SPURR
California Farm Bureau Federation	Hogan Manufacturing, Inc	St. Paul Assoc
California Gas Acquisition Svcs	House, Lon	Stanford University
California ISO	Imperial Irrigation District	Sutherland, Asbill & Brennan
Calpine	Integrated Utility Consulting Group	Tabors Caramanis & Associates
Calpine Corp	International Power Technology	Tansev and Associates
Calpine Gilroy Cogen	Interstate Gas Services, Inc.	Tecogen, Inc
Cambridge Energy Research Assoc	IUCG/Sunshine Design LLC	TFS Energy
Cameron McKenna	JTM, Inc	Transcanada
Cardinal Cogen	Kaiser Cement Corp	Turlock Irrigation District
Cellnet Data Systems	Luce, Forward, Hamilton & Scripps	U S Borax, Inc
Chevron Texaco	Manatt, Phelps & Phillips	United Cogen Inc.
Chevron USA Production Co.	Marcus, David	URM Groups
Childress, David A.	Masonite Corporation	Utility Cost Management LLC
City of Glendale	Matthew V. Brady & Associates	Utility Resource Network
City of Healdsburg	Maynor, Donald H.	Wellhead Electric Company
City of Palo Alto	McKenzie & Assoc	Western Hub Properties, LLC
City of Redding	McKenzie & Associates	White & Case
CLECA Law Office	Meek, Daniel W.	WMA
Commerce Energy	Mirant California, LLC	
Constellation New Energy	Modesto Irrigation Dist	
CPUC	Morrison & Foerster	
Cross Border Inc	Morse Richard Weisenmiller & Assoc.	
Crossborder Inc	Navigant Consulting	
CSC Energy Services	New United Motor Mfg, Inc	
Davis, Wright, Tremaine LLP	Norris & Wong Associates	
Defense Fuel Support Center	North Coast Solar Resources	
Department of the Army	Northern California Power Agency	
Department of Water & Power City	Office of Energy Assessments	
DGS Natural Gas Services	Palo Alto Muni Utilities	