

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

Tel. No. (415) 703-1691



September 22, 2006

Advice Letter 2892-E

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

Subject: Eliminate the Streamlining Residual Account (SRA)

Dear Ms de la Torre:

Advice Letter 2892-E is effective September 22, 2006. A copy of the advice letter is sent herewith for your records.

Sincerely,

Sean H. Gallagher
Director
Energy Division

REGULATORY RELATIONS	
Tariffs Section	
M Brown	D Poster
R De la Torre	S Ramaiya
B Lam	
SEP 28 2006	
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
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August 23, 2006

Advice 2892-E

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: Eliminate the Streamlining Residual Account (SRA)

Purpose

Pacific Gas and Electric Company (PG&E) hereby submits this Advice Letter to eliminate electric Preliminary Statement BF – Streamlining Residual Account (SRA) and use the Distribution Revenue Adjustment Mechanism (DRAM) prospectively to record the transactions previously included in the SRA. The affected tariff sheets are listed on the enclosed Attachment I.

Background

In response to Decision (D.) 97-10-057, referred to as the *Streamlining Decision*, PG&E submitted Advice Letter (AL) 1705-E in November 1997 to establish the SRA for the purpose of recording Commission-approved obligations, consisting of reimbursement of rate case expenses paid to the California Public Utilities Commission (Commission) and intervenor compensation payments authorized by the Commission. These costs were previously recorded in the Energy Cost Adjustment Clause (ECAC) or Electric Revenue Adjustment Mechanism (ERAM). The Commission adopted the SRA in Resolution (R.) E-3514.

The balance of the SRA is transferred annually to the DRAM for recovery in rates in conjunction with the Annual Electric True-Up (AET) Advice Letter (AL) filing. Due to the historically low balance of the SRA and its regular transfer to the DRAM, the SRA is no longer necessary and should be eliminated for simplification purposes.

Proposed Preliminary Statement Changes

PG&E is requesting Commission authority to eliminate electric Preliminary Statement BF – Streamlining Residual Account – and to have the existing balance transferred to the DRAM for recovery. All future monthly entries that would have been recorded to the SRA will be recorded directly to the DRAM. The DRAM will have a one-time debit entry equal to the existing balance of the SRA at the time of Commission approval to close the SRA.

PG&E is also requesting Commission authority to amend Electric Preliminary Statement CZ – Distribution Revenue Adjustment Mechanism – to include a monthly debit entry equal to amounts paid to the Commission for reimbursement of rate case expenses billed to the Utility, pursuant to Public Utilities Code Section 631, plus an allowance for Franchise Fees and Uncollectible Accounts expense, and a debit entry equal to the total intervenor compensation payments authorized by the Commission, as recorded during the month, plus an allowance for Franchise Fees and Uncollectible Accounts expense.

Protests

Anyone wishing to protest this filing may do so by sending a letter by **September 12, 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, 4th Floor
505 Van Ness Avenue, 4th Floor
San Francisco, California 94102
Facsimile: (415) 703-2200
E-mail: jjr@cpuc.ca.gov and jjj@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. 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
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 become effective on **September 22, 2006**, which is 30 days after the date of the 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 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>

A handwritten signature in black ink, appearing to read "Brent K. Angier". The signature is written in a cursive, somewhat stylized font.

Vice President, Regulatory Relations

Attachment 1 –Tariff Revisions

cc: Service List A.05-12-021

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) #: 2892-E

Subject of AL: Fixed Eliminate the Streamlining Residual Account (SRA)

Keywords (choose from CPUC listing): SRA Tariff Elimination

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 AL: _____

Resolution Required? Yes No

Requested effective date: 9/22/2006

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: N/A

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 2892-E**

Cal P.U.C. Sheet No.	Title of Sheet	Cancelling Cal P.U.C. Sheet No.
25224-E	Preliminary Statement Part CZ--Distribution Revenue Adjustment Mechanism	24472-E
25225-E	Table of Contents -- Rate Schedules	25221-E
25226-E	Table of Contents -- Preliminary Statements	24331-E
	Preliminary Statement Part BF—Streamlining Residual Account	22714-E



PRELIMINARY STATEMENT
(Continued)

CZ. DISTRIBUTION REVENUE ADJUSTMENT MECHANISM (DRAM) (Cont'd.)

5. ACCOUNTING PROCEDURES: (Cont'd.)

- f. A credit entry equal to the debit entry in the California Alternative Rates for Energy Account (CARE) that corresponds to the actual CARE revenue shortfall. The corresponding debit entry is defined in PG&E's electric Preliminary Statement Part M.
- g. A credit entry equal to the recorded amount of revenue cycle services credits given to customers for revenue cycle services provided by entities other than PG&E.
- h. A credit entry equal to the amount of Shareholder Participation, as defined in Section 6 below.
- i. A debit entry equal to the payment to fund PG&E Environmental Enhancement Corporation plus an allowance for FF&U, pursuant to the Chapter 11 Settlement Agreement Paragraph 17c adopted in Decision 03-12-035.
- j. A debit or credit entry, as appropriate, to record the transfer of amounts from other accounts to the DRAM for recovery in rates, upon approval by the CPUC.
- k. A debit entry equal to one-twelfth of the electric portion of the current year Self Generation Incentive Program (SGIP) revenue requirement authorized by the CPUC.
- l. A debit entry equal to the amounts paid to the Commission for reimbursement of rate case expenses billed to the Utility pursuant to Public Utilities Code Section 631, plus an allowance for Franchise Fees and Uncollectible Accounts expense. (N)
- m. A debit entry equal to the intervenor compensation payments authorized by the Commission, recorded during the month, plus an allowance for Franchise Fees and Uncollectible Accounts expense. (N)
- n. An entry equal to interest on the average balance in the account at the beginning of the month and the balance after the above entries, at a rate equal to one-twelfth of 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.

6. SHAREHOLDER PARTICIPATION: PG&E's shareholders bear some responsibility for economic risks and rewards associated with, but not limited to, Commission-approved economic discounts and credits to certain PG&E customers. This section ensures that ratepayers will not assume shareholders' obligations.

Shareholder Participation will be calculated monthly as follows:

The amount of the Shareholder Participation Mechanism for Schedule ED, in accordance with Resolution E-3654.

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E-2	Experimental Residential Time-of-Use Service	
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EE	Service to Company Employees	24091-E
EM	Master-Metered Multifamily Service	24781,24782,24783,20648,24784,24785-E
ES	Multifamily Service	24786,24787,24788,23640,24789,24790-E
ESR	Residential RV Park and Residential Marina Service	24791,24792,24793,20657,24794,24795-E
ET	Mobilehome Park Service	24796,24797,24343,24798,24799,24800-E
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E-A7	Experimental Residential Alternate Peak Time-of-Use Service	21274,24813,24814,24855,24815,24816-E
E-8	Residential Seasonal Service Option	24817,24818,24546,24819-E
E-9	Experimental Residential Time-of-Use Service for Low Emission Vehicle Customers	24820,24821,24822,24823,24824,24825,21289,24826,24827-E
EL-1	Residential CARE Program Service	24118,24828,24829,24348,24830-E
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EL-7	Residential CARE Program Time-of-Use Service	21320,24133,24674,21601,24356,21325-E
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**PG&E Gas and Electric Advice
Filing List
General Order 96-A, Section III(G)**

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