

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



January 5, 2007

Advice Letter 2914-E

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

Subject: Revisions to Electric Preliminary Statement Part DI – Procurement Energy Efficiency Balancing Account (PEEBA) and Establish New Part EF – Procurement Energy Efficiency Revenue Adjustment Mechanism (PEERAM)

Dear Ms. de la Torre:

Advice Letter 2914-E is effective November 15, 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	
JAN 9 2007	
Records	
Return to _____	File _____
cc to _____	



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

October 16, 2006

**Advice 2914-E
(Pacific Gas and Electric Company ID 39 E)**

Public Utilities Commission of the State of California

Subject: Revisions to Electric Preliminary Statement Part DI - Procurement Energy Efficiency Balancing Account (PEEBA) and Part EF - Procurement Energy Efficiency Revenue Adjustment Mechanism (PEERAM)

Pacific Gas and Electric Company (PG&E) hereby submits for filing revisions to its electric tariffs. The affected tariff sheets are listed on the enclosed Attachment I.

Purpose

This advice letter modifies electric Preliminary Statements Part DI - *Procurement Energy Efficiency Balancing Account (PEEBA)* and Part EF - *Procurement Energy Efficiency Revenue Adjustment Mechanism (PEERAM)* to allow for a one-time transfer of 2004 – 2006 electric procurement revenues previously recorded in the PEEBA to the PEERAM.

This modification of the PEEBA and PEERAM serves as a follow-up to the approval of Advice Letter (AL) 2838-E, which created the PEERAM and modified the PEEBA to record procurement energy efficiency expenses and revenues in separate balancing accounts, against the authorized revenue requirement.¹

Background

The purpose of the PEEBA is to track PG&E's procurement energy efficiency expenses associated with authorized energy efficiency programs pursuant to Ordering Paragraph (OP) 21 in D.03-12-062, issued on December 18, 2004. PG&E implemented OP 21 via AL 2461-E, which was approved effective January 1, 2004. Advice Letter 2461-E established the PEEBA account and the PEEBA

¹ Advice letter 2838-E was approved on July 17, 2006.

rate component.² The original PEEBA was intended to be a one-way balancing account. However, the implementing language in the original preliminary statement combined the revenue and expenditure entries into the same account and did not include the Commission-authorized revenue requirement in the account entries. Thus, the existing PEEBA account structure did not operate like PG&E's other authorized energy efficiency balancing account, the Public Purpose Programs Energy Efficiency Balancing Account (PPPEEBA), where authorized program expenditures are tracked against authorized revenue requirements.

PG&E filed AL 2838-E in order to be able to separately track procurement energy efficiency expenses and procurement energy efficiency revenues against the authorized revenue requirement. This makes the PEEBA a one-way balancing account. Going forward, the PEEBA and PEERAM will function analogously to the PPPEEBA and PPPRAM.

The revision to the PEEBA preliminary statement in Advice Letter 2838-E inadvertently omitted an accounting procedure for a one-time entry to transfer procurement energy efficiency revenues from 2004 through 2006 from the PEEBA to the PEERAM. Also, the proposed PEERAM preliminary statement omitted an accounting entry to allow receipt of the transferred revenues from the PEEBA. Accordingly, this advice letter revises the PEEBA and PEERAM preliminary statements to allow for transfers, including the one discussed herein, as authorized by the Commission.

This filing will not result in any increase to rates or withdrawal of service.

Protests

Anyone wishing to protest this filing may do so by letter sent via U.S. mail, by facsimile or electronically, any of which must be received no later than 20 days after the date of this filing, which is **November 6, 2006**. Protests should be mailed to:

Tariff Files, Room 4005
DMS Branch
505 Van Ness Avenue
San Francisco, California 94102

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

² The PEEBA rate component was changed to the PEERAM rate component in AL 2838-E to reflect the fact that procurement energy efficiency revenues are now recorded in the PEERAM.

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 this advice letter be effective upon approval.

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 service 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>

Vice President - Regulatory Relations

Attachments

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: Megan Hughes

Phone #: (415) 973-1877

E-mail: MEHr@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) #: **2914-E**

Subject of AL: Revisions to Electric Preliminary Statement Part DI - Procurement Energy Efficiency Balancing Account (PEEBA) and Establish New Part EF - Procurement Energy Efficiency Revenue Adjustment Mechanism (PEERAM)

Keywords (choose from CPUC listing): Balancing Account

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 AL¹:

Resolution Required? Yes No

Requested effective date: **CPUC approval**

No. of tariff sheets: 5

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: Preliminary Statements DI and EF

Service affected and changes proposed¹: 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

jjr@cpuc.ca.gov and jinj@cpuc.ca.gov

Utility Info (including e-mail)

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

¹ Discuss in AL if more space is needed.

**ATTACHMENT 1
Advice 2914-E**

Cal P.U.C. Sheet No.	Title of Sheet	Cancelling Cal P.U.C. Sheet No.
25391-E	Preliminary Statement Part DI--Procurement Energy Efficiency Balancing Account (PEEBA)	25023-E
25392-E	Preliminary Statement Part EF--Procurement Energy Efficiency Revenue Adjustment Mechanism (PEERAM)	25024-E
25393-E	Table of Contents -- Rate Schedules	25080-E
25394-E	Table of Contents -- Preliminary Statements	25388-E
25395-E	Table of Contents -- Preliminary Statements	25389-E



PRELIMINARY STATEMENT
(Continued)

DI. PROCUREMENT ENERGY EFFICIENCY BALANCING ACCOUNT (PEEBA)

1. PURPOSE:

Per Decision 03-12-062, the one-way Procurement Energy Efficiency Balancing Account (PEEBA) is to track PG&E's procurement energy efficiency costs and revenues associated with authorized programs. The PEEBA tracks actual expenditures for authorized procurement energy efficiency activities against the authorized revenue requirement for such activities.

2. APPLICABILITY:

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

3. REVISION DATE:

Pursuant to D.03-12-062, disposition of the balance in this account shall be determined in the energy efficiency proceeding, R.01-08-028 or its successor, or any other proceeding as authorized by the Commission.

4. RATES:

The PEEBA does not have a separate rate element.

5. ACCOUNTING PROCEDURE:

PG&E shall maintain the PEEBA by making entries as follows:

- a. A debit equal to the expenses related to procurement energy efficiency programs.
- b. A credit equal to one-twelfth of the annual authorized revenue requirement for procurement energy efficiency programs.
- c. A debit or credit entry, as appropriate, to record the transfer of amounts to or from other accounts as approved by the CPUC.
- d. An entry reflecting interest on the average balance 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.

(N)
(N)



PRELIMINARY STATEMENT
(Continued)

EF. PROCUREMENT ENERGY EFFICIENCY REVENUE ADJUSTMENT MECHANISM (PEERAM)

1. PURPOSE:

Per Decision 03-12-062, the Procurement Energy Efficiency Revenue Adjustment Mechanism (PEERAM) is to ensure the collection of PG&E's procurement energy efficiency revenues associated with authorized programs. The PEERAM tracks actual revenues for authorized procurement energy efficiency activities against the authorized revenue requirement for such activities.

2. APPLICABILITY:

The balances in the PEERAM shall apply to all customer classes, except for any classes that may be specifically excluded by the CPUC.

3. REVISION DATE:

Disposition of amounts in the PEERAM shall be determined through the Annual Electric True-Up (AET) advice letter process.

4. RATES:

The PEERAM rate is collected as part of the non-bypassable public purpose program rate set forth in each rate schedule. The PEERAM rate is separately identified in Part I of the Preliminary Statement.

5. ACCOUNTING PROCEDURE:

PG&E shall maintain the PEERAM by making the entries as follows:

- a. A debit entry equal to one-twelfth of the annual authorized revenue requirement for procurement energy efficiency programs.
- b. A credit entry equal to the revenue from the PEERAM rate.
- c. A debit or credit entry, as appropriate, to record the transfer of amounts to or from other accounts as approved by the CPUC.
- d. An entry reflecting interest on the average balance 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.

(N)
(N)



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Part CE	Baseline Balancing Account.....	23410,23411-E
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**PG&E Gas and Electric Advice
Filing List
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Accent Energy
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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
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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
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California Farm Bureau Federation
California Gas Acquisition Svcs
California ISO
Calpine
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Cameron McKenna
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Cellnet Data Systems
Chevron Texaco
Chevron USA Production Co.
City of Glendale
City of Healdsburg
City of Palo Alto
City of Redding
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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
Exelon Energy Ohio, Inc
Exeter Associates
Foster Farms
Foster, Wheeler, Martinez
Franciscan Mobilehome
Future Resources Associates, Inc
G. A. Krause & Assoc
Gas Transmission Northwest Corporation
GLJ Energy Publications
Goodin, MacBride, Squeri, Schlotz &
Hanna & Morton
Heeg, Peggy A.
Hitachi Global Storage Technologies
Hogan Manufacturing, Inc
House, Lon
Imperial Irrigation District
Integrated Utility Consulting Group
International Power Technology
Interstate Gas Services, Inc.
IUCG/Sunshine Design LLC
J. R. Wood, Inc
JTM, Inc
Luce, Forward, Hamilton & Scripps
Manatt, Phelps & Phillips
Marcus, David
Matthew V. Brady & Associates
Maynor, Donald H.
MBMC, Inc.
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
PITCO
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
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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