

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



January 12, 2007

Advice Letter 2934-E

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

Subject: PG&E's Authorization for Renewables Portfolio Standard Cost Memorandum
Account

Dear Ms. de la Torre:

Advice Letter 2934-E is effective December 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 19 2007	
Records	
Return to	File
cc to	



Brian K. Cherry
Vice President
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

November 15, 2006

Advice 2934-E
(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: PG&E's Authorization for Renewables Portfolio Standard Cost Memorandum Account

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

The purpose of this advice filing is to submit new Preliminary Statement Part EL – *Renewables Portfolio Standard Cost Memorandum Account (RPSCMA)* to record the costs associated with third party Renewables Portfolio Standard (RPS) technical contractor activities invoiced through the California Public Utilities Commission (Commission or CPUC) as authorized in Decision (D.) 06-10-050, Ordering Paragraph 8.

BACKGROUND

In D.06-10-050, the Commission authorizes the Executive Director to hire and manage a contractor, or contractors, to provide technical and other support to assist Commission staff in addressing some or all of the following areas¹:

1. refining and calculating the market price referent;
2. evaluating the impact of increasing California's RPS goals from 20% by 2010 to 33% by 2020 through further technical analysis (e.g., energy, economic and environmental modeling of renewable technologies;

¹ Decision 06-10-050, page 53.

analyzing the impact of RPS generation on transmission planning, construction and operation; calculating the rate impact of the RPS program);

3. others as necessary to promote RPS Program goals (e.g., integrating energy efficiency, renewables, demand response, distributed generation and climate change).

As a result, the Commission authorizes PG&E to establish a memorandum account, entitled RPSCMA, to record the third party costs associated with RPS technical contractor activities invoiced through the Commission. The Investor-Owned Utilities (IOUs) are authorized to record these RPS third party technical support costs into the RPSCMA until December 31, 2010. These costs may be recorded when paid, for later recovery via generation rates. The total amount is limited to a cap of \$400,000 annually that will be prorated to the three IOUs.

PG&E proposes to transfer these costs annually to the Energy Resource Recovery Account.

PROTESTS

Anyone wishing to protest this filing may do so by sending a letter by **December 5, 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
San Francisco, California 94102

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

Copies should also be mailed to the attention of the Director, Energy Division, Room 4005 and Honesto Gatchalian, Energy Division, at the address shown above. It is also requested that a copy of the protest be sent via postal mail and facsimile to Pacific Gas and Electric Company 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 **December 15, 2006**, which is 30 days from the date of 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 the service list for R.06-05-027. Address changes should be directed to Rose De La Torre (415) 973-4716. Advice letter filings can also be accessed electronically at:

<http://www.pge.com/tariffs/>



Vice President – Regulatory Relations

Attachments:

Attachment 1 - RPSCMA

Cc: Service List for R.06-05-027

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) #: 2934-E

Subject of AL: PG&E's Authorization for Renewables Portfolio Standard Cost Memorandum Account

Keywords (choose from CPUC listing): RPS Memorandum Account

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

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution: D.06-10-050

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL:

Resolution Required? Yes No

Requested effective date: 12-15-2006

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:

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

inj@cpuc.ca.gov and mas@cpuc.ca.gov

Utility Info (including e-mail)

Pacific Gas and Electric Company

Attn: Brian Cherry

Vice President, Regulatory Relations

77 Beale Street, Mailcode B10C

P.O. Box 770000

San Francisco, CA 94177

Facsimile: (415) 973-7226

E-mail: PG&ETariffs@pge.com

**ATTACHMENT 1
Advice 2934-E**

Cal P.U.C. Sheet No.	Title of Sheet	Cancelling Cal P.U.C. Sheet No.
25453-E	Preliminary Statement Part EL--Renewables Portfolio Standard Cost Memorandum Account	New
25454-E	Table of Contents -- Rate Schedules	25451-E
25455-E	Table of Contents -- Preliminary Statements	25394-E



PRELIMINARY STATEMENT
(Continued)

EL. RENEWABLES PORTFOLIO STANDARD COST MEMORANDUM ACCOUNT (RPSCMA)

(N)

1. PURPOSE:

The purpose of the RPSCMA is to record costs associated with third party Renewables Portfolio Standard (RPS) technical contractor activities invoiced through the Commission until December 31, 2010, as requested in Decision 06-10-050. The total costs incurred by the Commission are limited to a cap of \$400,000 annually, which will be prorated to the three IOUs (PG&E, SCE and SDG&E). The RPSCMA was authorized by the Commission in Decision 06-10-050.

2. APPLICABILITY:

The RPSCMA shall apply to all customer classes, except for those specifically excluded by the Commission.

3. RPSCMA RATES:

The RPSCMA does not currently have a rate component.

4. ACCOUNTING PROCEDURE:

PG&E shall maintain the RPSCMA by making entries to this account at the end of each month as follows:

- a. A debit entry equal to the paid third-party costs for RPS technical contractor activities invoiced through the Commission;
- b. A credit entry to annually transfer the balance to another regulatory account as appropriate for rate recovery; and
- c. An entry equal to interest on the average balance in the account at the beginning of the month and the balance after entry 4.a, 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.

PG&E shall request the recovery of the balance in the RPSCMA through the Energy Resource Recovery Account (ERRA) application, or other proceeding as authorized by the Commission.

(N)



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(N)

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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	PITCO
Agnews Developmental Center	Duke Energy North America	Plurimi, Inc.
Ahmed, Ali	Duncan, Virgil E.	PPL EnergyPlus, LLC
Alcantar & Kahl	Dutcher, John	Praxair, Inc.
Ancillary Services Coalition	Dynegy 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	