

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



June 11, 2007

Advice Letter 3011-E

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

Subject: Update to the 2007-2009 Nuclear Decommissioning Trust Revenue Requirements
in Compliance with D. 07-01-003

Dear Ms. de la Torre:

Advice Letter 3011-E is effective January 1, 2007. A copy of the advice letter is returned
herewith for your records.

Sincerely,

Sean H. Gallagher, Director
Energy Division

REGULATORY RELATIONS	
M Brown	Tariffs Section
R Dela Torre	D Poster
B Lam	M Hughes
JUN 15 2007	
Return to _____	Records _____
cc to _____	File _____



Brian K. Cherry
Vice President
Regulatory Relations

77 Beale Street, Room 1087
San Francisco, CA 94105

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March 22, 2007

Advice 3011-E
(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: Update to the 2007-2009 Nuclear Decommissioning Trust Revenue Requirements in Compliance with Decision 07-01-003

Purpose

Pacific Gas and Electric Company (PG&E) hereby submits the updated 2007-2009 revenue requirements for nuclear decommissioning in accordance with Ordering Paragraph (OP) 5 of Decision (D.) 07-01-003.

Background

On November 1, 2005, PG&E filed its 2005 Nuclear Decommissioning Cost Triennial Proceeding Application (A.) 05-11-009. Commissioner Brown and ALJ Long later decided to combine PG&E's application with SCE and SDG&E's joint application, A.05-11-008, requesting approval of nuclear decommissioning related items into a combined proceeding. In A.05-11-009, PG&E requested, among other items, the authorization of a nuclear decommissioning revenue requirement for 2007 through 2009, with rates effective January 1, 2007. On May 25, 2006, PG&E entered into a Settlement Agreement with DRA and TURN (Settlement Agreement). D.07-01-003 adopted the terms of the Settlement Agreement.

In compliance with D.07-01-003, PG&E filed Advice 2972-E on January 22, 2007 to update its 2007-2009 nuclear decommissioning Qualified and Non-Qualified Trust contribution amounts and revenue requirements to incorporate the September 30, 2006 nuclear decommissioning trust fund balances, providing the basis for rates to be filed in PG&E's next consolidated rate change. On February 27, 2007, the Commission approved Advice 2972-E with an effective date of January 1, 2007.

On January 26, 2007, PG&E filed Advice 2975-E requesting approval of a consolidated electric rate change, including the NDCTP revenue requirements, as authorized in D.07-01-003 and submitted in Advice 2972-E. PG&E later submitted a supplement to Advice 2975-E to include the actual tariff and rate changes to be effective March 1, 2007.

In compliance with OP 5 of D.07-01-003, specifically Item 6, "Additional Filings," of the Settlement Agreement, PG&E is updating its 2007-2009 nuclear decommissioning Qualified and Non-Qualified Trust fund contribution amounts and revenue requirements to incorporate the December 31, 2006 nuclear decommissioning trust fund balances. This update will serve as the basis for the required IRS Schedule of Ruling Amounts for years 2007-2009.

The resulting 2007 through 2009 annual revenue requirement amounts are as follows¹:

Annual Revenue Requirement			
In Millions of Dollars			
	2007	2008	2009
Humboldt SAFSTOR	13.234	13.389	13.405
Diablo Canyon Unit 1 Nuclear Decommissioning	1.297	1.297	1.297
Diablo Canyon Unit 2 Nuclear Decommissioning	0.000	0.000	0.000
Humboldt Nuclear Decommissioning	<u>10.995</u>	<u>10.995</u>	<u>10.995</u>
Total	<u>25.525</u>	<u>25.680</u>	<u>25.697</u>

In determining revenue requirements consistent with the funding assumptions and parameters adopted in D.07-01-003, this advice uses actual 2006 year-end trust fund balances to calculate the revenue requirements. Using 2006 actual year-end balances conforms to tax law requirements and provides for more accurate trust funding consistent with the Settlement.² In addition, PG&E notes that the State of California has not yet conformed to the favorable Federal law changes increasing the qualifying percentage for funding of the Humboldt Trust to 100% (from 50%) and allowing for the transfer of Humboldt's Non-Qualified Trust funds to the Qualified Trust. However, PG&E anticipates State of California conformity based on previous California conformity practice. Therefore, revenue requirements have been computed using the assumption that the funds for the Humboldt Non-Qualified Trust will be transferred to the Humboldt Qualified Trust at year-end 2007. PG&E believes this is the most reasonable assumption, given the fact that legislation conforming California law to the Federal tax changes is required to make the transfer, and such conformity legislation, if enacted at all, typically is signed into law towards the end of the year.

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 **April 11, 2007**, which is 20 days after the date of this filing. Protests should be mailed to:

¹ Supporting workpapers for the Diablo Canyon Units 1 and 2 and Humboldt Unit 3 2007 through 2009 nuclear decommissioning annual funding calculation and revenue requirement are available upon request.

² In Advice 2972-E, PG&E calculated revenue requirements using trust fund balances as of September 30, 2006, per the Settlement Agreement approved by the Commission in D.07-01-003.

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

Facsimile: (415) 703-2200
E-mail: mas@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.

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:

Brian K. Cherry
Vice President, Regulatory Relations
Pacific Gas and Electric Company
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, California 94177

Facsimile: (415) 973-7226
E-mail: PGETariffs@pge.com

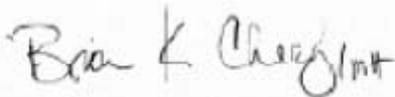
Effective Date

Per D.07-01-003, PG&E requests that this advice letter become effective on January 1, 2007.

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 as well as those on Service Lists – A.05-11-008 and A.05-11-009. Workpapers supporting this filing are available upon written request to: Pacific Gas and Electric Company, Regulatory Relations Department, Attention: Rose de la Torre, 77 Beale Street, Mail Code B10C, P.O. Box 770000, San Francisco, CA 94177 or email: PGETariffs@pge.com. 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

cc: Service Lists – A.05-11-008; A.05-11-009
Honorable Patty Berg, California Assembly

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) #: **3011-E**

Subject of AL: Update to the 2007-2009 Nuclear Decommissioning Trust Revenue Requirements in Compliance with Decision 07-01-003

Keywords (choose from CPUC listing): Compliance, Nuclear

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

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution: D.07-01-003

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: **January 1, 2007**

No. of tariff sheets: 0

Estimated system annual revenue effect: (%):

Estimated system average rate effect (%):

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 proposed¹:

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

inj@cpuc.ca.gov and mas@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.

**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	Sutherland, Asbill & Brennan
California ISO	International Power Technology	Tabors Caramanis & Associates
Calpine	Interstate Gas Services, Inc.	Tecogen, Inc
Calpine Corp	IUCG/Sunshine Design LLC	TFS Energy
Calpine Gilroy Cogen	J. R. Wood, Inc	Transcanada
Cambridge Energy Research Assoc	JTM, Inc	Turlock Irrigation District
Cameron McKenna	Luce, Forward, Hamilton & Scripps	U S Borax, Inc
Cardinal Cogen	Manatt, Phelps & Phillips	United Cogen Inc.
Cellnet Data Systems	Marcus, David	URM Groups
Chevron Texaco	Matthew V. Brady & Associates	Utility Cost Management LLC
Chevron USA Production Co.	Maynor, Donald H.	Utility Resource Network
City of Glendale	MBMC, Inc.	Wellhead Electric Company
City of Healdsburg	McKenzie & Assoc	White & Case
City of Palo Alto	McKenzie & Associates	WMA
City of Redding	Meek, Daniel W.	
CLECA Law Office	Mirant California, LLC	
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	