

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



July 12, 2007

Advice Letter 3034-E

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

Subject: Proposed Revision to Schedules E-OBMC and E-POBMC

Dear Mr. Cherry:

Advice Letter 3034-E is effective May 13, 2007.

Sincerely,

A handwritten signature in black ink, appearing to read "Sean H. Gallagher".

Sean H. Gallagher, Director
Energy Division



Brian K. Cherry
Vice President
Regulatory Relations

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April 13, 2007

Advice 3034-E

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: Proposed Revision to Schedules E-OBMC and E-POBMC

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

Purpose

The California Solar Initiative (CSI) is the cornerstone in California's drive to install 3,000 megawatts of solar-produced electricity by 2017. The tariff revisions filed herein will remove a potential impediment to photovoltaic installations for customers participating in the Optional Binding Mandatory Curtailment (OBMC) or Pilot Optional Binding Mandatory Curtailment (POBMC) programs and will encourage more customers to participate in the CSI programs.

Background

The provision recognizing permanent load reductions was incorporated into Electric Rate Schedules E-OBMC and E-POBMC in accordance with CPUC Decision 01-04-006. Peak circuit demand serves as the basis for evaluation of participant load reduction plans required under OBMC and POBMC. Customers participating in the OBMC and POBMC programs are usually large, commercial customers. These customers who install photovoltaic self-generation systems may qualify for the adjustment to peak circuit demand. However, installation of high capacity photovoltaic systems exceeding 5% of circuit demand would potentially place the customer in a difficult position of complying with the OBMC/POBMC curtailments because of a reduced baseline.

The current tariff provisions remove a potential impediment to customer investment in energy efficiency measures. Just as the potential impediment to energy efficiency measures was removed, the impediment to the installation of high capacity photovoltaic systems should also be removed.

Tariff Changes

Schedule E-OBMC – Optional Binding Mandatory Curtailment Program

The following text is added to Schedule E-OBMC: *Customers participating in the California Solar Initiative (CSI) submitting a declaration under Section 2 above for a reduction in prior year average monthly peak circuit or dedicated substation demand must be able to achieve a minimum of a 5% circuit load reduction from the established baseline upon notice to curtail.*

Schedule E-POBMC – Pilot Binding Mandatory Curtailment Program

The following text is added to Schedule E-POBMC: *Customers participating in the California Solar Initiative (CSI) submitting a declaration under Section 2 above for a reduction in prior year average monthly peak circuit or dedicated substation demand must be able to achieve a minimum of a 5% circuit load reduction from the established baseline upon notice to curtail.*

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 **May 3, 2007**, which is 20 days after the date of this filing. Protests should be mailed to:

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

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

PG&E requests that this filing be approved on regular notice, **May 13, 2007**, which is thirty (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 the parties on the service list for **Rulemaking 06-03-004**. Address changes to the General Order 96-A service list 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 cursive script that reads "Brian K. Cherry".

Vice President, Regulatory Relations

cc: Service List R.06-03-004

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 (ID U39 M)**

Utility type:

ELC

GAS

PLC

HEAT

WATER

Contact Person: Rose de la Torre

Phone #: (415) 973-4716

E-mail: rxdd@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) #: **3034-E**

Subject of AL: Proposed Revision to Electric Rate Schedules E-OBMC and E-POBMC

Keywords (choose from CPUC listing): CURTAINABLE SERVICE, ENERGY EFFICIENCY

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

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

[D.] N/A

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: NO

Summarize differences between the AL and the prior withdrawn or rejected AL¹: _____

Resolution Required? Yes No

Requested effective date: 5/13/07

No. of tariff sheets: 4

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: ELECTRIC RATE SCHEDULES E-OBMC, E-POBMC

Service affected and changes proposed¹:

Pending advice letters that revise the same tariff sheets: None

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

Tariff Files, Room 4005

DMS Branch

505 Van Ness Ave.,

San Francisco, CA 94102

jnj@cpuc.ca.gov and mas@cpuc.ca.gov

Pacific Gas and Electric Company

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 3034-E**

Cal P.U.C. Sheet No.	Title of Sheet	Cancelling Cal P.U.C. Sheet No.
26300-E	Schedule E-OBMC--Optional Binding Mandatory Curtailment Plan	23000-E
26301-E	Schedule E-POBMC--Pilot Optional Binding Mandatory Curtailment Plan	23002-E
26302-E	Table of Contents -- Rate Schedules	26094-E
26303-E	Table of Contents -- Title Page	26001-E



SCHEDULE E-OBMC—OPTIONAL BINDING MANDATORY CURTAILMENT PLAN
(Continued)

ELIGIBILITY REQUIREMENTS: Bundled service, Community Choice Aggregation service, and direct access service customers are eligible to file an OBMC Plan provided the customer can demonstrate to PG&E's satisfaction the following items:

1. The customer must be able to reduce its electric load such that the entire load on the PG&E circuit or dedicated substation that provides service to the customer is reduced to or below MLLs for the entire duration of each and every RO operation.
2. For the purpose of evaluating the ability of an OBMC plan to achieve a reduction in circuit load of fifteen (15) percent, the prior year average monthly peak circuit or dedicated substation demand, adjusted for major changes in facilities that resulted in permanent circuit load changes, will be used. Customers desiring adjustment to the prior year demands must submit a declaration signed and stamped by a California registered professional engineer attesting to the facility changes, providing detail of the source of kilowatt load changes, and the total permanent change in maximum demand. PG&E will, at the customer's expense, have the facility changes verified by an independent California registered professional engineer, unless otherwise waived by PG&E.
3. Customers must also be able to achieve a minimum of a 15% circuit load reduction from the established baseline upon notice to curtail. Customers submitting a declaration under Section 2 above for a reduction in prior year average monthly peak circuit or dedicated substation demand must be able to achieve a minimum of a 10% circuit load reduction from the established baseline upon notice to curtail. Customers participating in the California Solar Initiative (CSI) submitting a declaration under Section 2 above for a reduction in prior year average monthly peak circuit or dedicated substation demand must be able to achieve a minimum of a 5% circuit load reduction from the established baseline upon notice to curtail.
4. Customers participating in an OBMC plan who are the only customers on their circuit may participate in a PG&E operated capacity interruptible program provided the program requires the reduction of load to a pre-established firm service level. Customers participating in a demand bidding program or the CPA DRP shall not be paid for load reduction during OBMC operations. Customers participating in an OBMC plan shall not participate in the CAISO's Demand Relief Program (DRP) or in a PG&E program that aggregates load for the CAISO's DRP.
5. The customer must sign the Agreement For Optional Binding Mandatory Curtailment Plan (Form No. 79-966) whereby the customer agrees to all terms and conditions set forth in this tariff and in said Agreement.

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SCHEDULE E-POBMC—PILOT OPTIONAL BINDING MANDATORY CURTAILMENT PLAN
(Continued)

ELIGIBILITY REQUIREMENTS: Bundled service, Community Choice Aggregation service, and direct access service customers are eligible to file a POBMC Plan provided the customer can demonstrate to PG&E's satisfaction the following items:

1. The customer must be able to reduce its electric load such that the entire load on the PG&E circuit or dedicated substation that provides service to the customer is reduced to or below MLLs for the entire duration of each and every RO operation.
2. For the purpose of evaluating the ability of a POBMC plan to achieve a reduction in circuit load of fifteen (15) percent, the prior year average monthly peak circuit or dedicated substation demand, adjusted for major changes in facilities that resulted in permanent circuit load changes, will be used. Customers desiring adjustment to the prior year demands must submit a declaration signed and stamped by a California registered professional engineer attesting to the facility changes, providing detail of the source of kilowatt load changes, and the total permanent change in maximum demand. PG&E will, at the customer's expense, have the facility changes verified by an independent California registered professional engineer, unless otherwise waived by PG&E.
3. Customers must also be able to achieve a minimum of a 15 percent circuit load reduction from the established baseline upon notice to curtail. Customers submitting a declaration under Section 2, above for a reduction in prior year average monthly peak circuit or dedicated substation demand must be able to achieve a minimum of a 10 percent circuit load reduction from the established baseline upon notice to curtail. Customers participating in the California Solar Initiative (CSI) submitting a declaration under Section 2 above for a reduction in prior year average monthly peak circuit or dedicated substation demand must be able to achieve a minimum of a 5% circuit load reduction from the established baseline upon notice to curtail.
4. Customers participating in a POBMC plan who are the only customers on their circuit may participate in a PG&E operated capacity interruptible program provided the program requires the reduction of load to a pre-established firm service level. Customers participating in a demand bidding program or the CPA DRP shall not be paid for load reduction during POBMC operations. Customers participating in a POBMC plan shall not participate in the CAISO's Demand Relief Program (DRP) or in a PG&E program that aggregates load for the CAISO's DRP.
5. The customer must sign an Agreement For Schedule E-POBMC (Form No. 79-993) whereby the customer agrees to all terms and conditions set forth in this schedule and in said Agreement.
6. The customer must provide real-time metering equipment at their expense such that the customer can monitor loads in real-time for the purpose of determining the POBMC baseline adjustment amount.

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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
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Anderson Donovan & Poole P.C.	Ellison Schneider	Product Development Dept
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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
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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 Resource Network
Chevron USA Production Co.	Maynor, Donald H.	Wellhead Electric Company
City of Glendale	MBMC, Inc.	White & Case
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City of Palo Alto	McKenzie & Associates	
City of Redding	Meek, Daniel W.	
CLECA Law Office	Mirant California, LLC	
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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	