

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



July 6, 2007

Advice Letter 3048-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: Cooperative Offering by PG&E and Water Utilities for Energy
Efficiency Residential Clothes Washers

Dear Mr. Cherry:

Advice Letter 3048-E is effective July 1, 2007.

Sincerely,

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

Sean H. Gallagher, Director
Energy Division

Brian K. Cherry
Vice President
Regulatory Relations

Pacific Gas and Electric Company
77 Beale St., Mail Code B10C
P.O. Box 770000
San Francisco, CA 94177

415.973.4977
Fax: 415.973.7226

May 4, 2007

Advice 3048-E

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: Cooperative Offering by PG&E and Water Utilities for Energy Efficiency Residential Clothes Washers

Purpose

The purpose of this advice letter is to revise PG&E's 2006-2008 Energy Efficiency Mass Market program to include a Cooperative Clothes Washer Rebate offering in cooperation with participating water agencies. In particular, PG&E and the water agencies propose providing customers with a single rebate application, a single larger incentive amount, and a single rebate check for both energy and water savings.

Background

Decision (D.) 05-09-043, issued in September 2005, approved the utilities' energy efficiency programs and budgets for 2006-2008. The discussion in this decision requires an advice letter when new programs are added (page 149 of D.05-09-043). While the Cooperative Clothes Washer Rebate is not a new program, it is a significant design change to the clothes washer offering in PG&E's Mass Market program. In addition, PG&E and the participating water agencies will be coordinating their respective rebate offerings for residential clothes washers.

On January 16, 2007, PG&E filed Application (A.) 07-01-026 in response to the October 16, 2006 Assigned Commissioner Ruling instructing the energy utilities to file applications for pilot water-embedded energy savings programs. The Clothes Washer Rebate is not part of that pilot, but it is another effort to work with water agencies to achieve water and energy savings for customers.

Water agencies that have expressed interest in the Clothes Washer Rebate include:

- East Bay Municipal Utility District
- Marin Municipal Water District
- Bay Area Water Supply and Conservation Agency (representing 26 cities and water districts)

- San Francisco Public Utility Commission
- Contra Costa Water District
- Zone 7 Water District
- Alameda County Water District
- Regional Water Authority (representing 19 members and 3 associate members)
- Sonoma County Water Authority (representing 8 cities and districts)
- Santa Clara Valley Water Authority (representing 15 cities)
- Solano County Water District
- California American Water Company

Additional water agencies may be added later.

Proposed Program Changes

The Cooperative Clothes Washer Rebate is not a program change. The proposed modification is a coordinated effort that will provide shared customers with a single rebate, a single application to fill out, and a single rebate check. PG&E and the participating water agencies anticipate that customers will respond positively to a single streamlined rebate experience. The larger, combined rebate will also incent more customers to purchase the highest efficiency clothes washers on the market, thereby saving even more energy and water.

The residential Clothes Washer Rebate promotes the highest efficiency ENERGY STAR® Clothes Washers and uses the Consortium for Energy Efficiency (CEE) specification, which includes Modified Energy Factor (MEF) and Water Factor (WF), to rate qualified high efficiency clothes washers (ENERGY STAR® only began including WF with its new specification January 1, 2007).

PG&E currently offers a \$35 rebate for CEE Tier 2 clothes washers and a \$75 rebate for CEE Tier 3 clothes washers. Water agencies throughout California offer rebates for CEE Tier 2 and CEE Tier 3 clothes washers, although the rebate amounts vary among water agencies. The water providers have agreed to determine a single rebate amount across all water agencies to streamline the process and further simplify the customers' experience in this proposed cooperative program offering.

PG&E will also continue providing rebates for qualifying clothes washers to customers whose water agency does not participate in this cooperative Clothes Washer Rebate and for customers who would prefer to continue applying for their energy and water efficiency rebates separately. For those customers who would prefer a single, streamlined rebate experience, PG&E proposes to process the new, single, combined applications. PG&E will send one combined check to the customer and invoice each water agency for its customers. Each water agency will verify their customers electronically, pay the portion of the rebate representing the

water savings, and share the administrative costs associated with processing each application. PG&E will invoice each water agency monthly for rebates paid and administrative costs associated with the program.

This restructured program will maximize energy efficiency in homes installing ultra-high efficient clothes washers and will improve the cost-effectiveness of the current Mass Market program.

The total budget for PG&E's Residential Clothes Washer Rebate is unchanged.

PG&E recommends that the Commission approve this advice letter so that the proposed change can be tested through a pilot with a subset of water agencies starting July 1, 2007 and can be launched January 1, 2008.

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 24, 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

According to D.05-09-043 (p.153), "unless suspended, advice letters that are not protested or acted upon in some way by the Commission within 30 days are "deemed approved." PG&E requests that this program be approved effective **July 1, 2007**, to coincide with the Water Agencies new budget cycle and pilot program initiation.

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 PG&E's 2006-2008 Energy Efficiency Application (A.05-06-004) and the Distributed Generation Rulemaking (R.06-04-003). 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 black ink, appearing to read "Brian K. Cheng/DM". The signature is fluid and cursive, with "Brian K." on the left and "Cheng/DM" on the right.

Vice President, Regulatory Relations

Attachments

cc: Service Lists A.05-06-004, 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: Contact Person: Scott Muranishi
 ELC GAS Phone #: (415) 973-0237
 PLC HEAT WATER E-mail: s3m2@pge.con

EXPLANATION OF UTILITY TYPE

ELC = Electric
PLC = Pipeline

GAS = Gas
HEAT = Heat WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: **3048-E**

Subject of AL: Cooperative Offering by PG&E and Water Utilities for Energy Efficiency Residential Clothes Washers

Keywords (choose from CPUC listing): 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.05-09-043

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: **July 1, 2007**

No. of tariff sheets: 0

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
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.

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 Resource Network
Chevron USA Production Co.	Maynor, Donald H.	Wellhead Electric Company
City of Glendale	MBMC, Inc.	White & Case
City of Healdsburg	McKenzie & Assoc	WMA
City of Palo Alto	McKenzie & Associates	
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	