

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



October 11, 2007

Advice Letter 3071-E

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

Subject: Request for Recovery of AMI Project Development and
Management Costs in the Advanced Metering and Demand
Response Account

Dear Mr. Cherry:

Advice Letter 3071-E is effective July 22, 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

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

June 22, 2007

**Advice 3071-E
(Pacific Gas and Electric Company ID U 39 E)**

Public Utilities Commission of the State of California

Subject: Request for Recovery of AMI Project Development and Management Costs in the Advanced Metering and Demand Response Account

Purpose

Pursuant to Decision (D.) 05-09-044, Ordering Paragraph 6, PG&E is requesting review of the Advanced Metering Infrastructure (AMI) Project development and management costs in AMDRA and to determine that the costs recorded are consistent with the cost categories adopted in D.05-09-044.

Upon verification, PG&E requests the disposition of the balance through the Distribution Revenue Adjustment Mechanism (DRAM), consistent with the AMDRA preliminary statement.

The detailed cost worksheet for the AMDRA is in Attachment A.

Background

On September 22, 2005, the Commission approved PG&E's Application for Recovery of Pre-deployment Costs of the AMI Project in D.05-09-044. As part of that decision, the Commission authorized PG&E to file quarterly Advice Letters to request cost recovery subject to review of the cost categories.

At the request of the Energy Division, PG&E informally agreed in April 2006 to modify its quarterly filings for AMDRA cost recovery going forward. Specifically, PG&E agreed to continue to file quarterly for recovery of AMI pre-deployment costs that were approved in D.05-09-044. However, AMI Project development and management costs and demand response program costs for programs prior to December 31, 2005 recorded in AMDRA are exempt from the quarterly filing. Instead, PG&E agreed to file separate Advice Letters for recovery of these costs after a final decision had been issued in A.05-06-028 (PG&E's AMI Project application).

On July 20, 2006, the Commission approved PG&E's AMI Project application in D.06-07-027. Therefore, PG&E hereby requests review and recovery of AMI Project development and management costs in the AMDRA account balance listed in Attachment A.

Explanation of Contents in Accounts and Attachments

AMDRA (Attachment A)

The AMDRA account balance shown in Attachment A includes the following for the period January 1, 2006 through May 31, 2007:

(1) The cost for electric AMI Project development and management activities.

PG&E seeks final disposition of \$1,522,345.04, plus any accrued interest, through DRAM.

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 **July 12, 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

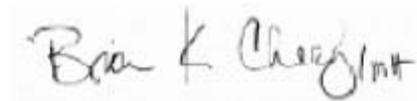
Effective Date

PG&E requests the Commission approve this advice letter upon regular notice, **July 22, 2007**, which is 30 days from the date of this filing. PG&E's request is for a specific finding that PG&E is authorized to recover the account balances described herein through distribution rates, as described in PG&E's preliminary statements.

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 lists for A.05-06-006 and A.05-03-016. 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

cc: Service List A.05-06-006 and A.05-03-016

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)**

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) #: **3071-E**

Subject of AL: Request for Transfer of the Advanced Metering Infrastructure Memorandum Accounts and Disposition and Recovery of the Balances in the Advanced Metering and Demand Response Account

Keywords (choose from CPUC listing): Compliance

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

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: D.05-09-044

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 22, 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
jn@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.

Advanced Metering and Demand Response Account (AMDRA)
January 1, 2006 through May 31, 2007 Account Activity

Ln #	Program	Per Month												2007					Total					
		2006												January	February	March	April	May						
1	AMI Project Development and Management																							
	Contract Negotiation and Program Management	\$ 28,479.23	\$ (219,254.40)	\$ 254,286.37	\$ (405,444.96)	\$ 18,000.17	\$ (584.47)	\$ 7,409.07	\$ (75,905.35)	\$ 78,104.79	\$ (25,139.40)	\$ 6,398.95	\$ 1,166.55	\$ (7,565.50)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (340,048.95)
2	Business Case Development	\$ 2,958.94	\$ 2,761.84	\$ -	\$ 75,905.50	\$ (119,065.90)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (37,439.62)
3	RFP Development and Analysis	\$ 405.00	\$ 265,175.24	\$ (265,175.24)	\$ 39,150.00	\$ (39,150.00)	\$ 4,721.34	\$ (5,126.34)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (0.00)
4	AMI Applications	\$ 226,604.96	\$ 413,703.26	\$ 352,728.08	\$ 322,675.82	\$ 174,649.08	\$ (16,983.73)	\$ 42,335.43	\$ (550.63)	\$ 3,305.76	\$ 25,765.88	\$ (142.29)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,544,091.62
5	AMI Validation and Scoping	\$ 3,823.14	\$ -	\$ -	\$ 6,610.40	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,433.54
6	Subtotal	\$ 262,271.27	\$ 462,385.94	\$ 341,839.21	\$ 38,896.76	\$ 34,433.35	\$ (12,846.86)	\$ 44,619.16	\$ (76,455.98)	\$ 81,410.55	\$ 626.49	\$ 6,256.66	\$ 1,166.55	\$ (7,565.50)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,177,036.59
7	Interest¹																							
	Interest Rate	4.23%	4.48%	4.55%	4.76%	4.87%	5.01%	5.29%	5.37%	5.21%	5.21%	5.19%	5.17%	5.19%	5.17%	5.18%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	5.20%	
8	Interest Total	\$ 32,186.19	\$ 35,961.31	\$ 37,776.47	\$ 40,424.97	\$ 41,672.02	\$ 43,089.02	\$ 45,757.17	\$ 30,172.42	\$ 29,415.18	\$ 1,135.69	\$ 1,151.12	\$ 1,167.64	\$ 1,163.37	\$ 1,147.60	\$ 1,154.77	\$ 1,164.23	\$ 1,169.28	\$ 1,169.28	\$ 1,169.28	\$ 1,169.28	\$ 1,169.28	\$ 1,169.28	\$ 345,308.45
9	Monthly Totals AMDRA	\$ 294,457.46	\$ 497,947.25	\$ 379,615.68	\$ 79,321.73	\$ 76,105.37	\$ 30,242.16	\$ 90,375.33	\$ (46,283.56)	\$ 110,825.73	\$ 1,762.17	\$ 7,407.76	\$ 2,334.19	\$ (6,402.13)	\$ 1,147.60	\$ 1,154.77	\$ 1,164.23	\$ 1,169.28	\$ 1,169.28	\$ 1,169.28	\$ 1,169.28	\$ 1,169.28	\$ 1,169.28	\$ 1,522,345.04

Notes:

¹ Although only the interest rates for the month incurred are shown here, interest is calculated cumulatively on a monthly basis until the balance is recovered.

**PG&E Gas and Electric
Advice Filing List
General Order 96-B, Section IV**

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	Dynergy 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	