

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



October 11, 2007

Advice Letter 2864-G/3114-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: Transfer 2006 Unspent Gas Carryover Funds

Dear Mr. Cherry:

Advice Letter 2864-G/3114-E is effective September 30, 2007.

Sincerely,

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

Sean H. Gallagher, Director
Energy Division

August 31, 2007

Advice 2864-G/3114-E

(Pacific Gas and Electric Company ID U 39 M)

Public Utilities Commission of the State of California

Subject: **Transfer 2006 Unspent Gas Carryover Funds****Purpose**

PG&E requests approval to transfer unspent 2006 gas funding from the Gas Public Purpose Programs Low Income Balancing Account (Gas PPPLIBA) to the 2006 Electric PPPLIBA balance to correct for underspending on gas Low Income Energy Efficiency (LIEE) measures and overspending on electric LIEE measures.

Background

In its Application (A.) 05-06-005, for the 2006 – 2007 Low Income Energy Efficiency (LIEE) Program and California Alternate Rates for Energy (CARE) Program, PG&E proposed to maintain the 70 percent / 30 percent electric / gas cost allocation split previously approved in Decision (D.) 05-04-052. Application 05-06-005 was approved by D.05-012-026, in which Ordering Paragraph 4 stated, “[t]he ratemaking treatment of each utility’s Low Income Energy Efficiency and CARE program funding shall not change from that authorized in D.05-04-052.” Ordering Paragraph 3 ordered the utilities to accelerate LIEE and CARE participation in anticipation of high winter energy costs and ordered them to file a budget augmentation application 90 days before they were to be needed.¹ Ordering Paragraph 12 also stated that, “[e]ach of the utilities shall seek a 2006 budget augmentation, through an application to be filed no later than April 14, 2006.”

On April 14, 2006, PG&E filed A.06-04-014 in which it sought approval to transfer \$12 million in 2005 unspent LIEE carryover funding and augment the LIEE budget by an additional \$21.3 million. Application 06-04-014 was approved in D.06-08-025.

¹ Ordering Paragraph 3, D.05-12-026, p.40.

On June 30, 2006, PG&E filed A.06-06-034, for the 2007 – 2008 LIEE and CARE Programs. This Application was approved in D.06-12-038, in which Ordering Paragraph 15 stated, “[t]he utilities may carry over funds from previous periods to the 2007 – 2008 budget periods but may not allocate carry-over funds to administrative overhead costs, regulatory costs or the costs of studies as set forth herein.” Further, Ordering Paragraph 17 authorizes the utilities to “shift funds between LIEE programs so as to promote the efficient and effective implementation of the LIEE program, but may not shift additional funds to administrative overhead costs, regulatory costs or the costs of studies as set forth herein.”

Transfer of Unspent 2006 Gas Funds to Make Whole 2006 Electric Program Budget

As of June 30, 2007, PG&E has \$2,972,592 in net unspent 2006 LIEE carryover funding. This consists of overspending of \$2,523,142 in the Electric PPPLIBA relative to the approved 2006 electric program budget and underspending of \$5,495,734 in the Gas PPPLIBA relative to the approved gas program budget. In this advice letter, PG&E requests approval to transfer a total of \$3,593,800 of the remaining balance from the Program Year (PY) 2006 Gas PPPLIBA to the Electric PPPLIBA. This will allow PG&E to reconcile the overspending of the 2006 electric program budget by transferring \$2,523,142 in unspent 2006 gas funding from the Gas PPPLIBA to the Electric PPPLIBA and allocate a forecasted carry-over amount of \$1,070,658 to expand the implementation of its PY 2007 electric LIEE measures. The remaining \$1,901,934 in unspent 2006 gas funds will be carried over to the 2007 LIEE gas program budget pursuant to Ordering Paragraph 15 of D.06-12-038.

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 **September 20**, 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: ijnj@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 advice filing become effective on regular notice, **September 30, 2007**, which is 30 calendar days after the date of filing. PG&E submits this as a Tier 2 filing.

Notice

In accordance with General Order 96-B, Section IV, 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 lists for A.05-06-005, A.06-06-034 and R.07-01-042. Address changes to the General Order 96-B service list should be directed to Rose de la Torre at (415) 973-4716. Send all electronic approvals to PGETariffs@pge.com. Advice letter filings can also be accessed electronically at:

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



Vice President, Regulatory Relations

Attachments

cc: A.05-06-005
A.06-06-034
R.07-01-042

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: 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) #: **2864-G/3114-E**

Tier: [2]

Subject of AL: Transfer 2006 Unspent Gas Carryover Funds

Keywords (choose from CPUC listing): LIEE

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

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

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 AL:

Is AL requesting confidential treatment? If so, what information is the utility seeking confidential treatment for: No

Confidential information will be made available to those who have executed a nondisclosure agreement: N/A

Name(s) and contact information of the person(s) who will provide the nondisclosure agreement and access to the confidential information: N/A

Resolution Required? Yes No

Requested effective date: 09/30/2007

No. of tariff sheets: N/A

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:

Service affected and changes proposed: N/A

Protests, dispositions, 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

**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	