

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE

SAN FRANCISCO, CA 94102-3298



October 15, 2008

Advice Letter 2903-G/3208-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 Unspent 2007 PG&E ClimateSmart™ Program
Administrative and Marketing Funds to 2008**

Dear Mr. Cherry:

Advice Letter 2903-G/3208-E is effective September 18, 2008.

Sincerely,

A handwritten signature in black ink, appearing to read "Ken Lewis".

Kenneth Lewis, Acting Director
Energy Division

February 11, 2008

Advice 2903-G/3208-E

(Pacific Gas and Electric Company ID U 39 M)

Public Utilities Commission of the State of California

**Subject: Transfer Unspent 2007 PG&E ClimateSmart™ Program
Administrative and Marketing Funds to 2008**

Purpose

In accordance with Ordering Paragraph (OP) 3 of Decision (D.) 06-12-032, the purpose of this Advice Filing is to seek approval to transfer unspent ClimateSmart™ program administrative and marketing (A&M) funds from the 2007 budget to the 2008 budget and authorize their use for approved ClimateSmart™ program activities in 2008. In addition, this Advice Filing seeks to re-designate a small portion of the transferred unspent 2007 funds from the administrative to the marketing budget category to further support the ramp-up of outreach activities needed to advance the CPUC-approved purposes of the ClimateSmart™ program in its critical second year.

Background

On December 14, 2006, the CPUC approved PG&E's Climate Protection Tariff, now known as PG&E's ClimateSmart™ program, in D.06-12-032. In OP 2 of the Decision, the CPUC authorized an A&M budget of \$16.26 million through 2009, excluding Franchise Fees and Uncollectibles Accounts Expense (FF&U). The Decision approved specific A&M amounts for each year from 2006 through 2009, stating that "PG&E may not transfer funds among budget categories nor spend budgeted funds in different years than those indicated without making an advice filing seeking such change." (OP 3.)

As described below, the current request results in large part from the difference between the timing assumed in PG&E's original budget proposal and the actual timing of the CPUC's decision approving the ClimateSmart™ program. That is, in PG&E's original budget, PG&E assumed that a final decision would be issued in the third quarter of 2006, but the CPUC's decision approving ClimateSmart™ was not issued until December 14, 2006. Reflecting this change in timing, PG&E

submitted Advice Letter 2812-G/2993-E seeking the transfer of the entire A&M budget for 2006 (i.e., \$1.3 million) into 2007. The Commission approved AL 2812-G/2993-E on June 4, 2007. Similarly, PG&E is requesting here to transfer \$1.68 million of unspent 2007 budget dollars to the 2008 budget. The 2007 budget, as adjusted by approval of Advice AL 2812-G/2993-E, is shown in the table below.

2007 Budget Authorized and Spent

	A	B	C	D = B + C	E	F = D - E
	Original 2006 Budget	Unspent 2006 Budget Transferred to 2007 Budget	Originally Approved 2007 Budget	Revised , Approved 2007 Budget (includes 2006 Budget carry-over)	2007 Expenditures	2007 Unspent Funds
Admin	\$ 700,000	\$ 700,000	\$ 1,370,000	\$ 2,070,000	\$ 942,841	\$ 1,127,159
Marketing	\$ 600,000	\$ 600,000	\$ 2,400,000	\$ 3,000,000	\$ 2,442,363	\$ 557,637
Total	\$ 1,300,000	\$ 1,300,000	\$ 3,770,000	\$ 5,070,000	\$ 3,385,204	\$ 1,684,796

Transfer of 2007 Unspent Funds

The table below shows total requested 2007 carry-forward amount:

Request for 2007 Carry Forward

	A	B	C	D = A + B + C
	2007 Unspent Funds	Interest	Requested Transfer	Total Amount Requested to Carry Forward
Admin	\$ 1,127,159	\$ 31,456	\$ (150,000)	\$ 1,008,615
Marketing	\$ 557,637	\$ 24,091	\$ 150,000	\$ 731,728
Total	\$ 1,684,796	\$ 55,547	\$ 0	\$ 1,740,343

PG&E seeks to transfer 2007 funds of approximately \$1.008 million to the 2008 administration budget. This amount consists of \$1.127 million of administration principal and \$31 thousand of accrued interest, less a \$150 thousand transfer from administration to marketing. PG&E also seeks to transfer 2007 funds of approximately \$732 thousand to the 2008 marketing budget. This amount consists of \$558 thousand of marketing principal and \$24 thousand of accrued interest, plus the above-mentioned \$150 thousand transfer.

As mentioned above, the main factor leading to the current request was the prior transfer of \$1.3 million from the 2006 budget into the 2007 budget relating to the approval of the program in December 2006, which remains unspent. In addition, certain payments for protocol development to the California Climate Action

Registry (CCAR) in accordance with OP 21 of the Decision (i.e., approximately \$360 thousand) that were originally expected in 2007 were deferred to early 2008.

The requested transfer and reallocation of funds will support greater educational outreach to PG&E customers regarding their impact on climate change and how individuals' and businesses' participation in the ClimateSmart™ program can help fight global warming in conjunction with energy efficiency, on-site renewables and other personal efforts. Thus, using these unspent 2007 funds for a significant ramp-up of outreach in 2008 based on lessons learned and initial outreach groundwork laid in 2007, will help advance the goals of the program as approved by the CPUC.

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 **March 3, 2008**, which is 21 days after the date of this filing.¹ 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

¹ This date falls on a weekend so PG&E hereby moves this date to the following business day.

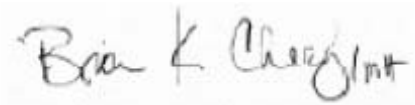
Effective Date

PG&E requests that this advice filing become effective on regular notice, **March 12, 2008**, which is 30 calendar days after the date of 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 parties on the service list for A.06-01-012. Address changes to the General Order 96-B 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 dark ink, appearing to read "Brian K. Cheyette". The signature is written in a cursive, somewhat stylized font.

Vice President, Regulatory Relations

Attachments

cc: Service List A.06-01-012

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: 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) #: 2903-G/3208-E

Tier: 2

Subject of AL: Transfer Unspent 2007 PG&E ClimateSmart™ Program Administrative and Marketing Funds to 2008

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 #: 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: _____

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: ☐ Yes ☐ No

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

Resolution Required? ☐ Yes ☒ No

Requested effective date: March 12, 2008

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:

Protests, dispositions, and all other correspondence regarding this AL are due no later than 21 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
Accent Energy
Aglet Consumer Alliance
Agnews Developmental Center
Ahmed, Ali
Alcantar & Kahl
Ancillary Services Coalition
Anderson Donovan & Poole P.C.
Applied Power Technologies
APS Energy Services Co Inc
Arter & Hadden LLP
Avista Corp
Barkovich & Yap, Inc.
BART
Bartle Wells Associates
Blue Ridge Gas
Bohannon Development Co
BP Energy Company
Braun & Associates
C & H Sugar Co.
CA Bldg Industry Association
CA Cotton Ginners & Growers Assoc.
CA League of Food Processors
CA Water Service Group
California Energy Commission
California Farm Bureau Federation
California Gas Acquisition Svcs
California ISO
Calpine
Calpine Corp
Calpine Gilroy Cogen
Cambridge Energy Research Assoc
Cameron McKenna
Cardinal Cogen
Cellnet Data Systems
Chevron Texaco
Chevron USA Production Co.
City of Glendale
City of Healdsburg
City of Palo Alto
City of Redding
CLECA Law Office
Commerce Energy
Constellation New Energy
CPUC
Cross Border Inc
Crossborder Inc
CSC Energy Services
Davis, Wright, Tremaine LLP
Defense Fuel Support Center
Department of the Army
Department of Water & Power City
DGS Natural Gas Services

Douglass & Liddell
Downey, Brand, Seymour & Rohwer
Duke Energy
Duke Energy North America
Duncan, Virgil E.
Dutcher, John
Dynergy Inc.
Ellison Schneider
Energy Law Group LLP
Energy Management Services, LLC
Exelon Energy Ohio, Inc
Exeter Associates
Foster Farms
Foster, Wheeler, Martinez
Franciscan Mobilehome
Future Resources Associates, Inc
G. A. Krause & Assoc
Gas Transmission Northwest Corporation
GLJ Energy Publications
Goodin, MacBride, Squeri, Schlotz &
Hanna & Morton
Heeg, Peggy A.
Hitachi Global Storage Technologies
Hogan Manufacturing, Inc
House, Lon
Imperial Irrigation District
Integrated Utility Consulting Group
International Power Technology
Interstate Gas Services, Inc.
IUCG/Sunshine Design LLC
J. R. Wood, Inc
JTM, Inc
Luce, Forward, Hamilton & Scripps
Manatt, Phelps & Phillips
Marcus, David
Matthew V. Brady & Associates
Maynor, Donald H.
MBMC, Inc.
McKenzie & Assoc
McKenzie & Associates
Meek, Daniel W.
Mirant California, LLC
Modesto Irrigation Dist
Morrison & Foerster
Morse Richard Weisenmiller & Assoc.
Navigant Consulting
New United Motor Mfg, Inc
Norris & Wong Associates
North Coast Solar Resources
Northern California Power Agency
Office of Energy Assessments
OnGrid Solar
Palo Alto Muni Utilities

PG&E National Energy Group
Pinnacle CNG Company
PITCO
Plurimi, Inc.
PPL EnergyPlus, LLC
Praxair, Inc.
Price, Roy
Product Development Dept
R. M. Hairston & Company
R. W. Beck & Associates
Recon Research
Regional Cogeneration Service
RMC Lonestar
Sacramento Municipal Utility District
SCD Energy Solutions
Seattle City Light
Sempra
Sempra Energy
Sequoia Union HS Dist
SESCO
Sierra Pacific Power Company
Silicon Valley Power
Smurfit Stone Container Corp
Southern California Edison
SPURR
St. Paul Assoc
Sutherland, Asbill & Brennan
Tabors Caramanis & Associates
Tecogen, Inc
TFS Energy
Transcanada
Turlock Irrigation District
U S Borax, Inc
United Cogen Inc.
URM Groups
Utility Resource Network
Wellhead Electric Company
White & Case
WMA