

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE

SAN FRANCISCO, CA 94102-3298



May 14, 2008

Advice Letter 3238-E-B

Mr. 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: Electric Rate Changes for Revisions to, and Approvals of, PG&E's 2008 Revenue Requirements Related to DWR, ERRA, MTCBA, and Residential Electric Baseline Quantities.

Dear Mr. Cherry:

The Energy Division has determined that Advice Letter (AL) 3238-E-B is in compliance with D.08-02-018. The AL is effective May 1, 2008.

PG&E's March 28, 2008 submission of AL 3238-E was followed by Supplemental AL 3238-E-A on April 4, 2008. The supplement submitted draft tariff sheets modifying electric rate Schedules E-DCG—Departing Customer Generation, E-SDL—Split Wheeling Departing Load, E-TMDL—Transferred Municipal Departing Load, E-NMDL—New Municipal Departing Load, and E-NWDL—New WAPA Departing Load. PG&E submitted the supplemental tariffs in compliance with D.08-02-018, to implement class differentiated Competitive Transition Charge (CTC) and Power Charge Indifference Adjustment (PCIA) rates.

The Merced Irrigation District (Merced ID) and the Modesto Irrigation District (Modesto ID) (the Districts) submitted a timely response to AL 3238-E-A to preserve the Districts' right to dispute PG&E's interpretation of Public Utilities Code section 369, which among other things, governs applicability of and exemptions from the ongoing CTC. In its reply, PG&E did not object to the Districts' preservation of their rights on this issue. No aspect of the AL was protested by any party.

PG&E consolidated the supplemental tariffs in AL 3238-E-B on April 29, 2008, which also reflects revenue requirement changes in compliance with D.08-01-021 as modified by D.08-04-008, allowing PG&E to recover \$9 million of Catastrophic Event Memorandum Account (CEMA) costs in 2008 rates. AL 3238-E-B is in compliance with Ordering Paragraph 3 of D.08-02-018, which authorizes PG&E to collect revenue requirements approved in PG&E's 2008 Energy Resources Recovery Account (ERRA) proceeding, including the ongoing CTC forecast revenue requirement and associated rates.

Sincerely,

A handwritten signature in black ink, appearing to read "S H Gallagher". The signature is written in a cursive, slightly slanted style.

Sean H. Gallagher
Director, Energy Division

cc: Ann L. Trowbridge, Day, Carter & Murphy LLP



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

April 4, 2008

Advice 3238-E-A

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: Supplemental Filing for Electric Rate Changes for Revisions to, and Approvals of, PG&E's 2008 Revenue Requirements Related to DWR, ERRA, MTCBA, and Residential Electric Baseline Quantities

Pacific Gas and Electric Company (PG&E) hereby submits draft tariff sheets for filing revisions to its electric rate Schedules E-DCG – *Departing Customer Generation*, E-SDL – *Split-Wheeling Departing Load*, E-TMDL – *Transferred Municipal Departing Load*, E-NMDL – *New Municipal Departing Load*, and E-NWDL – *New WAPA Departing Load*. The affected draft tariff sheets are listed on the enclosed Attachment I.

Purpose

PG&E submits these draft tariffs modifying electric rate Schedules E-DCG, E-SDL, E-TMDL, E-NMDL and E-NWDL to revise the Departing Load (DL) ongoing Competition Transition Charge (CTC) rates and Power Charge Indifference Adjustment (PCIA) rates to reflect class-differentiated Otherwise Applicable Schedule (OAS) CTC and PCIA rates per California Public Utilities Commission (CPUC) Decision (D.) 08-02-018. The DL rates reflecting class-differentiated OAS CTC and PCIA rates will be effective May 1, 2008. PG&E submits these tariff revisions as draft and will resubmit the final tariffs in a supplemental filing prior to May 1, 2008.

Background

On February 28, 2008, the California Public Utilities Commission (the Commission) approved D.08-02-018 in the forecast phase of PG&E's 2008 Energy Resource Recovery Account (ERRA) proceeding. Ordering Paragraph 3 adopts PG&E's proposed rate changes to collect adopted revenue requirements, including the ongoing CTC forecast revenue requirement and associated rates.

Furthermore, Section 6.1 of D.08-02-018 states that, "PG&E shall use the language in [Public Utilities Code] Section 369 to determine whether new MDL is exempt from ongoing CTC." (page 6, D.08-02-018). As such, PG&E included new MDL sales when setting CTC rates, as adopted in January 1, 2008, rates in Advice 3115-E-A. In addition, PG&E established PCIA rates which offset CTC rates less the DWR franchise fee rate of \$0.00004 per kWh, consistent with D.06-07-030 and Advice 3115-E-A. PCIA rates, like CTC rates, are class-differentiated for DL customers beginning May 1, 2008.

On March 28, 2008, PG&E filed Advice 3238-E requesting approval to reduce its electric revenues by approximately \$133 million, effective May 1, 2008. As stated in Advice 3238-E, PG&E received approval in D.08-02-018 to recover its 2008 forecast of electric procurement costs and ongoing CTC revenue requirements.

Therefore, PG&E provides these modified departing load tariffs to reflect class-differentiated OAS CTC and PCIA rates beginning May 1, 2008, instead of the current single uniform DL CTC and PCIA rates.

Tariff Revisions

See the attached draft tariffs for electric rate Schedules E-DCG, E-SDL, E-TMDL, E-NMDL, and E-NWDL.

Protests

Protests to this supplement are due on **April 17, 2008**.¹ Protests should be mailed to:

CPUC - Energy Division
Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, California 94102

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

Protests also should be sent by e-mail and facsimile to Mr. Honesto Gatchalian, Energy Division, as shown above, and by U.S. mail to Mr. Gatchalian at the above address.

¹ General Order 96B, Section 7.5.1 states, "The filing of a supplement, or of additional information at the request of the reviewing Industry Division, does not automatically continue or reopen the protest period or delay the effective date of the advice letter. The reviewing Industry Division, on its own motion or at the request of any person, may issue a notice continuing or reopening the protest period."

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:

Pacific Gas and Electric Company
Attention: Brian K. Cherry
Vice President, Regulatory Relations
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 **May 1, 2008**.

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 on the service list for **A.00-11-038, A.06-03-005, A.07-06-006, A.08-01-014, and R.06-07-010**. 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: Service Lists -- A.00-11-038, A.06-03-005, A.07-06-006, A.08-01-014, and R.06-07-010

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: Daren Chan

Phone #: (415) 973-5361

E-mail: D1CT@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) #: **3238-E-A**

Tier: 2

Subject of AL: Supplemental Filing for Electric Rate Changes for Revisions to, and Approvals of, PG&E's 2008 Revenue Requirements Related to DWR, ERRR, MTCBA, and Residential Electric Baseline Quantities

Keywords (choose from CPUC listing): Rates, Departing Load

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

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: D.08-02-018

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: **May 1, 2008**

No. of tariff sheets: 8 draft tariffs

Estimated system annual revenue effect (%): see 3238-E

Estimated system average rate effect (%): see 3238-E

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: E-DCG, E-SDL, E-TMDL, E-NMDL, E-NWDL

Service affected and changes proposed¹: N/A

Pending advice letters that revise the same tariff sheets: 3238-E

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

**ATTACHMENT 1
Advice 3238-E-A**

Cal P.U.C. Sheet No.	Title of Sheet	Cancelling Cal P.U.C. Sheet No.
Draft	Schedule E-NMDL--New Municipal Departing Load	26699*-E
Draft	Schedule E-NMDL (Cont.)	26698*-E
Draft	Schedule E-NWDL--New WAPA Departing Load	25382-E
Draft	Schedule E-NWDL (Cont.)	26409*-E
Draft	Schedule E-TMDL--Transferred Municipal Departing Load	27005-E
Draft	Schedule E-TMDL (Cont.)	27004*-E
Draft	Schedule E-DCG--DCG Departing Customer Generation, CG	27002*-E
Draft	Schedule E-SDL--Split-Wheeling Departing Load	27293-E



SCHEDULE E—DCG DEPARTING CUSTOMER GENERATION, CG

APPLICABILITY: This schedule is applicable to customers that have Customer Generation Departing Load as defined below, including customers who displace all or a portion of their load with Customer Generation and including new load served by Customer Generation as set forth in Special Condition 6 below.

TERRITORY: The entire territory served.

RATES: Customers under this schedule are responsible for the following charges unless expressly excepted or exempted from such charges under Special Condition 2 below:

1. **DWR BOND CHARGE:** The Department of Water Resources (DWR) Bond Charge recovers DWR's bond financing costs, and is set by dividing the annual revenue requirement for DWR's bond-related costs by an estimate of the annual consumption not excluded from this charge. The DWR Bond Charge is the property of DWR for all purposes under California law. The DWR Bond Charge applies to Customer Generation Departing Load unless sales under the customer's Otherwise Applicable Rate Schedule were CARE or medical baseline or unless exempted or excepted under Special Condition 2 below. The DWR Bond Charge is separately shown in the customer's Otherwise Applicable Rate Schedule. PG&E shall begin billing applicable Customer Generation Departing Load for the DWR Bond Charge, as of September 1, 2004. Unrecovered DWR Bond Charges from April 3, 2003, the effective date of Commission Decision (D.) 03-04-030 through August 31, 2004, shall be recovered from applicable Customer Generation Departing Load as provided for in Commission Resolution E-3909.
2. **POWER CHARGE INDIFFERENCE ADJUSTMENT:** The adjustment (either a charge or credit) intended to ensure that customers that purchase electricity from non-utility suppliers pay their share of cost for generation acquired prior to 2003. The Power Charge Indifference Adjustment applies to Customer Generation Departing Load unless exempted or excepted under Special Condition 2 below. The Power Charge Indifference Adjustment is equal to ~~-\$0.00391 per kilowatt-hour from January 1, 2008 through April 30, 2008. Effective May 1, 2008, the applicable Power Charge Indifference Adjustment rate is separately shown as a component of the Direct Access Cost Responsibility Surcharge in the customer's Otherwise Applicable Schedule (OAS).~~
3. **COMPETITION TRANSITION CHARGE (CTC):** The Ongoing CTC recovers the cost of power purchase agreements, signed prior to December 20, 1995, in excess of a California Public Utilities Commission (Commission) approved proxy of the market price of electricity plus employee transition costs as defined in Section 367(a) of the California Public Utilities Code. The Ongoing CTC applies to the Customer Generation Departing Load unless exempt under Special Condition 2 below. The approved CTC rate is equal to \$0.00395 per kilowatt-hour ~~from January 1, 2008 through April 30, 2008. Effective May 1, 2008, the Ongoing CTC rate is separately shown in the customer's OAS.~~

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Advice Letter No. 3238-E-A
 Decision No. 08-02-018

Issued by
Brian K. Cherry
 Vice President
 Regulatory Relations

Date Filed April 4, 2008
 Effective May 1, 2008
 Resolution No. _____



SCHEDULE E-NWDL—NEW WAPA DEPARTING LOAD

APPLICABILITY: This schedule is applicable to customers that have New WAPA Departing Load as defined in Special Condition 1.a., below.

TERRITORY: The entire territory served.

RATES: Customers under this schedule are responsible for the following charges unless expressly exempted from such charges under Special Condition 2, below:

1. **DWR BOND CHARGE:** The California Department of Water Resources (DWR) Bond Charge recovers DWR's bond financing costs, and is set by dividing the annual revenue requirement for DWR's bond-related costs by an estimate of the annual consumption not excluded from this charge. The DWR Bond Charge is the property of DWR for all purposes under California law. The DWR Bond Charge applies to New WAPA Departing Load unless sales under the Otherwise Applicable Schedule (OAS) were CARE or medical baseline. The DWR Bond Charge is separately shown in the customer's OAS.
2. **POWER CHARGE INDIFFERENCE ADJUSTMENT (PCIA):** The adjustment (either a charge or credit) intended to ensure that customers that purchase electricity from non-utility suppliers pay their share of cost for generation acquired prior to 2003. The [Power Charge Indifference Adjustment](#) applies to New WAPA Departing Load. On July 1, 2006, the Power Charge Indifference Adjustment superseded and replaced the DWR Power Charge unless exempted or excepted under Special Condition 2, below. For the period July 1, 2006, through December 31, 2006, the PCIA equaled -\$0.00427 per kilowatt-hour. [For the period January 1, 2007 through December 31, 2007, the PCIA equaled -\\$0.00009 per kilowatt-hour. Effective January 1, 2008 through April 30, 2008, the PCIA equaled -\\$0.00391 per kilowatt-hour. Effective May 1, 2008, the applicable PCIA is separately shown as a component of the Direct Access Cost Responsibility Surcharge in the customer's Otherwise Applicable Schedule \(OAS\).](#)
3. **COMPETITION TRANSITION CHARGE (CTC):** The CTC recovers the cost of qualifying facilities and power purchase agreements that are in excess of a market benchmark determined by the California Public Utilities Commission (Commission), plus employee transition costs, and is determined in the annual Energy Resource Recovery Account proceeding. For the following periods CTC equaled: January 1, 2005 through February 23, 2005, \$0.00703 per kilowatt-hour; February 24, 2005, through December 31, 2005, \$0.00515 per kilowatt-hour; January 1, 2006, through December 31, 2006, \$0.00431 per kilowatt-hour; [January 1, 2007 through December 31, 2007, \\$0.00013 per kilowatt-hour. Effective January 1, 2008 through April 30, 2008, CTC equaled \\$0.00395 per kilowatt-hour. Effective May 1, 2008, the CTC rate is separately shown in the customer's OAS.](#) For those customers who are obligated to pay both the DWR Power Charge (superseded by the PCIA [effective July 1, 2006](#)) and the CTC, the CTC charge is completely offset due to the negative indifference during the period of January 1, 2005, through June 30, 2006.
4. **TRUST TRANSFER AMOUNT (TTA) CHARGE:** The TTA funds the cost of bonds used for paying for a 10 percent rate reduction for residential and small commercial customers and is shown in the OAS.
5. **NUCLEAR DECOMMISSIONING (ND) CHARGE:** The ND charge collects the funds required for site restoration when a nuclear power plant is removed from service and is shown in the OAS.

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Advice Letter No. [3238-E-A](#)
 Decision No. [08-02-018](#)

Issued by
Brian K. Cherry
 Vice President
 Regulatory Relations

Date Filed [April 4, 2008](#)
 Effective [May 1, 2008](#)
 Resolution No. _____



SCHEDULE E-NWDL—NEW WAPA DEPARTING LOAD
(Continued)

- RATES: (Cont'd.)
- 6. PUBLIC PURPOSE PROGRAM (PPP) CHARGE: The PPP charge collects the costs of state-mandated low income, energy efficiency and renewable generation programs and is shown in the OAS. (L)
 - 7. REGULATORY ASSET (RA) CHARGE: The RA charge recovers the costs associated with the Regulatory Asset adopted by the Commission in Decision (D.) 03-12-035. The RA Charge is separately shown in the customer's OAS. On March 1, 2005, the Energy Cost Recovery Amount (ECRA) (Section 8, below) Charge superseded and replaced the RA Charge such that after March 1, 2005, eligible customers no longer incur additional RA Charges but instead incur ECRA Charges. (L)
 - 8. ENERGY COST RECOVERY AMOUNT (ECRA) CHARGE: The ECRA Charge recovers the costs associated with the Energy Cost Recovery Amount adopted by the Commission in Decision 04-11-015. The ECRA Charge is shown in the customer's OAS. On March 1, 2005, the ECRA Charge superseded and replaced the RA Charge. (D)

SPECIAL CONDITIONS:

- 1. DEFINITIONS: The following terms when used in this tariff have the meanings set forth below:
 - a. New WAPA Departing Load: That portion of a New WAPA Departing Load Customer's electric load that (1) took bundled power from PG&E on or after February 1, 2001, and, (2) subsequently took electric service from WAPA or a similarly situated entity, and (3) relates to the specific list of delivery points listed in Appendix C, Exhibit 1 of the PG&E/WAPA WDT Service Agreement.
 - b. New WAPA Departing Load Customer: A customer with New WAPA Departing Load.
 - c. Non-bypassable Charges: The DWR Bond Charge, the DWR Power Charge, the Power Charge Indifference Amount, the CTC, the TTA Charge, the ND Charge, the PPP Charge, the RA Charge, and the ECRA Charge.
 - d. Otherwise-Applicable Schedule (OAS): The Otherwise-Applicable Schedule is the last PG&E rate schedule under which the New WAPA Departing Load Customer took service prior to departure for service by WAPA or another similarly situated entity.
 - e. Cost Responsibility Surcharge (CRS): The Cost Responsibility Surcharge is the energy cost obligations recoverable from New WAPA Departing Load Customers consistent with D. 06-05-018. The CRS includes (1) the DWR Bond Charge, (2) either the DWR Power Charge or the Power Charge Indifference Amount (whichever is applicable for a particular billing period), (3) the CTC, and (4) either the RA Charge or the ECRA Charge (whichever is applicable for a particular billing period).
 - f. WAPA: The Western Area Power Administration.
 - g. WDT Agreement: The PG&E/WAPA Wholesale Distribution Tariff Service Agreement, Third Revised Service Agreement No. 17, Federal Regulatory Energy Commission (FERC) Electric Tariff, First Revised Volume No. 4, filed with the Federal Energy Regulatory Commission and approved in 109 FERC ¶61,255 (2004).

Deleted: 9. POWER CHARGE INDIFFERENCE ADJUSTMENT: The adjustment (either a charge or credit) intended to ensure that customers that purchase electricity from non-utility suppliers pay their share of cost for generation acquired prior to 2003. The Power Charge Indifference Adjustment applies to New WAPA Departing Load. The Power Charge Indifference Adjustment is equal to -\$0.00427 per kilowatt-hour. On July 1, 2006, the Power Charge Indifference Amount superseded and replaced the DWR Power Charge.

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Advice Letter No. 3238-E-A
Decision No. 08-02-018

Issued by
Brian K. Cherry
Vice President
Regulatory Relations

Date Filed April 4, 2008
Effective May 1, 2008
Resolution No. _____



SCHEDULE E-SDL—SPLIT-WHEELING DEPARTING LOAD

APPLICABILITY: This schedule is applicable to customers that have Split-Wheeling Departing Load as defined in Special Condition 1.c., below.

TERRITORY: The entire territory served.

RATES: Customers under this schedule are responsible for the following charges unless expressly exempted from such charges under Special Condition 2, below:

1. **DWR BOND CHARGE:** The California Department of Water Resources (DWR) Bond Charge recovers DWR's bond financing costs, and is set by dividing the annual revenue requirement for DWR's bond-related costs by an estimate of the annual consumption not excluded from this charge. The DWR Bond Charge is the property of DWR for all purposes under California law. The DWR Bond Charge applies to Split-Wheeling Departing Load unless sales under the Otherwise Applicable Schedule (OAS) were CARE or medical baseline. The DWR Bond Charge is separately shown in the customer's OAS.
2. **POWER CHARGE INDIFFERENCE ADJUSTMENT (PCIA):** The adjustment (either a charge or credit) intended to ensure that customers that purchase electricity from non-utility suppliers pay their share of cost for generation acquired prior to 2003. The Power Charge Indifference Adjustment applies to Split-Wheeling Departing Load unless exempted or excepted under Special Condition 2 below. On July 1, 2006, the Power Charge Indifference Adjustment superseded and replaced the DWR Charge. For the period July 1, 2006 through December 31, 2006 the PCIA equaled -\$0.00427 per kilowatt-hour. For the period January 1, 2007 through December 31, 2007, the PCIA equaled -\$0.00009 per kilowatt-hour. Effective January 1, 2008 through April 30, 2008, the PCIA equaled -\$0.00391 per kilowatt-hour. Effective May 1, 2008, the applicable Power Charge Indifference Adjustment rate is separately shown as a component of the Direct Access Cost Responsibility Surcharge in the customer's Otherwise Applicable Schedule (OAS).
3. **COMPETITION TRANSITION CHARGE (CTC):** The CTC recovers the cost of qualifying facilities and power purchase agreements that are in excess of a market benchmark determined by the California Public Utilities Commission (Commission), plus employee transition costs, and is determined in the annual Energy Resource Recovery Account proceeding. For the following periods, the CTC equaled: January 1, 2005 through February 23, 2005, \$0.00703 per kilowatt-hour; February 24, 2005, through December 31, 2005, \$0.00515 per kilowatt-hour; January 1, 2006, through December 31, 2006, \$0.00431 per kilowatt-hour; and January 1, 2007, through December 31, 2007, \$0.00013 per kilowatt-hour. Effective January 1, 2008 through April 30, 2008, CTC equaled \$0.00395 per kilowatt-hour. Effective May 1, 2008, the CTC rate is separately shown in the customer's OAS. For those customers who are obligated to pay both the DWR Power Charge (superseded by the PCIA effective July 1, 2006) and the CTC, the CTC charge is completely offset due to the negative indifference during the period of January 1, 2005, through June 30, 2006.
4. **TRUST TRANSFER AMOUNT (TTA) CHARGE:** The TTA funds the cost of bonds used for paying for a 10 percent rate reduction for residential and small commercial customers and is shown in the OAS.
5. **NUCLEAR DECOMMISSIONING (ND) CHARGE:** The ND charge collects the funds required for site restoration when a nuclear power plant is removed from service and is shown in the OAS.
6. **PUBLIC PURPOSE PROGRAM (PPP) CHARGE:** The PPP charge collects the costs of state-mandated low income, energy efficiency and renewable generation programs and is shown in the OAS.

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SCHEDULE E-TMDL—TRANSFERRED MUNICIPAL DEPARTING LOAD

APPLICABILITY: This schedule is applicable to customers that have Transferred Municipal Departing Load (TMDL) as defined in Special Condition 1.a., below, including customers who displace all or a portion of their load with service from a Publicly-Owned Utility (POU) as defined in Special Condition 1.e., below, and customers who assume responsibility for Transferred Municipal Departing Load at a previously departed premises (“New Party” as defined in Special Condition 1.g., below). This schedule supersedes the portions of Schedules E-DEPART and Electric Preliminary Statement Part BB—*Competition Transition Charge Responsibility for All Customers and CTC Procedure for Departing Load* that address Nonbypassable Charge obligations that would otherwise pertain to Transferred Municipal Departing Load.

TERRITORY: The entire territory served.

RATES: Customers under this schedule are responsible for the following charges unless expressly exempted or excepted from such charges under Special Condition 2, below:

1. **DWR BOND CHARGE:** The California Department of Water Resources (DWR) Bond Charge recovers DWR’s bond financing costs, and is set by dividing the annual revenue requirement for DWR’s bond-related costs by an estimate of the annual consumption not excluded from this charge. The DWR Bond Charge is the property of DWR for all purposes under California law. The DWR Bond Charge applies to Transferred Municipal Departing Load unless sales under the Otherwise Applicable Schedule (OAS) were CARE or medical baseline. The DWR Bond Charge is separately shown in the customer’s OAS.
2. **DWR POWER CHARGE:** The DWR Power Charge recovers the uneconomic portion of DWR’s prospective power purchase costs. The DWR Power Charge applies to Transferred Municipal Departing Load unless sales under the customer’s OAS were CARE or medical baseline.

The DWR Power Charge shall be set equal to the difference between \$0.02700 per kWh and the sum of: (a) the DWR Bond Charge (Section 1, above); (b) the Regulatory Asset (RA) Charge (Section 7, below) or its successor charge, the Energy Cost Recovery Amount (ECRA) (Section 8, below); and (c) the Competition Transition Charge (CTC) (Section 4, below). If a customer is exempt from any of the charges (a) through (c), the DWR Power Charge shall be set equal to the difference between \$0.02700 per kWh and the sum of just the charges (a) through (c) for which the customer is not exempt. On July 1, 2006, the Power Charge Indifference Adjustment (PCIA) superseded and replaced the DWR Power Charge such that after July 1, 2006, applicable customers no longer incur additional DWR Power Charges but instead incur PCIA charges.

3. **POWER CHARGE INDIFFERENCE ADJUSTMENT:** The adjustment (either a charge or credit) intended to ensure that customers that purchase electricity from non-utility suppliers pay their share of cost for generation acquired prior to 2003. The PCIA applies to Transferred Municipal Departing Load unless exempted or excepted under Special Condition 2 below. The 2008 PCIA rate is equal to -\$0.00391 per kWh from January 1, 2008 through April 30, 2008. Effective May 1, 2008, the applicable Power Charge Indifference Adjustment rate is separately shown as a component of the Direct Access Cost Responsibility Surcharge in the customer’s Otherwise Applicable Schedule (OAS). Historical PCIA rates are as follows: -\$0.00427 per kWh from July 1, 2006 through December 31, 2006; and -\$0.00009 per kWh for 2007.

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SCHEDULE E-TMDL—TRANSFERRED MUNICIPAL DEPARTING LOAD
 (Continued)

- RATES: (Cont'd.)
4. **COMPETITION TRANSITION CHARGE (CTC):** The Ongoing CTC recovers the cost of qualifying facilities and power purchase agreements that are in excess of a market benchmark determined by the California Public Utilities Commission (Commission), plus employee transition costs, and is determined in the annual Energy Resource Recovery Account proceeding. The Ongoing CTC Charge is effective April 1, 2002. The Ongoing CTC rate for 2008 is equal to \$0.00395 per kilowatt-hour from January 1, 2008 through April 30, 2008. Effective May 1, 2008, the Ongoing CTC rate is separately shown in the customer's OAS. Historical Ongoing CTC rates are as follows: \$0.00703 per kWh from January 1, 2004, through February 23, 2005; \$0.00515 per kWh from February 24, 2005, through December 31, 2005; \$0.00431 per kWh for 2006; and \$0.00013 per kWh for 2007. There is no applicable Ongoing CTC rate in 2002 or 2003. The amount of the Ongoing CTC is subject to change pending any different outcome resulting from judicial review. (N)
 5. **TRUST TRANSFER AMOUNT (TTA) CHARGE:** The TTA Charge funds the cost of bonds used for paying for a 10 percent rate reduction for residential and small commercial customers. The TTA has been transferred to a subsidiary of PG&E and then to a public trust. PG&E is collecting the TTA Charge on behalf of the subsidiary and public trust. The TTA does not belong to PG&E. The TTA Charge applies to all Transferred Municipal Departing Load that would have otherwise been responsible for the TTA, as specified in Schedule E-RRB. The TTA Charge is separately shown in the customer's OAS. (N)
 6. **NUCLEAR DECOMMISSIONING (ND) CHARGE:** The ND Charge collects the funds required to restore the site when PG&E's nuclear power plants are removed from service. The ND Charge applies to all Transferred Municipal Departing Load. The ND Charge is separately shown in the customer's OAS.
 7. **REGULATORY ASSET (RA) CHARGE:** The RA charge recovers the costs associated with the Regulatory Asset adopted by the Commission in Decision (D.) 03-12-035. The RA Charge is separately shown in the customer's OAS. On March 1, 2005, the Energy Cost Recovery Amount (ECRA) Charge superseded and replaced the RA Charge such that after March 1, 2005, customers no longer incur additional RA Charges but instead incur ECRA Charges.
 8. **ENERGY COST RECOVERY AMOUNT CHARGE:** The ECRA Charge recovers the costs associated with the Energy Recovery Amount adopted by the Commission in D.04-11-015. The ECRA Charge is shown in the customer's OAS. On March 1, 2005, the ECRA Charge superseded and replaced the RA Charge.

(Continued)



SCHEDULE E-NMDL—NEW MUNICIPAL DEPARTING LOAD
(Continued)

- RATES: (Cont'd.)
4. ONGOING COMPETITION TRANSITION CHARGE (CTC): The Ongoing CTC recovers the cost of power purchase agreements that are in excess of a market benchmark determined by the California Public Utilities Commission (Commission), plus employee transition costs, and is determined in the annual Energy Resource Recovery Account proceeding. The Ongoing CTC Charge is effective April 1, 2002, and applies to consumers in the service territory in which PG&E provided electricity services as of December 20, 1995. ~~There is no applicable Ongoing CTC rate in 2002 or 2003. For the following periods, the CTC equaled: \$0.00703 per kilowatt-hour from January 1, 2004 through February 23, 2005; \$0.00515 per kilowatt-hour from February 24, 2005 through December 31, 2005, \$0.00431 per kilowatt-hour for January 1, 2006 through December 31, 2006; \$0.00013 per kilowatt-hour from January 1, 2007 through December 31, 2007. Effective January 1, 2008 through April 30, 2008, CTC equaled \$0.00395 per kilowatt-hour. Effective May 1, 2008, the CTC rate is separately shown in the customer's OAS.~~ For those consumers who are obligated to pay both the DWR Power Charge (superseded by the PCIA effective July 1, 2006) and the Ongoing CTC, the Ongoing CTC charge is completely offset due to the negative indifference during the period of January 1, 2005 through June 30, 2006. The amount of the Ongoing CTC is subject to change pending any different outcome resulting from judicial review.

(N)
 5. TRUST TRANSFER AMOUNT (TTA) CHARGE: The TTA Charge funds the cost of bonds used for paying for a 10 percent rate reduction for residential and small commercial consumers, and applies to consumers in the service territory in which PG&E provided electricity services as of December 20, 1995. The TTA has been transferred to a subsidiary of PG&E and then to a public trust. PG&E is collecting the TTA Charge on behalf of the subsidiary and public trust. The TTA does not belong to PG&E. The TTA Charge applies to all New Municipal Departing Load that would have otherwise been responsible for the TTA, as specified in Schedule E-RRB. The TTA Charge is separately shown in the consumer's OAS.
 6. NUCLEAR DECOMMISSIONING (ND) CHARGE: The ND Charge collects the funds required to restore the site when PG&E's nuclear power plants are removed from service, and applies to consumers in the service territory in which PG&E provided electricity services as of December 20, 1995. The ND Charge applies to all New Municipal Departing Load. The ND charge is separately shown in the consumer's OAS.
 7. REGULATORY ASSET (RA) CHARGE: The RA charge recovers the costs associated with the Regulatory Asset adopted by the Commission in Decision (D.) 03-12-035. The RA Charge is separately shown in the Consumer's OAS. On March 1, 2005, the Energy Cost Recovery Amount (ECRA) Charge superseded and replaced the RA Charge such that after March 1, 2005, consumers no longer incur additional RA Charges but instead incur ECRA Charges.
 8. ENERGY COST RECOVERY AMOUNT (ECRA) CHARGE: The ECRA Charge recovers the costs associated with the Energy Recovery Amount adopted by the Commission in D.04-11-015. The ECRA Charge is shown in the consumer's OAS. On March 1, 2005, the ECRA Charge superseded and replaced the RA Charge.

Deleted: The Ongoing CTC rate for 2007 is equal to \$0.00013 per kilowatt-hour.

Deleted: Historical Ongoing CTC rates are as follows:

Deleted: . CTC equaled \$0.00395 per kilowatt-hour.

Deleted: . There is no applicable Ongoing CTC rate in 2002 or 2003.

(Continued)

Advice Letter No. 3238-E-A
Decision No. 08-02-018

Issued by
Brian K. Cherry
Vice President
Regulatory Relations

Date Filed April 4, 2008
Effective May 1, 2008
Resolution No. _____

**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
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Applied Power Technologies	Energy Law Group LLP	R. M. Hairston & Company
APS Energy Services Co Inc	Energy Management Services, LLC	R. W. Beck & Associates
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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
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Braun & Associates	GLJ Energy Publications	Sequoia Union HS Dist
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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
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CLECA Law Office	Mirant California, LLC	
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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	