

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



February 27, 2009

**Advice Letter 3373-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: Routine Annual Advice Filing for Dedicated Rate Component  
Series 1 and Series 2 Charge True-up Mechanism**

Dear Mr. Cherry:

Advice Letter 3373-E is effective January 1, 2009.

Sincerely,

A handwritten signature in blue ink that reads "Julie A. Fitch".

Julie A. Fitch, Director  
Energy Division



December 5, 2008

**Advice 3373-E**  
**(Pacific Gas and Electric Company ID U 39 E)**

Public Utilities Commission of the State of California

Subject:       **Routine Annual Advice Filing for Dedicated Rate Component  
Series 1 and Series 2 Charge True-up Mechanism**

Pursuant to California Public Utilities Commission (CPUC) Decision (D.) 04-11-015 (Decision), Pacific Gas and Electric Company (PG&E), as servicer of the Energy Recovery Bonds (ERBs) and on behalf of PG&E Energy Recovery Funding LLC (PERF), hereby applies for adjustment to the Dedicated Rate Component (DRC) Charge for series 2005-1, classes A-2, A-3, A-4 and A-5 of the ERBs (DRC Series 1 Charge) and series 2005-2, classes A-1, A-2 and A-3 of the ERBs (DRC Series 2 Charge).

**Purpose**

This filing establishes a revised DRC Series 1 Charge and DRC Series 2 Charge for rate schedules for non-exempt consumers, as set forth in D.04-11-015.

**Background**

In D.03-12-035, which approved the plan for PG&E's emergence from bankruptcy, the Commission established a Regulatory Asset pertaining to PG&E liabilities incurred on behalf of its electric ratepayers during the power crisis of 2000 to 2001. The purpose of the Regulatory Asset, along with the other provisions of the bankruptcy-emergence plan approved by the Commission, was to enhance PG&E's fiscal soundness and allow it to emerge from bankruptcy as a creditworthy entity. In D.04-11-015, the Commission granted PG&E authority to issue ERBs to refinance the Regulatory Asset and associated federal and state income and franchise taxes, and consequently to reduce PG&E's electric rates.

ERBs are an asset-backed security; investors rely on the cash flows generated by a specific asset that was sold by PG&E to PERF, a Special Purpose Entity that issued the bonds secured by this asset. The asset that was sold is Recovery Property, a current property right that was created by Senate Bill 772 as a right to receive future revenues from a non-bypassable customer charge (the DRC Charge) that will cover debt service and all related ERB costs.

Series 2005-1 of the ERBs was issued on February 10, 2005; the initial DRC Series 1 Charge went into effect on March 1, 2005. Series 2005-2 of the ERBs was issued on November 9, 2005; the initial DRC Series 2 Charge went into effect on January 1, 2006.

In D.04-11-015, the Commission authorized PG&E to file Routine True-up Mechanism Advice Letters at least annually, and not more than quarterly, at least 15 days before the end of the calendar year for the annual filings and at least 15 days before the end of the quarter for the quarterly filings. These filings are intended to ensure that the actual revenues collected under the DRC Charges are neither more nor less than those required to repay the ERBs as scheduled. Routine True-up Mechanism Advice Letter filings are those where PG&E uses the method found reasonable by the Commission in D.04-11-015 to revise existing DRC Charges.

Using the method approved by the Commission in D.04-11-015, this filing modifies the variables used in the DRC Charge calculations and provides the resulting modified DRC Charges.

Table 1 shows the revised assumptions for each of the variables used in calculating the DRC Series 1 Charge and the DRC Series 2 Charge for non-exempt consumers. The assumptions underlying the current DRC Charges were filed on December 6, 2007, in Advice 3172-E, a Routine Annual True-Up Advice Filing, as authorized by D.04-11-015.

<b>TABLE 1</b> <b>Input Values For Revised DRC Series 1 Charge and DRC Series 2 Charge</b>	
Average monthly kWh sales to non-exempt consumers in 2009	7,328 GWh
Percent of revenue requirement allocated to non-exempt consumers	100% (NC)
Percent of non-exempt consumers' revenue written off	0% (NC)
Percent of non-exempt consumers' billed amounts expected to be uncollected	0.26%
Percent of billed amounts collected in current month	39.62%
Percent of billed amounts collected in second month after billing	55.59%
Percent of billed amounts collected in third month after billing	3.56%
Percent of billed amounts collected in fourth month after billing	0.53%
Percent of billed amounts collected in fifth month after billing	0.28%
Percent of billed amounts collected in sixth month after billing	0.16%
Percent of billed amounts remaining less uncollectibles	99.74%
<b>ERB Series 2005-1</b>	
Monthly ongoing transaction expenses	\$8,101
Expected ERB Series 2005-1 outstanding balance as of 12/25/09	\$810,116,479
Over- or undercollection of principal from previous DRC collections to be reflected in the new DRC charges	\$0.00
Reserve Subaccount balance to be reflected in the new DRC Series 1 Charge	\$0
Shortfalls in Required Subaccount Levels forecast as of 12/25/08:	
Overcollateralization Subaccount	\$82,367
Capital Subaccount	\$0
<b>ERB Series 2005-2</b>	
Monthly ongoing transaction expenses	\$0
Expected ERB Series 2005-2 outstanding balance as of 12/25/09	\$402,770,497
Over- or undercollection of principal from previous DRC collections to be reflected in the new DRC charges	\$0.00
Reserve Subaccount balance to be reflected in the new DRC Series 2 Charge	\$2,055,261
Shortfalls in Required Subaccount Levels forecast as of 12/25/08:	
Overcollateralization Subaccount	\$0
Capital Subaccount	\$0

Table 2 shows the revised DRC Series 1 Charge and DRC Series 2 Charge calculated for non-exempt consumers. The DRC Series 1 Charge is an increase from that in effect on January 1, 2008, 0.315 ¢/kWh. The DRC Series 2 Charge is an increase from that in effect on January 1, 2008, 0.164 ¢/kWh. The information used to calculate both the DRC Series 1 Charge and DRC Series 2 Charge is shown in Attachment 2.

<b>TABLE 2</b>	
Non-exempt Consumer DRC Series 1 Charge	0.337 ¢/kWh
Non-exempt Consumer DRC Series 2 Charge	0.166 ¢/kWh

Attachment 3 includes proposed changes to Part I of PG&E's Preliminary Statement to show the DRC Series 1 Charge and the DRC Series 2 Charge to be effective January 1, 2009. Rate tables that show the DRC Series 1 Charge and the DRC Series 2 Charge rate component with the affected rate schedules are not included in this filing. PG&E will consolidate all electric rate changes to be implemented on January 1, 2009, in final tariff form on or about the first of the year in its Annual Electric True-up Advice Letter.

### **Description of Attachments**

Attachment 1 to this advice filing presents the principal amortization schedule for the DRC Series 1 Charge and the DRC Series 2 Charge, applying the cash flow model specified in Appendix A of A.04-07-032, as modified by D.04-11-015.

Attachment 2 presents the revised DRC Series 1 Charge and DRC Series 2 Charge calculations.

Attachment 3 provides proposed changes to Parts I and DP of PG&E's Preliminary Statement.

### **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 **December 26, 2008**, which is 21 days after the date of this filing.<sup>1</sup> 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: [jjn@cpuc.ca.gov](mailto:jjn@cpuc.ca.gov) and [mas@cpuc.ca.gov](mailto: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.

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<sup>1</sup> The 20<sup>th</sup> day of the protest period is a holiday, therefore PG&E moves the protest end date to the following business day.

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**

In accordance with D.04-11-015, Annual Routine True-Up Mechanism Advice Letters for annual DRC Charge adjustments shall be filed at least 15 days before the end of each year and these adjustments to DRC Charges shall be effective at the beginning of the next quarter. No Commission resolution is required. Therefore, the DRC Series 1 Charge and the DRC Series 2 Charge shall be effective January 1, 2009.

### **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. 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>

A handwritten signature in cursive script that reads "Brian K. Cherry / DRC". The signature is written in black ink and is positioned above the typed name of the signatory.

Vice President - Regulatory Relations

Attachments

# 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) #: **3373-E**

**Tier: 2**

Subject of AL: Routine Annual Advice Filing for Dedicated Rate Component Series 1 and Series 2 Charge True-up Mechanism

Keywords (choose from CPUC listing): Compliance, Preliminary Statement

AL filing type:  Monthly  Quarterly  Annual  One-Time  Other \_\_\_\_\_

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: D.04-11-015

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:

Resolution Required?  Yes  No

Requested effective date: **January 1, 2009**

No. of tariff sheets: 5

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: Electric Preliminary Statements Part I and DP

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  
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**

# **ATTACHMENT 1**

## **Principal Amortization Schedule**



## Attachment 1, Continued

### Expected Principal Amount Amortization For ERB Series 2005-2

Payment Date	Class A1 Balance (\$)	Class A2 Balance (\$)	Class A3 Balance (\$)	Total
12/25/2008	30,697,709	372,000,000	121,461,000	524,158,709
3/25/2009	1,834,921	372,000,000	121,461,000	495,295,921
6/25/2009	-	345,832,174	121,461,000	467,293,174
9/25/2009	-	312,958,416	121,461,000	434,419,416
12/25/2009	-	281,309,497	121,461,000	402,770,497
3/25/2010	-	251,008,551	121,461,000	372,469,551
6/25/2010	-	221,427,192	121,461,000	342,888,192
9/25/2010	-	186,973,000	121,461,000	308,434,000
12/25/2010	-	153,716,268	121,461,000	275,177,268
3/25/2011	-	121,780,273	121,461,000	243,241,273
6/25/2011	-	90,575,138	121,461,000	212,036,138
9/25/2011	-	54,497,241	121,461,000	175,958,241
12/25/2011	-	19,582,161	121,461,000	141,043,161
3/25/2012	-	-	107,402,519	107,402,519
6/25/2012	-	-	74,476,859	74,476,859
9/25/2012	-	-	36,671,966	36,671,966
12/25/2012	-	-	-	0

## **ATTACHMENT 2**

**Amounts Receivable And Expected Principal Amount  
Amortization**

**Attachment 2**  
**Amounts Receivable And Expected Principal Amount Amortization**

**ERB Series 1**

The remaining total amount payable to the owner of the Recovery Property, or its assignee(s), after allocation of moneys held in the Collection Account on December 25, 2008, will be a \$1,058,229.11 principal amount, plus interest accruing on such principal amount from December 25, 2008, plus a forecast \$9,439,320 Capital Subaccount balance in addition to the \$4,180,551 held in the Overcollateralization Subaccount, plus other ongoing costs, less \$0 that then will be held in the Reserve Subaccount, to be obtained from the DRC Series 1 Charge calculated in accordance with D.04-11-015.

The DRC Series 1 Charge shall be adjusted from time to time, at least annually, via the DRC Charge True-Up Mechanism in accordance with D.04-11-015.

The following pages show the amounts scheduled to be paid by the Trustee from DRC Series 1 Charge revenues it has received. These payment amounts include principal plus interest, overcollateralization, and other ongoing costs.

**ERB Series 2**

The remaining total amount payable to the owner of the Recovery Property, or its assignee(s), after allocation of moneys held in the Collection Account on December 25, 2008, will be a \$524,158,709 principal amount, plus interest accruing on such principal amount from December 25, 2008, plus a forecast \$4,222,305 Capital Subaccount balance in addition to the \$1,720,198 held in the Overcollateralization Subaccount, plus other ongoing costs, less \$2,055,261 that then will be held in the Reserve Subaccount, to be obtained from the DRC Series 2 Charge calculated in accordance with D.04-11-015.

The DRC Series 2 Charge shall be adjusted from time to time, at least annually, via the DRC Charge True-Up Mechanism in accordance with D.04-11-015.

The following pages show the amounts scheduled to be paid by the Trustee from DRC Series 2 Charge revenues it has received. These payment amounts include principal plus interest, overcollateralization, and other ongoing costs.

Pacific Gas and Electric Company  
Attachment II  
Page 2 of 5  
Energy Recovery Bond Series 1

**Energy Recovery Bond ("ERB") Property Securitization Analysis** *Pacific Gas and Electric Company*

**Summary Bond Information**

Class	Avg. Life	Size	Approx. Duration	Benchmark Description	Total Spread	Benchmark Yield	Total Yield	Quarterly Coupons	Beginning Payment Window	Ending Payment Window	Expected Final Maturity
1	-	-	-	EDSF	-1	3.358%	3.348%	3.320%	-	-	-
2	2.9992	148,035,702.00	2.78	Swaps	1	3.885%	3.895%	3.870%	20	53	6/25/2009
3	4.9991	320,000,000.00	4.45	Swaps	3	4.139%	4.169%	4.140%	53	68	9/25/2010
4	6.4989	468,000,000.00	5.57	Swaps	11	4.284%	4.394%	4.370%	68	89	6/25/2012
5	7.6756	184,864,000.00	6.40	Swaps	11	4.385%	4.495%	4.470%	89	95	12/25/2012

**Summary DRC Information**

Years	Overall DRC Charge Forecast (cents/kWh)
1	0.39312
2	0.35001
3	0.34916
4	0.31515
5	0.33738
6	0.32835
7	0.32436
8	0.31980
9	0.00000
10	0.00000

**Assumptions**

Expected Final Month Billing Period	95
Overcollateralization building evenly at the per quarter amount of :	304,494.19
Overcollateralization Target (in Future Dollars) by End Target Month:	9,439,320.00
Initial Deposit in Equity Account:	9,439,320.00
Servicing Fee (per annum):	0.090%
Trustee and Admin Fees (per a	105,000.00

**Base Case Collections Account Curves**

Collection Period	Overall	Date	Calculated DRC	Original DRC	Difference
30 days	39.62%	12/25/2008	0.33738	0.34786	-0.01049
60 days	55.59%	9/25/2005	0.39312	0.39312	0.00000
90 days	3.56%				
120 days	0.53%				
150 days	0.28%				
180 days	0.16%				

**Pacific Gas and Electric Company  
Attachment II  
Page 3 of 5  
Energy Recovery Bonds Series I**

Period	Date	Monthly Revenues	Collection Account	Servicing Fee	BOP OC Account	BOP SPE Account	Available Funds	A1 BOP Bal	A2 BOP Bal	A3 BOP Bal	A4 BOP Bal	A5 BOP Bal	A6 BOP Bal	Total BOP Bal
47	12/25/2008	22,281,420	74,921,618	424,769	4,262,919	9,439,320	74,453,098	-	148,035,702	320,000,000	468,000,000	184,864,000	-	1,120,899,702
48	1/25/2009	22,289,919	-	-	4,122,426	9,439,320	22,289,919	-	85,365,112	320,000,000	468,000,000	184,864,000	-	1,058,229,112
49	2/25/2009	22,998,859	-	-	4,122,426	9,439,320	45,288,778	-	85,365,112	320,000,000	468,000,000	184,864,000	-	1,058,229,112
50	3/25/2009	23,351,756	68,640,534	424,769	4,122,426	9,439,320	68,172,015	-	85,365,112	320,000,000	468,000,000	184,864,000	-	1,058,229,112
51	4/25/2009	22,977,557	-	-	1,243,566	9,439,320	22,977,557	-	25,630,899	320,000,000	468,000,000	184,864,000	-	998,494,899
52	5/25/2009	22,771,848	-	-	1,243,566	9,439,320	45,749,406	-	25,630,899	320,000,000	468,000,000	184,864,000	-	998,494,899
53	6/25/2009	23,444,911	69,194,316	424,769	1,243,566	9,439,320	68,725,797	-	25,630,899	320,000,000	468,000,000	184,864,000	-	998,494,899
54	7/25/2009	24,894,349	-	-	2,358,282	9,439,320	24,894,349	-	-	288,758,553	468,000,000	184,864,000	-	941,622,553
55	8/25/2009	26,778,701	-	-	2,358,282	9,439,320	51,673,050	-	-	288,758,553	468,000,000	184,864,000	-	941,622,553
56	9/25/2009	27,809,513	79,482,563	424,769	2,358,282	9,439,320	79,014,043	-	-	288,758,553	468,000,000	184,864,000	-	941,622,553
57	10/25/2009	27,022,802	-	-	4,833,238	9,439,320	27,022,802	-	-	222,386,872	468,000,000	184,864,000	-	875,250,872
58	11/25/2009	25,241,988	-	-	4,833,238	9,439,320	52,264,791	-	-	222,386,872	468,000,000	184,864,000	-	875,250,872
59	12/25/2009	23,770,732	76,035,523	424,769	4,833,238	9,439,320	75,567,003	-	-	222,386,872	468,000,000	184,864,000	-	875,250,872
60	1/25/2010	23,727,992	-	-	5,785,390	9,439,320	23,727,992	-	-	157,252,479	468,000,000	184,864,000	-	810,116,479
61	2/25/2010	23,624,739	-	-	5,785,390	9,439,320	47,552,731	-	-	157,252,479	468,000,000	184,864,000	-	810,116,479
62	3/25/2010	23,210,175	70,562,906	424,769	5,785,390	9,439,320	70,094,387	-	-	157,252,479	468,000,000	184,864,000	-	810,116,479
63	4/25/2010	22,809,642	-	-	4,757,564	9,439,320	22,809,642	-	-	94,936,586	468,000,000	184,864,000	-	747,800,586
64	5/25/2010	22,583,433	-	-	4,757,564	9,439,320	45,393,075	-	-	94,936,586	468,000,000	184,864,000	-	747,800,586
65	6/25/2010	23,214,484	68,607,559	424,769	4,757,564	9,439,320	68,139,040	-	-	94,936,586	468,000,000	184,864,000	-	747,800,586
66	7/25/2010	24,604,470	-	-	5,289,088	9,439,320	24,604,470	-	-	35,490,418	468,000,000	184,864,000	-	688,354,418
67	8/25/2010	26,462,589	-	-	5,289,088	9,439,320	51,067,059	-	-	35,490,418	468,000,000	184,864,000	-	688,354,418
68	9/25/2010	27,497,945	78,565,005	424,769	5,289,088	9,439,320	78,096,485	-	-	35,490,418	468,000,000	184,864,000	-	688,354,418
69	10/25/2010	26,714,155	-	-	6,698,872	9,439,320	26,898,367	-	-	-	434,534,010	184,864,000	-	619,398,010
70	11/25/2010	24,957,320	-	-	6,698,872	9,439,320	51,855,687	-	-	-	434,534,010	184,864,000	-	619,398,010
71	12/25/2010	23,501,004	75,356,690	424,769	6,698,872	9,439,320	74,888,171	-	-	-	434,534,010	184,864,000	-	619,398,010
72	1/25/2011	23,457,102	-	-	7,003,366	9,439,320	23,457,102	-	-	-	366,763,472	184,864,000	-	551,627,472
73	2/25/2011	23,488,290	-	-	7,003,366	9,439,320	46,945,392	-	-	-	366,763,472	184,864,000	-	551,627,472
74	3/25/2011	23,261,672	70,207,064	424,769	7,003,366	9,439,320	69,738,545	-	-	-	366,763,472	184,864,000	-	551,627,472
75	4/25/2011	22,868,168	-	-	5,592,631	9,439,320	22,868,168	-	-	-	301,686,938	184,864,000	-	486,550,938
76	5/25/2011	22,637,477	-	-	5,592,631	9,439,320	45,505,644	-	-	-	301,686,938	184,864,000	-	486,550,938
77	6/25/2011	23,253,235	68,758,879	424,769	5,592,631	9,439,320	68,290,360	-	-	-	301,686,938	184,864,000	-	486,550,938
78	7/25/2011	24,627,954	-	-	6,276,028	9,439,320	24,627,954	-	-	-	239,441,761	184,864,000	-	424,305,761
79	8/25/2011	26,485,601	-	-	6,276,028	9,439,320	51,113,554	-	-	-	239,441,761	184,864,000	-	424,305,761
80	9/25/2011	27,526,669	78,640,223	424,769	6,276,028	9,439,320	78,171,704	-	-	-	239,441,761	184,864,000	-	424,305,761
81	10/25/2011	26,747,528	-	-	7,916,849	9,439,320	26,790,640	-	-	-	167,635,746	184,864,000	-	352,499,746
82	11/25/2011	25,001,219	-	-	7,916,849	9,439,320	51,791,859	-	-	-	167,635,746	184,864,000	-	352,499,746
83	12/25/2011	23,553,036	75,344,894	424,769	7,916,849	9,439,320	74,876,375	-	-	-	167,635,746	184,864,000	-	352,499,746
84	1/25/2012	23,521,194	-	-	8,221,343	9,439,320	23,521,194	-	-	-	96,961,141	184,864,000	-	281,825,141
85	2/25/2012	23,536,508	-	-	8,221,343	9,439,320	47,057,702	-	-	-	96,961,141	184,864,000	-	281,825,141
86	3/25/2012	23,275,554	70,333,256	424,769	8,221,343	9,439,320	69,864,737	-	-	-	96,961,141	184,864,000	-	281,825,141
87	4/25/2012	22,874,111	-	-	6,896,334	9,439,320	22,874,111	-	-	-	28,896,551	184,864,000	-	213,760,551
88	5/25/2012	22,637,940	-	-	6,896,334	9,439,320	45,512,051	-	-	-	28,896,551	184,864,000	-	213,760,551
89	6/25/2012	23,239,882	68,751,933	424,769	6,896,334	9,439,320	68,283,414	-	-	-	28,896,551	184,864,000	-	213,760,551
90	7/25/2012	24,601,489	-	-	7,581,411	9,439,320	24,601,489	-	-	-	-	148,543,764	-	148,543,764
91	8/25/2012	26,452,966	-	-	7,581,411	9,439,320	51,054,454	-	-	-	-	148,543,764	-	148,543,764
92	9/25/2012	27,493,608	78,548,062	424,769	7,581,411	9,439,320	78,079,543	-	-	-	-	148,543,764	-	148,543,764
93	10/25/2012	26,728,566	-	-	9,134,826	9,439,320	26,793,391	-	-	-	-	73,742,437	-	73,742,437
94	11/25/2012	24,994,084	-	-	9,134,826	9,439,320	51,787,475	-	-	-	-	73,742,437	-	73,742,437
95	12/25/2012	23,552,048	75,339,523	424,769	9,134,826	9,439,320	74,871,003	-	-	-	-	73,742,437	-	73,742,437

Pacific Gas and Electric Company  
Attachment II  
Page 4 of 5  
Energy Recovery Bonds Series 2

**Energy Recovery Bond ("ERB Series 2") Property Securitization Analysis *Pacific Gas and Electric Company***

*Summary Bond Information*

Class	Avg. Life	Size	Approx. Duration	Benchmark Description	Total Spread	Benchmark Yield	Total Yield	Quarterly Coupons	Beginning Payment Window	Ending Payment Window	Expected Final Maturity
1	2.0031	61,075,974.00	1.86	Swaps	-3	4.898%	4.868%	4.850%	6	42	6/25/2009
2	4.9985	372,000,000.00	4.33	Swaps	2	5.038%	5.058%	5.030%	42	75	3/25/2012
3	6.8276	121,461,000.00	5.67	Swaps	6	5.091%	5.151%	5.120%	75	84	12/25/2012

*Summary DRC Information*

Years	Overall DRC Charge Forecast (cents/kWh)
1	0.20915
2	0.16613
3	0.16361
4	0.16556
5	0.16544
6	0.16277
7	0.16058
8	0.00000
9	0.00000
10	0.00000

*Assumptions*

Expected Final Month Billing Period	84
Overcollateralization building evenly at the per quarter amount of :	156,381.67
Overcollateralization Target (in Future Dollars) by End Target Month:	4,222,305.00
Initial Deposit in Equity Account:	4,222,305.00
Servicing Fee (per annum):	0.090%
Trustee and Admin Fees (per am	35,000.00

*Base Case Collections Account Curves*

Collection Period	Overall	Results			
		Date	Calculated DRC	Original DRC	Difference
30 days	39.62%	12/25/2008	0.16556	0.17342	-0.00786
60 days	55.59%				
90 days	3.56%				
120 days	0.53%				
150 days	0.28%				
180 days	0.16%				
Uncollectible	0.260%				

Pacific Gas and Electric Company  
Attachment II  
Page 5 of 5  
Energy Recovery Bonds Series 2

Period	Date	Monthly Revenues	Collection Account	Servicing Fee	BOP OC Account	BOP SPE Account	Available Funds	A1 BOP Bal	A2 BOP Bal	A3 BOP Bal	A4 BOP Bal	A5 BOP Bal	A6 BOP Bal	Total BOP Bal
36	12/25/2008	11,602,315	39,753,684	190,004	1,563,817	4,222,305	39,554,930	61,075,974	372,000,000	121,461,000	-	-	-	554,536,974
37	1/25/2009	11,572,036	-	-	1,720,198	4,222,305	13,619,173	30,697,709	372,000,000	121,461,000	-	-	-	524,158,709
38	2/25/2009	11,674,351	-	-	1,720,198	4,222,305	25,293,524	30,697,709	372,000,000	121,461,000	-	-	-	524,158,709
39	3/25/2009	11,488,285	36,781,808	190,004	1,720,198	4,222,305	36,583,055	30,697,709	372,000,000	121,461,000	-	-	-	524,158,709
40	4/25/2009	11,281,670	-	-	1,876,580	4,222,305	12,240,744	1,834,921	372,000,000	121,461,000	-	-	-	495,295,921
41	5/25/2009	11,177,356	-	-	1,876,580	4,222,305	23,418,099	1,834,921	372,000,000	121,461,000	-	-	-	495,295,921
42	6/25/2009	11,505,859	34,923,958	190,004	1,876,580	4,222,305	34,725,204	1,834,921	372,000,000	121,461,000	-	-	-	495,295,921
43	7/25/2009	12,216,087	-	-	2,032,962	4,222,305	12,527,315	-	345,832,174	121,461,000	-	-	-	467,293,174
44	8/25/2009	13,140,772	-	-	2,032,962	4,222,305	25,668,086	-	345,832,174	121,461,000	-	-	-	467,293,174
45	9/25/2009	13,646,609	39,314,695	190,004	2,032,962	4,222,305	39,115,941	-	345,832,174	121,461,000	-	-	-	467,293,174
46	10/25/2009	13,260,556	-	-	2,189,343	4,222,305	13,442,818	-	312,958,416	121,461,000	-	-	-	434,419,416
47	11/25/2009	12,386,680	-	-	2,189,343	4,222,305	25,829,498	-	312,958,416	121,461,000	-	-	-	434,419,416
48	12/25/2009	11,664,709	37,494,207	190,004	2,189,343	4,222,305	37,295,453	-	312,958,416	121,461,000	-	-	-	434,419,416
49	1/25/2010	11,643,736	-	-	2,345,725	4,222,305	11,643,736	-	281,309,497	121,461,000	-	-	-	402,770,497
50	2/25/2010	11,714,551	-	-	2,345,725	4,222,305	23,358,286	-	281,309,497	121,461,000	-	-	-	402,770,497
51	3/25/2010	11,680,198	35,038,485	190,004	2,345,725	4,222,305	34,839,731	-	281,309,497	121,461,000	-	-	-	402,770,497
52	4/25/2010	11,489,604	-	-	1,792,342	4,222,305	11,489,604	-	251,008,551	121,461,000	-	-	-	372,469,551
53	5/25/2010	11,377,285	-	-	1,792,342	4,222,305	22,866,889	-	251,008,551	121,461,000	-	-	-	372,469,551
54	6/25/2010	11,696,114	34,563,003	190,004	1,792,342	4,222,305	34,364,249	-	251,008,551	121,461,000	-	-	-	372,469,551
55	7/25/2010	12,396,960	-	-	1,864,098	4,222,305	12,396,960	-	221,427,192	121,461,000	-	-	-	342,888,192
56	8/25/2010	13,333,174	-	-	1,864,098	4,222,305	25,730,134	-	221,427,192	121,461,000	-	-	-	342,888,192
57	9/25/2010	13,854,838	39,584,971	190,004	1,864,098	4,222,305	39,386,218	-	221,427,192	121,461,000	-	-	-	342,888,192
58	10/25/2010	13,459,925	-	-	2,456,976	4,222,305	13,459,925	-	186,973,000	121,461,000	-	-	-	308,434,000
59	11/25/2010	12,574,744	-	-	2,456,976	4,222,305	26,034,669	-	186,973,000	121,461,000	-	-	-	308,434,000
60	12/25/2010	11,840,979	37,875,647	190,004	2,456,976	4,222,305	37,676,894	-	186,973,000	121,461,000	-	-	-	308,434,000
61	1/25/2011	11,818,859	-	-	2,971,252	4,222,305	11,818,859	-	153,716,268	121,461,000	-	-	-	275,177,268
62	2/25/2011	11,815,579	-	-	2,971,252	4,222,305	23,634,439	-	153,716,268	121,461,000	-	-	-	275,177,268
63	3/25/2011	11,674,969	35,309,407	190,004	2,971,252	4,222,305	35,110,654	-	153,716,268	121,461,000	-	-	-	275,177,268
64	4/25/2011	11,475,779	-	-	2,658,227	4,222,305	11,475,779	-	121,780,273	121,461,000	-	-	-	243,241,273
65	5/25/2011	11,359,763	-	-	2,658,227	4,222,305	22,835,542	-	121,780,273	121,461,000	-	-	-	243,241,273
66	6/25/2011	11,668,617	34,504,159	190,004	2,658,227	4,222,305	34,305,405	-	121,780,273	121,461,000	-	-	-	243,241,273
67	7/25/2011	12,358,378	-	-	2,672,410	4,222,305	12,358,378	-	90,575,138	121,461,000	-	-	-	212,036,138
68	8/25/2011	13,290,550	-	-	2,672,410	4,222,305	25,648,928	-	90,575,138	121,461,000	-	-	-	212,036,138
69	9/25/2011	13,812,961	39,461,889	190,004	2,672,410	4,222,305	39,263,136	-	90,575,138	121,461,000	-	-	-	212,036,138
70	10/25/2011	13,421,986	-	-	3,163,966	4,222,305	13,421,986	-	54,497,241	121,461,000	-	-	-	175,958,241
71	11/25/2011	12,545,683	-	-	3,163,966	4,222,305	25,967,669	-	54,497,241	121,461,000	-	-	-	175,958,241
72	12/25/2011	11,818,981	37,786,650	190,004	3,163,966	4,222,305	37,587,896	-	54,497,241	121,461,000	-	-	-	175,958,241
73	1/25/2012	11,803,002	-	-	3,596,778	4,222,305	11,803,002	-	19,582,161	121,461,000	-	-	-	141,043,161
74	2/25/2012	11,813,617	-	-	3,596,778	4,222,305	23,616,620	-	19,582,161	121,461,000	-	-	-	141,043,161
75	3/25/2012	11,686,746	35,303,365	190,004	3,596,778	4,222,305	35,104,612	-	19,582,161	121,461,000	-	-	-	141,043,161
76	4/25/2012	11,485,441	-	-	3,259,802	4,222,305	11,485,441	-	107,402,519	121,461,000	-	-	-	107,402,519
77	5/25/2012	11,366,894	-	-	3,259,802	4,222,305	22,852,335	-	107,402,519	121,461,000	-	-	-	107,402,519
78	6/25/2012	11,669,162	34,521,496	190,004	3,259,802	4,222,305	34,322,743	-	107,402,519	121,461,000	-	-	-	107,402,519
79	7/25/2012	12,352,861	-	-	3,282,132	4,222,305	12,352,861	-	74,476,859	121,461,000	-	-	-	74,476,859
80	8/25/2012	13,282,522	-	-	3,282,132	4,222,305	25,635,383	-	74,476,859	121,461,000	-	-	-	74,476,859
81	9/25/2012	13,805,048	39,440,431	190,004	3,282,132	4,222,305	39,241,677	-	74,476,859	121,461,000	-	-	-	74,476,859
82	10/25/2012	13,420,906	-	-	3,765,612	4,222,305	13,420,906	-	36,671,966	121,461,000	-	-	-	36,671,966
83	11/25/2012	12,549,990	-	-	3,765,612	4,222,305	25,970,896	-	36,671,966	121,461,000	-	-	-	36,671,966
84	12/25/2012	11,825,918	37,796,814	190,004	3,765,612	4,222,305	37,598,060	-	36,671,966	121,461,000	-	-	-	36,671,996

**ATTACHMENT 3  
Advice 3373-E**

<b>Cal P.U.C. Sheet No.</b>	<b>Title of Sheet</b>	<b>Cancelling Cal P.U.C. Sheet No.</b>
27854-E	ELECTRIC PRELIMINARY STATEMENT PART I RATE SCHEDULE SUMMARY Sheet 2	27778-E
27855-E	ELECTRIC PRELIMINARY STATEMENT PART DP DEDICATED RATE COMPONENT Sheet 2	26737-E
27856-E	ELECTRIC TABLE OF CONTENTS Sheet 1	27812-E
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**ELECTRIC PRELIMINARY STATEMENT PART I**  
**RATE SCHEDULE SUMMARY**

Sheet 2

I. Rate Summary (Cont'd.)

The following rates are used to separate billed revenue for accounting purposes. (Cont'd.)

Billed Component	Subcomponent	Applicability	Rate (per kWh)	
Public Purpose Programs	Procurement Energy Efficiency Revenue Adjustment Mechanism	All rate schedules, all customers.	\$0.00252	
Generation	Procurement Transaction Auditing Account	All rate schedules, all bundled service customers.	\$0.00000	
Generation	Power Charge Collection Balancing Account (PCCBA)	Core rate schedules: residential, small light and power, agriculture, and streetlights, all bundled service customers.	\$0.01294	
Generation	Power Charge Collection Balancing Account (PCCBA)	Noncore rate schedules: all remaining schedules, all bundled service customers.	\$0.00620	
Generation	Energy Resource Recovery Account (ERRA)	All rate schedules, all bundled service customers.	\$0.05700	
Generation	DWR Franchise Fees	All rate schedules, all bundled service customers.	\$0.00010	
Generation	Regulatory Asset Tax Balancing Account (RATBA)	All rate schedules, all bundled service customers.	\$0.00000	
Generation	Headroom Account (HA)	All rate schedules, all bundled service customers.	\$0.00000	
Energy Cost Recovery Amount	Energy Recovery Bond Dedicated Rate Component (DRC) Charge - Series 1	All rate schedules, all customers.	\$0.00337	(I)
Energy Cost Recovery Amount	Energy Recovery Bond Dedicated Rate Component (DRC) Charge - Series 2	All rate schedules, all customers.	\$0.00166	(I)
Energy Cost Recovery Amount	Energy Recovery Bond Balancing Account	All rate schedules, all customers.	(\$0.00161)	
Power Charge Indifference Adjustment	DWR Franchise Fees	Non-bundled customers, where applicable	\$0.00004	

Advice Letter No: 3373-E  
 Decision No. 04-11-015

Issued by  
**Brian K. Cherry**  
 Vice President  
 Regulatory Relations

Date Filed December 5, 2008  
 Effective January 1, 2009  
 Resolution No. \_\_\_\_\_



**ELECTRIC PRELIMINARY STATEMENT PART DP**  
**DEDICATED RATE COMPONENT**

Sheet 2

DP. DEDICATED RATE COMPONENT (DRC) (Cont'd.)

4. DRC CHARGE ADJUSTMENTS: PG&E will file a Routine True-Up Mechanism Advice Letter one or more times per year as identified in the IAL and the Financing Order to adjust the DRC charge for each series of ERBs. The purpose of the adjustment is to ensure that DRC charge revenues are sufficient to make remittances of DRC charge collections to the Bond Trustee in amounts sufficient to make scheduled payments and deposits required under the indenture pursuant to which the series of ERBs is issued. The adjustment will be based on the following: (1) the most recent test-year sales; (2) the test-year projected amortization schedule; (3) estimated administrative fees and expenses; (4) an adjustment to reflect collections from the prior period; and (5) changes to projected uncollectibles. The advice letter will be filed at least 15 days before the end of the quarter and will adjust the DRC charge for each series of ERBs issued and become effective on the 1st day of the following calendar quarter.

In addition to the routine revisions to be effective on January 1 each year, PG&E may also make changes to the DRC charge based on changes to the cash flow model not specified above. In this case, PG&E will file a Non-Routine True-Up Mechanism Advice Letter no later than 90 days before the end of any calendar quarter and request that the revised DRC charge become effective in 90 days at the beginning of the next calendar quarter.

5. DRC Charge:

	<u>(cents/kWh)</u>
ERB Series 1.....	0.337 (l)
ERB Series 2.....	0.166 (l)



**ELECTRIC TABLE OF CONTENTS**

Sheet 1

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Advice Letter No: 3373-E  
 Decision No. 04-11-015

Issued by  
**Brian K. Cherry**  
 Vice President  
 Regulatory Relations

Date Filed December 5, 2008  
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**PRELIMINARY STATEMENT**

Sheet 6

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**PRELIMINARY STATEMENT**

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(T)

(Continued)

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

Aglet	Department of the Army	Northern California Power Association
Agnews Developmental Center	Dept of General Services	Occidental Energy Marketing, Inc.
Alcantar & Kahl	Division of Business Advisory Services	OnGrid Solar
Ancillary Services Coalition	Douglas & Liddell	PPL EnergyPlus, LLC
Anderson & Poole	Douglass & Liddell	Pinnacle CNG Company
Arizona Public Service Company	Downey & Brand	Praxair
BART	Duke Energy	R. W. Beck & Associates
BP Energy Company	Duncan, Virgil E.	RCS, Inc.
Barkovich & Yap, Inc.	Dutcher, John	RMC Lonestar
Bartle Wells Associates	Ellison Schneider & Harris LLP	Recon Research
Blue Ridge Gas	Energy Management Services, LLC	SCD Energy Solutions
Braun & Associates	FPL Energy Project Management, Inc.	SCE
C & H Sugar Co.	Foster Farms	SESCO
CA Bldg Industry Association	Foster, Wheeler, Martinez	SMUD
CAISO	Franciscan Mobilehome	SPURR
CLECA Law Office	G. A. Krause & Assoc.	Santa Fe Jets
CSC Energy Services	GLJ Publications	Seattle City Light
California Cotton Ginners & Growers Assn	Goodin, MacBride, Squeri, Schlotz & Ritchie	Sempra Utilities
California Energy Commission	Green Power Institute	Sequoia Union HS Dist
California League of Food Processors	Hanna & Morton	Sierra Pacific Power Company
California Public Utilities Commission	Heeg, Peggy A.	Silicon Valley Power
Calpine	Hitachi	Smurfit Stone Container Corp
Cameron McKenna	Hogan Manufacturing, Inc.	Southern California Edison Company
Cardinal Cogen	Imperial Irrigation District	St. Paul Assoc.
Casner, Steve	Innercite	Sunshine Design
Cerox	International Power Technology	Sutherland, Asbill & Brennan
Chamberlain, Eric	Intestate Gas Services, Inc.	TFS Energy
Chevron Company	J. R. Wood, Inc.	Tabors Caramanis & Associates
Chris, King	JTM, Inc.	Tecogen, Inc.
City of Glendale	Los Angeles Dept of Water & Power	Tiger Natural Gas, Inc.
City of Palo Alto	Luce, Forward, Hamilton & Scripps LLP	Tioga Energy
City of San Jose	MBMC, Inc.	TransCanada
	MRW & Associates	Turlock Irrigation District

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

<b>Clean Energy Fuels</b>	<b>Manatt Phelps Phillips</b>	<b>U S Borax, Inc.</b>
<b>Coast Economic Consulting</b>	<b>Matthew V. Brady &amp; Associates</b>	<b>United Cogen</b>
<b>Commerce Energy</b>	<b>McKenzie &amp; Associates</b>	<b>Utility Cost Management</b>
<b>Commercial Energy</b>	<b>Meek, Daniel W.</b>	<b>Utility Resource Network</b>
<b>Constellation</b>	<b>Merced Irrigation District</b>	<b>Utility Specialists</b>
<b>Constellation New Energy</b>	<b>Mirant</b>	<b>Vandenberg Air Force</b>
<b>Consumer Federation of California</b>	<b>Modesto Irrigation District</b>	<b>Verizon</b>
<b>Crossborder Energy</b>	<b>Morgan Stanley</b>	<b>Wellhead Electric Company</b>
<b>Davis Wright Tremaine LLP</b>	<b>Morrison &amp; Foerster</b>	<b>Western Manufactured Housing Communities Association (WMA)</b>
<b>Day Carter Murphy</b>	<b>New United Motor Mfg., Inc.</b>	<b>White &amp; Case</b>
<b>Defense Energy Support Center</b>	<b>Norris &amp; Wong Associates</b>	<b>eMeter Corporation</b>
<b>Department of Water Resources</b>	<b>North Coast SolarResources</b>	