

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



September 23, 2009

**Advice Letters 2979-G/3375-E  
2979-G-A/3375-E-A**

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

**Subject: Request for Approval to Adjust the Year (PY) 2009-2011 Gas and Electric Low Income Energy Efficiency (LIEE) Expense Ratio and Budget Allocation Factors and Supplemental Filing**

Dear Mr. Cherry:

Advice Letters 2979-G/3375-E and 2979-G-A/3375-E-A are effective January 11, 2009.

Sincerely,

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

Julie A. Fitch, Director  
Energy Division



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

Pacific Gas and Electric Company  
77 Beale St., Mail Code B10C  
P.O. Box 770000  
San Francisco, CA 94177

415.973.4977  
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December 12, 2008

**Advice 2979-G/3375-E**  
(Pacific Gas and Electric Company ID U 39 M)

Public Utilities Commission of the State of California

**Subject: Request for Approval to Adjust the Year (PY) 2009-2011 Gas and Electric Low Income Energy Efficiency (LIEE) Expense Ratio and Budget Allocation Factors**

**Purpose**

Pacific Gas and Electric Company (PG&E) hereby requests Commission approval to adjust the gas and electric LIEE program expense ratios and budget allocation factors so as to promote the efficient and effective implementation of the LIEE program.

**Background**

On May 15, 2008, PG&E filed A.08-05-022, for the 2009 – 2011 LIEE and CARE Programs. In this application, PG&E proposed an expense ratio and budget allocation factors of 38% gas and 62% electric. This ratio was based on a forecast of the cost of proposed gas and electric LIEE measures to be installed for PG&E's customers in the 2009-2011 program period. PG&E based its LIEE Program and therefore its expense ratio and budget allocation factors on a 'tiered' approach, meaning that PG&E proposed to install more measures in homes with higher energy usage and fewer measures in homes with lower energy usage.

On November 6, 2008, the Commission issued D.08-11-031. The decision issued several directives which impacted the LIEE Program expense ratio and budget allocation proposed by PG&E. Ordering Paragraph (OP) 15 orders "The IOUs shall install all feasible measures for all eligible LIEE customers." In addition, in OP 40, the Commission ... "set a maximum \$6.90 per installed bulb cost that is the same across IOUs." This is less than the cost assumed by PG&E when estimating the LIEE budget. The result of both of these directives is the expense ratio and budget allocation factors for PG&E's 2009-2011 LIEE program are 41% for gas and 59% for electric.

**PG&E Gas and Electric PY 2009-2011 LIEE Budgets**

	2009	2010	2011
Total LIEE Budget without NGAT	\$ 109,056,366	\$ 151,067,347	\$ 156,789,038
<b>Gas</b>			
Gas Budgets as Approved in D.08-11-031 (38%)	\$ 41,441,419	\$ 57,405,592	\$ 59,579,834
Requested Gas Budgets (41%)	<b>\$ 44,713,110</b>	<b>\$ 61,937,612</b>	<b>\$ 64,283,506</b>
Difference	\$ 3,271,691	\$ 4,532,020	\$ 4,703,671
<b>Electric</b>			
Electric Budgets as Approved in D.08-11-031 (62%)	\$ 67,614,947	\$ 93,661,755	\$ 97,209,204
Requested Electric Budgets (59%)	<b>\$ 64,343,256</b>	<b>\$ 89,129,735</b>	<b>\$ 92,505,532</b>
Difference	\$ (3,271,691)	\$ (4,532,020)	\$ (4,703,671)

As shown in the table above, these changes result in an increase to the 2009 gas budget of \$3.3 million and a corresponding decrease to the 2009 electric budget. To implement this change, PG&E proposes to modify the percentage allocation between gas and electric to 41% and 59% respectively and record the adjusted 2009 budgets and revenue requirements to their respective accounts. Consequently, any over or undercollection will be recorded in the LIEE gas and electric balancing accounts and will be incorporated into rates in the 2010 Annual Electric True-up for electric customers and the 2010 Public Purpose Program Gas Surcharge Advice Letter for gas customers.

**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 **January 2, 2009** 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](mailto:ijnj@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.

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](mailto:PGETariffs@pge.com)

### **Effective Date**

PG&E requests that this advice filing become effective on regular notice, **January 11, 2009**, 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. 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](mailto:PGETariffs@pge.com). Advice letter filings can also be accessed electronically at: <http://www.pge.com/tariffs>



Vice President, Regulatory Relations

# 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 (ID39E)

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) #: 2979-G/3375-E

Subject of AL: Request for Approval to Adjust the Year (PY) 2009-2011 Gas and Electric Low Income Energy Efficiency (LIEE) Expense Ratio and Budget Allocation Factors

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: N/A

Resolution

Required?  Yes  No

Requested effective date: 01-11-09

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:

Pending advice letters that revise the same tariff sheets: N/A

**Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:**

**CPUC, Energy Division**

**Attention: Tariff Unit**

**505 Van Ness Ave.,**

**San Francisco, CA 94102**

[mas@cpuc.ca.gov](mailto:mas@cpuc.ca.gov) and [jnj@cpuc.ca.gov](mailto:jnj@cpuc.ca.gov)

**Utility Info (including e-mail)**

**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](mailto:PGETariffs@pge.com)**

**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
	Goodin, MacBride, Squeri, Schlotz & Ritchie	Sempra Utilities
California Cotton Ginners & Growers Assn	Green Power Institute	Sequoia Union HS Dist
California Energy Commission	Hanna & Morton	Sierra Pacific Power Company
California League of Food Processors	Heeg, Peggy A.	Silicon Valley Power
California Public Utilities Commission	Hitachi	Smurfit Stone Container Corp
Calpine	Hogan Manufacturing, Inc.	Southern California Edison Company
Cameron McKenna	Imperial Irrigation District	St. Paul Assoc.
Cardinal Cogen	Innercite	Sunshine Design
Casner, Steve	International Power Technology	Sutherland, Asbill & Brennan
Cerox	Intestate Gas Services, Inc.	TFS Energy
Chamberlain, Eric	J. R. Wood, Inc.	Tabors Caramanis & Associates
Chevron Company	JTM, Inc.	Tecogen, Inc.
Chris, King	Los Angeles Dept of Water & Power	Tiger Natural Gas, Inc.
City of Glendale	Luce, Forward, Hamilton & Scripps LLP	Tioga Energy
City of Palo Alto	MBMC, Inc.	TransCanada
City of San Jose	MRW & Associates	Turlock Irrigation District
Clean Energy Fuels	Manatt Phelps Phillips	U S Borax, Inc.
Coast Economic Consulting	Matthew V. Brady & Associates	United Cogen
Commerce Energy	McKenzie & Associates	Utility Cost Management
Commercial Energy	Meek, Daniel W.	Utility Resource Network
Constellation	Merced Irrigation District	Utility Specialists
Constellation New Energy	Mirant	Vandenberg Air Force
Consumer Federation of California	Modesto Irrigation District	Verizon
Crossborder Energy	Morgan Stanley	Wellhead Electric Company
Davis Wright Tremaine LLP	Morrison & Foerster	Western Manufactured Housing Communities Association (WMA)
		White & Case
Day Carter Murphy	New United Motor Mfg., Inc.	eMeter Corporation
Defense Energy Support Center	Norris & Wong Associates	
Department of Water Resources	North Coast SolarResources	