

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



April 23, 2009

**Advice Letter 3436-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: Revisions to the SmartMeter™ Balancing Account – Electric  
(SBA-E) Language (Preliminary Statement EI)**

Dear Mr. Cherry:

Advice Letter 3436-E is effective April 15, 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  
Fax: 415.973.7226

March 16, 2009

**Advice 3436-E**  
(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

**Subject: Revisions to the SmartMeter™ Balancing Account – Electric (SBA-E) Language (Preliminary Statement EI)**

Pacific Gas and Electric Company (PG&E) hereby submits for filing revisions to its electric tariffs. The affected tariff sheets are listed on the enclosed Attachment 1.

**Purpose**

On February 20, 2009, the California Public Utilities Commission (CPUC or the Commission) approved recovery of costs associated with the SmartMeter™ Program Upgrade in Decision (D.) 09-03-026. PG&E is filing revised language for the SBA-E account to allow for recovery of these amounts. A revised Preliminary Statement EI is included in this advice letter as Attachment 1.

**Background**

In D.06-07-027, the Commission approved PG&E's SmartMeter™ Project and its associated cost recovery through the SmartMeter™ Project Balancing Account-Electric (SBA-E). In D.09-03-026, the Commission approved PG&E's Application (A.)07-12-009 for the SmartMeter™ Program Upgrade, cost recovery of the SmartMeter™ Program Upgrade Memorandum Account (SPUMA) balance through a transfer to the SBA-E, and cost recovery of ongoing program upgrade costs through the SBA-E. Upon transfer of the SPUMA balance to the SBA-E, the SPUMA will have a balance of \$0 and will no longer be necessary.

Therefore, PG&E has modified the language in the SBA-E account to conform the accounting instructions to allow for recovery of the approved costs and will close the SPUMA upon transfer of its balance to the SBA-E.

**Protests**

Anyone wishing to protest this filing may do so by sending a letter by **April 6, 2009**, which is 21 days from the date of this filing. The protest must state the grounds upon which it is based. Protests should be mailed to:

CPUC Energy Division  
Attention: Tariff Unit, 4<sup>th</sup> Floor  
505 Van Ness Avenue  
San Francisco, California 94102

Facsimile: (415) 703-2200  
E-mail: [mas@cpuc.ca.gov](mailto:mas@cpuc.ca.gov) and [jnj@cpuc.ca.gov](mailto:jnj@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 should be sent via both e-mail and facsimile to PG&E on the same date it is mailed or delivered to the Commission at the address shown below.

Pacific Gas and Electric Company  
Attention: Brian 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](mailto:PGETariffs@pge.com)

**Effective Date**

PG&E requests the Commission approve this advice letter upon regular notice, **April 15, 2009**, which is 30 calendar days from the date of this 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 lists for A.05-06-028 and A.07-12-009. Address changes 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>



Vice President - Regulatory Relations

Attachments

cc: Service List A.05-06-028 and A.07-12-009

# 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 Lawson

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) #: **3436-E**

Tier: 2

Subject of AL: Revisions to the SmartMeter™ Balancing Account – Electric (SBA-E) Language (Preliminary Statement EI)

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 #: D.09-03-026

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: **April 15, 2009**

No. of tariff sheets: 4

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 Statement EI

Service affected and changes proposed: N/A

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

CPUC, Energy Division

Tariff Files, Room 4005

DMS Branch

505 Van Ness Ave., San Francisco, CA 94102

jnj@cpuc.ca.gov and mas@cpuc.ca.gov

Pacific Gas and Electric Company

Attn: Brian K. Cherry, Vice President, Regulatory Relations  
77 Beale Street, Mail Code B10C

P.O. Box 770000

San Francisco, CA 94177

E-mail: PGETariffs@pge.com

**ATTACHMENT 1  
Advice 3436-E**

**Cal P.U.C.  
Sheet No.**

**Title of Sheet**

**Cancelling Cal  
P.U.C. Sheet No.**

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28231-E	ELECTRIC PRELIMINARY STATEMENT PART EI SMARTMETER PROJECT BALANCING ACCOUNT-ELECTRIC Sheet 1	25141-E
28232-E	ELECTRIC PRELIMINARY STATEMENT PART EI SMARTMETER PROJECT BALANCING ACCOUNT-ELECTRIC Sheet 2	25142-E
28233-E	ELECTRIC TABLE OF CONTENTS Sheet 1	28170-E
28234-E	ELECTRIC TABLE OF CONTENTS PRELIMINARY STATEMENT Sheet 9	27883-E



**ELECTRIC PRELIMINARY STATEMENT PART EI**  
**SMARTMETER PROJECT BALANCING ACCOUNT-ELECTRIC**

Sheet 1

EI. SmartMeter™ Project Balancing Account-Electric (SBA-E)

1. PURPOSE: The purpose of the SmartMeter™ Project Balancing Account-Electric (SBA-E) is to record and recover the incremental Operations and Maintenance (O&M) and Administrative and General (A&G) expenditures, capital-related costs, capital-related revenue requirements, benefits, and revenues associated with the SmartMeter™ Project as authorized by the Commission in Decision (D.) 06-07-027, and modified in D.09-03-026. (The "SmartMeter™ Project" herein refers collectively to both the original project in Application (A. )05-06-028 and the upgrade program in A.07-12-009.) Any under- or over-collection in this account will be incorporated into distribution rates as part of the next Annual Electric True-up Advice Letter. (T)  
 |  
 (T)
2. APPLICABILITY: The SBA-E applies to all customer classes, except for those specifically excluded by the Commission.
3. REVISION DATE: Disposition of the balance in this account shall be determined in the Annual Electric True-up Advice Letter, or as otherwise authorized by the Commission.
4. RATES: The SBA-E rate component is included in the effective rates set forth in the Electric Preliminary Statement, Part I, as applicable.
5. ACCOUNTING PROCEDURE: PG&E shall maintain the SBA-E by making entries to this account at the end of each month as follows:
  - a. A credit entry equal to the revenues from the SmartMeter™ Project rate component, excluding the allowance for Franchise Fees and Uncollectible (FF&U) Accounts expense.
  - b. A credit entry for the calculated benefits achieved through the SmartMeter™ Project, as set forth in the SmartMeter™ Project Application (A.05-06-028) and the SmartMeter™ Upgrade Program Application (A.07-12-009), and subsequently approved in D.06-07-027 and D.09-03-026. (T)  
 (T)
  - c. A debit entry equal to PG&E's incremental O&M and A&G expenses and capital-related costs incurred for the SmartMeter™ Project, excluding FF&U. Capital-related revenue requirements include depreciation expense, the return on investment, federal and state income taxes, and property taxes associated with the costs of installed equipment. These capital-related revenue requirements and O&M and A&G costs may relate to numerous activities or organizations, including but not limited to the following areas:
    - SmartMeter™ Project management, including contract management and development, communications, budget and accounting management, human resource management, process redesign, and other related areas
    - Communication systems, including network controllers and telecommunications links
    - Customer outreach and customer care
    - Data collector hardware and software
    - Development of training materials and procedures
    - Evaluation and planning
    - Facilities
    - Gas and electric meters, transmitting modules, and related equipment
    - Logistics management tools and activities
    - Meter installation, including customer data exceptions processing
    - Network operations staff
    - Operations center hardware and systems
    - Site surveys and development
    - System design, programming, and other upgrades/enhancements for integrated systems including billing, records, customer information and other information systems using meter information

(Continued)

Advice Letter No: 3436-E  
 Decision No. D.09-03-026

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

Date Filed March 16, 2009  
 Effective April 15, 2009  
 Resolution No. \_\_\_\_\_



**ELECTRIC PRELIMINARY STATEMENT PART EI**  
**SMARTMETER PROJECT BALANCING ACCOUNT-ELECTRIC**

Sheet 2

EI. SmartMeter™ Balancing Account-Electric (SBA-E)

5. ACCOUNTING PROCEDURE: (Cont'd.)

c. (Cont'd.)

- Technical support staff and operations
- Testing of systems and processes
- Training

d. A debit or credit entry, as appropriate, to record the transfer of amounts from other accounts to the SBA-E for recovery in rates, upon approval by the CPUC. (T)  
 (T)

e. An entry equal to the interest on the average of the balance in the account at the beginning of the month and the balance in the account after the above entries, at a rate equal to one-twelfth the interest rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor.



**ELECTRIC TABLE OF CONTENTS**

Sheet 1

**TABLE OF CONTENTS**

<b>SCHEDULE</b>	<b>TITLE OF SHEET</b>	<b>CAL P.U.C. SHEET NO.</b>	
	Title Page .....	28233-E	(T)
	Rate Schedules .....	28171,28172,28173,28174-E	
	Preliminary Statements .....	278175,28047,27818,27819, 28025,28234-E	(T)
	Rules .....	27820-E	
	Sample Forms .....	27821,27583,27822,27823,24958, 28036,26295,25059-E	

(Continued)

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**ELECTRIC TABLE OF CONTENTS**  
**PRELIMINARY STATEMENT**

Sheet 9

<b>PART</b>	<b>TITLE OF SHEET</b>	<b>CAL P.U.C. SHEET NO.</b>
<b>Preliminary Statements</b>		
Part EA	Internal Combustion Conversion Incentives Balancing Account.....	23642-E
Part EC	Demand Response Expenditures Balancing Account (DREBA).....	27867, 27868-E
Part ED	Demand Response Revenue Balancing Account (DRRBA).....	27869-E
Part EF	Procurement Energy Efficiency Revenue Adjustment Mechanism (PEERAM) .....	25392-E
Part EH	Negative Indifference Amount Memorandum Account (NIAMA).....	25088-E
Part EI	SmartMeter Project Balancing Account - Electric .....	28231, 28232-E
Part EJ	Pension Contribution Balancing Account.....	26297, 25228-E
Part EK	Land Conservation Plan Implementation Account (LCPIA) .....	26324-E
Part EL	Renewables Portfolio Standard Cost Memorandum Account.....	27643-E
Part EM	ClimateSmart Balancing Account .....	26098-E
Part EN	British Columbia Renewable Study Balancing Account.....	28041-E
Part EO	California Solar Initiative Balancing Account .....	26211-26213-E
Part EP	Market Redesign and Technology Upgrade Memorandum Account .....	27623, 27624-E
Part EQ	Humboldt Bay Power Plant Memorandum Account.....	26307, 26308-E
Part ER	Air Conditioning Tracking Memorandum Account .....	26721 -E
Part EV	Air Conditioning Expenditures Balancing Account.....	27297-E
Part EW	Long-Term Procurement Plan Technical Assistance Memorandum Account.....	27311-E
Part EX	Dynamic Pricing Memorandum Account.....	27667-27669-E
Part EY	Energy Efficiency 2009-2011 Memorandum Account.....	28022-28023-E
Part EZ	Land Conservation Plan Environmental Remediation Memorandum Account .....	27881-E
Part FA	Gateway Settlement Balancing Account.....	28019-E

(T)

(Continued)

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**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	