



November 23, 2009

Advice 3065-G/3562-E

(Pacific Gas and Electric Company ID U 39 M)

Public Utilities Commission of the State of California

**Subject: Compliance Advice Letter Implementing PG&E's 2010-2012
Energy Efficiency Portfolio Budget and Other Directives
Pursuant to Decision 09-09-047**

Pacific Gas and Electric Company (PG&E) hereby submits its compliance advice letter for its 2010-2012 Energy Efficiency (EE) Portfolio per Ordering Paragraph 15 and other directives of Decision (D.) 09-09-047 (EE Decision). Tables detailing the revised budget and savings, the revenue and rate impacts, revenue requirement by funding source and other requirements in compliance with the EE Decision are discussed herein and made available in excel format at <http://apps.pge.com/regulation/search.aspx?CaseID=828>. Updates to Preliminary Statements and other tariff changes are shown in Attachment 1.

Purpose

This advice letter presents the detailed program budgets and projected portfolio savings for PG&E's 2010-2012 EE Portfolio. This advice letter is filed in compliance with the EE Decision that adopted an overall budget of \$1,338 million for PG&E for the three-year program cycle beginning January 1, 2010, through the end of 2012. The adopted budget is a \$295 million reduction from the budget PG&E requested in its second amended Application (A.) 08-07-031 and supplemental testimony dated July 2, 2009.

The EE Decision adopted a number of modifications to PG&E's July 2, 2009, statewide and local program budgets, mandated caps and targets for certain budget categories, established annual and cumulative energy savings goals, and provided a number of other directives that are incorporated in this compliance advice letter, as detailed below. The portfolio supports programs that will yield savings during the program cycle of 2010-2012 and support the long term market

transformation objectives of the California Long-Term Energy Efficiency Strategic Plan (Strategic Plan) adopted in D.08-09-040 by the Commission on September 18, 2008.

Background

On July 21, 2008, PG&E, and the other investor-owned utilities (IOUs), filed their initial 2009-2011 EE portfolio applications. (PG&E A. 08-07-031) On September 18, 2008, the Commission adopted the Strategic Plan. Following the review of the portfolio applications by the Energy Division, in compliance with the Strategic Plan and as directed through a series of Commission rulings, PG&E and the other IOUs amended their applications on March 2, 2009. As a result of D.09-05-037, issued May 21, 2009, PG&E and the other IOUs supplemented their portfolio requests on July 2, 2009. On September 24, 2009, the Commission issued D.09-09-047 adopting three-year portfolio budgets for 2010-2012. Ordering Paragraph (OP) 15 of this decision directed the IOUs to “within 60 days of the effective date of this decision, file a ‘compliance’ advice letter” providing detailed program budgets, savings and cost effectiveness forecasts, information on other directives contained in the decision, updated application tables, and revised tariffs as needed to implement the 2010-2012 EE portfolio programs effective January 1, 2010. (EE Decision, pp. 370-371) The EE Decision also requires a number of additional advice letters and new reporting requirements that are not addressed herein.

Rate changes to implement this decision have been incorporated in PG&E’s Natural Gas Public Purpose Program (PPP) Surcharge Advice Letter 3057-G filed October 30, 2009, and will be incorporated in the supplement to PG&E’s Annual Electric True-up Advice Letter 3518-E that will be filed before the end of the year for rates effective January 1, 2010. Adjustments resulting from this advice letter not incorporated into rates effective January 1, 2010, will be incorporated into future PPP gas and electric rates.

Budget

The following budget-related compliance items are incorporated into this advice letter:

**TABLE 1
BUDGET-RELATED COMPLIANCE ITEMS**

Cite	Compliance Item	AL Reference
OP 02	EE program cycle shall start on January 1, 2010; and be in effect for 2010 through the end of 2012.	p.1

Cite	Compliance Item	AL Reference
OP 03	The budget for PG&E's EE portfolio for 2010-2012 shall be \$1.338 billion.	Table 2
OP 13.a	Administrative costs for utility EE programs (excluding third party and/or LGP budgets) are limited to 10% of total EE budgets. Administrative costs shall be closely identified by and consistent across, utilities. Administrative costs shall not be shifted into any other cost category. Utilities shall not reduce the non-utility portion of LGP and third-party implementer administrative costs, as compared to levels contained in budgets approved herein, unless those levels exceeded 10% in the July 2009 utility supplemental applications in this proceeding.	Table 3 Table 4 Attachment 2 - ED Memo Attachment 6: Appendix A Table 4.2
OP 13.b	ME&O costs for EE are set at 6% of total adopted EE budgets, subject to the fund-shifting rules in Section II, Rule 11 of the EE Policy Manual.	Table 4
OP 13.c	Non-resource costs (excluding non-resource direct implementation costs) are set at 20% of the total adopted EE budgets.	Table 4
OP 13.d	IOUs will not unduly reduce Strategic Plan non-administrative costs as compared to resource program direct implementation non-incentive costs.	Table 4
OP 14	Program planning, design and project management costs may be categorized as direct implementation non-incentive costs for this program cycle. Strategic planning program costs should be allocated as follows: (1) administrative and logistical costs related to workshops on Strategic Planning issues may be considered "administrative costs"; (2) program planning/design/project management and information gathering costs related to specific Strategic Plan related non-resource program and resource programs may be considered "direct implementation non-incentive costs"; (3) market, cost assessment and other studies as called for or suggested by the Strategic Plan should be considered part of EM&V planning and policy costs.	Table 3 Attachment 6: Appendix C – Budget Workbook
OP 15.a	AL should include an allocation of administrative costs among programs, subject to 10% cap required by OP13; shall include a detailed breakdown of all administrative costs required to support EE programs including regulatory costs and other partial support functions.	Table 3 Attachment 2 Attachment 6: Appendix C – Budget Workbook
OP 15.c	AL should include an allocation of EM&V costs, subject to the tentative 4% cap required by OP 51 [sic – actually OP 50].	Table 4 Footnote 2
OP 15.d	AL should establish budgets for program year 2010-2012. The adopted budgets shall add any unspent/uncommitted funds and FF&U for electric. The revenue changes authorized shall be consolidated with other year-end rate changes occurring for each utility to be effective January 1, 2010.	Table 6
OP 21.a	PG&E's funding for Prescriptive Whole House Retrofit Program is \$46 million.	Table 2

Cite	Compliance Item	AL Reference
OP 22	PG&E's funding for Basic CFLs is \$30 million.	Table 2
OP 39	PG&E shall fund its share of the statewide local government EE best practices coordinator at \$75,000 per year.	Table 2
OP 40	PG&E's proposed financing program is approved with modifications. PG&E to increase its target lending pool to \$18.5 million for its EE financing program.	Table 2
OP 41	PG&E's request for funding for capital projects is denied without prejudice and PG&E may request funding for these projects in its next General Rate Case.	Table 1 Attachment 1 – Tariff Revision to EE Memo Account
p. 140	We require that PG&E reduce funding levels for the Basic CFL Program by 50%, and commensurately increase its funding for the Advanced Lighting Program by 50%.	Table 2

a) Overall Budget Decrease Compared to July 2009 Supplemental Filing

The EE Decision adopted an overall three-year budget for PG&E of \$1,338 million that is \$295 million less than PG&E's July 2009 proposed budget of \$1,633 million. (EE Decision, p. 76) In addition to adopting an overall budget, the EE Decision adopted specific budgets for PG&E's Residential Program subprograms: Prescriptive Whole House Retrofit sub-program (\$46M), Residential Basic Lighting sub-program (\$30M), and Residential Advanced Lighting sub-program (\$33 M); On-Bill Financing Revolving Loan Pool (\$18.5M); and Local Government Statewide EE Best Practices Coordinator (\$225K). The EE Decision also adopts a 10 percent cap on PG&E's administrative costs, sets a 6% target for PG&E's local Marketing, Education and Outreach (ME&O) efforts,¹ sets a 20% target on direct implementation non-incentive costs for resource programs, and adopts other budget-related parameters as shown in Table 1 above.

Table 2 shows PG&E's proposed 2010-2012 EE Portfolio budget identifying the changes from PG&E's July 2009 proposed budget that are needed to deliver a cost-effective portfolio that can meet the energy savings goals within the budget and budget-related parameters and approved DEER and non-DEER measure savings assumptions. Table 2 represents PG&E's full portfolio including administrative, marketing, direct implementation incentives and non-incentive costs, and EM&V.² The rationale for the changes and success at meeting the various parameters are discussed in more detail below.

¹ On November 2, 2009, the Energy Division confirmed by e-mail that the Statewide ME&O budget is excluded from the 6% target; EE Decision Table 6 at page 77 is in error as it includes PG&E SW ME&O budget within the cap.

² D.09-09-047 adopts an overall EM&V budget target of 4%. The allocation of EM&V funds between IOUs and Energy Division is yet to be determined. In the Joint EM&V Plan issued for

TABLE 2
2010-2012 ADOPTED BUDGET COMPARED TO PG&E'S JULY 2 PROPOSED BUDGET
(\$MILLIONS)

Line No.	Program/Cost Element	Jul-09	Compliance	Change
		Requested 2009-2011 Budget	AL Proposed 2010-2012 Budget	
1a	Residential	\$187.5	\$165.8	(\$21.7)
1b	Residential Whole House (a)	\$4.0	\$46.0	\$42.0
1c	Residential Basic Lighting Program (a)	\$60.0	\$30.0	(\$30.0)
1d	Residential Advanced Lighting Program (a)	\$22.1	\$33.3	\$11.2
1e	Third Parties – Residential	\$12.3	\$14.1	\$1.8
2a	Commercial	\$182.9	\$165.7	(\$17.3)
2b	Third Parties – Commercial	\$163.8	\$165.6	\$1.8
3a	Industrial	\$98.3	\$76.3	(\$22.0)
3b	Third Parties – Industrial	\$85.4	\$84.6	(\$0.8)
4a	Agricultural	\$77.0	\$58.2	(\$18.8)
4b	Third Parties – Agriculture	\$19.7	\$23.2	\$3.5
5	New Construction	\$51.8	\$38.5	(\$13.3)
6	Lighting Market Transformation	\$0.4	\$0.5	\$0.0
7a	HVAC	\$90.1	\$57.2	(\$32.9)
7b	Third Parties – HVAC	\$0.9	\$1.5	\$0.6
8	Codes and Standards	\$19.0	\$19.6	\$0.6
9	Emerging Technologies	\$46.6	\$23.2	(\$23.4)
10a	Workforce Education and Training	\$46.9	\$41.2	(\$5.8)
10b	Third Parties - WE&T	\$3.3	\$3.3	\$0.0
11	Statewide Marketing Education and Outreach	\$24.9	\$24.9	\$0.0
12	Statewide DSM Coordination and Integration	\$1.2	\$1.2	\$0.0
13	Local DSM Coordination and Integration	\$7.3	\$7.3	\$0.0
14a	Government Partnerships (b)	\$199.5	\$167.5	(\$32.0)
14b	GP – SW Coordinator (a)	\$0.0	\$0.2	\$0.2
15	Third Parties – Reserve (a)	\$44.9	\$0.0	(\$44.9)
16	Zero Net Pilots	\$30.7	\$7.6	(\$23.1)
17a	On-Bill Financing Program (a)	\$19.6	\$9.3	(\$10.2)
17b	On-Bill Financing Revolving Loan Pool (a)	\$9.9	\$18.5	\$8.6
18	EM&V Expense (a)	\$112.2	\$53.5	(\$58.7)
19	EM&V Capital RRQ (a)	\$8.8	\$0.0	(\$8.8)
20	Zero Net Lab/Demo Home/Other Capital RRQ (a)	\$1.8	\$0.0	(\$1.8)
21	Total	\$1,632.9	\$1,338.0	(\$294.9)

comment by ALJ Ruling on November 20, 2009, Energy Division and IOUs agreed to an initial minimum allocation of 15%, or \$8.02 million for PG&E, to support necessary IOU EM&V activities until such time as the Commission issues a final EM&V decision and budget. See also Attachment 6: Appendix A, Table 5.1.

- (a) These changes are dictated by specific directives in D. 09-09-047.
- (b) Includes Institutional Partnerships, Local Government Partnerships, Green Communities and Innovator Pilots.

b) Balancing Budget Caps, Targets and Support for Strategic Plan

Table 3 summarizes the \$295 million reduction by budget category illustrating where the reductions were made in light of the budget caps, targets and other directives. PG&E found it necessary to reduce program budgets and/or reallocate budget from one program to another. In every case, PG&E sought to maintain the spirit of the EE Decision and the Strategic Plan by keeping administrative costs within the 10 percent cap, while aiming for the highest possible Total Resource Cost (TRC) and energy savings for the overall portfolio. As illustrated in Table 3, the highest percentage reduction of costs (excluding EM&V) has occurred in the Administrative category.

The EE Decision (at OP 13) directs IOUs to not unduly reduce Strategic Plan non-administrative costs as compared to resource program direct implementation non-incentive costs. Despite necessary reductions, PG&E's portfolio still provides \$164 million in support of the Strategic Plan including \$18.5 million for the OBF revolving loan pool. This is comparable to the level of support PG&E provided in its July 2009 filing of 12 percent of the total portfolio. The reduction to such programs as Emerging Technologies still represents a significant and substantial increase (on the magnitude of double) from current spending. As authorized by the EE Decision, PG&E will consider mid-cycle augmentation of funding for successful programs, as needed.

TABLE 3
SUMMARY OF BUDGET CHANGES FROM JULY 2009 FILING BY COST CATEGORY
(\$MILLIONS)

Line No.	Program/Cost Element	Admin	Marketing	Direct Implementation Non-Incentives	Direct Implementation Incentives	EM&V	Total Change
1a	Residential	(\$3.9)	(\$11.2)	(\$3.8)	(\$2.8)		(\$21.7)
1b	Residential Whole House (a)	\$2.4	\$0.1	\$39.5	\$0.0		\$42.0
1c	Residential Basic Lighting Program	(\$2.0)	(\$8.0)	(\$2.7)	(\$17.3)		(\$30.0)
1d	Residential Advanced Lighting Program	\$0.8	\$0.2	\$2.1	\$8.1		\$11.2
1e	Third Parties – Residential	(\$0.5)	\$0.0	\$2.3	\$0.0		\$1.8
2a	Commercial	(\$21.4)	(\$0.5)	\$7.0	(\$2.3)		(\$17.3)
2b	Third Parties – Commercial	(\$11.9)	(\$1.2)	\$12.9	\$2.0		\$1.8
3a	Industrial	(\$2.7)	(\$1.4)	(\$2.6)	(\$15.3)		(\$22.0)
3b	Third Parties – Industrial	(\$0.9)	(\$0.2)	\$1.7	(\$1.4)		(\$0.8)
4a	Agricultural	(\$3.6)	(\$2.1)	(\$4.3)	(\$8.7)		(\$18.8)
4b	Third Parties – Agricultural	(\$0.6)	\$0.0	\$4.1	\$0.0		\$3.5
5	New Construction	(\$3.4)	(\$2.3)	(\$0.4)	(\$7.1)		(\$13.3)
6	Lighting Market Transformation	(\$0.2)	\$0.0	\$0.2	\$0.0		\$0.0
7a	HVAC	(\$2.6)	(\$1.0)	(\$6.0)	(\$23.2)		(\$32.9)
7b	Third Parties - HVAC	(\$0.0)	\$0.0	\$0.7	\$0.0		\$0.6
8	Codes and Standards	(\$0.2)	\$0.0	\$0.8	\$0.0		\$0.6
9	Emerging Technologies	(\$5.1)	(\$1.8)	(\$16.5)	\$0.0		(\$23.4)
10a	Workforce Education and Training	(\$2.7)	\$0.0	(\$3.1)	\$0.0		(\$5.8)
10b	Third Parties - WE&T	(\$0.3)	\$0.0	\$0.3	\$0.0		\$0.0
11	Statewide Marketing Education and Outreach	\$0.0	\$0.0	\$0.0	\$0.0		\$0.0
12	Statewide DSM Coordination and Integration	\$0.0	\$0.0	\$0.0	\$0.0		\$0.0
13	Local DSM Coordination and Integration	\$0.0	\$0.0	\$0.0	\$0.0		\$0.0
14a	Government Partnerships (b)	(\$20.3)	(\$1.7)	(\$2.9)	(\$7.2)		(\$32.0)
14b	GP – SW Coordinator	\$0.0	\$0.0	\$0.2	\$0.0		\$0.2
15	Third Parties - Reserve	(\$4.1)	\$0.0	(\$13.3)	(\$27.4)		(\$44.9)
16	Zero Net Pilots	(\$1.1)	\$0.0	(\$21.9)	\$0.0		(\$23.1)
17a	On-Bill Financing Program	(\$5.9)	(\$0.4)	(\$3.9)	\$0.0		(\$10.2)
17b	On-Bill Financing Revolving Loan Pool	\$0.0	\$0.0	\$8.6	\$0.0		\$8.6
18	EM&V Expense	\$0.0	\$0.0	\$0.0	\$0.0	(\$58.7)	(\$58.7)
19	EM&V Capital RRQ	\$0.0	\$0.0	\$0.0	\$0.0	(\$8.8)	(\$8.8)
20	Zero Net Lab/Demo Home/Other Capital RRQ	\$0.0	\$0.0	(\$1.8)	\$0.0	\$0.0	(\$1.8)
21	Total Change	(\$90.2)	(\$31.7)	(\$3.1)	(\$102.5)	(\$67.4)	(\$294.9)
22	Percentage Change	(36.8%)	(23.2%)	(0.6%)	(17.2%) (c)	(55.8%)	(18.1%)

- (a) A portion of direct implementation costs may be allocated to incentives once the Whole House program implementation plan advice letter to be filed by December 15, 2009, is approved.
- (b) Includes Institutional Partnerships, Local Government Partnerships, Green Communities and Innovator Pilots.
- (c) The Direct Implementation Incentive reduction would be 9.7% percent excluding mandated reductions in Basic Lighting (\$30M) and Third Party Reserve (\$27M).

All expenses resulting from this advice letter will be recorded and recovered through the EE balancing accounts and have been broken out in accordance with the allowable costs categories as clarified in the Energy Division memo dated October 22, 2009, shown in Attachment 2. A more detailed breakdown is shown in Attachment 6, Appendix C – Program Budget Workbook.

As shown in Table 4, these changes result in an overall portfolio that meets or is under the caps and targets with one exception. The portfolio direct implementation cost, including that for government partnerships and third parties, for delivery of resource programs is 28 percent of the total portfolio, rather than 20 percent target. This is partially due to the increase in costs included in this category by the EE Decision, including the increase to PG&E's Residential Whole House sub-program funding (\$39.5M). Further, third party and government partnership direct implementation costs are included in the 20 percent target. If these costs were excluded, PG&E's direct implementation program delivery non-incentives would be 13 percent of the total budget.

TABLE 4
SUMMARY OF TOTAL BUDGET BY COST CATEGORY
(\$MILLIONS)

Line No.	Program/Cost Element	Table 6 from D.09- 09-047	Compliance AL	% of Budget	Budget Cap/Target
1	Administration – PG&E	\$134.0	\$118.3	8.8%	10%
2	Administration – 3P/GP		\$36.7		n/a
3	Local Marketing including 3P/GP	\$80.0	\$79.9	6.0%	6%
4	SW Marketing	\$25.0	\$24.9		n/a
5	Direct Implementation – Program Delivery Non-Incentives	\$275.0	\$373.0	27.9%	20%
6	Direct Implementation – Incentive		\$493.7		n/a
7	Direct Implementation – Non- Incentives Programs (a)	\$198.3	\$158.0		n/a
8	EM&V		\$53.5	4.0%	4%
9	Total Budget		\$1,338.0		

(a) The programs and subprograms included in this category are: Codes and Standards, Emerging Technologies, Workforce, Education and Training, DSM Coordination and Integration, Lighting Market Transformation, Continuous Energy Improvement, Non-Residential Audits, ZNE Pilots, OBF, Builder Energy Code Training, Green Building Tech Support, Innovator Pilots, Green Communities and HVAC training.

The EE Decision indicates adjustments the CPUC made to PG&E budget categories to reach the overall budget of \$1,338 million in Table 6 - PG&E Budget Adjustment Categories (at p. 77). For comparison, Table 4 above includes a column that shows the corresponding values from Table 6. PG&E's breakdown of costs by category aligns with EE Decision Table 6, with two corrections: 1) for administrative costs, Table 6 did not reflect the reallocation or removal of third-party and government partnership administrative costs from the 10 percent admin cap; and 2) for ME&O, Table 6 did not reflect removal of statewide ME&O budget from the 6 percent cap.

c) Overall Budget by Fund-shifting Categories

The EE Decision authorized revisions to the fund-shifting rules creating fund-shifting categories for each of the statewide program areas and EM&V. In Table 5, PG&E provides a summary of its proposed portfolio by fund-shifting category. PG&E will use these categories to report fund-shifting activity as required by the EE Decision (at OP 43.e).

TABLE 5
2010-2012 ADOPTED BUDGET BY FUNDSHIFTING CATEGORIES
(\$MILLIONS)

Line No.	Program/Cost Element	Compliance AL Authorized 2010-2012 Budget
1	Residential (a)(b)	\$289.3
2	Commercial (a)(c)	\$340.6
3	Industrial (a)	\$160.9
4	Agricultural (a)	\$81.4
5	New Construction	\$38.5
6	Lighting Market Transformation	\$0.5
7	HVAC (a)	\$58.7
8	Codes and Standards	\$19.6
9	Emerging Technologies and Zero Net Pilots	\$30.8
10	Workforce Education and Training (a)	\$44.5
11	Statewide Marketing Education and Outreach	\$24.9
12	Statewide & Local DSM Coordination and Integration	\$8.5
13	Government Partnerships (d)	\$167.7
14	On-Bill Financing Revolving Loan Pool	\$18.5
15	EM&V Expenses	\$53.5
16	Total	\$1,338.0

- (a) Totals include third party program budgets.
- (b) Funds will not be shifted into the Residential Basic Lighting subprogram Per EE Decision (at p. 140).
- (c) Total includes OBF Program budget, but not revolving loan pool.
- (d) Total includes Institutional Partnerships, Local Government Partnerships, Green Communities and Innovator Pilots.

d) Budget by Program Years 2010-2012

The EE Decision adopted a total budget for 2010-2012 of \$1,338 million and ordered (at p. 296-297) that the amount to be recovered in rates be reduced by the amount of unspent EM&V funds from 2006-2008 and 2009. The carryover of EM&V available funds was estimated at \$40.5 million but subject to final reconciliation as EM&V program year evaluation efforts come to a close. The EE Decision also set a proxy net benefit ratio for PG&E's portfolio at 85% electric and 15% gas to be used for setting rates until the compliance advice letter could be approved (at p. 318).

Table 6 shows PG&E's proposed annualized funding equal to 1/3 of the total 2010-2012 authorized budget. For illustrative purposes, the total annual funding is then reduced by 1/3 of the estimated \$40.5 million EM&V carryover funds to show the amount to be recovered in rates. The total to be included in rates for 2011 and 2012 may differ from the amounts shown below based on a true-up of the available EM&V funds and any other changes to the total EE funding level that might be authorized by the Commission.

TABLE 6
2010-2012 EE AUTHORIZED FUNDING BY SOURCE

	Three-Year Total	Annualized	Funding Allocation %
Total 2010-2012 Authorized Funding	\$1,338,000,000	\$446,000,000	
Carryover EM&V (estimate)	\$(40,500,000)	\$(13,500,000)	
Total to be Recovered From Customers in Rates (before FF&U)	\$1,297,500,000	\$432,500,000	
Electric Public Goods Charge (PGC-EE) (with FF&U) (a)	\$362,011,386	\$120,670,462	28%
Electric Procurement Funding (with FF&U)	\$725,957,480	\$241,985,827	55%
Gas PPP Surcharge Funding	\$220,575,000	\$73,525,000	17%
Total to be Recovered From Customers in Rates (with FF&U on electric)	\$1,380,543,866	\$436,181,289	100%

- (a) The PGC-EE funding level shown was adopted for 2009 in AL 3443-E and is updated annually by AL filed by March 31. The procurement funding is the difference between the PGC-EE authorized funding and the total EE funding allocated to electric customers.

Based on PG&E's portfolio presented in this compliance advice letter, the forecast net benefit split is 83 percent electric and 17 percent gas. The net benefit split is used to allocate the total authorized EE funding to electric and gas customers. It is also used to allocate the authorize funding and expenditures recorded in the one-way expense balancing accounts. The further allocation to electric PGC and procurement is shown in Table 6. The gas and electric bill impacts based on this split are shown in Attachment 3 (See also Attachment 6: Appendix A – Table 6.1, 6.1a, and 6.1b).

The annualized totals shown on Table 6 were used to set the 2010 gas Public Purpose Program (PPP) surcharge rates, filed in Advice 3057-G on October 30, 2009, and will be used to update the 2010 Annual Electric True-up rates initially filed in Advice 3518-E on September 1, 2009. However, due to the timing of the end of the year filings (as recognized by the EE Decision), rates for 2010 will be set using the proxy net benefit split adopted in the EE Decision of 85% electric and 15% gas. Any over or under collection of revenues due to using the proxy split, rather the 83%/17% split proposed herein, will be incorporated into 2011 rates.

Cost Effectiveness

This section of PG&E's advice letter incorporates information on the following cost-effectiveness-related compliance items:

**TABLE 7
COST EFFECTIVENESS-RELATED COMPLIANCE ITEMS**

Cite	Compliance Item	AL Reference
OP 15.b	AL should include a complete cost-effectiveness showing including anticipated risk/reward incentive payments (or other incentive payments developed in Rulemaking 09-01-019).	Table 8
OP 15.g	AL should use the individual utility E3 calculators as modified by ED as the base starting point for modeling the portfolio mix of measures and budget changes.	See Section d)
OP 24.a	CAHP incentive levels shall be adjusted to provide participants an average 50% of the incremental measure cost at 20% above of Title 24.	Built into Residential Program funding shown in Table 2
OP 24.b	IOUs to offer a \$1,000 performance bonus per unit that is built at or above Title 24 by 30% and participates in the NSHP at the Tier 2 level.	Built into Residential Program funding shown in Table 2
OP 48	Both DEER and non-DEER measure ex ante values established for use in planning and reporting accomplishments for 2010-2012 EE programs shall be frozen,	See Section c)

Cite	Compliance Item	AL Reference
	based on the best available information at the time the 2010-2012 activity is starting.	
OP 49	IOUs may apply a conservative deemed assumption that 50% of savings persists following the expiration of a given measure's life.	Table 10
OP 58	The avoided cost values used for this portfolio are adopted.	No change from 7/09
p. 288	OBF loan pool funds are removed from portfolio cost effectiveness calculations. Loan defaults are an expense to the portfolio. "As utilities finalize their plans for financing programs, we direct them to make these adjustments to the portfolio cost effectiveness calculations in their compliance filings."	Table 8 – PortfolioTRC reflects this treatment See also Other Directives Section c) and Tariffs

a) Cost-Effectiveness Evaluation

In developing program budgets, PG&E has emphasized an increased TRC to meet the Commission policy of ensuring that energy efficiency opportunities are cost-effective for customers. (EE Decision, p. 68) As shown in Table 8, PG&E's 2010-2012 EE Portfolio achieves a TRC of 1.24 compared to the TRC of 1.15 proposed in PG&E's July 2009 supplemental application.

PG&E's TRC evaluation includes anticipated risk-reward or other incentive payments based on the currently adopted mechanism developed in Rulemaking 06-04-010.³ This evaluation was performed using the E3 calculator assumptions in accordance with Energy Division instructions.

This higher TRC helps ensure that overall PG&E's EE portfolio provides a positive net benefit to customers, along with the many other benefits of increased energy efficiency. This higher TRC also aligns with the Commission policy to create a margin of safety that ensures optimized delivery of energy efficiency opportunities in a cost-effective manner. (EE Decision, p. 69)

**TABLE 8
PACIFIC GAS AND ELECTRIC COMPANY
PORTFOLIO TRC**

Line No.	July 2009 TRC	Compliance Filing TRC
1	1.15	1.24

³ The risk reward incentive mechanism for 2009-2012 is to be reviewed in new Rulemaking 09-01-019.

b) Savings Goals

The EE Decision adopted aggressive 2010-2012 savings goals of 3,100 gigawatt-hours, 703 megawatts, and 48.9 MM therms for PG&E. (at p. 45) To meet these goals, PG&E follows the Commission's directive to "apply a conservative deemed assumption that 50% of savings persist following the expiration of a given measure's life." (EE Decision, p.38) To achieve the savings goals, while ensuring the 50% cumulative measure make-up, PG&E has placed high priority on programs that provide energy savings. Absent this priority, California would not achieve the urgently needed energy savings expected from PG&E's EE programs.

In the event that the Commission revises energy savings or cumulative goal assumptions underlying PG&E's proposed achievements, PG&E may need to request additional funding, as well as determine the existence of additional savings potential.

Table 9 shows PG&E's forecast of its energy efficiency accomplishments for 2010 through 2012.

TABLE 9
PG&E 2010 – 2012 ANNUAL FORECASTED SAVINGS

Line No.		2010	2011	2012	2010-2012
1	Demand Reduction (MW)	241	285	315	841
2	Energy Savings (GWh)	1,241	1,464	1,655	4,360
3	Gas Savings (MMth)	20.0	22.4	31.3	73.7

Note: Any changes to underlying energy savings assumptions as a result of Energy Division's review or other process will result in a revision to the forecasted accomplishments presented herein.

Table 10 shows annual 2010-2012 CPUC goals adjusted to include effective useful life (EUL) drop-off. The EUL adjustments take into account the authorized assumption that no more than 50% of savings persists following the expiration of a given measure's life, as stated in the EE Decision (at OP 49).

TABLE 10
PG&E CUMULATIVE SAVINGS TARGETS

Line No.		CPUC 2010-2012 Goals	50% EUL Drop-off	Cumulative Targets (CPUC Goals + EUL Drop-off)
1	MW	703	96	799
2	GWh	3,110	601	3,711
3	MMTh	48.9	0.6	49.5

c) Ex-Ante Freeze to DEER and Non-DEER Measures

The portfolio presented in this advice letter uses DEER and non-DEER energy savings assumptions in accordance with recent guidance from the Energy Division. As ordered in the EE Decision, the Energy Division developed a process to finish the review and approval of non-DEER measure work papers. This process was adopted in ALJ Ruling dated November 18, 2009. These DEER and non-DEER values will then be frozen as ordered in the EE Decision (OP 48). Any revision to work papers will result in a change to the forecasted energy savings accomplishments presented in the advice letter.

d) PG&E's E3 calculators as modified by Energy Division

As shown in Attachment 6, PG&E's revised Appendix H, made available at <http://apps.pge.com/regulation/search.aspx?CaseID=828>, provides PG&E's E3 calculators following the guidance provided by the Energy Division. These E3 calculators serve as the basis for modeling the portfolio mix of measures and the budget changes. The individual partnership and third party E3 calculators will be provided once the contract negotiations are complete, no later than March 1, 2010, or 60 days after the approval of this advice letter, whichever is later (OP 46).

Other Directives

The following other directives are discussed in this section of PG&E's advice letter:

TABLE 11
OTHER DIRECTIVES-RELATED COMPLIANCE ITEMS

Cite	Compliance Item	AL Reference
OP 15.h	AL should include a list of all bridge funding programs, showing the adopted budgets per program and any fund additions, fund shifts, deletions; this listing will then add or delete all programs and budgets in compliance with this decision, showing all fund additions, shifts, and deletions, to final program budgets.	Table 12

Cite	Compliance Item	AL Reference
p. 143	AL should include an outreach campaign focused on getting CFLs out of storage and into sockets.	Attachment 4
p. 186	We direct all four utilities to use the following loan terms that were not uniform across the four applications (as depicted in Table 35 above) [see OBF section below for adopted terms].	Table 13
p. 291	We expect the utilities to refrain from the filing of any advice letters for additional financing mechanisms beyond OBF until Energy Division publishes the financing report.	Attachment 1

a) Bridge Funding Program List

Table 12 lists the bridge funding programs by the fund-shifting categories applicable in 2009, along with any fund additions approved in Resolution G-3439. To date PG&E has not employed any fund-shifting in 2009 as expenditures have not exceeded authorized funding levels.

TABLE 12
SUMMARY OF 2009 BRIDGE FUNDING PROGRAMS
(\$000)

Line No.	PG&E 2006-2009 Funding Shifting Categories	2009 Bridge Funding	Augmented Funding per Resolution G-3439	Total 2009 Funding
1	Mass Market	\$183,819	\$2,196	\$186,015
2	Non-Residential Targeted Market	148,917	37,497	186,413
3	Residential Targeted Market	7,654	2	7,656
4	Education and Training (a)	12,518	475	12,993
5	Codes and Standards	2,472	725	3,197
6	Emerging Technologies	5,748		5,748
7	Statewide Marketing & Info	4,560		4,560
8	EM&V	29,255		29,255
9	Total 2009 Funding	\$394,943	\$40,895	\$435,838

(a) Includes third party education and training programs

b) Plan for Encouraging Customers to Install Stored CFLs into Sockets

Attachment 4 details PG&E's outreach campaign to encourage customers to install and use any CFLs they may presently have stored in their homes, as required by the EE Decision (at p. 143).

c) On-Bill Financing

The EE Decision (at OP 40, also, see p. 286 and Table 35 at p. 275-276) adopted statewide criteria for loan terms offered under the On-Bill Financing (OBF) program offered by PG&E and the other IOUs. Table 13 provides a summary of the adopted criteria. As shown in Table 13, the EE Decision increased PG&E's loan pool to \$18.5 million.

TABLE 13
SUMMARY OF ON-BILL FINANCING PROGRAM CRITERIA

Common Program Elements for all IOUs							PG&E-specific
Loan Pool	Minimum Loan Amount	Commercial Loan Cap	Commercial Loan Term	Institutional Loan Cap (per meter)	Institutional Loan Term	Interest Rate	Target Lending Pool
Revolving Fund	\$5,000	\$100,000	5 years	\$250,000	10 years	0%	\$18,500,000

PG&E proposes new gas Rate Schedule G-OBF – On-Bill Financing Loan Program and electric Rate Schedule E-OBF – On-Bill Financing Loan Program, shown in Attachment I, that describe the authorized OBF financing options to be made available to customers during the 2010-2012 program cycle consistent with the EE Decision. PG&E will file in early 2010 a new On-Bill Financing Loan Agreement between PG&E and customers that qualify for participation in the OBF program.

Per the EE Decision, PG&E begun scoping and implementing the IT work necessary to implement OBF. In order to facilitate an earlier OBF implementation date while that work is completed, PG&E may use off-bill financing as an interim solution in 2010. Once the IT work is complete (the current target date is the first quarter of 2011), the loans for energy efficiency retrofits will be billed through the energy statement. The automation provided by the IT solution will also allow expansion of the OBF program to commercial customers.

The EE Decision authorized the OBF loan pool funds to be removed from portfolio cost-effectiveness calculations and established that loan defaults would be an expense to the portfolio. PG&E is establishing a new On-Bill Financing Balancing Account (electric Preliminary Statement Part FE and gas Preliminary Statement Part BY), to track the available balance in the revolving loan fund separate from the tracking of other energy efficiency expenses and to allow a mechanism to record any loan defaults as a program expense. The specific tariff changes are listed in the Tariff section below and included in Attachment 1.

These revisions are in addition to the request that PG&E made in Advice 3023-G/3470-E for approval of a new line on the customer bill to be used to display payments owed under the OBF program. This advice letter is currently suspended by the Energy Division.

Tables

The following tables-related directives are discussed in this section of PG&E's advice letter:

TABLE 14
TABLES-RELATED COMPLIANCE ITEMS

Cite	Compliance Item	AL Reference
OP 15.f	AL should include all portfolio application tables and budget and savings placemats, updated to reflect changes.	Attachment 6 – Appendix A and C
OP 15.i	AL should include Standard Rate and Bill Impact Tables by major customer class, showing changes from existing bridge funding rate and revenue allocation levels to decision-compliant rate and revenue increases or decreases as applicable; the average rate for bundled-service customers and the associated usage will accompany these tables.	Attachment 6 – Appendix A
OP 15.j	AL should include Standard revenue and funding tables, identifying the adopted budgets, the applicable unspent/unallocated funds to be used to reduce the budgets; and identifying applicable electric FF&U; a second set of tables shall identify revenues to be collected under each funding source--PGC funds, procurement funds, and gas PPP funds, by year.	Attachment 6 – Appendix A
p. 320	The utility compliance filing shall include an update to all application tables and budgets and savings “placements” submitted per utility in Excel, and also using the E3 calculators as modified by Energy Division for conformance with DEER, as updated December 2008. The placemats for budgets and programs will be sorted identically.	Attachment 6 – Appendix A, C, and H

As ordered by the EE Decision, PG&E has revised all of its portfolio application tables and E3 calculators in this advice letter, with the exception of certain detailed information for individual partnerships and third party programs. The individual partnership and third party program savings and TRCs will not be finalized as contract negotiations are currently underway. The TRCs, final savings targets and E3 calculators for each partnership and third party will be provided once the contract negotiations are complete.

A summary of the revised portfolio tables is shown in Attachment 6, with the electronic files in excel format available at PG&E’s website.

- Go to <http://apps.pge.com/regulation/search.aspx?CaseID=828>
- Make sure the case selected is “Energy Efficiency 2009-2011 Portfolio”
- For Document Type select “Other Doc”
- For Party select “PGE”
- For Date select “11/23/2009”
- Then click “Search”

If you have any difficulties opening files, please contact Lauren Rohde at ldri@pge.com.

Other Corrections

To clarify the record, PG&E is including a list of corrections/clarifications that it has identified in the EE Decision. The list is shown in Attachment 5.

Tariff Changes

The following tariff-related compliance item is incorporated into this advice letter:

TABLE 15
TARIFF-RELATED COMPLIANCE ITEMS

Cite	Compliance Item	AL Reference
OP 15.e	The utilities shall file revised tariff sheets to implement the authority granted by this decision; revised tariff sheets shall become effective January 1, 2010, subject to a finding of compliance by ED, and shall comply with GO96-B; revised tariff sheets shall apply to service rendered on or after their effective date.	Attachment 1

Tariff changes included in this advice letter are:

- 1) New Gas Rate Schedules G-OBF – On-Bill Financing Loan Program and new electric Rate Schedule E-OBF – On-Bill Financing Loan Program established to define the new service available to customers pursuant to the EE Decision.
- 2) New Electric Preliminary Statement Part FE and Gas Preliminary Statement Part BY – On-Bill Financing Balancing Account (OBFBA) established to track the electric and gas portions of loan and loan payments against the OBF revolving loan pool. The electric and gas portion for 2010-2012 is 83 percent and 17 percent, respectively.
- 3) Revisions to Gas Preliminary Statement Part Y – Customer Energy Efficiency Adjustment (CEEA) and Electric Preliminary Statement Part P – CEEA to add entries to the Public Purpose Program Energy Efficiency Balancing Account (PPPEEBA) subaccounts to record a transfer of authorized EE funding for the revolving loan pool from the one-way expense account to the OBFBA, to record defaults as an EE expense and make other minor clarifications. The Energy Efficiency Balancing Account (EEBA) subaccounts that track pre-1998 activity are removed as they are no longer being used since the remaining balance in these subaccounts were transferred to the PPPEEBA to augment 2006-2008 funds per Resolution G-3421 that approved Advice 2938-G/G-A/3298-E/E-A.
- 4) Revisions to Electric Preliminary Statement Part DI - PEEBA to add entries to record a transfer of authorized EE funding for the OBF revolving loan

pool from the procurement one-way expense account to the OBFBA, to record defaults as an EE expense; and make other minor changes for clarity and consistency with other accounts.

- 5) Revise Gas Preliminary Statement Part BW – Energy Efficiency 2009-2011 Memorandum Account and Electric Preliminary Statement Part EY – EE 2009-2011 Memorandum Account to remove the Energy Efficiency Memorandum Subaccount (EEMS) and make minor revisions to the Marketing Decision Support System (MDSS) memorandum subaccount to reflect that PG&E's request for capital funding for the MDSS replacement project was denied without prejudice in the EE decision and can be requested in its next GRC. (OP 41)

Effective Date

PG&E is filing this compliance advice letter as Tier 1 to be approved as of the filing date of November 23, 2009, and pursuant to D.09-09-047, for the program budgets and tariffs to become effective on January 1, 2010.

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 11, 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: anj@cpuc.ca.gov and mas@cpuc.ca.gov

Copies of protests also should be mailed to the attention of the Director, Energy Division, Room 4004, at the address shown above.

The protest also should be sent via U.S. mail (and by facsimile and electronically, if possible) to PG&E at the address shown below on the same date it is mailed or delivered to the Commission:

Brian K. Cherry
Vice President, Regulatory Relations
Pacific Gas and Electric Company
77 Beale Street, Mail Code B10C

P.O. Box 770000
San Francisco, California 94177

Facsimile: (415) 973-7226
E-mail: PGETariffs@pge.com

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 Service List for A.08-07-021. Address changes to the General Order 96-B service list and all electronic approvals should be directed to email PGETariffs@pge.com. Advice letter filings can also be accessed electronically at: <http://www.pge.com/tariffs>.

A handwritten signature in black ink that reads "Brian Cherry" with a small mark to the right.

Vice President - Regulatory Relations

Attachments: Attachments 1-6

cc: Service List A.08-07-021

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: Olivia Brown

Phone #: 415.973.9312

E-mail: oxb4@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) #: 3065-G/3562-E

Tier: 1

Subject of AL: Compliance Advice Letter Implementing PG&E's 2010-2012 Energy Efficiency Portfolio Budget and other Directives Pursuant to Decision 09-09-047

Keywords (choose from CPUC listing): Compliance, Energy Efficiency

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

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: D. 09-09-047

Does AL replace a withdrawn or rejected AL? No If so, identify the prior AL: No

Summarize differences between the AL and the prior withdrawn or rejected AL: N/A

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: N/A

Resolution Required? Yes No

Requested effective date: January 1, 2010

No. of tariff sheets: 26

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: Gas Preliminary Statement Parts Y, BW, BY, Gas Schedule G-OBF, Electric Preliminary Statement Parts P, DI, EY, FE, and Electric Schedule E-OBF

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 3065-G/3562-E**

Cal P.U.C. Sheet No.	Title of Sheet	Cancelling Cal P.U.C. Sheet No.
27923-G	GAS PRELIMINARY STATEMENT PART Y CUSTOMER ENERGY EFFICIENCY ADJUSTMENT Sheet 1	27059-G
27924-G	GAS PRELIMINARY STATEMENT PART Y CUSTOMER ENERGY EFFICIENCY ADJUSTMENT Sheet 2	27060-G*
27925-G	GAS PRELIMINARY STATEMENT PART Y CUSTOMER ENERGY EFFICIENCY ADJUSTMENT Sheet 3	27061-G
27926-G	GAS PRELIMINARY STATEMENT PART BW ENERGY EFFICIENCY 2009-2011 MEMORANUDUM ACCOUNT Sheet 1	27418-G*
27927-G	GAS PRELIMINARY STATEMENT PART BY ON-BILL FINANCING BALANCING ACCOUNT (OBFBA) Sheet 1	
27928-G	GAS SCHEDULE G-OBF ON BILL FINANCING LOAN PROGRAM Sheet 1	
27929-G	GAS SCHEDULE G-OBF ON BILL FINANCING LOAN PROGRAM Sheet 2	
27930-G	GAS SCHEDULE G-OBF ON BILL FINANCING LOAN PROGRAM Sheet 3	
27931-G	GAS TABLE OF CONTENTS Sheet 1	27890-G
27932-G	GAS TABLE OF CONTENTS Sheet 3	27876-G
27933-G	GAS TABLE OF CONTENTS Sheet 4	27877-G

**ATTACHMENT 1
Advice 3065-G/3562-E**

Cal P.U.C. Sheet No.	Title of Sheet	Cancelling Cal P.U.C. Sheet No.
27934-G	GAS TABLE OF CONTENTS Sheet 5	27421-G



GAS PRELIMINARY STATEMENT PART Y
CUSTOMER ENERGY EFFICIENCY ADJUSTMENT

Sheet 1

Y. CUSTOMER ENERGY EFFICIENCY ADJUSTMENT (CEEA)

1. PURPOSE: The purpose of the Customer Energy Efficiency Adjustment (CEEA) is to: 1) reflect in rates any incentives earned under the Customer Energy Efficiency (CEE) incentive mechanism; 2) to track the gas portion of PG&E's energy efficiency (EE) program expenses against the gas Public Purpose Program (PPP) surcharge portion of authorized EE program funding; and 3) to track the gas portion of Low Income Energy Efficiency (LIEE) program expenditures against the gas PPP surcharge portion of LIEE program funding. (D) (T)
(T)
2. APPLICABILITY: The CEEA shall apply to all rate schedules and contracts for gas service subject to the jurisdiction of the Commission, except for those schedules and contracts specifically excluded by the Commission.
3. RATES: The Customer Energy Efficiency Incentive Account (CEEIA) balance is included in the effective transportation rates set forth in each gas rate schedule (see Preliminary Statement, Part B), as applicable. The other two subaccounts of the CEEA are one-way expense tracking accounts and do not have rate components. (T)
4. ACCOUNTING PROCEDURE: The CEEA consists of the following three subaccounts: (T)
 - The "Customer Energy Efficiency Incentive Account" (CEEIA) purpose is to record amounts to be reflected in rates for any incentives earned or penalties incurred by PG&E under the Customer Energy Efficiency (CEE) incentive mechanism. (D)
 - The "Gas Public Purpose Program Energy Efficiency Balancing Account" (PPPEEBA), as authorized in Ordering Paragraph 13 of Decision 97-12-103, purpose is to track the gas portion of PG&E's EE program expenditures against the gas PPP surcharge portion of authorized EE program funding.
 - The "Gas Public Purpose Program Gas Low-Income Balancing Account" (PPPLIBA) purpose is to track the gas portion of LIEE program expenditures against the gas PPP surcharge portion of LIEE program funding.

(Continued)



GAS PRELIMINARY STATEMENT PART Y
CUSTOMER ENERGY EFFICIENCY ADJUSTMENT

Sheet 2

Y. CUSTOMER ENERGY EFFICIENCY ADJUSTMENT (CEEA) (Cont'd.)

5. Customer Energy Efficiency Incentive Account (CEEIA): The following entries will be made to this subaccount each month or as applicable:
 - a. A debit or credit entry equal to the gas portion of CEE shareholder incentives earned or penalties incurred by PG&E, as authorized by the Commission to be recovered in rates;
 - b. A credit entry equal to the revenue from the CEE Incentive Rate component, excluding an allowance for Franchise Fees and Uncollectible Accounts expense (F&U);
 - c. A debit or credit entry equal to any amounts authorized by the Commission to be recorded in this subaccount;
 - d. A debit or credit entry, as appropriate, to transfer the balance to other accounts for recovery in rates, upon approval by the Commission; and
 - e. Interest does not accrue in this subaccount pursuant to Decision (D.) 07-09-043.

(D)

(Continued)



GAS PRELIMINARY STATEMENT PART Y
CUSTOMER ENERGY EFFICIENCY ADJUSTMENT

Sheet 3

Y. CUSTOMER ENERGY EFFICIENCY ADJUSTMENT (CEEA) (Cont'd.)

- 6. Gas Public Purpose Program Energy Efficiency Balancing Account (PPPEEBA): The following entries will be made to this subaccount each month or as applicable: (D)
 - a. A debit entry equal to the expenses incurred for gas portion of authorized EE program related activities;
 - b. A credit entry equal to one-twelfth of the gas PPP surcharge portion of authorized EE funding for the current program year. (See corresponding debit entry in gas Preliminary Statement Part BA - Public Purpose Program Surcharge-Energy Efficiency);
 - c. A one-time debit entry equal to the gas portion of the initially authorized revolving loan amount and any subsequent amount authorized by the Commission (See corresponding credit entry in Gas Preliminary Statement Part BY-On-Bill Financing Balancing Account (OBFBA-Gas) The gas portion of other OBF expenses are recorded in entry 6.a, above.); (N)
 - |
 - |
 - |
 - d. A debit entry equal to the gas portion of a write-off for any OBF loan defaults (See offsetting tracking entries in OBFBA-Gas); (N)
 - |
 - e. A debit or credit entry equal to any amounts authorized by the CPUC to be recorded in this subaccount; (T)
 - f. A debit or credit entry, as appropriate, to record the transfer of amounts to or from other accounts, as approved by the Commission; and (T)
 - g. An entry equal to the interest on the average balance at the beginning of the month and the balance after the above entries are made, 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.

- 7. Gas Public Purpose Program Gas Low-Income Balancing Account (PPPLIBA): The following entries will be made to this subaccount each month or as applicable: (T)
 - a. A debit entry equal to the gas portion of expenses incurred for authorized LIEE program-related activities;
 - b. A credit entry equal to one-twelfth of the gas PPP surcharge portion of authorized LIEE funding for the current program year. (See corresponding debit entry in gas Preliminary Statement Part BH - Public Purpose Program Surcharge-Low Income Energy Efficiency);
 - c. A debit or credit entry equal to any amounts authorized by the CPUC to be recorded in this subaccount;
 - d. A debit or credit entry, as appropriate, to record the transfer of amounts to or from other accounts, as approved by the Commission;
 - e. An entry equal to the interest on the average balance at the beginning of the month and the balance after the above entries are made, 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.



GAS PRELIMINARY STATEMENT PART BW
ENERGY EFFICIENCY 2009-2011 MEMORANDUM ACCOUNT

Sheet 1

BW. ENERGY EFFICIENCY 2009-2011 MEMORANDUM ACCOUNT (EEMA)

1. **PURPOSE:** The purpose of the Energy Efficiency 2009-2011 Memorandum Account (EEMA) is to track the gas portion of the revenue requirement on capital expenditures associated with the Marketing Decision Support System (MDSS) replacement project as requested in A.08-07-031 and deferred to PG&E's General Rate Case (GRC) in D.09-09-047. (T)
 |
 |
 (T)
2. **APPLICABILITY:** The EEMA shall apply to all customer classes, except for any classes that may be specifically excluded by the CPUC.
3. **RATES:** This account does not have a separate rate component.
4. **ACCOUNTING PROCEDURE:** The following entries will be made to this subaccount each month or as applicable: (D)
 - a. A debit entry equal to the gas portion of PG&E's recorded capital-related revenue requirement, including book depreciation, applicable taxes, and an authorized rate of return on recorded rate base associated with the MDSS replacement project. (D)
 (T)
 - b. A credit entry equal to transfer the balance in this subaccount to other accounts for recovery, as authorized by the Commission. (T)(L)
 - c. An entry equal to the interest on the average balance at the beginning of the month and the balance after the above entries are made, 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. (T)(L)
 |
 |
 (L)
 (D)

(Continued)



**GAS PRELIMINARY STATEMENT PART BY
 ON-BILL FINANCING BALANCING ACCOUNT (OBFBA)**

Sheet 1

- BY. On-Bill Financing Balancing Account (OBFBA) (N)
1. **PURPOSE:** The purpose of the On-Bill Financing Balancing Account (OBFBA) is to record the gas portion of the authorized revolving loan pool net of default, and to track loan amounts and loan repayment activities under PG&E's On-Bill Financing program (OBF) pursuant to Decision (D.) 09-09-047, and applicable tariffs. The OBF loan program is subject to the availability of funds and any increase to revolving loan pool authorized by D.09-09-047 requires Commission approval. Pursuant to D. 09-09-047, the amounts recorded in this account will not be included in the calculation of PG&E's energy efficiency program cost effectiveness.
 2. **APPLICABILITY:** The OBFBA shall apply to all customer bills for service under all rate schedules and contracts for gas service subject to the jurisdiction of the Commission, except for those rate schedules or contracts specifically excluded by the Commission.
 3. **REVISION DATE:** Disposition of the balance in this account shall be through the Gas PPP Surcharge advice letter process, or as otherwise authorized by the Commission at such time as the OBF program service is no longer provided.
 4. **RATES:** The OBFBA does not have a separate rate component.
 5. **ACCOUNTING PROCEDURES:** The following entries shall be made at the end of each month or as applicable:
 - a. a credit entry equal to the gas portion of the initial authorized revolving loan amount, and any subsequent amount authorized by the Commission (see corresponding debit entry in gas Preliminary Statement Part Y subaccount Gas Public Purpose Program Energy Efficiency Balancing Account (PPPEEBA) The gas portion of other OBF expenses are recorded in the gas PPPEEBA.);
 - b. a debit entry equal to the gas portion of the amount loaned to customers;
 - c. a credit entry equal to the gas portion of loan repayments;
 - d. a debit entry equal to the gas portion of any OBF loan defaults (see corresponding credit entry e. below);
 - e. a credit entry equal to any OBF loan defaults, as an offsetting entry to entry d. above for tracking purposes only (the debit entry to record the gas portion of default expense is in the gas PPPEEBA);
 - f. a debit or credit entry, as appropriate, to record the transfer of amounts to or from other accounts as approved by the CPUC; and
 - g. an entry equal to interest on the average of the balance in the account at the beginning of the month and the balance in the account after above entries are made, at a rate equal to one-twelfth the interest rate of the three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor. (N)

(Continued)

Advice Letter No: 3065-G
 Decision No. D.09-09-047

Issued by
Brian K. Cherry
 Vice President
 Regulatory Relations

Date Filed November 23, 2009
 Effective _____
 Resolution No. _____



GAS SCHEDULE G-OBF
ON BILL FINANCING LOAN PROGRAM

Sheet 1

APPLICABILITY: This schedule is applicable to customers receiving service under a non-residential rate schedule. Schedule G-OBF is an On-Bill Financing (OBF) loan program providing zero percent (0%) interest financing to qualified customers towards the purchase and installation of new energy efficient measures or equipment at the customer's premises. Qualified customers are those customers who meet specified credit criteria and comply with OBF loan program requirements in accordance with this Schedule. (N)

TERRITORY: The entire PG&E service territory.

RATES: All charges and provisions of the customer's otherwise applicable tariffs shall apply. In addition, a fixed monthly loan payment amount due will appear as a line item on the customer's bill.

SPECIAL CONDITIONS:

1. Loans under the OBF loan program will only be available subject to the availability of funds for loans as authorized by the California Public Utilities Commission.
2. Loan Agreement: In order to participate and receive financing under the OBF loan program, the customer must execute an On-Bill Financing Loan Agreement (OBF Loan Agreement, Form No. 79-XXX) which specifies loan repayment obligations and other applicable program requirements.
3. Credit Requirements: Customer must have good credit standing as determined by PG&E.
4. Government Agency Customers: Solely for purposes of this rate schedule and the OBF loan program, a Government Agency Customer is defined as a customer that is a tax-payer funded agency of federal, state, county or local government and uses tax revenue to pay its PG&E energy bills. Such customers may include, but are not limited to, public schools, State of California colleges and universities, public libraries, and government offices.
5. Customer Responsibility for Energy Efficiency Measures: The customer is solely responsible for the purchase and installation of all energy efficiency measures that will be financed using the OBF loan program. (N)

(Continued)



GAS TABLE OF CONTENTS

Sheet 1

TITLE OF SHEET	CAL P.U.C. SHEET NO.	
Title Page	27931-G	(T)
Rate Schedules	27891,27932-G	
Preliminary Statements	27933,27934-G	(T)
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ELECTRIC PRELIMINARY STATEMENT PART P
CUSTOMER ENERGY EFFICIENCY ADJUSTMENT

Sheet 1

P. CUSTOMER ENERGY EFFICIENCY ADJUSTMENT (CEEA)

1. PURPOSE: The purpose of the Customer Energy Efficiency Adjustment (CEEA) is to: 1) reflect in rates any incentives earned under the Customer Energy Efficiency (CEE) incentive mechanism; 2) to track the electric portion of PG&E's energy efficiency (EE) programs expenditures against the electric Public Goods Charge (PGC) portion of authorized EE program funding; and 3) to track the electric portion of Low-Income Energy Efficiency (LIEE) program expenditures against the Electric PGC portion of LIEE program funding. (T)(D)
(T)
2. APPLICABILITY: The CEEA shall apply to all rate schedules and contracts for electric service subject to the jurisdiction of the Commission, except for those schedules and contracts specifically excluded by the Commission.
3. RATES: The Customer Energy Efficiency Incentive Account (CEEIA) balance is included the effective rates set forth in each electric rate schedule (see Preliminary Statement, Part B), as applicable. The other two subaccounts of the CEEA are one-way expense tracking accounts and do not have rate components. (T)
4. ACCOUNTING PROCEDURE: The CEEA consists of the following three subaccounts: (T)
 - The "Customer Energy Efficiency Incentive Account" (CEEIA), purpose is to record amounts to be reflected in rates for any incentives earned or penalties incurred by PG&E under the Customer Energy Efficiency (CEE) incentive mechanism. (D)
 - The "Electric Public Purpose Program Energy Efficiency Balancing Account" (PPPEEBA), purpose is to track the electric portion of PG&E's EE program expenditures against the Electric PGC portion of authorized EE program funding.
 - The "Electric Public Purpose Program Low-Income Balancing Account" (PPPLIBA), purpose is to track the electric portion of PG&E's LIEE program expenditures against the Electric PCG portion of LIEE program funding.

(Continued)



ELECTRIC PRELIMINARY STATEMENT PART P
CUSTOMER ENERGY EFFICIENCY ADJUSTMENT

Sheet 2

P. CUSTOMER ENERGY EFFICIENCY ADJUSTMENT (CEEA) (Cont'd)

5. Customer Energy Efficiency Incentive Balancing Account (CEEIA): The following entries will be made to this subaccount each month or as applicable:
 - a. A debit or credit entry equal to the electric portion of CEE shareholder incentives earned or penalties incurred by PG&E, as authorized by the Commission to be recovered in rates;
 - b. A credit entry equal to the revenues from the CEE Incentive Rate component, excluding an allowance for Franchise Fees and Uncollectible Accounts Expense (F&U);
 - c. A debit or credit entry equal to any amounts authorized by the Commission to be recorded in this subaccount;
 - d. A debit or credit entry, as appropriate, to transfer the balance to other accounts for recovery in rates, as approved by the Commission; and
 - e. Interest does not accrue in this subaccount pursuant to Decision (D.) 07-09-043.

(D)

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ELECTRIC PRELIMINARY STATEMENT PART P
CUSTOMER ENERGY EFFICIENCY ADJUSTMENT

Sheet 3

P. CUSTOMER ENERGY EFFICIENCY ADJUSTMENT (CEEA) (Cont'd.)

- 6. Electric Public Purpose Program Energy Efficiency Balancing Account (PPPEEBA): The following entries will be made to this subaccount each month or as applicable: (T)
 - a. A debit entry equal to the expenses incurred for the electric portion of authorized EE program related activities; (T)
 - b. A credit entry equal to one-twelfth of the Electric PGC portion of authorized EE funding for the current program year (See corresponding debit entry in electric Preliminary Statement Part DA - Public Purpose Programs Revenue Adjustment Mechanism);
 - c. A one-time debit entry equal to the PGC portion of the initial authorized revolving loan amount, and any subsequent amount authorized by the Commission (see corresponding credit entry in Electric Preliminary Statement Part FE-On-Bill Financing Balancing Account (OBFBA-Electric) The PGC portion of other OBF expenses are recorded in entry 6.a, above.); (N)
 - d. A debit entry equal to the PGC portion of a write-off for any OBF loan defaults (see offsetting tracking entries in OBFBA-Electric); (N)
 - e. A debit or credit entry equal to any amounts authorized by the Commission to be recorded in this subaccount; (T)
 - f. A debit or credit entry, as appropriate, to record the transfer of amounts to or from other accounts as approved by the Commission; and (T)
 - g. An entry equal to the interest on the average balance at the beginning of the month and the balance after the above entries are made, at a rate equal to one-twelfth the interest rate on Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release H.15, or its successor. (T)

- 7. Electric Public Purpose Program Low-Income Balancing Account (PPPLIBA): The following entries will be made to this subaccount each month or as applicable: (T)
 - a. A debit entry equal to the electric portion of expenses incurred for authorized LIEE program-related activities;
 - b. A credit entry equal to one-twelfth of the Electric PGC portion of authorized LIEE programs for the current program year (See corresponding debit entry in electric Preliminary Statement Part DA - Public Purpose Programs Revenue Adjustment Mechanism);
 - c. A debit or credit entry equal to any amounts authorized by the Commission to be recorded in this subaccount;
 - d. A debit or credit entry, as appropriate, to record the transfer of amounts to or from other accounts as approved by the Commission; and
 - e. An entry equal to the interest on the average balance at the beginning of the month and the balance after the above entries are made, at a rate equal to one-twelfth the interest rate on Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release H.15, or its successor.



ELECTRIC PRELIMINARY STATEMENT PART DI
PROCUREMENT ENERGY EFFICIENCY BALANCING ACCOUNT

Sheet 1

DI. PROCUREMENT ENERGY EFFICIENCY BALANCING ACCOUNT (PEEBA)

1. PURPOSE:

Decision 03-12-062 established the one-way Procurement Energy Efficiency Balancing Account (PEEBA) to track PG&E's procurement energy efficiency (EE) costs and revenues associated with authorized programs. The PEEBA tracks the procurement portion of PG&E's EE program expenditures against the procurement portion of authorized EE program funding. (T)

2. APPLICABILITY:

The PEEBA balance shall apply to all customer classes, except for any classes that may be specifically excluded by the CPUC.

3. REVISION DATE:

The disposition of the balance in this account shall be through the Annual Electric True-up advice letter process or as otherwise authorized by the Commission. (T)

4. RATES:

The PEEBA does not have a separate rate element.

5. ACCOUNTING PROCEDURE:

PG&E shall maintain the PEEBA by making entries as follows:

- a. A debit entry equal to the procurement portion of authorized EE program expenses. (T)
- b. A credit entry equal to one-twelfth of the procurement portion of authorized EE funding for the current program year (see corresponding debit entry in electric Preliminary Statement Part EF - Procurement Energy Efficiency Revenue Adjustment Mechanism (PEERAM)).
- c. One-time debit entry equal to the procurement portion of the initial authorized revolving loan amount, and any subsequent amount authorized by the Commission (see corresponding credit entry in electric Preliminary Statement Part FE – On-Bill Financing Balancing Account (OBFBA-Electric). The procurement portion of other OBF expenses are recorded in entry 5.a, above.) (T)
- d. A debit entry equal to the procurement portion of write-off for any OBF loan defaults (see offsetting tracking entries in OBFBA - Electric). (N)
- e. A debit or credit entry equal to any amount authorized by the CPUC to be recorded in this subaccount. (N)
- f. A debit or credit entry, as appropriate, to record the transfer of amounts to or from other accounts as approved by the CPUC. (T)
- g. An entry equal to interest on the average balance at the beginning of the month and the balance after the above entries are made, 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. (T)



ELECTRIC PRELIMINARY STATEMENT PART EY
ENERGY EFFICIENCY 2009-2011 MEMORANDUM ACCOUNT

Sheet 1

EY. ENERGY EFFICIENCY 2009-2011 MEMORANDUM ACCOUNT (EEMA)

EY. ENERGY EFFICIENCY 2009-2011 MEMORANDUM ACCOUNT (EEMA)

- 1. PURPOSE: The purpose of the Energy Efficiency 2009-2011 Memorandum Account (EEMA) is to track gas portion of the revenue requirement on capital expenditures associated with the Marketing Decision Support System (MDSS) replacement project as requested in A.08-07-031 and deferred to PG&E's General Rate Case (GRC) in D.09-09-047. (T)
 |
 |
 (T)
- 2. APPLICABILITY: The EEMA shall apply to all customer classes, except for any classes that may be specifically excluded by the CPUC.
- 3. RATES: This account does not have a separate rate element.
- 4. ACCOUNTING PROCEDURE: The following entries will be made to this account each month as applicable: (T)
 (D)
 (T)
 (L)(T)
 - a. A debit entry equal to PG&E's recorded capital-related revenue requirement, including book depreciation, applicable taxes, and an authorized rate of return on recorded rate base associated with the MDSS replacement project. |
 |
 |
 - b. A credit entry to transfer the balance in this subaccount to other accounts for recovery, as authorized by the Commission. (T)
 |
 |
 - c. An entry equal to the interest on the average balance at the beginning of the month and the balance after the above entries are made, at a rate equal to one-twelfth the interest rate on three-month Commercial Paper for the previous month, as reported in the Federal Statistical Release, H. 15 or its successor. (T)
 |
 (T)

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ELECTRIC PRELIMINARY STATEMENT PART FE
ON-BILL FINANCING BALANCING ACCOUNT (OBFBA)

Sheet 1

FE. On-Bill Financing Balancing Account (OBFBA)

(N)

1. **PURPOSE:** The purpose of the On-Bill Financing Balancing Account (OBFBA) is to record the electric portion of authorized revolving loan pool net of default, and to track loan amounts and loan repayment activities under PG&E's On-Bill Financing program (OBF) pursuant to Decision (D.)09-09-047, and applicable tariffs. The OBF loan program is subject to the availability of funds and any increase to revolving loan pool authorized by D.09-09-047 requires Commission approval. Pursuant to D. 09-09-047, the amounts recorded in this account will not be included in the calculation of PG&E's energy efficiency program cost effectiveness.
2. **APPLICABILITY:** The OBFBA shall apply to all customer bills for service under all rate schedules and contracts for electric service subject to the jurisdiction of the Commission, except for those rate schedules or contracts specifically excluded by the Commission.
3. **REVISION DATE:** Disposition of the balance in this account shall be through the Annual Electric True-Up advice letter process, or as otherwise authorized by the Commission at such time as the OBF program service is no longer provided.
4. **RATES:** The OBFBA does not have a separate rate element.
5. **ACCOUNTING PROCEDURES:** The following entries shall be made at the end of each month or as applicable:
 - a. a credit entry equal to the electric portion of the initial authorized revolving loan amount, and any subsequent amount authorized by the Commission (see corresponding debit entries in electric Preliminary Statement Part P subaccount Electric Public Purpose Program Energy Efficiency Balancing Account (PPPEEBA) and electric Preliminary Statement Part DI – Procurement Energy Efficiency Balancing Account (PEEBA) The electric portion of other OBF expenses are recorded in the electric PPPEEBA and PEEBA.);
 - b. a debit entry equal to the electric portion of amount loaned to customers;
 - c. a credit entry equal to the electric portion of the loan repayments;
 - d. a debit entry equal to the electric portion of any OBF loan defaults (see corresponding credit entry e. below);
 - e. a credit entry equal to any OBF loan defaults, as an offsetting entry to entry d. above for tracking purposes only (the debit entry to record the electric portion of default expense is in the electric PPPEEBA and PEEBA);
 - f. a debit or credit entry, as appropriate, to record the transfer of amounts to or from other accounts as approved by the CPUC; and
 - g. an entry equal to interest on the average of the balance in the account at the beginning of the month and the balance in the account after above entries are made, at a rate equal to one-twelfth the interest rate of the three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor.

(N)

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**ELECTRIC SCHEDULE E-OBF
 ON BILL FINANCING LOAN PROGRAM**

Sheet 1

APPLICABILITY: This schedule is applicable to Bundled Service, Community Choice Aggregation Service, and Direct Access customers receiving service under a non-residential rate schedule. Schedule E-OBF is an On-Bill Financing (OBF) loan program providing zero percent (0%) interest financing to qualified customers towards the purchase and installation of new energy efficient measures or equipment at the customer's premises. Qualified customers are those customers who meet specified credit criteria and comply with OBF loan program requirements in accordance with this Schedule.

(N)

TERRITORY: The entire PG&E service territory.

RATES: All charges and provisions of the customer's otherwise applicable tariffs shall apply. In addition, a fixed monthly loan payment amount due will appear as a line item on the customer's bill.

- SPECIAL CONDITIONS:**
1. Loans under the OBF loan program will only be available subject to the availability of funds for loans as authorized by the California Public Utilities Commission.
 2. Loan Agreement. In order to participate and receive financing under the OBF loan program, the customer must execute an On-Bill Financing Loan Agreement (OBF Loan Agreement, Form No. 79-XXX) which specifies loan repayment obligations and other applicable program requirements.
 3. Credit Requirements. Customer must have good credit standing as determined by PG&E.
 4. Government Agency Customers: Solely for purposes of this rate schedule and the OBF loan program, a Government Agency Customer is defined as a customer that is a tax-payer funded agency of federal, state, county or local government and uses tax revenue to pay its PG&E energy bills. Such customers may include, but are not limited to, public schools, State of California colleges and universities, public libraries, and government offices.
 5. Customer Responsibility for Energy Efficiency Measures: The customer is solely responsible for the purchase and installation of all energy efficiency measures that will be financed using the OBF loan program.

(N)

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ELECTRIC SCHEDULE E-OBF
ON BILL FINANCING LOAN PROGRAM

Sheet 3

SPECIAL
 CONDITIONS
 (Continued):

7. Billing And Collection

- a. General Loan Obligation: Customers are required to repay all loan obligations in accordance with the terms and conditions of the OBF Loan Agreement.
- b. Monthly Payment: A fixed monthly loan payment amount due will appear as a line item on the customer's PG&E bill, or, at PG&E's discretion, by separate bill. The monthly loan payment amount will be identified in the OBF Loan Agreement.
- c. Partial Payment: In instances of customers making partial payments, the partial payment will be applied to the energy bill and the loan obligation in proportion to the amount owed for each, and the customer may be considered in default of both the energy bill and the loan obligation.
- d. Discontinuance: Customer's loan obligation shall be subject to the discontinuance provisions of Rule 11—Discontinuance of Service, Section D – Termination of Service for Nonpayment of bills or Credit Requests – Nonresidential.
- e. Loan Prepayment: The customer may, without prepayment penalty, pay the entire outstanding loan balance in one lump sum payment provided the customer first notifies PG&E, in accordance with the OBF Loan Agreement, and obtains PG&E's approval in advance of making the lump sum payment. Accelerated payments received from the customer without prior PG&E approval may, at PG&E's sole discretion, be applied proportionally to subsequent energy charges and OBF loan payments and PG&E shall have no obligation to credit accelerated payments exclusively to subsequent loan payments.

(N)

(N)

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Advice Letter No: 3562-E
 Decision No. D.09-09-047

Issued by
Brian K. Cherry
 Vice President
 Regulatory Relations

Date Filed November 23, 2009
 Effective _____
 Resolution No. _____

ADVICE 3065-G/3562-E
Attachment 2:
Energy Division Memo Dated October 22,
2009
2010-2012 Energy Efficiency Portfolio
Administrative Costs

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



October 22, 2009

Shilpa Ramaiya, Pacific Gas and Electric Company
Don Arambula, Southern California Edison
Athena Besa, Sempra Utilities

Re: 2010-2012 Energy Efficiency Portfolio Administrative Costs

Monday afternoon October 19, we had a discussion regarding how administrative costs should be categorized in light of the energy efficiency portfolio decision (D. 09-09-047) and the overall budgets. Energy Division has consulted with the CPUC divisions and attaches some guidance to the questions posed. We also have added to your list of categories provided to us for the discussion.

We hope that we have addressed your concerns in a timely manner. Please feel free to contact either Cathy Fogel at (415) 703-1809 or me should any questions arise.

Yours truly,

Anne Premo
California Public Utilities Commission
Energy Efficiency Planning Section
770 L Street, Suite 1050
Sacramento, CA 95818
(916) 324-8683

cc: Sandy Lawrie, Pacific Gas and Electric Company
Jeanne Clinton, CPUC

2010-2012 Administrative Cost Cap and Targets- Questions, Issues and Recommendations

1) TRAVEL COSTS: IOUs want travel costs for direct implementation non-incentive (DI-NI) and for marketing to be billed to those respective categories, rather than to administrative costs. The allowable costs attachment (ACA) (2006, cited in December 12, 2009 Ruling in D. 08-07-021) is silent on this. The ACA does, however, include EM&V travel in the EM&V category. IOUs would like to charge travel/time for staff participation in Strategic Plan workshops in that category.

Recommendation: a) Travel costs for IOU staff to travel to workshops regarding the Strategic Plan can be billed to EM&V travel; b) Travel costs for DI-NI activities and marketing can be charged to those respective cost categories; c) travel costs to EE conferences may be charged to administrative costs. .

Justification: It is standard practice within the CPUC accounting division to allow travel costs – such as meeting with customers, etc -- to be charged to the applicable program area (ie, to DI-NI or to Marketing and Outreach (M&O)). Travel costs by IOU staff should be limited, but this will be achieved via the cost targets for M&O and DI-NI.

2) CONFERENCE TRAVEL AND FEES/UTILITY SPONSORSHIP OF CONFERENCES: The IOUs suggest that all travel and fees related to EE conferences are appropriate administrative costs. However, ED has conferred with CPUC accounting and we jointly recommend that IOU sponsorship of conferences, i.e. “platinum” “gold” level sponsorships of conferences, are explicitly prohibited as allowable IOU EE conference costs. Sempra reports that its sponsorship of such conferences are currently billed as corporate costs; SCE argues that IOU membership fees in smaller trade oriented associations sometimes includes free entry into related conferences.

Recommendation: IOU sponsorships of EE conferences (i.e., “platinum” “gold” level donations) be explicitly prohibited from inclusion in EE budgets as administrative costs. IOUs may join membership-based issue-specific (i.e. HVAC) trade organizations that include as a component of membership benefits entry into conferences. Other staff travel costs to participate in EE conferences are also allowable administrative costs.

Justification: IOU sponsorship of major national EE conferences is corporate marketing, not EE program work. IOU staff may participate in such large conferences through regular entry fees in the case that IOU staff are presenting or have targeted educational or networking goals for specific conferences; these are justifiable EE administrative costs.

3) BENEFITS/PENSIONS/PAYROLL TAXES: IOUs want to place vacation and sick leave costs relating to labor costs for DI, M&O in those categories, stating that “these follow labor charges.” The ACA places these costs in the administrative cost category, but for EM&V states that benefits, payroll tax, and pensions are in the EM&V cost category. All IOUs currently place all EE staff pensions and benefits in the GRC; SCE also includes EE payroll taxes in the GRC, whereas Sempra and PG&E currently place those under administrative costs.

Recommendation: IOUs should be allowed to continue to place EE pension and benefit costs in the GRC. However, the IOUs should be required to consistently place EE payroll taxes as general

EE administrative costs (i.e. SCE should change its current practice of placing these costs in the GRC). Labor vacation and sick leave costs should follow labor as the IOUs have proposed.

Justification: It is CPUC standard practice to allow IOUs to recoup benefit and pension costs in the GRCs, whereas payroll taxes are typically recouped as administrative costs. It is also standard CPUC practice to allow vacation and sick leave costs to follow labor costs (i.e., to DI-NI, DI, M&O).

4) INFORMATION TECHNOLOGY COSTS: IOUs want IT costs related to tracking systems for individual programs to be charged to M&O/DI respectively, and that only overall portfolio IT equipment and work should be charged to administrative costs.

Recommendation: IOUs should be permitted to charge program-specific IT costs to the relevant DI/M&O program categories. EM&V and other portfolio-level IT costs should be charged to administrative costs except in the case that these constitute capital costs, such as the recent PG&E request for MDSS cost recovery through the EE portfolio (that request was denied and PG&E referred to the GRC to recoup those costs).

Justification: The ACA is silent on including IT costs in the EM&V category, thus these are reasonably included – as overall portfolio IT costs – in the administrative cost categories, except when these are capital costs, as noted above. It is reasonable that individual programs must have unique and high-quality IT systems developed; such systems are critical for program implementation and savings tracking. Comparison data for costs in other states indicate that IT is frequently not included in the administrative cost category, and thus it is reasonable for the CPUC to not require that all IT costs are placed in administrative costs.

5) INCLUSION OF LOCAL GOVERNMENT AND THIRD PARTY M&O AND DIRECT IMPLEMENTATION (NON-INCENTIVE) (DI-NI) COSTS IN THE 6% AND 20% COST CAPS: In recent discussions between EE and IOU staff, some confusion arose as to whether LGP/3rd Party M&O and DI-NI costs are subject to the 6% and 20% cost targets.

Recommendation: LGP and 3rd Party M&O and DI-NI costs are subject to the 6% and 20% overall portfolio cost targets.

Justification: D. 09-09-047 is silent on ring-fencing LGP/3rd Party costs outside of the cost caps. Controlling these costs is important in order to increase incentives offered directly to customers. It should be noted, however, that the M&O and DI-NI cost targets are targets, not caps (p. 71 & 72; OP 13) and that in the compliance filing an accompanying IOU explanation of why exceeding these caps is critical to program implementation should be sufficient to justify exceeding these targets if special circumstances can be explained. Special circumstances may be warranted in a variety of cases. For instance, in the case of SCE, up to \$50 million in non-resource program direct implementation costs were either not identified by ED in our analysis (OBF program) or added as part of the budget adjustment (\$32 million for LGP Strategic Plan innovative programs).

IOU Proposed Mapping of CPUC's Adopted Definitions, CAP'S and Target's:

Administrative Activities – 10% CAP [*see citation 1 below*]

- Responding to Data Requests (pg 50)
- Responding to Financial & Regulatory Audits (pg 50)
- Support related to Regulatory Filings (Monthly & Quarterly Reports and Annual Reporting) (pg 50)
- Human Resources Support (pg 49)
 - o Payroll taxes
 - o Payroll support
- Membership dues
- Travel & Conference Costs (Labor, Fee's, Lodging, Transportation, etc.) (pg 49 and 50). [IOU Sponsorship \("platinum" "gold" "silver" level etc\) is prohibited as an EE allowable travel cost. Such costs should be recouped in the GRC.](#)
- Information Technologies Support and Services (pg 50)
 - o Licensing fees or IT development cost for program specific applications for implementation are part of DI (benchmarking tool or Project Management tool)
- Accounting support (pg 50)
- Strategic Planning Administrative & Logistical Costs Related to Workshops (pg 57)
- Vacation and Sick Leave Related to Administrative Labor – follows labor charges (pg 50)
- Supply Management function activities to ensure oversight of contractors (pg 50)
- Administering contractor payments for services which are non incentive related (pg 50)
- Reporting Data Base (i.e. CRM, Track It Fast, Program Builder, SMART, etc.) (pg 50)
- Facility Related Costs
- Administrative Assistant Activities (pg 49 & 50)
- Utility administrative cost associated with Local Government Partnerships & Third Party programs

10% Administrative Cost "Target" for Third Party and Local Government Partnership Direct Cost (Separate from Utility Cost to administer these programs, *see citation 2 below*) (pg 63)

Marketing Activities (within programs) – Target 6% (pg 238 and 239)
See CPUC allowable cost category definitions and *see citation 3 below*.

- Preparing Collateral
- Distributing Collateral
- Support related to Outreach Events
- Participating in Outreach Events
- Advertising, Media, Radio, Newspaper, Website and Magazine related Marketing Activities
- LGP marketing & outreach related to Long-Term Strategic Planning support
- Vacation and Sick Leave Related to Marketing Labor – follows labor charges (pg 50)
- [Marketing-specific IT costs](#)
- [Staff travel to undertake marketing-specific work activities \(excluding conference participation\).](#)

Direct Implementation Activities – **Target 20%** [see citation 4 below]

- Employees who have a direct interface with the customer (i.e. Account Executives, Auditors, Engineers, Processors, Inspectors, call center representatives) (pg 50)
- Processing Rebate applications (pg 50)
- Inspecting rebated/incentivized measures (pg 50)
- Engineering related activities (pg 50)
- Measurement Development (Pg 50)
- Education and Training Contractors/Partners/Customers (pg 50)
- Project Management Activities (i.e. Planning Scope of work, working with contractors and customers, setting goals, reviewing goals, reacting to market conditions, and customer calls) (pg 50 and pg 57)
- Program Planning, Development and Design (pg 57)
- Emerging Technologies Program Management Activities (pg 50)
- WE&T Program Management Activities (pg 50)
- On Bill Financing Program Management Activities (pg 50)
- Customer Support (pg 50)
- Energy Audits and Continuous Energy Improvement (pg 50 & 192)
- Market Transformation and Long-Term Strategic Plan Support (pg 51)
- Compiling and maintaining information for projects (pg 50 and pg 57)

- Licensing fees or IT development cost for program specific applications for implementation are part of DI (benchmarking tool or Project Management tool)
- Vacation and Sick Leave Related to Direct Implementation Labor – follows labor charges (pg 50)
- [Direct-implementation specific IT costs](#)
- [Staff travel to undertake direct implementation-specific work activities \(excluding conference participation\).](#)
-

Target of 20% on “non-resource” support costs which includes direct implementation non-incentive costs associated with incentive-based programs, such as education and training, engineering support and project management, and long term strategic plan support. (Pg 6)

EM&V Activities:

- [Staff travel to participate in Strategic Plan workshops](#)
- [Market, cost assessment and other studies as relevant to or suggested in the Strategic Plan](#)

Decision 09-09-047 Citations

Citation 1: Administrative Costs (p.49, OP#13a)

[p.49]

4.4. Administrative Costs

We impose a 10% cap on total administrative costs, defined as overhead (General and Administrative (G&A) Labor and Materials), labor (Management and Clerical), Human Resources (HR) Support and Development, Travel and Conference Fees (Administrative Costs).

Administrative costs are a necessary component of implementing energy efficiency programs. Utilities have a number of administrative duties including reporting to the Commission, internal management controls, and oversight of contractors which must be funded in order to carry out their required programs.

Administrative costs,³⁰ as we have defined them, include:

- *Overhead (G&A Labor/Materials): administrative labor, accounting support, IT services and support, reporting databases,*

data request responses, CPUC financial audits, regulatory filings support and other ad-hoc support required across all programs.

- *Labor (Managerial & Clerical): This category includes utility labor costs related to either management or clerical positions directly related to program administration. SDG&E and SCG also add payroll taxes.*

- *Travel and Conference fees: This includes labor, travel and fees for conferences.*

These Administrative Costs categories do not include EM&V or Marketing

and Outreach. Direct Implementation costs for delivering programs, which are defined as “costs associated with activities that are a direct interface with the customer or program participant or recipient (i.e., contractor receiving training),”

are also excluded.³¹ Direct Implementation includes non-resource programs such as Emerging Technologies, WE&T, Lighting Market Transformation, Zero Net Energy Pilots, local & statewide DSM integration and On-Bill Financing. Also included are direct implementation non-incentive costs associated with incentive-based programs. These costs include engineering project management, customer support, certain sub-programs (e.g., Energy Audits and Continuous Administrative costs are necessary to well-functioning programs, it is our duty to ensure that administrative costs are reasonable and limited to those overhead and labor costs that are truly required to implement quality programs, so that ratepayer funds are used to the greatest degree possible for the programs themselves.

³⁰*A list of allowable administrative costs is attached to the December 2008 Assigned Commissioner’s Ruling, at attachment 5-A.*

³¹*February, 2006 ALJ Ruling in R.01-08-028 on reporting requirements for the utility energy efficiency programs.*

[Ordering Paragraph #13a]

a. Administrative costs for utility energy efficiency programs (excluding third party and/or local government partnership budgets) are limited to 10% of total energy efficiency budgets. Administrative costs shall be closely identified by and consistent

across utilities. Administrative costs shall not be shifted into any other costs category. Utilities shall not reduce the non-utility portions of local government partnership and third party implementer administrative costs, as compared to levels contained in budgets approved herein, unless those levels exceeded 10% in the July 2009 utility supplemental applications in this proceeding;

Citation 2: Administrative Costs- third parties and partnerships (p.63)

[p.63]

An administrative cost cap of 10% on third party programs and local government programs is also an important component of containing total portfolio administrative costs. However, imposing a 10% administrative cost cap for each program within these categories would be excessively burdensome for utilities, third party contractors and government partners. Therefore, we direct the utilities to seek to achieve a 10% administrative cost target for third party and local government partnership direct costs (i.e., separate from utility costs to administer these programs). As combined total program categories, third party and local government program administrative costs should strive toward the 10% total administrative cost target. In addition, we agree with comments by LGSEC and CCSF on the Proposed Decision that utilities should not be permitted to unduly shift administrative cost cuts onto local government partnership and

third party implementers. Therefore, we direct the utilities to not reduce the non-utility portions of local government partnership and third party implementer administrative costs, as compared to levels contained in the budgets proposed by the utilities in their

July 2009 applications and approved herein, except where these costs as filed exceed the 10% cost target level.

Citation 3: Marketing Activities (p.73, OP#13b)

[p.73]

Using this data as a guideline for our programs, we reduce the ME&O budget to 6% of the adopted portfolios, which is a reduction from the proposed levels of around 8%, but still above national trends (excluding Vermont as an outlier). This is not a hard cap, as with administrative costs, but a budget target. This target is reasonable. As discussed in the ME&O section, the centerpiece of our ME&O program—the statewide ME&O branding and outreach program— has a budget of \$60 million, with additional funding coming from already approved budgets for the LIEE and Demand Response programs. This reduction is also consistent with the direction of D.07-10-032, in which we noted our

concerns about the increasing ratepayer costs of ME&O for California's demand side programs and directed a statewide, integrated approach.

[Ordering Paragraph #13b]

Marketing, Education and Outreach costs for energy efficiency are set at 6% of total adopted energy efficiency budgets, subject to the fund-shifting rules in Section II, Rule 11 of the Energy Efficiency Policy Manual

Citation 4: Direct Implementation Activities [p.6, 50, 57, OP#13c]

[p.6]

Similarly, we place a target of 20% on non-resource support costs.⁷

⁷ This activity includes direct implementation non-incentive costs associated with incentive-based programs, such as education and training, engineering support and project management, and long term strategic plan support.

[p.50]

Direct Implementation costs for delivering programs, which are defined as “costs associated with activities that are a direct interface with the customer or program participant or recipient (i.e., contractor receiving training),” are also excluded.³¹ Direct Implementation includes non-resource programs such as Emerging Technologies, WE&T, Lighting Market Transformation, Zero Net Energy Pilots, local & statewide DSM integration and On-Bill Financing. Also included are direct implementation non-incentive costs associated with incentive-based programs. These costs include

engineering project management, customer support, certain sub-programs (e.g., Energy Audits and Continuous Energy Improvement), market transformation and long term strategic plan support.

³¹ February, 2006 ALJ Ruling in R.01-08-028 on reporting requirements for the utility energy efficiency programs.

[p.57]

We therefore clarify here that we accept utility categorization of program planning, design and project management costs as direct implementation non-incentive costs and direct our staff to issue a revised guideline describing the details of administrative costs versus direct implementation costs.

[Ordering Paragraph #13c]

Non-resource costs (excluding non-resource direct implementation costs) are set at 20% of the total adopted energy efficiency budgets;

ADVICE 3065-G/3562-E
Attachment 3:
PG&E Electric Bill Payer Impacts - Revenues
and Rates by Customer Class

Attachment 3

PG&E Electric Bill Payer Impacts - Revenues and Rates by Customer Class

Customer Classes	Proposed Electric Annual Revenue Change \$000	Percentage Change In Revenue and Rates (3)	Proposed Electric Average Rate Change \$/kwh	Percentage Change In Revenue and Rates (3)
<u>Bundled (1)</u>				
Residential	\$12,039	0.2%	\$0.00038	0.2%
Commercial - Small	\$3,537	0.2%	\$0.00039	0.2%
Commercial - Medium	\$5,250	0.2%	\$0.00037	0.2%
Commercial - Large	\$2,993	0.2%	\$0.00034	0.2%
Streetlights	\$185	0.3%	\$0.00044	0.3%
Standby	\$74	0.2%	\$0.00031	0.2%
Agricultural	\$1,455	0.2%	\$0.00033	0.2%
Industrial	\$3,571	0.2%	\$0.00029	0.2%
<u>Direct Access Service (2)</u>				
Residential	\$17	0.5%	\$0.00040	0.5%
Commercial - Small	\$27	0.5%	\$0.00037	0.5%
Commercial - Medium	\$526	0.8%	\$0.00037	0.8%
Commercial - Large	\$451	0.9%	\$0.00034	0.9%
Agricultural	\$7	0.6%	\$0.00036	0.6%
Industrial	\$1,031	1.1%	\$0.00029	1.1%
<u>Departed Load</u>	\$300	1.7%		

(1) Customers who receive electric generation as well as transmission and distribution service from PG&E.

(2) Customers who purchase energy from non-PG&E suppliers.

(3) Proposed revenue and rate changes shown above are relative to 2009 revenue at October 1, 2009, rates.

PG&E Gas Bill Payer Impacts - Revenues and Rates by Customer Class

Customer Classes	Proposed Gas Annual Revenue Change \$000	Percentage Change In Revenue and Rates (3)	Proposed Gas Average Rate Change \$/therm	Percentage Change In Revenue and Rates (3)
<u>Core Retail Bundled (1)</u>				
Residential - Non-CARE	\$3,917	0.17%	\$0.00221	0.16%
Residential – CARE	\$803	0.17%	\$0.00221	0.16%
Commercial - Small	\$756	0.09%	\$0.00102	0.09%
Commercial - Large	\$196	0.24%	\$0.00241	0.25%
<u>Core Retail - Transportation Only (2)</u>				
Residential - Non-CARE	\$12	0.44%	\$0.00221	0.40%
Residential - CARE	\$2	0.44%	\$0.00221	0.40%
Commercial - Small	\$55	0.28%	\$0.00102	0.28%
Commercial - Large	\$5	1.46%	\$0.00241	1.31%
<u>Noncore- Transportation Only (2)</u>				
Industrial - Distribution	\$172	0.42%	\$0.00066	0.44%
Industrial - Transmission	\$468	0.69%	\$0.00039	0.68%

(1) Customers who receive gas procurement as well as transportation service from PG&E.

(2) Customers who purchase gas from non-PG&E suppliers.

(3) Proposed revenue and rate changes compare to total revenues and rates effective January 1, 2009.

ADVICE 3065-G/3562-E
Attachment 4:
Plan for Encouraging Customers to Install
Stored CFLs into Sockets

Attachment 4

Plan for Encouraging Customers to Install Stored CFLs into Sockets

According to a KEMA study, some 42 million basic CFLs purchased through utility programs are currently in storage on customer shelves. In response to this study's findings, PG&E will develop a consumer-focused initiative that will educate and motivate its customers to not only purchase ENERGY STAR CFLs but immediately begin using those they have stored in their home.

This outreach campaign will be designed to educate customers on the features, environmental benefits, high quality, and cost savings of ENERGY STAR CFLs and encourage customers to purchase utility-incented CFLs to install immediately. Among other messages, the ads will promote the immediate use of bulbs in storage ("Don't wait for your incandescent bulbs to burn out before replacing them with CFLs"), as well as the purchase and use of multiple bulbs ("Start replacing the incandescent light bulbs you use the most with CFLs").

Marketing messages will be developed for various tactics, such as online banner ads on PGE.com, e-mail communications and online advertising. These communication channels can drive customers to PGE.com for more detailed information about CFLs.

PG&E will also assess leveraging its government and local partnerships as an additional channel to encourage local residents to take the initiative and install their CFLS now.

As part of the state-wide initiative, PG&E will work with Southern California Edison (SCE) and San Diego Gas and Electric (SDG&E) to encourage reinforcement of the overall messaging.

Based upon available marketing budget, an outreach campaign can be launched in Q1 or Q2 of 2010.

ADVICE 3065-G/3562-E
Attachment 5:
Corrections/Clarifications to
Decision 09-09-047

Attachment 5
Corrections/Clarifications to Decision 09-09-047

Page	Table	Concern	Decision	Correction
p. 108	Table 10 – Residential Statewide Programs	Total omits PG&E's 7/09 Whole House Performance Program budget of \$3,961,186.	\$269,652,050	\$273,613,236
p. 108	Table 10 – Residential Third Party Programs	Total \$s and savings do not match PG&E's 7/09 filing. Note Energy Star Manufactured Homes is included in corrected totals, but are also included in RNC Table 17 (at p. 160)	\$9,285,172 3,426,324,191 kwh 621,507 kw 2,113,362 th	\$12,258,154 10,773,152 kwh 10,228 kw 507,339 th
p. 122 and OP 21		Text and OP conflict.	IOUs are required to propose changes to the Appliance Recycling Program either within 90 days of the preliminary report (p.122) or within 90 days of the final report (OP 21) being issued.	PG&E assumes that OP 21 is the correct guidance.
p. 129	Table 12 – Statewide Lighting Market Transformation	Admin and total \$s do not match PG&E's 7/09 filing.	\$308,473 (admin) \$458,473 (total)	\$299,187 (admin) \$449,187 (total)
p. 147	Table 16 – Commercial Statewide Programs	Total \$s and savings do not match PG&E's 7/09 filing.	\$188,195,450 752,369,598 kwh 145,219 kw 5,612,111 th	\$182,922,093 740,793,609 kwh 141,051 kw 5,214,032 th
p. 147	Table 16 – Commercial Third Party Programs	Total \$s and savings do not match PG&E's 7/09 filing.	\$137,025,667 333,270,751 kwh 58,443 kw 3,922,145 th	\$163,812,675 399,826,244 kwh 73,471 kw 4,579,995 th
p. 193	Table 25 – Agriculture Savings - Statewide	Total savings does not match PG&E's 7/09 filing and BTU conversion incorrect.	198.13 GWh; 45.99 kw (ok) 9.21 BTUs	198.43 GWh 9.31 MMth
p. 193	Table 25 – Agriculture Savings - 3 rd Party/Local	Total savings does not match PG&E's 7/09 filing; units differ from other tables, BTU	51.78 GWh 6.55 MW 1.29 BTUs	51.687 GWh 6.46 MW 1.28 MMth

Page	Table	Concern	Decision	Correction
		conversion incorrect.		
p. 197	Table 26 – HVAC Third Party	Total \$s do not match PG&E's 7/09 filing.	\$24,898,632 61,518,796 kwh 16,567 kw 329,799 th	\$929,691 372,000 kwh 616 kw 413 th
p. 197	Table 26a – Statewide HVAC Subprograms	IOU line 3 and total not correct.	\$3,244,861 (IOU line 3) \$156,770,895 (IOU total)	\$16,307,920 (IOU line 3) \$169,833,954 (IOU total)

ADVICE 3065-G/3562-E
Attachment 6:
2010-2012 EE Portfolio Compliance
Advice Letter Tables

Attachment 6
2010-2012 EE Portfolio Compliance AL Tables
Available electronically at

<http://apps.pge.com/regulation/search.aspx?CaseID=828>

Instructions for Accessing Files:

- Go to <http://apps.pge.com/regulation/search.aspx?CaseID=828>
- Make sure the case selected is “Energy Efficiency 2009-2011 Portfolio”
- For Document Type select “Other Doc”
- For Party select “PGE”
- For Date select “11/23/2009”
- Then click “Search”

If you have any difficulties opening files, please contact Lauren Rohde at ldri@pge.com.

Appendix A – Portfolio Tables (revised 11/23/09)

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Appendix C – Program Budget and Savings Workbook (revised 11/23/09)

PG&E 2010-2012 Program Budget Workbook

PG&E 2010-2012 Program Savings Workbook

Note: PG&E will provide the TRCs for each Partnership and Third Party once the contract negotiations are complete.

PG&E 2010-2012 Program Budget and Savings

Appendix H - E3 Calculators (revised 11/23/09)

PGE E3 Calc Engine –

PGE E3-v1g.xls

PGE Program E3s –

3P Input-Output.xls

AGC Input-Output.xls

Com Input-Output.xls

CS Input-Output.xls

GP Input-Output.xls

HVAC Input-Output.xls

IND Input-Output.xls

NC Input-Output.xls

RES Input-Output.xls

Total Portfolio Input-Output.xls

PGE Subprogram E3s -

Core and Targeted Market subprograms

Note: PG&E will provide the E3 calculators for each Partnership and Third Party once the contract negotiations are complete.

PGE Summary.xls

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

Aglet	Defense Energy Support Center	Occidental Energy Marketing, Inc.
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BART	Douglas & Liddell	Recon Research
BP Energy Company	Douglass & Liddell	SCD Energy Solutions
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California League of Food Processors	Green Power Institute	Southern California Edison Company
California Public Utilities Commission	Hanna & Morton	Sunshine Design
Calpine	International Power Technology	Sutherland, Asbill & Brennan
Cameron McKenna	Intestate Gas Services, Inc.	Tabors Caramanis & Associates
Casner, Steve	Los Angeles Dept of Water & Power	Tecogen, Inc.
Chamberlain, Eric	Luce, Forward, Hamilton & Scripps LLP	Tiger Natural Gas, Inc.
Chevron Company	MBMC, Inc.	Tioga Energy
Chris, King	MRW & Associates	TransCanada
City of Glendale	Manatt Phelps Phillips	Turlock Irrigation District
City of Palo Alto	Matthew V. Brady & Associates	U S Borax, Inc.
Clean Energy Fuels	McKenzie & Associates	United Cogen
Coast Economic Consulting	Merced Irrigation District	Utility Cost Management
Commerce Energy	Mirant	Utility Specialists
Commercial Energy	Modesto Irrigation District	Verizon
Consumer Federation of California	Morgan Stanley	Wellhead Electric Company
Crossborder Energy	Morrison & Foerster	Western Manufactured Housing Communities Association (WMA)
Davis Wright Tremaine LLP	New United Motor Mfg., Inc.	eMeter Corporation
Day Carter Murphy	Norris & Wong Associates	
	North Coast SolarResources	