

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



January 7, 2010

Advice Letter 3568-E

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

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

Dear Mr. Cherry:

Advice Letter 3568-E is effective January 1, 2010.

Sincerely,

A handwritten signature in blue ink, appearing to read "Julie A. Fitch".

Julie A. Fitch, Director
Energy Division



December 4, 2009

Advice 3568-E
(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

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

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

Purpose

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

Background

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

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

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

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

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

Table 1 shows the revised assumptions for each of the variables used in calculating the DRC Series 1 Charge and the DRC Series 2 Charge for non-exempt consumers. The assumptions underlying the current DRC Charges were filed on June 30, 2009, in Advice 3486-E, a Non-Routine Annual True-Up Advice Filing, as authorized by D.04-11-015 and effective October 1, 2009.

TABLE 1 Input Values For Revised DRC Series 1 Charge and DRC Series 2 Charge	
Average monthly kWh sales to non-exempt consumers in 2010	7,068 GWh
Percent of revenue requirement allocated to non-exempt consumers	100% (NC)
Percent of non-exempt consumers' revenue written off	0% (NC)
Percent of non-exempt consumers' billed amounts expected to be uncollected	0.26%
Percent of billed amounts collected in current month	39.62%
Percent of billed amounts collected in second month after billing	55.59%
Percent of billed amounts collected in third month after billing	3.56%
Percent of billed amounts collected in fourth month after billing	0.53%
Percent of billed amounts collected in fifth month after billing	0.28%
Percent of billed amounts collected in sixth month after billing	0.16%
Percent of billed amounts remaining less uncollectibles	99.74%
ERB Series 2005-1	
Monthly ongoing transaction expenses	\$5,718
Expected ERB Series 2005-1 outstanding balance as of 12/25/10	\$551,627,472
Over- or undercollection of principal from previous DRC collections to be reflected in the new DRC charges	\$0.00
Reserve Subaccount balance to be reflected in the new DRC Series 1 Charge	\$0
Shortfalls in Required Subaccount Levels forecast as of 12/25/09:	
Overcollateralization Subaccount	\$4,754,775
Capital Subaccount	\$1,751,824
ERB Series 2005-2	
Monthly ongoing transaction expenses	\$0
Expected ERB Series 2005-2 outstanding balance as of 12/25/10	\$275,177,268
Over- or undercollection of principal from previous DRC collections to be reflected in the new DRC charges	\$0.00
Reserve Subaccount balance to be reflected in the new DRC Series 2 Charge	\$0
Shortfalls in Required Subaccount Levels forecast as of 12/25/09:	
Overcollateralization Subaccount	\$1,789,280
Capital Subaccount	\$1,705,751

Table 2 shows the revised DRC Series 1 Charge and DRC Series 2 Charge calculated for non-exempt consumers. The DRC Series 1 Charge is a decrease from that in effect on October 1, 2009, 0.360 ¢/kWh. The DRC Series 2 Charge is a decrease from that in effect on October 1, 2009, 0.182 ¢/kWh. The information used to calculate both the DRC Series 1 Charge and DRC Series 2 Charge is shown in Attachment 2.

TABLE 2	
Non-exempt Consumer DRC Series 1 Charge	0.354 ¢/kWh
Non-exempt Consumer DRC Series 2 Charge	0.178 ¢/kWh

Attachment 3 includes proposed changes to Part I of PG&E's Preliminary Statement to show the DRC Series 1 Charge and the DRC Series 2 Charge to be effective January 1, 2010. Rate tables that show the DRC Series 1 Charge and the DRC Series 2 Charge rate component with the affected rate schedules are not included in this filing. PG&E will consolidate all electric rate changes to be implemented on January 1, 2010, in final tariff form on or about the first of the year in its Annual Electric True-up Advice Letter.

Description of Attachments

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

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

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

Protests

Anyone wishing to protest this filing may do so by letter sent via U.S. mail, by facsimile or electronically, any of which must be received no later than **December 24, 2009**, which is 20 days after the date of this filing. Protests should be mailed to:

CPUC Energy Division
Tariff Files, Room 4005
DMS Branch
505 Van Ness Avenue
San Francisco, California 94102

Facsimile: (415) 703-2200
E-mail: ijnj@cpuc.ca.gov 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

Effective Date

In accordance with D.04-11-015, Annual Routine True-Up Mechanism Advice Letters for annual DRC Charge adjustments shall be filed at least 15 days before the end of each year and these adjustments to DRC Charges shall be effective at the beginning of the next quarter. No Commission resolution is required. Therefore, the DRC Series 1 Charge and the DRC Series 2 Charge shall be effective January 1, 2010.

Notice

In accordance with General Order 96-B, Section IV, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list. Address changes to the General Order 96-B service list should be directed to email PGETariffs@pge.com. Advice letter filings can also be accessed electronically at: <http://www.pge.com/tariffs>



Vice President - Regulatory Relations

Attachments: Attachments 1-3

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) #: 3568-E

Tier: 2

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

Keywords (choose from CPUC listing):

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

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

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

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: 5

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting). N/A

Tariff schedules affected: Electric Preliminary Statements Part I and DP

Service affected and changes proposed: N/A

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

CPUC, Energy Division

Tariff Files, Room 4005

DMS Branch

505 Van Ness Ave., San Francisco, CA 94102

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

ADVICE 3568-E
Attachment 1:
Principal Amortization Schedule

Attachment 1

Expected Principal Amount Amortization fro ERB Series 2005-1

Payment Date	Class A-1 Balance	Class A-2 Balance	Class A-3 Balance	Class A-4 Balance	Class A-5 Balance	Total
<u>12/25/2009</u>	-	-	<u>157,252,479</u>	<u>468,000,000</u>	<u>184,864,000</u>	<u>810,116,479</u>
3/25/2010	-	-	94,936,586	468,000,000	184,864,000	747,800,586
6/25/2010	-	-	35,490,418	468,000,000	184,864,000	688,354,418
9/25/2010	-	-	-	434,534,010	184,864,000	619,398,010
<u>12/25/2010</u>	-	-	-	<u>366,763,472</u>	<u>184,864,000</u>	<u>551,627,472</u>
3/25/2011	-	-	-	301,686,938	184,864,000	486,550,938
6/25/2011	-	-	-	239,441,761	184,864,000	424,305,761
9/25/2011	-	-	-	167,635,746	184,864,000	352,499,746
<u>12/25/2011</u>	-	-	-	<u>96,961,141</u>	<u>184,864,000</u>	<u>281,825,141</u>
3/25/2012	-	-	-	28,896,551	184,864,000	213,760,551
6/25/2012	-	-	-	-	148,543,764	148,543,764
9/25/2012	-	-	-	-	73,742,437	73,742,437
<u>12/25/2012</u>	-	-	-	-	-	<u>0</u>

Attachment 1

Expected Principal Amount Amortization for ERB Series 2005-2

Payment Date	Class A-1 Balance	Class A-2 Balance	Class A-3 Balance	Total
<u>12/25/2009</u>	-	<u>281,309,497</u>	<u>121,461,000</u>	<u>402,770,497</u>
3/25/2010	-	251,008,551	121,461,000	372,469,551
6/25/2010	-	221,427,192	121,461,000	342,888,192
9/25/2010	-	186,973,000	121,461,000	308,434,000
<u>12/25/2010</u>	-	<u>153,716,268</u>	<u>121,461,000</u>	<u>275,177,268</u>
3/25/2011	-	121,780,273	121,461,000	243,241,273
6/25/2011	-	90,575,138	121,461,000	212,036,138
9/25/2011	-	54,497,241	121,461,000	175,958,241
<u>12/25/2011</u>	-	<u>19,582,161</u>	<u>121,461,000</u>	<u>141,043,161</u>
3/25/2012	-	-	107,402,519	107,402,519
6/25/2012	-	-	74,476,859	74,476,859
9/25/2012	-	-	36,671,966	36,671,966
<u>12/25/2012</u>	-	-	-	<u>0</u>

ADVICE 3568-E
Attachment 2:
Amounts Receivable and Expected Principal
Amount Amortization

Attachment 2
Amounts Receivable And Expected Principal Amount Amortization

ERB Series 1

The remaining total amount payable to the owner of the Recovery Property, or its assignee(s), after allocation of moneys held in the Collection Account on December 25, 2009, will be a \$810,116,479 principal amount, plus interest on accruing on such principal amount from December 25, 2009, plus a forecast of \$7,687,496 Capital Subaccount balance in addition to the \$1,030,615 held in the Overcollateralization Subaccount, plus other ongoing costs, less \$0 that then will be held in the Reserve Subaccount, to be obtained from DRC Series 1 Charges calculated in accordance with D.04-11-015.

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

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

ERB Series 2

The remaining total amount payable to the owner of the Recovery Property, or its assignee(s), after allocation of moneys held in the Collection Account on December 25, 2009, will be a \$402,770,497 principal amount, plus interest on accruing on such principal amount from December 25, 2009, plus a forecast of \$2,516,554 Capital Subaccount balance in addition to the \$556,445 held in the Overcollateralization Subaccount, plus other ongoing costs, less \$0 that then will be held in the Reserve Subaccount, to be obtained from DRC Series 1 Charges calculated in accordance with D.04-11-015.

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

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

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

Energy Recovery Bond ("ERB") Property Securitization Analysis

Pacific Gas and Electric Company

Summary Bond Information

Class	Avg. Life	Size	Approx. Duration	Benchmark Description	Total Spread	Benchmark Yield	Total Yield	Quarterly Coupons	Beginning Payment Window	Ending Payment Window	Expected Final Maturity
1	-	-	-	EDSF	-1	3.358%	3.348%	3.320%	-	-	-
2	-	-	-	Swaps	1	3.885%	3.895%	3.870%	-	-	-
3	4.9991	222,386,872.00	4.45	Swaps	3	4.139%	4.169%	4.140%	53	68	9/25/2010
4	6.4989	468,000,000.00	5.57	Swaps	11	4.284%	4.394%	4.370%	68	89	6/25/2012
5	7.6756	184,864,000.00	6.40	Swaps	11	4.385%	4.495%	4.470%	89	95	12/25/2012

Summary DRC Information

Years	Overall DRC Charge Forecast (cents/kWh)
1	0.39312
2	0.35001
3	0.34916
4	0.31515
5	0.33738
6	0.35356
7	0.34258
8	0.33679
9	0.00000
10	0.00000

Assumptions

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

Base Case Collections Account Curves

Collection Period	Overall
30 days	39.62%
60 days	55.59%
90 days	3.56%
120 days	0.53%
150 days	0.28%
180 days	0.16%
Uncollectible	0.260%

Results

Date	Calculated DRC	Original DRC	Difference
12/25/2009	0.35356	0.34530	0.00825
9/25/2005	0.39312	0.39312	0.00000

Pacific Gas and Electric Company
Page 3 of 5
Energy Recovery Bonds Series 1

Period	Date	Monthly Revenues	Collection Account	Servicing Fee	BOP OC Account	BOP SPE Account	Available Funds	A1 BOP Bal	A2 BOP Bal	A3 BOP Bal	A4 BOP Bal	A5 BOP Bal	A6 BOP Bal	Total BOP Bal
59	12/25/2009	23,662,765	76,099,609	424,769	-	7,687,496	75,631,089	-	-	222,386,872	468,000,000	184,864,000	-	875,250,872
60	1/25/2010	24,307,757	-	-	-	8,703,733	24,307,757	-	-	157,252,479	468,000,000	184,864,000	-	810,116,479
61	2/25/2010	24,340,452	-	-	-	8,703,733	48,648,209	-	-	157,252,479	468,000,000	184,864,000	-	810,116,479
62	3/25/2010	23,601,874	72,250,083	424,769	-	8,703,733	71,781,563	-	-	157,252,479	468,000,000	184,864,000	-	810,116,479
63	4/25/2010	23,009,514	-	-	-	9,363,084	23,009,514	-	-	94,936,586	468,000,000	184,864,000	-	747,800,586
64	5/25/2010	22,917,129	-	-	-	9,363,084	45,926,643	-	-	94,936,586	468,000,000	184,864,000	-	747,800,586
65	6/25/2010	23,718,211	69,644,853	424,769	-	9,363,084	69,176,334	-	-	94,936,586	468,000,000	184,864,000	-	747,800,586
66	7/25/2010	25,323,652	-	-	1,492,582	9,439,320	25,323,652	-	-	35,490,418	468,000,000	184,864,000	-	688,354,418
67	8/25/2010	27,236,543	-	-	1,492,582	9,439,320	52,560,196	-	-	35,490,418	468,000,000	184,864,000	-	688,354,418
68	9/25/2010	28,223,847	80,784,042	424,769	1,492,582	9,439,320	80,315,523	-	-	35,490,418	468,000,000	184,864,000	-	688,354,418
69	10/25/2010	27,367,671	-	-	5,305,615	9,439,320	27,367,671	-	-	-	434,534,010	184,864,000	-	619,398,010
70	11/25/2010	25,457,147	-	-	5,305,615	9,439,320	52,824,818	-	-	-	434,534,010	184,864,000	-	619,398,010
71	12/25/2010	23,925,129	76,749,947	424,769	5,305,615	9,439,320	76,281,428	-	-	-	434,534,010	184,864,000	-	619,398,010
72	1/25/2011	23,898,705	-	-	7,003,366	9,439,320	23,898,705	-	-	-	366,763,472	184,864,000	-	551,627,472
73	2/25/2011	23,817,345	-	-	7,003,366	9,439,320	47,716,049	-	-	-	366,763,472	184,864,000	-	551,627,472
74	3/25/2011	22,934,919	70,650,968	424,769	7,003,366	9,439,320	70,182,449	-	-	-	366,763,472	184,864,000	-	551,627,472
75	4/25/2011	22,350,055	-	-	6,036,535	9,439,320	22,350,055	-	-	-	301,686,938	184,864,000	-	486,550,938
76	5/25/2011	22,326,454	-	-	6,036,535	9,439,320	44,676,509	-	-	-	301,686,938	184,864,000	-	486,550,938
77	6/25/2011	23,147,042	67,823,551	424,769	6,036,535	9,439,320	67,355,032	-	-	-	301,686,938	184,864,000	-	486,550,938
78	7/25/2011	24,747,964	-	-	5,784,604	9,439,320	24,747,964	-	-	-	239,441,761	184,864,000	-	424,305,761
79	8/25/2011	26,665,451	-	-	5,784,604	9,439,320	51,413,414	-	-	-	239,441,761	184,864,000	-	424,305,761
80	9/25/2011	27,677,869	79,091,283	424,769	5,784,604	9,439,320	78,622,764	-	-	-	239,441,761	184,864,000	-	424,305,761
81	10/25/2011	26,822,882	-	-	7,916,849	9,439,320	26,825,629	-	-	-	167,635,746	184,864,000	-	352,499,746
82	11/25/2011	24,977,454	-	-	7,916,849	9,439,320	51,803,083	-	-	-	167,635,746	184,864,000	-	352,499,746
83	12/25/2011	23,541,811	75,344,894	424,769	7,916,849	9,439,320	74,876,375	-	-	-	167,635,746	184,864,000	-	352,499,746
84	1/25/2012	23,516,066	-	-	8,221,343	9,439,320	23,516,066	-	-	-	96,961,141	184,864,000	-	281,825,141
85	2/25/2012	23,573,002	-	-	8,221,343	9,439,320	47,089,068	-	-	-	96,961,141	184,864,000	-	281,825,141
86	3/25/2012	22,927,295	70,016,363	424,769	8,221,343	9,439,320	69,547,844	-	-	-	96,961,141	184,864,000	-	281,825,141
87	4/25/2012	22,378,796	-	-	6,579,441	9,439,320	22,378,796	-	-	-	28,896,551	184,864,000	-	213,760,551
88	5/25/2012	22,368,595	-	-	6,579,441	9,439,320	44,747,391	-	-	-	28,896,551	184,864,000	-	213,760,551
89	6/25/2012	23,198,209	67,945,600	424,769	6,579,441	9,439,320	67,477,081	-	-	-	28,896,551	184,864,000	-	213,760,551
90	7/25/2012	24,805,187	-	-	6,458,185	9,439,320	24,805,187	-	-	-	-	148,543,764	-	148,543,764
91	8/25/2012	26,750,501	-	-	6,458,185	9,439,320	51,555,688	-	-	-	-	148,543,764	-	148,543,764
92	9/25/2012	27,784,688	79,340,377	424,769	6,458,185	9,439,320	78,871,857	-	-	-	-	148,543,764	-	148,543,764
93	10/25/2012	26,918,225	-	-	8,868,739	9,439,320	26,918,225	-	-	-	-	73,742,437	-	73,742,437
94	11/25/2012	25,061,396	-	-	8,868,739	9,439,320	51,979,620	-	-	-	-	73,742,437	-	73,742,437
95	12/25/2012	23,625,989	75,605,609	424,769	8,868,739	9,439,320	75,137,090	-	-	-	-	73,742,437	-	73,742,437
96	1/25/2013	-	-	-	9,439,320	9,439,320	0	-	-	-	-	-	-	-
97	2/25/2013	-	-	-	-	-	0	-	-	-	-	-	-	-
98	3/25/2013	-	0	-	-	-	0	-	-	-	-	-	-	-
99	4/25/2013	-	-	-	-	-	0	-	-	-	-	-	-	-

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

Energy Recovery Bond ("ERB Series 2") Property Securitization Analysis

Pacific Gas and Electric Company

Summary Bond Information

<u>Class</u>	<u>Avg. Life</u>	<u>Size</u>	<u>Approx. Duration</u>	<u>Benchmark Description</u>	<u>Total Spread</u>	<u>Benchmark Yield</u>	<u>Total Yield</u>	<u>Quarterly Coupons</u>	<u>Beginning Payment Window</u>	<u>Ending Payment Window</u>	<u>Expected Final Maturity</u>
1	-	-	1.86	Swaps	-3	4.898%	4.868%	4.850%	0	0	-
2	5.0089	312,958,416.00	4.34	Swaps	2	5.038%	5.058%	5.030%	42	75	3/25/2012
3	6.8276	121,461,000.00	5.67	Swaps	6	5.091%	5.151%	5.120%	75	84	12/25/2012

Summary DRC Information

<u>Years</u>	<u>Overall DRC Charge Forecast (cents/kWh)</u>
1	0.20915
2	0.16613
3	0.16361
4	0.16556
5	0.17764
6	0.17198
7	0.16910
8	0.00000
9	0.00000
10	0.00000

Assumptions

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

Base Case Collections Account Curves

<u>Collection Period</u>	<u>Overall</u>
30 days	39.62%
60 days	55.59%
90 days	3.56%
120 days	0.53%
150 days	0.28%
180 days	0.16%
Uncollectible	0.260%

<u>Date</u>	<u>Results</u>		<u>Difference</u>
	<u>Calculated DRC</u>	<u>Original DRC</u>	
12/25/2009	0.17764	0.17087	0.00677

**ATTACHMENT 3
Advice 3568-E**

Cal P.U.C. Sheet No.	Title of Sheet	Cancelling Cal P.U.C. Sheet No.
28681-E	ELECTRIC PRELIMINARY STATEMENT PART I RATE SCHEDULE SUMMARY Sheet 2	28431-E
28682-E	ELECTRIC PRELIMINARY STATEMENT PART DP DEDICATED RATE COMPONENT Sheet 2	28432-E
28683-E	ELECTRIC TABLE OF CONTENTS Sheet 1	28429-E
28684-E	ELECTRIC TABLE OF CONTENTS PRELIMINARY STATEMENT Sheet 6	28561-E
28685-E	ELECTRIC TABLE OF CONTENTS PRELIMINARY STATEMENT Sheet 8	28562-E



ELECTRIC PRELIMINARY STATEMENT PART I
RATE SCHEDULE SUMMARY

Sheet 2

I. Rate Summary (Cont'd.)

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

Billed Component	Subcomponent	Applicability	Rate (per kWh)	
Public Purpose Programs	Procurement Energy Efficiency Revenue Adjustment Mechanism	All rate schedules, all customers.	\$0.00229	
Generation	Power Charge Collection Balancing Account (PCCBA)	Core rate schedules: residential, small light and power, agriculture, and streetlights, all bundled service customers.	\$0.01951	
Generation	Power Charge Collection Balancing Account (PCCBA)	Noncore rate schedules: all remaining schedules, all bundled service customers.	\$0.01951	
Generation	Energy Resource Recovery Account (ERRA)	All rate schedules, all bundled service customers.	\$0.05082	
Generation	DWR Franchise Fees	All rate schedules, all bundled service customers.	\$0.00018	
Generation	Regulatory Asset Tax Balancing Account (RATBA)	All rate schedules, all bundled service customers.	\$0.00000	
Generation	Headroom Account (HA)	All rate schedules, all bundled service customers.	\$0.00000	
Energy Cost Recovery Amount	Energy Recovery Bond Dedicated Rate Component (DRC) Charge - Series 1	All rate schedules, all customers.	\$0.00354 (R)	(T)
Energy Cost Recovery Amount	Energy Recovery Bond Dedicated Rate Component (DRC) Charge - Series 2	All rate schedules, all customers.	\$0.00178 (R)	(T)
Energy Cost Recovery Amount	Energy Recovery Bond Balancing Account	All rate schedules, all customers.	(\$0.00272)	
Power Charge Indifference Adjustment	DWR Franchise Fees	Non-bundled customers, where applicable	\$0.00004	



ELECTRIC PRELIMINARY STATEMENT PART DP
DEDICATED RATE COMPONENT

Sheet 2

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

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

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

5. DRC Charge:

	<u>(cents/kWh)</u>	
ERB Series 1.....	0.354 (R)	(T)
ERB Series 2.....	0.178 (R)	(T)



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Sheet 1

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PRELIMINARY STATEMENT

Sheet 6

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(Continued)

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

Alcantar & Kahl	Defense Energy Support Center	North Coast SolarResources
Ameresco	Department of Water Resources	Northern California Power Association
Anderson & Poole	Department of the Army	Occidental Energy Marketing, Inc.
Arizona Public Service Company	Dept of General Services	OnGrid Solar
BART	Division of Business Advisory Services	Praxair
BP Energy Company	Douglas & Liddell	R. W. Beck & Associates
Barkovich & Yap, Inc.	Douglass & Liddell	RCS, Inc.
Bartle Wells Associates	Downey & Brand	Recon Research
C & H Sugar Co.	Duke Energy	SCD Energy Solutions
CA Bldg Industry Association	Dutcher, John	SCE
CAISO	Ellison Schneider & Harris LLP	SMUD
CLECA Law Office	FPL Energy Project Management, Inc.	SPURR
CSC Energy Services	Foster Farms	Santa Fe Jets
California Cotton Ginners & Growers Assn	G. A. Krause & Assoc.	Seattle City Light
California Energy Commission	GLJ Publications	Sempra Utilities
	Goodin, MacBride, Squeri, Schlotz & Ritchie	Sierra Pacific Power Company
California League of Food Processors	Green Power Institute	Silicon Valley Power
California Public Utilities Commission	Hanna & Morton	Silo Energy LLC
Calpine	Hitachi	Southern California Edison Company
Cameron McKenna	International Power Technology	Sunshine Design
Cardinal Cogen	Intestate Gas Services, Inc.	Sutherland, Asbill & Brennan
Casner, Steve	Los Angeles Dept of Water & Power	Tabors Caramanis & Associates
Chamberlain, Eric	Luce, Forward, Hamilton & Scripps LLP	Tecogen, Inc.
Chevron Company	MBMC, Inc.	Tiger Natural Gas, Inc.
Chris, King	MRW & Associates	Tioga Energy
City of Glendale	Manatt Phelps Phillips	TransCanada
City of Palo Alto	Matthew V. Brady & Associates	Turlock Irrigation District
Clean Energy Fuels	McKenzie & Associates	U S Borax, Inc.
Coast Economic Consulting	Merced Irrigation District	United Cogen
Commerce Energy	Mirant	Utility Cost Management
Commercial Energy	Modesto Irrigation District	Utility Specialists
Consumer Federation of California	Morgan Stanley	Verizon
Crossborder Energy	Morrison & Foerster	Wellhead Electric Company
Davis Wright Tremaine LLP	New United Motor Mfg., Inc.	Western Manufactured Housing Communities Association (WMA)
		eMeter Corporation
Day Carter Murphy	Norris & Wong Associates	