

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



February 2, 2010

**Advice Letter 3576-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: 2010 Department of Water Resources (DWR) Revenue  
Requirement Determination**

Dear Mr. Cherry:

Advice Letter 3576-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



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

77 Beale Street, Room 1087  
San Francisco, CA 94105

*Mailing Address*  
Mail Code B10C  
Pacific Gas and Electric Company  
P.O. Box 770000  
San Francisco, CA 94177  
Fax: 415.973.7226

December 14, 2009

**Advice 3576-E**

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

**Subject: 2010 Department of Water Resources (DWR) Revenue  
Requirement Determination**

Pacific Gas and Electric Company (PG&E) hereby submits this advice letter in compliance with Decision (D.) 09-12-005, Opinion Allocating the Revised 2010 Revenue Requirement Determination of the California Department of Water Resources. Revised electric tariffs will be filed before December 31, as part of PG&E's Annual Electric True-up (AET) supplemental advice filing.

**Purpose**

The purpose of this filing is to comply with the requirements of D.09-12-005. Ordering Paragraph (OP) 2 of D.09-12-005 provides:

“Within ten days of today’s date, Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Electric Company shall file Tier 1 advice letters, as provided for in General Order 96-B, with revised tariffs that reflect the adopted Bond Charge and Power Charges. These new tariffs shall be effective beginning January 1, 2010.”

**Electric Rate Consolidation**

In this advice letter, PG&E implements the DWR revenue requirement changes described below. These changes are also to be incorporated in PG&E's supplemental AET filing, to be filed by December 31, 2009, with rate changes to be effective on January 1, 2010.

**2010 DWR Bond Charge**

The 2010 DWR revenue requirement proceeding establishes both the 2010 DWR bond charge rate and the 2010 DWR power charge revenue requirement. In this advice letter, PG&E proposes to implement both changes through the

consolidated rate changes made in the AET. Pursuant to D.09-12-005 (OP 1.b), the DWR bond charge for 2010 is \$ 0.00515 per kilowatt-hour (kWh). The DWR bond charge is paid by eligible bundled and non-bundled customers.

### **2010 DWR Power Charge and Remittance Rate**

The 2010 DWR power charge revenue requirement determined by the 2010 DWR revenue requirement decision (D.09-12-005) is \$ 930 million<sup>1</sup>. The Power Charge Collection Balancing Account (PCCBA) is forecast to be an undercollection of \$ 74 million at the end of December and PG&E's December AET supplement will reflect this balance. Consistent with previous Commission AET Resolutions, such as Resolution E-4121, PG&E, in its AET supplement will combine the 2010 power charge revenue requirement with the amortization of the forecast PCCBA balance to develop the total power charge related revenue requirement to be implemented in retail rates (\$1,004 million). In addition, PG&E is forecast to collect \$11 million in Franchise Fees in 2010.

The corresponding DWR remittance rate for PG&E is provided in Attachment 1 and is \$0.23139 per kWh.

### **Tariff Changes**

PG&E will file a supplement to its AET advice filing by December 31, 2009 with tariffs that include the final DWR related rate values based on D.09-12-005. The AET supplement will also contain revised rates for the PCCBA in electric Preliminary Statement I – Rate Schedule Summary.

### **Protests**

Anyone wishing to protest this filing may do so by letter sent via U.S. mail, by facsimile or electronically, any of which must be received no later than **January 4, 2010**, which is 21<sup>2</sup> 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

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<sup>1</sup> See attached Attachment 1 which contains applicable excerpts from Appendix A of D.09-12-005.

<sup>2</sup> The protest period concludes on a weekend. PG&E moves the date to the following business day.

Facsimile: (415) 703-2200  
E-mail: [jjn@cpuc.ca.gov](mailto:jjn@cpuc.ca.gov) and [mas@cpuc.ca.gov](mailto:mas@cpuc.ca.gov)

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

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

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

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

### **Effective Date**

Pursuant to OP 2 of D.09-12-005, PG&E requests that this advice filing become effective on **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 and all electronic approvals should be directed to email [PGETariffs@pge.com](mailto:PGETariffs@pge.com). Advice letter filings can also be accessed electronically at: <http://www.pge.com/tariffs>.

*Brian Cherry*

Vice President, Regulatory Relations

Attachments:

Attachment 1: Appendix A of D.09-12-005

cc: R. 09-06-018

# 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 M 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) #: 3576-E

**Tier: 1**

Subject of AL: 2010 Department of Water Resources (DWR) Revenue Requirement Determination

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.09-12-005

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

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

Is AL requesting confidential treatment? No 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: N/A

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

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

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

Tariff schedules affected: N/A

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](mailto:jnj@cpuc.ca.gov) and [mas@cpuc.ca.gov](mailto: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](mailto:PGETariffs@pge.com)**

**ADVICE 3576-E**  
**Attachment 1:**  
**Appendix A of D.09-12-005**

R.09-06-018 ALJ/JSW/hkr

APPENDIX A

**Allocation of 2010 Revenue Requirement Among Utilities**  
**California Department of Water Resources**  
(Dollars in millions)

Line	Description	PG&E	SCE	SDG&E	Total	Reference
1	Allocation Percentages	42.20%	47.50%	10.30%	100.00%	Decision 05-06-060
2						
3	2004-2008 Expenses	9,940	10,858	3,298	24,097	Actuals
4	2004-2008 Revenues	9,220	11,104	3,464	23,788	Actuals
5	Amount to be collected from /(returned to) the IOU USBA	\$ 720	\$ (246)	\$ (166)	\$ 309	Line 3 - Line 4
6						
7	2009 Expenses	1,178	1,613	401	3,192	actuals through Aug-09 then projected
8	2009 Revenues	1,583	1,538	544	3,665	actuals through Aug-09 then projected
9	Amount to be collected from /(returned to) the IOU USBA	\$ (405)	\$ 76	\$ (143)	\$ (472)	Line 7 - Line 8
10						
11	<b>Balancing Calculation</b>					
12	December 31, 2010 Projected PCA Balance: Desired Allocation	475	535	116	1,126	
13	January 1, 2004 Starting PCA Balance: Desired Allocation	701	789	171	1,660	
14	Amount to be collected from /(returned to) the IOU USBA	\$ (225)	\$ (254)	\$ (55)	\$ (534)	Line 12 - Line 13
15						
16	Fixed Transfer Payments	(130)	(104)	234	-	
17	2004-2009 True-up	315	(170)	(308)	(163)	Line 5 + Line 9
18	Starting and Ending balance True-up	(225)	(254)	(55)	(534)	Line 14
19	Cumulative True-up to be collected from/(returned to) IOU USBA	\$ (40)	\$ (528)	\$ (129)	\$ (698)	Subtotal
20						
21	<b>2010 Revenue Requirement Determination</b>					
22	Avoidable Costs	51	223	158	431	2010RptRR
23	Net Non-Avoidable Costs	478	1,589	250	2,316	2010RptRR
24	Indifference/Acceleration Payment	405	(452)	46	-	
25	Gas Collateral Cost	30	26	5	61	2010RptRR
26	Administrative and General	12	13	3	27	2010RptRR
27	Other Non-Allocated Costs	-	-	-	-	2010RptRR
28	Surplus Revenue	-	-	-	-	2010RptRR
29	Interest Earnings on Fund Balance	(5)	(6)	(1)	(13)	2010RptRR
30	Balancing Transfer between IOUs	(40)	(528)	(129)	(698)	Line 19
		<b>\$ 930</b>	<b>\$ 865</b>	<b>\$ 331</b>	<b>\$ 2,126</b>	

Rate Calculation Table: \*\*\*\*\* 2010 RR -- 10-15-2009Filing (with Aug-09 Actuals) \*\*\*\*\*

	\$	\$	\$	\$	\$
1 <b>Revenue Requirement Allocated to IOU's Customers</b>	<b>930</b>	<b>865</b>	<b>331</b>	<b>2,126</b>	
2 DWR Delivered Energy (GWh)	4,021	22,976	5,414	32,410	
3 Calendar Year Remittance Rates	<b>0.23139</b>	<b>0.03763</b>	<b>0.06112</b>	<b>0.06559</b>	



**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	