

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



May 17, 2010

**Advice Letter 3639-E**

Jane K. Yura  
Vice President, Regulation and Rates  
Pacific Gas and Electric Company  
77 Beale Street, Mail Code B10B  
P.O. Box 770000  
San Francisco, CA 94177

**Subject: 2010 Energy Resource Recovery Account Trigger Amount –  
Compliance Filing with D.02-10-062, 04-01-050, and 04-12-048**

Dear Ms. Yura:

Advice Letter 3639-E is effective March 26, 2010.

Sincerely,

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

Julie A. Fitch, Director  
Energy Division



March 26, 2010

**Advice 3639-E**  
(Pacific Gas and Electric Company ID U 39E)

Public Utilities Commission of the State of California

**Subject: 2010 Energy Resource Recovery Account Trigger Amount –  
Compliance Filing with Decisions 02-10-062, 04-01-050, and 04-  
12-048**

Pacific Gas and Electric Company (PG&E) hereby submits its annual advice letter calculating the Energy Resource Recovery Account (ERRA) trigger amount for 2010.

In Decision (D.) 02-10-062 (see pages 64-66), the California Public Utilities Commission (Commission) established an ERRA “trigger” mechanism to comply with Public Utilities (PU) Code §454.5(d)(3)’s requirement that “any overcollection or undercollection in the power procurement balancing account does not exceed 5 percent of the electrical corporation’s actual recorded generation revenues for the prior calendar year excluding revenues collected for the Department of Water Resources.”<sup>1</sup>

In D.04-01-050 the Commission ordered that the “ERRA trigger amount Advice Letter should be filed April 1 of each year.”<sup>2</sup>

**Purpose**

The purpose of this advice letter is to establish PG&E’s 2010 ERRA trigger amount in compliance with PU Code §454.5(d)(3), D.04-01-050, and D.04-12-048.

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<sup>1</sup> In pages 213-214 of D.04-12-048, the Commission directed the investor-owned utilities to “keep the trigger mechanism in effect during the term of the long-term contracts, or ten years, whichever is longer.”

<sup>2</sup> See D.04-01-050, Ordering Paragraph 5 and pages 175-176, ERRA Schedule Tables, Table Footnote 1.

### **ERRA Trigger Calculation**

PG&E's 2010 ERRA trigger amount is calculated to be \$270.4 million. Consistent with PG&E's ERRA trigger advice letters in previous years, this year's calculation is based on revenue streams from the balancing accounts that record PG&E's generation revenues, excluding DWR revenues. These revenue streams include the Utility Generation Balancing Account (UGBA), ERRA, and the Modified Transitional Cost Balancing Account (MTCBA). These balancing accounts include the capital and non-fuel operating costs in PG&E's existing generation asset base, fuel and electric procurement costs, and ongoing competition transition costs, respectively. The 2009 revenues from the three accounts and the corresponding trigger amount are shown in the table below.

2009 UGBA Revenues	\$1,128.8M
2009 ERRA Revenues	\$3,672.1M
2009 MTCBA Revenues	\$606.7M
<b>Total 2009 Generation Revenues, excluding DWR</b>	<b>\$5,407.6M</b>
2010 ERRA Trigger (5% of total \$5,407.6M)	\$270.4M

### **Conclusion**

PG&E requests that the Commission approve \$270.4 million as PG&E's 2010 ERRA trigger amount. PG&E also requests that this 2010 trigger amount remain in effect until the Commission adopts the 2011 trigger amount, to be submitted by advice letter no later than April 1, 2011.

### **Protest**

Anyone wishing to protest this filing may do so by sending a letter by **April 15, 2010**, which is 20 days from the date of filing. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. 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: [inj@cpuc.ca.gov](mailto:inj@cpuc.ca.gov) and [mas@cpuc.ca.gov](mailto:mas@cpuc.ca.gov)

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

The protest 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.

Jane K. Yura  
Vice President, Regulation and Rates  
Pacific Gas and Electric Company  
77 Beale Street, Mail Code B10B  
P.O. Box 770000  
San Francisco, California 94177

Facsimile: (415) 973-6520  
E-mail: PGETariffs@pge.com

### **Effective Date**

PG&E is filing this as a Tier One advice letter and, provided no protests are received, requests that this filing be effective on **March 26, 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. Advice letter filings can also be accessed electronically at: **<http://www.pge.com/tariffs>**.



Vice President – Rates and Regulation

# 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) #: 3639-E

**Tier: 1**

Subject of AL: 2010 Energy Resource Recovery Account (ERRA) Trigger Amount – Compliance Filing with Decisions 02-10-062, 04-01-050, and 04-12-048

Keywords (choose from CPUC listing): Compliance

AL filing type:  Monthly  Quarterly  Annual  One-Time  Other \_\_\_\_\_

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: Decisions 02-10-062, 04-01-050, and 04-12-048

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? 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: March 26, 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**

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

**Pacific Gas and Electric Company**

**Attn: Jane K. Yura, Vice President, Regulation and Rates**

**77 Beale Street, Mail Code B10B**

**P.O. Box 770000**

**San Francisco, CA 94177**

**E-mail: [PGETariffs@pge.com](mailto:PGETariffs@pge.com)**

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

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