

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



December 10, 2010

Advice Letter 3761-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: Revision to Electric Preliminary Statement Part CN, Research,
Development and Demonstration Balancing Account and Part
CO, Renewables Balancing Account for Interest Owed to the
California Energy Commission**

Dear Ms. Yura:

Advice Letter 3761-E is effective December 15, 2010.

Sincerely,

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

Julie A. Fitch, Director
Energy Division



November 15, 2010

Advice 3761-E

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: Revision to Electric Preliminary Statement Part CN, Research, Development and Demonstration Balancing Account and Part CO, Renewables Balancing Account for Interest Owed to the California Energy Commission

Purpose

Pacific Gas and Electric Company (PG&E) hereby submits this advice letter to revise Electric Preliminary Statement Part CN, *Research, Development and Demonstration Balancing Account (RDDDBA)*, and Electric Preliminary Statement Part CO, *Renewables Balancing Account (RBA)*, to allow interest earned in the accounts to be the remitted to the California Energy Commission (CEC).

Background

Public Utilities (PU) Code § 399.8 required the three major California investor-owned electric utilities (Utilities) to assess a Public Goods Charge (PGC) to customers in order to fund certain public interest programs, including research, development and demonstration (RD&D) and renewable energy programs.

Resolution E-3792, issued December 17, 2002, allocated the responsibility for funding the PGC programs to the electric utilities, and provided a schedule for the quarterly transfer of certain funds to the CEC. Specifically, Ordering Paragraph (OP) 1 directed the Utilities to collect and track program funds, along with interest earned on collected funds, in separate balancing accounts. OP 2 stated that the monies for the Renewables and RDD programs shall continue to be forwarded quarterly to the CEC, starting with the first quarter of 2002, along with interest earned on collected funds, consistent with the treatment of these funds in PU Code § 381.

PG&E implemented OP 1 and OP 2 in its approved tariffs, except the provision that the accrued interest should be forwarded quarterly to the CEC. Rather than remitting the interest to the CEC each quarter, the interest has remained in the

RDDBA and RBA. The interest that has accrued in these accounts from 2002 through October 2010, is shown in the table below:

Balancing Account	Interest Accrued as of 10/31/10
Research, Development and Renewables Demonstration Balancing Account (RDDBA)	\$643,621.73
Renewables Balancing Account(RBA)	\$1,297,764.23
Total	\$1,941,385.96

Requested Tariff Revisions

PG&E requests revisions to RDDBA and RBA preliminary statements to allow a mechanism to remit the interest collected in the balancing accounts to the CEC as part of the RD&D and Renewable program quarterly payments.

Upon approval of this advice letter, PG&E will remit to the CEC the interest that has accrued in these accounts as of the approval date, and thereafter will continue to remit accrued interest in subsequent quarterly payments.

Specifically, PG&E requests approval of the following changes to its Electric Preliminary Statement Part CN and Preliminary Statement Part CO:

- Add the following sentence to the Purpose section: “The amount remitted to CEC quarterly will include the interest earned on collected funds, as ordered in OP 2 of Res. E-3792.”
- Add the underlined text to Section 4.b.: “A debit entry equal to the amount remitted quarterly to the CEC (1/12 of the annual authorized funding times three months, including interest).”

Effective Date

PG&E requests that this advice filing become effective on regular notice, **December 15, 2010**, which is 30 calendar days after the date of filing.

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 6, 2010**, which is 21 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: jjn@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:

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 – Regulation and Rates

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) #: 3761-E

Tier: 2

Subject of AL: Revision to Electric Preliminary Statement Part CN, Research, Development and Demonstration Balancing Account and Part CO, Renewables Balancing Account for Interest Owed to the California Energy Commission

Keywords (choose from CPUC listing): Balancing Account

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

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: Resolution E-3792

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: December 15, 2010

No. of tariff sheets: 4

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

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

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

Tariff schedules affected: Electric Preliminary Statements CO and CN

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
jinj@cpuc.ca.gov and 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

**ATTACHMENT 1
Advice 3761-E**

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

Title of Sheet

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

29676-E	ELECTRIC PRELIMINARY STATEMENT PART CN PU CODE SECTION 399.8 RESEARCH DEVELOPMENT AND DEMONSTRATION BALANCING ACCOUNT Sheet 1	27574-E
29677-E	ELECTRIC PRELIMINARY STATEMENT PART CO PU CODE SECTION 399.8 RENEWABLES BALANCING ACCOUNT Sheet 1	27575-E
29678-E	ELECTRIC TABLE OF CONTENTS Sheet 1	29636-E
29679-E	ELECTRIC TABLE OF CONTENTS PRELIMINARY STATEMENT Sheet 7	28907-E



ELECTRIC PRELIMINARY STATEMENT PART CN
PU CODE SECTION 399.8 RESEARCH DEVELOPMENT
AND DEMONSTRATION BALANCING ACCOUNT

Sheet 1

**CN. PU CODE SECTION 399.8 – RESEARCH, DEVELOPMENT, AND DEMONSTRATION
 BALANCING ACCOUNT (RDDBA)**

1. **PURPOSE:** The purpose of the Research, Development, and Demonstration (RDD) Balancing Account (RDDBA) is to track the authorized RDD program funding and the amount remitted to the California Energy Commission (CEC) pursuant to P.U. Code Section 399.8 beginning with customer billings on January 1, 2002 forward, as ordered in Ordering Paragraph 1 of Resolution E-3792 dated December 17, 2002. The amount remitted to CEC quarterly will include the interest earned on collected funds, as ordered in OP 2 of Res. E-3792. (T)
(T)
2. **APPLICABILITY:** The RDDBA 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 account each month or as applicable:
 - a. A credit entry equal to one twelfth of the annual authorized RDD funding. (See corresponding debit entry in electric Preliminary Statement Part DA - Public Purpose Program Revenue Adjustment Mechanism).
 - b. A debit entry equal to the amount remitted quarterly to the CEC (1/12 of the annual authorized funding times three months, including interest). (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 Reserve Statistical Release, H. 15 or its successor.



ELECTRIC PRELIMINARY STATEMENT PART CO
 PU CODE SECTION 399.8 RENEWABLES BALANCING ACCOUNT

Sheet 1

CO. PU CODE SECTION 399.8 – RENEWABLES BALANCING ACCOUNT (RBA)

1. PURPOSE: The purpose of the Renewables Balancing Account (RBA) is to track the authorized Renewables Program funding and the amount remitted to the California Energy Commission (CEC) pursuant to P.U. Code Section 399.8 beginning with customer billings on January 1, 2002 forward, as ordered in Ordering Paragraph 1 of Resolution E-3792 dated December 17, 2002. The amount remitted to CEC quarterly will include the interest earned on collected funds, as ordered in OP 2 of Res. E-3792. (T)
|
(T)
2. APPLICABILITY: The RBA 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 account each month or as applicable:
 - a. A credit entry equal to one twelfth of the annual authorized Renewables Program funding. (See corresponding debit entry in electric Preliminary Statement Part DA - Public Purpose Program Revenue Adjustment Mechanism).
 - b. A debit entry equal to the amount remitted quarterly to the CEC (1/12 of the annual authorized funding times three months, including interest). (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 Reserve Statistical Release, H. 15 or its successor.



ELECTRIC TABLE OF CONTENTS

Sheet 1

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

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