

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



March 29, 2011

Advice Letter 3180-G/3787-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: Establish AB32 Cost of Implementation Fee Memorandum
Account (AFMA-G) and (AFMA-E)**

Dear Ms. Yura:

Advice Letter 3180-G/3787-E is effective December 30, 2010.

Sincerely,

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

Julie A. Fitch, Director
Energy Division



December 30, 2010

Advice 3180-G/3787-E

(Pacific Gas and Electric Company ID U 39 M)

Public Utilities Commission of the State of California

Subject: Establish AB32 Cost of Implementation Fee Memorandum Account (AFMA-G) and (AFMA-E)

Purpose

In compliance with the interim order of Phase I of Decision (“D.”) 10-12-026, Pacific Gas and Electric Company (“PG&E”) hereby submits a Tier 1 advice letter to establish Gas Preliminary Statement CI, *AB32 Cost of Implementation Fee Memorandum Account (AFMA-G)*, and Electric Preliminary Statement FO, *AB32 Cost of Implementation Fee Memorandum Account (AFMA-E)*, to allow PG&E to record the costs associated with actual expenditures to comply with the AB32 Cost of Implementation Fee unless specifically exempted by the Commission. The affected tariff sheets are listed on the enclosed Attachment 1.

Background

On December 16, 2010, the California Public Utilities Commission (“Commission”) concluded Phase I of the AB32 Cost of Implementation Fee proceeding and issued D.10-12-026.

In its interim order, the Commission directs PG&E to file a Tier 1 compliance advice letter to establish an AB32 Cost of Implementation Fee Memorandum Account.

In compliance with the interim order, PG&E hereby requests authority to establish a new AB32 Cost of Implementation Fee Memorandum Account (AFMA-G) on its Gas Preliminary Statements and a new AB32 Cost of Implementation Fee Memorandum Account (AFMA-E) on its Electric Preliminary Statements to allow PG&E to track and record costs associated with actual expenditures to comply with the AB32 Cost of Implementation Fee.

Proposed Preliminary Statements

Pursuant to D.10-12-026, PG&E is requesting Commission authority to establish the AB32 Cost of Implementation Fee (AFMA-E) and (AFMA-G) to record the costs associated with actual expenditures to comply with the AB32 Cost of Implementation Fee unless specifically exempted by the Commission.

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 19, 2011**, which is 20 days from 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: jnj@cpuc.ca.gov and mas@cpuc.ca.gov

Copies 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:

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 requests that this advice filing, become effective **December 30, 2010**. PG&E submits this as a Tier 1 advice filing effective pending disposition.

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 and the service lists for A.09-09-013 and A.09-05-026. Address changes to the General Order 96-B service list and all electronic approvals should be directed to e-mail PGETariffs@pge.com. For changes to any other service list, please contact the Commission's Process Office at (415) 703-2021 or at Process_Office@cpuc.ca.gov. Advice letter filings can also be accessed electronically at <http://www.pge.com/tariffs/>.

A handwritten signature in black ink that reads "Jane Yura /ent". The signature is written in a cursive style.

Vice President – Regulation and Rates

cc: Service Lists A.09-09-013 and A.09-05-026

Attachments

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: Linda Tom-Martinez

Phone #: (415) 973-4612

E-mail: lmt1@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) #: **3180-G/3787-E**

Tier: 1

Subject of AL: Establish AB32 Cost of Implementation Fee Memorandum Account (AFMA-G) and (AFMA-E)

Keywords (choose from CPUC listing): Memorandum Account, Compliance

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

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: D.10-12-026

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 AL¹: _____

Is AL requesting confidential treatment? If so, what information is the utility seeking confidential treatment for:

Confidential information will be made available to those who have executed a nondisclosure agreement: Yes No

Name(s) and contact information of the person(s) who will provide the nondisclosure agreement and access to the confidential information: _____

Resolution Required? Yes No

Requested effective date: **December 30, 2010**

No. of tariff sheets: 6

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: New Gas Preliminary Statement CI and New Electric Preliminary Statement FO

Service affected and changes proposed¹: N/A

Pending advice letters that revise the same tariff sheets: 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: Jane 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 3180-G**

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

Title of Sheet

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

28673-G GAS PRELIMINARY STATEMENT PART CI
AB32 COST OF IMPLEMENTATION FEE
MEMORANDUM ACCOUNT - GAS
Sheet 1

28674-G GAS TABLE OF CONTENTS
Sheet 1

28660-G

28675-G GAS TABLE OF CONTENTS
Sheet 5

28561-G



Sheet 1 (N)

GAS PRELIMINARY STATEMENT PART CI
 AB32 COST OF IMPLEMENTATION FEE MEMORANDUM ACCOUNT - GAS (N)

- CI. AB32 Cost of Implementation Fee Memorandum Account - Gas (AFMA-G) (N)
1. PURPOSE: The purpose of the AB32 Cost of Implementation Fee Memorandum Account - Gas (AFMA-G) is to record and track the gas cost portion of the California Air Resources Board's (ARB) Assembly Bill (AB) 32 Cost of Implementation Fee from PG&E's end-use gas transportation customers. (N)
 2. APPLICABILITY: The AFMA-G applies to all customer classes.
 3. REVISION DATE: Disposition of the account balance will be initiated upon Commission approval of a cost recovery mechanism in the AB32 Cost of Implementation Fee Application. PG&E will transfer the account balance to the appropriate mechanism for recovery, as may be approved by the Commission at that time.
 4. RATES: The current AFMA-G does not have a rate component.
 5. ACCOUNTING PROCEDURE: PG&E shall maintain the AFMA-G by making entries to this account at the end of each month as follows:
 - a. A debit or credit entry equal to the gas portion of PG&E's costs to the ARB for the AB32 Cost of Implementation Fee;
 - b. A debit or credit entry to transfer the balance to the Core Fixed Cost Account (CFCA)-core cost subaccount for core customers and the Noncore Customer Class Charge Account (NCA)-noncore subaccount for noncore customers or other accounts authorized for recovery in rates once approved by the Commission; and
 - c. A debit or credit entry equal to the interest on the average of the balance in this account at the beginning of the month and the balance in this account after the above entries 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. (N)



GAS TABLE OF CONTENTS

Sheet 1

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Rules	28661-G	
Maps, Contracts and Deviations.....	28468-G	
Sample Forms	27715,28300,27262,28662,28503-G	

(Continued)

Advice Letter No: 3180-G
 Decision No. 10-12-026

Issued by
Jane K. Yura
 Vice President
 Regulation and Rates

Date Filed December 30, 2010
 Effective December 30, 2010
 Resolution No. _____



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Sheet 5

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Part AE	Core Pipeline Demand Charge Account.....	23301-G
Part AG	Core Firm Storage Account.....	23280-G
Part AN	Hazardous Substance Mechanism.....	23281-23283,16693-16694-G
Part AW	Self-Generation Program Memorandum Account	24767-G
Part BA	Public Purpose Program-Energy Efficiency.....	23360-23361-G
Part BB	Public Purpose Program Memorandum Account	23362-23363-G
Part BH	Public Purpose Program Surcharge-Low Income Energy Efficiency Balancing Account.....	23364-G
Part BI	Public Purpose Program Surcharge-Research, Development and Demonstration Balancing Account.....	23365,23366-G
Part BL	Noncore Distribution Fixed Cost Account.....	28415-G
Part BP	SmartMeter Project Balancing Account-Gas.....	24123-24124-G
Part BQ	Pension Contribution Balancing Account	24853,24224-G
Part BS	Climate Balancing Account	24741-G
Part BT	Non-Tariffed Products and Services Balancing Account.....	26710-G
Part BW	Energy Efficiency 2009 – 2011 Memorandum Account.....	28304,27419-G
Part BX	Wildfire Expense Memorandum Account.....	27806-G
Part BY	On-Bill Financing Balancing Account (OBFBA).....	28305-G
Part BZ	Gas Disconnection Memorandum Account.....	28046-G
Part CA	California Solar Initiative Thermal Program Memorandum Account.....	28059,28060
Part CB	CARE/TANF Balancing Account.....	28103-G
Part CC	Sempra and Price Indexing Cases Gas Settlement Refund Memorandum Account (SPGSRMA).....	28111-G
Part CD	SmartMeter Evaluation Memorandum Account – Gas.....	28120-G
Part CE	San Bruno Independent Review Panel Memorandum Account (SBIRPMA).....	28559-G
Part CF	Meter Reading Costs Memorandum Account.....	28599-G
Part CG	Distribution Integrity Management Expense Memorandum Account.....	28641-G
Part CI	AB32 Cost of Implementation Fee Memorandum Account – Gas.....	28673-G (N)

(Continued)

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

Title of Sheet

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

29742-E ELECTRIC PRELIMINARY STATEMENT PART
FO
AB32 COST OF IMPLEMENTATION FEE
MEMORANDUM ACCOUNT - ELECTRIC

Sheet 1

29743-E ELECTRIC TABLE OF CONTENTS
Sheet 1

29678-E

29744-E ELECTRIC TABLE OF CONTENTS
PRELIMINARY STATEMENT
Sheet 9

29587-E



Sheet 1 (N)

ELECTRIC PRELIMINARY STATEMENT PART FO

AB32 COST OF IMPLEMENTATION FEE MEMORANDUM ACCOUNT - ELECTRIC (N)

- FO. AB32 COST OF IMPLEMENTATION FEE MEMORANDUM ACCOUNT - Electric (AFMA-E) (N)
1. PURPOSE: The purpose of the AB32 Administration Fee Memorandum Account - Electric (AFMA-E) is to record and track the electric portion of the California Air Resources Board's (ARB) Assembly Bill (AB) 32 Cost of Implementation Fee from PG&E's bundled electric generation customers. (N)
 2. APPLICABILITY: The AFMA-E applies to all customer classes.
 3. REVISION DATE: Disposition of the account balance will be initiated upon Commission approval of a cost recovery mechanism in the AB32 Cost of Implementation Fee Application. PG&E will transfer the account balance to the appropriate mechanism for recovery, as may be approved by the Commission at that time.
 4. RATES: The current AFMA-E does not have a rate component.
 5. ACCOUNTING PROCEDURE: PG&E shall maintain the AFMA-E by making entries to this account at the end of each month as follows:
 - a. A debit or credit entry equal to the electric portion of PG&E's costs to the ARB for the AB 32 Cost of Implementation Fee;
 - b. A debit or credit entry to transfer the balance to the Energy Resources Recovery Account (ERRA) or other accounts authorized for recovery in rates once approved by the Commission; and
 - c. A debit or credit entry equal to the interest on the average of the balance in this account at the beginning of the month and the balance in this account after the above entries 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. (N)



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Sheet 1

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	Preliminary Statements	29669,29679,29497,29744-E	(T)
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	Maps, Contracts and Deviations.....	23671-E	
	Sample Forms	28385,29638,29325,29614,27639,29728,29550,29628-E	

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PRELIMINARY STATEMENT

Sheet 9

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Part EC	Demand Response Expenditures Balancing Account (DREBA).....	28614-28616-E
Part ED	Demand Response Revenue Balancing Account (DRRBA).....	27869-E
Part EF	Procurement Energy Efficiency Revenue Adjustment Mechanism (PEERAM)	25392-E
Part EH	Negative Indifference Amount Memorandum Account (NIAMA).....	25088-E
Part EI	SmartMeter Project Balancing Account - Electric	28231,28232-E
Part EJ	Pension Contribution Balancing Account.....	26297,25228-E
Part EK	Land Conservation Plan Implementation Account (LCPIA)	26324-E
Part EL	Renewables Portfolio Standard Cost Memorandum Account.....	27643-E
Part EM	ClimateSmart Balancing Account	26098-E
Part EN	British Columbia Renewable Study Balancing Account.....	28041-E
Part EO	California Solar Initiative Balancing Account	26211-26213-E
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Part ER	Air Conditioning Tracking Memorandum Account	26721 -E
Part ET	Non-Tariffed Products and Services Balancing Account.....	26730-E
Part EV	Air Conditioning Expenditures Balancing Account.....	27297-E
Part EW	Long-Term Procurement Plan Technical Assistance Memorandum Account.....	27311-E
Part EX	Dynamic Pricing Memorandum Account.....	27667-27669-E
Part EY	Energy Efficiency 2009-2011 Memorandum Account.....	28022-28023-E
Part EZ	Land Conservation Plan Environmental Remediation Memorandum Account	27881-E
Part FA	Gateway Settlement Balancing Account.....	28019-E
Part FB	Fire Hazard Prevention Memorandum Account.....	28410-E
Part FC	Wildfire Expense Memorandum Account.....	29570-E
Part FD	Smart Grid Project Memorandum Account.....	28944,28945-E
Part FE	On-Bill Financing Balancing Account (OBFBA).....	29489-E
Part FF	Electric Disconnection Memorandum Account.....	28933-E
Part FG	CARE/TANF Balancing Account.....	28950-E
Part FH	Smartmeter Evaluation Memorandum Account – Electric.....	29149-E
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Part FJ	Photovoltaic Program Memorandum Account.....	29513-E
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Part FL	Cornerstone Improvement Project Balancing Account.....	29585-E
Part FO	AB32 Cost of Implementation Fee Memorandum Account – Electric	28120-E (N)

(Continued)

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

Alcantar & Kahl LLP	Division of Business Advisory Services	Occidental Energy Marketing, Inc.
Ameresco	Douglass & Liddell	OnGrid Solar
Anderson & Poole	Downey & Brand	Praxair
Arizona Public Service Company	Duke Energy	R. W. Beck & Associates
BART	Dutcher, John	RCS, Inc.
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California Public Utilities Commission	Luce, Forward, Hamilton & Scripps LLP	Sunshine Design
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City of Palo Alto Utilities	McKenzie & Associates	TransCanada
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		eMeter Corporation
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