

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



May 6, 2011

Advice Letter 3818-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: 2011 Energy Resource Recovery Account Trigger Amount –
Compliance Filing**

Dear Ms. Yura:

Advice Letter 3818-E is effective April 1, 2011.

Sincerely,

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

Julie A. Fitch, Director
Energy Division



Jane K. Yura
Vice President
Regulatory Relations

Mailing Address
Mail Code B10B
Pacific Gas and Electric Company
P.O. Box 770000
San Francisco, CA 94177

Fax: 415.973.6520

April 1, 2011

Advice 3818-E

(Pacific Gas and Electric Company ID U 39E)

Public Utilities Commission of the State of California

**Subject: 2011 Energy Resource Recovery Account Trigger Amount –
Compliance Filing**

Pacific Gas and Electric Company (“PG&E”) hereby submits its annual advice letter calculating the Energy Resource Recovery Account (“ERRA”) trigger amount for 2011.

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) which requires 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.”¹

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

Purpose

The purpose of this advice letter is to establish PG&E’s 2011 ERRA trigger amount in compliance with PU Code §454.5(d) (3), D.04-01-050, and D.04-12-048.

¹ On 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.”

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

ERRA Trigger Calculation

PG&E's 2011 ERRA trigger amount is calculated to be \$276.9 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 2010 revenues from the three accounts and the corresponding trigger amount are shown in the table below.

2010 UGBA Revenues	\$1,414.9M
2010 ERRA Revenues	\$3,728.8M
2010 MTCBA Revenues	\$393.3M
Total 2010 Generation Revenues, excluding DWR	\$5,537.0M
2011 ERRA Trigger (5% of total \$5,537.0M)	\$276.9M

Conclusion

PG&E requests that the Commission approve \$276.9 million as PG&E's 2011 ERRA trigger amount. PG&E also requests that this 2011 trigger amount remain in effect until the Commission adopts the 2012 trigger amount, to be submitted by advice letter no later than April 1, 2012.

Protest

Anyone wishing to protest this filing may do so by sending a letter by **April 21, 2011**, 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: jnj@cpuc.ca.gov and 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 1 advice letter and, provided no protests are received, requests that this filing be effective on **April 1, 2011**.

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 e-mail PGETariffs@pge.com. Advice letter filings can also be accessed electronically at: <http://www.pge.com/tariffs>.

Handwritten signature of Jane Yura in cursive script, with a vertical line through the signature and the word "lmt" written at the bottom right.

Vice President – Rates and Regulation

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) #: **3818-E**

Tier: 1

Subject of AL: 2011 Energy Resource Recovery Account Trigger Amount – Compliance Filing

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 #: D.02-10-062, D.04-01-050, D.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 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: **April 1, 2011**

No. of tariff sheets:

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:

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

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

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