

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



April 28, 2011

**Advice Letter 3819-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: Annual Adjustments to the Electric Public Purpose Goods Charge  
Funding Obligations in Compliance with Resolution E-3792**

Dear Ms. Yura:

Advice Letter 3819-E is effective January 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  
Regulation and Rates

Pacific Gas and Electric Company  
77 Beale St., Mail Code B10B  
P.O. Box 770000  
San Francisco, CA 94177

Fax: 415-973-6520

March 28, 2011

**Advice 3819-E**  
(Pacific Gas and Electric Company ID U39 E)

Public Utilities Commission of the State of California

**Subject: Annual Adjustments to the Electric Public Purpose Goods Charge Funding Obligations in Compliance With Resolution E-3792**

Pacific Gas and Electric Company ("PG&E") hereby submits the annual adjustments to the electric public goods charge ("PGC") funding obligations in compliance with Resolution E-3792. The 2011 PGC funding obligations for PG&E will remain the same as 2010.

### **Purpose**

This filing complies with Resolution E-3792 issued on December 17, 2002.<sup>1</sup> Specifically, this filing submits the annual adjustments to the electric PGC funding obligations in compliance with Ordering Paragraph 7 of Resolution E-3792.

### **Background**

Resolution E-3792 specified the methodology for utilities to adjust the electric PGC funding obligations required by Public Utility Code Section 399.8(d)(2). This section states: "The [target funding] amounts shall be adjusted annually at a rate equal to the lesser of the annual growth in electric commodity sales or inflation, as defined by the gross domestic product deflator."

The section did not identify when these adjustments should begin, but since the section extended these programs starting January 1, 2002, Resolution E-3792 proposed applying the adjustment methodology one year later, on January 1, 2003. Advice Letter 2363-E dated March 28, 2003, was PG&E's first filing in compliance with this resolution. That advice letter stated that adjustments for 2003 would be based on changes in sales and prices during 2002. Continuing that methodology, adjustments for 2011 will be based on changes in sales and prices during 2010.

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<sup>1</sup> Resolution E-3792 requires that this advice filing be submitted by March 31 of each year.

As directed in Resolution E-3792, the utilities should each determine the adjusted target funding amounts that result from the adjustment methodology and, on or before March 31, 2003, and for each subsequent year ending with 2011,<sup>2</sup> file an advice letter with the Commission that adjusts the authorizations and allocations found in Table 7 of Resolution E-3792, consistent with PUC Section 399.8(d)(2).<sup>3</sup> Resolution E-3792 also specified that the adjustment to the utility's allocated amounts in Table 7 should be governed by changes in its own sales (assuming that this statistic is lower than the rate of inflation), rather than by changes in the sales of all three utilities. The Resolution further states that if the lower of sales change and price change is negative in any one year, authorization for the subsequent year shall remain constant.

In accordance with SB 1036, Chapter 685, Statutes of 2007, and the amendments to Section 399.8 of the Public Utilities Code, the utilities are required to collect \$65,500,000<sup>4</sup> per year for renewable energy, which represents a reduction of 51.5 percent from the original \$135,000,000.<sup>5</sup> On April 10, 2008, the CPUC issued Resolution E-4160 that reduced the renewable portion of the PGC funding obligation effective January 1, 2008.<sup>6</sup> Advice Letter 3245-E approved on June 11, 2008, implemented this reduction of 2008.

### **2011 PGC Funding Obligation**

PG&E's electric sales were 84.064 billion kWh in 2010 and 85.763 billion kWh in 2009. The percentage change of sales between 2010 and 2009 is therefore  $(84,064 - 85,763)/85,763 = (1.98)$  percent.

On Friday, February 25, 2011, the annual GDP (Gross Domestic Product) deflator for 2010 was 110.662 as published by the U.S. Department of Commerce.<sup>7</sup> The annual GDP deflator on Friday, February 26, 2010, was 109.761, as stated in PG&E's Advice Letter 3634-E. The percentage change in prices as measured by the change in the annual GDP deflator between 2010 and 2009 is therefore  $(110.662-109.761)/109.761 = 0.8$  percent.

The change in sales is the lower of the above two statistics, and is negative, hence, the funding authorization for 2011 will remain the same as 2010.

Therefore, the electric PGC funding obligations for PG&E, effective January 1, 2011, will continue to be:

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<sup>2</sup> Per PU Code 399.8.

<sup>3</sup> Resolution E-3792, p. 10.

<sup>4</sup> SB 1036, Ch. 685, Stats 2007/PRC 25743(b)(1) eliminated the 51.5% New Account component of the CEC's renewable funding.

<sup>5</sup> Resolution E-3792, Table 5.

<sup>6</sup> Resolution E-4160 dated April 10, 2008.

<sup>7</sup> Department of Commerce, Bureau of Economic Analysis, Table 1.1.9 – Implicit Price Deflators for Gross Domestic Product.

<u>EE Programs</u>	<u>Renewables</u>	<u>RDD</u>	<u>Total</u>
\$119,445,548	\$36,452,596	\$34,860,026	\$190,758,170

The revenue requirement established for the PGC is recovered through the Public Purpose Program Revenue Adjustment Mechanism (PPPRAM) (electric Preliminary Statement Part DA), including an allowance for franchise fees and uncollectible accounts expense. Since there will be no change to the PGC for 2011, no adjustment to PPPRAM rates will result from this advice letter.

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 **April 18, 2011**,<sup>8</sup> which is 21 days after the date of this 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: [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:

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](mailto:PGETariffs@pge.com)

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<sup>8</sup> Since the protest period ends on a weekend, PG&E is moving the end of the protest period to the following business day.

**Effective Date**

PG&E is filing this advice letter as a Tier 1 and requests that this advice filing become effective on **January 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 and the service list for A.08-07-021. Address changes to the General Order 96-B service list and all electronic approvals should be directed to e-mail [PGETariffs@pge.com](mailto: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](mailto:Process_Office@cpuc.ca.gov). AL filings may also be accessed electronically at: <http://www.pge.com/tariffs>.

A handwritten signature in cursive script that reads "Jane Yura / emt".

Vice President – Regulation and Rates

cc: Service List for A.08-07-021

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) #: **3819-E**

Tier: **1**

Subject of AL: **Annual Adjustments to the Electric Public Purpose Goods Charge Funding Obligations in Compliance With Resolution E-3792**

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 #: 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<sup>1</sup>: \_\_\_\_\_

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: **January 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 proposed<sup>1</sup>: 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	North Coast SolarResources
Alcantar & Kahl LLP	Division of Business Advisory Services	Northern California Power Association
Ameresco	Douglass & Liddell	Occidental Energy Marketing, Inc.
Anderson & Poole	Downey & Brand	OnGrid Solar
Arizona Public Service Company	Duke Energy	Praxair
BART	Dutcher, John	R. W. Beck & Associates
Barkovich & Yap, Inc.	Economic Sciences Corporation	RCS, Inc.
Bartle Wells Associates	Ellison Schneider & Harris LLP	Recurrent Energy
Bloomberg	Foster Farms	SCD Energy Solutions
Bloomberg New Energy Finance	G. A. Krause & Assoc.	SCE
Boston Properties	GLJ Publications	SMUD
Braun Blaising McLaughlin, P.C.	GenOn Energy, Inc.	SPURR
	Goodin, MacBride, Squeri, Schlotz & Ritchie	San Francisco Public Utilities Commission
Brookfield Renewable Power	Green Power Institute	Santa Fe Jets
CA Bldg Industry Association	Hanna & Morton	Seattle City Light
CLECA Law Office	Hitachi	Sempra Utilities
CSC Energy Services	In House Energy	Sierra Pacific Power Company
California Cotton Ginners & Growers Assn	International Power Technology	Silicon Valley Power
California Energy Commission	Intestate Gas Services, Inc.	Silo Energy LLC
California League of Food Processors	Lawrence Berkeley National Lab	Southern California Edison Company
California Public Utilities Commission	Los Angeles Dept of Water & Power	Spark Energy, L.P.
Calpine	Luce, Forward, Hamilton & Scripps LLP	Sun Light & Power
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)
		eMeter Corporation
Department of Water Resources	North America Power Partners	