

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



May 6, 2011

Advice Letter 3827-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: Modification to the Nuclear Decommissioning Adjustment
Mechanism (NDAM) for Recovery of Independent Panel
Costs in Compliance with D.10-07-047**

Dear Ms. Yura:

Advice Letter 3827-E is effective May 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

77 Beale Street
San Francisco, CA 94105

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 3827-E

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

**Subject: Modification to the Nuclear Decommissioning Adjustment
Mechanism (NDAM) for Recovery of Independent Panel Costs in
Compliance with Decision 10-07-047**

Purpose

The purpose of this advice filing is to request approval from the California Public Utilities Commission (CPUC or the Commission) to revise PG&E's Nuclear Decommissioning Adjustment Mechanism (NDAM), Electric Preliminary Statement DB pursuant to Ordering Paragraph (OP) 7 and Conclusion of Law No. 21 of Decision (D.)10-07-047 which allows for the recovery of PG&E's portion of amounts paid to an independent panel for its report as authorized.

Background

On April 3, 2009, PG&E filed its 2009 Nuclear Decommissioning Cost Triennial Proceeding Application (A).09-04-007. In A.09-04-007, PG&E requested, among other items, the authorization of a nuclear decommissioning revenue requirement for 2010 through 2012, with rates effective January 1, 2010. The Commission consolidated PG&E's application with the joint application of Southern California Edison Company (SCE) and San Diego Gas & Electric Company (SDG&E), A.09-04-009. An August 3, 2009 ruling divided the proceeding into two phases, and provided that issues relating to trust fund management would be considered in Phase 2.

On August 5, 2010, the CPUC issued D.10-07-047. Conclusion of Law No. 20, created an independent panel to review decommissioning related issues, including issuance of a final report with recommendations to be filed in the consolidated proceeding. Conclusion of Law No. 21, approving the work of the panel, further stated that "The independent panel's work should be funded by an amount not to exceed \$275,000 paid by the utilities through the NDAM account allocated based

on the nuclear generating capacity of the Diablo Canyon, SONGS and Palo Verde units. This is an appropriate decommissioning expense.”

SCE’s share of the independent panel’s expenses was set at 46.62%, while PG&E’s share was set at 44.78% and SDG&E’s share was set at 8.60%. In accordance with OP 7¹ of D.10-07-047, PG&E submits the following:

- Revised NDAM Preliminary Statement DB (Attachment 1) – Modifying PG&E’s NDAM to permit recovery PG&E’s share of the independent panel costs.
- Joint Exhibit on Costs of the Independent Panel on Decommissioning Cost Estimates (Attachment 2) – Allocating a portion of the panel’s expenses to each of the participating utilities.

Consistent with D.10-07-047 PG&E proposes to modify its NDAM Preliminary Statement in order to implement the new authorized funding. PG&E proposes to add new tariff language in Section 5 of the Preliminary Statement:

A debit entry equal to PG&E’s share of recorded amounts paid to the independent panel for its report on nuclear decommissioning issues as authorized in D.10-07-047, or any other amounts upon subsequent approval by the CPUC.

Attachment 2 attached hereto contains the independent panel’s invoices totaling \$274,999.75. Pursuant to the adopted allocation for the utilities, PG&E’s share of this amount is \$123,145.89.

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 20 days after the date of this filing, which is **April 21, 2011**. Protests should be mailed to:

CPUC Energy Division
Attention: Tariff Unit, 4th Floor
505 Van Ness Avenue
San Francisco, CA 94102

Facsimile: (415) 703-2200
E-mail: mas@cpuc.ca.gov and inj@cpuc.ca.gov

¹ In OP 7, the Commission set a due date of November 30, 2010 for this advice letter. However, in a letter dated November 18, 2010, CPUC Executive Director Paul Clanon granted the utilities an extension until March 31, 2011 to file the advice letter required by D. 10-07-047. Because March 31, 2011 is a CPUC holiday, PG&E submits this advice letter on the next business day.

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:

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

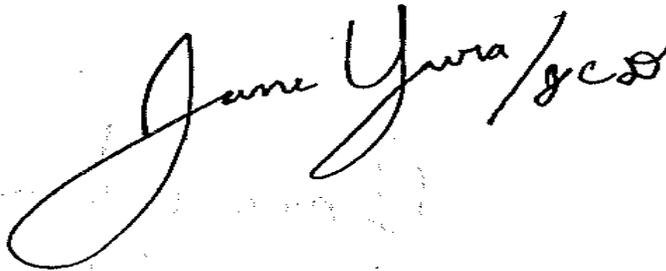
Facsimile: (415) 973-6520
E-mail: PGETariffs@pge.com

Effective Date

PG&E requests that this advice filing become effective on May 1, 2011, which is 30 days after the date of filing. This Advice Letter is submitted as a Tier 2 filing.

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 on the service list for A.09-04-007. Advice letter filings can also be accessed electronically at: <http://www.pge.com/tariffs>.



Vice President – Regulation and Rates

Attachments

cc: Service List for A.09-04-007

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: Conor Doyle

Phone #: 415-973-7817

E-mail: jcdt@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) #: **3827-E**

Tier: 2

Subject of AL: **Modification to the Nuclear Decommissioning Adjustment Mechanism (NDAM) for Recovery of Independent Panel Costs in Compliance with Decision 10-07-047**

Keywords (choose from CPUC listing): **Nuclear**

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

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: **D. 10-07-047**

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:

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: _____

Resolution Required? Yes No

Requested effective date: **May 1, 2011**

No. of tariff sheets: **3**

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: **DB.NUCLEAR DECOMMISSIONING ADJUSTMENT MECHANISM (NDAM)**

Service affected and changes proposed:

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



ELECTRIC PRELIMINARY STATEMENT PART DB
NUCLEAR DECOMMISSIONING ADJUSTMENT MECHANISM

Sheet 1

DB. NUCLEAR DECOMMISSIONING ADJUSTMENT MECHANISM (NDAM)

1. **PURPOSE:** The purpose of the NDAM is to record the authorized Diablo Canyon Nuclear Power Plant (Diablo Canyon) and Humboldt Power Plant Nuclear Unit 3 (Humboldt) nuclear decommissioning revenue requirements and Humboldt SAFSTOR operating and maintenance (O&M) revenue requirements, and to provide full recovery of those costs.
2. **APPLICABILITY:** The NDAM balance shall apply to all customer bills for service under all rate schedules and contracts for electric service subject to the jurisdiction of the Commission, except for those rate schedules or contracts specifically excluded by the Commission.
3. **REVISION DATE:** Disposition of the balance in this account shall be determined through the advice letter process.
4. **RATES:** The NDAM rates are included in the effective rates set forth in each rate schedule as a separate non-bypassable charge.
5. **ACCOUNTING PROCEDURES:** The following entries shall be made each month:
 - a. A debit entry equal to the annual authorized nuclear decommissioning and Humboldt SAFSTOR O&M revenue requirements divided by twelve.
 - b. A debit entry equal to PG&E's share of recorded amounts paid to the independent panel for its report on nuclear decommissioning issue as authorized in D.10-07-047, or any other amounts upon subsequent approval by the CPUC (D)/(N)
(N)
(N)
 - c. A credit entry equal to the revenue from the NDAM rates. (N)
 - d. An entry equal to interest on the average balance in the account at the beginning of the month and the balance after the above entries, at a rate equal to one-twelfth of 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. (T)

Advice Letter No: 3827-E
 Decision No. 10-07-047

Issued by
Jane K. Yura
 Vice President
 Regulation and Rates

Date Filed April 1, 2011
 Effective May 1, 2011
 Resolution No. _____



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Advice Letter No: 3827-E
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Jane K. Yura
 Vice President
 Regulation and Rates

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Advice Letter No: 3827-E
 Decision No. 10-07-047

Issued by
Jane K. Yura
 Vice President
 Regulation and Rates

Date Filed April 1, 2011
 Effective May 1, 2011
 Resolution No. _____

**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	