

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



July 1, 2011

Advice Letter 3848-E

Brian K. Cherry
Vice President, Regulation and Rates
Pacific Gas and Electric Company
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, CA 94177

**Subject: Update to the 2011-2012 Nuclear Decommissioning Trust
Revenue Requirements in Compliance with Decisions
09-09-020 and 11-05-018**

Dear Mr. Cherry:

Advice Letter 3848-E is effective January 1, 2011.

Sincerely,

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

Julie A. Fitch, Director
Energy Division



May 31, 2011

Advice 3848-E

(Pacific Gas and Electric Company ID U 39 M)

Public Utilities Commission of the State of California

**Subject: Update to the 2011-2012 Nuclear Decommissioning Trust
Revenue Requirements in Compliance with Decisions 09-09-020
and 11-05-018**

Purpose

Pacific Gas and Electric Company (PG&E) hereby submits the updated 2010-2012 revenue requirements for nuclear decommissioning in accordance with provision 10 of the Settlement Terms approved in Decision (D.) 09-09-020 and Ordering Paragraph (OP) 32 of D.11-05-018. The nuclear decommissioning revenue requirements have been revised to reflect the 2011 General Rate Case (GRC) approved administrative and general expense (A&G) factor, as well as updated pension recovery.

Background

On April 3, 2009, PG&E filed its 2009 Nuclear Decommissioning Cost Triennial Proceeding (NDCTP) 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 and San Diego Gas & Electric Company, A.09-04-009. Commission D.10-07-047, effective July 29, 2010, resolved all issues in Phase 1, including authorization of revenue requirements.

In compliance with OP 3 of D.10-07-047, PG&E filed Advice Letter 3712-E which updated the 2010-2012 nuclear decommissioning revenue requirements, as described and adjusted in the decision.

However, PG&E's testimony noted that "...the amount of A&G expense allocated to Humboldt SAFSTOR in year 2011 and 2012 uses the amounts calculated in the 2007 GRC assigned to the Humboldt SAFSTOR revenue requirement as a placeholder, subject to update with the results of the 2011 GRC decision." (2009 NDCTP Prepared Testimony p. 8-7.) In addition, OP 32 of D.11-05-018 stated:

Administrative and general expenses allocated to the Unbundled Cost Categories adopted in this 2011 general rate case shall be used in determining the administrative and general expenses in related proceedings in 2011 and future years until Pacific Gas and Electric Company's next test year general rate case, if the outcome of those proceedings would otherwise require specific calculation of administrative and general expenses. Specifically, the Unbundled Cost Categories and related proceedings are: Gas Transmission (Gas Accord III and subsequent Pacific Gas and Electric Company Gas Transmission and Storage proceedings) and Nuclear Decommissioning (including SAFSTOR), the 2009 Nuclear Decommissioning Cost Triennial Proceeding and subsequent Nuclear Decommissioning Cost Triennial Proceeding filing.

Therefore, PG&E is hereby submitting revised nuclear decommissioning revenue requirements to reflect the updated 2011 GRC-approved A&G factor.

Additionally, on September 10, 2009, the Commission issued D.09-09-020 in the Pension Recovery Mechanism A.09-03-003, approving, under Settlement Terms, that PG&E, in certain individual proceedings, would update the associated revenue requirements to reflect the new pension recovery impacts. PG&E is hereby submitting revised nuclear decommissioning revenue requirements to reflect the updated pension recovery mechanism.

The resulting impacts to the 2011 through 2012 annual revenue requirements are as follows:

**Nuclear Decommissioning (ND) Revenue Requirements
In Millions of Dollars**

| | 2011 | 2012 |
|--------------------------------------|-------------|-------------|
| Updated Nuclear Decommissioning RRQs | 43.75 | 44.27 |

Request for Confidential Treatment

In support of this advice letter, PG&E is providing the following confidential supporting information:

Confidential Attachment 1: 2011 GRC Impacts – Updated Nuclear Decommissioning RRQ Calculation

This attachment is marked confidential and protected from public disclosure under the Administrative Law Judge Ruling Adopting Confidential Modeling Procedures issued on September 23, 2010 in the proceeding A.09-12-020. A separate

Declaration Seeking Confidential Treatment regarding the confidential attachment is filed concurrently herewith.

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 **June 20, 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

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:

Brian K. Cherry
Vice President, Regulation and Rates
Pacific Gas and Electric Company
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, California 94177

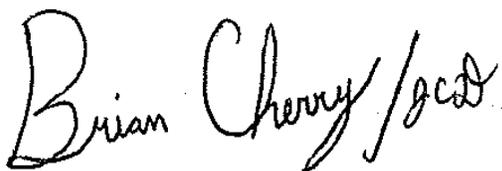
Facsimile: (415) 973-6520
E-mail: PGETariffs@pge.com

Effective Date

PG&E requests that this Tier 1 advice letter 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 on the service lists for A.09-04-007, A.09-12-020, and A.09-03-003. Address changes to the General Order 96-B service list should be directed to 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>.

Handwritten signature of Brian Cherry in cursive script.

Vice President – Regulation and Rates

Attachments:

Confidential Attachment 1: 2011 GRC Impacts – Updated Nuclear
Decommissioning RRQ Calculation

cc: Service List for A.09-04-007
Service List for A.09-12-020
Service List for A.09-03-003

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) #: **3848-E**

Tier: 1

Subject of AL: **Update to the 2011-2012 Nuclear Decommissioning Trust Revenue Requirements in Compliance with Decisions 09-09-020 and 11-05-018**

Keywords (choose from CPUC listing): **Nuclear, GRC/General Rate Case, Compliance**

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

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: **D.09-09-020; D.11-05-018**

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: **Yes**

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: **Nielson Jones (415) 973-8540**

Resolution Required? Yes No

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

No. of tariff sheets: N/A

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: N/A

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: Brian K. Cherry, Vice President, Regulation and Rates

77 Beale Street, Mail Code B10C

P.O. Box 770000

San Francisco, CA 94177

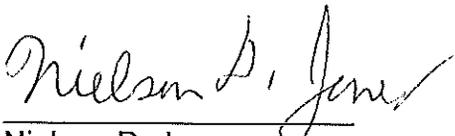
E-mail: PGETariffs@pge.com

DECLARATION OF NIELSON D. JONES
SEEKING CONFIDENTIAL TREATMENT
FOR CERTAIN DATA AND INFORMATION
CONTAINED IN ADVICE LETTER ~~3848~~ -E
(PACIFIC GAS AND ELECTRIC COMPANY - U 39 E)

I, Nielson D. Jones, declare:

1. I am presently employed by Pacific Gas and Electric Company ("PG&E"), and have been an employee at PG&E since 2000. My current title is Principal Regulatory Specialist in the Revenue Forecasting and Analysis section of the Analysis and Rates Department, where I am responsible for producing and supervising the preparation of revenue requirement models, and developing related testimony.
2. Based on my knowledge and experience, and in accordance with the Administrative Law Judge's (ALJ) Ruling Adopting Confidential Modeling Procedures issued on September 23, 2010 in the proceeding A.09-12-020, I make this declaration seeking confidential treatment of Attachment 1 to this advice letter. By this advice letter, PG&E is seeking the Commission's approval of its updated 2011 and 2012 nuclear decommissioning revenue requirements.
3. The information in Attachment 1 will be made available to those parties who execute a nondisclosure agreement. Parties may request access to the confidential information by contacting me via email at: NDJ1@pge.com or by phone: (415) 973-8540.
4. Confidential treatment of Attachment 1 shall continue and remain intact until such time as the ALJ Ruling ends or its order is superseded by Commission order.

I declare under penalty of perjury, under the laws of the State of California, that to the best of my knowledge the foregoing is true and correct. Executed on May 31, 2011 at San Francisco, California.


Nielson D. Jones

**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 | |