

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



August 7, 2012

Advice Letter 4062-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: Revisions to the Electric Program Investment Charge (EPIC)
Balancing Account and Creation of a New Electric Program
Investment Charge Balancing Account**

Dear Mr. Cherry:

Advice Letter 4062-E is effective June 15, 2012.

Sincerely,

A handwritten signature in cursive script that reads "Edward F. Randolph".

Edward F. Randolph, Director
Energy Division



Brian K. Cherry
Vice President
Regulation and Rates

Pacific Gas and Electric Company
77 Beale St., Mail Code B10C
P.O. Box 770000
San Francisco, CA 94177

Fax: 415.973.6520

June 15, 2012

Advice 4062-E

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: Revisions to the Electric Program Investment Charge (EPIC) Balancing Account and Creation of a New Electric Program Investment Charge Balancing Account

Purpose

Pacific Gas and Electric Company (PG&E) hereby submits this advice letter to modify the current Electric Program Investment Charge Balancing Account approved in Advice Letter (AL) 3976-E filed on December 22, 2011 and to establish a new Electric Program Investment Charge Balancing Account as directed by the Commission in Decision (D.) 12-05-037.

The affected tariff sheets are listed on the enclosed Attachment 1.

Background

In accordance with Ordering Paragraph 7, this Tier 1 advice letter is filed in compliance with Decision 12-05-037 issued in Public Goods Charge ("PGC") Rulemaking 11-10-003 approved by the Commission on May 24, 2012 which directed PG&E and the other utilities to file a Tier 1 advice letter modifying its tariff sheets to reflect the EPIC Program changes.

On December 22, 2011, PG&E filed Advice Letter 3976-E (Tier 1) which among other items, established a new electric balancing account, Preliminary Statement Part FU – Electric Program Investment Charge on an interim basis to track funds collected at the 2011 PGC authorized levels for Renewables and Research, Development and Demonstration (RD&D) programs through the EPIC charge as part of the current Public Purpose Program rates and in the same manner. In D. 12-05-037, the Commission established the EPIC Program and a minimum funding level of \$162 million to be collected by the utilities on an allocated basis through December 31, 2020 or as

otherwise authorized by the Commission.¹ Consequently, PG&E is modifying Preliminary Statement Part FU to clarify the expected duration of the EPIC Program and to more accurately reflect the purpose of the balancing account. Therefore, this preliminary statement will be called the Electric Program Investment Charge Revenue Adjustment Mechanism Balancing Account. Any revenue under or over collection as a result of sales fluctuations will be trued up through PG&E's Annual Electric True Up Advice Letter.

Additionally, PG&E proposes to create a new Preliminary Statement Part FY – Electric Program Investment Charge Balancing Account as required by D. 12-05-037 in order to record and track EPIC program expenditures against authorized program budgets.² The Commission determined that there will be more than one EPIC program administrator and established a cap of ten percent on program administrative costs. To facilitate program tracking and regulatory compliance, this new one way balancing account will be comprised of two subaccounts. One subaccount will be used to track the portion of the EPIC budget administered by PG&E which includes the administrative expense for CPUC program oversight. A separate subaccount will be used to track the portion of the EPIC budget administered by the California Energy Commission under a grant by the California Public Utility Commission.

Tariff Revisions

In compliance with the Phase 2 Decision, PG&E proposes the following tariff revisions effective upon filing:

Preliminary Statement Part FU – Electric Program Investment Charge Revenue Adjustment Mechanism Balancing Account

- 1) Changed the name of Preliminary Statement FU from Electric Program Investment Charge – Renewables Balancing Account to Electric Program Investment Charge Revenue Adjustment Mechanism.
- 2) Updated the Purpose Section to reflect the new name of the balancing account and to include a reference to the Commission's Decisions authorizing the EPIC Program funding.
- 3) Updated the Applicability Section to reference the new name of the balancing account.

¹ OP 7 EPIC funding shall be allocated to the utilities on the following percentages: PG&E 50.1%;SDG&E 8.8% and SCE 41.1% (p. 98)

² In accordance with OP 18 PG&E will record the authorized 2012-2014 EPIC Program budget as of January 1, 2012 as authorized in D.11-12-035 and by D.12-04-037.

- 4) Updated the Revision Date Section to reflect that the EPIC Program is funded through December 31, 2020 or as otherwise authorized by the Commission and any under or over collections will be true up through the Annual Electric True Up Advice letter process.
- 5) Accounting Procedures Section updated to reference corresponding credit entries in Preliminary Statement Part FY – Electric Program Investment Charge Balancing Account (EPICBA) and clarify entry 5a is inclusive of franchise fee and uncollectibles (FF&U).

Preliminary Statement Part FY – Electric Program Investment Charge Balancing Account

- 1) New one way balancing account to record EPIC Program expenditures against authorized program budget.
- 2) Separate subaccounts to track expenditures by program administrator.

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 **July 5, 2012**, which is 20 days after 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: EDTariffUnit@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 filing become effective upon filing on June 15, 2012.

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 parties on the service list for R.11-10-003. Address changes to the General Order 96-B service list should be directed to PG&E at email address 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. Send all electronic approvals to PGETariffs@pge.com. Advice letter filings can also be accessed electronically at: <http://www.pge.com/tariffs>



Vice President, Regulation and Rates

Attachments

cc: Service List R.11-10-003

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 E)**

Utility type:

ELC GAS
 PLC HEAT WATER

Contact Person: Kimberly Chang

Phone #: (415) 972-5472

E-mail: kwcc@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) #: **4062-E**

Tier: **1**

Subject of AL: **Revisions to the Electric Program Investment Charge (EPIC) Balancing Account and Creation of a New Electric Program Investment Charge Balancing Account**

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

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

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: D.12-05-037

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:

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: **June 15, 2012**

No. of tariff sheets: 5

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: Electric Preliminary Statement FU, Electric Preliminary Statement FY

Service affected and changes proposed: Modify the current Electric Program Investment Charge Balancing Account and establish a new Electric Program Investment Charge Balancing Account

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
E-mail: EDTariffUnit@cpuc.ca.gov

Pacific Gas and Electric Company
Attn: Brian 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

Cal P.U.C.
Sheet No.

Title of Sheet

Cancelling Cal
P.U.C. Sheet No.

31670-E	ELECTRIC PRELIMINARY STATEMENT PART FU ELECTRIC PROGRAM INVESTMENT CHARGE REVENUE ADJUSTMENT MECHANISM BALANCING ACCOUNT Sheet 1	30841-E
31671-E	ELECTRIC PRELIMINARY STATEMENT PART FY ELECTRIC PROGRAM INVESTMENT CHARGE BALANCING ACCOUNT Sheet 1	
31672-E	ELECTRIC PRELIMINARY STATEMENT PART FY ELECTRIC PROGRAM INVESTMENT CHARGE BALANCING ACCOUNT Sheet 2	
31673-E	ELECTRIC TABLE OF CONTENTS Sheet 1	31668-E
31674-E	ELECTRIC TABLE OF CONTENTS PRELIMINARY STATEMENT Sheet 17	31474-E



ELECTRIC PRELIMINARY STATEMENT PART FU
ELECTRIC PROGRAM INVESTMENT CHARGE REVENUE
ADJUSTMENT MECHANISM BALANCING ACCOUNT

Sheet 1

- | | | |
|-----|---|--------------------------------|
| | | (T) |
| | | (T) |
| FU. | ELECTRIC PROGRAM INVESTMENT CHARGE REVENUE ADJUSTMENT MECHANISM (EPICRAM) | (T)
(T) |
| 1. | PURPOSE: The purpose of the Electric Program Investment Charge Revenue Adjustment Mechanism Balancing Account (EPICRAM) is to record authorized revenue requirements and to assure recovery of those amounts to fund the Electric Program Investment Charge Program as pursuant to D. 11-12-035, D. 12-05-037 or as authorized by the Commission. | (T)

(T) |
| 2. | APPLICABILITY: The EPICRAM shall apply to all customer classes, except for any classes that may be specifically excluded by the CPUC. | |
| 3. | REVISION DATE: The EPIC Program is funded through December 31, 2020 and the disposition of the balance in the EPICRAM shall be determined through the Annual Electric True-up (AET) advice letter process, or as otherwise authorized by the CPUC. | (T)

(T) |
| 4. | RATES: The EPICRAM is collected as part of non-bypassable public purpose program rates set forth in each rate schedule. The EPICRAM is separately identified in Electric Preliminary Statement Part I. |

(T) |
| 5. | ACCOUNTING PROCEDURE: The following entries will be made to this account each month or as applicable: | |
| a. | A debit entry equal to one-twelfth of the annual authorized EPIC Program revenue requirement (including FF&U) for the current program year (see the sum of corresponding credit entries 5a. ii and 5b. ii in electric Preliminary Statement Part FY – Electric Program Investment Charge Balancing Account (EPICBA)). | (T)

(T) |
| b. | A credit entry equal to the revenue from the EPIC rate component. | (T) |
| c. | A debit or credit entry, as appropriate, to record the transfer of amounts to or from other accounts as approved by the CPUC. | |
| d. | An entry equal to the interest on the average balance at the beginning of the month and the balance after the above entries are made, 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. | |

(Continued)



ELECTRIC PRELIMINARY STATEMENT PART FY
ELECTRIC PROGRAM INVESTMENT CHARGE
BALANCING ACCOUNT

Sheet 1 (N)
 (N)
 (N)

- FY. ELECTRIC PROGRAM INVESTMENT CHARGE BALANCING ACCOUNT (EPICBA) (N)
1. PURPOSE: The purpose of the Electric Program Investment Charge Balancing Account (EPICBA) is to track the actual program expenses to the authorized EPIC Program budget pursuant to D. 12-05-037 through December 31, 2020 or as authorized by the Commission. (N)
 2. APPLICABILITY: The EPICBA balance shall apply to all electric customer classes, except for any classes that may be specifically excluded by the CPUC.
 3. REVISION DATE: The disposition of the balance in this account shall be as authorized by the Commission.
 4. RATES: The EPICBA does not have a separate rate component.
 5. ACCOUNTING PROCEDURE: The following entries will be made to this account each month or as applicable:
 - a. EPIC Program Administered by PG&E Subaccount:
 - i. A debit entry equal to the actual EPIC program expenses incurred by PG&E and program oversight reimbursements remitted to the CPUC.
 - ii. A credit entry equal to of one-twelfth of the authorized EPIC budget (net of FF&U) administered by PG&E for the current program year (see corresponding debit entry in electric Preliminary Statement Part FU – Electric Program Investment Charge Revenue Adjustment Mechanism (EPICRAM)).
 - iii. A debit or credit entry, as appropriate, to record the transfer of amounts to or from other accounts as approved by the CPUC.
 - iv. A debit or credit equal to any amount authorized by the CPUC to be recorded in this subaccount.
 - v. An entry equal to the interest on the average balance at the beginning of the month and the balance after the above entries are made, 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)

(Continued)

Advice Letter No: 4062-E
 Decision No. 12-05-037

Issued by
Brian K. Cherry
 Vice President
 Regulation and Rates

Date Filed June 15, 2012
 Effective June 15, 2012
 Resolution No. _____



ELECTRIC PRELIMINARY STATEMENT PART FY
ELECTRIC PROGRAM INVESTMENT CHARGE
BALANCING ACCOUNT

Sheet 2 (N)
 (N)
 (N)

- | | | |
|-----|---|------------|
| FY. | ELECTRIC PROGRAM INVESTMENT CHARGE BALANCING ACCOUNT (EPICBA)
(Cont'd.) | (N)
(N) |
| | 5. ACCOUNTING PROCEDURE: (Cont'd.) | (N) |
| | b. EPIC Program Administered by California Energy Commission (CEC) Subaccount: | |
| | i. A debit entry equal to the actual EPIC program expenses encumbered by the CEC upon remittance to the CEC. | |
| | ii. A debit entry equal to program administration remittances to the CEC | |
| | ii. A credit entry equal to one twelfth of the authorized EPIC budget (net of FF&U) to be administered by the California Energy Commission under a grant by the CPUC for the current program year.(see corresponding debit entry in electric Preliminary Statement Part FU – Electric Program Investment Charge Revenue Adjustment Mechanism (EPICRAM). | |
| | iii. A debit or credit, as appropriate to record the transfer of amounts to or from other accounts as approved by the CPUC. | |
| | iv. A debit or credit equal to any amount authorized by the CPUC to be recorded in this subaccount. | |
| | v. An entry equal to the interest on the average balance at the beginning of the month and the balance after the above entries are made, 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) |



ELECTRIC TABLE OF CONTENTS
PRELIMINARY STATEMENT

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Part FC	Wildfire Expense Memorandum Account.....	29570-E
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Part FG	CARE/TANF Balancing Account.....	28950-E
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(Continued)

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

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