

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



March 26, 2007

Advice Letter 2772-E/2698-G

Rose de la Torre  
Pacific Gas & Electric  
77 Beale Street, Room 1088  
Mail Code B10C  
San Francisco, CA 94105

Subject: Request for Transfer of the Advanced Metering Infrastructure Memorandum  
Accounts and Disposition and Recovery of the Balances in the Advanced  
Metering and Demand Response Account and the Gas Advanced Metering  
Account

Dear Ms. de la Torre:

Advice Letter 2772-E/2698-G is effective July 24, 2006. A copy of the advice letter and  
resolution are returned herewith for your records.

Sincerely,

Sean H. Gallagher, Director  
Energy Division

<b>REGULATORY RELATIONS</b>	
M Brown Tariffs Section	D Poster
R Dela Torre	M Hughes
B Lam	
MAR 28 2007	
Return to _____	Records _____
	File _____
cc to _____	



**Brian K. Cherry**  
Director  
Regulatory Relations

77 Beale Street, Room 1087  
San Francisco, CA 94105

*Mailing Address*  
Mail Code B10C  
Pacific Gas and Electric Company  
P.O. Box 770000  
San Francisco, CA 94177

415.973.4977  
Internal: 223.4877  
Fax: 415.973.9572  
Internet: BKC7@pge.com

January 31, 2006

**Advice 2772-E/2698-G  
(Pacific Gas and Electric Company ID U 39 M)**

Public Utilities Commission of the State of California

**Subject: Request for Transfer of the Advanced Metering Infrastructure Memorandum Accounts and Disposition and Recovery of the Balances in the Advanced Metering and Demand Response Account and the Gas Advanced Metering Account**

**Purpose**

Pursuant to Decision (D.) 05-09-044, Ordering Paragraph 7, Pacific Gas and Electric Company (PG&E) submits this Advice Letter to request the transfer of the Advanced Metering Infrastructure Memorandum Account – Electric (AMIMA-E) to the Advanced Metering and Demand Response Account (AMDRA) and the transfer of Advanced Metering Infrastructure Memorandum Account – Gas (AMIMA-G) to the Gas Advanced Metering Account (GAMA). In addition, pursuant to D. 05-09-044, Ordering Paragraph 6, PG&E is requesting review of the costs in AMDRA and GAMA to determine that the costs recorded are consistent with the cost categories adopted in D. 05-09-044. Upon verification, PG&E requests the disposition of the balances through the Distribution Revenue Adjustment Mechanism (DRAM) and the Core Fixed Cost Account (CFCA) consistent with the AMDRA and GAMA preliminary statements.

The detailed cost worksheet for AMDRA and AMIMA-E is in Attachment A and B. The detailed cost worksheet for GAMA and AMIMA-G is in Attachment C and D.

**Background**

On September 22, 2005, the Commission approved PG&E's Application for Recovery of Pre-deployment Costs of the Advanced Metering Infrastructure (AMI) Project in D.05-09-044. As part of that decision, the Commission authorized PG&E to file an Advice Letter to transfer any recorded costs that are

consistent with the activities and funding level authorized in the decision from the AMIMAs to AMDRA and GAMA. In addition, D.05-09-044 authorized PG&E to book future costs which were authorized in that decision directly into AMDRA and GAMA. The Commission also authorized PG&E to file quarterly Advice Letters to request cost recovery subject to review of the cost categories.

### **Explanation of Contents in Accounts and Attachments**

#### **Electric AMIMA (Attachment A)**

AMIMA-E for the October through December 2005 time period only includes accrued interest on the September balance. This is because PG&E filed Advice 2733-E to recover the September 2005 balance and there was no new spending recorded from October through December in the AMIMA-E. Attachment A illustrates the amount to be transferred from AMIMA-E to AMDRA, as authorized by D.05-09-044.

#### **AMDRA (Attachment B)**

The AMDRA account balance in Attachment B includes the following for the period October 1 through December 31, 2005, plus the amount to be transferred from AMIMA-E (shown on Attachment A). PG&E seeks final disposition of \$10,306,525.73 through DRAM.

- (1) The incremental costs associated with AMI Project development and management activities are included in the account consistent with the PG&E preliminary statement, Part CS -- Advanced Metering and Demand Response Account authorized as part of D. 05-09-044<sup>1</sup>. Those activities include costs such as project management, Request for Proposal development and analysis, Business Case development, contract negotiation, development of PG&E's rate case applications, and the costs for electric AMI pre-deployment activities.
- (2) As directed by D. 05-01-056, PG&E implemented its approved 2005 Demand Response (DR) programs. In accordance with that decision, and prior decisions in Docket 02-06-001, the costs to develop, implement, and measure these demand response programs are currently placed in the AMDRA account.

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<sup>1</sup> On September 27, 2005, PG&E filed Advice Letter (AL) 2658-G/2717-E which consolidated the versions of the AMDRA preliminary statements from the May 24, 2005 Commission approval of AL 2623-E effective March 19, 2005, and the July 6, 2005 Commission approval of AL 2633-E/2633-E-A effective February 24, 2005. The changes to the AMDRA preliminary statement in compliance with D. 05-09-044 proposed in AL 2658-G/2717-E were made on top of the consolidated tariffs from both AL 2623-E and 2633-E-A. AL 2658-G/2717-E was approved by the CPUC via approval letter on December 16, 2005.

(3) Pursuant to D. 04-01-012, PG&E included in AMDRA the costs of the Statewide Pricing Pilot (SPP) activities.

#### Gas AMIMA (Attachment C)

AMIMA – G for the October through December 2005 time period only includes accrued interest on the September balance. This is because PG&E filed Advice 2674-G to recover the September 2005 balance and there was no new spending recorded from October through December in the AMIMA-G. Attachment C illustrates the amount for AMIMA-G to be transferred from AMIMA-G to GAMA, as authorized by D.05-09-044.

#### GAMA (Attachment D)

The December 31, 2005 GAMA balance, shown on Attachment D, includes the cost for gas AMI pre-deployment activities, plus the amount to be transferred from AMIMA-G (shown on Attachment C). PG&E seeks final disposition of \$706,239.07 through CFCA.

#### Request for Commission Approval

PG&E requests the Commission approve this advice letter by resolution on or before the Commission's scheduled meeting of **March 15, 2006**. PG&E's request is for a specific finding that PG&E is authorized to recover the account balances through distribution rates, as described in PG&E's preliminary statement.

#### Protests

Anyone wishing to protest this filing may do so by sending a letter by **February 20, 2006**, which is 20 days from 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  
Attention: Tariff Unit, 4<sup>th</sup> Floor  
505 Van Ness Avenue  
San Francisco, California 94102

Facsimile: (415) 703-2200  
E-mail: [jjr@cpuc.ca.gov](mailto:jjr@cpuc.ca.gov) and [jnj@cpuc.ca.gov](mailto:jnj@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 should be sent via both e-mail and facsimile to PG&E on the same date it is mailed or delivered to the Commission at the address shown below.

Pacific Gas and Electric Company  
Attention: Brian Cherry  
Director, Regulatory Relations  
77 Beale Street, Mail Code B10C  
P.O. Box 770000  
San Francisco, California 94177

Facsimile: (415) 973-7226  
E-mail: [PGETariffs@pge.com](mailto:PGETariffs@pge.com)

### **Effective Date**

In accordance with General Order 96-A, Section V.B., PG&E requests that this advice filing be effective the date of approval.

### **Notice**

In accordance with General Order 96-A, Section III, Paragraph G, 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.02-06-001. Address changes should be directed to Rose De La Torre at (415) 973-4716. Advice letter filings can also be accessed electronically at:

<http://www.pge.com/tariffs>



Director - Regulatory Relations

Attachments

cc: Service List R.02-06-001

# 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 (ID39E)

Utility type:

ELC       GAS  
 PLC       HEAT       WATER

Contact Person: Shilpa Ramaiya

Phone #: (415) 973- 3186

E-mail: srrd@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) #: **2772-E/2698-G**

Subject of AL: Request for Transfer of the Advanced Metering Infrastructure Memorandum Accounts and Disposition and Recovery of the Balances in the Advanced Metering and Demand Response Account and the Gas Advanced Metering Account

Keywords (choose from CPUC listing): 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.05-09-044

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: N/A

Summarize differences between the AL and the prior withdrawn or rejected AL<sup>1</sup>: N/A

Resolution Required?  Yes  No

Requested effective date: **03-15-06**

No. of tariff sheets: 0

Estimated system annual revenue effect: (%):TBD

Estimated system average rate effect (%): TBD

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<sup>1</sup>: N/A

Pending advice letters that revise the same tariff sheets: N/A

**Protests 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**

**Utility Info (including e-mail)**

**Attention: Tariff Unit**

**505 Van Ness Ave.,**

**San Francisco, CA 94102**

**jjr@cpuc.ca.gov and jnj@cpuc.ca.gov**

<sup>1</sup> Discuss in AL if more space is needed.

**Advanced Metering Infrastructure Memorandum Account - Electric (AMIMA-E)**  
**October 1, 2005 through December 31, 2005 Account Activity**  
*Per Month*

Ln #	Program	2005			Total
		October	November	December	
1	Interest				
2	Interest Rate	3.72%	4.01%	4.23%	
3	Interest Total	\$ 307.55	\$ 332.56	\$ 351.95	\$ 992.06
3	<b>Monthly Totals AMIMA-E - to be transferred to AMDRA</b>	\$ 307.55	\$ 332.56	\$ 351.95	\$ 992.06

**Advanced Metering and Demand Response Account (AMDRA)**  
**October 1, 2005 through December 31, 2005 Account Activity**  
*Per Month*

Ln #	Program	2005			Total
		October	November	December	
1	<b>Large Customer Demand Response Programs</b>				
2	Critical Peak Pricing	\$ 103,392.21	\$ 38,750.89	\$ 52,578.83	\$ 194,721.93
3	Demand Bidding	\$ 88,524.64	\$ 39,263.89	\$ 19,991.29	\$ 147,779.82
4	Demand Reserves Partnership (DRP)	\$ 74.66	\$ 619.27	\$ (967.85)	\$ (273.92)
5	Interval Meters <sup>1</sup>	\$ 128,436.29	\$ 154,581.69	\$ 150,865.60	\$ 433,883.58
6	E-Save				\$ -
7	Power Down				\$ -
8	Customer Market Research	\$ 17,857.06	\$ 12,065.46	\$ 8,709.75	\$ 38,632.27
9	Flex Your Power Now	\$ 1,948,795.23	\$ (581,902.10)	\$ (2,855,815.83)	\$ (1,488,922.70)
10	Integrated Demand Side Management	\$ 2,429.29	\$ 22,746.55	\$ 530,726.98	\$ 555,902.82
11	California 20/20 Rebate Program	\$ 8,716.15	\$ 19,562.02	\$ 1,727,422.60	\$ 1,755,700.77
12	Interact Payments	\$ 18,609.13	\$ 160,680.33	\$ 362,595.84	\$ 541,885.30
13	Demand Response Database	\$ 21,506.80	\$ 34,296.32	\$ 20,046.77	\$ 75,849.89
14	California Power Authority DRP				\$ -
15	California Power Authority Statewide				\$ -
16	Business Energy Coalition	\$ 289.66	\$ 597,692.16	\$ 426,401.42	\$ 1,024,383.24
17	General Education	\$ 75,896.48	\$ 67,832.93	\$ 61,636.92	\$ 205,366.33
18	A/C Cycling Analysis				\$ -
19	Community Partner	\$ 22,727.54	\$ 23,289.32	\$ 58,918.41	\$ 104,935.27
20	TA/TI Total	\$ 14,327.44	\$ 160,238.15	\$ 18,122.24	\$ 192,687.83
20	<b>Subtotal</b>	<b>\$ 2,451,582.58</b>	<b>\$ 749,716.88</b>	<b>\$ 581,232.97</b>	<b>\$ 3,782,532.43</b>
21	<b>SPP Pilot</b>				
22	Statewide Pricing Pilot <sup>2</sup>	\$ 34,590.18	\$ 23,887.19	\$ 169,479.69	\$ 227,957.06
22	<b>Subtotal</b>	<b>\$ 34,590.18</b>	<b>\$ 23,887.19</b>	<b>\$ 169,479.69</b>	<b>\$ 227,957.06</b>
23	<b>AMI Project Development and Management</b>				
24	Contract Negotiation and Administration	\$ (95,882.23)	\$ 272,907.73	\$ 2,061,088.54	\$ 2,238,114.04
25	Business Case Development	\$ 1,615,240.28	\$ 485,213.04	\$ 76,581.25	\$ 2,177,034.57
26	RFP Development and Analysis	\$ 895,662.99	\$ 75.86	\$ (895,089.71)	\$ 649.14
27	AMI Applications	\$ 187,829.95	\$ 148,294.73	\$ 232,835.63	\$ 568,960.31
28	Project Management	\$ 22,530.71	\$ 92,063.29	\$ 26,223.15	\$ 140,817.15
28	<b>Subtotal</b>	<b>\$ 2,625,381.70</b>	<b>\$ 998,554.65</b>	<b>\$ 1,501,638.86</b>	<b>\$ 5,125,575.21</b>
29	<b>AMI Project Pre-deployment Activities (AMDRA)</b>				
30	Systems Software Upgrades & Integration	\$ 67,137.86	\$ 44,474.51	\$ 96,611.35	\$ 208,223.72
31	Project Management	\$ 14,287.64	\$ 215,925.59	\$ 78,256.95	\$ 308,470.18
32	Server Software Expense			\$ 9,499.11	\$ 9,499.11
33	Misc. Meter Equipment			\$ 3,844.68	\$ 3,844.68
34	Communication and Education			\$ 224,907.84	\$ 224,907.84
35	Training			\$ 69,973.20	\$ 69,973.20
35	<b>Subtotal</b>	<b>\$ 81,425.50</b>	<b>\$ 260,400.10</b>	<b>\$ 483,093.13</b>	<b>\$ 824,918.73</b>
36	<b>Interest</b>				
37	Interest Rate	3.72%	4.01%	4.23%	
37	<b>Interest Total</b>	<b>\$ 96,504.11</b>	<b>\$ 116,422.44</b>	<b>\$ 131,623.69</b>	<b>\$ 344,550.24</b>
38	<b>Monthly Totals AMDRA</b>	<b>\$ 5,289,484.07</b>	<b>\$ 2,148,981.26</b>	<b>\$ 2,867,068.34</b>	<b>\$ 10,305,533.67</b>
39	<b>Monthly Totals AMIMA-E (from Attachment A)</b>	<b>\$ 307.55</b>	<b>\$ 332.56</b>	<b>\$ 351.95</b>	<b>\$ 992.06</b>
40	<b>Grand Total - AMDRA and AMIMA - E</b>	<b>\$ 5,289,791.62</b>	<b>\$ 2,149,313.82</b>	<b>\$ 2,867,420.29</b>	<b>\$ 10,306,525.73</b>

**Note:** Totals above do not include pre-deployment costs which was shown with a zero balance in the prior workpaper filed with Advice 2569-E on October 15, 2004.

<sup>1</sup> Includes capital-related costs of \$48,949.66 for October, \$50,286.36 for November and \$51,100.08 for December.

<sup>2</sup> Incentive payments are recovered directly through the ERRR account per D.03-03-036 and therefore, have not been included in this category.

**Advanced Metering Infrastructure Memorandum Account - Gas (AMIMA-G)**  
**October 1, 2005 through December 31, 2005 Account Activity**

*Per Month*

Program	2005			Total
	October	November	December	
Interest <sup>1</sup>				
Interest Rate	3.72%	4.01%	4.23%	
Interest Total	\$ 261.98	\$ 283.28	\$ 299.82	\$ 845.08
<b>Monthly Totals AMIMA-G to be transferred to GAMA</b>	\$ 261.98	\$ 283.28	\$ 299.82	\$ 845.08

**Gas Advanced Metering Account (GAMA)**  
**October 1, 2005 through December 31, 2005 Account Activity**

*Per Month*

	Program	2005			Total
		October	November	December	
<b>AMI Project Pre-deployment Activities (GAMA)</b>	Systems Software Upgrades & Integration	\$ 57,191.51	\$ 37,885.69	\$ 82,298.56	\$ 177,375.76
	Project Management	\$ 12,170.96	\$ 183,936.61	\$ 66,663.33	\$ 262,770.90
	Server Software Expense			\$ 8,091.83	\$ 8,091.83
	Misc. Meter Equipment			\$ 3,275.09	\$ 3,275.09
	Communication and Education			\$ 191,588.16	\$ 191,588.16
	Training			\$ 59,606.80	\$ 59,606.80
	<b>Subtotal<sup>1</sup></b>		<b>\$ 69,362.47</b>	<b>\$ 221,822.30</b>	<b>\$ 411,523.77</b>
<b>Interest</b>	Interest Rate	3.72%	4.01%	4.23%	
	<b>Interest Total</b>	<b>\$ 176.00</b>	<b>\$ 676.83</b>	<b>\$ 1,832.62</b>	<b>\$ 2,685.45</b>
<b>Monthly Totals GAMA</b>		<b>\$ 69,538.47</b>	<b>\$ 222,499.13</b>	<b>\$ 413,356.39</b>	<b>\$ 705,393.99</b>
<b>Monthly Totals AMIMA-G to be transferred to GAMA (from Attachment C)</b>		<b>\$ 261.98</b>	<b>\$ 283.28</b>	<b>\$ 299.82</b>	<b>\$ 845.08</b>
<b>Grand Total GAMA and AMIMA-G</b>		<b>\$ 69,800.45</b>	<b>\$ 222,782.41</b>	<b>\$ 413,656.21</b>	<b>\$ 706,239.07</b>