

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



October 15, 2008

Advice Letter 2903-G/3208-E

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

**Subject: Transfer Unspent 2007 PG&E ClimateSmart™ Program
Administrative and Marketing Funds to 2008**

Dear Mr. Cherry:

Advice Letter 2903-G/3208-E is effective September 18, 2008.

Sincerely,

A handwritten signature in black ink, appearing to read "Ken Lewis".

Kenneth Lewis, Acting Director
Energy Division

February 11, 2008

Advice 2903-G/3208-E

(Pacific Gas and Electric Company ID U 39 M)

Public Utilities Commission of the State of California

**Subject: Transfer Unspent 2007 PG&E ClimateSmart™ Program
Administrative and Marketing Funds to 2008****Purpose**

In accordance with Ordering Paragraph (OP) 3 of Decision (D.) 06-12-032, the purpose of this Advice Filing is to seek approval to transfer unspent ClimateSmart™ program administrative and marketing (A&M) funds from the 2007 budget to the 2008 budget and authorize their use for approved ClimateSmart™ program activities in 2008. In addition, this Advice Filing seeks to re-designate a small portion of the transferred unspent 2007 funds from the administrative to the marketing budget category to further support the ramp-up of outreach activities needed to advance the CPUC-approved purposes of the ClimateSmart™ program in its critical second year.

Background

On December 14, 2006, the CPUC approved PG&E's Climate Protection Tariff, now known as PG&E's ClimateSmart™ program, in D.06-12-032. In OP 2 of the Decision, the CPUC authorized an A&M budget of \$16.26 million through 2009, excluding Franchise Fees and Uncollectibles Accounts Expense (FF&U). The Decision approved specific A&M amounts for each year from 2006 through 2009, stating that "PG&E may not transfer funds among budget categories nor spend budgeted funds in different years than those indicated without making an advice filing seeking such change." (OP 3.)

As described below, the current request results in large part from the difference between the timing assumed in PG&E's original budget proposal and the actual timing of the CPUC's decision approving the ClimateSmart™ program. That is, in PG&E's original budget, PG&E assumed that a final decision would be issued in the third quarter of 2006, but the CPUC's decision approving ClimateSmart™ was not issued until December 14, 2006. Reflecting this change in timing, PG&E

submitted Advice Letter 2812-G/2993-E seeking the transfer of the entire A&M budget for 2006 (i.e., \$1.3 million) into 2007. The Commission approved AL 2812-G/2993-E on June 4, 2007. Similarly, PG&E is requesting here to transfer \$1.68 million of unspent 2007 budget dollars to the 2008 budget. The 2007 budget, as adjusted by approval of Advice AL 2812-G/2993-E, is shown in the table below.

2007 Budget Authorized and Spent

	A	B	C	D = B + C	E	F = D - E
	Original 2006 Budget	Unspent 2006 Budget Transferred to 2007 Budget	Originally Approved 2007 Budget	Revised , Approved 2007 Budget (includes 2006 Budget carry-over)	2007 Expenditures	2007 Unspent Funds
Admin	\$ 700,000	\$ 700,000	\$ 1,370,000	\$ 2,070,000	\$ 942,841	\$ 1,127,159
Marketing	\$ 600,000	\$ 600,000	\$ 2,400,000	\$ 3,000,000	\$ 2,442,363	\$ 557,637
Total	\$ 1,300,000	\$ 1,300,000	\$ 3,770,000	\$ 5,070,000	\$ 3,385,204	\$ 1,684,796

Transfer of 2007 Unspent Funds

The table below shows total requested 2007 carry-forward amount:

Request for 2007 Carry Forward

	A	B	C	D = A + B + C
	2007 Unspent Funds	Interest	Requested Transfer	Total Amount Requested to Carry Forward
Admin	\$ 1,127,159	\$ 31,456	\$ (150,000)	\$ 1,008,615
Marketing	\$ 557,637	\$ 24,091	\$ 150,000	\$ 731,728
Total	\$ 1,684,796	\$ 55,547	\$ 0	\$ 1,740,343

PG&E seeks to transfer 2007 funds of approximately \$1.008 million to the 2008 administration budget. This amount consists of \$1.127 million of administration principal and \$31 thousand of accrued interest, less a \$150 thousand transfer from administration to marketing. PG&E also seeks to transfer 2007 funds of approximately \$732 thousand to the 2008 marketing budget. This amount consists of \$558 thousand of marketing principal and \$24 thousand of accrued interest, plus the above-mentioned \$150 thousand transfer.

As mentioned above, the main factor leading to the current request was the prior transfer of \$1.3 million from the 2006 budget into the 2007 budget relating to the approval of the program in December 2006, which remains unspent. In addition, certain payments for protocol development to the California Climate Action

Registry (CCAR) in accordance with OP 21 of the Decision (i.e., approximately \$360 thousand) that were originally expected in 2007 were deferred to early 2008.

The requested transfer and reallocation of funds will support greater educational outreach to PG&E customers regarding their impact on climate change and how individuals' and businesses' participation in the ClimateSmart™ program can help fight global warming in conjunction with energy efficiency, on-site renewables and other personal efforts. Thus, using these unspent 2007 funds for a significant ramp-up of outreach in 2008 based on lessons learned and initial outreach groundwork laid in 2007, will help advance the goals of the program as approved by the CPUC.

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 **March 3, 2008**, which is 21 days after the date of this filing.¹ 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: anj@cpuc.ca.gov and 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:

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

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

¹ This date falls on a weekend so PG&E hereby moves this date to the following business day.

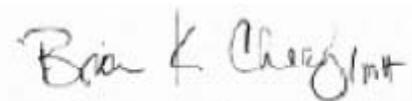
Effective Date

PG&E requests that this advice filing become effective on regular notice, **March 12, 2008**, which is 30 calendar days after the date of 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 the parties on the service list for A.06-01-012. Address changes to the General Order 96-B service list 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>

A handwritten signature in black ink that reads "Brian K. Cheyette". The signature is written in a cursive style and is centered on the page.

Vice President, Regulatory Relations

Attachments

cc: Service List A.06-01-012

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: Megan Hughes

Phone #: (415) 973-1877

E-mail: mehr@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) #: 2903-G/3208-E

Tier: 2

Subject of AL: Transfer Unspent 2007 PG&E ClimateSmart™ Program Administrative and Marketing Funds to 2008

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 #: N/A

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 AL¹: _____

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: 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: March 12, 2008

No. of tariff sheets: 0

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 proposed¹: N/A

Pending advice letters that revise the same tariff sheets:

Protests, dispositions, and all other correspondence regarding this AL are due no later than 21 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, Regulatory Relations

77 Beale Street, Mail Code B10C

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**

ABAG Power Pool	Douglass & Liddell	PG&E National Energy Group
Accent Energy	Downey, Brand, Seymour & Rohwer	Pinnacle CNG Company
Aglet Consumer Alliance	Duke Energy	PITCO
Agnews Developmental Center	Duke Energy North America	Plurimi, Inc.
Ahmed, Ali	Duncan, Virgil E.	PPL EnergyPlus, LLC
Alcantar & Kahl	Dutcher, John	Praxair, Inc.
Ancillary Services Coalition	Dynergy Inc.	Price, Roy
Anderson Donovan & Poole P.C.	Ellison Schneider	Product Development Dept
Applied Power Technologies	Energy Law Group LLP	R. M. Hairston & Company
APS Energy Services Co Inc	Energy Management Services, LLC	R. W. Beck & Associates
Arter & Hadden LLP	Exelon Energy Ohio, Inc	Recon Research
Avista Corp	Exeter Associates	Regional Cogeneration Service
Barkovich & Yap, Inc.	Foster Farms	RMC Lonestar
BART	Foster, Wheeler, Martinez	Sacramento Municipal Utility District
Bartle Wells Associates	Franciscan Mobilehome	SCD Energy Solutions
Blue Ridge Gas	Future Resources Associates, Inc	Seattle City Light
Bohannon Development Co	G. A. Krause & Assoc	Sempra
BP Energy Company	Gas Transmission Northwest Corporation	Sempra Energy
Braun & Associates	GLJ Energy Publications	Sequoia Union HS Dist
C & H Sugar Co.	Goodin, MacBride, Squeri, Schlotz &	SESCO
CA Bldg Industry Association	Hanna & Morton	Sierra Pacific Power Company
CA Cotton Ginners & Growers Assoc.	Heeg, Peggy A.	Silicon Valley Power
CA League of Food Processors	Hitachi Global Storage Technologies	Smurfit Stone Container Corp
CA Water Service Group	Hogan Manufacturing, Inc	Southern California Edison
California Energy Commission	House, Lon	SPURR
California Farm Bureau Federation	Imperial Irrigation District	St. Paul Assoc
California Gas Acquisition Svcs	Integrated Utility Consulting Group	Sutherland, Asbill & Brennan
California ISO	International Power Technology	Tabors Caramanis & Associates
Calpine	Interstate Gas Services, Inc.	Tecogen, Inc
Calpine Corp	IUCG/Sunshine Design LLC	TFS Energy
Calpine Gilroy Cogen	J. R. Wood, Inc	Transcanada
Cambridge Energy Research Assoc	JTM, Inc	Turlock Irrigation District
Cameron McKenna	Luce, Forward, Hamilton & Scripps	U S Borax, Inc
Cardinal Cogen	Manatt, Phelps & Phillips	United Cogen Inc.
Cellnet Data Systems	Marcus, David	URM Groups
Chevron Texaco	Matthew V. Brady & Associates	Utility Resource Network
Chevron USA Production Co.	Maynor, Donald H.	Wellhead Electric Company
City of Glendale	MBMC, Inc.	White & Case
City of Healdsburg	McKenzie & Assoc	WMA
City of Palo Alto	McKenzie & Associates	
City of Redding	Meek, Daniel W.	
CLECA Law Office	Mirant California, LLC	
Commerce Energy	Modesto Irrigation Dist	
Constellation New Energy	Morrison & Foerster	
CPUC	Morse Richard Weisenmiller & Assoc.	
Cross Border Inc	Navigant Consulting	
Crossborder Inc	New United Motor Mfg, Inc	
CSC Energy Services	Norris & Wong Associates	
Davis, Wright, Tremaine LLP	North Coast Solar Resources	
Defense Fuel Support Center	Northern California Power Agency	
Department of the Army	Office of Energy Assessments	
Department of Water & Power City	OnGrid Solar	
DGS Natural Gas Services	Palo Alto Muni Utilities	