

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE

SAN FRANCISCO, CA 94102-3298



September 23, 2009

**Advice Letters 2979-G/3375-E
2979-G-A/3375-E-A**

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: Request for Approval to Adjust the Year (PY) 2009-2011 Gas and
Electric Low Income Energy Efficiency (LIEE) Expense Ratio and
Budget Allocation Factors and Supplemental Filing**

Dear Mr. Cherry:

Advice Letters 2979-G/3375-E and 2979-G-A/3375-E-A are effective January 11, 2009.

Sincerely,

A handwritten signature in blue ink, appearing to read "Julie A. Fitch".

Julie A. Fitch, Director
Energy Division



February 6, 2009

Advice 2979-G-A/3375-E-A

(Pacific Gas and Electric Company ID U 39 M)

Public Utilities Commission of the State of California

**Subject: Supplement - Request for Approval to Adjust the Year (PY)
2009-2011 Gas and Electric Low Income Energy Efficiency
(LIEE) Expense Ratio and Budget Allocation Factors**

Purpose

The purpose of this supplemental advice letter is to update PG&E's Attachment B to Decision (D.) 08-11-031, *PG&E's LIEE Budget Table*. In addition, PG&E is submitting revisions to Gas Preliminary Statement Part C.2, *Gas Accounting Terms and Definitions - Annual Gas Revenue Requirement and PPP Funding Requirements*, enclosed as Attachment 1.

Background

PG&E filed Advice Letter (AL) 2979-G/3375-E on December 12, 2008, requesting approval to adjust the Program Year (PY) 2009-2011 gas and electric Low Income Energy Efficiency (LIEE) expense ratio and budget allocation factors. The AL was approved by the Energy Division on January 26, 2009. The Energy Division also required that PG&E submit a new Attachment B, *PG&E's LIEE Budget Table*, to D. 08-11-031, which reflects the new allocation between budget categories for PY 2009-2011 in a supplemental filing.

In addition, PG&E is updating Gas Preliminary Statement Part C.2, *Gas Accounting Terms and Definitions - Annual Gas Revenue Requirement and PPP Funding Requirements*, to show the additional \$3.5 million 2009 gas LIEE funding requirement (Attachment 1).

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 February 26, 2009, 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: jjnj@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

Effective Date

PG&E requests that this advice filing become effective on **February 6, 2009**, the date of filing. PG&E submits this as a Tier 1 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. Address changes to the General Order 96-B service list should be directed to Rose de la Torre at (415) 973-4716. Send all electronic approvals to PGETariffs@pge.com. Advice letter filings can also be accessed electronically at:

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

A handwritten signature in dark ink, appearing to read "Bruce K. Anglin". The signature is fluid and cursive, with the first name "Bruce" and last name "Anglin" clearly distinguishable, followed by a stylized "K" and "Anglin".

Vice President, Regulatory Relations

Attachments

Cc: Ava Tran, Energy Division
Sarita Sarvate, Energy Division
Sarjit Randhawa, Energy Division
Kimberly Kim, ALJ Division

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: David Poster

Phone #: (415) 973- 1082

E-mail: dxpu@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) #: 2979-G-A/3375-E-A

Tier 1

Subject of AL: Supplement - Request for Approval to Adjust the Year (PY) 2009-2011 Gas and Electric Low Income Energy Efficiency (LIEE) Expense Ratio and Budget Allocation Factors

Keywords (choose from CPUC listing): LIEE

AL filing type: ☐ Monthly ☐ Quarterly ☐ Annual ☒ One-Time ☐ Other

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution:

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

Resolution

Required? ☐ Yes ☒ No

Requested effective date: 02-6-09

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: Gas Preliminary Statement C

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

Attention: Tariff Unit

505 Van Ness Ave.,

San Francisco, CA 94102

mas@cpuc.ca.gov and jnj@cpuc.ca.gov

Utility Info (including e-mail)

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

**ATTACHMENT 1
Advice 2979-G-A**

Cal P.U.C. Sheet No.	Title of Sheet	Cancelling Cal P.U.C. Sheet No.
27457-G	GAS PRELIMINARY STATEMENT PART C GAS ACCOUNTING TERMS & DEFINITIONS Sheet 3	27394-G
27458-G	GAS TABLE OF CONTENTS Sheet 1	27455-G
27459-G	GAS TABLE OF CONTENTS Sheet 4	27456-G



GAS PRELIMINARY STATEMENT PART C
GAS ACCOUNTING TERMS & DEFINITIONS

Sheet 3

C. GAS ACCOUNTING TERMS AND DEFINITIONS (Cont'd.)

2. ANNUAL GAS REVENUE REQUIREMENT AND PPP FUNDING REQUIREMENTS: (Cont'd.)

Amount (\$000)					
Description	Core	Noncore	Unbundled	Core Procurement	Total
ILLUSTRATIVE CORE PROCUREMENT REVENUE REQUIREMENT (4):					
Illustrative Gas Supply Portfolio				2,183,534	2,183,534
Interstate and Canadian Capacity				150,233	150,233
10/20 Plus WGSP – Procurement – Residential				3,426	3,426
F&U (on items above and Procurement Account Balances Below)				28,226	28,226
Backbone Capacity (incl. F&U)	(62,314)			62,314	0
Backbone Volumetric (incl. F&U)	(18,875)			18,875	0
Storage (incl. F&U)	(42,093)			42,093	0
Carrying Cost on Noncycled Storage Gas (incl. F&U)	(1,757)			1,757	0
Core Brokerage Fee (incl. F&U)				9,581	9,581
Procurement Account Balances				(9,208)	(9,208)
Illus. Core Procurement Revenue Requirement	(125,039)			2,490,830	2,365,791
TOTAL GAS REVENUE REQUIREMENT (without PPP) IN RATES	<u>1,196,260</u>	<u>95,732</u>	<u>170,038</u>	<u>2,490,830</u>	<u>3,952,861</u>
PUBLIC PURPOSE PROGRAM (PPP) FUNDING REQUIREMENT (F&U exempt) (5):					
Energy Efficiency (EE)	60,415	6,725			67,140
Low Income Energy Efficiency (LIEE)	37,290	4,151			41,441
Research, Demonstration and Development (RD&D)	6,984	3,378			10,362
CARE Administrative Expense	1,170	643			1,813
BOE and CPUC Administrative Cost	119	58			177
PPP Balancing Accounts	4,827	1,029			5,856
CARE Discount Recovered from non-CARE customers	61,806	33,994			95,800
Total PPP Funding Requirement in Rates	<u>172,611</u>	<u>49,978</u>			<u>222,589</u>
TOTAL GAS REVENUE AND PPP FUNDING REQUIREMENT IN RATES	<u>1,368,871</u>	<u>145,710</u>	<u>170,038</u>	<u>2,490,830</u>	<u>4,175,450</u>
Low Income Energy Efficiency Not in Rates (6)	2,944 (N)	328 (N)			3,272 (N) (N)
TOTAL AUTHORIZED GAS REVENUE AND PPP FUNDING REQUIREMENT	<u>1,371,815</u> (I)	<u>146,038</u> (I)	<u>170,038</u>	<u>2,490,830</u>	<u>4,178,722</u> (I)

(4) The credits shown in the Core column represent the core portion of the Gas Accord RRQ that is included in the illustrative Core Procurement RRQ, and are shown here to avoid double counting these costs in the total. The Gas Supply Portfolio cost includes a forecast of carrying cost on cycled gas in storage, and an illustrative commodity and shrinkage cost based on the Weighted Average Cost of Gas (WACOG) of \$0.70275 per therm. Actual gas commodity costs change monthly. 10/20 WGSP costs, approved in AL 2951-G, will be recovered in residential rates effective April 1, 2009.

(5) The PPP funding requirement is recovered in gas PPP surcharge rates pursuant to D.04-08-010 and 2009 PPP surcharge AL 2970-G; and includes LIEE program funding adopted in D.08-11-031, EE program funding adopted in D.08-10-027, CARE annual administrative expense adopted in D.08-11-031, and excludes F&U per D.04-08-010.

(6) On January 26, 2009, the Commission approved PG&E's AL 2979-G/3375-E, which updated the gas and electric LIEE allocation factors. PG&E proposed to modify the percentage allocation between gas and electric to 41% and 59% respectively and record the adjusted 2009 budgets and revenue requirements to their respective accounts. Consequently, for gas, any over or undercollection will be recorded in the LIEE gas balancing account and will be incorporated into rates in the 2010 Public Purpose Program Gas Surcharge Advice Letter for gas customers. (N)

(Continued)

Advice Letter No: 2979-G-A
 Decision No.

Issued by
Brian K. Cherry
 Vice President
 Regulatory Relations

Date Filed February 6, 2009
 Effective January 11, 2009
 Resolution No.



Pacific Gas and Electric Company
San Francisco, California
U 39

Revised
Cancelling Revised

Cal. P.U.C. Sheet No.
Cal. P.U.C. Sheet No.

27458-G
27455-G

GAS TABLE OF CONTENTS

Sheet 1

TITLE OF SHEET	CAL P.U.C. SHEET NO.	
Title Page	27458-G	(T)
Rate Schedules	27450,27451-G	
Preliminary Statements	27459,24225-G	(T)
Rules	27260-G	
Maps, Contracts and Deviations	21637-G	
Sample Forms	27261,24933,27262,26572,25059-G	

(Continued)

Advice Letter No: 2979-G-A
Decision No.

Issued by
Brian K. Cherry
Vice President
Regulatory Relations

Date Filed February 6, 2009
Effective January 11, 2009
Resolution No. _____



GAS TABLE OF CONTENTS

Sheet 4

PART	TITLE OF SHEET	CAL P.U.C. SHEET NO.
Preliminary Statements		
Part A	Description of Service Area and General Requirements	14615-14622, 17893, 12926-12927, 12067, 22436, 20388, 10584, 10853, 10852, 9421, 9420, 10851, 10850, 20920, 20917, 7689, 5166, 20921, 20919, 20918, 7277, 24903, 14623, 18797-G
Part B	Default Tariff Rate Components	27425-27431, 27360, 27361, 27362, 23229, 26718-26726, 26550, 26727-G
Part C	Gas Accounting Terms and Definitions	23345, 27393, 27394, 27459, (T) 24973, 23347, 23760, 23761, 24431, 23348, 23561, 23795, 23351, 25093-G
Part D	Purchased Gas Account	25094-25096, 24438-G
Part E	Credit Card Pilot Program Memorandum Account (CCPPMA)	24229-24230-G
Part F	Core Fixed Cost Account	24144, 24623, 25107-G
Part J	Noncore Customer Class Charge Account	23709, 25108-25109-G
Part K	Enhanced Oil Recovery Account	23762-G
Part L	Balancing Charge Account	23273-23274-G
Part O	CPUC Reimbursement Fee	24987-G
Part P	Income Tax Component of Contributions Provision	27336, 13501-G
Part Q	Affiliate Transfer Fees Account	23275-G
Part S	Interest	12773-G
Part T	Tax Reform Act of 1986	12775-G
Part U	Core Brokerage Fee Balancing Account	23276-G
Part V	California Alternate Rates For Energy Account	23358, 24292-G
Part X	Liquefied Natural Gas Balancing Account	27454-G
Part Y	Customer Energy Efficiency Adjustment	23601, 23602, 24491, 24492-G

(Continued)

Advice Letter No: 2979-G-A
Decision No.

Issued by
Brian K. Cherry
Vice President
Regulatory Relations

Date Filed	February 6, 2009
Effective	January 11, 2009
Resolution No.	

Attachment B - PY 2009-2011 LIEE ELECTRIC AND GAS BUDGET CATEGORY COMPARISON - Pacific Gas and Electric Company

LIEE Cost Category	PY 2008	PY 2009 Year-End Projected	PY 2010 Year-End Projected	PY 2011 Year-End Projected	3-Year Request PY 2009 - 2011
ENERGY EFFICIENCY					
Gas Appliances	\$6,276,740	\$10,707,371	\$15,833,701	\$16,457,630	\$42,998,702
Electric Appliances	\$33,485,364	\$44,517,605	\$63,334,805	\$65,830,522	\$173,682,932
Weatherization	\$13,757,162	\$29,857,835	\$42,629,196	\$44,309,005	\$116,796,036
Outreach & Assessment / Marketing	\$5,130,912	\$1,112,425	\$1,590,760	\$1,654,446	\$4,357,632
In Home Energy Education/Assesment/Income Eligibility	\$6,062,112	\$10,011,829	\$14,316,844	\$14,890,018	\$39,218,692
Education Workshops	\$400,000	\$0	\$0	\$0	\$0
Pilot	\$0	\$1,375,030	\$528,751	\$516,666	\$2,420,446
NGAT Costs	\$0	\$0	\$0	\$0	\$0
Energy Efficiency Total	\$65,112,290	\$97,582,095	\$138,234,057	\$143,658,287	\$379,474,440
OTHER PROGRAM ACTIVITIES					
Training Center	\$371,000	\$613,795	\$906,448	\$942,706	\$2,462,950
Inspections	\$3,997,630	\$5,280,689	\$5,727,780	\$5,917,128	\$16,925,597
Marketing/Outreach		\$1,461,579	\$1,907,638	\$1,988,195	\$5,357,412
M&E	\$244,500	\$416,631	\$187,487	\$0	\$604,118
Regulatory Compliance	\$255,000	\$289,753	\$289,752	\$289,752	\$869,257
Other Administration	\$7,696,080	\$3,311,602	\$3,713,965	\$3,892,750	\$10,918,317
CPUC Energy Division	\$57,000	\$100,221	\$100,220	\$100,220	\$300,661
REACH +	\$0	\$0	\$0	\$0	\$0
TOTAL PROGRAM COSTS					
Total Program	\$77,733,500	\$109,056,366	\$151,067,347	\$156,789,038	\$416,912,752

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

Aglet	Department of the Army	Northern California Power Association
Agnews Developmental Center	Dept of General Services	Occidental Energy Marketing, Inc.
Alcantar & Kahl	Division of Business Advisory Services	OnGrid Solar
Ancillary Services Coalition	Douglas & Liddell	PPL EnergyPlus, LLC
Anderson & Poole	Douglass & Liddell	Pinnacle CNG Company
Arizona Public Service Company	Downey & Brand	Praxair
BART	Duke Energy	R. W. Beck & Associates
BP Energy Company	Duncan, Virgil E.	RCS, Inc.
Barkovich & Yap, Inc.	Dutcher, John	RMC Lonestar
Bartle Wells Associates	Ellison Schneider & Harris LLP	Recon Research
Blue Ridge Gas	Energy Management Services, LLC	SCD Energy Solutions
Braun & Associates	FPL Energy Project Management, Inc.	SCE
C & H Sugar Co.	Foster Farms	SESCO
CA Bldg Industry Association	Foster, Wheeler, Martinez	SMUD
CAISO	Franciscan Mobilehome	SPURR
CLECA Law Office	G. A. Krause & Assoc.	Santa Fe Jets
CSC Energy Services	GLJ Publications	Seattle City Light
	Goodin, MacBride, Squeri, Schlotz & Ritchie	Sempra Utilities
California Cotton Ginners & Growers Assn	Green Power Institute	Sequoia Union HS Dist
California Energy Commission	Hanna & Morton	Sierra Pacific Power Company
California League of Food Processors	Heeg, Peggy A.	Silicon Valley Power
California Public Utilities Commission	Hitachi	Smurfit Stone Container Corp
Calpine	Hogan Manufacturing, Inc.	Southern California Edison Company
Cameron McKenna	Imperial Irrigation District	St. Paul Assoc.
Cardinal Cogen	Innercite	Sunshine Design
Casner, Steve	International Power Technology	Sutherland, Asbill & Brennan
Cerox	Intestate Gas Services, Inc.	TFS Energy
Chamberlain, Eric	J. R. Wood, Inc.	Tabors Caramanis & Associates
Chevron Company	JTM, Inc.	Tecogen, Inc.
Chris, King	Los Angeles Dept of Water & Power	Tiger Natural Gas, Inc.
City of Glendale	Luce, Forward, Hamilton & Scripps LLP	Tioga Energy
City of Palo Alto	MBMC, Inc.	TransCanada
City of San Jose	MRW & Associates	Turlock Irrigation District
Clean Energy Fuels	Manatt Phelps Phillips	U S Borax, Inc.
Coast Economic Consulting	Matthew V. Brady & Associates	United Cogen
Commerce Energy	McKenzie & Associates	Utility Cost Management
Commercial Energy	Meek, Daniel W.	Utility Resource Network
Constellation	Merced Irrigation District	Utility Specialists
Constellation New Energy	Mirant	Vandenberg Air Force
Consumer Federation of California	Modesto Irrigation District	Verizon
Crossborder Energy	Morgan Stanley	Wellhead Electric Company
Davis Wright Tremaine LLP	Morrison & Foerster	Western Manufactured Housing Communities Association (WMA)
		White & Case
Day Carter Murphy	New United Motor Mfg., Inc.	eMeter Corporation
Defense Energy Support Center	Norris & Wong Associates	
Department of Water Resources	North Coast SolarResources	