

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



April 23, 2009

Advice Letter 3005-G-A/3438-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: Supplement – Revision to Rule 15 Residential Allowances

Dear Mr. Cherry:

Advice Letter 3005-G-A/3438-E-A is effective July 1, 2009.

Sincerely,

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

Julie A. Fitch, Director
Energy Division



Brian K. Cherry
Vice President
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
Fax: 415.973.7226

March 20, 2009

Advice 3005-G-A/3438-E-A

(Pacific Gas and Electric Company ID U 39 M)

Public Utilities Commission of the State of California

Subject: Supplement: Revision to Rule 15 Residential Allowances

Pacific Gas and Electric Company (PG&E) hereby submits for filing revisions to its electric and gas tariffs. The updated allowances are shown below and supporting work papers are available upon request. The affected tariff sheets are listed on the enclosed Attachment 1.

This filing supersedes Advice 3005-G/3438-E in its entirety.

Purpose

In compliance with provisions of Gas Rule 15.H.2¹, and Electric Rule 15.I.2², PG&E submits this Advice Letter to refine residential electric and gas line and service extension allowance calculations. This is consistent with PG&E's testimony in Application (A.) 05-10-016, Chapter 3, Pages 3-6C, wherein PG&E

¹ Gas Rule 15.H.2 PERIODIC REVIEW: PG&E will periodically review the factors it uses to determine its residential allowances, nonrefundable discount option percentage rate, and cost of service factor stated in this rule. If such review results in a change of more than five percent (5%), PG&E will submit a tariff revision proposal to the Commission for review and approval. Such proposed changes shall be submitted no sooner than six (6) months after the last revision. Additionally, PG&E shall submit by advice letter proposed tariff revisions, which result from other relevant Commission decisions, to the allowance formula for calculating line and service extension allowances.

² Electric Rule 15.I.2 PERIODIC REVIEW: PG&E will periodically review the factors it uses to determine its residential allowances, nonrefundable discount option percentage rate, and cost of service factor stated in this rule. If such review results in a change of more than five percent (5%), PG&E will submit a tariff revision proposal to the Commission for review and approval. Such proposed changes shall be submitted no sooner than six (6) months after the last revision. Additionally, PG&E shall submit by advice letter proposed tariff revisions, which result from other relevant Commission decisions, to the allowance formula for calculating line and service extension allowances.

proposed to update its allowance calculation, if needed, every three years prior to the filing of its General Rate Case (GRC) Phase 1 application in such time that the Commission could provide a decision on the allowance update allowing PG&E to incorporate any revenue requirements changes that would result from the updated allowance into its GRC filing.

Background

In Decision (D.) 99-06-079 and Advice Letter (AL) 1963-E-B, the Commission approved the provisions in Gas and Electric Rules 15 noted above that require PG&E to review factors it uses to determine residential allowances.

In D.07-07-019, the Commission approved various changes to the method by which electric and gas service and line extension allowances are calculated. The Decision also approved refinements to the calculation of the Cost of Ownership (COO) applicable to refundable balances in excess of the line extension allowances. The changes were implemented in AL 2885-G-A/3153-E-A which detailed changes in the calculation of average usage factors.

In accordance with PG&E's proposal as set forth in A.05-10-016, the upcoming GRC Phase I proceeding prompted a review the residential allowances wherein it was determined that a change of more than five percent (5%) would occur in both the gas and electric residential allowances based upon current distribution revenues.

Revised Allowances

Electric Residential Allowance	Current	Updated
	\$2029	\$1918
Gas Residential Allowances		
Water Heater	\$398	\$439
Space Heating	\$531	\$586
Oven/Range	\$24	\$27
Dryer/Tub	\$31	\$34
Gas Total	\$984	\$1086

The electric allowance per residential unit represents a decrease of 5.5%, based on a monthly COO charge of 1.40% and the gas allowance represents a total increase of 10.4%, based on a monthly COO charge of 1.39%.

Treatment for Contracts Issued or Executed Prior to the Effective Date of Implementation

PG&E also seeks approval for the following grandfathering treatment of allowances; that is, when and under what conditions PG&E will grant the new residential allowances. PG&E proposes the following:

- PG&E will apply existing allowances to contracts issued or executed prior to the effective date.
- New allowances will apply to new contracts issued after the effective date.

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 **April 9, 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: ijnj@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 be approved expediently, so that PG&E's showing in its GRC Phase I application can incorporate the approved changes to the allowance. To allow adequate time for operational information and customer notification, PG&E requests that the allowances be made effective July 1, 2009. PG&E submits this as a Tier 2 advice 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.05-10-019**. PG&E is submitting supporting workpapers to the CPUC—additional work papers for all other parties are available upon request. 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>



Vice President, Regulatory Relations

Attachments

cc: Service List for A.05-10-019

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 Lawson

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) #: 3005-G-A/3438-E-A

Tier: [2]

Subject of AL: Supplement: Revision to Rule 15 Residential Allowances

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 #:

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: No

Confidential information will be made available to those who have executed a nondisclosure agreement: N/A

Resolution Required? Yes No

Requested effective date: July 1, 2009

No. of tariff sheets: 6

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 and Electric Rule 15

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

jn@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

**ATTACHMENT 1
Advice 3005-G-A**

Cal P.U.C. Sheet No.	Title of Sheet	Cancelling Cal P.U.C. Sheet No.
27503-G	GAS RULE NO. 15 GAS MAIN EXTENSIONS Sheet 4	26826-G
27504-G	GAS TABLE OF CONTENTS Sheet 1	27501-G
27505-G	GAS TABLE OF CONTENTS Sheet 6	27348-G



GAS RULE NO. 15
GAS MAIN EXTENSIONS

Sheet 4

C. EXTENSION ALLOWANCES (Cont'd.)

2. BASIS OF ALLOWANCES. Allowances shall be granted to an Applicant for Permanent Service; or to an Applicant for a subdivision or development under the following conditions:

- a. PG&E is provided evidence that construction will proceed promptly and financing is adequate; and
- b. Applicant has submitted evidence of building permit(s) or fully-executed home purchase contract(s) or lease agreement(s); or
- c. Where there is equivalent evidence of occupancy or gas usage satisfactory to PG&E.

The allowances in Section C.3 and C.4 are based on a revenue-supported methodology using the following formula:

$$\text{Allowance} = \frac{\text{Net Revenue}}{\text{Cost-of-Service Factor}}$$

where the Cost of Service Factor is the annualized utility-financed Cost of Ownership as stated in Gas Rule 2.

3. RESIDENTIAL ALLOWANCES. The allowance for Distribution Main Extensions, Service Extensions, or a combination thereof, for Permanent Residential Service per meter or residential dwelling unit, on a per-unit basis, is as follows:

Water Heating	\$439	(l)
Space Heating.....	\$586	
Oven/Range	\$ 27	
Dryer Stub	\$ 34	(l)

(Continued)



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Advice Letter No: 3005-G-A
 Decision No.

Issued by
Brian K. Cherry
 Vice President
 Regulatory Relations

Date Filed March 20, 2009
 Effective July 1, 2009
 Resolution No. _____



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Rule 06	Establishment and Reestablishment of Credit.....	22126-22127,18873-G
Rule 07	Deposits.....	18212,27250-G
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Rule 10	Disputed Bills.....	18214-18216-G
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Rule 12	Rates and Optional Rates.....	18229,27253,24132,21981-21982,24474-G
Rule 13	Temporary Service.....	22832-G
Rule 14	Capacity Allocation and Constraint of Natural Gas Service.....	18231-18235,22327, 22328-22330,18239,22249,22073,22639,22075-22077,18244,22078-22079,24475,22081-G
Rule 15	Gas Main Extensions.....	21543,18802,18803,27503,20350-20352,26827,21544, 21545,22376,22377,22378,22379,26828,26829,18814-G
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Rule 17.1	Adjustment of Bills for Billing Error.....	22936,14458-G
Rule 17.2	Adjustment of Bills for Unauthorized Use.....	22937,14460,14461-G
Rule 18	Supply to Separate Premises and Submetering of Gas.....	22790,17796,13401-G
Rule 19	Medical Baseline Quantities.....	21119,21120,21121-G
Rule 19.1	California Alternate Rates for Energy for Individual Customers and Submetered Tenants of Master-Metered Customers.....	24135,26993,23522,27254-G
Rule 19.2	California Alternate Rates for Energy for Nonprofit Group-Living Facilities	24609,26994,17035,17134,27255-G
Rule 19.3	California Alternate Rates for Energy for Qualified Agricultural Employee Housing Facilities	24138,26995,23445,27256-G
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**ATTACHMENT 1
Advice 3438-E-A**

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

Title of Sheet

**Cancelling Cal
P.U.C. Sheet No.**

28253-E	ELECTRIC RULE NO. 15 DISTRIBUTION LINE EXTENSIONS Sheet 5	27073-E
28254-E	ELECTRIC TABLE OF CONTENTS Sheet 1	28042-E
28255-E	ELECTRIC TABLE OF CONTENTS RULES Sheet 10	27865-E



ELECTRIC RULE NO. 15
DISTRIBUTION LINE EXTENSIONS

Sheet 5

C. DISTRIBUTION LINE EXTENSION ALLOWANCES (Cont'd.)

- 3. **RESIDENTIAL ALLOWANCES.** The allowance for Distribution Line Extensions, Service Extensions, or a combination thereof, for Permanent Residential Service is \$1,918 per meter or residential dwelling unit. (R)
- 4. **NON-RESIDENTIAL ALLOWANCES.** The allowance for Distribution Line Extensions, Service Extensions, or a combination thereof, for Permanent Non-Residential Service is determined by PG&E using the formula in Section C.2.

Where the Distribution Line Extension will serve a combination of residential and non-residential meters, residential allowances will be added to non-residential allowances.

- 5. **SEASONAL, INTERMITTENT, EMERGENCY, AND INSIGNIFICANT LOADS.** When an Applicant requests service that requires a Distribution Line Extension to serve loads that are seasonal or intermittent, the allowance for such loads shall be determined using the formula in Section C.2. No allowance will be provided where service is used only for emergency purposes, or for Insignificant Loads.

D. CONTRIBUTIONS OR ADVANCES BY APPLICANT

- 1. **GENERAL.** Contributions or Advances by an Applicant to PG&E for the installation of a Distribution Line Extension to receive PG&E service consists of such things as cash payments, the value of facilities deeded to PG&E, and the value of Excavation performed by Applicant.
- 2. **PROJECT-SPECIFIC COST ESTIMATES.** PG&E's total estimated installed cost will be based on a project-specific estimated cost.
- 3. **CASH ADVANCE.** A cash Advance will be required only if Applicant's excess allowance is less than PG&E's total estimated installed cost to complete a Distribution Line Extension.

(Continued)



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Sheet 1

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Rule 17.1	Adjustment of Bills for Billing Error	22706,12054-E
Rule 17.2	Adjustment of Bills for Unauthorized Use	22707,12056,12057,12058-E
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**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	