

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



December 29, 2010

Advice Letter 3166-G/3758-E

Jane K. Yura
Vice President, Regulation and Rates
Pacific Gas and Electric Company
77 Beale Street, Mail Code B10B
P.O. Box 770000
San Francisco, CA 94177

**Subject: Establish Gas and Electric Meter Reading Costs Memorandum
Accounts per the Settlement Agreement for PG&E's 2011
General Rate Case**

Dear Ms. Yura:

Advice Letter 3166-G/3758-E is effective December 2, 2010.

Sincerely,

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

Julie A. Fitch, Director
Energy Division



Jane K. Yura
Vice President
Regulation and Rates

Mail Code B10B
Pacific Gas and Electric Company
P.O. Box 770000
San Francisco, CA 94177
Fax: 415.973.6520

November 12, 2010

Advice 3166-G/3758-E

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

**Subject: Establish Gas and Electric Meter Reading Costs Memorandum
Accounts per the Settlement Agreement for PG&E's 2011
General Rate Case**

As described in the Settlement Agreement for Pacific Gas and Electric Company's (PG&E) 2011 General Rate Case (GRC), PG&E hereby submits a Tier 2 advice letter to establish Gas Preliminary Statement Part CF, *Gas Meter Reading Costs Memorandum Account*, and Electric Preliminary Statement Part FN, *Electric Meter Reading Costs Memorandum Account*, to allow PG&E to track and record actual electric meter reading costs, including Energy Delivery Services (EDS) meter reading costs. The affected tariff sheets are listed in the enclosed Attachment 1.

Background

On October 15, 2010, PG&E and 16 other parties, including the Division of Ratepayer Advocates (DRA), The Utility Reform Network (TURN), and Aglet Consumer Alliance (Aglet), collectively "the Settling Parties", filed with the California Public Utilities Commission (CPUC or Commission) a Settlement Agreement covering nearly all the issues raised in Phase 1 of the 2011 GRC (See Application (A.) 09-12-020.) The Settlement Agreement was included as an attachment to a Motion for Adoption of the Settlement Agreement filed by the Settling Parties. The Settlement Agreement remains pending before the CPUC.

Section 3.5.1(a) of the Settlement Agreement provides that PG&E shall remove \$113 million in forecast meter reading costs from the requested GRC revenue requirements. Instead, "PG&E shall record actual meter reading costs in a new balancing account, up to an annual cap of \$76.2 million...for recovery in annual revenue consolidation proceedings." This section of the Settlement Agreement also provides:

In advance of the Commission's approval of this Agreement, the Settling Parties support the establishment of a memorandum account (through an advice letter to be filed by PG&E) that would allow PG&E to record such

meter reading costs starting January 1, 2011. The purpose of this memorandum account would be to enable the recovery of these meter reading costs incurred between January 1, 2011 and the date that a new balancing account is established pursuant to the Commission's approval of this Agreement.

This advice letter establishes the memorandum account as expressly envisioned by this provision of the Settlement Agreement.

It should be noted that the Settlement Agreement also provides "in conjunction with the removal of forecast meter reading costs from the GRC, PG&E shall also remove the meter reading savings from the electric and gas SmartMeter™ benefit crediting mechanism, effective January 1, 2011." (See Section 3.5.2(c).) Accordingly, until either PG&E's 2011 GRC Settlement Agreement is adopted or PG&E's SmartMeter™ Project Balancing Account-Electric (SBA-E) is otherwise modified, PG&E will continue to record entries for the calculated meter reading cost benefits achieved through the SmartMeter™ Project, as approved in Decision (D.) 06-07-027 and D.09-03-026.

If the Settlement Agreement is approved by the Commission, in accordance with Section 3.5.1(a) of the Settlement Agreement, PG&E will file an advice letter with the Commission to establish new meter reading costs balancing accounts for recovery of actual meter reading costs and request transfer of the balances of the meter reading costs memorandum accounts into the balancing accounts for recovery. Similarly, in accordance with Section 3.5.2(c) of the Settlement Agreement, PG&E would remove any calculated benefits associated with meter reading savings recorded to the SBA-E and SBA-G subsequent to December 31, 2010.

PG&E hereby requests authority to establish a new Gas Meter Reading Costs Memorandum Account (MRCMA-G) in its Gas Preliminary Statements and a new Electric Meter Reading Costs Memorandum Account (MRCMA-E) in its Electric Preliminary Statements to allow PG&E to track and record costs for actual meter reading.

Proposed Preliminary Statements

Pursuant to PG&E's 2011 GRC Proposed Settlement, PG&E is requesting Commission authority to establish the Gas Meter Reading Costs Memorandum Account (MRCMA-G) and Electric Meter Reading Costs Memorandum Account (MRCMA-E) to track and record costs for actual meter reading.

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 **December 2, 2010**, 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:

Jane K. Yura
Vice President, Regulation and Rates
Pacific Gas and Electric Company
77 Beale Street, Mail Code B10B
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 2 advice filing become effective on **November 12, 2010**, which is the date of this 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 service list for A.09-12-020. Address changes to the General Order 96-B service list should be directed to email 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>.

Jane Yura-OB

Vice President, Regulation and Rates

Attachments

cc: Service List for A.09-12-020

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: Olivia Brown

Phone #: 415.973.9312

E-mail: oxb4@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) #: 3166-G/3758-E

Tier: 2

Subject of AL: Establish Gas and Electric Meter Reading Costs Memorandum Accounts per PG&E's 2011 GRC Joint Settlement Agreement

Keywords (choose from CPUC listing): Memorandum Accounts

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 AL: N/A

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

Name(s) and contact information of the person(s) who will provide the nondisclosure agreement and access to the confidential information: N/A

Resolution Required? Yes No

Requested effective date: November 12, 2010

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). N/A

Tariff schedules affected: New Gas Preliminary Statement CF and New Electric Preliminary Statement FN

Service affected and changes proposed: 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

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

Pacific Gas and Electric Company

Attn: Jane K. Yura, Vice President, Regulation and Rates

77 Beale Street, Mail Code B10B

P.O. Box 770000

San Francisco, CA 94177

E-mail: PGETariffs@pge.com

**ATTACHMENT 1
Advice 3166-G**

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

Title of Sheet

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

28599-G GAS PRELIMINARY STATEMENT PART CF
METER READING COSTS MEMORANDUM
ACCOUNT
Sheet 1

28600-G GAS TABLE OF CONTENTS
Sheet 1

28555-G

28601-G GAS TABLE OF CONTENTS
Sheet 5

28425-G



GAS PRELIMINARY STATEMENT PART CF
METER READING COSTS MEMORANDUM ACCOUNT

Sheet 1 (N)
 (N)

CF. METER READING COSTS MEMORANDUM ACCOUNT - GAS (MRCMA-G) (N)

1. PURPOSE: The purpose of the MRCMA-G is to record and track actual gas meter reading costs, including Energy Delivery Services (EDS) meter reading costs. The MRCMA-G would record costs incurred between January 1, 2011 and the date that PG&E's new meter reading balancing account is established pursuant to PG&E's 2011 GRC Settlement Agreement, filed with the Commission on October 15, 2010. If the Commission approves the Settlement Agreement, PG&E would transfer the costs recorded in this memorandum account to the new meter reading costs balancing account. (N)
2. APPLICABILITY: The MRCMA-G shall apply to all gas customers except for those specifically excluded by the Commission. |
3. REVISION DATE: Disposition of the balance in this account will be initiated upon Commission approval of a balancing account for meter reading costs in the 2011 GRC or another proceeding determined by the Commission. PG&E will transfer the account balance to the appropriate balancing account for recovery, as approved by the Commission at that time. |
4. RATES: The MRCMA-G does not have a separate rate component. |
5. ACCOUNTING PROCEDURE: |
 - PG&E shall make entries at the end of each month as follows: |
 - a) A debit or credit entry equal to the gas portion of PG&E's fully burdened costs incurred for meter reading, including Energy Delivery Services (EDS) meter reading costs. |
 - b) A debit or credit entry equal to any other amounts authorized by the Commission to be recorded in this account. |
 - c) A debit or credit entry to transfer the balance, upon approval by the CPUC, to other regulatory accounts as appropriate for rate recovery. |
 - d) A debit or credit entry equal to the interest on the average balance in the account at the beginning of the month and the balance after the above entry, at a rate equal to one-twelfth of the rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor. |

(N)



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Sheet 1

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Rules	28564-G	
Maps, Contracts and Deviations.....	28468-G	
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Part AE	Core Pipeline Demand Charge Account.....	23301-G
Part AG	Core Firm Storage Account.....	23280-G
Part AN	Hazardous Substance Mechanism.....	23281-23283,16693-16694-G
Part AW	Self-Generation Program Memorandum Account	24767-G
Part BA	Public Purpose Program-Energy Efficiency.....	23360-23361-G
Part BB	Public Purpose Program Memorandum Account	23362-23363-G
Part BH	Public Purpose Program Surcharge-Low Income Energy Efficiency Balancing Account.....	23364-G
Part BI	Public Purpose Program Surcharge-Research, Development and Demonstration Balancing Account.....	23365,23366-G
Part BL	Noncore Distribution Fixed Cost Account.....	28415-G
Part BP	SmartMeter Project Balancing Account-Gas.....	24123-24124-G
Part BQ	Pension Contribution Balancing Account	24853,24224-G
Part BS	Climate Balancing Account	24741-G
Part BT	Non-Tariffed Products and Services Balancing Account.....	26710-G
Part BX	Wildfire Expense Memorandum Account.....	27806-G
Part BW	Energy Efficiency 2009 – 2011 Memorandum Account.....	28304,27419-G
Part BZ	Gas Disconnection Memorandum Account.....	28046-G
Part CA	California Solar Initiative Thermal Program Memorandum Account.....	28059,28060
Part CB	CARE/TANF Balancing Account.....	28103-G
Part CC	Sempra and Price Indexing Cases Gas Settlement Refund Memorandum Account (SPGSRMA).....	28111-G
Part BY	On-Bill Financing Balancing Account (OBFBA).....	28305-G
Part CF	Meter Reading Costs Memorandum Account.....	28599-G (N)

(Continued)

**ATTACHMENT 1
Advice 3758-E**

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

Title of Sheet

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

29683-E ELECTRIC PRELIMINARY STATEMENT PART
FN
METER READING COSTS MEMORANDUM
ACCOUNT
Sheet 1

29684-E ELECTRIC TABLE OF CONTENTS
Sheet 1

29672-E

29685-E ELECTRIC TABLE OF CONTENTS
PRELIMINARY STATEMENT
Sheet 9

29587-E



ELECTRIC PRELIMINARY STATEMENT PART FN
METER READING COSTS MEMORANDUM ACCOUNT

Sheet 1 (N)
 (N)

FN. METER READING COSTS MEMORANDUM ACCOUNT- ELECTRIC (MRCMA-E)

1. PURPOSE: The purpose of the MRCMA-E is to record and track actual electric meter reading costs, including Energy Delivery Services (EDS) meter reading costs. The MRCMA-E would record costs incurred between January 1, 2011 and the date that PG&E's new meter reading balancing account is established pursuant to PG&E's 2011 GRC Settlement Agreement, filed with the Commission on October 15, 2010. If the Commission approves the Settlement Agreement, PG&E would transfer the costs recorded in this memorandum account to the new meter reading costs balancing account. (N)
 2. APPLICABILITY: The MRCMA-E shall apply to all electric customers except for those specifically excluded by the Commission. |
 3. REVISION DATE: Disposition of the balance in this account will be initiated upon Commission approval of a balancing account for meter reading costs in the 2011 GRC or another proceeding determined by the Commission. PG&E will transfer the account balance to the appropriate balancing account for recovery, as approved by the Commission at that time. |
 4. RATES: The MRCMA-E does not have a separate rate component. |
 5. ACCOUNTING PROCEDURE: |
- PG&E shall make entries at the end of each month as follows:
- a) A debit or credit entry equal to the electric portion of PG&E's fully burdened costs incurred for meter reading, including Energy Delivery Services (EDS) meter reading costs. |
 - b) A debit or credit entry equal to any other amounts authorized by the Commission to be recorded in this account. |
 - c) A debit or credit entry to transfer the balance, upon approval by the CPUC, to other regulatory accounts as appropriate for rate recovery. |
 - d) A debit or credit entry equal to the interest on the average balance in the account at the beginning of the month and the balance after the above entry, at a rate equal to one-twelfth of the rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor. |

(N)



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Sheet 1

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PRELIMINARY STATEMENT

Sheet 9

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Part ED	Demand Response Revenue Balancing Account (DRRBA).....	27869-E
Part EF	Procurement Energy Efficiency Revenue Adjustment Mechanism (PEERAM)	25392-E
Part EH	Negative Indifference Amount Memorandum Account (NIAMA).....	25088-E
Part EI	SmartMeter Project Balancing Account - Electric	28231,28232-E
Part EJ	Pension Contribution Balancing Account.....	26297,25228-E
Part EK	Land Conservation Plan Implementation Account (LCPIA)	26324-E
Part EL	Renewables Portfolio Standard Cost Memorandum Account.....	27643-E
Part EM	ClimateSmart Balancing Account	26098-E
Part EN	British Columbia Renewable Study Balancing Account.....	28041-E
Part EO	California Solar Initiative Balancing Account	26211-26213-E
Part EP	Market Redesign and Technology Upgrade Memorandum Account	27623, 27624-E
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Part FC	Wildfire Expense Memorandum Account.....	29570-E
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Part FE	On-Bill Financing Balancing Account (OBFBA).....	29489-E
Part FF	Electric Disconnection Memorandum Account.....	28933-E
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Part FH	Smartmeter Evaluation Memorandum Account – Electric.....	29149-E
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Part FN	Meter Reading Costs Memorandum Account.....	29683-E (N)

(Continued)

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

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