

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE

SAN FRANCISCO, CA 94102-3298



January 25, 2011

Advice Letter 3174-G

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: Revision of the California Solar Initiative Thermal Program
Memorandum Account (CSITPMA)**

Dear Ms. Yura:

Advice Letter 3174-G is effective January 10, 2011.

Sincerely,

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

Julie A. Fitch, Director
Energy Division

December 9, 2010

Advice 3174-G

(Pacific Gas and Electric Company ID U 39 G)

Public Utilities Commission of the State of California

Subject: Revision of the California Solar Initiative Thermal Program Memorandum Account (CSITPMA)

Pacific Gas and Electric Company ("PG&E") hereby submits for filing revisions to its gas tariffs. The affected tariff sheets are listed on the enclosed Attachment 1.

Purpose

In compliance with Ordering Paragraph ("OP") 16 of Decision ("D.") 10-01-022 and Public Utilities ("PU") Code Section 2863(b)(4), this filing revises the CSITPMA to clarify customer exemptions in the funding for the California Solar Initiative ("CSI") Thermal program.

Background

In D.10-01-022, the Commission established the CSI Thermal program to promote the installation of Solar Water Heating systems in the territories of the four major California utilities. The CSI Thermal program is effective January 21, 2010, the date of the decision, through December 31, 2017. Pursuant to D.10-01-022, on February 16, 2010, PG&E filed Advice Letter ("AL") 3093-G, approved March 29, 2010 and effective January 21, 2010, to establish the CSITPMA to record expenses related to the gas CSI Thermal program. Consistent with OP 16, PG&E requested that on January 1 of each year beginning in January 2011, PG&E will recover the CSITPMA balance in transportation rates in connection with its Annual Gas True-up ("AGT") filing. The balance in the CSITPMA will be amortized in transportation rates on an Equal Cents Per Therm ("ECPT") basis from all customers excluding customers who participate in the California Alternate Rates for Energy ("CARE") and Family Electric Rate Assistance ("FERA") programs and any customers who are currently exempt from funding the Self-Generation Incentive Program ("SGIP"). However, neither D.10-01-022 nor PG&E's AL 3093-G specifically addressed the following requirement of PU Code Section 2863(b)(4):

Any surcharge imposed to fund the CSI Thermal program designed and implemented pursuant to this article shall not be imposed upon the portion of any gas customer's procurement of natural gas that is used or employed for a purpose that Section 896 excludes from being categorized as the consumption of natural gas.

Therefore, in addition to customers who participate in the CARE and FERA programs and any customers who are currently exempt from funding the SGIP, the following are also exempt from funding the CSI Thermal program:

- (1) Electric generation, enhanced oil recovery, and wholesale service customers; and
- (2) Consumption of natural gas which California is prohibited from taxing under the United States Constitution or the State of California Constitution.

PG&E is unable to implement changes to its billing system by year end to exclude customers exempt under (2) above. This exemption does not apply to an entire rate class but, instead, to specific customers in various classes, which requires significant programming changes to the billing of PG&E's transportation rates. Accordingly, in connection with PG&E's supplemental AGT, PG&E will remove its projected CSITPMA year-end undercollected balance for recovery of these costs in 2011 rates. Once appropriate changes have been made to the billing system to properly exclude exempt customers from being charged these costs (which is anticipated to be complete by the 2nd quarter of 2011), PG&E plans to include the CSITPMA's 2010 year-end undercollected balance, forecasted to be \$1.0 million, in rates effective as soon as feasible but no later than January 1, 2012.

Tariff Revisions

In order to comply with Section 2863(b)(4), PG&E proposes to revise the CSITPMA by adding the following language which is shown in italics:

The balance in this account will be included in the Annual Gas True-Up (AGT) filing which consolidates certain gas rate changes authorized by the Commission for recovery in rates in the subsequent year, or as otherwise authorized by the Commission. The projected year end balance will be allocated on an Equal Cents Per Therm (ECPT) basis to all gas customers excluding customers who participate in the California Alternate Rates for Energy and Family Electric Rate Assistance programs, customers who are currently exempt from funding the Self-Generation Incentive Program, and customers exempt pursuant to the Public Utilities Code Section 2863(b)(4).

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 29, 2010**, which is 20 days from 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: jjn@cpuc.ca.gov and mas@cpuc.ca.gov

Copies 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 advice filing, upon Energy Division approval, become effective **January 10, 2011**, which is 32 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 service list for R.10-05-004. Address changes to the General Order 96-B service list and all electronic approvals should be directed to e-mail 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. Advice letter filings can also be accessed electronically at <http://www.pge.com/tariffs/>.

Handwritten signature of Jane Yura in cursive script, followed by a vertical line and the initials 'lmt'.

Vice President – Regulation and Rates

cc: Service List R.10-05-004

Attachments

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: Linda Tom-Martinez

Phone #: (415) 973-4612

E-mail: lmt1@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) #: **3174-G**

Tier: 2

Subject of AL: Revision of the California Solar Initiative Thermal Program Memorandum Account (CSITPMA)

Keywords (choose from CPUC listing): Memorandum Account, Compliance

AL filing type: Monthly Quarterly Annual One-Time Other _____

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: D.10-01-022

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:

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: **January 10, 2011**

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 Part CA

Service affected and changes proposed¹: N/A

Pending advice letters that revise the same tariff sheets: 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 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 3174-G**

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

Title of Sheet

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

28670-G	GAS PRELIMINARY STATEMENT PART CA CALIFORNIA SOLAR INITIATIVE THERMAL PROGRAM MEMORANDUM ACCOUNT Sheet 1	28059-G
28671-G	GAS TABLE OF CONTENTS Sheet 1	28668-G
28672-G	GAS TABLE OF CONTENTS Sheet 5	28561-G



GAS PRELIMINARY STATEMENT PART CA
CALIFORNIA SOLAR INITIATIVE THERMAL PROGRAM MEMORANDUM
ACCOUNT

Sheet 1

CA. CALIFORNIA SOLAR INITIATIVE THERMAL PROGRAM MEMORANDUM ACCOUNT (CSITPMA)

1. PURPOSE:

The purpose of the CSITPMA is to record actual gas displacing California Solar Initiative (CSI) Thermal Program expenses incurred by PG&E for implementing the CSI Thermal Program authorized in California Public Utilities Commission (CPUC) Decision 10-01-022. Qualifying technologies and incentives are determined by the CPUC.

2. APPLICABILITY:

The CSITPMA shall apply to all customer classes, except for those specifically excluded by the CPUC.

3. RATE RECOVERY:

The balance in this account will be included in the Annual Gas True-Up (AGT) filing which consolidates certain gas rate changes authorized by the Commission for recovery in rates in the subsequent year, or as otherwise authorized by the Commission. The projected year end balance will be allocated on an Equal Cents Per Therm (ECPT) basis to all gas customers excluding customers who participate in the California Alternate Rates for Energy and Family Electric Rate Assistance programs, customers who are currently exempt from funding the Self-Generation Incentive Program, and customers exempt pursuant to the Public Utilities Code Section 2863(b)(4).

(N)
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 |
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 (N)

4. RATES:

CSITPMA rates are included in the effective rates set forth in each rate schedule (see Preliminary Statement, Part B), as applicable.

5. ACCOUNTING PROCEDURE:

PG&E shall maintain the CSITPMA by making entries at the end of each month as follows:

- a. A debit entry for the gas portion of incentive payments to customers or contractors for services rendered.
- b. A debit entry for Marketing and Outreach, including training, consumer education, other market facilitation activities, and other costs as authorized by the CPUC.
- c. A debit entry for application/incentive processing, general administration, system inspection, and other costs as authorized by the CPUC.
- d. A credit entry equal to the revenue from the rate component designed to amortize the balance in this account, excluding the allowance for Franchise Fees and Uncollectible (FF&U) Accounts expense.

(Continued)



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TITLE OF SHEET	CAL P.U.C. SHEET NO.	
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Maps, Contracts and Deviations.....	28468-G	
Sample Forms	27715,28300,27262,28314,28503-G	

(Continued)

Advice Letter No: 3174-G
 Decision No. 10-01-022

Issued by
Jane K. Yura
 Vice President
 Regulation and Rates

Date Filed December 9, 2010
 Effective January 10, 2011
 Resolution No. _____



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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 BW	Energy Efficiency 2009 – 2011 Memorandum Account.....	28304,27419-G
Part BX	Wildfire Expense Memorandum Account.....	27806-G
Part BY	On-Bill Financing Balancing Account (OBFBA).....	28305-G
Part BZ	Gas Disconnection Memorandum Account.....	28046-G
Part CA	California Solar Initiative Thermal Program Memorandum Account.....	28670,28060-G
Part CB	CARE/TANF Balancing Account.....	28103-G
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Part CE	San Bruno Independent Review Panel Memorandum Account (SBIRPMA).....	28559-G
Part CE	San Bruno Independent Review Panel Memorandum Account (SBIRPMA).....	28559-G
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Part CI	AB32 Cost of Implementation Fee Memorandum Account – Gas.....	28673-G

(T)

(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	