

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



September 9, 2011

Advice Letter 3209-G

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

**Subject: Establishment of a Distribution Integrity Management
Expense Balancing Account (DIMEBA) Resulting from
PG&E's 2011 General Rate Case Phase 1**

Dear Mr. Cherry:

Advice Letter 3209-G is effective January 1, 2011.

Sincerely,

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

Julie A. Fitch, Director
Energy Division

May 31, 2011

Advice 3209-G

(Pacific Gas and Electric Company ID U 39 G)

Public Utilities Commission of the State of California

**Subject: Establishment of a Distribution Integrity Management
Expense Balancing Account (DIMEBA) Resulting From PG&E's
2011 General Rate Case Phase I**

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

The purpose of this Tier 1 advice letter filing is to implement PG&E's 2011 General Rate Case ("GRC"), in compliance with California Public Utilities Commission ("CPUC" or "Commission") Decision ("D.") 11-05-018, in Application ("A.") 09-12-020. In this filing, PG&E complies with the decision to establish a Distribution Integrity Management Expense Memorandum Account ("DIMEBA"). In this filing, PG&E also requests authority to close the Distribution Integrity Management Expense Memorandum Account ("DIMEMA") once costs have been transferred from the DIMEMA to the DIMEBA.

In D.10-11-018, the CPUC granted PG&E's request to make the revenue requirement for the 2011 GRC effective January 1, 2011. In D. 11-05-018, the CPUC reaffirmed the January 1, 2011, effective date for the 2011 GRC revenue requirement. In compliance with these decisions, the effective date for the gas tariff changes in this advice letter filing is January 1, 2011.

Background

On October 15, 2010, PG&E and 16 other parties, including the Division of Ratepayer Advocates, The Utility Reform Network, and Aglet Consumer Alliance, collectively "the Settling Parties," filed with the CPUC a Settlement Agreement covering nearly all the contested issues raised in Phase 1 of the 2011 GRC (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. On May 5, 2011, the Settlement Agreement was approved by the Commission in D.11-05-018, authorizing the revenue requirement for the GRC to become effective on January 1, 2011.

Ordering Paragraph (“OP”) 3 of D.11-05-018 requires that “[w]ithin 30 days from the effective date of this Decision, Pacific Gas and Electric Company shall file a Tier 1 advice letter with revised tariff sheets to implement (i) the revenue requirement authorized by this decision, and (ii) all accounting procedures, fees, and charges authorized by this decision that are not addressed in the other advice letters required by this decision. The revised tariff sheets shall (a) become effective on filing, subject to a finding of compliance by the Commission’s Energy Division, (b) comply with General Order 96-B, and (c) apply to service rendered on or after their effective date.” This advice letter complies with this aspect of OP 3 as it relates to the above-mentioned gas tariff changes.

Gas Tariff Changes

OP 8 of D. 11-05-018 provides that “Pacific Gas and Electric Company shall create a new major work category for its Distribution Integrity Management Program. There shall be a one-way balancing account mechanism with a cap of \$60 million for Distribution Integrity Management Program costs for the term of the general rate case cycle (2011-2013). Any unspent Distribution Integrity Management Program funds at the end of this general rate case cycle shall be returned to customers in the next general rate case.” Furthermore the Settlement Agreement provides that “the types of work that this funding would cover include development and improvements in the following areas: DIMP program, preventive maintenance, leak surveys, operator qualifications, training, and programs such as cross-bored sewer, marker ball installation, and Aldyl-A” (Settlement Article 3.3.2).

In this advice letter, PG&E complies with D. 11-05-018 to establish a new DIMEBA to record the aggregate amount of DIMP expenses for the term of the GRC cycle from 2011 to 2013. Any unspent funds at the end of the three-year 2011 GRC cycle would be returned to customers in the next GRC cycle via the 2014 Annual Gas True-up (“AGT”) process.

Upon establishment of this new one-way balancing account, PG&E will transfer DIMP costs tracked in the DIMEMA to the DIMEBA, and the DIMEMA will be closed.

Tariff Revisions

In this advice letter, PG&E includes the following gas tariff changes effective January 1, 2011, in compliance with D.11-05-018:

- Establish Preliminary Statement Part CQ – Gas Distribution Integrity Management Expense Balancing Account
- Remove Preliminary Statement Part CG - Distribution Integrity Management Expense Memorandum Account

Protests

Anyone wishing to protest this filing may do so by sending a letter by **June 20, 2011**, which is 20 days from the date of this filing. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. 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 Cherry
Vice President, Regulation and Rates
Pacific Gas and Electric Company
77 Beale Street, Mail Code B10C
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 1 advice filing become effective on **January 1, 2011**, which is the effective date of D.11-05-018.

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 PG&E's 2011 GRC A.09-12-020. Address changes to the General Order 96-B service list and electronic approvals should be directed to 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 be accessed electronically at: <http://www.pge.com/tariffs>.

A handwritten signature in black ink that reads "Brian Cherry" followed by a vertical line and the word "sent" written in a cursive style.

Vice President - Regulation and Rates

cc: Service List A.09-12-020

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) #: **3209-G**

Tier: 1

Subject of AL: Establishment of a Distribution Integrity Management Expense Balancing Account (DIMEBA) Resulting From PG&E's 2011 General Rate Case Phase I

Keywords (choose from CPUC listing): GRC/General Rate Case, Compliance, Balancing Account

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

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: D.11-05-018

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 1, 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: New Gas Preliminary Statement Part CQ, Gas Preliminary Statement Part CG

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: Brian Cherry

Vice President, Regulation and Rates

77 Beale Street, Mail Code B10C

P.O. Box 770000

San Francisco, CA 94177

E-mail: PGETariffs@pge.com

**ATTACHMENT 1
Advice 3209-G**

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

Title of Sheet

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

29050-G GAS PRELIMINARY STATEMENT PART CQ
 GAS DISTRIBUTION INTEGRITY MANAGEMENT
 EXPENSE
 BALANCING ACCOUNT
 Sheet 1

29051-G GAS TABLE OF CONTENTS
 Sheet 1

29046-G

29052-G GAS TABLE OF CONTENTS
 Sheet 5

28929-G



GAS TABLE OF CONTENTS

Sheet 1

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Rate Schedules	29047,29048-G	
Preliminary Statements.....	29049,29052-G	(T)
Rules	28994-G	
Maps, Contracts and Deviations.....	29055-G	
Sample Forms	27715,28995,27262,28662,28503-G	

(Continued)

Advice Letter No: 3209-G
 Decision No. 11-05-018

Issued by
Brian K. Cherry
 Vice President
 Regulation and Rates

Date Filed May 31, 2011
 Effective January 1, 2011
 Resolution No. _____



GAS TABLE OF CONTENTS

Sheet 5

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Part AG	Core Firm Storage Account.....	28888-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
Part CC	Sempra and Price Indexing Cases Gas Settlement Refund Memorandum Account (SPGSRMA).....	28111-G
Part CD	SmartMeter Evaluation Memorandum Account – Gas.....	28120-G
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Part CE	San Bruno Independent Review Panel Memorandum Account (SBIRPMA).....	28559-G
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Part CG	Distribution Integrity Management Expense Memorandum Account.....	DELETE-G (D)
Part CI	AB32 Cost of Implementation Fee Memorandum Account – Gas.....	28673-G
Part CK	TID Almond Power Plant Balancing Account.....	28889-G
Part CL	Integrity Management Expense Balancing Account.....	28891-G
Part CM	Electricity Cost Balancing Account.....	28892-G
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Part CP	Gas Transmission & Storage Revenue Sharing Mechanism.....	28898-28901-G
Part CQ	Gas Distribution Integrity Management Expense Balancing Account.....	29050-G (N)

(Continued)

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

AT&T	Dept of General Services	North Coast SolarResources
Alcantar & Kahl LLP	Douglass & Liddell	Occidental Energy Marketing, Inc.
Ameresco	Downey & Brand	OnGrid Solar
Anderson & Poole	Duke Energy	Praxair
Arizona Public Service Company	Dutcher, John	R. W. Beck & Associates
BART	Economic Sciences Corporation	RCS, Inc.
Barkovich & Yap, Inc.	Ellison Schneider & Harris LLP	Recurrent Energy
Bartle Wells Associates	Foster Farms	SCD Energy Solutions
Bloomberg	G. A. Krause & Assoc.	SCE
Bloomberg New Energy Finance	GLJ Publications	SMUD
Boston Properties	GenOn Energy, Inc.	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	Sun Light & Power
Calpine	MAC Lighting Consulting	Sunshine Design
Casner, Steve	MBMC, Inc.	Sutherland, Asbill & Brennan
Chris, King	MRW & Associates	Tabors Caramanis & Associates
City of Palo Alto	Manatt Phelps Phillips	Tecogen, Inc.
City of Palo Alto Utilities	McKenzie & Associates	Tiger Natural Gas, Inc.
Clean Energy Fuels	Merced Irrigation District	TransCanada
Coast Economic Consulting	Modesto Irrigation District	Turlock Irrigation District
Commercial Energy	Morgan Stanley	United Cogen
Consumer Federation of California	Morrison & Foerster	Utility Cost Management
Crossborder Energy	NLine Energy, Inc.	Utility Specialists
Davis Wright Tremaine LLP	NRG West	Verizon
Day Carter Murphy	Navigant Consulting	Wellhead Electric Company
Defense Energy Support Center	Norris & Wong Associates	Western Manufactured Housing Communities Association (WMA)
		eMeter Corporation
Department of Water Resources	North America Power Partners	