

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



April 10, 2012

Advice Letters 3269-G/ and 3985-E

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: PG&E Submits this Advice Letter to Request Recovery of \$37.5 million
in Rates Associated with Previously Authorized Self-Generation Incentive
Program Funding not yet Included in Rates for Recovery**

Dear Mr. Cherry:

Advice Letters 3269-G and 3985-E are effective January 28, 2012.

Sincerely,

A handwritten signature in cursive script that reads "Edward F. Randolph".

Edward F. Randolph, Director
Energy Division



Brian K. Cherry
Vice President
Regulation and Rates

Pacific Gas and Electric Company
77 Beale St., Mail Code B10C
P.O. Box 770000
San Francisco, CA 94177

Fax: 415-973-6520

December 29, 2011

Advice No. 3269-G/3985 -E
(Pacific Gas and Electric Company – U 39 M)

Public Utilities Commission of the State of California

Subject: Pacific Gas and Electric Company (PG&E) submits this advice letter to request recovery of \$37.5 million in rates associated with previously authorized Self-Generation Incentive Program (SGIP) funding not yet included in rates for recovery.

Purpose

Ordering Paragraph (OP) 3b of Decision (D.) 09-12-047 requires PG&E to submit an advice letter requesting the California Public Utilities Commission (CPUC or Commission) to review and approve collections from customers in the amount of previously authorized SGIP carryover funding/budgets from prior years based on committed, reserved and/or spent amounts in that calendar year, for collection in rates the following year. Upon approval of this advice letter, PG&E is requesting to include \$37.5 million in rates as part of PG&E's next regularly scheduled electric and gas rates changes.¹

Background

In D. 09-12-047 the Commission provided direction to the SGIP Program Administrators (PAs) regarding unspent and previously authorized budgets.² Previous Commission decisions directed SGIP authorized budgets/funding remaining unspent or uncommitted in any given year should be carried over for use in future years.³ To determine the exact amount of the PAs total authorized carryover funding, OP 3a of D. 09-12-047 required the PAs to file advice letters on January 31, 2010, with final accounting data from inception of the program through 2009.

¹ The allocation of this amount between electric (82%) and gas (18%) is based on the current electric and gas energy efficiency budget allocation. PG&E's next scheduled electric rate change is March 1, 2012, and next scheduled gas rate change for transportations rates is in April 2012. Should this advice letter not be approved in time for these amounts to be included in those rate changes, PG&E will include the electric and gas amounts in rates as part of its next scheduled rate change.

² The PAs are comprised of PG&E, Southern California Edison Company, Southern California Gas Company, and The California Center For Sustainable Energy (on behalf of San Diego Gas and Electric Company)

³ D.08-01-029, D.08-04-049, and D.09-01-013.

In that decision the Commission stated, “Given the different accounting methods used by each utility and discrepancies in collection and carryover in funds, an audit will provide important financial information on the collections, expenditures, and the availability of carryover funding.”⁴ As a result, OP 3d of the decision required the PAs to jointly issue a Request for Proposals no later than April 1, 2010, after consultation with Energy Division, to obtain an independent entity to conduct an audit of SGIP expenditures and ratepayer collections to ensure expenditures do not exceed authorized budgets and the proper management of carryover funds. The decision required the audit be completed by October 1, 2010, as well as allowing the Administrative Law Judge (ALJ) discretion to modify the date as needed.⁵

Below is a detail of the relevant regulatory activity associated with the PG&E’s carryover funding:

- On January 29, 2010, PG&E filed Advice Letter 3083-G/3607-E detailing its total SGIP authorized carryover through 2009 in the worksheet format required by D. 09-12-047.⁶ The worksheet completed by PG&E showed an unfunded carryover for the program of \$37,499,183 through 2009.
- On September 22, 2010, ALJ Dorothy Duda granted an extension for completion of the audit to January 10, 2011.
- In September 2010, Macias Consulting Group began its audit of each PAs 2001 through 2009 SGIP Budget and Expense worksheets to ensure expenditures do not exceed authorized budgets and the proper management of carryover funds. On January 2011, the results of the audit were submitted to the Energy Division, The results of the audit were released by the Energy Division on April 5, 2011. No changes were made to the \$37,499,183 of unfunded carryover included in PG&E’s SGIP Budget and Expense worksheet submitted as part of Advice Letter 3083-G/3607-E.
- On February 10, 2011, Commissioner Michael Peevey issued a ruling directing the PAs to temporarily suspend accepting reservation requests for SGIP incentives as of January 1, 2011, pending a decision implementing the provisions of Senate Bill 412 into the SGIP.
- On September 8, 2011, the Commission issued D.11-09-015 modifying the SGIP to conform to the requirements of SB 412.
- On November 15, 2011, the PAs began accepting reservations for the SGIP.
- In Conclusion of Law 3, D. 11-12-030, which continued funding for the program through 2014, the Commission reaffirmed that when submitting advice letters pursuant to OP 3b of D.09-12-047 to collect carryover funding, the PAs should base the request on SGIP

⁴ D. 09-12-047, p. 13.

⁵ D.09-12-047, p. 16.

⁶ Advice Letter 3083-G/3607-E has not yet been approved.

confirmed reservations or on other funds committed or spent for program administration or evaluation purposes. Similarly, at page 5, that decision stated: “We will clarify that when submitting advice letters pursuant to Ordering Paragraph 3(b) of D.09-12-047 to collect carryover funding, the IOUs should base the request on SGIP confirmed reservations as that term is defined in the SGIP Handbook, or on other funds committed or spent for program administration or evaluation purposes.”

This request does not include conditional reservations that have not yet ripened into confirmed reservations or paid projects. Therefore, based on the Commission’s direction, PG&E requests approval to include \$37.5 million in rates as part of PG&E’s next regularly scheduled electric and gas rates changes.

Tier Designation

Pursuant to General Order (“GO”) 96-B, Energy Industry Rule 5.2, this advice letter is submitted with a Tier 2 designation.

Protests

Anyone wishing to protest this Advice Letter may do so by letter sent via U.S. mail, by facsimile or electronically, any of which must be received no later than **January 18, 2012** which is twenty-one (21) days after the filing of this Advice Letter. Protests should be mailed to:

CPUC Energy Division
Tariff Files, Room 4005
DMS Branch
505 Van Ness Avenue
San Francisco, CA 94102

Facsimile: (415) 703-2200
E-Mail: ijnj@cpuc.ca.gov and mas@cpuc.ca.gov

Copies of the protest should also be sent via e-mail to the attention of the Director, Energy Division, Room 4004, at the address shown above.

A copy of the protest should also be sent via e-mail, U.S. mail, and by facsimile 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, 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

There are no restrictions as to who may file a protest, but the protest shall set forth specifically the grounds upon which it is based and shall be submitted expeditiously.

Effective Date

PG&E requests that this Tier 2 Advice Letter become effective on regular notice, **January 28, 2012**, which is thirty (30) calendar days after the date of filing.

Notice

In accordance with GO 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 GO 96-B service list and all electronic approvals should be sent 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>.



Vice President – Regulation and Rates

cc: Service List R.10-05-004

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: Britta Brown

Phone #: (415) 973-8584

E-mail: B2Bn@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) #: 3269-G/3985-E

Tier: 2

Subject of AL: **Pacific Gas and Electric Company (PG&E) submits this advice letter to request recovery of \$37.5 million in rates associated with previously authorized Self-Generation Incentive Program (SGIP) funding not yet included in rates for recovery.**

Keywords (choose from CPUC listing): **Compliance, Self Generation**

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

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: **D. 09-12-047**

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

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 28, 2012**

No. of tariff sheets: **0**

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: N/A

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 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

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

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