May 31, 2006

Advice Letter 2796-E, 2796-E-A

Rose de la Torre
Pacific Gas & Electric
77 Beale Street, Room 1088
Mail Code B10C
San Francisco, CA 94105

Subject: Revisions to Schedule NEM – Net Energy Metering Service

Dear Ms de la Torre:

Advice Letter Advice Letter 2796-E/2796-E-A is denied. A copy of the advice letter is returned herewith for your records.

Sincerely,

Sean H. Gallagher, Director
Energy Division
March 20, 2006

Advice 2796-E-A
(Pacific Gas and Electric Company ID U 39 G)

Public Utilities Commission of the State of California

Subject: Supplement to Advice 2796-E: Revisions to Schedule NEM – Net Energy Metering Service

Pacific Gas and Electric Company (PG&E) hereby submits for filing this revision to its electric Schedule NEM – Net Energy Metering Service (NEM). The tariffs in this supplemental filing supersede those filed in Advice 2796-E. Advice 2796-E was filed to provide clarity for customers regarding the implementation of the legislatively-determined cap on retail net metering.

Purpose

In this supplemental filing, PG&E revises the tariffs filed in Advice 2796-E to:

Modify the date for NEM eligibility from August 31, 2006 to December 31, 2006 for all customers who file a “completed” application with PG&E, including a signed Interconnection Agreement and proof of final inspection clearance for the generator installation by the city or county with jurisdiction. Apart from this date change, the remainder of new language included in the earlier filing remains the same.

Background

As explained in more detail in Advice 2796-E, PG&E calculates its statutory NEM cap at about 95 MW and anticipates that it will reach its current net metering cap late this year. As of this filing, PG&E has just over 74 MW of NEM interconnections with about 2.3 MW coming on line each month. Based on this latest data, it now appears that NEM interconnections will reach the current cap near the end of the year. To provide the greatest certainty to customers within the

1 This monthly NEM interconnection rate represents the average over the past six months.
constraints of current statutory cap, PG&E is making this filing to modify the date certain for NEM eligibility for customers that are ready to interconnect from August 31, 2006 to December 31, 2006. This modification will also coincide with the expected effective date for any action the Legislature may take this session regarding the solar and wind net metering cap going forward into 2007.

**Tariff Revisions**

The proposed date change revision is shown in bold below and is the only new change made to the language already proposed in Advice 2796-E.

PG&E proposes to amend to following language in Electric Schedule NEM:

This rate schedule is available on a first-come, first-served basis until such time as the total rated generating capacity used by eligible customer-generators exceeds one-half of 1 percent of PG&E’s aggregate customer peak demand.

So that it reads:

This rate schedule is available on a first-come, first-served basis to customers that provide PG&E with (a) a completed Net Energy Metering Application including all supporting documents and required payments; AND (b) a completed signed Net Energy Metering Interconnection Agreement; AND (c) evidence of the customer’s final inspection clearance from the governmental authority having jurisdiction over the generating facility; until such time as the latest-occurring of the following three circumstances is reached:

1. Total rated generating capacity used by eligible customer-generators exceeds one-half of 1 percent of PG&E’s aggregate customer peak demand; OR

2. **December 31, 2006** or the final recess of the 2006 legislative session, whichever is later; OR

3. As may be otherwise authorized by statute in 2006.

**Expedited Protest Period**

Anyone wishing to protest this filing may do so by sending a letter by **March 30, 2006**, which is 10 days from the date of this filing. PG&E requests a shortened protest period as the change proposed in this supplement is done for the benefit of customers and at any rate is minimal in circumstance. 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:
Protests also should be sent by e-mail and facsimile to Mr. Jerry Royer, Energy Division, as shown above, and by U.S. mail to Mr. Royer at the above address.

The protest should be sent via both e-mail and facsimile to PG&E on the same date it is mailed or delivered to the Commission at the address shown below.

Pacific Gas and Electric Company
Attention: Brian Cherry
Director, Regulatory Relations
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 become effective on **March 31, 2006**, the same effective date PG&E originally requested for Advice 2796-E.

**Notice**

In accordance with General Order 96-A, Section III, Paragraph G, a copy of this Advice Letter is being sent electronically and via U.S. mail to parties shown on the attached list and to the service list for R. 04-03-017. Address changes should be directed to Rose de la Torre at (415) 973-4716. Advice Letter filings can also be accessed electronically at:

http://www.pge.com/tariffs

Director - Regulatory Relations
Attachments
cc: Service List – R. 04-03-017
Company name/CPUC Utility No. Pacific Gas and Electric Company U39M

Utility type:   Contact Person: Shilpa Ramaiya
☑ ELC  ☑ GAS
☐ PLC  ☐ HEAT  ☐ WATER  Phone #: (415) 973-3186

E-mail: srrd@pge.com

EXPLANATION OF UTILITY TYPE
ELC = Electric   GAS = Gas
PLC = Pipeline   HEAT = Heat   WATER = Water

Advice Letter (AL) #: 2796-E-A
Subject of AL: Supplement to PG&E’s Advice 2796-E: Revisions to Schedule NEM – Net Energy Metering Service

Keywords (choose from CPUC listing): Net metering

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 ____________________________

Summarize differences between the AL and the prior withdrawn or rejected AL1: ____________________

Resolution Required? ☐ Yes ☑ No

Requested effective date: 3-31-2006   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: Schedule NEM – Net Energy Metering

Service affected and changes proposed1: See advice letter

Pending advice letters that revise the same tariff sheets: The tariff sheets in this advice letter supercede those filed in Advice 2796-E.

Protests 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
Attention: Tariff Unit
505 Van Ness Ave.,
San Francisco, CA 94102
jjr@cpuc.ca.gov and inj@cpuc.ca.gov

Utility Info (including e-mail)
Attn: Brian K. Cherry
Director, Regulatory Relations
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, CA 94177
E-mail: PGETariffs@pge.com

1 Discuss in AL if more space is needed.
<table>
<thead>
<tr>
<th>Cal P.U.C. Sheet No.</th>
<th>Title of Sheet</th>
<th>C cancelling Cal P.U.C. Sheet No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>24636-E</td>
<td>Schedule NEM--Net Energy Metering Service</td>
<td>24213-E</td>
</tr>
<tr>
<td>24637-E</td>
<td>Table of Contents -- Rate Schedules</td>
<td>24614-E</td>
</tr>
<tr>
<td>24638-E</td>
<td>Table of Contents -- Rate Schedules</td>
<td>24615-E</td>
</tr>
</tbody>
</table>
SCHEDULE NEM—NET ENERGY METERING SERVICE

APPLICABILITY: This net energy-metering schedule is applicable to a residential, small commercial (as defined in subdivision (h) of Section 331 of the California Public Utilities Code (CPU Code)), commercial, industrial, or agricultural customer who uses a solar or wind turbine electrical generating facility, or a hybrid system of both, with a capacity of not more than 1,000 kilowatts that is located on the customer’s owned, leased, or rented premises, is interconnected and operates in parallel with PG&E’s transmission and distribution facilities, including wind energy co-metering customers as defined in CPU Code Section 2827.8, and is intended primarily to offset part or all of the customer’s own electrical requirements (hereinafter “eligible customer-generator” or “customer”). Certain incremental billing and metering costs set forth in this schedule that are related to net energy metering are applicable to Energy Service Providers (ESPs) serving eligible customer-generators.

This service is not applicable to a Direct Access (DA) customer where the customer’s ESP does not offer a net energy metering tariff. In addition, if an eligible customer-generator participates in direct transactions with an electric provider that does not provide distribution service for the direct transactions, the electric provider, and not PG&E, is obligated to provide net energy metering to the customer.

This rate schedule is available on a first-come, first-served basis to customers that provide PG&E with (a) a completed Net Energy Metering Application including all supporting documents and required payments; AND (b) a completed signed Net Energy Metering Interconnection Agreement; AND (c) evidence of the customer’s final inspection clearance from the governmental authority having jurisdiction over the generating facility; until such time as the latest-occurring of the following three circumstances is reached:

1) Total rated generating capacity used by eligible customer-generators exceeds one-half of 1 percent of PG&E’s aggregate customer peak demand; OR
2) December 31, 2006 or the final recess of the 2006 legislative session, whichever is later; OR
3) As may be otherwise authorized by statute in 2006.

TERRITORY: The entire territory served.

RATES: All rates charged under this schedule will be in accordance with the eligible customer-generator’s otherwise-applicable metered rate schedule. An eligible customer-generator served under this schedule is responsible for all charges from its otherwise-applicable rate schedule including monthly minimum charges, customer charges, meter charges, facilities charges, demand charges and surcharges. The “Peak Rate Limiter” and “Average Rate Limiter” for general service otherwise-applicable-rate schedules and all other demand charges will be based on the demand in kilowatts as measured only on the energy being consumed by the customer from PG&E. The power factor, when it applies on the otherwise-applicable-rate schedule, will be based on the average power factor over the past 12 billing months of operation prior to starting on NEM. Customer-generators without 12 billing months of power factor history, will have their power factor estimated based on the nature of the connected facilities and their hours of operation. Power factor will be subsequently applied to the customer-generator’s bill until the customer-generator demonstrates to PG&E’s satisfaction that adequate correction had been provided. PG&E will continue to monitor and review the power factor and if warranted, change the power factor correction on the customer-generator’s bills. Charges for electricity supplied by PG&E will be based on the net metered usage in accordance with Net Energy Metering and Billing (Special Condition 2, below).

(Continued)
TABLE OF CONTENTS
(Continued)

RATE SCHEDULES

<table>
<thead>
<tr>
<th>SCHEDULE</th>
<th>TITLE OF SHEET</th>
</tr>
</thead>
<tbody>
<tr>
<td>E-25</td>
<td>Restricted Variable-Peak-Period Time-of-Use Service to Water Agencies</td>
</tr>
<tr>
<td>E-31</td>
<td>Distribution Bypass Deferral Rate</td>
</tr>
<tr>
<td>E-36</td>
<td>Small General Service to Oil and Gas Extraction Customers</td>
</tr>
<tr>
<td>E-37</td>
<td>Medium General Demand-Metered Time-of-Use Service to Oil and Gas Extraction Customers</td>
</tr>
<tr>
<td>ED</td>
<td>Experimental Economic Development Rate</td>
</tr>
<tr>
<td>E-CARE</td>
<td>CARE Program Service for Qualified Nonprofit Group-Living and Qualified Agricultural Employee Housing Facilities</td>
</tr>
<tr>
<td>LS-1</td>
<td>PG&amp;E-Owned Street and Highway Lighting</td>
</tr>
<tr>
<td>LS-2</td>
<td>Customer-Owned Street and Highway Lighting</td>
</tr>
<tr>
<td>LS-3</td>
<td>Customer-Owned Street and Highway Lighting Electrolier Meter Rate</td>
</tr>
<tr>
<td>TC-1</td>
<td>Traffic Control Service</td>
</tr>
<tr>
<td>OL-1</td>
<td>Outdoor Area Lighting Service</td>
</tr>
<tr>
<td>S</td>
<td>Standby Service</td>
</tr>
<tr>
<td>E-DCG</td>
<td>Departing Customer Generation</td>
</tr>
<tr>
<td>E-DEPART</td>
<td>Departing Customers</td>
</tr>
<tr>
<td>E-EXEMPT</td>
<td>Competition Transition Charge Exemption</td>
</tr>
<tr>
<td>E-LORMS</td>
<td>Limited Optional Remote Metering Services</td>
</tr>
<tr>
<td>E-RRB</td>
<td>Rate Reduction Bonds Bill Credit and Fixed Transition Amount Charge</td>
</tr>
<tr>
<td>NEM</td>
<td>Net Energy Metering Service</td>
</tr>
<tr>
<td>NEMFC</td>
<td>Net Energy Metering Service for Fuel Cell Customer-Generators</td>
</tr>
<tr>
<td>NEMBIO</td>
<td>Net Energy Metering Service for Biogas Customer-Generators</td>
</tr>
<tr>
<td>NEMCT</td>
<td>Net Energy Metering Combined Technology Service</td>
</tr>
<tr>
<td>E-ERA</td>
<td>Energy Rate Adjustments</td>
</tr>
</tbody>
</table>

LIGHTING RATES

| LS-1     | PG&E-Owned Street and Highway Lighting |
| LS-2     | Customer-Owned Street and Highway Lighting |
| LS-3     | Customer-Owned Street and Highway Lighting Electrolier Meter Rate |
| TC-1     | Traffic Control Service |
| OL-1     | Outdoor Area Lighting Service |

OTHER

| S        | Standby Service |
| E-DCG    | Departing Customer Generation |
| E-DEPART | Departing Customers |
| E-EXEMPT | Competition Transition Charge Exemption |
| E-LORMS  | Limited Optional Remote Metering Services |
| E-RRB    | Rate Reduction Bonds Bill Credit and Fixed Transition Amount Charge |
| NEM      | Net Energy Metering Service |
| NEMFC    | Net Energy Metering Service for Fuel Cell Customer-Generators |
| NEMBIO   | Net Energy Metering Service for Biogas Customer-Generators |
| NEMCT    | Net Energy Metering Combined Technology Service |
| E-ERA    | Energy Rate Adjustments |

(Continued)
# TABLE OF CONTENTS

**CAL P.U.C. SHEET NO.**

<table>
<thead>
<tr>
<th>Title Page</th>
<th>8285-E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Table of Contents:</td>
<td></td>
</tr>
<tr>
<td>Rate Schedules</td>
<td>24638,24637,24588,24587-E (T)</td>
</tr>
<tr>
<td>Preliminary Statements</td>
<td>24221,24019,24280-E</td>
</tr>
<tr>
<td>Rules</td>
<td>24602-E</td>
</tr>
<tr>
<td>Maps, Contracts and Deviations</td>
<td>23053-E</td>
</tr>
<tr>
<td>Sample Forms</td>
<td>19880,23984,24586,19236,20509,10572,23225-E</td>
</tr>
</tbody>
</table>

## RATE SCHEDULES

<table>
<thead>
<tr>
<th>SCHEDULE</th>
<th>TITLE OF SHEET</th>
<th>CAL P.U.C. SHEET NO.</th>
</tr>
</thead>
<tbody>
<tr>
<td>E-1</td>
<td>Residential Service</td>
<td>24476,24477,21589,19910,24339,21221-E</td>
</tr>
<tr>
<td>E-2</td>
<td>Experimental Residential Time-of-Use Service</td>
<td>22122,22326,22327,22328,22329,22122,22330,22124,22331,21231,21614,21590,22126-E</td>
</tr>
<tr>
<td>E-3</td>
<td>Experimental Residential Critical Peak Pricing Service</td>
<td>22429,24478,24479,24480,24481,24087,24482,24089,23082,22501,21243,22436,22437,22438-E</td>
</tr>
<tr>
<td>EE</td>
<td>Service to Company Employees</td>
<td>24091-E</td>
</tr>
<tr>
<td>EM</td>
<td>Master-Metered Multifamily Service</td>
<td>24484,24485,21248,20648,24340,21250-E</td>
</tr>
<tr>
<td>ES</td>
<td>Multifamily Service</td>
<td>24486,24487,21592,23640,24342,21256-E</td>
</tr>
<tr>
<td>ESR</td>
<td>Residential RV Park and Residential Marina Service</td>
<td>24488,24489,21593,20657,24342,21261-E</td>
</tr>
<tr>
<td>ET</td>
<td>Mobilehome Park Service</td>
<td>24490,24491,24343,21594,22149,21267-E</td>
</tr>
<tr>
<td>E-7</td>
<td>Residential Time-of-Use Service</td>
<td>21268,24492,24493,21595,24344,24106-E</td>
</tr>
<tr>
<td>E-A7</td>
<td>Experimental Residential Alternate Peak Time-of-Use Service</td>
<td>21274,24494,24495,21277,24345,24109-E</td>
</tr>
<tr>
<td>E-8</td>
<td>Residential Seasonal Service Option</td>
<td>24496,24497,24546,22159-E</td>
</tr>
<tr>
<td>E-9</td>
<td>Experimental Residential Time-of-Use Service for Low Emission Vehicle Customers</td>
<td>20891,24498,24499,24500,24501,21596,21289,24347,21291-E</td>
</tr>
<tr>
<td>EL-1</td>
<td>Residential CARE Program Service</td>
<td>24118,24502,21597,24348,24120-E</td>
</tr>
<tr>
<td>EML</td>
<td>Master-Metered Multifamily CARE Program Service</td>
<td>24349,24503,21299,24123,22170-E</td>
</tr>
<tr>
<td>ESL</td>
<td>Multifamily CARE Program Service</td>
<td>24304,24305,21598,24351,24352,21307-E</td>
</tr>
<tr>
<td>ESRL</td>
<td>Residential RV Park and Residential Marina CARE Program Service</td>
<td>24506,24507,21599,24353,24354,21313-E</td>
</tr>
<tr>
<td>ETL</td>
<td>Mobilehome Park CARE Program Service</td>
<td>24508,24509,21600,22180,24355,21319-E</td>
</tr>
<tr>
<td>EL-7</td>
<td>Residential CARE Program Time-of-Use Service</td>
<td>21320,24133,24510,21601,24356,21325-E</td>
</tr>
<tr>
<td>EL-A7</td>
<td>Experimental Residential CARE Program Alternate Peak Time-of-Use Service</td>
<td>21326,24357,24511,19783,24358,21330-E</td>
</tr>
<tr>
<td>EL-8</td>
<td>Residential Seasonal CARE Program Service Option</td>
<td>24359,24512,24360,22190-E</td>
</tr>
<tr>
<td>E-FERA</td>
<td>Family Electric Rate Assistance</td>
<td>23963,23964,21643-E</td>
</tr>
</tbody>
</table>

## COMMERCIAL/INDUSTRIAL

<table>
<thead>
<tr>
<th>SCHEDULE</th>
<th>TITLE OF SHEET</th>
<th>CAL P.U.C. SHEET NO.</th>
</tr>
</thead>
<tbody>
<tr>
<td>A-1</td>
<td>Small General Service</td>
<td>24513,24514,24361,24362,21339-E</td>
</tr>
<tr>
<td>A-6</td>
<td>Small General Time-of-Use Service</td>
<td>22755,23445,24515,24516,21343,24363,21345-E</td>
</tr>
<tr>
<td>A-10</td>
<td>Medium General Demand-Metered Service</td>
<td>24148,24517,24518,24519,24520,22757,22874,24364,24365,21354,21356-E</td>
</tr>
<tr>
<td>A-15</td>
<td>Direct-Current General Service</td>
<td>24521,24522,24366,24157-E</td>
</tr>
<tr>
<td>E-19</td>
<td>Medium General Demand-Metered Time-of-Use Service</td>
<td>24158,24159,24160,24523,24524,24163,22762,22763,24164,24165,24166,24167,24367,24169,24170,24171,24172-E</td>
</tr>
<tr>
<td>E-20</td>
<td>Service to Customers with Maximum Demands of 1,000 Kilowatts or More</td>
<td>24173,24174,24525,24526,24177,22785,24178,22787,24179,24368,24181,24182,24183,24184-E</td>
</tr>
</tbody>
</table>

(Continued)
ABAG Power Pool
Accent Energy
Aglet Consumer Alliance
Agnews Developmental Center
Ahmed, Ali
Alcantar & Elsesser
Anderson Donovan & Poole P.C.
Applied Power Technologies
APS Energy Services Co Inc
Arter & Hadden LLP
Avista Corp
Barkovich & Yap, Inc.
BART
Bartle Wells Associates
Blue Ridge Gas
Bohannon Development Co
BP Energy Company
Braun & Associates
C & H Sugar Co.
CA Bldg Industry Association
CA Cotton Ginners & Growers Assoc.
CA League of Food Processors
CA Water Service Group
California Energy Commission
California Farm Bureau Federation
California Gas Acquisition Svcs
California ISO
Calpine
Calpine Corp
Calpine Gilroy Cogen
Cambridge Energy Research Assoc
Cameron McKenna
Cardinal Cogen
Cellnet Data Systems
Chevron Texaco
Chevron USA Production Co.
Childress, David A.
City of Glendale
City of Healdsburg
City of Palo Alto
City of Redding
CLECA Law Office
Commerse Energy
Constellation New Energy
CPUC
Cross Border Inc
Crossborder Inc
CSC Energy Services
Davis, Wright, Tremaine LLP
Defense Fuel Support Center
Department of the Army
Department of Water & Power City
DGS Natural Gas Services
Douglass & Liddell
Downey, Brand, Seymour & Rohwer
Duke Energy
Duke Energy North America
Duncan, Virgil E.
Dutcher, John
Dynegy Inc.
Ellison Schneider
Energy Law Group LLP
Energy Management Services, LLC
Enron Energy Services
Exelon Energy Ohio, Inc
Exeter Associates
Foster Farms
Foster, Wheeler, Martinez
Franciscan Mobilehome
Future Resources Associates, Inc
G. A. Krause & Assoc
Gas Transmission Northwest Corporation
GLJ Energy Publications
Goodin, MacBride, Squeri, Schlott & Hanna & Morton
Heeg, Peggy A.
Hitachi Global Storage Technologies
Hogan Manufacturing, Inc
House, Lon
Imperial Irrigation District
Integrated Utility Consulting Group
International Power Technology
Interstate Gas Services, Inc.
IUCG/Sunshine Design LLC
J. R. Wood, Inc
JTM, Inc
Kaiser Cement Corp
Luce, Forward, Hamilton & Scripps
Manatt, Phelps & Phillips
Marcus, David
Masonite Corporation
Matthew V. Brady & Associates
Maynor, Donald H.
McKenzie & Assoc
McKenzie & Associates
Meek, Daniel W.
Mirant California, LLC
Modesto Irrigation Dist
Morrison & Foerster
Morse Richard Weisenmiller & Assoc.
Navigant Consulting
New United Motor Mfg, Inc
Norris & Wong Associates
North Coast Solar Resources
Northern California Power Agency
Office of Energy Assessments
Palo Alto Muni Utilities
PG&E National Energy Group
Pinnacle CNG Company
Plurimi, Inc.
PPL EnergyPlus, LLC
Praxair, Inc.
Price, Roy
Product Development Dept
R. M. Hairston & Company
R. W. Beck & Associates
Recon Research
Regional Cogeneration Service
RMC Lonestar
Sacramento Municipal Utility District
SCD Energy Solutions
Seattle City Light
Sempra
Sempra Energy
Sequoia Union HS Dist
SESCO
Sierra Pacific Power Company
Silicon Valley Power
Smurfit Stone Container Corp
Southern California Edison
SPURR
St. Paul Assoc
Stanford University
Sutherland, Asbill & Brennan
Tabor's Caramanis & Associates
Tansev and Associates
Tecogen, Inc
TFS Energy
Transcanada
Turlock Irrigation District
U S Borax, Inc
United Cogen Inc.
URM Groups
Utility Cost Management LLC
Utility Resource Network
Wellhead Electric Company
Western Hub Properties, LLC
White & Case
WMA
13-Mar-06