August 21, 2006

Advice Letter 2808-E

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

Subject: Annual adjustments to the electric public purpose programs funding obligations in compliance with Resolution E-3792

Dear Ms de la Torre:

Advice Letter 2808-E is effective March 30, 2006. A copy of the advice letter is returned herewith for your records.

Sincerely,

[Signature]

Sean H. Gallagher, Director
Energy Division

AUG 25 2006
March 30, 2006

Advice 2808-E  
(Pacific Gas and Electric Company ID U39 E)

Public Utilities Commission of the State of California

Subject: Annual Adjustments to the Electric Public Purpose Programs Funding Obligations in Compliance with Resolution E-3792

Pacific Gas and Electric Company (PG&E) hereby submits for filing the annual adjustments to the electric Public Purpose Programs (PPP) funding obligations in compliance with Resolution E-3792. The 2006 PPP funding obligations for PG&E are the same as in 2005.

Purpose

This filing complies with Resolution E-3792 issued on December 17, 2002. Specifically, this filing submits the annual adjustments to electric Public Purpose Programs funding obligations in compliance with Ordering Paragraph 7 of Resolution E-3792.

Background

Resolution E-3792 specified the methodology for utilities to adjust the electric Public Purpose Program funding obligations required by the Public Utility Code Section 399.8(d)(2). This section states: “the [target funding] amounts shall be adjusted annually at a rate equal to the lesser of the annual growth in electric commodity sales or inflation, as defined by the gross domestic product deflator.”

The section did not identify when these adjustments should begin, but since the section extended these programs starting January 1, 2002, Resolution E-3792 proposed applying the adjustment methodology one year later, on January 1, 2003. Advice Letter 2363-E dated March 28, 2003 was PG&E’s first filing in compliance with this resolution. This advice letter stated that adjustments for 2003 would be based on changes in sales and prices during 2002. Continuing this methodology, adjustments for 2006 will be based on changes in sales and prices during 2005.
Resolution E-3792 also specified that the adjustment to one utility’s allocated amounts in Table 7 should be governed by changes in its own sales (assuming that this statistic is lower than the rate of inflation), rather than by changes in the sales of all three utilities.

PG&E’s electric sales were 81.747 billion kWh in 2005 and 83.232 billion kWh in 2004. The percentage change of sales was -1.78%.

The percentage change in prices as measured by the change in the GDP deflator in 2005, as published by the U.S. Department of Commerce on February 28, 2006, was \((112.134 - 109.099)/109.099 = 2.78\%\).

Since the lower of sales change and price change is negative (-1.78%), according to Resolution E-3792, the authorization for the subsequent year shall remain constant. Therefore, the electric Public Purpose Programs funding obligations (Table 7 of Resolution E-3792) for PG&E in 2006 is the same as in 2005:

<table>
<thead>
<tr>
<th>EE Programs</th>
<th>Renewables</th>
<th>RDD</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>$110,618,335.73</td>
<td>$69,605,551.90</td>
<td>$32,283,815.80</td>
<td>$212,507,703.43</td>
</tr>
</tbody>
</table>

The revenue requirements established for Public Purpose Programs are collected in rates set in each year’s Annual Electric True-Up, using the Public Programs Revenue Adjustment Mechanism (PPPRAM). The accounting procedures for this cost recovery mechanism are contained in PG&E’s Tariff book, Electric Preliminary Statement DA. The 0% funding increase will be included in the PPPRAM effective January 1, 2006 and will be reflected in rates in PG&E’s next Annual Electric True-Up (AET) effective January 1, 2007.

**Effective Date**

In accordance with Resolution E-3792, PG&E respectfully requests an effective date of January 1, 2006.
Protests

Anyone wishing to protest this filing may do so by sending a letter by April 19, 2006, 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
Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, California  94102

Facsimile: (415) 703-2200
E-mail: jjr@cpuc.ca.gov and jnj@cpuc.ca.gov

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

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
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. 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
Company name/CPUC Utility No. Pacific Gas and Electric Company U39M

<table>
<thead>
<tr>
<th>Utility type:</th>
<th>Contact Person: Chris Fan</th>
</tr>
</thead>
<tbody>
<tr>
<td>✅ ELC</td>
<td>Phone #: (415) 973-4887</td>
</tr>
<tr>
<td>✅ GAS</td>
<td>E-mail: <a href="mailto:ckf4@pge.com">ckf4@pge.com</a></td>
</tr>
<tr>
<td>□ PLC</td>
<td></td>
</tr>
<tr>
<td>□ HEAT</td>
<td></td>
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<tr>
<td>□ WATER</td>
<td></td>
</tr>
</tbody>
</table>

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

Advice Letter (AL) #: **2808-E**
Subject of AL: Annual Adjustments to the Electric Public Purpose Programs Funding Obligations in Compliance with Resolution E-3792

Keywords (choose from CPUC listing): Compliance, Energy Efficiency

AL filing type: □ Monthly □ Quarterly ✅ Annual □ One-Time □ Other _____________________________

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution: Resolution E-3792

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 AL: _______________________

Resolution Required? □ Yes ✅ No

Requested effective date: **1-1-2006**

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:

Service affected and changes proposed: N/A

Pending advice letters that revise the same tariff sheets: N/A

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 jnj@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.
PG&E Gas and Electric Advice
Filing List
General Order 96-A, Section III(G)

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
Commerce 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, Schlotz & 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
Tabors 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

28-Mar-06