

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



June 11, 2008

Advice Letter 3271-E

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

Subject: Recovery of Outstanding Balance in the Interruptible Load
Program Memorandum Account

Dear Mr. Cherry:

Advice Letter 3271-E is effective June 15, 2008.

Sincerely,

A handwritten signature in black ink, appearing to read "Sean H. Gallagher".

Sean H. Gallagher, Director
Energy Division

May 16, 2008

Advice 3271-E

(Pacific Gas and Electric Company U 39-E)

Public Utilities Commission of the State of California

Subject: Recovery of Outstanding Balance in the Interruptible Load Program Memorandum Account

Pacific Gas and Electric Company (PG&E) submits revisions to its electric tariffs. The affected tariff sheets are listed on the enclosed Attachment I.

Purpose

The purpose of this advice letter is to request recovery of the outstanding balance, comprised of interest only, in PG&E's Interruptible Load Memorandum Account (ILPMA), as required by Ordering Paragraph (OP.) 2 of Decision (D.) 07-02-028.¹ Upon approval of this advice letter, PG&E requests authority to transfer the outstanding balance in the ILPMA to the Distribution Revenue Adjustment Mechanism (DRAM) for recovery, which is where PG&E was authorized by the CPUC to recover its 2004 and 2005 ILPMA costs.²

Background

PG&E requested recovery of the 2004 and 2005 costs recorded to the ILPMA in its 2004 and 2005 Annual Earnings Assessment Proceedings (AEAP), respectively.³ Pursuant to a review by the Commission's staff of the balances in PG&E's ILPMA for 2004 and 2005, the Commission issued D. 07-02-028 finding 1) PG&E maintained the ILPMA as ordered by the Commission and 2) authorizing recovery of PG&E's requested amounts for 2004 and 2005, as adjusted.⁴ In D. 07-02-028, OP. 2, the Commission also ordered PG&E to request recovery of the remaining balance in the ILPMA, comprised of interest only, by advice letter or its General Rate Case filing.

¹ The April 30, 2008, balance in the ILPMA is \$165,425.49.

² PG&E will add Franchise Fees and Uncollectible (FF&U) amounts to the balanced transferred to the DRAM using the currently authorized FF&U factor.

³ Application (A.) 04-05-005, 2004 AEAP and A. 05-05-001, 2005 AEAP

⁴ Decision 07-02-028 adopted the Commission staff's recommendation that PG&E recover its net ILPMA with interest totaling \$ 2.8 million for 2004 and 2005, which included an adjustment of approximately \$2,000.

Finally, beginning, January 1, 2006, the Commission authorized other, subsequent ratemaking mechanism to recover these costs.⁵

Preliminary Statement Revisions

Electric Preliminary Statement BX, Interruptible Load Program Memorandum Account - PG&E proposes to transfer the outstanding balance in this account to the DRAM and close the account.

Protest

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 **June 5**, which is 20 days after 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 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 K. Cherry
Vice President, Regulatory Relations
Pacific Gas and Electric Company
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, California 94177

Facsimile: (415) 973-7226
E-mail: PGETariffs@pge.com

⁵ Pursuant to D. 06-03-024, beginning January 1, 2006, PG&E began recovering the costs associated with operating and maintaining its interruptible load programs in the Demand Response Revenue Balancing Account, Electric Preliminary Statement ED and tracking these costs in the Demand Response Expense Balancing Account, Electric Preliminary Statement EC.

Effective Date

PG&E requests that this advice letter be effective upon regular notice on **June 15, 2008**, which is 30 days from 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 parties on the service list for A.07-04-009. Address changes to the General Order 96-B service list should be directed to Rose de la Torre at (415) 973-4716. Send all electronic approvals to PGETariffs@pge.com. Advice letter filings can also be accessed electronically at:

<http://www.pge.tariffs>

Handwritten signature of Brian K. Cheyette in black ink.

Vice President – Regulatory Relations

Attachments

Cc: Service List – A.07-04-009

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: Megan Hughes

Phone #: 415-973-1877

E-mail: mehr@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) #: 3271-E

Tier: 2

Subject of AL: Recovery of Outstanding Balance in the Interruptible Load Program Memorandum Account

Keywords: demand side management, balancing account

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: 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: **June 15, 2008**

No. of tariff sheets: 2

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: Electric Prelim Statement BX

Service affected and changes proposed:

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

ijn@cpuc.ca.gov and mas@cpuc.ca.gov

Pacific Gas and Electric Company

Attn: Brian K. Cherry, Vice President, Regulatory Relations

77 Beale Street, Mail Code B10C

P.O. Box 770000

San Francisco, CA 94177

E-mail: PGETariffs@pge.com

**ATTACHMENT 1
Advice 3271-E**

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

Title of Sheet

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

27543-E ELECTRIC TABLE OF CONTENTS
Sheet 1

27541-E

27544-E ELECTRIC TABLE OF CONTENTS
PRELIMINARY STATEMENT
Sheet 6

27495-E



ELECTRIC TABLE OF CONTENTS

Sheet 1

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| | Preliminary Statements | 27544,27066,26739,27305-E | (T) |
| | Rules | 25588-E | |
| | Sample Forms | 26370,26372,25587,25452,24958,26294,26295,25059-E | |

(Continued)

Advice Letter No: 3271-E
 Decision No. 07-02-028

Issued by
Brian K. Cherry
 Vice President
 Regulatory Relations

Date Filed May 16, 2008
 Effective June 15, 2008
 Resolution No. _____



ELECTRIC TABLE OF CONTENTS
PRELIMINARY STATEMENT

Sheet 6

| PART | TITLE OF SHEET | CAL P.U.C. SHEET NO. |
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| Part E | CPUC Reimbursement Fee | 21604-E |
| Part G | Catastrophic Event Memorandum Account | 18998,11740-E |
| Part H | Interest | 10579-E |
| Part I | Rate Schedule Summary..... | 27079,27331-E |
| Part J | Income Tax Component of Contributions Provision | 27174,11503-E |
| Part K | Energy Commission Tax | 24297-E |
| Part M | California Alternate Rates for Energy Account | 27061-E |
| Part P | Customer Energy Efficiency Adjustment..... | 24031,24032,25583,24034-E |
| Part R | Affiliate Transfer Fees Account | 24313-E |
| Part S | Hazardous Substance Mechanism | 22710,15720,22711,22712,13420,13421-E |
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| Part Y | Electric and Magnetic Field Measurement Policy | 13399-E |
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| Part BF | Streamlining Residual Account..... | 22714-E |
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| Part BO | Real Property Gain/Loss on Sale Memorandum Account..... | 16651-E |
| Part BU | Vegetation Management Balancing Account..... | 26221,26222-E |
| Part BY | Self-Generation Program Memorandum Account..... | 26209-E |
| Part BZ | Demand-Responsiveness Program Memorandum Account..... | 25900-E |

(D)

(Continued)

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

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