February 13, 2009

Advice Letter 2985-G/3393-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:  Request Authorization to Transfer Unspent Electric Energy Efficiency Funds to Gas so that the Allocation of the Recently Augmented Funds Matches the Allocation used for the PY 2006-2008 Funds

Dear Mr. Cherry:

Advice Letter 2985-G/3393-E is effective February 4, 2009.

Sincerely,

Julie A. Fitch, Director
Energy Division
January 5, 2009

Advice 2985-G/3393-E
(Pacific Gas and Electric Company ID U 39 M)

Public Utilities Commission of the State of California

Subject: Request Authorization to Transfer Unspent Electric Energy Efficiency Funds to Gas so that the Allocation of the Recently Augmented Funds Matches the Allocation used for the PY 2006-2008 Funds

Pacific Gas and Electric Company (PG&E) requests approval to transfer $3.5 million from the Electric Public Purpose Program Energy Efficiency Balancing Account (Electric PPPEEBA) and the Procurement Energy Efficiency Balancing Account (PEEBA), to the Gas PPPEEBA, so that the allocation of the recently authorized augmented funds between balancing accounts matches the allocation of the Program Year (PY) 2006-2008 funds.

Purpose

On November 6, 2008, the CPUC issued Resolution G-3421 approving the transfer of $46.3 million in pre-2006 unspent, uncommitted energy efficiency (EE) funds to the 2006-2008 portfolio budgets to fund currently authorized 2006-2008 EE resource programs through the end of the year. PG&E had made this request in Advice Letter 2938-G/G-A/3298-E/E-A.

As approved in Decision (D.) 05-09-043, PG&E’s PY 2006-2008 EE budget is allocated 86 percent to electric and 14 percent to gas. As shown in Table I below, the $46.3 million in pre-2006 unspent, uncommitted EE funds that were carried forward from various program years and balancing accounts to the PY 2006-2008 EE budgets result in an allocation of 94% to electric and 6% to gas, with no additional pre-2006 gas funds available to maintain the authorized allocation. PG&E would need to transfer $3.5 million of the augmented funds from electric to gas in order to maintain the authorized allocation of 86%/14% for PY 2006-2008 expenses recorded in the balancing accounts.
Table I
Proposed Reallocation of Gas and Electric Unspent, Uncommitted pre-2006 EE Funds

<table>
<thead>
<tr>
<th></th>
<th>Electric</th>
<th>Gas</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Carry-forward funds</td>
<td>$43,331,809 (94%)</td>
<td>$2,968,191 (6%)</td>
<td>$46,300,000</td>
</tr>
<tr>
<td>Proposed Reallocation</td>
<td>($3,513,809)</td>
<td>$3,513,809</td>
<td>$0</td>
</tr>
<tr>
<td>Proposed Adjusted Carry-forward Funds</td>
<td>$39,818,000 (86%)</td>
<td>$6,482,000 (14%)</td>
<td>$46,300,000</td>
</tr>
</tbody>
</table>

PG&E proposes to transfer $3.5 million in total from the electric PPPEEBA and the electric PEEBA to the gas PPPEEBA, as shown in Table II below, to allocate the recently augmented funds to match the 86/14 electric/gas allocation of the PY 2006-2008 EE Funding, and to maintain the 36%/64% split between adopted electric PGC and procurement funding.

Table II
Detail of Proposed Balancing Account Transfer

<table>
<thead>
<tr>
<th>Funding Source</th>
<th>Transferred Balances Prior to Adjustment</th>
<th>Requested Adjustment</th>
<th>Adjusted Balances</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Electric Funding</td>
<td>$43,331,809</td>
<td>($3,513,809)</td>
<td>$39,818,000</td>
</tr>
<tr>
<td>Electric PGC (electric-PPPEEBA)</td>
<td>$15,599,451</td>
<td>($1,264,971)</td>
<td>$14,334,480</td>
</tr>
<tr>
<td>Electric Procurement (PEEBA)</td>
<td>$27,732,358</td>
<td>($2,248,838)</td>
<td>$25,483,520</td>
</tr>
<tr>
<td>Gas Funding (gas-PPPEEBA)</td>
<td>$2,968,191</td>
<td>$3,513,809</td>
<td>$6,482,000</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>$46,300,000</td>
</tr>
</tbody>
</table>

Approval of this request will allow all PY 2006-2008 expenses to be recorded consistent with the funding creating an easier audit trail for amounts recorded in the balancing accounts and for tracking savings associated with the augmented funding.

Protests

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 January 26, 2009, which is 21 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
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

**Effective Date**

PG&E requests that this advice filing become effective on regular notice, **February 4, 2009**, which is 30 calendar days after 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 R.06-04-010. 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.com/tariffs](http://www.pge.com/tariffs)

Vice President, Regulatory Relations

Attachments

cc: Service List R.06-04-010
CALIFORNIA PUBLIC UTILITIES COMMISSION
ADVICE LETTER FILING SUMMARY
ENERGY UTILITY

Company name/CPUC Utility No. **Pacific Gas and Electric Company (ID U39 M)**

<table>
<thead>
<tr>
<th>Utility type:</th>
<th>Contact Person: Daren Chan</th>
</tr>
</thead>
<tbody>
<tr>
<td>ELC □ GAS</td>
<td>Phone #: (415) 973-5361</td>
</tr>
<tr>
<td>PLC □ HEAT</td>
<td>E-mail: <a href="mailto:D1Ct@pge.com">D1Ct@pge.com</a></td>
</tr>
</tbody>
</table>

EXPLANATION OF UTILITY TYPE

- **ELC** = Electric
- **GAS** = Gas
- **PLC** = Pipeline
- **HEAT** = Heat
- **WATER** = Water

**Advice Letter (AL) #: 2985-G/3393-E**

**Tier:** [2]

**Subject of AL:** Request Authorization to Transfer Unspent Electric Energy Efficiency Funds to Gas so that the Allocation of the Recently Augmented Funds Matches the Allocation used for the PY 2006-2008 Funds

**Keywords (choose from CPUC listing):** energy efficiency, compliance

**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:** February 4, 2009

**No. of tariff sheets:** N/A

**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:

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

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CLECA Law Office
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California Cotton Ginners & Growers Assn
California Energy Commission
California League of Food Processors
California Public Utilities Commission
Calpine
Cameron McKenna
Cardinal Cogen
Casner, Steve
Cerox
Chamberlain, Eric
Chevron Company
Chris, King
City of Glendale
City of Palo Alto
City of San Jose
Clean Energy Fuels
Coast Economic Consulting
Commerce Energy
Commercial Energy
Constellation
Constellation New Energy
Consumer Federation of California
Crossborder Energy
Davis Wright Tremaine LLP
Day Carter Murphy
Defense Energy Support Center
Department of Water Resources

Department of the Army
Dept of General Services
Division of Business Advisory Services
Douglas & Liddell
Douglas & Liddell
Downey & Brand
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Dutcher, John
Ellison Schneider & Harris LLP
Energy Management Services, LLC
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Foster, Wheeler, Martinez
Franciscan Mobilehome
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GLJ Publications
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Green Power Institute
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Heeg, Peggy A.
Hitachi
Hogan Manufacturing, Inc.
Imperial Irrigation District
Inercite
International Power Technology
Intestate Gas Services, Inc.
J. R. Wood, Inc.
JTM, Inc.
Los Angeles Dept of Water & Power
Luce, Forward, Hamilton & Scripps LLP
MBMC, Inc.
MRW & Associates
Manatt Phelps Phillips
Matthew V. Brady & Associates
McKenzie & Associates
Meek, Daniel W.
Merced Irrigation District
Mirant
Modesto Irrigation District
Morgan Stanley
Morrison & Foerster

New United Motor Mfg., Inc.
Norris & Wong Associates
North Coast Solar Resources

Northern California Power Association
Occidental Energy Marketing, Inc.
OnGrid Solar
PPL EnergyPlus, LLC
Pinnacle CNG Company
Praxair
R. W. Beck & Associates
RCS, Inc.
RMC Lonestar
Recon Research
SCD Energy Solutions
SCE
SESCO
SMUD
SPURR
Santa Fe Jets
Seattle City Light
Sempra Utilities
Sequoia Union HS Dist
Sierra Pacific Power Company
Silicon Valley Power
Smurfit Stone Container Corp
Southern California Edison Company
St. Paul Assoc.
Sunshine Design
Sutherland, Asbill & Brennan
TFS Energy
Tabors Caramanis & Associates
Tecogen, Inc.
Tiger Natural Gas, Inc.
Tioga Energy
TransCanada
Turlock Irrigation District
U S Borax, Inc.
United Cogen
Utility Cost Management
Utility Resource Network
Utility Specialists
Vandenberg Air Force
Verizon
Wellhead Electric Company
Western Manufactured Housing
Communities Association (WMA)
White & Case
eMeter Corporation