March 16, 2009

Advice 3005-G/3438-E
(Pacific Gas and Electric Company ID U 39 M)

Public Utilities Commission of the State of California

Subject: Revision to Rule 15 Residential Allowances

Pacific Gas and Electric Company (PG&E) hereby submits for filing revisions to its electric and gas tariffs. The updated allowances are shown below and supporting work papers are available upon request.

Purpose

In compliance with provisions of Gas Rule 15.H.2\(^1\), and Electric Rule 15.I.2\(^2\), PG&E submits this Advice Letter to refine residential electric and gas line and service extension allowance calculations. This is consistent with PG&E’s testimony in Application (A.) 05-10-016, Chapter 3, Pages 3-6C, wherein PG&E proposed to update its allowance calculation, if needed, every three years prior to the filing of its General Rate Case (GRC) Phase 1 application in such time that the Commission could provide a decision on the allowance update allowing PG&E to incorporate any revenue requirements changes that would result from the updated allowance into its GRC filing.

\(^1\) Gas Rule 15.H.2 PERIODIC REVIEW: PG&E will periodically review the factors it uses to determine its residential allowances, nonrefundable discount option percentage rate, and cost of service factor stated in this rule. If such review results in a change of more than five percent (5%), PG&E will submit a tariff revision proposal to the Commission for review and approval. Such proposed changes shall be submitted no sooner than six (6) months after the last revision. Additionally, PG&E shall submit by advice letter proposed tariff revisions, which result from other relevant Commission decisions, to the allowance formula for calculating line and service extension allowances.

\(^2\) Electric Rule 15.I.2 PERIODIC REVIEW: PG&E will periodically review the factors it uses to determine its residential allowances, nonrefundable discount option percentage rate, and cost of service factor stated in this rule. If such review results in a change of more than five percent (5%), PG&E will submit a tariff revision proposal to the Commission for review and approval. Such proposed changes shall be submitted no sooner than six (6) months after the last revision. Additionally, PG&E shall submit by advice letter proposed tariff revisions, which result from other relevant Commission decisions, to the allowance formula for calculating line and service extension allowances.
Background

In Decision (D.) 99-06-079 and Advice Letter (AL) 1963-E-B, the Commission approved the provisions in Gas and Electric Rules 15 noted above that require PG&E to review factors it uses to determine residential allowances.

In D.07-07-019, the Commission approved various changes to the method by which electric and gas service and line extension allowances are calculated. The Decision also approved refinements to the calculation of the Cost of Ownership (COO) applicable to refundable balances in excess of the line extension allowances. The changes were implemented in AL 2885-G-A/3153-E-A which detailed changes in the calculation of average usage factors.

In accordance with PG&E’s proposal as set forth in A.05-10-016, the upcoming GRC Phase I proceeding prompted a review the residential allowances wherein in was determined that a change of more than five percent (5%) would occur in both the gas and electric residential allowances based upon current distribution revenues.

Revised Allowances

<table>
<thead>
<tr>
<th>Electric Residential Allowance</th>
<th>Current</th>
<th>Updated</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$2029</td>
<td>$1918</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Gas Residential Allowances</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Water Heater</td>
<td>$398</td>
<td>$439</td>
</tr>
<tr>
<td>Space Heating</td>
<td>$531</td>
<td>$586</td>
</tr>
<tr>
<td>Oven/Range</td>
<td>$24</td>
<td>$27</td>
</tr>
<tr>
<td>Dryer/Tub</td>
<td>$31</td>
<td>$34</td>
</tr>
<tr>
<td>Gas Total</td>
<td>$984</td>
<td>$1086</td>
</tr>
</tbody>
</table>

The electric allowance per residential unit represents a decrease of 5.5%, based on a monthly COO charge of 1.40% and the gas allowance represents a total increase of 10.4%, based on a monthly COO charge of 1.39%.
Treatment for Contracts Issued or Executed Prior to the Effective Date of Implementation

PG&E also seeks approval for the following grandfathering treatment of allowances; that is, when and under what conditions PG&E will grant the new residential allowances. PG&E proposes the following:

- PG&E will apply existing allowances to contracts issued or executed prior to the effective date.
- New allowances will apply to new contracts issued after the effective date.

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 April 6, 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

Facsimile: (415) 703-2200  
E-mail: jnj@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
Effective Date

PG&E requests that this advice filing be approved expediently, so that PG&E’s showing in its GRC Phase I application can incorporate the approved changes to the allowance. To allow adequate time for operational information and customer notification, PG&E requests that the allowances be made effective July 1, 2009. PG&E submits this as a Tier 2 advice 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.05-10-019. PG&E is submitting supporting workpapers to the CPUC—additional work papers for all other parties are available upon request. 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

Vice President, Regulatory Relations

Attachments

cc: Service List for A.05-10-019
Company name/CPUC Utility No. Pacific Gas and Electric Company (ID U39 M)

Utility type:
- ☑ ELC  ☑ GAS
- ☐ PLC  ☐ HEAT  ☐ WATER

Contact Person: Megan Lawson
Phone #: (415) 973-1877
E-mail: mehr@pge.com

Advice Letter (AL) #: 3005-G/3438-E Tier: [2]
Subject of AL: Revision to Rule 15 Residential Allowances
Keywords (choose from CPUC listing): 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: July 1, 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: 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
jnjj@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

Aglet
Agnews Developmental Center
Alcantar & Kahl
Ancillary Services Coalition
Anderson & Poole
Arizona Public Service Company
BART
BP Energy Company
Barkovich & Yap, Inc.
Bartle Wells Associates
Blue Ridge Gas
Braun & Associates
C & H Sugar Co.
CA Bldg Industry Association
CAISO
CLECA Law Office
CSC Energy Services
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
Duke Energy
Duncan, Virgil E.
Dutcher, John
Ellison Schneider & Harris LLP
Energy Management Services, LLC
FPL Energy Project Management, Inc.
Foster Farms
Foster, Wheeler, Martinez
Franciscan Mobilehome
G. A. Krause & Assoc.
GLJ Publications
Goodin, MacBride, Squeri, Schlotz & Ritchie
Green Power Institute
Hanna & Morton
Heeg, Peggy A.
Hogan Manufacturing, Inc.
Imperial Irrigation District
Innercite
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