December 6, 2010

Jane K. Yura
Vice President, Regulation and Rates
Pacific Gas and Electric Company
77 Beale Street, Mail Code B10B
P.O. Box 770000
San Francisco, CA  94177

Subject:  Anniversary True-up Mechanism Advice Filing for Dedicated Rate Component Series 2005-1 and 2005-2 Charges

Dear Ms. Yura:

Advice Letter 3753-E is effective November 4, 2010.

Sincerely,

Julie A. Fitch, Director
Energy Division
November 4, 2010

Advice 3753-E
(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: Anniversary True-up Mechanism Advice Filing for Dedicated Rate Component Series 2005-1 and 2005-2 Charges

Pursuant to the California Public Utilities Commission’s (CPUC or Commission) Decision (D.) 04-11-015 (Decision), Pacific Gas and Electric Company (PG&E), as servicer of the Energy Recovery Bonds (ERBs) and on behalf of PG&E Energy Recovery Funding LLC (PERF), hereby files its Anniversary True-up Advice.

As anticipated in D.04-11-015, no true-up of the DRC Series 2005-1 Charge or Series 2005-2 Charge is necessary at this time given the annual and quarterly Routine True-up Mechanism.

Purpose

Per D.04-11-015, this filing satisfies the Decision’s compliance requirement, which requires the Commission to determine on each anniversary of the Decision, whether the DRC Charges need to be modified.

Background

D.03-12-035 approved the plan for PG&E’s emergence from bankruptcy. In this Decision, the Commission established a regulatory asset pertaining to PG&E liabilities, which were incurred on behalf of its electric ratepayers during the 2000-2001 Energy Crisis. The Regulatory Asset’s purpose, along with the other provisions of the bankruptcy-emergence plan approved by the Commission, was to enhance PG&E’s fiscal soundness and allow it to emerge from bankruptcy as a creditworthy entity. In D.04-11-015, the Commission granted PG&E the authority to issue ERBs to refinance the Regulatory Asset and associated federal and state income and franchise taxes, and consequently to reduce PG&E’s electric rates.

ERBs are an asset-backed security; investors rely on the cash flows generated by a specific asset that was sold by PG&E to PERF, a Special Purpose Entity that issued the bonds secured by this asset. The sold asset is Recovery Property, a current property right that was created by Senate Bill 772 (the enabling legislation for the ERB transaction), D.04-11-015, and two Issuance Advice Letters, as
authorized by D.04-11-015 (Advice 2626-E for ERB Series 2005-1 and Advice 2736-E for Series 2005-2), as a right to receive future revenues from either a non-bypassable charge or DRC Charge on consumers of electricity in PG&E’s service territory. The DRC Charges cover debt service and all related ERB costs.

In D.04-11-015, the Commission authorized PG&E to file Routine True-up Mechanism Advice Letters at least annually, and not more than quarterly, at least 15 days before the end of the calendar year for the annual filings and at least 15 days before the end of the quarter for the quarterly filings. These filings are intended to ensure that the actual revenues collected and remitted to the ERB trustee under the DRC Charges are neither more nor less than those required to repay the ERBs as scheduled. Routine True-up Mechanism Advice Letter filings are those where PG&E uses the method found reasonable by the Commission in D.04-11-015 to revise existing DRC charges.

D.04-11-015 also notes that Section 848.1(i) of the Public Utilities Code, added by Senate Bill 772, requires the Commission to determine on each anniversary of D.04-11-015 whether the DRC Charges need to be adjusted.

PG&E will file a year-end Routine True-Up Mechanism Advice Letter on or before December 15, 2010, in accordance with D.04-11-015, to adjust the DRC Charges for non-exempt consumers effective January 1, 2011.

**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 **November 24, 2010**, which is 20 days from 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: inj@cpuc.ca.gov and mas@cpuc.ca.gov

Copies 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:
Effective Date

PG&E requests that this advice filing become effective on **November 4, 2010**.

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. Address changes should be directed to e-mail PGETariffs@pge.com. Advice letter filings can also be accessed electronically at: [http://www.pge.com/tariffs/](http://www.pge.com/tariffs/)

Vice President – Regulation and Rates
**CALIFORNIA PUBLIC UTILITIES COMMISSION**

**ADVICE LETTER FILING SUMMARY**

**ENERGY UTILITY**

**MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)**

<table>
<thead>
<tr>
<th>Company name/CPUC Utility No.</th>
<th>Pacific Gas and Electric Company (ID U39 M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Utility type:</td>
<td>Contact Person: Olivia Brown</td>
</tr>
<tr>
<td>☑ ELC</td>
<td>Phone #: 415.973.9312</td>
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<tr>
<td>☑ GAS</td>
<td>E-mail: <a href="mailto:oxb4@pge.com">oxb4@pge.com</a></td>
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**EXPLANATION OF UTILITY TYPE**

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

**Advice Letter (AL) #: 3753-E**

**Subject of AL:** Anniversary True-up Mechanism Advice Filing for Dedicated Rate Component Series 2005-1 and 2005-2 Charges

**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 #: D.04-11-015

**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:** N/A

**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: N/A

**Resolution Required?** ☑ Yes ☐ No

**Requested effective date:** November 4, 2010

**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). N/A

**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

jnj@cpuc.ca.gov and mas@cpuc.ca.gov

**Pacific Gas and Electric Company**

**Attn:** Jane K. Yura, Vice President, Regulation and Rates

77 Beale Street, Mail Code B10B

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

Alcantar & Kahl LLP  Dept of General Services  North Coast Solar Resources
Ameresco  Division of Business Advisory Services  Northern California Power Association
Anderson & Poole  Douglass & Liddell  Occidental Energy Marketing, Inc.
Arizona Public Service Company  Downey & Brand  OnGrid Solar
BART  Duke Energy  Praxair
Barkovich & Yap, Inc.  Dutcher, John  R. W. Beck & Associates
Bartle Wells Associates  Economic Sciences Corporation  RCS, Inc.
Bloomberg  Ellison Schneider & Harris LLP  Recurrent Energy
Bloomberg New Energy Finance  Foster Farms  SCD Energy Solutions
Boston Properties  G. A. Krause & Assoc.  SCE
Braun Blasing McLaughlin, P.C.  GLJ Publications  SMUD
Brookfield Renewable Power  Goodin, MacBride, Squeri, Schlotz & Ritchie  SPURR
CA Bldg Industry Association  Green Power Institute  San Francisco Public Utilities Commission
CLECA Law Office  Hanna & Morton  Santa Fe Jets
CSC Energy Services  Hitachi  Seattle City Light
California Cotton Ginners & Growers Assn  International Power Technology  Sempra Utilities
California Energy Commission  Intestate Gas Services, Inc.  Sierra Pacific Power Company
California League of Food Processors  Lawrence Berkeley National Lab  Silicon Valley Power
California Public Utilities Commission  Los Angeles Dept of Water & Power  Silo Energy LLC
Calpine  Luce, Forward, Hamilton & Scripps LLP  Southern California Edison Company
Cardinal Cogen  MAC Lighting Consulting  Spark Energy, L.P.
Casner, Steve  MBMC, Inc.  Sunshine Design
Chris, King  MRW & Associates  Sutherland, Asbill & Brennan
City of Palo Alto  Manatt Phelps Phillips  Tecogen, Inc.
City of Palo Alto Utilities  McKenzie & Associates  Tiger Natural Gas, Inc.
Clean Energy Fuels  Merced Irrigation District  TransCanada
Coast Economic Consulting  Modesto Irrigation District  Turlock Irrigation District
Commercial Energy  Morgan Stanley  United Cogen
Consumer Federation of California  Morrison & Foerster  Utility Cost Management
Davis Wright Tremaine LLP  NRG West  Verizon
Day Carter Murphy  Navigant Consulting  Wellhead Electric Company
Defense Energy Support Center  Norris & Wong Associates  Western Manufactured Housing
Department of Water Resources  North America Power Partners  Communities Association (WMA)
edMeter Corporation