May 6, 2011

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: 2011 Energy Resource Recovery Account Trigger Amount – Compliance Filing

Dear Ms. Yura:

Advice Letter 3818-E is effective April 1, 2011.

Sincerely,

Julie A. Fitch, Director  
Energy Division
April 1, 2011

Advice 3818-E
(Pacific Gas and Electric Company ID U 39E)

Public Utilities Commission of the State of California

Subject: 2011 Energy Resource Recovery Account Trigger Amount – Compliance Filing


In Decision (“D.”) 02-10-062 (see pages 64-66), the California Public Utilities Commission (“Commission”) established an ERRA “trigger” mechanism to comply with Public Utilities (“PU”) Code §454.5(d)(3) which requires that “any overcollection or undercollection in the power procurement balancing account does not exceed 5 percent of the electrical corporation’s actual recorded generation revenues for the prior calendar year excluding revenues collected for the Department of Water Resources.” 1

In D.04-01-050 the Commission ordered that the “ERRA trigger amount Advice Letter should be filed April 1 of each year.” 2

Purpose

The purpose of this advice letter is to establish PG&E’s 2011 ERRA trigger amount in compliance with PU Code §454.5(d) (3), D.04-01-050, and D.04-12-048.

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1 On pages 213-214 of D.04-12-048, the Commission directed the investor-owned utilities to “keep the trigger mechanism in effect during the term of the long-term contracts, or ten years, whichever is longer.”

2 See D.04-01-050, Ordering Paragraph 5 and pages 175-176, ERRA Schedule Tables, Table Footnote 1.
ERRA Trigger Calculation

PG&E’s 2011 ERRA trigger amount is calculated to be $276.9 million. Consistent with PG&E’s ERRA trigger advice letters in previous years, this year’s calculation is based on revenue streams from the balancing accounts that record PG&E’s generation revenues, excluding DWR revenues. These revenue streams include the Utility Generation Balancing Account (“UGBA”), ERRA, and the Modified Transitional Cost Balancing Account (“MTCBA”). These balancing accounts include the capital and non-fuel operating costs in PG&E’s existing generation asset base, fuel and electric procurement costs, and ongoing competition transition costs, respectively. The 2010 revenues from the three accounts and the corresponding trigger amount are shown in the table below.

<table>
<thead>
<tr>
<th>Account</th>
<th>Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010 UGBA</td>
<td>$1,414.9M</td>
</tr>
<tr>
<td>2010 ERRA</td>
<td>$3,728.8M</td>
</tr>
<tr>
<td>2010 MTCBA</td>
<td>$393.3M</td>
</tr>
<tr>
<td><strong>Total 2010</strong></td>
<td><strong>$5,537.0M</strong></td>
</tr>
</tbody>
</table>

2011 ERRA Trigger (5% of total $5,537.0M) $276.9M

Conclusion

PG&E requests that the Commission approve $276.9 million as PG&E’s 2011 ERRA trigger amount. PG&E also requests that this 2011 trigger amount remain in effect until the Commission adopts the 2012 trigger amount, to be submitted by advice letter no later than April 1, 2012.

Protest

Anyone wishing to protest this filing may do so by sending a letter by **April 21, 2011**, which is 20 days from the date of 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  
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 should also be mailed to the attention of the Director, Energy Division, Room 4004, at the address shown above.

The protest 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.

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, California 94177

Facsimile: (415) 973-6520  
E-mail: PGETariffs@pge.com

**Effective Date**

PG&E is filing this as a Tier 1 advice letter and, provided no protests are received, requests that this filing be effective on **April 1, 2011**.

**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 to the General Order 96-B service list and all electronic approvals should be directed to e-mail PGETariffs@pge.com. Advice letter filings can also be accessed electronically at: http://www.pge.com/tariffs.

Vice President – Rates and Regulation

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

<table>
<thead>
<tr>
<th>Utility type:</th>
<th>Contact Person: Linda Tom-Martinez</th>
</tr>
</thead>
<tbody>
<tr>
<td>☑ ELC ☑ GAS</td>
<td>Phone #: (415) 973-4612</td>
</tr>
<tr>
<td>☐ PLC ☐ HEAT ☐ WATER</td>
<td>E-mail: <a href="mailto:lmt1@pge.com">lmt1@pge.com</a></td>
</tr>
</tbody>
</table>

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**EXPLANATION OF UTILITY TYPE**

<table>
<thead>
<tr>
<th>ELC = Electric</th>
<th>GAS = Gas</th>
</tr>
</thead>
<tbody>
<tr>
<td>PLC = Pipeline</td>
<td>HEAT = Heat</td>
</tr>
<tr>
<td>WATER = Water</td>
<td></td>
</tr>
</tbody>
</table>

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Advice Letter (AL) #: **3818-E**  
Subject of AL: **2011 Energy Resource Recovery Account Trigger Amount – Compliance Filing**  
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.02-10-062, D.04-01-050, D.04-12-048

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:

Confidential information will be made available to those who have executed a nondisclosure agreement: ☐ Yes ☐ No

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: **April 1, 2011**  
No. of tariff sheets: ____________________________

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, 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:

<table>
<thead>
<tr>
<th>CPUC, Energy Division</th>
<th>Pacific Gas and Electric Company</th>
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</thead>
<tbody>
<tr>
<td>Tariff Files, Room 4005</td>
<td>Attn: Jane Yura</td>
</tr>
<tr>
<td>DMS Branch</td>
<td>Vice President, Regulation and Rates</td>
</tr>
<tr>
<td>505 Van Ness Ave.,</td>
<td>77 Beale Street, Mail Code B10B</td>
</tr>
<tr>
<td>San Francisco, CA 94102</td>
<td>P.O. Box 770000</td>
</tr>
<tr>
<td><a href="mailto:jnj@cpuc.ca.gov">jnj@cpuc.ca.gov</a> and <a href="mailto:mas@cpuc.ca.gov">mas@cpuc.ca.gov</a></td>
<td>San Francisco, CA 94177</td>
</tr>
<tr>
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<td>E-mail: <a href="mailto:PGETariffs@pge.com">PGETariffs@pge.com</a></td>
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<td>Company/Association</td>
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<tr>
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<td>Dept of General Services</td>
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<tr>
<td>Alcantar &amp; Kahl LLP</td>
<td>Douglass &amp; Liddell</td>
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<tr>
<td>Ameresco</td>
<td>Downey &amp; Brand</td>
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<tr>
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<td>Dutcher, John</td>
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<tr>
<td>BART</td>
<td>Economic Sciences Corporation</td>
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<tr>
<td>Barkovich &amp; Yap, Inc.</td>
<td>Ellison Schneider &amp; Harris LLP</td>
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<td>Bartle Wells Associates</td>
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<td>Boston Properties</td>
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<td>Hitachi</td>
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<td>CSC Energy Services</td>
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<td>California Cotton Ginners &amp; Growers Assn</td>
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<td>California Energy Commission</td>
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<td>California Public Utilities Commission</td>
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<td>Calpine</td>
<td>Luce, Forward, Hamilton &amp; Scripps LLP</td>
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<td>Chris, King</td>
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<td>Norris &amp; Wong Associates</td>
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<td>North America Power Partners</td>
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