July 1, 2011

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

Subject:  Update to the 2011-2012 Nuclear Decommissioning Trust
Revenue Requirements in Compliance with Decisions 09-09-020 and 11-05-018

Dear Mr. Cherry:

Advice Letter 3848-E is effective January 1, 2011.

Sincerely,

Julie A. Fitch, Director
Energy Division
May 31, 2011

Advice 3848-E
(Pacific Gas and Electric Company ID U 39 M)

Public Utilities Commission of the State of California

Subject: Update to the 2011-2012 Nuclear Decommissioning Trust Revenue Requirements in Compliance with Decisions 09-09-020 and 11-05-018

Purpose

Pacific Gas and Electric Company (PG&E) hereby submits the updated 2010-2012 revenue requirements for nuclear decommissioning in accordance with provision 10 of the Settlement Terms approved in Decision (D.) 09-09-020 and Ordering Paragraph (OP) 32 of D.11-05-018. The nuclear decommissioning revenue requirements have been revised to reflect the 2011 General Rate Case (GRC) approved administrative and general expense (A&G) factor, as well as updated pension recovery.

Background


In compliance with OP 3 of D.10-07-047, PG&E filed Advice Letter 3712-E which updated the 2010-2012 nuclear decommissioning revenue requirements, as described and adjusted in the decision.

However, PG&E’s testimony noted that “…the amount of A&G expense allocated to Humboldt SAFSTOR in year 2011 and 2012 uses the amounts calculated in the 2007 GRC assigned to the Humboldt SAFSTOR revenue requirement as a placeholder, subject to update with the results of the 2011 GRC decision.” (2009 NDCTP Prepared Testimony p. 8-7.) In addition, OP 32 of D.11-05-018 stated:
Administrative and general expenses allocated to the Unbundled Cost Categories adopted in this 2011 general rate case shall be used in determining the administrative and general expenses in related proceedings in 2011 and future years until Pacific Gas and Electric Company’s next test year general rate case, if the outcome of those proceedings would otherwise require specific calculation of administrative and general expenses. Specifically, the Unbundled Cost Categories and related proceedings are: Gas Transmission (Gas Accord III and subsequent Pacific Gas and Electric Company Gas Transmission and Storage proceedings) and Nuclear Decommissioning (including SAFSTOR), the 2009 Nuclear Decommissioning Cost Triennial Proceeding and subsequent Nuclear Decommissioning Cost Triennial Proceeding filing.

Therefore, PG&E is hereby submitting revised nuclear decommissioning revenue requirements to reflect the updated 2011 GRC-approved A&G factor.

Additionally, on September 10, 2009, the Commission issued D.09-09-020 in the Pension Recovery Mechanism A.09-03-003, approving, under Settlement Terms, that PG&E, in certain individual proceedings, would update the associated revenue requirements to reflect the new pension recovery impacts. PG&E is hereby submitting revised nuclear decommissioning revenue requirements to reflect the updated pension recovery mechanism.

The resulting impacts to the 2011 through 2012 annual revenue requirements are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Updated Nuclear Decommissioning RRQs</td>
<td>43.75</td>
<td>44.27</td>
</tr>
</tbody>
</table>

Nuclear Decommissioning (ND) Revenue Requirements
In Millions of Dollars

Request for Confidential Treatment

In support of this advice letter, PG&E is providing the following confidential supporting information:

Confidential Attachment 1: 2011 GRC Impacts – Updated Nuclear Decommissioning RRQ Calculation

This attachment is marked confidential and protected from public disclosure under the Administrative Law Judge Ruling Adopting Confidential Modeling Procedures issued on September 23, 2010 in the proceeding A.09-12-020. A separate
Declaration Seeking Confidential Treatment regarding the confidential attachment is filed concurrently herewith.

**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 20 days after the date of this filing, which is **June 20, 2011**. Protests should be mailed to:

CPUC Energy Division  
Attention: Tariff Unit, 4th Floor  
505 Van Ness Avenue  
San Francisco, CA  94102  

Facsimile: (415) 703-2200  
E-mail: mas@cpuc.ca.gov and jnj@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, Regulation and Rates  
Pacific Gas and Electric Company  
77 Beale Street, Mail Code B10C  
P.O. Box 770000  
San Francisco, California  94177  

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

**Effective Date**

PG&E requests that this Tier 1 advice letter become effective on **January 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 and on the service lists for A.09-04-007, A.09-12-020, and A.09-03-003. Address changes to the General Order 96-B service list should be directed to PGETariffs@pge.com. For changes to any other service list, please contact the Commission’s Process Office at (415) 703-2021 or at Process_Office@cpuc.ca.gov. Advice letter filings can also be accessed electronically at: [http://www.pge.com/tariffs](http://www.pge.com/tariffs).

Vice President – Regulation and Rates

Attachments:
Confidential Attachment 1: 2011 GRC Impacts – Updated Nuclear Decommissioning RRQ Calculation

cc: Service List for A.09-04-007
Service List for A.09-12-020
Service List for A.09-03-003
Company name/CPUC Utility No. **Pacific Gas and Electric Company (ID U39 M)**

<table>
<thead>
<tr>
<th>Utility type:</th>
<th>Contact Person: Conor Doyle</th>
</tr>
</thead>
<tbody>
<tr>
<td>☑ ELC</td>
<td>☑ GAS</td>
</tr>
<tr>
<td>☑ PLC</td>
<td>☑ HEAT</td>
</tr>
<tr>
<td>☑ WATER</td>
<td>E-mail: <a href="mailto:jcdt@pge.com">jcdt@pge.com</a></td>
</tr>
</tbody>
</table>

**EXPLANATION OF UTILITY TYPE**

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

Advice Letter (AL) #: **3848-E**

Subject of AL: **Update to the 2011-2012 Nuclear Decommissioning Trust Revenue Requirements in Compliance with Decisions 09-09-020 and 11-05-018**

Keywords (choose from CPUC listing): **Nuclear, GRC/General Rate Case, Compliance**

AL filing type: ☑ Monthly ☐ Quarterly ☐ Annual ☑ One-Time ☐ Other _____________________________

Tier: **1**

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: **D.09-09-020; D.11-05-018**

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: **Yes**

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: **Nielson Jones (415) 973-8540**

Resolution Required? ☑ Yes ☐ No

Requested effective date: **January 1, 2011**

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:

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, Regulation and Rates

77 Beale Street, Mail Code B10C

P.O. Box 770000

San Francisco, CA 94177

E-mail: PGETariffs@pge.com
DECLARATION OF NIELSON D. JONES
SEEKING CONFIDENTIAL TREATMENT
FOR CERTAIN DATA AND INFORMATION
CONTAINED IN ADVICE LETTER 3848 -E
(PACIFIC GAS AND ELECTRIC COMPANY -- U 39 E)

I, Nielson D. Jones, declare:

1. I am presently employed by Pacific Gas and Electric Company ("PG&E"), and have been an employee at PG&E since 2000. My current title is Principal Regulatory Specialist in the Revenue Forecasting and Analysis section of the Analysis and Rates Department, where I am responsible for producing and supervising the preparation of revenue requirement models, and developing related testimony.

2. Based on my knowledge and experience, and in accordance with the Administrative Law Judge's (ALJ) Ruling Adopting Confidential Modeling Procedures issued on September 23, 2010 in the proceeding A.09-12-020, I make this declaration seeking confidential treatment of Attachment 1 to this advice letter. By this advice letter, PG&E is seeking the Commission's approval of its updated 2011 and 2012 nuclear decommissioning revenue requirements.

3. The information in Attachment 1 will be made available to those parties who execute a nondisclosure agreement. Parties may request access to the confidential information by contacting me via email at: NDJ1@pge.com or by phone: (415) 973-8540.

4. Confidential treatment of Attachment 1 shall continue and remain intact until such time as the ALJ Ruling ends or its order is superseded by Commission order.

I declare under penalty of perjury, under the laws of the State of California, that to the best of my knowledge the foregoing is true and correct. Executed on May 31, 2011 at San Francisco, California.

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