July 25, 2011

Advice Letter 3855-E

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: Revision to Renewables Portfolio Standard Cost Memorandum Account

Dear Mr. Cherry:

Advice Letter 3855-E is effective July 5, 2011.

Sincerely,

Julie A. Fitch, Director  
Energy Division
Advice 3855-E
(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: Revision to Renewables Portfolio Standard Cost Memorandum Account

Purpose

In compliance with Decision (“D.”) 11-04-030, Pacific Gas and Electric Company (“PG&E”) hereby submits an advice letter to update electric Preliminary Statement Part EL – Renewables Portfolio Standard Cost Memorandum Account (RPSCMA), to conform to the language in D.11-04-030. The affected tariff sheets are enclosed as Attachment 1 to this advice letter. Attachment 2 is a red-lined version of the required changes in the preliminary statement, with additions indicated by underlined text and deletions indicated by strike-out.

Background

On April 20, 2011, the California Public Utilities Commission (“CPUC” or “Commission”) issued D.11-04-030 approving PG&E’s 2011 Renewables Portfolio Standard Procurement Plan and Protocol. D.11-04-030 modified D.11-01-016 and D.06-10-050 by authorizing additional expenditures for third party consultants of up to $600,000 per year over a four-year period beginning in the 2010-2011 fiscal year, with the ability to carry forward unspent balances from one year to the next (including years beyond year four). The Commission set the total cap on expenditures incurred under the new RPSCMA contract at $2.4 million.¹ Attachment 1 to this filing shows the changes to PG&E’s Preliminary Statement Part EL that are required to implement D.11-04-030.

¹ D.11-04-030 at 64 (Conclusion of Law 27).
**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 **June 23, 2011**, 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: jnj@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:

Brian 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 has designated this as a Tier 2 filing pursuant to CPUC General Order 96-B, Industry Rule 5.2(7), and requests that Energy Division approve the requested change in the tariff effective **July 5, 2011**, which is 32\(^2\) calendar days from the date of filing.

\(^2\) Since the end of the 30 days falls on a Sunday and the following day is a holiday, PG&E is requesting an effective date on the next business day.
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 service list for R.06-05-027. Address changes to the General Order 96-B service list and all electronic approvals should be directed to e-mail 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/.

Vice President – Regulation and Rates

cc: Service List R.06-05-027

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>
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<tr>
<td>☐ PLC ☐ HEAT ☐ WATER</td>
<td>E-mail: <a href="mailto:lmt1@pge.com">lmt1@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) #: 3855-E**

**Tier: 2**

**Subject of AL:** Revision to Renewables Portfolio Standard Cost Memorandum Account

**Keywords (choose from CPUC listing):** Compliance, Memorandum Account

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

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: D.11-04-030

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:** July 5, 2011

**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:** Electric Preliminary Statement Part EL

**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:

**CPUC, Energy Division**

**Tariff Files, Room 4005**

**DMS Branch**

505 Van Ness Ave.,
San Francisco, CA 94102

**E-mail:** jnj@cpuc.ca.gov and mas@cpuc.ca.gov

**Pacific Gas and Electric Company**

**Attn:** Brian 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
<table>
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<td>ELECTRIC PRELIMINARY STATEMENT PART EL RENEWABLES PORTFOLIO STANDARD COST MEMORANDUM ACCOUNT Sheet 1</td>
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</tr>
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<td>30404-E</td>
<td>ELECTRIC TABLE OF CONTENTS Sheet 1</td>
<td>30400-E</td>
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<tr>
<td>30405-E</td>
<td>ELECTRIC TABLE OF CONTENTS PRELIMINARY STATEMENT Sheet 16</td>
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ELECTRIC PRELIMINARY STATEMENT PART EL

RENEWABLES PORTFOLIO STANDARD COST MEMORANDUM ACCOUNT

1. PURPOSE:

The purpose of the RPSCMA is to record costs associated with third party Renewables Portfolio Standard (RPS) technical contractor activities invoiced through the Commission. In Decision (D.) 11-04-030, the Commission authorized an additional $2.4 million, of which up to $600,000 per year can be expensed over a four-year period beginning in the 2010-2011 fiscal year with the ability to carry forward unspent balances from one year to the next (including years beyond year four) and shall be paid by each utility, (PG&E, SCE and SDG&E) on a proportional basis in relationship to retail sales reported each year in the March 1, RPS Compliance Report (or other report each year as directed by the Executive Director). All such costs shall be recorded when paid, for later recovery via rates. The RPSCMA was authorized by the Commission in D.06-10-050 and modified in D.11-01-016 and D.11-04-030.

2. APPLICABILITY:

The RPSCMA shall apply to all customer classes, except for those specifically excluded by the Commission.

3. RPSCMA RATES:

The RPSCMA does not currently have a rate component.

4. ACCOUNTING PROCEDURE:

PG&E shall maintain the RPSCMA by making entries to this account at the end of each month as follows:

a. A debit entry equal to the paid third-party costs for RPS technical contractor activities invoiced through the Commission per D.11-01-016, which authorized a total cap of $1.6 million;

b. A debit entry equal to the paid third-party costs for RPS technical contractor activities invoiced through the Commission per D.11-04-030, which authorized an additional total cap of $2.4 million;

c. A credit entry to annually transfer the balance to another regulatory account as appropriate for rate recovery; and
d. An entry equal to interest on the average balance in the account at the beginning of the month and the balance after entry 4.a, at a rate equal to one-twelfth the interest rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release H.15, or its successor.

PG&E shall request the recovery of the balance in the RPSCMA through the Energy Resource Recovery Account (ERRA) application, or other proceeding as authorized by the Commission.
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### PRELIMINARY STATEMENT

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Advice 3855-E

Attachment 2

(Red-Lined Version of Electric Preliminary Statement Part EL)
EL. RENEWABLES PORTFOLIO STANDARD COST MEMORANDUM ACCOUNT (RPSCMA)

1. PURPOSE:

The purpose of the RPSCMA is to record costs associated with third party Renewables Portfolio Standard (RPS) technical contractor activities invoiced through the Commission, until December 31, 2011, as requested in Decision 06-10-050, and as modified in Decision 11-01-016. The total maximum notional value of the costs incurred by the Commission through 2011 shall not exceed a total cap of $1.6 million. This was authorized an additional $2.4 million, of which up to $600,000 per year can be expensed over a four-year period beginning in the 2010-2011 fiscal year with the ability to carry forward unspent balances from one year to the next (including years beyond year four) and shall be paid by each utility, (PG&E, SCE and SDG&E) on a proportional basis in relationship to retail sales reported each year in the March 1, RPS Compliance Report (or other report each year as directed by the Executive Director). All such costs shall be recorded by December 31, 2011 when paid, for later recovery via rates. The RPSCMA was authorized by the Commission in Decision D.06-10-050 and modified in Decision D.11-01-016 and D.11-04-030.

2. APPLICABILITY:

The RPSCMA shall apply to all customer classes, except for those specifically excluded by the Commission.

3. RPSCMA RATES:

The RPSCMA does not currently have a rate component.

4. ACCOUNTING PROCEDURE:

PG&E shall maintain the RPSCMA by making entries to this account at the end of each month as follows:

a. A debit entry equal to the paid third-party costs for RPS technical contractor activities invoiced through the Commission per D.11-01-016, which authorized a total cap of $1.6 million;

b. A debit entry equal to the paid third-party costs for RPS technical contractor activities invoiced through the Commission per D.11-04-030, which authorized an additional total cap of $2.4 million;

c. A credit entry to annually transfer the balance to another regulatory account as appropriate for rate recovery; and
d. An entry equal to interest on the average balance in the account at the beginning of the month and the balance after entry 4.a, at a rate equal to one-twelfth the interest rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release H.15, or its successor.

PG&E shall request the recovery of the balance in the RPSCMA through the Energy Resource Recovery Account (ERRA) application, or other proceeding as authorized by the Commission.
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 Ginters & 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  
Douglas & Liddell  
Downey & Brand  
Duke Energy  
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Economic Sciences Corporation  
Ellison Schneider & Harris LLP  
Foster Farms  
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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