

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



March 29, 2010

**Advice Letter 3093-G**

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

**Subject: Compliance Advice Letter to Establish a Memorandum Account  
for the Gas California Solar Initiative Thermal Program per  
D.10-01-022**

Dear Mr. Cherry:

Advice Letter 3093-G is effective January 21, 2010.

Sincerely,

A handwritten signature in blue ink that reads "Julie A. Fitch".

Julie A. Fitch, Director  
Energy Division



**Brian K. Cherry**  
Vice President  
Regulatory Relations

Pacific Gas and Electric Company  
77 Beale St., Mail Code B10C  
P.O. Box 770000  
San Francisco, CA 94177

415.973.4977  
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February 16, 2010

**Advice 3093-G**

(Pacific Gas and Electric Company ID U 39 M)

Public Utilities Commission of the State of California

**Subject: Compliance Advice Letter to Establish a Memorandum Account for the Gas California Solar Initiative Thermal Program per Decision 10-01-022**

In compliance with Decision (D.) 10-01-022, *Decision Establishing the California Solar Initiative Thermal Program to Provide Solar Water Heating Incentives*, Pacific Gas and Electric Company (PG&E) hereby submits this advice filing to establish Gas Preliminary Statement Part CA, *Gas California Solar Initiative Thermal Program Memorandum Account*.

**Background**

On January 21, 2010, the California Public Utilities Commission (Commission) approved D.10-01-022, *Decision Establishing the California Solar Initiative Thermal Program to Provide Solar Water Heating Incentives*. Here, the Commission directed Pacific Gas and Electric Company (PG&E) and the other investor-owned utilities (IOUs) to each file an advice letter to amend their preliminary statements and establish a memorandum account to record actual annual expenditures for the gas-displacing California Solar Initiative (CSI) Thermal Program, beginning on the effective date of this decision through December 31, 2017. This Decision also authorized that each utility may, on an annual basis and in its appropriate ratemaking proceeding, recover from its gas customers on an equal cents per therm basis the prior year's memorandum account balance, excluding customers participating in the California Alternate Rates for Energy Program (CARE), and any customers who are currently exempt from funding the Self Generation Incentive Program. Total expenditures by each utility over the duration of the CSI Thermal Program may not exceed the amounts in Table 5 of this Decision (shown below).

Table 5 from the Decision details the adopted gas-displacing CSI Solar Thermal Program budget, of which 39 percent is allocated to PG&E. Total expenditures by each utility over the duration of the CSI Thermal Program may not exceed the amounts shown in Table 5.

Table 5: Adopted CSI Thermal Gas Displacing Program Budget

CSI Thermal Program Elements	CSI Thermal Program Sub-Elements	Budget
Incentives 82%	General Market Incentive Component	\$180,000,000
	Low-Income Incentive Component (10% of total funds)	\$25,000,000
	<b>Subtotal</b>	<b>\$205,000,000</b>
Market Facilitation 10%	Marketing & Outreach, including training, consumer education, and other market facilitation activities such as engaging with permitting offices or financing providers.	\$25,000,000
	<b>Subtotal</b>	<b>\$25,000,000</b>
Program Administration 8%	Application/incentive processing, General Administration, and System Inspection	\$15,000,000
	Measurement and Evaluation	\$5,000,000
	<b>Subtotal</b>	<b>\$20,000,000</b>
<b>Total</b>		<b>\$250,000,000</b>

Accordingly, PG&E creates Gas Preliminary Statement Part CA, *California Solar Initiative Thermal Program Memorandum Account (CSITPMA)*, to record actual gas displacing CSI Thermal Program expenses incurred by PG&E for implementing the CSI Thermal Program. Per the Decision, on January 1 of each year, beginning January 1, 2011, PG&E will recover the balance in rates through the new CSITPMA rate component.<sup>1</sup> The CSITPMA balance will be included in the Annual Gas True-Up (AGT) filing, which consolidates certain gas rate changes authorized by the Commission for recovery in rates in the subsequent year. In accordance with the Decision, recovery of the balance will be on an equal cents per therm basis of the prior year's memorandum account balance, excluding customers participating in CARE, as well as wholesale customers who are currently exempt from funding the Self Generation Incentive Program.

The electric CSI Thermal Program expenses will be recorded in the existing CSIBA with a budget of \$100.8 million. \$44.05 million of this amount is PG&E's share in funds already authorized and currently being collected from electric customers through the general market CSI photovoltaic program and earmarked in Senate Bill 1 (Stats. 2006, Ch. 132) for solar thermal projects such as solar water heating.

### **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 **March 8, 2010**, which is 20 days after the date of this filing. Protests should be mailed to:

CPUC Energy Division  
Tariff Files, Room 4005

<sup>1</sup> Per D.10-01-022, expenditures over the duration of the program are not to exceed PG&E's budget allocation of \$97.5 million. The gas CSI Thermal Program expires December 31, 2017.

DMS Branch  
505 Van Ness Avenue  
San Francisco, California 94102

Facsimile: (415) 703-2200  
E-mail: [ijnj@cpuc.ca.gov](mailto:ijnj@cpuc.ca.gov) and [mas@cpuc.ca.gov](mailto: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](mailto:PGETariffs@pge.com)

### **Effective Date**

PG&E requests that this advice filing become effective on retroactive to January 21, 2010, which is the date of D.10-01-022 being approved by the Commission.

### **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 email [PGETariffs@pge.com](mailto:PGETariffs@pge.com). Advice letter filings can also be accessed electronically at: <http://www.pge.com/tariffs>.

*Brian Cherry*

Vice President, Regulatory Relations

Attachments

cc: Service List R.08-03-008

# CALIFORNIA PUBLIC UTILITIES COMMISSION

## ADVICE LETTER FILING SUMMARY ENERGY UTILITY

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

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

Utility type:

ELC

GAS

PLC

HEAT

WATER

Contact Person: Olivia Brown

Phone #: 415.973.9312

E-mail: oxb4@pge.com

### EXPLANATION OF UTILITY TYPE

ELC = Electric

GAS = Gas

PLC = Pipeline

HEAT = Heat

WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: 3093-G

**Tier: 1**

Subject of AL: Compliance Advice Letter to Establish a Memorandum Account for the Gas California Solar Initiative Thermal Program per Decision 10-01-022

Keywords (choose from CPUC listing): Compliance, New Preliminary Statement

AL filing type:  Monthly  Quarterly  Annual  One-Time  Other \_\_\_\_\_

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: D.10-01-022

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: January 21, 2010

No. of tariff sheets: 4

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: New Gas Preliminary Statement Part CA

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: 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**

**ATTACHMENT 1  
Advice 3093-G**

**Cal P.U.C.  
Sheet No.**

**Title of Sheet**

**Cancelling Cal  
P.U.C. Sheet No.**

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28059-G      GAS PRELIMINARY STATEMENT PART CA  
CALIFORNIA SOLAR INITIATIVE THERMAL  
PROGRAM MEMORANDUM ACCOUNT  
Sheet 1

28060-G      GAS PRELIMINARY STATEMENT PART CA  
CALIFORNIA SOLAR INITIATIVE THERMAL  
PROGRAM MEMORANDUM ACCOUNT  
Sheet 2

28061-G      GAS TABLE OF CONTENTS  
Sheet 1

28050-G

28062-G      GAS TABLE OF CONTENTS  
Sheet 5

28048-G



**GAS PRELIMINARY STATEMENT PART CA**  
**CALIFORNIA SOLAR INITIATIVE THERMAL PROGRAM MEMORANDUM**  
**ACCOUNT**

Sheet 1 (N)  
 (N)

CA. CALIFORNIA SOLAR INITIATIVE THERMAL PROGRAM MEMORANDUM ACCOUNT (N)  
 (CSITPMA)

1. PURPOSE:

The purpose of the CSITPMA is to record actual gas displacing California Solar Initiative (CSI) Thermal Program expenses incurred by PG&E for implementing the CSI Thermal Program authorized in California Public Utilities Commission (CPUC) Decision 10-01-022. Qualifying technologies and incentives are determined by the CPUC.

2. APPLICABILITY:

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

3. RATE RECOVERY:

The balance in this account will be included in the Annual Gas True-Up (AGT) filing which consolidates certain gas rate changes authorized by the Commission for recovery in rates in the subsequent year, or as otherwise authorized by the Commission.

4. RATES:

CSITPMA rates are included in the effective rates set forth in each rate schedule (see Preliminary Statement, Part B), as applicable.

5. ACCOUNTING PROCEDURE:

PG&E shall maintain the CSITPMA by making entries at the end of each month as follows:

- a. A debit entry for the gas portion of incentive payments to customers or contractors for services rendered.
- b. A debit entry for Marketing and Outreach, including training, consumer education, other market facilitation activities, and other costs as authorized by the CPUC.
- c. A debit entry for application/incentive processing, general administration, system inspection, and other costs as authorized by the CPUC.
- d. A credit entry equal to the revenue from the rate component designed to amortize the balance in this account, excluding the allowance for Franchise Fees and Uncollectible (FF&U) Accounts expense.

(N)

(Continued)



**GAS PRELIMINARY STATEMENT PART CA**  
**CALIFORNIA SOLAR INITIATIVE THERMAL PROGRAM MEMORANDUM**  
**ACCOUNT**

Sheet 2 (N)  
 (N)

5. ACCOUNTING PROCEDURE: (Cont'd.)

- e. A credit equal to the gas portion of any forfeited CSI Thermal application fees.
- f. A debit or credit entry, as appropriate, to record the transfer of amounts to or from other accounts as authorized by the CPUC.
- g. A debit or credit entry, as appropriate, equal to the interest on the average of the balance at the beginning of the month and the balance after the entries 5.a. through 5.f. 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.

(N)  
 ---  
 (N)



**GAS TABLE OF CONTENTS**

Sheet 1

<b>TITLE OF SHEET</b>	<b>CAL P.U.C. SHEET NO.</b>	
Title Page .....	28061-G	(T)
Rate Schedules .....	28051,28044-G	
Preliminary Statements .....	28045,28062-G	(T)
Rules .....	27883-G	
Maps, Contracts and Deviations .....	23208-G	
Sample Forms .....	27715,27626,27262,27113,25059-G	

(Continued)

Advice Letter No: 3093-G  
 Decision No. D.10-01-022

Issued by  
**Brian K. Cherry**  
 Vice President  
 Regulatory Relations

Date Filed February 16, 2010  
 Effective January 21, 2010  
 Resolution No. \_\_\_\_\_



**GAS TABLE OF CONTENTS**

Sheet 5

<b>PART</b>	<b>TITLE OF SHEET</b>	<b>CAL P.U.C. SHEET NO.</b>
<b>Preliminary Statements</b>		
Part AC	Catastrophic Event Memorandum Account.....	14178,14179-G
Part AE	Core Pipeline Demand Charge Account.....	23301-G
Part AG	Core Firm Storage Account.....	23280-G
Part AN	Hazardous Substance Mechanism.....	23281-23283,16693-16694-G
Part AW	Self-Generation Program Memorandum Account .....	24767-G
Part BA	Public Purpose Program-Energy Efficiency.....	23360-23361-G
Part BB	Public Purpose Program Memorandum Account .....	23362-23363-G
Part BH	Public Purpose Program Surcharge-Low Income Energy Efficiency Balancing Account.....	23364-G
Part BI	Public Purpose Program Surcharge-Research, Development and Demonstration Balancing Account.....	23365,23366-G
Part BL	Noncore Distribution Fixed Cost Account.....	24740-G
Part BP	SmartMeter Project Balancing Account-Gas.....	24123-24124-G
Part BQ	Pension Contribution Balancing Account .....	24853,24224-G
Part BS	Climate Balancing Account .....	24741-G
Part BT	Non-Tariffed Products and Services Balancing Account.....	26710-G
Part BW	Energy Efficiency 2009 – 2011 Memorandum Account.....	27418,27419-G
Part BZ	Gas Disconnection Memorandum Account.....	28046-G
Part CA	California Solar Initiative Thermal Program Memorandum Account.....	28059, 28060-G (N)

(Continued)

Advice Letter No: 3093-G  
 Decision No. D.10-01-022

Issued by  
**Brian K. Cherry**  
 Vice President  
 Regulatory Relations

Date Filed February 16, 2010  
 Effective January 21, 2010  
 Resolution No. \_\_\_\_\_

**PG&E Gas and Electric  
Advice Filing List  
General Order 96-B, Section IV**

Aglet	Day Carter Murphy	Occidental Energy Marketing, Inc.
Alcantar & Kahl	Defense Energy Support Center	OnGrid Solar
Ameresco	Department of Water Resources	Praxair
Anderson & Poole	Department of the Army	R. W. Beck & Associates
Arizona Public Service Company	Dept of General Services	RCS, Inc.
BART	Division of Business Advisory Services	Recon Research
BP Energy Company	Douglass & Liddell	SCD Energy Solutions
Barkovich & Yap, Inc.	Downey & Brand	SCE
Bartle Wells Associates	Duke Energy	SMUD
Boston Properties	Dutcher, John	SPURR
C & H Sugar Co.	Economic Sciences Corporation	Santa Fe Jets
CA Bldg Industry Association	Ellison Schneider & Harris LLP	Seattle City Light
CAISO	FPL Energy Project Management, Inc.	Sempra Utilities
CLECA Law Office	Foster Farms	Sierra Pacific Power Company
CSC Energy Services	G. A. Krause & Assoc.	Silicon Valley Power
California Cotton Ginners & Growers Assn	GLJ Publications	Silo Energy LLC
California Energy Commission	Goodin, MacBride, Squeri, Schlotz & Ritchie	Southern California Edison Company
California League of Food Processors	Green Power Institute	Sunshine Design
California Public Utilities Commission	Hanna & Morton	Sutherland, Asbill & Brennan
Calpine	International Power Technology	Tabors Caramanis & Associates
Cameron McKenna	Intestate Gas Services, Inc.	Tecogen, Inc.
Casner, Steve	Los Angeles Dept of Water & Power	Tiger Natural Gas, Inc.
Chamberlain, Eric	Luce, Forward, Hamilton & Scripps LLP	Tioga Energy
Chevron Company	MBMC, Inc.	TransCanada
Chris, King	MRW & Associates	Turlock Irrigation District
City of Glendale	Manatt Phelps Phillips	U S Borax, Inc.
City of Palo Alto	McKenzie & Associates	United Cogen
Clean Energy Fuels	Merced Irrigation District	Utility Cost Management
Coast Economic Consulting	Mirant	Utility Specialists
Commerce Energy	Modesto Irrigation District	Verizon
Commercial Energy	Morgan Stanley	Wellhead Electric Company
Consumer Federation of California	Morrison & Foerster	Western Manufactured Housing Communities Association (WMA)
Crossborder Energy	New United Motor Mfg., Inc.	eMeter Corporation
Davis Wright Tremaine LLP	Norris & Wong Associates	
	North Coast SolarResources	