December 6, 2010

Advice Letter 3154-G

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: Establish Gas Preliminary Statement CE, San Bruno
Independent Review Panel Memorandum Account

Dear Ms. Yura:

Advice Letter 3154-G is effective October 6, 2010.

Sincerely,

Julie A. Fitch, Director
Energy Division
October 15, 2010

Advice 3154-G
(Pacific Gas and Electric Company ID U 39 G)

Public Utilities Commission of the State of California


Pacific Gas and Electric Company (PG&E) hereby submits this Advice Letter to establish Gas Preliminary Statement CE, the San Bruno Independent Review Panel Memorandum Account (SBIRPMA).

Purpose

PG&E files this Advice Letter in compliance with Ordering Paragraph 3 of Resolution L-405, which authorizes PG&E to establish the SBIRPMA to record the costs that will be incurred by the Independent Review Panel.

Background

On September 23, 2010, the California Public Utilities Commission (Commission, CPUC) adopted Resolution L-403, establishing an Independent Review Panel tasked with conducting a comprehensive study and investigation of the September 9, 2010 explosion and fire along a PG&E natural gas transmission pipeline in San Bruno, California. The investigation by the Panel will include a technical assessment of events, their root cause, and recommendations for action by the Commission to best ensure such an incident is not repeated elsewhere. The Panel will also review the facts gathered and make recommendations to the Commission for the improvement of the safe management of PG&E’s natural gas transmission lines.

On October 14, 2010, the Commission identified the members of the Independent Review Panel and adopted Resolution L-405, which declared that an emergency exists requiring immediate action by the Commission to hire expert consultants immediately to assist the Panel to investigate the safety of increasing the pressure of PG&E’s pipeline to its normal operating pressure during the winter of 2010 through 2011, or whether other measures should be taken to ensure a sufficient supply of natural gas to PG&E customers on the San Francisco Peninsula and the City and County of San Francisco.
In Resolution L-405, the Commission ordered that PG&E pay for the costs of the Independent Review Panel and record such costs in a memorandum account. Resolution L-405 further stated that issues regarding the allocation of costs of the Panel between shareholders and customers shall be determined later.

**Proposed Preliminary Statement**

Pursuant to OP 3 of Resolution L-405, PG&E is requesting Commission authority to establish Gas Preliminary Statement CE, the SBIRPMA for gas (SBIRPMA-G), and record the costs of the Independent Review Panel.

**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 **October 25, 2010**, which is 10 days after 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 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:

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

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1 Pursuant to General Order 96-B, Section 1.3, in a specific instance and for good cause, the Director of the appropriate Industry Division may shorten the protest and reply period under the General Rules.
Effective Date

PG&E requests that this Tier 2 advice filing become effective as of October 6, 2010, so that the costs billed to and paid by PG&E for the Independent Review Panel beginning on October 6, 2010, can be tracked in the SBIRPMA.

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 parties on the service lists for A.09-09-013 and A.09-12-020. Address changes to the General Order 96-B service list 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. Send all electronic approvals to PGETariffs@pge.com. Advice letter filings can also be accessed electronically at: http://www.pge.com/tariffs.

Vice President - Regulation and Rates

cc: Service Lists for A.09-09-013 and A.09-12-020

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

<table>
<thead>
<tr>
<th>Utility type:</th>
<th>Contact Person: Olivia Brown</th>
</tr>
</thead>
<tbody>
<tr>
<td>☒ ELC</td>
<td>Phone #: 415.973.9312</td>
</tr>
<tr>
<td>☒ GAS</td>
<td>E-mail: <a href="mailto:oxb4@pge.com">oxb4@pge.com</a></td>
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<tr>
<td>☐ PLC</td>
<td></td>
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<td>☐ HEAT</td>
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**EXPLANATION OF UTILITY TYPE**

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

Advice Letter (AL) #: **3154-G**

**Subject of AL:** San Bruno Independent Review Panel Memorandum Account

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

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

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: Resolution L-405

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: **October 6, 2010**

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 Electric Preliminary Statement CE

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
<table>
<thead>
<tr>
<th>Cal P.U.C. Sheet No.</th>
<th>Title of Sheet</th>
<th>Cancelling Cal P.U.C. Sheet No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>28559-G</td>
<td>GAS PRELIMINARY STATEMENT CE SAN BRUNO INDEPENDENT REVIEW PANEL MEMORANDUM ACCOUNT (SBIRPMA) Sheet 1</td>
<td></td>
</tr>
<tr>
<td>28560-G</td>
<td>GAS TABLE OF CONTENTS</td>
<td>28557-G</td>
</tr>
<tr>
<td>28561-G</td>
<td>GAS TABLE OF CONTENTS</td>
<td>28425-G</td>
</tr>
</tbody>
</table>
GAS PRELIMINARY STATEMENT  CE
SAN BRUNO INDEPENDENT REVIEW PANEL MEMORANDUM ACCOUNT
(SBIRPMA)

1. PURPOSE: The purpose of the SBIRPMA is to record the costs of an Independent Review Panel (Panel) of experts established by the Commission under Resolution L-403, adopted on September 23, 2010. The Independent Review Panel was established for the purposes of conducting a comprehensive study and investigation of the September 9, 2010 explosion and fire along a PG&E natural gas transmission pipeline in San Bruno, California. The Panel’s investigation shall include a technical assessment of the events and their root causes, and recommendations for action by the Commission to best ensure such an accident is not repeated elsewhere. The Panel’s recommendations may include changes to design, construction, operation, maintenance, and replacement of natural gas facilities, management practices at PG&E in the areas of pipeline integrity and public safety, regulatory changes by the Commission itself, statutory changes to be recommended by the Commission, and other recommendations deemed appropriate by the Panel. The Panel will also review the facts gathered and make recommendations to the Commission for the improvement of the safe management of PG&E’s natural gas transmission lines. The allocation of costs of the Panel between PG&E shareholders and customers shall be determined by the Commission in a future proceeding.

2. APPLICABILITY: The SBIRPMA shall apply to all gas customers except for those specifically excluded by the Commission.

3. REVISION DATE: Disposition of the balance in the account shall be determined by the Commission in a future proceeding.

4. RATES: The SBIRPMA does not have a separate rate component.

5. ACCOUNTING PROCEDURE:

PG&E shall make entries at the end of each month as follows:

a) A debit entry equal to any cost of the Independent Review Panel of experts for the purposes of conducting a comprehensive study and investigation of the September 9, 2010 explosion and fire along a PG&E natural gas transmission pipeline in San Bruno, California.

b) A debit or credit entry equal to any other amounts authorized by the Commission to be recorded in this account.

c) A debit or credit entry equal to any amount authorized by the Commission to transfer amounts to other regulatory accounts, as appropriate, for rate recovery.

d) A debit or credit entry equal to the interest on the average balance in the account at the beginning of the month and the balance after the above entry, at a rate equal to one-twelfth of the rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor.
## GAS TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>TITLE OF SHEET</th>
<th>CAL P.U.C. SHEET NO.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Title Page</td>
<td>28560-G</td>
</tr>
<tr>
<td>Rate Schedules</td>
<td>28558,28544-G</td>
</tr>
<tr>
<td>Preliminary Statements</td>
<td>28545,28561-G</td>
</tr>
<tr>
<td>Rules</td>
<td>28294-G</td>
</tr>
<tr>
<td>Maps, Contracts and Deviations</td>
<td>23208-G</td>
</tr>
<tr>
<td>Sample Forms</td>
<td>27715,28300,27262,28314,28503-G</td>
</tr>
</tbody>
</table>

(Continued)
# GAS TABLE OF CONTENTS

## Preliminary Statements

<table>
<thead>
<tr>
<th>PART</th>
<th>TITLE OF SHEET</th>
</tr>
</thead>
<tbody>
<tr>
<td>Part AC</td>
<td>Catastrophic Event Memorandum Account.......................................................... 14178,14179-G</td>
</tr>
<tr>
<td>Part AE</td>
<td>Core Pipeline Demand Charge Account.................................................................... 23301-G</td>
</tr>
<tr>
<td>Part AG</td>
<td>Core Firm Storage Account.................................................................................... 23280-G</td>
</tr>
<tr>
<td>Part AN</td>
<td>Hazardous Substance Mechanism.............................................................................. 23281-23283,16693-16694-G</td>
</tr>
<tr>
<td>Part AW</td>
<td>Self-Generation Program Memorandum Account.................................................... 24767-G</td>
</tr>
<tr>
<td>Part BA</td>
<td>Public Purpose Program-Energy Efficiency.......................................................... 23360-23361-G</td>
</tr>
<tr>
<td>Part BB</td>
<td>Public Purpose Program Memorandum Account....................................................... 23362-23363-G</td>
</tr>
<tr>
<td>Part BH</td>
<td>Public Purpose Program Surcharge-Low Income Energy Efficiency Balancing Account............................................... 23364-G</td>
</tr>
<tr>
<td>Part BL</td>
<td>Public Purpose Program Surcharge-Research, Development and Demonstration Balancing Account........................................ 23365-23366-G</td>
</tr>
<tr>
<td>Part BP</td>
<td>Noncore Distribution Fixed Cost Account................................................................ 28415-G</td>
</tr>
<tr>
<td>Part BQ</td>
<td>SmartMeter Project Balancing Account-Gas.......................................................... 24123-24124-G</td>
</tr>
<tr>
<td>Part BS</td>
<td>Pension Contribution Balancing Account............................................................. 24853,24224-G</td>
</tr>
<tr>
<td>Part BT</td>
<td>Climate Balancing Account.................................................................................... 24741-G</td>
</tr>
<tr>
<td>Part BW</td>
<td>Non-Tariffed Products and Services Balancing Account.......................................... 26710-G</td>
</tr>
<tr>
<td>Part BX</td>
<td>Energy Efficiency 2009 – 2011 Memorandum Account............................................ 28304,27419-G</td>
</tr>
<tr>
<td>Part BY</td>
<td>Wildfire Expense Memorandum Account.................................................................... 27806-G</td>
</tr>
<tr>
<td>Part BZ</td>
<td>On-Bill Financing Balancing Account (OBFBA)........................................................ 28305-G</td>
</tr>
<tr>
<td>Part CA</td>
<td>Gas Disconnection Memorandum Account.................................................................. 28046-G</td>
</tr>
<tr>
<td>Part CB</td>
<td>California Solar Initiative Thermal Program Memorandum Account...................... 28059,28060</td>
</tr>
<tr>
<td>Part CC</td>
<td>CARE/TANF Balancing Account................................................................................ 28103-G</td>
</tr>
<tr>
<td>Part CD</td>
<td>Sempra and Price Indexing Cases Gas Settlement Refund Memorandum Account (SPGSRMA). ............................................................. 28111-G</td>
</tr>
<tr>
<td>Part CE</td>
<td>Gas Disconnection Memorandum Account.................................................................. 28559-G</td>
</tr>
</tbody>
</table>

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

Alcantar & Kahl LLP  Department of the Army
Ameresco  Dept of General Services
Anderson & Poole  Division of Business Advisory Services
Arizona Public Service Company  Douglass & Liddell
BART  Downey & Brand
BP Energy Company  Duke Energy
Barkovich & Yap, Inc.  Dutcher, John
Bartle Wells Associates  Economic Sciences Corporation
Bloomberg  Ellison Schneider & Harris LLP
Bloomberg New Energy Finance  Foster Farms
Braun Blaising McLaughlin, P.C.  GLJ Publications
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CA Bldg Industry Association  Green Power Institute
CAISO  Hanna & Morton
CLECA Law Office  Hitachi
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California League of Food Processors  Los Angeles Dept of Water & Power
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Chris, King  MRW & Associates
City of Glendale  Manatt Phelps Phillips
City of Palo Alto  McKenzie & Associates
City of Palo Alto Utilities  Merced Irrigation District
Clean Energy Fuels  Modesto Irrigation District
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Commercial Energy  Morrison & Foerster
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Crossborder Energy  NRG West
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Day Carter Murphy  Norris & Wong Associates
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Department of Water Resources  North Coast Solar Resources
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OnGrid Solar
Praxair
R. W. Beck & Associates
RCS, Inc.
Recon Research
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.
Sunshine Design
Sutherland, Asbill & Brennan
Tabors Caramanis & Associates
Tecogen, Inc.
Tiger Natural Gas, Inc.
Tioga Energy
TransCanada
Turlock Irrigation District
United Cogen
Utility Cost Management
Utility Specialists
Verizon
Wellhead Electric Company
Western Manufactured Housing
Communities Association (WMA)
eMeter Corporation