

From: Roscow, Steve
Sent: 1/24/2011 3:58:56 PM
To: Pagedar, Sujata (/O=PG&E/OU=Corporate/cn=Recipients/cn=sxpg); Velasquez, Carlos A. (carlos.velasquez@cpuc.ca.gov)
Cc: Jacobson, Erik B (RegRel) (/O=PG&E/OU=Corporate/cn=Recipients/cn=EBJ1);
Redacted
Bcc:
Subject: RE: Energy Division Data Request: Cost Data

Hi Sujata,

I've had mixed success opening the "zipped" file, so I'd like to request that you simply e-mail the files themselves. None of them seem particularly large. (I can "view" the files, and print them, but I can't save them)

Thanks--

Steve R

From: Pagedar, Sujata [mailto:sxpg@pge.com]
Sent: Monday, January 24, 2011 1:19 PM
To: Roscow, Steve; Velasquez, Carlos A.
Cc: Jacobson, Erik B (RegRel); Redacted
Subject: Energy Division Data Request: Cost Data

Steve,

We have attached the data request response summarizing PG&E's expenditures related to Community Choice Aggregation for the periods 2007 to November 2010. These are broken down into Above the Line (ATL) costs and Below the Line (BTL) costs in accordance with PG&E's Below-the-Line Accounting Procedures adopted 05/12/2008 provided as attachment 3 in this data request response.

In accordance with PG&E's Below-the-Line Accounting Procedures, CCA-related BTL costs are generally defined as activities to persuade government officials to take certain positions regarding CCA programs or marketing activities to retain customers as PG&E customers in connection with CCA programs. CCA-related ATL costs are generally defined as activities necessary to coordinate metering, billing, collection and

customer services in connection with the implementation of CCA programs, or to comply with CPUC or other regulatory, legal or governmental requirements relating to CCA programs.

The data we provided in this response is supplemental to and consistent with the prior reports provided to Energy Division listed below. As such, the only costs not previously reported to Energy Division are:

- (1) BTL costs related to CCA for the periods May 2010, and July - November, 2010; and
- (2) ATL costs related to CCA for the period January 2007 to November 2010, which include costs recorded in PG&E's Community Choice Aggregation Implementation Cost Balancing Account (CCAICBA) established pursuant to D. 04-12-046 and approved by AL 2630-E on 2/14/2005.

Previous reports of CCA related expenses for Marin and San Francisco 2010 expenses were provided or made available to Energy Division on April 27th 2010, June 2nd 2010 and July 30th 2010 on a confidential basis pursuant to PU Code Section 583. SJVPA CCA expenses were provided to SJVPA on April 10, 2009.

As previously reported to Energy Division in 2010, PG&E has implemented internal controls and guidance on BTL and ATL reporting for CCA and other activities since 2007, and has enhanced those controls and guidance over time. Most recently, in early 2010, PG&E enhanced its internal controls through the identification of personnel in each relevant department to be directly accountable for each department's compliance with the BTL and ATL procedures. In addition, PG&E, DRA, TURN, SSJID, WEM, and all other parties to PG&E's recent 2011 GRC settlement agreement have agreed that PG&E will implement additional measures to further improve its BTL and ATL accounting, including performing an annual compliance review that will be available to parties in PG&E's next GRC. (See PG&E, et al. Motion for Adoption of Settlement, Agreement, October 15, 2010, A. 09-12-020, Section 3.6.2(c), p. 1-13.)

In addition, in 2006-2007, at the request of the California Legislature and CPUC President Peevey, the CPUC Division of Ratepayer Advocates performed an audit of PG&E's BTL and ATL accounting and ratemaking procedures in connection with PG&E's participation in a public referendum on a proposed municipalization of PG&E's facilities by the Sacramento Municipal Utility District. The results of that DRA audit and PG&E's response to the audit have been used generally in PG&E's implementation of similar BTL and ATL controls and accounting procedures for CCA expenses.

We have provided recorded expenses charged directly to order numbers using the following assumptions:

- Certain orders contain unclassified expenses that are generic CCA expenses. These expenses are not attributable to a specific CCA or to a specific geographical area.
- Time spent by some organizations is not specifically charged to order numbers. Though these groups spend a significant amount of time on ATL activities related to complying with CCA regulatory and operational obligations and responding to CPUC regulatory proceedings, their time generally rolls up into a larger PCC, and is not broken out separately. As a result, these ATL activities are not included in the ATL recorded costs in the attached data response.

· CCA ATL costs are a function of levels of CCA activity and completion of CCA operational readiness projects. For example, \$3.6MM in CCA ATL costs incurred from January 2007 through November 2010 for updates to the billing system related to CCAs are included in total 2010 recorded CCA ATL costs.

I will call you shortly to follow up on this and see if you have any initial questions. If you would like to reach me, my phone number is listed below.

Thanks,

Sujata

<<CommunityAggregationOIR_DR_ED_017-Q02 Final (2).zip>>

Sujata Pagedar
Energy Proceedings
415-973-9801