



77 Beale Street,
P.O. Box 770000
San Francisco, CA 94105
415.973.7000

March 29, 2011

Mr. Honesto Gatchalian
California Public Utilities Commission
Energy Division
Tariff Files, Room 4005
DMS Branch
505 Van Ness Avenue
San Francisco, CA 94102

Re: Substitute Sheets for Advice 3819-E

Dear Mr. Gatchalian:

An original and 4 copies of substitute sheets are attached for Advice 3819-E, "Annual Adjustments to the Electric Public Purpose Goods Charge Funding Obligations in Compliance with Resolution E-3792."

For convenience, we are re-submitting the advice letter portion of Advice 3819-E to correct typographical errors.

Please telephone me at (415) 973-4612 should you have any questions regarding the substitute sheets.

/S/ LINDA TOM-MARTINEZ

Linda Tom-Martinez
Operations Proceedings

cc: Service List A.08-07-021

Attachments



Jane K. Yura
Vice President
Regulation and Rates

Pacific Gas and Electric Company
77 Beale St., Mail Code B10B
P.O. Box 770000
San Francisco, CA 94177

Fax: 415-973-6520

March 28, 2011

Advice 3819-E
(Pacific Gas and Electric Company ID U39 E)

Public Utilities Commission of the State of California

**Subject: Annual Adjustments to the Electric Public Purpose Goods Charge
Funding Obligations in Compliance With Resolution E-3792**

Pacific Gas and Electric Company ("PG&E") hereby submits the annual adjustments to the electric public goods charge ("PGC") funding obligations in compliance with Resolution E-3792. The 2011 PGC funding obligations for PG&E will remain the same as 2010.

Purpose

This filing complies with Resolution E-3792 issued on December 17, 2002.¹ Specifically, this filing submits the annual adjustments to the electric PGC funding obligations in compliance with Ordering Paragraph 7 of Resolution E-3792.

Background

Resolution E-3792 specified the methodology for utilities to adjust the electric PGC funding obligations required by Public Utility Code Section 399.8(d)(2). This section states: "The [target funding] amounts shall be adjusted annually at a rate equal to the lesser of the annual growth in electric commodity sales or inflation, as defined by the gross domestic product deflator."

The section did not identify when these adjustments should begin, but since the section extended these programs starting January 1, 2002, Resolution E-3792 proposed applying the adjustment methodology one year later, on January 1, 2003. Advice Letter 2363-E dated March 28, 2003, was PG&E's first filing in compliance with this resolution. That advice letter stated that adjustments for 2003 would be based on changes in sales and prices during 2002. Continuing that methodology, adjustments for 2011 will be based on changes in sales and prices during 2010.

¹ Resolution E-3792 requires that this advice filing be submitted by March 31 of each year.

As directed in Resolution E-3792, the utilities should each determine the adjusted target funding amounts that result from the adjustment methodology and, on or before March 31, 2003, and for each subsequent year ending with 2011,² file an advice letter with the Commission that adjusts the authorizations and allocations found in Table 7 of Resolution E-3792, consistent with PUC Section 399.8(d)(2).³ Resolution E-3792 also specified that the adjustment to the utility's allocated amounts in Table 7 should be governed by changes in its own sales (assuming that this statistic is lower than the rate of inflation), rather than by changes in the sales of all three utilities. The Resolution further states that if the lower of sales change and price change is negative in any one year, authorization for the subsequent year shall remain constant.

In accordance with SB 1036, Chapter 685, Statutes of 2007, and the amendments to Section 399.8 of the Public Utilities Code, the utilities are required to collect \$65,500,000⁴ per year for renewable energy, which represents a reduction of 51.5 percent from the original \$135,000,000.⁵ On April 10, 2008, the CPUC issued Resolution E-4160 that reduced the renewable portion of the PGC funding obligation effective January 1, 2008.⁶ Advice Letter 3245-E approved on June 11, 2008, implemented this reduction of 2008.

2011 PGC Funding Obligation

PG&E's electric sales were 84.064 billion kWh in 2010 and 85.763 billion kWh in 2009. The percentage change of sales between 2010 and 2009 is therefore $(84,064 - 85,763)/85,763 = (1.98)$ percent.

On Friday, February 25, 2011, the annual GDP (Gross Domestic Product) deflator for 2010 was 110.662 as published by the U.S. Department of Commerce.⁷ The annual GDP deflator on Friday, February 26, 2010, was 109.761, as stated in PG&E's Advice Letter 3634-E. The percentage change in prices as measured by the change in the annual GDP deflator between 2010 and 2009 is therefore $(110.662-109.761)/109.761 = 0.8$ percent.

The change in sales is the lower of the above two statistics, and is negative, hence, the funding authorization for 2011 will remain the same as 2010.

Therefore, the electric PGC funding obligations for PG&E, effective January 1, 2011, will continue to be:

² Per PU Code 399.8.

³ Resolution E-3792, p. 10.

⁴ SB 1036, Ch. 685, Stats 2007/PRC 25743(b)(1) eliminated the 51.5% New Account component of the CEC's renewable funding.

⁵ Resolution E-3792, Table 5.

⁶ Resolution E-4160 dated April 10, 2008.

⁷ Department of Commerce, Bureau of Economic Analysis, Table 1.1.9 – Implicit Price Deflators for Gross Domestic Product.

EE Programs	Renewables	RDD	Total
\$119,445,548	\$36,452,596	\$34,860,026	\$190,758,170

The revenue requirement established for the PGC is recovered through the Public Purpose Program Revenue Adjustment Mechanism (PPPRAM) (electric Preliminary Statement Part DA), including an allowance for franchise fees and uncollectible accounts expense. Since there will be no change to the PGC for 2011, no adjustment to PPPRAM rates will result from this advice letter.

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 **April 18, 2011**,⁸ which is 21 days after the date of this filing. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. 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: jjj@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

⁸ Since the protest period ends on a weekend, PG&E is moving the end of the protest period to the following business day.

Effective Date

PG&E is filing this advice letter as a Tier 1 and requests that this advice filing 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 the service list for A.08-07-021. 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. AL filings may also be accessed electronically at: <http://www.pge.com/tariffs>.

A handwritten signature in black ink that reads "Jane Yura / emt". The signature is written in a cursive style.

Vice President – Regulation and Rates

cc: Service List for A.08-07-021

Attachments