



**Pacific Gas and
Electric Company**

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June 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 – PG&E's Advice 3210-G/3850-E, "Establish Gas and Electric Meter Reading Costs Balancing Accounts, Update SmartMeter™ Project Revenue Requirements and Revise the SmartMeter™ Balancing Accounts and Benefits Realization Mechanism in Compliance with Decision 11-05-018"

Dear Mr. Gatchalian:

Enclosed are an original and 4 copies of substitute sheets for Advice 3210-G/3850-E, "Establish Gas and Electric Meter Reading Costs Balancing Accounts, Update SmartMeter™ Project Revenue Requirements and Revise the SmartMeter™ Balancing Accounts and Benefits Realization Mechanism in Compliance with Decision 11-05-018."

PG&E submits these substitute sheets to clarify that the \$76.2 million annual cap approved in the GRC Decision applies to the combined balance of the electric and gas accounts. The Preliminary Statements are revised and attached accordingly.

Please telephone me at (415) 973-7817 should you have any questions regarding these substitute sheets.

Conor Doyle
Operations Proceedings

Attachments

cc: Service List A.09-12-020
Don Lafrenz, CPUC Energy Division
Elaine Lau, CPUC Energy Division



GAS PRELIMINARY STATEMENT PART CR
GAS METER READING COSTS BALANCING ACCOUNT

Sheet 1 (N)
 (N)

CR. METER READING COSTS BALANCING ACCOUNT - GAS (MRCBA-G) (N)

1. **PURPOSE:** The purpose of the MRCBA-G is to record and recover gas meter reading costs, including Energy Delivery Services (EDS) meter reading costs and severance costs, pursuant to Commission Decision 11-05-018 on PG&E's 2011 General Rate Case. The combined balance of the Electric Meter Reading Costs Balancing Account and the Gas Meter Reading Costs Balancing Account has an annual cap of \$76.2 million. (N)
2. **APPLICABILITY:** The MRCBA-G 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 through the Annual Gas True-Up (AGT) advice letter process via the Core Fixed Cost Account (CFCA), or its successor, or through another proceeding as authorized by the Commission.
4. **RATES:** The MRCBA-G 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 or credit entry, as appropriate, to record the transfer of amounts from other accounts to the MRCBA-G, upon approval by the CPUC.
 - b) A debit or credit entry equal to the gas portion of PG&E's fully burdened costs and expenses incurred for meter reading, including Energy Delivery Services (EDS) meter reading costs and severance costs.
 - c) A debit or credit entry equal to any other amounts authorized by the Commission to be recorded in this account.
 - d) A debit or credit entry to transfer the balance, upon approval by the CPUC, to other regulatory accounts as appropriate for rate recovery.
 - e) 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. (N)

Advice Letter No: 3210-G
 Decision No. 11-05-018

Issued by
Brian K. Cherry
 Vice President
 Regulation and Rates

Date Filed May 31, 2011
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 Resolution No. _____



ELECTRIC PRELIMINARY STATEMENT PART FQ
METER READING COSTS BALANCING ACCOUNT (MRCBA-E)

Sheet 1 (N)
 (N)

FQ. METER READING COSTS BALANCING ACCOUNT – ELECTRIC (MRCBA-E) (N)

1. **PURPOSE:** The purpose of the MRCBA-E is to record and recover electric meter reading costs, including Energy Delivery Services (EDS) meter reading costs and severance costs, pursuant to Commission Decision 11-05-018 on PG&E's 2011 General Rate Case. The combined balance of the Electric Meter Reading Costs Balancing Account and the Gas Meter Reading Costs Balancing Account has an annual cap of \$76.2 million. (N)
2. **APPLICABILITY:** The MRCBA-E shall apply to all electric customers except for those specifically excluded by the Commission.
3. **REVISION DATE:** Disposition of the balance in the account shall be through the Annual Electric True-Up (AET) advice letter process via the Distribution Revenue Adjustment Mechanism (DRAM), or its successor, or through another proceeding as authorized by the Commission.
4. **RATES:** The MRCBA-E 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 or credit entry, as appropriate, to record the transfer of amounts from other accounts to the MRCBA-E, upon approval by the CPUC.
 - b) A debit or credit entry equal to the electric portion of PG&E's fully burdened costs and expenses incurred for meter reading, including Energy Delivery Services (EDS) meter reading and severance costs.
 - c) A debit or credit entry equal to any other amounts authorized by the Commission to be recorded in this account.
 - d) A debit or credit entry to transfer the balance, upon approval by the CPUC, to other regulatory accounts as appropriate for rate recovery.
 - e) 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. (N)

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