

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**Information and Management Services Division
Management Services Branch**

**Resolution No. M-4819
June 7, 2007**

R E S O L U T I O N

**RESOLUTION M-4819. Adopting Level of Public Utilities Commission
Utilities Reimbursement Account Fees For Fiscal Year 2007-08**

Effective July 1, 2007, for fiscal year (FY) 2007-08, the Public Utilities Commission Utilities Reimbursement Account (PUCURA) fees shall be fixed as follows:

Electrical Corporations	0.024 ¢/kWh
Gas Corporations	0.068 ¢/therm
Heat Corporations	1.4 ¢/thousand lbs steam
Telephone and Telegraph Corporations	0.18% of revenue (0.0018)
Water and Sewer System Corporations	1.5% of revenue (.015)

Utilities that are subject to the above reimbursement fees shall file a revised tariff schedule in compliance with this resolution and in accordance with the provisions of G.O. 96-A within 10 days from the effective date of this Order. These advice letters shall become effective July 1, 2007.

BACKGROUND

Section 431 of the Public Utilities Code provides:

The commission shall annually determine a fee to be paid by every electrical, gas, telephone, telegraph, water, sewer system, and heat corporation and every other public utility providing service directly to customers and subscribers and subject to the jurisdiction of the commission other than a railroad, except as provided in Article 2 (commencing with Section 421).

DISCUSSION

The June 30, 2006 reserve in the PUCURA was \$37,095,000. This reserve included a portion of the \$24 million in litigation expenses recovered in November 2004 from the PG&E bankruptcy proceeding and several million dollars associated with settlements with various energy companies

during FY 2004-05. At the current fee levels and appropriations granted in the 2006 Annual Budget Act, the estimated June 30, 2007 PUCURA reserve will be reduced to \$6,756,000. Due to significant program increases and various employee compensation adjustments in FYs 2006-07 and 2007-08, the current fee levels for electric, telephone and water corporations no longer provide sufficient revenues to support all PUCURA-funded programs. The current fees for gas corporations are more than sufficient to support current gas program activities, and are therefore proposed to be maintained or reduced to an appropriate level. Accordingly, the Commission finds that, effective July 1, 2007, the current PUCURA fees shall be revised as follows:

	Current Fees (Effective 4-1-06)	Revised Fees (Effective 7-1-07)
Electrical Corporations	0.012¢/kWh	0.024¢/kWh
Gas and Heat Corporations	0.076¢/therm	0.068¢/therm
	1.4¢/thou lb steam	1.4¢/thou lb steam
Telephone and Telegraph Corps	0.11% of revenue	0.18% of revenue
Water and Sewer System Corps	1.4 % of revenue	1.5% of revenue

A Fund Condition Statement for the PUCURA for the periods ending June 30, 2007 and 2008 is attached as Appendix A. The proposed fees will generate an estimated reserve of \$9,441,000 at June 30, 2008, and will provide an adequate fund reserve to guard against economic uncertainty.

For administrative efficiency, utilities that are subject to these reimbursement fees shall file a revised tariff schedule in compliance with this resolution and in accordance with the provisions of G.O. 96-A within 10 days from the date of this Order. These advice letters shall become effective July 1, 2007.

COMMENTS

In compliance with Public Utilities Code Section 311(g), the Information and Management Services Division mailed a Notice of Availability to all electric, gas, telephone and water corporations informing them that this draft resolution is available at the Commission's website <http://www.cpuc.ca.gov/static/documents/index.htm> and soliciting public comments by May 25, 2007. This Notice of Availability also informs parties of the availability of the conformed resolution, when adopted by the Commission, at the same website.

PG&E submitted comments to explain how the new electric fee would be implemented in its rates. To reduce the number of rate changes during the year, PG&E will begin collecting the fee consistent with the next rate change scheduled for November 1, 2007. Any undercollection will be recovered in the next Annual Electric True Up. In the interim, PG&E will revise Preliminary Statement Part I, Rate Summary, to reflect the revised fee and to ensure that the rate used to derive CPUC remittances is changed July 1, 2007, consistent with Resolution M-4819. PG&E's approach is reasonable and therefore approved.

THEREFORE, IT IS ORDERED THAT:

1. For the fiscal year 2007-08, effective July 1, 2007, the fees provided for in Section 431 of the Public Utilities Code are hereby fixed at the following levels:

Electrical Corporations	0.024 ¢/kWh
Gas Corporations	0.068 ¢/therm
Heat Corporations	1.4 ¢/thousand lbs steam
Telephone and Telegraph Corporations	0.18% of revenue (0.0018)
Water and Sewer System Corporations	1.5% of revenue (.015)

2. For fiscal year 2007-08, utility fees are due July 15, October 15, January 15 and April 15.
3. Within 10 days from the date of this Order, the utilities subject to this Resolution shall file an advice letter with the applicable Industry Division to make all necessary tariff changes required by this Order. The advice letter shall be effective July 1, 2007, subject to the applicable Industry Division determining that it is in compliance with this Order.

I hereby certify that the Public Utilities Commission adopted this Resolution at the meeting on June 7, 2007. The following Commissioners approved it:

PAUL CLANON
Executive Director

APPENDIX A

FUND CONDITION

0462 – PUBLIC UTILITIES COMMISSION UTILITIES REIMBURSEMENT ACCOUNT

Estimated Reserve, June 30, 2007	\$6,756,000
Estimated 2007-08 Revenues:	
Quarterly Fees	\$114,935,000
Sale of Documents	22,000
Income from Surplus Money Investments	263,000
Total, Revenues	\$115,220,000
Transfers From Other Funds:	
Propane Safety Fund	80,000
Transfers To Other Funds:	
PUC Ratepayer Advocate Account	-21,332,000
Total Revenues and Transfers	\$93,968,000
Total Resources	\$100,724,000
2007-08 Expenditures:	
Public Utilities Commission	\$83,894,000
Estimated 2007-08 Employee Compensation Adjustment	3,800,000
State Controller	10,000
Electricity Oversight Board	3,579,000
Total, Expenditures	\$91,283,000
Estimated Reserve, June 30, 2008	\$9,441,000
