PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

I.D.# 7442

ENERGY DIVISION **RESOLUTION E-4119**

April 10, 2008

R E S O L U T I O N

Resolution E-4119. Pacific Gas and Electric Company (PG&E) requests the Commission to adopt a Reliability Performance Incentive Mechanism (RPIM) reward of $151,899 based on its performance for 2006. Approved.

By Advice Letter 3078-E dated July 2, 2007.

SUMMARY

The Commission approves PG&E's Advice Letter 3078-E submitted to adopt a Reliability Performance Incentive Mechanism (RPIM) reward of $151,899 for performance year 2006. When it files for its third and final performance year 2007 PG&E is to use the same method of including and excluding outages from the RPIM indices as it did for years 2006 and 2005. Consistent with Resolution E-4003, the 2006 reward results of the RPIM shall be recovered through PG&E's Distribution Revenue Adjustment Mechanism (DRAM). PG&E shall file an internal audit of the data that supports its RPIM filing to confirm that the error rate remains low.

BACKGROUND

Electric utilities report reliability indices to the Commission annually. SAIDI and SAIFI measure how long and how often electric service is interrupted. Decision (D) 96-09-045 requires electric utilities to maintain information adequate to calculate three reliability indices by circuit, district, and division, and to report them by March 1 every year :

System Average Interruption Duration Index (SAIDI)
SAIDI is defined as the total minutes of sustained customer interruptions divided by the total number of customers in the PG&E system, expressed in minutes per average customer per year.

System Average Interruption Frequency Index (SAIFI)
SAIFI is defined as the total number of sustained customer interruptions divided by the total number of customers, expressed in interruptions per customer per year.

Momentary Average Interruption Frequency Index (MAIFI)
MAIFI is defined as the total number of momentary customer interruptions divided by the total number of customers, expressed as momentary interruptions per customer per year.

Sustained outages last 5 minutes or more while momentary outages last less than 5 minutes.

Severe weather raises outages and can raise outage indices. An insufficient number of restoration personnel and low efficiency of utility operations are factors causing longer outages and can be flagged by upward trends in the SAIDI index. For SAIFI, major factors causing more frequent outages and the resulting upward trend are insufficient maintenance, and lower quality procurement standards.

When calculating SAIFI and the other indices from raw outage data utilities may exclude (ignore) planned outages for maintenance for example, as well as the longest, largest outages, where defined as excludable events, that are deemed beyond utility control.

PG&E used multiple criteria, some subjective, to define the beginning and end of an excludable major event outage. D. 96-09-045 defines an excludable major event as a government-declared state of emergency or other disaster that affects more than 15% of the system facilities or 10% of the utility's customers. However, the Commission does not have a policy in place to define the beginning or end point of an excludable major outage event.

PG&E uses a 48-hour sliding window to identify when at least 10 percent or about one-half million of its customers (meters) have incurred a sustained outage cumulatively during the window. After an event meets the 10% criterion for an excludable Major Outage, PG&E reviews the number of customer interruptions that occurred on the calendar days before and after the event. The time-period of the major event is the integral number of consecutive days that exceed 30,000 customer-interruptions per day (not including the momentary interruptions). PG&E indicates that the 30,000 customer-interruptions value is based on its experience with major events, which are typically storm-related. PG&E has used this process to interpret the beginning or end of an excludable major outage event since 1996.

In 2004 the Commission adopted a Reliability Performance Incentive Mechanism (RPIM) for PG&E. The Commission's Decision (D) 04-10-034 adopted the RPIM. Table 1 below shows the target metrics and incentive levels adopted in the decision for performance year 2006. PG&E is rewarded for achieving outage duration and frequency levels below the lower limits of the deadbands, and is penalized for SAIDI and SAIFI values that rise above the deadbands. No incentive applies to variability falling inside the deadband limits, and no incentive greater than the $12 million maximum shown applies to performance outside the liveband limits.

Table 1
PG&E's Target Metrics and Incentive Levels for 2006

	Liveband Lower Limit	*Deadband Lower Limit*	*Target*	*Deadband for 2006*	*Liveband Upper Limit*	*Upper Limit*
SAIDI excluding Major Events (Minutes Duration / Customer)	135.2	151	161	171	186.8	
SAIFI excluding Major Events (Interruptions/Customer)	1.08	1.23	1.33	1.43	1.58	
Max Annual Reward/Penalty		+ $12 million		None	None	None - $12 million
Incentive per Minute change in SAIDI	+$759,494 / Min		None	None	None	- $759,494 / min
Incentive per 0.01 Interruptions change in SAIFI	+$800,000/0.01 Int.	None	None	None	- $800,000 / 0.01 Int	

When the Commission adopted PG&E's RPIM it assumed PG&E's interpretation of the length of an outage using a sliding 48-hour window as described above. PG&E should continue using this method and submitting its data, per Resolution E-4003, to support the time spans of each year's excludable major outage events for its final RPIM advice letter filing for year 2007 performance.

PG&E's Advice Letter 3078-E filed on July 2, 2007 requests approval of the $151,899 reward results of the RPIM for 2006 and authority to incorporate the results into the Distribution Revenue Adjustment Mechanism (DRAM). DRAM is a mechanism in which PG&E's authorized revenue requirement is compared to actual revenues recovered through of rates. The balance in the DRAM is amortized annually in rates.

PG&E in its March 1, 2007 Reliability Annual Report calculated rewards or penalties under the RPIM for 2006. PG&E classified as Excludable Major Events in 2006 those electric outages that occurred in certain divisions on January 3-5, February 26-28, March 2-5, March 9-14, April 4-5, and July 21-27; and in the entire system on January 1 and December 26-28, 2006.

PG&E reported 150.8 minutes/customer for SAIDI, which is 0.2 minutes/customer lower than the 151 minutes/customer limit of the lower end of the deadband, resulting in the award

of $151,899.[1] The SAIFI value of 1.273, however, fell within the deadband limits of 1.23 to 1.33 interruptions per customer, and triggered no reward or penalty.

PG&E corrected its Reliability Report for 2006 but did not change underlying data or indices. The error did not affect the report's results because it was a typographical error in a table of the report, and not in the underlying data.

NOTICE

Notice of AL 3078-E was made by Publication in the Commission's Daily Calendar on July 2, 2007.

PROTESTS

The Commission received a protest from The Utility Reform Network (TURN) on July 23, 2007, and an amended protest on July 27, 2007. PG&E filed a reply on August 3, 2007.

The protest and PG&E's reply are summarized below as filed. In the Discussion section following, the major points are consolidated and discussed together with PG&E's reply and staff's conclusions.

TURN made the following comments in its July 23, 2007 protest:

- PG&E inappropriately modifies the methodology used to calculate penalties and rewards under RPIM.
- The reliability targets were set based on historical major event exclusions. If PG&E is now excluding more events, PG&E's practice is no longer consistent with the target.
- TURN compares major events excluded by PG&E in 2006 with prior year events which were not excluded despite similar weather conditions or a greater number of customers affected.
- There are 7 major events in 2006, versus 1 or 2 in each of the prior 9 years.
- Thirty-three days of major events were excluded in 2006 versus a handful of days in many past years, with a maximum of 13.
- Roughly 130 minutes of SAIDI were excluded in 2006, the third highest exclusion of the last decade.
- PG&E seeks an unjustified and disproportionate exclusion of major events in 2006. The basis for several excluded 2006 storms is a Governor's Proclamation of a state of emergency with respect to roads that covers a period of four months.
- PG&E is excluding its reliability performance for one third of a year, and requests rewards based on its performance "but for" the winter season.

[1] 0.2 minutes x $759,494/minute = $151,899.

- The Commission should deny exclusion of major events in 2006 that occurred over Feb 26-28, March 2-5, and March 9-14 which results in a penalty of $5,092,658 for 2006 after recalculating the reliability indices.
- The declarations for the July 2006 heat storm refer to agricultural production losses that prompted the USDA to issue a disaster designation. The USDA declaration entitles farmers to low-interest loans. The U.S. SBA Designation of Economic Injury Disaster allowed small businesses to obtain loan without other credit. There is no discernable linkage between these and PG&E's performance in the heat storm.
- In A.06-11-005 (PG&E's CEMA application), the Alternate Proposed Decision of Commissioner Chong finds the absence of a direct link between the emergency declarations and damage to utility facilities.
- Past emergency declarations have been with respect to a single event.
- The Governor's Proclamation of May 10, 2006 is specific to roadway damages and enables the California Department of Transportation to request funds through the Federal Highway Administration's Emergency Relief Program. PG&E has made no showing that the roadway damages referenced in this Proclamation are linked to PG&E's ability to provide reliable service.
- The Commission should be aware of potential pressure from the utility to informally request that the Governor declare a state of emergency.
- The Commission should recalculate the RPIM award to include improperly omitted outages.

In its July 27, 2007 amended protest TURN raised the following additional concerns:

- Whether the July 2006 heat storm qualified as an excludable event based on 10% of customers out.
- Whether the appropriate 48-hour window has been excluded, and only that 48-hour period has been excluded by PG&E.
- The Commission should order PG&E to provide the number of customers out, and SAIDI and SAIFI for the affected areas on each day of the July 2006 heat storm.
- The Commission should clarify whether PG&E asserts that the July 2006 heat storm met the criterion for exclusion based on the 10% customer rule. If so, PG&E should provide the time periods of exclusion, the areas, and the excludable SAIDI and SAIFI for that time period
- If the heat storm is not an excludable major event, PG&E would be subject to a $16.9 million penalty, a total of $22 million for 2006.

On August 3, 2007 PG&E submitted the following responses to TURN's protest and amendment of protest:

Overview

- Severe weather is the simple reason for more events being excluded in 2006.
- The same unusual heavy rain of the winter storm that harms roads also affects utility infrastructure.
- PG&E does not claim that the July heat storm satisfies the 10% customer rule if the 48-hour window methodology is applied.

- The July heat storm qualified as an excludable major event, both in letter (a governmental declaration of emergency) and in spirit (an aberrational weather event that seriously skewed the 2006 RPIM results).
- PG&E discovered a typographical error on page 5, line 33 of the March 1 annual reliability report. The SAIFI value for the Peninsula Division for March 10, 2006, should be 0.005, not the 0.05 value originally shown.

Historical Comparisons

- PG&E does not exclude all outages on days when there are excludable major events.
- PG&E has followed the methodology approved in Resolution E-4003. PG&E only excluded a day for a division where the number of sustained outages and customer minutes and customer interruptions for that division exceed the five-year average for that division by a factor of two or more.
- It would be perverse logic to refuse to exclude outages from those unusually heavy storms just because you end up excluding more "days" or events than in years where the storms were not of sufficient severity to give rise to a declaration of emergency.
- A far better comparison than "days" of exclusion is the number of minutes or outages excluded due to excludable major events. 2006 is the third largest year in terms of excludable major events.
- Table 1 of TURN's protest is factually wrong. There were two excludable major events covering five days for 2005, not one event and three days.
- Table 2 of TURN's protest has duplications and omitted two excludable major events.
- PG&E has excluded 25 days of major events in 1995.

Excluded Outages

- The Commission has approved SCE's advice letter which excluded 19 days from its 2005 reliability results.
- Nothing in Appendix A of D.96-09-045 requires that the governmental declaration of emergency cover a narrow time period or that it refer to damages to electrical infrastructure.
- PG&E's facilities and restoration personnel are impacted by the same storms as the roads.
- PG&E has reviewed all Proclamations of a state of emergency by Governors Wilson, Davis, and Schwarzenegger over the past decade, and none of them refer to storms damaging electric utility infrastructure.
- PG&E has excluded only "57 division days" based on the Governor's declaration of emergency, or less than one percent of the year.
- CEMA and RPIM do not have the same standard. The difference is that under RPIM, the key is the intensity of the storm.
- The Commission has previously accepted federal disaster declarations for the RPIM.
-

July 2006 Heat Storm

- PG&E's service territory suffered the highest three-day average temperatures in over 57 years, with all-time records in many locations. The most severe heat occurred during the seven-day period from July 21 through July 27, 2006.

- The heat storm stressed PG&E's distribution systems because the equipment did not have a chance to cool down at night.
- On average, PG&E experiences about 60 sustained outages per day during the month of July. During the period of July 21-27, 2006, there were 243 average sustained outages per day, over four times the normal monthly average.
- Between July 22 and July 25, 2006, PG&E's San Jose Division experienced an average of 55 outages a day, a value nearly equal to the entire PG&E system on an average day, and almost 20 times more than the San Jose Division on a typical day.

DISCUSSION

The main issue in this Advice Letter is the number of outages that PG&E may exclude from its reliability calculations on the basis that they occurred during conditions beyond PG&E's control.

TURN in its protest states that PG&E seeks to omit on the basis of a Governor's Proclamation a period of four months or virtually the whole winter, and that PG&E requests rewards based on its performance "but for" the winter season.

PG&E counters that it excluded less than 1% of all outages during the 'one-third of a year' period to which the Proclamation applied. Under the methodology approved in Resolution E-4003 some outages are not excluded even on days when there are excludable major events. Based on the Governor's declaration of emergency PG&E excluded only "57 division days" out of (365 x 18 divisions) or 6,570 division-days, less than one percent of the year.

PG&E excluded only those outages which occurred in 1) a Division having at least half of its area in counties where the Proclamation applied; and 2) which occurred within sequential days of the storm period; and 3) which had customer-minute outage statistics that were at least twice the average of the previous five years.

Consistent criteria should be used to determine excludable major events. Decision D.96-09-045 established by the Commission determines whether PG&E has appropriately excluded outages from its reliability indices calculations. In addition Resolution E-4003 provides further direction and guidelines about excluding certain outages.

On March 20, 2007, PG&E submitted data to substantiate the results of its 2007 Annual Reliability Report covering performance year 2006. It contains eight excludable major events, two of them based on the 10% criterion and six on the government proclamation of a state of emergency. PG&E provided a summary of reliability indices including and excluding major events (Figure and Table 1).

Figure 1
2006 SAIDI and SAIFI Include About One-Half of All Customer-Minutes and Exclude One-Quarter Each for: 10% Criterion and Emergency Status (Millions)

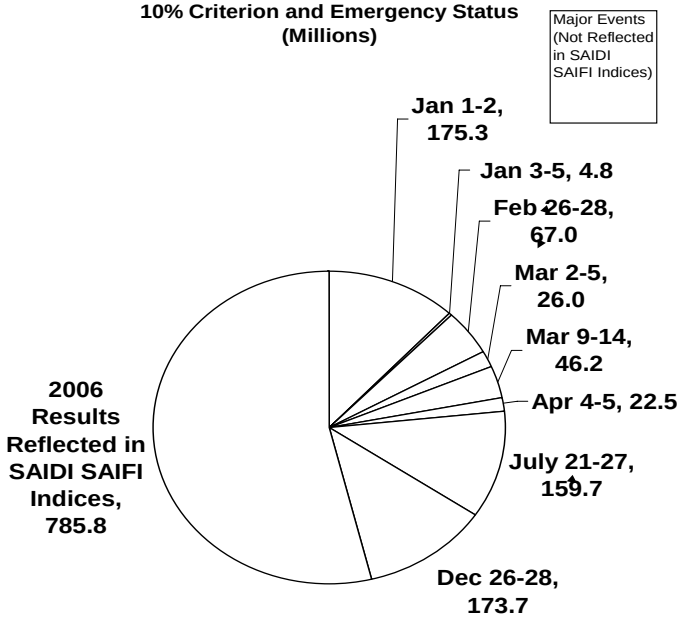

Table 1
PG&E SAIDI and SAIFI Include About One-Half of All Outage Customer-Minutes and Exclude About One-Quarter Each for: Over 10% of Customers Affected; and Emergency Status Proclaimed

		SAIDI (Minutes)	*SAIFI (Interruptions)*	*Number of Sustained Outages*	*Customer-Experienced Sustained Outages*	*Customer-minutes (Millions)*	
2006 Results Including Major Events		280.5	1.728	26,*828*	9,002,465	1,461.0	
Major Events and Reason for Exclusion-							
10% Criteria	Jan 1- 2	33.6	0.092	1,211	481,606	175.3	
Government Declaration	Jan 3- 5	0.9	0.004	61	22,466	4.8	
Govt. Declaration -	Feb 26- 28	12.9	0.064	714	331,813	67.0	
Govt. Declaration -	Mar 2- 5	5.0	0.022	369	113,235	26.0	
Govt. Declaration -	Mar 9-14	8.9	0.027	357	138,997	46.2	
Govt. Declaration -	Apr 4- 5	4.3	0.020	177	102052	22.5	
Govt. Declaration -	July 21- 27	30.7	0.125	1,300	651,217	159.7	
10% Criteria -	Dec 26- 28	33.3	0.101	1,158	528,496	173.7	
2006 Results Excluding Major Events		150.8	1.273	21,481	6,632,583	785.8	

PG&E also provided descriptions of each of the sustained outages that occurred in 2006, SAIDI and SAIFI calculations, and calculations that it uses to determine counties that are eligible for exclusion under the Governor's proclamations. Energy Division staff used this information to verify reported SAIDI and SAIFI values and excludable major events.

Outages occurring during a proclamation of a state of emergency may be excluded. Appendix A of D.96-09-045 defines a state of emergency declared by the government as constituting an excludable major event, independent of the numbers of customers or interruptions. However, the Decision did not establish how to exclude outages in a Division that includes some counties in a state of emergency along with others not having such a status.

In its prior RPIM filing for performance year 2005 PG&E proposed the following process to determine whether to exclude such outages. In Resolution E-4003 the Commission adopted the process, and PG&E applied it here to performance year 2006 RPIM.

- Reviewed the affected county boundaries relative to its Division boundaries.
- Determined the percentage of the area of each division covered by the counties identified in the Governor's proclamations.
- Reviewed outage data from the affected divisions.
- Determined the daily average, by month, of the numbers of sustained outages, customer interruptions, and customer minutes for each division using data from 2001 to 2005.
- For each division, during the same time periods under consideration, PG&E compares the daily number of sustained outages, customer minutes and customer interruptions to the corresponding five-year average. PG&E excludes any day where the number of sustained outages and customer minutes and customer interruptions for each division exceed the five-year average for that division by a factor of two or more.
- From December 19, 2005 to April 16, 2006, PG&E found fourteen divisions had more than fifty percent of their area covered by counties declared to be in a state of emergency: North Bay, North Coast, Peninsula, Sacramento, Sierra, Stockton, Diablo, East Bay, Fresno, Los Padres, Yosemite, Central Coast, North Valley and Mission (Appendix A). For the period from July 1 to July 31, 2006, PG&E found all its divisions except San Francisco had more than fifty percent of their area covered by counties declared to be in a state of emergency (Appendix B). However, PG&E did not exclude the North Valley division, since the number of sustained outages and customer minutes and customer interruptions did not exceed the five-year average for that division by a factor of two or more.

Energy Division reviewed each day excluded or potentially excludable and found instances where PG&E's interpretations favored ratepayers. PG&E did not exclude certain outages simply because they were near in time or location to clearly excludable outages. Outages that occurred on days not contiguous with the 4 major events in the Governor's May 10, 2006 Proclamation were not excluded but included in the SAIDI and SAIFI calculations.

Energy Division compared PG&E's submittals and procedures related to reliability calculations with the criteria established by Resolution E-4003 and D.96-09-045. The Governor's Emergency Proclamations in years prior to 2006 and prior to the RPIM did not specifically apply to damage to utility infrastructure but were accepted by the Commission as justifying exclusions. We observe that precedent here.

For a single storm event PG&E should exclude from its reliability indices only outages that occur on contiguous days. In filing for performance year 2006 PG&E applied a methodology consistent with its year 2005 RPIM filing and with Resolution E-4003 when excluding major events from its SAIDI and SAIFI calculations. For its year 2007 filing we adopt the additional criterion consistent with this year 2006 filing to not exclude individual days.

The Commission adopts PG&E's reasonable percentage of 50%, making its method deterministic not subjective. PG&E's method of excluding outages, while systematic, involved a subjective judgment that counties declared to be in a state of emergency make up at least 50% of the area of any given PG&E Division, before a day's outages in that Division can be excluded as beyond PG&E's control

PG&E should include in its next RPIM filing for year 2007, in order to facilitate analysis by Energy Division and parties:
a) All data that it considered in decisions to include or exclude outages from its calculation of reward or penalty, and
b) The results of its internal audit of its internal reporting of 2007 outage data, to confirm that the error rate remains low.

COMMENTS

Public Utilities Code section 311(g)(1) provides that this resolution must be served on all parties and subject to at least 30 days public review and comment prior to a vote of the Commission. Section 311(g)(2) provides that this 30-day period may be reduced or waived upon the stipulation of all parties in the proceeding.

The 30-day comment period for the draft of this resolution was neither waived or reduced. Accordingly, this draft resolution was mailed to parties for comments, and will be placed on the Commission's agenda no earlier than 30 days from the date of mailing.

FINDINGS

1. Ordering Paragraph 8. of Decision 04-10-034 adopted a Reliability Performance Incentive Mechanism under which PG&E is rewarded for achieving outage duration and frequency levels (SAIDI and SAIFI values) below the lower limits of the deadbands, and is penalized for SAIDI and SAIFI values that rise above the deadbands.

2. Decision (D) 96-09-045, effective September 4, 1996 requires each electric utility to

maintain information adequate to calculate reliability indices by circuit, district, and division, and to report the indices annually to Energy Division.

3. D.96-09-045 allows electric utilities to exclude planned outages and excludable major events from reliability indices calculations.

4. A government proclamation of a state of emergency in a county for one day makes the day's outages in that county eligible for exclusion from PG&E's reliability indices.

5. PG&E calculates reliability indices on a Division basis not a county basis.

6. Resolution E-4003 approved PG&E's proposed
   a) Treatment of outages in a Division that includes some counties (or portions) in a declared state of emergency along with other counties (or portions) that are not; and
   b) A sliding-scale definition of the beginning and end points of an excludable major outage event.

7. PG&E's Advice Letter 3078-E filed on July 2, 2007 PG&E requests approval of the $151,899 reward results of the RPIM for 2006 and authority to incorporate the results into its Distribution Revenue Adjustment Mechanism (DRAM).

8. The Commission received protests from The Utility Reform Network (TURN) on July 23, 2007, and an amended protest on July 27, 2007. PG&E filed its reply on August 3, 2007.

9. PG&E excluded outages in prior years based on government proclamations of emergency which were silent with respect to utility infrastructure and the Commission accepted the exclusions.

10. PG&E applied a consistent methodology in determining excludable major events for its year 2006 filing and its SAIDI and SAIFI calculations are reasonable.

11. In its 2007 RPIM filing PG&E should apply the additional criterion of excluding only contiguous days for a single storm major event when calculating its system reliability indices.

12. PG&E may continue to include its RPIM results in its Distribution Revenue Adjustment Mechanism (DRAM).

13. PG&E should continue submitting the following information with its final RPIM filing for performance year 2007:

- Results of the outage reporting internal audit for 2007.
- Data to support the time spans of each year's excludable major outage event.
- Data to support outage exclusions during each declared state of emergency.

THEREFORE, IT IS ORDERED THAT:

1. PG&E's Advice Letter 3078-E is approved in order to incorporate PG&E's Reliability Performance Incentive Mechanism (RPIM) as part of its Distribution Revenue Adjustment Mechanism (DRAM), and to adopt for 2006 a RPIM reward of $151,899.

2. PG&E's advice letter filing for performance year 2007 shall include:
   a) Only contiguous days for a single storm event;
   b) Data supporting the start and end time of each excludable major event;
   c) Data supporting each event excluded due to a declared state of emergency; and
   d) Results accurate to the 85% confidence level of an audit of the outage data used to supports the filing.
   e) All data bearing on exclusion of outages from RPIM results.

3. This Resolution is effective today.

I hereby certify that the Public Utilities Commission adopted this Resolution at its regular meeting on April 10, 2008. The following Commissioners voting favorably thereon:

_____
Paul Clanon
Executive Director

On 3/1/07 and 3/20/07 PG&E submitted the data shown in Appendices A and B:

Appendix A

December 19, 2005 - April 16, 2006
Period of the Governor's Proclamation

Relationship between
PG&E Division Boundaries and County Boundaries:

Outages in Entire Divisions Were Eligible for Exclusion When Over 50% of the Division Area Fell in Counties Having Emergency Status

Excluded from PG&E Division	*Percent of Area of Division Comprised of Counties Declared to be In a State of Emergency*	*2006 Dates that Division Outage Data was System Outage Data*
Central Coast	70%	2/26-28, 3/3, 3/9-12, 4/5
De Anza	8%	No exclusions
Diablo	100%	2/27-2/28
East Bay	100%	2/27
Fresno	99%	2/27, 3/3, and 4/4-5
Kern	13%	No exclusions
Los Padres	65%	2/27, 3/3, 3/12, and 4/4
Mission	100%	2/28
North Bay	100%	2/27-28
North Coast	100%	2/26-27 and 3/10
North Valley	67%	2/27-28
Peninsula	98%	2/27-28 and 3/10
Sacramento	98%	2/27
San Francisco	0%	No exclusions
San Jose	0%	No exclusions
Sierra	100%	2/27-28, 3/2-3, and 4/4-5
Stockton	100%	2/27, 3/3, 3/11-14, and 4/4-5
Yosemite	85%	2/27, 3/3-4, and 3/10-11

Appendix B

July 2006 Heat Storm

Relationship between
PG&E Division Boundaries and County Boundaries:

Outages in Entire Divisions Were Eligible for Exclusion When Over 50% of the Division Area Fell in Counties Having Emergency Status

PG&E Division	*Percent of Area of Division Comprised of Counties Declared to be in a State of Emergency*	*Dates that Division Outage Data was Excluded from System Outage Data*
Central Coast	91%	7/22
De Anza	100%	7/21-7/25
Diablo	100%	7/21-7/26
East Bay	100%	7/22-7/23
Fresno	100%	7/21-7/24
Kern	100%	7/24-7/25
Los Padres	100%	7/21-7/26
Mission	100%	7/21-7/26
North Bay	100%	7/21-7/24
North Coast	64%	7/22-7/23
North Valley	91%	No exclusions
Peninsula	100%	7/22-7/24
Sacramento	100%	7/21-7/24
San Francisco	0%	No exclusions
San Jose	100%	7/21-7/27
Sierra	100%	7/23
Stockton	100%	7/21-7/23
Yosemite	100%	7/22-7/23

STATE OF CALIFORNIA ARNOLD SCHWARZENEGGER, *Governor*

PUBLIC UTILITIES COMMISSION
505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

I.D.# 7442
March 6, 2008 RESOLUTION E-4119
Commission Meeting April 10, 2008

TO: PARTIES TO PACIFIC GAS AND ELECTRIC COMPANY ADVICE LETTER 3078-E

Enclosed is draft Resolution Number E-4119 of the Energy Division. It will be on the agenda at the next Commission meeting, which is held at least 30 days after the date of this letter. The Commission may then vote on this Resolution or it may postpone a vote until later.

When the Commission votes on a draft Resolution, it may adopt all or part of it as written, amend, modify or set it aside and prepare a different Resolution. Only when the Commission acts does the Resolution become binding on the parties.

Parties may submit comments on the draft Resolution. Comments on the draft Resolution must be received by the Energy Division by Monday March 24, 2008. Those submitting comments must serve a copy of their comments on 1) the entire service list attached to the draft Resolution, 2) all Commissioners, and 3) the Director of the Energy Division, on the same date that the comments are submitted to the Energy Division.

Comments shall be limited to five pages in length plus a subject index listing the recommended changes to the draft Resolution, a table of authorities and an appendix setting forth the proposed findings and ordering paragraphs.

Comments shall focus on factual, legal or technical errors in the proposed draft Resolution. Comments that merely reargue positions taken in the advice letter or protests will be accorded no weight and are not to be submitted.

Replies to comments on the draft resolution may be filed (i.e., received by the Energy Division) on Monday March 31, 2008, and shall be limited to identifying misrepresentations of law or fact contained in the comments of other parties. Replies shall not exceed five pages in length, and shall be filed and served as set forth above for comments.

Late submitted comments or replies will not be considered.

An original and two copies of the comments and replies, with a certificate of service, should be submitted to:

Honesto Gatchalian
Energy Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

A copy of the comments and replies should be submitted by email to:

David K. Lee
Energy Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102
Email: dkl@cpuc.ca.gov
Fax: 415-703-2200

Please contact me at 415-703-1137 if you have questions or need assistance.

Sincerely,

David K. Lee
Utilities Engineer, P.E.
Energy Division

Enclosure: Certificate of Service
Service List

CERTIFICATE OF SERVICE

I certify that I have by mail this day served a true copy of Draft Resolution E-4119 on all parties in these filings or their attorneys as shown on the attached list.

Dated March 6, 2008 at San Francisco, California.

_____

Honesto Gatchalian

NOTICE

Parties should notify the Energy Division, Public Utilities Commission, 505 Van Ness Avenue, Room 4002 San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the Resolution number on the service list on which your name appears.

************SERVICE LIST************

DRAFT RESOLUTION E-4119 **Pacific Gas and Electric Advice Letter 3078-E**
Pacific Gas and Electric Company Attn: Brian K. Cherry Vice President, Regulatory Relations 77 Beale Street, Mail Code B10C P.O. Box 770000 San Francisco, CA 94177
THE UTILITY REFORM NETWORK 711 Van Ness Avenue, Suite 350 San Francisco, CA 94102