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August 29, 2005

Tariff Files, Room 4005  
DMS Branch  
Energy Division  
505 Van Ness Avenue  
San Francisco, CA 94102

**Re: PG&E Advice 2753-G: Request for Expedited Implementation of  
PG&E's Natural Gas 2006-2007 Winter Gas Savings Program for Residential  
and Commercial Gas Customers: '10/20 Plus' Program**

Pacific Gas and Electric Company (PG&E) presents to the Energy Division a modification, per an agreement with the Division of Ratepayer Advocates (DRA) and the concurrence of The Utility Reform Network (TURN), to the proposed recovery period for residential customers filed in Advice 2753-G: 2006-2007 Winter Gas Savings Program.

DRA and PG&E have decided that 10/20 Program costs should be collected from residential customers over the spring and summer months, as opposed to over the annual period proposed in PG&E's advice filing.<sup>1</sup> Residential program recovery over the spring and summer months, April through October, is consistent with the authorized recovery period from last year's 10/20 Program. The load shape of residential customers tends to peak during the winter months and accordingly, DRA requested that the recovery period be modified to the spring and summer months when natural gas demand is not as high and gas bills are generally lower for residential customers. PG&E, with the concurrence of TURN, wishes to accommodate DRA's proposal and requests that the Energy Division incorporate this modification of the recovery period for residential customers into the draft resolution.<sup>2</sup>

Also, per a discussion with DRA, PG&E also wishes to clarify that PG&E proposes that all eligible customers receive a 1 percent rebate for each 1 percent reduction in gas

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<sup>1</sup> As stated in Advice 2753-G, PG&E had proposed recovery over the annual period, starting January 1, 2007, to reduce the monthly rate impact for customers. While this modification increases the rate impact, usage is generally lower for residential customers during this period.

<sup>2</sup> The annual recovery period for commercial customers will remain as proposed in the advice filing, since their load shape generally varies from that of residential customers and may be dependent on type of industry.

usage (“one-for-one”) up to 10 percent. DRA noted to PG&E that a sentence on Page 1 of Advice 2753-G may be misinterpreted to exclude customers who did not qualify for the rebate last year. PG&E clarifies that this provision applies to all eligible customers, regardless of whether they qualified for the rebate last year. This clarification is consistent with other language in PG&E’s advice letter as well as the proposed tariffs. PG&E will concurrently file a substitute sheet with the Energy Division removing the following phrase from Page 1, “To encourage conservation among those customers who qualified for the rebate last year” in order to avoid any unintended confusion.

PG&E appreciates DRA’s willingness to work cooperatively and reach agreement, outside of the Protest process, on this advice filing. PG&E respectfully requests that the Energy Division incorporate the agreement into the draft resolution and direct PG&E to modify its tariffs to accommodate the change in the program recovery period for residential customers in a supplemental filing, to be submitted after the Commission disposes of the draft resolution on Advice 2753-G.

Sincerely,

A handwritten signature in black ink that reads "Brian K. Chenyia". The signature is written in a cursive, slightly slanted style.

Vice President, Regulatory Relations

cc: Division of Ratepayer Advocates  
The Utility Reform Network  
Service List of Advice 2753-G