

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No. California Pacific Electric Company, LLC/U 933-E

Utility type:

ELC GAS
 PLC HEAT WATER

Contact Person: Mike Long

Phone #: 530-543-5277

E-mail: mike.long@liberty-energy.com

EXPLANATION OF UTILITY TYPE

ELC = Electric GAS = Gas
PLC = Pipeline HEAT = Heat WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: 12-E

Subject of AL: CalPeco's Request to Establish the Bridge Funding Memorandum Account and to Update the Energy Savings Assistance Program and California Alternative Rates for Energy Budget Allocations Pursuant to Decision 11-11-009

Keywords (choose from CPUC listing):

AL filing type: Monthly Quarterly Annual One-Time Other

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: D.11-11-009

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL No

Summarize differences between the AL and the prior withdrawn or rejected AL: _____

Resolution Required? Yes No Tier Designation: 1 2 3

Requested effective date: filing date: 11/28/11 No. of tariff sheets: 2

Estimated system annual revenue effect (%): _____

Estimated system average rate effect (%): _____

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: Preliminary Statement 12.E, Sheet No. 41C

Pending advice letters that revise the same tariff sheets: N/A

Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division

Attention: Tariff Unit

505 Van Ness Ave.,

San Francisco, CA 94102

ijnj@cpuc.ca.gov and mas@cpuc.ca.gov

Utility Info (including e-mail)

California Pacific Electric Company, LLC

Attention: Advice Letter Protests

933 Eloise Avenue

South Lake Tahoe, CA 96150

Email: mike.long@liberty-energy.com



California Pacific Electric Company, LLC
933 Eloise Avenue
South Lake Tahoe, CA 96150
Tel: 800-782-2506
Fax: 905-465-4514

VIA EMAIL AND HAND-DELIVERY

November 28, 2011

**Advice Letter 12-E
(U 933-E)**

Public Utilities Commission of the State of California
Attn: Honesto Gatchalian
Energy Division, 4th Floor
505 Van Ness Avenue
San Francisco, CA 94102-3298

Subject: Request to Establish the Bridge Funding Memorandum Account and to Update the Energy Savings Assistance Program and California Alternative Rates for Energy Budget Allocations Pursuant to Decision 11-11-009

California Pacific Electric Company, LLC (U 933-E) (“CalPeco”)¹ hereby submits for approval the following changes to its tariff schedules to pursuant to Decision (“D.”) 11-11-009 for January 2012 to June 2012. The enclosed Attachment 1 includes the affected tariff sheets.

Background

In June 2011, CalPeco filed Application (“A.”) 11-06-020 for approval of its 2012-2014 California Alternative Rates for Energy (“CARE”) Program and Energy Savings Assistance Program (“ESAP”). CalPeco requested approval of budgets of approximately \$1,907,640 and \$639,336 for the CARE and ESA Programs, respectively. The Commission issued D.11-11-009 to allow the these programs to continue while affording the Commission additional time to review issues affecting the ESA and CARE Programs in the large Investor Owned Utilities (“IOUs”) consolidated proceeding which in turn may inform the Commission’s approach in the small IOUs consolidated proceeding to which CalPeco is a party.

Ordering Paragraph 6 of D.11-11-009 requires CalPeco to file a **Tier 1** advice letter showing “the allocation of the authorized monthly budgets for both the [ESA and CARE] Programs and the new memorandum account showing the difference between the revenue requirement adopted in this decision and that requested in the applications beginning January 1, 2012.” The bridge funding period begins January 1, 2012 and ends June 30, 2012. The following table illustrates the monthly funding budgets beginning January 1, 2012 – June 30, 2012

¹ CalPeco also does business in California as “Liberty Energy - California Pacific Electric Company.”

Table 1
CalPeco's Monthly Bridge Funding Budgets beginning January 1, 2012 – June 30, 2012

	ESA	CARE	TOTAL
California Pacific Electric Company, LLC	\$16,735	\$51,500	\$68,235

Purpose

In compliance with Ordering Paragraphs 5 of D.11-11-009, CalPeco will track in a new memorandum account the difference between the revenue requirement adopted in the decision and the requested amount in its application beginning January 1, 2012.

Tariff Revisions

CalPeco proposes the following tariff modifications for ratemaking purposes in order to develop rates effective January 1, 2012:

- Add Bridge Funding Memorandum Account (“BFMA”) to the Preliminary Statement as Section 12.E

Protests

Anyone wishing to protest this filing may do so by letter sent via U.S. mail, by facsimile or by email, any of which must be received no later than **December 19, 2011**, which is 20 days after the date of this filing. The protest shall set forth the grounds upon which it is based and shall be submitted expeditiously. There is no restriction on who may file a protest. Protests should be mailed to:

CPUC Energy Division
Attention: Tariff Unit, 4th Floor
505 Van Ness Avenue
San Francisco, CA 94102
Facsimile: (415) 703-2200
Email: mas@cpuc.ca.gov and jnj@cpuc.ca.gov

The protest also should be sent via email and U.S. Mail (and by facsimile, if possible) to CalPeco at the addresses show below on the same date it is mailed or delivered to the Commission.

California Pacific Electric Company, LLC
Attn.: Advice Letter Protests
933 Eloise Avenue
South Lake Tahoe, CA 96150
Fax: 905-465-4514
Email: peter.eichler@libertyutilities.com

With a copy to:

Steven F. Greenwald

Vidhya Prabhakaran

Davis Wright Tremaine LLP

505 Montgomery Street, Suite 800

San Francisco, CA 94111

Fax: 415-276-6599

Email: vidhyaprabhakaran@dwt.com

Effective Date

CalPeco requests that this advice filing become effective on **November 28, 2011**. This advice letter is submitted with a **Tier 1** designation.

Notice

In accordance with General Order 96-B, Section 4.3, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list.

If additional information is required, please contact Mike Long, Director of Finance and Manager of Regulatory Affairs (Mike.Long@Liberty-Energy.com).

Sincerely,

A handwritten signature in black ink, appearing to read "P. Eichler". The signature is fluid and cursive, with a large initial "P" and a long, sweeping underline.

Peter Eichler
Director, Regulatory Strategy
Liberty Utilities – Western Region

Attachments

cc: CalPeco Advice Letter Service List
Service List for A.11-06-016 et al.

**CAL. P.U.C.
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PRELIMINARY STATEMENT

(Continued)

12. MEMORANDUM ACCOUNTS (Continued)

E. BRIDGE FUNDING MEMORANDUM ACCOUNT (BFMA)

i. PURPOSE

The purpose of the Bridge Funding Memorandum Account (BFMA) is to record the difference between the adopted bridge funding revenue requirements for the California Alternative Rates for Energy ("CARE") Program and the Energy Savings Assistance Program ("ESAP") in Commission Decision Application 11-11-009 and the proposed revenue requirements requested in Application ("A.") 11-06-020.

ii. PROCEDURE

The Utility will:

- (1) Record entries to the BFMA at the end of the month representing the total costs associated with complying with the measures described above. These costs will be limited to those not previously authorized in a general rate case or any other regulatory proceeding.
- (2) Maintain support for each amount recorded in this BFMA
- (3) Accrue interest monthly to this memorandum account applying one-twelfth of the interest rate to the average of the beginning and ending balance in the BFMA. The interest rate shall be the interest rate on the three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release H.15, or its successor.

iii. APPLICABILITY

The BFMA shall apply to all CARE and ESA Program customer classes.

iv. CHANGES IN RATES

Once all authorized budget cycle program costs have been recorded, the balance in this account will be reported in a supplemental filing to A. 11-06-020 for final disposition or as otherwise authorized by the Commission.

**CalPeco
Advice Letter Filing Service List
General Order 96-B, Section 4.3**

A.08-08-004 Service List

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