

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING SUMMARY ENERGY UTILITY

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

Company name/CPUC Utility No. California Pacific Electric Company, LLC/U 933-E			
Utility type:		Contact Person for questions and approval letters: Mike Long	
<input checked="" type="checkbox"/> ELC	<input type="checkbox"/> GAS	Phone #: 530-543-5277	
<input type="checkbox"/> PLC	<input type="checkbox"/> HEAT	<input type="checkbox"/> WATER	E-mail: mike.long@liberty-energy.com
EXPLANATION OF UTILITY TYPE			(Date Filed/ Received Stamp by CPUC)
ELC = Electric GAS = Gas PLC = Pipeline HEAT = Heat WATER = Water			
Advice Letter (AL) #: 20--E			
Subject of AL: 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 12-06-023			
Tier Designation: <input checked="" type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3			
Keywords (choose from CPUC listing):			
AL filing type: <input type="checkbox"/> Monthly <input type="checkbox"/> Quarterly <input type="checkbox"/> Annual <input checked="" type="checkbox"/> One-Time <input type="checkbox"/> Other _____			
If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution: D.12-06-023			
Does AL replace a withdrawn or rejected AL? If so, identify the prior AL _____			
Summarize differences between the AL and the prior withdrawn or rejected AL ¹ : _____			
Resolution Required? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Requested effective date: July 2, 2012		No. of tariff sheets: 1	
Estimated system annual revenue effect: (%): N/A			
Estimated system average rate effect (%): N/A			
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: Sheet No. 41-C			
Service affected and changes proposed ¹ : Bridge Funding Memorandum Account			
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		Utility Info (including e-mail)	
Attention: Tariff Unit 505 Van Ness Ave., San Francisco, CA 94102 jyc@cpuc.ca.gov and mas@cpuc.ca.gov edtariffunit@cpuc.ca.gov		California Pacific Electric Company, LLC Attention: Advice Letter Protests 933 Eloise Avenue South Lake Tahoe, CA 96150 Email: mike.long@liberty-energy.com	

¹ Discuss in AL if more space is needed.



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

July 2, 2012

**Advice Letter 20-E
(U 933-E)**

Public Utilities Commission of the State of California
Attn: Tariff Unit
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 12-06-023

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.”) 12-06-023 from July 2, 2012, on a month-to-month basis. 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 Energy Savings Assistance (“ESA”) and California Alternative Rates for Energy (“CARE”) Programs. 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 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. The Commission then issued D.12-06-023 to allow the Commission even more additional time.

Ordering Paragraph 7 of D.12-06-023 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

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

funding period begins January 1, 2012 and ends simultaneously upon issuance of a final decision in proceeding A.11-06-020. The following table illustrates the monthly funding budgets beginning January 1, 2012.

Table 1
CalPeco's Monthly Bridge Funding Budgets

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

Purpose

In compliance with Ordering Paragraphs 6 of D.12-06-023, 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:

- Revise the Bridge Funding Memorandum Account (“BFMA”) in Section 12.E to the Preliminary Statement to reflect its continuation beyond June 2012 on a month to month basis

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 **July 22, 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: edtariffunit@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

Page 3

933 Eloise Avenue
South Lake Tahoe, CA 96150
Fax: 905-465-4514
Email: mike.long@liberty-energy.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 **July 2, 2012**. 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 me at Mike.Long@Liberty-Energy.com.

Sincerely,



Michael D. Long
Director of Finance and Manager of Regulatory Affairs

Attachments

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

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 12-06-023 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.

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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 112-1106-02309~~ 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.

Issued by

Advice Letter No. 120-E ~~Bob Dodds~~ Michael R. Smart
~~November 28~~ July 2, 2012

Date Filed

Decision No. 112-1106-00923 Name President Effective November 28 July 2, 2012
Title

Resolution No. _____

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

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A.09-10-028 and A.10-04-032 Service List

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