

July 5, 2000

**ADVICE 1972-E-A**

Public Utilities Commission of the State of California

Pacific Gas and Electric Company (PG&E) hereby supplements Advice 1972-E, filed on March 1, 2000, in compliance with Decision (D.) 00-02-046, to withdraw its request to establish Preliminary Statement Part BT—*Electric Supply Cost Memorandum Account (ESCMA)*. All other items submitted in Advice 1972-E remain unchanged.

As discussed in D. 00-02-046, the Commission adopted a revenue requirement for electric supply, but in view of “unique circumstances” only allows PG&E an opportunity “to demonstrate the reasonableness and necessity of proposed expenditures.” The decision does not specify a proceeding and does not adopt a recovery mechanism. Instead, the Commission stated "Accordingly, these generation-related expenses should not be assigned to a distribution UCC. We will entertain proposals by PG&E for recovery of these expenses from customers on whose behalf they are performed. We do not determine at this time the appropriate mechanism for such recovery..." (mimeo page 111).

The revenue requirement has accrued since January 1, 1999, in the Transition Revenue Account (TRA) as part of the interim distribution revenue requirement. The amount that had been recorded in the TRA for these costs has been transferred to the Transition Cost Balancing Account (TCBA). The amount will remain in the TCBA until PG&E files and receives Commission approval of its recovery mechanism and proposal to recover the costs incurred from January 1, 1999, forward. Therefore the ESCMA is no longer necessary.

PG&E requests that this filing become effective on **July 5, 2000**, which is the date of filing.

Anyone wishing to protest this filing may do so by sending a letter within 20 days of this filing. Protests should be mailed to:

Public Utilities Commission  
Advice 1972-E-A  
July 5, 2000  
Page 2

IMC Branch Chief  
Energy Division  
California Public Utilities Commission  
505 Van Ness Avenue, Room 4002  
San Francisco, California 94102  
Facsimile: (415) 703-2200

Copies should also be mailed to the attention of the Director, Energy Division (address above), and Les Guliasi, Regulatory Relations Manager, 77 Beale Street, Mail Code B10C, P.O. Box 770000, San Francisco, California 94177, Facsimile (415) 973-7451. The protest should set forth the grounds upon which it is based and shall be submitted expeditiously. There are no restrictions on who may file a protest.

In accordance with Section III, Paragraph G of General Order 96-A, PG&E is mailing copies of this advice filing to the utilities and interested parties shown on the attached list, and all parties in A. 97-12-020. Address change requests should be directed to Nelia Avendano at (415) 973-3529.

Vice President – Regulatory Relations

Attachments