

May 12, 2000

****REVISED****

ADVICE 2233-G/1997-E

Public Utilities Commission of the State of California

Pacific Gas and Electric Company (PG&E) hereby submits for filing revisions to its gas and electric tariff sheets. The affected tariff sheets are listed on the enclosed Attachment I.

The purpose of this filing is to submit new gas Preliminary Statement Part AU—*Allocation of Residual Costs Memorandum Account (ARCMA)* and new electric Preliminary Statement Part BV--*Allocation of Residual Costs Memorandum Account (ARCMA)*. This filing is made in compliance with Decision (D.) 00-02-046, dated February 17, 2000, in PG&E's 1999 General Rate Case (GRC) Application (A.) 97-12-020.

D. 00-02-046 authorizes PG&E to “establish a memorandum account to track any fixed A&G costs¹ associated with the Wave 1 plants² that it incurs from the time the O&M contracts³ expire until a final decision in PG&E's application to reallocate these costs is rendered.” (pp. 467-468) D. 00-02-046 notes that such an application proposing reallocation of any of the fixed A&G costs which remain after the expiration of the Wave 1 O&M contracts should be filed “no earlier than six months after the contracts expire.” (p. 467.)

¹ The term “fixed A&G costs” used by the Commission in this context refers not only to A&G (Administrative and General) expenses, but also to related common and general (C&G) plant. (D.97-11-073, p. 4). PG&E uses the term “residual costs” or “residual A&G costs” synonymously with this meaning of “fixed A&G costs.”

² The following plants are known collectively as the Wave 1 plants: the Moss Landing, Morro Bay, and Oakland fossil plants.

³ Under Public Utilities Code Section 363, PG&E is required to enter into contracts with purchasers of power plants for the operation and maintenance (O&M) of the plants by PG&E personnel for two years following the sale.

Public Utilities Commission
Advice 2233-G/1997-E
May 12, 2000
Page 2

The sale for the Wave 1 plants closed on July 1, 1998. The Wave 1 O&M contracts will expire two years from that date, on July 1, 2000. The purpose of the ARCMA is to record, for the period from July 1, 2000, through the date of the Commission's ultimate decision on PG&E's application to be filed as ordered by D. 00-02-046, the residual A&G expense and the revenue requirement for the residual common and general plant that may be reallocated as a result of the divestiture of the Wave 1 plants, including interest. Approval of the ARCMA will preserve the opportunity for PG&E to reallocate those recorded residual costs by the mechanism designated by the Commission, after the Commission issues its decision on PG&E's application to be filed as ordered by D. 00-02-046.

This filing will not increase any rate or charge, cause the withdrawal of service, or conflict with any rate schedule or rule.

For the reasons listed above, PG&E requests that this filing become effective on **July 1, 2000**.

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

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, Manager, Regulatory Relations, 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.

U39M

Public Utilities Commission
Advice 2233-G/1997-E
May 12, 2000
Page 3

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 interested parties in A. 97-12-020. Address change requests should be directed to Nelia Avendano at (415) 973-3529.

Vice President – Regulatory Relations

Attachments

cc: Service List – GRC A. 97-12-020

U39M



PRELIMINARY STATEMENT
(Continued)

AU. ALLOCATION OF RESIDUAL COSTS MEMORANDUM ACCOUNT (ARCMA)

(N)

1. PURPOSE:

The purpose of the ARCMA is to record the residual Administrative and General (A&G) expense and the revenue requirement for the residual common and general plant that is to be reallocated as a result of the divestiture of PG&E's Moss Landing, Morro Bay, and Oakland plants (collectively, the Wave 1 plants), pursuant to D. 00-02-046. The balance in the ARCMA will be recovered in rates according to the mechanism designated by the Commission in the decision rendered in PG&E's application to reallocate these costs. D. 00-02-046 provides that such an application proposing reallocation of any of the fixed A&G costs which remain after the expiration of the Wave 1 O&M contracts should be filed "no earlier than six months after the contracts expire."

2. APPLICABILITY:

The ARCMA shall apply to all customer classes, except for those specifically excluded by the Commission.

3. ARCMA RATES:

The ARCMA does not have a rate component.

4. ACCOUNTING PROCEDURE:

PG&E shall maintain the ARCMA by making entries to this account at the end of each month as follows:

- a. A debit entry equal to the residual amount recorded in PG&E's Administration and General Expense Accounts that will be reallocated as a result of divestiture of the Wave 1 plants.
- b. A debit entry equal to:
 - 1) depreciation expense on the average of the beginning and the end-of-month balance of the residual common and general plant that will be reallocated as a result of divestiture of the Wave 1 plants, at one-twelfth the annual depreciation rates approved by the CPUC for these plants; plus
 - 2) the return on investment on the average of the beginning and the end-of-month balance of the residual common and general plant that will be reallocated as a result of divestiture of the Wave 1 plants, at one-twelfth of the annual rate of return on investment last adopted for PG&E's Electric and Gas Departments by the CPUC; less
 - 3) the return on the average of beginning and end-of-month accumulated depreciation, and on average accumulated net deferred taxes on income resulting from the normalization of federal tax depreciation, at one-twelfth the annual rate of return on investment last adopted for PG&E's Electric and Gas Departments by the CPUC.
- c. A debit entry equal to the revenue requirements for federal and state taxes based on income associated with Item 4.b. above, calculated at marginal tax rates currently in effect. This will include all applicable statutory adjustments.

(N)

(Continued)



PRELIMINARY STATEMENT

(Continued)

AU. ALLOCATION OF RESIDUAL COSTS MEMORANDUM ACCOUNT (ARCMA)

(N)

4. ACCOUNTING PROCEDURE: (CONT'D.)

For federal and state taxes, this will conform to normalization requirements as applicable. Interest cost will be at the debt component of the cost of capital last adopted by the CPUC with respect to PG&E.

- d. A debit entry equal to the monthly property taxes on the residual common and general plant that will be reallocated as a result of divestiture of the Wave 1 plants.
- e. A debit entry equal to interest on the average balance in the account at the beginning of the month and the balance after the entries from 4.a. through 4.d. above, at a rate equal to one-twelfth the interest rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, G. 13 or its successor.

Entries in items 4.a. through 4.d. above, in any month, shall be pro-rated to reflect the latest jurisdictional allocation factors.

(N)



Pacific Gas and Electric Company
San Francisco, California

Cancelling

Revised
Revised

Cal. P.U.C. Sheet No.
Cal. P.U.C. Sheet No.

19935-G
19927-G

TABLE OF CONTENTS
(Continued)

PRELIMINARY STATEMENTS

SCHEDULE	TITLE OF SHEET	CAL P.U.C. SHEET NO.
Part A	Description of Service Area & General Requirements	14615 to 14623,18797-G
Part B	Default Tariff Rate Components	19908,19909,19910,19911, 19912,19804,19805,19806,18643,19807,19808,19809,19810,19901,19207,19811-G
Part C	Gas Accounting Terms and Definitions	18965,19812,19198,18968,18047,18969,19813,18592,18382,18314,18315,18316-G
Part D	Purchased Gas Account.....	18971,18786,18055,18972-G
Part E	Not Being Used	
Part F	Core Fixed Cost Account.....	19199,19200,19201-G
Part G	Noncore Fixed Cost Account.....	18974-G
Part H	Not Being Used	
Part I	Noncore Brokerage Fee Balancing Account.....	18061-G
Part J	Noncore Customer Class Charge Account.....	19202-G
Part K	Enhanced Oil Recovery Account.....	17360-G
Part L	Balancing Charge Account.....	18715-G
Part M	Core Subscription Phase-Out Account.....	18456-G
Part N	Not Being Used	
Part O	CPUC Reimbursement Fee	18903-G
Part P	Income Tax Component of Contributions Provision	14224,13501-G
Part Q	Not Being Used	
Part R	Not Being Used	
Part S	Interest.....	12773-G
Part T	Tax Reform Act of 1986.....	12775-G
Part U	Core Brokerage Fee Balancing Account.....	18065-G
Part V	California Alternate Rates For Energy Account.....	18066-G
Part W	Cogeneration Distribution Shortfall Account.....	19203-G
Part X	Natural Gas Vehicle Balancing Account.....	18068,18069-G
Part Y	Customer Energy Efficiency Adjustment.....	18551,18552,18553-G
Part Z	Energy Efficiency California Energy Commission Memorandum Account.....	19493-G
Part AA	Not Being Used	
Part AB	Not Being Used	
Part AC	Catastrophic Event Memorandum Account.....	14178,14179-G
Part AD	Not Being Used	
Part AE	Core Pipeline Demand Charge Account.....	18976,18977,18978-G
Part AF	Noncore Interstate Transition Cost Surcharge Account.....	18979-G
Part AG	Not Being Used	
Part AH	Air Quality Adjustment Clause.....	14928 to 14930-G
Part AI	Not Being Used	
Part AJ	Not Being Used	
Part AK	Not Being Used	
Part AL	Not Being Used	
Part AM	Not Being Used	
Part AN	Hazardous Substance Mechanism.....	16979,16980,16692 to 16694-G
Part AO	Not Being Used	
Part AP	Not Being Used	
Part AQ	Pipeline Expansion Balancing Account.....	16519 to 16521-G
Part AR	Demand-Side Management Tax Change Memorandum Account.....	16502-G
Part AS	Not Being Used	
Part AT	Not Being Used	
Part AU	Allocation of Residual Costs Memorandum Account.....	19933,19934-G (N)

(Continued)

Advice Letter No. 2233-G
Decision No.

Issued by
DeAnn Hapner
Vice President
Regulatory Relations

Date Filed May 12, 2000
Effective July 1, 2000
Resolution No.



TABLE OF CONTENTS

	CAL P.U.C. SHEET NO.	
Title Page	11271-G	
Table of Contents:		
Rate Schedules	19936,19928-G	(T)
Preliminary Statements	19935-G	(T)
Rules, Maps, Contracts and Deviations	19090-G	
Sample Forms	18833,18308,18923,19214,18367-G	

RATE SCHEDULES

RESIDENTIAL

SCHEDULE	TITLE OF SHEET	CAL P.U.C. SHEET NO.
G-1	Residential Service	19913,18597-G
GM	Master-Metered Multifamily Service	19914,19300,18599-G
GS	Multifamily Service	19915,19301,18601-G
GT	Mobilehome Park Service	19916,19302-G
G-10	Service to Company Employees	11318-G
GL-1	Residential CARE Program Service	19917,18603-G
GML	Master-Metered Multifamily CARE Program Service	19918,19303,18605-G
GSL	Multifamily CARE Program Service	19919,19304,18607-G
GTL	Mobilehome Park CARE Program Service	19920,19921,18608-G
G-MHPS	Master-Metered Mobilehome Park Safety Surcharge	18904-G

NONRESIDENTIAL

G-NR1	Gas Service to Small Commercial Customers	19922,18980-G
G-NR2	Gas Service to Large Commercial Customers	19923,18981-G
G-CP	Gas Procurement Service to Core End-Use Customers	19924-G
G-CSP	Core Subscription Gas Procurement Service to Noncore End-Use Customers	19551,18685,18925-G
G-NT	Gas Transportation Service to Noncore End-Use Customers ..	19641,19825,18361,18111-G
G-COG	Gas Transportation Service to Cogeneration Facilities	19643,18984,18114,18985-G
G-EG	Gas Transportation Service to Electric Generation	19826,18987-G
G-30	Public Outdoor Lighting Service	19827,17050-G
G-WSL	Gas Transportation Service to Wholesale/Resale Customers ..	19828,19253,19254,18120-G
G-BAL	Gas Balancing Service for Intrastate Transportation Customers	18121,18921,19028,19029,18615,18126,19220,19221,18616,18421,18422-G

(Continued)