

January 12, 2001

Advice 2070-E-A

(Pacific Gas and Electric Company ID U 39E)

Public Utilities Commission of the State of California

Subject: Rate Stabilization Plan—Emergency Procurement Surcharge

Pacific Gas and Electric Company (the Company) hereby submits for filing revisions to its electric tariffs. This supplemental filing incorporates clarifying changes set forth in a letter dated January 11, 2001, from Paul Clanon, Director, Energy Division, following review of the Company's Advice 2070-E and Southern California Edison (SCE) Advice 1511-E. The affected tariff sheets are listed on the enclosed Attachment I, and replace and supersede the tariffs filed in Advice 2070-E.

Advice 2070-E was submitted January 4, 2001¹, to implement an immediate interim emergency procurement surcharge, subject to refund and adjustment, to increase the Company's electric revenues and rates in accordance with Decision (D.) 01-01-018 dated January 4, 2001. These increases are granted in the form of a temporary surcharge to improve the ability of the Company and SCE to cover costs of procuring future energy in wholesale electric markets in order to serve their loads. The temporary charge will be in effect for 90 days from the effective date authorized by the Commission, subject to further Commission orders.

Accounting Revisions

In Advice 2070-E, the Company submitted new Preliminary Statement Part AM--Emergency Surcharge Balancing Account (ESBA), for the purpose of recording, by customer class, the Emergency Procurement Surcharge (EPS) established in D. 01-01-018 and apply these revenues to the ongoing procurement costs. The Company also submitted revised Preliminary Statement Part N—Transition Revenue Account (TRA), to reflect that revenue billed under Schedule E-EPS will not be recorded in the TRA and currently incurred ongoing procurement costs not recovered through the TRA will be transferred to the ESBA.

In response to a joint protest from Aglet Consumer Alliance and The Utility Reform Network (TURN) dated January 9, 2001, the Commission requests that the Company

¹ SCE's corresponding Advice 1511-E also was submitted on January 4, 2001.

and SCE establish the Emergency Procurement Surcharge Balancing Account (EPSBA) to record by customer class the EPS established in D. 01-01-018. (The EPSBA replaces the ESBA as submitted in Advice 2070-E.) The EPSBA shall be credited monthly with the EPS revenues recorded during the month for each customer class.

The Company and SCE shall debit the EPSBA with the total amount of electricity procurement costs monthly, to the extent that these costs are incurred on or after January 4, 2001. If the sum of the balance at the beginning of the month, if any, and the current month's entries is a debit balance, the Company and SCE shall transfer the debit balance to the Transition Revenue Account (TRA).

The above mechanism ensures that the EPS is recorded in a balancing account and applied only to ongoing wholesale electricity procurement costs incurred on or after January 4, 2001.

Schedule E-EPS

New Schedule E-EPS—Emergency Procurement Surcharge, sets forth the \$/kWh surcharge for each customer class. The Company has changed language in the Applicability section to read, "Customers eligible for the California Alternative Rates for Energy (CARE) program are exempt from this surcharge," rather than listing each specific CARE rate schedule in Schedule E-EPS.

Effective Date

In accordance with D. 01-01-018, this supplemental advice filing is effective **January 4, 2001**.

Notice

In accordance with Section III, Paragraph G, of General Order 96-A, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list. Parties to the service list for Application (A.) 00-11-056 are also being served this filing electronically. Address changes should be directed to Nel Avendano at (415) 973-3529.

Vice President - Regulatory Relations

cc: Service List – A. 00-11-056 (via electronic mail)

Attachments



PRELIMINARY STATEMENT

N. TRANSITION REVENUE ACCOUNT (TRA)

1. PURPOSE: The purpose of the Transition Revenue Account (TRA) is to match the amount of billed revenues, excluding the Emergency Procurement Surcharge (EPS) revenues as defined in Schedule E-EPS pursuant to Decision 01-01-018, against the amount of the separated revenue requirement and Commission-approved obligations. This matching process facilitates determination of billed Competition Transition Charge (CTC) revenues, which will be transferred to the Transition Cost Balancing Account (TCBA). Separated revenue requirement consists of transmission, distribution, public purpose programs, and nuclear decommissioning. Commission-approved obligations consist of Independent System Operator (ISO) charges and Power Exchange charges incurred prior to January 4, 2001, any undercollection in the EPSBA (electric Preliminary Statement Part AM) and Diablo Canyon-related ICIP exclusions. In addition, pursuant to Decision 99-05-031 (Finding Of Fact 6; Conclusion Of Law 16), the costs associated with the Consumer Education Program (CEP) and the Electric Education Trust (EET) funded by PG&E will be recorded in the TRA. PG&E's costs associated with CEP and EET, up to the amount authorized for PG&E by the CPUC, are recorded in the TRA. The purpose of the TRA is also to ensure dollar-for-dollar recovery of distribution, nuclear decommissioning, public purpose program costs, and costs related to the CEP and EET. The TRA will be in effect until the end of the rate freeze. (T)
(T)
2. APPLICABILITY: This TRA provision applies to all bills for service under all rate schedules and contracts for electric service subject to the jurisdiction of the Commission, except for those specifically excluded by the Commission.
3. TRA SEPARATED REVENUE REQUIREMENT AMOUNTS: Beginning January 1, 1999, the TRA Separated Revenue Requirement Amounts for Distribution, Public Purpose Programs, and Nuclear Decommissioning shall reflect the 1999 General Rate Case (GRC) decision as adopted in Decision 00-02-046, and any other changes that are authorized by the Commission. (D)
4. REVISIONS: The TRA Separated Revenue Requirement Amounts are revised annually on January 1, or as authorized by the Commission in a future Revenue Adjustment Proceeding (RAP). (L)
5. ACCOUNTING PROCEDURE: PG&E shall maintain the TRA by making entries to this account at the end of each month as follows:
 - a. A debit entry equal to the recorded revenue for the period from residential and small commercial customers from the Fixed Transition Amount (FTA) charge, as provided for in Decision 97-09-055 and defined in Part AS of the Preliminary Statement;
 - b. A credit entry equal to the amount of total recorded CPUC jurisdictional revenue from the sale and/or delivery of electricity during the month, excluding the EPS revenues as defined in Schedule E-EPS; (T)
(T)
 - c. Prior to the date the Commission or its delegate declares to be the start date for direct access, a debit entry equal to the Transmission TRA Separated Revenue Amount divided by twelve;
 - d. On and after the date the Commission or its delegate declares to be the start date for direct access, a debit entry equal to the Transmission TRA Separated Revenues, based upon rates approved by the Federal Energy Regulatory Commission (FERC);
 - e. A debit entry equal to the annual applicable Distribution TRA Separated Revenue Requirement Amount divided by twelve; (L)

(Continued)



PRELIMINARY STATEMENT
(Continued)

- N. TRANSITION REVENUE ACCOUNT (TRA) (Cont'd.)
5. ACCOUNTING PROCEDURE: (Cont'd.): (L)
- f. A debit entry equal to the annual applicable Nuclear Decommissioning TRA Separated Revenue Requirement Amount divided by twelve;
 - g. A debit entry equal to the annual applicable Public Purpose Programs TRA Separated Revenue Requirement Amount divided by twelve;
 - h. A debit entry equal to the amount recorded for Diablo Canyon-related ICIP exclusion items listed in Findings of Fact 38, 39, and 40 of Decision 97-05-088; (D)
(T)
 - i. A debit entry equal to the costs associated with CEP and EET funded by PG&E, up to the amount authorized for PG&E by the CPUC; (T)
 - j. A debit entry equal to the recorded incentives paid to customers for avoided power purchases during the period between June 1, 2000, and December 31, 2000, as provided for under Schedule E-BID. (T)
 - k. A credit entry equal to the recorded amount of revenue cycle services credits given to customers for revenue cycle services provided by entities other than PG&E; (T)
 - l. A credit entry equal to the amount of Shareholder Participation, as defined in Section 6 below; (T)
 - m. A debit entry equal to the undercollected balance in the EPSBA (electric Preliminary Statement Part AM); (D)
(N)
(N)
 - n. If the sum of the beginning of the month balance and the balance after the entries above is a credit, a debit entry to transfer that sum to the TCBA (electric Preliminary Statement Part AV); and (T)
 - o. If the sum of the beginning of the month balance and the balance after the entries above is a debit, a debit entry equal to the interest on the average balance of the account at the beginning of the month and the balance after entries 5.a through 5.p 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. 3 or its successor. (T)

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PRELIMINARY STATEMENT

(Continued)

- AM. EMERGENCY PROCUREMENT SURCHARGE BALANCING ACCOUNT (EPSBA) (N)
1. PURPOSE: The purpose of the EPSBA is to record, by customer class, the Emergency Procurement Surcharge (EPS) established in D.01-01-018 and apply these revenues to the ongoing procurement costs. The EPS revenue and the ongoing procurement costs will be recorded in a separate subaccount for each customer class. (N)
 2. APPLICABILITY: The EPSBA shall apply to all electric customers except for those customers eligible for the California Alternative Rates for Energy (CARE) program.
 3. REVISION DATE: Disposition of amounts in this account shall be determined in a proceeding authorized by the Commission.
 4. RATE: The EPSBA rate is set forth in Schedule E-EPS.
 5. ACCOUNTING PROCEDURE: Separate subaccounts will be set up by customer class. The following entries shall be made for each subaccount each month:
 - a. A credit entry equal to the EPS revenues received from the customer class during the month.
 - b. A debit entry equal to the amount recorded for FERC-authorized ISO charges for transmission support, excluding Reliability Services.
 - c. A debit entry equal to the amount recorded for all power obtained for PG&E's customers as used in Schedule PX, to the extent these costs are incurred on or after January 4, 2001.
 - d. A credit entry, if the sum of the beginning of the month balance and the entries above is a debit, to transfer that sum to the TRA (electric Preliminary Statement Part N).
 - e. A monthly entry equal to interest on the average balance in the account at the beginning of the month and the balance after the above entries, at a rate equal to one-twelfth of 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. (N)

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SCHEDULE E-EPS—EMERGENCY PROCUREMENT SURCHARGE

(N)

APPLICABILITY: Pursuant to CPUC Decision No. 01-01-018 this schedule applies to all electric customers except for those customers eligible for the California Alternative Rates for Energy (CARE) program.

(N)

TERRITORY: Schedule E-EPS applies everywhere PG&E provides electric service.

RATES: All electric customers will be subject to a surcharge rate, Per kWh
applied on a usage basis, of: \$0.01000

DURATION OF SURCHARGE: This surcharge provides a temporary increase in revenues, subject to refund or adjustment, for the purpose of improving utility recovery of the costs of procuring future energy costs in the wholesale market. This surcharge will remain in effect for 90 days from January 4, 2001, or until canceled or modified by the California Public Utilities Commission.

(N)



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