

January 4, 2001

**Advice 2070-E**

(Pacific Gas and Electric Company ID U 39E)

Public Utilities Commission of the State of California

**Subject: Interim Rate Stabilization Plan**

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

**Purpose**

The purpose of this filing is to implement an immediate interim 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. The Company and Southern California Edison (Edison) are authorized to increase the electric bill of each customer, excluding customers eligible for rates under the California Alternative Rates for Energy (CARE) program, by one cent per kilowatt-hour (kWh), applied on a usage basis. This results in an increase of approximately 9 percent for residential customers, 7 percent for small business customers, 12 percent for medium business customers, and 15 percent for large commercial and industrial customers.

These increases are granted in the form of a temporary surcharge to improve the ability of the Company and Edison 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 date of this filing, ending **April 4, 2001**. During this time, the Commission will conduct further proceedings and investigations to determine ratemaking issues affecting the end of the current electric rate freeze in California under Assembly Bill (AB) 1890, and the Commission's basic obligation to assure that utilities provide adequate reliable service at just and reasonable rates under the Public Utilities Act.

**Rate Freeze Still in Effect**

Under AB 1890, electric rates charged by California utilities are currently frozen at 1996 levels. Due to unforeseen dramatic increases in wholesale market electricity costs, it is now critical that expedited action be taken to alleviate the effect of increased costs on consumers and the utilities' ability to continue financing wholesale power purchases. PG&E and Edison have submitted separate filings that support ending the rate freeze for each utility. However, by its actions in D. 01-01-018, the Commission does not end the rate freeze, but uses its authority to address an emergency condition and grant interim relief, subject to refund or adjustment, as set forth in D. 01-01-018.

The Commission notes that these ratemaking issues will require significant discovery and additional evidentiary hearings. The 90-day interim period will allow independent auditors sufficient time to review the overall financial position of each utility and their holding companies and affiliates, and to present reports, subject to cross-examination.

### **Accounting Revisions**

The Company is submitting 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 is submitting 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.

### **Schedule E-EPS**

The Company also submits electric Schedule E-EPS—Emergency Procurement Surcharge, which sets forth the \$/kWh surcharge for each customer class. This schedule will be effective until April 4, 2001, subject to further Commission orders.

### **Effective Date**

In accordance with D. 01-01-018, the Company requests that this advice filing become 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 Service List—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

Attachments

cc: Service List – A. 00-11-056



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). The unrecovered ongoing procurement costs will be transferred to the Emergency Surcharge Balancing Account (ESBA), electric Preliminary Statement Part AM. Separated revenue requirement consists of transmission, distribution, public purpose programs, and nuclear decommissioning. Commission-approved obligations consist of Independent System Operator (ISO) charges, Power Exchange charges 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 FERC-authorized ISO charges for transmission support, exclusive of charges in Item d;
  - i. 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)
  - j. 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)
  - k. 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)
  - l. 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)
  - m. A credit entry equal to the amount of Shareholder Participation, as defined in Section 6 below; (T)
  - n. A debit entry equal to the amount recorded for all power obtained for PG&E's customers as used in Schedule PX; (N) (N)
  - o. If the sum of entries 5.a through 5.n above is a debit, a credit entry to transfer that sum to the ESBA (electric Preliminary Statement Part AM); (T) (T) (D)
  - p. If the sum of the beginning of the month balance and the balance after entries 5.a through 5.o above is a credit, a debit entry to transfer that sum to the TCBA (electric Preliminary Statement Part AV); and (N)
  - q. If the sum of the beginning of the month balance and the balance after entries 5.a through 5.p 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. (N)

(Continued)



PRELIMINARY STATEMENT  
(Continued)

AM. EMERGENCY SURCHARGE BALANCING ACCOUNT (ESBA)

1. PURPOSE: The purpose of the ESBA 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.
2. APPLICABILITY: The ESBA shall apply to all electric customers except for those customers taking service under the following rate schedules: E-CARE, E-DEPART, EL-1, EML, ESL, ESRL, ETL, EL-7, EL-A7, and EL-8.
3. REVISION DATE: Disposition of amounts in this account shall be determined in a proceeding authorized by the Commission.
4. RATE: The ESBA 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 customer class' pro rata share of ongoing procurement costs unrecovered during the month through the TRA (electric Preliminary Statement Part N).
  - c. 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)  
-----  
(N)

(Continued)



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 taking service under the following rate schedules: E-CARE, E-DEPART, EL-1, EML, ESL, ESRL, ETL, EL-7, EL-A7, and EL-8.

(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)



TABLE OF CONTENTS  
(Continued)

PRELIMINARY STATEMENTS

SCHEDULE	TITLE OF SHEET	CAL P.U.C. SHEET NO.
Part AL	Not Being Used	
Part AM	Emergency Surcharge Balancing Account.....	17781-E (N)
Part AN	Diablo Canyon Property Tax Balancing Account.....	14432-E
Part AO	Diablo Canyon Audit Costs Memorandum Account.....	14433-E
Part AP	Real Property Sales Memorandum Account.....	14436-E
Part AQ	Reduced Return on Equity Memorandum Account.....	14449-E
Part AR	1997 Rate Design Window Shareholder Participation Memorandum Account.....	14723-E
Part AS	Fixed Transition Amount Charge.....	14794,16709-E
Part AT	Rate Reduction Bond Memorandum Account.....	14796,14797-E
Part AU	Direct Access Discretionary Cost/Revenue Memorandum Account.....	14837-E
Part AV	Transition Cost Balancing Account.....	14983 to 14990,16177,16178, 16618,16619,16620,14995,15723,15724,15725,14998 to 15001,16621,16622,16623-E
Part AW	Rate Group Transition Cost Obligation Memorandum Account..	16635,15005,17266,17267-E
Part AX	Must-Run Fossil Plant Memorandum Account.....	15726,15009-E
Part AY	Non-Must-Run Fossil Plant Memorandum Account.....	15727,15011-E
Part AZ	Non-Must-Run Hydroelectric/Geothermal Memorandum Account.....	15728,16804,16805-E
Part BA	Divestiture Bonus Return on Equity Memorandum Account.....	15015,15016-E
Part BB	Competition Transition Charge Responsibility for All Customers and CTC Procedure for Departing Loads.....	16399,14957,14958,16400,14960, 14961,16229,16230,16231,14963,14964,14965,14966,14967,14968,14969,16401,16402-E
Part BC	PU Code Section 376-Restructuring Implementation Tracking Account.....	16520,16521-E
Part BD	PU Code Section 381(d)-Renewable Program Costs Tracking Account.....	15018-E
Part BE	Must-Run Hydroelectric/Geothermal Plant Memorandum Account .....	16510,16181,16806,16807-E
Part BF	Streamlining Residual Account.....	15101-E
Part BG	Generation Facility Operations and Maintenance Account.....	16225,16226-E
Part BH	Independent System Operator (ISO) Power Exchange (PX) Implementation Delay Memorandum Account (IPIDMA) .....	15731,15732-E
Part BI	Non-Nuclear Generation Capital Additions Memorandum Account.....	15540-E
Part BK	Transmission Revenue Requirement Reclassification Memorandum Account.....	16761-E
Part BL	Electric Low-Income Memorandum Account (ELIMA).....	16087-E
Part BM	Applicant Installation Trench Inspection Memorandum Account.....	16607-E
Part BN	Vegetation Management Quality Assurance Balancing Account.....	16979-E
Part BO	Real Property Gain/Loss on Sale Memorandum Account.....	16651-E
Part BP	PX Credit Audit Memorandum Account.....	16647-E
Part BQ	Interim PX-Based Price Tracking Account (IPXPTA) .....	16695-E
Part BR	Applicant Installation Trench Inspection Deferred Account.....	16606-E
Part BS	Schedule E-BID Memorandum Account.....	16991,16992-E
Part BT	Electric Supply Cost Memorandum Account.....	16813-E
Part BU	Vegetation Management Balancing Account.....	16887-E
Part BV	Allocation of Residual Costs Memorandum Account.....	17003,17004-E

(Continued)



TABLE OF CONTENTS  
(Continued)

RATE SCHEDULES

SCHEDULE	TITLE OF SHEET	CAL P.U.C. SHEET NO.
<b>LIGHTING RATES</b>		
LS-1	PG&E-Owned Street and Highway Lighting .....	15393,17307,15395,15396,17111-E
LS-2	Customer-Owned Street and Highway Lighting .....	15398, 17308,15400 to 15403,17112-E
LS-3	Customer-Owned Street and Highway Lighting Electrolier Meter Rate .....	17309,15406,15407,17113-E
TC-1	Traffic Control Service .....	17310,15410,17114-E
OL-1	Outdoor Area Lighting Service.....	17311,15413,15414,17115-E
<b>OTHER</b>		
S	Standby Service.....	17312,17313, 17314,15419,16200,15421,16201,16202,15424,15425,16203,16204,16205,16206,16495-E
E-DEPART	Departing Customers .....	15905-E
E-EXEMPT	Competition Transition Charge Exemption.....	16068,17116,16070 to 16073-E
E-TD	Transmission and Distribution Bypass Deferral Rate .....	15694 to 15696,16496-E
E-TDI	Incremental Sales Rate for New Customers .....	15698,15699,16497-E
E-RRB	Rate Reduction Bonds Bill Credit and Fixed Transition Amount Charge .....	14798,14799-E
E-NEM	Net Energy Metering Service.....	16091,16092-E
E-BID	Price-Responsive Load Program .....	17333 to 17335-E
E-EPS	Emergency Procurement Surcharge .....	17782-E (N)
<b>AGRICULTURAL RATES</b>		
AG-1	Agricultural Power .....	17315,15446 to 15449,17117,17118, 17119,17120-E
AG-R	Split-Week Time-of-Use Agricultural Power .....	17121,17316,15456,15457,15458,15459,16499,17122,17123,17124,17125-E
AG-V	Short-Peak Time-of-Use Agricultural Power .....	17126,17317,15467,15468,15469,15470,16500, 17127,17128,17129,17130-E
AG-4	Time-of-Use Agricultural Power .....	17131,17318,17319,15479 to 15483,16501,17132,17133,17134,17135-E
AG-5	Large Time-of-Use Agricultural Power .....	17136,17320,17321,15492 to 15496,16502,17137,17138,17139,17140-E
AG-6	Large Agricultural Power.....	15502,17322,15504,15505,15506,17141-E
AG-7	Experimental Tiered Time-of-Use Agricultural Power .....	15701,17229,17323,17324,15705,15706,15707,15708,17142-E
AG-8	Deferral of Gas and Diesel Engine-Driven Pumping Facilities .....	15710,15711,16504-E
<b>POWER EXCHANGE RATES</b>		
PX	Power Exchange Energy Cost.....	17015,17016,17017,16744,16745,15521,15522-E
<b>DIRECT ACCESS</b>		
E-CREDIT	Revenue Cycle Services Credits .....	16567 to 16578-E
E-DASR	Direct Access Services Request Fees .....	14847-E
E-ESP	Service to Energy Service Providers.....	16109,15828,15829,15830,16221-E
E-ESPNSF	Energy Service Provider Non-Discretionary Service Fee .....	16535,16536-E
E-EUS	End User Services.....	14852,14853,14854-E

(Continued)



TABLE OF CONTENTS

	<u>CAL P.U.C. SHEET NO.</u>	
Title Page.....	8285-E	
Table of Contents:		
Rate Schedules .....	17785,17784-E	(T)
Preliminary Statements .....	17143,17783-E	(T)
Rules, Maps, Contracts and Deviations .....	17023-E	
Sample Forms .....	17251,16094,16546,16196,17337,16759-E	

RATE SCHEDULES

<u>SCHEDULE</u>	<u>TITLE OF SHEET</u>	<u>CAL P.U.C. SHEET NO.</u>
<b>RESIDENTIAL RATES</b>		
E-1	Residential Service .....	17268,15237,17051-E
EE	Service to Company Employees .....	15239-E
EM	Master-Metered Multifamily Service .....	17269,15241,15242,17053-E
ES	Multifamily Service .....	17270,15245,15246,17055-E
ESR	Residential RV Park and Residential Marina Service .....	17271,15249,15250,17057-E
ET	Mobilehome Park Service .....	17272,15253,15254,17059-E
E-7	Residential Time-of-Use Service .....	17060,17273,15257,17061-E
E-A7	Experimental Residential Alternate Peak Time-of-Use Service .....	17062, 17274,15260, 17063-E
E-8	Residential Seasonal Service Option .....	17275, 17065-E
E-9	Experimental Residential Time-of-Use Service for Low Emission Vehicle Customers .....	17066, 17276,17277,15267,15268,17067-E
EL-1	Residential CARE Program Service .....	17278,15274,17069-E
EML	Master-Metered Multifamily CARE Program Service .....	17279,15277,17071-E
ESL	Multifamily CARE Program Service .....	17280,15280,15281,17073-E
ESRL	Residential RV Park and Residential Marina CARE Program Service .....	17281,15284,15285,17075-E
ETL	Mobilehome Park CARE Program Service .....	17282,15289,15290,17077-E
EL-7	Residential CARE Program Time-of-Use Service .....	17078, 17283,15293,17079-E
EL-A7	Experimental Residential CARE Program Alternate Peak Time-of-Use Service .....	17080, 17284,15296,17081-E
EL-8	Residential Seasonal CARE Program Service Option.....	17285,17083-E
<b>COMMERCIAL/INDUSTRIAL</b>		
A-1	Small General Service .....	17286,17085-E
A-6	Small General Time-of-Use Service .....	17086, 17287,16481,17087-E
A-10	Medium General Demand-Metered Service .....	17288,15307,15308,16482,17089-E
A-T	Nondomestic Interruptible Service .....	11862-E
A-RTP	Experimental Real-Time-Pricing Service .....	17253,16483-E
A-15	Direct-Current General Service .....	17289,17090-E
E-19	Medium General Demand-Metered Time-of-Use Service .....	17091,17092, 17093,17290,17291,17292,15321,15322,15323,15324,16411,16412,16413,15328,16414, 15330,17293,17294,17295,16416,16417,16418,16419,16420,16485,17094,17095,17096-E
E-20	Service to Customers with Maximum Demands of 1,000 Kilowatts or More .....	17097,17254,17296, 17297,17298,15348,15349,15350,15351,16426,16427,16428,15355,16429,16430,15358, 17299,17300,17301,16432,16433,16434,16435,16436,16486,17099,17100,17101,1710 2-E
E-25	Restricted Variable-Peak-Period Time-of-Use Service to Water Agencies .....	17103, 17302,17303,17304,15376 to 15379,17104-E
E-36	Small General Service to Oil and Gas Extraction Customers .....	17305,17106-E
E-37	Medium General Demand-Metered Time-of-Use Service to Oil and Gas Extraction Customers .....	17107,17108,17306,15690,15691,15692,17109-E
ED	Experimental Economic Development Rate .....	16881,17110-E
E-CARE	CARE Program Service for Qualified Nonprofit Group-Living and Qualified Agricultural Employee Housing Facilities .....	15392-E

(Continued)