January 30, 2001

ADVICE 2291-G/2077-E
(Pacific Gas and Electric Company ID U 39 M)

Public Utilities Commission of the State of California

Subject: Capital Audit Consultant Cost Memorandum Account (CACCMA)

Purpose

The purpose of this filing is to add gas Preliminary Statement Part AV and electric Preliminary Statement Part U—*Capital Audit Consultant Cost Memorandum Account (CACCMA)*, to Pacific Gas and Electric Company's (PG&E) tariffs in compliance with Ordering Paragraph 12 of PG&E's General Rate Case Decision (D.) 00-02-046 issued February 17, 2000.

Background

In Decision 00-02-046, the Commission ordered the Energy Division to conduct an audit of calendar year 1999 distribution capital spending by PG&E. Ordering Paragraph 12 of that decision in relevant part, states:

> "The Energy Division shall contract with a consultant who will assess the contribution of PG&E's capital spending to system reliability, capacity and adequacy of service. PG&E shall reimburse the Commission for the cost of this contract. PG&E is authorized to record these costs in a memorandum account. The advice letter shall be effective on completion of review by the Energy Division for compliance with this order.

In compliance with Ordering Paragraph 12, PG&E files this advice letter requesting that the Energy Division review and approve the CACCMA.

Accounting Procedure

PG&E shall maintain the CACCMA by making a debit entry equal to the recorded costs associated with the Energy Division's contract with the capital audit consultant. The Energy Division will approve all costs invoiced by the auditors and will identify the amounts to be recorded in the CACCMA, separately for gas and electric consultant costs. Actual entries to the account will be made when PG&E receives invoices from the auditors and the Energy Division. PG&E will address the disposition of the CACCMA balance in its Annual Revenue Adjustment Proceeding or other proceeding as authorized by the Commission.

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

Effective Date

PG&E requests that this filing become effective on **March 12, 2001**, which is 40 days after the date of filing.

Protests

Anyone wishing to protest this filing may do so by sending a letter within 20 days of this filing. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. 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, Room 4005 and Jerry Royer, Energy Division, at the address shown above. A copy of the protest should be sent via postal mail and facsimile to PG&E on the same date it is mailed or delivered to the Commission at the address shown below.

Pacific Gas and Electric Company
Attention: Les Guliasi
Director, Regulatory Relations
77 Beale Street, Mailcode B10C
P.O. Box 770000
San Francisco, CA 94177

Facsimile: (415) 973-7226

Notice

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 changes should be directed to Nelia Avendano at (415) 973-3529.

Vice President – Regulatory Relations

cc: Service List – A. 97-12-020 (via electronic mail)

Attachments

PRELIMINARY STATEMENT
(Continued)

U. CAPITAL AUDIT CONSULTANT COST MEMORANDUM ACCOUNT (CACCMA) (N)

1. PURPOSE:

The purpose of the CACCMA is to record payments made by PG&E to the California Public Utilities Commission to reimburse the Commission for the costs of an Energy Division contract with a consultant required by Ordering Paragraph 12 of PG&E's 1999 General Rate Case decision (Decision 00-02-046). The Energy Division consultant study required by Ordering Paragraph 12 will assess the contribution of distribution capital spending in 1999 to system reliability, capacity and adequacy of service.

2. APPLICABILITY:

The CACCMA shall apply to all customer classes.

3. REVISION DATE:

Disposition of amounts in the CACCMA shall be determined in the Annual Revenue Adjustment Proceeding or other proceeding as authorized by the Commission.

4. CACCMA RATES:

The CACCMA does not currently have a rate component.

5. ACCOUNTING PROCEDURE:

PG&E shall maintain the CACCMA A by making entries to this account as follows:

a. A debit entry equal to the recorded costs associated with or related to Energy Division's contract with the capital audit consultant. Prior Energy Division approval must be received for all costs invoiced by the auditors.

b. A debit entry equal to the interest on the average of the balance at the beginning of the month and the balance after Item 4.a., 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. (N)

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(Pacific Gas and Electric Company ID U 39 M)

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In compliance with Ordering Paragraph 12, PG&E files this advice letter requesting that the Energy Division review and approve the CACCMA.

Accounting Procedure

PG&E shall maintain the CACCMA by making a debit entry equal to the recorded costs associated with the Energy Division's contract with the capital audit consultant. The Energy Division will approve all costs invoiced by the auditors and will identify the amounts to be recorded in the CACCMA, separately for gas and electric consultant costs. Actual entries to the account will be made when PG&E receives invoices from the auditors and the Energy Division. PG&E will address the disposition of the CACCMA balance in its Annual Revenue Adjustment Proceeding or other proceeding as authorized by the Commission.

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

Effective Date

PG&E requests that this filing become effective on **March 12, 2001**, which is 40 days after the date of filing.

Protests

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Energy Division
California Public Utilities Commission
505 Van Ness Avenue, Room 4002
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Pacific Gas and Electric Company
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Director, Regulatory Relations
77 Beale Street, Mailcode B10C
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San Francisco, CA 94177

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Vice President – Regulatory Relations

cc: Service List – A. 97-12-020 (via electronic mail)

Attachments

PRELIMINARY STATEMENT
(Continued)

AV. CAPITAL AUDIT CONSULTANT COST MEMORANDUM ACCOUNT (CACCMA) (N)

1. PURPOSE:

The purpose of the CACCMA is to record payments made by PG&E to the California Public Utilities Commission to reimburse the Commission for the costs of an Energy Division contract with a consultant required by Ordering Paragraph 12 of PG&E's 1999 General Rate Case decision (Decision 00-02-046). The Energy Division consultant study required by Ordering Paragraph 12 will assess the contribution of distribution capital spending in 1999 to system reliability, capacity and adequacy of service.

2. APPLICABILITY:

The CACCMA shall apply to all customer classes.

3. REVISION DATE:

Disposition of amounts in the CACCMA shall be determined in the Annual Revenue Adjustment Proceeding or other proceeding as authorized by the Commission.

4. CACCMA RATES:

The CACCMA does not currently have a rate component.

5. ACCOUNTING PROCEDURE:

PG&E shall maintain the CACCMA A by making entries to this account as follows:

a. A debit entry equal to the recorded costs associated with or related to Energy Division's contract with the capital audit consultant. Prior Energy Division approval must be received for all costs invoiced by the auditors.

b. A debit entry equal to the interest on the average of the balance at the beginning of the month and the balance after Item 4.a., 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. (N)

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