

August 9, 2001

**Advice 2151-E**

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

**Subject: Fixed Transition Account Charge True-up Mechanism**

Pacific Gas and Electric Company (the Company) hereby submits for filing the Anniversary Fixed Transition Amount (FTA)<sup>1</sup> Charge True-Up Mechanism.

**Purpose**

Pursuant to Decision (D.) 97-09-055 (Financing Order), Ordering Paragraphs 14 and 16, the Company as servicer of the Rate Reduction Bonds (RRBs), and on behalf of PG&E Funding LLC, is required to file a True-Up Mechanism advice letter at least 15 days before each anniversary of the issuance of the Financing Order, which was issued on September 3, 1997.

The filing establishes that the FTA charges currently in effect are adequate to service the RRBs and that no adjustments to the FTA charges are required at this time.

**Background**

Under Section 7.01(d) of the Transition Property Servicing Agreement between PG&E Funding LLC as Note Issuer and Pacific Gas and Electric Company as Servicer, a Servicer Default has occurred as a result of the commencement by the Servicer of proceedings for reorganization under Chapter 11 of the Bankruptcy Code on April 6, 2001. However, the Company has performed and continues to perform all of its obligations under the Servicing Agreement, including remitting daily all amounts paid by ratepayers with respect to FTA charges to the RRB trustee, and there is no default under the Indenture with respect to the RRBs.

The assets of PG&E Funding LLC are legally separate from the bankruptcy estate of the Company and are not available to the creditors of the Company.

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<sup>1</sup> The FTA charge is referred to as the Trust Transfer Amount on customer bills.

Table I shows the RRB principal balance and the balances in the Collection Account subaccounts immediately following distributions made on June 25, 2001. The assumptions underlying the current FTA charges were filed in Advice 1715-E on December 1, 1997, as authorized by the Financing Order, and Advice 2060-E, filed on December 15, 2000, effective January 1, 2001.

<b>TABLE 1</b>	
<b>RRB Principle Balance and Collection Account Subaccount Balances</b>	
Scheduled RRB Principle Balance	\$1,889,916,995.00
RRB Principle Balance	\$1,889,916,995.00
Reserve Subaccount Balance	\$22,344,880.86
Required Overcollateralization Level	\$5,076,750.00
Overcollateralization Subaccount Balance	\$5,076,750.00
Required Capital Level	\$14,405,000.00
Capital Subaccount Balance	\$14,405,000.00

The Company will file a year-end true-up advice letter on or before December 15, 2001, in accordance with D. 97-09-055, to adjust the Fixed Transition Amount set forth in electric Preliminary Statement Part AS, effective January 1, 2002.

In accordance with the Financing Order, the Commission shall determine on this Financing Order Issuance Anniversary, as required by Public Utilities Code Section 841 (c), whether adjustments to the FTA charges are required, with the resulting adjustments to the FTA charges, if necessary, to be implemented within 90 days of this Financing Order Issuance Anniversary.

### **Protests**

Anyone wishing to protest this filing may do so by sending a letter by **August 29, 2001**, which is 20 days from the date 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. It is also requested that a copy of the protest be sent via postal mail and facsimile to Pacific Gas and Electric Company 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, Mail Code B10C  
P.O. Box 770000  
San Francisco, California 94177  
Facsimile: (415) 973-7226

#### **Effective Date**

In accordance with D. 97-09-055, PG&E requests that this advice filing become effective on **August 19, 2001**.

#### **Notice**

In accordance with General Order 96-A, Section III, Paragraph G, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list. Address changes should be directed to Nelia Avendano at (415) 973-3529. Advice letter filings can also be accessed electronically at:

[http://www.pge.com/customer\\_services/business/tariffs/](http://www.pge.com/customer_services/business/tariffs/)

Vice President - Regulatory Relations

Attachments

cc: Paul Clanon, Energy Division  
Regina Birdsell, Office of Ratepayer Advocates  
Wade McCartney, Energy Division