

December 26, 2001

Advice 2177-E-A

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: Supplemental Filing - Adjustment of the Diablo Canyon Units 1 and 2 Nuclear Decommissioning Cost-of-Service Amounts

Purpose

The purpose of this supplemental filing is to update and correct the Nuclear Decommissioning Transition Revenue Account (TRA) Separated Revenue Requirement Amount in accordance with the IRS Revised Schedule of Ruling Amounts (SRA) for Diablo Canyon Nuclear Power Plant Unit 1 issued April 13, 2001, and Unit 2 issued April 20, 2001, and revise rates for January 1, 2002, accordingly. The total Nuclear Decommissioning Revenue Requirement amount including Commission-authorized SAFSTOR Operation & Maintenance expense for Humboldt Bay Power Plant Unit 3 was incorrectly reported in Advice 2177-E as \$30,294,000.

In determining the January 1, 2002, nuclear decommissioning revenue requirement as presented in Advice 2177-E, PG&E inadvertently omitted the associated adjustment to Franchise Fees and Uncollectibles, State and Federal Taxes, and Net for Return. This error was corrected and the net result of this adjustment is a reduction in revenue requirement of \$2,000.

Also, PG&E did not base its tax calculations for Advice 2177-E on the complete tax version of PG&E's Results of Operations Model as approved on September 29, 2001, in Resolution E-3669. This error was corrected and the net result is a reduction in PG&E's Revenue Requirement for Nuclear Decommissioning and SAFSTOR of \$29,000.

Both the \$2,000 and the \$29,000 adjustment have been incorporated into the revised January 1, 2002, nuclear decommissioning revenue requirement filed in this supplement. The updated and corrected Nuclear Decommissioning Revenue Requirement amount including Commission-authorized SAFSTOR Operation & Maintenance expense is \$30,263,000.

Also included with this supplement is a corrected Attachment II that presents the nuclear decommissioning rates based on the corrected revenue requirement. PG&E proposes to revise nuclear decommissioning rates effective January 1, 2002.

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

Protests

Anyone wishing to protest this filing may do so by sending a letter by **January 15, 2002**, 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, Mailcode B10C
P.O. Box 770000
San Francisco, CA 94177
Facsimile: (415) 973-7226

Effective Date

Pacific Gas and Electric Company requests that this filing become effective on **January 1, 2002**.

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. Attachment II was not mailed to parties on the service list; however, a copy is available upon request. 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/

Vice President - Regulatory Relations

Attachments