

December 21, 2001

**ADVICE 2182-E**

(Pacific Gas and Electric Company ID U 39E)

Public Utilities Commission of the State of California

**Subject: Electric Refund Plan-Electric Deferred Refund Account (EDRA)**

**Purpose**

Pacific Gas and Electric Company (PG&E) hereby submits its Electric Refund Plan (Refund Plan) in compliance with Decision (D.) 96-12-025, dated December 9, 1996, in OIR 94-04-031/OII 94-04-032, the Commission's Electric Industry Restructuring Proceeding.<sup>1</sup>

As ordered in D. 96-12-025, PG&E established the Electric Deferred Refund Account (EDRA) in Advice 1639-E to record credits for electric disallowances ordered by the Commission, Utility Electric Generation Department (UEG) portions of gas disallowances ordered by the Commission or the Federal Energy Regulatory Commission (FERC), and electric and UEG amounts resulting from the settlement of reasonableness disputes at the Commission or FERC. Additionally, D. 96-12-025 ordered PG&E to submit a Refund Plan on or before January 31 of each year to refund balances in the EDRA. The methodology for refunds is set forth in D. 96-12-025.

**Background**

The amount to be refunded to PG&E's electric customers as of December 2001 is approximately \$1.9 million, which consists primarily of unspent funds for Research, Development and Demonstration (RD&D) projects, accrued interest, and a small residual balance from the most recent EDRA refund plan submitted

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<sup>1</sup> PG&E reserves all legal rights to challenge the decisions or statutes under which it has been required to make this advice filing, and nothing in this advice filing constitutes a waiver of such rights. Also, PG&E reserves any additional legal rights to challenge the requirement to make this advice filing by reason of its status as a debtor under Chapter 11 of the Bankruptcy Code, and nothing in this advice filing constitutes a waiver of such rights.

in Advice 2058-E. The balance also includes a payment received by PG&E from the Kenetech Windpower bankruptcy proceeding, and recovered via the RD&D balancing account. Consistent with the conclusion reached in Resolutions E-3622 and E-3628, PG&E will refund this unspent RD&D funds through EDRA. Attachment I describes the Refund Plan in detail.

Preliminary Statement Part AA – *Electric Deferred Refund Account*, provides that the refund amounts shall be refunded to customers annually based on each customer's average monthly energy usage for the prior calendar-year period. PG&E requests authority to commence providing refunds that coincide with the customers' March billing cycle. The intent is to base the refunds on customers' estimated average monthly energy usage for the calendar year 2001, as determined by their average usage across the last twelve billing cycles preceding the billing cycle in which they receive their refund. As such, the January and February 2001 billing data will be estimated based on January and February 2002 billing data. This is necessary because PG&E's billing system contains only the active customer records for the current month and the twelve (12) preceding months.

In D. 98-01-056, the Commission ordered PG&E to calculate its refund according to class average by first allocating the total annual amount to be refunded to each customer class in proportion to revenues billed for each customer class for the calendar-year period. Then, within each customer class, individual refunds based on each customer's average monthly energy usage are calculated for the same period.<sup>2</sup> The preliminary rates vary between two and four one-hundredths of a cent, multiplied by the customers' average monthly usage. For example, a typical residential customer with an average usage of 500 kWh per month would receive a refund of \$0.16.

The revenues used to allocate the refund have been calculated under the assumption that all direct access customers in all classes continued to take bundled service from PG&E; i.e., the refund allocation to each class will include imputed revenues associated with the Power Exchange credit received by Direct Access customers. Imputing revenues is appropriate in this case, because the amounts being returned to customers in this refund plan were non-procurement-related items, or were incurred prior to the start of Direct Access.

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

### **Protests**

Anyone wishing to protest this filing may do so by sending a letter by **January 10, 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:

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<sup>2</sup>D.98-01-56, p. 9.

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 General Order 96-A and D. 96-12-025, PG&E requests that this advice filing become effective on regular notice, **January 30, 2002**, which is 40 days after the date of filing.

### **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 and the parties on the service list for R. 94-04-031 and I. 94-04-032. 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

cc: Service Lists R. 94-04-031, I. 94-04-032

Attachments