

April 24, 2002

ADVICE 2384-G/2228-E

(Pacific Gas and Electric Company ID U 39 M)

Public Utilities Commission of the State of California

**Subject: Revises Baseline Territory Quantities and Establishes
Baseline Balancing Accounts**

Pacific Gas and Electric Company (PG&E) hereby submits for filing revisions to its gas and electric tariffs. The affected tariff sheets are listed on the enclosed Attachment I.¹

Purpose

In accordance with Decision (D.) 02-04-026, issued in Phase 1 of the Commission's Baseline Order Instituting Rulemaking 01-05-047 (Baseline OIR), PG&E is revising electric residential baseline territory quantities effective **May 1, 2002**. Baseline quantities for residential gas customers are being revised in conjunction with gas procurement rate changes in Advice 2382-G, also filed this date.

This filing also presents other information in compliance with various ordering paragraphs of D.02-04-026 including: 1) proposed new gas and electric Baseline Balancing Account preliminary statements for tracking revenue shortfalls due to postponement of baseline rate changes, and for recording administrative costs incurred as a result of medical baseline program changes; and 2) a description of PG&E's medical baseline outreach program to Independent Living Center and Senior Organizations.

Background

Decision 86-12-091 dated December 22, 1986, and D. 89-12-057 dated December 20, 1989, provide that baseline quantities may be revised on May 1st of each year until the target levels established in PG&E's most recent General

¹ 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.

Rate Case (GRC) are reached. While the next change to baseline allowances would normally occur in a GRC, the Commission found that there was no need to wait for a GRC to be filed in order to adjust baseline allowances.

Tariff Revisions

Rate Schedules

Gas and electric target baseline quantities for the summer and winter seasons are established based on a percentage of average residential usage for the years 1997 to 2000 in each of PG&E's ten baseline territories.² The target baseline quantities are calculated separately based on whether or not the customer has permanently installed electric space heating and whether the customer is individually-metered or master-metered. All baseline quantities continue to be set at the highest percentage allowed by Section 739, as has been PG&E's longstanding practice.

Baseline quantities are changing on all residential schedules. Changes to rates resulting from adjustments to both gas and electric baseline quantities will not be considered until Phase 2 of the Baseline OIR.

Preliminary Statements

In accordance with D. 02-04-026, PG&E proposes a new electric Preliminary Statement Part CE - *Baseline Balancing Account (BBA)*, and a new gas Preliminary Statement Part AY - *Baseline Balancing Account*, to track the under-collections resulting from the changes in electric and gas baseline allowances effective May 1, 2002. As stated in D. 02-04-026, these balancing accounts are authorized to maintain revenue neutrality for the changes in baseline quantities, until rates change in Baseline OIR Phase 2. The BBAs will also record administrative costs incurred as a result of the medical baseline program changes. The Baseline OIR decision also authorizes reasonable recovery of costs caused by the changes to the medical baseline program.

1) Electric Baseline Balancing Account

Pursuant to D. 02-04-026, electric baseline allowances will increase in some baseline climate zones and will remain at current levels in those zones where they would otherwise have decreased. Pursuant to D. 02-04-026, the electric BBA is established to record revenue under-collections resulting from the Commission's "up - not down" approach to the electric baseline allowances.

² In compliance with Ordering Paragraph (OP) 6 of D. 02-04-026, PG&E notes that it had previously calculated baseline quantities based on the most recent available calendar year, which is then weather-normalized to reflect temperatures in a "normal" year. PG&E changed to a simple average of the most recent available four calendar years. Under this new methodology (which was approved in D. 02-04-026, at page 8), baseline quantities were determined for each of those four years, and then averaged to arrive at the baseline quantities filed in this advice letter.

PG&E proposes three subaccounts in the electric BBA: 1) the Surcharge Baseline Revenue Shortfall Subaccount, which will record the revenue shortfall from the Energy Procurement Surcharge (electric rate Schedule E-EPS) that results from those residential customers whose usage is under 130 percent of baseline allowance; 2) the Frozen Rate Baseline Revenue Shortfall Subaccount, which will record the revenue shortfall from the current "frozen" standard electric rates; and 3) the Medical Baseline Program Cost Subaccount, which will record the electric portion of the administrative costs caused by the changes ordered by the Commission to the medical baseline program.

2) **Gas Baseline Balancing Account**

Pursuant to D. 02-04-026, gas baseline allowances have changed (increased in some territories and decreased in others), while Tier 1 and Tier 2 rates have been kept constant, for the time being, instead of increasing. The effect is an increase in system-wide volumes qualifying for the baseline rate, and a resulting revenue under-collection. In accordance with Baseline OIR D. 02-04-026, PG&E is establishing a new gas BBA to record revenue under-collections resulting from postponement of rate changes associated with changes to gas baseline quantities until after Phase 2, and to record the gas portion of administrative costs incurred as a result of medical baseline program changes.

Medical Baseline

Medical Baseline Program Outreach

PG&E currently performs medical baseline program outreach to Independent Living Centers and Senior Organizations through: 1) presentations to community organizations; 2) participation in community fairs; 3) radio interview spots; 4) CARE outreach efforts; and 5) participation in community coalitions throughout PG&E's service territory. Examples of outreach efforts include:

- Presentations on financial assistance programs (e.g., medical baseline, CARE, Energy Partners, REACH, LIHEAP) and PG&E outreach efforts to the disabled community at the California Foundation of Independent Living Centers Statewide Meeting.
- Presentations on financial assistance programs, conservation, and energy management programs to organizations serving seniors and disabled persons which include: Self Help for the Elderly, Hong Fook Senior Center, South San Francisco Senior Citizens Conference, San Mateo Senior Center, Fairfield Salvation Army Center, Italian American Community Center, and Richmond Network of Elders.

- Participated in Santa Rosa Senior Celebration Fair and provided information about financial assistance programs, outage and conservation tips, and energy management programs.
- Provided information on financial assistance programs on KSOL radio interview spot (Spanish-speaking).

PG&E also provides information about the medical baseline program to customers and the public through bill inserts, 24-hour telephone service, and PG&E's website. Information about medical baseline, CARE and other programs is regularly provided to customers who call to inquire about high bills and/or financial assistance.

Pending Medical Baseline Form Revisions

PG&E's current medical baseline forms will be revised via the informal process described in D. 02-04-026, OP 19. After agreement is reached between all parties on the revised forms, PG&E will file an advice letter to replace its current medical baseline forms. The revised forms will incorporate the new self-certification and doctor certification requirements, as described in OP 22. PG&E will offer the new forms in the languages described in OP 13, and will utilize the new applications in all outreach efforts.

Protests

Anyone wishing to protest this filing may do so by sending a letter by **May 14, 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, Mail Code B10C
P.O. Box 770000
San Francisco, California 94177
Facsimile: (415) 973-7226

Effective Date

In accordance with D. 02-04-026, PG&E requests that this advice filing become effective **May 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 and the parties on the service list for R. 01-05-047. Address changes should be directed to Rose Abao at (415) 973-2218. Advice letter filings can also be accessed electronically at:

http://www.pge.com/customer_services/business/tariffs/

Vice President - Regulatory Relations

Attachments

cc: Service List – R. 01-05-047



PRELIMINARY STATEMENT
(Continued)

AY. BASELINE BALANCING ACCOUNT (BBA)

(N)

1. **PURPOSE:** The purpose of the gas Baseline Balancing Account (BBA) is to record revenue shortfalls resulting from changes in baseline allowances as authorized in Decision 02-04-026 from May 1, 2002, until a decision is reached in Phase 2 of OIR 01-05-047. This account also records the administrative costs for the medical baseline program changes authorized in Decision 02-04-026.
2. **APPLICABILITY:** The gas BBA applies to all gas customers except for those specifically excluded by the Commission.
3. **REVISION DATE:** Disposition of the amounts in this account shall be determined in the next Cost Allocation Proceeding (CAP) or at other times, as ordered by the CPUC.
4. **RATES:** This account does not currently have a rate component.
5. **ACCOUNTING PROCEDURE:** PG&E shall make the following entries to the account at the end of each month or when applicable:
 - a. An entry equal to the net under- or over-collection in residential customer revenue resulting from changes in baseline allowances per Decision 02-04-026. The entry will be computed by subtracting such monthly revenues from the revenues that would have been recovered from customers had the baseline quantities not been changed.
 - b. A debit entry equal to the gas portion of administrative costs associated with the medical baseline program changes authorized in Decision 02-04-026.
 - c. An 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 rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15 or its successor.
 - d. A debit or credit entry equal to the transfer of all or a portion of the balance in the gas BBA to other balancing accounts for future rate recovery, as may be approved by the CPUC.

(N)

(Continued)



TABLE OF CONTENTS
(Continued)

PRELIMINARY STATEMENTS

SCHEDULE	TITLE OF SHEET	CAL P.U.C. SHEET NO.
Part A	Description of Service Area & General Requirements	14615 to 14623,18797-G
Part B	Default Tariff Rate Components.....	20962,20963,20964,20965,20966, 20886,20887,20888,20889,20833,20834,20956,20836 to 20842-G
Part C	Gas Accounting Terms and Definitions	18965,20843,20844,20651,18047,20845,20846,20443,20027,18314,18315,18316-G
Part D	Purchased Gas Account	20847,20445,20848-G
Part E	Not Being Used	
Part F	Core Fixed Cost Account	20849,20850-G
Part G	Not Being Used	
Part H	Not Being Used	
Part I	Noncore Brokerage Fee Balancing Account.....	18061-G
Part J	Noncore Customer Class Charge Account	20851,20852,20853-G
Part K	Enhanced Oil Recovery Account	17360-G
Part L	Balancing Charge Account	20854,20030-G
Part M	Core Subscription Phase-Out Account	18456-G
Part N	Not Being Used	
Part O	CPUC Reimbursement Fee	19985-G
Part P	Income Tax Component of Contributions Provision.....	14224,13501-G
Part Q	Not Being Used	
Part R	Not Being Used	
Part S	Interest	12773-G
Part T	Tax Reform Act of 1986	12775-G
Part U	Core Brokerage Fee Balancing Account.....	18065-G
Part V	California Alternate Rates For Energy Account	20794-G
Part W	Cogeneration Distribution Shortfall Account	19203-G
Part X	Natural Gas Vehicle Balancing Account	20952,20953-G
Part Y	Customer Energy Efficiency Adjustment.....	18551,18552,18553-G
Part Z	Energy Efficiency California Energy Commission Memorandum Account.....	20797-G
Part AA	Not Being Used	
Part AB	Not Being Used	
Part AC	Catastrophic Event Memorandum Account.....	14178,14179-G
Part AD	Not Being Used	
Part AE	Core Pipeline Demand Charge Account	18976,20447,18978-G
Part AF	Not Being Used	
Part AG	Core Firm Storage Account.....	20031-G
Part AH	Air Quality Adjustment Clause	14928 to 14930-G
Part AI	Applicant Installation Trench Inspection Deferred Account	19533-G
Part AJ	Applicant Installation Trench Inspection Memorandum Account	19534-G
Part AK	Not Being Used	
Part AL	Not Being Used	
Part AM	Not Being Used	
Part AN	Hazardous Substance Mechanism	16979,16980,16692 to 16694-G
Part AO	Not Being Used	
Part AP	Not Being Used	
Part AQ	Pipeline Expansion Balancing Account.....	16519 to 16521-G
Part AR	Demand-Side Management Tax Change Memorandum Account.....	16502-G
Part AS	Not Being Used	
Part AT	Not Being Used	
Part AU	Allocation of Residual Costs Memorandum Account	19933,19934-G
Part AV	Capital Audit Consultant Cost Memorandum Account	20432-G
Part AY	Baseline Balancing Account	21051-G (N)

(Continued)



TABLE OF CONTENTS

	<u>CAL P.U.C. SHEET NO.</u>	
Title Page	11271-G	
Table of Contents:		
Rate Schedules	21053,20982-G	(T)
Preliminary Statements	21052-G	(T)
Rules	20877-G	
Maps, Contracts and Deviations.....	20212-G	
Sample Forms	20605,19381,20089,20145,19708-G	

RATE SCHEDULES

RESIDENTIAL

<u>SCHEDULE</u>	<u>TITLE OF SHEET</u>	<u>CAL P.U.C. SHEET NO.</u>
G-1	Residential Service	20967,18597-G
GM	Master-Metered Multifamily Service	20968,20467,18599-G
GS	Multifamily Service	20969,19301,18601-G
GT	Mobilehome Park Service	20970,19302-G
G-10	Service to Company Employees	11318-G
GL-1	Residential CARE Program Service.....	20971,18603-G
GML	Master-Metered Multifamily CARE Program Service	20972,20468,18605-G
GSL	Multifamily CARE Program Service.....	20973,19304,18607-G
GTL	Mobilehome Park CARE Program Service.....	20974,20975,18608-G
G-MHPS	Master-Metered Mobilehome Park Safety Surcharge	19986-G

NONRESIDENTIAL

G-NR1	Gas Service to Small Commercial Customers	20976,18980-G
G-NR2	Gas Service to Large Commercial Customers.....	20977,18981-G
G-CP	Gas Procurement Service to Core End-Use Customers	20978-G
G-NT	Gas Transportation Service to Noncore End-Use Customers	20855,20856,18361,20450-G
G-COG	Gas Transportation Service to Cogeneration Facilities	20451,20857,18114,18985-G
G-EG	Gas Transportation Service to Electric Generation	20858,19423-G
G-30	Public Outdoor Lighting Service.....	20859,17050-G
G-WSL	Gas Transportation Service to Wholesale/Resale Customers.....	20860,20861,20862-G
G-BAL	Gas Balancing Service for Intrastate Transportation Customers	20687,20033 to 20045-G

(Continued)