

April 24, 2002

**Advice 2233-E**

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

**Subject: Utility Retained Generation – Revenue Requirement**

Pacific Gas and Electric Company (PG&E) hereby submits its updated interim cost-of-service revenue requirement and rate base for utility retained generation (URG). This filing is made in accordance with Ordering Paragraph 8 of Decision (D.) 02-04-016 dated April 4, 2002, in PG&E's Application (A.) 00-11-056 to Adopt a Rate Stabilization Plan.<sup>1</sup>

**Purpose**

Decision 02-04-016 adopted a revenue requirement of \$2.906 billion for PG&E for the period from January 2002 through December 2002, assuming December 31, 2001, plant balances. However, this revenue requirement was not based on December 31, 2000, plant balances, as the decision intended.<sup>2</sup> Ordering Paragraph 8 ordered PG&E to submit a revised URG revenue requirement based on recorded December 31, 2000, plant balances. This advice letter provides that information.

**Revised URG Revenue Requirement**

The revised 2002 URG revenue requirement is \$3,012 million, as shown in Table 2 of Attachment 1. The following information is attached:

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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.

<sup>2</sup> The plant balances included in this revision exclude \$314 million of depreciation that was booked into the Transition Cost Balancing Account in 2000, but was never recovered.

Attachment 1 shows the revenue requirement as adopted in the decision, the revised revenue requirement, and the differences between the two.

Attachment 2 consists of workpapers supporting the revised capital revenue requirements for non-nuclear generation assets.

Attachment 3 consists of workpapers supporting the revised capital revenue requirements for Diablo Canyon.

Attachment 4 consists of workpapers supporting the capital revenue requirements for generation-related regulatory assets. (The capital related revenue requirement associated with regulatory assets in the decision was based on 12/31/2000 plant balances and therefore was not revised.)

### **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**

PG&E requests that this advice filing become effective on regular notice, **June 3, 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 A. 00-11-056. 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/](http://www.pge.com/customer_services/business/tariffs/)

Vice President - Regulatory Relations

Attachments

cc: Service List – Rate Stabilization Plan A. 00-11-056