

December 24, 2002

**Advice 2325-E**

Pacific Gas and Electric Company (ID U39 E)

Public Utilities Commission of the State of California

**Subject: Revises Public Purpose Program Rates in Compliance with Resolution E-3792 and E-3807**

Pacific Gas and Electric Company (PG&E) hereby submits proposed revisions to its electric rate schedules for Commission-approved changes effective January 1, 2003.<sup>1</sup>

**Purpose**

This filing complies with Resolution E-3792 issued on December 17, 2002, and Resolution E-3807 issued on December 19, 2002. Specifically, this filing submits proposed Public Purpose Program (PPP) rates for 2003, pursuant to Finding 17 of Resolution E-3792.

**Background**

Resolutions E-3792 and E-3807 allocate the 2002 budget for Renewables, Research, Development and Demonstration (RD&D), and Energy Efficiency programs among PG&E, SDG&E, and SCE, and adopts the 2002 funding levels for PG&E's programs. In addition, Resolution E-3792 requires the utilities to establish balancing accounts to track the RD&D and Renewables program funds<sup>2</sup> and establishes a mechanism to revise the revenue requirement associated with these programs on an annual basis.

The rates reflecting the 2002 funding levels (as shown in the table below) as adopted by Resolution E-3792 and revised by Resolution E-3807 are effective on January 1, 2003, while the balancing accounts are effective January 1, 2002.

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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 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 Energy Efficiency Program funds are tracked in the Energy Efficiency California Energy Commission Memorandum Account. (See Electric Preliminary Statement, Part D.)

Due to the different effective dates of the ordered tariff changes, PG&E is submitting revisions in two separate advice letters. This filing submits PPP rates, effective January 1, 2003, and Advice 2326-E, establishes the balancing accounts ordered by Ordering Paragraph 1 of Resolution E-3792.

### **PPP Funding Levels**

Program	2002 Funding Levels (\$000)
RD&D	\$31,400
Renewables	\$67,700
Energy Efficiency	\$106,000
Total	\$205,100

Pursuant to Finding 17 of Resolution E-3792, "Retail Rates should be designed to collect accurately the amounts mandated under Section 399.8", PG&E has revised its PPP rates to reflect the authorized revenue requirement. PG&E will also continue to retain \$300,000 for T&D-related public interest RD&D as previously directed by Decision 97-02-014. The rates shown in Attachment I reflect all PPP-related changes previously authorized by the Commission, and are designed to reflect the rate cap specified by Public Utilities Code, Section 399.8(c). Specifically, PG&E has incorporated into these rates, the 2002 CARE surcharge rate previously authorized by the Commission in the 2000/2001 RAP (Decision 02-10-019). Finally, PG&E has modified the adopted rate methodology slightly to ensure that the rates do not violate the rate cap specified by Public Utilities Code, Section 399.8(c).

Rate tables that show the PPP rate components on the affected rate schedules are included in Attachment I. In anticipation that other rates will change on January 1, 2003, PG&E will consolidate all rate changes to be implemented on January 1, 2003, in final tariff form on or about the first of the year.

### **Protests**

Anyone wishing to protest this filing may do so by sending a letter by **January 13, 2003**, 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, 4<sup>th</sup> Floor  
 San Francisco, California 94102

Facsimile: (415) 703-2200  
 E-mail: [jjr@cpuc.ca.gov](mailto:jjr@cpuc.ca.gov)

Protests also should be sent by e-mail and facsimile to Mr. Jerry Royer, Energy Division, as shown above, and by U.S. mail to Mr. Royer at the above address.

The protest should be sent via both e-mail and facsimile to PG&E 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  
E-mail: RxDd@pge.com

**Effective Date**

PG&E requests that this filing become effective on **January 1, 2003**.

**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 Rose de la Torre at (415) 973-4716. 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