

January 10, 2003

**Advice 2338-E
(Pacific Gas and Electric Company ID U 39 E)**

Public Utilities Commission of the State of California

Subject: New Electric Contract for Use By Pacific Gas and Electric Company and California State University, Fresno Regarding Calculation of Bill Credits for the Output of the Dinuba Biomass Electric Generating Facility In Compliance With Senate Bill 1038, Section 22

Pacific Gas and Electric Company (PG&E) hereby submits for filing the enclosed contract for use with California State University, Fresno.¹

Purpose

The purpose of this filing is to comply with Senate Bill (SB) 1038 Section 22, which adds Section 2826.6 to the California Public Utilities Code. The bill became effective January 1, 2003. In this filing, PG&E presents a new contract for use between California State University, Fresno and PG&E regarding the output of the Dinuba biomass electric generating facility.

Background

On September 12, 2002, the Governor approved SB 1038. The bill establishes a special program to provide California State University, Fresno with a bill credit for the electricity generated at the biomass facility known as the Dinuba Facility in Reedley, California.

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.

PG&E is filing this advice letter and the attached contract with the Commission in compliance with the timeline set out in SB 1038, which requires filing no later than 10 days from January 1, 2003. Also, according to SB 1038, the Commission is directed to approve the proposed contract or specify conforming changes to be made by PG&E within 30 days of this filing.

Tariff Revisions

The attached contract when executed would provide certain California State University, Fresno "Benefiting Accounts" with bill credits for electricity supplied to the PG&E grid by the Dinuba biomass generating facility. Each Benefiting Account receives a pro rata share of the Dinuba Facility output based on historic usage data. All Benefiting Accounts are required to be on time-of-use (TOU) rates and the Dinuba Facility output must be measured on a TOU basis. The bill for each Benefiting Account is calculated according to the specific TOU rate for that individual account. Credits are calculated for each TOU period using the generation component of the TOU rate of the specific Benefiting Account receiving the credit. In any given month, any credit not used by the Benefiting Account is carried forward to the next billing cycle for that Benefiting Account. After the last billing cycle of the calendar year, any net credits that may have accrued on each Benefiting Account will be zeroed out.

Per SB 1038, this contract will terminate on January 1, 2008, unless extended by later enacted legislation.

Protest

Anyone wishing to protest this filing should do so by sending a letter via postal mail and facsimile by, **January 30, 2003**, which is 20 days after 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
E-mail: jjr@cpuc.ca.gov

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.

Les Guliasi
Director, Regulatory Relations
Pacific Gas and Electric Company
P.O. Box 770000 Mail Code B10C
San Francisco, California 94177
Facsimile: (415) 973-7226
E-mail: RxDd@pge.com

The protest shall set forth the grounds upon which it is based and shall be submitted expeditiously. There is no restriction on who may file a protest.

Effective Date

In compliance with SB 1038, PG&E requests that this advice filing become effective by **February 9, 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/

Vice President - Regulatory Relations

Attachments

cc: Debbie Astone, California State University, Fresno
John Melikian, California State University, Fresno