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January 21, 2003

Advice 2339-E

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: Extend Schedule ED--*Experimental Economic Development Rate*

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

Purpose

The purpose of this advice filing is to revise Schedule ED--*Experimental Economic Development Rate*, and Form 79-771--*Supplemental Agreement for Economic Development Discount on Electric Service*, in accordance with Decision (D.) 03-01-012 dated January 16, 2003, in Phase 2 of PG&E's Test Year 1999 GRC Application (A.) 99-03-014. Schedule ED is extended until it is terminated or replaced in the rate design phase of PG&E's Test Year (TY) 2003 General Rate Case (GRC), or another proceeding.

Background

Schedule ED provides for a three-year declining discount to certain otherwise-applicable rate schedules for customers that meet certain conditions as defined in Public Utilities Code Section 740.4. Currently, the applicability clause of Schedule ED states that the closing date--the last date on which customers can sign contracts to take service under Schedule ED--is the end of the electric rate freeze approved in AB 1890 or the date a decision is issued in A. 99-03-014, whichever is later.

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.

In D. 03-01-012, footnote 4, the Commission notes that the end of the rate freeze date has yet to be determined by the Commission. In A. 99-03-014, PG&E proposed a new Schedule BD (Business Development), to replace Schedule ED. In D. 03-01-012, the Commission dismisses all issues in A. 99-03-014, with the exception of Schedule E-31 as filed in Advice 2276-E (to be decided via the regular advice letter process), and Schedule BD. To assure continuity of the provisions of Schedule ED, rather than approve a new Schedule BD, the Commission orders that Schedule ED be extended until terminated or replaced in the rate design phase of PG&E's TY 2003 GRC, or another proceeding.

Tariff Revisions

Decision 03-01-012, Ordering Paragraph 2, requires PG&E to file an advice letter within 5 days of the mailing date of the decision, based on the specific language revisions to Schedule ED set forth in D. 03-01-012, Attachment A. In accordance with the decision, PG&E is revising the Applicability section of Schedule ED by removing the expiration on enrollment by new load and the overall tariff expiration. PG&E is also revising Special Condition 2 of Schedule ED by removing the language which states that no discount will be paid beyond 52 months after the end of the rate freeze or 52 months after a decision is issued in Application 99-03-014, whichever is later. Also, Section 6—Term of Agreement, in Form 79-771—*Supplemental Agreement for Economic Development Discount on Electric Service*, is revised to eliminate the 52-month term restrictions.

Protests

Anyone wishing to protest this filing may do so by sending a letter by **February 10, 2003**, which is 21 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, 4th Floor
San Francisco, California 94102

Facsimile: (415) 703-2200
E-mail: 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

In accordance with D. 03-01-012, Ordering Paragraph 2, PG&E requests that this advice filing become effective on **January 16, 2003**, which is the date of D. 03-01-012.

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. 99-03-014. Address changes should be directed to Sandra Ciach at (415) 973-7572. 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 – A. 99-03-014



SCHEDULE ED—EXPERIMENTAL ECONOMIC DEVELOPMENT RATE

APPLICABILITY: This voluntary schedule is available on an experimental basis to qualified customers locating in or expanding in Enterprise Zones and Employment Incentive Areas designated by the State of California under the 1984 Enterprise Zone Act, or recycling businesses in Recycling Market Development Zones designated by the California Integrated Waste Management Board under the provision of Assembly Bill 783. Customers taking service on Schedule ED must sign a Supplemental Agreement for Economic Development Discount (Form No. 79-771).

(D)

TERRITORY: Enterprise Zones and Employment Incentive Areas designated by the State of California under the provisions of the 1984 Enterprise Zone Act currently include areas located in Southwest Bakersfield, Eureka, Fresno, Kings County, Madera, Pittsburg, West Sacramento, San Jose, Shasta Metro, Merced-Atwater, Oakland, Oroville, Richmond, San Francisco, Stockton and Yuba-Sutter, recycling businesses in Recycling Market Development Zones currently including Salinas, Martinez, Willows, Visalia, Chico, Eureka, Bakersfield, Merced, Oakland, Oroville, Auburn and Sacramento. If the State of California designates more Enterprise Zones, Employment Incentive Areas, or recycling businesses in Recycling Market Development Zones, these new zones shall be considered part of the applicable territory of Schedule ED.

RATES: A three-year declining rate discount (excluding local taxes) based on the energy, demand, and customer charge portions of Schedule A-10, E-19 or E-20 which would otherwise apply prior to application of the Energy Procurement Surcharge (EPS) as provided in Schedule E-EPS, by way of reduction to the distribution portion of the bill. The discount will be determined before any credit is provided for Direct Access Service.

Discount: First 12 months..... 15 percent
Second 12 months..... 10 percent
Third 12 months..... 5 percent

Discount Limiter – The average discounted rate that results under this schedule each month cannot be less than PG&E's marginal cost of service for the same month. The California Public Utilities Commission's most recently adopted marginal costs will be used for this calculation.

SPECIAL CONDITIONS:

- Qualified Customers:** Qualified customers are new customers with maximum demands greater than 200 kW, or existing Schedule A-10, E-19 or E-20 customers who add at least 200 kW of maximum demand. For existing Schedule A-10, E-19 or E-20 customers only the additional demand will qualify for the Schedule ED discounts. New or additional billing demand does not include billing demand that already exists within the State of California. Qualified customers include those engaged in businesses classified under the Federal Standard Industrial Classification (SIC) secondary codes 2011 through 9999, inclusive, or any other customers eligible for service under Schedule A-10, E-19 or E-20 that at PG&E's sole discretion may be determined to qualify for this schedule. Residential customers and governmental agencies are not qualified customers under this rate schedule.

(Continued)



SCHEDULE ED—EXPERIMENTAL ECONOMIC DEVELOPMENT RATE
(Continued)

SPECIAL
CONDITIONS:
(Cont'd.)

2. **Limitations:** Application of this schedule will be limited to either a maximum of 100 qualified participants or a combined net load addition for all participants of 60 MW, whichever comes first.
3. **Contract:** Service under this schedule is provided under a three-year contract.
4. **Start Date:** The start date of the discount rate period shall commence within 24 months from the date of execution of the contract for service and shall be designated by the customer within the contract.
5. **Metering:** Separate electric metering for new or additional load may be required if, in PG&E's sole opinion, it is necessary to provide service under this schedule. The customer will be responsible for any costs associated with providing separate electric metering.
6. **Limitations of Rate Limiters:** Average and peak period rate limiters may apply to your bill under Schedule A-10, E-19 or E-20. The level of rate limiters will not be reduced by this schedule.
7. **Conservation:** In order to be eligible for this schedule, customers must allow PG&E to conduct a site inspection for the purpose of making conservation options available to customers. PG&E will advise all new customers of a range of cost-effective conservation options on a site-specific basis.
8. **Material Factor:** In order to be eligible for this schedule, the customer must consider the terms of the ED Agreement to be a material factor in the customer's decision to locate operations or add load within the designated Enterprise Zone Employment Incentive Area, recycling businesses in Recycling Market Development Zone within the State of California.

(D)



Pacific Gas and Electric Company
San Francisco, California

Cancelling

Revised
Revised

Cal. P.U.C. Sheet No.
Cal. P.U.C. Sheet No.

19571-E
16883-E

PACIFIC GAS AND ELECTRIC COMPANY

SUPPLEMENTAL AGREEMENT FOR
ECONOMIC DEVELOPMENT DISCOUNT
ON ELECTRIC SERVICE
FORM NO. 79-771 (REV 1/03)
(ATTACHED)

Advice Letter No. 2339-E
Decision No. 03-01-012

Issued by
Karen A. Tomcala
Vice President
Regulatory Relations

Date Filed January 21, 2003
Effective January 16, 2003
Resolution No. _____

47647



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