

August 28, 2003

Advice 2383-E-A

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: Supplemental Filing - Tariff Revisions to Implement the DWR Bond Charge for Direct Access Customers

Purpose

Pacific Gas and Electric Company (PG&E) hereby supplements Advice 2383-E in compliance with Resolution E-3839.¹

Background

In Advice 2383-E, PG&E filed proposed tariff revisions to impose DWR bond charges on non-exempt Direct Access (DA) customers in accordance with Decision (D.) 02-10-063, as modified by D.02-12-082 (the "Bond Charge Decision"). The statewide DWR Bond Charge was revised from \$0.00513 per kilowatt-hour (kWh) to \$0.00444 per kWh for bundled customers and established the same rate of \$0.00444 per kWh for DA customers. Each rate schedule was revised as necessary to remove references to the DWR Bond Charge exemption for DA customers. Advice 2383-E also established the Direct Access Shortfall Account (DASA), wherein the DWR Bond Charge shortfall owed by DA customers to bundled customers would be tracked.

PG&E also proposed that CARE and medical baseline customers, exempt from the DWR Bond Charge, continue to pay the full cost responsibility surcharge (CRS), subject to refund. PG&E proposed not to revise tariffs for these CARE and medical baseline exemptions until bottoms-up billing is implemented for DA customers, so that the tariffs are consistent with billing practice.

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.

Resolution E-3839 approves PG&E's proposed tariff revisions effective October 1, 2003. PG&E's DASA is approved conditioned upon the following: the amount to be recorded in the DASA shall represent an estimate of DA undercollection, including interest, up to September 30, 2003. However, E-3839 does not fully approve PG&E's request to defer refund of DA charges to its DA-exempt CARE and medical baseline customers. Instead, E-3839 orders PG&E to provide lump-sum refunds or bill credits to its DA-exempt CARE and medical baseline customers, beginning October 1, 2003, and continuing until the billing system effectively exempts these customers from the DA CRS.

DWR Remittances

As directed in Resolution E-3839, effective October 1, 2003, the DA DWR Bond Charge will be remitted to DWR from the DA CRS, in compliance with the existing operating and remittance protocols established in IOU-DWR Operating Agreements and Orders currently approved. The remaining DA CRS will be applied to the CTC and DWR Power Charges in the remittance order established by D. 03-07-030, Ordering Paragraph 14. However, until the Commission adopts a rate for CTC, the DA CRS remaining after remitting the DWR Bond Charge will be remitted to DWR for the Power Charge. The bundled remittance rate will be revised to reflect this application of DA CRS.

Tariff Changes

The tariff sheets submitted in Advice 2383-E are effective October 1, 2003. The approved revisions from Advice 2383-E will also be reflected in a consolidation filing, which will incorporate other rate changes, effective October 1, 2003, as proposed in Advice Nos. 2413-E and 2414-E.

Billing

Pursuant to Ordering Paragraph 5 of E-3839, PG&E will provide lump-sum refunds or bill credits to its DA-exempt CARE and medical baseline customers, beginning October 1, 2003, and continuing until the billing system effectively exempts these customers from the DA CRS. PG&E expects to implement this exemption in billing beginning October 1, 2003, as set forth in Advice 2413-E, filed in compliance with D.03-08-061.

Protests

Anyone wishing to protest this filing may do so by sending a letter by **September 17, 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, 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: Brian Cherry
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 advice filing become effective on October 1, 2003, which conforms to Finding 8 of E-3839.

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 service list for Application 00-11-038. 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. 00-11-038