

September 12, 2003

Advice 2417-E

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: Revision to the Power Charge Remittance Rate Filed in Advice 2328-E-C

Purpose

Pacific Gas and Electric Company (PG&E) hereby submits this filing to revise the power charge remittance rate effective January 1, 2003. The currently approved rate of \$0.09353 per kWh was filed in Advice 2328-E-C.¹

Background

Remittances for the Department of Water Resource's (DWR) power charge revenue requirement are currently provided via two sources – the direct access (DA) power charge and the bundled customer power charge remittance rate formula. The DA power charge is provided from the DA cost responsibility surcharge (CRS), which is currently capped at \$0.027 per kWh. Resolution E-3813, issued on June 19, 2003, ordered that the full \$0.027 per kWh DA CRS be applied to the DA power charge and that the bundled customer power charge remittance rate be accordingly reduced, effective January 1, 2003.

Pursuant to Resolution E-3813, PG&E filed Advice 2328-E-C to, among other things, submit the reduced bundled customer power charge remittance rate retroactive to January 1, 2003, according to the adopted method in Table C of Decision (D.) 02-12-045 (as modified by Appendix A to D.03-02-031). PG&E reduced the remittance rate to reflect that a portion of the power charge revenue requirement is collected through power charge revenues forecast from DA customers. The Energy Division approved Advice 2328-E-C in a letter dated July

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.

18, 2003. The Commission affirmed this methodology in D.03-09-018 (pages 12-13).

PG&E used a forecast of DA usage from DWR to calculate the remittance rate. However, PG&E inadvertently calculated the remittance rate reduction filed in Advice 2328-E-C based on the "high" case DA contribution forecast of 8,330 GWh. This forecast of usage was contained in DWR's testimony in the Direct Access Cap Proceeding, labeled Appendix C, and dated March 7, 2003. Subsequent to the Commission's approval of Advice 2328-E, PG&E has determined that DA CRS revenues should instead be estimated using the "base case" forecast of 7,976 GWh of DA usage. Therefore, the bundled customer power charge remittance rate should be revised from \$0.09353 to \$0.09403 per kWh effective January 1, 2003.

DWR Remittances

PG&E will remit the bundled customer power charge remittance rate based on the rate of \$0.09403 per kWh for the period January 1, 2003, through September 4, 2003. The remittance rate will change again on September 5, 2003, pursuant to D.03-09-018, and is being filed in Advice 2419-E. The remittance rate filed in Advice 2419-E will supercede the remittance rate presented in this corrective advice filing, and will be in effect from September 5, 2003, through September 30, 2003. On October 1, 2003, the remittance rate will be adjusted further to reflect remittance of a portion of DA CRS revenues for the DWR bond charge, as ordered by Resolution E-3839. The rate to be effective October 1, 2003, \$0.08539 per kWh, is being filed in Advice 2419-E.

Protests

Anyone wishing to protest this filing may do so by sending a letter by **October 2, 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 as of **January 1, 2003**, as ordered in D.02-12-045, OP 10, subject to Energy Division's determination that the revised remittance rate complies with applicable statutes and Commission decisions.

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