

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

Tel. No. (415) 703-1691



December 19, 2003

Advice Letter 2447-E

Ms Anita Smith, Rate Analyst
Pacific Gas and Electric Company
77 Beale Street, Mail Code 10B
San Francisco, CA 94177

Subject: Utility Retained Generation – Transition Revenue Account and Transition Cost
Balancing Account Tariff Revisions

Dear Ms Smith:

Advice Letter 2447-E is effective January 1, 2003. A copy of the advice letter is returned
herewith for your records.

Sincerely,

A handwritten signature in cursive script that reads "Paul Clanon".

Paul Clanon, Director
Energy Division



**Pacific Gas and
Electric Company**

Brian K. Cherry
Director
Regulatory Relations

77 Beale Street, Room 1087
San Francisco, CA 94105
Mailing Address
Mail Code B10C
P.O. Box 770000
San Francisco, CA 94177

415.973.4977
Internal: 223.4977
Fax: 415.973.7226
Cellular: 415.517.5067
Internet: BKC7@pge.com

November 25, 2003

**Advice 2447-E
(Pacific Gas and Electric Company ID U 39 E)**

Public Utilities Commission of the State of California

**Subject: Utility Retained Generation – Transition Revenue Account
(TRA) and Transition Cost Balancing Account (TCBA) Tariff
Revisions**

Purpose

Now that the Energy Division has verified Pacific Gas and Electric Company's (PG&E) restatement reports were in compliance with Decisions (D.) 02-04-016, D.01-03-082, and in accordance with the accounting changes adopted by Resolution E-3822, PG&E submits this advice filing in accordance with Ordering Paragraph (OP) 2 of Resolution E-3822 to implement applicable tariff changes outlined in the resolution¹.

Background

Resolution E-3822 OP 3 required PG&E to comply fully with the "TURN Accounting" ordered in D. 01-03-082. On July 7, 2003, and September 29, 2003, PG&E filed updated restatements of the TCBA, TRA, and Generation Memorandum Account (GMAs), to comply fully and in accordance with D. 01-03-082 and D. 02-04-016, as modified by Resolution E-3822. Then, on October 20, 2003, the Energy Division approved PG&E's restatements.

Thus, the attached tariff sheets are in compliance with the accounting changes already verified and approved by the Energy Division.

Protests

Anyone wishing to protest this filing may do so by sending a letter by **December 15, 2003**, which is 20 days from the date of this filing. The protest must state the

¹PG&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.

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

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 U.S. 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 K. 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 be effective **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, and the service list parties for A. 00-11-056. 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/tariffs/advice>


Vice President - Regulatory Relations

Attachments

cc: Service List – A. 00-11-056

Cal. P.U.C. Sheet No.	Title of Sheet	Canceling Cal P.U.C. Sheet No.
20980-E	Electric Preliminary Statement Part N – Transition Revenue Account	20487-E
20981-E	Electric Preliminary Statement Part AV – Transition Cost Balancing Account	20494-E
20982-E	Table of Contents – Preliminary Statements (Cont'd)	20505-E
20983-E	Table of Contents – Preliminary Statements (Cont'd)	20506-E
20984-E	Table of Contents	20507-E



PRELIMINARY STATEMENT
(Continued)

N. TRANSITION REVENUE ACCOUNT (TRA) (Cont'd.)

5. ACCOUNTING PROCEDURE: (Cont'd.):

- m. An entry equal to the costs of Electric Energy Transactions Administration;
- n. An entry equal to the balance in the Utility Generation Balancing Account (UGBA) (electric Preliminary Statement Part CG);
- o. A debit or credit entry equal to the balance in the DWR/ISO Cost Balancing Account (DWR/ISO BA) (electric Preliminary Statement Part CB);
- p. A debit entry equal to and offsetting the authorized monthly Energy Resource Recovery Account (ERRA) revenue requirement recorded in the ERRA (electric Preliminary Statement Part CP);
- q. One-time entries to record the costs associated with implementing the 2002 Utility Retained Generation (URG) revenue requirement pursuant to D.02-04-016, the accounting changes adopted in D.01-03-082, and in accordance with the balancing accounts established by Resolution E-3822:
 - 1) Credit the retained generation costs recorded in 2001 and 2002.
 - 2) Debit 2002 Electric Energy Transactions Administration costs.
 - 3) Credit the DWR/ISO Balancing Account costs recorded in 2002.
 - 4) Debit 2002 UGBA-related costs.
 - 5) Credit Diablo Canyon Independent Safety Committee costs recorded in 2002.
 - 6) Credit the overcollected Generation Memorandum Accounts' monthly balances from 1998 through 2000. (N)
(N)
 - 7) Credit to reverse interest recorded in 1998 through 2002.
- r. A debt or credit entry to transfer the balance in the TRA to the Transition Cost Balancing Account (TCBA) (electric Preliminary Statement AV). (T)
(T)
(D)

(Continued)



PRELIMINARY STATEMENT
(Continued)

AV. TRANSITION COST BALANCING ACCOUNT (TCBA) (Cont'd.)

6. ACCOUNTING PROCEDURE (Cont'd.)

g. CTC Revenue Section (Cont'd.)

- 4) A monthly credit entry equal to the monthly revenue recorded from residential and small commercial customers from the FTA Charge, net of FF&U, as provided for in Decision 97-09-055 and defined in Part AS of PG&E's Preliminary Statement (Fixed Transition Amount Charge).
- 5) A credit entry, if applicable, at the time of final market valuation, equal to the CPUC portion of the following three components: (1) market value of each plant, (2) less the net book value of the plant, (3) less transaction costs and other costs, that are authorized for recovery through the market valuation process, pursuant to Decision 97-11-074, Findings of Fact (FOF) 21 and Decision 97-12-039, FOF 3.
- 6) A one-time entry to transfer any balance in the Generation Asset Balancing Account, as defined in Preliminary Statement Part AL, upon final market valuation.
- 7) A monthly credit entry equal to the monthly CTC revenue, net of FF&U, recorded from Departing Load customers, beginning January 1, 1998.
- 8) A monthly credit entry equal to the CPUC portion of the gross revenue recorded from the sale of air emission credits or allowances (e.g. sulfur dioxide allowances), less reasonably incurred sales costs not already recovered in rates, pursuant to Decision 97-11-074, COL 25, 27.
- 9) A credit or debit entry equal to the CPUC portion of the net of tax proceeds from the sales of real property authorized by the Commission to be recorded to the TCBA.
- 10) A credit entry equal to the CPUC portion of the credit balance, net of FF&U, in the Generating Facility Operations and Maintenance (GFOM) Account as defined in Part BG of PG&E's Preliminary Statement at the time of the conclusion of the last Operations and Maintenance Agreement for divested plants, pursuant to Decisions 97-06-060, 97-09-046 and 97-11-030.
- 11) One-time entries to record the costs associated with implementing the 2002 Utility Retained Generation (URG) revenue requirement pursuant to D.02-04-016, the accounting changes adopted in D.01-03-082, and in accordance with the balancing accounts established by Resolution E-3822.
 - a. Debit Diablo Canyon Property Tax costs recorded in 2001.
 - b. Credit Electric Energy Transactions Administration costs recorded in 2002.
 - c. Debit to reverse Generation Memorandum Account amounts transferred to the TCBA for 1998 and 1999. (N)
 - d. Credit to reverse the costs recorded in 2000 in the Accelerated Costs Section of the TCBA.
 - e. Debit to record sunk cost revenue requirements for September through December 2000 (continuation of scheduled amortization over a 48 month period).
 - f. Debit to record interest on restated activity from 1998 through 2002. (N)
- 12) If applicable, a monthly entry equal to interest on the average balance in the CTC Revenue Section at a rate as defined in Section AV.2.j, above.

(Continued)



TABLE OF CONTENTS
(Continued)

PRELIMINARY STATEMENTS

SCHEDULE	TITLE OF SHEET	CAL P.U.C. SHEET NO.
Part AL	Not Being Used	
Part AM	Emergency Procurement Surcharge Balancing Account.....	19390-E
Part AN	Not Being Used	
Part AO	Not Being Used	
Part AP	Not Being Used	
Part AQ	Reduced Return on Equity Memorandum Account.....	14449-E
Part AR	1997 Rate Design Window Shareholder Participation Memorandum Account.....	14723-E
Part AS	Fixed Transition Amount Charge	14794,19365-E
Part AT	Rate Reduction Bond Memorandum Account.....	14796,14797-E
Part AU	Direct Access Discretionary Cost/Revenue Memorandum Account.....	14837-E
Part AV	Transition Cost Balancing Account.....	20489 to 20493,20981,20495 to 20499-E
Part AW	Rate Group Transition Cost Obligation Memorandum Account....	16635,15005,18715,18716-E
Part AX	Not Being Used	
Part AY	Not Being Used	
Part AZ	Not Being Used	
Part BA	Not Being Used	
Part BB	Competition Transition Charge Responsibility for All Customers and CTC Procedure for Departing Loads.....	16399,19906,19907,16400,14960, 14961,16229,16230,16231,14963,14964,14965,14966,14967,14968,14969,16401,16402-E
Part BC	PU Code Section 376-Restructuring Implementation Tracking Account	16520,16521-E
Part BD	PU Code Section 381(d)-Renewable Program Costs Tracking Account.....	15018-E
Part BE	Not Being Used	
Part BF	Streamlining Residual Account.....	15101-E
Part BG	Generation Facility Operations and Maintenance Account.....	16225,16226-E
Part BH	Not Being Used	
Part BI	Not Being Used	
Part BK	Transmission Revenue Requirement Reclassification Memorandum Account	16761-E
Part BL	Not Being Used	
Part BM	Applicant Installation Trench Inspection Memorandum Account	16607-E
Part BN	Vegetation Management Quality Assurance Balancing Account.....	16979-E
Part BO	Real Property Gain/Loss on Sale Memorandum Account	16651-E
Part BP	PX Credit Audit Memorandum Account	16647-E
Part BQ	Interim PX-Based Price Tracking Account (IPXPTA).....	16695-E
Part BR	Applicant Installation Trench Inspection Deferred Account	16606-E
Part BS	Schedule E-BID Memorandum Account	16991,16992-E
Part BT	Electric Supply Cost Memorandum Account.....	16813-E
Part BU	Vegetation Management Balancing Account.....	16887-E
Part BV	Allocation of Residual Costs Memorandum Account	17003,17004-E
Part BW	Power Exchange Bilateral Option Memorandum Account	17843-E
Part BX	Interruptible Load Programs Memorandum Account	18902,18855-E
Part BY	Self-Generation Program Memorandum Account.....	18777-E
Part BZ	Demand-Responsiveness Program Memorandum Account.....	18778-E

(T)

(Continued)



TABLE OF CONTENTS
(Continued)

PRELIMINARY STATEMENTS

SCHEDULE	TITLE OF SHEET	CAL P.U.C. SHEET NO.
Part A	Description of Service Area & General Requirements.....	12081 to 12090,17048-E
Part B	Not Being Used	
Part C	Not Being Used	
Part D	Not Being Used	
Part E	CPUC Reimbursement Fee	19368-E
Part F	Helms Adjustment	11995-E
Part G	Catastrophic Event Memorandum Account	18998,11740-E
Part H	Interest	10579-E
Part I	Rate Schedule Summary	19905-E
Part J	Income Tax Component of Contributions Provision	18915,11503-E
Part K	Energy Commission Tax	19362-E
Part L	Electric Restructuring Costs Accounts.....	16515 to 16517-E
Part M	California Alternate Rates for Energy Account	18601-E
Part N	Transition Revenue Account.....	20485,20486,20980,20488-E
Part O	Demand-Side Management Tax Change Memorandum Account	15094-E
Part P	Customer Energy Efficiency Adjustment.....	15104,15095,15097,15105,15106-E
Part Q	Competition Transition Charge Responsibility.....	14028-E
Part R	Affiliate Transfer Fees Account.....	16532-E
Part S	Hazardous Substance Mechanism	18999,15720,13540,13419 to 13421-E
Part T	Qualifying Facility Contribution in Aid of Construction Memorandum Account	13426-E
Part U	Capital Audit Consultant Cost Memorandum Account.....	17993-E
Part V	Arbitration Memorandum Account	13360-E
Part W	Interruptible Load Curtailment Penalty Memorandum Account	17896-E
Part X	Not Being Used	
Part Y	Electric and Magnetic Field Measurement Policy	13399-E
Part Z	Electric Vehicle Balancing Account	18685,18686-E
Part AA	Electric Deferred Refund Account	14274-E
Part AB	Not Being Used	
Part AC	Power Exchange Memorandum Account.....	14260-E
Part AD	Transition Cost Audit Memorandum Account	15917-E
Part AE	Generation Divestiture Transaction Costs Memorandum Account	14169-E
Part AF	Block Forward Market Memorandum Account	17028-E
Part AG	Competition Transition Charge Exemptions Memorandum Account	14277,14278-E
Part AH	Industry Restructuring Memorandum Account.....	18130 to 18136-E
Part AI	Not Being Used	
Part AJ	System Safety and Reliability Enhancement Funds Balancing Account .	14787,14788,15100-E
Part AK	Low Income Energy Efficiency Memorandum Account.....	19227-E

(T)

(Continued)



TABLE OF CONTENTS

	CAL P.U.C. SHEET NO.	
Title Page	8285-E	
Table of Contents:		
Rate Schedules	20984,20090,20410-E	(T)
Preliminary Statements	20504,20982,20983-E	(T)
Rules, Maps, Contracts and Deviations	19764-E	
Sample Forms	18596,18980,18847,20409,17337,20186-E	

RATE SCHEDULES

SCHEDULE	TITLE OF SHEET	CAL P.U.C. SHEET NO.
RESIDENTIAL RATES		
E-1	Residential Service	19908,19909,19910,19911,19912-E
E-3	Experimental Residential Critical Peak Pricing Service	20236,20237-E
EE	Service to Company Employees	18188-E
EM	Master-Metered Multifamily Service	19913,19914,19915,19916,19917-E
ES	Multifamily Service	19918,19919,19920,19921,19922-E
ESR	Residential RV Park and Residential Marina Service	19923,19924,19925,19926,19927-E
ET	Mobilehome Park Service	19928,19929,19930,19931,19932-E
E-7	Residential Time-of-Use Service	19170,19933,19934,19935,19936-E
E-A7	Experimental Residential Alternate Peak Time-of-Use Service	19172,19937,19938,19939,19940-E
E-8	Residential Seasonal Service Option	19941,19942,19943-E
E-9	Experimental Residential Time-of-Use Service for Low Emission Vehicle Customers	19176,19944,19945,19946,19947,19948,18627,19949-E
EL-1	Residential CARE Program Service	19950,19951,19952,19953-E
EML	Master-Metered Multifamily CARE Program Service	19954,19955,19956,19957-E
ESL	Multifamily CARE Program Service	19958,19959,19960,19961-E
ESRL	Residential RV Park and Residential Marina CARE Program Service	19962,19963,19964,19965-E
ETL	Mobilehome Park CARE Program Service	19966,19967,19968,19969,19970-E
EL-7	Residential CARE Program Time-of-Use Service	19990,19971,19781,19972-E
EL-A7	Experimental Residential CARE Program Alternate Peak Time-of-Use Service	19192,19973,19783,19974-E
EL-8	Residential Seasonal CARE Program Service Option	19975,19976,19977-E
COMMERCIAL/INDUSTRIAL		
A-1	Small General Service	19978,19979,19980,19981-E
A-6	Small General Time-of-Use Service	19790,19982,19791,19983,19984-E
A-10	Medium General Demand-Metered Service	19794,19985,19986,19987,19988,19989,19990-E
A-T	Nondomestic Interruptible Service	11862-E
A-RTP	Experimental Real-Time-Pricing Service	
A-15	Direct-Current General Service	19992,19993-E
E-19	Medium General Demand-Metered Time-of-Use Service	19797,17092,17093, 19994, 19995,19996,19603,19696,19319,18037,18864,18039,18040,18865,17900, 16414,15330, 20000,20001,20002,20003,20004,19800,19801,19802,20005,19804,19805,19806,20006-E
E-20	Service to Customers with Maximum Demands of 1,000 Kilowatts or More	19209,17254,20007, 20008,20009,20010,20011,19314,20012,18866,18044,18045,18867,15356,16430,15358, 20013,20014,20015,20016,20017,16434,16435,16436,20018,17100,17101,20019-E

(Continued)

**PG&E Electric Advice Filing List
General Order 96-A, Section III(G)**

ABAG Power Pool
Aglet Consumer Alliance
Agnews Developmental Center
Ahmed, Ali
Alcantar & Elsesser
Anderson Donovan & Poole P.C.
Applied Power Technologies
APS Energy Services Co Inc
Arter & Hadden LLP
Avista Corp
Barkovich & Yap, Inc.
BART
Bartle Wells Associates
Blue Ridge Gas
Bohannon Development Co
BP Energy Company
Braun & Associates
C & H Sugar Co.
CA Bldg Industry Association
CA Cotton Ginners & Growers Assoc.
CA League of Food Processors
CA Water Service Group
California Energy Commission
California Farm Bureau Federation
California ISO
Calpine
Calpine Corp
Calpine Gilroy Cogen
Cambridge Energy Research Assoc
Cameron McKenna
Cardinal Cogen
Cellnet Data Systems
Childress, David A.
City of Glendale
City of Healdsburg
City of Palo Alto
City of Redding
CLECA Law Office
Constellation New Energy
CPUC
Creative Technology
Crossborder Inc
CSC Energy Services
Davis, Wright Tremaine LLP
Davis, Wright, Tremaine, LLP
Defense Fuel Support Center
Department of the Army
Department of Water & Power City
Dept of the Air Force
DGS Natural Gas Services
DMM Customer Services
Downey, Brand, Seymour & Rohwer
Duke Energy
Duke Energy North America

Duncan, Virgil E.
Dutcher, John
Dynegy Inc.
Ellison Schneider
Energy Law Group LLP
Enron Energy Services
Exeter Associates
Foster, Wheeler, Martinez
Franciscan Mobilehome
Future Resources Associates, Inc
GLJ Energy Publications
Goodin, MacBride, Squeri, Schlotz &
Grueneich Resource Advocates
Hanna & Morton
Heeg, Peggy A.
Hogan Manufacturing, Inc
House, Lon
Imperial Irrigation District
Integrated Utility Consulting Group
International Power Technology
J. R. Wood, Inc
JTM, Inc
Kaiser Cement Corp
Korea Elec Power Corp
Marcus, David
Masonite Corporation
Matthew V. Brady & Associates
Maynor, Donald H.
McKenzie & Assoc
McKenzie & Associates
Meek, Daniel W.
Meyer, Joseph
Mirant California, LLC
Modesto Irrigation Dist
Morrison & Foerster
Morse Richard Weisenmiller & Assoc.
New United Motor Mfg, Inc
Norris & Wong Associates
North Coast Solar Resources
Northern California Power Agency
PG&E National Energy Group
Pinnacle CNG Company
PPL EnergyPlus, LLC
Price, Roy
Product Development Dept
Provost Pritchard
R. M. Hairston & Company
R. W. Beck & Associates
Recon Research
Regional Cogeneration Service
RMC Lonestar
Sacramento Municipal Utility District
SCD Energy Solutions
Seattle City Light

Sempra
Sempra Energy
Sequoia Union HS Dist
SESCO
Sierra Pacific Power Company
Silicon Valley Power
Simpson Paper Company
Smurfit Stone Container Corp
Southern California Edison
SPURR
St. Paul Assoc
Stanford University
Sutherland, Asbill & Brennan
Tabors Caramanis & Associates
Tansev and Associates
Tecogen, Inc
TFS Energy
TJ Cross Engineers
Transwestern Pipeline Co
Turlock Irrigation District
United Cogen Inc.
URM Groups
Utility Cost Management LLC
Utility Resource Network
Wellhead Electric Company
Western Hub Properties, LLC
White & Case
WMA