

**PUBLIC UTILITIES COMMISSION**

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298

Tel. No. (415) 703-1691



March 4, 2004

Advice Letter 2461-E/2461-E -A

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

**Subject: Establishment of a one-way procurement energy efficiency and balancing account to track costs and revenues associated with authorized programs**

Dear Ms Smith:

Advice Letter 2461-E/2461-E-A is effective January 1, 2004. 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

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January 7, 2004

**Advice 2461-E**  
(Pacific Gas and Electric Company ID U 39 E)

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**Subject: Establishment of a One-Way Procurement Energy Efficiency and Balancing Account (PEEBA) to Track Costs and Revenues Associated with Authorized Programs**

Pacific Gas and Electric Company (PG&E) hereby submits for filing the following revisions to its electric and gas tariff schedules. The affected tariff sheets are listed on the enclosed Attachment I.<sup>1</sup>

### **Purpose**

This advice filing establishes a One-Way Procurement Energy Efficiency and Balancing Account (PEEBA) pursuant to Decision (D.) 03-12-062. The purpose of the PEEBA is to track PG&E's Procurement Energy Efficiency Costs and Revenues Associated with Authorized Programs.

### **Background**

In D. 03-12-062, the Commission authorized PG&E to spend \$25 million in 2004 and \$50 million in 2005 on procurement-related energy efficiency programs. The Commission approved the use of a non-bypassable surcharge on all customers to pay the costs of the procurement-related energy efficiency programs. It directed PG&E and other utilities to establish a one-way Procurement Energy Efficiency and Balancing Account to track the costs and revenues associated with the authorized programs. Each affected utility was directed to file an advice letter within 20 days of the effective date of the decision to establish the methodology and surcharge rate for incremental procurement energy efficiency programs for program year (PY) 2004 and 2005.

The electric Public Purpose Program costs are collected from all customers. To ensure that the PEEBA is funded by all customers, PG&E proposes to collect the incremental rate for procurement energy efficiency programs as part of the public

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<sup>1</sup> The Company 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, the Company 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.

purpose program charge. Just as public purpose program rates currently include a rate for the CARE surcharge, PG&E proposes an additional rate for procurement energy efficiency. This approach also minimizes implementation issues by using an existing line on customer bills. However, the recovery of the PEEBA costs along with the PGC surcharge does not alter the nature of the underlying authorized programs, which were approved as a procurement resource. Costs associated with these accounts are to be submitted simultaneously with utility monthly Energy Resource Recovery Account filings to the Energy Division for review on a monthly basis.

PG&E proposes that this rate be set on an equal cents per kWh basis for all customers, and be shown separately in Part I of the Preliminary Statement.

PG&E intends to implement this change as soon as possible after CPUC approval of the advice letter, no later than 120 days after CPUC approval.

### **Protests**

Anyone wishing to protest this filing may do so by sending a letter by **January 27, 2004**, 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, 4<sup>th</sup> Floor  
San Francisco, California 94102  
Facsimile: (415) 703-2200  
E-mail: [jjr@cpuc.ca.gov](mailto: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 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](mailto:RxDd@pge.com)

**Effective Date**

In compliance with General Order 96-A, PG&E requests that this filing be effective on **February 16, 2004**, which is 40 days from the date of filing.

**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 Rulemaking (R.)01-10-024 and R.01-08-028. 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/>

*Brian K. Cherry*  
Director - Regulatory Relations

## Attachments

cc: Service List – R.01-10-024, R.01-08-028

**Attachment I  
Advice 2461-E**

Cal P.U.C. Sheet No.	Title of Sheet	Cancelling Cal P.U.C. Sheet No.
21150-E	Electric Preliminary Statement I– Rate Schedule Summary	19905-E
21151-E	Electric Preliminary Statement DI – Procurement Energy Efficiency and Balancing Account (PEEBA)	New
21152-E	Table of Contents – Electric Preliminary Statements (Continued)	20983-E
21153-E	Table of Contents – Electric Preliminary Statements (Continued)	20265-E
21154-E	Table of Contents	20814-E



PRELIMINARY STATEMENT  
(Continued)

I. Rate Schedule Summary (\$ per kWh)\*

	<u>PEEBA</u>	(N)	<u>CEE Incentive Rate</u>	<u>CAREA**</u>
All Schedules	0.00031	(N)	.00021	.00124

\* The CEE Incentive and CAREA rates apply to all eligible retail sales. Any Customer, Meter, Demand, or other Charges specified in the rate schedules shall be accounted for in the TRA.

\*\* The CARE rates apply only to NONCARE Schedules and nonqualifying use under ESL, ESRL, and ETL.



PRELIMINARY STATEMENT  
(Continued)

DI. PROCUREMENT ENERGY EFFICIENCY AND BALANCING ACCOUNT (PEEBA)

(N)

1. PURPOSE:

Per Decision 03-12-062, the one-way Procurement Energy Efficiency and Balancing Account (PEEBA) is to track PG&E's Procurement Energy Efficiency Costs and Revenues Associated with Authorized Programs.

2. APPLICABILITY:

The PEEBA balance shall apply to all customer classes, except for any classes that may be specifically excluded by the CPUC.

REVISION DATE: Disposition of amounts in this account shall be determined in the Electric Annual True-up Proceeding or any other proceeding authorized by the Commission.

3. RATES:

The PEEBA rate is collected as part of the non-bypassable public purpose program rate set forth in each rate schedule. The PEEBA rate is separately identified in Part I of the Preliminary Statement.

4. ACCOUNTING PROCEDURE: The following entries shall be made each month:

- a. A credit entry equal to the revenue from the PEEBA rates.
- b. A debit entry equal to the expenses related to procurement energy efficiency programs.
- c. A entry equal to interest on the average balance in the account at the beginning of the month and the balance after the above entries, at a rate equal to one-twelfth the interest rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H. 15 or its successor.

(N)



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**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  
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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  
Dynergy Inc.  
Ellison Schneider  
Energy Law Group LLP  
Enron Energy Services  
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Franciscan Mobilehome  
Future Resources Associates, Inc  
GLJ Energy Publications  
Goodin, MacBride, Squeri, Schlotz &  
Grueneich Resource Advocates  
Hanna & Morton  
Heeg, Peggy A.  
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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