

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

Tel. No. (415) 703-1691



February 11, 2004

Advice Letter 2463-E

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

Subject: Establishment of the Procurement Transaction Auditing Account (PTAA)

Dear Ms Smith:

Advice Letter 2463-E is effective January 16, 2004. A copy of the advice letter is sent herewith for your records.

Sincerely,

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

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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Mail Code B10C
P.O. Box 770000
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January 16, 2004

**Advice 2463-E
(Pacific Gas and Electric Company ID U39 E)**

Public Utilities Commission of the State of California

**Subject: Establishment of the Procurement Transaction Auditing
Account (PTAA)**

Pacific Gas and Electric Company (PG&E) hereby submits for filing the following revisions to its electric tariff sheets. The affected tariff sheet is listed on the enclosed attachment.¹

Purpose:

The purpose of this filing is to submit new electric Preliminary Statement Part DJ to establish the Procurement Transaction Auditing Account (PTAA) authorized in Decision (D.) 03-12-062, ordering paragraph 20, dated December 18, 2003. The PTAA will record the costs associated with the independent auditing of PG&E's quarterly procurement transactions.

Background:

Pursuant to ordering paragraph 20 of D.03-12-062, the California Public Utilities Commission directed the Energy Division, in consultation with each utility and its Procurement Review Group (PRG), to select an outside, independent auditor to review and verify that the quarterly procurement transactions submitted to the Commission on a quarterly basis via advice letter are in compliance with the

¹ 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.

adopted procurement plan and to certify the results. All costs associated with this independent auditing shall be recorded in the PTAA and subject to full future recovery in conjunction with the Energy Resource Recovery Account (ERRA) application or other proceeding as authorized by the Commission.

Protest:

Anyone wishing to protest this filing may do so by sending a letter by **February 5, 2004**, which is 20 days from the date of this filing. The protest must state the grounds upon which it based, including such items as financial and service impact, and should be submitted expeditiously. Protest 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

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 postal mail and facsimile to Pacific Gas and Electric Company 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:

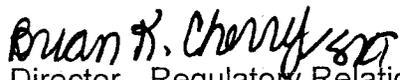
In compliance with D. 03-12-062, PG&E requests that this filing become effective **January 16, 2004**, which is the date of filing.

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 parties for Rulemaking (R.) 01-10-024. 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/>


Director - Regulatory Relations

cc: Service List – R.01-10-024

Attachment I*
Advice 2463-E

Cal P.U.C. Sheet No.	Title of Sheet	Cancelling Cal P.U.C. Sheet No.
21159-E	Electric Preliminary Statement I– Rate Schedule Summary	19905-E
21160-E	Electric Preliminary Statement DJ – Procurement Transaction Auditing Account (PTAA)	New
21161-E	Table of Contents – Electric Preliminary Statements (Continued)	20983-E
21167-E	Table of Contents – Electric Preliminary Statements (Continued)	20265-E
21168-E	Table of Contents	20814-E



PRELIMINARY STATEMENT
(Continued)

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

	<u>PTAA</u>	(N)	<u>CEE Incentive Rate</u>	<u>CAREA**</u>
All Schedules	0.00000	(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)

DJ. PROCUREMENT TRANSACTION AUDITING ACCOUNT (PTAA)

(N)

1. PURPOSE:

The purpose of the PTAA is to record the costs associated with the independent auditing of the quarterly procurement transactions authorized in Decision 03-12-062, Ordering Paragraph 20, dated December 18, 2003.

2. APPLICABILITY:

The PTAA shall apply to all customer classes, except for those specifically excluded by the Commission.

3. PTAA RATES:

The PTAA rate is set forth in electric Preliminary Statement I.

4. ACCOUNTING PROCEDURE:

PG&E shall maintain the PTAA by making entries to this account at the end of each month as follows:

- a. A debit entry equal to the recorded costs associated with or related to the quarterly audit of the procurement transactions.
- b. A debit entry equal to the interest on the average of the balance at the beginning of the month and the balance after entry 4.a, 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, G.13 or its successor.

PG&E shall request the recovery of the balance in the PTAA through the Energy Resource Recovery Account (ERRA) application, or other proceeding as authorized by the Commission.

(N)



PRELIMINARY STATEMENT

(Continued)

DJ. PROCUREMENT TRANSACTION AUDITING ACCOUNT (PTAA)

(N)

1. PURPOSE:

The purpose of the PTAA is to record the costs associated with the independent auditing of the quarterly procurement transactions authorized in Decision 03-12-062, Ordering Paragraph 20, dated December 18, 2003.

2. APPLICABILITY:

The PTAA shall apply to all customer classes, except for those specifically excluded by the Commission.

3. PTAA RATES:

The PTAA rate is set forth in electric Preliminary I – Rate Summary.

4. ACCOUNTING PROCEDURE:

PG&E shall maintain the PTAA by making entries to this account at the end of each month as follows:

- a. A debit entry equal to the recorded costs associated with or related to the quarterly audit of the procurement transactions.
- b. A debit entry equal to the interest on the average of the balance at the beginning of the month and the balance after entry 4.a, 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, G.13 or its successor.

PG&E shall request the recovery of the balance in the PTAA through the Energy Resource Recovery Account (ERRA) application, or other proceeding as authorized by the Commission.

(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
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.
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Energy Law Group LLP
Enron Energy Services
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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