



**Pacific Gas and
Electric Company**

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February 11, 2004

**Advice 2473-E
(Pacific Gas and Electric Company (ID U39 E))**

Public Utilities Commission of the State of California

**Subject: PG&E's Authorization for Gas Procurement Audit
Memorandum Account**

Pacific Gas and Electric Company (PG&E) hereby submits for filing revisions to its electric tariffs. The affected tariff sheets are listed on the enclosed Attachment I.

Purpose

The purpose of this advice filing is to submit new Preliminary Statement Part DK - *Gas Procurement Audit Memorandum Account (GPAMA)* to record the costs associated with or related to audits of PG&E's gas procurement procedures authorized in Decision (D.) 04-01-050, dated January 22, 2004, in Rulemaking (R.) 01-10-024.

Background

In D. 04-01-050 the Commission expressed concern that in cases where PG&E is using its own facilities to procure gas for its own portfolio, the potential for inappropriate self-dealing exists. The Commission wants to establish rules for any dealings with PG&E Gas Transmission Northwest if PG&E needs to deal with this affiliate in order to access Canadian gas pipelines. For dealings with other departments, the Commission intends to examine any potential for abuse due to different department's costs recovery mechanisms and incentive structures.

As a result of these concerns, the Commission directs that a management audit focused on these procurement issues be undertaken. These audit costs are reimbursable, and PG&E is ordered to place the costs in a memorandum account.

Protests

Anyone wishing to protest this filing may do so by sending a letter by **March 2, 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, 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 filing become effective **February 11, 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 parties on the service list for Application (A.) 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/tariffs/>

Karen A. Omcala
Vice President - Regulatory Relations

Attachments

cc: Service List - A. 00-11-038

Cal P.U.C. Sheet No.	Title of Sheet	Cancelling Cal P.U.C. Sheet No.
21186-E	Gas Procurement Audit Memorandum Account (GPAMA)	New
21187-E	Table of Contents – Preliminary Statements (Continued)	20265-E
21188-E	Table of Contents	20814-E



PRELIMINARY STATEMENT
(Continued)

DK. GAS PROCUREMENT AUDIT MEMORANDUM ACCOUNT (GPAMA)

(N)

1. PURPOSE

The purpose of the GPAMA is to record the costs associated with or related to audits of PG&E's gas procurement procedures as requested in Decision 04-01-050. The GPAMA was authorized by the Commission in Decision 04-01-050.

2. APPLICABILITY

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

3. GPAMA RATES

The GPAMA does not currently have a rate component.

4. ACCOUNTING PROCEDURE

PG&E shall maintain the GPAMA 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 audit of PG&E management of its gas procurement procedures. Prior Commission approval must be received for all costs invoiced by the authors.
- b. A debit entry equal to the interest on the average monthly balance 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.

(N)

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Part CM	Bond Charge Balancing Account	19253-E
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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
Alicantar & 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.
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