

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE

SAN FRANCISCO, CA 94102-3298



April 15, 2008

Advice Letter 2475-E

Brian K. Cherry
Vice President, Regulatory Relations
Pacific Gas and Electric Company
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, CA 94177

Subject: Withdrawal – Revisions to Electric Preliminary Statement Part BB

Dear Mr. Cherry:

Advice Letter 2475-E is withdrawn as indicated in your letter dated April 2, 2008.

Sincerely,

A handwritten signature in black ink, appearing to read "Sean H. Gallagher".

Sean H. Gallagher, Director
Energy Division



*Pacific Gas and
Electric Company*

Karen A. Tomcala
Vice President
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February 18, 2004

Advice 2475-E
(Pacific Gas and Electric Company ID U39E)

Public Utilities Commission of the State of California

Subject: Revisions to Electric Preliminary Statement Part BB – Competition Transition Charge Responsibility for All Customers and CTC Procedure for Departing Loads

Pacific Gas and Electric Company (PG&E) hereby submits for filing revisions to its Electric Preliminary Statement Part BB – Competition Transition Charge Responsibility for All Customers and CTC Procedure for Departing Loads. The affected tariff sheets are listed on the enclosed Attachment 1.

Purpose

By this supplemental advice letter, PG&E requests that the Commission approve the revisions to Preliminary Statement BB shown in the attached tariff sheets to clarify that departing load customers subject to that rate schedule are responsible for payment of the Regulatory Asset charge.

Background

On January 26, 2004, PG&E filed Advice 2465-E to implement Decision (D.) 03-12-035 and the Modified Settlement Agreement (MSA) adopted therein, as well as the proposed Rate Design Settlement Agreement (RDSA) entered into by various parties. In Advice 2465-E, PG&E provided sample tariffs for two rate schedules and stated that it "will file a complete set of revised rate schedules prior to implementing the rates provided herein." PG&E's intent had been to file revised tariffs to reflect the MSA and RDSA in mid- to late-February 2004.

On February 4, 2004, The Utility Reform Network (TURN) filed a limited protest to Advice 2465-E on the basis that PG&E had neglected to include in its proposed tariffs an appropriate rate schedule by which to recover the costs of the Regulatory Asset (and perhaps other charges) from departing load customers not otherwise exempt from such charges under the terms of the RDSA and other relevant Commission decisions. TURN requested that PG&E file a new version of its former tariff E-DEPART to recover the appropriate costs from departing load customers who are not exempt from the relevant charges.

On February 6, 2004, PG&E filed its reply to TURN's limited protest and

acknowledged that, in the light of the apparent confusion caused by its omission of revised tariffs specifically applicable to departing load customers, it would be both appropriate and helpful to provide such tariffs at this time. PG&E appended to its reply certain illustrative revised tariffs sheets for departing load customers, including specifically a revised Schedule E-DEPART, revised Schedule E-MDL, and a revised Preliminary Statement BB (all of which are discussed more fully below). Please note that PG&E has also made minor changes to the illustrative tariff sheets it appended to its February 6, 2004, response to TURN's protest in order to conform to pending legislation, Senate Bill 772.

By this advice letter, PG&E formally revises Preliminary Statement BB to clarify that departing load customers subject to that tariff are responsible for payment of the Regulatory Asset charge.

Preliminary Schedule BB

On December 20, 1995, the Commission issued Decision 95-12-063 (as modified by Decision 96-01-009) which, among other things, authorized PG&E to collect retail transition costs associated with electric restructuring. On September 23, 1996, then-Governor Wilson signed into law Assembly Bill (AB) 1890 (Stats. 1996, Ch. 854) which also affected the restructuring of the electric industry in California, including the collection of retail transition costs and other nonbypassable charges.

On May 24, 1999, PG&E filed Advice 1835-E-A, submitting its Preliminary Statement BB, *Competition Transition Charge Responsibility for All Customers and CTC Procedure for Departing Loads*. Preliminary Statement BB defined "Departing Load Customers" as customers who remain physically located within PG&E's service territory, but no longer receive electricity supply or delivery services from PG&E, and are now being supplied energy and distribution services from a source other than PG&E. Pursuant to Public Utilities Code Sections 367, 369, 379, and 381, the Competition Transition charge (CTC), the Nuclear Decommissioning charge, the Public Purpose Programs charge, and the Trust Transfer Amount charge are nonbypassable and Departing Load Customers are obligated to continue paying these charges to PG&E even after they depart PG&E's system. Advice 1835-E-A and Preliminary Statement BB were approved by Resolution No. E-3600 and made effective as of January 1, 1998.

Effective Date

PG&E requests that this filing become effective on March 1, 2004, which is the date that bundled and direct access customers will begin paying the Regulatory Asset charge.

Protests

Anyone wishing to protest this amended filing should do so by sending a letter via postal mail and facsimile by **March 9, 2004**, which is 20 days after 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, Room 4002
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.

Brian K. Cherry
Director, Regulatory Relations
Pacific Gas and Electric Company
P.O. Box 770000 Mail Code B10C
San Francisco, California 94177
Facsimile: (415) 973-7226
E-mail: RxDd@pge.com

The protest shall set forth the grounds upon which it is based and shall be submitted expeditiously. There is no restriction on who may file a protest.

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 lists. Address changes should be directed to Sandra Ciach (415) 973-7572. Advice letter filings can also be accessed electronically at:

<http://www.pge.com/tariffs>

Karen A. Tomcala HSN

Vice President - Regulatory Relations

Attachments

Cal P.U.C Sheet No.	Title of Sheet	Cancelling Cal P.U.C. Sheet No.
21189-E	Preliminary Statement Part BB – Competition Transition Charge Responsibility For All Customers and CTC Procedure For Departing Load	16399-E
21190-E	Preliminary Statement Part BB (Cont'd.)	19906-E
21191-E	Preliminary Statement Part BB (Cont'd.)	19907-E
21192-E	Table of Contents (Cont'd.)– Preliminary Statements	21010-E
21193-E	Table of Contents	21107-E



PRELIMINARY STATEMENT

BB. COMPETITION TRANSITION CHARGE RESPONSIBILITY FOR ALL CUSTOMERS AND CTC PROCEDURE FOR DEPARTING LOADS

- 1. PURPOSE: The purpose of this section is to describe the Competition Transition Charge (CTC) and other nonbypassable charge responsibilities of PG&E's retail electric customers (including Bundled Service, Direct Access, Virtual Direct Access and Departing Load customers) and new electric loads, and to establish specific procedures pertaining to the payment of CTC and other nonbypassable charges.

On December 20, 1995, the Commission issued Decision 95-12-063 (as modified by Decision 96-01-009) which, among other things, authorized PG&E to collect retail transition costs associated with electric restructuring. On September 23, 1996, Governor Wilson signed into law Assembly Bill (AB) 1890 (Statutes 1996, Ch. 854, codified primarily in various sections of the Public Utilities Code), which also affected the restructuring of the electric industry in California, including the collection of retail transition costs and other nonbypassable charges. Among other things, AB 1890 establishes:

- (a) a nonbypassable CTC (Public Utilities Code Sections 367-368, 375-376);
- (b) certain exemptions to the CTC (Sections 372, 374);
- (c) nonbypassable charges for nuclear decommissioning (Section 379), recovery of Rate Reduction Bond principal, interest, and ongoing costs (Section 840(d)), and public purpose program costs (Sections 381-383) (hereinafter referred to as "other nonbypassable charges"); and
- (d) CTC responsibility for existing retail customers and for new electric consumers or loads located in PG&E's service territory as it existed on December 20, 1995 (hereinafter referred to as "new electric loads"), except for those new or incremental loads that might be met through a direct transaction and the transaction does not require the use of transmission or distribution facilities owned by PG&E (Section 369).

On December 19, 2003, the Commission issued Decision 03-12-035 approving the Modified Settlement Agreement between PG&E and Commission staff. The effective date of the Regulatory Asset Charge is March 1, 2004.

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The procedures described here for the payment of CTC and other nonbypassable charges by existing customers and new electric loads implement CPUC Decision 97-06-060 in Phase 1 of PG&E's Application 96-08-001, supersede the Interim CTC Procedure authorized by the Commission in Decisions 96-04-054 and 96-10-041, and are consistent with PG&E's proposals in the Direct Access, Unbundling, and Rate Reduction Bond proceedings.

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PRELIMINARY STATEMENT

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BB. COMPETITION TRANSITION CHARGE RESPONSIBILITY FOR ALL CUSTOMERS AND CTC
PROCEDURE FOR DEPARTING LOADS (Cont'd.)

2. APPLICABILITY, METERING AND BILLING:

- a. Applicability: CTC and other nonbypassable charge responsibility attaches to and shall be recovered from all existing PG&E bundled service customers, future PG&E bundled service customers, direct access customers, and departing load customers who take or took retail service from PG&E on or after December 20, 1995 (or, for purposes of assessing responsibility for the RA Charge, on or after January 1, 2000), and remain in the service territory in which PG&E provided service as of December 20, 1995, (or for purposes of assessing responsibility for the RA Charge, the service territory in which PG&E provided Public Utilities Code (PU Code) Sections 369 and 371 to 374. Application of certain exceptions and exemptions established in the PU Code is clarified by Decision 97-06-060, Decision 97-12-039, and Decision 98-12-067. Remaining issues may be addressed in dispute resolution procedures for bundled service customers and direct access customers in Rule 10, and Departing Load customers in Sections BB.4.b.2 and BB.4.f.

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As provided herein, the charges of PG&E's rate schedules, contracts, or tariff options will contain a CTC component. Chapter 2.3, Electric Restructuring, in Part 1 of Division 1 of the Public Utilities Code provides that the CTC shall be applied to each customer based on the amount of the customer's electricity consumption (i.e., all generation-related billing determinants used to determine a customer's bill), which is subject to changes occurring in the normal course of business, whether such consumption is served by PG&E or an alternate supplier of electricity. Pursuant to Public Utilities Code Section 371, changes occurring in the normal course of business are those resulting from changes in business cycles, termination of operations, departure from the utility service territory, weather, reduced production, modifications to production equipment or operations, changes in production or manufacturing processes, fuel switching, including installation of fuel cells, enhancement or increased efficiency of equipment or performance of existing self-cogeneration equipment, replacement of existing cogeneration equipment with new power generation equipment of similar size as described in Section BB.3.e.(1), installation of demand-side management equipment or facilities, energy conservation efforts, or other similar factors. The CTC cannot be avoided through the formation of a local publicly owned electric corporation on or after December 20, 1995, or by annexation of any portion of PG&E's service territory by an existing local publicly-owned electric utility.

- b. Metering: The billed CTC will be based on metered consumption. Third party metering will be allowed subject to verification procedures sufficient to assure reliability of such consumption data and/or information as set forth in Section BB.5.e below. If reliable metered consumption information is not made available to PG&E, PG&E will estimate the consumption based on that customer's historical load as set forth in Section BB.5.e.
- c. Billing: The billed CTC will be determined as described in each rate schedule. CTC is the residual after the PX energy costs are subtracted from the generation portion of the bill. Certain consumption is either exempt from or not subject to CTC as set forth in Sections BB.3.d and BB.3.e below.

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PRELIMINARY STATEMENT
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BB. COMPETITION TRANSITION CHARGE RESPONSIBILITY FOR ALL CUSTOMERS AND CTC
PROCEDURE FOR DEPARTING LOADS

3. CTC RESPONSIBILITY OF ALL CUSTOMERS:

a. Customer Service Options: With the advent of electric industry restructuring, electric customers will have several different service options:

Bundled Service Customers - customers electing to continue to receive all of their electricity supply and delivery services from PG&E;

Direct Access Customers - customers electing to purchase their electricity supply from an energy service provider while continuing to receive delivery services for their energy from PG&E;

Virtual Direct Access Customers - this option is suspended.

Departing Load Customers - customers who no longer receive any electricity supply or delivery services from PG&E.

b. CTC Payment Amounts: Bundled Service, Direct Access, and Virtual Direct Access customers will be billed for and are responsible for making CTC and other nonbypassable charge payments to PG&E as part of their regular monthly bills for utility service, as specified in accordance with the billing procedures specified in the Rate Schedule under which service is taken. Departing Load customers are responsible for the same CTC and other nonbypassable charge payment amounts as would any similarly situated Bundled Service, Direct Access, or Virtual Direct Access customer.

The separate procedures required under Paragraph 4 of this section, which provide for certain notification and contractual requirements that are unique to Departing Load customers and certain new electric loads (as described in Paragraph 6 of this section), have been established only for the purpose of ensuring that these customers' CTC and other nonbypassable charges will be nonbypassable.

c. Definition of Departing Load: Departing Load is that portion of a PG&E electric customer's load for which the customer, on or after December 20, 1995 (or, for purposes of assessing responsibility for the RA charge, on or after January 1, 2000), outside of changes otherwise occurring in the ordinary course of its business (subject to the use of verifiable current metering information, as provided for under Paragraph 5(E) of this section): (1) discontinues or reduces its purchases of electricity supply and delivery services from PG&E; (2) purchases or consumes electricity supplied and delivered by sources other than PG&E to replace such PG&E purchases; and (3) remains physically located at the same location or within PG&E's service area as it existed on December 20, 1995 (or for purposes of assessing responsibility for the RA Charge, as it existed on December 19, 2003). Reductions in load are classified as Departing Load only to the extent that such load is subsequently served with electricity from a source other than PG&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
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
Dynergy 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
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Sequoia Union HS Dist
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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
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Transwestern Pipeline Co
Turlock Irrigation District
United Cogen Inc.
URM Groups
Utility Cost Management LLC
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Wellhead Electric Company
Western Hub Properties, LLC
White & Case
WMA