

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

Tel. No. (415) 703-1691



April 1, 2004

Advice Letter 2478-E

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

Subject: Notice of Federal Energy Regulatory Commission Rate Change for 2004: Transmission Access Charge Balancing Account Adjustment Rate

Dear Ms Smith:

Advice Letter 2478-E is effective March 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**

Karen A. Tomcala
Vice President
Regulatory Relations

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February 27, 2004

Advice 2478-E

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

**Subject: Notice of Federal Energy Regulatory Commission Rate Change
for 2004: Transmission Access Charge Balancing Account
Adjustment Rate**

This advice letter notifies the Commission of the implementation of the 2004 Transmission Access Charge Balancing Account Adjustment (TACBAA) rate when PG&E's retail rates change to collect PG&E's overall revenue requirement. Under the Transmission Owner (TO) tariff, the TACBAA rate will become effective when the rate reduction, filed in Advice 2465-E, takes effect on March 1, 2004.¹

Purpose

PG&E hereby provides the 2004 TACBAA rate of \$0.00011 per kWh for all energy that will be included in the transmission rates shown on the customers' bills, effective March 1, 2004.

Background

The TACBAA is a ratemaking mechanism designed to pass through to retail customers the net costs billed to PG&E under the California Independent System Operator (ISO)'s Transmission Access Charge (TAC) rate methodology. The TACBAA tracks the difference between ISO TAC rates and PG&E's utility-specific Access Charge billings from the ISO. Pursuant to Section 9600(a)(3) of the California Public Utilities Code, PG&E did not collect a TACBAA rate for retail customers, while customers were being charged the frozen rates plus the one and three-cent surcharges.

In December 2003, PG&E filed a revised TACBAA rate of \$0.00011 per kWh with the FERC. In its December filing, PG&E indicated that the TACBAA rate had not

¹ PG&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.

been included in retail customers' bills because of the rate freeze.

As of March 1, 2004, PG&E's overall rates will be designed to collect an authorized revenue requirement, effectively ending the AB 1890 rate freeze. At that time, PG&E is required by its TO tariff to begin charging the TACBAA rate to retail customers:

For service rendered on or after the effective date of new or revised retail rates authorized by the CPUC and modifying the retail rates frozen during the transition period established pursuant to Section 368 of the California Public Utilities Code, the bills of End-Use Customers of the Participating TO shall include, as a component of the End-User transmission rates, a TACBAA rate per kilowatt-hour (rounded to the nearest \$0.00001).²

PG&E is also making a contemporaneous filing at FERC to implement the TACBAA rate effective March 1, 2004.

Final March 1, 2004 Tariffs

PG&E will include the TACBAA rate in the transmission rates in Advice 2465-E-A, which is to be filed on March 1, 2004, implementing the rates currently expected to be effective March 1, 2004.

Protests

Anyone wishing to protest this filing may do so by sending a letter by **March 18, 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.

² PG&E TO Tariff, Original Sheet No. 32.

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 advice filing become effective on **March 1, 2004**, which is the date that PG&E expects these FERC-jurisdictional rate changes will become effective.

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. Address changes should be directed to Rose de la Torre at (415) 973-4716. Advice letter filings can also be accessed electronically at:

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

Karen A. Tomcala /s/

Vice President - Regulatory Relations

Attachments

**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.
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 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