

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

Tel. No. (415) 703-1691



October 4, 2004

Advice Letter 2526-E

Rose de la Torre
Pacific Gas & Electric
77 Beale Street, Room 1088
Mail Code B10C
San Francisco, CA 94105

Subject: Consolidate Preliminary Statement CP changes from Advice Letters 2460-E and 2487-E

Dear Ms Smith:

Advice Letter 2526-E is effective May 11, 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

Mailing Address
Mail Code B10C
P.O. Box 770000
San Francisco, CA 94177

415.973.4977
Internal: 223.4977
Fax: 415.973.7226
Cellular: 415.517.5067
Internet: BKC7@pge.com

June 30, 2004

**Advice 2526-E
(Pacific Gas and Electric Company ID U 39 E)**

Public Utilities Commission of the State of California

**Subject: Combine Electric Preliminary Statement CP Changes from
Advice Nos. 2460-E and 2487-E**

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

This filing consolidates into a single set of electric tariff sheets recent revisions to electric Preliminary Statement CP – *Energy Resource Recovery Account* (Preliminary Statement CS), effective **May 11, 2004**, as described below.

This consolidation combines revisions to Preliminary Statement CP as filed in Advice 2460-E -- *Implementation of the Ratemaking Provisions Supporting the Settlement Agreement Adopted in Decision (D.) 03-12-035*, effective **January 1, 2004** and Advice 2487-E -- *2004 Energy Resource Recovery Account (ERRA) Trigger Amount – Compliance with Decision 04-01-050*, effective May 11, 2004.

Advice 2526-E combines the approved language in Preliminary Statement CP from Advice 2460-E and Advice 2487-E. No other modifications are being made in this filing.

Effective Date

As approved, in compliance with Advice Nos. 2460-E and 2487-E, this filing is effective on **May 11, 2004**.

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 Sharon K. Tatai at (415) 973-2788. Advice letter filings can also be accessed electronically at:

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

Brian K. Cherny
Director - Regulatory Relations

Attachments

Cal P.U.C. Sheet No.	Title of Sheet	Cancelling Cal P.U.C. Sheet No.
21824-E	Electric Preliminary Statement CP – Energy Resource Recovery Account (ERRA)	21111, 21530-E
21825-E	Table of Contents – Preliminary Statements (Continued)	21531, 21474-E
21826-E	Table of Contents	21532, 21478-E



PRELIMINARY STATEMENT

(Continued)

CP. ENERGY RESOURCE RECOVERY ACCOUNT (ERRA)

1. **PURPOSE:** The purpose of the Energy Resource Recovery Account (ERRA) is to record and recover power costs, excluding California Department of Water Resources (DWR) contract costs, associated with PG&E's authorized procurement plan, pursuant to Decision 02-10-062, Decision 02-12-074 and California Public Utilities Code § 454.5(d)(3). Power costs recorded in ERRA include, but are not limited to, utility retained generation fuels, Qualifying Facility (QF) contracts, inter-utility contracts, California Independent System Operator (ISO) charges, irrigation district contracts and other Power Purchase Agreements (PPA), bilateral contracts, forward hedges, pre-payments and collateral requirements associated with procurement (including disposition of surplus power), and ancillary services. These costs are offset by reliability-must-run revenues (RMR), PG&E's allocation of surplus sales revenues and the ERRA revenue.

California Public Utilities Code § 454.5(d)(3) mandates a trigger mechanism to ensure that an undercollection or overcollection in the ERRA does not exceed 5 percent of a utility's recorded generation revenues for the prior year excluding revenues collected for the Department of Water Resources.

Pursuant to Decision 02-12-074, Conclusion of Law 23 and Ordering Paragraph (O.P. 15, PG&E is authorized to file an expedited trigger application at any time that its forecast indicates the undercollection in the ERRA will be in excess of the 5 percent threshold or 5 percent of the prior calendar year generation revenues including surcharge revenues used as authorized in Decision 02-11-026 for utility retained generation and power procurement costs incurred during that year, less revenues collected for DWR during that year. An ERRA Trigger Application for overcollections will not be filed until the ERRA has been in operation for a full twelve months.

2. **APPLICABILITY:** The ERRA shall apply to all customer classes, except for those specifically excluded by the Commission.
3. **REVISION DATES:** The revision dates applicable to the ERRA shall be the (i) February 1 and August 1 filing dates established in Decision 02-12-074, and (ii) as determined in Section 1 above in the case of an ERRA Trigger Application.

Decision 04-01-050 modified ERRA revision dates for 2004 and beyond specifically that (i) forecast filing date is June 1 of each year (ii) the reasonableness review in February 2005, and (iii) the ERRA trigger for 2004 and subsequent years would be established annually through an Advice Letter on or before April 1 of each year.

4. **RATES:** The ERRA rate is set forth in electric Preliminary Statement Part I.
5. **ACCOUNTING PROCEDURES:** The CPUC-jurisdictional portion of all entries shall be made at the end of each month as follows:
 - a) A credit entry equal to the revenue from the ERRA rate component from bundled customers during the month, excluding the allowance for Franchise Fees and Uncollectible (FF&U) Accounts expense;
 - b) A credit entry equal to RMR and ancillary services revenues from PG&E-owned generation facilities;
 - c) A credit entry equal to surplus sales revenues allocated to PG&E per the Operating Agreement between PG&E and the DWR, if applicable;

(Continued)



TABLE OF CONTENTS
(Continued)

PRELIMINARY STATEMENTS

SCHEDULE	TITLE OF SHEET	CAL P.U.C. SHEET NO.
Part CA	Food Service Technology Center Memorandum Account	18781-E
Part CB	DWR/ISO Cost Balancing Account.....	18784-E
Part CC	Real Time Energy Metering Memorandum Account	18307,18308-E
Part CD	Kern Restoration and Operation Memorandum Account	18509-E
Part CE	Baseline Balancing Account	18812,18813-E
Part CF	Net Energy Metering Memorandum Account.....	18831-E
Part CJ	Surcharge Amortization Revenue Memorandum Account.....	18937-E
Part CL	Distributed Energy Resources Memorandum Account.....	19042-E
Part CM	Bond Charge Balancing Account (BCBA).....	19555,19556-E
Part CN	Research, Development, and Demonstration Balancing Account	19371-E
Part CO	Renewables Balancing Account	19372-E
Part CP	Energy Resource Recovery Account	21824,21112,21113-E
Part CQ	Modified Transition Cost Balancing Account	19381-E
Part CR	Common Area Balancing Account.....	19768,19769-E
Part CS	Advanced Metering and Demand Response Account	19875-E
Part CY	El Paso Settlement Electric Memorandum Account (EPSEMA)	20985-E
Part CZ	Distribution Revenue Adjustment Mechanism	21116, 21117-E
Part DA	Public Purpose Program Revenue Adjustment Mechanism	21118-E
Part DB	Nuclear Decommissioning Adjustment Mechanism.....	21119-E
Part DC	Regulatory Asset Revenue Adjustment Mechanism.....	21120-E
Part DD	Regulatory Asset Tax Balancing Account.....	21121-E
Part DE	Headroom Account.....	21122-E
Part DF	Electric Reimbursable Fees Balancing Account	21123-E
Part DG	DWR Power Charge Balancing Account	21124-E
Part DH	Electric Credit Facilities Fees Tracking Account.....	21125-E
Part DJ	Procurement Transaction Auditing Account	21160-E
Part DL	DA Revenue Shortfall Tracking Account.....	21213,21214,21215-E
Part DM	Bundled Financing Allocation Tracking Account.....	21216-E

(T)

(Continued)



TABLE OF CONTENTS

	<u>CAL P.U.C. SHEET NO.</u>	
Title Page	8285-E	
Table of Contents:		
Rate Schedules	21826,21477,21476,21475-E	(T)
Preliminary Statements	21473,19373,21825-E	(T)
Rules, Maps, Contracts and Deviations	20378-E	
Sample Forms	19880,20377,20196,20979,18911,20980,21472-E	

RATE SCHEDULES

<u>SCHEDULE</u>	<u>TITLE OF SHEET</u>	<u>CAL P.U.C. SHEET NO.</u>
RESIDENTIAL RATES		
E-1	Residential Service	21217,21218,21219,19910,21220,21221-E
E-2	Experimental Residential Time-of-Use Service	21222 to 21231,19886,21232,21233-E
E-3	Experimental Residential Critical Peak Pricing Service	21234 to 21243,19895,19896,21244-E
EE	Service to Company Employees	21245-E
EM	Master-Metered Multifamily Service	21246,21247,21248,20648,21249,21250-E
ES	Multifamily Service	21251 to 21256-E
ESR	Residential RV Park and Residential Marina Service	21257,21258,21259,20657,21260,21261-E
ET	Mobilehome Park Service	21262 to 21267-E
E-7	Residential Time-of-Use Service	21268 to 21273-E
E-A7	Experimental Residential Alternate Peak Time-of-Use Service	21274 to 21279-E
E-8	Residential Seasonal Service Option	21280 to 21283-E
E-9	Experimental Residential Time-of-Use Service for Low Emission Vehicle Customers	20891,21284 to 21291-E
EL-1	Residential CARE Program Service	21292 to 21296-E
EML	Master-Metered Multifamily CARE Program Service	21297 to 21301-E
ESL	Multifamily CARE Program Service	21302 to 21307-E
ESRL	Residential RV Park and Residential Marina CARE Program Service	21308 to 21313-E
ETL	Mobilehome Park CARE Program Service	21314 to 21319-E
EL-7	Residential CARE Program Time-of-Use Service	21320 to 21325-E
EL-A7	Experimental Residential CARE Program Alternate Peak Time-of-Use Service	21326,21327,21328,19783,21329,21330-E
EL-8	Residential Seasonal CARE Program Service Option	21331 to 21334-E
COMMERCIAL/INDUSTRIAL		
A-1	Small General Service	21335 to 21339-E
A-6	Small General Time-of-Use Service	21340 to 21345-E
A-10	Medium General Demand-Metered Service	21346 to 21355-E
A-15	Direct-Current General Service	21356,21357-E
E-19	Medium General Demand-Metered Time-of-Use Service	21358,17092,21359 to 21364, 20932,20723,21365,18864,18039,20933,18865,17900,16414,15330,20512,21366,21367, 21368,20935,20728,21369,20729,19805,21370,21371-E
E-20	Service to Customers with Maximum Demands of 1,000 Kilowatts or More	21372 to 21377,19314,20736,21378,18044,20942,18867,15356,21379,15358,20513, 21380,21381,21382,20944,17101,20945,21383-E

(Continued)

**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

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