



February 14, 2005

Advice 2630-E

(Pacific Gas and Electric Company ID U 39 E)

**Subject: Community Choice Aggregation (CCA) Service (Decision 04-12-046)
Implementation Costs and Cost Responsibility Surcharge
Balancing Accounts
(Electric Preliminary Statements Parts DU and DV)**

Public Utilities Commission of the State of California

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

In compliance with the California Public Utilities Commission's (Commission) Decision (D.) 04-12-046, pursuant to Ordering Paragraphs 1 and 5, PG&E hereby establishes a Community Choice Aggregation (CCA) Implementation Costs Balancing Account and a CCA Cost Responsibility Surcharge (CRS) Balancing Account for CCA Service.

Background

On December 16, 2004, the Commission adopted D.04-12-046, which orders PG&E to create balancing accounts for CCA implementation costs incurred prior to recovery in PG&E's next general rate case. For program costs prior to general rate case review, implementation costs are recoverable dollar-for-dollar. These accounts will be created only for the period prior to PG&E's next general rate case.¹

D. 04-12-046 also orders PG&E to establish a balancing account to track CRS revenues and costs. The Commission stated in this decision that Section 366.2 (d) (1) of Assembly Bill 117 requires that a recovery mechanism be developed to prevent shifting of costs between customers.² The Commission therefore directs that the CRS be trued up annually and that a balancing account be used to track revenues and costs.

¹ D. 04-12-046, page 21.

² D. 04-12-046 Page. 41.

Tariff Revisions

Preliminary Statement Part DU—*Community Choice Aggregation Implementation Costs Balancing Account (CCAICBA)*, is established to record costs incurred to implement the CCA program. Preliminary Statement Part DV—*Community Choice Aggregation Cost Responsibility Surcharge Balancing Account (CCACRSBA)*, is established to track CCA Cost Responsibility Surcharge (CRS) costs and revenues. Entries to the CCACRSBA will include: 1) CCA CRS revenues and 2) CCA customers' CRS obligations, which include DWR power charges and ongoing competition transition charges for utility procurement and generation costs. The disposition of the balance of this account will be determined by the Commission in an appropriate proceeding authorized by the Commission.

Protests

Anyone wishing to protest this filing may do so by sending a letter by **March 7, 2005**, which is 21 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

Ordering Paragraph 9 of D.04-12-046 states that, "...utility tariffs and practices shall permit CCAs to initiate service immediately following the filing of tariffs...". Accordingly, PG&E requests that this advice filing become effective on **February 14, 2005**, which is the date of this 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 Rulemaking (R.) 03-10-003. 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>

Brian K. Cherry /sr

Director, Regulatory Relations

Attachments

cc: Service List – R. 03-10-003

**ATTACHMENT I
ADVICE 2630-E**

Cal. P.U.C. Sheet No.	Title of Sheet	Canceling Cal P.U.C. Sheet No.
23066-E	Preliminary Statement Part DU—Community Choice Aggregation Implementation Costs Balancing Account	New
23067-E	Preliminary Statement Part DV—Community Choice Aggregation Cost Responsibility Surcharge Balancing Account	New
23068-E	Table of Contents – Preliminary Statements	22869-E
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PRELIMINARY STATEMENT
(Continued)

DU. COMMUNITY CHOICE AGGREGATION IMPLEMENTATION COSTS BALANCING ACCOUNT (CCAICBA)

1. **PURPOSE:** The purpose of the CCAICBA is to record implementation costs incurred to implement Community Choice Aggregation (CCA) programs in accordance with Decision No. 04-12-046, prior to PG&E's next General Rate Case (GRC) decision. The CCAICBA will record implementation costs to ensure recovery of these costs in PG&E's next GRC. (N)
2. **APPLICABILITY:** The CCAICBA shall apply to all customer classes, except for those specifically excluded by the Commission.
3. **REVISION DATES:** The CCAICBA should be discontinued at such time as the Commission issues a decision in PG&E's next GRC which adopts a revenue requirement which reflects the CCA implementation costs contained in the balancing account and the balance in this account is transferred to another account for recovery, unless extended by the Commission.
4. **RATES:** The CCAICBA does not have a rate component.
5. **IMPLEMENTATION COSTS:** Implementation costs are defined as the costs of establishing the CCA program and services to CCAs that are not reasonably attributable to an individual CCA and are not identified as "transactions-based" costs as defined in D.04-12-046 and Section 366.2(c)(17) of the Public Utilities Code. Such costs include, but are not limited to, basic computer programming and database development costs for billing system changes and the development of the CCA program's basic infrastructure, call center costs associated with implementation of an "800" number dedicated to CCA customer service calls, and costs of noticing customers of CCA rules and related information.
6. **ACCOUNTING PROCEDURES:** The following entries should be made each month as follows:
 - a. A debit entry equal to the expense and capital-related costs associated with CCA program implementation and related infrastructure requirements.
 - b. A debit entry equal to the average of the balance at the beginning of the month and the balance after the above entries at a rate equal to one-twelfth of the interest rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15 or its successor.
 - c. A credit entry to transfer the balance in this account to the Distribution Revenue Adjustment Mechanism (DRAM) for recovery in rates at such time as the Commission adopts a GRC revenue requirement which includes the implementation costs contained in this balancing account. (N)



PRELIMINARY STATEMENT
(Continued)

DV. COMMUNITY CHOICE AGGREGATION COST RESPONSIBILITY SURCHARGE BALANCING ACCOUNT (CCACRSBA)

1. PURPOSE: The purpose of the CCACRSBA is to record Community Choice Aggregation (CCA) Cost Responsibility Surcharge (CRS) revenues and CCA cost responsibility in order to provide full recovery of the CCA cost responsibility. The CCACRSBA is established pursuant to Decision 04-12-046. (N)
2. APPLICABILITY: The CCACRSBA shall apply to all CCA customers under all ratemaking classes and rate schedules, unless specifically exempted from the CCA CRS by the Commission.
3. REVISION DATES: The CCACRSBA should be reconciled annually in the appropriate proceedings addressing CRS for CCA customers, as directed by the Commission.
4. RATES: The CRS shall apply to all CCA customers, except for those specifically exempt from CRS by the Commission. CRS rates are shown in each rate schedule.
5. ACCOUNTING PROCEDURES: The following entries should be made as follows:
 - a. A monthly credit entry equal to revenue received related to the CCA CRS.
 - b. A monthly debit entry equal to one-twelfth of the annual CCA cost responsibility related to DWR power charges and competition transition charges (CTC) for ongoing procurement and generation costs, as determined in the appropriate proceedings addressing CRS for CCA customers. These monthly entries will be made after the CCA cost responsibility is determined.
 - c. A credit or debit entry, as appropriate, to record periodic true-ups to the CRS.
 - d. A credit or debit entry, as appropriate, equal to the average of the balance at the beginning of the month and the balance after the above entries at a rate equal to one-twelfth of the interest rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15 or its successor. The monthly debit or credit entries for interest will be trued-up after entry 5b. above is made.
6. ACCOUNT DISPOSITION: Disposition of the balance of the CCACRSBA shall be in the appropriate proceedings addressing CRS for CCA customers, as directed by the Commission. (N)



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Part CC	Real Time Energy Metering Memorandum Account	18307,18308-E
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**PG&E Gas and Electric Advice
Filing List
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ABAG Power Pool	DGS Natural Gas Services	Office of Energy Assessments
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Aglet Consumer Alliance	Douglass & Liddell	PG&E National Energy Group
Agnews Developmental Center	Downey, Brand, Seymour & Rohwer	Pinnacle CNG Company
Ahmed, Ali	Duke Energy	PITCO
Alcantar & Elsesser	Duke Energy North America	Plurimi, Inc.
Anderson Donovan & Poole P.C.	Duncan, Virgil E.	PPL EnergyPlus, LLC
Applied Power Technologies	Dutcher, John	Praxair, Inc.
APS Energy Services Co Inc	Dynergy Inc.	Price, Roy
Arter & Hadden LLP	Ellison Schneider	Product Development Dept
Avista Corp	Energy Law Group LLP	R. M. Hairston & Company
Barkovich & Yap, Inc.	Energy Management Services, LLC	R. W. Beck & Associates
BART	Enron Energy Services	Recon Research
Bartle Wells Associates	Exelon Energy Ohio, Inc	Regional Cogeneration Service
Blue Ridge Gas	Exeter Associates	RMC Lonestar
Bohannon Development Co	Foster Farms	Sacramento Municipal Utility District
BP Energy Company	Foster, Wheeler, Martinez	SCD Energy Solutions
Braun & Associates	Franciscan Mobilehome	Seattle City Light
C & H Sugar Co.	Future Resources Associates, Inc	Sempra
CA Bldg Industry Association	G. A. Krause & Assoc	Sempra Energy
CA Cotton Ginners & Growers Assoc.	Gas Transmission Northwest Corporation	Sequoia Union HS Dist
CA League of Food Processors	GLJ Energy Publications	SESCO
CA Water Service Group	Goodin, MacBride, Squeri, Schlotz &	Sierra Pacific Power Company
California Energy Commission	Hanna & Morton	Silicon Valley Power
California Farm Bureau Federation	Heeg, Peggy A.	Simpson Paper Company
California Gas Acquisition Svcs	Hitachi Global Storage Technologies	Smurfit Stone Container Corp
California ISO	Hogan Manufacturing, Inc	Southern California Edison
Calpine	House, Lon	SPURR
Calpine Corp	Imperial Irrigation District	St. Paul Assoc
Calpine Gilroy Cogen	Integrated Utility Consulting Group	Stanford University
Cambridge Energy Research Assoc	International Power Technology	Sutherland, Asbill & Brennan
Cameron McKenna	Interstate Gas Services, Inc.	Tabors Caramanis & Associates
Cardinal Cogen	J. R. Wood, Inc	Tansev and Associates
Cellnet Data Systems	JTM, Inc	Tecogen, Inc
Chevron USA Production Co.	Kaiser Cement Corp	TFS Energy
Childress, David A.	Korea Elec Power Corp	Transwestern Pipeline Co
City of Glendale	Luce, Forward, Hamilton & Scripps	Turlock Irrigation District
City of Healdsburg	Marcus, David	U S Borax, Inc
City of Palo Alto	Masonite Corporation	United Cogen Inc.
City of Redding	Matthew V. Brady & Associates	URM Groups
CLECA Law Office	Maynor, Donald H.	Utility Cost Management LLC
Constellation New Energy	McKenzie & Assoc	Utility Resource Network
Cooperative Community Energy	McKenzie & Associates	Wellhead Electric Company
CPUC	Meek, Daniel W.	Western Hub Properties, LLC
Creative Technology	Mirant California, LLC	White & Case
Cross Border Inc	Modesto Irrigation Dist	WMA
Crossborder Inc	Morrison & Foerster	
CSC Energy Services	Morse Richard Weisenmiller & Assoc.	
Davis, Wright Tremaine LLP	Navigant Consulting	
Davis, Wright, Tremaine, LLP	New United Motor Mfg, Inc	
Defense Fuel Support Center	Norris & Wong Associates	
Department of the Army	North Coast Solar Resources	
Department of Water & Power City	Northern California Power Agency	