

March 20, 2000

ADVICE 2219-G

Public Utilities Commission of the State of California

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

The purpose of this filing is to submit revised versions of Appendices B, C, and D of Decision (D.) 00-02-046, issued in Application (A.) 97-12-020, PG&E's Test Year 1999 General Rate Case (GRC). These revised Appendices incorporate and reflect the resolution of issues adopted in the decision based on the complete tax version of PG&E's Results of Operations model. The revised Appendices are included as Attachment II.

On March 1, 2000, PG&E submitted Advice 2217-G in compliance with Ordering Paragraph 1.a. of D. 00-02-046. Advice 2217-G implemented gas rates based on the gas revenue requirement adopted in D. 00-02-046. The rate changes filed in Advice 2217-G became effective March 1, 2000.

Ordering Paragraph 1.b. requires that PG&E file this advice letter within 30 days of the effective date of the GRC decision. Attachment III includes workpapers showing: (1) the revision to claims expense (account 925) to remove the effect of claims associated with the December 1995 storm as required in Ordering Paragraph 29 of D. 99-06-080, as modified by D. 99-11-055, and discussed on pages 304 and 305 of D. 00-02-046, and (2) the differences between the revenue requirement, tax expense and rate base computations adopted in D. 00-02-046 and those which result from the complete tax model as described in Ordering Paragraph 1.b. of D.00-02-046. The impact of the complete tax model results in a revenue requirement increase of \$22.9 million. This revenue requirement change is effective January 1, 1999.

Due to the volume of the documentation supporting the revised tax data, copies of the tax workpapers are being provided under separate cover to the Commission only. Parties may request copies of these workpapers by contacting Nel Avendano at (415) 973-3529.

Ordering Paragraph 1.b. also requires PG&E to submit tariffs reflecting the revised revenue requirement. PG&E proposes to reflect the base revenue adjustment in rates during its next transportation rate change.¹

In accordance with GRC D.00-02-046, PG&E proposes to further adjust the Core Fixed Cost Account (CFCA), the Interim Relief subaccount of the CFCA, the Noncore Customer Class Charge Account and the Cogeneration Distribution Shortfall Account to reflect the change in revenue requirement based on the complete tax revenue requirement model from January 1, 1999, to the effective date of this filing. The impact of the distribution base revenue increase is shown in Attachment IV.

In this filing, Preliminary Statement Part C—*Gas Accounting Terms and Definitions*, Section 6, is revised to update the factor included in rates for franchise fees and uncollectibles expense (F&U) adopted in D. 00-02-046. The revised F&U factor is included in base revenues and in the illustrative rate tables shown in Attachment IV. Preliminary Statement Part C.2 is revised to reflect changes to the gas base revenue amount. Preliminary Statement Part F--*Core Fixed Cost Account (CFCA)* (Section 8) is revised to reflect adjusted revenues from the rate component that amortizes the balance in the CFCA Interim Relief subaccount.

As required by the GRC decision, PG&E and the Commission Energy Division will convene a workshop to discuss the revised revenue requirements and answer parties' questions about the revised revenue requirements. The workshop will be held on Thursday, March 30, 2000, beginning at 9:30 A.M. at:

Pacific Gas and Electric Company
245 Market Street, Room 1417
San Francisco, California

This filing will not affect any other rate or charge, cause the withdrawal of service, or conflict with any other rate schedule or rule.

PG&E requests that this filing become effective on **April 29, 2000**, which is 40 days after the date of filing.

¹ Ordering Paragraph 1.b of D. 00-02-046 requires PG&E to submit revised tariff sheets to implement gas revenue changes reflecting the difference in the revenue requirement filed in Advice 2217-G and the revised revenue requirement based on the operation of the complete tax RO model. In accordance with D. 00-02-046 at page 481, the adjustments to the gas revenue requirement resulting from the operations of the complete tax RO model are subject to balancing account treatment and will be reflected in rates in the next True-up or BCAP, as appropriate.

Page 3
Public Utilities Commission
Advice 2219-G
March 20, 2000

Anyone wishing to protest this filing may do so by sending a letter, in accordance with Ordering Paragraph 1.b of D. 00-02-046, within 20 days after the conclusion of the workshop. 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

Copies should also be mailed to the attention of the Director, Energy Division at the address above, and Les Guliasi, Regulatory Relations Manager, 77 Beale Street, Mail Code B10C, P.O. Box 770000, San Francisco, California 94177, Facsimile (415) 973-7451. The protest should set forth the grounds upon which it is based and shall be submitted expeditiously. There are no restrictions on who may file a protest.

In accordance with Section III, Paragraph G of General Order 96-A, PG&E is mailing copies of this advice filing to the utilities and interested parties shown on the attached list, and all parties in A. 97-12-020. Not all attachments to this filing are available electronically. Please contact Nel Avendano at (415) 973-3529 to obtain copies of attachments. Address change requests should be directed to Ms. Avendano.

Vice President – Regulatory Relations

Attachments

cc: Service List – A. 97-12-020

U39G



PRELIMINARY STATEMENT
(Continued)

C. GAS ACCOUNTING TERMS AND DEFINITIONS (Cont'd.)

2. BASE REVENUE AMOUNT: (Cont'd.)

Description	Amount (\$000)			
	Total	BCAP Base Revenue(1)		Transmission and Storage(2)
		Core	Noncore	
Authorized Operating Revenue (effective 1-1-2000)	1,293,428 (I)	902,770 (I)	46,110 (I)	344,548
Less: Other Operating Revenues	(5,858)	(5,643)	(215)	
BASE REVENUE AMOUNT	\$1,287,570 (I)	\$897,127 (I)	\$45,895 (I)	\$344,548
Distribution Marginal Costs(3)	(4,178)		(4,178)	
Rate Escalation Adjustment - Gas Accord 2000	26,217	3,469	457	22,291
Credits:				
EOR Revenue	(25)	(23)	(2)	
Core Brokerage Fee	(5,508)	(5,496) (I)	(12) (R)	
Noncore Brokerage Fee	(259)	(40)	(219)	
Allocation Adjustments:				
G-10 Allocated Employee Discount	718 (I)	265 (I)	453 (I)	
CARE Administrative & General Expenses	(411) (R)	(406) (R)	(5)	
Total Base Revenue Requirement (with credits and adjustments) (effective 1-1-2000)	\$1,304,124 (I)	\$894,896 (I)	\$42,389 (I)	\$366,839

(1) The BCAP Base Revenue includes Distribution and Public Purpose Program Base Revenue for core and noncore Customers, and Storage Base Revenue allocated to core Customers.

(2) The Transmission and Storage Base Revenue includes Storage Base Revenue Requirement allocated to load balancing and the Unbundled Storage Program.

(3) Amount represents a joint compromise adopted in Decision 98-06-073 for the distribution marginal cost revenues allocable to large distribution customers, to be absorbed by shareholders.

(Continued)



Pacific Gas and Electric Company
San Francisco, California

Cancelling

Revised
Revised

Cal. P.U.C. Sheet No.
Cal. P.U.C. Sheet No.

19838-G
18968-G

PRELIMINARY STATEMENT
(Continued)

C. GAS ACCOUNTING TERMS AND DEFINITIONS (Cont'd.)

(Continued)

Advice Letter No. 2219-G
Decision No. 00-02-046

Issued by
DeAnn Hapner
Vice President
Regulatory Relations

Date Filed March 20, 2000
Effective _____
Resolution No. _____



PRELIMINARY STATEMENT
(Continued)

F. CORE FIXED COST ACCOUNT (CFCA) (Cont'd.)

8. PG&E will maintain an Interim Relief Subaccount to track the noncore industrial distribution portion of the interim gas revenue requirement increase adopted in D.98-12-078. The balance in this subaccount will be allocated to noncore industrial distribution rates and included in the NCA rate component (see Preliminary Statement B) upon implementation of the next Annual True-up of Balancing Accounts. PG&E shall make the following entries to this Interim Relief Subaccount of the CFCA:

- a. A monthly debit entry equal to one-twelfth of the increase in the noncore industrial distribution portion of the authorized base revenue amount (with credits and adjustments) adopted in D.98-12-078; and
- b. A one time entry when the final 1999 GRC decision in A.97-12-020 becomes effective to reverse the amount recorded in entry F.8.a. above, with interest, and substitute it with the final adopted noncore distribution base revenue requirement, with interest, for the period from January 1, 1999, to the implementation date of the final GRC decision; and
- c. A monthly credit equal to the revenue to amortize the balances in this subaccount, excluding the allowance for F&U; and
- d. An entry equal to interest on the average of the balance in the account at the beginning of the month and the balance in the account after entries F.8.a through F.8.c, above, at a rate equal to one-twelfth the interest rate of the three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, G.13, or its successor; and

(N)
(N)

(T)
(T)

(D)
|
(D)



TABLE OF CONTENTS
(Continued)

PRELIMINARY STATEMENTS

SCHEDULE	TITLE OF SHEET	CAL P.U.C. SHEET NO.
Part A	Description of Service Area & General Requirements	14615 to 14623,18797-G
Part B	Default Tariff Rate Components	19799,19800,19801,19802, 19803,19804,19805,19806,18643,19807,19808,19809,19810,19791,19207,19811-G
Part C	Gas Accounting Terms and Definitions	18965,19837,19198,19838,18047,18969,19813,18592,18382,18314,18315,18316-G (T)
Part D	Purchased Gas Account.....	18971,18786,18055,18972-G
Part E	Not Being Used	
Part F	Core Fixed Cost Account.....	19199,19200,19201-G
Part G	Noncore Fixed Cost Account.....	18974-G
Part H	Not Being Used	
Part I	Noncore Brokerage Fee Balancing Account.....	18061-G
Part J	Noncore Customer Class Charge Account.....	19202-G
Part K	Enhanced Oil Recovery Account.....	17360-G
Part L	Balancing Charge Account.....	18715-G
Part M	Core Subscription Phase-Out Account.....	18456-G
Part N	Not Being Used	
Part O	CPUC Reimbursement Fee	18903-G
Part P	Income Tax Component of Contributions Provision	14224,13501-G
Part Q	Not Being Used	
Part R	Not Being Used	
Part S	Interest.....	12773-G
Part T	Tax Reform Act of 1986.....	12775-G
Part U	Core Brokerage Fee Balancing Account.....	18065-G
Part V	California Alternate Rates For Energy Account.....	18066-G
Part W	Cogeneration Distribution Shortfall Account.....	19203-G
Part X	Natural Gas Vehicle Balancing Account.....	18068,18069-G
Part Y	Customer Energy Efficiency Adjustment.....	18551,18552,18553-G
Part Z	Energy Efficiency California Energy Commission Memorandum Account.....	19493-G
Part AA	Not Being Used	
Part AB	Not Being Used	
Part AC	Catastrophic Event Memorandum Account.....	14178,14179-G
Part AD	Not Being Used	
Part AE	Core Pipeline Demand Charge Account.....	18976,18977,18978-G
Part AF	Noncore Interstate Transition Cost Surcharge Account.....	18979-G
Part AG	Not Being Used	
Part AH	Air Quality Adjustment Clause.....	14928 to 14930-G
Part AI	Not Being Used	
Part AJ	Not Being Used	
Part AK	Not Being Used	
Part AL	Not Being Used	
Part AM	Not Being Used	
Part AN	Hazardous Substance Mechanism.....	16979,16980,16692 to 16694-G
Part AO	Not Being Used	
Part AP	Not Being Used	
Part AQ	Pipeline Expansion Balancing Account.....	16519 to 16521-G
Part AR	Demand-Side Management Tax Change Memorandum Account.....	16502-G
Part AS	Not Being Used	
Part AT	Not Being Used	

(Continued)



TABLE OF CONTENTS

	<u>CAL P.U.C. SHEET NO.</u>	
Title Page.....	11271-G	
Table of Contents:		
Rate Schedules	19841,19834-G	(T)
Preliminary Statements	19840-G	(T)
Rules, Maps, Contracts and Deviations	19090-G	
Sample Forms	18833,18308,18923,19214,18367-G	

RATE SCHEDULES

RESIDENTIAL

<u>SCHEDULE</u>	<u>TITLE OF SHEET</u>	<u>CAL P.U.C. SHEET NO.</u>
G-1	Residential Service	19814,18597-G
GM	Master-Metered Multifamily Service	19815,19300,18599-G
GS	Multifamily Service	19816,19301,18601-G
GT	Mobilehome Park Service	19817,19302-G
G-10	Service to Company Employees	11318-G
GL-1	Residential CARE Program Service	19818,18603-G
GML	Master-Metered Multifamily CARE Program Service	19819,19303,18605-G
GSL	Multifamily CARE Program Service	19820,19304,18607-G
GTL	Mobilehome Park CARE Program Service	19821,19822,18608-G
G-MHPS	Master-Metered Mobilehome Park Safety Surcharge	18904-G

NONRESIDENTIAL

G-NR1	Gas Service to Small Commercial Customers	19823,18980-G
G-NR2	Gas Service to Large Commercial Customers	19824,18981-G
G-CP	Gas Procurement Service to Core End-Use Customers	19735-G
G-CSP	Core Subscription Gas Procurement Service to Noncore End-Use Customers	19551,18685,18925-G
G-NT	Gas Transportation Service to Noncore End-Use Customers	19641,19825,18361,18111-G
G-COG	Gas Transportation Service to Cogeneration Facilities	19643,18984,18114,18985-G
G-EG	Gas Transportation Service to Electric Generation	19826,18987-G
G-30	Public Outdoor Lighting Service	19827,17050-G
G-WSL	Gas Transportation Service to Wholesale/Resale Customers ..	19828,19253,19254,18120-G
G-BAL	Gas Balancing Service for Intrastate Transportation Customers	18121,18921,19028,19029,18615,18126,19220,19221,18616,18421,18422-G

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PRELIMINARY STATEMENT
(Continued)

C. GAS ACCOUNTING TERMS AND DEFINITIONS (Cont'd.)

2. BASE REVENUE AMOUNT: (Cont'd.)

Description	Amount (\$000)			
	Total	BCAP Base Revenue(1)		Transmission and Storage(2)
		Core	Noncore	
Authorized Operating Revenue (effective 1-1-99)	\$1,297,097 (I)	\$902,770 (I)	\$46,110 (I)	\$348,217
Plus: TEFRA Recovery(3)	0	0	0	
Less: Other Operating Revenues	(5,858)	(5,643)	(215)	
BASE REVENUE AMOUNT	\$1,291,239 (I)	\$897,127 (I)	\$45,895 (I)	\$348,217
Distribution Marginal Costs(4)	(4,178)		(4,178)	
Rate Escalation Adjustment - Gas Accord 1999	18,863	2,566	286	16,011
Credits:				
EOR Revenue	(25)	(23)	(2)	
Core Brokerage Fee	(5,508)	(5,496) (I)	(12) (R)	
Noncore Brokerage Fee	(259)	(40)	(219)	
Allocation Adjustments:				
G-10 Allocated Employee Discount	718 (I)	265 (I)	453 (I)	
CARE Administrative & General Expenses	(411) (R)	(406) (R)	(5)	
Total Base Revenue Requirement (with credits and adjustments) (effective 1-1-99)	\$1,300,439 (I)	\$893,993 (I)	\$42,218 (I)	\$364,228

- (1) The BCAP Base Revenue includes Distribution and Public Purpose Program Base Revenue for core and noncore Customers, and Storage Base Revenue allocated to core Customers.
- (2) The Transmission and Storage Base Revenue includes Storage Base Revenue Requirement allocated to load balancing and the Unbundled Storage Program.
- (3) Tax Equity and Fiscal Responsibility Act of 1982. Decision 92-12-057 authorized recovery of the TEFRA over a six year period starting in 1993 ended 12-31-98.
- (4) Amount represents a joint compromise adopted in Decision 98-06-073 for the distribution marginal cost revenues allocable to large distribution customers, to be absorbed by shareholders.

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