

April 11, 2001

**ADVICE 2310-G/2100-E**

(Pacific Gas and Electric Company ID U 39 M)

**Subject: Self-Generation and Demand Responsiveness Programs**

Public Utilities Commission of the State of California

**Purpose**

Pacific Gas and Electric Company (PG&E) hereby submits for filing revisions to its gas and electric tariffs. This filing is in compliance with Ordering Paragraph 2 of Commission Decision (D.) 01-03-073, issued March 27, 2001. Included in this filing are proposed electric and gas memorandum accounts to track all self-generation and demand responsiveness program costs authorized in the decision. The affected tariff sheets are listed on the enclosed Attachment I.

**Background**

D. 01-03-073 ordered that within 15 days of the effective date of the decision (March 27, 2001), PG&E shall file an advice letter increasing its electric distribution revenue requirements, without modifying current rates, to include program budgets authorized by the Commission. The decision orders that program costs allocated to gas customers be included in PG&E's next gas rate recovery proceeding (e.g., the Biennial Cost Allocation Proceeding). PG&E also is ordered to present the specific factors allocating self-generation program budgets between electric and gas customers. These factors shall reflect the current allocation of energy efficiency programs between gas and electric customers, as discussed below. PG&E was ordered to establish memorandum accounts to track program costs. In addition, PG&E shall separately track all program costs and benefits by customer class.

As stated in PG&E's February 14, 2001, and March 19, 2001, comments to the Energy Division's report and the proposed decision in Rulemaking (R.) 98-07-037, the Commission cannot and should not require PG&E to fund the two new programs at a cost of \$63 million per year for four years from January 2001 through December 2004, for a total of over \$250 million without providing in current rates the funds necessary to pay for these programs. The Commission's auditors have

acknowledged that PG&E is unable to pay its current bills under the revenue provided by Commission rates, and cannot borrow money to pay those bills.

On April 6, 2001, PG&E filed for bankruptcy protection under Chapter 11. 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.

### **Accounting Mechanism**

In accordance with D. 01-03-073, PG&E is submitting electric Preliminary Statement Part BY--*Self-Generation Program Memorandum Account (SGPMA)*—Part BZ--*Demand Responsiveness Program Memorandum Account (DRPMA)*, and gas Preliminary Statement Part AW--*Self-Generation Program Memorandum Account (SGPMA)*. The program costs will be recorded in these memorandum accounts. Further, PG&E will record the authorized electric distribution revenue requirement increases, as described in the Allocation Factors section below, plus adjustments for franchise fees and uncollectible accounts expense, in its Transition Revenue Account (TRA) and an offsetting credit entry in its DRPMA and electric SGPMA. As stated in D.01-03-073, Ordering Paragraph 2, PG&E shall include the costs of the programs allocated to gas customers in the next gas rate recovery proceeding.

The mechanism to track the program costs and benefits by customer class will be established when the programs are developed.

### **Allocation Factors**

Ordering Paragraph 2 of D. 01-03-073 requires PG&E to increase its electric distribution revenue requirement and to allocate self-generation program budgets between its electric and gas customers based on the current allocation of energy efficiency programs between electric and gas customers. For 2001 Energy Efficiency programs, the authorized budget from D. 01-01-060 is \$140.51 million for electric (86.54 percent) and \$121.60 million for gas (13.46 percent). Of the self-generation program's annual funding amount of \$60 million, \$51.92 million is allocated to the electric distribution revenue requirement effective March 27, 2001, and \$8.08 million is allocated to the gas distribution revenue requirement and will be included in the next gas rate recovery proceeding.

The \$3 million for the demand responsiveness program is allocated 100 percent to the electric distribution revenue requirement, effective March 27, 2001.

**Effective Date**

PG&E requests that this advice letter become effective on **March 27, 2001**, which is the effective date of D. 01-03-073.

**Protests**

Anyone wishing to protest this advice letter may do so by sending a letter within twenty (20) days after the date of this filing. Protests should be sent by facsimile and U.S. mail 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, and to Jerry Royer of the Energy Division at the address above. It is also requested that a copy of the protest should 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.

Pacific Gas and Electric Company  
Attention: Les Guliasi  
Director, Regulatory Relations  
77 Beale Street, Mail Code B10C  
P.O. Box 770000  
San Francisco, California 94177  
Facsimile: (415) 973-7226

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 Section III, Paragraph G, of General Order 96-A, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list and the service list for R. 98-07-037. Address changes should be directed to Nelia Avendano at (415) 973-3529. Advice letter filings can be accessed electronically at:

[http://www.pge.com/customer\\_services/business/tariffs/](http://www.pge.com/customer_services/business/tariffs/)

Vice President - Regulatory Relations

Attachments



PRELIMINARY STATEMENT  
(Continued)

AW. SELF-GENERATION PROGRAM MEMORANDUM ACCOUNT (SGPMA)

1. PURPOSE:

The purpose of the SGPMA is to track the costs incurred by PG&E for implementing self-generation programs authorized by Decision (D.) 01-03-073. Qualifying self-generation is defined as distributed generation technologies (microturbines, small gas turbines, wind turbines, photovoltaics, fuel cells and internal combustion engines, and combined heat and power or cogeneration) installed on the customer's side of the utility meter that provides electricity for all or a portion of that customer's electric load. The self-generation program budget shall be allocated between electric and gas customers to reflect the current allocation of energy efficiency programs.

(N)

2. APPLICABILITY:

The SGPMA shall apply to all customer classes, except for those specifically excluded by the CPUC.

3. REVISION DATE:

The revision date applicable to the SGPMA shall coincide with the revision date of the Biennial Cost Allocation Proceeding or at other times, as authorized by the CPUC.

4. RATES:

The SGPMA does not have a rate component.

5. ACCOUNTING PROCEDURE:

PG&E shall maintain the SGPMA by making entries at the end of each month as follows:

- a. A debit entry for the gas portion of administrator costs, including incremental design, contract administration, marketing, regulatory reporting, and program evaluation.
- b. A debit entry for the gas portion of incentive payments to customers or contractors for services rendered.
- c. A credit entry to transfer all or a portion of the balance in the SGPMA to other balancing accounts for future rate recovery, as may be approved by the CPUC.
- d. A debit entry equal to the interest on the average of the balance at the beginning of the month and the balance after the entries 5.a. and 5.b., above, at a rate equal to one-twelfth the interest rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, G. 13 or its successor.

(N)



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 .....	20366,20367,20368,20369,20328 20370,20330,20331,20332,18643,20284,20285,20286,20287,20288,20360,19207,19811-E
Part C	Gas Accounting Terms and Definitions .....	18965,20289,19577,18968,18047,20024,20025,20026,20027,18314,18315,18316-G
Part D	Purchased Gas Account.....	18971,18786,18055,18972-G
Part E	Not Being Used	
Part F	Core Fixed Cost Account.....	19199,20028,19201-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.....	20029,20030-G
Part M	Core Subscription Phase-Out Account.....	18456-G
Part N	Not Being Used	
Part O	CPUC Reimbursement Fee .....	19985-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.....	19880-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	CORE FIRM Storage Account.....	20031-G
Part AH	Air Quality Adjustment Clause.....	14928 to 14930-G
Part AI	Applicant Installation Trench Inspection Deferred Account.....	19533-G
Part AJ	Applicant Installation Trench Inspection Memorandum Account.....	19534-G
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	
Part AU	Allocation of Residual Costs Memorandum Account.....	19933,19934-G
Part AW	Self-Generation Program Memorandum Account.....	20495-G (N)

(Continued)



TABLE OF CONTENTS

	<u>CAL P.U.C. SHEET NO.</u>	
Title Page.....	11271-G	
Table of Contents:		
Rate Schedules.....	20497,20386-G	(T)
Preliminary Statements .....	20496-G	(T)
Rules .....	20101-G	
Maps, Contracts and Deviations .....	20212-G	
Sample Forms.....	20148,19381,20089,20145,19708-G	

RATE SCHEDULES

RESIDENTIAL

<u>SCHEDULE</u>	<u>TITLE OF SHEET</u>	<u>CAL P.U.C. SHEET NO.</u>
G-1	Residential Service .....	20371,18597-G
GM	Master-Metered Multifamily Service.....	20372,19843,18599-G
GS	Multifamily Service.....	20373,19301,18601-G
GT	Mobilehome Park Service .....	20374,19302-G
G-10	Service to Company Employees.....	11318-G
GL-1	Residential CARE Program Service .....	20375,18603-G
GML	Master-Metered Multifamily CARE Program Service.....	20376,19844,18605-G
GSL	Multifamily CARE Program Service.....	20377,19304,18607-G
GTL	Mobilehome Park CARE Program Service .....	20378,20379,18608-G
G-MHPS	Master-Metered Mobilehome Park Safety Surcharge .....	19986-G

NONRESIDENTIAL

G-NR1	Gas Service to Small Commercial Customers .....	20380,18980-G
G-NR2	Gas Service to Large Commercial Customers .....	20381,18981-G
G-CP	Gas Procurement Service to Core End-Use Customers .....	20382-G
G-CSP	Core Subscription Gas Procurement Service to Noncore End-Use Customers .....	20361,20152,20153-G
G-NT	Gas Transportation Service to Noncore End-Use Customers ..	20290,20291,18361,18111-G
G-COG	Gas Transportation Service to Cogeneration Facilities .....	20106,19794,18114,18985-G
G-EG	Gas Transportation Service to Electric Generation.....	20292,19423-G
G-30	Public Outdoor Lighting Service.....	20293,17050-G
G-WSL	Gas Transportation Service to Wholesale/Resale Customers ..	20294,19253,19254,18120-G
G-BAL	Gas Balancing Service for Intrastate Transportation Customers .....	20032 to 20045-G

(Continued)