

September 20, 2001

**ADVICE 2329-G-A/2140-E-A**

(Pacific Gas and Electric Company ID U 39 M)

**Subject: Supplemental Filing--Establishes Electric and Gas Self-Generation Program Memorandum Accounts (SGPMA) and Electric Demand Responsiveness Program Memorandum Account (DRPMA)**

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 complies with Interim Opinion Decision (D.) 01-07-028, which modifies D. 01-03-073 issued March 27, 2001. Included in this filing are proposed memorandum accounts to track self-generation and demand responsiveness program costs authorized in these decisions. The affected tariff sheets are listed on enclosed Attachment I.<sup>1</sup>

On July 17, 2001, PG&E filed Advice 2329-G/2140-E, which replaced and superseded Advice 2310-G/2100-E filed on April 11, 2001.<sup>2</sup> Supplemental Advice 2329-G-A/2140-E-A replaces and supersedes Advice 2329-G/2140-E, and is filed in response to D. 01-09-012 dated September 6, 2001, which approves PG&E's Emergency Petition for Modification of Decision 01-07-028. D. 01-09-012 clarifies certain ambiguous or inconsistent items in D. 01-07-028.

**Background**

On April 11, 2001, in compliance with D. 01-03-073, PG&E filed Advice 2310-G/2100-E and proposed electric and gas memorandum accounts to track all self-generation and demand responsiveness program costs. Program costs allocated to gas customers are to be included in PG&E's next gas rate recovery proceeding (e.g.,

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<sup>1</sup> 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.

<sup>2</sup> PG&E will withdraw Advice 2310-G/2100-E upon Commission approval of this filing.

the Biennial Cost Allocation Proceeding). Decision 01-03-073 requires PG&E to allocate self-generation program costs between electric and gas customers based on the current allocation of energy efficiency programs between electric and gas customers. For 2001 energy efficiency programs, the total authorized budget from D.01-01-060 is \$140.51 million, \$121.60 million of which is allocated to electric program costs (86.54 percent of the total) and \$18.91 million of which is allocated to gas program costs (13.46 percent of the total).

On April 27, 2001, PG&E filed an Emergency Petition to Modify Decision 01-03-073, seeking an immediate, on-going source of funds for programs adopted in the decision, either through an additional surcharge to current rates, or an offset to revenues collected by PG&E on behalf of the California Department of Water Resources (DWR). Interim Opinion D. 01-07-028 modified D. 01-03-073 to establish a balancing account, rather than a memorandum account, for electric customers to provide recovery of costs incurred to implement D. 01-03-073.

On August 9, 2001, PG&E filed an Emergency Petition for Modification of Decision 01-07-028 to clarify certain ambiguities and inconsistencies in that decision, including changing balancing accounts to memorandum accounts for tracking program costs for future recovery. The Commission issued D. 01-09-012 on September 6, 2001, agreeing with PG&E's proposed clarifications and ordering that respondent utilities [PG&E, Southern California Edison Company, and San Diego Gas & Electric Company] file an advice letter within 5 days of issuance of the decision. (PG&E did not obtain a copy of D. 01-09-012 until September 13, 2001, and is filing as soon as possible thereafter.)

### **Accounting Mechanisms**

New electric Preliminary Statement Part BY—*Self-Generation Program Memorandum Account* (SGPMA), and gas Preliminary Statement Part AW—*Self-Generation Program Memorandum Account* (SGPMA), track the costs incurred by PG&E for implementing the self-generation program authorized in the above-mentioned decisions. New electric Preliminary Statement Part BZ—*Demand Responsiveness Program Memorandum Account* (DRPMA), tracks costs incurred by PG&E for conducting a pilot program to provide interactive consumption and cost information for small customers as ordered in those decisions.

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

### **Effective Date**

As ordered in D. 01-03-073 and D. 01-09-012, the tariff revisions submitted in this advice letter are considered effective as of **March 27, 2001**.

**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

cc: Service List – R. 98-07-037



PRELIMINARY STATEMENT  
(Continued)

AW. SELF-GENERATION PROGRAM MEMORANDUM ACCOUNT (SGPMA)

(N)

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.

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, H. 15 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 .....	20660,20661,20662,20663,20664, 20588,20589,20590,18643,20591,20579,20580,20581,20592,20360,19207,19811-G
Part C	Gas Accounting Terms and Definitions .....	18965,20289,20441,20651,18047,20024,20025,20443,20027,18314,18315,18316-G
Part D	Purchased Gas Account.....	20444,20445,20446-G
Part E	Not Being Used	
Part F	Core Fixed Cost Account.....	20583,20584,19839-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.....	20585-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.....	18976,20447,18978-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 AV	Capital Audit Consultant Cost Memorandum Account.....	20432-G
Part AW	Self-Generation Program Memorandum Account.....	20718-G

(N)

(Continued)



TABLE OF CONTENTS

	<u>CAL P.U.C. SHEET NO.</u>	
Title Page.....	11271-G	
Table of Contents:		
Rate Schedules.....	20720,20633-G	(T)
Preliminary Statements .....	20719-G	(T)
Rules .....	20606-G	
Maps, Contracts and Deviations .....	20212-G	
Sample Forms.....	20605,19381,20089,20145,19708-G	

RATE SCHEDULES

RESIDENTIAL

<u>SCHEDULE</u>	<u>TITLE OF SHEET</u>	<u>CAL P.U.C. SHEET NO.</u>
G-1	Residential Service .....	20665,18597-G
GM	Master-Metered Multifamily Service.....	20666,20467,18599-G
GS	Multifamily Service.....	20667,19301,18601-G
GT	Mobilehome Park Service .....	20668,19302-G
G-10	Service to Company Employees.....	11318-G
GL-1	Residential CARE Program Service .....	20669,18603-G
GML	Master-Metered Multifamily CARE Program Service.....	20670,20468,18605-G
GSL	Multifamily CARE Program Service.....	20671,19304,18607-G
GTL	Mobilehome Park CARE Program Service .....	20672,20673,18608-G
G-MHPS	Master-Metered Mobilehome Park Safety Surcharge .....	19986-G

NONRESIDENTIAL

G-NR1	Gas Service to Small Commercial Customers .....	20674,18980-G
G-NR2	Gas Service to Large Commercial Customers .....	20675,18981-G
G-CP	Gas Procurement Service to Core End-Use Customers .....	20676-G
G-NT	Gas Transportation Service to Noncore End-Use Customers .....	20448,20593,18361,20450-G
G-COG	Gas Transportation Service to Cogeneration Facilities .....	20451,19794,18114,18985-G
G-EG	Gas Transportation Service to Electric Generation .....	20292,19423-G
G-30	Public Outdoor Lighting Service.....	20594,17050-G
G-WSL	Gas Transportation Service to Wholesale/Resale Customers .....	20498,19253,19254,18120-G
G-BAL	Gas Balancing Service for Intrastate Transportation Customers .....	20032 to 20045-G

(Continued)