

October 11, 2002

**Advice 2415-G**

(Pacific Gas and Electric Company ID U 39 G)

Public Utilities Commission of the State of California

**Subject: California Alternative Rates for Energy - Proposed Gas  
Surcharge Rates for 2003**

Pacific Gas and Electric Company (PG&E) hereby submits illustrative 2003 rates incorporating authorized 2002 CARE budget revisions.<sup>1</sup>

**Purpose**

This filing presents illustrative gas rates that reflect the 2002 CARE program budget adopted by the Commission in Decision (D.) 02-09-021. Pursuant to Ordering Paragraph 6 of D. 02-09-021 and Public Utilities Code Section 890(e), these rate revisions will become effective with other year-end consolidated gas rate updates on January 1, 2003.

**Background**

On September 5, 2002, the Commission issued Decision (D.) 02-09-021 adopting an authorized total program year (PY) 2002 CARE administration budget of \$7,305,852, for PG&E. The allocation of this budget to PG&E's gas department is \$1,607,287 (representing 22 percent of the total authorized budget).<sup>2</sup> However, the amount collected in gas rates is reduced by \$764,080, due to funding provided

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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 filed Advice 2410-G-A/2284-E-A on October 7, 2002, in compliance with D. 02-09-021, to propose an allocation of the authorized PY 2002 CARE budget. PG&E proposed to assign 78 percent of the PY 2002 CARE administrative expenditures to the electric department and 22 percent to the gas department.

by Senate Bill X1 5.<sup>3</sup> Consequently, the total PY 2002 CARE administration budget included in gas rates is \$843,207.

Decision 02-09-021 also adopts a PY 2002 CARE subsidy budget for PG&E of \$125,000,000, which includes \$40,000,000 for gas. This gas subsidy estimate assumed a penetration target for PG&E of 68 percent. Decision 02-07-033 revised the end-of-year CARE penetration target for PG&E to 63 percent. Based on this adopted penetration target, the CARE subsidy included in illustrative rates is \$36,997,566.

The rates shown in this advice letter are illustrative since they reflect changes resulting from the two stand-alone CARE cost items described above. Further adjustments to January 1, 2003, rates will be made in PG&E's Annual True-up of Balancing Accounts filing.<sup>4</sup>

### **Rate Changes**

The attached Table A shows the illustrative class-average gas rate changes authorized in D. 02-09-021.

### **Protests**

Anyone wishing to protest this filing may do so by sending a letter by **October 31, 2002**, which is 20 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, 4<sup>th</sup> Floor  
San Francisco, California 94102

Facsimile: (415) 703-2200  
E-mail: [jjr@cpuc.ca.gov](mailto: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.

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<sup>3</sup> The SBX1 5 portion of 2002 CARE administration costs are shown in Appendix A – “CARE Program Budget” (at the end of Chapter 1) of PG&E's 2002 CARE Budget Application (A. 02-04-031).

<sup>4</sup> The Annual True-up, authorized in D. 95-12-053, updates the amortization components of transportation balancing accounts, including the CARE balancing account. Year-end rates will also be adjusted to reflect second-year 2000 BCAP changes adopted in D. 01-11-001, and implement any other gas rate changes as authorized by the Commission.

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: Les Guliasi  
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**

PG&E requests that this advice filing become effective on regular notice, **November 20, 2002**, which is 40 days after the date of 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 A. 02-04-031. Address changes should be directed to Rose Abao at (415) 973-2218. Advice letter filings can also 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 – A. 02-04-031