



**Pacific Gas and
Electric Company**

Karen A. Tomcala
Vice President
Regulatory Relations

77 Beale Street, Room 1065
San Francisco, CA 94105

Mailing Address
Mail Code B10A
P.O. Box 770000
San Francisco, CA 94177

415.972.5209
Internal: 222.5209
Fax: 415.972.5625
Internet: kat5@pge.com

May 26, 2004

Advice 2440-G-A
(Pacific Gas and Electric Company ID U39G)

Subject: Establishes Gas Preliminary Statements Part BA - *Public Purpose Program Surcharge -- Energy Efficiency, Low Income Energy Efficiency, and Research, Development and Demonstration Balancing Account*, and Part BB - *Public Purpose Program Surcharge Memorandum Account*

Public Utilities Commission of the State of California

Pacific Gas and Electric Company (PG&E) hereby submits for filing revisions to its gas tariffs. The tariffs in this filing completely replace and supersede those filed in Advice 2440-G dated January 27, 2003. The affected tariff sheets are listed on enclosed Attachment I.

Purpose

The purpose of filing supplemental Advice 2440-G-A is to update the tariffs PG&E filed in Advice 2440-G on January 27, 2003, for the purpose of tracking and accounting for surcharge costs and revenues associated with PG&E's gas Public Purpose Program (PPP). Rulemaking 02-10-001 addresses certain issues related to the implementation of the gas PPP surcharge that may require tariff changes. Approval of the tariff revisions requested herein would simplify the implementation of any tariff revisions that might be required pursuant to a final decision in the Rulemaking.

Background

Assembly Bill (AB) 1002, signed by Governor Davis on September 29, 2000, required that upon the Commission's establishment of a surcharge to fund gas public purpose programs, funding for these programs would be removed from gas utilities' rates. Public Utilities (PU) Code Section 890 implemented the gas PPP surcharge effective January 1, 2001. The Commission established the 2001 gas PPP surcharge rates for PG&E and other utilities in Resolution (R.) G-3303.

On October 3, 2002, the Commission opened Rulemaking 02-10-001 to determine the broad policy issues pertaining to the gas PPP surcharge to fund public purpose programs, as authorized by AB 1002 and to adopt a long-term framework for implementing AB 1002. On November 12, 2002, PG&E filed comments to



Rulemaking 02-10-001, proposing several accounting changes to more clearly separate gas PPP surcharge from transportation rates.¹ Utilities were allowed to establish memorandum accounts to track payments made to the BOE by the utilities and track the funding obtained by the utilities from the Gas Consumption Surcharge Fund. Pursuant to R. G-3303, the disposition of the balance in this account would be determined in a future Rulemaking.² PG&E filed Advice 2440-G on January 27, 2003, proposing refinements to the tracking of and accounting for PPP surcharge costs and revenues consistent with the resolution.

On April 22, 2003, the ALJ issued a ruling that divided Rulemaking 02-10-001 into two phases. Phase I considered issues related to the administration and implementation of AB 1002. Phase II of the Rulemaking explored public interest RD&D. The Phase I workshop was held in May 2003, and the Energy Division issued its report on December 9, 2003. Phase II hearings were held on September 25-26, 2003. No decision has yet been issued in Phase I, or Phase II of the Rulemaking.

Tariff Revisions

New Preliminary Statement Parts BA and BB

PG&E proposes new gas Preliminary Statement Part BA—*Public Purpose Program Surcharge--Energy Efficiency, Low Income Energy Efficiency, and Research, Development and Demonstration Balancing Account (PPP-EE/LIEE/RDD)*, to record authorized gas PPP base revenues and the actual PPP surcharge revenue that recovers these amounts from eligible customers.

PG&E also proposes new gas Preliminary Statement Part BB—*Gas Public Purpose Program Surcharge Memorandum Account (PPPMA)*, to record all payments of the gas PPP surcharge to the California State Board of Equalization (BOE) and the funding obtained from the Gas Consumption Surcharge Fund, including interest and carrying costs. Upon Commission approval, such payments, and related interest and costs, currently being tracked by PG&E, will be transferred to the new memorandum account.

Revisions to Other Preliminary Statements

PG&E is submitting draft tariff sheets for the core and noncore Preliminary Statement Part B—*Default Tariff Rate Components*, to clearly identify the PPP rate components. The changes to the core portion of Preliminary Statement Part B will be incorporated into the next monthly gas procurement price advice filing following Commission approval of this filing. The changes to the noncore portion of

¹ In footnotes 9 and 10 of PG&E's Opening Comments on Rulemaking 02-10-001, dated November 12, 2002, PG&E stated its intention to file an advice letter to revise its gas Preliminary Statements to record the core portion of PPP revenue requirement and PPP revenue in separate accounts.

² R. G-3342 and R. G-3361 reiterated the continued use of the memorandum account.



Preliminary Statement Part B will be filed concurrent with the core changes. No rates are changed in this filing.

Preliminary Statement Part C—*Gas Accounting Terms and Definitions*, is revised to define base revenues consistent with the currently authorized Table C.2, and consistent with changes in PPP accounting proposed in this filing. Other minor revisions and clean-up items are as follows:

- Section C.2 paragraph 4 and Table C.2 – changes “CARE subsidy” to “CARE revenue shortfall.”
- Section C.10, paragraph 1—adds reference to PPP revenue requirement.
- Section C.10.c.3—text relocated and re-designated as C.10.c.10. Other sections are re-numbered accordingly.
- Section C.10.c.13—adds description of Preliminary Statement Part Q—*Affiliate Transfer Fees Account*.
- Section C.2 paragraph 4, Table C.2, and Section C.10.d—changes “CARE A&G Expenses to “CARE Administrative Expense.”
- Section C.10.e—removes the words “...the lower of: 1) the current Banker’s Acceptance Rate (top rated, three months), or 2)...” as this condition no longer applies and revises balancing account description for consistency.
- Section C.10.e.11—corrects reference to GRC/BCAP Base Revenues.

Preliminary Statement Part F—*Core Fixed Cost Account (CFCA)*, and Preliminary Statement Part J—*Noncore Customer Class Charge Account (NCA)*, are revised to be consistent with the terms and conditions of Preliminary Statement Part BA. The CFCA is also revised to clarify the accounting entries and treatment of Franchise Fees and Uncollectible Accounts Expense (F&U).

Preliminary Statement Part V—*California Alternate Rates for Energy Account (CAREEA)*, is revised to clarify that CARE revenue is collected as part of the gas PPP surcharge.

Protests

Anyone wishing to protest this filing may do so by sending a letter by **June 17, 2004**, 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, 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 K. 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

PG&E requests that the tariff revisions submitted in this advice letter be approved upon regular notice, **July 7, 2004**, which is 40 days after 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 R. 02-10-001. Address changes should be directed to Sharon Tatai at (415) 973-2788. Advice letter filings can also be accessed electronically at: <http://www.pge.com/tariffs/>

Vice President - Regulatory Relations

Attachments

cc: Service List – R. 02-10-001

**Attachment I
Advice 2440-G-A**

Cal P.U.C. Sheet No.	Title of Sheet	Cancelling Cal P.U.C. Sheet No.
DRAFT	Preliminary Statement, Part B -- Default Tariff Rate Components	22317-G
DRAFT	Preliminary Statement Part B (Cont'd)	22200-G
DRAFT	Preliminary Statement Part B (Cont'd)	22308-G
DRAFT	Preliminary Statement Part B (Cont'd)	22318-G
DRAFT	Preliminary Statement Part B (Cont'd)	22319-G
DRAFT	Preliminary Statement Part B (Cont'd)	22320-G
DRAFT	Preliminary Statement Part B (Cont'd)	22205-G
DRAFT	Preliminary Statement Part B (Cont'd)	22367-G
22440-G	Preliminary Statement Part C—Gas Accounting Terms and Definitions	22025-G
22441-G	Preliminary Statement Part C (Cont'd.)	22131-G
22442-G	Preliminary Statement Part C (Cont'd.)	22028-G
22443-G	Preliminary Statement Part C (Cont'd.)	20845-G
22444-G	Preliminary Statement Part C (Cont'd.)	22029-G
22445-G	Preliminary Statement Part C (Cont'd.)	20443-G
22446-G	Preliminary Statement Part C (Cont'd.)	New
22447-G	Preliminary Statement Part C (Cont'd.)	22132-G
22448-G	Preliminary Statement Part F—Core Fixed Cost Account	20849-G
22449-G	Preliminary Statement Part F (Cont'd.)	20850-G
22450-G	Preliminary Statement Part J—Noncore Customer Class Charge Account	20851-G
22451-G	Preliminary Statement Part J (Cont'd.)	20852-G
22452-G	Preliminary Statement Part V—California Alternate Rates for Energy Account	20794-G
22453-G	Preliminary Statement Part BA—Public Purpose Program Surcharge – Energy Efficiency, Low Income Energy Efficiency and Research, Development and Demonstration Balancing Account	New
22454-G	Preliminary Statement Part BB—Public Purpose Program Surcharge Memorandum Account	New
22455-G	Table of Contents -- Preliminary Statements (Cont.d)	22098-G
22456-G	Table of Contents -- Preliminary Statements	22411-G
22457-G	Table of Contents	22413-G



PRELIMINARY STATEMENT
(Continued)

B. DEFAULT TARIFF RATE COMPONENTS (\$/THERM) (Cont'd.)

NONCORE p. 1

THERMS:	G-NT	G-NT—DISTRIBUTION				(T)
	TRANSMISSION	SUMMER				
		0- 20,833	20,834- 49,999	50,000- 166,666	166,667- 249,999**	
NCA	0.00315	(0.00021)	(0.00020)	(0.00021)	(0.00020)	
PPP—EE/LIEE/RDD	0.00218	0.00339	0.00339	0.00339	0.00339	(T)
GRC 2000 INTERIM ACCT	0.00000	0.00019	0.00019	0.00019	0.00019	
PPP—CARE	0.01547	0.01547	0.01547	0.01547	0.01547	(T)
CPUC FEE*	0.00077	0.00077	0.00077	0.00077	0.00077	(T)
EOR	0.00000	0.00001	0.00001	0.00001	0.00001	
CEE INCENTIVE	0.00000	(0.00001)	(0.00001)	(0.00001)	(0.00001)	(T)
LOCAL TRANSMISSION (AT RISK)	0.01574	0.01574	0.01574	0.01574	0.01574	
DISTRIBUTION & BASE REVENUE CREDITS (AT RISK)	0.00310	0.05597	0.04293	0.03995	0.03395	
TOTAL RATE	0.04041	0.09132	0.07829	0.07530	0.06931	

* The CPUC Fee includes \$.00076 per therm as approved by the CPUC, plus an allowance for Franchise Fees and Uncollectible Expense (F&U). (D)
(T)

** Rate components for G-NT Distribution over 249,999 therms are the same as G-NT Transmission. (T)

(Continued)



PRELIMINARY STATEMENT
(Continued)

B. DEFAULT TARIFF RATE COMPONENTS (\$/THERM) (Cont'd.)

NONCORE p. 2

THERMS:	G-NT—DISTRIBUTION				(T)
	WINTER				
	0- 20,833	20,834- 49,999	50,000- 166,666	166,667- 249,999**	
NCA	(0.00027)	(0.00027)	(0.00027)	(0.00028)	
PPP—EE/LIEE/RDD	0.00339	0.00339	0.00339	0.00339	(T)
GRC 2000 INTERIM ACCT	0.00026	0.00026	0.00026	0.00026	
PPP—CARE	0.01547	0.01547	0.01547	0.01547	(T)
CPUC FEE*	0.00077	0.00077	0.00077	0.00077	(T)
EOR	0.00001	0.00001	0.00001	0.00001	
CEE INCENTIVE	(0.00001)	(0.00001)	(0.00001)	(0.00001)	(T)
LOCAL TRANSMISSION (AT RISK)	0.01574	0.01574	0.01574	0.01574	
DISTRIBUTION & BASE REVENUE CREDITS (AT RISK)	0.07557	0.05797	0.05394	0.04585	
TOTAL RATE	0.11093 (R)	0.09333 (R)	0.08930 (R)	0.08120 (R)	

* The CPUC Fee includes \$.00076 per therm as approved by the CPUC, plus an allowance for Franchise Fees and Uncollectible Expense (F&U). (D)
(T)

** Rate components for G-NT Distribution over 249,999 therms are the same as G-NT Transmission. (T)

(Continued)



PRELIMINARY STATEMENT

(Continued)

B. DEFAULT TARIFF RATE COMPONENTS (\$/THERM) (Cont'd.)

NONCORE p. 3

	<u>G-EG (3)*</u>	
NCA	0.00225	
PPP—EE/LIEE/RDD	0.00000	(T)
GRC 2000 INTERIM ACCT	0.00000	
PPP—CARE	0.00000	(T)
CPUC FEE**	0.00073	
EOR	0.00000	
CEE INCENTIVE	0.00000	(T)
LOCAL TRANSMISSION (AT RISK)	0.01574	
DISTRIBUTION & BASE REVENUE CREDITS (AT RISK)	0.00063	
TOTAL RATE	<u>0.01935</u>	

* Refer to footnotes at end of Noncore Default Tariff Rate Components.

** The CPUC Fee includes \$.00076 per therm as approved by the CPUC, plus an allowance for Franchise Fees and Uncollectible Expense (F&U).

(Continued)



PRELIMINARY STATEMENT
(Continued)

B. DEFAULT TARIFF RATE COMPONENTS (\$/THERM) (Cont'd.)

NONCORE p. 4

	G-WSL				
	Palo Alto	Coalinga	Island Energy	Alpine	
NCA	0.00224	0.00225	0.00225	0.00224	
PPP—EE/LIEE/RDD	0.00000	0.00000	0.00000	0.00000	(T)
GRC 2000 INTERIM ACCT	0.00000	0.00000	0.00000	0.00000	
PPP—CARE	0.00000	0.00000	0.00000	0.00000	(T)
CPUC Fee*	0.00000	0.00000	0.00000	0.00000	(T)
EOR	0.00000	0.00000	0.00000	0.00000	
CEE INCENTIVE	0.00000	0.00000	0.00000	0.00000	(T)
LOCAL TRANSMISSION (AT RISK)	0.01574	0.01574	0.01574	0.01574	
DISTRIBUTION & BASE REVENUE CREDITS (AT RISK)	0.00000	0.00000	0.00000	0.00000	
TOTAL RATE	0.01798	0.01799	0.01799	0.01798	

* The CPUC Fee includes \$.00076 per therm as approved by the CPUC, plus an allowance for Franchise Fees and Uncollectible Expense (F&U). It does not apply to customers on Schedule G-WSL.

(D)

(T)

(Continued)



PRELIMINARY STATEMENT
(Continued)

B. DEFAULT TARIFF RATE COMPONENTS (\$/THERM) (Cont'd.)

NONCORE p. 5

	G-WSL		
	West Coast Mather	West Coast Castle	
NCA	0.00224	0.00224	
PPP—EE/LIEE/RDD	0.00000	0.00000	(T)
GRC 2000 INTERIM ACCT	0.00000	0.00000	
PPP—CARE	0.00000	0.00000	(T)
CPUC FEE*	0.00000	0.00000	(T)
EOR	0.00000	0.00000	
CEE INCENTIVE	0.00000	0.00000	(T)
LOCAL TRANSMISSION (AT RISK)	0.01574	0.01574	
DISTRIBUTION & BASE REVENUE CREDITS (AT RISK)	0.00000	0.00000	
TOTAL RATE	0.01798	0.01798	

* The CPUC Fee includes \$.00076 per therm as approved by the CPUC, plus an allowance for Franchise Fees and Uncollectible Expense (F&U). It does not apply to customers on Schedule G-WSL.

(D)

(T)

(Continued)



PRELIMINARY STATEMENT
(Continued)

B. DEFAULT TARIFF RATE COMPONENTS (\$/THERM) (Cont'd.)

NONCORE p. 6

THERMS:	G-NGV4 TRANSMISSION	G-NGV4—DISTRIBUTION (1)*			
		SUMMER			
		0- 20,833	20,834- 49,999	50,000- 166,666	166,667- 249,999
NCA	0.00000	0.00000	0.00000	0.00000	0.00000
PPP—EE/LIEE/RDD	0.00000	0.00000	0.00000	0.00000	0.00000 (T)
GRC 2000 INTERIM ACCT	0.00000	0.00000	0.00000	0.00000	0.00000
PPP—CARE	0.00000	0.00000	0.00000	0.00000	0.00000 (T)
CPUC FEE**	0.00077	0.00077	0.00077	0.00077	0.00077
EOR	0.00000	0.00000	0.00000	0.00000	0.00000
CEE INCENTIVE	0.00000	0.00000	0.00000	0.00000	0.00000 (T)
NGV BALANCING ACCOUNT	0.03964	0.09055	0.07752	0.07453	0.06854
LOCAL TRANSMISSION (AT RISK)	0.00000	0.00000	0.00000	0.00000	0.00000
DISTRIBUTION & BASE REVENUE CREDITS (AT RISK)	0.00000	0.00000	0.00000	0.00000	0.00000
TOTAL RATE	0.04041	0.09132	0.07829	0.07530	0.06931

* Refer to footnotes at end of Noncore Default Tariff Rate Components.

** The CPUC Fee includes \$.00076 per therm as approved by the CPUC, plus an allowance for Franchise Fees and Uncollectible Expense (F&U).

(Continued)



PRELIMINARY STATEMENT
(Continued)

B. DEFAULT TARIFF RATE COMPONENTS (\$/THERM) (Cont'd.)

NONCORE p. 7

THERMS:	G—NGV4-DISTRIBUTION (1)*				
	WINTER				
	0- 20,833	20,834- 49,999	50,000- 166,666	166,667 249,999	
NCA	0.00000	0.00000	0.00000	0.00000	
PPP—EE/LIEE/RDD	0.00000	0.00000	0.00000	0.00000	(T)
GRC 2000 INTERIM ACCT	0.00000	0.00000	0.00000	0.00000	
PPP—CARE	0.00000	0.00000	0.00000	0.00000	(T)
CPUC FEE**	0.00077	0.00077	0.00077	0.00077	
EOR	0.00000	0.00000	0.00000	0.00000	
CEE INCENTIVE	0.00000	0.00000	0.00000	0.00000	(T)
NGV BALANCING ACCOUNT	0.11016	0.09256	0.08853	0.08043	
LOCAL TRANSMISSION (AT RISK)	0.00000	0.00000	0.00000	0.00000	
DISTRIBUTION & BASE REVENUE CREDITS (AT RISK)	0.00000	0.00000	0.00000	0.00000	
TOTAL RATE	0.11093	0.09333	0.08930	0.08120	

* Refer to footnotes at end of Noncore Default Tariff Rate Components.

** The CPUC Fee includes \$.00076 per therm as approved by the CPUC, plus an allowance for Franchise Fees and Uncollectible Expense (F&U).

(Continued)



PRELIMINARY STATEMENT
(Continued)

B. DEFAULT TARIFF RATE COMPONENTS (\$/THERM) (Cont'd.)

NONCORE p. 8

	<u>G-LNG (1)*</u>	
NCA	0.00000	
PPP—EE/LIEE/RDD	0.00000	(T)
GRC 2000 INTERIM ACCT	0.00000	
PPP—CARE	0.00000	(T)
CPUC Fee**	0.00077	
EOR	0.00000	
CEE INCENTIVE	0.00000	(T)
NGV BALANCING ACCOUNT	0.19077	
LOCAL TRANSMISSION (AT RISK)	0.00000	
DISTRIBUTION & BASE REVENUE CREDITS (AT RISK)	0.00000	
TOTAL RATE	<u>0.19154</u>	

* Refer to footnotes at end of Noncore Default Tariff Rate Components.

** The CPUC Fee includes \$.00076 per therm as approved by the CPUC, plus an allowance for Franchise Fees and Uncollectible Expense (F&U).

(Continued)



PRELIMINARY STATEMENT
(Continued)

C. GAS ACCOUNTING TERMS AND DEFINITIONS

These accounting terms and definitions are used in the gas revenue requirement and accounting procedure descriptions that follow in this Preliminary Statement. They are consistent with and apply to PG&E's Gas Rate Schedules and Rules. Additional definitions can be found in Rule 1.

1. BALANCING ACCOUNT: In the context of this tariff, a balancing account is an account in which:
 - a. expenses are compared with revenues from rates designed to recover those expenses, or
 - b. forecast expenses are compared with recorded expenses, or
 - c. forecast revenues are compared with recorded revenues.

The resulting under- or overcollection, plus interest, is recorded on PG&E's financial statements as an asset or liability, which is owed from or due to the ratepayers. Balances in balancing accounts, plus interest, are to be amortized in rates.

2. BASE REVENUE AMOUNT: The Base Revenue Amount is comprised of GRC/BCAP Base Revenues, Public Purpose Program (PPP) Base Revenues and Gas Accord Base Revenues. The Base Revenue Amount shall be increased or decreased to incorporate changes in the level of authorized operating revenue specified in CPUC decisions. The currently effective Base Revenue Amount is shown in Table C.2.

The GRC/BCAP Base Revenue Amount is the annual operating revenue, less other operating revenue adopted in the General Rate Case (GRC), and the Biennial Cost Allocation Proceeding (BCAP), or other proceedings.

Credits to GRC/BCAP Base Revenues were approved in various CPUC decisions. In Decision 01-11-001, the CPUC adopted specific levels of Enhanced Oil Recovery (EOR) revenue. In Decision 97-08-055, the CPUC adopted the core brokerage fee escalation adjustments. In Decision 01-11-001, the CPUC also authorized allocation adjustments for G-10 employee discounts.

The PPP Base Revenues are the authorized amounts for Energy Efficiency (EE) and Low Income Energy Efficiency (LIEE) Programs and PPP Research, Development and Demonstration (RD&D). California Alternate Rates for Energy (CARE) Administrative Expense, the revenue shortfall for CARE customers and PPP Base Revenues are recovered through the gas PPP surcharge, as authorized by Public Utilities Code Section 890 and Resolution G-3303.

(T)
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(T)

The Gas Accord Base Revenues are comprised of Local Transmission, Backbone Transmission, Storage and transmission-level customer access adopted in Gas Accord Decision 03-12-061.

(Continued)



PRELIMINARY STATEMENT
(Continued)

C. GAS ACCOUNTING TERMS AND DEFINITIONS (Cont'd.)
2. BASE REVENUE AMOUNT: (Cont'd.)

Description	Amount (\$000)			
	Core	Noncore	Unbundled	Total
GRC/BCAP BASE REVENUES (1):				
Authorized GRC Distribution Base Revenue	833,389	41,506		874,895
Less: Other Operating Revenue	(5,622)	(236)		(5,858)
Unescalated Customer Access Charge-Transmission (2)		(5,657)		(5,657)
Unescalated Customer Access Charge-UEG Gas Meters (2)		(868)		(868)
Authorized GRC Distribution Revenues in Rates	827,767	34,744		862,511
BCAP ALLOCATION ADJUSTMENTS AND CREDITS TO BASE:				
G-10 Allocated Employee Discount	640 (R)	990 (R)		1,630 (R)
EOR Revenue	(146)	(6)		(152)
Core Brokerage Fee	(6,869)	(6)		(6,875)
GRC/BCAP REVENUE REQUIREMENT	821,392 (R)	35,722 (R)	0	857,114 (R)
PUBLIC PURPOSE PROGRAM BASE REVENUES (excludes CARE shortfall (3)):				
Energy Efficiency and Low Income Energy Efficiency Programs	38,536	4,289		42,825
CARE Administrative Expense	963	673		1,636
PUBLIC PURPOSE PROGRAM REVENUE REQUIREMENT	39,499	4,963	0	44,461
GAS ACCORD BASE REVENUES				
Local Transmission	106,722	69,251		175,973
Customer Access Charge – Transmission Storage (4)	36,879 (R)	12,929	15,706 (I)	52,585 (I)
Backbone Transmission (4)	52,586		50,787	103,373
L401 (PEP)			91,537	91,537
GAS ACCORD REVENUE REQUIREMENT	196,187 (R)	82,180	158,030 (I)	436,397 (I)
TOTAL BASE REVENUE REQUIREMENT	1,057,078 (R)	122,865 (R)	158,030 (I)	1,337,973 (I)

- (1) The GRC/Biennial Cost Allocation Proceeding (BCAP) Base Revenue includes Distribution Base Revenues for core and noncore Customers, adopted in the General Rate Case and allocated in Cost Allocation Proceedings.
- (2) Service line, regulator and meter costs for transmission-level customers were deducted from the 1999 authorized GRC base revenues and set in Gas Accord II D.03-12-061.
- (3) The Public Purpose Program (PPP) base revenue requirement includes 2004 PY LIEE program funding adopted in D.03-11-020 (unchanged from 2003 PY adopted in D.02-12-019), Energy Efficiency program funding adopted in D.03-08-067, CARE annual administration budget adopted in D.02-09-021, and Franchise Fees and Uncollectible Accounts Expense.
- (4) The Gas Accord II D.03-12-061 adopted transmission revenues effective January 1, 2004. Storage revenues were set in Decision 02-08-070, through March 31, 2004. The Gas Accord II D.03-12-061 storage revenues will be effective April 1, 2004.

(Continued)



PRELIMINARY STATEMENT

(Continued)

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

- 8. CALIFORNIA ALTERNATE RATES FOR ENERGY (CARE) REVENUE SHORTFALL: This shall be computed by subtracting CARE customers' monthly revenues from the revenues that would have been recovered from CARE customers had they been paying standard transportation and procurement rates.
- 9. MEMORANDUM ACCOUNT: In the context of this tariff, a memorandum account operates similar to a balancing account except that interest may be excluded and the under- or overcollection may or may not be amortized in future rates.
- 10. REVENUE REQUIREMENT: The revenue requirement consists of the sum of the Transmission and Storage Revenue Requirement which is set in PG&E's Gas Accord Decision 03-12-061, and the Transportation, Public Purpose Program and Procurement Revenue Requirements which are allocated in the Cost Allocation Proceeding, and are defined below. Rates will be established to recover all items in the revenue requirement. (T)
 - a. The Transmission System Revenue Requirement includes the Transmission portion of the Gas Accord base revenue amount,* load balancing storage costs, certain forecast amounts and F&U. Amounts to be included in the Customer Class Charge paid by Transmission Service customers are allocated in the Cost Allocation Proceeding and described under Transportation Revenue Requirement, below.
 - b. The Storage Revenue Requirement includes the core and Unbundled Storage base revenue amount,* carrying costs on noncycled gas in storage, and F&U.

* See Section C.2 for details.

(Continued)



PRELIMINARY STATEMENT
(Continued)

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

10. REVENUE REQUIREMENT (Cont'd.)

c. The Transportation Revenue Requirement includes the core and noncore GRC/BCAP Base Revenue Amounts (with credits and adjustments),* forecast expenses, and balancing account balances, with interest, as listed below. These amounts are recovered through distribution rates and the Customer Class Charge.

- 1) GRC/BCAP Base Revenue Amount (with credits and adjustments): This shall be the GRC/BCAP Base Revenue amount, with credits and allocation adjustments, as shown in Section C.2. (T)
- 2) Natural Gas Vehicle (NGV) Expense: This shall be the total NGV expense, excluding procurement, expected to occur during the forecast period. (L)
- 3) CPUC Reimbursement Fee Expense: This is the amount equal to the CPUC-adopted reimbursement rate, described in Preliminary Statement, Part O, multiplied by the total forecast period deliveries excluding interdepartmental, wholesale, interutility, and UEG deliveries. (T)
- 4) Core Fixed Cost Account (CFCA) Balance: This is the forecast revision date balance in the CFCA, described in Preliminary Statement, Part F, based on the latest recorded data available. (T)
- 5) Noncore Customer Class Charge Account (NCA) Balance: This is the forecast revision-date balance in the NCA, described in Preliminary Statement, Part J, based on the latest recorded data available. (T)
- 6) Enhanced Oil Recovery Account (EORA) Balance: This is the forecast revision-date balance in the EORA, described in Preliminary Statement, Part K, based on the latest recorded data available. (T)

* See Section C.2 for details.

(Continued)



PRELIMINARY STATEMENT
(Continued)

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

10. REVENUE REQUIREMENT (Cont'd.)

c. Transportation Revenue Requirement (Cont'd.)

- | | | |
|-----|---|-----------------|
| | | (L) |
| 7) | <u>Natural Gas Vehicle Balancing Account (NGVBA) Balance:</u> This is the forecast revision-date balance in the NGVBA, described in Preliminary Statement, Part X, based on the latest recorded data available. | (T) |
| 8) | <u>Hazardous Substance Mechanism (HSM):</u> This is the forecast revision-date balance in the HSM, as described in Preliminary Statement, Part AN, based on the latest recorded data available. | (T) |
| 9) | <u>Customer Energy Efficiency Incentive Account (CEEIA):</u> This is the forecast revision-date balance in the CEEIA, as described in Preliminary Statement, Part Y, based on the latest recorded data available. | (T) |
| 10) | <u>Core Pipeline Demand Charge (CSPDC) Account:</u> This is the forecast revision-date balance in the PG&E GT-NW Credit Subaccount and the Core Transport Interstate Transition Subaccount of the CPDCA, as described in Preliminary Statement, Part AE, based on the latest recorded data available. | (T) |
| 11) | <u>Core Brokerage Fee Balancing Account (CBFA):</u> This is the forecast revision-date balance in the CBFA described in Preliminary Statement, Part U, based on the latest recorded data available. | (T) |
| 12) | <u>El Paso Turned-Back Capacity Balancing Account (EPTCBA) Balance:</u> This is the forecast revision-date balance in the EPTCBA described in Preliminary Statement, Part AZ, based on the latest recorded data available. | (T) |
| 13) | <u>Affiliate Transfer Fees Account (ATFA) Balance:</u> This is the forecast revision-date balance in the ATFA, described in Preliminary Statement, Part Q, based on the latest recorded data available. | (N)

(N) |
| 14) | <u>Franchise Fees and Uncollectible Accounts Expense (F&U):</u> The amount to be added for F&U shall be determined by multiplying the sum of Sections C.10.c.2 through C.10.c.13, above, by the applicable F&U factor. | (T)

(T) |

(Continued)



PRELIMINARY STATEMENT
(Continued)

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

10. REVENUE REQUIREMENT (Cont'd.)

- d. Public Purpose Program (PPP) Revenue Requirement includes the core and noncore Energy Efficiency and Low Income Energy Efficiency (EE/LIEE) program base revenues, PPP RD&D base revenues, CARE Administrative Expense, and the forecast revision-date balances in the PPP balancing accounts, plus F&U, as applicable. The PPP Revenue Requirement is recovered through the gas PPP surcharge. (N)

 - 1) PPP Base Revenues: This shall be the EE/LIEE Program and RD&D Base Revenue amount shown in Section C.2. (N)
 - 2) CARE Administrative Expense: This shall be the total CARE administrative expense expected to occur during the forecast period, as shown in Section C.2. (L) (T)
 - 3) PPP-EE/LIEE/RDD Balancing Account (PPP-EE/LIEE/RDD) Balance: This is the forecast revision-date RDD balance in the PPP-EE/LIEE/RDD described in Preliminary Statement, Part BA, based on the latest recorded data available. (N)
 - 4) CARE Balancing Account (CAREA) Balance: This is the forecast revision-date balance in the CAREA, described in Preliminary Statement, Part V, based on the latest recorded data available. (L) (T)
 - 5) Franchise Fees and Uncollectible Accounts Expense (F&U): The amount to be added for F&U shall be determined by multiplying the sum of C.10.d.3 through C.10.d.4, above. (N)

- e. Core Procurement Revenue Requirement includes the cost of gas from the Gas Supply Portfolio, pipeline capacity costs, intrastate transmission costs, the forecast revision-date balance in the Purchased Gas Account and other procurement balancing accounts, the brokerage fee and core storage revenue requirements, plus F&U, as applicable. (T)

 - 1) Procurement Cost of Gas (Sales Only): The Procurement Cost of Gas is determined by multiplying the forecast core sales volume by the Weighted Average Cost of Gas (WACOG). (T)
 - 2) Procurement Cost of Gas (Shrinkage only): This cost-of-gas component shall be determined by multiplying the forecast shrinkage (LUAF & GDU) quantities for core procurement and core subscription customers by the weighted average cost of gas (WACOG). Customers who procure their own supplies are not responsible for this cost component; rather, they deliver shrinkage in-kind. (L)

(L)
|
(L)

(Continued)



PRELIMINARY STATEMENT

(Continued)

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

10. REVENUE REQUIREMENT (Cont'd.)

e. Core Procurement Revenue Requirement (Cont'd.)

- | | | | | | |
|----|---|--|--|--|-----|
| 3) | <u>Pipeline Demand Charges</u> : Pipeline Demand Charges include fixed demand and capacity charges from Canadian and FERC-regulated interstate pipelines. | | | | (T) |
| 4) | <u>Intrastate Transmission Charges</u> : Intrastate Transmission Charges include capacity charges reserved for Core Portfolio customers on PG&E's Backbone Transmission System at the Modified Fixed Variable (MFV) tariff rate for core customers. | | | | (L) |
| 5) | <u>Carrying Cost on Non-Cycled Gas in Storage</u> : The Carrying Cost on Non-Cycled Gas in Storage shall be determined by multiplying the forecast value of gas in storage during this forecast period, excluding gas owned by third parties, by the current interest rate on three-month Commercial Paper, as reported in the Federal Reserve Statistical Release, H.15, or its successor. | | | | (T) |
| 6) | <u>Carrying Cost on Cycled Gas in Storage</u> : The Carrying Cost on Cycled Gas in Storage shall be determined by multiplying the forecast value of gas in storage during this forecast period, excluding gas owned by third parties, by the current interest rate on three-month Commercial Paper, as reported in the Federal Reserve Statistical Release, H.15, or its successor. | | | | (T) |
| 7) | <u>Purchased Gas Account (PGA)</u> : This is the forecast revision-date balance in the PGA, described in Preliminary Statement, Part D, based on the latest recorded data available. | | | | (T) |
| 8) | <u>Core Pipeline Demand Charge Account (CPDCA)</u> : This is the forecast revision-date balance in the Core Demand Charge Subaccount of the CPDCA, described in Preliminary Statement, Part AE, based on the latest recorded data available. | | | | (T) |

(Continued)



PRELIMINARY STATEMENT
(Continued)

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

10. PROCUREMENT REVENUE REQUIREMENT (Cont'd.)

e. Core Procurement Revenue Requirement (Cont'd.)

- 9) Core Firm Storage Account (CFSA): This is the forecast revision-date balance in the CFSA, described in Preliminary Statement, Part AG, based on the latest recorded data available. (T)
- 10) Core Storage Revenue Requirement: This is the core storage amount shown in the Gas Accord base revenue in C.2, above.
- 11) Brokerage Fee Revenue Requirement: This is the amount credited to the GRC/BCAP base revenues shown in Section C.2, above. (T)
- 12) Franchise Fees and Uncollectible Accounts Expense (F&U): The amount to be added for F&U shall be determined by multiplying the sum of C.10.d.1 through C.10.d.9, above. (T)

11. REVISION DATES: PG&E's application for the Biennial Cost Allocation Proceeding (BCAP) shall be filed based on a schedule set forth by the CPUC. PG&E's Procurement rate shall be updated monthly.

a. Core Procurement Rate Change

Per Decision 97-10-065, an advice filing to change core procurement rates will be filed monthly. The filing will update certain forecasted procurement costs and the amortization component of the procurement rate. PG&E will continue to provide a Weighted Average Cost of Gas (WACOG) forecast in its BCAP for ratemaking purposes.

Per Decision 03-12-008, noncore customers switching to core service are subject to a crossover procurement rate, as specified in Schedule G-CPX, for the first twelve (12) regular monthly billing periods. Schedule G-CPX is filed by advice letter monthly.

b. Annual True-up of Balancing Accounts

Per Decision 95-12-053, an advice filing to change core and noncore transportation rates will be filed 45 days prior to the end of the first year of the BCAP and every twelve months thereafter until a new BCAP decision is rendered. The filing will update the amortization component of the transportation rate for all transportation-related balancing accounts.

To determine the change in the amortization component of transportation balancing accounts, PG&E will rely on the following:

- 1) A revenue requirement will be developed that compares an annual actual estimated balance (9 months recorded and 3 months estimated) to the expected revenue at present rates from the amortization components in BCAP Year 2 or the next twelve months. The amortization components for the transportation balancing accounts will then be changed to reflect additional over- or under-collections in the accounts over the next twelve months.
- 2) The new amortization components will be calculated by dividing the balancing account balances (based on 9 months recorded and 3 months estimated) by the adopted annual average BCAP throughput.

(Continued)



PRELIMINARY STATEMENT
(Continued)

F. CORE FIXED COST ACCOUNT (CFCA)

1. PURPOSE: The purpose of the CFCA is to record the authorized GRC/BCAP base revenue amounts (with credits and adjustments), certain other core transportation costs, and transportation revenue from core customers. Any under- or overcollection in this account will be incorporated into core transportation rates in the next Cost Allocation Proceeding or Annual True-up of Balancing Accounts. (T)

Descriptions of the terms and definitions used in this section are found in Preliminary Statement, Part C or in Rule 1. Refer to Section C.3 for the cost allocation factors used to determine the core portion of certain costs.

2. APPLICABILITY: The CFCA applies to all core transportation rate schedules and contracts subject to the jurisdiction of the CPUC, except for those schedules and contracts specifically excluded by the CPUC. (T)
3. REVISION DATE: The revision date applicable to the CFCA rate shall coincide with the revision date of the Cost Allocation Proceeding or at other times, as ordered by the CPUC. (T)
4. FORECAST PERIOD: The forecast test period will be as specified in the current Cost Allocation Proceeding. (D)
5. CFCA RATES: CFCA rates are included in the effective rates set forth in each rate schedule (see Preliminary Statement, Part B), as applicable. (D)
6. ACCOUNTING PROCEDURE: PG&E shall make the following entries to this CFCA at the end of each month:
- a. A credit entry equal to California Alternate Rates for Energy (CARE) revenue shortfall resulting from deliveries for the month, excluding the allowance for Franchise Fees and Uncollectible Accounts Expense (F&U); (T)
 - b. A credit entry equal to the CFCA revenue from core deliveries during the month, excluding the allowance for F&U; (T)
 - c. A credit entry equal to the revenue from the local transmission rate component from core deliveries during the month, excluding the allowance for F&U; (T)

(Continued)



PRELIMINARY STATEMENT
(Continued)

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

6. ACCOUNTING PROCEDURE: (Cont'd.)

- d. A debit entry equal to one-twelfth of the core portion of the authorized GRC/BCAP Revenue Requirements, excluding the allowance for F&U; (N)
(N)
- e. A debit entry equal to the core portion of intervenor compensation payments authorized by the CPUC, recorded during the month; (T)
(T)
- f. A debit entry equal to the core annual average local transmission rate, excluding F&U, multiplied by the core local transmission usage during the month; (T)
(T)
- g. An entry equal to the balances transferred to or from this account as adopted in a Cost Allocation Proceeding or at other times, as ordered by the CPUC; and (T)

(D)
- h. 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.6.a through F.6.g, 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, H.15, or its successor. (T)
(T)



PRELIMINARY STATEMENT
(Continued)

J. NONCORE CUSTOMER CLASS CHARGE ACCOUNT (NCA)

1. PURPOSE: The purpose of the NCA is to record certain noncore costs and revenues from noncore customers. The balance in this account will be incorporated into noncore transportation rates in the next Cost Allocation Proceeding or Annual True-up of Balancing Accounts.

Descriptions of the terms and definitions used in this section are found in Preliminary Statement, Part C or in Rule 1. (T)

2. APPLICABILITY: The NCA balance applies to noncore transportation rate schedules and contracts subject to the jurisdiction of the CPUC, except for those schedules and contracts specifically excluded by the CPUC.
3. REVISION: The revision date applicable to the NCA shall coincide with the revision date of the Cost Allocation Proceeding or at other times, as ordered by the CPUC.
4. FORECAST PERIOD: The forecast test period will be as specified in the current Cost Allocation Proceeding.
5. NCA RATES: NCA rates are included in the effective rates set forth in each rate schedule (see Preliminary Statement, Part B), as applicable.
6. ACCOUNTING PROCEDURE: The NCA consists of the following subaccounts:

The "Industrial Distribution Subaccount" tracks the portion of costs or balances allocated specifically to industrial distribution-level customers taking service on Schedule G-NT.

The "Industrial Transmission Subaccount" tracks the portion of costs or balances allocated specifically to industrial transmission-level customers taking service on Schedule G-NT.

The "Noncore Subaccount" tracks costs or balances allocated on an equal cents per therm basis to all noncore customers. Prior to revising the NCA rate, the noncore distribution and transmission portion of the balance in this subaccount will be transferred to the Industrial Distribution and Industrial Transmission Subaccounts, respectively.

The "Interim Relief Subaccount" tracks the noncore industrial distribution portion of the interim gas revenue requirement increase adopted in Decision 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 Part B) upon implementation of the next Annual True-up of Balancing Accounts.

a. Industrial Distribution Subaccount

The following entries will be made to this subaccount each month:

- 1) a debit entry equal to any expense adopted by the CPUC as a cost to be included in this account;

(D)

(Continued)



PRELIMINARY STATEMENT
(Continued)

J. NONCORE CUSTOMER CLASS CHARGE ACCOUNT (NCA) (Cont'd.)

6. ACCOUNTING PROCEDURE: (Cont'd.)

- 2) a credit entry equal to the noncore distribution portion of NCA revenue, excluding the allowance for F&U; (D) (T)
- 3) an entry equal to the adopted balances transferred to this account in a cost allocation proceeding or at other times, as ordered by the CPUC; and (T)
- 4) an entry equal to interest on the average of the balance in the subaccount at the beginning of the month and the balance after entries from J.6.a.1 through J.6.a.3, above, 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. (T) (T)

b. Industrial Transmission Subaccount

The following entries will be made to this subaccount each month:

- 1) a debit entry equal to any expense adopted by the CPUC as a cost to be included in this account; (D) (D)
- 2) a credit entry equal to the noncore transmission portion of NCA revenue, excluding the allowance for F&U; (T)
- 3) an entry equal to the adopted balances transferred to this subaccount in a cost allocation proceeding or at other times, as ordered by the CPUC; and (T)
- 4) an entry equal to interest on the average of the balance in the account at the beginning of the month and the balance after entries from J.6.b.1 through J.6.b.3, above, 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. (T) (T)

(Continued)



PRELIMINARY STATEMENT
(Continued)

V. CALIFORNIA ALTERNATE RATES FOR ENERGY ACCOUNT (CAREA)

- 1. **PURPOSE:** The purpose of the CARE balancing account is to record the California Alternate Rates for Energy (CARE) revenue shortfall associated with the Low-Income Ratepayer Assistance (LIRA) Program established by Decisions 89-07-062 and 89-09-044, as well as the expansion of the LIRA Program authorized by Decision 92-04-024. This account also records the CARE Program administrative costs, pursuant to Public Utilities Code Section 739.1 (b). The program was revised in Decision 94-12-049 and the name changed to CARE. The balance in this account will be incorporated in the gas Public Purpose Program (PPP) surcharge. (T)

Descriptions of the terms and definitions used in this section are found in Preliminary Statement, Part C, or in Rule 1. Refer to Section C.8 for the CARE shortfall computation.

- 2. **APPLICABILITY:** The CAREA balance applies to all non-CARE rate schedules and contracts subject to the jurisdiction of the CPUC, except for those schedules and contracts specifically excluded by the CPUC.
- 3. **REVISION DATE:** The revision date applicable to the CAREA rate shall coincide with the revision date of the gas PPP surcharge, or at other times, as ordered by the CPUC. (T)
- 4. **FORECAST PERIOD:** The forecast test period will be as specified in the current Cost Allocation Proceeding.
- 5. **CAREA RATES:** CAREA Rates are included in the effective rates set forth in each rate schedule (see Preliminary Statement, Part B), as applicable.
- 6. **ACCOUNTING PROCEDURE:** PG&E shall make the following entries to the CAREA at the end of each month:
 - a. a debit entry equal to the CARE revenue shortfall resulting from core deliveries during the current month less the allowance for Franchise Fees and Uncollectibles Accounts Expense (F&U);
 - b. a debit entry equal to all monthly administrative costs allocated to the gas CARE Program that include, but are not limited to, outreach, marketing, regulatory compliance, certification and verification, billing, measurement and evaluation, and capital improvements and upgrades to communications and processing equipment;
 - c. a credit entry equal to the PPP-CARE revenue, net of F&U; and (T)
 - d. an entry equal to the interest on the average balance in the account at the beginning of the month and the balance in the account after entries V.6.a and V.6.c, 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.
- 7. **REASONABLENESS REVIEW:** In conjunction with the appropriate proceeding, the utility shall file with the Commission an annual report on the CARE program, reporting on the reasonableness of recorded Program administrative costs included in the CARE balancing account during the previous year. CARE administrative costs shall include, but are not limited to, the costs specified in Section 739.1 (b) of the Public Utilities Code.

(Continued)



PRELIMINARY STATEMENT

(Continued)

BA. PUBLIC PURPOSE PROGRAM SURCHARGE – ENERGY EFFICIENCY, LOW INCOME ENERGY EFFICIENCY AND RESEARCH, DEVELOPMENT AND DEMONSTRATION BALANCING ACCOUNT (PPP-EE/LIEE/RDD)

(N)

1. PURPOSE: The purpose of the PPP-EE/LIEE/RDD is to record authorized gas public purpose program (PPP) base revenue amounts and the gas PPP surcharge revenue that recovers these amounts from eligible customers. The balance in this account will be incorporated into the gas PPP surcharge.

Descriptions of the terms and definitions used in this section are found in Preliminary Statement, Part C or in Rule 1.

2. APPLICABILITY: The PPP-EE/LIEE/RDD shall apply to all customer classes, except for those specifically excluded by the Commission.

3. REVISION: The revision date applicable to the PPP-EE/LIEE/RDD shall coincide with the revision date of the gas PPP surcharge, or at other times, as ordered by the CPUC.

4. FORECAST PERIOD: The forecast test period will be as specified in the current Cost Allocation Proceeding.

5. PPP-EE/LIEE RATES: PPP-EE/LIEE/RDD rates are included in the effective rates set forth in each rate schedule (see Preliminary Statement, Part B), as applicable.

6. ACCOUNTING PROCEDURE: PG&E shall make the following entries to this PPP-EE/LIEE/RDD at the end of each month:

a. A debit entry equal to 1/12 of the authorized Public Purpose Program Revenue Requirement (excluding the CARE Administrative Expense), excluding the allowance for Franchise Fees and Uncollectible Accounts Expense (F&U);

b. A credit entry equal to the PPP-EE/LIEE/RDD revenue, excluding the allowance for F&U; and

c. 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 BA.6.a through BA.6.b, 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, H.15, or its successor.

(N)

(Continued)



PRELIMINARY STATEMENT
(Continued)

BB. PUBLIC PURPOSE PROGRAM SURCHARGE MEMORANDUM ACCOUNT (PPP-MA)

(N)

1. PURPOSE: The purpose of the PPP-MA is to record the payments of the gas Public Purpose Program (PPP) surcharge collected by PG&E and remitted to the California State Board of Equalization (BOE), and the funding obtained from the Gas Consumption Surcharge Fund, as authorized by the Commission. The interest earned on appropriations from the Fund, and carrying costs on payments made to the BOE are also tracked in this account.
2. APPLICABILITY: The PPP-MA shall apply to all customer classes, except for those specifically excluded by the Commission.
3. RATES: The PPP-MA currently does not have a rate component.
4. ACCOUNTING PROCEDURE: PG&E is authorized to maintain the PPP-MA by making the following entries:
 - a. A debit entry equal to the gas PPP surcharge amount remitted to the BOE;
 - b. A credit entry equal to the appropriation from the Gas Surcharge Fund; and
 - c. An entry equal to the interest on the average balance in the account at the beginning of the month and the balance in the account after entries BB.4.a and BB.4.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.

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