

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298

Tel. No. (415) 703-1691



October 13, 2005

Advice Letter 2656-G

Rose de la Torre  
Pacific Gas & Electric  
77 Beale Street, Room 1088  
Mail Code B10C  
San Francisco, CA 94105

Subject: Core subscription customer refund plan

Dear Ms de la Torre:

Advice Letter 2656-G is effective October 8, 2005. A copy of the advice letter is returned herewith for your records.

Sincerely,

A handwritten signature in black ink, appearing to read "S H Gallagher".

Sean H. Gallagher, Director  
Energy Division



**Pacific Gas and  
Electric Company®**

**Brian K. Cherry**  
Director  
Regulatory Relations

77 Beale Street, Room 1087  
San Francisco, CA 94105

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Mail Code B10C  
Pacific Gas and Electric Company  
P. O. Box 770000  
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September 8, 2005

**Advice 2656-G**

(Pacific Gas and Electric Company ID U39G)

**Subject: Core Subscription Customer Refund Plan**

Public Utilities Commission of the State of California

Pacific Gas and Electric Company (PG&E) hereby submits its plan to refund amounts associated with PG&E's past core subscription program to eligible customers formerly taking service from PG&E under Schedule G-CSP—*Core Subscription Gas Procurement Service to Noncore End-Use Customers*. Pursuant to Biennial Cost Allocation Proceeding (BCAP) Decision (D.) 05-06-029, the amounts recorded in the Core Subscription Phase-Out Account (CSPA) and Core Subscription Subaccount of the PGA are to be refunded to eligible customers. The Refund Plan is described in Attachment 1 of this filing.

**Purpose**

On June 16, 2005, BCAP D. 05-06-029 authorized PG&E to refund the balance in the CSPA and Core Subscription Subaccount of the PGA to former core subscription customers. The total amount to be refunded to PG&E's eligible customers based upon recorded August 31, 2005, data is \$580,751. The actual amount refunded will include additional interest through the end of the calendar month prior to the implementation of the Refund Plan. The Refund Plan describes the methodology for determining the customer specific refund, including interest, for approximately 174 customers eligible for the refund.

**Background**

Under the Gas Accord Settlement Agreement adopted in D. 97-08-055, PG&E's core subscription program was phased out over a period of time ending March 1, 2001, allowing customers participating in the program sufficient time to make arrangements to purchase their gas from a source other than PG&E. Through the core subscription program, PG&E continued to buy gas for certain noncore customers. During the phase-out period, PG&E provided assistance to these customers through marketing activities. A small surcharge was implemented

beginning March 1, 1998, to fund these marketing activities. The CSPA was established to track unspent revenues from the surcharge, which PG&E is required to return to these customers.

The Core Subscription Subaccount of the PGA recorded all other activity associated with core subscription customers during the time this program was in effect. No activity has been recorded since March 1, 2001, when the core subscription program was terminated.<sup>1</sup>

On June 16, 2005, D. 05-06-029 adopted PG&E's proposal in the BCAP to refund the balances in the CSPA and the Core Subscription Subaccount of the PGA, which reflect all remaining Core Subscription Program activity on PG&E's books.

### **Refund Amount Calculation**

The Refund Plan describes the methodology for determining the customer specific refund, including interest, for 174 eligible customers.<sup>2</sup> In August 2005, the balance in the PGA was transferred to the CSPA. The refund amount, including interest, as of August 31, 2005 is \$580,751. The refund amount, and resulting rate, will be updated to include additional interest for the period from September 1, 2005, through the end of the calendar month prior to the implementation of the Refund Plan. Prior to beginning the refund, PG&E will transfer the refund amount from the CSPA, to a refund liability account.

### **Protests**

Anyone wishing to protest this filing may do so by letter sent via U.S. mail, by facsimile or electronically, any of which must be received no later than 20 days after the date of this filing, which is **September 28, 2005**. Protests should be mailed to:

CPUC Energy Division  
Attention: Tariff Unit, 4<sup>th</sup> Floor  
505 Van Ness Avenue  
San Francisco, California 94105

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

Copies of protests also should be mailed to the attention of the Director, Energy Division, Room 4004, at the address shown above.

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<sup>1</sup> Advice 2431-G authorized the CPIM adjustment applicable to the account.

<sup>2</sup> Eligible customers are PG&E core subscription customers for any month during the period from March 1, 1998, through February 28, 2001.

The protest also should be sent via U.S. mail (and by facsimile and electronically, if possible) to PG&E at the address shown below on the same date it is mailed or delivered to the Commission:

Pacific Gas and Electric Company  
Attention: Brian Cherry  
Director, Regulatory Relations  
77 Beale Street, Mail Code B10C  
P.O. Box 770000  
San Francisco, California 94177

Facsimile: (415) 973-7226  
E-mail: [PGETariffs@pge.com](mailto:PGETariffs@pge.com)

### **Effective Date**

PG&E requests that this advice filing become effective on **October 8, 2005**, which is 30 days after the date of filing. Refunds will be made to eligible customers starting with the November 2005 billing cycle, which will begin on October 28, 2005, assuming Commission approval of the Refund Plan by October 8, 2005. In the event the Commission does not approve the Refund Plan by October 8, 2005, the Refund Plan will be implemented as soon as possible following Commission approval.

### **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. Address changes should be directed to Rose de la Torre at (415) 973-4716. Advice letter filings can also be accessed electronically at:

<http://www.pge.com/tariffs>

Handwritten signature of Brian K. Cherry in cursive script, followed by a slash and the letters 'ss'.

Director, Regulatory Relations

Attachments

# CALIFORNIA PUBLIC UTILITIES COMMISSION

## ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No. **Pacific Gas and Electric Company (ID U39)**

Utility type:

ELC       GAS  
 PLC       HEAT     WATER

Contact Person: Susan Shaw

Phone #: (415) 973-7375

E-mail: sxs9@pge.com

### EXPLANATION OF UTILITY TYPE

ELC = Electric      GAS = Gas  
PLC = Pipeline     HEAT = Heat    WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: **2656-G**

Subject of AL: Core Subscription Customer Refund Plan

Keywords (choose from CPUC listing): **REFUND PLAN, CORE SUBSCRIPTION**

AL filing type:  Monthly  Quarterly  Annual  One-Time  Other \_\_\_\_\_

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: Not applicable

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: Not applicable

Summarize differences between the AL and the prior withdrawn or rejected AL<sup>1</sup>: \_\_\_\_\_

Resolution Required?  Yes  No

Requested effective date: **10-8-05**

No. of tariff sheets: **None**

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: None

Service affected and changes proposed<sup>1</sup>: Refunds \$580,751 to core subscription customers on Schedule G-CSP associated with discontinuance of the core subscription program

Pending advice letters that revise the same tariff sheets: N/A

**Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:**

**CPUC, Energy Division  
Attention: Tariff Unit  
505 Van Ness Ave.,  
San Francisco, CA 94102  
jjr@cpuc.ca.gov and jnj@cpuc.ca.gov**

**Pacific Gas and Electric Company  
Attn: Brian K. Cherry  
Director, Regulatory Relations  
77 Beale Street, Mail Code B10C  
P.O. Box 770000  
San Francisco, CA 94177  
E-mail: PGETariffs@pge.com**

<sup>1</sup> Discuss in AL if more space is needed.

# PACIFIC GAS AND ELECTRIC COMPANY

## CORE SUBSCRIPTION REFUND PLAN

November 2005

### 1. PURPOSE

This Core Subscription Refund Plan (Refund Plan) complies with Biennial Cost Allocation Proceeding (BCAP) Decision (D.) 05-06-029, which requires PG&E to return, with interest, to core subscription customers on Schedule G-CSP—*Core Subscription Gas Procurement Service to Noncore End-Use Customers*, the balances remaining in the Core Subscription Phase-Out Account (CSPA) and the Core Subscription Subaccount of the Purchased Gas Account (PGA).

The Core Subscription Phase-out Program, implemented on March 1, 1998, created a surcharge paid by core subscription customers to fund marketing activities associated with the discontinuance of core subscription service effective March 1, 2001. Both the surcharge and costs associated with marketing the program were recorded in CSPA. The PGA recorded all other activity associated with core subscription customers during the time this program was in effect. In July 2005, the balance in the PGA was transferred to the CSPA. The current balance as of August 31, 2005, including interest, in the CSPA is \$580,751.

### 2. INITIAL REFUND DATE

Refunds will be made to eligible customers starting with the November 2005 billing cycle, which will begin on October 28, 2005. In the event that the Commission does not approve the Refund Plan by October 8, 2005, the Refund Plan will be implemented as soon as possible following Commission approval.

### 3. TOTAL AMOUNT TO BE REFUNDED

The total estimated amount to be refunded to PG&E's eligible customers, set forth in Table 1, below, includes interest through August 31, 2005. In accordance with PG&E's approved tariffs, the monthly interest rate PG&E applies to the refund amount is equal to one-twelfth of the three-month commercial paper interest rate as reported in the Federal Reserve statistical release. A contingency amount equal to 0.25 percent of the total refund amount will be temporarily retained by PG&E to make any subsequent corrections to customer accounts.

## CUSTOMER ELIGIBILITY

Eligible customers are PG&E customers who were PG&E core subscription customers for any month during the period March 1, 1998, through February 28, 2001.

## 4. METHODOLOGY FOR DISTRIBUTION OF REFUNDS TO ELIGIBLE CUSTOMERS

Refunds will be issued to eligible customers as outlined below:

- a) An illustrative refund rate, based on the refund amount as of August 31, 2005, is provided in Table 1 of this Refund Plan. The illustrative refund rate is equal to the Refund Plan amount, shown in Table 1, divided by the total core subscription therms billed for PG&E's eligible customers' for the period March 1, 1998 through February 28, 2001. The refund amount, and resulting rate, will be updated to include additional interest for the period from September 1, 2005, through the end of the calendar month prior to the implementation of the Refund Plan.
- b) The refund amount due to each eligible customer is determined by multiplying each customer's billed usage for the period March 1, 1998, through February 28, 2001, by the refund rate referenced in (a) above.
- c) PG&E will remit the refund amount due to each eligible customer as a one-time bill credit.
- d) The utility user's tax, if applicable, will be adjusted at the rate in effect for the billing period.

## 6. ADJUSTMENTS OF REFUNDS UPON CUSTOMERS' INQUIRY

If any former or present customer contends, within six months after the initial refund date of this Refund Plan, that the amount received by that customer is incorrect, PG&E will investigate and make any appropriate adjustments.

## 7. UNCASHED CHECKS

Any uncashed checks resulting from the Refund Plan will remain a liability of PG&E to the individual customer for one year after the date of the check. The claim of any person legally entitled to one of the uncashed checks (whether or

not the check is returned to PG&E) will be honored. Where a check has been returned, PG&E will make every reasonable effort to locate the payee.

8. PLAN BALANCES

If after nine months following the initial date of the Refund Plan there is any refund balance, excluding amounts unclaimed by specific customers under Section 7 above, the refund balance will be transferred to the Noncore Customer Class Charge Account (NCA) and will be incorporated into transportation rates for all noncore customers in accordance with PG&E's Gas Preliminary Statement Part J – *Noncore Customer Class Charge Account*.

9. REPORT ON REFUND PLAN

A report of the total amount of refunds made to eligible customers pursuant to this Refund Plan, including adjustments and corrections made pursuant to Section 6 of this Refund Plan, will be furnished to the Commission Energy Division after completing the refund and no later than 14 months after the refunds are issued.

10. CUSTOMER COMMUNICATION

Each energy statement reflecting the refund credit will include a bill message stating the reason for the refund.

**REVISED  
Table 1****Refund Plan Amount as of November 1, 2005  
(\$)**

Refund Amount (including interest through 8/31/05)	\$580,751
Less: Contingency and Implementation Costs (0.25%)	1,452
Total Refund Amount:	\$579,299
<u>Actual Therms</u>	<u>Actual Rate</u>
128,695,593	\$0.004501

**PG&E Gas and Electric Advice  
Filing List  
General Order 96-A, Section III(G)**

ABAG Power Pool  
Accent Energy  
Aglet Consumer Alliance  
Agnews Developmental Center  
Ahmed, Ali  
Alcantar & Elsesser  
Anderson Donovan & Poole P.C.  
Applied Power Technologies  
APS Energy Services Co Inc  
Arter & Hadden LLP  
Avista Corp  
Barkovich & Yap, Inc.  
BART  
Bartle Wells Associates  
Blue Ridge Gas  
Bohannon Development Co  
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  
Cellnet Data Systems  
Chevron Texaco  
Chevron USA Production Co.  
Childress, David A.  
City of Glendale  
City of Healdsburg  
City of Palo Alto  
City of Redding  
CLECA Law Office  
Commerce Energy  
Constellation New Energy  
Cooperative Community Energy  
CPUC  
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  
Douglass & Liddell  
Downey, Brand, Seymour & Rohwer  
Duke Energy  
Duke Energy North America  
Duncan, Virgil E.  
Dutcher, John  
Dynergy Inc.  
Ellison Schneider  
Energy Law Group LLP  
Energy Management Services, LLC  
Enron Energy Services  
Exelon Energy Ohio, Inc  
Exeter Associates  
Foster Farms  
Foster, Wheeler, Martinez  
Franciscan Mobilehome  
Future Resources Associates, Inc  
G. A. Krause & Assoc  
Gas Transmission Northwest Corporation  
GLJ Energy Publications  
Goodin, MacBride, Squeri, Schlotz &  
Hanna & Morton  
Heeg, Peggy A.  
Hitachi Global Storage Technologies  
Hogan Manufacturing, Inc  
House, Lon  
Imperial Irrigation District  
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  
North Coast Solar Resources

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  
Praxair, Inc.  
Price, Roy  
Product Development Dept  
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  
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  
Transcanada  
Turlock Irrigation District  
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