

April 26, 2001

**ADVICE 2107-E**

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

**Subject: Electric Distribution and Transmission Upgrades Needed for Summer 2001 (Phase 1)**

Pacific Gas and Electric Company (PG&E) hereby seeks to increase its distribution revenue requirements for costs associated with the Pinedale Substation Interconnection project identified in Commission Decision (D.) 01-03-077, Table 2, PG&E Project No. 6.

**Purpose**

In compliance with Ordering Paragraph 3 of D. 01-03-077, issued March 27, 2001, attached is the distribution revenue requirement reflecting the costs of the Pinedale Substation capital improvements.

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.

**Background**

D. 01-03-077 complies with the requirements of Assembly Bill 970, which requires the CPUC to take certain steps to investigate and reduce or remove constraints on the utilities' existing transmission and distribution system by the summer of 2001. As ordered in D. 01-03-077, PG&E is required to file an advice letter within 30 days of the effective date of the decision (March 26, 2001), to "increase their distribution revenue requirements, without modifying current rates, to reflect the costs of the upgrades...." PG&E's comments on the draft decision of Administrative Law Judge Gottstein, dated March 1, 2001, identifies the Pinedale Substation Interconnection in Fresno as the only distribution project, identified in Table 2, that is needed in 2001.

This filing does not include the costs associated with the transmission projects discussed in D. 01-03-077. Recovery of transmission project costs will be through PG&E's transmission owner (TO) filings with the Federal Energy Regulatory Commission.

### **Revenue Requirement**

PG&E's current estimate for the Pinedale Substation distribution capital improvements is \$4,498,000. The associated 2001 electric distribution revenue requirement is \$457,000. Attachment A shows the revenue requirement calculation based on these capital improvements. Consistent with D. 01-03-077, PG&E will increase its 2001 electric distribution revenue requirement with this amount upon approval of this filing. For 2002, PG&E will include the revenue requirement associated with the Pinedale Substation in the revenue requirement submitted in its 2002 General Rate Case.

This filing will not increase any rate or charge, cause the withdrawal of service, or conflict with any other rate schedule or rule.

### **Protests**

Anyone wishing to protest this filing may do so by sending a letter within 20 days of 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. Protest should be sent by facsimile and by U.S. mail to:

IMC Branch Chief  
Energy Division  
California Public Utilities Commission  
505 Van Ness Avenue, Room 4002  
San Francisco, CA 94102  
Facsimile: (415) 703-2200

Copies shall also be mailed to the Director, Energy Division, Room 4005 and Jerry Royer, Energy Division, and the address shown above. It is also requested that a copy of the protest 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  
San Francisco, CA 94177  
Facsimile: (415) 973-7226

**Effective Date**

PG&E requests that this advice filing become effective on **June 5, 2001**, which is 40 days after the date of filing.

**Notice**

In accordance with Section III, Paragraph G, of GO 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 interested parties in I. 00-11-001. Address change requests should be directed to Nelia Avendano at (415) 973-3529. 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

Attachment

cc: Service list for OII 00-11-001