

January 2, 2003

Advice 2334-E

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: 2001 Sales Figures Including Department of Water Resources Power and Affirmation of Incremental Renewable Results

Purpose

The purpose of this filing is to comply with Ordering Paragraphs 12 and 13 of Decision (D.) 02-12-074, which require PG&E to submit its 2001 sales figures including Department of Water Resources Power and reaffirm its incremental renewable procurement results.

Background

Decision 02-08-071 directed the utilities to hold a separate competitive solicitation for renewable resources in the amount of at least 1 percent of their annual electricity sold beginning January 1, 2003, in furtherance of Section 701.3 of the Public Utilities Code. This requirement was irrespective of the utilities' residual net short positions.¹

PG&E conducted the separate renewables Request for Offer (RFO) and submitted the results of the RFO, and selected renewables contracts, for the Commission's approval in Advice 2303-E on November 15, 2002. The Commission issued Resolution E-3805 on December 19, 2002, approving the contracts selected by PG&E and finding that the costs were fully recoverable in rates. The renewables contracts that were approved represent approximately 826 gigawatt-hours of energy annually.²

Decision 02-12-074 later clarified that the 1 percent that the utilities' renewables procurement through the transition procurement authority granted in D.02-08-071 should result in a 1 percent incremental increase in renewables purchases above the existing stock of renewable generation in a utility's portfolio, i.e., above the level of renewable generation the utility sells in 2002. If a utility's baseline renewables generation shrinks by 1 percent, even as it procures 1 percent from

¹ D.02-08-071, pp. 32-34.

² Resolution E-3805, p. 12.

another renewable source, it would not be meeting the Commission's directive.³ As a result, the Commission directed the utilities to reaffirm the increment results of their renewable procurement immediately and to provide their total 2001 retail sales figures for 2001, upon which the 1 percent increment is to be derived.

PG&E's 2001 Sales Figures

In 2001 PG&E's total sales including DWR power deliveries to PG&E end-use customers, but excluding direct access load, was 75,321 gWh. Sales to Direct Access customers were 3,982 gWh. A more detailed breakdown of the sales by customer class follows.

Type of Account	gWh
Residential Sales	26,920
Commercial Sales	30,945
Industrial Sales	16,868
Agricultural	4,150
Streetlights	420
Other Electric Utilities – (Wholesale)	241
Total Sales	79,544
Less Wholesale	(241)
Less DA Sales	(3,982)
Total Retail Sales	75,321

Accordingly, PG&E's 1 percent incremental renewables purchases for 2003 should equal at least 753 gWh. As noted above, the renewables contracts approved by the Commission in Resolution E-3805 comprise approximately 826 gWh annually. Therefore, PG&E, through its transitional renewable procurement contracts, has met the Commission's goal of procuring an incremental 1 percent of its 2001 retail sales from renewable resources.

PG&E expects its renewables baseline purchases from 2002 to 2003 to remain relatively constant and that the incremental renewables purchases will be sufficient to meet the 1 percent target.

Protests

Anyone wishing to protest this filing may do so by sending a letter by **January 22, 2003**, which is 20 days from the date of this filing. The protest must state the

³ D.02-12-074, pp. 18-19.

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: 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

In compliance with D.02-12-074, the effective date of this advice letter is **January 2, 2003**, 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 is also being served to the service list of Rulemaking (R.) 01-10-024. 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/customer_services/business/tariffs/

Vice President - Regulatory Relations

cc: Service List R. 01-10-024