

Mailed

Decision 92-05-004 May 8, 1992

MAY 8 1992

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of PACIFIC GAS AND)
 ELECTRIC COMPANY for authority to)
 Adjust its Electric Rates Effective)
 November 1, 1991; and to Adjust its)
 Gas Rates Effective January 1, 1992;)
 and for Commission Order Finding that)
 PG&E's Gas and Electric Operations)
 During the Reasonableness Review)
 Period from January 1, 1990 to)
 December 31, 1990 were Prudent.)

Application 91-04-003
 (Petition for Modification
 filed April 1, 1991)

O P I N I O N

This decision grants the Petition for Modification of Decision (D.) 91-11-056 in the above-referenced proceeding as filed by Pacific Gas and Electric Company (PG&E) on February 26, 1992.

PG&E's Petition states that D.91-11-056 contains certain minor errors which should be corrected. No party has filed a protest to PG&E's petition. Accordingly, PG&E's petition is granted, and corrections to the minor errors noted therein are hereby adopted as noted below.

For convenient reference, the Order and Appendices A and B of D.91-11-056, as modified by this decision, are attached.

Finding of Fact

D.91-11-056 contained certain minor errors as detailed in the order of this decision.

Conclusion of Law

PG&E's Petition for Modification should be granted.

O R D E R

IT IS ORDERED that:

1. The Petition for Modification of Decision (D.) 91-11-056 filed by Pacific Gas and Electric Company on February 26, 1992, is granted.

2. D.91-11-056 is hereby modified to correct certain minor errors as noted below:

- a. In Appendix A of the decision, the total in line 17 is changed from \$180,700,000 to \$180,701,000.
- b. Ordering Paragraph 1, page 62, is corrected to show an ECAC decrease of \$167,670,000 and an AER decrease of \$11,053,000.
- c. The first word of Finding of Fact 12 is changed from "Including" to "Excluding" to be consistent with the decision text.
- d. The heading of Table 1 of Appendix B is corrected to read: Generation (Gwh). The corrected fossil fuel quantities stated in equivalent Gwh's relating this column of Table 1 are as follows:

Gas - PC	16,062
Gas - UEG	
Oil - Residual	2,320
Oil - Distillate	32

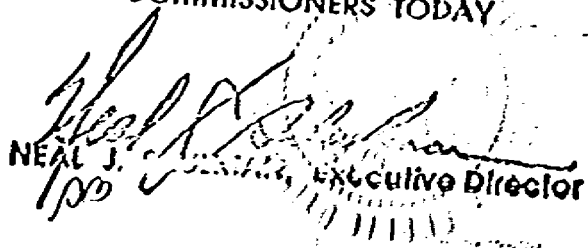
- e. The Appendix B, Table 1 total Gwh generation and average cost is accordingly corrected to show 82,947 Gwh and 4.44730 cents/kWh, respectively.

This order is effective today.

Dated May 8, 1992, at San Francisco, California.

DANIEL Wm. FESSLER
President
JOHN B. OHANIAN
PATRICIA M. ECKERT
NORMAN D. SHUMWAY
Commissioners

I CERTIFY THAT THIS DECISION
WAS APPROVED BY THE ABOVE
COMMISSIONERS TODAY


NEAL J. [unclear], Executive Director

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O R D E R

IT IS ORDERED that:

1. Effective November 1, 1991, Pacific Gas and Electric Company (PG&E) is authorized and directed to record amounts in its respective balancing accounts covered by this order consistent with the following adjustments in adopted revenue requirements:

A decrease in Energy Cost Adjustment Clause (ECAC) of \$167,670,000; a decrease in the Annual Energy Rate (AER) of \$11,053,000; an increase in Electric Revenue Adjustment Mechanism (ERAM) of \$180,701,000; an increase in Low Income Rate Adjustment (LIRA) of \$6,791,000.

2. The rate adjustments related to the revenue requirements changes adopted in Ordering Paragraph 1 shall be included in the revenue allocation phase of this proceeding, and deferred from November 1, 1991 to January 1, 1992, to be consolidated with PG&E's 1991 Cost of Capital Proceeding, its 1991 Attrition Rate Adjustment filing, and other pending proceedings with an effective rate change date of January 1, 1992.

3. The QF price factor shall go into effect consistent with Commission decisions on avoided cost quarterly price posting.

4. Effective January 1, 1993, O&M expenses for PG&E's irrigation district contracts not related to purchased volumes of water and power plus fixed costs shall be subtracted from the adopted ECAC/AER revenue requirement and recovered as part of PG&E's Base Revenue Amount in ERAM. PG&E is directed to include forecasts of these expenses in its 1993 General Rate Case Application for the 1993 test year. The adopted ECAC/AER forecast in this proceeding includes irrigation district expenses of

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\$54,055,300. PG&E will be permitted to recover the above-mentioned irrigation district expenses for November and December 1992 in its 1992 ECAC proceeding.

5. Effective November 1, 1991, PG&E shall add the following language as section 4(c) to PG&E's electric Preliminary Statement Part F:

- c. Pursuant to D.85-08-012, Part F.4(b) is in effect and the entries described in 3(a) through 3(d) above were discontinued effective September 1, 1985. The balance in the Helms Adjustment Account, accrued pursuant to D.84-07-070 when the Helms units were out of service from September 30, 1984 through April 30, 1985, shall remain in place pending a Commission decision on an application for recovery by PG&E.

6. PG&E shall make its best efforts to complete a conversion of the mainframe GASDOS model to a desktop model. In this new version, (1) simulation will not be restricted to calendar years, and the entire winter season (September through March) will be included, (2) gas supply and demand balancing will be fully integrated to eliminate the need for separate spreadsheets, (3) simulation results will be made with minimal manual intervention, and (4) modifications to service categories will be simplified and less difficult to make.

7. PG&E shall make a good faith effort to have its QF relational database model available by January 1992.

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8. PG&E shall credit to the ERAM balancing account the amount of \$590,327 and debit a similar amount to the electric Conservation Financing Adjustment Accumulated Provision for Doubtful Accounts.

This order is effective today.

Dated November 20, 1991, at San Francisco, California.

PATRICIA M. ECKERT
President
DANIEL Wm. FESSLER
NORMAN D. SHUMWAY
Commissioners

Commissioner John B. Ohanian,
being necessarily absent, did
not participate.

APPENDIX A
TABLE 1

PACIFIC GAS & ELECTRIC COMPANY
ELECTRIC DEPARTMENT
Summary of Revenue Changes
Effective January 1, 1991

REVENUE ELEMENT	PRESENT RATE REVENUE 1/ (\$000's)	REVENUE CHANGE (\$000's)	ADOPTED REVENUE REQUIREMENT (\$000's)	ADOPTED AVERAGE RATE 2/ (cents/Kwh)
Energy Cost Adjustment Clause (ECAC)				
1 Adopted ECAC Costs	\$3,877,596	(\$415,795)	\$3,461,797	
2 Estimated ECAC account balance as of 10/31/91	217,393	217,393	217,393	
3 DC Safety Committee Fee	663	0	663	
4 Designated Sales Transactions to Resale Customers	(\$3,834)	0	(\$3,834)	
5 Subtotal	3,814,425	(198,406)	3,616,019	
6 Franchise Fees & Uncollectible Accounts Expense @ 0.85%	0	30,736	30,736	
7 Total ECAC Retail Revenues	\$3,814,425	(\$167,670)	\$3,646,756	4.600
Annual Energy Rate (AER)				
8 Adopted AER Costs	\$221,610	(\$12,780)	\$208,830	
9 Designated Sales Transactions to Resale Customers	(\$313)	0	(\$313)	
10 Subtotal	215,297	(12,780)	202,517	
11 Franchise Fees & Uncollectible Accounts Expense @ 0.85%	0	1,728	1,728	
12 Total AER Retail Revenues	\$215,297	(\$11,052)	\$204,245	0.258
Base Energy Revenues (ERAM)				
13 Authorized Base Revenue Amount for 1991	3,352,842	168,471	3,521,313	
14 Estimated ERAM account balance as of 10/31/91		12,230	12,230	
15 LIPA Shortfall	(\$6,678)	0	(\$6,678)	
16 Designated Sales Transaction to Resale Customers	(\$3,142)	0	(\$3,142)	
17 Total ERAM Retail Revenues	3,273,022	180,701	3,453,723	4.356
Low Income Rate Assistance (LIRA)				
18 LIPA Shortfall	9,174	17,504	26,678	
19 Estimated LIRA account balance as of 10/31/91	0	(10,713)	(10,713)	
20 Administrative Costs	2,437	0	2,437	
21 Total LIRA Revenues	11,611	6,791	18,402	0.023
22 Conservation Financing Adjustment (CFA)	\$1,428	\$0	\$1,428	
23 California Public Utilities Commission Fees	\$8,571	\$0	\$8,571	
24 Other Revenues	\$46,536	\$0	\$46,536	
TOTAL RETAIL REVENUES	\$7,370,891	\$9,770	\$7,379,660	9.309
PERCENTAGE INCREASE		0.12%		

1/ Based on rates effective 5/1/91.

2/ Average Rates based on the forecasted retail sales of 79,277,9432 GWh.

APPENDIX B
TABLE 1

PACIFIC GAS & ELECTRIC COMPANY
ELECTRIC DEPARTMENT
ADOPTED ENERGY COSTS
ECAC Forecast period: November 1, 1991 through October 31, 1992

TYPE OF ENERGY	GENERATION		AVERAGE COSTS	TOTAL COSTS	TOTAL CPUC Costs 1/	ECAC COSTS 2/	AER COSTS 3/
	(GWh)	%	(cents/kWh)	(\$000's)	(\$000's)	(\$000's)	(\$000's)
Fossil Fuel							
Gas - PC	16,062	19.36%	20.66345	\$331,896	\$330,336	\$300,606	\$29,730
Gas - UEG				134,100	\$133,470	121,457	12,012
Oil - Residual	2,320	2.80	29.52457	68,497	\$68,175	62,039	6,136
Oil - Distillate	32	0.04	64.75000	2,072	\$2,062	1,877	186
Subtotal Fossil Fuel	18,414	22.20	29.13899	536,565	534,044	\$485,980	\$48,064
Geothermal Steam	6,413	7.73	1.66501	106,776	\$106,275	96,710	9,565
Purchased Power							
Irrigation Districts	4,492	5.42	1.12099	50,355	\$50,118	45,608	4,511
CVP	(3,563)	(4.30)	1.16087	(41,366)	(\$41,172)	(37,467)	(3,705)
Variably Priced OF Energy	9,895	11.93	3.01831	298,704	\$297,300	270,543	26,757
Other OF (including Capacity Payments)	11,033	13.30	11.23116	1,239,089	\$1,233,265	1,122,271	110,994
Northwest	8,156	9.87	1.55895	127,620	\$127,020	115,588	11,432
Southwest (including Sales)	(43)	(0.05)	3.13937	(1,350)	(\$1,344)	(1,223)	(121)
CDWR	0			0		639	63
Other	6	0.01	11.76667	706	\$703		
Subtotal Purchased Power	30,007	36.18	5.57791	1,673,757	1,665,890	1,515,960	149,930
Water for Power	12,775	15.40	0.03541	4,524	\$4,503	4,097	405
Oil Inventory Carrying Cost				9,395	\$9,351	8,509	842
Variable Wheeling				271	\$270	245	24
Losses(Gains) on Fuel Oil Sales				0			
Subtotal Energy Expenses	67,609	0.82	3.44820	2,331,289	2,320,332	2,111,502	208,830
DC Settlement Revenues	15,338	18.49	8.85561 ⁴	1,566,241	\$1,548,927	1,548,927	0
Excess Oil Inventory Carrying Cost				(1)	(1)	(1)	0
DC Basic Revenue Requirement				(198,630)	(198,630)	(198,630)	0
TOTALS	82,847	100.00%	4.44730	\$3,668,899	\$3,670,627	\$3,461,797	\$208,830

1/ Jurisdictionalized at 99.53%

2/ ECAC costs are 91% of CPUC total costs, unless otherwise specified.

3/ AER costs are 9% of CPUC total costs, unless otherwise specified.

4/ The average cost for Diablo Canyon Settlement Revenues is adjusted for the Diablo Canyon Basic Revenue Requirement of \$198,630 and the Safety Committee Fee of \$663.

(END OF ATTACHMENT)