

July 31, 2000

ADVICE 2254-G

Public Utilities Commission of the State of California

Pacific Gas and Electric Company (the Company) hereby submits for filing revisions to its gas tariff sheets. The affected sheets are listed on the enclosed Attachment I.

The purpose of this filing is to submit monthly changes to gas Schedules G-CSP, G-COG, and G-SUR rates effective **August 1, 2000**. Decision (D.) 97-08-055 dated August 1, 1997, approved new rules for gas procurement and transportation rates in the Company's Gas Accord Settlement.

Schedule G-CSP--*Core Subscription Gas Procurement Service to Noncore End-Use Customers*, provides for combined natural gas procurement and transportation service by PG&E. In accordance with Resolution (R.) G-3211 and D. 97-08-055, the Schedule G-CSP Commodity Charge is based on the higher of the Company's forecasted Core Portfolio Cost of Flowing Supply, plus applicable fees, or an index-based forecasted price based upon a 50/50 weighting of forecasted California border prices for Southwest and Canadian gas, plus applicable fees. The Commodity Charge is a citygate price that includes usage charges on the Company's Backbone Transmission System.

The prices used to determine the G-CSP Commodity Charge (non-wholesale) for, **June, July, and August 2000**, are shown on the following table:

| | June 2000 (\$/therm) | July 2000 (\$/therm) | August 2000 (\$/therm) |
|---|-------------------------|-------------------------|---------------------------|
| (A) Forecasted Core Portfolio Cost of Flowing Supply | 0.3278 | 0.3944 | 0.3535 |
| Current Forecasted Index Price | 0.3569 | 0.4359 | 0.4128 |
| Prior Month Index Price True-Up ¹ | (0.0020) | 0.0633 | 0.0195 |
| (B) Adjusted Forecasted Index Price | 0.3549 | 0.4993 | 0.4323 |
| G-CSP Total Procurement Rate using higher of (A) or (B) above (Includes shrinkage) | | | |
| Distribution | 0.44415 | 0.58083 | 0.51704 |
| Transmission | 0.44342 | 0.57995 | 0.51625 |

¹ The forecasted index price for the current month is adjusted for differences in the forecast and actual (published) index price for the prior month, except when the G-CSP Commodity Charge for the prior month is based on the forecasted Core Portfolio Cost of Flowing Supply.

The rate in Schedule G-COG—*Gas Transportation Service to Cogeneration Facilities*, is a parity rate based on the Schedule G-EG tariffed rate, lagged by two months. The Schedule G-COG rate is subject to change: 1) two months after any change to the Schedule G-EG rate or, 2) if negotiated rates provided for in Schedule GEG apply to PG&E's Electric Department. Effective June 1, 2000, the Schedule GEG changed to \$0.01957 per therm in conjunction with rate revisions filed in Advice 2235-G to implement the Catastrophic Event Memorandum Account Settlement Agreement (D. 00-04-050) and gas Franchise Fee and Uncollectibles factor revisions in General Rate Case (D. 00-02-046).

Effective **August 1, 2000**, the G-COG rate is **\$0.01957** per therm.

Pursuant to Public Utilities Code Sections 6350-6354, gas volumes procured by customers from third-party entities and transported by PG&E may be subject to a gas franchise fee surcharge under Schedule G-SUR--*Customer-Procured Gas Franchise Fee Surcharge*. The franchise fee surcharge is calculated based on the Company's core subscription Weighted Average Cost of Gas (WACOG) for the previous month, exclusive of Franchise Fees and including Uncollectibles, and the franchise fee factor adopted in the latest General Rate Case.²

Effective **August 1, 2000**, the G-SUR franchise fee surcharge is **\$0.00586** per therm.

Anyone wishing to protest this advice letter may do so by sending a letter within twenty (20) days after the date of this filing. Protests should be mailed to:

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

Copies should also be mailed to the attention of Director, Energy Division, and to Jerry Royer of the Energy Division at the address above. A copy of the protest should be sent by U.S. mail and via facsimile to:

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

² In accordance with a letter dated July 18, 2000, from Paul Clanon, Director, Energy Division, the Schedule G-SUR franchise fee surcharge factor is based on the factor adopted in PG&E's 1999 General Rate Case (GRC). Advice 2234-G/2001-E, which proposes to revise the 1999 GRC franchise fee factor for G-SUR, is currently being reviewed by the Commission.

Facsimile: (415) 973-7226

The protest shall set forth the grounds upon which it is based, and shall be submitted expeditiously. There is no restriction on who may file a protest.

The prices in this advice filing shall remain in effect until the Company's next such filing with the CPUC. The current charges under Schedules G-CSP and G-SUR may be obtained by calling the Company's Gas Rate Hotline at (415) 973-0461, or the Gas Rate Hotline at 1-800-343-4743. Prices are posted on the Company's internet site at:

http://www.pge.com/customer_services/business/tariffs/

In accordance with Section III, Paragraph G of General Order 96-A, the Company is electronically or postal mailing a copy of this advice letter to the utilities and interested parties shown on the attached mailing list. Mailing address changes may be sent to Pacific Gas and Electric Company in care of Nelia Avendano, 77 Beale Street, Mail Code B10C, P.O. Box 770000, San Francisco, CA 94177.

Vice President -- Regulatory Relations

Attachments



PRELIMINARY STATEMENT
(Continued)

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

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| | <u>G-COG (5)*</u> | <u>G-EG (6)*</u> |
|--|---------------------------|-----------------------|
| NFCA SURCHARGE | (0.00017) | (0.00017) |
| NCA | 0.00091 | 0.00091 |
| NONCORE INTERIM GRC BA | 0.00000 | 0.00000 |
| ITCS | 0.00217 (l) | 0.00217 |
| CARE | 0.00000 | 0.00000 |
| CPUC FEE ** | 0.00077 | 0.00077 |
| EOR | (0.00001) | (0.00001) |
| CEE | 0.00000 | 0.00000 |
| COGEN DISTRIBUTION SHORTFALL | 0.00105 | 0.00105 |
| LOCAL TRANSMISSION (AT RISK) | 0.01414 | 0.01414 |
| DISTRIBUTION & BASE REVENUE CREDITS (AT RISK) | 0.00071 (l) | 0.00071 |
| TOTAL RATE | <u>0.01957 (l)</u> | <u>0.01957</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. 5

| | G-CSP | | | | | | | |
|--|----------------|------------|----------------|------------|----------------|------------|----------------|------------|
| | Non-Wholesale | | | | Wholesale | | | |
| | Distribution | | Transmission | | Distribution | | Transmission | |
| NONCORE BROKERAGE FEE | 0.00382 | | 0.00382 | | 0.00381 | | 0.00381 | |
| CORE SUBSCRIPTION PHASE- OUT SURCHARGE | 0.00700 | | 0.00700 | | 0.00698 | | 0.00698 | |
| PGA SURCHARGE (4)* | 0.00000 | | 0.00000 | | 0.00000 | | 0.00000 | |
| PROCUREMENT AT RISK | 0.50622 | (R) | 0.50543 | (R) | 0.50451 | (R) | 0.50372 | (R) |
| TOTAL RATE | 0.51704 | (R) | 0.51625 | (R) | 0.51530 | (R) | 0.51451 | (R) |
| PG&E GT-NW/REDWOOD RATE DIFFERENTIAL (3)* | 0.01554 | (I) | 0.01554 | (I) | 0.01549 | (I) | 0.01549 | (I) |

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

(Continued)



SCHEDULE G-CSP—CORE SUBSCRIPTION GAS PROCUREMENT SERVICE
TO NONCORE END-USE CUSTOMERS

APPLICABILITY: This rate schedule applies to natural gas procurement service for Noncore End-Use Customers. Transportation service under this schedule must be taken in conjunction with Schedules G-NT, G-COG, G-NGV4 or G-WSL and may be taken in conjunction with Schedule G-FS.

This schedule will be discontinued three (3) years after implementation of Gas Accord Decision 97-08-055.

TERRITORY: Schedule G-CSP applies everywhere PG&E provides natural gas service.

RATES: Charges shown below are updated monthly and include all applicable fees and adjustments for forecast errors in prior periods.

The following charges are effective for the month of **August 2000:**

(T)

| | <u>\$ Per Therm</u> | |
|---------------------------------|----------------------|------------------|
| | <u>Non-Wholesale</u> | <u>Wholesale</u> |
| Commodity Charge | \$0.44031 (R) | \$0.43882 (R) |
| Brokerage Fee | \$0.00382 | \$0.00381 |
| Capacity Charge | \$0.04505 (I) | \$0.04490 (I) |
| Other Charges | \$0.01384 (I) | \$0.01379 (I) |
| Phase-Out Surcharge | \$0.00700 | \$0.00698 |
| Transportation Shrinkage Charge | | |
| Distribution | \$0.00702 (R) | \$0.00700 (R) |
| Transmission | \$0.00623 (R) | \$0.00621 (R) |
| <hr/> | | |
| Total Procurement Charge | | |
| Distribution | \$0.51704 (R) | \$0.51530 (R) |
| Transmission | \$0.51625 (R) | \$0.51451 (R) |

Transportation Shrinkage Charge

The Transportation Shrinkage Charge (TSC) for transmission applies to volumes transported under Schedules G-COG or G-WSL, or for transmission under Schedule G-NT or G-NGV4. The TSC for transmission is equal to .0173 times PG&E's forecasted core portfolio cost of flowing supplies for the month, as defined below. The TSC for distribution applies to all other volumes, and is equal to .0195 times the cost of flowing supplies.

The Commodity Charge is based on the forecasted average cost of core portfolio flowing supplies, defined for core subscription service as the higher of:

1. PG&E's forecasted core portfolio cost of flowing supplies for the month, plus applicable fees; or
2. an index-based forecasted price based upon a 50/50 weighting of forecasted California border prices for Southwest and Canadian gas, plus applicable fees; and an adjustment to true-up the forecasted index price to the actual index price for the prior month. No adjustment is made when the prior months' Commodity Charge is set at the forecasted core portfolio cost of flowing supplies.

(Continued)



SCHEDULE G-COG—GAS TRANSPORTATION SERVICE TO COGENERATION FACILITIES

APPLICABILITY: This rate schedule applies to the transportation of natural gas on PG&E's Local Transmission and/or Distribution System to cogeneration facilities and solar electric generation projects, as defined herein. This rate schedule also applies to Customers previously served under Schedule G-EPO.

To qualify for service under this schedule, a Customer must be a cogeneration facility which sequentially uses natural gas to produce electricity and useful thermal energy, as specified in the California Public Utilities Code Section 218.5,* or a solar electric generation project as defined herein.

Customers receive service under this schedule in conjunction with the rate schedule that would otherwise apply if the Customer did not meet the requirements to qualify as a cogeneration facility. All provisions in the otherwise-applicable schedule will be binding on the Customer unless superseded by the provisions in this schedule.

TERRITORY: Schedule G-COG applies everywhere PG&E provides natural gas transportation service.

RATES: The following transportation charges do not include charges for service on PG&E's Backbone Transmission System. These rates apply to volumes up to the Limitation of Gas Use, described herein.

Customers taking service under this schedule will be billed for transportation under the lower of the following rates:

1. The Schedule G-EG transportation rate, including discounts to PG&E's utility steam-electricity generating plants, two months prior.

The Transportation Charge is: Per Therm
\$0.01957 (l)

or,

2. The rate specified in the Customer's otherwise-applicable rate schedule.

Customers may procure gas supply from PG&E under Schedule G-CSP or from a supplier other than PG&E.

Core End-Use Customers who procure gas from PG&E will pay the procurement charge under their otherwise-applicable rate schedule, or procure gas from a supplier other than PG&E.

* Efficiency Standards: In accordance with PU Code Section 218.5, at least 5 percent of the facility's total output must be in the form of useful thermal energy. Where useful thermal energy follows power production, the useful annual power output plus one-half the useful annual thermal energy output must equal no less than 42.5 percent of any natural gas and oil energy input.

(Continued)



SCHEDULE G-SUR—CUSTOMER-PROCURED GAS FRANCHISE FEE SURCHARGE

APPLICABILITY: Pursuant to California State Senate Bill No. 278 (1993) this schedule applies to all gas volumes procured by Customers from third-party entities and transported by PG&E ("Customer-procured gas") with the following exceptions:

- a. the State of California or a political subdivision thereof;
- b. one gas utility transporting gas for end use in its Commission-designated service area through another utility's service area;
- c. a utility transporting its own gas through its own gas transmission and distribution system for purposes of generating electricity or for use in its own operations;
- d. cogeneration Customers, for that quantity of natural gas currently defined as the Cogeneration Gas Allowance (CGA).

TERRITORY: Schedule G-SUR applies everywhere PG&E provides natural gas service.

RATES: The Customer-procured gas Franchise Fee Surcharge is comprised of the following components:

- a. the monthly core subscription Weighted Average Cost of Gas (WACOG) exclusive of Franchise Fees and including Uncollectibles for the prior month, which is: Per Therm
multiplied by \$0.38973 (I)
- b. the Franchise Fee factor* adopted in PG&E's most recent General Rate Case, which is 0.014997 (I)

The Schedule G-SUR Franchise Fee Surcharge for the month of **August 2000** is: \$0.00586 (I) (T)

SURCHARGE RECOVERY: The surcharge will be shown on the Customer's monthly bill based on volumes procured by the Customer from a third party and transported by PG&E (metered usage).

DELINQUENT SURCHARGES: In the event that payment on a transportation Customer account becomes more than 90 days delinquent, PG&E shall, within 30 days, notify the municipality of the delinquency and provide information on the name and address of the delinquent transportation Customer and the surcharge amount owed. PG&E shall not be liable for delinquent surcharges.

* Does not include Uncollectibles factor of 0.003431. (C)



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