

September 28, 2000

Advice 2265-G

(Pacific Gas and Electric Company ID U39G)

Public Utilities Commission of the State of California

Subject: October 2000 Noncore Rate Changes

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

Purpose

The purpose of this filing is to submit monthly changes to gas Schedules G-CSP and G-SUR rates effective **October 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.

PG&E is also revising Schedule G-CSP in this filing to delete a telephone hotline reference and add a reference to PG&E's website for gas price information. Also, for customer convenience, the notice requirement for the early termination option under Schedule G-CSP is reduced from thirty (30) days to fifteen (15) days. In accordance with the Gas Accord Settlement, effective March 1, 2001, service under Schedule G-CSP is no longer available to the Company's customers.

Information

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 **August, September, and October 2000**, are shown on the following table:

	Aug. 2000 (\$/therm)	Sept. 2000 (\$/therm)	Oct. 2000 (\$/therm)
(A) Forecasted Core Portfolio Cost of Flowing Supply	0.3535	0.3905	0.4903
Current Forecasted Index Price	0.4128	0.5784	0.5166
Prior Month Index Price True- Up ¹	0.0195	(0.0050)	(0.0030)
(B) Adjusted Forecasted Index Price	0.4323	0.5734	0.5196
G-CSP Total Procurement Rate using higher of (A) or (B) above (Includes shrinkage)			
Distribution	0.51704	0.68901	0.60822
Transmission	0.51625	0.68813	0.60742

The G-CSP rates effective **October 1, 2000**, include a charge of \$0.019 per therm for prior period forecast errors.

A reduction to the in-kind shrinkage component was approved by the Commission in Advice 2252-G effective **October 1, 2000**. The Transportation Shrinkage Charge (TCS) for transmission is reduced from 1.73% to 1.37%. The distribution TCS is reduced from 1.95% to 1.53%. The new percentages are shown in the Schedule G-CSP Rates--TSC section.

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.

Effective **October 1, 2000**, the G-SUR franchise fee surcharge is **\$0.00580** per therm.

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 prices in this advice filing shall remain in effect until the Company's next such filing with the CPUC. Prices are posted on the Company's internet site at:

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

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. Protests should be sent by U.S. mail and via facsimile 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 should also be mailed to the attention of the Director, Energy Division, Room 4005 and Jerry Royer, at 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
Attn: Les Guliasi
Manager, Regulatory Relations
77 Beale Street, Mailcode B10C
P.O. Box 770000
San Francisco, CA 94177
Facsimile: (415) 973-7226

Notice

In accordance with Section III, Paragraph G, of General Order 96-A, 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 Nelia Avendano at (415) 973-3529.

Vice President - Regulatory Relations

Attachments



PRELIMINARY STATEMENT
(Continued)

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

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	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)*	0.00866	(I)	0.00866	(I)	0.00863	(I)	0.00863	(I)
PROCUREMENT AT RISK	0.58874	(R)	0.58794	(R)	0.58675	(R)	0.58596	(R)
TOTAL RATE	0.60822	(R)	0.60742	(R)	0.60617	(R)	0.60538	(R)
PG&E GT-NW/REDWOOD RATE DIFFERENTIAL (3)*	0.01089	(R)	0.01089	(R)	0.01086	(R)	0.01086	(R)

* 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 **October 2000:** (T)

	<u>\$ Per Therm</u>	
	<u>Non-Wholesale</u>	<u>Wholesale</u>
Commodity Charge	\$0.52912 (R)	\$0.52734 (R)
Brokerage Fee	\$0.00382	\$0.00381
Capacity Charge	\$0.03158 (R)	\$0.03147 (R)
Other Charges	\$0.02906 (R)	\$0.02896 (R)
Phase-Out Surcharge	\$0.00700	\$0.00698
Transportation Shrinkage Charge		
Distribution	\$0.00764 (R)	\$0.00761 (R)
Transmission	\$0.00684 (R)	\$0.00682 (R)
<hr/>		
Total Procurement Charge		
Distribution	\$0.60822 (R)	\$0.60617 (R)
Transmission	\$0.60742 (R)	\$0.60538 (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 .0137 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 .0153 times the cost of flowing supplies. (R)

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.

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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 \$0.38688 (I)
- b. the Franchise Fee factor* adopted in PG&E's most recent General Rate Case, which is 0.014997

The Schedule G-SUR Franchise Fee Surcharge for the month of **October 2000** is: \$0.00580 (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.



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