

November 30, 2001

Advice 2356-G

(Pacific Gas and Electric Company ID U 39 G)

Public Utilities Commission of the State of California

Subject: 2002 Storage 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 revise PG&E's storage tariffs in compliance with the Gas Accord Settlement as approved by the Commission in Decision (D.) 97-08-055, effective April 1, 1998. This advice filing incorporates rate changes approved in the Gas Accord and effective **April 1, 2002**.

Background

The Gas Accord Settlement provides for adjustments to rates for unbundled optional storage program services and the storage component of wholesale/resale services, effective every April 1 during the Gas Accord period. These rate adjustments will take effect on April 1, 2002. Also on this date, PG&E is submitting Advice 2357-G to incorporate the 2002 Gas Accord rate adjustments for local and backbone transmission charges, customer access charges, bundled core storage, and parking and lending rates effective January 1, 2002.

Included in this filing are rate changes to G-FS--*Firm Storage Service*, G-NFS--*Negotiated Firm Storage Service*, and G-NAS--*Negotiated As-Available Storage Service*.

Effective Date

In accordance with the Gas Accord Settlement, PG&E requests that this compliance filing be approved effective **April 1, 2002**.

Protests

Anyone wishing to protest this advice letter may do so by sending a letter within twenty (20) days after the date of this filing, which is **December 20, 2001**. Protests should be sent by U.S. mail and via facsimile to:

Chief, IMC Branch
Energy Division
California Public Utilities Commission
505 Van Ness Avenue, Room 4002
San Francisco, California 94102
Facsimile: (415) 703-220

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

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

Notice

In accordance with Section III, Paragraph G, of General Order 96-A, PG&E is mailing copies of this advice letter to the utilities and interested parties shown on the attached list and the parties to the service lists below. Workpapers for this filing are available upon written request to: Pacific Gas and Electric Company, Rates Department, Attention: Nelia Avendano, 77 Beale Street, Mail Code B10B, P.O. Box 770000, San Francisco, CA 94177. Mailing address changes should be directed to Ms. Avendano at (415) 973-3529. Advice letter filings can be accessed electronically at:

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

Vice President – Regulatory Relations

Attachments

cc: Service Lists – BCAP A. 00-04-002
Gas Accord A. 92-12-043



SCHEDULE G-FS—FIRM STORAGE SERVICE

APPLICABILITY: This rate schedule applies to the firm use of PG&E's storage facilities. This rate schedule provides a combination of firm storage injection, inventory and withdrawal service. Service under this rate schedule is available to any Customer, including Core Transport Agents, or PG&E, on behalf of Core Customers for storage service in excess of that provided by their core storage allocation.

TERRITORY: This rate schedule applies to firm use of PG&E's storage facilities.

RATES: Rates under this schedule consist of Reservation Charges and Usage Charges.

1. Reservation Charges:

The annual Reservation Charges shall be based on the capacity and withdrawal quantities specified in the Customer's Gas Transmission Service Agreement (G TSA) (Form No. 79-866). The withdrawal reservation charge is based on the total volume to be withdrawn over a specified number of days each year, or fraction of a year, for the total contract period. The annual Reservation Charges are payable in equal monthly installments regardless of the quantity of gas stored during the month. If the Customer elects to take G-FS service for a term longer than one year, the total Reservation Charges shall equal the term in total years multiplied by the charge(s) below. (If the contract term has less than a full year's duration, then the term shall be rounded up to the nearest full year for purposes of establishing the reservation charges.)

The Annual Reservation Charges are:	<u>Per Dth</u>
Capacity Charge:	\$ 0.8444 (l)
Withdrawal Charge (Per Day):	\$10.9191 (l)

2. Usage Charges:

Usage Charges shall be equal to the rates below multiplied by the injection and withdrawal quantities utilized during the billing period. Any injections or withdrawals which occur during a billing period, but which are not recorded in that billing period, will be deferred to a future billing period.

	<u>Per Dth</u>
Injection Usage Charge:	\$0.0437 (l)
Withdrawal Usage Charge:	\$0.0437 (l)

3. Additional Charges:

The Customer will be responsible for any applicable costs, taxes, and/or fees incurred by PG&E in taking delivery of third-party gas from intra- or interstate sources.

(Continued)



SCHEDULE G-NFS—NEGOTIATED FIRM STORAGE SERVICE

APPLICABILITY: This rate schedule applies to the firm use of PG&E's storage facilities, subject to rates negotiated by the Customer and PG&E. Fixed amounts of firm storage inventory, injection, and withdrawal service may be procured separately or in combination under this rate schedule. Core Transport Agents and PG&E, on behalf of Core Customers, may take storage service under this rate schedule for storage in excess of that provided by their core storage allocation.

TERRITORY: This rate schedule applies to firm use of PG&E's storage facilities. The points of service for storage under this schedule are the various locations at which PG&E's system interconnects with interstate pipelines, at Kern River Station, and at PG&E's Citigate.

RATES: Rates under this schedule are negotiable and may be structured as one-part rates (Usage or Reservation Charge) or two-part rates (both Reservation and Usage Charges), as negotiated between the Customer and PG&E. Reservation Charges, if applicable, shall be based on the injection, inventory, and/or withdrawal quantities specified in the Gas Transmission Service Agreement (GTSA) (Form No. 79-866). Any Usage Charges shall be equal to the applicable effective rate in the GTSA multiplied by the actual injection, inventory, or withdrawal quantities occurring during that billing period, including volumes traded pursuant to Schedule G-BAL. Any injections and withdrawals which occur during a billing period, but which are not recorded in that billing period, will be deferred to a future billing period.

Negotiated rates, for service under this schedule, are subject to minimum and maximum rates. Negotiated rates for storage service shall not be less than PG&E's marginal cost of providing the service. Negotiated rates for storage service will be capped at the price which will collect 100 percent of PG&E's total revenue requirement for the unbundled storage program under all three (3) subfunctions (i.e., injection, inventory or withdrawal), as listed below.

	<u>Maximum Rates (Dth)</u>
Injection/Day	\$9.2196 (I)
Inventory	\$1.2941 (I)
Withdrawal/Day	\$5.5697 (I)

PG&E shall not be required to sell firm storage capacity for less than the rates specified in Schedule G-FS. However, at PG&E's sole option, negotiated offers satisfactory to PG&E may be accepted.

The Customer will be responsible for any applicable costs, taxes, and/or fees incurred by PG&E in taking delivery of third-party gas from intra- or interstate sources.

(Continued)



SCHEDULE G-NAS—NEGOTIATED AS-AVAILABLE STORAGE SERVICE

APPLICABILITY: This rate schedule applies to the As-available use of PG&E's storage facilities. Storage injection and withdrawal may be taken separately under this schedule. Core Transport Agents, or PG&E, on behalf of Core Customers, may take storage service in excess of that provided by the core storage allocation. (D)

TERRITORY: The rate schedule applies to use of PG&E's storage facilities. The points of service for storage under this schedule are the various locations at which PG&E's system interconnects with interstate pipelines, at Kern River Station, and at PG&E's Citygate.

RATES: Customers taking service under this rate schedule will pay monthly Usage Charges for any injection and/or withdrawal services utilized during the billing period. Any injections and/or withdrawals occurring during a billing period, but not recorded in that billing period, shall be deferred to a future billing period.

Negotiated rates for service under this rate schedule shall not be less than PG&E's marginal cost of providing the service and shall not exceed a price which will collect 100 percent of PG&E's total revenue requirement for the Unbundled Storage Program under both subfunctions (e.g., injection or withdrawal), as shown below. Customers will be billed on a monthly basis.

Maximum Rates (Per Dth/Day)

Injection	\$9.2196 (I)
Withdrawal	\$5.5697 (I)

The Customer will be responsible for any applicable costs, taxes, and/or fees incurred by PG&E in taking delivery of third-party gas from intra- or interstate sources.

ELECTRIC DEPARTMENT/ COGENERATOR PARITY RATES: Schedule G-COG Customers who take service under this schedule will be eligible for the provisions of the Cogeneration Rate Parity Exhibit to the GTSA.

CREDIT-WORTHINESS: The Customer must meet the creditworthiness requirements as specified in Rule 25.*

SERVICE AGREEMENT: A Gas Transmission Service Agreement (GTSA) (Form No. 79-866) and storage exhibit thereto are required for service under this rate schedule.

NOMINATIONS: Notice is required for injections and withdrawals as agreed to by PG&E and the customer. See Rule 21 for details.

CURTAILMENT OF SERVICE: Service under this schedule may be curtailed. See Rule 14 for details.

* The rules referred to in this schedule are part of PG&E's gas tariffs. Copies are available at local offices.



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