

April 3, 2003

**Advice 2408-G-A**

(Pacific Gas and Electric Company ID U 39 G)

Public Utilities Commission of the State of California

**Subject: Wild Goose Storage Expansion CPCN Amendment –Revisions to Gas Rule 14**

Pacific Gas and Electric Company (PG&E) hereby submits for filing revisions to its gas tariffs.<sup>1</sup> The proposed tariffs, filed in draft form in this filing, are listed on Attachment I.

**Purpose**

The purpose of this supplemental filing letter is to propose revisions to PG&E's gas Rule 14—*Capacity Allocation and Constraint of Natural Gas Service*, in compliance with Ordering Paragraphs (OP) 21 and 22 of Wild Goose Storage Expansion Decision (D.) 02-07-036, in Application (A.) 01-06-029. The draft Rule 14 provisions in this filing will be filed in final form for implementation November 1, 2003, the expected in-service date of Wild Goose Storage, Inc.'s (Wild Goose) expansion project, or earlier, upon completion of computer system changes required for PG&E's nomination and scheduling system to accommodate this tariff change.

**Background**

On July 17, 2002, the Commission issued D. 02-07-036, granting an amendment to Wild Goose's Certificate of Public Convenience and Necessity (CPCN). The CPCN amendment allows Wild Goose to expand gas storage facilities and to connect the expanded facilities to Line 400/401. In addition, OP 22 ordered PG&E to file an advice letter within 45 days of the effective date of the decision for proposed changes to its tariffs as a result of D. 02-07-036.

---

<sup>1</sup> PG&E reserves all legal rights to challenge the decisions or statutes under which it has been required to make this advice filing, and nothing in this advice filing constitutes a waiver of such rights. Also, PG&E reserves any additional legal rights to challenge the requirement to make this advice filing by reason of its status as a debtor under Chapter 11 of the Bankruptcy Code, and nothing in this advice filing constitutes a waiver of such rights.

On September 3, 2002, PG&E filed Advice 2408-G, in compliance with OP 22 of D. 02-07-036. PG&E's proposed revisions to gas Rule 14 addressed the proration of Line 400/401 As-Available transportation capacity between transportation customers and third-party storage customers connected to Line 400/401, during times when insufficient As-Available capacity exists to serve all requests for it.

On September 23, 2002, Wild Goose (represented by Goodin, MacBride, Squeri, Ritchie & Day, LLP) and Lodi Gas Storage, LLC (LGS) (represented by Downey, Brand, Seymour & Rohwer LLP) protested Advice 2408-G. PG&E responded to both protests on September 30, 2002. Citing an additional need for information and additional time for review, the Commission's Energy Division suspended the advice letter for 120 days beginning October 7, 2002.

On November 6, 2002, representatives from PG&E, Energy Division, Wild Goose and LGS met to discuss Advice 2408-G and review numerical examples that demonstrate the proposed allocation methodology of As-Available transportation capacity. After numerous follow-up discussions, PG&E has developed, and Wild Goose has expressed support for, the revised tariff language and example of proposed methodology (Attachment II) that is being filed in this advice letter.

### **Draft Tariff Revisions**

In accordance with D. 02-07-036, PG&E proposes to add language to Rule 14, Section D.1. *Priority of Service – Transmission Receipt Points of Gas*, to provide that, in the event of capacity constraints, Line 400/401 As-Available capacity will be prorated for each third-party storage provider based on Net Withdrawal Nominations and Redwood Path As-Available nominations. Following the first proration, PG&E will calculate the total receipt volume at Malin. Any additional storage withdrawals that can be accommodated will be prorated based on Net Withdrawal Nominations used in the first proration.

### **Protests**

Anyone wishing to protest this filing may do so by sending a letter by **April 23, 2003**, which is 20 days from 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 mailed to:

IMC Branch Chief – Energy Division  
California Public Utilities Commission  
505 Van Ness Avenue, 4<sup>th</sup> Floor  
San Francisco, California 94102

Facsimile: (415) 703-2200  
E-mail: [jjr@cpuc.ca.gov](mailto: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: Brian K. Cherry  
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](mailto:RxDd@pge.com)

### **Effective Date**

PG&E requests that the proposed revisions shown on the draft tariffs in this advice filing be approved upon regular notice, **May 13, 2003**, which is 40 days after the date of this filing. The proposed Rule 14 provisions will be filed in final form for implementation at the earlier of: 1) November 1, 2003, the expected in-service date of Wild Goose's expansion project, or 2) upon completion of computer system changes required for PG&E's nomination and scheduling system to accommodate this tariff change.

To accommodate Lodi Gas Storage between the effective date of this advice filing and final implementation, PG&E will allocate Line 400/401 As-Available capacity between Lodi Gas Storage and Redwood path transportation shippers using a usage forecast. PG&E and LGS have agreed upon the methodology of this process until the computer system changes are completed.

### **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. (The service list for A. 01-06-029 is now closed.) Address changes should be directed to Sandra Ciach at (415) 973-7572. Advice letter filings can also be accessed electronically at:

[http://www.pge.com/customer\\_services/business/tariffs/](http://www.pge.com/customer_services/business/tariffs/)

Vice President - Regulatory Relations

Attachments