



January 23, 2004

Advice Letter 2408G-C

Ms Anita Smith, Rate Analyst
Pacific Gas and Electric Company
77 Beale Street, 10B Mail Code
San Francisco, CA 94177

Subject: Wild Goose Storage Expansion CPCN Amendment (Revisions to Gas Rule 14)

Dear Ms Smith:

Advice Letter 2408G-C is effective December 12, 2003. A copy of the advice letter is sent herewith for your records.

Sincerely,

A handwritten signature in cursive script that reads "Paul Clamor".

Director
Energy Division



**Pacific Gas and
Electric Company**

Karen A. Tomcala
Vice President
Regulatory Relations

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December 12, 2003

Advice 2408-G-C

(Pacific Gas and Electric Company ID U39G)

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

Public Utilities Commission of the State of California

Pacific Gas and Electric Company (PG&E) hereby submits this supplemental filing for revisions to its gas tariffs.¹ The proposed tariffs are listed on Attachment I.

Purpose

The purpose of this filing is to file final 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 and Resolution (R.) G-3353 dated July 10, 2003.²

Background

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 April 3, 2003, PG&E filed 2408-G-A to add language to Rule 14, Section D.1. Priority of Service – Transmission Receipt Points of Gas, to propose that, in the event of capacity constraints, Line 400/401 As-Available capacity will be prorated

¹ 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.

² 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.



for each third-party storage provider based on Net Withdrawal Nominations and Redwood Path As-Available nominations.

On July 10, 2003, the Commission issued R. G-3353, ordering PG&E to re-file its tariffs as revised in the discussion section of the resolution and make additional textual changes suggested by Lodi Gas Storage (LGS) in its April 23, 2003, protest of Advice 2408-G-A.³ On July 15, 2003, PG&E filed Advice 2408-G-B, revising proposed draft tariff language to incorporate the ordered changes. The Commission approved this advice letter on August 24, 2003. The final versions of the implementation tariffs are contained in this supplemental advice filing.⁴

In Advice 2408-G-B, PG&E stated that it would file the final version of the tariffs for implementation November 1, 2003, (the expected in-service date of Wild Goose's expansion project) or earlier, upon completion of computer system changes required for PG&E's nomination and scheduling system to accommodate this tariff change. PG&E now requests that this filing become effective on the date of this filing, as it coincides with PG&E's completion of the required computer system changes. There is no detrimental impact caused to Wild Goose or LGS as a result of this implementation date change.

Protests

Anyone wishing to protest this filing may do so by sending a letter by **January 2, 2004**, which is 21 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, 4th Floor
San Francisco, California 94102

Facsimile: (415) 703-2200
E-mail: jjr@cpuc.ca.gov

³ Resolution G-3353 also orders PG&E to continue monthly updates of the computer system as required in D.02-12-038 and requires PG&E to file a final report to the Energy Division once the computer system is in place and adequate testing has been conducted.

⁴ The text approved in Advice 2408-G-B is identical to the text filed herein, except for an updated footnote to comport with tariff revisions in Advice 2490-G dated October 20, 2003. Also, in this filing, Sheet No. 21917-G is reformatted to comport with AL 2490-G, and contains the minor text changes approved in Advice 2408-G-B. In addition, Advice 2490-G deletes certain obsolete language from Rule 14, Section D. There are no changes to the currently effective Section D.1.b and Section D.2, which previously were shown as "relocated text" in Advice 2408-G-B.



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

Effective Date

PG&E requests that this advice filing be approved as of the filing date of this advice letter, **December 12, 2003**.

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/

Haren A. Tomcala /s/

Vice President - Regulatory Relations

Attachments

cc: Thomas R. Dill (LGS) via electronic mail
Michael Day (Wild Goose) via electronic mail
Dan L. Carroll (Downey Brand LLP) via electronic mail
Richard Myers (Energy Division)

**Attachment I
Advice 2408-G-C**

Cal P.U.C. Sheet No.	Title of Sheet	Cancelling Cal P.U.C. Sheet No.
21969-G	Rule 14-Capacity Allocation and Constraint of Natural Gas Service (Cont'd.)	18236-G
21970-G	Rule 14-Capacity Allocation and Constraint of Natural Gas Service (Cont'd.)	New
21971-G	Rule 14-Capacity Allocation and Constraint of Natural Gas Service (Cont'd.)	21891-G
21972-G	Table of Contents (Cont'd.) – Rules	21893-G
21973-G	Table of Contents	21968-G



RULE 14—CAPACITY ALLOCATION AND CONSTRAINT OF NATURAL GAS SERVICE
(Continued)

D. PRIORITY OF SERVICE

1. TRANSMISSION RECEIPT POINTS

- a. For Line 400/401, PG&E will allocate service on the Backbone Transmission paths, Redwood and Mission, in the following order: (N)
 - 1) All Firm service at all receipt points on a defined transmission path will be treated equally, with pro rata allocation of nominations, if necessary.
 - 2) When no constraints exist for As-Available service, such service will be scheduled as follows:
 - a) Mission Path off-system As-Available service first according to contract price,* with the lowest price capacity interrupted first. The Mission Path on-system As-Available service will then be scheduled with all nominations allocated on a pro rata basis.
 - b) The Redwood Path As-Available service will be scheduled according to contract price,* with the lowest price capacity interrupted first.
 - 3) When constraints exist for As-Available, such service will be scheduled as follows:
 - a) The initial allocation of Line 400/401 As-Available capacity will be prorated based on Net Withdrawal Nominations into Line 400/401 for each third-party storage provider and Redwood path As-Available nominations. Net Withdrawal Nominations into Line 400/401 are defined as: the total withdrawal nominations less any injection nominations and less PG&E's ability to place gas directly into a local transmission system. (N)

* Contract price equals the per unit Usage Charge specified in Schedule G-NAS. (N)

(Continued)



RULE 14—CAPACITY ALLOCATION AND CONSTRAINT OF NATURAL GAS SERVICE
(Continued)

D. PRIORITY OF SERVICE (Cont'd.)

(N)

1. TRANSMISSION RECEIPT POINTS (Cont'd.)

3) (Cont'd.)

a) (Cont'd.)

For the purpose of allocating Line 400/401 As-Available capacity, Net Withdrawal Nominations into Line 400/401 from a third party storage provider will be limited to the third-party storage provider's maximum certificated withdrawal capacity, less PG&E's ability to place the gas directly into a local transmission system. Redwood Path As-Available nominations will be limited to the Line 400/401 As-Available capacity.

b) After the initial allocation of Line 400/401 As-Available capacity to the Redwood Path, the total receipt volume at Malin on Line 400/401 is calculated as the sum of the firm nominations and allocated As-Available capacity. After the receipt volume at Malin is established, PG&E will determine the maximum additional storage withdrawals into Line 400/401 that can be accommodated.

If PG&E can accommodate additional withdrawals, this capacity will be allocated to each third party storage provider based on the same limited Net Withdrawal Nominations into Line 400/401 used in Section a above. The total capacity for each third party storage provider used for scheduling nominations will be the sum of the final capacity for delivery into Line 400/401 plus the amount that PG&E can place into the Local Transmission System.

c) After the total capacity for each storage provider is determined, the withdrawal nominations from each storage provider will be scheduled as follows:

Mission Path off-system As-Available service first according to contract price,* with the lowest price capacity interrupted first. The Mission Path on-system As-Available service will then be scheduled with all nominations allocated on a pro rata basis.

d) The Redwood Path As-Available service will be scheduled according to contract price,* with the lowest price capacity interrupted first.

(N)

* Contract price equals the per unit Usage Charge specified in Schedule G-NAS.

(Continued)



RULE 14—CAPACITY ALLOCATION AND CONSTRAINT OF NATURAL GAS SERVICE
(Continued)

D. PRIORITY OF SERVICE (Cont'd.)

- 3. PG&E STORAGE INJECTION AND TRANSPORTATION TO STORAGE (T)
 - a. Transportation priority to PG&E storage will be determined by the Customer's Gas Transmission Service Agreement (Form 79-866) (GTSA) utilized to transport the gas to storage; (T)
 - b. Injection priority at PG&E's storage facilities will be determined by the Storage Exhibit of the Customer's GTSA, as follows:
 - 1) All PG&E Firm storage service (treated equally, with pro rata allocation of nominations, if necessary);
 - 2) PG&E As-Available storage service (scheduled according to contract price,* with the lowest price injection capacity interrupted first).

- 4. PG&E STORAGE WITHDRAWAL AND TRANSPORTATION FROM STORAGE (T)
 - a. Transportation priority from PG&E storage to the delivery point will be determined by the Customer's GTSA utilized to transport the gas from storage; (T)
 - b. Withdrawal priority at PG&E's storage facilities will be determined by the Storage Exhibit of the Customer's GTSA, as follows:
 - 1) All PG&E Firm storage service (treated equally, with pro rata allocation of nominations, if necessary);
 - 2) PG&E As-Available storage service (scheduled according to contract price,* with the lowest price withdrawal capacity interrupted first).

* Contract price equals the per unit Usage Charge specified in Schedule G-NAS.

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**PGE Gas Advice Filing
List
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ABAG Power Pool
Accent Energy
Aglet Consumer Alliance
Agnews Developmental Center
Ahmed, Ali
Alcantar & Eisesser
Applied Power Technologies
Arter & Hadden LLP
Avista Corp
Barkovich & Yap, Inc.
BART
Blue Ridge Gas
BP Energy Company
Braun & Associates
C & H Sugar Co.
CA Bldg Industry Association
CA Cotton Ginners & Growers Assoc.
CA League of Food Processors
CA Water Service Group
California Energy Commission
California Farm Bureau Federation
California Gas Acquisition Svcs
California ISO
Calpine
Calpine Corp
Calpine Gilroy Cogen
Cambridge Energy Research Assoc
Cameron McKenna
Cardinal Cogen
Chevron USA Production Co.
Childress, David A.
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City of Palo Alto
City of Redding
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Constellation New Energy
CPUC
Creative Technology
Cross Border Inc
Crossborder Inc
CSC Energy Services
Davis, Wright Tremaine LLP
Davis, Wright, Tremaine, LLP
Defense Fuel Support Center
Department of the Army
Department of Water & Power City
DGS Natural Gas Services
DMM Customer Services
Downey, Brand, Seymour & Rohwer
Duke Energy
Duke Energy North America
Duncan, Virgil E.
Dutcher, John
Dynegy Inc.
Ellison Schneider
Energy Law Group LLP
Enron Energy Services

Exelon Energy Ohio, Inc
Exeter Associates
Foster Farms
Foster, Wheeler, Martinez
Franciscan Mobilehome
Future Resources Associates, Inc
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Interstate Gas Services, Inc.
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JTM, Inc
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Korea Elec Power Corp
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Masonite Corporation
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Maynor, Donald H.
McKenzie & Assoc
McKenzie & Associates
Meek, Daniel W.
Meyer, Joseph
Mirant California, LLC
Modesto Irrigation Dist
Morrison & Foerster
Morse Richard Weisenmiller & Assoc.
Navigant Consulting
New United Motor Mfg, Inc
Norris & Wong Associates
Northern California Power Agency
Office of Energy Assessments
Palo Alto Muni Utilities
PG&E National Energy Group
Pinnacle CNG Company
PITCO
Plurimi, Inc.
PPL EnergyPlus, LLC
Price, Roy
Product Development Dept
Provost Pritchard
R. M. Hairston & Company
R. W. Beck & Associates
Recon Research
Regional Cogeneration Service
RMC Lonestar
Sacramento Municipal Utility District
SCD Energy Solutions
Seattle City Light
Sempra

Sempra Energy
Sequoia Union HS Dist
SESCO
Sierra Pacific Power Company
Silicon Valley Power
Simpson Paper Company
Smurfit Stone Container Corp
Southern California Edison
SPURR
St. Paul Assoc
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TJ Cross Engineers
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Utility Resource Network
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Western Hub Properties, LLC
White & Case
WMA