REVISED

April 3, 2003

Advice 2451-G
(Pacific Gas and Electric Company ID U39G)

Public Utilities Commission of the State of California

Subject: PG&E Gas Tariffs--Corrections and Deletions

Pacific Gas and Electric Company (PG&E) hereby submits for filing revisions to its gas tariffs. The affected tariff sheets are listed on the enclosed Attachment I.[1]

Purpose

This filing is for the purpose of making minor "clean-up" revisions to PG&E's gas tariffs, and deleted outdated language and forms as described herein.

Tariff Revisions

Preliminary Statement Part I

The Noncore Brokerage Fee Balancing Account (NBFBA) tracked brokerage fees revenue requirement and revenues collected from customers who took core subscription service from PG&E under Schedule G-CSP—*Core Subscription Gas Procurement Service to Noncore End-Use Customers*. Core subscription service is no longer available to PG&E customers; therefore, NBFBA Preliminary Statement Part I is being deleted from PG&E's gas tariffs.

Rate Schedule G-EG

The title on the second page of Schedule G-EG is being corrected to read "*Gas Transportation Service To Electric Generation*." (The words "Transmission Level" have been removed. Schedule G-EG does not include service on PG&E's Backbone Transmission System.)

[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.

Rate Schedule G-BAL

In the Applicability section, PG&E is eliminating references to core procurement service under Schedule G-CSP, which is no longer in effect.

Rate Schedule G-CT

On page 10 of 15 of Schedule G-CT, the left margin header has been corrected from "Firm Winter Requirement Capacity" to "Firm Winter Capacity Requirement."

Rule 1

In the definition for Noncore End-Use Customer, in the reference to electric generation Customers, the word "utility" has been eliminated, as all electric generation customers, including non-utility electric generators, can be noncore customers.

Rule 14

The second header in Section F--Emergency Flow Orders, of gas Rule 14—*Capacity Allocation and Constraint of Natural Gas Service*, has been changed from "OFO" to "EFO."

Agreement Forms

PG&E is eliminating Form 79-969--<u>Gas Meter Ownership Pilot Agreement</u>, and Form 79-970—<u>Gas Meter Customer-Owned Add-on Devices Pilot Agreement</u>. The Commission denied PG&E's application to continue two customer gas meter customer ownership pilot programs in Decision (D.) 02-11-056 dated November 21, 2002; therefore, the pilot programs expired December 31, 2002.[2]

<u>Protests</u>

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:

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[2] In accordance with D. 02-11-056, one noncore customer is allowed to continue ownership of gas meters acquired under the Customer Meter Ownership Program under the provisions of Form 79-969, executed by said customer.

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

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 become effective on regular notice, **May 13, 2003**, which is 40 days after the date of filing.

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. 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/

Vice President - Regulatory Relations

Attachments

SCHEDULE G-EG—GAS TRANSPORTATION SERVICE TO ELECTRIC GENERATION (T)
(Continued)

ELECTRIC DEPARTMENT NOTIFICATIONS: During Open Seasons for PG&E's intrastate services, PG&E will notify on-system cogenerators of PG&E's Electric Generation (EG) Department's elections for service three (3) business days prior to the date that cogenerators must make their service elections. PG&E will also notify cogenerators of EG's other elections for intrastate services as they may occur from time to time. This provision will apply to EG service agreements which have terms exceeding one (1) calendar month or thirty (30) days for contracts beginning on other than the first day of the month, and to EG service agreements with automatic renewal provisions where the total contract term would exceed one (1) calendar month or thirty (30) days.

SERVICE AGREEMENT: A Natural Gas Service Agreement (NGSA) (Form 79-756) is required for service under this schedule. The initial term of the NGSA will be for one (1) year.

SHRINKAGE: Transportation volumes will be subject to a shrinkage allowance in accordance with Rule 21.*

NOMINATIONS: Nominations are required for gas transported under this schedule. See Rule 21 for details.

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

BALANCING: Service hereunder shall be subject to all the applicable terms, conditions and obligations of Schedule G-BAL.

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

SCHEDULE G-BAL—GAS BALANCING SERVICE FOR INTRASTATE TRANSPORTATION CUSTOMERS

APPLICABILITY: This rate schedule provides the terms and conditions pursuant to which PG&E will endeavor to balance volumes of gas it receives into its pipeline system with the volume it delivers to End-Use Customers and to Off-System Delivery Points. In addition, this schedule provides for balancing PG&E's Market Center volumes. Under this schedule, PG&E will calculate, maintain, and carry imbalances; provide incentives for Customers to avoid and minimize imbalances; facilitate elimination of imbalances; and cash out imbalances. Schedule G-BAL applies to PG&E's Core Procurement Department transactions on behalf of PG&E's core procurement Customers, and to all Customers taking services under Schedules G-CT (or other core rate schedule(s) where procurement service is provided by a third party), to Schedules G-NT, G-EG, G-COG, G-NGV4, G-WSL, G-LNG, G-AFT, G-SFT, G-NFT, G-AA, G-NAA, G-AFTOFF, G-AAOFF, G-NFTOFF, G-NAAOFF, G-PARK, and G-LEND. (T)

Imbalances generally will be maintained at the delivery point.

This schedule is the default supply schedule for Noncore End-Use Customers who do not execute a Natural Gas Service Agreement (NGSA) (Form No. 79-756), pursuant to the terms of Schedules G-NT or G-COG. (T)

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

BALANCING AGGREGATION: Noncore End-Use Customers may elect to aggregate Cumulative Imbalances for multiple premises, or they may assign their balancing obligations to a Balancing Agent, as described below. If the Cumulative Imbalances are aggregated or assigned to a Balancing Agent, PG&E will aggregate individual Balancing Service accounts into a single Balancing Service account, with both the usage and the deliveries aggregated. A single Tolerance Band, as defined below, shall apply to the aggregated quantities.

BALANCING AGENT: The Balancing Agent is the party financially responsible for managing and clearing imbalances described in Schedule G-BAL. The Balancing Agent shall be responsible for all applicable balancing, capacity allocation and constraint obligations, charges, and credits related to gas service. The following are Balancing Agents: Core Transportation Agent (CTA), PG&E Core Procurement Department, Noncore Balancing Aggregation Agreement (NBAA) Agent, a Noncore End-Use Customer or Wholesale Customer that is not part of an NBAA. All Balancing Agents are subject to creditworthiness requirements.

For deliveries to a Core Transportation Group, the CTA will be responsible for any imbalances. For deliveries to storage and to off-system points, the Customer holding the Gas Transmission Service Agreement (GTSA) (Form No. 79-866) will be responsible for imbalances.

For deliveries made to Noncore End-Use Customers, the Noncore End-Use Customer will be responsible for imbalances; however, Noncore End-Use Customers may designate a Balancing Agent to manage and assume responsibility for the Noncore End-Use Customer's obligations under this schedule.

A Noncore End-Use Customer may change its Balancing Agent no more than once per month.

(Continued)

FIRM WINTER CAPACITY REQUIREMENT: (Cont'd.)

3. Contract with PG&E for firm intrastate transmission pipeline capacity or firm storage capacity and withdrawal rights in conjunction with Schedules G-AA or G-NAA. (T) (T)

Capacity held to satisfy core firm storage requirements, described below, may not simultaneously be used to satisfy the Firm Winter Capacity requirement.

Should the CTA exercise Option 2 or 3 above, to satisfy the Firm Winter Capacity requirements for any winter month, the CTA shall be required to submit, within five (5) days of notification, an executed Declaration of Alternate Winter Capacity (Form No. 79-845, Attachment J).

If a CTA has fulfilled this Firm Winter Capacity Requirement and has incurred no instances of non-compliance with an Emergency Flow Order (EFO) and no more than on (1) such instance with and Operation Flow Order (OFO) as specified in Rule 14 for a two-year period, the CTA will no longer be required to meet this Firm Winter Capacity Requirement.

CORE FIRM STORAGE:

PG&E will, from time to time, determine for each CTA an annual core firm storage allocation consisting of core firm inventory capacity and associated injection and withdrawal capacity. An Initial Storage Allocation will be provided and adjusted by Mid-Year Storage Allocations and Winter Season Storage Allocation Adjustments, as described below. These storage allocations are a pro rata share of PG&E's total core firm storage capacity reservation and are calculated as also described below.

In February of each year (or during the 2000-2001 storage year, pursuant to the provisions of Partial Year Implementation below), PG&E will calculate each CTA's Initial Storage Allocation based upon the number of customers expected to be part of each CTA's Group in April of that year. Prior to March 1, or as provided for in Partial Year Implementation, each CTA will be given the option to reject a percentage of its Initial Storage Allocation, up to 100 percent (100%), for the upcoming storage year of April 1 through March 31 (Storage Year). A CTA's failure to reject its Initial Storage Allocation by March 1 shall be deemed an acceptance thereof.

Each CTA's assigned core firm storage capacity (Assigned Storage) shall be the sum of its Initial Storage Allocation, to the extent accepted, plus modifications due to Mid-Year Storage Allocations and Winter Season Storage Allocation Adjustments, plus any capacity that may be reassigned to a CTA pursuant to the reallocation process, triggered if the Annual Cap on rejected amounts is exceeded. Assigned Storage will be provided under the terms of Schedule G-CFS.

Each CTA will be required to execute and shall be subject to the terms and conditions of a Core Firm Storage Declarations (Form No. 79-845, Attachment D) with PG&E, for its Assigned Storage. The rejected percentage shall also be specified in Attachment D. In the event the CTA rejects a portion of its Initial Storage Allocation, it must do so in an increment of 10 percent (10%), (e.g., 10%, 20%, 30%, and so forth) up to 100%. For storage allocation amounts rejected, the CTA must certify Alternate Resources for each Winter month in amounts equivalent to the rejected withdrawal capacity, as more fully set forth in this rate schedule. Gas in storage, for core reliability, including gas stored using the Assigned Storage, may not be subject to encumbrances of any kind.

(Continued)

RULE 1—DEFINITIONS
(Continued)

NATURAL GAS: See Gas.

NONCORE END-USE CUSTOMER: Noncore End-Use Customers are typically large commercial, industrial, cogeneration, wholesale or electric generation Customers who meet the usage requirements for service under a noncore rate schedule and who have executed a Natural Gas Service Agreement. (T)

NONPROFIT GROUP-LIVING FACILITY: A facility operated by a corporation that has received a letter of determination by the Internal Revenue Service that the corporation is tax-exempt due to its nonprofit status under IRS Code Section 501©(3). The facility must be one of the following:

1. A homeless shelter with 10 or more beds and open at least 180 days per year;
2. Transitional housing, such as a half-way house or drug rehabilitation facility;
3. Short- or long-term care facility, such as a hospice, nursing home, seniors' home, or children's home; or
4. A group home for physically or mentally disabled persons.

With the exception of homeless shelters, the nonprofit group-living facility must provide services such as meals or rehabilitation in addition to lodging. All of the residents of the facility must meet the CARE eligibility standard for a single-person household. At least 70 percent of the gas supplied to the facility's premises must be used for residential purposes, and the facility must be licensed by the appropriate state agency, with the exception of homeless shelters which must have the appropriate municipal or county conditional use permits.

Facilities such as student housing/dormitories are excluded. For complete eligibility requirements see Rule 19.2.

OFF-SYSTEM DELIVERY POINT(S): Any interconnection for delivery outside of PG&E's service territory.

(Continued)

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

F. EMERGENCY FLOW ORDERS (EFO)

PG&E may invoke Emergency Flow Orders (EFO) when a forecast or an actual supply and/or capacity shortage threatens deliveries to End-Use Customers.

During an EFO, End-Use Customers' usage must be less than or equal to supply for a gas day (i.e., supply must be equal to or greater than usage). With the one exception specified herein, EFOs will have a zero (0) percent tolerance and a five dollar per therm noncompliance charge for each Therm of usage in excess of supply.

As ordered in Decision 01-02-049, PG&E shall waive any EFO noncompliance charges incurred by core customers whose gas is procured by PG&E if: (1) PG&E has implemented an Involuntary Diversion of noncore gas supplies (see Section G, below; and (2) due to PG&E's lack of credit, PG&E is unable to procure sufficient core gas supplies directly from suppliers.

(T)

EFO COMPLIANCE

EFO compliance and charges will be based on the following:

1. For a Noncore End-Use Customer with automated meter reading (AMR) capability and for PG&E's EG Department, compliance during an EFO will be based on actual daily metered usage and the calculation after the EFO event of any applicable noncompliance charge will be based on actual daily metered usage.

2. For a Noncore End-Use Customer without AMR capability (all or part non-AMR capability at their premises) or for Noncore End-Use Customers with non-functioning AMR meters, compliance during an EFO will be based on the average daily quantity (ADQ) as specified in the Customer's NGSA. The calculation of any applicable noncompliance charges after the EFO event will be based on one of the following, whichever results in the lesser charge:

   (1) the Customer's ADQ, or

   (2) the Customer's actual daily metered usage, or

   (3) when Customer's actual daily metered usage is not available, the <u>average</u> daily metered usage for the affected premises will be substituted for the <u>actual</u> daily metered usage. The average daily metered usage is calculated by dividing the recorded monthly usage by the number of days in the billing period.

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