

April 30, 2003

Advice 2454-G

(Pacific Gas and Electric Company ID U 39 G)

Public Utilities Commission of the State of California

Subject: Schedule G-COG Rate Change effective May 1, 2003

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

The rate in Schedule G-COG—*Gas Transportation Service to Cogeneration Facilities*, is a parity rate based on the tariffed rate for Schedule G-EG—*Gas Transportation Service to Electric Generation*, lagged by two months. The Schedule G-COG rate is subject to change: 1) two months after any change to the Schedule G-EG rate or, 2) if negotiated rates provided for in Schedule G-EG apply to PG&E's Electric Department.

Effective **May 1, 2003**, the Schedule G-COG rate is **\$0.02462** per therm based on the Schedule G-EG rate of **\$0.02462** per therm filed in Advice 2437-G effective March 1, 2003, to implement the equal-cents-per-therm allocation of El Paso Pipeline Company (El Paso) costs between core and noncore customers. El Paso capacity costs are now included in core and noncore transportation rates.

Protests

Anyone wishing to protest this filing may do so by letter within 20 days of the date of this filing, **May 20, 2003**. 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:

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.

IMC Branch Chief
Energy Division
California Public Utilities Commission
505 Van Ness Avenue, Room 4002
San Francisco, CA 94102

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

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
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 the tariff revisions submitted in this advice letter be approved effective **May 1, 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. 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



PRELIMINARY STATEMENT
(Continued)

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

NONCORE p. 3

	<u>G-COG (3)*</u>	<u>G-EG (4)*</u>
NCA	0.00013 (R)	0.00013
DSM	0.00000	0.00000
GRC 2000 INTERIM ACCT	0.00000	0.00000
CARE	0.00000	0.00000
CPUC FEE **	0.00202	0.00202
EOR	0.00000	0.00000
CEE	0.00000	0.00000
COGEN DISTRIBUTION SHORTFALL	0.00065	0.00065
EL PASO CAPACITY CHARGE	0.00616 (I)	0.00616
LOCAL TRANSMISSION (AT RISK)	0.01486	0.01486
DISTRIBUTION & BASE REVENUE CREDITS (AT RISK)	0.00000	0.00000
CUSTOMER ACCESS CHARGE (AT RISK)	0.00080	0.00080
TOTAL RATE	<u>0.02462 (I)</u>	<u>0.02462</u>

* Refer to footnotes at end of Noncore Default Tariff Rate Components.

** The CPUC Fee includes \$.001988 per therm as approved by the CPUC, plus an allowance for Franchise Fees and Uncollectible Expense (F&U).

(Continued)



SCHEDULE G-COG—GAS TRANSPORTATION SERVICE TO COGENERATION FACILITIES

APPLICABILITY: This rate schedule applies to the transportation of natural gas on PG&E's Local Transmission and/or Distribution System to cogeneration facilities and solar electric generation projects, as defined herein. This rate schedule also applies to Customers previously served under Schedule G-EPO.

To qualify for service under this schedule, a Customer must be a cogeneration facility which sequentially uses natural gas to produce electricity and useful thermal energy, as specified in the California Public Utilities Code Section 218.5,* or a solar electric generation project as defined herein.

Customers receive service under this schedule in conjunction with the rate schedule that would otherwise apply if the Customer did not meet the requirements to qualify as a cogeneration facility. All provisions in the otherwise-applicable schedule will be binding on the Customer unless superseded by the provisions in this schedule.

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

RATES: The following transportation charges do not include charges for service on PG&E's Backbone Transmission System. These rates apply to volumes up to the Limitation of Gas Use, described herein.

Customers taking service under this schedule will be billed for transportation under the lower of the following rates:

1. The Schedule G-EG transportation rate, including discounts to PG&E's utility steam-electricity generating plants, two months prior.

The Transportation Charge is: Per Therm
\$0.02462 (l)

or,

2. The rate specified in the Customer's otherwise-applicable rate schedule.

Noncore End-Use customers must procure gas supply from PG&E or from a supplier other than PG&E.

Core End-Use Customers will pay the procurement charge under their otherwise-applicable rate schedule, unless they purchase gas from a third-party supplier.

* Efficiency Standards: In accordance with PU Code Section 218.5, at least 5 percent of the facility's total output must be in the form of useful thermal energy. Where useful thermal energy follows power production, the useful annual power output plus one-half the useful annual thermal energy output must equal no less than 42.5 percent of any natural gas and oil energy input.

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