

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

Tel. No. (415) 703-1691



April 2, 2004

Advice Letter 2513-G|G-A

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

Subject: 2004 Gas Storage Tariff Revisions

Dear Ms Smith:

Advice Letter 2513-G|G-A is effective April 1, 2004. 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**

March 5, 2004

Advice 2513-G-A
(Pacific Gas and Electric Company ID U39G)

Karen A. Tomcala
Vice President
Regulatory Relations

77 Beale Street, Room 1065
San Francisco, CA 94105

Mailing Address
Mail Code B10A
P.O. Box 770000
San Francisco, CA 94177

415.972.5209
Internal: 222.5209
Fax: 415.972.5625
Internet: kat5@pge.com

Public Utilities Commission of the State of California

Subject: Supplemental Filing - 2004 Gas Storage Rate Changes

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

Purpose

The purpose of this filing is to make further revisions to PG&E's storage tariffs as filed in Advice 2513-G, dated January 20, 2004, in compliance with Ordering Paragraph (O.P.) 6.I. of Gas Accord II - 2004 Decision (D.) 03-12-061, dated December 18, 2003. Advice 2513-G incorporated rate changes approved in D.03-12-061 and effective **April 1, 2004**.

In response to protests received by Wild Goose Storage, Inc. (Wild Goose), and Lodi Gas Storage, L.L.C. (LGS), the Energy Division of the California Public Utilities Commission (Commission) has recommended that PG&E make changes to its storage tariffs.¹ As detailed below, PG&E is revising Schedules G-SFS and G-NFS as filed in Advice 2513-G to delete references to the third-party inventory transfer service and charge for transfers with third-party storage providers. These changes do not alter the function of Schedules G-SFS—*Standard Firm Storage Service*, and Schedule G-NFS—*Negotiated Firm Storage Service*, because inventory transfer service is not part of firm storage service; rather, it is an add-on service. Inventory can still be transferred to and from third-party storage providers through the regular nomination process within storage service contract rights.

¹ In PG&E's February 17, 2004 Response to protests from Wild Goose and LGS, PG&E explained why the Inventory Transfer Charge is not a new charge or a duplicative charge. Without waiving its stated position, PG&E makes the proposed further revisions in this Advice Letter 2513-G-A, as recommended by the Energy Division, for prompt implementation of Schedules G-SFS and G-NFS on April 1, 2004. PG&E reserves its right to propose changes to its inventory transfer service and charge in future proceedings.



Revisions to Schedules G-SFS and G-NFS

PG&E is revising new Schedule G-SFS and revised Schedule G-NFS to remove the Inventory Transfer Charge for billing customers who use this add-on service to transfer volumes between a PG&E storage account and a third-party storage provider. In the Rates section of Schedule G-SFS, the "Inventory Transfer Charge," is deleted. All references to the third-party inventory transfer service and charge relating to transfers with third-party storage providers are deleted from the "Inventory Transfers" section. In Schedule G-NFS, all references to the third-party inventory transfer service and charge relating to transfers with third-party storage providers are deleted from the "Inventory Transfers" section.

Protests **NOTE: Request for Shortened Protest Period**

PG&E requests Commission authorization to shorten the protest period to ten (10) calendar days from the date of this supplemental filing, which is **March 15, 2004**. PG&E makes this request in view of the limited scope of the revisions in this filing, and the upcoming implementation date of April 1, 2004. PG&E will respond to any protests received within three (3) business days of receipt.

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

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 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**

In accordance with Gas Accord D. 03-12-061, PG&E requests that this compliance filing be approved effective **April 1, 2004**.

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, and the parties on the service list for Gas Accord II A. 01-10-011. 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/tariffs>

Vice President – Regulatory Relations

Attachments

cc: Service List – Gas Accord II 2004 (A. 01-10-011)

Cal. P.U.C. Sheet No.	Title of Sheet	Canceling Cal P.U.C. Sheet No.
	Preliminary Statement	
22130-G	Part B—Default Tariff Rate Components - (Core footnotes)	21974-G
22131-G	Part C—Gas Accounting Terms and Definitions	22026-G
22132-G	Part C (Cont'd)	21975-G
22133-G	Part AG—Core Firm Storage Account	20031-G
	Rate Schedules	
22134-G	G-WSL—Gas Transportation Service to Wholesale/Resale Customers	22043-G
22135-G	G-BAL—Gas Balancing Service for Intrastate Transportation Customers (p. 3 of 14)	21868-G
22136-G	G-BAL (Cont'd.) (p. 7 of 14)	21871-G
22137-G	G-BAL (Cont'd) (p. 9 of 14)	22049-G
22138-G	G-BAL (Cont'd)(p. 10 of 14)	20050-G
Delete	G-FS—Firm Storage Service	20828-G
Delete	G-FS (Cont'd.)	18670-G
Delete	G-FS (Cont'd.)	20453-G
22299-G¹	G-SFS—Standard Firm Storage Service	New
22140-G	G-SFS (Cont'd)	New
22141-G	G-SFS (Cont'd)	New
22300-G	G-SFS (Cont'd)	New
22143-G	G-NFS—Negotiated Firm Storage Service	20829-G
22301-G	G-NFS (Cont'd.)	
22145-G	G-NAS—Negotiated As-Available Storage Service	20830-G
22146-G	G-CFS—Core Firm Storage Service	21367-G
22147-G	G-CFS (Cont'd.)	New
22148-G	G-CFS (Cont'd.)	New
22149-G	G-CFS (Cont'd.)	20047-G
22150-G	G-PARK—Market Center Parking Service	21882-G
22151-G	G-LEND--Market Center Lending Service	21883-G
22152-G	G-CT—Core Gas Aggregation Service (p. 6 of 15)	20902-G
22153-G	G-CT (Cont'd.) (p.10 of 15)	21885-G
22154-G	G-CT (Cont'd.) (p. 11 of 15)	20904-G
22155-G	G-CT (Cont'd.) (p. 12 of 15)	20059-G
22156-G	G-CT (Cont'd.) (p. 13 of 15)	20060-G
22157-G	G-CT (Cont'd.) (p. 14 of 15)	21886-G
22158-G	G-CT (Cont'd.) (p. 15 of 15)	21887-G

¹ Sheet numbers shown in bold replace tariff sheets filed in Advice 2513-G.

Cal. P.U.C. Sheet No.	Title of Sheet	Canceling Cal P.U.C. Sheet No.
Rules		
22159-G	Rule 23—Core Aggregation Service for Core Transport Customers	18266-G
Forms		
22160-G	Form No 79-866—Gas Transmission Service Agreement	19885-G
Tables of Contents		
22161-G	Table of Contents – Sample Forms (Cont'd.)	22089-G
22162-G	Table of Contents – Rules	22090-G
22163-G	Table of Contents – Preliminary Statements	22091-G
22302-G²	Table of Contents – Nonresidential (Cont'd.)	22092-G
22303-G	Table of Contents	22093-G

² Sheet numbers shown in bold replace tariff sheets filed in Advice 2513-G.



SCHEDULE G-SFS—STANDARD FIRM STORAGE SERVICE

(N)

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 Procurement Groups (CPGs) on behalf of Core Customers for storage service in addition to that provided under Schedule G-CFS.

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

RATES: Rates under this schedule consist of Reservation Charges. The Reservation Charge is based upon the amount of inventory capacity held by the Customer (Contract Inventory). Contract Inventory is shown per Decatherm (Dth).

1. Reservation Charges:

The Reservation Charges shall be based on the quantities specified in Exhibit J of the Customer's Gas Transmission Service Agreement (GTSA) (Form No. 79-866). The Reservation Charge includes inventory, injection and withdrawal rights. The monthly charge is calculated by multiplying the applicable monthly rate shown below by the inventory specified in the GTSA (Contract Inventory).

Reservation Charge per Dth of Contract Inventory per month \$0.1184

2. 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.

(N)

* PG&E's gas tariffs are available on-line at www.pge.com

(N)

(Continued)



SCHEDULE G-SFS—STANDARD FIRM STORAGE SERVICE
(Continued)

(N)

CURTAILMENT
OF SERVICE:

Service under this schedule may be curtailed. See Rule 14 for details.

INVENTORY
TRANSFERS:

Customers may request a transfer of gas held in inventory to another Customer's storage account, by completing a Request for Gas Storage Inventory Transfer (Form No. 79-796). Inventory transfers are limited to the inventory quantity available for transfer and the available inventory capacity of the receiving Customer at the time the transfer is completed by PG&E. PG&E will notify both parties, in writing on their monthly invoice, of the volume transferred.

GAS IN
INVENTORY AT
TERMINATION:

If a Customer has not withdrawn all gas remaining in storage prior to the termination of the Customer's GTSA Storage Exhibit, and the Customer and PG&E have not executed a succeeding Storage Exhibit, PG&E may purchase any remaining Inventory from the Customer within sixty (60) days of the date of termination. PG&E will purchase the remaining inventory at the Lowest Monthly Citygate Index (LCI) at the time of purchase, unless otherwise agreed. The LCI is the lower of the lowest daily price during the month or the monthly PG&E Citygate Index Price, as published in *Gas Daily*, rounded down to the next whole dollar. If there is no price published on a given day, the previously published price will be applied. The amount paid to the Customer may be reduced by any outstanding amounts owed by the Customer for any services provided by PG&E.

(N)

(Continued)



SCHEDULE G-NFS—NEGOTIATED FIRM STORAGE SERVICE
(Continued)

		(D)
SHRINKAGE:	In-kind storage shrinkage is applicable to all injection quantities in accordance with gas Rule 21.	(N) (N)
CREDIT-WORTHINESS:	The Customer must meet the creditworthiness requirements as specified in Rule 25*.	
SERVICE AGREEMENT:	An executed <u>Gas Transmission Service Agreement</u> (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.	
INJECTION/WITHDRAWAL SCHEDULE:	The injection and withdrawal schedule shall be as agreed to by PG&E and the Customer and set forth in the Customer's storage exhibit. The Receipt and Delivery point(s) for gas to be injected and withdrawn also shall be set forth in the Customer's storage exhibit.	
CURTAILMENT OF SERVICE:	Service under this schedule may be curtailed. See Rule 14 for details.	
INVENTORY TRANSFERS:	Customers may request a transfer of gas held in inventory to another Customer's storage account by completing a <u>Request for Gas Storage Inventory Transfer</u> (Form No. 79-796). Inventory transfers are limited to the inventory quantity available for transfer and the inventory capacity of the receiving Customer at the time the transfer is completed by PG&E. PG&E will notify both parties in writing of the volume transferred. Customers choosing to transfer balances from one storage program year to the next storage program year will be charged an injection fee.	(T) (T) (T)
GAS IN INVENTORY AT TERMINATION:	If a Customer has not withdrawn all gas from storage prior to the termination of the Customer's Storage Exhibit of the GTSA, and the Customer and PG&E have not executed a succeeding Storage Exhibit, PG&E may purchase any remaining inventory from the Customer within sixty (60) days of the date of termination. PG&E will purchase the remaining inventory at the Lowest Citygate Index (LCI), unless otherwise agreed. The LCI is the lower of the lowest daily price during the month or the monthly PG&E Citygate Index Price, as published in <i>Gas Daily</i> , rounded down to the next whole dollar. If no price is published on a given day, the previously published price will be applied. The amount paid to the Customer may be reduced by any outstanding amounts owed by the Customer for any services provided by PG&E.	(T) (T)



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NONRESIDENTIAL (Cont'd.)

SCHEDULE	TITLE OF SHEET	CAL P.U.C. SHEET NO.	
G-FS			(D)
G-SFS	Standard Firm Storage Service.....	22299,22140,22141,22300-G	(N)
G-NFS	Negotiated Firm Storage Service.....	22143,22301-G	(T)
G-NAS	Negotiated As-Available Storage Service.....	22145-G	
G-CFS	Core Firm Storage.....	22146,22147,22148,22149-G	(T)
G-AFT	Annual Firm Transportation On-System.....	22052,22053,22054-G	
G-AFTOFF	Annual Firm Transportation Off-System.....	22055,22056,22057-G	
G-SFT	Seasonal Firm Transportation On-System Only.....	19289,22058,22059-G	
G-AA	As-Available Transportation On-System.....	19290,22060-G	
G-AAOFF	As-Available Transportation Off-System.....	22061,18150-G	
G-NFT	Negotiated Firm Transportation On-System.....	19292,22062,22063-G	
G-NFTOFF	Negotiated Firm Transportation Off-System.....	21605,19294,18155-G	
G-NAA	Negotiated As-Available Transportation On-System.....	19295,22064,18158-G	
G-NAAOFF	Negotiated As-Available Transportation Off-System.....	19296,19297,18160-G	
G-CARE	CARE Program Service for Qualified Nonprofit Group-Living and Qualified Agricultural Employee Housing Facilities.....	20595-G	
G-XF	Pipeline Expansion Firm Intrastate Transportation Service.....	22065,22066-G	
G-PARK	Market Center Parking Service.....	22150,18177-G	(T)
G-LEND	Market Center Lending Service.....	22151,18179-G	(T)
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G-CT	Core Gas Aggregation Service.....	22067, 20049 to 20052,22152,20054,20055,20903,22153,22154,22155,22156,22157,22158-G	(T)
G-CRED	Billing Credits for CTA-Consolidated Billing.....	20063-G	
G-SUR	Customer-Procured Gas Franchise Fee Surcharge.....	21793-G	
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G-NGV1	Experimental Natural Gas Service for Compression on Customer's Premises ..	22010,18625-G	
G-NGV2	Experimental Compressed Natural Gas Service.....	22011,18626-G	
G-NGV4	Experimental Gas Transportation Service to Noncore Natural Gas Vehicles	22068,22069,22070-G	(T)
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Rules	22162-G	(T)
Maps, Contracts and Deviations	20922-G	
Sample Forms	21643,22161,21538,22089,21292-G	(T)

RATE SCHEDULES

RESIDENTIAL

<u>SCHEDULE</u>	<u>TITLE OF SHEET</u>	<u>CAL P.U.C.</u> <u>SHEET NO.</u>
G-1	Residential Service	21998,18597-G
GM	Master-Metered Multifamily Service	21999,21028,18599-G
GS	Multifamily Service	22000,21030,18601-G
GT	Mobilehome Park Service	22001,21032-G
G-10	Service to Company Employees	11318-G
GL-1	Residential CARE Program Service	22002,18603-G
GML	Master-Metered Multifamily CARE Program Service	22003,21035,18605-G
GSL	Multifamily CARE Program Service	22004,21037,18607-G
GTL	Mobilehome Park CARE Program Service	22005,22006,18608-G
G-MHPS	Master-Metered Mobilehome Park Safety Surcharge	22034-G

NONRESIDENTIAL

G-NR1	Gas Service to Small Commercial Customers	22007,18980-G	
G-NR2	Gas Service to Large Commercial Customers	22008,18981-G	
G-CP	Gas Procurement Service to Core End-Use Customers	22009-G	
G-NT	Gas Transportation Service to Noncore End-Use Customers	22035,22036,22037,22038-G	
G-COG	Gas Transportation Service to Cogeneration Facilities	22039,20857,18114,18985-G	
G-EG	Gas Transportation Service to Electric Generation	22040,22041-G	
G-30	Public Outdoor Lighting Service	22042,17050-G	
G-WSL	Gas Transportation Service to Wholesale/Resale Customers	22134,22044,22045-G	(T)
G-BAL	Gas Balancing Service for Intrastate Transportation Customers	22046,21549,22135,22047,22048,22037,22136, 20039,22137,22138,20042,20043,20044,20051-G	(T)

**PGE Gas Advice Filing
List
General Order 96-A, Section III(G)**

ABAG Power Pool
Accent Energy
Aglet Consumer Alliance
Agnews Developmental Center
Ahmed, Ali
Alcantar & Elsesser
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.
City of Glendale
City of Palo Alto
City of Redding
CLECA Law Office
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

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House, Lon
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International Power Technology
Interstate Gas Services, Inc.
J. R. Wood, Inc
JTM, Inc
Kaiser Cement Corp
Korea Elec Power Corp
Luce, Forward, Hamilton & Scripps
Marcus, David
Masonite Corporation
Matthew V. Brady & Associates
Maynor, Donald H.
McKenzie & Assoc
McKenzie & Associates
Meek, Daniel W.
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
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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
Stanford University
Sutherland, Asbill & Brennan
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United Cogen Inc.
URM Groups
Utility Cost Management LLC
Utility Resource Network
Wellhead Electric Company
Western Hub Properties, LLC
White & Case
WMA