

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

Tel. No. (415) 703-1691



April 19, 2004

Advice Letter 2518-E

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

Subject: Corrections to Rule 14, Capacity Allocation and Constraint of Natural Gas

Dear Ms Smith:

Advice Letter 2518-E is effective March 16, 2004. Tariff sheets 22247-G and 22248-G are effective December 12, 2003. Sheets 22249-G, 22250-G and 22251-G are effective January 1, 2004. A copy of the advice letter is returned herewith for your records.

Sincerely,

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

Paul Clanon, Director
Energy Division



**Pacific Gas and
Electric Company**

February 5, 2004

Advice 2518-G
(Pacific Gas and Electric Company ID U39G)

Karen A. Tomcala
Vice President
Regulatory Relations

77 Beale Street, Room 1065
San Francisco, CA 94105

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

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**Subject: Corrections to Gas Rule 14—Capacity Allocation and Constraint
of Natural Gas Service**

Public Utilities Commission of the State of California

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

Purpose

The purpose of this filing is to correct two tariff sheets in gas Rule 14--*Capacity Allocation and Constraint of Natural Gas Service*, as follows:

Section D—Priority of Service – Reinsert Section 2, Transmission Delivery Points, which was inadvertently omitted from recent revisions to Rule 14. There are no changes to the previously approved text. (Revisions effective December 12, 2003, Advice 2408-G-C)

Section E—Operational Flow Orders (OFO). The Noncompliance Charge Per Decatherm for Stages 1 through 4 was inadvertently not updated for the recent conversion to decatherms (Revisions effective January 1, 2004, Advice 2508-G).

Protests

Anyone wishing to protest this filing may do so by sending a letter by **February 25, 2004**, 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, 4th Floor
San Francisco, California 94102

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



February 5, 2004

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

PG&E requests that the revised tariff sheets in this corrective advice filing be approved on regular notice, **March 16, 2004**, 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, and the parties on the service list for 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 A. 01-10-011

**ATTACHMENT I
ADVICE 2518-G**

<u>Cal. P.U.C. Sheet No.</u>	<u>Title of Sheet</u>	<u>Canceling Cal P.U.C. Sheet No.</u>
22247-G	Rule 14—Capacity Allocation and Constraint of Natural Gas	21970-G
22248-G	Rule 14 (Cont'd.)	21970, 18236-G
22249-G	Rule 14 (Cont'd.)	22072-G
22250-G	Table of Contents – Rules	22197-G
22251-G	Table of Contents	22246-G



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

D. PRIORITY OF SERVICE (Cont'd.)

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.

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(Continued)



RULE 14—CAPACITY ALLOCATION AND CONSTRAINT OF NATURAL GAS SERVICE

E. OPERATIONAL FLOW ORDERS (OFO)

In order to protect the integrity of its pipeline system, PG&E will issue and implement system-wide, local, or Customer-specific Operational Flow Orders (OFO). PG&E will issue an OFO for a Gas Day if, on the day prior to this Gas Day, PG&E's forecast of pipeline inventory for the Gas Day is either below the Lower Pipeline Inventory Limit or above the Upper Pipeline Inventory Limit. At such time as PG&E issues an OFO, Balancing Agents will be required to balance supply and demand on a daily basis within a specified tolerance band or be subject to charges for noncompliance. PG&E may elect not to issue an OFO for a Gas Day if the forecast of pipeline inventory for the day following that Gas Day indicates the pipeline inventory will return to within the Pipeline Inventory Limits without the assistance of an OFO.

The Lower and Upper Pipeline Inventory Limits may be revised as needed by PG&E to maintain the safety and reliability of the pipeline system. These changes, along with a supporting explanation, will be posted to the Pipe Ranger Web site.

The tolerance band will be a percentage of the usage, as defined below.

PG&E may implement multi-stage OFO provision charges, as follows:

	Tolerance Band	Noncompliance Charge Per Decatherm	
Stage 1:	up to +/-25%	\$0.25	(C)
Stage 2:	up to +/-20%	\$1.00	
Stage 3:	up to +/-15%	\$5.00	
Stage 4:	up to +/-5%	\$25.00	(C)
Stage 5:	up to +/-5%	\$25.00 plus DCI*	

* The DCI is the PG&E Daily Citygate Index Price as published in Gas Daily, rounded up to the next whole dollar. If the price is not published on a given day, the previous published price will apply.

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4	Contracts	17051-G
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GS	Multifamily Service	22231,21030,18601-G
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**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
Dynergy Inc.
Ellison Schneider
Energy Law Group LLP
Enron Energy Services

Exelon Energy Ohio, Inc
Exeter Associates
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Franciscan Mobilehome
Future Resources Associates, Inc
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Meek, Daniel W.
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Morrison & Foerster
Morse Richard Weisenmiller & Assoc.
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Northern California Power Agency
Office of Energy Assessments
Palo Alto Muni Utilities
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PITCO
Plurimi, Inc.
PPL EnergyPlus, LLC
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White & Case
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