

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

Tel. No. (415) 703-1691



April 15, 2004

Advice Letter 2525-G

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

Subject: Correction to Rates for Schedules G-EG and G-COG Effective March 1, 2004

Dear Ms Smith:

Advice Letter 2525-G is effective March 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**

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
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February 27, 2004

Advice 2525-G

(Pacific Gas and Electric Company ID U 39 G)

**Subject: Correction to Rates for Schedules G-EG and G-COG effective
March 1, 2004**

Public Utilities Commission of the State of California

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.

Purpose

The purpose of this filing is to revise rates for Schedules G-EG—*Gas Transportation Service to Electric Generation*, and Schedule G-COG—*Gas Transportation Service to Cogeneration Facilities*, as approved in Advice 2505-G-A, filed on January 13, 2004, and effective March 1, 2004. Advice 2505-G-A implemented a new crossover rate schedule applicable to noncore customers that migrate to core gas service. A separate filing, Advice 2515-G, was filed on January 26, 2004, to eliminate El Paso capacity charges effective February 1, 2004. Thus, the El Paso adjustment was not included in the March 1, 2004, G-EG and G-COG rates filed and approved in Advice 2505-G-A.

This filing corrects the rate of \$0.02644 per therm (effective January 1, 2004, as filed in Gas Accord II Advice 2508-G and included in Advice 2505-G-A) to **\$0.02029** per therm, as filed in Advice 2515-G, to incorporate the El Paso adjustment. Schedules G-EG and G-COG as filed in 2505-G-A are hereby cancelled and superseded.

Protests

Anyone wishing to protest this filing may do so by sending a letter by **March 18, 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

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 rate revisions authorized in Decision 04-01-047, for elimination of El Paso capacity charges, PG&E requests that this advice filing become effective **March 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. 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>

Karen A. Jomcala/ss

Vice President - Regulatory Relations

Attachments

**ATTACHMENT I
ADVICE 2525-G**

<u>Cal. P.U.C. Sheet No.</u>	<u>Title of Sheet</u>	<u>Canceling Cal P.U.C. Sheet No.</u>
22296-G	Schedule G-COG—Gas Transportation Service to Cogeneration Facilities	22120, 22039-G
22297-G	Schedule G-EG—Gas Transportation Service to Electric Generation	22121, 22040-G
22298-G	Table of Contents	22246-G



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.

Pursuant to CPUC Decision (D.) 03-12-008, all cogeneration customers with historical or potential annual use greater than 250,000 therms per year (as defined in Rule 12) under this schedule, or rated generation capacity of five hundred kilowatts (500 kW) or larger, must take this schedule in conjunction with a noncore transportation rate schedule, and are restricted from being reclassified to core service. Noncore End-Use customers must procure gas supply from a supplier other than PG&E.

(N)
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(N) (L)
(L)

Core End-Use Customers that use 250,000 therms or less per year under this schedule will pay the procurement charge under their otherwise-applicable rate schedule, unless they purchase gas from a third-party supplier. Customers served under a core rate schedule in conjunction with this schedule as of December 4, 2003, the effective date of D.03-12-008, will be allowed to continue procuring gas supply from PG&E.

(T) (L)
|
(N) (L)
|
(N)

TERRITORY: Schedule G-COG applies everywhere within PG&E's natural gas service territory.

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.

The Transportation Charge is: Per Therm
\$0.02029

or,

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

(L)
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(L)

* 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.

(Continued)



SCHEDULE G-EG—GAS TRANSPORTATION SERVICE TO ELECTRIC GENERATION

APPLICABILITY: This rate schedule* applies to the transportation of natural gas on PG&E's Local Transmission System. The following Customer loads will be served under Schedule G-EG: (a) PG&E-owned gas-fired electric generation plants, (b) gas-fired electric generation plants formerly owned by PG&E which have been divested pursuant to electric industry restructuring, (c) existing or new gas-fired electric generation facilities owned by municipalities, irrigation districts, joint power authorities or other state or local governmental entities that would otherwise qualify for Transmission rates under Schedule G-NT, and (d) merchant power plants and independent power production facilities that would otherwise qualify for Transmission rates under Schedule G-NT. This schedule does not apply to gas transported to non-electric generation loads, or to cogeneration loads.

Certain noncore customers served under this rate schedule may be restricted from converting to a core rate schedule. See Rule 12 for details on core and noncore reclassification.

(N)
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(N)

TERRITORY: Schedule G-EG applies everywhere within PG&E's natural gas Service Territory.

RATES: The following charges apply to this schedule. They do not include charges for service on PG&E's Backbone Transmission System:

Transportation Charge (per therm): \$0.02029

Customers may be required to pay a franchise fee surcharge for gas volumes transported by PG&E. (See Schedule G-SUR for details.)

In addition, the Customer will also be responsible for any applicable costs, taxes, and/or fees incurred by PG&E in taking delivery of gas supplied from a source other than PG&E from intra- or interstate sources.

See Preliminary Statement, Part B for Default Tariff Rate Components.

NEGOTIABLE RATES: Rates under this schedule may be negotiated.

- NEGOTIATED RATE GUIDELINES:**
1. Standard tariff rates and terms are available to all Customers.
 2. PG&E may distinguish between parties in offering negotiated rates by evaluating differences in circumstances and conditions, including, but not limited to, differences occurring upstream of, downstream of, or at, the Customer's location, and differences affecting either cost of service to the Customer or Customer's market alternatives. Negotiations with Customers under this rate schedule will be conducted without undue preference or undue discrimination to the Customer or to any third party. Negotiated rates for G-EG service shall not be less than PG&E's short-run marginal cost of providing the service.
 3. PG&E will issue monthly reports to the Commission listing all negotiated contracts, including those negotiated under G-EG. PG&E will make the report available to others upon request. Customer names, including PG&E's affiliates and other departments, will not be provided in the report. However, the report will indicate whether a particular transaction was with an affiliate. The report will show the negotiated rates and dates of service.

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

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RATE SCHEDULES

RESIDENTIAL

<u>SCHEDULE</u>	<u>TITLE OF SHEET</u>	<u>CAL P.U.C. SHEET NO.</u>
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GM	Master-Metered Multifamily Service	22230,21028,18599-G
GS	Multifamily Service	22231,21030,18601-G
GT	Mobilehome Park Service	22232,21032-G
G-10	Service to Company Employees	11318-G
GL-1	Residential CARE Program Service	22233,18603-G
GML	Master-Metered Multifamily CARE Program Service	22234,21035,18605-G
GSL	Multifamily CARE Program Service	22235,21037,18607-G
GTL	Mobilehome Park CARE Program Service	22236, 22237,18608-G
G-MHPS	Master-Metered Mobilehome Park Safety Surcharge	22034-G

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G-NR1	Gas Service to Small Commercial Customers	22238,18980-G	
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G-CP	Gas Procurement Service to Core End-Use Customers	22240-G	
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G-30	Public Outdoor Lighting Service	22241,17050-G	
G-WSL	Gas Transportation Service to Wholesale/Resale Customers	22043,22044,22045-G	
G-BAL	Gas Balancing Service for Intrastate Transportation Customers	22046, 21549,20034,22047,22048,20037,20038,20039,22049,22050,20042,20043,20044,22051-G	

**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
ECS Natural Gas Services
EMM Customer Services
Ewony, Brand, Seymour & Rohwer
Eureka Energy
Eureka Energy North America
Euncan, Virgil E.
Fletcher, John
Flyneg Inc.
Garrison 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
G. A. Krause & Assoc
GLJ Energy Publications
Goodin, MacBride, Squeri, Schlotz &
Gruneich Resource Advocates
Hanna & Morton
Heeg, Peggy A.
Hogan Manufacturing, Inc
House, Lon
Integrated Utility Consulting Group
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
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
Stanford University
Sutherland, Asbill & Brennan
Tabors Caramanis & Associates
Tansev and Associates
Tecogen, Inc
TFS Energy
TJ Cross Engineers
Transwestern Pipeline Co
U S Borax, Inc
United Cogen Inc.
URM Groups
Utility Cost Management LLC
Utility Resource Network
Wellhead Electric Company
Western Hub Properties, LLC
White & Case
WMA