

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

Tel. No. (415) 703-1691



April 28, 2004

Advice Letter 2530-G

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

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

Dear Ms Smith:

Advice Letter 2530-G is effective May 9, 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

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March 30, 2004

Advice 2530-G
(Pacific Gas and Electric Company ID U39G)

Subject: Revisions to Gas Rule 14—Transmission Receipt Points

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

PG&E is revising gas Rule 14—*Capacity Allocation and Constraint of Natural Gas*, to reinstate language that inadvertently was not included in Advice 2408-G-C (Revise Gas Rule 14 per Wild Goose Storage Expansion Decision 02-07-036) regarding priority of service for transmission receipt points when there is no constraint on the backbone paths.

This corrective filing reinstates the applicable language regarding transmission receipt points in Rule 14, Section D.1—Priority of Service, Transmission Receipt Points, as it appeared in Rule 14 prior to Advice 2408-G-C and retains the language authorized by the Commission in Advice 2408-G-C that specifically addresses as-available service on Lines 400 and 401 when constraints exist, in compliance with (R.) G-3353 dated July 10, 2003.

PG&E has changed “lowest price capacity” to “lowest contract price” in reference to the per unit Usage Charge that will be used to determine interruption priorities under Rule 14 Transmission Receipt Points. Footnotes are revised to refer to the applicable Gas Transmission Service Agreement exhibit for the equivalent of the contract price. The term withdrawal gas is added to Section D.1.3.a. for clarification.

Protests

Anyone wishing to protest this filing may do so by sending a letter by **April 19, 2004**, which is 20 days from the date of this filing. The protest must state the



March 30, 2004

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

PG&E requests that this advice filing become effective on regular notice, **May 9, 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.01-06-029. 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 – A. 01-06-029

**ATTACHMENT I
ADVICE 2530-G**

<u>Cal. P.U.C. Sheet No.</u>	<u>Title of Sheet</u>	<u>Canceling Cal P.U.C. Sheet No.</u>
22327-G	Rule 14—Capacity Allocation and Constraint of Natural Gas	21969-G
22328-G	Rule 14 (Cont'd.)	22247-G
22329-G	Rule 14 (Cont'd.)	22248-G
22330-G	Rule 14 (Cont'd.)	21971-G
22331-G	Table of Contents – Rules	22315-G
22332-G	Table of Contents	22316-G



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

D. PRIORITY OF SERVICE

1. TRANSMISSION RECEIPT POINTS

a. For Line 400/401, PG&E will allocate service on the Backbone Transmission paths, Redwood and Mission, in the following order:

- 1) All Firm service at all receipt points on a defined transmission path will be treated equally, with pro rata allocation of nominations, if necessary.
- 2) When no constraints exist for As-Available service, such service will be scheduled as follows:
 - a) Mission Path off-system As-Available service first according to contract price,* with the lowest contract price interrupted first. The Mission Path on-system As-Available service will then be scheduled with all nominations allocated on a pro rata basis. (T)
 - b) The Redwood Path As-Available service will be scheduled according to contract price,* with the lowest contract price interrupted first. (T)
- 3) When constraints exist for As-Available, such service will be scheduled as follows:
 - a) The initial allocation of Line 400/401 As-Available capacity will be prorated based on Net Withdrawal Nominations into Line 400/401 for each third-party storage provider and Redwood path As-Available nominations. Net Withdrawal Nominations into Line 400/401 are defined as: the total withdrawal nominations less any injection nominations and less PG&E's ability to place withdrawal gas directly into a local transmission system. (T)

* Contract price equals the per unit Usage Charge specified in the applicable exhibit of the Gas Transmission Service Agreement. (T)

(Continued)



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.

c) After the total capacity for each storage provider is determined, the withdrawal nominations from each storage provider will be scheduled as follows:

Mission Path off-system As-Available service first according to contract price,* with the lowest contract price interrupted first. The Mission Path on-system As-Available service will then be scheduled with all nominations allocated on a pro rata basis.

(T)
(L)

* Contract price equals the per unit Usage Charge specified in the applicable exhibit of the Gas Transmission Service Agreement.

(N)
(N)

(Continued)



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.)

d) The Redwood Path As-Available service will be scheduled according to contract price,* with the lowest contract price interrupted first. (T) (L)

b. For all other Backbone Transmission paths, PG&E will allocate service on the Backbone Transmission path in the following order: (N)

1) All Firm service at all receipt points on a defined transmission path will be treated equally, with pro rata allocation of nominations, if necessary. (L)

2) All other As-Available service will be scheduled according to contract price,* with the lowest contract price interrupted first. (N)

2. TRANSMISSION DELIVERY POINTS

PG&E will allocate service on the Backbone Transmission System in the following order:

a. All Firm service at a given delivery point will be treated equally, with pro rata allocation of nominations, if necessary;

b. As-Available service will be scheduled according to contract price,* with the lowest contract price interrupted first. (T) (T)

* Contract price equals the per unit Usage Charge specified in the applicable exhibit of the Gas Transmission Service Agreement. (T) (T)

(Continued)



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

D. PRIORITY OF SERVICE (Cont'd.)

3. PG&E STORAGE INJECTION AND TRANSPORTATION TO STORAGE

a. Transportation priority to PG&E storage will be determined by the Customer's Gas Transmission Service Agreement (Form 79-866) (GTSA) utilized to transport the gas to storage.

b. Injection priority at PG&E's storage facilities will be determined by the Storage Exhibit of the Customer's GTSA, as follows:

1) All PG&E Firm storage service (treated equally, with pro rata allocation of nominations, if necessary);

2) PG&E As-Available storage service (scheduled according to contract price,* with the lowest contract price for injection interrupted first).

(T)

4. PG&E STORAGE WITHDRAWAL AND TRANSPORTATION FROM STORAGE

a. Transportation priority from PG&E storage to the delivery point will be determined by the Customer's GTSA utilized to transport the gas from storage.

b. Withdrawal priority at PG&E's storage facilities will be determined by the Storage Exhibit of the Customer's GTSA, as follows:

1) All PG&E Firm storage service (treated equally, with pro rata allocation of nominations, if necessary);

2) PG&E As-Available storage service (scheduled according to contract price,* with the lowest contract price for withdrawal interrupted first).

(T)

* Contract price equals the per unit Usage Charge specified in the applicable exhibit of the Gas Transmission Service Agreement.

(T)
(T)

(Continued)



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(T)

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

ABAG Power Pool
Accent Energy
Agllet 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
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Korea Elec Power Corp
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Masonite Corporation
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Maynor, Donald H.
McKenzie & Assoc
McKenzie & Associates
Meek, Daniel W.
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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
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Pinnacle CNG Company
PITCO
Plurimi, Inc.
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Price, Roy
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Regional Cogeneration Service
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Seattle City Light
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