

**PUBLIC UTILITIES COMMISSION**

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298

Tel. No. (415) 703-1691



May 6, 2004

Advice Letter 2535-G

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

Subject: Schedule G-CPX crossover procurement price

Dear Ms Smith:

Advice Letter 2535-G is effective April 10, 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*

**Karen A. Tomcala**  
Vice President  
Regulatory Relations

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April 8, 2004

**Advice 2535-G**  
(Pacific Gas and Electric Company ID U39G)

**Subject: Schedule G-CPX -- Crossover Gas Procurement Service to Core  
End-Use Customers for Rates Effective April 10, 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 monthly crossover rates under Schedule G-CPX--*Crossover Gas Procurement Service to Core End-Use Customers*, effective **April 10, 2004**. Schedule G-CPX crossover rates change on a monthly basis on the tenth calendar day of each month.

**Background**

In accordance with Decision (D.) 03-12-008, Schedule G-CPX applies to gas customers that request to be reclassified from noncore to core status. Such customers will pay the applicable crossover procurement rate under Schedule G-CPX for any of the first twelve (12) regular monthly billing periods during which they take core gas procurement service from PG&E. Crossover customers will pay the customer charge and transportation charge as specified in their applicable core schedule. After the twelfth regular monthly billing period, Schedule G-CPX will no longer apply.

**Schedule G-CPX Rate**

As adopted in D. 03-12-008, the crossover rate is the higher of: 1) the posted monthly core procurement rate, including intrastate backbone transportation costs, as shown in Schedule G-CP--*Gas Procurement Service to Core End-Use Customers*; or 2) the higher of the AECO index (including variable transportation costs to Malin) or the Topock Index, as used in the computation of PG&E's Core Procurement Incentive Mechanism monthly benchmark for California border



purchases, plus the per unit cost of intrastate backbone costs included in the posted monthly procurement rates.

Schedule G-CPX rates include the core brokerage fee, an allowance for distribution and transmission in-kind shrinkage per gas Rule 21, pipeline capacity costs, storage costs, procurement balancing account balances, and an allowance for franchise fees and uncollectibles accounts expense. The crossover procurement rates reflect only the higher of the core weighted average cost of gas (WACOG) or the border index (both including the per unit cost of intrastate backbone transportation), with other procurement costs equivalent to those for otherwise-applicable core procurement rates.<sup>1</sup>

For the period from **April 10, 2004, through May 9, 2004**, the following Schedule G-CPX rates will be in effect.

<u>Schedule G-CPX Rates</u>	<u>Per Therm</u>
Small Commercial Customers (Schedule G-NR1)	\$0.43046
Large Commercial Customers (Schedule G-NR2)	\$0.40684
Natural Gas Vehicle Customers (Schedule G-NGV1)	\$0.42167

Workpapers showing the calculation of these rates are included in this filing as Attachment II.

### Protests

Anyone wishing to protest this filing may do so by sending a letter by **April 28, 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, 4<sup>th</sup> Floor  
San Francisco, California 94102

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

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<sup>1</sup> The shrinkage rate component included in the monthly Schedule G-CPX rates will be calculated based on the higher of the WACOG or the border index, using the same methodology used for calculating the shrinkage component in monthly core procurement rates.



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 D. 03-12-008, PG&E requests that this advice filing become effective on **April 10, 2004**. The rates in this advice filing shall remain in effect until the next such filing with the Commission, which will be made on **May 9, 2004**, for rates to be effective **May 10, 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>

Vice President - Regulatory Relations

Karen A. Tomcala / DP

Attachments

**ATTACHMENT I, Revised  
ADVICE 2535-G**

<u>Cal. P.U.C. Sheet No.</u>	<u>Title of Sheet</u>	<u>Canceling Cal P.U.C. Sheet No.</u>
22365-G	Schedule G-CPX—Crossover Gas Procurement Service to Core End-Use Customers	22306-G
22366-G	Table of Contents	22307-G



SCHEDULE G-CPX—CROSSOVER GAS PROCUREMENT SERVICE TO CORE END-USE CUSTOMERS

**APPLICABILITY:** This schedule is filed monthly. It is applicable in the first year for Customers that have executed a Request for Reclassification from Noncore Service to Core Service (Form 79-983) and that are taking procurement service from PG&E. After the first year, these customers will be served under their otherwise-applicable core gas rate schedule.

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

**RATES:** The following charges apply to natural gas service for applicable Core End-Use Customers. Customers will pay the Crossover Charge specified below for any of the first twelve (12) regular monthly billing periods that they are taking core procurement service from PG&E. After the twelfth regular monthly billing period, the Core End-Use Customer will pay the Procurement Charge specified in their otherwise-applicable rate schedule. Rates under this schedule will change on the 10<sup>th</sup> calendar day of the month.

<u>Procurement Charge:</u>	<u>Per Therm</u>
Small Commercial Crossover Charge: (G-NR1)	\$0.42176 (I)
Large Commercial Crossover Charge: (G-NR2)	\$0.39814 (I)
Natural Gas Vehicle Crossover Charge: (G-NGV1)	\$0.41297 (I)

The Crossover charge is the higher of: (a) the posted monthly core procurement rate, including intrastate backbone transportation costs, as shown in Schedule G-CP; or (b) the higher of the AECO index (including variable transportation costs to Malin) or the Topock index, as used in the computation of PG&E's Core Procurement Incentive Mechanism monthly benchmark for California border purchases, plus the per unit cost of intrastate backbone costs included in the posted monthly procurement rate, the Core Brokerage Fee, an allowance for core in-kind shrinkage per Rule 21, and all other procurement rate components included in the posted monthly core procurement rate.

The current applicable Procurement Charge for natural gas sales under Core End-User rate schedules may be obtained electronically on PG&E's internet site at <http://www.pge.com> or by calling PG&E at 1-800-743-5000.



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RATE SCHEDULES

RESIDENTIAL

<u>SCHEDULE</u>	<u>TITLE OF SHEET</u>	<u>CAL P.U.C. SHEET NO.</u>
G-1	Residential Service .....	22279,18597-G
GM	Master-Metered Multifamily Service .....	22280,21028,18599-G
GS	Multifamily Service .....	22281,21030,18601-G
GT	Mobilehome Park Service .....	22282,21032-G
G-10	Service to Company Employees .....	11318-G
GL-1	Residential CARE Program Service .....	22283,18603-G
GML	Master-Metered Multifamily CARE Program Service .....	22284,21035,18605-G
GSL	Multifamily CARE Program Service .....	22285,21037,18607-G
GTL	Mobilehome Park CARE Program Service .....	22286, 22287,18608-G
G-MHPS	Master-Metered Mobilehome Park Safety Surcharge .....	22034-G

NONRESIDENTIAL

G-NR1	Gas Service to Small Commercial Customers .....	22288,18980-G	
G-NR2	Gas Service to Large Commercial Customers .....	22289,18981-G	
G-CP	Gas Procurement Service to Core End-Use Customers .....	22290-G	
G-CPX	Crossover Gas Procurement Service to Core End-Use Customers .....	22365-G	(T)
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G-COG	Gas Transportation Service to Cogeneration Facilities .....	22039,20857,18114,18985-G	
G-EG	Gas Transportation Service to Electric Generation .....	22040,22041-G	
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## Crossover Rate Calculation

Apr-04

**AECO Net Forward Calculation  
(\$/Dth)**

Apr-04

Combined PGT/ANG fuel rate	0.973488
ANG Fuel	1.20%
PGT Fuel	1.47%
AECO Monthly Index (C\$/GJ, source CGPR)	5.9287
Exchange Rate (US\$/C\$)	0.763
AECO "C" monthly commodity index (US\$/Dth)	\$ 4.772
ANG + PGT combined in-kind fuel rate	2.65%
ANG+PGT in-kind fuel charge	0.130
ANG volumetric rate	0.0028
PGT volumetric rate	<u>0.0141</u>
<b>AECO "C" Net Forward Price (14+16+17+18)</b>	<b>\$4.9193</b>

<u>Gas Price Index</u>	<u>Price, CA Border</u>	<u>Intrastate Transport</u>	<u>Total</u>
AECO C (CGPR)	\$4.9193	\$0.0825	\$5.0018
Southern Border-PG&E (NGI)	\$4.8600	\$0.0825	\$4.9425
Core WACOG	\$4.8116	\$0.0825	\$4.8941
<b>Crossover Price at PG&amp;E Citygate (\$/Dth)</b>			<b>\$5.0018</b>

4/6/2004

## Calculation of the G-CPX Crossover Core Procurement Rate

Gas Prices	
	Border Price (\$/Dth)
AECO C	\$4.9193
PG&E Topock (Source NGI)	\$4.8600
Core WACOG	\$4.8116

	\$/Decatherm	\$/Therm	Components \$/Therm	Calculation
<b>G-CPX CROSSOVER CORE PROCUREMENT RATE</b>				
<b>CROSSOVER COMMODITY CHARGE</b> [AECO C]				
Weighted Average Cost of Gas (WACOG)				
WACOG at the Border	\$4.9193			(a)
Intrastate Backbone Volumetric Transport Charge	\$0.825			(b)
<b>Total WACOG</b>	<b>\$5.0018</b>	<b>\$5.0018</b>		<b>(c)=(a)+(b)</b>
Franchise Fee	0.014997	<i>Changes in GRC</i>		
Uncollectible Fee	0.002717	<i>Changes in GRC</i>		
Subt F & U	0.017714	<b>X WACOG at the Border</b>		
	<b>\$0.871</b>			<b>(d)=(a)*F&amp;U Factor</b>
WACOG with Franchise and Uncollectible	\$5.0889	<b>\$5.0889</b>		<b>(e)=(c)+(d)</b>
PGA Adjustment: Core Sales	(\$1.8153)	(\$1.8153)		(f)
Cycled Carrying Cost of Gas in Storage	\$0.0058	\$0.0058		(g)
ANG and NOVA Costs (Incl. F&U)				
Small Commercial	\$1320	\$0.1320		(h)
Large Commercial	\$0.879	\$0.00879		(i)
Natural Gas Vehicle	\$1.153	\$0.1153		(j)
<b>Total Core Commodity Charge</b>				
Small Commercial			\$0.34114	
Large Commercial			\$0.33673	
Natural Gas Vehicle			\$0.33947	
				<b>(k)=(e)+(f)+(g)+(h)</b>
				<b>(l)=(e)+(f)+(g)+(i)</b>
				<b>(m)=(e)+(f)+(g)+(j)</b>
<b>CORE FIRM STORAGE COSTS (Including F&amp;U)</b>				
CFSA Adjustment: Core Firm Storage Account	\$0.0000	\$0.0000		(n)
Small Commercial	\$1.283	\$0.1283	\$0.1283	(o)
Large Commercial	\$0.935	\$0.0935	\$0.0935	(p)
Natural Gas Vehicle	\$1.167	\$0.1167	\$0.1167	(q)
				<b>(r)=(n)+(o)</b>
				<b>(s)=(n)+(p)</b>
				<b>(t)=(n)+(q)</b>
<b>INTERSTATE &amp; INTRASTATE CAPACITY CHARGES (Incl. F&amp;U)</b>				
CPDCA Adjustment (Incl. F&U)	\$0.0000	\$0.0000		(u)
<b>Interstate Capacity Charges</b>				
Small Commercial	\$3357	\$0.3357		(v)
Large Commercial	\$2235	\$0.2235		(w)
Natural Gas Vehicle	\$2932	\$0.2932		(x)
<b>Intrastate Backbone Capacity Charges</b>				
Small Commercial	\$1349	\$0.1349	\$0.4706	(y)
Large Commercial	\$0.898	\$0.0898	\$0.3133	(z)
Natural Gas Vehicle	\$1.178	\$0.1178	\$0.4110	(aa)
				<b>(ab)=(u)+(v)+(y)</b>
				<b>(ac)=(u)+(w)+(z)</b>
				<b>(ad)=(u)+(x)+(aa)</b>
<b>CORE BROKERAGE FEE</b>	\$0.0240		\$0.0240	(ae)
<b>SHRINKAGE RATE</b>				
Shrinkage (Incl. F&U)	\$1.833	\$0.1833		(af)
Based on Core Shrinkage: 3.60%		<i>Changes in BCAP</i>		
PGA Adjustment: Core Shrinkage (Incl. F&U)	\$0.0000	\$0.0000		(ag)
Total Shrinkage Rate			\$0.1833	<b>(ah)=(af)+(ag)</b>
<b>TOTAL G-CPX CORE PROCUREMENT CHARGE</b>				
Small Commercial			\$0.42176	<b>(ai)=(k)+(r)+(ab)+(ae)+(ah)</b>
Large Commercial			\$0.39814	<b>(aj)=(l)+(s)+(ac)+(ae)+(ah)</b>
Natural Gas Vehicle			\$0.41297	<b>(ak)=(m)+(t)+(ad)+(ae)+(ah)</b>

**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  
Foster Farms  
Foster, Wheeler, Martinez  
Franciscan Mobilehome  
Future Resources Associates, Inc  
G. A. Krause & Assoc  
GLJ Energy Publications  
Goodin, MacBride, Squeri, Schlotz &  
Grueneich 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  
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