

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3288

Tel. No. (415) 703-1691



February 23, 2005

Advice Letter 2585-G, 2585-G-A

Rose de la Torre  
Pacific Gas & Electric  
77 Beale Street, Room 1088  
Mail Code B10C  
San Francisco, CA 94105

Subject: Update to natural gas public purpose program surcharges

Dear Ms de la Torre:

Advice Letter 2585-G, 2585-G-A is effective January 1, 2005. A copy of the advice letter is returned herewith for your records.

Sincerely,

A handwritten signature in black ink, appearing to read "S H Gallagher".

Sean H. Gallagher, Director  
Energy Division



December 23, 2004

**Advice 2585-G-A**  
(Pacific Gas and Electric Company ID U39G)

**Subject: Update to Public Purpose Program Gas Surcharges for 2005**

Public Utilities Commission of the State of California

Pacific Gas and Electric Company (PG&E) hereby submits revised public purpose program (PPP) gas surcharge rates to be effective January 1, 2005. The updated rates are shown on Attachment I to this filing.

**Purpose**

This supplemental filing updates the gas surcharge rates previously filed on October 29, 2004, in Advice 2585-G to incorporate subsequent changes authorized by the California Public Utilities Commission (CPUC or Commission) impacting PG&E's gas surcharge rates. In Advice 2585-G, PG&E stated it would supplement its filing for any Commission decisions issued before the end of 2004 to incorporate changes authorized by the CPUC.

**Increase in Authorized Energy Efficiency Funding**

On September 23, 2004, Decision (D.) 04-09-060 mandated an increase to the annual natural gas savings target initially determined in D. 03-12-060 and D. 04-02-059, which authorized funding PG&E's 2004 and 2005 Energy Efficiency programs respectively. In order to comply with D. 04-09-060, on October 7, 2004, PG&E, Southern California Gas Company and San Diego Gas & Electric Company filed a Joint Petition to Modify D. 03-12-060, proposing to increase funding levels for natural gas energy efficiency efforts. PG&E proposed that the incremental funding of \$7,960,700 be recovered through the gas PPP surcharge. PG&E included the rate impacts from the increased funding in Attachment II of gas PPP surcharge Advice 2585-G.

On December 2, 2004, the Commission issued D. 04-12-019 granting the Petition to Modify D.03-12-060 and authorized PG&E to revise its gas PPP surcharge for 2005 to recover the increased funding level for energy efficiency programs, as it had filed in Advice 2585-G.<sup>1</sup>

<sup>1</sup> D. 04-12-019, Ordering Paragraph 2.

In accordance with Ordering Paragraph 2 of D.04-12-019, the energy efficiency program amounts to be recovered in the gas PPP surcharge has been revised from \$12,888,000 to \$20,848,700.

### Revision to CARE Discount

Advice 2585-G included a calculation of the CARE discount based on core rates filed in the Annual True-Up Advice 2589-G. The CARE discount is being updated to reflect the revisions to core procurement and transportation rates as a result of the Gas Accord III Settlement Agreement D. 04-12-050, PG&E's 2004 and 2005 Cost of Capital D. 04-12-047, CPUC Fee Resolution M-4813 and Shrinkage Advice 2591-G.<sup>2</sup> These changes result in a minor change in the CARE discount from \$80.1 million filed in Advice 2585-G to \$80.0 million filed herein. The CARE discount is a reduction to the proposed transportation revenue requirement that is recovered from non-CARE customers in the gas PPP surcharge.

### Tariff Revisions

The revised PPP surcharge rates shown in Attachment I are being incorporated into core rates in Advice 2600-G, and in certain noncore rates in Advice 2601-G both of which are being filed concurrently this date and are effective January 1, 2005.

### Effective Date

Pursuant to D.04-08-010, PG&E requests that this advice filing become effective on **January 1, 2005**.

### Protests

Anyone wishing to protest this filing may do so by sending a letter by **January 12, 2005**, 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)

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<sup>2</sup> These decisions were approved by the CPUC on December 16, 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

### Notice

In accordance with General Order 96-A, Section III, Paragraph G, a copy of this advice letter is being sent electronically and sent via U.S. mail to parties shown on the attached list and the service lists shown below. Address change requests should also be directed to Rose De La Torre at (415) 973-4716. Advice letter filings can also be accessed electronically at:

<http://www.pge.com/tariffs/>

*Brian K. Cherry/sr*

Director, Regulatory Relations

### Attachments

cc: Service List – Gas Accord III Settlement A. 04-03-021  
BCAP A. 04-07-044  
Cost of Capital A. 04-05-023

Attachment I

2005 Natural Gas Public Purpose Program Surcharge Rates

PG&E

Revised December 23, 2004

Customer Class		¢/therm	¢/therm
		CARE	Non-CARE
Core	Residential	1.768	4.124
	Small Commercial	1.259	3.615
	Large Commercial	1.889	4.245
Noncore	Industrial Distribution	N/A	2.876
	Industrial Transmission	N/A	2.648

**PG&E Gas and Electric 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  
Anderson Donovan & Poole P.C.  
Applied Power Technologies  
APS Energy Services Co Inc  
Arter & Hadden LLP  
Avista Corp  
Barkovich & Yap, Inc.  
BART  
Bartle Wells Associates  
Blue Ridge Gas  
Bohannon Development Co  
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  
Cellnet Data Systems  
Chevron Texaco  
Chevron USA Production Co.  
Childress, David A.  
City of Glendale  
City of Healdsburg  
City of Palo Alto  
City of Redding  
CLECA Law Office  
Constellation New Energy  
Cooperative Community 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  
Dept of the Air Force  
DGS Natural Gas Services  
DMM Customer Services  
Douglass & Liddell  
Downey, Brand, Seymour & Rohwer  
Duke Energy  
Duke Energy North America  
Duncan, Virgil E.  
Dutcher, John  
Dynegy Inc.  
Ellison Schneider  
Energy Law Group LLP  
Energy Management Services, LLC  
Enron Energy Services  
Exelon Energy Ohio, Inc  
Exeter Associates  
Foster Farms  
Foster, Wheeler, Martinez  
Franciscan Mobilehome  
Future Resources Associates, Inc  
G. A. Krause & Assoc  
Gas Transmission Northwest Corporation  
GLJ Energy Publications  
Goodin, MacBride, Squeri, Schlotz &  
Hanna & Morton  
Heeg, Peggy A.  
Hogan Manufacturing, Inc  
House, Lon  
Imperial Irrigation District  
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  
North Coast Solar Resources  
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  
Praxair, Inc.  
Price, Roy  
Product Development Dept  
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  
Turlock Irrigation District  
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