

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298

Tel. No. (415) 703-1691



January 3, 2005

Advice Letter 2596-G

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

Subject: December 10, 2004 Schedule G-CPX crossover procurement price

Dear Ms de la Torre:

Advice Letter 2596-G is effective December 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**

**Brian K. Cherry**  
Director  
Regulatory Relations

77 Beale Street, Room 1087  
San Francisco, CA 94105

*Mailing Address*  
Mail Code B10C  
P.O. Box 770000  
San Francisco, CA 94177

415.973.4977  
Internal: 223.4977  
Fax: 415.973.7226  
Cellular: 415.517.5067  
Internet: BKC7@pge.com

December 9, 2004

**Advice 2596-G**  
(Pacific Gas and Electric Company ID U39G)

**Subject: Schedule G-CPX -- Crossover Gas Procurement Service to Core  
End-Use Customers for Rates Effective December 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 **December 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 **December 10, 2004, through January 9, 2005**, 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)	\$0.80926
Large Commercial Customers (Schedule G-NR2)	\$0.78540
Natural Gas Vehicle Customers (Schedule G-NGV1)	\$0.80039

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 **December 29, 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.

<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.

December 9, 2004

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 **December 10, 2004**. The rates in this advice filing shall remain in effect until the next such filing with the Commission.

**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 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*  
Director, Regulatory Relations

Attachments

**ATTACHMENT I  
ADVICE 2596-G**

<u>Cal. P.U.C. Sheet No.</u>	<u>Title of Sheet</u>	<u>Canceling Cal P.U.C. Sheet No.</u>
22830-G	Schedule G-CPX—Crossover Gas Procurement Service to Core End-Use Customers	22793-G
22831-G	Table of Contents	22794-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 10th calendar day of the month.

<u>Procurement Charge:</u>	<u>Per Therm</u>
Small Commercial Crossover Charge: (G-NR1)	\$0.80926 (R)
Large Commercial Crossover Charge: (G-NR2)	\$0.78540 (R)
Natural Gas Vehicle Crossover Charge: (G-NGV1)	\$0.80039 (R)

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>
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GM	Master-Metered Multifamily Service .....	22664,18599-G
GS	Multifamily Service .....	22665,21030,18601-G
GT	Mobilehome Park Service .....	22666,21032-G
G-10	Service to Company Employees .....	11318-G
GL-1	Residential CARE Program Service .....	22667,18603-G
GML	Master-Metered Multifamily CARE Program Service .....	22668,22564,22565-G
GSL	Multifamily CARE Program Service .....	22669,21037,18607-G
GTL	Mobilehome Park CARE Program Service .....	22670,22671,18608-G
G-MHPS	Master-Metered Mobilehome Park Safety Surcharge .....	22034-G

NONRESIDENTIAL

G-NR1	Gas Service to Small Commercial Customers .....	22672,22570,18980-G	
G-NR2	Gas Service to Large Commercial Customers .....	22673,22572,18981-G	
G-CP	Gas Procurement Service to Core End-Use Customers .....	22674-G	
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G-WSL	Gas Transportation Service to Wholesale/Resale Customers .....	22322,22044,22045-G	
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## Calculation of the G-CPX Crossover Core Procurement Rate

Gas Prices	
	Border Price (\$/Dth)
AECO C	\$6.4481
PG&E Topock (Source NGI)	\$6.3300
Core WACOG	\$6.1409

G-CPX CROSSOVER CORE PROCUREMENT RATE	<u>\$/Decatherm</u>	<u>\$/Therm</u>	<u>Components</u> <u>\$/Therm</u>	<u>Calculation</u>
<b>CROSSOVER COMMODITY CHARGE</b>				
Weighted Average Cost of Gas (WACOG)				
WACOG at the Border	\$6.4481			(a)
Intrastate Backbone Volumetric Transport Charge	\$0.305			(b)
Total WACOG	6.4786	\$6.4786		(c)=(a)+(b)
Franchise Fee	0.009765	<i>Changes in GRC</i>		
Uncollectible Fee	0.002024	<i>Changes in GRC</i>		
Subt F & U	0.011789	X WACOG at the Border		
WACOG with Franchise and Uncollectible	\$8.5548	\$8.5548		(d)=(a)*F&U Factor
PGA Adjustment: Core Sales	\$0.5347	\$0.5347		(e)=(c)+(d)
Cycled Carrying Cost of Gas In Storage	\$0.0058	\$0.0058		(f)
ANG and NOVA Costs (Incl. F&U)				(g)
Small Commercial	\$1.468	\$0.1468		(h)
Large Commercial	\$0.977	\$0.0977		(i)
Natural Gas Vehicle	\$1.282	\$0.1282		(j)
Total Core Commodity Charge				
Small Commercial			\$7.2419	(k)=(e)+(f)+(g)+(h)
Large Commercial			\$7.1928	(l)=(e)+(f)+(g)+(i)
Natural Gas Vehicle			\$7.2233	(m)=(e)+(f)+(g)+(j)
<b>CORE FIRM STORAGE COSTS (Including F&amp;U)</b>				
CFSA Adjustment: Core Firm Storage Account	\$0.000	\$0.0000		(n)
Small Commercial	\$1.268	\$0.1268	\$0.1268	(o) (r)=(n)+(o)
Large Commercial	\$0.924	\$0.0924	\$0.0924	(p) (s)=(n)+(p)
Natural Gas Vehicle	\$1.154	\$0.1154	\$0.1154	(q) (t)=(n)+(q)
<b>INTERSTATE &amp; INTRASTATE CAPACITY CHARGES (Incl. F&amp;U)</b>				
CPDCA Adjustment (Incl. F&U)	\$0.000	\$0.0000		(u)
Interstate Capacity Charges				
Small Commercial	\$3.339	\$0.3339		(v)
Large Commercial	\$2.223	\$0.2223		(w)
Natural Gas Vehicle	\$2.917	\$0.2917		(x)
Intrastate Backbone Capacity Charges				
Small Commercial	\$1.300	\$0.1300	\$0.4839	(y) (ab)=(u)+(v)+(y)
Large Commercial	\$0.865	\$0.0865	\$0.3088	(z) (ac)=(u)+(w)+(z)
Natural Gas Vehicle	\$1.135	\$0.1135	\$0.4052	(aa) (ad)=(u)+(x)+(aa)
CORE BROKERAGE FEE	\$0.0240		\$0.0240	(ae)
<b>SHRINKAGE RATE</b>				
Shrinkage (Incl. F&U)	\$2.380	\$0.2380		(af)
Based on Core Shrinkage: 3.80% <i>Changes in SCAP</i>				
PGA Adjustment: Core Shrinkage (Incl. F&U)	\$0.000	\$0.0000		(ag)
Total Shrinkage Rate			\$0.2380	(ah)=(af)+(ag)
<b>TOTAL G-CPX CORE PROCUREMENT CHARGE</b>				
Small Commercial			\$8.0926	(ai)=(k)+(r)+(ab)+(ae)+(ah)
Large Commercial			\$7.8540	(aj)=(l)+(s)+(ac)+(ae)+(ah)
Natural Gas Vehicle			\$8.0039	(ak)=(m)+(t)+(ad)+(ae)+(ah)

## Crossover Rate Calculation

Dec-04

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

	<u>Dec-04</u>
Combined PGT/ANG fuel rate	0.974699369
ANG Fuel	0.89%
PGT Fuel	1.65%
AECO Monthly Index (C\$/GJ, source CGPR)	7.1717
Exchange Rate (US\$/C\$)	0.829
AECO "C" monthly commodity index (US\$/Dth)	\$ 6.2723
ANG + PGT combined in-kind fuel rate	\$ 0.0253
ANG+PGT in-kind fuel charge	\$ 0.1628
ANG volumetric rate	\$ 0.0031
PGT volumetric rate	\$ 0.0099
<b>AECO "C" Net Forward Price (14+16+17+18)</b>	<b>\$ 6.4481</b>

<u>Gas Price Index</u>	<u>Price, CA Border</u>	<u>Intrastate Transport</u>	<u>Total</u>
AECO C (CGPR)	\$6.4481	\$0.0305	\$6.4786
Southern Border-PG&E (NGI)	\$6.3300	\$0.0305	\$6.3605
Core WACOG	\$6.1409	\$0.0305	\$6.1714
<b>Crossover Price at PG&amp;E Citygate (\$/Dth)</b>			<b>\$6.4786</b>

12/7/2004

**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 Texaco  
Chevron USA Production Co.  
Childress, David A.  
City of Glendale  
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  
Dynergy 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  
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  
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