



**Pacific Gas and
Electric Company**

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Advice 2618-G
(Pacific Gas and Electric Company ID U39G)

Subject: Revisions to Gas Rule 2—Description of Service

Public Utilities Commission of the State of California

Pacific Gas and Electric Company (PG&E) hereby submits for filing revisions to gas Rule 2--*Description of Service*. The affected tariff sheets are listed on the enclosed Attachment I.

Purpose

PG&E hereby proposes to modify the way in which gas measurement data is used to compute customers' natural gas bills. PG&E's existing gas Rule 2 measurement data was developed over 50 years ago, using then available technology for measurement. PG&E proposes to modify Sections A and B of Rule 2 to provide for the use of new gas measurement technology to determine terms to be billed, as described in more detail below.

Natural gas service will continue to be provided to all customers in conformance with the requirements of General Order 58-A. Customers' bills will be calculated using more accurate, customer-specific information.

Revisions to Gas Rule 2

Language in Rule 2, Sections A.1, A.2, A.3, A.4 and A.5 is clarified regarding Gas Source (impurities and warranties), Billing Volume, Heating Value, Gas Deliveries and Appliance Inspection.

Rule 2, Section B (Paragraphs 1 and 2) is revised to allow PG&E to bill customers served by systems having gas measurement equipment in place that records continuous, hourly, weekly, or monthly heating values, rather than continuing to base the billing factor upon a monthly average heating value. This will better align the customer's billings to the customer's actual thermal consumption.

Rule 2, Sections B.1 and B.2 are revised to allow for the use of more specific elevation data in the billing system as it becomes available. This will improve billing accuracy by using better, more accurate, customer-specific information.

Rule 2, Section B.3 is revised to allow for the use of more customer-specific natural gas temperature in the billing system as it becomes available. This change will improve billing accuracy.

Rule 2, Section C--the word "Continued" is deleted from the right lower corner of the last page of the rule.

This filing will not increase any rate, conflict with other schedules or rules, nor cause the withdrawal of service.

Protests

Anyone wishing to protest this filing may do so by sending a letter by **April 11, 2005**, which is 21 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

Effective Date

PG&E requests that this advice filing become effective on regular notice, **April 30, 2005**, 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. 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/ss

Director, Regulatory Relations

Attachments

**ATTACHMENT I
ADVICE 2618-G**

<u>Cal. P.U.C. Sheet No.</u>	<u>Title of Sheet</u>	<u>Canceling Cal P.U.C. Sheet No.</u>
23062-G	Rule 2—Description of Service	13299-G
23063-G	Rule 2 (Cont'd.)	13300-G
23064-G	Rule 2 (Cont'd.)	13301-G
23065-G	Rule 2 (Cont'd.)	13302-G
23066-G	Rule 2 (Cont'd.)	14903-G
23067-G	Rule 2 (Cont'd.)	17521-G
23068-G	Table of Contents – Rules	23004-G
23069-G	Table of Contents	23056-G



RULE 2—DESCRIPTION OF SERVICE

A. GENERAL

1. GAS SOURCE

The natural gas supplied by PG&E is obtained from various oil and gas fields in California and from outside of the state of California. This natural gas may consist of any combustible gas or gases so produced, altered only by removal of any condensible constituents or of injurious impurities and by the addition of a warning odorant. Customers using gas supplied by PG&E for processes that are affected by impurities in excess of specified minimum levels are responsible for testing gas supplied and for rendering the gas suitable for their intended uses.

(T)

(N)

Except as provided in this Rule, the utility makes no warranties as to the nature, composition, or properties of the natural gas supplied, and the obligations set forth in this Rule are exclusive and in lieu of all other warranties, guaranties, or liabilities, express or implied, arising by law or otherwise (including without limitation any obligations of the utility with respect to fitness, merchantability, and consequential damages).

(N)

2. BILLING VOLUME

Natural gas volumes for billing purposes shall be determined by applying the monthly metered volume to any applicable conversion adjustment factors in accordance with this Rule.

(T)

(T)

3. HEATING VALUE

The heating value of natural gas as supplied by PG&E will vary from time to time and from place to place depending upon the sources being drawn upon. The normal range of heating value is from 750 to 1150 BTU per standard cubic foot of gas at 14.73 psia and 60 degrees Fahrenheit (dry basis).

(D)

(T)

4. GAS DELIVERIES

a. GAS SERVICE STANDARDS

Gas deliveries shall be in conformance with the standards specified in the California Public Utilities Commission, General Order No. 58-A.

(T)

(T)

(Continued)



RULE 2—DESCRIPTION OF SERVICE
(Continued)

A. GENERAL (Cont'd.)

4. GAS DELIVERIES (Cont'd.)

b. STANDARD DELIVERY PRESSURE

Gas will normally be delivered at PG&E's standard delivery pressure of seven inches of water column. This pressure supplied to domestic and commercial customers shall not vary more than fifty percent above or below the standard delivery pressure. No variation in pressure from the standard pressure of two inches or more of water column shall occur in a time less than fifteen minutes, excepting momentary fluctuations on individual services caused by the operations of customer's appliances or fluctuations caused by reasonable natural gas regulator buildups. (T)
(T)
(T)
(T)

c. HIGHER-THAN-STANDARD DELIVERY PRESSURE

Upon request of the customer and at the option of PG&E, gas will be delivered at a pressure higher than standard delivery pressure where such higher pressure is available from existing facilities. PG&E, however, retains the right to decrease at any time the higher delivery pressure to a delivery pressure not less than the standard delivery pressure.

5. APPLIANCE INSPECTION

PG&E will inspect and adjust as necessary its customers' gas appliances in order to assure satisfactory pilot and/or burner flame characteristics for safe and proper operation whenever a changed gas supply is determined by PG&E to not be interchangeable with the previous gas supply. (T)
(T)

(Continued)



RULE 2—DESCRIPTION OF SERVICE
(Continued)

B. DETERMINATION OF THERMS TO BE BILLED

The BTU factor applied to the metered volume will be determined from the average heating value of gas deliveries to that BTU area divided by 1,000. The average heating value in the BTU area is based on the average of the BTU values associated with the billing usage period. For example, if the billing usage period is four (4) weeks, the average BTU value will be calculated by averaging the BTU value of the four (4) weeks ending on the Monday (or on Tuesday if Monday is a holiday) approximately one week prior to the week that bills are processed.

(D)
(N)
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(N)

However, if measurement systems exist that are capable of determining more frequent actual average heating values, then the actual average heating value may be applied to the measurement cycle (e.g., continuously, hourly, weekly, or monthly) that is used to determine billing for a specific account. The average heating value is converted to a therm multiplier for use in determining a billing factor.

(N)
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(N)

For natural gas collection areas, the reported heating value for each area shall be used.

(N)
(N)

1. CUSTOMERS SUPPLIED AT STANDARD DELIVERY PRESSURE

Where gas is metered at the standard delivery pressure, a billing factor will be used. This billing factor will be the product of the appropriate value from the following table, and the applicable conversion adjustment factor.

(T)
|
(T)

<u>Group</u>	<u>Elevation Above Mean Sea Level</u>	<u>Value</u>
A	0 – 999 Feet	1.000
B	1,000 – 1,999 Feet	0.965
C	2,000 – 2,999 Feet	0.932
D	3,000 – 3,999 Feet	0.900
E	4,000 – 4,999 Feet	0.868
F	5,000 – 5,999 Feet	0.838

At PG&E's option, where the utility has access to and the capability to use more specific elevation data, this elevation data may be substituted when determining the value listed above for computing customer billing factors.

(N)
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(N)

The number of therms to be billed will be determined by multiplying the difference in metered volumes by the billing factor.

(T)

(Continued)



RULE 2—DESCRIPTION OF SERVICE

(Continued)

B. DETERMINATION OF THERMS TO BE BILLED (Cont'd.)

2. ALL OTHER ACCOUNTS

When gas is metered at a pressure higher than the standard delivery pressure, the volume as measured will be adjusted to the standard pressure base of 14.73 psia.

(T)
(T)

In adjusting the metered gas volume to the standard pressure base of 14.73 psia, the standard barometric pressure assumed to exist at the meter for various altitudes shall be taken from the following table:

STANDARD BAROMETRIC PRESSURES OF VARIOUS ALTITUDE ZONES		
Altitude Zone Number	Elevation Limits Between Which Standard Barometric Pressure Is To Be Used (Feet)	Standard Barometric Pressure (psia)
1	-200 : 199	14.73
2	200 : 599	14.53
3	600 : 999	14.32
4	1,000 : 1,399	14.12
5	1,400 : 1,799	13.92
6	1,800 : 2,199	13.72
7	2,200 : 2,599	13.53
8	2,600 : 2,999	13.33
9	3,000 : 3,399	13.14
10	3,400 : 3,799	12.96
11	3,800 : 4,199	12.77
12	4,200 : 4,599	12.59
13	4,600 : 4,999	12.41
14	5,000 : 5,399	12.23
15	5,400 : 5,799	12.06
16	5,800 : 6,199	11.89

At PG&E's option, where the utility has access to and the capability to use more specific elevation data, this elevation data and the related barometric pressure value may be substituted for the barometric pressure values listed above.

(N)
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(N)

(Continued)



RULE 2—DESCRIPTION OF SERVICE
(Continued)

B. DETERMINATION OF THERMS TO BE BILLED (Cont'd.)

2. ALL OTHER ACCOUNTS (Cont'd.)

The number of therms delivered to a customer in each billing period will normally be determined by multiplying the metered volume of gas by the product of all the appropriate conversion adjustment factors.

(T)
(D)

3. VOLUME CORRECTION FOR GAS TEMPERATURE

Correction for gas temperature will be made when average usage exceeds 1,000,000 cubic feet per month. If average usage is 1,000,000 cubic feet per month or less, temperature correction may be made at PG&E's option. When correction for temperature is made, it will be made to a base temperature of 60 degrees F.

(N)
(T)
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(T)

C. SPECIAL FACILITIES

1. PG&E normally installs only those standard facilities which it deems necessary to provide regular service at standard delivery pressure in accordance with the tariff schedules. Where the applicant requests PG&E to install special facilities and PG&E agrees to make such an installation, the additional costs thereof shall be borne by the applicant, including such ownership costs as may be applicable.
2. Special facilities are (a) facilities requested by an applicant, which are in addition to or in substitution for standard facilities which PG&E would normally provide for delivery of service at one point, through one meter, under its tariff schedules or (b) a pro rata portion of the facilities requested by an applicant, allocated for the sole use of such applicant, which would not normally be allocated for such sole use. Unless otherwise provided by PG&E's filed tariff schedules, special facilities will be installed, owned and maintained or allocated by PG&E as an accommodation to the applicant only if acceptable for operation by PG&E and the reliability of service to PG&E's other customers is not impaired.

(Continued)



RULE 2—DESCRIPTION OF SERVICE
(Continued)

C. SPECIAL FACILITIES (Cont'd.)

3. Special facilities will be installed under the terms and conditions of a contract in the form on file with the California Public Utilities Commission. Such contract will include, but is not limited to, the following general terms and conditions.

- a. Where new facilities are to be installed for applicant's use as special facilities, the applicant shall advance to PG&E the estimated additional installed cost of the special facilities over the estimated cost of standard facilities. PG&E, at its option, may finance the new facilities.
- b. A monthly cost-of-ownership charge shall be paid by applicant for its special facilities.

Type of Facility	Financing	Monthly Charge	
Transmission	Customer	0.50% of the amount advanced	(R)
	PG&E	1.17% of the additional cost	(R)
Distribution	Customer	0.67% of the amount advanced	(R)
	PG&E	1.51% of the additional cost	(R)

- c. Where existing facilities are allocated for applicant's use as special facilities, the applicant shall pay the applicable monthly charge for the special facilities based on a percentage specified in 3.b. above of the estimated installed cost of that portion of the existing facilities which is allocated to the applicant.
- d. Where PG&E determines the collection of continuing monthly ownership charges is not practicable, the applicant will be required to make an equivalent one-time payment in lieu of the monthly ownership charges.
- e. All monthly ownership charges shall be reviewed and refiled with the California Public Utilities Commission when changes occur in PG&E's costs of providing such services.

(D)



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**PG&E Gas and Electric Advice
Filing List
General Order 96-A, Section III(G)**

ABAG Power Pool	DGS Natural Gas Services	Office of Energy Assessments
Accent Energy	DMM Customer Services	Palo Alto Muni Utilities
Aglet Consumer Alliance	Douglass & Liddell	PG&E National Energy Group
Agnews Developmental Center	Downey, Brand, Seymour & Rohwer	Pinnacle CNG Company
Ahmed, Ali	Duke Energy	PITCO
Alcantar & Elsesser	Duke Energy North America	Plurimi, Inc.
Anderson Donovan & Poole P.C.	Duncan, Virgil E.	PPL EnergyPlus, LLC
Applied Power Technologies	Dutcher, John	Praxair, Inc.
APS Energy Services Co Inc	Dynegy Inc.	Price, Roy
Arter & Hadden LLP	Ellison Schneider	Product Development Dept
Avista Corp	Energy Law Group LLP	R. M. Hairston & Company
Barkovich & Yap, Inc.	Energy Management Services, LLC	R. W. Beck & Associates
BART	Enron Energy Services	Recon Research
Bartle Wells Associates	Exelon Energy Ohio, Inc	Regional Cogeneration Service
Blue Ridge Gas	Exeter Associates	RMC Lonestar
Bohannon Development Co	Foster Farms	Sacramento Municipal Utility District
BP Energy Company	Foster, Wheeler, Martinez	SCD Energy Solutions
Braun & Associates	Franciscan Mobilehome	Seattle City Light
C & H Sugar Co.	Future Resources Associates, Inc	Sempra
CA Bldg Industry Association	G. A. Krause & Assoc	Sempra Energy
CA Cotton Ginners & Growers Assoc.	Gas Transmission Northwest Corporation	Sequoia Union HS Dist
CA League of Food Processors	GLJ Energy Publications	SESCO
CA Water Service Group	Goodin, MacBride, Squeri, Schlotz &	Sierra Pacific Power Company
California Energy Commission	Hanna & Morton	Silicon Valley Power
California Farm Bureau Federation	Heeg, Peggy A.	Simpson Paper Company
California Gas Acquisition Svcs	Hitachi Global Storage Technologies	Smurfit Stone Container Corp
California ISO	Hogan Manufacturing, Inc	Southern California Edison
Calpine	House, Lon	SPURR
Calpine Corp	Imperial Irrigation District	St. Paul Assoc
Calpine Gilroy Cogen	Integrated Utility Consulting Group	Stanford University
Cambridge Energy Research Assoc	International Power Technology	Sutherland, Asbill & Brennan
Cameron McKenna	Interstate Gas Services, Inc.	Tabors Caramanis & Associates
Cardinal Cogen	J. R. Wood, Inc	Tansev and Associates
Cellnet Data Systems	JTM, Inc	Tecogen, Inc
Chevron USA Production Co.	Kaiser Cement Corp	TFS Energy
Childress, David A.	Korea Elec Power Corp	Transwestern Pipeline Co
City of Glendale	Luce, Forward, Hamilton & Scripps	Turlock Irrigation District
City of Healdsburg	Marcus, David	U S Borax, Inc
City of Palo Alto	Masonite Corporation	United Cogen Inc.
City of Redding	Matthew V. Brady & Associates	URM Groups
CLECA Law Office	Maynor, Donald H.	Utility Cost Management LLC
Constellation New Energy	McKenzie & Assoc	Utility Resource Network
Cooperative Community Energy	McKenzie & Associates	Wellhead Electric Company
CPUC	Meek, Daniel W.	Western Hub Properties, LLC
Creative Technology	Mirant California, LLC	White & Case
Cross Border Inc	Modesto Irrigation Dist	WMA
Crossborder Inc	Morrison & Foerster	
CSC Energy Services	Morse Richard Weisenmiller & Assoc.	
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Defense Fuel Support Center	Norris & Wong Associates	
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Department of Water & Power City	Northern California Power Agency	