

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298

Tel. No. (415) 703-1691



May 9, 2005

Advice Letter 2622-G

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

Subject: April 10, 2005 Schedule G-CPX crossover procurement price

Dear Ms de la Torre:

Advice Letter 2622-G is effective April 10, 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



**Pacific Gas and  
Electric Company®**

**Brian K. Cherry**  
Director  
Regulatory Relations

77 Beale Street, Room 1087  
San Francisco, CA 94105

*Mailing Address*  
Mail Code 810C  
Pacific Gas and Electric Company  
P.O. Box 770000  
San Francisco, CA 94177

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

April 7, 2005

**Advice 2622-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, 2005**

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, 2005**. 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, 2005, through May 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)	\$0.65275
Large Commercial Customers (Schedule G-NR2)	\$0.62760
Natural Gas Vehicle Customers (Schedule G-NGV1)	\$0.64356

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 27, 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)

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.

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: PGETariffs@pge.com

**Effective Date**

In accordance with D. 03-12-008, PG&E requests that this advice filing become effective on **April 10, 2005**. 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>

  
Director, Regulatory Relations

Attachments

**ATTACHMENT I  
ADVICE 2622-G**

<u>Cal. P.U.C. Sheet No.</u>	<u>Title of Sheet</u>	<u>Canceling Cal P.U.C. Sheet No.</u>
23104-G	Schedule G-CPX—Crossover Gas Procurement Service to Core End-Use Customers	23060-G
23105-G	Table of Contents	23061-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)	\$0.65275 (I)
Large Commercial Crossover Charge: (G-NR2)	\$0.62760 (I)
Natural Gas Vehicle Crossover Charge: (G-NGV1)	\$0.64356 (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.



TABLE OF CONTENTS

	<u>CAL P.U.C. SHEET NO.</u>	
Title Page .....	11271-G	
Table of Contents:		
Rate Schedules .....	23105,22967-G	(T)
Preliminary Statements .....	22966,21381-G	
Rules .....	22927-G	
Maps, Contracts and Deviations .....	22438-G	
Sample Forms .....	22434,22926,21538,22266,21292-G	

RATE SCHEDULES

RESIDENTIAL

<u>SCHEDULE</u>	<u>TITLE OF SHEET</u>	<u>CAL P.U.C. SHEET NO.</u>
G-1	Residential Service .....	22951,18597-G
GM	Master-Metered Multifamily Service .....	22952,22851,22852-G
GS	Multifamily Service .....	22953,22769,18601-G
GT	Mobilehome Park Service .....	22954,22771-G
G-10	Service to Company Employees .....	11318-G
GL-1	Residential CARE Program Service .....	22955,22856-G
GML	Master-Metered Multifamily CARE Program Service .....	22956,22858,22565-G
GSL	Multifamily CARE Program Service .....	22957,22958,22861-G
GTL	Mobilehome Park CARE Program Service .....	22959,22960,22864-G
G-MHPS	Master-Metered Mobilehome Park Safety Surcharge .....	22034-G

NONRESIDENTIAL

G-NR1	Gas Service to Small Commercial Customers .....	22961,22866-G	
G-NR2	Gas Service to Large Commercial Customers .....	22962,22868-G	
G-CP	Gas Procurement Service to Core End-Use Customers .....	22963-G	
G-CPX	Crossover Gas Procurement Service to Core End-Use Customers .....	23104-G	(T)
G-NT	Gas Transportation Service to Noncore End-Use Customers .....	22892,22601,22037,22038-G	
G-EG	Gas Transportation Service to Electric Generation .....	22894,22895,22525,22173-G	
G-WSL	Gas Transportation Service to Wholesale/Resale Customers .....	22896,22897,22045-G	
G-BAL	Gas Balancing Service for Intrastate Transportation Customers .....	22174, 21867,22135,22047,22048,20037,22136,21872,22137,22138,20042,20043,20044,22051-G	

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

Gas Prices	
	Border Price (\$/Dth)
AECO C	\$6.3440
PG&E Topock (Source NGI)	\$6.6100
Core WACOG	\$6.5423

G-CPX CROSSOVER CORE PROCUREMENT RATE	\$/Decatherm	\$/Therm	Components \$/Therm	Calculation
<b>CROSSOVER COMMODITY CHARGE</b>				
Weighted Average Cost of Gas (WACOG)				
WACOG at the Border	\$6.6100			(a)
Intrastate Backbone Volumetric Transport Charge	\$1.2117			(b)
Total WACOG	\$7.7317	\$6.7317		(c)=(a)+(b)
Franchise Fee	0.009785	<i>Changes in GRC</i>		
Uncollectible Fee	0.002024	<i>Changes in GRC</i>		
Subt F & U	0.011789	<i>X WACOG at the Border</i>	\$0.7779	(d)=(e)*F&U Factor
WACOG with Franchise and Uncollectible	\$6.8096	\$6.8096		(e)=(c)+(d)
PGA Adjustment: Core Sales	(\$1.3230)	(\$1.3230)		(f)
Cycled Carrying Cost of Gas in Storage	\$0.0058	\$0.0058		(g)
<b>ANG and NOVA Costs (Incl. F&amp;U)</b>				
Small Commercial	\$1.1410	\$0.1410		(h)
Large Commercial	\$0.9440	\$0.0940		(i)
Natural Gas Vehicle	\$1.2350	\$0.1235		(j)
Total Core Commodity Charge				
Small Commercial			\$56334	(k)=(e)+(f)+(g)+(h)
Large Commercial			\$55864	(l)=(e)+(f)+(g)+(i)
Natural Gas Vehicle			\$56159	(m)=(e)+(f)+(g)+(j)
<b>CORE FIRM STORAGE COSTS (Including F&amp;U)</b>				
CFSA Adjustment: Core Firm Storage Account	\$0.0000	\$0.0000		(n)
Small Commercial	\$1.1383	\$0.1383	\$0.1383	(o) (r)=(n)+(o)
Large Commercial	\$1.1009	\$0.1009	\$0.1009	(p) (s)=(n)+(p)
Natural Gas Vehicle	\$1.1262	\$0.1262	\$0.1262	(q) (t)=(n)+(q)
<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	\$3.3810	\$0.3381		(v)
Large Commercial	\$2.2530	\$0.2253		(w)
Natural Gas Vehicle	\$2.9800	\$0.2980		(x)
<b>Intrastate Backbone Capacity Charges</b>				
Small Commercial	\$1.6290	\$0.1629	\$0.5010	(y) (ab)=(u)+(v)+(y)
Large Commercial	\$1.0860	\$0.1086	\$0.3339	(z) (ac)=(u)+(w)+(z)
Natural Gas Vehicle	\$1.1427	\$0.11427	\$0.4387	(aa) (ad)=(u)+(x)+(aa)
<b>CORE BROKERAGE FEE</b>				
	\$0.0300		\$0.0300	(ae)
<b>SHRINKAGE RATE</b>				
Shrinkage (Incl. F&U)	\$2.2480	\$0.2248		(af)
Based on Core Shrinkage: 3.30%		<i>Changes in BCAP</i>		
PGA Adjustment: Core Shrinkage (Incl. F&U)	\$0.0000	\$0.0000		(ag)
Total Shrinkage Rate			\$0.2248	(ah)=(af)+(ag)
<b>TOTAL G-CPX CORE PROCUREMENT CHARGE</b>				
Small Commercial			\$65275	(ai)=(k)+(r)+(ab)+(ae)+(ah)
Large Commercial			\$62760	(aj)=(l)+(s)+(ac)+(ae)+(ah)
Natural Gas Vehicle			\$64356	(ak)=(m)+(t)+(ad)+(ae)+(ah)

## Crossover Rate Calculation

Apr-05

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

Apr-05

Combined PGT/ANG fuel rate	0.9683718
ANG Fuel	1.10%
PGT Fuel	2.08%
AECO Monthly Index (C\$/GJ, source CGPR)	7.0903
Exchange Rate (US\$/C\$)	0.82
AECO "C" monthly commodity index (US\$/Dth)	\$ 6.1338
ANG + PGT combined in-kind fuel rate	\$ 0.0316
ANG+PGT in-kind fuel charge	\$ 0.2003
ANG volumetric rate	\$ -
PGT volumetric rate	\$ 0.0099
<b>AECO "C" Net Forward Price (14+16+17+18)</b>	<b>\$ 6.3440</b>

<u>Gas Price Index</u>	<u>Price, CA Border</u>	<u>Intrastate Transport</u>	<u>Total</u>
AECO C (CGPR)	\$6.3440	\$0.1217	\$6.4657
Southern Border-PG&E (NGI)	\$6.6100	\$0.1217	\$6.7317
Core WACOG	\$6.5423	\$0.1217	\$6.6640
<b>Crossover Price at PG&amp;E Citygate (\$/Dth)</b>			<b>\$6.7317</b>

4/5/2005

## Crossover Rate Calculation

Apr-05

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

Apr-05

Combined PGT/ANG fuel rate	0.968372
ANG Fuel	1.10%
PGT Fuel	2.08%
AECO Monthly Index (C\$/GJ, source CGPR)	7.0903
Exchange Rate (US\$/C\$)	0.82
AECO "C" monthly commodity index (US\$/Dth)	\$ 6.134
ANG + PGT combined in-kind fuel rate	3.16%
ANG+PGT in-kind fuel charge	0.200
ANG volumetric rate	0.0000
PGT volumetric rate	0.0099
<b>AECO "C" Net Forward Price (14+16+17+18)</b>	<b>\$6.3441</b>

<u>Gas Price Index</u>	<u>Price, CA Border</u>	<u>Intrastate Transport</u>	<u>Total</u>
AECO C (CGPR)	\$6.3441	\$0.1217	\$6.4658
Southern Border-PG&E (NGI)	\$6.6100	\$0.1217	\$6.7317
Core WACOG	\$6.5423	\$0.1217	\$6.6640
<b>Crossover Price at PG&amp;E Citygate (\$/Dth)</b>			<b>\$6.7317</b>

4/5/2005

**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 Bidg 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.	
Davis, Wright Tremaine LLP	Navigant Consulting	
Davis, Wright, Tremaine, LLP	New United Motor Mfg, Inc	
Defense Fuel Support Center	Norris & Wong Associates	
Department of the Army	North Coast Solar Resources	
Department of Water & Power City	Northern California Power Agency	