STATE OF CALIFORNIA

ARNOLD SCHWARZENEGGER, *Governor*

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE

SAN FRANCISCO, CA 94102-3298

Tel. No. (415) 703-1691

October 6, 2005

Advice Letter 2657-G

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

Subject: Schedule G-CPX – Crossover gas procurement service to core end-use customers for rates effective 09/10/05

Dear Ms de la Torre:

Advice Letter 2657-G is effective September 10, 2005. A copy of the advice letter is returned herewith for your records.

Sincerely,

Sean H. Gallagher, Director
Energy Division

jjr

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
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

September 8, 2005

Advice 2657-G
(Pacific Gas and Electric Company ID U39G)

Subject: Schedule G-CPX -- Crossover Gas Procurement Service to Core End-Use Customers for Rates Effective September 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 **September 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.[1]

For the period from **September 10, 2005, through October October 7, 2005**, the following Schedule G-CPX rates will be in effect.

Schedule G-CPX Rates	Per Therm
Small Commercial Customers (Schedule G-NR1)	**$0.96016**
Large Commercial Customers (Schedule G-NR2)	**$0.92642**
Natural Gas Vehicle Customers (Schedule G-NGV1)	**$0.91396**

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 letter sent via U.S. mail, by facsimile or electronically, any of which must be received no later than 20 days after the date of this filing, which is **September 28, 2005**. Protests should be mailed to:

CPUC Energy Division
Attention: Tariff Unit, 4th Floor
505 Van Ness Avenue
San Francisco, California 94102
Facsimile: (415) 703-2200
E-mail: jjr@cpuc.ca.gov and jnj@cpuc.ca.gov

Copies of protests also should be mailed to the attention of the Director, Energy Division, Room 4004, at the address shown above.

[1] 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 also should be sent via U.S. mail (and by facsimile and electronically, if possible) to PG&E at the address shown below on the same date it is mailed or delivered to the Commission:

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 **September 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

Brian K. Cherry/RDT

Director, Regulatory Relations

Attachments

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING SUMMARY
ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No. **Pacific Gas and Electric Company (ID U39)**

Utility type:	Contact Person: Rose de la Torre
☑ ELC ☑ GAS	Phone #: (415) 973-4716
☐ PLC ☐ HEAT ☐ WATER	E-mail: rxdd@pge.com

EXPLANATION OF UTILITY TYPE

ELC = Electric GAS = Gas
PLC = Pipeline HEAT = Heat WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: **2657-G**

Subject of AL: Rates for Schedule G-CPX – Crossover Gas Procurement Service to Core End-Use Customers, effective September 10, 2005

Keywords (choose from CPUC listing): **PROCUREMENT**

AL filing type: ☑ Monthly ☐ Quarterly ☐ Annual ☐ One-Time ☐ Other _____

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: Decision 03-12-008

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: Not applicable

Summarize differences between the AL and the prior withdrawn or rejected AL[1]: _____

Resolution Required? ☐ Yes ☑ No

Requested effective date: **9/10/2005** No. of tariff sheets: **2**

Estimated system annual revenue effect: (%): N/A

Estimated system average rate effect (%): N/A

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: Schedule G-CPX

Service affected and changes proposed[1]: Crossover Gas Procurement Service to Core End-Use Customers

Pending advice letters that revise the same tariff sheets: 2651-G

Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division
Attention: Tariff Unit
505 Van Ness Ave.,
San Francisco, CA 94102
jjr@cpuc.ca.gov and jnj@cpuc.ca.gov

Pacific Gas and Electric Company
Attn: Brian K. Cherry
Director, Regulatory Relations
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, CA 94177
E-mail: PGETariffs@pge.com

[1] Discuss in AL if more space is needed.

ATTACHMENT 1
Advice 2657-G

Cal P.U.C. Sheet No.	Title of Sheet	Cancelling Cal P.U.C. Sheet No.
23404-G	Schedule G-CPX - Crossover Gas Procurement Service To Core End-Use Customers	23339-G
23405-G	Table of Contents - Rate Schedules	23340-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.

Procurement Charge:	Per Therm
Small Commercial Crossover Charge: (G-NR1)	$0.96016 (I)
Large Commercial Crossover Charge: (G-NR2)	$0.92642 (I)
Natural Gas Vehicle Crossover Charge: (G-NGV1)	$0.91396 (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

	CAL P.U.C. SHEET NO.	
Title Page	11271-G	
Table of Contents:		
Rate Schedules	23405,23397-G	(T)
Preliminary Statements	23395,23247-G	
Rules	22927-G	
Maps, Contracts and Deviations	22438-G	
Sample Forms	22434,22926.21538,22266,21292-G	

RATE SCHEDULES

RESIDENTIAL

SCHEDULE	TITLE OF SHEET	CAL P.U.C. SHEET NO.
G-1	Residential Service	23380,23017-G
GM	Master-Metered Multifamily Service	23381,22851,23019-G
GS	Multifamily Service	23382,23021,18601-G
GT	Mobilehome Park Service	23383,23023-G
G-10	Service to Company Employees	11318-G
GL-1	Residential CARE Program Service	23384,23325-G
GML	Master-Metered Multifamily CARE Program Service	23385,22858,23027-G
GSL	Multifamily CARE Program Service	23386,23387,23030-G
GTL	Mobilehome Park CARE Program Service	23388,23389,23033-G
G-MHPS	Master-Metered Mobilehome Park Safety Surcharge	22034-G

NONRESIDENTIAL

G-NR1	Gas Service to Small Commercial Customers	23390-G	
G-NR2	Gas Service to Large Commercial Customers	23391,23037-G	
G-CP	Gas Procurement Service to Core End-Use Customers	23392-G	
G-CPX	Crossover Gas Procurement Service to Core End-Use Customers	23404-G	(T)
G-NT	Gas Transportation Service to Noncore End-Use Customers	22892,23286,22037,22038-G	
G-EG	Gas Transportation Service to Electric Generation	23287,22895,22525,22173-G	
G-WSL	Gas Transportation Service to Wholesale/Resale Customers	23288,22897,22045-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	

Effective: 9/10/2005 Advice Letter No. 2657-G

Calculation of the G-CPX Crossover Core Procurement Rate

Gas Prices	Border Price ($/Dth)
AECO C	$8.2918
PG&E Topock (Source NGI)	$8.6300
Core WACOG	$8.0511

G-CPX CROSSOVER CORE PROCUREMENT RATE			$/Decatherm	$/Therm	Components $/Therm	Calculation	
CROSSOVER COMMODITY CHARGE							
Weighed Average Cost of Gas (WACOG)							
WACOG at the Border			$8.6300			(a)	
Intrastate Backbone Volumetric Transport Charge			$.0545			(b)	
Total WACOG			8.6845	$.86845		(c)=(a)+(b)	
Franchise Fee	0.009765	*Changes in GRC*					
Uncollectible Fee	0.002024	*Changes in GRC*					
Subt F & U	0.011789	X WACOG at the Border	$.1017			(d)=(a)*F&U Factor	
WACOG with Franchise and Uncollectible			$8.7862	$.87862		(e)=(c)+(d)	
PGA Adjustment: Core Sales			($.2597)	($.02597)		(f)	
Cycled Carrying Cost of Gas in Storage			$.0056	$.00056		(g)	
Total Core Commodity Charge							
Small Commercial					$.85321		(k)=(e)+(f)+(g)+(h)
Large Commercial					$.85321		(l)=(e)+(f)+(g)+(i)
Natural Gas Vehicle					$.85321		(m)=(e)+(f)+(g)+(j)
CORE FIRM STORAGE COSTS (Including F&U)							
CFSA Adjustment: Core Firm Storage Account			$.0000	$.00000		(n)	
Small Commercial			$.1353	$.01353	$.01353	(o)	(r)=(n)+(o)
Large Commercial			$.0860	$.00860	$.00860	(p)	(s)=(n)+(p)
Natural Gas Vehicle			$.0828	$.00828	$.00828	(q)	(t)=(n)+(q)
INTERSTATE & INTRASTATE CAPACITY CHARGES (Incl. F&U)							
CPDCA Adjustment (Incl. F&U)			$.0000	$.00000		(u)	
ANG and NOVA Costs (Incl. F&U)							
Small Commercial			$.1379	$.01379		(h)	
Large Commercial			$.0732	$.00732		(i)	
Natural Gas Vehicle			$.0460	$.00460		(j)	
Interstate Capacity Charges							
Small Commercial			$.3203	$.03203		(v)	
Large Commercial			$.1701	$.01701		(w)	
Natural Gas Vehicle			$.1067	$.01067		(x)	
Intrastate Backbone Capacity Charges							
Small Commercial			$.1560	$.01560	$.06142	(y)	(ab)=(u)+(v)+(y)
Large Commercial			$.0828	$.00828	$.03261	(z)	(ac)=(u)+(w)+(z)
Natural Gas Vehicle			$.0520	$.00520	$.02047	(aa)	(ad)=(u)+(x)+(aa)
CORE BROKERAGE FEE			$.0300		$.00300		(ae)
SHRINKAGE RATE							
Shrinkage (Incl. F&U)			$.2900	$.02900		(af)	
Based on Core Shrinkage: 3.30%		*Changes in BCAP*					
PGA Adjustment: Core Shrinkage (Incl. F&U)			$.0000	$.00000		(ag)	
Total Shrinkage Rate					$.02900		(ah)=(af)+(ag)
TOTAL G-CPX CORE PROCUREMENT CHARGE							
Small Commercial					$.96016	(ai)=(k)+(r)+(ab)+(ae)+(ah)	
Large Commercial					$.92642	(aj)=(l)+(s)+(ac)+(ae)+(ah)	
Natural Gas Vehicle					$.91396	(ak)=(m)+(t)+(ad)+(ae)+(ah)	

Crossover Rate Calculation

Sep-05

AECO Net Forward Calculation ($/Dth)	**Sep-05**
Combined PGT/ANG fuel rate	0.972878
ANG Fuel	0.89%
PGT Fuel	1.84%
AECO Monthly Index (C$/GJ, source CGPR)	9.0489
Exchange Rate (US$/C$)	0.844
AECO "C" monthly commodity index (US$/Dth)	$ 8.057
ANG + PGT combined in-kind fuel rate	2.71%
ANG+PGT in-kind fuel charge	0.225
ANG volumetric rate	0.0000
PGT volumetric rate	0.0099
AECO "C" Net Forward Price (14+16+17+18)	**$8.2918**

Gas Price Index	Price, CA Border	Intrastate Transport	Total
AECO C (CGPR)	$8.2918	$0.0545	$8.3463
Southern Border-PG&E (NGI)	$8.6300	$0.0545	$8.6845
Core WACOG	$8.0511	$0.0545	$8.1056
Crossover Price at PG&E Citygate ($/Dth)			**$8.6845**

9/8/2005

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
Commerce Energy
Constellation New Energy
Cooperative Community Energy
CPUC
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
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.
Hitachi Global Storage Technologies
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
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
Transcanada
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