

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

Tel. No. (415) 703-1691



February 1, 2006

Advice Letter 2694-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 January 10, 2006

Dear Ms de la Torre:

Advice Letter 2694-G is effective January 10, 2006. A copy of the advice letter is returned herewith for your records.

Sincerely,

Sean H. Gallagher, Director
Energy Division

REGULATORY RELATIONS	
Tariffs Section	
M Brown	D Poster
R Dela Torre	S Ramaiya
B Lam	
FEB 8 2006	

Records	
Return to _____	File _____
cc to _____	



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

415.973.4877
Internal: 223.4877
Fax: 415.973.9572
Internet: BKC7@pge.com

REVISED

January 6, 2006

Advice 2694-G

(Pacific Gas and Electric Company ID U39G)

**Subject: Schedule G-CPX -- Crossover Gas Procurement Service to Core
End-Use Customers for Rates Effective **January 10, 2006****

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 **January 10, 2006**. 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 **January 10, 2006, through February 9, 2006**, 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)	\$1.30836
Large Commercial Customers (Schedule G-NR2)	\$1.27327
Natural Gas Vehicle Customers (Schedule G-NGV1)	\$1.26023

Workpapers showing the calculation of these rates are included in this filing as Attachment II.

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.

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January 6, 2006

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 **January 26, 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.

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 **January 10, 2006**. 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

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January 6, 2006

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>

A handwritten signature in black ink that reads "Brian K. Cherry/KOST". The signature is written in a cursive style with a large initial 'B' and 'K'.

Director, Regulatory Relations

Attachments

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING SUMMARY

ENERGY UTILITY

REVISED

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

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

Utility type:

ELC

GAS

PLC

HEAT

WATER

Contact Person: Rose de la Torre

Phone #: (415) 973-4716

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) #: **2694-G**

Subject of AL: Rates for Schedule G-CPX – Crossover Gas Procurement Service to Core End-Use Customers, effective January 10, 2006

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 AL¹: _____

Resolution Required? Yes No

Requested effective date: **1/10/2006**

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 proposed¹: Crossover Gas Procurement Service to Core End-Use Customers

Pending advice letters that revise the same tariff sheets: 2684-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.

REVISED

**ATTACHMENT 1
Advice 2694-G**

Cal P.U.C. Sheet No.	Title of Sheet	Cancelling Cal P.U.C. Sheet No.
23715-G*	Schedule G-CPX--Crossover Gas Procurement Service To Core End-Use Customers	23599-G
23716-G*	Table of Contents -- Rate Schedules	23600-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)	\$1.30836 (I)
Large Commercial Crossover Charge: (G-NR2)	\$1.27327 (I)
Natural Gas Vehicle Crossover Charge: (G-NGV1)	\$1.26023 (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.



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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	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	23715-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	

Crossover Rate Calculation

Jan-06

AECO Net Forward Calculation (\$/Dth)

Jan-06

Combined PGT/ANG fuel rate	0.9782245
ANG Fuel	1.21%
PGT Fuel	0.98%
AECO Monthly Index (C\$/GJ, source CGPR)	11.4813
Exchange Rate (US\$/C\$)	0.8642
AECO "C" monthly commodity index (US\$/Dth)	\$10.4679
ANG + PGT combined in-kind fuel rate	2.18%
ANG+PGT in-kind fuel charge	0.2330
ANG volumetric rate	0.0000
PGT volumetric rate	0.0098
AECO "C" Net Forward Price (14+16+17+18)	\$10.7107

<u>Gas Price Index</u>	<u>Price, CA Border</u>	<u>Intrastate Transport</u>	<u>Total</u>
AECO C (CGPR)	\$10.7107	\$0.0510	\$10.7617
Southern Border-PG&E (NGI)	\$9.0100	\$0.0510	\$9.0610
Core WACOG	\$10.2731	\$0.0510	\$10.3241
Crossover Price at PG&E Citygate (\$/Dth)			\$10.7617

1/5/2006

Effective: 1/10/2006

Advice Letter No. 2694-G
[Revised]

Calculation of the G-CPX Crossover Core Procurement Rate

Gas Prices	
	Border Price (\$/Dth)
AECO C	\$10.7107
PG&E Topock (Source NGI)	\$9.0100
Core WACOG	\$10.2731

G-CPX CROSSOVER CORE PROCUREMENT RATE	\$/Decatherm	\$/Therm	Components \$/Therm	Calculation
CROSSOVER COMMODITY CHARGE				
Weighted Average Cost of Gas (WACOG)				
WACOG at the Border	\$10.7107			(a)
Intrastate Backbone Volumetric Transport Charge	\$0.5010			(b)
Total WACOG	10.7617	\$1.07617		(c)=(a)+(b)
Franchise Fee	0.009765			
Uncollectible Fee	0.002024			
Subt F & U	0.011789			
WACOG with Franchise and Uncollectible	\$10.8880	\$1.08880		(d)=(a)*F&U Factor
PGA Adjustment: Core Sales	\$1.2780	\$1.2780		(e)=(c)+(d)
Cycled Carrying Cost of Gas in Storage	\$0.0055	\$0.00055		(f)
Total Core Commodity Charge				(g)
Small Commercial			\$1.21715	
Large Commercial			\$1.21715	(k)=(e)+(f)+(g)+(h)
Natural Gas Vehicle			\$1.21715	(l)=(e)+(f)+(g)+(i)
				(m)=(e)+(f)+(g)+(j)
CORE FIRM STORAGE COSTS (Including F&U)				
CFSA Adjustment: Core Firm Storage Account	\$0.0000	\$0.00000		(n)
Small Commercial	\$0.1390	\$0.01390	\$0.01390	(o)
Large Commercial	\$0.0885	\$0.00885	\$0.00885	(p)
Natural Gas Vehicle	\$0.0852	\$0.00852	\$0.00852	(q)
INTERSTATE & INTRASTATE CAPACITY CHARGES (Incl. F&U)				
CPDCA Adjustment (Incl. F&U)	\$0.0000	\$0.00000		(u)
ANG and NOVA Costs (Incl. F&U)				
Small Commercial	\$0.1405	\$0.01405		(h)
Large Commercial	\$0.0747	\$0.00747		(i)
Natural Gas Vehicle	\$0.0469	\$0.00469		(j)
Interstate Capacity Charges				
Small Commercial	\$0.3243	\$0.03243		(v)
Large Commercial	\$0.1725	\$0.01725		(w)
Natural Gas Vehicle	\$0.1082	\$0.01082		(x)
Intrastate Backbone Capacity Charges				
Small Commercial	\$0.1768	\$0.01768	\$0.06416	(y)
Large Commercial	\$0.0940	\$0.00940	\$0.03412	(z)
Natural Gas Vehicle	\$0.0590	\$0.00590	\$0.02141	(aa)
CORE BROKERAGE FEE				
	\$0.3000		\$0.00300	(ae)
SHRINKAGE RATE				
Shrinkage (Incl. F&U)	\$0.3593	\$0.03593		(af)
Based on Core Shrinkage: 3.30%				
PGA Adjustment: Core Shrinkage (Incl. F&U)	(\$0.2578)	(\$0.02578)		(ag)
Total Shrinkage Rate			\$0.01015	(ah)=(af)+(ag)
TOTAL G-CPX CORE PROCUREMENT CHARGE				
Small Commercial			\$1.30836	(ai)=(k)+(r)+(ab)+(ae)+(ah)
Large Commercial			\$1.27327	(aj)=(l)+(s)+(ac)+(ae)+(ah)
Natural Gas Vehicle			\$1.26023	(ak)=(m)+(t)+(ad)+(ae)+(ah)

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