

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

Tel. No. (415) 703-1691



March 15, 2006

Advice Letter 2700-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

Dear Ms de la Torre:

Advice Letter Advice Letter 2700-G is effective February 13, 2006. A copy of the advice letter is returned herewith for your records.

Sincerely,

Sean H. Gallagher, Director
Energy Division

REGULATORY RELATIONS	
M Brown	Tariffs Section
R Dela Torre	D Poster
B Lam	S Ramaiya
MAR 17 2006	
Return to _____	Records _____
_____	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

415.973.4977
Internet: 223.4877
Fax: 415.973.9572
Internet: BKC7@pge.com

February 7, 2006

Advice 2700-G

(Pacific Gas and Electric Company ID U39G)

**Subject: Schedule G-CPX -- Crossover Gas Procurement Service to Core
End-Use Customers for Rates Effective February 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 **February 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 **February 10, 2006, through March 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)	\$0.91166
Large Commercial Customers (Schedule G-NR2)	\$0.87701
Natural Gas Vehicle Customers (Schedule G-NGV1)	\$0.86416

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 **February 27, 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

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.

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 **February 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 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

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) #: **2700-G**

Subject of AL: Rates for Schedule G-CPX – Crossover Gas Procurement Service to Core End-Use Customers, effective February 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: **2/10/2006**

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: _____

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 2700-G**

Cal P.U.C. Sheet No.	Title of Sheet	Cancelling Cal P.U.C. Sheet No.
23756-G	Schedule G-CPX--Crossover Gas Procurement Service To Core End-Use Customers	23715-G
23757-G	Table of Contents -- Rate Schedules	23716-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)	\$0.91166 (R)
Large Commercial Crossover Charge: (G-NR2)	\$0.87701 (R)
Natural Gas Vehicle Crossover Charge: (G-NGV1)	\$0.86416 (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.



TABLE OF CONTENTS

	<u>CAL P.U.C. SHEET NO.</u>	
Title Page	11271-G	
Table of Contents:		
Rate Schedules	23757,23397-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

<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	23756-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

Feb-06

**AECO Net Forward Calculation
(\$/Dth)****Feb-06**

Combined PGT/ANG fuel rate	0.9854
ANG Fuel	0.60%
PGT Fuel	0.86%
AECO Monthly Index (C\$/GJ, source CGPR)	8.0225
Exchange Rate (US\$/C\$)	0.877
AECO "C" monthly commodity index (US\$/Dth)	\$ 7.4227
ANG + PGT combined in-kind fuel rate	1.4600%
ANG+PGT in-kind fuel charge	0.1100
ANG volumetric rate	0.0000
PGT volumetric rate	0.0098
AECO "C" Net Forward Price (14+16+17+18)	\$7.54250

<u>Gas Price Index</u>	<u>Price, CA Border</u>	<u>Intrastate Transport</u>	<u>Total</u>
AECO C (CGPR)	\$7.5425	\$0.0539	\$7.5964
Southern Border-PG&E (NGI)	\$7.0500	\$0.0539	\$7.1039
Core WACOG	\$7.2868	\$0.0539	\$7.3407
Crossover Price at PG&E Citygate (\$/Dth)			\$7.5964

2/6/2006

Calculation of the G-CPX Crossover Core Procurement Rate

Gas Prices		Border Price (\$/Dth)
AECO C		\$7.5425
PG&E Topock (Source NGI)		\$7.0500
Core WACOG		\$7.2868

G-CPX CROSSOVER CORE PROCUREMENT RATE	\$/Decatherm	\$/Therm	Components \$/Therm	Calculation
CROSSOVER COMMODITY CHARGE				
Weighted Average Cost of Gas (WACOG)				
WACOG at the Border	\$7.5425			(a)
Intrastate Backbone Volumetric Transport Charge	\$0.539			(b)
Total WACOG	7.5964	\$7.5964		(c)=(a)+(b)
Franchise Fee	0.009765			
Uncollectible Fee	0.002024			
Subt F & U	0.011789			
WACOG with Franchise and Uncollectible	\$7.6853	\$7.6853		(d)=(a)*F&U Factor
PGA Adjustment: Core Sales	\$0.3712	\$0.3712		(e)=(c)+(d)
Cycled Carrying Cost of Gas in Storage	\$0.0055	\$0.0055		(f)
Total Core Commodity Charge				(g)
Small Commercial			\$0.80620	(k)=(e)+(f)+(g)+(h)
Large Commercial			\$0.80620	(l)=(e)+(f)+(g)+(i)
Natural Gas Vehicle			\$0.80620	(m)=(e)+(f)+(g)+(j)
CORE FIRM STORAGE COSTS (Including F&U)				
CFSA Adjustment: Core Firm Storage Account	\$0.000	\$0.0000		(n)
Small Commercial	\$1.385	\$0.1385	\$0.1385	(o) (r)=(n)+(o)
Large Commercial	\$0.882	\$0.0882	\$0.0882	(p) (s)=(n)+(p)
Natural Gas Vehicle	\$0.849	\$0.0849	\$0.0849	(q) (t)=(n)+(q)
INTERSTATE & INTRASTATE CAPACITY CHARGES (Incl. F&U)				
CPDCA Adjustment (Incl. F&U)	\$0.000	\$0.0000		(u)
ANG and NOVA Costs (Incl. F&U)				
Small Commercial	\$1.330	\$0.1330		(h)
Large Commercial	\$0.707	\$0.0707		(i)
Natural Gas Vehicle	\$0.444	\$0.0444		(j)
Interstate Capacity Charges				
Small Commercial	\$0.3234	\$0.03234		(v)
Large Commercial	\$0.1720	\$0.01720		(w)
Natural Gas Vehicle	\$0.1079	\$0.01079		(x)
Intrastate Backbone Capacity Charges				
Small Commercial	\$0.1761	\$0.01761	\$0.06325	(y) (ab)=(u)+(v)+(y)
Large Commercial	\$0.0936	\$0.00936	\$0.03363	(z) (ac)=(u)+(w)+(z)
Natural Gas Vehicle	\$0.0588	\$0.00588	\$0.02111	(aa) (ad)=(u)+(x)+(aa)
CORE BROKERAGE FEE				
	\$0.0300		\$0.00300	(ae)
SHRINKAGE RATE				
Shrinkage (Incl. F&U)	\$0.2536	\$0.02536		(af)
Based on Core Shrinkage: 3.30%				
Changes in BCAP				
PGA Adjustment: Core Shrinkage (Incl. F&U)	\$0.0000	\$0.00000		(ag)
Total Shrinkage Rate			\$0.02536	(ah)=(af)+(ag)
TOTAL G-CPX CORE PROCUREMENT CHARGE				
Small Commercial			\$0.91166	(ai)=(k)+(r)+(ab)+(ae)+(ah)
Large Commercial			\$0.87701	(aj)=(l)+(s)+(ac)+(ae)+(ah)
Natural Gas Vehicle			\$0.86416	(ak)=(m)+(t)+(ad)+(ae)+(ah)

**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 Bidg 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
CPUC
Cross Border Inc
Crossborder Inc
CSC Energy Services
Davis, Wright, Tremaine LLP
Defense Fuel Support Center
Department of the Army
Department of Water & Power City
DGS Natural Gas 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.
IUCG/Sunshine Design LLC
J. R. Wood, Inc
JTM, Inc
Kaiser Cement Corp
Luce, Forward, Hamilton & Scripps
Manatt, Phelps & Phillips
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