

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

Tel. No. (415) 703-1691



March 24, 2006

Advice Letter 2708-G

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

Subject: Consolidation of Approved Changes to Gas Preliminary Statement Part C.12.c

Dear Ms de la Torre:

Advice Letter 2708-G is effective March 1, 2006. A copy of the advice letter is sent herewith for your records.

Sincerely,

Sean H. Gallagher
Director
Energy Division

REGULATORY RELATIONS	
Tariffs Section	
M Brown	D Poster
R Dala Torre	S Ramaiya
B Lam	
APR 3 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

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Fax: 415.973.7226
Internet: BKC7@pge.com

February 23, 2006

Advice 2708-G

(Pacific Gas and Electric Company ID U39G)

**Subject: Consolidation of Approved Changes to Gas Preliminary
Statement Part C.12.c**

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

This purpose of this advice letter is to consolidate approved revisions to Preliminary Statement C—*Gas Accounting Terms and Definitions*, Part C.12.c, effective March 1, 2006. The particular section being updated in this consolidation is entitled Revision Dates – In-Kind Shrinkage and is labeled Part C.12.c in Advice 2440-G-C and Part C.11.c in Advice 2655-G. Since 2655-G was more recently approved, PG&E rightfully incorporates the approved changes into Part C.12.c. The revisions in this advice letter were approved by the Commission as follows:

Advice 2440-G-C Filed August 24, 2005, effective July 1, 2005
Establish New Public Purpose Program Surcharge Gas
Accounts

Advice 2655-G Filed September 2, 2005, effective March 1, 2006
Gas Rule 21 – In-Kind Shrinkage Allowance Adjustments for
Backbone Transmission and Distribution

Protests

Anyone wishing to protest this filing may do so by sending a letter by **March 15, 2006**, 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:

CPUC - Energy Division
Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, California 94102

Facsimile: (415) 703-2200
E-mail: jjr@cpuc.ca.gov and jnj@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 at the address shown below on the same date it is mailed or delivered to the Commission.

Pacific Gas and Electric Company
Attention: Brian K. 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

Notice

In accordance with General Order 96-A, Section III, Paragraph G, a copy of this advice letter is being sent electronically and sent via U.S. mail to parties shown on the attached list. Address change requests should also be directed to Rose de la Torre at (415) 973-4716. Advice letter filings can be accessed electronically at:

<http://www.pge.com/tariffs>



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 (ID39G)

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) #: **2708-G**

Subject of AL: Consolidation of Approved Changes to Gas Preliminary Statement Part C.12.c

Keywords (choose from CPUC listing): CONSOLIDATE TARIFFS

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

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

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: N/A

Summarize differences between the AL and the prior withdrawn or rejected AL¹: _____

Resolution Required? Yes No

Requested effective date: **03-01-06**

No. of tariff sheets: 3

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).

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 jjj@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

**ATTACHMENT 1
Advice 2708-G**

Cal P.U.C. Sheet No.	Title of Sheet	Cancelling Cal P.U.C. Sheet No.
23795-G	Preliminary Statement Part C--Gas Accounting Terms and Definitions	23398, 23350-G
23796-G	Table of Contents -- Preliminary Statements	23752-G
23797-G	Table of Contents -- Rate Schedules	23755-G



PRELIMINARY STATEMENT
(Continued)

C. GAS ACCOUNTING TERMS AND DEFINITIONS (Cont'd.)

12. REVISION DATES (Cont'd.)

c. In-Kind Shrinkage

Pursuant to Decision 03-12-061, an in-kind shrinkage allowance will be applied to all scheduled storage injection volumes beginning April 1, 2004. The in-kind shrinkage quantity will be calculated by dividing the total storage-related GDU and LUAF by the forecast annual storage-cycle quantity.

Decision 03-12-061 authorizes PG&E to update its in-kind shrinkage allowances on an annual basis through an advice letter compliance filing. The in-kind shrinkage allowances for backbone transmission and distribution will change annually effective November 1. The storage in-kind shrinkage allowance will change effective April 1. The in-kind shrinkage allowances are shown in Rule 21.

If necessary, PG&E may make separate advice letter filings to adjust in-kind shrinkage allowances at other times of the year in order to better match the actual shrinkage experience on PG&E's system. The BCAP shall continue to be the proceeding in which the pipeline shrinkage calculation methodology, and the proportion of LUAF and GDU that are to be assigned to transmission and distribution shrinkage, is determined.

d. PPP Surcharge Rates

- 1) **Timing and Frequency:** Per Decision 04-08-010, an advice filing to change core and noncore gas PPP surcharges will be filed by October 31 of each year to be effective January 1 of the next year. The PPP surcharge rates will include a forecast of the December 31 balance for each PPP balancing account, in accordance with prevailing Commission balancing account amortization policies. The forecast will be based on the most recent recorded balance, plus a forecast of the costs and revenues, including interest, through December 31. The forecasted balance for the PPP-RDD account will exclude interest until further direction from the CPUC.

PG&E may request a change in gas PPP surcharge rates during the year if failure to make the rate change would result in a forecasted total rate increase of 10 percent or more on January 1 of the next year. Requested rate changes will be by advice letter filing and be filed at least 40 days prior to the beginning of the next quarter with an effective date to be determined by the Energy Division in consultation with the California State Board Of Equalization (BOE).

If the current year program budget for CARE subsidy costs has not been adopted by the CPUC, PG&E will use forecasts of expected CARE subsidy costs based upon estimated future gas prices (using a credible, published source) and CARE penetration rates to calculate the surcharge. Amortization of balances in the applicable PPP balancing accounts will be in accordance with CPUC-established policies for the treatment of these funds.

- 2) **Information due dates:** By October 31, Energy Division will provide the allocation of RDD, BOE and CPUC administrative costs, and interstate pipeline customer gas volumes used for setting surcharge rates.

(Continued)



TABLE OF CONTENTS
(Continued)

PRELIMINARY STATEMENTS

SCHEDULE	TITLE OF SHEET	CAL P.U.C. SHEET NO.
Part A	Description of Service Area & General Requirements	14615 to 14623,18797-G
Part B	Default Tariff Rate Components.....	23720,23721,23722,23723,23724,23725,23726, 23727,23728,23729,23229,23644 to 23649,23675,23702,23650,23705,22024-G
Part C	Gas Accounting Terms and Definitions.....	23345,23674,23346,23511,23347,23260,23299,23300,23248,23561,23795,23351,23512-G
Part D	Purchased Gas Account	23513,23514,23515-G
Part E	Not Being Used	
Part F	Core Fixed Cost Account	23353,23354,23355-G
Part G	Not Being Used	
Part H	Not Being Used	
Part I	Not Being Used	
Part J	Noncore Customer Class Charge Account	23356,23357,23271-G
Part K	Enhanced Oil Recovery Account.....	23272-G
Part L	Balancing Charge Account.....	23273,23274-G
Part M	Core Subscription Phase-out Account	18456-G
Part N	Not Being Used	
Part O	CPUC Reimbursement Fee	22891-G
Part P	Income Tax Component of Contributions Provision	21646,13501-G
Part Q	Affiliate Transfer Fees Account.....	23275-G
Part R	Not Being Used	
Part S	Interest.....	12773-G
Part T	Tax Reform Act of 1986	12775-G
Part U	Core Brokerage Fee Balancing Account.....	23276-G
Part V	California Alternate Rates For Energy Account.....	23358-G
Part W	Not Being Used	
Part X	Natural Gas Vehicle Balancing Account.....	23277-G
Part Y	Customer Energy Efficiency Adjustment	18551,18552,18553-G
Part Z	Not Being Used	
Part AA	Not Being Used	
Part AB	Not Being Used	
Part AC	Catastrophic Event Memorandum Account.....	14178,14179-G
Part AD	Not Being Used	
Part AE	Core Pipeline Demand Charge Account	23301-G
Part AF	Not Being Used	
Part AG	Core Firm Storage Account.....	23380-G
Part AH	Air Quality Adjustment Clause	14928 to 14930-G
Part AI	Not Being Used	
Part AJ	Not Being Used	
Part AK	Low Income Energy Efficiency Memorandum Account	21244-G
Part AL	Not Being Used	
Part AM	Not Being Used	

(T)

(Continued)



TABLE OF CONTENTS

	<u>CAL P.U.C. SHEET NO.</u>	
Title Page	11271-G	
Table of Contents:		
Rate Schedules	23797,23754 -G	(T)
Preliminary Statements	23796,23753-G	(T)
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	23732,23487-G
G1-NGV	Residential Natural Gas Service for Compression on Customers' Premises	23733,23734-G
G-10/20	Winter Gas Savings Program.....	23541,23542-G
GM	Master-Metered Multifamily Service.....	23735,23489,23019-G
GS	Multifamily Service	23736,23491,23215-G
GT	Mobilehome Park Service	23737,23493,23023-G
G-10	Service to Company Employees	11318-G
GL-1	Residential CARE Program.....	23738,23495-G
GL1-NGV	Residential Care Program—Natural Gas Service for Compression on Customers' Premises	23739,23740-G
GML	Master-Metered Multifamily CARE Program Service	23741,23497,23027-G
GSL	Multifamily CARE Program Service.....	23742,23743,23216-G
GTL	Mobilehome Park CARE Program Service.....	23744,23745,23502-G
G-MHPS	Master-Metered Mobilehome Park Safety Surcharge	22034-G

NONRESIDENTIAL

G-NR1	Gas Service to Small Commercial Customers	23746,23035-G
G-NR2	Gas Service to Large Commercial Customers	23747,23037-G
G-CP	Gas Procurement Service to Core End-Use Customers	23748-G
G-CPX	Crossover Gas Procurement Service to Core End-Use Customers	23715-G
G-NT	Gas Transportation Service to Noncore End-Use Customers	23652,23653,22037,22038-G
G-EG	Gas Transportation Service to Electric Generation	23654,22895,22525,22173-G
G-WSL	Gas Transportation Service to Wholesale/Resale Customers	23655,22897,22045-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

**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
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
Dynergy 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