

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

Tel. No. (415) 703-1691



June 7, 2006

Advice Letter 2727-G

Ms Rose de la Torre
Pacific Gas and Electric Company
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 May 10, 2006

Dear Ms de la Torre:

Advice Letter 2727-G is effective May 10, 2006. A copy of the advice letter is sent 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
JUN 14 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

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

May 9, 2006

Advice 2727-G

(Pacific Gas and Electric Company ID U39G)

**Subject: Schedule G-CPX -- Crossover Gas Procurement Service to Core
End-Use Customers for Rates Effective May 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 **May 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 **May 10, 2006, through June 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)	\$0.75199
Large Commercial Customers (Schedule G-NR2)	\$0.60847
Natural Gas Vehicle Customers (Schedule G-NGV1)	\$0.59565

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 **May 29, 2006**. 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

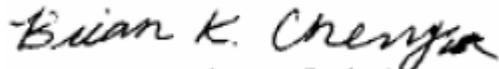
Effective Date

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

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: Shilpa Ramaiya

Phone #: (415) 973-3186

E-mail: srrd@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) #: **2727-G**

Subject of AL: Rates for Schedule G-CPX – Crossover Gas Procurement Service to Core End-Use Customers, effective May 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: **5/10/2006**

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 2727-G**

Cal P.U.C. Sheet No.	Title of Sheet	Cancelling Cal P.U.C. Sheet No.
23965-G	Schedule G-CPX-- Crossover Gas Procurement Service To Core End-Use Customers	23919-G
23966-G	Table of Contents -- Rules	23920-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)	\$0.75199 (R)
Large Commercial Crossover Charge: (G-NR2)	\$0.60847 (R)
Natural Gas Vehicle Crossover Charge: (G-NGV1)	\$0.59565 (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.



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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	23805,23487-G
G1-NGV	Residential Natural Gas Service for Compression on Customers' Premises	23806,23734-G
G-10/20	Winter Gas Savings Program.....	23541,23542-G
GM	Master-Metered Multifamily Service.....	23807,23489,23019-G
GS	Multifamily Service	23808,23491,23215-G
GT	Mobilehome Park Service	23809,23493,23023-G
G-10	Service to Company Employees	11318-G
GL-1	Residential CARE Program Service.....	23810,23495-G
GL1-NGV	Residential Care Program—Natural Gas Service for Compression on Customers' Premises	23811,23740-G
GML	Master-Metered Multifamily CARE Program Service	23812,23497,23027-G
GSL	Multifamily CARE Program Service.....	23813,23814,23216-G
GTL	Mobilehome Park CARE Program Service.....	23815,23816,23502-G
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G-NR1	Gas Service to Small Commercial Customers	23817,23035-G	
G-NR2	Gas Service to Large Commercial Customers	23818,23037-G	
G-CP	Gas Procurement Service to Core End-Use Customers	23819-G	
G-CPX	Crossover Gas Procurement Service to Core End-Use Customers	23965-G	(T)
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	

Crossover Rate Calculation

May-06

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

Combined PGT/ANG fuel rate	0.9855
ANG Fuel	0.600%
PGT Fuel	0.86%
AECO Monthly Index (C\$/GJ, source CGPR)	6.226
Exchange Rate (US\$/C\$)	0.8982
AECO "C" monthly commodity index (US\$/Dth)	\$ 5.900
ANG + PGT combined in-kind fuel rate	1.45%
ANG+PGT in-kind fuel charge	0.087
ANG volumetric rate	0.0000
PGT volumetric rate	0.0098
AECO "C" Net Forward Price (14+16+17+18)	\$5.9964

<u>Gas Price Index</u>	<u>Price, CA Border</u>	<u>Intrastate Transport</u>	<u>Total</u>
AECO C (CGPR)	\$5.9964	\$0.0615	\$6.0579
Southern Border-PG&E (NGI)	\$5.8700	\$0.0615	\$5.9315
Core WACOG	\$6.1254	\$0.0615	\$6.1869
Crossover Price at PG&E Citygate (\$/Dth)			\$6.1869

5/8/2006

Calculation of the G-CPX Crossover Core Procurement Rate

Gas Prices	
Border Price (\$/Dth)	
AECO C	\$5.9964
PG&E Topock (Source NGI)	\$5.8700
Core WACOG	\$6.1254

G-CPX CROSSOVER CORE PROCUREMENT RATE	\$/Decatherm	\$/Therm	Components \$/Therm	Calculation
CROSSOVER COMMODITY CHARGE				
Weighed Average Cost of Gas (WACOG)				
WACOG at the Border	\$6.1254			(a)
Intrastate Backbone Volumetric Transport Charge	\$0.615			(b)
Total WACOG	6.1869	\$.61869		(c)=(a)+(b)
Franchise Fee	0.009765	<i>Changes in GRC</i>		
Uncollectible Fee	0.002024	<i>Changes in GRC</i>		
Subt F & U	0.011789	X WACOG at the Border	\$.0722	(d)=(a)*F&U Factor
WACOG with Franchise and Uncollectible	\$6.2591	\$.62591		(e)=(c)+(d)
PGA Adjustment: Core Sales	(\$.8884)	(\$.08884)		(f)
Cycled Carrying Cost of Gas in Storage	\$.0054	\$.00054		(g)
Total Core Commodity Charge				
Small Commercial			\$.53761	(k)=(e)+(f)+(g)+(h)
Large Commercial			\$.53761	(l)=(e)+(f)+(g)+(i)
Natural Gas Vehicle			\$.53761	(m)=(e)+(f)+(g)+(j)
CORE FIRM STORAGE COSTS (Including F&U)				
CFSA Adjustment: Core Firm Storage Account				
Small Commercial	\$.0000	\$.00000		(n)
Large Commercial	\$.1360	\$.01360	\$.01360	(r)=(n)+(o)
Natural Gas Vehicle	\$.0866	\$.00866	\$.00866	(s)=(n)+(p)
Natural Gas Vehicle	\$.0834	\$.00834	\$.00834	(t)=(n)+(q)
INTERSTATE & INTRASTATE CAPACITY CHARGES (Incl. F&U)				
CPDCA Adjustment (Incl. F&U)				
Small Commercial	\$.0000	\$.00000		(u)
ANG and NOVA Costs (Incl. F&U)				
Small Commercial	\$.1310	\$.01310		(h)
Large Commercial	\$.0697	\$.00697		(i)
Natural Gas Vehicle	\$.0437	\$.00437		(j)
Interstate Capacity Charges				
Small Commercial	\$.3234	\$.03234		(v)
Large Commercial	\$.1720	\$.01720		(w)
Natural Gas Vehicle	\$.1079	\$.01079		(x)
Intrastate Backbone Capacity Charges				
Small Commercial	\$.1760	\$.01760	\$.06304	(y)
Large Commercial	\$.0936	\$.00936	\$.03353	(z)
Natural Gas Vehicle	\$.0587	\$.00587	\$.02103	(aa)
WINTER GAS SAVING PROGRAM RECOVERY RES/SMALL COMM'L ONLY				
Small Commercial	\$1.0907	\$.10907	\$.10907	
CORE BROKERAGE FEE				
Small Commercial	\$.0300		\$.00300	(ae)
SHRINKAGE RATE				
Shrinkage (Incl. F&U)				
Based on Core Shrinkage: 4.10%	\$.2567	\$.02567		(af)
PGA Adjustment: Core Shrinkage (Incl. F&U)	\$.0000	\$.00000		(ag)
Total Shrinkage Rate			\$.02567	(ah)=(af)+(ag)
TOTAL G-CPX CORE PROCUREMENT CHARGE				
Small Commercial			\$.75199	(ai)=(k)+(r)+(ab)+(ae)+(ah)
Large Commercial			\$.60847	(aj)=(l)+(s)+(ac)+(ae)+(ah)
Natural Gas Vehicle			\$.59565	(ak)=(m)+(t)+(ad)+(ae)+(ah)

**PG&E Gas and Electric Advice
Filing List
General Order 96-A, Section III(G)**

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