

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

Tel. No. (415) 703-1691



August 2, 2006

Advice Letter 2740-G

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

Subject: July 2006 G-SUR Rate Change

Dear Ms de la Torre:

Advice Letter 2740-G is effective July 7, 2006. A copy of the advice letter is sent herewith for your records.

Sincerely,

A handwritten signature in black ink, appearing to read "Sean H. Gallagher".

Sean H. Gallagher
Director
Energy Division

REGULATORY RELATIONS	
Tariffs Section	
M Brown	D Poster
R Dela Torre	S Ramaiya
B Lam	
AUG 8 2006	
_____ Records _____	
Return to _____	File _____
cc to _____	



Brian K. Cherry
Senior 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

June 30, 2006

Advice 2740-G

(Pacific Gas and Electric Company ID U39G)

Public Utilities Commission of the State of California

Subject: July 2006 G-SUR Rate Change

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 submit monthly revisions to the gas Schedule G-SUR effective **July 7, 2006**. In accordance with Resolution G-3326, the Schedule G-SUR rate now changes in conjunction with core gas procurement rates, which is generally on the 5th business day of the month. However, Decision (D.) 98-07-025 allows PG&E to change its core procurement rates on the first day of the month when gas transportation rates change on the first of the month.

Pursuant to Public Utilities Code Sections 6350-6354, gas volumes procured by customers from third-party entities and transported by PG&E may be subject to a gas franchise fee surcharge under Schedule G-SUR--*Customer-Procured Gas Franchise Fee Surcharge*. The franchise fee surcharge is calculated based on the monthly core Weighted Average Cost of Gas (WACOG), exclusive of storage costs, and franchise fees and uncollectibles, multiplied by the franchise fee factor adopted in PG&E's most recent General Rate Case.*

Effective **July 7, 2006**, the G-SUR price is **\$0.00516** per therm. The price in this advice filing shall remain in effect until the next such filing with the CPUC. Prices are posted on PG&E's internet website at:

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

* This includes revised Franchise Fee factor of 0.009765, per 2003 General Rate Case D.04-05-055.

Protests

Anyone wishing to protest this filing may do so by sending a letter within 20 days of the date of this filing, **July 20, 2006**. 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 jjj@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 protests should be sent via both e-mail and facsimile to PG&E on the same date it is mailed or delivered to the Commission at the address shown below.

Pacific Gas and Electric Company
Attn: Brian K. Cherry
Director, Regulatory Relations
77 Beale Street, Mailcode B10C
P.O. Box 770000
San Francisco, CA 94177

Facsimile: (415) 973-7226
E-mail: PGETariffs@pge.com

Notice

In accordance with Section III, Paragraph G, of General Order 96-A, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list.

A handwritten signature in cursive script that reads "Brian K. Cherry".

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: 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) #: **2740-G**

Subject of AL: Schedule G-SUR rate effective July 7, 2006

Keywords (choose from CPUC listing): **FRANCHISE FEE, SURCHARGE**

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

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: P.U. Code 6350-6354, D. 98-07-025, Res. G-3326

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: **7/7/06**

No. of tariff sheets: **3**

Estimated system annual revenue effect (%): Unknown

Estimated system average rate effect (%): Unknown

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-SUR

Service affected and changes proposed¹: Monthly G-SUR price change effective July 7, 2006

Pending advice letters that revise the same tariff sheets: N/A

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 2740-G**

Cal P.U.C. Sheet No.	Title of Sheet	Cancelling Cal P.U.C. Sheet No.
24067-G	Schedule G-SUR--Customer-Procured Gas Franchise Fee Surcharge	24022-G
24068-G	Table of Contents -- Rate Schedules	24023-G
24069-G	Table of Contents -- Rate Schedules	24024-G



SCHEDULE G-SUR—CUSTOMER-PROCURED GAS FRANCHISE FEE SURCHARGE

APPLICABILITY: Pursuant to California State Senate Bill No. 278 (1993) and pursuant to PU Code Sections 6350-6354, this schedule applies to all gas volumes procured by Customers from third-party entities and transported by PG&E ("Customer-procured gas") with the following exceptions:

- a. the State of California or a political subdivision thereof;
- b. one gas utility transporting gas for end use in its Commission-designated service area through another utility's service area;
- c. a utility transporting its own gas through its own gas transmission and distribution system for purposes of generating electricity or for use in its own operations;
- d. cogeneration Customers, for that quantity of natural gas billed under Schedule G-EG.

TERRITORY: Schedule G-SUR applies everywhere PG&E provides natural gas service.

RATES: The Customer-procured gas Franchise Fee Surcharge is comprised of the following components:

- a. the monthly core Weighted Average Cost of Gas (WACOG), Per Therm
exclusive of storage costs and Franchise Fees and
Uncollectibles, which is \$0.52810 (I)
 - multiplied by:
 - b. the Franchise Fee factor* adopted in PG&E's most recent
General Rate Case, which is 0.009765
- The G-SUR Franchise Fee Surcharge is \$0.00516 (I)

SURCHARGE RECOVERY: The surcharge will be shown on the Customer's monthly bill based on volumes procured by the Customer from a third party and transported by PG&E (metered usage).

DELINQUENT SURCHARGES: In the event that payment on a transportation Customer's closed account becomes more than 90 days delinquent or a transportation Customer notifies the utility that they refuse to pay the surcharge, PG&E shall, within 30 days, notify the municipality of the delinquency and provide information on the name and address of the delinquent transportation Customer and the surcharge amount owed. PG&E shall not be liable for delinquent surcharges.

* Does not include Uncollectibles factor of 0.002024.



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G-NAS	Negotiated As-Available Storage Service.....	23658-G
G-CFS	Core Firm Storage.....	23659,23658,22148,22149-G
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G-AA	As-Available Transportation On-System.....	22179,23663-G
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G-NAA	Negotiated As-Available Transportation On-System.....	22183,22911,22184-G
G-NAAOFF	Negotiated As-Available Transportation Off-System.....	21839,22912,22913-G
G-OEC	Gas Delivery to Off-System End-Use Customers.....	22263,22264-G
G-CARE	CARE Program Service for Qualified Nonprofit Group-Living and Qualified Agricultural Employee Housing Facilities.....	23367-G
G-XF	Pipeline Expansion Firm Intrastate Transportation Service.....	23665,22915-G
G-PARK	Market Center Parking Service.....	23666,18177-G
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RATE SCHEDULES

RESIDENTIAL

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GSL	Multifamily CARE Program Service.....	23742,23743,23216-G
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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
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G-EG	Gas Transportation Service to Electric Generation	23654,22895,22525,22173-G
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**PG&E Gas and Electric Advice
Filing List
General Order 96-A, Section III(G)**

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