

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298

Tel. No. (415) 703-1691



August 1, 2006

Advice Letter 2742-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 July 10, 2006

Dear Ms de la Torre:

Advice Letter 2742-G is effective July 10, 2006. A copy of the advice letter is returned herewith  
for your records.

Sincerely,

Sean H. Gallagher, Director  
Energy Division

<b>REGULATORY RELATIONS</b>	
Tariffs Section	
M Brown	D Poster
R Dela Torre	S Ramaiya
B Lam	
AUG - 3 2006	
_____	
Records	
Return to _____	File _____
cc to _____	



**Brian K. Cherry**  
Vice President  
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

July 7, 2006

**Advice 2742-G**

(Pacific Gas and Electric Company ID U39G)

**Subject: Schedule G-CPX -- Crossover Gas Procurement Service to Core  
End-Use Customers for Rates Effective July 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 **July 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.<sup>1</sup>

For the period from **July 10, 2006, through August 9, 2006**, the following Schedule G-CPX rates will be in effect.

<b><u>Schedule G-CPX Rates</u></b>	<b><u>Per Therm</u></b>
Small Commercial Customers (Schedule G-NR1)	<b>\$0.61135</b>
Large Commercial Customers (Schedule G-NR2)	<b>\$0.57684</b>
Natural Gas Vehicle Customers (Schedule G-NGV1)	<b>\$0.56401</b>

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 **July 27, 2006**. Protests should be mailed to:

CPUC Energy Division  
 Attention: Tariff Unit, 4<sup>th</sup> Floor  
 505 Van Ness Avenue  
 San Francisco, California 94102  
 Facsimile: (415) 703-2200  
 E-mail: [jjr@cpuc.ca.gov](mailto:jjr@cpuc.ca.gov) and [jnj@cpuc.ca.gov](mailto: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.

<sup>1</sup> 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 **July 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>

A handwritten signature in cursive script that reads "Brian K. Cherry" followed by a small mark that appears to be "ROT".

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) #: **2742-G**

Subject of AL: Rates for Schedule G-CPX – Crossover Gas Procurement Service to Core End-Use Customers, effective July 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 AL<sup>1</sup>: \_\_\_\_\_

Resolution Required?  Yes  No

Requested effective date: **7/10/2006**

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 proposed<sup>1</sup>: 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](mailto:jjr@cpuc.ca.gov) and [jnj@cpuc.ca.gov](mailto:jnj@cpuc.ca.gov)**

**Pacific Gas and Electric Company**

**Attn: Brian K. Cherry**

**Vice President, Regulatory Relations**

**77 Beale Street, Mail Code B10C**

**P.O. Box 770000**

**San Francisco, CA 94177**

**E-mail: [PGETariffs@pge.com](mailto:PGETariffs@pge.com)**

<sup>1</sup> Discuss in AL if more space is needed.

**ATTACHMENT 1  
Advice 2742-G**

<b>Cal P.U.C. Sheet No.</b>	<b>Title of Sheet</b>	<b>Cancelling Cal P.U.C. Sheet No.</b>
24073-G	Schedule G-CPX--Crossover Gas Procurement Service To Core End-Use Customers	24035-G
24074-G	Table of Contents -- Rate Schedules	24036-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)	\$0.61135 (I)
Large Commercial Crossover Charge: (G-NR2)	\$0.57684 (I)
Natural Gas Vehicle Crossover Charge: (G-NGV1)	\$0.56401 (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	
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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
G-MHPS	Master-Metered Mobilehome Park Safety Surcharge .....	22034-G

NONRESIDENTIAL

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 .....	24073-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**

Jul-06

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

Combined PGT/ANG fuel rate	0.96716
ANG Fuel	1.10%
PGT Fuel	2.20%
AECO Monthly Index (C\$/GJ, source CGPR)	5.4923
Exchange Rate (US\$/C\$)	0.8995
AECO "C" monthly commodity index (US\$/Dth)	\$ 5.212
ANG + PGT combined in-kind fuel rate	3.28%
ANG+PGT in-kind fuel charge	0.177
ANG volumetric rate	0.0000
PGT volumetric rate	0.0098
<b>AECO "C" Net Forward Price (14+16+17+18)</b>	<b>\$5.3988</b>

<b><u>Gas Price Index</u></b>	<b><u>Price, CA Border</u></b>	<b><u>Intrastate Transport</u></b>	<b><u>Total</u></b>
AECO C (CGPR)	\$5.3988	\$0.0545	\$5.4533
Southern Border-PG&E (NGI)	\$5.3500	\$0.0545	\$5.4045
Core WACOG	\$5.2810	\$0.0545	\$5.3355
<b>Crossover Price at PG&amp;E Citygate (\$/Dth)</b>			<b>\$5.4533</b>

7/7/2006

## Calculation of the G-CPX Crossover Core Procurement Rate

Gas Prices	
Border Price (\$/Dth)	
AECO C	\$5.3988
PG&E Topock (Source NGI)	\$5.3500
Core WACOG	\$5.2810

G-CPX CROSSOVER CORE PROCUREMENT RATE	\$/Decatherm	\$/Therm	Components \$/Therm	Calculation
<b>CROSSOVER COMMODITY CHARGE</b>				
Weighted Average Cost of Gas (WACOG)				
WACOG at the Border	\$5.3988			(a)
Intrastate Backbone Volumetric Transport Charge	\$0.0545			(b)
Total WACOG	\$5.4533	\$5.4533		(c)=(a)+(b)
Franchise Fee	0.009765	Changes in GRC		
Uncollectible Fee	0.002024	Changes in GRC		
Subt F & U	0.011789	X WACOG at the Border	\$0.0636	(d)=(a)*F&U Factor
WACOG with Franchise and Uncollectible			\$5.5169	(e)=(c)+(d)
PGA Adjustment: Core Sales			(\$0.5905)	(f)
Cycled Carrying Cost of Gas in Storage			\$0.0054	(g)
Total Core Commodity Charge				
Small Commercial			\$0.49318	(k)=(e)+(f)+(g)+(h)
Large Commercial			\$0.49318	(l)=(e)+(f)+(g)+(i)
Natural Gas Vehicle			\$0.49318	(m)=(e)+(f)+(g)+(j)
<b>CORE FIRM STORAGE COSTS (Including F&amp;U)</b>				
CFSA Adjustment: Core Firm Storage Account	\$0.0000	\$0.0000		(n)
Small Commercial	\$0.1360	\$0.1360	\$0.1360	(o) (r)=(n)+(o)
Large Commercial	\$0.0866	\$0.0866	\$0.0866	(p) (s)=(n)+(p)
Natural Gas Vehicle	\$0.0834	\$0.0834	\$0.0834	(q) (t)=(n)+(q)
<b>INTERSTATE &amp; INTRASTATE CAPACITY CHARGES (Incl. F&amp;U)</b>				
CPDCA Adjustment (Incl. F&U)	\$0.1580	\$0.1580		(u)
<b>ANG and NOVA Costs (Incl. F&amp;U)</b>				
Small Commercial	\$0.1322	\$0.1322		(h)
Large Commercial	\$0.0703	\$0.0703		(i)
Natural Gas Vehicle	\$0.0441	\$0.0441		(j)
<b>Interstate Capacity Charges</b>				
Small Commercial	\$0.3234	\$0.3234		(v)
Large Commercial	\$0.1720	\$0.1720		(w)
Natural Gas Vehicle	\$0.1079	\$0.1079		(x)
<b>Intrastate Backbone Capacity Charges</b>				
Small Commercial	\$0.1759	\$0.1759	\$0.17895	(y) (ab)=(u)+(v)+(y)
Large Commercial	\$0.0935	\$0.0935	\$0.49338	(z) (ac)=(u)+(w)+(z)
Natural Gas Vehicle	\$0.0587	\$0.0587	\$0.3687	(aa) (ad)=(u)+(x)+(aa)
<b>CORE BROKERAGE FEE</b>				
	\$0.0300		\$0.0300	(ae)
<b>SHRINKAGE RATE</b>				
Shrinkage (Incl. F&U)	\$0.2262	\$0.2262		(af)
Based on Core Shrinkage: 4.10%		Changes in BCAP		
PGA Adjustment: Core Shrinkage (Incl. F&U)	\$0.0000	\$0.0000		(ag)
Total Shrinkage Rate			\$0.2262	(ah)=(af)+(ag)
<b>TOTAL G-CPX CORE PROCUREMENT CHARGE</b>				
Small Commercial			\$0.61135	(ai)=(k)+(r)+(ab)+(ae)+(ah)
Large Commercial			\$0.57684	(aj)=(l)+(s)+(ac)+(ae)+(ah)
Natural Gas Vehicle			\$0.56401	(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  
Ancillary Services Coalition  
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  
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  
Luce, Forward, Hamilton & Scripps  
Manatt, Phelps & Phillips  
Marcus, David  
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  
OnGrid Solar  
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  
Tecogen, Inc  
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Transcanada  
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U S Borax, Inc  
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Utility Resource Network  
Wellhead Electric Company  
Western Hub Properties, LLC  
White & Case  
WMA