

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE

SAN FRANCISCO, CA 94102-3298

Tel. No. (415) 703-1691



September 12, 2006

Advice Letter 2754-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 08/10/06

Dear Ms de la Torre:

Advice Letters 2754-G is effective August 10, 2006. A copy of the advice letter is returned 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	
SEP 14 2006	

Records _____	
Return to _____	File _____
cc to _____	



**Pacific Gas and
Electric Company™**

Brian K. Cherry
Vice President
Regulatory Relations

77 Beale Street, Room 1087
San Francisco, CA 94105

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Mail Code B10C
Pacific Gas and Electric Company
P.O. Box 770000
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Internal: 223.4977
Fax: 415.973.7226
Internet: BKC7@pge.com

August 9, 2006

Advice 2754-G

(Pacific Gas and Electric Company ID U39G)

**Subject: Schedule G-CPX -- Crossover Gas Procurement Service to Core
End-Use Customers for Rates Effective August 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 **August 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 **August 10, 2006, through September 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)	\$0.80287
Large Commercial Customers (Schedule G-NR2)	\$0.76846
Natural Gas Vehicle Customers (Schedule G-NGV1)	\$0.75566

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 **August 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
Vice President, 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 **August 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".

Vice President, 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) #: **2754-G**

Subject of AL: Rates for Schedule G-CPX – Crossover Gas Procurement Service to Core End-Use Customers, effective August 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: **8/10/2006**

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

Vice President, 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 2754-G**

Cal P.U.C. Sheet No.	Title of Sheet	Cancelling Cal P.U.C. Sheet No.
24151-G	Schedule G-CPX--Crossover Gas Procurement Service To Core End-Use Customers	24073-G
24152-G	Table of Contents -- Rate Schedules	24074-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)	\$0.80287 (I)
Large Commercial Crossover Charge: (G-NR2)	\$0.76846 (I)
Natural Gas Vehicle Crossover Charge: (G-NGV1)	\$0.75566 (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.



TABLE OF CONTENTS

	CAL P.U.C. SHEET NO.	
Title Page	11271-G	
Table of Contents:		
Rate Schedules	24152,23823-G	(T)
Preliminary Statements	23822,23753-G	
Rules	22927-G	
Maps, Contracts and Deviations.....	22438-G	
Sample Forms	22434,22926,21538,22266,21292-G	

RATE SCHEDULES

RESIDENTIAL

SCHEDULE	TITLE OF SHEET	CAL P.U.C. SHEET NO.
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	24151-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

Aug-06

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

Combined PGT/ANG fuel rate	0.957755139
ANG Fuel	1.20%
PGT Fuel	3.06%
AECO Monthly Index (C\$/GJ, source CGPR)	5.8385
Exchange Rate (US\$/C\$)	0.8838
AECO "C" monthly commodity index (US\$/Dth)	\$ 5.4439
ANG + PGT combined in-kind fuel rate	\$ 0.0422
ANG+PGT in-kind fuel charge	\$ 0.2401
ANG volumetric rate	\$ -
PGT volumetric rate	\$ 0.0098
AECO "C" Net Forward Price (14+16+17+18)	\$ 5.6938

<u>Gas Price Index</u>	<u>Price, CA Border</u>	<u>Intrastate Transport</u>	<u>Total</u>
AECO C (CGPR)	\$5.6938	\$0.0558	\$5.7496
Southern Border-PG&E (NGI)	\$6.4700	\$0.0558	\$6.5258
Core WACOG	\$5.5339	\$0.0558	\$5.5897
Crossover Price at PG&E Citygate (\$/Dth)			\$6.5258

8/4/2006

Effective: 8/10/2006

Advice Letter No. 2754-G

Calculation of the G-CPX Crossover Core Procurement Rate

Gas Prices	
	Border Price (\$/Dth)
AECO C	\$5.6938
PG&E Topock (Source NGI)	\$6.4700
Core WACOG	\$5.5339

G-CPX CROSSOVER CORE PROCUREMENT RATE	\$/Decatherm	\$/Therm	Components \$/Therm	Calculation
CROSSOVER COMMODITY CHARGE				
Weighted Average Cost of Gas (WACOG)				(a)
WACOG	\$6.4700			(b)
Intrastate Backbone Volumetric Transport Charge	\$0.0558			(c)=(a)+(b)
Total WACOG	6.5258	\$6.5258		
Franchise Fee	0.009765	Changes in GRC		
Uncollectible Fee	0.002024	Changes in GRC		
Subt F & U	0.011789	X WACOG at the Border	\$0.0763	(d)=(a)*F&U Factor
WACOG with Franchise and Uncollectible			\$6.6021	(e)=(c)+(d)
PGA Adjustment: Core Sales			\$0.0000	(f)
Cycled Carrying Cost of Gas in Storage			\$0.0054	(g)
Total Core Commodity Charge				
Small Commercial			\$0.66075	(k)=(e)+(f)+(g)+(h)
Large Commercial			\$0.66075	(l)=(e)+(f)+(g)+(i)
Natural Gas Vehicle			\$0.66075	(m)=(e)+(f)+(g)+(j)
CORE FIRM STORAGE COSTS (Including F&U)				
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)
INTERSTATE & INTRASTATE CAPACITY CHARGES (Incl. F&U)				
CPDCA Adjustment (Incl. F&U)	\$0.3550	\$0.3550		(u)
ANG and NOVA Costs (Incl. F&U)				
Small Commercial	\$0.1302	\$0.1302		(h)
Large Commercial	\$0.0692	\$0.0692		(i)
Natural Gas Vehicle	\$0.0434	\$0.0434		(j)
Interstate Capacity Charges				
Small Commercial	\$0.3234	\$0.3234		(v)
Large Commercial	\$0.1720	\$0.1720		(w)
Natural Gas Vehicle	\$0.1079	\$0.1079		(x)
Intrastate Backbone Capacity Charges				
Small Commercial	\$0.1759	\$0.1759	\$0.09845	(y) (ab)=(u)+(v)+(y)
Large Commercial	\$0.0936	\$0.0936	\$0.06898	(z) (ac)=(u)+(w)+(z)
Natural Gas Vehicle	\$0.0587	\$0.0587	\$0.05650	(aa) (ad)=(u)+(x)+(aa)
CORE BROKERAGE FEE				
	\$0.0300		\$0.0300	(ae)
SHRINKAGE RATE				
Shrinkage (Incl. F&U)	\$0.2707	\$0.2707		(af)
Based on Core Shrinkage: 4.10%				
PGA Adjustment: Core Shrinkage (Incl. F&U)	\$0.0000	\$0.0000		(ag)
Total Shrinkage Rate			\$0.2707	(ah)=(af)+(ag)
TOTAL G-CPX CORE PROCUREMENT CHARGE				
Small Commercial			\$0.80287	(ai)=(k)+(r)+(ab)+(ae)+(ah)
Large Commercial			\$0.76846	(aj)=(l)+(s)+(ac)+(ae)+(ah)
Natural Gas Vehicle			\$0.75566	(ak)=(m)+(t)+(ad)+(ae)+(ah)

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

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