

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298

Tel. No. (415) 703-1691



December 29, 2006

Advice Letter 2777-G

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

Subject: Rates for Schedule G-CPX – Crossover Gas Procurement Service to Core End-Use Customers, Effective November 10, 2006

Dear Ms. de la Torre:

Advice Letter 2777-G is effective November 10, 2006. A copy of the advice letter is returned herewith for your records.

Sincerely,m

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

Sean H. Gallagher, Director  
Energy Division



**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

November 8, 2006

**Advice 2777-G**

(Pacific Gas and Electric Company ID U39G)

**Subject: Schedule G-CPX -- Crossover Gas Procurement Service to Core  
End-Use Customers for Rates Effective November 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 **November 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 **November 10, 2006, through December 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)	<b>\$0.85673</b>
Large Commercial Customers (Schedule G-NR2)	<b>\$0.82226</b>
Natural Gas Vehicle Customers (Schedule G-NGV1)	<b>\$0.80942</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 **November 28, 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: [jjn@cpuc.ca.gov](mailto:jjn@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  
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 **November 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" with a small "ROT" written below the name.

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) #: **2777-G**

Subject of AL: Rates for Schedule G-CPX – Crossover Gas Procurement Service to Core End-Use Customers, effective November 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: **11/10/2006**

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 2777-G**

<b>Cal P.U.C. Sheet No.</b>	<b>Title of Sheet</b>	<b>Cancelling Cal P.U.C. Sheet No.</b>
24448-G	Schedule G-CPX--Crossover Gas Procurement Service To Core End-Use Customers	24349-G
24449-G	Table of Contents -- Rate Schedules	24350-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)	\$0.85673 (I)
Large Commercial Crossover Charge: (G-NR2)	\$0.82226 (I)
Natural Gas Vehicle Crossover Charge: (G-NGV1)	\$0.80942 (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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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 .....	24448-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**

Nov-06

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

Combined PGT/ANG fuel rate	0.972772715
ANG Fuel	0.90%
PGT Fuel	1.84%
AECO Monthly Index (C\$/GJ, source CGPR)	6.3643
Exchange Rate (US\$/C\$)	0.8838
AECO "C" monthly commodity index (US\$/Dth)	\$ 5.9341
ANG + PGT combined in-kind fuel rate	\$ 0.0272
ANG+PGT in-kind fuel charge	\$ 0.1661
ANG volumetric rate	\$ -
PGT volumetric rate	\$ 0.0096
<b>AECO "C" Net Forward Price (14+16+17+18)</b>	<b>\$ 6.1098</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)	\$6.1098	\$0.0600	\$6.1698
Southern Border-PG&E (NGI)	\$6.9300	\$0.0600	\$6.9900
Core WACOG	\$6.3116	\$0.0600	\$6.3716
<b>Crossover Price at PG&amp;E Citygate (\$/Dth)</b>			<b>\$6.9900</b>

11/6/2006

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

Gas Prices	
Border Price (\$/Dth)	
AECO C	\$5.1098
PG&E Topock (Source NGI)	\$6.9300
Core WACOG	\$6.3116

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	\$6.9300			(a)
Intrastate Backbone Volumetric Transport Charge	\$0.600			(b)
Total WACOG	6.9900	\$.69900		(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	\$0.817	
WACOG with Franchise and Uncollectible			\$7.0717	(d)=(a)*F&U Factor
PGA Adjustment: Core Sales	\$0.2564	\$.02564		(e)=(c)+(d)
Cycled Carrying Cost of Gas in Storage	\$0.0054	\$.00054		(f)
Total Core Commodity Charge				(g)
Small Commercial			\$0.73335	(k)=(e)+(f)+(g)+(h)
Large Commercial			\$0.73335	(l)=(e)+(f)+(g)+(i)
Natural Gas Vehicle			\$0.73335	(m)=(e)+(f)+(g)+(j)
<b>CORE FIRM STORAGE COSTS (Including F&amp;U)</b>				
CFSA Adjustment: Core Firm Storage Account	\$0.000	\$.00000		(n)
Small Commercial	\$0.1349	\$.01349	\$0.1349	(o) (r)=(n)+(o)
Large Commercial	\$0.0859	\$.00859	\$0.0859	(p) (s)=(n)+(p)
Natural Gas Vehicle	\$0.0827	\$.00827	\$0.0827	(q) (t)=(n)+(q)
<b>INTERSTATE &amp; INTRASTATE CAPACITY CHARGES (Incl. F&amp;U)</b>				
CPDCA Adjustment (Incl. F&U)	\$0.1262	\$.01262		(u)
<b>ANG and NOVA Costs (Incl. F&amp;U)</b>				
Small Commercial	\$0.1314	\$.01314		(h)
Large Commercial	\$0.0699	\$.00699		(i)
Natural Gas Vehicle	\$0.0438	\$.00438		(j)
<b>Interstate Capacity Charges</b>				
Small Commercial	\$0.3237	\$.03237		(v)
Large Commercial	\$0.1721	\$.01721		(w)
Natural Gas Vehicle	\$0.1080	\$.01080		(x)
<b>Intrastate Backbone Capacity Charges</b>				
Small Commercial	\$0.1764	\$.01764	\$0.07577	(y) (ab)=(u)+(v)+(y)
Large Commercial	\$0.0938	\$.00938	\$0.04620	(z) (ac)=(u)+(w)+(z)
Natural Gas Vehicle	\$0.0588	\$.00588	\$0.03368	(aa) (ad)=(u)+(x)+(aa)
<b>CORE BROKERAGE FEE</b>				
	\$0.0300		\$0.03000	(ae)
<b>SHRINKAGE RATE</b>				
Shrinkage (Incl. F&U)	\$0.3112	\$.03112		(af)
Based on Core Shrinkage: 4.40% <i>Changes in BCAP</i>				
PGA Adjustment: Core Shrinkage (Incl. F&U)	\$0.0000	\$.00000		(ag)
Total Shrinkage Rate			\$0.03112	(ah)=(af)+(ag)
<b>TOTAL G-CPX CORE PROCUREMENT CHARGE</b>				
Small Commercial			\$0.85673	(ai)=(k)+(r)+(ab)+(ae)+(ah)
Large Commercial			\$0.82226	(aj)=(l)+(s)+(ac)+(ae)+(ah)
Natural Gas Vehicle			\$0.80942	(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	PITCO
Agnews Developmental Center	Duke Energy North America	Plurimi, Inc.
Ahmed, Ali	Duncan, Virgil E.	PPL EnergyPlus, LLC
Alcantar & Elsesser	Dutcher, John	Praxair, Inc.
Ancillary Services Coalition	Dynergy Inc.	Price, Roy
Anderson Donovan & Poole P.C.	Ellison Schneider	Product Development Dept
Applied Power Technologies	Energy Law Group LLP	R. M. Hairston & Company
APS Energy Services Co Inc	Energy Management Services, LLC	R. W. Beck & Associates
Arter & Hadden LLP	Exelon Energy Ohio, Inc	Recon Research
Avista Corp	Exeter Associates	Regional Cogeneration Service
Barkovich & Yap, Inc.	Foster Farms	RMC Lonestar
BART	Foster, Wheeler, Martinez	Sacramento Municipal Utility District
Bartle Wells Associates	Franciscan Mobilehome	SCD Energy Solutions
Blue Ridge Gas	Future Resources Associates, Inc	Seattle City Light
Bohannon Development Co	G. A. Krause & Assoc	Sempra
BP Energy Company	Gas Transmission Northwest Corporation	Sempra Energy
Braun & Associates	GLJ Energy Publications	Sequoia Union HS Dist
C & H Sugar Co.	Goodin, MacBride, Squeri, Schlotz &	SESCO
CA Bldg Industry Association	Hanna & Morton	Sierra Pacific Power Company
CA Cotton Ginners & Growers Assoc.	Heeg, Peggy A.	Silicon Valley Power
CA League of Food Processors	Hitachi Global Storage Technologies	Smurfit Stone Container Corp
CA Water Service Group	Hogan Manufacturing, Inc	Southern California Edison
California Energy Commission	House, Lon	SPURR
California Farm Bureau Federation	Imperial Irrigation District	St. Paul Assoc
California Gas Acquisition Svcs	Integrated Utility Consulting Group	Stanford University
California ISO	International Power Technology	Sutherland, Asbill & Brennan
Calpine	Interstate Gas Services, Inc.	Tabors Caramanis & Associates
Calpine Corp	IUCG/Sunshine Design LLC	Tecogen, Inc
Calpine Gilroy Cogen	J. R. Wood, Inc	TFS Energy
Cambridge Energy Research Assoc	JTM, Inc	Transcanada
Cameron McKenna	Luce, Forward, Hamilton & Scripps	Turlock Irrigation District
Cardinal Cogen	Manatt, Phelps & Phillips	U S Borax, Inc
Cellnet Data Systems	Marcus, David	United Cogen Inc.
Chevron Texaco	Matthew V. Brady & Associates	URM Groups
Chevron USA Production Co.	Maynor, Donald H.	Utility Cost Management LLC
City of Glendale	MBMC, Inc.	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	
DGS Natural Gas Services	Palo Alto Muni Utilities	