

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE

SAN FRANCISCO, CA 94102-3298



March 15, 2007

Advice Letter 2803-G

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

Subject: Revisions to Gas Preliminary Statement Part C3

Dear Ms. de la Torre:

Advice Letter 2803-G is effective January 1, 2007. A copy of the advice letter is returned herewith for your records.

Sincerely,

Sean H. Gallagher, Director  
Energy Division

<b>REGULATORY RELATIONS</b>	
M Brown Tariffs Section	D Poster
R Dela Torre	M Hughes
B Lam	
MAR 19 2007	
Return to _____	Records _____
cc to _____	File _____



**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

January 29, 2007

**Advice 2803-G**

(Pacific Gas and Electric Company ID U 39 G)

Public Utilities Commission of the State of California

**Subject: Revisions to gas Preliminary Statement Part C3**

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 advice letter is to update the core and noncore allocation of Distribution Base Revenue and Intervenor Compensation shown on Preliminary Statement Part C3.

**Background**

The distribution base revenue cost allocation factors between core and noncore changed on January 1, 2007 due to an adopted settlement in the Biennial Cost Allocation Proceeding (BCAP) Decision (D.) 05-06-029, between West Coast Gas Company, a wholesale customer, and PG&E. This agreement limits the increase in West Coast Gas Company's distribution rates to 10% a year, effective January 1 of each year until the next BCAP.

The update of these factors are in compliance with the BCAP D.05-06-029, and were already incorporated into rates as approved in PG&E's 2007 Annual Gas True-up Advice Letter (AL) 2780-G-A. The calculation is shown on Attachment III Table F to AL 2780-G-A. This AL merely updates Preliminary Statement Part C.3 to reflect the revised factors and does not affect currently effective rates as of January 1, 2007.

**Tariff Revisions**

Preliminary Statement Part C3 is updated to reflect changes in the core and noncore allocation of Distribution Base Revenue and Intervenor Compensation.

**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 **February 19**, which is 21 days after the date of this filing.<sup>1</sup> Protests should be mailed to:

CPUC Energy Division  
Tariff Files, Room 4005  
DMS Branch  
505 Van Ness Avenue  
San Francisco, California 94102

Facsimile: (415) 703-2200  
E-mail: [ijnj@cpuc.ca.gov](mailto:ijnj@cpuc.ca.gov) and [mas@cpuc.ca.gov](mailto:mas@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.

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:

Brian K. Cherry  
Vice President, Regulatory Relations  
Pacific Gas and Electric Company  
77 Beale Street, Mail Code B10C  
P.O. Box 770000  
San Francisco, California 94177

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

**Effective Date**

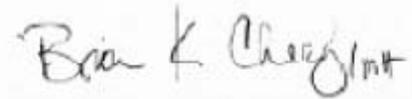
PG&E requests that this advice letter be approved effective January 1, 2007.

---

<sup>1</sup> The 20 day protest period concludes on a weekend. PG&E is hereby moving this date to the following business day.

**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 to the General Order 96-A service list 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 black ink that reads "Brian K. Cheung". The signature is written in a cursive style and is centered horizontally within the page.

Vice President, Regulatory Relations

Attachments

cc: Service List

# 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 U39M

Utility type:

ELC       GAS  
 PLC       HEAT       WATER

Contact Person: Megan Hughes

Phone #: (415) 973-1877

E-mail: MEHr@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) #: **2803-G**

Subject of AL: Revisions to gas Preliminary Statement Part C3

Keywords (choose from CPUC listing): Preliminary Statement

AL filing type:  Monthly  Quarterly  Annual  One-Time  Other \_\_\_\_\_

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution: D.05-06-029

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL

Summarize differences between the AL and the prior withdrawn or rejected AL<sup>1</sup>:

Resolution Required?  Yes  No

Requested effective date: **January 1, 2007**

No. of tariff sheets: 3

Estimated system annual revenue effect: (%)

Estimated system average rate effect (%):

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: Gas Preliminary Statement C

Service affected and changes proposed<sup>1</sup>:

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**

**[inj@cpuc.ca.gov](mailto:inj@cpuc.ca.gov) and [mas@cpuc.ca.gov](mailto:mas@cpuc.ca.gov)**

**Utility Info (including e-mail)**

**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 2803-G**

<b>Cal P.U.C. Sheet No.</b>	<b>Title of Sheet</b>	<b>Cancelling Cal P.U.C. Sheet No.</b>
24663-G	Preliminary Statement Part C--Gas Accounting Terms and Definitions	23346-G
24664-G	Table of Contents -- Preliminary Statements	24570-G
24665-G	Table of Contents -- Title Page	24571-G



PRELIMINARY STATEMENT  
(Continued)

C. GAS ACCOUNTING TERMS AND DEFINITIONS (Cont'd.)

3. COST ALLOCATION FACTORS:

a. General: These factors are derived from the core and noncore costs adopted in the last Cost Allocation Proceeding and are used to allocate recorded costs to customer classes.

Cost Category	Factor			Total
	Core	Noncore	Unbundled Storage	
Distribution Base Revenue	0.967261 (R)	0.032739 (I)		1.000000
Intervenor Compensation	0.967261 (R)	0.032739 (I)		1.000000
Other – Equal Distribution Based on All Transportation Volumes	0.419158	0.580842		1.000000
Carrying Cost on Non-cycled Gas in Storage*	0.875000		0.125000	1.000000

\* Excluding Non-cycled Gas in Storage which is allocated to system load balancing and recovered through transmission rates.

b. Pacific Gas and Electric Gas Transmission Northwest (PG&E GT-NW) and Intrastate Pipeline Demand Charges: Factors are derived based on the procedures defined in Decisions 91-11-025 and 97-05-093.

1) The core procurement factor will be equal to the capacity reserved for core procurement customers on each pipeline divided by the total capacity held by PG&E on that pipeline.

2) The core transport factor will be equal to the capacity reserved for core transport customers on each pipeline divided by the total capacity held by PG&E on that pipeline.

4. COST ALLOCATION PROCEEDING: The proceeding in which the Transportation Revenue Requirement, as described in Section C.10.c below, and the gas PPP authorized funding, as described in Section C.11. below, is allocated between customer classes. This proceeding is currently a biennial proceeding pursuant to CPUC Decision 90-09-089.

5. FORECAST PERIOD OR TEST PERIOD: The 24-month period, beginning with the revision date as specified in the Cost Allocation Proceeding.

(Continued)

**TABLE OF CONTENTS**

**Preliminary Statements**

<b>SCHEDULE</b>	<b>TITLE OF SHEET</b>	<b>CAL P.U.C. SHEET NO.</b>
Part A	Description of Service Area and General Requirements .....	14615-14623, 18797-G
Part B	Default Tariff Rate Components .....	24541-24550, 23229, 23902-23904, 24025, 24026, 23907-23909, 24200, 24526, 22024-G
Part C	Gas Accounting Terms and Definitions .....	23345, 24201-24202, <b>24663</b> , 24430, 23347, 23760-23761, 24431, 23348, 23561, 23795, 23351, 24432-G
Part D	Purchased Gas Account .....	24433-24435, 24438-G
Part E	Credit Card Pilot Program memorandum Account (CCPPMA) .....	24229-24230-G
Part F	Core Fixed Cost Account .....	24144, 24439-24440-G
Part J	Noncore Customer Class Charge Account .....	23709, 24037, 23781-G
Part K	Enhanced Oil Recovery Account .....	23762-G
Part L	Balancing Charge Account.....	23273-23274-G
Part O	CPUC Reimbursement Fee .....	23910-G
Part P	Income Tax Component of Contributions Provision .....	21646, 13501-G
Part Q	Affiliate Transfer Fees Account .....	23275-G
Part S	Interest .....	12773-G
Part T	Tax Reform Act of 1986 .....	12775-G
Part U	Core Brokerage Fee Balancing Account .....	23276-G
Part V	California Alternate Rates For Energy Account.....	23358, 24292-G
Part X	Natural Gas Vehicle Balancing Account.....	23277-G
Part Y	Customer Energy Efficiency Adjustment .....	23601-23602, 24491-24492-G

(T)

**TABLE OF CONTENTS**

**Table of Contents**

<b>SCHEDULE</b>	<b>TITLE OF SHEET</b>	<b>CAL P.U.C. SHEET NO.</b>	
Title Page	.....	24571-G	
Rate Schedules	.....	24521, 24529, 24568-24569-G	
Preliminary Statements	.....	<b>24664</b> , 24535-G	(T)
Rules	.....	24610-G	
Maps, Contracts and Deviations	.....	24536-G	
Sample Forms	.....	24533, 24369, 24454-G	

**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 & Kahl  
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.  
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.  
MBMC, Inc.  
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  
TFS Energy  
Transcanada  
Turlock Irrigation District  
U S Borax, Inc  
United Cogen Inc.  
URM Groups  
Utility Cost Management LLC  
Utility Resource Network  
Wellhead Electric Company  
Western Hub Properties, LLC  
White & Case  
WMA