

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



March 26, 2007

Advice Letter 2809-G

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

Subject: Revisions to Rate Schedule G-EG

Dear Ms. de la Torre:

Advice Letter 2809-G is effective March 23, 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
R Dela Torre	D Poster
B Lam	M Hughes
MAR 28 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

February 21, 2007

**Advice 2809-G**

(Pacific Gas and Electric Company ID U 39 G)

Public Utilities Commission of the State of California

**Subject: Revisions to Rate Schedule G-EG**

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 1.

**Purpose**

The purpose of this filing is to revise Rate Schedule G-EG - Gas Transportation Service to Electric Generation.

Pursuant to Public Utilities Code Sections 218.5, (CPUC 218.5) cogeneration means the sequential usage of energy for the production of electricity and useful thermal energy. The cogeneration plant power production standards of efficiency standards are:

- (a) At least 5 percent of the facility's total annual energy output shall be in the form of useful thermal energy.
- (b) Where useful thermal energy follows power production, the useful annual power output plus one-half the useful thermal energy output equals not less than 42.5 percent of any natural gas and oil energy input.

PG&E is proposing revisions to Schedule G-EG to specify a method of self-certification for gas-fired cogeneration plants located in PG&E's service territory. Currently, PG&E's tariffs do not specify a process to certify that a Customer's cogeneration system continues to meet the standards. In addition, there is no specific language in the tariff that mandates that Customers must respond to PG&E's certification requests. PG&E will retain the right to audit cogeneration

Customers, either on-site or by requiring more extensive calculations to prove efficiency.

Upon authorization of this revision, PG&E will implement an annual program whereby PG&E contacts all affected Customers to notify them that they must send a letter certifying that their cogeneration system's usage did or did not meet CPUC 218.5 standards during the previous calendar year. Customers will have a minimum of two months to respond to this notification. Customers who state that their cogeneration system failed to meet the standards or who fail to respond by the deadline may have their gas usage rebilled for the previous calendar year and for all subsequent usage during the current year until the Customer can demonstrate the facility again meets such standards. The rebilling would be at the otherwise-applicable rate schedule.

### **Background**

In order to receive gas transportation service under Schedule G-EG's cogeneration provision, Customers must execute a Natural Gas Service Agreement (Form No. 79-756) and indicate that their cogeneration system's usage meets the efficiency standards specified in CPUC 218.5. Subsequently, PG&E conducts an annual review of cogeneration Customers served under rate Schedule G-EG to determine if their cogeneration system continues to meet the efficiency standards specified in CPUC 218.5.

For many smaller cogeneration systems operating efficiency can be estimated using manufacturer's data and engineering judgment, thus avoiding expensive monitoring systems. Cogeneration Customers that have Power Purchase Agreements (PPAs) with PG&E will continue to be required to provide efficiency data or be site-visited by PG&E each year. The new self-certification process is designed for those cogeneration systems that aren't otherwise surveyed by PG&E.

### **Tariff Revisions**

PG&E is revising the "Notice of Change in Operation" section of Schedule G-EG to include language requiring cogeneration Customer self-certification via an annual survey of their plant operations. We are also changing the "will be rebilled" to "may be rebilled" due to the fact rebilling may result in no change to the previous charges, in which case, PG&E will not rebill. These changes will implement a consistent process for certifying compliance with CPUC 218.5 in addition to requiring annual responses from cogeneration Customers.

This change will not impact the rates or service to other customers

**Protests**

Anyone wishing to protest this filing may do so by sending a letter by **March 13, 2007**, which is 20 days from the date of this filing. 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  
Tariff Files, Room 4005  
DMS Branch  
505 Van Ness Avenue  
San Francisco, California 94102

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

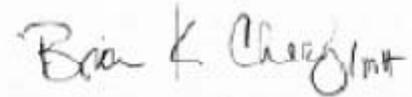
**Effective Date**

PG&E requests that this advice filing become effective on regular notice, **March 23, 2007**, which is 30 calendar days after the date of filing.

**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 black ink that reads "Brian K. Cheyette". The signature is written in a cursive style with a large initial "B".

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 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) #: **2809-G**

Subject of AL: Revisions to Schedule G-EG

Keywords (choose from CPUC listing): cogeneration

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

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution:

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: **March 23, 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: Rate schedule G-EG

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 2809-G**

<b>Cal P.U.C. Sheet No.</b>	<b>Title of Sheet</b>	<b>Cancelling Cal P.U.C. Sheet No.</b>
24736-G	Schedule G-EG--Gas Transportation Service to Electric Generation	22173-G
24737-G	Table of Contents -- Rate Schedules	24568-G
24738-G	Table of Contents -- Title Page	24618-G



SCHEDULE G-EG—GAS TRANSPORTATION SERVICE TO ELECTRIC GENERATION  
(Continued)

SOLAR  
ELECTRIC  
GENERATION  
PROJECTS:

A solar electric generation project utilizes solar energy as the primary fuel in the generation of electricity, uses gas as a secondary fuel constituting 25 percent or less of the total fuel utilized on an equivalent basis, has a natural gas efficiency utilization rate of more than 60 percent, and qualifies as a small power production facility under the Public Utility Regulatory Policies Act of 1978.

NOTICE OF  
CHANGE IN  
OPERATION:

Customers must notify PG&E in writing within thirty (30) days if they make any material change either in the amount of, or character of, the gas appliances or apparatuses installed upon Customer's premises to be served under this schedule, that render the facility incapable of meeting the efficiency standards mentioned above and in Public Utilities Code 218.5.

(T)

Each year, cogeneration customers are required to certify that they continued to meet Public Utilities Code 218.5 efficiency standards during the previous calendar year. In addition, PG&E retains the right to physically verify the efficiency standards and to require some or all cogeneration customers to provide additional documentation showing that they did meet the standards.

(N)  
|  
|  
|  
(N)

PG&E has the right to install any additional metering required to verify compliance with these standards unless otherwise previously agreed to, in writing, by PG&E. If the efficiency standards are not met during any calendar year or, if the Customer fails to provide certification to PG&E, the gas service may be rebilled for that year, and all subsequent usage billed at the otherwise-applicable rate schedule until the Customer can demonstrate the facility again meets such standards.

(T)  
(T)

SERVICE  
AGREEMENT:

A Natural Gas Service Agreement (NGSA) (Form 79-756) is required for service under this schedule. The initial term of the NGSA will be for one (1) year.

SHRINKAGE:

Transportation volumes will be subject to a shrinkage allowance in accordance with Rule 21.

NOMINATIONS:

Nominations are required for gas transported under this schedule. See Rule 21 for details.

CURTAILMENT  
OF SERVICE:

Service under this schedule may be curtailed. See Rule 14 for details.

BALANCING:

Service hereunder shall be subject to all the applicable terms, conditions and obligations of Schedule G-BAL.

BACKBONE  
TRANSMISSION  
TRANSPORTA-  
TION SERVICE:

Transportation service on PG&E's Backbone Transmission System must be taken in conjunction with this schedule under Schedule G-AFT, G-SFT, G-AA, G-NFT, or G-NAA. A separate Gas Transmission Service Agreement (GTSA) (Form 79-866) and appropriate exhibits must be executed for such service. The GTSA can be held by the Customer or by another party, such as the Customer's gas supplier.

(Continued)

That week

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GM	Master-Metered Multifamily Service .....	24553, 23880, 23019-G
GS	Multifamily Service .....	24554, 23882, 23215-G
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G-CP	Gas Procurement Service to Core End-Use Customers .....	24565-G
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**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 & Kahl	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	