

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



July 19, 2007

Advice Letter 2839-G

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

Subject: Schedule G-CPX – Crossover Gas Procurement Service to Core
End-Use Customers for Rates Effective June 10, 2007

Dear Mr. Cherry:

Advice Letter 2839-G is effective June 10, 2007.

Sincerely,

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

Pacific Gas and Electric Company
77 Beale St., Mail Code B10C
P.O. Box 770000
San Francisco, CA 94177

415.973.4977
Fax: 415.973.7226

June 8, 2007

Advice 2839-G

(Pacific Gas and Electric Company ID U39G)

**Subject: Schedule G-CPX -- Crossover Gas Procurement Service to Core
End-Use Customers for Rates Effective June 10, 2007**

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 **June 10, 2007**. 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 **June 10, 2007, through July 9, 2007**, 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)	\$0.97466
Large Commercial Customers (Schedule G-NR2)	\$0.93903
Natural Gas Vehicle Customers (Schedule G-NGV1)	\$0.90772

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 **June 28, 2007**. 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: jnj@cpuc.ca.gov and mas@cpuc.ca.gov

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.

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:

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 **June 10, 2007**. 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 black ink that reads "Brian K. Cherry" followed by a stylized flourish or date "1/11/08".

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: Michelle Brown

Phone #: (415) 973-4662

E-mail: mtt3@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) #: **2839-G**

Subject of AL: Rates for Schedule G-CPX – Crossover Gas Procurement Service to Core End-Use Customers, effective June 10, 2007

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: **June 10, 2007**

No. Of tariff sheets: **3**

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

Attn: Tariff Files, Room 4005

DMS Branch

505 Van Ness Avenue

San Francisco, CA 94102

E-mail: jjn@cpuc.ca.gov and mas@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 2839-G**

Cal P.U.C. Sheet No.	Title of Sheet	Cancelling Cal P.U.C. Sheet No.
24966-G	Schedule G-CPX--Crossover Gas Procurement Service To Core End-Use Customers	24900-G
24967-G	Table of Contents -- Rate Schedules	24742-G
24968-G	Table of Contents -- Title Page	24899-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)	\$0.97466 (I)
Large Commercial Crossover Charge: (G-NR2)	\$0.93903 (I)
Natural Gas Vehicle Crossover Charge: (G-NGV1)	\$0.90772 (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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Crossover Rate Calculation

Jun-07

AEEO Net Forward Calculation (\$/Dth)

Jun-07

Combined PGT/ANG fuel rate	0.9652
ANG Fuel	0.0131
PGT Fuel	0.0220
AEEO Monthly Index (C\$/GJ, source CGPR)	6.8557
Exchange Rate (US\$/C\$)	0.9430
AEEO "C" monthly commodity index (US\$/Dth)	6.8205
ANG + PGT combined in-kind fuel rate	0.0348
ANG+PGT in-kind fuel charge	0.2460
ANG volumetric rate	0.0000
PGT volumetric rate	0.0243
AEEO "C" Net Forward Price (14+16+17+18)	7.0908

<u>Gas Price Index</u>	<u>Price, CA Border</u>	<u>Intrastate Transport</u>	<u>Total</u>
AEEO C (CGPR)	\$7.0908	\$0.0601	\$7.1509
Southern Border-PG&E (NGI)	\$7.1500	\$0.0601	\$7.2101
Core WACOG	\$7.0535	\$0.0601	\$7.1136
Crossover Price at PG&E Citygate (\$/Dth)			\$7.2101

6/4/2007

Effective: 6/10/2007

Advice Letter No. 2839-G

Calculation of the G-CPX Crossover Core Procurement Rate

Gas Prices	
	Border Price (\$/Dth)
AECO C	\$7.0908
PG&E Topock (Source NGI)	\$7.1500
Core WACOG	\$7.0535

G-CPX CROSSOVER CORE PROCUREMENT RATE		\$/Decatherm	\$/Therm	Components \$/Therm	Calculation
CROSSOVER COMMODITY CHARGE					
Weighed Average Cost of Gas (WACOG)					(a)
WACOG at the Border		\$7.1500			(b)
Intrastate Backbone Volumetric Transport Charge		\$0.0601			(c)=(a)+(b)
Total WACOG		7.2101	\$7.2101		
Franchise Fee	0.009596 Changes in GRC				
Uncollectible Fee	0.002555 Changes in GRC				
Subt F & U	0.012151 X WACOG at the Border	\$0.0869			(d)=(a)*F&U Factor
WACOG with Franchise and Uncollectible		\$7.2970	\$7.2970		(e)=(c)+(d)
PGA Adjustment: Core Sales		\$1.0854	\$1.0854		(f)
PGA Adjustment: Hedging		\$0.0000	\$0.0000		
Cycled Carrying Cost of Gas in Storage		\$0.0053	\$0.0053		(g)
Total Core Commodity Charge					
Small Commercial				\$0.83877	(k)=(e)+(f)+(g)+(h)
Large Commercial				\$0.83877	(l)=(e)+(f)+(g)+(i)
Natural Gas Vehicle				\$0.83877	(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		\$0.1353	\$0.1353	\$0.1353	(r)=(n)+(o)
Large Commercial		\$0.0869	\$0.0869	\$0.0869	(s)=(n)+(p)
Natural Gas Vehicle		\$0.0837	\$0.0837	\$0.0837	(t)=(n)+(q)
INTERSTATE & INTRASTATE CAPACITY CHARGES (Incl. F&U)					
CPDCA Adjustment (Incl. F&U)		\$0.0000	\$0.0000		(u)
ANG and NOVA Costs (Incl. F&U)					
Small Commercial		\$0.1501	\$0.1501		(h)
Large Commercial		\$0.0809	\$0.0809		(i)
Natural Gas Vehicle		\$0.0508	\$0.0508		(j)
Interstate Capacity Charges					
Small Commercial		\$0.4318	\$0.4318		(v)
Large Commercial		\$0.2327	\$0.2327		(w)
Natural Gas Vehicle		\$0.1460	\$0.1460		(x)
Intrastate Backbone Capacity Charges					
Small Commercial		\$0.1713	\$0.1713	\$0.07532	(y) (ab)=(u)+(v)+(y)
Large Commercial		\$0.0923	\$0.0923	\$0.04059	(z) (ac)=(u)+(w)+(z)
Natural Gas Vehicle		\$0.0579	\$0.0579	\$0.02547	(aa) (ad)=(u)+(x)+(aa)
WGSP - PROCUREMENT (Small and Large Comm'l)					
Small Commercial		0.11930	\$0.1193	\$0.1193	
Large Commercial		0.15870	\$0.1587	\$0.1587	
CORE BROKERAGE FEE		\$0.0300		\$0.0300	(ae)
SHRINKAGE RATE					
Shrinkage (Incl. F&U)		\$0.3211	\$0.3211		(af)
Based on Core Shrinkage: 4.40%	Changes in BCAP				
PGA Adjustment: Core Shrinkage (Incl. F&U)		\$0.0000	\$0.0000		(ag)
Total Shrinkage Rate				\$0.3211	(ah)=(af)+(ag)
TOTAL G-CPX CORE PROCUREMENT CHARGE					
Small Commercial				\$0.97466	(ai)=(k)+(r)+(ab)+(ae)+(ah)
Large Commercial				\$0.93903	(aj)=(l)+(s)+(ac)+(ae)+(ah)
Natural Gas Vehicle				\$0.90772	(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 & 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
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 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
 Dynegy 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.
 IUCC/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
 Sutherland, Asbill & Brennan
 Tabors Caramanis & Associates
 Tecogen, Inc
 TFS Energy
 Transcanada
 Turlock Irrigation District
 U S Borax, Inc
 United Cogen Inc.
 URM Groups
 Utility Resource Network
 Wellhead Electric Company
 White & Case
 WMA