

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



August 3, 2007

Advice Letter 2849-G

Brian K. Cherry
Vice President, Regulatory Relations
Pacific Gas and 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 July 10, 2007

Dear Mr. Cherry:

Advice Letter 2849-G is effective July 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

July 9, 2007

Advice 2849-G

(Pacific Gas and Electric Company ID U39G)

Public Utilities Commission of the State of California

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

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 **July 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 **July 10, 2007, through August 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)	\$0.93350
Large Commercial Customers (Schedule G-NR2)	\$0.89830
Natural Gas Vehicle Customers (Schedule G-NGV1)	\$0.86717

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 **July 30, 2007**.² 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.

² The 20 day protest period concludes on a weekend. PG&E is hereby moving this date to the following business day.

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 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

Effective Date

In accordance with D. 03-12-008, PG&E requests that this advice filing become effective on **July 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-B, Section IV, 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-B service list should be directed to Rose de la Torre at (415) 973-4716. Send all electronic approvals to PGETariffs@pge.com. Advice letter filings can also be accessed electronically at: **<http://www.pge.com/tariffs>**

Handwritten signature of Brian K. Cherry in black ink.

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 M)**

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) #: **2849-G**

Tier: 1

Subject of AL: Rates for Schedule G-CPX – Crossover Gas Procurement Service to Core End-Use Customers, Effective July 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 #: D.03-12-008

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: No

Summarize differences between the AL and the prior withdrawn or rejected AL¹: _____

Is AL requesting confidential treatment? If so, what information is the utility seeking confidential treatment for: No

Confidential information will be made available to those who have executed a nondisclosure agreement: Yes No

Name(s) and contact information of the person(s) who will provide the nondisclosure agreement and access to the confidential information:

Resolution Required? Yes No

Requested effective date: **July 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, dispositions, 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
Tariff Files, Room 4005**

DMS Branch

505 Van Ness Avenue

San Francisco, CA 94102

E-mail: jnj@cpuc.ca.gov and mas@cpuc.ca.gov

Pacific Gas and Electric Company

Attention: 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

**ATTACHMENT 1
Advice 2849-G**

Cal P.U.C. Sheet No.	Title of Sheet	Cancelling Cal P.U.C. Sheet No.
25034-G	Schedule G-CPX--Crossover Gas Procurement Service To Core End-Use Customers	24966-G
25035-G	Table of Contents -- Rate Schedules	24847-G
25036-G	Table of Contents -- Title Page	24978-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)	\$0.93350 (R)
Large Commercial Crossover Charge: (G-NR2)	\$0.89830 (R)
Natural Gas Vehicle Crossover Charge: (G-NGV1)	\$0.86717 (R)

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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(T)



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Crossover Rate Calculation

Jul-07

AECO Net Forward Calculation (\$/Dth)

Jul-07

Combined PGT/ANG fuel rate	0.962166699
ANG Fuel	1.31%
PGT Fuel	2.51%
AECO Monthly Index (C\$/GJ, source CGPR)	6.1388
Exchange Rate (US\$/C\$)	0.9438
AECO "C" monthly commodity index (US\$/Dth)	\$ 6.1128
ANG + PGT combined in-kind fuel rate	\$ 0.0378
ANG+PGT in-kind fuel charge	\$ 0.2404
ANG volumetric rate	\$ -
PGT volumetric rate	\$ 0.0243
AECO "C" Net Forward Price (14+16+17+18)	\$ 6.3775

<u>Gas Price Index</u>	<u>Price, CA Border</u>	<u>Intrastate Transport</u>	<u>Total</u>
AECO C (CGPR)	\$6.3775	\$0.0574	\$6.4349
Southern Border-PG&E (NGI)	\$6.4700	\$0.0574	\$6.5274
Core WACOG	\$6.6808	\$0.0574	\$6.7382
Crossover Price at PG&E Citygate (\$/Dth)			\$6.7382

7/5/2007

Calculation of the G-CPX Crossover Core Procurement Rate

Gas Prices	
	Border Price (\$/Dth)
AECO C	\$6.3775
PG&E Topock (Source NGI)	\$6.4700
Core WACOG	\$6.6808

	\$/Decatherm	\$/Therm	Components \$/Therm	Calculation
G-CPX CROSSOVER CORE PROCUREMENT RATE				
CROSSOVER COMMODITY CHARGE				
Weighed Average Cost of Gas (WACOG)				
WACOG at the Border	\$6.6808			(a)
Intrastate Backbone Volumetric Transport Charge	\$0.0574			(b)
Total WACOG	6.7382	\$6.7382		(c)=(a)+(b)
Franchise Fee 0.009596 Changes in GRC				
Uncollectible Fee 0.002555 Changes in GRC				
Subt F & U 0.012151 X WACOG at the Border				
WACOG with Franchise and Uncollectible	\$6.8194	\$6.8194		(d)=(a)*F&U Factor
PGA Adjustment: Core Sales	\$1.1816	\$1.1816		(e)=(c)+(d)
PGA Adjustment: Hedging	\$0.0000	\$0.0000		(f)
Cycled Carrying Cost of Gas in Storage	\$0.0053	\$0.0053		(g)
Total Core Commodity Charge				
Small Commercial			\$80063	(k)=(e)+(f)+(g)+(h) (l)=(e)+(f)+(g)+(i) (m)=(e)+(f)+(g)+(j)
Large Commercial			\$80063	
Natural Gas Vehicle			\$80063	
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 (o) (r)=(n)+(o)				
Large Commercial \$0.0869 \$0.0869 \$0.0869 (p) (s)=(n)+(p)				
Natural Gas Vehicle \$0.0837 \$0.0837 \$0.0837 (q) (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 \$0.1515 \$0.1515 \$0.1515 (h)				
Large Commercial \$0.0816 \$0.0816 \$0.0816 (i)				
Natural Gas Vehicle \$0.0512 \$0.0512 \$0.0512 (j)				
Interstate Capacity Charges				
Small Commercial \$0.4213 \$0.4213 \$0.4213 (v)				
Large Commercial \$0.2271 \$0.2271 \$0.2271 (w)				
Natural Gas Vehicle \$0.1425 \$0.1425 \$0.1425 (x)				
Intrastate Backbone Capacity Charges				
Small Commercial \$0.1712 \$0.1712 \$0.1712 (y) (ab)=(u)+(v)+(y)				
Large Commercial \$0.0923 \$0.0923 \$0.0923 (z) (ac)=(u)+(w)+(z)				
Natural Gas Vehicle \$0.0579 \$0.0579 \$0.0579 (aa) (ad)=(u)+(x)+(aa)				
WGSP - PROCUREMENT (Small and Large Comm'l)				
Small Commercial 0.11930 \$0.1193 \$0.1193 \$0.1193				
Large Commercial 0.15870 \$0.1587 \$0.1587 \$0.1587				
CORE BROKERAGE FEE				
	\$0.0300		\$0.0300	(ae)
SHRINKAGE RATE				
Shrinkage (Incl. F&U) \$0.3001 \$0.3001 \$0.3001 (af)				
Based on Core Shrinkage: 4.40% Changes in BCAP				
PGA Adjustment: Core Shrinkage (Incl. F&U) \$0.0000 \$0.0000 \$0.0000 (ag)				
Total Shrinkage Rate \$0.3001 (ah)=(af)+(ag)				
TOTAL G-CPX CORE PROCUREMENT CHARGE				
Small Commercial \$0.93350 (ai)=(k)+(r)+(ab)+(ae)+(ah)				
Large Commercial \$0.89830 (aj)=(l)+(s)+(ac)+(ae)+(ah)				
Natural Gas Vehicle \$0.86717 (ak)=(m)+(t)+(ad)+(ae)+(ah)				

**PG&E Gas and Electric
Advice Filing List
General Order 96-B, Section IV**

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	Sutherland, Asbill & Brennan
California ISO	International Power Technology	Tabors Caramanis & Associates
Calpine	Interstate Gas Services, Inc.	Tecogen, Inc
Calpine Corp	IUCG/Sunshine Design LLC	TFS Energy
Calpine Gilroy Cogen	J. R. Wood, Inc	Transcanada
Cambridge Energy Research Assoc	JTM, Inc	Turlock Irrigation District
Cameron McKenna	Luce, Forward, Hamilton & Scripps	U S Borax, Inc
Cardinal Cogen	Manatt, Phelps & Phillips	United Cogen Inc.
Cellnet Data Systems	Marcus, David	URM Groups
Chevron Texaco	Matthew V. Brady & Associates	Utility Resource Network
Chevron USA Production Co.	Maynor, Donald H.	Wellhead Electric Company
City of Glendale	MBMC, Inc.	White & Case
City of Healdsburg	McKenzie & Assoc	WMA
City of Palo Alto	McKenzie & Associates	
City of Redding	Meek, Daniel W.	
CLECA Law Office	Mirant California, LLC	
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	