

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



October 31, 2007

Advice Letters 2850-G
2850-G-A

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: Request for Expedited Implementation of PG&E's Natural
Gas 2007-2008 Winter Gas Savings Program for Residential
and Commercial Gas Customers: 10/20 Plus Program

Dear Mr. Cherry:

Advice Letters 2850-G and 2850-G-A are effective September 20, 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
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San Francisco, CA 94177

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July 16, 2007

Advice 2850-G

(Pacific Gas and Electric Company ID U39 G)

Public Utilities Commission of the State of California

**Subject: Request for Expedited Implementation of PG&E's Natural Gas
2007-2008 Winter Gas Savings Program for Residential and
Commercial Gas Customers: '10/20 Plus' Program**

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 2.

Purpose

In this advice filing, PG&E requests the California Public Utilities Commission's (CPUC or Commission) approval to implement a natural gas conservation program for the upcoming 2007-08 winter season as part of a comprehensive winter plan to assist its customers in managing winter gas bills. PG&E believes the proposed 2008 10/20 Plus Winter Gas Savings Program (10/20 Plus) will encourage customers to further conserve natural gas this winter season.

This proposal is identical to the 2007 10/20 Plus program in that residential and commercial gas customers under gas rate Schedules G-1, G-1 NGV, GM, GS, GT, GL-1, GL1-NGV, GML, GSL, GTL, G-NR1, and G-NR2 will be eligible to receive a 20 percent rebate if they reduce their cumulative gas usage by at least 10 percent during the January-February 2008 period¹ or receive a 1 percent rebate for each 1 percent reduction in gas usage ("one-for-one") up to 9 percent (e.g., a customer who reduces cumulative gas use by 5 percent will receive a 5 percent rebate). For the 2008 program, PG&E will also continue to apply a weather adjustment in an effort to isolate conservation efforts and encourage additional participation.

¹ Customers under Schedule G-1 NGV and GL-1 NGV, which were available to customers starting February 7, 2006, are also eligible for the program. Consistent with the 2007 program, customers taking service under a qualifying rate schedule in conjunction with noncore transportation rate Schedule G-EG and/or Schedule G-NT on the same service agreement do not qualify for the program. Also consistent with the 2007 program, the 10/20 rebate will be calculated on applicable PG&E natural gas charges, including charges billed under Schedule G-PPPS – *Gas Public Purpose Program Surcharge*. Charges billed under Schedule G-SUR – *Customer-Procured Franchise Fee Surcharge* and applicable utility user's taxes will be excluded from the rebate calculation.

PG&E plans an extensive marketing campaign to promote 10/20 Plus in the broader context of gas conservation this winter. The 10/20 Plus program, in conjunction with other winter conservation tips, will help customers cut back on their gas usage this winter and lower winter gas bills. PG&E requests expedited Commission approval of the program by **September 6, 2007**, so that PG&E can begin marketing sooner, allowing customers more time to make upgrades that could lower gas usage before the start of the winter season.

Background

For the past two winters, as part of a comprehensive set of winter gas initiatives, PG&E offered a 10/20 (2006) and 10/20 Plus (2007) Winter Gas Savings Program. The program was designed to provide relief to residential and commercial customers from expected high winter gas bills by providing a direct monetary incentive for customers to conserve and reduce their natural gas use. The 2007 10/20 Plus program rewarded customers who reduced their cumulative gas use during the two-month January through February 2007 period by a minimum of 1 percent compared to the three-year average for the same period, with a one-time rebate of up to 20 percent of the customer's PG&E gas charges for the two-month period.

For the 2007 10/20 Plus program, 44% of customers qualified for a 10/20 bill credit by reducing their usage on average by 19%. Although there was a cold snap in early January, the program's weather adjustment mechanism had the effect of neutralizing deviations from normal winter temperatures when measuring gas usage and conservation.²

PG&E believes 2008 10/20 Plus will raise customer awareness and will help customers reduce their gas usage and bills by focusing attention on wise and efficient use of natural gas in both homes and businesses

Proposed '10/20 Plus' Winter Gas Savings Program

PG&E proposes the following program details and revisions to gas rate Schedule G-10/20 Plus and associated tariffs as shown in Attachment 2.

² The 2007 10/20 Plus program included a weather adjustment mechanism that would trigger if actual winter temperatures were at least 5 percent colder or warmer than base year temperatures (as measured by Heating Degree Days). The 2007 10/20 Plus program period was 6% colder than normal, thus triggering the weather adjustment which increased a customer's base year usage target by 6%. In other words, a customer received a base year usage target adjustment which allowed them to use 6% more gas as a consequence of the colder than average weather. For the 2008 10/20 Plus Program, PG&E is eliminating the 5% threshold trigger and applying a weather adjustment regardless of the magnitude of deviations from normal temperatures.

Weather Adjustment

PG&E will include a weather adjustment to base year usage to reflect the difference between current and base year 10/20 Plus period temperatures (as measured by Heating Degree Days) so customer conservation efforts can be more fairly measured. PG&E will adjust the base year usage to reflect colder or warmer weather as defined in the revised Schedule G-10/20 Plus filed herein.³

Eligibility

Similar to last year's program, residential customers, as well as small, medium, and large commercial customers are eligible for the program. All customers served on eligible rate schedules can participate in the program as long as: (1) they began service with PG&E before November 2007; (2) they maintain continuous service at the same service address through February 2008; and (3) service was initiated at that address by any PG&E customer prior to January 2007.⁴

Conservation Period

PG&E effectively encourages customers to conserve during the four typically coldest months of the year, December through March, when gas usage and bills are generally at their highest for the year. Usage comparisons and rebates for 10/20 Plus are based upon prorated January and February usage.⁵ However, as is communicated to the customer, conservation should begin as soon as the meter is read in December and continue until the meter is read in March in order to fully capture the average daily January and February usage that will be used to determine the customers rebate.⁶

Rebate Methodology

The 10/20 Plus program will mirror last year's rebate structure in that eligible customers will receive a 20 percent rebate if they reduce their cumulative gas use by 10 percent or more, or receive a one-to-one rebate for each percentage of cumulative year-over-base year reduction in gas use by less than 10 percent (e.g.

³ To incorporate this adjustment into the program and provide successful customers with their rebate as soon as possible, PG&E will use recorded Heating Degree Days (HDDs) through at least mid-February 2008 and forecast HDDs for the remaining part of February 2008. Recorded and forecasted HDDs are based on temperature readings at eleven National Weather Service stations located in PG&E's service area. Those eleven stations are mapped to surrounding geographies and represent weather conditions in those areas. The temperature readings are weighted by gas sales in those eleven areas and a composite service area-wide estimate of HDDs is calculated.

⁴ PG&E will allow premise usage, also known as a customer service address, to be used to calculate the base year usage target.

⁵ For customers billed with SmartMeter™ data in place prior to the start of 10/20 Plus, usage comparisons and rebates will be based upon actual daily usage during the program period January 1 – February 29, 2008.

⁶ For bills that contain days outside of the 10/20 period, an Average Daily Usage for the bill is calculated and then prorated for the number of days in the 10/20 period.

a customer who reduces cumulative gas usage by 5 percent will receive a 5 percent rebate).

Base Year Usage Calculation

PG&E will employ the same base-year calculation method from last year's program using the average usage at the service address (premise) during the last three years for January and February, if available, and apply a system-wide normalization adjustment for weather. Using data from the previous three years, as opposed to one year, encourages customers who conserved last year to continue to conserve this year.⁷

Recovery of 10/20 Plus Winter Gas Savings Program Costs

PG&E requests authorization to recover from customers \$5 million for 10/20 Plus marketing and implementation costs and a forecast of \$64 million in program rebates.⁸ Proposed rates to recover the total of \$69 million of 10/20 Plus costs are shown in Attachment 1 with 69 percent of the forecast costs recovered through core procurement rates and 31 percent through core transportation rates. PG&E proposes that each customer class pay for actual program rebates received by customers in that class and their corresponding share of marketing and implementation costs, as discussed below. The final program costs allocated to customer classes will also reflect the actual split between procurement and transportation.⁹

PG&E proposes to continue the 10/20 Plus cost recovery mechanism approved by the Commission in Resolution G-3392 for last year's program. For residential customers, PG&E proposes that the forecast program costs be recovered in procurement and transportation rates over an 8-month period beginning April 1, 2008. PG&E will recover the program costs in the months of April through November when natural gas prices are generally lower to further mitigate higher winter season customer bills. For commercial customers, who have widely varying usage patterns across the year, PG&E proposes to recover the forecast program costs over the entire calendar year.

Core procurement and transportation revenues to recover the 10/20 Plus costs will be recorded in the Winter Gas Savings Program (WGSP) subaccounts of the Purchased Gas Account (PGA) and Core Fixed Cost Account (CFCA), respectively.

⁷ In those instances where a full three winter seasons of data is not available, PG&E will construct a base year usage target as discussed in the revised Schedule G-10/20 Plus filed herein. In addition, the proposed weather normalization process is also defined in the revised Schedule G-10/20 Plus.

⁸ In its non-broadcast marketing materials for this year's 10/20 Program, PG&E will include a statement noting that utility customers fund the program.

⁹ This is consistent with the agreement with the School Project for Utility Rate Reform (SPURR) in 2005 as approved in Advice 2675-G-A.

The 10/20 Plus rebates paid to qualifying customers will be recorded in the WGSP subaccounts of the PGA and the CFCA. Authorized program marketing and implementation costs will be recorded in the WGSP subaccounts based on the forecast 69/31 percent procurement/transportation split and adjusted for the actual split once the actual rebates are known. Any unspent amounts collected for marketing and implementation will be returned to customers through an adjustment to the WGSP transportation and procurement subaccounts.

In order to assure that program costs are paid for by the customer class receiving the benefit, the balance in the WGSP subaccount of the PGA, reflecting any difference between the procurement portion of forecast program costs recovered in procurement rates and actual procurement-related program costs by customer class, will be amortized in monthly core procurement rates beginning January 1, 2009. Similarly, the balance in the WGSP subaccount of the CFCA, reflecting any difference between the transportation portion of forecast program costs recovered in transportation rates and actual transportation-related program costs by customer class will be amortized in core transportation rates beginning January 1, 2009, as part of the Annual Gas True-Up filing.

Revisions to Preliminary Statement Part D – *Purchased Gas Account*, and Preliminary Statement Part F - *Core Fixed Cost Account* consistent with this filing are included in Attachment 2.

Bill Rebates to Sub-Metered Customers

In accordance with Decision 04-11-033, PG&E will remind master-metered customers with submetered tenants of their obligation to pass along any refunds to their tenants. It is PG&E's intention to send notification by letter to all master-metered customers with submetered tenants explaining the nature of the bill credit and provide sample calculations. The sample calculations are to provide guidance and direction to the master-metered customers in calculating the amount of bill credit for each tenant.

In compliance with Resolution G-3392, PG&E proposes an alternative to the refund method outlined in California Public Utilities Code § 739.5 (b). PG&E proposes that qualifying master-metered customers distribute the refund by equally dividing the refund amount amongst the current submetered tenants, including an equal allocation for common use. PG&E believes that this will meet the objective of fairly rewarding sub-metered tenants who conserve natural gas.

Expedited Treatment Requested

PG&E requests expedited treatment of this filing in order to allow for implementation of the '10/20 Plus' Winter Gas Savings Program on January 1, 2008. Customer surveys have indicated that PG&E should advertise this program earlier and more extensively to increase customer awareness and to allow time for

customers to take action on conservation tips that could lower gas usage. For this reason, PG&E would like to begin promoting 10/20 Plus in September. PG&E requests that the Commission approve this filing before or at its scheduled **September 6, 2007**, business meeting.

In order to ensure a smooth implementation of the program, PG&E proposes the following schedule for disposition of this advice letter:

Protests Due:	August 6, 2007
Responses to Protests Due:	August 8, 2007
Draft Resolution (DR) Issued:	August 15, 2007
Comments on DR Due	August 27, 2007
Reply Comments on DR Due	August 30, 2007
CPUC Action on Advice Letter:	September 6, 2007

Protest Period

Anyone wishing to protest this filing may do so by sending a letter by **August 6, 2007**, which is **21 days** from the date of this filing.¹⁰ 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: anj@cpuc.ca.gov and 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

¹⁰ The 20 day protest period concludes on a weekend. PG&E is hereby moving this date to the following business day.

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

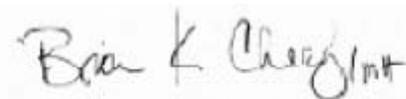
Effective Date

PG&E requests that this advice filing be approved by **September 6, 2007**. As discussed herein, the proposed '10/20 Plus' program will be implemented beginning on January 1, 2008, and the recovery of program costs will begin on January 1, 2009 as part of the rate change for the Annual Gas True-up.

Notice

In accordance with General Order 96-B, Section IV, a copy of this advice letter is being sent electronically or via U.S. mail to parties shown on the attached list, and to the service lists for A.05-06-004 (Energy Efficiency), Resolution G-3392 (last year's 10/20 Program), 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>



Vice President - Regulatory Relations

Attachments

cc: Service Lists – A.05-06-004, Resolution G-3392

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: 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) #: 2850-G

Tier: 3

Subject of AL: Request for Expedited Implementation of PG&E's Natural Gas 2007-2008 Winter Gas Savings Program for Residential and Commercial Gas Customers: '10/20 Plus' Program

Keywords (choose from CPUC listing): Conservation

AL filing type: Monthly Quarterly Annual One-Time Other _____

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

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: September 6, 2007

No. of tariff sheets: 8

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 Rate Schedule G-10/20 Plus, Gas Preliminary Statements D and F

Service affected and changes proposed¹:

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 Ave.,

San Francisco, CA 94102

jnj@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

Advice 2850-G
Attachment 1

ATTACHMENT I: TABLES 1 AND 2

PACIFIC GAS AND ELECTRIC COMPANY
2008 WINTER GAS SAVINGS PROGRAM: 10/20 PLUS

TABLE 1: 10/20 PLUS RATES (a)

	Totals	Transportation	Procurement
1 Estimated 10/20 Plus Rebate (\$000; including FF&U)	\$64,089	\$20,171	\$43,918
2 Resulting Transportation/Procurement Split	100.0%	31.5%	68.5%
3 Apportioned Program Marketing/Implementation Costs (including FF&U)	\$5,061	\$1,593	\$3,468
4 Totals for Recovery in Rates (Lines 1 + 3)	\$69,150	\$21,764	\$47,386
5 Adopted Annual Core Volumes (mth) for Transportation and Procurement		3,038,621	2,979,265
6 Resulting ECPT Rate for Transportation and Procurement (Non-CARE) (b)	\$0.02307	\$0.00716	\$0.01591
7 Resulting ECPT Rate for Transportation and Procurement (CARE) (b)	\$0.01845	\$0.00255	\$0.01591

TABLE 2: ILLUSTRATIVE 10/20 PLUS RATE IMPACT WITH EQUAL CENTS PER THERM (ECPT) IMPLEMENTATION (a)

	Present Rates (7/1/2007)	Proposed Rates With 10/20 Plus	% Change
<u>BUNDLED RATES</u>			
1 Non-CARE Residential (b)	\$1.383	\$1.406	1.7%
2 CARE Residential (b)	\$1.102	\$1.120	1.7%
3 Small Commercial	\$1.259	\$1.282	1.8%
4 Large Commercial	\$1.011	\$1.034	2.3%
<u>TRANSPORTATION+PPP ONLY RATES</u>			
5 Non-CARE Residential (b)	\$0.476	\$0.483	1.5%
6 CARE Residential (b)	\$0.195	\$0.198	1.3%
7 Small Commercial	\$0.361	\$0.368	2.0%
8 Large Commercial	\$0.147	\$0.155	4.9%

- a) 10/20 Plus revenue recovery will be implemented using forecasted total program costs allocated across applicable core classes on an equal cents per therm basis. Final impacts of the 10/20 Plus program will be based on credits earned by each class with segmentation between transportation and procurement causation reflected in WGSP balancing accounts incorporated in rates beginning January 1, 2009.
- b) Residential impacts are shown on annual basis for comparison only with commercial class impacts. Actual 10/20 Plus recovery from residential customers will occur in summer months (April - October 2008) as discussed in Advice 2850-G. Proposed residential rates and illustrative residential bill impacts are shown, respectively, on Tables 3 and 4.

ATTACHMENT I: TABLES 3 AND 4

**PACIFIC GAS AND ELECTRIC COMPANY
2008 WINTER GAS SAVINGS PROGRAM: 10/20 PLUS**

TABLE 3: CALCULATION OF RATE RECOVERY FROM RESIDENTIAL CLASS DURING APRIL - OCTOBER 2008 PERIOD (a)

(Note: Only Applies to Residential Class; Commercial Rates Change for 10/20 Plus On January 1, 2008 for annual recovery)

Residential Share of 10/20 Plus (Equal Cents Per Therm Initial Recovery)		<u>Total</u>	<u>Procurement</u>	<u>Transportation</u>
1	10/20 Plus Program Cost (\$ 000)	\$69,150	\$47,386	\$21,764
2	Residential Share of Annual Adopted Volumes (2005 BCAP Decision)	71.6%	72.0%	70.7%
3	Residential Share of 10/20 Program Cost for initial ratesetting purposes	\$49,513	\$34,125	\$15,388
				<u>Adopted Apr-Oct Avg. Yr. (Mth)</u>
4	Residential Bundled Volumes			809,414
5	Residential Transport Volumes			2,436
6	Less G-10 Transportation Adj.			1,210
7	Adjusted Residential Transportation Volumes			810,640
		<u>Allocated RRQ (\$ 000)</u>	<u>Adopted Volumes (Mth)</u>	<u>Rates (\$/th)</u>
8	10/20 Plus Non-CARE Residential Program Cost for Rate Recovery - Procurement	\$34,125	809,414	\$0.04216
9	10/20 Plus Non-CARE Residential Program Cost for Rate Recovery - Transportation	\$15,388	810,640	\$0.01898
10	Non-CARE Residential Rate for Bundled Customers	\$49,513		\$0.06114
11	Rate for CARE Residential - Procurement			\$0.04216
12	Rate for CARE Residential - Transportation			\$0.00675
13	Rate for CARE Residential - Totals for Bundled Customers			\$0.04891

TABLE 4: ILLUSTRATIVE RESIDENTIAL RATE IMPACT, SUMMER BILL IMPACT, AND AVERAGE 10/20 PLUS CREDIT

Recovery in April through October 2008		<u>Present Rates (7/1/2007)</u>	<u>Rates w/10/20 Plus (a)</u>	<u>Change</u>
1	Non-CARE Residential Bundled Rate	\$1.383	\$1.444	4.4%
2	CARE Residential Bundled Rate	\$1.102	\$1.151	4.4%
3	Non-CARE Residential Transportation+PPP Only Rates	\$0.476	\$0.495	4.0%
4	CARE Residential Transportation+PPP Only Rates	\$0.195	\$0.202	3.5%
<u>Average Illustrative Residential Bill Impact During Summer Months (April 1 through October 31, 2008) (d)</u>				
5	Proposed Average Illustrative Bundled Bill with 10/20	\$41.87		
6	Present Average Illustrative Bundled Bill	\$40.10		
7	Average Monthly Bill Change	\$1.77		
8	Percentage Change	4.4%		
<u>Average Residential Savings for Jan-Feb 2008 Period (Non-CARE Customers; Estimated)</u>				
9	Average Savings from Conservation	\$ 38.63		
10	Average 10/20 Plus Rebate	\$ 25.38		
11	Average Total Savings to Customers Achieving 10/20 Plus Rebate	\$ 64.01		

- c) 10/20 Plus revenue recovery will be implemented using forecasted total program costs allocated across applicable core classes on an equal cents per therm basis. Final impacts of the 10/20 Plus program will be based on credits earned by each class with segmentation between transportation and procurement causation reflected in WGSP balancing accounts incorporated in rates beginning January 1, 2009.

**ATTACHMENT 2
Advice 2850-G**

Cal P.U.C. Sheet No.	Title of Sheet	Cancelling Cal P.U.C. Sheet No.
25043-G	Preliminary Statement Part D--Purchased Gas Account	24438-G
25044-G	Preliminary Statement Part F--Core Fixed Cost Account	24669-G
25045-G	Schedule G-10/20--Winter Gas Savings Program	24147-G
25046-G	Schedule G-10/20 (Cont.)	24148-G
25047-G	Schedule G-10/20 (Cont.)	New
25048-G	Table of Contents -- Rate Schedules	24936-G
25049-G	Table of Contents -- Preliminary Statements	24977-G
25050-G	Table of Contents -- Title Page	24937-G



PRELIMINARY STATEMENT
(Continued)

D. PURCHASED GAS ACCOUNT (PGA) (Cont'd.)

6. ACCOUNTING PROCEDURE: (Cont'd.)

d. Winter Gas Savings Program Procurement Subaccount

The following entries will be made to this subaccount each month, or as applicable: (T)

(D)

1) a debit entry to record the procurement portion of the WGSP rebates; (T)

2) a debit entry to record the procurement portion of the authorized WGSP marketing and implementation costs, including adjustments, to this subaccount; (T)

3) a credit entry equal to the revenue from the WGSP – Procurement rate component, excluding the allowance for F&U; (T)

4) a debit or credit entry equal to any other amounts authorized by the CPUC to be recorded in this subaccount; and (N)

5) an entry equal to the interest on the average of the balance in the subaccount at the beginning of the month and the balance in the subaccount after entries from D.6.d.1 through D.6.d.4 are made, at a rate equal to one-twelfth the interest rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor. (T)



PRELIMINARY STATEMENT
(Continued)

F. CORE FIXED COST ACCOUNT (CFCA) (Cont'd.)

6. ACCOUNTING PROCEDURE: (Cont'd.)

b. Core Cost Subaccount (Cont'd.)

- 4) a debit entry equal to one-twelfth of the core portion of the authorized local transmission revenue requirement, excluding the allowance for F&U;
- 5) A debit or credit entry, as appropriate, to record the transfer of amounts from other accounts to this subaccount for recovery in rates, upon approval by the CPUC;
- 6) an entry equal to 70.03 percent of the local transmission revenue shortfall or over-recovery resulting from a change in customers qualifying for backbone-level end-use service, and associated throughput reduction or increase, as applicable;
- 7) a debit or credit entry equal to any amounts authorized by the CPUC to be recorded in this subaccount;
- 8) A debit entry equal to one-twelfth of the core portion of the current year Self Generation Incentive Program (SGIP) revenue requirement authorized by the CPUC;
- 9) A debit entry equal to the core gas portion of incremental administrative costs and amounts written off as uncollectible associated with the payment deferral plan for qualifying citrus and other agricultural growers pursuant to Resolution E-4065; and
- 10) An entry equal to interest on the average of the balance in the account at the beginning of the month and the balance in the account after entries F.6.b.1 through F.6.b.9, are made, at a rate equal to one-twelfth the interest rate of the three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor.

c. Winter Gas Savings Program Transportation Subaccount

- The following entries will be made to this subaccount each month, or as applicable:
- 1) a debit entry to record the transportation portion of WGSP rebates; (T)
(D)
 - 2) a debit entry, as appropriate, to record the transportation portion of the authorized WGSP marketing and implementation costs, including adjustments, to this subaccount; (T)
(T)
 - 3) a credit entry equal to the revenue from the WGSP – Transportation rate component, excluding the allowance for F&U; (T)
 - 4) a debit or credit entry equal to any other amounts authorized by the CPUC to be recorded in this subaccount; and (N)
(N)
 - 5) an entry equal to interest on the average of the balance in the account at the beginning of the month and the balance in the account after entries F.6.c.1 through F.6.c.4 are made, at a rate equal to one-twelfth the interest rate of the three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor. (T)



SCHEDULE G-10/20 PLUS — WINTER GAS SAVINGS PROGRAM

APPLICABILITY: Schedule G-10/20 Plus rewards gas customers who reduce their natural gas usage during the period from January 1, 2008 through February 29, 2008, compared to the customer's Base Usage (defined below). Customers who reduce usage by at least ten percent (10%) will receive a twenty percent (20%) discount. Customers who reduce usage from one to nine percent (1% - 9%) will receive a corresponding 1% to 9% discount. This schedule is applicable to residential and commercial customers served on one of the following PG&E rate schedules: G-1, G1-NGV, GL1-NGV, GM, GS, GT, GL-1, GML, GSL, GTL, G-NR1 and G-NR2.

The following are excluded from participating in this schedule: (1) customers at service addresses that did not have continuous service during the period January 1, 2007 through February 28, 2007; (2) customers who initiated service at their current service address on or after November 1, 2007; and (3) customers taking service under a qualifying rate schedule in conjunction with noncore transportation rate Schedule G-EG and/or Schedule G-NT on the same service agreement. (T)

Schedule G-10/20 Plus establishes a limited rebate for natural gas conservation to assist customers in managing projected above average natural gas prices during the 2007-2008 winter. Regardless of the customer's billing cycle, the start and end dates of this program are January 1, 2008 and February 29, 2008, respectively, for all eligible customers. (T)

TERRITORY: This schedule applies everywhere PG&E provides natural gas service.

RATES: The rebate is available to eligible customers achieving a reduction in natural gas usage during the period January 1, 2008 through February 29, 2008 (program period) compared to the customer's Base Usage. (T)
(T)

Base Usage (BU) equals the average usage at the service address for the same period during the prior three winters, if available, adjusted for leap years and weather differences on a monthly basis. The weather differences result in an average decrease in BU of 1.3% to account for colder than normal winter weather that has occurred during the prior three winters. (T)
|
(T)

The customer's bill will continue to be calculated according to their otherwise applicable schedule during the program period.

Customers who reduce usage by at least ten percent (10%) will receive a twenty percent (20%) rebate on their PG&E natural gas charges during the program period. Customers who reduce usage from one to nine percent (1% - 9%) will receive a corresponding 1% to 9% rebate on their PG&E natural gas charges during the program period.

- SPECIAL CONDITIONS:**
1. When available, the BU may include prior customer(s)'s usage for the corresponding periods if the current customer has not been at the current service address for at least three years.
 2. Customer must meet the applicability criteria of the program and also receive continuous service during the program period.

(Continued)



SCHEDULE G-10/20 PLUS — WINTER GAS SAVINGS PROGRAM
(Continued)

SPECIAL
CONDITIONS:
(Cont'd.)

3. If successful in reducing natural gas usage, customers will receive a rebate on their PG&E natural gas charges for the period January 1, 2008 and February 29, 2008, excluding utility user's taxes and franchise fee surcharges under Schedule G-SUR and calculated on a prorated basis to calendarize the charges as necessary. The rebate will be calculated on applicable PG&E customer, procurement, and transportation charges, and applicable charges billed under Schedule G-PPPS. (T)

4. For customers billed with SmartMeter™ data in place prior to the start of the 10/20 program, the actual exact daily usage during the program period between January 1 and February 29 will be used. All customers whose billing periods do not align exactly with the January 1 and February 29 respective start and end dates of the program will have their usage prorated during those months. (T)
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5. The customer's reduction in natural gas usage will be rounded to the nearest whole number percentage point for the purpose of determining eligibility for the rebate.

6. A systemwide correction of the BU amount will be made for colder or warmer than normal weather that might occur during the 2008 program period. Heating Degree Days (HDD) is a measure of how far below a standard reference temperature (60 degrees Fahrenheit) the actual temperatures during the program period have been. The temperature readings at eleven (11) National Weather Service stations in PG&E's service area will be used. BU amounts will be adjusted in the event that actual temperatures during the program period (as measured by HDD) differ from normal system-wide weather HDD. Normal systemwide weather for the program period is 576.7 HDDs. The system-wide HDDs for the program period will be based on at least one month recorded weather data and a forecast of the remaining weather to allow for the rebate to be issued during the next billing period bill on or after February 29, 2008. (T)
(T)

7. PG&E is not required to develop an adjusted BU amount for customers that might have experienced increased consumption due to occupancy increases or changes in consumption patterns, or for customers who have implemented efficiency and conservation measures in the previous year to allow these customers to qualify for the bill rebate.

8. A minimum reduction of 1% is required to receive a rebate. Similarly, customers exceeding 10% reductions will only be rewarded with a 20% rebate.

9. For customers with multiple accounts, summary billings, or multiple meters at a premise, the rebate will be calculated and applied, if applicable, to each of the customer's individual service agreements.

10. For master-meter customers that sub-meter, the rebate shall be determined by usage measured by the master-meter. Master-metered customers, including mobile home park owners with sub-metered tenants, receiving a rebate shall distribute the rebate to sub-metered tenants consistent with Public Utilities Code section 739.5(b).

(Continued)

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**PG&E Gas and Electric
Advice Filing List
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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	