

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE

SAN FRANCISCO, CA 94102-3298



October 5, 2007

Advice Letter 2868-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 September 10, 2007

Dear Mr. Cherry:

Advice Letter 2868-G is effective September 10, 2007.

Sincerely,

A handwritten signature in black ink, appearing to read "Sean H. Gallagher".

Sean H. Gallagher, Director
Energy Division



September 7, 2007

Advice 2868-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 September 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 **September 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 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 backbone transmission system volumetric charges, 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 backbone transmission system volumetric service included in the posted monthly procurement rates.

Schedule G-CPX rates include the core brokerage fee, an allowance for core distribution and transmission in-kind shrinkage per gas Rule 21, core pipeline capacity costs, core storage costs, procurement balancing account balances, any other procurement-related costs, 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 backbone transmission system volumetric service), with other procurement costs equivalent to those for otherwise-applicable core procurement rates.¹

For the period from **September 10, 2007, through October 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)	\$0.76618
Large Commercial Customers (Schedule G-NR2)	\$0.66812
Natural Gas Vehicle Customers (Schedule G-NGV1)	\$0.64943

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 **September 27, 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:

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 **September 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>**

A handwritten signature in black ink that reads "Brian K. Cherry" followed by a stylized flourish or initials.

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) #: **2868-G**

Tier: 1

Subject of AL: Rates for Schedule G-CPX – Crossover Gas Procurement Service to Core End-Use Customers, Effective September 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: **September 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: N/A

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 2868-G**

Cal P.U.C. Sheet No.	Title of Sheet	Cancelling Cal P.U.C. Sheet No.
26561-G	Schedule G-CPX--Crossover Gas Procurement Service To Core End-Use Customers	25104-G
26562-G	Table of Contents -- Rate Schedules	25035-G
26563-G	Table of Contents -- Title Page	25090-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)	\$0.76618 (R)
Large Commercial Crossover Charge: (G-NR2)	\$0.66812(R)
Natural Gas Vehicle Crossover Charge: (G-NGV1)	\$0.64943 (R)

The Crossover charge is the higher of: (a) the posted monthly core procurement rate, including backbone transmission volumetric charges, 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 backbone transmission volumetric service 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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GM	Master-Metered Multifamily Service	25072, 23880, 23019-G
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GT	Mobilehome Park Service	25074, 23884, 23023-G
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Crossover Rate Calculation

Sep-07

AECO Net Forward Calculation (\$/Dth)

Sep-07

Combined PGT/ANG fuel rate	0.966832
ANG Fuel	1.20%
PGT Fuel	2.14%
AECO Monthly Index (C\$/GJ, source CGPR)	4.7563
Exchange Rate (US\$/C\$)	0.9527
AECO "C" monthly commodity index (US\$/Dth)	\$ 4.781
ANG + PGT combined in-kind fuel rate	3.32%
ANG+PGT in-kind fuel charge	0.164
ANG volumetric rate	0.0000
PGT volumetric rate	0.0243
AECO "C" Net Forward Price (14+16+17+18)	\$4.9688

<u>Gas Price Index</u>	<u>Price, CA Border</u>	<u>Intrastate Transport</u>	<u>Total</u>
AECO C (CGPR)	\$4.9688	\$0.0611	\$5.0299
Southern Border-PG&E (NGI)	\$4.9300	\$0.0611	\$4.9911
Core WACOG	\$4.8481	\$0.0611	\$4.9092
Crossover Price at PG&E Citygate (\$/Dth)			\$5.0299

8/6/2007

Effective: 9/10/2007

Advice Letter No. 2868-G

Calculation of the G-CPX Crossover Core Procurement Rate

Gas Prices	
	Border Price (\$/Dth)
AECO C	\$4.9688
PG&E Topock (Source NGI)	\$4.9300
Core WACOG	\$4.8481

G-CPX CROSSOVER CORE PROCUREMENT RATE		\$/Decatherm	\$/Therm	Components \$/Therm	Calculation
CROSSOVER COMMODITY CHARGE					
Weighted Average Cost of Gas (WACOG)					(a)
WACOG at the Border		\$4.9688			(b)
Intrastate Backbone Volumetric Transport Charge		\$0.611			(c)=(a)+(b)
Total WACOG		5.0299	\$0.50299		
Franchise Fee	0.009596	Changes in GRC			
Uncollectible Fee	0.002555	Changes in GRC			
Subt F & U	0.012151	X WACOG at the Border	\$0.0604		(d)=(a)*F&U Factor
WACOG with Franchise and Uncollectible			\$5.0903	\$0.50903	(e)=(c)+(d)
PGA Adjustment: Core Sales				\$0.1798	(f)
PGA Adjustment: Hedging				\$0.0000	
Cycled Carrying Cost of Gas in Storage			\$0.0094	\$0.00094	(g)
Total Core Commodity Charge					
Small Commercial				\$0.52795	(k)=(e)+(f)+(g)+(h)
Large Commercial				\$0.52795	(l)=(e)+(f)+(g)+(i)
Natural Gas Vehicle				\$0.52795	(m)=(e)+(f)+(g)+(j)
CORE FIRM STORAGE COSTS (Including F&U)					
CFSA Adjustment: Core Firm Storage Account		\$0.0632	\$0.00632		(n)
Small Commercial		\$0.2258	\$0.02258	\$0.02890	(o) (r)=(n)+(o)
Large Commercial		\$0.0721	\$0.00721	\$0.01353	(p) (s)=(n)+(p)
Natural Gas Vehicle		\$0.0934	\$0.00934	\$0.01566	(q) (t)=(n)+(q)
INTERSTATE & INTRASTATE CAPACITY CHARGES (Incl. F&U)					
CPDCA Adjustment (Incl. F&U)		\$0.5374	\$0.05374		(u)
BC System and NOVA Costs (Incl. F&U)					
Small Commercial		\$0.2561	\$0.02561		(h)
Large Commercial		\$0.0685	\$0.00685		(i)
Natural Gas Vehicle		\$0.0578	\$0.00578		(j)
Interstate Capacity Charges					
Small Commercial		\$0.7201	\$0.07201		(v)
Large Commercial		\$0.1926	\$0.01926		(w)
Natural Gas Vehicle		\$0.1624	\$0.01624		(x)
Intrastate Backbone Capacity Charges					
Small Commercial		\$0.2064	\$0.02064	\$0.17200	(y) (ab)=(u)+(v)+(y)
Large Commercial		\$0.0552	\$0.00552	\$0.08537	(z) (ac)=(u)+(w)+(z)
Natural Gas Vehicle		\$0.0466	\$0.00466	\$0.08042	(aa) (ad)=(u)+(x)+(aa)
WGSP - PROCUREMENT (Small and Large Comm'l)					
Small Commercial		0.11930	\$0.01193	\$0.01193	
Large Commercial		0.15870	\$0.01587	\$0.01587	
CORE BROKERAGE FEE		\$0.0300		\$0.00300	(ae)
SHRINKAGE RATE					
Shrinkage (Incl. F&U)		\$0.2240	\$0.02240		(af)
Based on Core Shrinkage: 4.40%	Changes in BCAP				
PGA Adjustment: Core Shrinkage (Incl. F&U)		\$0.0000	\$0.00000		(ag)
Total Shrinkage Rate				\$0.02240	(ah)=(af)+(ag)
TOTAL G-CPX CORE PROCUREMENT CHARGE					
Small Commercial				\$0.76618	(ai)=(k)+(r)+(ab)+(ae)+(ah)
Large Commercial				\$0.66812	(aj)=(l)+(s)+(ac)+(ae)+(ah)
Natural Gas Vehicle				\$0.64943	(ak)=(m)+(t)+(ad)+(ae)+(ah)

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

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
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