

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



September 17, 2008

Advice Letter 2936-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, 2008

Dear Mr. Cherry:

Advice Letter 2936-G is effective July 10, 2008.

Sincerely,

A handwritten signature in black ink, appearing to read "Ken Lewis".

Kenneth Lewis, Acting Director
Energy Division



July 9, 2008

Advice 2936-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, 2008

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, 2008**. 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 **July 10, 2008, through August 9, 2008**, 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)	\$1.50129
Large Commercial Customers (Schedule G-NR2)	\$1.41964
Natural Gas Vehicle Customers (Schedule G-NGV1)	\$1.40057

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 29, 2008**. 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 **July 10, 2008**. 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 cursive script that reads "Brian K. Cherry" followed by a small mark that appears to be "ROT".

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: Rose de la Torre

Phone #: (415) 973-4716

E-mail: rxdd@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) #: **2936-G**

Tier: 1

Subject of AL: Rates for Schedule G-CPX – Crossover Gas Procurement Service to Core End-Use Customers, effective July 10, 2008

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: **7/10/2008**

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 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**

Tariff Files, Room 4005

DMS Branch

505 Van Ness Ave.,

San Francisco, CA 94102

jjr@cpuc.ca.gov and jnj@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 2936-G**

**Cal P.U.C.
Sheet No.**

Title of Sheet

**Cancelling Cal
P.U.C. Sheet No.**

27107-G	GAS SCHEDULE G-CPX CROSSOVER GAS PROCUREMENT SERVICE TO CORE END-USE CUSTOMERS Sheet 1	27067-G
27108-G	GAS TABLE OF CONTENTS Sheet 1	27103-G
27109-G	GAS TABLE OF CONTENTS Sheet 2	27104-G



GAS SCHEDULE G-CPX
CROSSOVER GAS PROCUREMENT SERVICE TO CORE END-USE
CUSTOMERS

Sheet 1

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)	\$1.50129 (I)
Large Commercial Crossover Charge: (G-NR2)	\$1.41964 (I)
Natural Gas Vehicle Crossover Charge: (G-NGV1)	\$1.40057 (I)

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.



GAS TABLE OF CONTENTS

Sheet 1

TITLE OF SHEET	CAL P.U.C. SHEET NO.	
Title Page	27108-G	(T)
Rate Schedules	27109,27105-G	(T)
Preliminary Statements	27106,24225-G	
Rules	24488-G	
Maps, Contracts and Deviations	21637-G	
Sample Forms	26520,24933,24369,26572,25059-G	

(Continued)

Advice Letter No: 2936-G
 Decision No. 03-12-008

Issued by
Brian K. Cherry
 Vice President
 Regulatory Relations

Date Filed July 9, 2008
 Effective July 10, 2008
 Resolution No. _____



GAS TABLE OF CONTENTS

Sheet 2

SCHEDULE TITLE OF SHEET CAL P.U.C. SHEET NO.

**Rate Schedules
 Residential**

Counties Served	Listing of Counties Covered Under Gas Rate Schedules.....	11271-G
G-1	Residential Service	27086,23487-G
G-1-NGV	Residential Natural Gas Service for Compression on Customers' Premises	27087,23734-G
G-CS	ClimateSmart	24894-G
GM	Master-Metered Multifamily Service	27088,23019-G
GS	Multifamily Service	27089,26894,23215-G
GT	Mobilehome Park Service	27090,26896,26568-G
G-10	Service to Company Employees	11318-G
GL-1	Residential CARE Program Service.....	27091,26898-G
GL-1-NGV	Residential CARE Program Natural Gas Service for Compression on Customers' Premises	27092,23740-G
GML	Master-Metered Multifamily CARE Program Service	27093,26901,23027-G
GSL	Multifamily CARE Program Service.....	27094, 27095,23216-G
GTL	Mobilehome Park CARE Program Service.....	27096, 27097,23502,26569-G
G-MHPS	Master-Metered Mobilehome Park Safety Surcharge	22034-G

**Rate Schedules
 Non-Residential**

G-NR1	Gas Service to Small Commercial Customers	27098,23035-G
G-NR2	Gas Service to Large Commercial Customers	27099,23037-G
G-CP	Gas Procurement Service to Core End-Use Customers	27100-G
G-CPX	Crossover Gas Procurement Service To Core End-Use Customers	27107-G
G-NT	Gas Transportation Service to Noncore End-Use Customers.....	24583,26731,22037,22038-G
G-EG	Gas Transportation Service to Electric Generation	26732,22895,25038,25039-G
G-ESISP	Exchange Service Through ISP Facilities	24364,24365-G
G-WSL	Gas Transportation Service to Wholesale/Resale Customers.....	26733,26781,22045-G
G-BAL	Gas Balancing Service for Intrastate Transportation Customers.....	24456,24457, 22135,22047-22048,24458-24460,26610,24461,20042,24462,24463,24464-G
G-SFS	Standard Firm Storage Service	24587,22140,22141,22300-G
G-NFS	Negotiated Firm Storage Service	24588,22301-G
G-NAS	Negotiated As-Available Storage Service.....	24589-G
G-CFS	Core Firm Storage.....	24590,22147,22148,22149-G
G-AFT	Annual Firm Transportation On-System.....	24465,26734,22903-G

(T)

(Continued)

Advice Letter No: 2936-G
 Decision No. 03-12-008

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Brian K. Cherry
 Vice President
 Regulatory Relations

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Crossover Rate Calculation

Jul-08

**AECO Net Forward Calculation
(\$/Dth)****Jul-08**

Combined PGT/ANG fuel rate	0.9694208
ANG Fuel	1.31%
PGT Fuel	1.78%
AECO Monthly Index (C\$/GJ, source CGPR)	10.7996
Exchange Rate (US\$/C\$)	0.9873
AECO "C" monthly commodity index (US\$/Dth)	\$ 11.249
ANG + PGT combined in-kind fuel rate	0.0306
ANG+PGT in-kind fuel charge	0.355
ANG volumetric rate	0.0000
PGT volumetric rate	0.0117
AECO "C" Net Forward Price (14+16+17+18)	\$11.6154

<u>Gas Price Index</u>	<u>Price, CA Border</u>	<u>Intrastate Transport</u>	<u>Total</u>
AECO C (CGPR)	\$11.6154	\$0.0456	\$11.6610
Southern Border-PG&E (NGI)	\$12.0400	\$0.0456	\$12.0856
Core WACOG	\$11.8405	\$0.0456	\$11.8861
Crossover Price at PG&E Citygate (\$/Dth)			\$12.0856

7/9/2008

Calculation of the G-CPX Crossover Core Procurement Rate

Gas Prices	
	Border Price (\$/Dth)
AECO C	\$11.6154
PG&E Topock (Source NGI)	\$12.0400
Core WACOG	\$11.8405

	<u>\$/Decatherm</u>	<u>\$/Therm</u>	<u>Components</u> <u>\$/Therm</u>	<u>Calculation</u>
G-CPX CROSSOVER CORE PROCUREMENT RATE				
CROSSOVER COMMODITY CHARGE				
Weighted Average Cost of Gas (WACOG)				(a)
WACOG at the Border	\$12.0400			(b)
Intrastate Backbone Volumetric Transport Charge	\$0.456			(c)=(a)+(b)
Total WACOG	12.0856	\$1.20856		
Franchise Fee	0.009596			
Uncollectible Fee	0.002555			
Subt F & U	0.012151			(d)=(a)*F&U Factor
WACOG with Franchise and Uncollectible	\$12.2319	\$1.22319		(e)=(c)+(d)
PGA Adjustment: Core Sales	\$0.8473	\$0.08473		(f)
PGA Adjustment: Hedging	\$0.0000	\$0.00000		
Cycled Carrying Cost of Gas in Storage	\$0.0090	\$0.00090		(g)
Total Core Commodity Charge				
Small Commercial			\$1.30882	(k)=(e)+(f)+(g)+(h) (l)=(e)+(f)+(g)+(i) (m)=(e)+(f)+(g)+(j)
Large Commercial			\$1.30882	
Natural Gas Vehicle			\$1.30882	
CORE FIRM STORAGE COSTS (Including F&U)				
CFSA Adjustment: Core Firm Storage Account	\$0.0764	\$0.00764		(n)
Small Commercial	\$0.2076	\$0.02076	\$0.02840	(o) (r)=(n)+(o)
Large Commercial	\$0.0853	\$0.00853	\$0.01617	(p) (s)=(n)+(p)
Natural Gas Vehicle	\$0.0877	\$0.00877	\$0.01641	(q) (t)=(n)+(q)
INTERSTATE & INTRASTATE CAPACITY CHARGES (Incl. F&U)				
CPDCA Adjustment (Incl. F&U)	(\$0.0547)	(\$0.00547)		(u)
BC System and NOVA Costs (Incl. F&U)				
Small Commercial	\$0.2350	\$0.02350		(h)
Large Commercial	\$0.0812	\$0.00812		(i)
Natural Gas Vehicle	\$0.0544	\$0.00544		(j)
Interstate Capacity Charges				
Small Commercial	\$0.5359	\$0.05359		(v)
Large Commercial	\$0.1852	\$0.01852		(w)
Natural Gas Vehicle	\$0.1241	\$0.01241		(x)
Intrastate Backbone Capacity Charges				
Small Commercial	\$0.2564	\$0.02564	\$0.09726	(y) (ab)=(u)+(v)+(y)
Large Commercial	\$0.0886	\$0.00886	\$0.03003	(z) (ac)=(u)+(w)+(z)
Natural Gas Vehicle	\$0.0594	\$0.00594	\$0.01832	(aa) (ad)=(u)+(x)+(aa)
WGSP - PROCUREMENT (Small and Large Comm'l)				
Small Commercial	0.09790	\$0.00979	\$0.00979	
Large Commercial	0.07600	\$0.00760	\$0.00760	
CORE BROKERAGE FEE				
	\$0.0320		\$0.00320	(ae)
SHRINKAGE RATE				
Shrinkage (Incl. F&U)	\$0.5382	\$0.05382		(af)
Based on Core Shrinkage: 4.40% <i>Changes in BCAP</i>				
PGA Adjustment: Core Shrinkage (Incl. F&U)	\$0.0000	\$0.00000		(ag)
Total Shrinkage Rate			\$0.05382	(ah)=(af)+(ag)
TOTAL G-CPX CORE PROCUREMENT CHARGE				
Small Commercial			\$1.50129	(ai)=(k)+(r)+(ab)+(ae)+(ah)
Large Commercial			\$1.41964	(aj)=(l)+(s)+(ac)+(ae)+(ah)
Natural Gas Vehicle			\$1.40057	(ak)=(m)+(t)+(ad)+(ae)+(ah)

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

Aglet	Department of the Army	Northern California Power Association
Agnews Developmental Center	Dept of General Services	Occidental Energy Marketing, Inc.
Alcantar & Kahl	Division of Business Advisory Services	OnGrid Solar
Ancillary Services Coalition	Douglas & Liddell	PITCO
Anderson & Poole	Douglass & Liddell	PPL EnergyPlus, LLC
Arizona Public Service Company	Downey & Brand	Pinnacle CNG Company
BART	Duke Energy	Praxair
BP Energy Company	Duncan, Virgil E.	R. W. Beck & Associates
Barkovich & Yap, Inc.	Dutcher, John	RCS, Inc.
Bartle Wells Associates	Ellison Schneider & Harris LLP	RMC Lonestar
Blue Ridge Gas	Energy Management Services, LLC	Recon Research
Braun & Associates	FPL Energy Project Management, Inc.	SCD Energy Solutions
C & H Sugar Co.	Foster Farms	SCE
CA Bldg Industry Association	Foster, Wheeler, Martinez	SESCO
CAISO	Franciscan Mobilehome	SMUD
CLECA Law Office	G. A. Krause & Assoc.	SPURR
CSC Energy Services	GLJ Publications	Santa Fe Jets
California Cotton Ginners & Growers Assn	Goodin, MacBride, Squeri, Schlotz & Ritchie	Seattle City Light
California Energy Commission	Green Power Institute	Sempra Utilities
California League of Food Processors	Hanna & Morton	Sequoia Union HS Dist
California Public Utilities Commission	Heeg, Peggy A.	Sierra Pacific Power Company
California Water Company	Hitachi	Silicon Valley Power
Calpine	Hogan Manufacturing, Inc.	Smurfit Stone Container Corp
Cameron McKenna	Imperial Irrigation District	Southern California Edison Company
Cardinal Cogen	Innercite	St. Paul Assoc.
Casner, Steve	International Power Technology	Sunshine Design
Cerox	Intestate Gas Services, Inc.	Sutherland, Asbill & Brennan
Chamberlain, Eric	J. R. Wood, Inc.	TFS Energy
Chevron Company	JTM, Inc.	Tabors Caramanis & Associates
Chris, King	Los Angeles Dept of Water & Power	Tecogen, Inc.
City of Glendale	Luce, Forward, Hamilton & Scripps LLP	TransCanada
City of Palo Alto	MBMC, Inc.	Turlock Irrigation District
City of San Jose	MRW & Associates	U S Borax, Inc.
Clean Energy Fuels	Manatt Phelps Phillips	United Cogen
Coast Economic Consulting	Matthew V. Brady & Associates	Utility Cost Management
Commerce Energy	McKenzie & Associates	Utility Resource Network
Commercial Energy	Meek, Daniel W.	Utility Specialists
Constellation	Merced Irrigation District	Vandenberg Air Force
Constellation New Energy	Mirant	Verizon
Consumer Federation of California	Modesto Irrigation District	Wellhead Electric Company
Crossborder Energy	Morgan Stanley	Western Manufactured Housing Communities Association (WMA)
Davis Wright Tremaine LLP	Morrison & Foerster	White & Case
Day Carter Murphy	New United Motor Mfg., Inc.	eMeter Corporation
Defense Energy Support Center	Norris & Wong Associates	
Department of Water Resources	North Coast SolarResources	