

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



September 23, 2009

Advice Letter 3039-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: Request for Implementation of PG&E's 2010 Winter
Gas Savings Program for Residential and Commercial
Customers**

Dear Mr. Cherry:

Advice Letter 3039-G is effective September 15, 2009.

Sincerely,

A handwritten signature in blue ink that reads "Julie A. Fitch".

Julie A. Fitch, Director
Energy Division

August 7, 2009

Advice 3039-G

(Pacific Gas and Electric Company ID U39 G)

Public Utilities Commission of the State of California

Subject: Request for Implementation of PG&E's 2010 Winter Gas Savings Program for Residential and Commercial Customers

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

PG&E requests that the California Public Utilities Commission ("CPUC" or "Commission") approve its 2010 Winter Gas Savings Program ("WGSP" or "Program"),¹ a natural gas conservation incentive program that can assist customers in managing their upcoming winter gas bills. The results of the 2009 WGSP, as described under the '2009 Winter Gas Savings Program Analysis' section below, strongly support continuation of this program. The 2010 WGSP will continue to raise conservation awareness and help customers reduce their gas usage by focusing attention on the efficient use of natural gas in both homes and businesses.

Proposed 2010 Winter Gas Savings Program

For the past four years, PG&E has offered a Winter Gas Savings Program as part of a comprehensive set of energy efficiency and conservation programs. The WGSP is designed to provide residential and commercial customers with a financial incentive to safely and responsibly reduce their natural gas use during heavy-demand winter months when natural gas prices are typically high. When approving PG&E's 2008 WGSP, the Commission stated: "These programs were authorized because the Commission found that they should encourage conservation and provide customers with an opportunity to lower their winter gas bills."²

¹ The Winter Gas Savings Program has been referred to previously as the 10/20 Plus Program. In this filing, PG&E proposes to change the name of the gas rate schedule to G-WGSP from G-1020. See Attachment 2.

² Resolution G-3405, p. 2-3.

The structure of this year's proposed WGSP is identical to that of the 2009 WGSP.³ Residential and commercial gas customers will receive a gas bill credit of 20 percent if they reduce their cumulative natural gas usage by at least 10 percent during January and February 2010. If their gas conservation is below 10 percent, customers will receive a one-to-one credit (e.g. reduce usage by 5 percent, earn a 5 percent credit). As before, PG&E will apply a weather adjustment factor in order to more accurately reward conservation efforts.

PG&E will conduct a comprehensive marketing campaign to promote the WGSP this winter. PG&E requests Energy Division's approval of the 2010 WGSP by **September 15, 2009**, so that PG&E may begin marketing and customer outreach efforts before the start of the winter season. These marketing efforts will support an awareness and educational campaign that will provide customers with information on how to make low-cost or no-cost improvements to their home or business that can lower gas usage and increase energy efficiency.

Eligibility

Residential and commercial customers on Gas Rate Schedules G-1, G-1 NGV, GM, GS, GT, GL-1, GL1-NGV, GML, GSL, GTL, G-NR1, and G-NR2 are eligible for the 2010 WGSP. All customers served on these eligible rate schedules will participate in the program as long as: (1) they began service with PG&E before November 1, 2009; (2) they maintain continuous service at the same service address through February 2010; and (3) any PG&E customer had continuous service at the service address during a previous WGSP period in 2007, 2008, or 2009.⁴

Conservation Period

PG&E 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. Credits and usage comparisons for the 2010 WGSP are based upon January and February usage.⁵ Because most meters are read once a month, PG&E encourages its customers to begin their conservation efforts in December and continue through March in order to fully capture reductions in January and February usage that will determine a customer's credit.⁶

Winter Gas Savings Program Credit Methodology

The 2010 WGSP credit will mirror the previous year's credit structure. Residential and commercial gas customers will receive a 20 percent credit if they reduce their

³ See PG&E Advice 2951-G.

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 based on SmartMeter™ data, usage comparisons and credits will be based upon actual daily usage during the WGSP period (January 1 – February 28, 2010).

⁶ For bills that contain days outside of the WGSP period (January 1 – February 28, 2010), an Average Daily Usage for each billing period will be calculated and then prorated for the number of days in the WGSP period.

cumulative natural gas usage by at least 10 percent during January and February 2010, as compared to a three-year average computed over the same monthly period. If their gas conservation is below 10 percent, customers will receive a one-to-one credit (e.g. reduce usage by 5 percent, earn a 5 percent credit).⁷

Base Year Usage Calculation

Identical to the 2009 WGSP, PG&E proposes to use customer usage data for the prior three years, if available, to calculate the WGSP credit. However, if a customer's usage history for the previous program period is not available, then the previous three years' historic usage at the premise may be used to determine the base usage.

Weather Adjustment

In the event of abnormally cold or warm weather during this upcoming winter, PG&E will include a weather adjustment in order to more equitably measure customer conservation efforts. To accomplish this, PG&E will adjust the base year usage against which customer conservation efforts are measured to reflect colder or warmer weather patterns during the 2010 WGSP period. The details of this weather adjustment are defined in Schedule G-WGSP – *Winter Gas Savings Program* filed herein.

2009 Winter Gas Savings Program Analysis

In 2008, PG&E conducted a study of its past three WGSPs in compliance with Resolution G-3405, Ordering Paragraph 5. The study concluded that the past WGSPs have been successful because gas usage declined more than 5 percent each year of the program, on a weather-adjusted basis.

The results of the 2009 WGSP have been particularly impressive. The 2009 WGSP had an increase of approximately 40 percent in customer participation compared to the prior year (2.4 million vs. 1.7 million customers). These qualifying customers reduced their energy usage by approximately 80 million therms during January and February 2009. These reductions equate to greenhouse gas emission reductions equivalent to removing 47,000 passenger cars from the road for one year. Lastly, customers who qualified for the WGSP received bill credits in March and April totaling approximately \$59 million, which was a 36 percent increase over 2008.

⁷ Consistent with the 2009 WGSP, 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 2009 WGSP, the bill credit 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 any applicable utility user's taxes will be excluded from the credit calculation.

2010 Winter Gas Savings Program Cost Recovery

PG&E requests authorization to recover \$4.75 million from customers for the 2010 WGSP marketing, outreach, and implementation costs. PG&E proposes that each customer class pay for its corresponding share of marketing and implementation costs and for the actual program credits received by that class. The final WGSP costs allocated to each customer class will also reflect the actual split between procurement and transportation⁸. The illustrative rate impact of the 2010 WGSP costs on the participating customer classes is shown in Attachment 1, Tables 1 - 4.

PG&E proposes to continue the WGSP cost recovery mechanism approved by the Commission in Advice 2951-G. For residential customers, PG&E proposes that the forecast program costs be recovered in procurement and transportation rates from April through October, 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.

Procurement- and transportation-related WGSP costs (marketing and implementation costs and customer credits) and revenues will be recorded in the WGSP subaccounts of the Purchased Gas Account (PGA) and Core Fixed Cost Account (CFCA), respectively.

Authorized WGSP costs will be recorded in the corresponding subaccounts based on the forecast procurement/transportation split submitted in the 2010 Annual Gas True-up (AGT) advice letter update filing in December. The forecast procurement/transportation split will be adjusted once the actual customer credits are calculated.

Identical to the 2009 WGSP, PG&E will estimate the WGSP credits and provide the resulting rates for recovery of these estimated costs in its AGT filing. PG&E will then update these estimates in the AGT update filing using the forecasted cost of gas for January and February 2010. This will ensure that PG&E collects an amount that reflects the expected natural gas procurement prices during the WGSP period.

In order to ensure that program costs are paid for by the customer class receiving the benefit, any difference between the forecast and actual program costs will be recovered in the corresponding procurement and transportation rates by customer class during the following year. The WGSP subaccount balance of the PGA, based on the November 2010 recorded balance plus a forecast of December 2010 activity, will be amortized in the monthly core procurement rates (Schedule G-CP) beginning on January 1, 2011. Similarly, the WGSP subaccount balance of the CFCA, based on the November 2010 recorded balance plus a forecast of December 2010 activity,

⁸ This is consistent with the agreement with the School Project for Utility Rate Reform (SPURR) in 2005, as approved in Advice 2675-G-A.

will be amortized in core transportation rates beginning on January 1, 2011, as part of the 2011 AGT.

Bill Credits to Submetered Customers

PG&E shall provide a notice to all master-metered customers with submetered tenants of their obligation to pass along any refunds to their tenants, in accordance with Public Utilities Code 739.5(b). PG&E will send a notification letter to all master-metered customers with submetered tenants explaining the 2010 WGSP bill credit and providing sample calculations. The sample calculations provide guidance to the master-metered customers on how to appropriately calculate the bill credit amount for each tenant.

Tariff Revisions

In addition to the changing “rebate” to “credit” for consistency, PG&E proposes the following revisions to the tariffs:

- Preliminary Statements Parts D and F – Minor edits for clarification.
- Gas Schedule G-1020 – Revise the name of the gas schedule to “G-WGSP” and other minor changes as specified in this advice letter.

Protest Period

Anyone wishing to protest this filing may do so by sending a letter by **August 27, 2009**, which is **20 days** from the date of this filing. 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: jjn@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

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

Effective Date

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 the 2010 WGSP in November 2009. PG&E requests that Energy Division approve this filing on or before **September 15, 2009**. As discussed herein, the proposed WGSP will be implemented beginning on January 1, 2010.

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.09-05-026 and Resolution G-3405. Address changes should be directed to San Heng at (415) 973-2640. Advice letter filings can also be accessed electronically at: <http://www.pge.com/tariffs>.

A handwritten signature in cursive script that reads "Brian Cherry / mt".

Vice President - Regulatory Relations

Attachments

cc: Service Lists – A. 09-05-026 and Resolution G-3405

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: Linda Tom-Martinez

Phone #: (415) 973-4612

E-mail: lmt1@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) #: **3039-G**

Tier: 2

Subject of AL: Request for Implementation of PG&E's 2010 Winter Gas Savings Program for Residential and Commercial Customers

Keywords (choose from CPUC listing): Energy Efficiency

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

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

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: _____

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

Is AL requesting confidential treatment? If so, what information is the utility seeking confidential treatment for:

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 15, 2009**

No. of tariff sheets: 10

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-10/20 (now renamed to G-WGSP), Preliminary Statement Part D, Preliminary Statement Part F

Service affected and changes proposed:

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 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

ATTACHMENT 1

PACIFIC GAS AND ELECTRIC COMPANY
2010 WINTER GAS SAVINGS PROGRAM ADVICE LETTER FILING
IMPACT OF PROPOSED CHANGE IN WGSP MARKETING AND IMPLEMENTATION COSTS

TABLE 1: 2010 WGSP REVENUE REQUIREMENT (a)

	Totals	Transportation	Procurement
1 Illustrative 2010 WGSP Credit (\$000; including FF&U)	\$45,189	\$16,651	\$28,538
2 Resulting Transportation/Procurement Split	100.0%	36.8%	63.2%
3 Apportioned Program Marketing/Implementation Costs (including FF&U)	\$4,808	\$1,772	\$3,036
4 Totals for Recovery in Rates (Lines 1 + 3)	\$49,997	\$18,422	\$31,574
5 Less WGSP RRQ Currently in Rates	\$50,250	\$18,516	\$31,734
6 Change in WGSP Revenue Requirement in Rates	(\$253)	(\$93)	(\$160)

TABLE 2: ILLUSTRATIVE 2010 WGSP RATE IMPACT (a)

	Present Rates (Illust. Annual Avg.)	Proposed Rates (Illust. Annual Avg.)	% Change
<u>BUNDLED RATES</u>			
1 Non-CARE Residential (b)	\$1.40005	\$1.39997	-0.01%
2 CARE Residential (b)	\$1.10763	\$1.10756	-0.01%
3 Small Commercial	\$1.20101	\$1.20092	-0.01%
4 Large Commercial	\$0.98313	\$0.98307	-0.01%
<u>TRANSPORTATION+PPP ONLY RATES</u>			
5 Non-CARE Residential (b)	\$0.55432	\$0.55429	-0.01%
6 CARE Residential (b)	\$0.26190	\$0.26188	-0.01%
7 Small Commercial	\$0.36600	\$0.36596	-0.01%
8 Large Commercial	\$0.18337	\$0.18334	-0.02%

- a) 2010 WGSP credits are illustrative. Estimated credits for ratemaking purposes will be filed in PG&E's 2010 Annual Gas True-up (AGT) incorporating the forecast cost of gas. 2010 WGSP revenue recovery via rates will be implemented using forecasted total program costs allocated across applicable core classes on an equal cents per therm basis. Final impacts of the Program will be based on credits earned by each class during 2010 reflecting recorded segmentation between transportation and procurement causation. This final impact will be trued-up through allocation of the WGSP transportation and procurement balancing accounts incorporated in rates filed in PG&E's 2011 AGT.
- b) Residential impacts are shown on annual basis for comparison only with commercial class impacts. Actual WGSP recovery from residential customers will occur during the summer season (April - October 2010). Proposed residential rates and illustrative residential bill impacts are shown, respectively, on Tables 3 and 4.

ATTACHMENT 1 (contd.)

PACIFIC GAS AND ELECTRIC COMPANY
2010 WINTER GAS SAVINGS PROGRAM ADVICE LETTER FILING
IMPACT OF PROPOSED CHANGE IN WGSP MARKETING AND IMPLEMENTATION COSTS

TABLE 3: CALCULATION OF RATE RECOVERY FROM RESIDENTIAL CLASS DURING APRIL - OCTOBER 2010 PERIOD (a)
(Note: Only Applies to Residential Class; Commercial Rates Change for WGSP on January 1, 2010 for annual recovery)

	<u>Total</u>	<u>Procurement</u>	<u>Transportation</u>
1 Illustrative Total WGSP Program Cost for Recovery (\$ 000)	\$49,997	\$31,574	\$18,422
2 Residential Share of Adopted Procurement and Transportation Volumes	71.5%	72.0%	70.7%
3 Residential Share of WGSP Cost For Initial Rate-Setting Purposes	\$35,764	\$22,738	\$13,026
4 Commercial Share of WGSP Program Costs (Line 3 Less Line 1; w/FF&U)	\$14,233	\$8,836	\$5,397
5 Marketing and Implementation Costs Within Commercial Allocation	\$1,369	\$850	\$519
6 Marketing and Implementation Costs Within Residential Allocation	\$3,439	\$2,187	\$1,253
		<u>Adopted Apr-Oct Avg. Yr. (Mth)</u>	
7 Residential Bundled Volumes		809,414	
8 Residential Transport Volumes		2,436	
9 Less G-10 Transportation Adj.		1,210	
10 Adjusted Residential Transportation Volumes		810,640	
	<u>Allocated RRQ (\$ 000)</u>	<u>Adopted Volumes (Mth)</u>	<u>Rates (\$/th)</u>
11 WGSP Non-CARE Residential Program Cost for Rate Recovery - Procurement	\$22,738	809,414	\$0.02809
12 WGSP Plus Non-CARE Program Cost for Rate Recovery - Transportation	\$13,026	810,640	\$0.01607
13 Non-CARE Residential Rate for Bundled Customers	\$35,764		\$0.04416
14 Illustrative Rate for CARE Residential - Procurement			\$0.02809
15 Illustrative Rate for CARE Residential - Transportation			\$0.00724
16 Illustrative Rate for CARE Residential - Totals for Bundled Customers			\$0.03533

TABLE 4: ILLUSTRATIVE RESIDENTIAL RATE IMPACT AND SUMMER BILL IMPACT

	<u>Present Summer Season Rates</u>	<u>Proposed Summer Season Rates (a)</u>	<u>Change</u>
1 Recovery in April through October Non-CARE Residential Bundled Rate	\$1.42244	\$1.42231	-0.01%
2 CARE Residential Bundled Rate	\$1.12313	\$1.12302	-0.01%
3 Non-CARE Residential Transportation+PPP Only Rates	\$0.57671	\$0.57663	-0.01%
4 CARE Residential Transportation+PPP Only Rates	\$0.27740	\$0.27734	-0.02%
<u>Average Illustrative Residential Bill Impact During Summer Months (April 1 through October 31, 2010) (b)</u>			
5 Proposed Average Illustrative Bundled Bill	\$41.25		
6 Present Average Illustrative Bundled Bill	\$41.25		
7 Average Monthly Bill Change	\$0.00		
8 Percentage Change	0.00%		

- a) 2010 WGSP 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 Program will be based on credits earned by each class during 2010 reflecting segmentation between transportation and procurement causation. This final impact will be trued-up through allocation of the WGSP balancing accounts incorporated in rates filed in PG&E's 2011 AGT.
- b) Based on 29 therms per month average Summer season usage per residential customer as adopted in PG&E's BCAP D.05-06-029.

**ATTACHMENT 2
Advice 3039-G**

Cal P.U.C. Sheet No.	Title of Sheet	Cancelling Cal P.U.C. Sheet No.
27761-G	GAS PRELIMINARY STATEMENT PART D PURCHASED GAS ACCOUNT Sheet 1	25094-G
27762-G	GAS PRELIMINARY STATEMENT PART D PURCHASED GAS ACCOUNT Sheet 4	26564-G
27763-G	GAS PRELIMINARY STATEMENT PART F CORE FIXED COST ACCOUNT Sheet 1	24144-G
27764-G	GAS PRELIMINARY STATEMENT PART F CORE FIXED COST ACCOUNT Sheet 3	26565-G
27765-G	GAS SCHEDULE G-WGSP WINTER GAS SAVINGS PROGRAM Sheet 1	27167-G
27766-G	GAS SCHEDULE G-WGSP WINTER GAS SAVINGS PROGRAM Sheet 2	27168-G
27767-G	GAS SCHEDULE G-WGSP WINTER GAS SAVINGS PROGRAM Sheet 3	25047-G
27768-G	GAS TABLE OF CONTENTS Sheet 1	27759-G
27769-G	GAS TABLE OF CONTENTS Sheet 3	27704-G
27770-G	GAS TABLE OF CONTENTS Sheet 4	27701-G



GAS PRELIMINARY STATEMENT PART D
PURCHASED GAS ACCOUNT

Sheet 1

D. PURCHASED GAS ACCOUNT (PGA)

1. PURPOSE: The purpose of the PGA is to record the cost associated with gas purchased for the Gas Supply Portfolio and revenues from the sale of that gas, and other amounts specifically authorized by the CPUC to be recorded in this account. The balances in the sub-accounts will be incorporated into monthly core procurement rates.

Descriptions of the terms and definitions used in this section are found in Preliminary Statement, Part C or in Rule 1.

2. APPLICABILITY: The PGA balance applies to all gas procurement rate schedules and contracts subject to the jurisdiction of the CPUC, except for those schedules and contracts specifically excluded by the CPUC.
3. REVISION DATE: The revision date applicable to the PGA rate shall coincide with the monthly core procurement rate change or at other times, as ordered by the CPUC.
4. FORECAST PERIOD: The forecast period will be monthly based on the most recent forecast of core procurement volumes, or as otherwise specified by the CPUC.
5. RATES: The PGA balance is included in the effective procurement rates set forth in each rate schedule (see Preliminary Statement, Part B), as applicable.
6. ACCOUNTING PROCEDURE: The PGA consists of the following subaccounts:

The "Core Sales Subaccount" records the cost of gas procured for sale to core customers and revenues from the sales to core customers of that gas. (See Preliminary Statement Part C.7.)

The "Core Shrinkage Subaccount" records core shrinkage costs and shrinkage revenues from core procurement customers.

The "Core Gas Hedging Plan Subaccount" records revenues from core procurement customers, and cost and payouts for hedge instruments transacted under the Core Gas Hedging Plans authorized by the CPUC in Decision (D.) 05-10-015 (effective October 6, 2005), (D.) 06-08-027 (effective August 24, 2006), and (D.) 07-06-013 (effective June 7, 2007).

The "Winter Gas Savings Program Procurement Subaccount" recovers procurement-related program costs, including credits to customers and approved marketing, outreach, and implementation costs, from core procurement customers. The Winter Gas Savings Program (WGSP) is designed to encourage conservation as detailed in Schedule G-WGSP – *Winter Gas Savings Program*.

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(Continued)



GAS PRELIMINARY STATEMENT PART D
PURCHASED GAS ACCOUNT

Sheet 4

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)

- 1) a debit entry to record the procurement portion of the WGSP credits; (T)
- 2) a debit entry to record the procurement portion of the actual WGSP marketing, outreach, and implementation costs up to the amount authorized by the CPUC; (T)
- 3) a credit entry equal to the revenue from the WGSP – Procurement rate component, excluding the allowance for F&U;
- 4) a debit or credit entry equal to any other amounts authorized by the CPUC to be recorded in this subaccount; and;
- 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.



GAS PRELIMINARY STATEMENT PART F
CORE FIXED COST ACCOUNT

Sheet 1

F. CORE FIXED COST ACCOUNT (CFCA)

1. PURPOSE: The purpose of the CFCA is to record the authorized GRC distribution base revenue amounts (with credits and adjustments), certain other core transportation costs, and transportation revenue from core customers. Any under- or overcollection in this account will be incorporated into core transportation rates in the next Annual Gas True-up of Balancing Accounts.

Descriptions of the terms and definitions used in this section are found in Preliminary Statement, Part C or in Rule 1. Refer to Section C.3 for the cost allocation factors used to determine the core portion of certain costs.

2. APPLICABILITY: The CFCA applies to all core transportation rate schedules and contracts subject to the jurisdiction of the CPUC, except for those schedules and contracts specifically excluded by the CPUC.
3. REVISION DATE: Disposition of the balance in this account shall be determined in the Annual Gas True-up of Balancing Accounts advice filing, or as otherwise authorized by the Commission.
4. FORECAST PERIOD: The forecast test period will be as specified in the current Cost Allocation Proceeding.
5. RATES: CFCA rates are included in the effective rates set forth in each rate schedule (see Preliminary Statement, Part B), as applicable.
6. ACCOUNTING PROCEDURE: The CFCA consists of the following subaccounts:

The "Distribution Cost Subaccount" recovers the distribution base revenue requirement adopted in PG&E's General Rate Case (GRC), including Annual Attrition Adjustments and the Cost of Capital Proceedings, that are allocated to core transportation customers based on the distribution base revenue allocation adopted in the Cost Allocation Proceeding.

The "Core Cost Subaccount" recovers non-distribution-related costs adopted by the Commission in various proceedings that are allocated to core transportation customers.

The "Winter Gas Savings Program Transportation Subaccount" recovers transportation-related program costs, including credits to customers and approved marketing, outreach, and implementation costs, from core transportation customers. The Winter Gas Savings Program (WGSP) is designed to encourage conservation as detailed in Schedule G-WGSP – *Winter Gas Savings Program*.

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 (T)

(Continued)



GAS PRELIMINARY STATEMENT PART F
CORE FIXED COST ACCOUNT

Sheet 3

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) an entry equal to the core portion of the gain or loss on the sale of a gas transmission non-depreciable asset, as approved by the Commission;
- 10) 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
- 11) 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.10 above, 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 credits; (T)
- 2) a debit entry, as appropriate, to record the transportation portion of the actual WGSP marketing, outreach, and implementation costs up to the amount authorized by the CPUC; (T)
- 3) a credit entry equal to the revenue from the WGSP – Transportation rate component, excluding the allowance for F&U;
- 4) a debit or credit entry equal to any other amounts authorized by the CPUC to be recorded in this subaccount; and
- 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.



GAS SCHEDULE G-WGSP
WINTER GAS SAVINGS PROGRAM

Sheet 1

APPLICABILITY: Schedule G-WGSP Plus rewards gas customers who reduce their natural gas usage during the period from January 1, 2010 through February 28, 2010, 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%) credit. 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. (T)

The following are excluded from participating in this schedule: (1) customers where continuous service (for either the current or any previous customer) did not exist at the service address for a previous winter program period in 2007, 2008, or 2009; (2) customers who initiated service at their current service address on or after November 1, 2009; 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-WGSP establishes a limited credit for natural gas conservation to assist customers in managing their winter gas bills. Regardless of the customer's billing cycle, the start and end dates of this program are January 1, 2010 and February 28, 2010, respectively, for all eligible customers. (T)

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

RATES: The credit is available to eligible customers achieving a reduction in natural gas usage during the period January 1, 2010 through February 28, 2010 (program period) compared to the customer's Base Usage. (T)

Base Usage (BU) equals the customer's 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 have resulted in an average decrease in BU of 4.0% for residential customers and 3.1% for commercial customers. (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%) during the program period will receive a twenty percent (20%) credit on their PG&E natural gas charges in the subsequent billing period. Customers who reduce usage from one to nine percent (1% - 9%) during the program period will receive a corresponding 1% to 9% credit on their PG&E natural gas charges in the subsequent billing period. (T)

SPECIAL CONDITIONS:

1. If the customer was not at the current service address or does not have usage for the corresponding 2009 period, the BU may include prior customer(s)'s usage at the service address, when available, for the corresponding periods of the prior three winters. (T)
2. Customer must meet the applicability criteria of the program and also receive continuous service during the program period.

(Continued)



GAS SCHEDULE G-WGSP
WINTER GAS SAVINGS PROGRAM

Sheet 2

SPECIAL
 CONDITIONS:
 (Cont'd.)

3. If successful in reducing natural gas usage, customers will receive a credit on their PG&E natural gas charges for the period January 1, 2010 and February 28, 2010, 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 credit 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 WGSP, the actual exact daily usage during the program period between January 1 and February 28 will be used. All customers whose billing periods do not align exactly with the January 1 and February 28 respective start and end dates of the program will have their usage prorated during those months. (T)
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 credit. (T)
6. A system-wide correction of the BU amount will be made for colder or warmer than normal weather that might occur during the 2010 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 system-wide weather for the program period is 588.0 HDDs. The system-wide HDDs for the program period will be based on all available recorded weather data and a forecast of the remaining weather to allow for the credit to be issued during the next billing period bill on or after February 28, 2010. (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 credit. (T)
8. A minimum reduction of 1% is required to receive a credit. Similarly, customers exceeding 10% reductions will only be rewarded with a 20% credit. (T)
9. For customers with multiple accounts, summary billings, or multiple meters at a premise, the credit will be calculated and applied, if applicable, to each of the customer's individual service agreements. (T)
10. For master-metered customers that sub-meter, the credit shall be determined by usage measured by the master-meter. Master-metered customers, including mobile home park owners with sub-metered tenants, receiving a credit shall distribute the credit to sub-metered tenants consistent with Public Utilities Code section 739.5(b). (T)

(Continued)

Advice Letter No: 3039-G
 Decision No.

Issued by
Brian K. Cherry
 Vice President
 Regulatory Relations

Date Filed August 7, 2009
 Effective September 15, 2009
 Resolution No.



GAS SCHEDULE G-WGSP
WINTER GAS SAVINGS PROGRAM

Sheet 3

SPECIAL
 CONDITIONS:
 (Cont'd.)

11. Any disputes arising from the provision of service under this Schedule or other aspects of the Winter Gas Savings Program will be deemed disputes over amounts billed for natural gas and will be handled as provided for in PG&E's Rule 10, Disputed Bills.

12. PG&E normally reads meters each month with minor exceptions. If, because of unusual conditions or for reasons beyond PG&E's control, the customer's meter cannot be read on the scheduled reading date, or if for any reason accurate meter data is not available, PG&E will make estimates according to its applicable tariff rules. In these instances, the estimated meter reads will form the basis of the comparisons in determining whether customers qualify for the bill credit. (T)



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

Aglet	Day Carter Murphy	North Coast SolarResources
Alcantar & Kahl	Defense Energy Support Center	Occidental Energy Marketing, Inc.
Ameresco	Department of Water Resources	OnGrid Solar
Anderson & Poole	Department of the Army	Praxair
Arizona Public Service Company	Dept of General Services	R. W. Beck & Associates
BART	Division of Business Advisory Services	RCS, Inc.
BP Energy Company	Douglas & Liddell	Recon Research
Barkovich & Yap, Inc.	Douglass & Liddell	SCD Energy Solutions
Bartle Wells Associates	Downey & Brand	SCE
C & H Sugar Co.	Duke Energy	SMUD
CA Bldg Industry Association	Dutcher, John	SPURR
CAISO	Ellison Schneider & Harris LLP	Santa Fe Jets
CLECA Law Office	FPL Energy Project Management, Inc.	Seattle City Light
CSC Energy Services	Foster Farms	Sempra Utilities
California Cotton Ginners & Growers Assn	G. A. Krause & Assoc.	Sierra Pacific Power Company
California Energy Commission	GLJ Publications	Silicon Valley Power
California League of Food Processors	Goodin, MacBride, Squeri, Schlotz & Ritchie	Southern California Edison Company
California Public Utilities Commission	Green Power Institute	Sunshine Design
Calpine	Hanna & Morton	Sutherland, Asbill & Brennan
Cameron McKenna	International Power Technology	Tabors Caramanis & Associates
Casner, Steve	Intestate Gas Services, Inc.	Tecogen, Inc.
Chamberlain, Eric	Los Angeles Dept of Water & Power	Tiger Natural Gas, Inc.
Chevron Company	Luce, Forward, Hamilton & Scripps LLP	Tioga Energy
Chris, King	MBMC, Inc.	TransCanada
City of Glendale	MRW & Associates	Turlock Irrigation District
City of Palo Alto	Manatt Phelps Phillips	U S Borax, Inc.
City of San Jose	Matthew V. Brady & Associates	United Cogen
Clean Energy Fuels	McKenzie & Associates	Utility Cost Management
Coast Economic Consulting	Merced Irrigation District	Utility Specialists
Commerce Energy	Mirant	Verizon
Commercial Energy	Modesto Irrigation District	Wellhead Electric Company
Consumer Federation of California	Morgan Stanley	Western Manufactured Housing Communities Association (WMA)
Crossborder Energy	Morrison & Foerster	eMeter Corporation
Davis Wright Tremaine LLP	New United Motor Mfg., Inc.	
	Norris & Wong Associates	