

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



March 23, 2010

**Advice Letter 3100-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: Expedited Pre-Approval of Transwestern Pipeline Contract**

Dear Mr. Cherry:

Advice Letter 3100-G is effective March 26, 2010.

Sincerely,

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

Julie A. Fitch, Director  
Energy Division



**Jane K. Yura**  
Vice President  
Regulation and Rates

*Mailing Address*  
Mail Code B10B  
Pacific Gas and Electric Company  
P.O. Box 770000  
San Francisco, CA 94177

**ATTACHMENT 1 TO THIS FILING IS CONFIDENTIAL AND IS SUBMITTED  
PURSUANT TO GENERAL ORDER 66-C AND PUBLIC UTILITIES  
CODE SECTIONS 454.5 (G) AND 583**

March 5, 2010

**Advice 3100-G**

(Pacific Gas and Electric Company ID U 39 G)

Public Utilities Commission of the State of California

**Subject: Expedited Pre-Approval of Transwestern Pipeline Contract**

Pacific Gas and Electric Company (PG&E) submits this filing to request California Public Utilities Commission (Commission) pre-approval to extend an expiring Transwestern Pipeline Company, LLC (Transwestern) firm transportation service agreement (TSA), which is used to transport natural gas supplies from the San Juan Basin to California on behalf of PG&E's core gas customers.

Additional information describing key terms of the proposed contract extension is provided in an addendum to this Advice Letter, under the confidential provisions of General Order 66-C and Sections 454.5 (g) and 583 of the Public Utilities Code, and to The Utility Reform Network (TURN) under the provisions of a non-disclosure arrangement.

**Purpose**

The purpose of this expedited advice letter is to request approval to extend the existing capacity arrangement, with certain modifications to key terms described in the confidential addendum. In Decision (D.) 04-09-022, the Commission established procedures for expedited regulatory approval and processing of utility commitments to pipeline capacity. These procedures require PG&E consultation with the Division of Ratepayer Advocates (DRA) and TURN. PG&E has consulted with DRA and TURN and both have confirmed their support for PG&E's renewal of the subject pipeline contract.

Under D.04-09-022, contracts for pipeline capacity may be submitted by expedited advice letter, seeking Commission approval within 21 days of the advice letter

filing date. PG&E requests that the Commission approve this filing by **March 26, 2010**.

Because the proposed renewal rates and terms are commercially sensitive at this time, PG&E will provide the details in a confidential addendum to the Energy Division, the Division of Ratepayer Advocates and TURN.

Subject to approval by the Commission and upon execution of the renewal terms by Transwestern and PG&E, a summary of the rates and terms will be posted on Transwestern's electronic bulletin board.

### **Description of Contract**

PG&E has transported natural gas on Transwestern since 1992. The existing TSA accesses gas supply receipt points in the San Juan Basin and the primary delivery point is the Transwestern-PG&E interconnect at the Arizona-California border<sup>1</sup>. The maximum delivery quantity is 150,000 decatherms per day (Dth/d). The existing contract expires on March 31, 2011. PG&E is required to provide notice of its renewal intentions under a Right-of-First-Refusal (ROFR) provision by March 31, 2010.

The table below summarizes the expiring contract that PG&E seeks Commission approval to continue.

**Table I**  
**Proposed Pipeline Contract Information**

<b>Pipeline</b>	<b>Contract Quantity Dth/d</b>	<b>Existing Expiration Date</b>	<b>Proposed Extension Expiration Date</b>
Transwestern	150,000	March 31, 2011	March 31, 2013

### **Renewal Recommendation**

PG&E strongly urges the Commission to approve extension of the contract for an additional two (2) years, with modifications to some key terms described in the confidential addendum. These terms are disclosed to the Energy Division, DRA and TURN.

PG&E has consulted with DRA and TURN and both support the proposed extension. Upon approval of this filing, PG&E will extend its contract through March 31, 2013.

<sup>1</sup> Supplies from the San Juan Basin have been, and are expected to continue to be consistently competitive with gas supplies from the Western Canadian Sedimentary Basin.

Approval of the proposed TSA is in the best interest of core gas customers and will help facilitate PG&E's compliance with D.04-09-022, which requires utilities to maintain a minimum level of firm interstate pipeline capacity to California<sup>2</sup>. In addition, the proposed extension will maintain PG&E's existing pipeline portfolio diversification, provided, in part, by holding capacity on both Transwestern and El Paso Natural Gas Company. The added reliability from holding capacity on both pipelines has served core customers well during previous pipeline-specific capacity constraints and supply disruptions.

All costs associated with the contract will continue to be recovered from PG&E's core gas customers through the Core Pipeline Demand Charge Account, in accordance with D.04-09-022 and PG&E's gas tariffs.

This filing will not affect any other rate or charge, cause the withdrawal of service, or conflict with any other rate schedule or rule.

### **Protests – 10-Day Expedited Period**

Anyone wishing to protest this filing may do so by sending a letter to the address below by **March 15, 2010**, which is **ten (10) days** from the date of this filing, in accordance with the expedited protest period authorized in D.04-09-022.

Protests should be mailed to:

CPUC Energy Division  
Attention: Tariff Unit, 4<sup>th</sup> Floor  
505 Van Ness Avenue  
San Francisco, California 94102

Facsimile: (415) 703-2200  
E-mail: [mas@cpuc.ca.gov](mailto:mas@cpuc.ca.gov) and [jjn@cpuc.ca.gov](mailto:jjn@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:

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<sup>2</sup> Established in D.04-09-022, FOF 23.

Pacific Gas and Electric Company  
Attention: Jane Yura  
Vice President, Regulation and Rates  
77 Beale Street, Mail Code B10B  
P.O. Box 770000  
San Francisco, California 94177

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

### **Effective Date**

In accordance with the comment and evaluation period provided in D.04-09-022, and assuming no protests are received to this filing, PG&E requests Commission pre-approval of this filing effective **March 26, 2010**, which is 21 days after the date of this filing.

### **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, and the parties on the service list for R. 04-01-025. Address changes to the General Order 96-B service list and all electronic approvals should be directed to e-mail PGETariffs@pge.com. Advice letter filings can also be accessed electronically at <http://www.pge.com/tariffs>.



Vice President - Regulation and Rates

Attachment - Confidential Addendum

cc with att.: Richard A. Myers - Energy Division  
Franz Cheng - Energy Division  
Belinda Gatti - Energy Division  
Jonathon Bromson - Legal Division  
R. Mark Pocta - Division of Ratepayer Advocates  
Jacqueline Grieg - Division of Ratepayer Advocates  
Pearlie Sabino - Division of Ratepayer Advocates  
Mike Florio - The Utility Reform Network  
Marcel Hawiger - The Utility Reform Network

cc w/o att.: Service list – R. 04-01-025

# 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) #: **3100-G**

Tier: **2**

Subject of AL: **Expedited Pre-Approval of Transwestern Pipeline Contract**

Keywords (choose from CPUC listing): Contracts, Agreements, Core, Capacity

AL filing type:  Monthly  Quarterly  Annual  One-Time  Other \_\_\_\_\_

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: D.04-09-022

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 AL<sup>1</sup>: \_\_\_\_\_

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

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: **March 26, 2010**

No. of tariff sheets: N/A

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: N/A

Service affected and changes proposed<sup>1</sup>: N/A

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: Jane K. Yura**

**Vice President, Regulation and Rates**

**77 Beale Street, Mail Code B10B**

**P.O. Box 770000**

**San Francisco, CA 94177**

**E-mail: PGETariffs@pge.com**

**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	Douglass & Liddell	Recon Research
Barkovich & Yap, Inc.	Downey & Brand	SCD Energy Solutions
Bartle Wells Associates	Duke Energy	SCE
Boston Properties	Dutcher, John	SMUD
C & H Sugar Co.	Economic Sciences Corporation	SPURR
CA Bldg Industry Association	Ellison Schneider & Harris LLP	Santa Fe Jets
CAISO	FPL Energy Project Management, Inc.	Seattle City Light
CLECA Law Office	Foster Farms	Sempra Utilities
CSC Energy Services	G. A. Krause & Assoc.	Sierra Pacific Power Company
California Cotton Ginners & Growers Assn	GLJ Publications	Silicon Valley Power
California Energy Commission	Goodin, MacBride, Squeri, Schlotz & Ritchie	Silo Energy LLC
California League of Food Processors	Green Power Institute	Southern California Edison Company
California Public Utilities Commission	Hanna & Morton	Sunshine Design
Calpine	International Power Technology	Sutherland, Asbill & Brennan
Cameron McKenna	Intestate Gas Services, Inc.	Tabors Caramanis & Associates
Casner, Steve	Los Angeles Dept of Water & Power	Tecogen, Inc.
Chamberlain, Eric	Luce, Forward, Hamilton & Scripps LLP	Tiger Natural Gas, Inc.
Chris, King	MBMC, Inc.	Tioga Energy
City of Glendale	MRW & Associates	TransCanada
City of Palo Alto	Manatt Phelps Phillips	Turlock Irrigation District
Clean Energy Fuels	McKenzie & Associates	U S Borax, Inc.
Coast Economic Consulting	Merced Irrigation District	United Cogen
Commerce Energy	Mirant	Utility Cost Management
Commercial Energy	Modesto Irrigation District	Utility Specialists
Consumer Federation of California	Morgan Stanley	Verizon
Crossborder Energy	Morrison & Foerster	Wellhead Electric Company
Davis Wright Tremaine LLP	New United Motor Mfg., Inc.	Western Manufactured Housing Communities Association (WMA)
	Norris & Wong Associates	eMeter Corporation