

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



August 9, 2010

**Advice Letter 3115-G-A**

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

**Subject: Supplemental Filing – Revision to PG&E’s Gas Rule 9**

Dear Ms. Yura:

Advice Letter 3115-G-A is effective August 2, 2010.

Sincerely,

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

Julie A. Fitch, Director  
Energy Division

July 2, 2010

**Advice 3115-G-A**

(Pacific Gas and Electric Company ID U39G)

Public Utilities Commission of the State of California

**Subject: Supplemental Filing: Revision to PG&E's Gas Rule 9**

Pacific Gas and Electric Company ("PG&E") submits this revision to Advice Letter 3115-G, dated April 30, 2010, in which PG&E proposed revisions to Section M of Gas Rule 9. This supplement replaces PG&E Advice 3115-G in its entirety. The revised tariff is included as Attachment 1 to this filing.

**Purpose**

The purpose of this Advice Letter is to revise Gas Rule 9 to notify customers that PG&E will disclose customer-specific information as necessary to comply with regulations, court orders, or law requiring such disclosure, including the requirements of new Federal Energy Regulatory Commission ("FERC") regulations promulgated in Order Nos. 720 and 720-A.

**Background**

On January 21, 2010, FERC issued Order No. 720-A, an Order on Rehearing and Clarification of Order No. 720, which requires major non-interstate pipelines to post on their public websites scheduled flow information for each receipt or delivery point with a design capacity greater than 15,000 MMBtu per day.<sup>1</sup> A major non-interstate pipeline is defined as a natural gas pipeline company or local distribution company that delivers more than 50 million MMBtu per year. This definition includes PG&E, and PG&E must comply with this rule by September 1, 2010.

Order Nos. 720 and 720-A implemented the FERC's authority under section 23 of the Natural Gas Act ("NGA"), which was added by the Energy Policy Act of 2005, to "facilitate price transparency in markets for the sale or transportation of physical natural

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<sup>1</sup> *Pipeline Posting Requirements Under Section 23 of the Natural Gas Act*, Order No. 720-A, 75 Fed. Reg. 5,178 (Feb. 1, 2010), 130 FERC ¶ 61,040 (2010), *errata notice on compliance deadline*, (Jan. 27, 2010).

gas in interstate commerce.”<sup>2</sup> Congress granted the FERC this statutory authority to ensure transparency of natural gas prices, natural gas availability, and price formation in the interstate natural gas market.<sup>3</sup> The FERC held in Order No. 720 that NGA section 23 authorizes the FERC to obtain and disseminate information, including information regarding non-interstate natural gas markets that affect the interstate natural gas market.

Pursuant to this FERC Order, PG&E will be required to post the next day’s scheduled natural gas volumes at physical receipt and delivery points that have a design capacity of 15,000 MMBtu per day or greater. PG&E is also required to post the same information for virtual points for which there is no meter, such as the PG&E Citygate, or for meters for which the design capacity is unknown, if scheduled maximum natural gas volumes were equal to or greater than 15,000 MMBtu on any day within the prior three calendar years. PG&E has determined that 112 Noncore customer delivery points are eligible for posting under the new regulations.

18 CFR Section 284.14 delineates the information required to be posted for each receipt and delivery point and is provided below:

§ 284.14. Posting requirements of major non-interstate pipelines.

a(4) For each delivery or receipt point that must be posted, a major non-interstate pipeline must provide the following information by 10:00 p.m. central clock time the day prior to scheduled natural gas flow: Transportation Service Provider Name, Posting Date, Posting Time, Nomination Cycle, Location Name, Additional Location Information if Needed to Distinguish Between Points, Location Purpose Description (Receipt, Delivery, Bilateral, or Non-physical Scheduling Point), Posted Capacity (physically metered design capacity or maximum flow within the last three years), Method of Determining Posted Capacity (Capacity or Maximum Volume), Scheduled Volume, Available Capacity (Calculated as Posted Capacity minus Scheduled Capacity), and Measurement Unit (Dth, MMBtu, or MCf).

One of these required fields is "Location Name." The type and specificity of information that needs to be included in this field is not defined in either Order No. 720 or No. 720-A. However, given the likelihood that disclosing the location of a particular customer could lead to the disclosure of a particular customer’s scheduled gas quantities, PG&E has been concerned since the FERC issued the initial Notice of Proposed Rulemaking (“NOPR”) in December 2007 that PG&E’s compliance with these new FERC regulations could conflict with PG&E’s obligations under Gas Rule 9 Section M.

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<sup>2</sup> Section 316 of the Energy Policy Act of 2005, P.L. 109-58, 119 Stat. 574, 691-92 (Aug. 8, 2005) (codified at NGA § 23, 15 U.S.C. § 717f-2).

<sup>3</sup> *Id.* P 8.

PG&E argued in its comments on the initial NOPR that, while it strongly supports the FERC's efforts at facilitating market transparency, posting of individual customer-specific data could violate state regulations or tariffs protecting the confidentiality of individual customer data. The FERC rejected PG&E's arguments when it issued Order No. 720. PG&E, Southern California Gas Company ("SoCalGas") and San Diego Gas & Electric Company ("SDG&E") jointly filed a Request for Rehearing and/or Clarification of Order No. 720, again arguing that compliance with the FERC's new regulations may result in disclosure of customer-specific information. In Order No. 720-A, the FERC again rejected PG&E's concerns regarding disclosure of confidential customer information.<sup>4</sup>

The American Gas Association ("AGA") filed a Request for Clarification and/or Rehearing of Order No. 720-A on February 22, 2010, asking the FERC to clarify that utilities subject to posting under the rule are not required to reveal confidential customer-specific information in violation of state regulations or tariffs, citing PG&E's Gas Rule 9 Section M as an example. AGA's request is still pending and was not on the agenda for the FERC's June meeting. In the meantime, PG&E must assume that Order No. 720-A stands.

PG&E has discussed this issue with the FERC compliance staff, and proposed that PG&E assign each delivery point subject to posting under the regulations with a unique, randomly-assigned identifier that would not reveal the particular customer. FERC compliance staff indicated that PG&E's proposal would not result in compliance with the FERC's new regulations, and that PG&E must also provide some geographic information for each customer in order to differentiate between customer locations. It is unclear how specific a geographic reference PG&E will need to provide in order to comply with the new regulations. However, it is clear that, whether PG&E posts street address, zip code or county designations, it would be possible for someone to determine the name of at least some of these customers.

PG&E must comply with Order Nos. 720 and 720-A by September 1, 2010. Waiting for the FERC to act on AGA's Request for Clarification and/or Rehearing before proceeding with this request to alter Gas Rule 9 is not a viable option. Based upon PG&E's conversations with FERC staff, and the FERC's statements in Order Nos. 720 and 720-A, PG&E assumes that compliance with the final regulations will necessitate disclosing at least some customers' scheduled gas quantities.<sup>5</sup>

On May 20, 2010, Modesto Irrigation District ("Modesto ID") protested PG&E's Advice 3115-G citing "...*significant concerns about making confidential, proprietary information public, particularly without customer consent or prior notice of such disclosure to customers.*" On May 27, 2010, PG&E responded to Modesto ID's Protest. In

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<sup>4</sup> Order No. 720-A at PP 118-125.

<sup>5</sup> The FERC already requires the disclosure of receipt and delivery point scheduled volumes by interstate pipelines.

circumstances in which it is appropriate, it is PG&E's general practice to provide customers with notice of any release of confidential information. For example, in the case of FERC Order Nos. 720 and 720-A, impacted customers were notified that PG&E was required by FERC to post their scheduled gas usage on a daily basis. However, because the appropriateness and the method of notice are situation-specific, PG&E did not believe it would be appropriate to memorialize any specific notice requirements in Gas Rule 9. Upon further discussions with Modesto ID, PG&E agreed to file additional language to Gas Rule 9 to clarify its obligation to make reasonable efforts to provide notice to customers.

### **Reasons for Gas Rule 9 Changes**

Section M of PG&E's Gas Rule 9 contains the following language:

To preserve customer privacy, PG&E will not release confidential information, including financial information, to a third party without the customer's electronic signature or the written consent.

While PG&E is obligated to comply with various regulations, court orders, and laws, its tariff does not specifically notify customers that such information may be required to be disclosed.

### **Proposed Tariff Changes**

PG&E proposes to revise the language in Section M of Gas Rule 9 to clarify that confidential information may be released by PG&E without the customer's electronic signature or written consent in order to comply with federal or state law, regulation, or a court order. The revised language would read as follows:

#### M. PRIVACY OF CUSTOMER INFORMATION

"PG&E may release confidential information to a third party without obtaining the customer's electronic signature or written consent when required by regulatory, legislative or court order. In such instances, PG&E shall make a reasonable effort to inform the customer of the information to be released, the date the information will be released, and the duration of the release, except in circumstances in which notification to the customer by PG&E is prohibited by law or otherwise inconsistent with applicable laws and regulations."

PG&E has written this modification to Gas Rule 9 broadly, rather than only referring to the FERC Order Nos. 720 and 720-A in order to allow PG&E to comply with future federal or state laws, regulation, or judicial rulings that may require disclosure of similar information.

For example, Assembly Bill 1103, chaptered on October 12, 2007, and amended by Assembly Bill 531, chaptered on October 11, 2009, enacted California Public Resources Code Section 25402.10, which requires PG&E to maintain energy consumption data on all nonresidential buildings for the most recent 12 month period in a format that would allow it to be uploaded into the United States Environmental Protection Agency's ('EPA') ENERGY STAR® Portfolio Manager in a manner that preserves the confidentiality of the customer. To date, PG&E has complied with the requirements of these bills by requiring the building owner or operator to obtain written authorization from each building tenant before releasing any energy consumption data to the EPA. However, the process of obtaining (and maintaining) these individual customer authorizations can be costly, time consuming and logistically difficult for the building owner or building operator. The California Energy Commission is proposing to hold a workshop which, among other topics, will seek to develop an alternative that makes reasonable accommodations between facilitating the release of customer energy consumption information for the building owner and maintaining customer confidentiality.

Another example is the reporting requirement under CFR 40 Part 98, Subpart NN—Suppliers of Natural Gas and Natural Gas Liquids. Under that regulation, PG&E is required to report the annual volume of natural gas delivered by PG&E to each meter registering supply equal to or greater than 460,000 Mcsf during the calendar year and the customer name, address, and meter number of each meter reading used to prepare that report. PG&E was required to implement this reporting on March 31, 2011, for 2010 usage

### **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 **July 22, 2010**, which is 20 days after the date of this filing. 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](mailto:jnj@cpuc.ca.gov) and [mas@cpuc.ca.gov](mailto: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:

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

Facsimile: (415) 973-6520  
E-mail: PGETariffs@pge.com

### **Effective Date**

PG&E requests that this advice filing become effective on regular notice, **August 2, 2010**, which is 31 calendar days after the date of 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 parties on the service lists for A.09-05-026 and A.09-09-013. Address changes to the General Order 96-B service list should be directed to email PGETariffs@pge.com. For changes to any other service list, please contact the Commission's Process Office at (415) 703-2021 or at Process\_Office@cpuc.ca.gov. 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 "Jane Yura / lmt". The signature is written in a cursive, flowing style.

Vice President - Regulation and Rates

cc: Service Lists A.09-05-026 and A.09-09-013

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: 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) #: **3115-G-A**

**Tier: 2**

Subject of AL: **Supplemental Filing: Revision to PG&E's Gas Rule 9**

Keywords (choose from CPUC listing): Non-Core, Rules

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: 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:

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: **August 2, 2010**

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: Gas Rule 9

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 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**

**ATTACHMENT 1  
Advice 3115-G-A**

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

**Title of Sheet**

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

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28360-G	GAS TABLE OF CONTENTS Sheet 6	28239-G



**GAS RULE NO. 9**  
 RENDERING AND PAYMENT OF BILLS

Sheet 7

**L. ELECTRONIC BILL PRESENTATION AND PAYMENT**

At the mutual option of the Customer and PG&E, the Customer may elect to receive, view, and pay regular bills for service electronically and to no longer receive paper bills and legal and mandated notices. Customers requesting this option may be required to complete additional forms and agreements. Legal and mandated notices shall be included with PG&E's electronic transmittal; except, however, all notices of termination of service for nonpayment shall be delivered by U.S. Mail. Either party may discontinue Electronic Billing upon 30-days prescribed notice.

Customers choosing to use an alternative payment method, such as a bill aggregator or financial institution, may be charged a fee by the third party. All complaints regarding alternative payment methods shall be directed to PG&E.

**M. PRIVACY OF CUSTOMER INFORMATION**

PG&E may release confidential information to a third party without obtaining the customer's electronic signature or written consent when required by regulatory, legislative or court order. In such instances, PG&E shall make a reasonable effort to inform the customer of the information to be released, the date the information will be released, and the duration of the release, except in circumstances in which notification to the customer by PG&E is prohibited by law or otherwise inconsistent with applicable laws and regulations.

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(Continued)



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Advice Letter No: 3115-G-A  
 Decision No.

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

Date Filed July 2, 2010  
 Effective August 2, 2010  
 Resolution No. \_\_\_\_\_

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

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