

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



February 3, 2011

Advice Letter 3173-G

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: Schedule G-CPX – Crossover Gas Procurement Service to Core
End-Use Customers for Rates Effective December 10, 2010**

Dear Ms. Yura:

Advice Letter 3173-G is effective December 10, 2010.

Sincerely,

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

Julie A. Fitch, Director
Energy Division



December 9, 2010

Advice 3173-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 December 10, 2010

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 **December 10, 2010**. 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 **December 10, 2010, through January 9, 2011**, the following Schedule G-CPX rates will be in effect:

<u>Schedule G-CPX Rates</u>	<u>Per Therm</u>
Small Commercial Customers (Schedule G-NR1)	\$0.59777
Large Commercial Customers (Schedule G-NR2)	\$0.59113
Natural Gas Vehicle Customers (Schedule G-NGV1)	\$0.58159

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 **December 29, 2010**. 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: ijnj@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 California Public Utilities Commission ("CPUC" or "Commission"):

Jane 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

In accordance with D.03-12-008, PG&E requests that this advice filing become effective on **December 10, 2010**. 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 e-mail 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>.

Handwritten signature of Jane Yura in cursive script, followed by a vertical line and the word "ent" written in a smaller, less legible cursive script.

Vice President - Regulation and Rates

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) #: **3173-G**

Tier: 1

Subject of AL: Rates for Schedule G-CPX – Crossover Gas Procurement Service to Core End Use Customers, Effective December 10, 2010

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: _____

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: **December 10, 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: Schedule G-CPX

Service affected and changes proposed¹: Crossover Gas Procurement Service to Core End-Use Customers

Pending advice letters that revise the same tariff sheets: N/A

Protests, dispositions, and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division
Tariff Files, Room 4005
DMS Branch
505 Van Ness 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 3173-G**

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

Title of Sheet

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

28667-G	GAS SCHEDULE G-CPX CROSSOVER GAS PROCUREMENT SERVICE TO CORE END-USE CUSTOMERS Sheet 1	28605-G
28668-G	GAS TABLE OF CONTENTS Sheet 1	28637-G
28669-G	GAS TABLE OF CONTENTS Sheet 2	28638-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)	\$0.59777 (l)
Large Commercial Crossover Charge: (G-NR2)	\$0.59113 (l)
Natural Gas Vehicle Crossover Charge: (G-NGV1)	\$0.58159 (l)

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.	
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Preliminary Statements.....	28640,28465-G	
Rules	28564-G	
Maps, Contracts and Deviations.....	28468-G	
Sample Forms	27715,28300,27262,28604,28503-G	

(Continued)



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Sheet 2

SCHEDULE	TITLE OF SHEET	CAL P.U.C. SHEET NO.
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G-1	Residential Service	28622,23487-G
G1-NGV	Residential Natural Gas Service for Compression on Customers' Premises	28628,23734-G
G-CS	ClimateSmart	28009-G
GM	Master-Metered Multifamily Service	28631,26892,23019-G
GS	Multifamily Service	28633,26894,23215-G
GT	Mobilehome Park Service	28635,26896,26568-G
G-10	Service to Company Employees	11318-G
GL-1	Residential CARE Program Service.....	28629,26898-G
GL1-NGV	Residential CARE Program Natural Gas Service for Compression on Customers' Premises	28630,23740-G
GML	Master-Metered Multifamily CARE Program Service	28632,26901,23027-G
GSL	Multifamily CARE Program Service.....	28634,28448,23216-G
GTL	Mobilehome Park CARE Program Service.....	28636,28450,23502,26569-G
G-MHPS	Master-Metered Mobilehome Park Safety Surcharge	22034-G
Rate Schedules Non-Residential		
G-NR1	Gas Service to Small Commercial Customers	28626,23035-G
G-NR2	Gas Service to Large Commercial Customers	28627,23037-G
G-CP	Gas Procurement Service to Core End-Use Customers	28623-G
G-CPX	Crossover Gas Procurement Service To Core End-Use Customers.....	28667-G (T)
G-NT	Gas Transportation Service to Noncore End-Use Customers.....	24583,28416,22037,22038-G
G-EG	Gas Transportation Service to Electric Generation	28417,27879,25038,25039-G
G-ESISP	Exchange Service Through ISP Facilities	24364,24365-G
G-WSL	Gas Transportation Service to Wholesale/Resale Customers.....	29418,26781,22045-G
G-BAL	Gas Balancing Service for Intrastate Transportation Customers.....	24456,24457, 22135,22047-22048,24458-24460,26610,24461,20042,24462,24463,27708-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.....	24465,27959,22903-G

(Continued)

Crossover Rate Calculation

Dec-10

**AECO Net Forward Calculation
(\$/Dth)**

Dec-10

Combined GTN/Foothills fuel rate	0.9769
Foothills Fuel	1.10%
GTN Fuel	1.22%
AECO Monthly Index (C\$/GJ, source CGPR)	3.6025
Exchange Rate (US\$/C\$)	0.9843
AECO "C" monthly commodity index (US\$/Dth)	\$ 3.741
Foothills + GTN combined in-kind fuel rate	2.31%
Foothills + GTN in-kind fuel charge	0.089
Foothills volumetric rate	0.0000
GTN volumetric rate	0.0117
AECO "C" Net Forward Price (14+16+17+18)	\$3.8415

<u>Gas Price Index</u>	<u>Price, CA Border</u>	<u>Intrastate Transport</u>	<u>Total</u>
AECO (CGPR)	\$3.8415	\$0.0652	\$3.9067
Southern Border-PG&E (NGI)	\$4.2700	\$0.0652	\$4.3352
Core WACOG	\$3.7548	\$0.0652	\$3.8200
Crossover Price at PG&E Citygate (\$/Dth)			\$4.3352

12/3/10

Calculation of the G-CPX Crossover Core Procurement Rate

Gas Prices	
	Border Price (\$/Dth)
AECO C	\$3.8416
PG&E Topock (Source NGI)	\$4.2700
Core WACOG	\$3.7548

	<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)				
WACOG at the Border	\$4.2700			(a)
Intrastate Backbone Volumetric Transport Charge	\$0.652			(b)
Total WACOG	4.3352	\$.43352		(c)=(a)+(b)
Franchise Fee	0.009596	<i>Changes in GRC</i>		
Uncollectible Fee	0.002555	<i>Changes in GRC</i>		
Subt F & U	0.012151	X WACOG at the Border		(d)=(a)*F&U Factor
WACOG with Franchise and Uncollectible	\$4.3871	\$.43871		(e)=(c)+(d)
PGA Adjustment: Core Sales	(\$0.2124)	(\$.02124)		(f)
PGA Adjustment: Hedging	\$0.8330	\$.08330		
Cycled Carrying Cost of Gas in Storage	\$0.0033	\$.00033		(g)
Total Core Commodity Charge				
Small Commercial			\$0.50110	(k)=(e)+(f)+(g)+(h) (l)=(e)+(f)+(g)+(i) (m)=(e)+(f)+(g)+(j)
Large Commercial			\$0.50110	
Natural Gas Vehicle			\$0.50110	
CORE FIRM STORAGE COSTS (Including F&U)				
CFSA Adjustment: Core Firm Storage Account	\$0.0000	\$.00000		(n)
Small Commercial	\$0.0872	\$.00872	\$0.00872	(o) (r)=(n)+(o)
Large Commercial	\$0.0930	\$.00930	\$0.00930	(p) (s)=(n)+(p)
Natural Gas Vehicle	\$0.0893	\$.00893	\$0.00893	(q) (t)=(n)+(q)
INTERSTATE & INTRASTATE CAPACITY CHARGES (Incl. F&U)				
CPDCA Adjustment (Incl. F&U)	(\$0.430)	(\$.00430)		(u)
BC System and NOVA Costs (Incl. F&U)				
Small Commercial	\$0.1321	\$.01321		(h)
Large Commercial	\$0.1303	\$.01303		(i)
Natural Gas Vehicle	\$0.1294	\$.01294		(j)
Interstate Capacity Charges				
Small Commercial	\$0.2474	\$.02474		(v)
Large Commercial	\$0.2441	\$.02441		(w)
Natural Gas Vehicle	\$0.2423	\$.02423		(x)
Intrastate Backbone Capacity Charges				
Small Commercial	\$0.1652	\$.01652	\$0.05017	(y) (ab)=(u)+(v)+y
Large Commercial	\$0.1630	\$.01630	\$0.04944	(z) (ac)=(u)+(w)+(z)
Natural Gas Vehicle	\$0.1618	\$.01618	\$0.04905	(aa) (ad)=(u)+(x)+(aa)
WGSP - PROCUREMENT (Small and Large Comm'l)				
Small Commercial	0.15270	\$.01527	\$0.01527	
Large Commercial	0.08780	\$.00878	\$0.00878	
CORE BROKERAGE FEE				
	\$0.0320		\$0.00320	(ae)
SHRINKAGE RATE				
Shrinkage (Incl. F&U)	\$0.1931	\$.01931		(af)
Based on Core Shrinkage: 4.40% <i>Changes in BCAP</i>				
PGA Adjustment: Core Shrinkage (Incl. F&U)	\$0.0000	\$.00000		(ag)
Total Shrinkage Rate			\$0.01931	(ah)=(af)+(ag)
TOTAL G-CPX CORE PROCUREMENT CHARGE				
Small Commercial			\$0.59777	(ai)=(k)+(r)+(ab)+(ae)+(ah)
Large Commercial			\$0.59113	(aj)=(l)+(s)+(ac)+(ae)+(ah)
Natural Gas Vehicle			\$0.58159	(ak)=(m)+(t)+(ad)+(ae)+(ah)

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

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