

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



June 8, 2012

Advice Letter 3289-G

Brian K. Cherry
Vice President, Regulation and Rates
Pacific Gas and Electric Company
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, CA 94177

**Subject: Revisions to Gas Preliminary Statement Part F Core
Fixed Cost Account**

Dear Mr. Cherry:

Advice Letter 3289-G is effective January 1, 2011.

Sincerely,

A handwritten signature in cursive script that reads "Edward F. Randolph".

Edward F. Randolph, Director
Energy Division

March 30, 2012

Advice 3289-G

(Pacific Gas and Electric Company ID U 39 G)

Public Utilities Commission of the State of California

Subject: Revisions to Gas Preliminary Statement Part F Core Fixed Cost Account**Purpose**

The purpose of this advice letter is to clarify certain accounting language in PG&E's Gas Preliminary Statement Part F – Core Fixed Cost Account to correctly match the accounting in related PG&E Gas Preliminary Statement Part CP – Gas Transmission and Storage Revenue Sharing Mechanism.

Background

On April 22, 2011, PG&E submitted Advice 3200-G, "Implementation of the Gas Accord V Settlement Agreement and May 1, 2011 Noncore Gas Transportation and Gas Accord V Rate Changes". The purpose of Advice 3200-G was to implement the Gas Accord V (GAV) Settlement Agreement and the associated noncore transportation rate tariffs, as well as the non-rate tariffs, pursuant to the California Public Utilities Commission (CPUC) Decision (D.) 11-04-031. PG&E sought a January 1, 2011 effective date for the tariff changes associated with revenue requirements and balancing accounts, consistent with D.10-12-037.¹ Advice 3200-G was approved by the Energy Division on August 15, 2011.

PG&E has realized that certain accounting language in Gas Preliminary Statement Part F – Core Fixed Cost Account should have been included in Advice 3200-G. Clarifying language is necessary to correctly describe the accounting treatment of the \$30 million seed value embedded in rates (allocated to backbone and local transmission) as described in Section 10.1 of the Gas Accord V Settlement and Gas Preliminary Statement Part CP – Gas Transmission and Storage Revenue Sharing Mechanism and approved in D.11-04-031. The clarifying language would more correctly describe

¹ D.10-12-037, issued on December 16, 2010, recognized that a decision setting 2011 GT&S rates would not be adopted by the end of 2010. Ordering Paragraph 1 of D.10-12-037 therefore allowed the revenue requirements (and other elements of the GAV Settlement Agreement that are inextricably linked to the revenue requirements) to be deemed effective as of January 1, 2011.

accounting used to reflect the seed value allocated to PG&E's local transmission revenue requirement. PG&E has correctly tracked the dollar amounts as required by Gas Preliminary Statements F and CP. PG&E is merely requesting that clarifying language be added to Gas Preliminary Statement F so that the accounting description is more complete and consistent with Gas Preliminary Statement CP.

Tariff Revisions

PG&E is updating Sheet 3, Section 6.b.4, of Gas Preliminary Statement Part F – Core Fixed Cost Account to correctly match the accounting in related PG&E Gas Preliminary Statement Part CP – Gas Transmission and Storage Revenue Sharing Mechanism.

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 **April 19, 2012**, 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: EDTariffUnit@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, Regulation and Rates
Pacific Gas and Electric Company
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, California 94177

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

Effective Date

PG&E requests that this Tier 2 advice filing be approved April 30, 2012, with the accompanying tariff effective January 1, 2011, which is the effective date for all other Gas Accord V tariff changes associated with revenue requirements and balancing accounts, and consistent with D.10-12-037.

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 A.09-09-013. Address changes to the General Order 96-B service list should be directed to PG&E at email address 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 purple ink that reads "Brian Cherry" followed by a circled number "1".

Vice President, Regulation and Rates

Attachments

cc: Service List A.09-09-013

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 G)**

Utility type:

ELC GAS
 PLC HEAT WATER

Contact Person: Britta Brown

Phone #: (415) 973-8584

E-mail: B2Bn@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) #: **3289-G**

Tier: **2**

Subject of AL: **Revisions to Gas Preliminary Statement Part F Core Fixed Cost Account**

Keywords (choose from CPUC listing): **Compliance**

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:

Is AL requesting confidential treatment? If so, what information is the utility seeking confidential treatment for:
No

Confidential information will be made available to those who have executed a nondisclosure agreement: N/A

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: **January 1, 2011**

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 Preliminary Statement F**

Service affected and changes proposed: 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

EDTariffUnit@pge.com

Pacific Gas and Electric Company

Attn: Brian K. Cherry, Vice President, Regulation and Rates

77 Beale Street, Mail Code B10C

P.O. Box 770000

San Francisco, CA 94177

E-mail: PGETariffs@pge.com

**ATTACHMENT 1
Advice 3289-G**

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

Title of Sheet

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

29623-G	GAS PRELIMINARY STATEMENT PART F CORE FIXED COST ACCOUNT Sheet 3	28886-G
29624-G	GAS TABLE OF CONTENTS Sheet 1	29618-G
29625-G	GAS TABLE OF CONTENTS Sheet 4	29566-G



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 and excluding the portion of the \$30 million seed value from the Gas Transmission and Storage Revenue Sharing Mechanism allocated to core local transmission; (T)
(T)
(T)
- 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 65.907 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;
- 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;
- 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.



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(T)

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

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