

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



March 20, 2013

Advice Letter 3368-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: Expedited Pre-Approval of El Paso Natural Gas Company
and Kern River Gas Transmission Company Contracts**

Dear Mr. Cherry:

Advice Letter 3368-G is effective March 21, 2013.

Sincerely,

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

Edward F. Randolph, Director
Energy Division



Brian K. Cherry
Vice President
Regulatory Relations

Pacific Gas and Electric Company
77 Beale St., Mail Code B10C
P.O. Box 770000
San Francisco, CA 94177

Fax: 415.973.7226

March 5, 2013

Advice 3368-G

(Pacific Gas and Electric Company ID U 39 G)

Public Utilities Commission of the State of California

Subject: Expedited Pre-Approval of El Paso Natural Gas Company and Kern River Gas Transmission Company Contracts

Pacific Gas and Electric Company (PG&E) seeks California Public Utilities Commission (Commission) approval to replace expiring contracts with El Paso Natural Gas Company (El Paso) and Kern River Gas Transmission Company (Kern River) to transport natural gas supplies from the San Juan Basin and the Rockies Basin, respectively, to California on behalf of PG&E's core gas customers.

Purpose

The purpose of this expedited advice letter is to request approval to replace the existing transportation arrangements with El Paso and Kern River, which expire on June 30, 2013. In Decision (D.) 04-09-022,¹ the Commission established procedures for expedited regulatory approval and processing of utility commitments to pipeline capacity. These procedures require consultation between PG&E, the Division of Ratepayer Advocates (DRA) and The Utility Reform Network (TURN), if TURN elects to participate. PG&E has consulted with DRA and received its support for PG&E's proposed renewal of the subject pipeline contracts. TURN has elected not to participate in this renewal request.

Approval of this advice letter is necessary to enable PG&E to comply with the interim interstate pipeline capacity range as established by D.12-12-006, while PG&E prepares the application to propose a new range or formula, as ordered by the Commission². 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, 2013**.

¹ Order Instituting Rulemaking to Establish Policies and Rules to Ensure Reliable, Long-Term Supplies of Natural Gas to California (Gas Capacity OIR), R-04-01-025.

² D.12-12-006, regarding the Petition for Modification of Decision 04-09-022, issued December 27, 2012, in Rulemaking 04-01-025. PG&E's interim range for the winter months is 918 MDth/d to 1,020 MDth/d. PG&E's summer capacity range is unchanged.

Description of the Contracts

Confidential Appendix A includes the terms of the contracts and is provided only to the Energy Division, DRA and TURN under the confidentiality provisions of General Order 66-C and Section 583 of the Public Utilities Code. In addition, the Confidential Appendix A will be provided to PG&E's Core Transport Agents who agree to the terms of a non-disclosure agreement.

All costs associated with the contracts will continue to be recovered from PG&E's core gas customers, in accordance with the interstate pipeline capacity contract procedures established in D.04-09-022, through PG&E's Core Pipeline Demand Charge Account, 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 – Ten Day Expedited Period

Anyone wishing to protest this filing may do so by sending a letter to the address below by **March 15, 2013**, which is ten **(10) days** from the date of this filing, in accordance with the expedited protest period authorized in D.04-09-022. The responses referencing the confidential terms of this Advice Letter should be sent only to PG&E, DRA and the Commission.

Protests should be mailed to:

CPUC Energy Division
ED Tariff Unit
505 Van Ness Avenue, 4th Floor
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, Regulatory Relations
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, California 94177

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

Any person (including individuals, groups, or organizations) may protest or respond to an advice letter. (General Order 96-B, Section 7.4.) The protest shall contain the following information: specification of the advice letter protested; grounds for the protest; supporting factual information or legal argument; name, telephone number, postal address, and (where appropriate) e-mail address of the protestant; and statement that the protest was sent to the utility no later than the day on which the protest was submitted to the reviewing Industry Division (General Order 96-B, Section 3.11).

Effective Date

In accordance with the comment and evaluation period provided in D.04-09-022, PG&E submits this advice letter as a Tier 2, and requests Commission approval of this filing effective **March 26, 2013**, 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/or via U.S. mail to parties shown on the attached list and the service list for R.04-01-025. Address changes to the General Order 96-B service list should be directed to PG&E at e-mail 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>.

Brian Cherry /IG

Vice President, Regulatory Relations

cc: Richard A. Myers - Energy Division
Franz Cheng - Energy Division
Belinda Gatti - Energy Division
Jonathon Bromson - Legal Division
R. Mark Pocta - Division of Ratepayer Advocates
David Peck – Division of Ratepayer Advocates
Pearlie Sabino - Division of Ratepayer Advocates
Marcel Hawiger - The Utility Reform Network
Service list for R.04-01-025 (public version only)

Attachments

Public Attachments:

Confidentiality Declaration and Matrix

Confidential Attachment:

Appendix A: Capacity Contracts between Pacific Gas and Electric Company (PG&E) and El Paso Natural Gas Company (El Paso) and between PG&E and Kern River Gas Transmission Company (Kern River)

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: Igor Grinberg

Phone #: (415) 973-8580

E-mail: ixg8@pge.com and PGETariffs@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) #: **3368-G**

Tier: **2**

Subject of AL: **Expedited Pre-Approval of El Paso Natural Gas Company and Kern River Gas Transmission Company Contracts**

Keywords (choose from CPUC listing): Contracts

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

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

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: **Yes, see the attached matrix that identifies all of the confidential information.**

Confidential information will be made available to those who have executed a nondisclosure agreement: **The terms of the contract described in the Appendix A, submitted under the confidentiality provisions of General Order 66-C and Section 583 of the Public Utilities Code are provided only to the Energy Division and DRA and TURN. In addition, the confidential Appendix A will be provided to PG&E's Core Transport Agents who agree to the terms of a non-disclosure agreement.**

Name(s) and contact information of the person(s) who will provide the nondisclosure agreement and access to the confidential information: John Armato, (415) 973-7022

Resolution Required? Yes No

Requested effective date: **March 26, 2013**

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: 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 10 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:

**CPUC, Energy Division
ED Tariff Unit
505 Van Ness Avenue, 4th Floor
San Francisco, CA 94102
E-mail: EDTariffUnit@cpuc.ca.gov**

**Pacific Gas and Electric Company
Attn: Brian Cherry
Vice President, Regulatory Relations
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, CA 94177
E-mail: PGETariffs@pge.com**

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

**DECLARATION OF JOHN ARMATO IN SUPPORT OF
THE CONFIDENTIAL TREATMENT OF PG&E'S ADVICE LETTER FILING 3368-G**

I, John Armato, declare:

1. I am a Manager in the Core Gas Supply organization at Pacific Gas and Electric Company (PG&E). I am responsible for management of PG&E's core gas portfolio. This declaration is based on my personal knowledge of PG&E's core gas portfolio and my understanding of the Commission's decisions protecting the confidentiality of market-sensitive information concerning fuels management of an investor-owned utility.

2. Based on my knowledge and experience, and in accordance with the "Administrative Law Judge's Ruling Clarifying Interim Procedures For Complying With Decision 06-06-066," issued in Rulemaking 05-06-040 on August 22, 2006, I make this declaration seeking confidential treatment for certain information contained in PG&E's Advice Letter 3368-G.

3. Attached to this declaration is a matrix identifying the data and information for which PG&E is seeking confidential treatment. The matrix specifies that the material PG&E is seeking to protect constitutes the particular type of data and information listed in Appendix 1 (the "IOU Matrix") of Decision 06-06-066 or constitutes information that should be protected under General Order 66-C. The matrix also specifies the category or categories in the IOU Matrix to which the data and information corresponds, and why confidential protection is justified. Finally, the matrix specifies that: (1) PG&E is complying with the limitations specified in the IOU Matrix for that type of data or information; (2) the information is not already public; and (3) the data cannot be aggregated, redacted, summarized or otherwise protected in a way that

allows partial disclosure. By this reference, I am incorporating into this declaration all of the explanatory text that is pertinent in the attached matrix.

I declare under penalty of perjury, under the laws of the State of California, that the foregoing is true and correct. Executed on March 5, 2013, at San Francisco, California.


JOHN ARMATO

**PACIFIC GAS AND ELECTRIC COMPANY'S (U 39 G)
PG&E'S ADVISE LETTER 3368-G
March 5, 2013**

IDENTIFICATION OF CONFIDENTIAL INFORMATION

Redaction Reference	1) Constitutes data listed in Appendix 1 to D.06-06-066 (Y/N)	2) Data correspond to category in Appendix 1:	3) Complies with limitations of D.06-06-066 (Y/N)	4) Data not already public (Y/N)	5) Lead to partial disclosure (Y/N)	PG&E's Justification for Confidential Treatment	Length of Time
Document: Appendix A							
Appendix A	Y	I.A.4 – Long-term fuel (gas) buying and hedging plans General Order 66-C	Y	Y	Y	Appendix A includes information about PG&E's gas contracts, which should be confidential by analogy to the protections for gas buying plans in Item I.A.4 of the D.06-06-066 Matrix. Disclosure of this information would compromise PG&E's negotiating leverage. This material is also protected as confidential material under General Order 66-C.	3 years

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

1st Light Energy	Dept of General Services	NRG Solar
AT&T	Douglass & Liddell	Nexant, Inc.
Alcantar & Kahl LLP	Downey & Brand	North America Power Partners
Anderson & Poole	Ellison Schneider & Harris LLP	Occidental Energy Marketing, Inc.
BART	G. A. Krause & Assoc.	OnGrid Solar
Barkovich & Yap, Inc.	GenOn Energy Inc.	Pacific Gas and Electric Company
Bartle Wells Associates	GenOn Energy, Inc.	Praxair
Bear Valley Electric Service	Goodin, MacBride, Squeri, Schlotz & Ritchie	Regulatory & Cogeneration Service, Inc.
Braun Blaising McLaughlin, P.C.	Green Power Institute	SCD Energy Solutions
California Cotton Ginners & Growers Assn	Hanna & Morton	SPURR
California Energy Commission	In House Energy	San Francisco Public Utilities Commission
California Public Utilities Commission	International Power Technology	Seattle City Light
Calpine	Intestate Gas Services, Inc.	Sempra Utilities
Casner, Steve	Kelly Group	SoCalGas
Cenergy Power	Lawrence Berkeley National Lab	Southern California Edison Company
Center for Biological Diversity	Linde	Sun Light & Power
City of Palo Alto	Los Angeles Dept of Water & Power	Sunshine Design
City of San Jose	MAC Lighting Consulting	Tecogen, Inc.
Clean Power	MRW & Associates	Tiger Natural Gas, Inc.
Coast Economic Consulting	Manatt Phelps Phillips	TransCanada
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Consumer Federation of California	McKenna Long & Aldridge LLP	Utility Specialists
Crossborder Energy	McKenzie & Associates	Verizon
Davis Wright Tremaine LLP	Modesto Irrigation District	Water and Energy Consulting
Day Carter Murphy	Morgan Stanley	Wellhead Electric Company
Defense Energy Support Center	NLine Energy, Inc.	Western Manufactured Housing Communities Association (WMA)