

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



October 6, 2014

Advice Letters 3514-G

Meredith Allen
Senior Director, 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 Canadian Pipeline Contracts.

Dear Ms. Allen:

Advice Letters 3514-G is effective October 7, 2014.

Sincerely,

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

Edward F. Randolph, Director
Energy Division

September 16, 2014

Advice 3514-G

(Pacific Gas and Electric Company ID U 39 G)

Public Utilities Commission of the State of California

Subject: Expedited Pre-Approval of Canadian Pipeline Contracts

Pacific Gas and Electric Company (PG&E) respectfully requests that the California Public Utilities Commission (CPUC or Commission) pre-approve the continuation of two existing natural gas pipeline contracts on the Foothills Pipe Lines (Foothills) to transport natural gas supplies from Canada for PG&E's core gas customers. Continuation of these contracts will ensure uninterrupted access by PG&E's Core Gas Supply Department to Canadian natural gas supplies.

Purpose

The purpose of this expedited advice letter is to request approval to renew the existing transportation arrangements described below. 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 Office of Ratepayer Advocates (ORA) and The Utility Reform Network (TURN). PG&E has consulted with ORA and TURN, and both have confirmed their support for PG&E's proposed renewal of the subject pipeline contracts.

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 October 7, 2014, which will enable PG&E to meet Foothill's October 31, 2014 contract renewal notification deadline.

Description of Contracts

PG&E holds Canadian and U.S. interstate pipeline capacity to transport Canada-sourced gas supplies to PG&E's interconnection at the California-Oregon border. This request seeks authorization to continue each of PG&E's two Foothills contracts

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.

for the minimum one-year term beginning November 1, 2015 through October 31, 2016.

Foothills requires a one-year notification for Pipeline capacity renewals. As noted above, PG&E is required to notify Foothills of its intent to renew its existing contract by October 31, 2014, in order to renew the capacity for an additional one-year term. PG&E currently holds two Foothills contracts with volumes matching PG&E's upstream contracts on TransCanada's Nova Gas Transmission system (NGTL) in Alberta. The NGTL contract terms expire in 2016 and 2020. The Foothills contracts also match PG&E's downstream Gas Transmission Northwest (GTN) system, with GTN terms expiring in 2016 and 2020.

Without approval to renew the existing Foothills contracts, beginning on November 1, 2015, PG&E's firm northern pipeline path would contain a gap between the upstream NGTL system, and downstream GTN, interrupting firm gas transportation flows from Canada. This consequence would adversely impact reliability of gas supplies for core customers, as well as potentially increase costs. Maintaining the contiguous path to Canadian gas supplies enables PG&E to fully utilize the downstream GTN capacity necessary to meet the Commission's interstate pipeline interim quantity requirements.

PG&E's proposed renewals on Foothills are summarized in Table 1.

Table 1 – Summary of Proposed Pipeline Contract Extensions

Pipeline	Volume (Gigajoules per day) ²	Monthly Tariff Rate (Cdn \$/GJ) ³	Daily Rate (US \$/Dth) ³	Contract Extension Term	Annual Cost (US \$ Million)
Foothills Pipe Lines	300,490	\$2.605	\$0.0825	Nov.1, 2015 to Oct. 31, 2016	\$8.580
	85,865	\$2.605	\$0.0825	Nov.1, 2015 to Oct. 31, 2016	\$2.452
Total					\$11.032

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.

² One gigajoule (GJ) = 0.9478 decatherms (Dth)

³ Tariff rates are published in Canadian dollars and have been converted to US dollars based on the exchange rate from Bank of Canada Noon Rate of 0.9134 for August 21, 2014.

Protests – Ten Day Expedited Period

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 September 26, 2014, 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
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:

Meredith Allen
Senior Director, 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

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 submits this advice letter as a Tier 2, and requests Commission approval of this filing effective October 7, 2014, 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 service lists for R. 04-01-025 and A. 13-06-011. 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>.

Meredith Allen/JW

Senior Director, Regulatory Relations

cc: Richard A. Myers - Energy Division
Franz Cheng - Energy Division
Belinda Gatti - Energy Division
Eugene Cadenasso – Energy Division
Jonathon Bromson - Legal Division
R. Mark Pocta - Office of Ratepayer Advocates
Nathaniel Skinner – Office of Ratepayer Advocates
Pearlie Sabino - Office of Ratepayer Advocates
Marcel Hawiger - The Utility Reform Network
Service list for R. 04-01-025
Service list for A. 13-06-011

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: Jennifer Wirowek

Phone #: (415) 973-1419

E-mail: j6ws@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) #: **3514-G**

Tier: 2

Subject of AL: **Expedited Pre-Approval of Canadian Pipeline Contracts**

Keywords (choose from CPUC listing): Storage, Contracts

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: _____

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: **October 7, 2014**

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, California 94102
E-mail: EDTariffUnit@cpuc.ca.gov**

**Pacific Gas and Electric Company
Attn: Meredith Allen
Senior Director, Regulatory Relations
77 Beale Street, Mail Code B10C
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**

AT&T	Douglass & Liddell	Occidental Energy Marketing, Inc.
Alcantar & Kahl LLP	Downey & Brand	OnGrid Solar
Anderson & Poole	Ellison Schneider & Harris LLP	Pacific Gas and Electric Company
BART	G. A. Krause & Assoc.	Praxair
Barkovich & Yap, Inc.	GenOn Energy Inc.	Regulatory & Cogeneration Service, Inc.
Bartle Wells Associates	GenOn Energy, Inc.	SCD Energy Solutions
Braun Blaising McLaughlin, P.C.	Goodin, MacBride, Squeri, Schlotz & Ritchie	SCE
California Cotton Ginners & Growers Assn	Green Power Institute	SDG&E and SoCalGas
California Energy Commission	Hanna & Morton	SPURR
California Public Utilities Commission	In House Energy	San Francisco Public Utilities Commission
California State Association of Counties	International Power Technology	Seattle City Light
Calpine	Intestate Gas Services, Inc.	Sempra Utilities
Casner, Steve	K&L Gates LLP	SoCalGas
Cenergy Power	Kelly Group	Southern California Edison Company
Center for Biological Diversity	Linde	Spark Energy
City of Palo Alto	Los Angeles County Integrated Waste Management Task Force	Sun Light & Power
City of San Jose	Los Angeles Dept of Water & Power	Sunshine Design
Clean Power	MRW & Associates	Tecogen, Inc.
Coast Economic Consulting	Manatt Phelps Phillips	Tiger Natural Gas, Inc.
Commercial Energy	Marin Energy Authority	TransCanada
Cool Earth Solar, Inc.	McKenna Long & Aldridge LLP	Utility Cost Management
County of Tehama - Department of Public Works	McKenzie & Associates	Utility Power Solutions
Crossborder Energy	Modesto Irrigation District	Utility Specialists
Davis Wright Tremaine LLP	Morgan Stanley	Verizon
Day Carter Murphy	NLine Energy, Inc.	Water and Energy Consulting
Defense Energy Support Center	NRG Solar	Wellhead Electric Company
Dept of General Services	Nexant, Inc.	Western Manufactured Housing Communities Association (WMA)
Division of Ratepayer Advocates	North America Power Partners	