

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



June 7, 2011

Advice Letter 3203-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 May 10, 2011**

Dear Ms. Yura:

Advice Letter 3203-G is effective May 10, 2011.

Sincerely,

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

Julie A. Fitch, Director
Energy Division



May 6, 2011

Advice 3203-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 May 10, 2011

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 **May 10, 2011**. 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 **May 10, 2011, through June 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) | \$0.55502 (R) |
| Large Commercial Customers (Schedule G-NR2) | \$0.49390 (R) |
| Natural Gas Vehicle Customers (Schedule G-NGV1) | \$0.48200 (R) |

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 **May 26, 2011**. 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 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"):

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

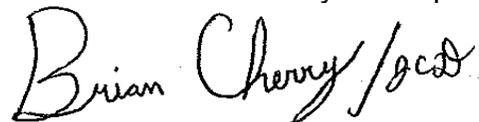
Facsimile: (415) 973-6520
E-mail: PGETariffs@pge.com

Effective Date

In accordance with D.03-12-008, PG&E requests that this advice filing become effective on **May 10, 2011**. 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 Brian Cherry in cursive script, followed by the initials "/gcd".

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: Conor Doyle

Phone #: (415) 973-7817

E-mail: JCDT@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) #: **3203-G**

Tier: **1**

Subject of AL: **Rates for Schedule G-CPX – Crossover Gas Procurement Service to Core End Use Customers, Effective May 10, 2011**

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: **May 10, 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: **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: 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 3203-G**

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

Title of Sheet

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

| | | |
|---------|---|---------|
| 28964-G | GAS SCHEDULE G-CPX CROSSOVER GAS PROCUREMENT SERVICE TO CORE END-USE CUSTOMERS Sheet 1 | 28864-G |
| 28965-G | GAS TABLE OF CONTENTS Sheet 1 | 28957-G |
| 28966-G | GAS TABLE OF CONTENTS Sheet 2 | 28958-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) | \$0.55502 (R) |
| Large Commercial Crossover Charge: (G-NR2) | \$0.49390 (R) |
| Natural Gas Vehicle Crossover Charge: (G-NGV1) | \$0.48200 (R) |

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. | |
|-------------------------------------|---------------------------------|-----|
| Title Page | 28965-G | (T) |
| Rate Schedules | 28966,28963-G | (T) |
| Preliminary Statements..... | 28960,28929-G | |
| Rules | 28930-G | |
| Maps, Contracts and Deviations..... | 28468-G | |
| Sample Forms | 27715,28300,27262,28662,28503-G | |

(Continued)

Advice Letter No: 3203-G
 Decision No. 03-12-008

Issued by
Brian K. Cherry
 Vice President
 Regulation and Rates

Date Filed May 6, 2011
 Effective May 10, 2011
 Resolution No. _____



GAS TABLE OF CONTENTS

Sheet 2

| SCHEDULE | TITLE OF SHEET | CAL P.U.C. SHEET NO. |
|---|--|---|
| Rate Schedules Residential | | |
| Counties Served | Listing of Counties Covered Under Gas Rate Schedules..... | 11271-G |
| G-1 | Residential Service | 28942,23487-G |
| G1-NGV | Residential Natural Gas Service for Compression on Customers' Premises | 28948,23734-G |
| G-CS | ClimateSmart | 28009-G |
| GM | Master-Metered Multifamily Service | 28951,26892,23019-G |
| GS | Multifamily Service | 28953,26894,23215-G |
| GT | Mobilehome Park Service | 28955,26896,26568-G |
| G-10 | Service to Company Employees | 11318-G |
| GL-1 | Residential CARE Program Service..... | 28949,26898-G |
| GL1-NGV | Residential CARE Program Natural Gas Service for Compression on Customers' Premises | 28950,23740-G |
| GML | Master-Metered Multifamily CARE Program Service | 28952,26901,23027-G |
| GSL | Multifamily CARE Program Service..... | 28954,28448,23216-G |
| GTL | Mobilehome Park CARE Program Service..... | 28956,28450,23502,26569-G |
| G-MHPS | Master-Metered Mobilehome Park Safety Surcharge | 22034-G |
| Rate Schedules Non-Residential | | |
| G-NR1 | Gas Service to Small Commercial Customers | 28946,23035-G |
| G-NR2 | Gas Service to Large Commercial Customers | 28947,23037-G |
| G-CP | Gas Procurement Service to Core End-Use Customers | 28943-G |
| G-CPX | Crossover Gas Procurement Service To Core End-Use Customers..... | 28964-G (T) |
| G-NT | Gas Transportation Service to Noncore End-Use Customers..... | 28914, 28915,22037,22038-G |
| G-EG | Gas Transportation Service to Electric Generation | 28908,27879,25038,25039-G |
| G-ESISP | Exchange Service Through ISP Facilities | 24364,24365-G |
| G-WSL | Gas Transportation Service to Wholesale/Resale Customers..... | 28919, 28920,22045-G |
| G-BAL | Gas Balancing Service for Intrastate Transportation Customers..... | 24456,24457, 22135, 28906, 22048-22048,24458-24460,26610,24461,20042,24462,24463,27708-G |
| G-SFS | Standard Firm Storage Service | 28917,22140,22141,22300-G |
| G-NFS | Negotiated Firm Storage Service | 28911,22301-G |
| G-NAS | Negotiated As-Available Storage Service..... | 28910-G |
| G-CFS | Core Firm Storage..... | 28907,22147,22148,22149-G |
| G-AFT | Annual Firm Transportation On-System | 24465,28904,22903-G |

(Continued)

Advice Letter No: 3203-G
 Decision No. 03-12-008

Issued by
Brian K. Cherry
 Vice President
 Regulation and Rates

Date Filed May 6, 2011
 Effective May 10, 2011
 Resolution No. _____

Crossover Rate Calculation

May-11

AECO Net Forward Calculation (\$/Dth)

May-11

| | |
|---|-----------------|
| Combined GTN/Foothills fuel rate | 0.9735 |
| Foothills Fuel | 0.70% |
| GTN Fuel | 1.96% |
| | |
| AECO Monthly Index (C\$/GJ, source CGPR) | 3.5354 |
| Exchange Rate (US\$/C\$) | 1.0535 |
| | |
| AECO "C" monthly commodity index (US\$/Dth) | \$ 3.930 |
| Foothills + GTN combined in-kind fuel rate | 2.65% |
| Foothills + GTN in-kind fuel charge | 0.107 |
| Foothills volumetric rate | 0.0000 |
| GTN volumetric rate | 0.0117 |
| AECO "C" Net Forward Price (14+16+17+18) | \$4.0481 |

| <u>Gas Price Index</u> | <u>Price, CA Border</u> | <u>Intrastate Transport</u> | <u>Total</u> |
|--|-------------------------|-----------------------------|-----------------|
| AECO (CGPR) | \$4.0481 | \$0.0699 | \$4.1180 |
| Southern Border-PG&E (NGI) | \$4.2700 | \$0.0699 | \$4.3399 |
| Core WACOG | \$3.9170 | \$0.0699 | \$3.9869 |
| Crossover Price at PG&E Citygate (\$/Dth) | | | \$4.3399 |

5/2/11

Calculation of the G-CPX Crossover Core Procurement Rate

| Gas Prices | |
|--------------------------|-----------------------|
| | Border Price (\$/Dth) |
| AECO C | \$4.0481 |
| PG&E Topock (Source NGI) | \$4.2700 |
| Core WACOG | \$3.9170 |

| | \$/Decatherm | \$/Therm | Components \$/Therm | Calculation |
|---|--------------|-----------------------|---------------------|-----------------------------|
| G-CPX CROSSOVER CORE PROCUREMENT RATE | | | | |
| CROSSOVER COMMODITY CHARGE | | | | |
| Weighted Average Cost of Gas (WACOG) | | | | (a) |
| WACOG at the Border | \$4.2700 | | | (b) |
| Intrastate Backbone Volumetric Transport Charge | \$0.6999 | | | (c)=(a)+(b) |
| Total WACOG | 4.3399 | \$0.43399 | | |
| Franchise Fee | 0.009596 | Changes in GRC | | |
| Uncollectible Fee | 0.002555 | Changes in GRC | | |
| Subt F & U | 0.012151 | X WACOG at the Border | \$0.0519 | (d)=(a)*F&U Factor |
| WACOG with Franchise and Uncollectible | \$4.3918 | \$0.43918 | | (e)=(c)+(d) |
| PGA Adjustment: Core Sales | (\$0.0981) | (\$0.00981) | | (f) |
| PGA Adjustment: Hedging | \$0.0000 | \$0.00000 | | |
| Cycled Carrying Cost of Gas in Storage | \$0.0087 | \$0.00087 | | (g) |
| Total Core Commodity Charge | | | | |
| Small Commercial | | | \$0.43024 | (k)=(e)+(f)+(g)+(h) |
| Large Commercial | | | \$0.43024 | (l)=(e)+(f)+(g)+(i) |
| Natural Gas Vehicle | | | \$0.43024 | (m)=(e)+(f)+(g)+(j) |
| CORE FIRM STORAGE COSTS (Including F&U) | | | | |
| CFSA Adjustment: Core Firm Storage Account | (\$0.0512) | (\$0.00512) | | (n) |
| Small Commercial | \$0.2251 | \$0.02251 | \$0.01739 | (o) (r)=(n)+(o) |
| Large Commercial | \$0.1258 | \$0.01258 | \$0.00746 | (p) (s)=(n)+(p) |
| Natural Gas Vehicle | \$0.1077 | \$0.01077 | \$0.00565 | (q) (t)=(n)+(q) |
| INTERSTATE & INTRASTATE CAPACITY CHARGES (Incl. F&U) | | | | |
| CPDCA Adjustment (Incl. F&U) | (\$0.0909) | (\$0.00909) | | (u) |
| BC System and NOVA Costs (Incl. F&U) | | | | |
| Small Commercial | \$0.2849 | \$0.02849 | | (h) |
| Large Commercial | \$0.1473 | \$0.01473 | | (i) |
| Natural Gas Vehicle | \$0.1303 | \$0.01303 | | (j) |
| Interstate Capacity Charges | | | | |
| Small Commercial | \$0.4866 | \$0.04866 | | (v) |
| Large Commercial | \$0.2515 | \$0.02515 | | (w) |
| Natural Gas Vehicle | \$0.2226 | \$0.02226 | | (x) |
| Intrastate Backbone Capacity Charges | | | | |
| Small Commercial | \$0.2447 | \$0.02447 | \$0.09253 | (y) (ab)=(u)+(v)+y |
| Large Commercial | \$0.1265 | \$0.01265 | \$0.04344 | (z) (ac)=(u)+(w)+(z) |
| Natural Gas Vehicle | \$0.1119 | \$0.01119 | \$0.03739 | (aa) (ad)=(u)+(x)+(aa) |
| WGSP - PROCUREMENT (Small and Large Comm'l) | | | | |
| Small Commercial | 0.06140 | \$0.00614 | \$0.00614 | |
| Large Commercial | 0.04040 | \$0.00404 | \$0.00404 | |
| CORE BROKERAGE FEE | | | | |
| | \$0.0250 | | \$0.00250 | (ae) |
| SHRINKAGE RATE | | | | |
| Shrinkage (Incl. F&U) | \$0.0747 | \$0.00747 | | (af) |
| Based on Core Shrinkage: 1.70% Changes in BCAP | | | | |
| PGA Adjustment: Core Shrinkage (Incl. F&U) | (\$0.0125) | (\$0.00125) | | (ag) |
| Total Shrinkage Rate | | | \$0.00622 | (ah)=(af)+(ag) |
| TOTAL G-CPX CORE PROCUREMENT CHARGE | | | | |
| Small Commercial | | | \$0.55502 | (ai)=(k)+(r)+(ab)+(ae)+(ah) |
| Large Commercial | | | \$0.49390 | (aj)=(l)+(s)+(ac)+(ae)+(ah) |
| Natural Gas Vehicle | | | \$0.48200 | (ak)=(m)+(t)+(ad)+(ae)+(ah) |

**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 |
| Arizona Public Service Company | Dutcher, John | R. W. Beck & Associates |
| BART | Economic Sciences Corporation | RCS, Inc. |
| Barkovich & Yap, Inc. | Ellison Schneider & Harris LLP | Recurrent Energy |
| Bartle Wells Associates | Foster Farms | SCD Energy Solutions |
| Bloomberg | G. A. Krause & Assoc. | SCE |
| Bloomberg New Energy Finance | GLJ Publications | SMUD |
| Boston Properties | GenOn Energy, Inc. | 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 | Sun Light & Power |
| Calpine | MAC Lighting Consulting | Sunshine Design |
| Casner, Steve | MBMC, Inc. | Sutherland, Asbill & Brennan |
| Chris, King | MRW & Associates | Tabors Caramanis & Associates |
| City of Palo Alto | Manatt Phelps Phillips | Tecogen, Inc. |
| City of Palo Alto Utilities | McKenzie & Associates | Tiger Natural Gas, Inc. |
| Clean Energy Fuels | Merced Irrigation District | TransCanada |
| Coast Economic Consulting | Modesto Irrigation District | Turlock Irrigation District |
| Commercial Energy | Morgan Stanley | United Cogen |
| Consumer Federation of California | Morrison & Foerster | Utility Cost Management |
| Crossborder Energy | NLine Energy, Inc. | Utility Specialists |
| Davis Wright Tremaine LLP | NRG West | Verizon |
| Day Carter Murphy | Navigant Consulting | Wellhead Electric Company |
| Defense Energy Support Center | Norris & Wong Associates | Western Manufactured Housing Communities Association (WMA) |
| Department of Water Resources | North America Power Partners | eMeter Corporation |