

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



June 21, 2012

**Advice Letter 3298-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: Schedule G-CPX – Crossover Gas Procurement Service to Core  
End-Use Customers for Rates Effective May 10, 2012**

Dear Mr. Cherry:

Advice Letters 3298-G is effective May 10, 2012.

Sincerely,

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

Edward F. Randolph, Director  
Energy Division



May 8, 2012

**Advice 3298-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, 2012**

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, 2012**. 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.<sup>1</sup>

For the period from **May 10, 2012, through June 9, 2012**, the following Schedule G-CPX rates will be in effect:

<b><u>Schedule G-CPX Rates</u></b>	<b><u>Per Therm</u></b>
Small Commercial Customers (Schedule G-NR1)	<b>\$0.36249</b>
Large Commercial Customers (Schedule G-NR2)	<b>\$0.30015</b>
Natural Gas Vehicle Customers (Schedule G-NGV1)	<b>\$0.28502</b>

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 21 days<sup>2</sup> after the date of this filing, which is **May 29, 2012**. 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

<sup>1</sup> 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.

<sup>2</sup> The 20 day protest period concludes on a holiday. PG&E hereby moves this date to the following business day.

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, 2012**. 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>.



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 G)**

Utility type:

ELC       GAS  
 PLC       HEAT       WATER

Contact Person: Kimberly Chang

Phone #: (415) 973-5472

E-mail: kwcc@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) #: **3298-G**

Tier: **1**

Subject of AL: **Schedule G-CPX -- Crossover Gas Procurement Service to Core End-Use Customers for Rates Effective May 10, 2012**

Keywords (choose from CPUC listing): Compliance, Procurement, Core

AL filing type:  Monthly  Quarterly  Annual  One-Time  Other \_\_\_\_\_

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: D. 03-12-008

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:

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, 2012**

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 Rate Schedule G-CPX

Service affected and changes proposed: 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**

**E-mail: EDTariffUnit@cpuc.ca.gov**

**Pacific Gas and Electric Company**

**Attn: Brian 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 3298-G**

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

**Title of Sheet**

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

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29707-G	GAS SCHEDULE G-CPX CROSSOVER GAS PROCUREMENT SERVICE TO CORE END-USE CUSTOMERS Sheet 1	29626-G
29708-G	GAS TABLE OF CONTENTS Sheet 1	29654-G
29709-G	GAS TABLE OF CONTENTS Sheet 2	29655-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)	\$0.36249	(l)
Large Commercial Crossover Charge: (G-NR2)	\$0.30015	(l)
Natural Gas Vehicle Crossover Charge: (G-NGV1)	\$0.28502	(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

<b>TITLE OF SHEET</b>	<b>CAL P.U.C. SHEET NO.</b>	
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Rate Schedules .....	<b>29709, 29656-G</b>	(T)
Preliminary Statements.....	29657,29619-G	
Rules .....	29577-G	
Maps, Contracts and Deviations.....	29288-G	
Sample Forms .....	29289,28995,27262,28662,29290*,28503-G	

(Continued)

Advice Letter No: 3298-G  
 Decision No. 03-12-008

Issued by  
**Brian K. Cherry**  
 Vice President  
 Regulation and Rates

Date Filed May 8, 2012  
 Effective May 10, 2012  
 Resolution No. \_\_\_\_\_





**GAS TABLE OF CONTENTS**

Sheet 2

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G-1	Residential Service .....	29639,23487-G
G1-NGV	Residential Natural Gas Service for Compression on Customers' Premises .....	29645,23734-G
GM	Master-Metered Multifamily Service .....	29648,29602,23019-G
GS	Multifamily Service .....	29650,29606,23215-G
GT	Mobilehome Park Service .....	29652,29610,26568-G
G-10	Service to Company Employees .....	11318-G
GL-1	Residential CARE Program Service .....	29646,29599-G
GL1-NGV	Residential CARE Program Natural Gas Service for Compression on Customers' Premises .....	29647,23740-G
GML	Master-Metered Multifamily CARE Program Service .....	29649,29604,23027-G
GSL	Multifamily CARE Program Service.....	29651,29608,23216-G
GTL	Mobilehome Park CARE Program Service.....	29653,29612,23502,26569-G
G-MHPS	Master-Metered Mobilehome Park Safety Surcharge .....	22034-G
<b>Rate Schedules Non-Residential</b>		
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G-NR2	Gas Service to Large Commercial Customers .....	29644,23037-G
G-CP	Gas Procurement Service to Core End-Use Customers .....	29640-G
G-CPX	Crossover Gas Procurement Service To Core End-Use Customers.....	<b>29707-G</b>
G-NT	Gas Transportation Service to Noncore End-Use Customers.....	29475, 29476,22037,22038-G
G-EG	Gas Transportation Service to Electric Generation .....	29467,27879,25038,25039-G
G-ESISP	Exchange Service Through ISP Facilities .....	24364,24365-G
G-WSL	Gas Transportation Service to Wholesale/Resale Customers.....	29480, 28920,22045-G
G-BAL	Gas Balancing Service for Intrastate Transportation Customers..... 22135, 29465, 22048-22048,24458-24460,26610,24461,20042,24462,24463,27708-G	24456,24457,
G-SFS	Standard Firm Storage Service .....	29478,22140,22141,22300-G
G-NFS	Negotiated Firm Storage Service .....	29471,29472-G
G-NAS	Negotiated As-Available Storage Service.....	29470-G
G-CFS	Core Firm Storage.....	29466,22147,22148,22149-G
G-AFT	Annual Firm Transportation On-System .....	24465,29463,22903-G

(T)

(Continued)

Advice Letter No: 3298-G  
 Decision No. 03-12-008

Issued by  
**Brian K. Cherry**  
 Vice President  
 Regulation and Rates

Date Filed May 8, 2012  
 Effective May 10, 2012  
 Resolution No. \_\_\_\_\_

# Crossover Rate Calculation

May-12

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

May-12

Combined GTN/Foothills fuel rate	0.9781
Foothills Fuel	0.80%
GTN Fuel	1.41%
AECO Monthly Index (C\$/GJ, source CGPR)	1.5586
Exchange Rate (US\$/C\$)	1.0164
AECO "C" monthly commodity index (US\$/Dth)	\$ 1.671
Foothills + GTN combined in-kind fuel rate	2.19%
Foothills + GTN in-kind fuel charge	0.037
Foothills volumetric rate	0.0000
GTN volumetric rate	0.0116
<b>AECO "C" Net Forward Price (14+16+17+18)</b>	<b>\$1.7205</b>

<u>Gas Price Index</u>	<u>Price, CA Border</u>	<u>Intrastate Transport</u>	<u>Total</u>
AECO (CGPR)	\$1.7205	\$0.0813	\$1.8018
Southern Border-PG&E (NGI)	\$2.1100	\$0.0813	\$2.1913
Core WACOG	\$1.7899	\$0.0813	\$1.8712
<b>Crossover Price at PG&amp;E Citygate (\$/Dth)</b>			<b>\$2.1913</b>

# Calculation of the G-CPX Crossover Core Procurement Rate

Gas Prices	
	Border Price (\$/Dth)
AECO C	\$1.7205
PG&E Topock (Source NGI)	\$2.1100
Core WACOG	\$1.7899

G-CPX CROSSOVER CORE PROCUREMENT RATE	\$/Decatherm	\$/Therm	Components \$/Therm	Calculation
<b>CROSSOVER COMMODITY CHARGE</b>				
Weighed Average Cost of Gas (WACOG)				
WACOG at the Border	\$2.1100			(a)
Intrastate Backbone Volumetric Transport Charge	\$0.0813			(b)
Total WACOG	2.1913	\$2.1913		(c)=(a)+(b)
Franchise Fee	0.009886			
Uncollectible Fee	0.003145			
Subt F & U	0.013031			
WACOG with Franchise and Uncollectible	\$2.2188	\$2.2188		(d)=(a)*F&U Factor
PGA Adjustment: Core Sales	(\$0.1620)	(\$0.1620)		(e)=(c)+(d)
PGA Adjustment: Hedging	\$0.0000	\$0.0000		(f)
Cycled Carrying Cost of Gas in Storage	\$0.0088	\$0.0088		(g)
Total Core Commodity Charge				
Small Commercial			\$20656	(k)=(e)+(f)+(g)+(h)
Large Commercial			\$20656	(l)=(e)+(f)+(g)+(i)
Natural Gas Vehicle			\$20656	(m)=(e)+(f)+(g)+(j)
<b>CORE FIRM STORAGE COSTS (Including F&amp;U)</b>				
CFSA Adjustment: Core Firm Storage Account	\$0.0163	\$0.0163		(n)
Small Commercial	\$0.2166	\$0.02166	\$0.02329	(o) (r)=(n)+(o)
Large Commercial	\$0.1227	\$0.01227	\$0.01390	(p) (s)=(n)+(p)
Natural Gas Vehicle	\$0.1050	\$0.01050	\$0.01213	(q) (t)=(n)+(q)
<b>INTERSTATE &amp; INTRASTATE CAPACITY CHARGES (Incl. F&amp;U)</b>				
CPDCA Adjustment (Incl. F&U)	\$0.0887	\$0.00887		(u)
<b>BC System and NOVA Costs (Incl. F&amp;U)</b>				
Small Commercial	\$0.1533	\$0.01533		(h)
Large Commercial	\$0.0804	\$0.00804		(i)
Natural Gas Vehicle	\$0.0711	\$0.00711		(j)
<b>Interstate Capacity Charges</b>				
Small Commercial	\$0.6242	\$0.06242		(v)
Large Commercial	\$0.3272	\$0.03272		(w)
Natural Gas Vehicle	\$0.2896	\$0.02896		(x)
<b>Intrastate Backbone Capacity Charges</b>				
Small Commercial	\$0.2270	\$0.02270	\$0.10932	(y) (ab)=(u)+(v)+y
Large Commercial	\$0.1190	\$0.01190	\$0.06153	(z) (ac)=(u)+(w)+(z)
Natural Gas Vehicle	\$0.1053	\$0.01053	\$0.05547	(aa) (ad)=(u)+(x)+(aa)
<b>WGSP - PROCUREMENT (Small and Large Comm'l)</b>				
Small Commercial	0.12460	\$0.01246	\$0.01246	
Large Commercial	0.07300	\$0.00730	\$0.00730	
<b>CORE BROKERAGE FEE</b>				
	\$0.0250		\$0.00250	(ae)
<b>SHRINKAGE RATE</b>				
Shrinkage (Incl. F&U)	\$0.0599	\$0.00599		(af)
Based on Core Shrinkage: 2.70%				
PGA Adjustment: Core Shrinkage (Incl. F&U)	\$0.0237	\$0.00237		(ag)
Total Shrinkage Rate			\$0.00836	(ah)=(af)+(ag)
<b>TOTAL G-CPX CORE PROCUREMENT CHARGE</b>				
Small Commercial			\$0.36249	(ai)=(k)+(r)+(ab)+(ae)+(ah)
Large Commercial			\$0.30015	(aj)=(l)+(s)+(ac)+(ae)+(ah)
Natural Gas Vehicle			\$0.28502	(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 America Power Partners
Alcantar & Kahl LLP	Douglass & Liddell	North Coast SolarResources
Ameresco	Downey & Brand	Occidental Energy Marketing, Inc.
Anderson & Poole	Duke Energy	OnGrid Solar
BART	Economic Sciences Corporation	Praxair
Barkovich & Yap, Inc.	Ellison Schneider & Harris LLP	R. W. Beck & Associates
Bartle Wells Associates	Foster Farms	RCS, Inc.
Bloomberg	G. A. Krause & Assoc.	Recurrent Energy
Bloomberg New Energy Finance	GLJ Publications	SCD Energy Solutions
Boston Properties	GenOn Energy, Inc.	SCE
Braun Blaising McLaughlin, P.C.	Goodin, MacBride, Squeri, Schlotz & Ritchie	SMUD
Brookfield Renewable Power	Green Power Institute	SPURR
CA Bldg Industry Association	Hanna & Morton	San Francisco Public Utilities Commission
CLECA Law Office	Hitachi	Seattle City Light
CSC Energy Services	In House Energy	Sempra Utilities
California Cotton Ginners & Growers Assn	International Power Technology	Sierra Pacific Power Company
California Energy Commission	Intestate Gas Services, Inc.	Silicon Valley Power
California League of Food Processors	Lawrence Berkeley National Lab	Silo Energy LLC
California Public Utilities Commission	Los Angeles Dept of Water & Power	Southern California Edison Company
Calpine	Luce, Forward, Hamilton & Scripps LLP	Spark Energy, L.P.
Casner, Steve	MAC Lighting Consulting	Sun Light & Power
Center for Biological Diversity	MBMC, Inc.	Sunrun Inc.
Chris, King	MRW & Associates	Sunshine Design
City of Palo Alto	Manatt Phelps Phillips	Sutherland, Asbill & Brennan
City of Palo Alto Utilities	Marin Energy Authority	Tabors Caramanis & Associates
City of San Jose	McKenzie & Associates	Tecogen, Inc.
City of Santa Rosa	Merced Irrigation District	Tiger Natural Gas, Inc.
Clean Energy Fuels	Modesto Irrigation District	TransCanada
Coast Economic Consulting	Morgan Stanley	Turlock Irrigation District
Commercial Energy	Morrison & Foerster	United Cogen
Consumer Federation of California	Morrison & Foerster LLP	Utility Cost Management
Crossborder Energy	NLine Energy, Inc.	Utility Specialists
Davis Wright Tremaine LLP	NRG West	Verizon
Day Carter Murphy	NaturEner	Wellhead Electric Company
Defense Energy Support Center	Navigant Consulting	Western Manufactured Housing Communities Association (WMA)
Department of Water Resources	Norris & Wong Associates	eMeter Corporation