

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



March 14, 2014

Advice Letter 3454-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: 2014 Adjustment of Storage In-Kind Shrinkage Allowance

Dear Mr. Cherry:

Advice Letter 3454-G is effective April 1, 2014.

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

February 13, 2014

Advice 3454-G

(Pacific Gas and Electric Company ID U 39 G)

Public Utilities Commission of the State of California

Subject: 2014 Adjustment of Storage In-Kind Shrinkage Allowance

Purpose

Pacific Gas and Electric Company (PG&E) hereby submits for filing a proposed adjustment to the natural gas in-kind shrinkage allowance for scheduled storage injection volumes shown in PG&E's Gas Rule 21 Part B.1.c— *In-Kind Shrinkage Allowance - Storage Shrinkage*. In this filing, PG&E proposes to update the storage in-kind shrinkage allowance from the current 1.1 percent to 1.2 percent. The affected tariff sheets are listed on the enclosed Attachment I.

PG&E requests approval by March 15, 2014, with the tariff effective on April 1, 2014 (the first day of the storage injection season).

Background

In-kind shrinkage quantities represent the unaccounted-for gas and the utility fuel use attributable to the volume of natural gas received by PG&E for backbone transmission, distribution, and storage service. Decision (D.) 03-12-061 authorizes PG&E to adjust the in-kind shrinkage allowances through an advice letter compliance filing.¹ PG&E provided a similar adjustment of the storage in-kind shrinkage allowance through Advice 2706-G filed on February 17, 2006, and approved effective April 1, 2006.

Due to slightly higher Gas Department Usage (GDU) gas supplies associated with PG&E's gas storage operations in the last two storage years, PG&E proposes to adjust the storage in-kind shrinkage allowance from the current 1.1 percent to 1.2 percent.

¹ D.03-12-061, Conclusion of Law No. 35. This authority is documented in Gas Preliminary Statement Part C—*Gas Accounting Terms and Definitions*, Part C.12.c, which states that PG&E may adjust backbone transmission, distribution and storage shrinkage annually, or as necessary.

As shown in Attachment II, PG&E's total average annual forecasted storage GDU and Lost and Unaccounted For (LUAFF) forecast is 559,949 decatherms (Dth). PG&E's Storage Inventory/ Injection Volume (or "firm storage-cycle quantity") as adopted in Gas Accord V (D.11-04-031) is 46,578,000 Dth. The in-kind shrinkage storage allowance is calculated by dividing the total forecasted storage-related GDU and LUAFF (559,949 Dth) by the firm storage-cycle quantity (46,578,000 Dth). Thus, in this filing, PG&E proposes to adjust the storage in-kind shrinkage allowance to 1.2 percent.

The filing would not increase any current rate or charge, cause the withdrawal of service, or conflict with any rate schedule or rule.

Protests

Anyone wishing to protest this filing may do so by letter sent via U.S. mail, facsimile or E-mail, no later than March 5, 2014, which is 20 days after the date of this filing. Protests must be submitted 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 shall also be sent to PG&E either via E-mail or U.S. mail (and by facsimile, if possible) at the address shown below on the same date it is mailed or delivered to the Commission:

Brian K. Cherry
Vice President, Regulatory Relations
Pacific Gas and Electric Company
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

PG&E requests that this Tier 2 advice filing be approved by **March 15, 2014**, which is 30 calendar days after the date of filing, with the tariffs effective on April 1, 2014, which is the first day of the storage injection season.

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>

Brian Cherry /KHC

Vice President, Regulatory Relations

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: Kingsley Cheng

Phone #: (415) 973-5265

E-mail: k2c0@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) #: **3454-G**

Tier: 2

Subject of AL: **2014 Adjustment of Storage In-Kind Shrinkage Allowance**

Keywords (choose from CPUC listing): Compliance, Storage

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

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: D.03-12-061

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: **April 1, 2014**

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 Rule 21

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

California Public Utilities Commission
Energy Division
EDTariffUnit
505 Van Ness Ave., 4th Flr.
San Francisco, CA 94102
E-mail: EDTariffUnit@cpuc.ca.gov

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

**ATTACHMENT 1
Advice 3454-G**

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

Title of Sheet

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

31058-G	GAS RULE NO. 21 TRANSPORTATION OF NATURAL GAS Sheet 4	23786-G
31059-G	GAS TABLE OF CONTENTS Sheet 1	31056-G
31060-G	GAS TABLE OF CONTENTS Sheet 6	30924-G



GAS RULE NO. 21
 TRANSPORTATION OF NATURAL GAS

Sheet 4

B. QUANTITIES OF GAS (Cont'd.)

1. IN-KIND SHRINKAGE ALLOWANCE (Cont'd.)

c. Storage Shrinkage

An In-Kind Shrinkage Allowance is applicable to all injection storage quantities under rate Schedules G-CFS, G-SFS, G-NFS, and G-NAS, in addition to any applicable transmission and distribution shrinkage. Customers shall deliver to PG&E's storage system an additional in-kind quantity of natural gas equal to the Shrinkage Allowance percentage of the total volume of their storage injection volume. The quantity injected into PG&E's storage will equal the quantity nominated for storage injection multiplied by (1-z), where z is the decimal equivalent of the Storage In-Kind Shrinkage Allowance percentage, as follows.

$$\text{Storage Injection} = \text{Nominated Injection Quantity} * (1 - z)$$

Where: z = decimal equivalent of the Storage In-Kind Shrinkage Allowance

Storage In-Kind Shrinkage Allowance: 1.2 Percent (l)

Provided, however, that PG&E and the Customer shall not be prohibited under this Rule, where shrinkage requirements support a different shrinkage allowance, from mutually agreeing to a different shrinkage allowance for the injection into PG&E's storage system.

(Continued)



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Sheet 1

TITLE OF SHEET	CAL P.U.C. SHEET NO.	
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Rate Schedules	31057,31053-G	
Preliminary Statements.....	31054,30517-G	
Rules	31060-G	(T)
Maps, Contracts and Deviations.....	29288-G	
Sample Forms	30592,30323-30326,30439,30327-G	

(Continued)

Advice Letter No: 3454-G
 Decision No. 03-12-061

Issued by
Brian K. Cherry
 Vice President
 Regulatory Relations

Date Filed February 13, 2014
 Effective _____
 Resolution No. _____



GAS TABLE OF CONTENTS

Sheet 6

RULE	TITLE OF SHEET	CAL P.U.C. SHEET NO.
Rules		
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Rule 02	Description of Service.....	23062-23066,26825-G
Rule 03	Application for Service.....	27248,27249-G
Rule 04	Contracts.....	17051-G
Rule 05	Special Information Required on Forms.....	30088,13348-13349-G
Rule 06	Establishment and Reestablishment of Credit.....	22126,30687,28653-G
Rule 07	Deposits.....	28654,28655-G
Rule 08	Notices.....	21928,17580,30688,30689,15728-G
Rule 09	Rendering and Payment of Bills.....	24128-24129,27941,23518,29061, 27345,27346, 28562-G
Rule 10	Disputed Bills.....	18214-18216-G
Rule 11	Discontinuance and Restoration of Service.....	18217-18220,27251,23520, 18223-18227,27252,24860,19710-G
Rule 12	Rates and Optional Rates.....	18229,27253,24132,21981-21982,24474-G
Rule 13	Temporary Service.....	22832-G
Rule 14	Capacity Allocation and Constraint of Natural Gas Service.....	18231-18235,30690-30698,28283, 30699-30702, 29787, 28289,28290,30703,28292 -G
Rule 15	Gas Main Extensions.....	21543,18802-18803,27503,20350,29271,29272,26827,21544, 21545,22376,22377-22379,26828,26829,18814-G
Rule 16	Gas Service Extensions.....	21546,18816,17728,17161,18817,18818,18819,18820,18821, 18822,29273,18824,18825,17737,18826,18827-G
Rule 17	Meter Tests and Adjustment of Bills for Meter Error.....	14450,28656,28764,28770,28771, 28772,28773,28774-G
Rule 17.1	Adjustment of Bills for Billing Error.....	22936,28657,29274-G
Rule 17.2	Adjustment of Bills for Unauthorized Use.....	22937,14460,14461-G
Rule 18	Supply to Separate Premises and Submetering of Gas.....	22790,17796,13401-G
Rule 19	Medical Baseline Quantities.....	21119,21120,21121-G
Rule 19.1	California Alternate Rates for Energy for Individual Customers and Submetered Tenants of Master-Metered Customers.....	30443,30902,30445,28210-G
Rule 19.2	California Alternate Rates for Energy for Nonprofit Group-Living Facilities.....	24609,30903,17035,30447,30448-G
Rule 19.3	California Alternate Rates for Energy for Qualified Agricultural Employee Housing Facilities.....	24138,30904,30450,27256-G
Rule 21	Transportation of Natural Gas.....	27591,29192,29193, 31058 ,23194,23195,21845,23196- 23199,22086,22087,24444,24445,22735,22736,22737-G
Rule 21.1	Use of Pacific Gas and Electric Company's Firm Interstate Rights.....	20461,18260,18261-G
Rule 23	Gas Aggregation Service for Core Transport Customers.....	29275,18263,26664,18265, 26665-26666,24825,24826,24827,24828,29276,29277,26667,24832-24833, 24849,29278,-29279,18272-G,29248,29249,29250,29251,29252,29253,29254, 29255,29256-G
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(T)

(Continued)

Advice Letter No: 3454-G
 Decision No. 03-12-061

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Brian K. Cherry
 Vice President
 Regulatory Relations

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Attachment II
 Workpaper for Adjustment to Storage In-Kind Shrinkage Allowance
 Advice 3454-G
 February 13, 2014

Calculation of Storage Shrinkage for April 2014 Adjustment	
(a) Total Storage GDU - SY 2011/12	511,364
(b) Total Storage GDU - SY 2012/13	499,232
(c) Two Year Total Storage GDU (a+b)	1,010,596
(d) Annual Average Storage GDU (c / 2)	505,298
(e) Annual Storage LUAF (2013 Fugitive Emissions report plus other LUAF) (Dth)	54,652
(f) Total Annual Storage Shrinkage Forecast (GDU & LUAF) (d+e)	559,949
(g) Total Firm Storage Inventory/Injection Volume without PG&E-Gill Ranch Storage (Gas Accord V Settlement (D.11-04-031))	46,578,000
(h) Storage Shrinkage (% of injection volume) (f / g)	1.2%
(i) Storage Inventory allocated to Balancing Service (D.03-12-061 Gas Accord II-2004 decision)	4,100,000
(j) Portion of Storage Shrinkage allocated to balancing (allocated to transmission shrinkage) (f x (i / g))	49,289

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

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