

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



October 17, 2014

Advice Letter 3508-G

Meredith Allen
Senior Director, Regulatory Relations
Pacific Gas and Electric Company
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, California 94177

SUBJECT: Schedule G-CPX - Crossover Gas Procurement Service to Core End-Use Customers for Rates Effective September 10, 2014

Dear Ms. Allen:

Advice Letter 3508-G is effective as of September 10, 2014.

Sincerely,

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

Edward Randolph
Director, Energy Division

September 8, 2014

Advice 3508-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 September 10, 2014

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 **September 10, 2014**. 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 **September 10, 2014, through October 9, 2014**, 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)	\$0.63667
Large Commercial Customers (Schedule G-NR2)	\$0.60423
Natural Gas Vehicle Customers (Schedule G-NGV1)	\$0.60747

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, facsimile or E-mail, no later than September 29, 2014, which is 21² 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

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.

² The 20-day protest period concludes on a weekend, therefore, PG&E is moving 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 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:

Meredith Allen
Senior Director, 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, Rule 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, Rule 3.11).

Effective Date

In accordance with D.03-12-008, PG&E requests that this advice filing become effective on September 10, 2014. 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>.

Meredith Allen/JW

Senior Director – Regulatory Relations

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: 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) #: **3508-G**

Tier: **1**

Subject of AL: **Schedule G-CPX -- Crossover Gas Procurement Service to Core End-Use Customers for Rates Effective September 10, 2014**

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

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: No

Summarize differences between the AL and the prior withdrawn or rejected AL: Not Applicable

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: **September 10, 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: **Schedule G-CPX**

Service affected and changes proposed: **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 21¹ 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: 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

¹ The 20-day protest period concludes on a weekend, therefore, PG&E is moving this date to the following business day.

**ATTACHMENT 1
Advice 3508-G**

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

Title of Sheet

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

31471-G	GAS SCHEDULE G-CPX CROSSOVER GAS PROCUREMENT SERVICE TO CORE END-USE CUSTOMERS Sheet 1	31411-G
31472-G	GAS TABLE OF CONTENTS Sheet 1	31464-G
31473-G	GAS TABLE OF CONTENTS Sheet 2	31465-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)	\$0.63667	(l)
Large Commercial Crossover Charge: (G-NR2)	\$0.60423	(l)
Natural Gas Vehicle Crossover Charge: (G-NGV1)	\$0.60747	(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

TITLE OF SHEET	CAL P.U.C. SHEET NO.	
Title Page	31472-G	(T)
Rate Schedules	31473,31466-G	(T)
Preliminary Statements.....	31467,31290-G	
Rules	31336-G	
Maps, Contracts and Deviations.....	29288-G	
Sample Forms	30592,30323-30326,30439,30327-G	

(Continued)



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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	31424,23487-G
G1-NGV	Residential Natural Gas Service for Compression on Customers' Premises	31430,23734-G
GL-1	Residential CARE Program Service.....	31431,29599-G
GL1-NGV	Residential CARE Program Natural Gas Service for Compression on Customers' Premises	31432,23740-G
GM	Master-Metered Multifamily Service	31433,29602,23019-G
GML	Master-Metered Multifamily CARE Program Service	31434,29604,23027-G
GS	Multifamily Service	31435,29606,23215-G
GSL	Multifamily CARE Program Service.....	31436,29608,23216-G
GT	Mobilehome Park Service	31437,29610,26568-G
GTL	Mobilehome Park CARE Program Service.....	31438,29612,23502,26569-G
G-10	Service to Company Employees	11318-G
G-MHPS	Master-Metered Mobilehome Park Safety Surcharge	22034-G

Rate Schedules Non-Residential

G-NR1	Gas Service to Small Commercial Customers	31428,23035-G
G-NR2	Gas Service to Large Commercial Customers	31429,23037-G
G-CP	Gas Procurement Service to Core End-Use Customers	31425-G
G-CPX	Crossover Gas Procurement Service To Core End-Use Customers.....	31471-G
G-NT	Gas Transportation Service to Noncore End-Use Customers.....	30997,31462,22037,22038-G
G-EG	Gas Transportation Service to Electric Generation	31459,27879,25038,25039-G
G-ESISP	Exchange Service Through ISP Facilities	24364,24365-G
G-WSL	Gas Transportation Service to Wholesale/Resale Customers.....	31463,28920,22045-G
G-BAL	Gas Balancing Service for Intrastate Transportation Customers.....	24456,24457, 22135, 30988, 22048-22048,24458-24460,26610,24461,20042,24462,24463,27708-G
G-SFS	Standard Firm Storage Service	31000,22140,22141,22300-G
G-NFS	Negotiated Firm Storage Service	30994,29472-G
G-NAS	Negotiated As-Available Storage Service.....	30993-G
G-CFS	Core Firm Storage.....	30989,22147,22148,22149-G
G-AFT	Annual Firm Transportation On-System	24465,30986,22903-G

(T)

(Continued)

Crossover Rate Calculation

Sep-14

AECO Net Forward Calculation (\$/Dth)

Sep-14

Combined GTN/Foothills fuel rate	0.9775
Foothills Fuel	0.80%
GTN Fuel	1.47%
AECO Monthly Index (C\$/GJ, source CGPR)	3.8310
Exchange Rate (US\$/C\$)	0.9153
AECO "C" monthly commodity index (US\$/Dth)	\$3.6996
Foothills + GTN combined in-kind fuel rate	2.25%
Foothills + GTN in-kind fuel charge	0.085
Foothills volumetric rate	0.0000
GTN volumetric rate	0.0110
AECO "C" Net Forward Price (14+16+17+18)	\$3.7959

<u>Gas Price Index</u>	<u>Price, CA Border</u>	<u>Intrastate Transport</u>	<u>Total</u>
AECO (CGPR)	\$3.7959	\$0.0706	\$3.8665
Southern Border-PG&E (NGI)	\$4.1300	\$0.0706	\$4.2006
Core WACOG	\$3.8223	\$0.0706	\$3.8929
Crossover Price at PG&E Citygate (\$/Dth)			\$4.2006

9/3/14

Calculation of the G-CPX Crossover Core Procurement Rate

Gas Prices	
	Border Price (\$/Dth)
AECCO C	\$3.7959
PG&E Topock (Source NGL)	\$4.1300
Core WACOG	\$3.8223

	\$/Decatherm	\$/Therm	Components \$/Therm	Calculation
G-CPX CROSSOVER CORE PROCUREMENT RATE				
CROSSOVER COMMODITY CHARGE				
Weighted Average Cost of Gas (WACOG)				
WACOG at the Border	\$4.1300			(a)
Intrastate Backbone Volumetric Transport Charge	\$0.0706			(b)
Total WACOG	4.2006	\$42006		(c)=(a)+(b)
Franchise Fee	0.014071			
<i>Changes in GRC</i>				
Uncollectible Fee	0.003314			
<i>Changes in GRC</i>				
Subt F & U	0.017385			
X WACOG at the Border	\$0.0718			(d)=(a)*F&U Factor
WACOG with Franchise and Uncollectible		\$4.2724		(e)=(c)+(d)
PGA Adjustment: Core Sales		\$9364	\$09364	(f)
PGA Adjustment: Hedging		\$0000	\$00000	
Cycled Carrying Cost of Gas in Storage		\$0054	\$00054	(g)
Total Core Commodity Charge				
Small Commercial			\$0.52142	(k)=(e)+(f)+(g)+(h)
Large Commercial			\$0.52142	(l)=(e)+(f)+(g)+(i)
Natural Gas Vehicle			\$0.52142	(m)=(e)+(f)+(g)+(j)
CORE FIRM STORAGE COSTS (Including F&U)				
CFSA Adjustment: Core Firm Storage Account	\$0.0261	\$00261		(n)
Small Commercial	\$0.1449	\$01449	\$01710	(o) (r)=(n)+(o)
Large Commercial	\$0.0997	\$00997	\$01258	(p) (s)=(n)+(p)
Natural Gas Vehicle	\$0.0935	\$00935	\$01196	(q) (t)=(n)+(g)
INTERSTATE & INTRASTATE CAPACITY CHARGES (Incl. F&U)				
CPDCA Adjustment (Incl. F&U)	\$0.1382	\$01382		(u)
BC System and NOVA Costs (Incl. F&U)				
Small Commercial	\$0.0927	\$00927		(h)
Large Commercial	\$0.0591	\$00591		(i)
Natural Gas Vehicle	\$0.0573	\$00573		(j)
Interstate Capacity Charges				
Small Commercial	\$0.3786	\$03786		(v)
Large Commercial	\$0.2383	\$02383		(w)
Natural Gas Vehicle	\$0.2312	\$02312		(x)
Intrastate Backbone Capacity Charges				
Small Commercial	\$0.1807	\$01807	\$0.07902	(y) (ab)=(u)+(v)+(y)
Large Commercial	\$0.1152	\$01152	\$0.05508	(z) (ac)=(u)+(w)+(z)
Natural Gas Vehicle	\$0.1116	\$01116	\$0.05383	(aa) (ad)=(u)+(x)+(aa)
WGSP - PROCUREMENT (Small and Large Comm'l)				
Small Commercial	(\$0.0113)	(\$0.0113)	(\$0.0113)	
Large Commercial	(\$0.0511)	(\$0.0511)	(\$0.0511)	
CORE BROKERAGE FEE				
	\$0.0250		\$0.00250	(ae)
SHRINKAGE RATE				
Shrinkage (Incl. F&U)	\$0.1154	\$01154		(af)
Based on Core Shrinkage: 2.70% <i>Changes in BCAP</i>				
PGA Adjustment: Core Shrinkage (Incl. F&U)	\$0.0622	\$00622		(ag)
Total Shrinkage Rate			\$0.01776	(ah)=(af)+(ag)
TOTAL G-CPX CORE PROCUREMENT CHARGE				
Small Commercial			\$0.63667	(ai)=(k)+(r)+(ab)+(ae)+(ah)
Large Commercial			\$0.60423	(aj)=(l)+(s)+(ac)+(ae)+(ah)
Natural Gas Vehicle			\$0.60747	(ak)=(m)+(t)+(ad)+(ae)+(ah)

**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	