

February 13, 2017

**Advice 3810-G**

(Pacific Gas and Electric Company ID U 39 G)

Public Utilities Commission of the State of California

**Subject: 2017 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 1.0 percent to 0.9 percent. The affected tariff sheet is provided as Attachment 1.

PG&E requests approval by March 16, 2017, with the tariff effective on April 1, 2017 (the first day of the storage injection season).

**Background**

In-kind shrinkage quantities represent the lost and unaccounted-for (LUAF) gas and utility fuel use (Gas Department Usage or GDU) attributable to the volume of natural gas received by PG&E. There are separate in-kind shrinkage allowances, 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.<sup>1</sup> PG&E last provided an adjustment of the storage in-kind shrinkage allowance through Advice 3562-G filed on February 13, 2015, and approved effective April 1, 2015.

Due to lower GDU 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 1.0% to 0.9%.

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<sup>1</sup> 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 2, PG&E's total average annual forecasted storage GDU and LUAF forecast is 350,267 Decatherms (Dth). PG&E's Storage Inventory/ Injection Volume ("firm storage-cycle quantity") as adopted in 2015 GT&S Rate Case Final Decision (Decision 16-06-056) is 37,886,610 Dth. The in-kind shrinkage storage allowance is calculated by dividing the total forecasted storage-related GDU and LUAF (350,267 Dth) by the firm storage-cycle quantity (37,886,610 Dth). Thus, in this filing, PG&E proposes to adjust the storage in-kind shrinkage allowance to 0.9 percent.

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

### **Tariff Revisions**

This update will affect gas Rule 21, B.1.c - Storage Shrinkage.

### **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 6, 2017, which is 21 days<sup>2</sup> after the date of this filing. Protests must be submitted to:

CPUC Energy Division  
ED Tariff Unit  
505 Van Ness Avenue, 4<sup>th</sup> 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:

Erik Jacobson  
Director, Regulatory Relations  
c/o Megan Lawson  
Pacific Gas and Electric Company  
77 Beale Street, Mail Code B10C

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

P.O. Box 770000  
San Francisco, California 94177

Facsimile: (415) 973-1448  
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, 2017, which is 30 calendar days after the date of filing, with an effective date of April 1, 2017, 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.13-12-012. 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/>.

/S/

\_\_\_\_\_  
Erik Jacobson  
Director, Regulatory Relations

Attachments

cc: Service List A.13-12-012

# 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) #: **3810-G**

**Tier: 2**

Subject of AL: **2017 Adjustment of Storage In-Kind Shrinkage Allowance**

Keywords (choose from CPUC listing): Compliance, Rules

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, 2017**

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: **Gas Rule 21**

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 21 days<sup>1</sup> 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., 4<sup>th</sup> Flr.**

**San Francisco, CA 94102**

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

**Pacific Gas and Electric Company**

**Attn: Erik Jacobson**

**Director, Regulatory Relations**

**c/o Megan Lawson**

**77 Beale Street, Mail Code B10C**

**P.O. Box 770000**

**San Francisco, CA 94177**

**E-mail: PGETariffs@pge.com**

<sup>1</sup> The 20-day protest period concludes on a weekend. PG&E is hereby moving this date to the following business day.

**ATTACHMENT 1  
Advice 3810-G**

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

**Title of Sheet**

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

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33220-G	GAS RULE NO. 21 TRANSPORTATION OF NATURAL GAS Sheet 4	31872-G
33221-G	GAS TABLE OF CONTENTS Sheet 1	33218-G
33222-G	GAS TABLE OF CONTENTS Sheet 7	33166-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: 0.9 Percent (R)

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)



**GAS TABLE OF CONTENTS**

Sheet 1

TITLE OF SHEET	CAL P.U.C. SHEET NO.	
Title Page .....	33221-G	(T)
Rate Schedules .....	33219,33175-G	
Preliminary Statements.....	32600,33045-G	
Rules .....	32310-G	
Rules, Maps, Contracts and Deviations.....	33222-G	(T)
Sample Forms .....	30592,30323,30324,32737,32138,30439-G	

(Continued)

Advice Letter No: 3810-G  
 Decision No. 03-12-061

Issued by  
**Robert S. Kenney**  
 Vice President  
 Regulatory Relations

Date Filed February 13, 2017  
 Effective \_\_\_\_\_  
 Resolution No. \_\_\_\_\_



**GAS TABLE OF CONTENTS**

Sheet 7

RULE	TITLE OF SHEET	CAL P.U.C. SHEET NO.
<b>Rules</b>		
Rule 19.1	California Alternate Rates for Energy for Individual Customers and Submetered Tenants of Master-Metered Customers.....	31214,32639,30445,28210-G
Rule 19.2	California Alternate Rates for Energy for Nonprofit Group-Living Facilities .....	24609,32640,17035,31217,30448-G
Rule 19.3	California Alternate Rates for Energy for Qualified Agricultural Employee Housing Facilities .....	24138,32641,31219,27256-G
Rule 21	Transportation of Natural Gas .....	27591,31478,31479, <b>33220</b> ,32557,32558,32559,32560, 32561,32562,32563,32564,32565,31955,29231,31956, 31957,31958,31567,31959,31960,31961,31962,31963, 31964,31965,31575,31576,31577,32317,32318-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
Rule 25	Gas Services-Customer Creditworthiness and Payment Terms.....	28816-28828-G
Rule 26	Standards of Conduct and Procedures Related to Transactions with Intracompany Departments, Reports of Negotiated Transactions, and Complaint Procedures. ....	18284,18285,18633,30704-G
Rule 27.1	Access to Energy Usage and Usage-Related Data While Protecting Privacy of Personal Data.....	31387-31391-G
Rule 28	Mobilehome Park Utility Upgrade Program .....	31772*-31777,32133,32134-G

(T)

**Maps, Contracts and Deviations**

**SERVICE AREA MAPS:**

Boundary Lines .....	17893-G
Fresno and Kings Counties.....	5166-G
Kern County.....	20917,20918,20919,20920,20921,10850,10851,9420,9421,10852,10853,10854,17893-G
Enhanced Oil Recovery and Related Cogeneration.....	12067-G
Shasta and North Tehama Counties.....	7277-G
San Bernardino County.....	12926,12927-G
Ione Service Area .....	7689-G
Former McClellan Air Force Base Service Area.....	20388-G
Presidio of Monterey, Monterey County.....	22436-G

**LIST OF CONTRACTS AND DEVIATIONS:**

20211,13247,13248,28466,17112,22437,29938,31542,13254,14426,13808,29284,20390,  
 16287,29333,29053,29334,14428,13263,14365,29335,33164,16264,13267-G

(Continued)

Advice Letter No: 3810-G  
 Decision No. 03-12-061

Issued by  
**Robert S. Kenney**  
 Vice President  
 Regulatory Relations

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 Resolution No. \_\_\_\_\_



Attachment 2  
Workpaper for Annual Storage Shrinkage Update Filing  
Advice 3810-G  
February 13, 2017

**Calculation of Storage Shrinkage for April 1, 2017 Update**

(a) Total Storage GDU - SY 2014/15	352,615
(b) Total Storage GDU - SY 2015/16	300,856
(c) Two Year Total Storage GDU (a+b)	653,471
(d) Annual Average Storage GDU (c / 2)	326,735
(e) Annual Storage LUAF (2016 Fugitive Emissions report plus other LUAF) (Dth)	23,531
(f) Total Annual Storage Shrinkage Forecast (GDU & LUAF) (d+e)	350,267
(g) Total Firm Storage Inventory/Injection Volume without PG&E-Gill Ranch Storage (2015 GT&S Final Decision (D.16-06-056))	37,886,610
<b>(h) Storage Shrinkage (% of injection volume) (f / g)</b>	<b>0.9%</b>
(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))	37,905

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

AT&T	Don Pickett & Associates, Inc.	OnGrid Solar
Albion Power Company	Douglass & Liddell	Pacific Gas and Electric Company
Alcantar & Kahl LLP	Downey & Brand	Praxair
Anderson & Poole	Ellison Schneider & Harris LLP	Regulatory & Cogeneration Service, Inc.
Atlas ReFuel	Evaluation + Strategy for Social Innovation	SCD Energy Solutions
BART	G. A. Krause & Assoc.	SCE
Barkovich & Yap, Inc.	GenOn Energy Inc.	SDG&E and SoCalGas
Bartle Wells Associates	GenOn Energy, Inc.	SPURR
Braun Blaising McLaughlin & Smith, P.C.	Goodin, MacBride, Squeri, Schlotz & Ritchie	San Francisco Water Power and Sewer
Braun Blaising McLaughlin, P.C.	Green Charge Networks	Seattle City Light
CPUC	Green Power Institute	Sempra Energy (Socal Gas)
California Cotton Ginners & Growers Assn	Hanna & Morton	Sempra Utilities
California Energy Commission	ICF	SoCalGas
California Public Utilities Commission	International Power Technology	Southern California Edison Company
California State Association of Counties	Intestate Gas Services, Inc.	Southern California Gas Company (SoCalGas)
Calpine	Kelly Group	Spark Energy
Casner, Steve	Ken Bohn Consulting	Sun Light & Power
Cenergy Power	Leviton Manufacturing Co., Inc.	Sunshine Design
Center for Biological Diversity	Linde	Tecogen, Inc.
City of Palo Alto	Los Angeles County Integrated Waste Management Task Force	TerraVerde Renewable Partners
City of San Jose	Los Angeles Dept of Water & Power	TerraVerde Renewable Partners, LLC
Clean Power	MRW & Associates	Tiger Natural Gas, Inc.
Clean Power Research	Manatt Phelps Phillips	TransCanada
Coast Economic Consulting	Marin Energy Authority	Troutman Sanders LLP
Commercial Energy	McKenna Long & Aldridge LLP	Utility Cost Management
Cool Earth Solar, Inc.	McKenzie & Associates	Utility Power Solutions
County of Tehama - Department of Public Works	Modesto Irrigation District	Utility Specialists
Crossborder Energy	Morgan Stanley	Verizon
Crown Road Energy, LLC	NLine Energy, Inc.	Water and Energy Consulting
Davis Wright Tremaine LLP	NRG Solar	Wellhead Electric Company
Day Carter Murphy	Nexant, Inc.	Western Manufactured Housing Communities Association (WMA)
Defense Energy Support Center	ORA	YEP Energy
Dept of General Services	Office of Ratepayer Advocates	Yelp Energy
Division of Ratepayer Advocates	Office of Ratepayer Advocates, Electricity Planning and Policy B	