

July 18, 2002

Advice 2398-G

(Pacific Gas and Electric Company ID U 39 G)

Public Utilities Commission of the State of California

Subject: New Off-System Transportation Delivery Point

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.¹

Purpose

The purpose of this filing is to add a new firm off-system delivery point at Fremont Peak from PG&E's backbone gas transmission system to the Kern River Gas Transmission High Desert Lateral. The new interconnection point is located in San Bernardino County, California, and is shown on the map attached to this filing.

Kern River Gas Transmission is currently constructing a 32-mile lateral from the Kern River mainline and the new PG&E interconnect to the new High Desert Power Project. The High Desert Power Project is a new combined cycle gas fired electric generation station located near Victorville, California. The California Department of Water Resources (CDWR) has a long-term contract for the electrical output from the project. The recently restructured CDWR purchase contract allows CDWR to arrange for its own gas supplies for the plant. Having a second source of gas supply available to the plant is expected to reduce gas costs and result in lower electricity costs from the project. Allowing firm off-system deliveries from the PG&E system to the new interconnection point will provide a second source of reliable supplies for the High Desert Power Project.

Tariff Revisions

Language is being added to gas rate Schedule G-AFTOFF—*Annual Firm Transportation Off-System*, and Schedule G-NFTOFF—*Negotiated Firm Transportation Off-System*, to provide for delivery at the new Fremont Peak delivery point as described above.

¹ PG&E reserves all legal rights to challenge the decisions or statutes under which it has been required to make this advice filing, and nothing in this advice filing constitutes a waiver of such rights. Also, PG&E reserves any additional legal rights to challenge the requirement to make this advice filing by reason of its status as a debtor under Chapter 11 of the Bankruptcy Code, and nothing in this advice filing constitutes a waiver of such rights.

Protests

Anyone wishing to protest this filing may do so by sending a letter by **August 7, 2002**, which is 20 days from the date of this filing. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. Protests should be mailed to:

IMC Branch Chief
Energy Division
California Public Utilities Commission
505 Van Ness Avenue, Room 4002
San Francisco, California 94102
Facsimile: (415) 703-2200

Copies should also be mailed to the attention of the Director, Energy Division, Room 4005 and Jerry Royer, Energy Division, at the address shown above. It is also requested that a copy of the protest be sent via postal mail and facsimile to Pacific Gas and Electric Company on the same date it is mailed or delivered to the Commission at the address shown below.

Pacific Gas and Electric Company
Attention: Les Guliasi
Director, Regulatory Relations
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, California 94177
Facsimile: (415) 973-7226

Effective Date

PG&E requests that this advice filing become effective on regular notice, **August 27, 2002**, which is 40 days after the date of filing.

Notice

In accordance with General Order 96-A, Section III, Paragraph G, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list. Address changes should be directed to Rose Abao at (415) 973-2218. Advice letter filings can also be accessed electronically at:

http://www.pge.com/customer_services/business/tariffs/

Vice President - Regulatory Relations

Attachments

Attachments



SCHEDULE G-AFTOFF—ANNUAL FIRM TRANSPORTATION OFF-SYSTEM

APPLICABILITY: This rate schedule applies to the firm transportation of natural gas on PG&E's Backbone Transmission System to the Off-System Delivery Points. (T)

TERRITORY: Schedule G-AFTOFF is available only for the transportation of natural gas within PG&E's service territory on the specific paths described herein for off-system deliveries.

PG&E will accept gas on Customer's behalf only at the Receipt Point(s) specifically designated in Customer's Gas Transmission Service Agreement (GTSA) (Form No. 79-866).

Receipt Point(s) available for service under this schedule are as follows:

<u>Path:</u>	<u>Receipt Point(s):</u>
Redwood to Off-System	Malin or other receipt points north of the Antioch Terminal not included in other backbone transmission paths
Baja to Off-System	Topock, Dagget, Kern River Station or other receipt points south of the Antioch Terminal not included in other backbone transmission paths
Silverado to Off-System	PG&E interconnections with California Production (see Gas Rule 1)
Mission to Off-System	PG&E's Market Center Citygate location, an On-System Delivery Point, PG&E's storage facilities, or a third-party's storage facilities located in PG&E's service territory

Firm Off-System Delivery Points: (N)

Kern River Station to Southern California Gas Company (N)
Fremont Peak to Kern River Gas Transmission (N)

Alternative Delivery Points: (T)

If the Customer elects the Modified Fixed Variable (MFV) rate structure under G-AFTOFF, the Delivery Point under this schedule shall be limited to a Firm Off-System Delivery Point. (T)

If the Customer elects the Straight Fixed Variable (SFV) rate structure under G-AFTOFF, the Customer may specify an On-System Delivery Point within the transmission path contracted by Customer as an alternate delivery point. (D)

(Continued)



SCHEDULE G-NFTOFF—NEGOTIATED FIRM TRANSPORTATION OFF-SYSTEM

APPLICABILITY: This rate schedule applies to the firm transportation of natural gas on PG&E's Backbone Transmission System to the Off-System Delivery Points at negotiated rates. (T)

TERRITORY: Schedule G-NFTOFF is available only for the transportation of natural gas within PG&E's service territory on the specific paths described herein for off-system deliveries.

PG&E will accept gas on Customer's behalf only at the Receipt Point(s) specifically designated in Customer's Gas Transmission Service Agreement (GTSA) (Form No. 79-866).

Receipt Point(s) available for service under this schedule are as follows:

<u>Path:</u>	<u>Receipt Point(s):</u>
Redwood to Off-System	Malin or other receipt points north of the Antioch Terminal not included in other backbone transmission paths
Baja to Off-System	Topock, Dagget, Kern River Station or other receipt points south of the Antioch Terminal not included in other backbone transmission paths
Silverado to Off-System	PG&E interconnections with California Production (see Gas Rule 1)
Mission to Off-System	PG&E's Market Center Citygate location, an On-System Delivery Point, PG&E's storage facilities, or a third party's storage facilities located in PG&E's service territory.

Firm Off-System Delivery Points: (N)

Kern River Station to Southern California Gas Company (N)
Fremont Peak to Kern River Gas Transmission (N)

Alternative Delivery Points: (T)

The Delivery Point to which gas is transported under this rate schedule shall be a Firm Off-System Delivery Point, unless the Customer elects both the Straight Fixed Variable (SFV) rate structure and the maximum allowable rate under G-NFTOFF. If the above conditions are met, the Customer may specify an On-System Delivery Point within the transmission path contracted by Customer as an alternative delivery point. (D)

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RATE SCHEDULES

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NONRESIDENTIAL

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