

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



December 8, 2009

Advice Letter 3064-G

Brian K. Cherry
Vice President, Regulatory Relations
Pacific Gas and Electric Company
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, CA 94177

**Subject: Expedited Pre-Approval of El Paso Natural Gas
Pipeline Contract**

Dear Mr. Cherry:

Advice Letter 3064-G is effective December 11, 2009.

Sincerely,

A handwritten signature in blue ink, appearing to read "Julie A. Fitch".

Julie A. Fitch, Director
Energy Division



Brian K. Cherry
Vice President
Regulatory Relations

77 Beale Street, Room 1087
San Francisco, CA 94105

Mailing Address
Mail Code B10C
Pacific Gas and Electric Company
P.O. Box 770000
San Francisco, CA 94177

**Attachment 1 to this filing is confidential and is being submitted
pursuant to General Order 66-C and Public Utilities Code Section 583.**

November 20, 2009

Advice 3064-G

(Pacific Gas and Electric Company ID U 39 G)

Public Utilities Commission of the State of California

Subject: Expedited Pre-Approval of El Paso Natural Gas Pipeline Contract

Pacific Gas and Electric Company (PG&E) submits this filing to request pre-approval from the California Public Utilities Commission (Commission) to execute a renewal of an existing firm Transportation Service Agreement (TSA) with El Paso Natural Gas Company (El Paso), enabling PG&E to continue to transport natural gas supplies from the San Juan Basin to California on behalf of its core gas customers.

Purpose

The purpose of this expedited advice letter is to request approval to execute the capacity arrangement described in the confidential addendum. In Decision (D.) 04-09-022, the Commission established procedures for expedited regulatory approval and processing of utility commitments to pipeline capacity. These procedures require consultation between the utility, the Division of Ratepayer Advocates (DRA) and The Utility Reform Network (TURN).

Under D.04-09-022, contracts for pipeline capacity may be submitted by expedited advice letter, seeking Commission approval within 21 days of the advice letter filing date. PG&E requests that the Commission approve this filing by **December 11, 2009**.

The existing El Paso Natural Gas TSA expires June 30, 2010. This TSA enables PG&E to access receipt points in the San Juan Basin. The maximum delivery quantity is 85,739 dekatherms (Dth) per day at the El Paso-PG&E interconnect at the Arizona-California border. PG&E proposes to renew the existing TSA under modified rates and terms.

Because the proposed renewal rates and terms are commercially sensitive at this time, PG&E will provide the details in Confidential Attachment 1 to the Energy Division, DRA and TURN. Other non-market participants interested in receiving

Confidential Attachment 1's Contract Terms and Conditions should contact Scott Muranishi at (415) 973-0237.

Subject to approval by the Commission, the proposed rates and terms will be noticed on El Paso's electronic bulletin board in accordance with the provisions described in the Capacity Release section of the pipeline's tariff.¹ Upon request of any interested party after the pipeline notice period, PG&E will provide a summary of the contract terms and conditions.

Recommendation

PG&E has consulted with DRA and TURN and both support approval of the proposed TSA.

PG&E strongly urges the Commission to approve the proposed contract for the recommended term. Approval of the proposed TSA will help facilitate PG&E's compliance with D.04-09-022, which requires utilities to maintain a minimum level of interstate pipeline capacity to California.² In addition, the proposed extension will preserve PG&E's existing pipeline portfolio diversification. The added reliability from holding capacity on a diverse mix of pipelines has served core customers well during previous localized capacity constraints and supply disruptions.

All costs associated with the contract will continue to be recovered from PG&E's core gas customers through the Core Pipeline Demand Charge Account, in accordance with D.04-09-022 and PG&E's gas tariffs.

This filing will not affect any other rate or charge, cause the withdrawal of service, or conflict with any other rate schedule or rule.

Any contract executed as a result of this filing will be submitted to the Commission.

Protests – Ten Day Expedited Period

Anyone wishing to protest this filing may do so by sending a letter to the address below by **November 30, 2009**, which is **ten (10) days** from the date of this filing, in accordance with the expedited protest period authorized in D.04-09-022. Protests should be mailed to:

CPUC Energy Division
Attention: Tariff Unit, 4th Floor
505 Van Ness Avenue
San Francisco, California 94102

Facsimile: (415) 703-2200
E-mail: jjr@cpuc.ca.gov and jnj@cpuc.ca.gov

¹ Section 28 of the General Terms and Conditions sets forth the specific provisions applicable to the Capacity Release Program on El Paso's interstate pipeline system.

² Established in D.04-09-022, Finding of Fact 23.

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 Commission:

Pacific Gas and Electric Company
Attention: Brian Cherry
Vice President, Regulatory Relations
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, California 94177

Facsimile: (415) 973-7226
E-mail: PGETariffs@pge.com

Effective Date

In accordance with the comment and evaluation period provided in D.04-09-022, and assuming no protests are received to this filing, PG&E requests Commission pre-approval of this filing effective **December 11, 2009**, which is 21 days after the date of this filing.

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 service list for R.04-01-025. Address changes to the General Order 96-B service list and all electronic approvals should be directed to email PGETariffs@pge.com. Advice letter filings can also be accessed electronically at: <http://www.pge.com/tariffs>.

Handwritten signature of Brian Cherry in cursive script.

Vice President, Regulatory Relations

cc: Richard A. Myers - Energy Division
Franz Cheng - Energy Division
Belinda Gatti - Energy Division
Eugene Cadenasso - Energy Division
Jonathan Bromson - Legal Division
R. Mark Pocta - Division of Ratepayer Advocates
Jacqueline Greig - Division of Ratepayer Advocates
Pearlie Sabino - Division of Ratepayer Advocates
Marcel Hawiger - The Utility Reform Network
Mike Florio - The Utility Reform Network
Service list - R.04-01-025 (no attachment)

Limited Access to Confidential Material:

The portions of this Advice Letter marked Confidential Protected Material are submitted under the confidentiality protections of Sections 583 and 454.5(g) of the Public Utilities Code and General Order 66-C. This material is protected from public disclosure because it consists of the contract information, which is protected pursuant to D.06-06-066.

Confidential Attachment:

Confidential Attachment 1: Contract Terms and Conditions

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 M)**

Utility type:

ELC GAS
 PLC HEAT WATER

Contact Person: Olivia Brown

Phone #: 415.973.9312

E-mail: oxb4@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) #: 3064-G

Tier: 2

Subject of AL: Expedited Pre-Approval of El Paso Natural Gas Pipeline Contract

Keywords (choose from CPUC listing): Contracts; agreements

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

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: D.04-09-022

Does AL replace a withdrawn or rejected AL? No If so, identify the prior AL: No

Summarize differences between the AL and the prior withdrawn or rejected AL: N/A

Is AL requesting confidential treatment? Yes

If so, what information is the utility seeking confidential treatment for: Contract terms and conditions

Confidential information will be made available to those who have executed a nondisclosure agreement: All members of PG&E's Procurement Review Group who have signed the nondisclosure agreement will receive the confidential information.

Name(s) and contact information of the person(s) who will provide the nondisclosure agreement and access to the confidential information: Scott Muranishi, 415-973-0237

Resolution Required? Yes No

Requested effective date: December 11, 2009

No. of tariff sheets: N/A

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). N/A

Tariff schedules affected: N/A

Service affected and changes proposed: 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

jj@cpuc.ca.gov and mas@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

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

Aglet	Defense Energy Support Center	Occidental Energy Marketing, Inc.
Alcantar & Kahl	Department of Water Resources	OnGrid Solar
Ameresco	Department of the Army	Praxair
Anderson & Poole	Dept of General Services	R. W. Beck & Associates
Arizona Public Service Company	Division of Business Advisory Services	RCS, Inc.
BART	Douglas & Liddell	Recon Research
BP Energy Company	Douglass & Liddell	SCD Energy Solutions
Barkovich & Yap, Inc.	Downey & Brand	SCE
Bartle Wells Associates	Duke Energy	SMUD
C & H Sugar Co.	Dutcher, John	SPURR
CA Bldg Industry Association	Ellison Schneider & Harris LLP	Santa Fe Jets
CAISO	FPL Energy Project Management, Inc.	Seattle City Light
CLECA Law Office	Foster Farms	Sempra Utilities
CSC Energy Services	G. A. Krause & Assoc.	Sierra Pacific Power Company
California Cotton Ginners & Growers Assn	GLJ Publications	Silicon Valley Power
California Energy Commission	Goodin, MacBride, Squeri, Schlotz & Ritchie	Silo Energy LLC
California League of Food Processors	Green Power Institute	Southern California Edison Company
California Public Utilities Commission	Hanna & Morton	Sunshine Design
Calpine	International Power Technology	Sutherland, Asbill & Brennan
Cameron McKenna	Intestate Gas Services, Inc.	Tabors Caramanis & Associates
Casner, Steve	Los Angeles Dept of Water & Power	Tecogen, Inc.
Chamberlain, Eric	Luce, Forward, Hamilton & Scripps LLP	Tiger Natural Gas, Inc.
Chevron Company	MBMC, Inc.	Tioga Energy
Chris, King	MRW & Associates	TransCanada
City of Glendale	Manatt Phelps Phillips	Turlock Irrigation District
City of Palo Alto	Matthew V. Brady & Associates	U S Borax, Inc.
Clean Energy Fuels	McKenzie & Associates	United Cogen
Coast Economic Consulting	Merced Irrigation District	Utility Cost Management
Commerce Energy	Mirant	Utility Specialists
Commercial Energy	Modesto Irrigation District	Verizon
Consumer Federation of California	Morgan Stanley	Wellhead Electric Company
Crossborder Energy	Morrison & Foerster	Western Manufactured Housing Communities Association (WMA)
Davis Wright Tremaine LLP	New United Motor Mfg., Inc.	eMeter Corporation
Day Carter Murphy	Norris & Wong Associates	
	North Coast SolarResources	