

Jane K. Yura Vice President Regulation and Rates Pacific Gas and Electric Company 77 Beale St., Mail Code B10B P.O. Box 770000 San Francisco, CA 94177

December 20, 2010

Mr. Honesto Gatchalian California Public Utilities Commission Energy Division Tariff Files, Room 4005 DMS Branch 505 Van Ness Avenue San Francisco, CA 94102

Re: Substitute Sheets – 3171-G, Establish Gas Preliminary Statement CH, Natural Gas Transmission Pipeline Safety and Reliability Memorandum Account

Dear Mr. Gatchalian:

Enclosed are an original and 4 copies of substitute sheets for Advice 3171-G, *Establish Gas Preliminary Statement CH, Natural Gas Transmission Pipeline Safety and Reliability Memorandum Account.*

PG&E submits these substitute sheets to make the following non-substantive changes to the language of Gas Preliminary Statement CH:

- Sheet 1:
 - Add a period at the end of the first paragraph of section a.
- Sheet 2:
 - Renumber the subaccount entries in the Automated Shut-off Valves Memorandum Sub Accounts from iv-vi to i-iii;
 - Rename the Pipeline Modernization Memorandum Subaccount (PIIRMS) under section c. to Pipeline In-line Inspection and Retrofit Memorandum Subaccount (PIIRMS) and renumber the subaccount entries from vii.i-viii.i to i-ii.
- Sheet 3:
 - Rename the Pipeline In-line Inspection and Retrofit Memorandum Subaccount (PIIRMS) in section d. to Emergency Response and Public Safety Memorandum Subaccount (ERPSMS) and renumber the sub account entries from ix-x to i-ii;
 - Rename the Emergency Response and Public Safety Memorandum Subaccount (ERPSMS) in section e. to New Governmental and Regulatory Requirements Memorandum Subaccount (NGRRMS) and renumber the subaccount entries from xi.i-xii.ii to i-ii.

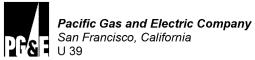
Please telephone me at (415) 973-9312 should you have any questions regarding these substitute sheets.

Olivia Brown

Olivia Brown Operations Proceedings

Attachments

cc: Eugene Cadenasso, Energy Division



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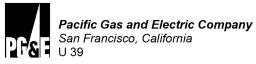
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Cal. P.U.C. Sheet No. Cal. P.U.C. Sheet No.

28644-G

	NATURAL GAS TRANSMISSIO RELIABILITY MEMORA		Sheet 1	(N)
	GAS TRANSMISSION PIPELINE SAFETY ANI (NGTPSRMA)	D RELIABILITY MEMORANDUM		(N) (N)
1.	PURPOSE: The purpose of the Natural Gas T (NGTPSMA-G) is to record costs associated w and regulatory mandates and requirements ap and 2) new or enhanced PG&E transmission p shall only track costs associated with new or ex requirements. It does not authorize or address Issues surrounding cost recovery will be addre conjunction with a future PG&E application. Po NGTPSMA in its natural gas transmission rates the Commission consistent with its obligations During Term of Settlement") of the Gas Accord 09-013).	ith 1) programs to implement new go plicable to natural gas transmission p ipeline safety programs. This memory (panded natural gas pipeline safety p of tuture recovery of these costs in cus ssed in a future Commission proceed G&E shall seek recovery of costs trac s only to the extent that it is authorize under Section 12 ("Rate Certainty an	vernmental ipeline safety andum account rograms and stomer rates. ling or in sked in the d to do so by d Adjustments	(N)
2.	APPLICABILITY: The NGTPSMA-G shall app excluded by the Commission.	y to all gas customers except for the	se specifically	
3.	REVISION DATE: Disposition of the balance i Commission in a future proceeding or pursuan		the	
4.	RATES: The NGTPSMA-G does not have a se	eparate rate component.		
5.	ACCOUNTING PROCEDURE: The NGTPSMA	A-G consists of the following five suba	accounts:	
	a. Pipeline Modernization Memorandum Su	baccount (PMMS)		
	The "Pipeline Modernization Memorandum Su with developing and implementing new criteria will include the tracking of costs associated w pipeline and valve data.	a for pipeline replacements and mode	ernization and	
	The following entries will be made to this suba	account each month or as applicable:		
	criteria for pipeline replacements ii. A debit entry equal to the costs as verification of pipeline and valve of iii. A debit or credit entry equal to the the beginning of the month and the one-twelfth of the rate on three-m	ssociated with enhanced record syste	ems for he account at rate equal to ous month, as	 (N)
			(Continu	•
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Original Cancelling Cal. P.U.C. Sheet No. Cal. P.U.C. Sheet No. 28645-G

		AS TRANSMISSION PIPELINE ABILITY MEMORANDUM ACC		Sheet 2	(N)
	GAS TRANSMISSION I MA) (Cont'd.)	PIPELINE SAFETY AND RELIABILITY	Y MEMORANDUM ACC	OUNT	(N) (N)
5.	ACCOUNTING PROCE	EDURE: (Cont'd.)			(N)
	b. Automated Shut-o	off Valves Memorandum Subaccount ((ASVMS)		
	associated with the use	off Valves Memorandum Subaccount" e of automatic or remotely operated sh transmission pipelines, including the 2	nut-off valves and assoc	iated SCADA	
	The following entries w	ill be made to this subaccount each m	onth or as applicable:		
	operated s	try equal to costs associated with the shut-off valves and associated SCADA			
	<u>vi⊦iii.</u> A debit or the beginr one-twelft	try equal to the cost for the 2011 auto credit entry equal to the interest on th ning of the month and the balance afte h of the rate on three-month Commerce n the Federal Reserve Statistical Rele	e average balance in th r the above entry, at a r cial Paper for the previo	e account at ate equal to us month, as	
	c. Pipeline Moderni Retrofit Memorandum	zation Memorandum Subaccount (PM Subaccount (PIIRMS)	MS) Pipeline In-line Insp	ection and	
	costs associated with o	spection and Retrofit Memorandum Si leveloping and implementing new star pipeline retrofits necessary to facilitate	ndards and procedures f	or pipeline	
	The following entries v	vill be made to this subaccount each n	nonth or as applicable:		
		try equal to costs associated with the and procedures for pipeline inspection trofits			1
	<u>viii⊢ii.</u> A debit at the beg to one-twe	or credit entry equal to the interest or inning of the month and the balance a elfth of the rate on three-month Comm d in the Federal Reserve Statistical Re	ifter the above entry, at ercial Paper for the prev	a rate equal vious month,	
					ו (N)
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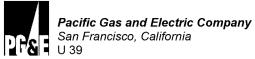
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		AS TRANSMISSION PIPELINE SAFET ABILITY MEMORANDUM ACCOUNT	Y AND	Sheet 3	(N)
	GAS TRANSMISSION MA) (Cont'd.)	PIPELINE SAFETY AND RELIABILITY MEMOR	ANDUM ACCC	DUNT	(N) (N)
5.	ACCOUNTING PROC	EDURE: (Cont'd.)			(N)
		pection and Retrofit Memorandum Subaccount (F Safety Memorandum Subaccount (ERPSMS)	PIIRMS)Emerg	ency	
	costs associated with including providing de	onse and Public Safety Memorandum Subaccou enhancing public safety programs and emergenc ailed information on pipeline locations to local co raining and increasing education programs to rec	y response pla mmunities, enh	ns, nancing	
	The following entries	will be made to this subaccount each month or as	applicable:		
		try equal to costs associated with enhancing put	olic safety prog	rams and	l
	<u>≭.ii.</u> A debit or the begin one-twelf	y response plans. credit entry equal to the interest on the average ning of the month and the balance after the above h of the rate on three-month Commercial Paper 1 n the Federal Reserve Statistical Release, H.15,	e entry, at a rat for the previous	e equal to month, as	
		onse and Public Safety Memorandum Subaccour d Regulatory Requirements Memorandum Subac			
	track the costs associ	tal and Regulatory Requirements Memorandum ated with programs to implement new governmer ments applicable to natural gas transmission pip	ntal and regulat	tory	
	The following entries	will be made to this subaccount each month or as	applicable:		
	governme	ntry equal to any costs associated with programs ental and regulatory mandates and requirements ion pipeline safety not captured in subaccounts a	applicable to na		1
	<u>xii.ii.</u> A debit or the begin one-twelf	credit entry equal to the interest on the average ning of the month and the balance after the above h of the rate on three-month Commercial Paper f n the Federal Reserve Statistical Release, H.15,	balance in the e entry, at a rat for the previous	e equal to month, as	 (N)
				Continu	
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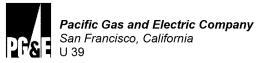
Cal. P.U.C. Sheet No. Cal. P.U.C. Sheet No.

28644-G

	NAT	JRAL GAS TRANSMISSION PIPELINE SAFETY AN RELIABILITY MEMORANDUM ACCOUNT	D Sheet 1	(N)
	GAS TRANS T(NGTPSRM	MISSION PIPELINE SAFETY AND RELIABILITY MEMORANDU	М	(N) (N)
1.	(NGTPSMA and regulate and 2) new shall only tra requirement Issues surre conjunction NGTPSMA the Commis	The purpose of the Natural Gas Transmission Pipeline Safety Me- G) is to record costs associated with 1) programs to implement nor pry mandates and requirements applicable to natural gas transmiss or enhanced PG&E transmission pipeline safety programs. This mack costs associated with new or expanded natural gas pipeline sa s. It does not authorize or address future recovery of these costs punding cost recovery will be addressed in a future Commission pr with a future PG&E application. PG&E shall seek recovery of cos in its natural gas transmission rates only to the extent that it is aut sion consistent with its obligations under Section 12 ("Rate Certain of Settlement") of the Gas Accord V Settlement Agreement (CPU	ew governmental sion pipeline safety emorandum account afety programs and in customer rates. oceeding or in ts tracked in the horized to do so by nty and Adjustments	(N)
2.		LITY: The NGTPSMA-G shall apply to all gas customers except for the Commission.	or those specifically	
3.		DATE: Disposition of the balance in the account shall be determin in a future proceeding or pursuant to a future PG&E application.	ed by the	
4.	RATES: Th	e NGTPSMA-G does not have a separate rate component.		
5.	ACCOUNTI	NG PROCEDURE: The NGTPSMA-G consists of the following five	e subaccounts:	
	a. Pipeli	ne Modernization Memorandum Subaccount (PMMS)		
	with develo will include	ne Modernization Memorandum Subaccount" purpose is to track t ping and implementing new criteria for pipeline replacements and the tracking of costs associated with enhanced record systems fo d valve data.	modernization and	
	The followi	ng entries will be made to this subaccount each month or as appli	cable:	
	i. ii. iii.	A debit entry equal to costs associated with the developing and i criteria for pipeline replacements and modernization. A debit entry equal to the costs associated with enhanced record verification of pipeline and valve data. A debit or credit entry equal to the interest on the average balance the beginning of the month and the balance after the above entry one-twelfth of the rate on three-month Commercial Paper for the reported in the Federal Reserve Statistical Release, H.15, or its s	l systems for ce in the account at v, at a rate equal to previous month, as	
				ו (N)
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	NATU	IRAL GAS TRANS RELIABILITY N	MISSION PIPELI IEMORANDUM A		Sheet 2	(N)
	GAS TRANS MA) (Conťd.)	MISSION PIPELINE S	AFETY AND RELIABI	LITY MEMORANDUM ACC	OUNT	(N) (N)
5.	ACCOUNTIN	IG PROCEDURE: (Co	nťď.)			(N)
	b. Automa	ated Shut-off Valves Me	emorandum Subaccou	unt (ASVMS)		
	associated v	vith the use of automat	ic or remotely operate	unt" purpose is to track the d shut-off valves and assoc the 2011 automated valve p	iated SCADA	
	The followin	g entries will be made t	o this subaccount eac	h month or as applicable:		
	i.	operated shut-off valve		the use of automatic or rem ADA on segments of its gas		
		A debit or credit entry the beginning of the m one-twelfth of the rate	equal to the interest o onth and the balance on three-month Comr	automated valve pilot projec n the average balance in th after the above entry, at a r nercial Paper for the previo Release, H.15, or its succes	e account at ate equal to us month, as	
	c. Pipelir	e In-line Inspection and	d Retrofit Memorandu	m Subaccount (PIIRMS)		
	costs assoc	ated with developing a	nd implementing new	n Subaccount" purpose is t standards and procedures tate "pigging" of transmissio	for pipeline	
	The followir	ng entries will be made	to this subaccount ea	ch month or as applicable:		
	i. ii.	standards and proceed pipeline retrofits. A debit or credit entry the beginning of the m one-twelfth of the rate	ures for pipeline inspe equal to the interest o onth and the balance on three-month Comr	the developing and implement ctions, including, but not lim n the average balance in th after the above entry, at a r nercial Paper for the previo Release, H.15, or its succes	nited to, e account at ate equal to us month, as	(N)
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	NAT	URAL GAS TRANSMISSION PIPELINE SAFETY AND RELIABILITY MEMORANDUM ACCOUNT	Sheet 3	(N)				
	GAS TRANS MA) (Cont'd.)	SMISSION PIPELINE SAFETY AND RELIABILITY MEMORANDUM ACO	COUNT	(N) (N)				
5.	ACCOUNTI	NG PROCEDURE: (Cont'd.)		(N)				
		1						
	d. Emergency Response and Public Safety Memorandum Subaccount (ERPSMS) The "Emergency Response and Public Safety Memorandum Subaccount" purpose is to track the costs associated with enhancing public safety programs and emergency response plans, including providing detailed information on pipeline locations to local communities, enhancing emergency response training and increasing education programs to reduce third-party dig-ins.							
	The followi	ng entries will be made to this subaccount each month or as applicable:						
	i. ii.	A debit entry equal to costs associated with enhancing public safety pre emergency response plans. A debit or credit entry equal to the interest on the average balance in the the beginning of the month and the balance after the above entry, at a one-twelfth of the rate on three-month Commercial Paper for the previous reported in the Federal Reserve Statistical Release, H.15, or its success	ne account at rate equal to bus month, as					
	e. New G							
	The "New Governmental and Regulatory Requirements Memorandum Subaccount" purpose is to track the costs associated with programs to implement new governmental and regulatory mandates and requirements applicable to natural gas transmission pipeline safety not captured i subaccounts a-d. The following entries will be made to this subaccount each month or as applicable:							
	i. ii.	A debit entry equal to any costs associated with programs to implement governmental and regulatory mandates and requirements applicable to transmission pipeline safety not captured in subaccounts a-d. A debit or credit entry equal to the interest on the average balance in the the beginning of the month and the balance after the above entry, at a one-twelfth of the rate on three-month Commercial Paper for the previous reported in the Federal Reserve Statistical Release, H.15, or its success	o natural gas ne account at rate equal to ous month, as	(C)				
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