



**Pacific Gas and  
Electric Company®**

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June 3, 2011

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 Sheet for Advice 3206-G**

Dear Mr. Gatchalian:

Enclosed is an original and 4 copies of a substitute sheet for Advice 3206-G, "June 1, 2011 Gas Core Procurement and 2011 General Rate Case Decision 11-05-018 Gas Transportation Rate Changes."

A substitute sheet for page 3 of the advice letter is being filed to correct the 2011 GRC authorized gas distribution base revenue requirement figure from "\$1,131 billion" to "\$1,131 million."

Please telephone me at (415) 973-7817 should you have any questions regarding the substitute sheet.

**Conor Doyle**  
Operations Proceedings

cc: Service List A.09-012-020

Attachments

Program ("WGSP")<sup>2</sup> and to continue the amortization over twelve months of a \$4.0 million over-collection in the Winter Gas Savings subaccount of the PGA.

## **2011 GRC Gas Core Transportation Rate Changes**

### **Background**

On October 15, 2010, PG&E and 16 other parties, including the Division of Ratepayer Advocates (DRA), The Utility Reform Network (TURN), and Aglet Consumer Alliance (Aglet), collectively "the Settling Parties", filed with the California Public Utilities Commission (CPUC or Commission) a Settlement Agreement covering nearly all the issues raised in Phase 1 of the 2011 GRC (See A. 09-12-020.) The Settlement Agreement was included as an attachment to a Motion for Adoption of the Settlement Agreement filed by the Settling Parties. On May 5, 2011, the Settlement Agreement was approved by the Commission in D. 11-05-018. In this Decision, the CPUC authorized the revenue requirement for the GRC to become effective on January 1, 2011.

Ordering Paragraph (OP) 3 of D. 11-05-018 requires that "[w]ithin 30 days from the effective date of this Decision, Pacific Gas and Electric Company shall file a Tier 1 advice letter with revised tariff sheets to implement (i) the revenue requirement authorized by this decision, and (ii) all accounting procedures, fees, and charges authorized by this decision that are not addressed in the other advice letters required by this decision. The revised tariff sheets shall (a) become effective on filing, subject to a finding of compliance by the Commission's Energy Division, (b) comply with General Order 96-B, and (c) apply to service rendered on or after their effective date." This advice letter complies with this aspect of Ordering Paragraph 3 as it relates to the above mentioned gas revenue requirement and tariff changes.

### **Revenue Requirement**

OP 2 of D. 11-05-018 authorizes the gas distribution base revenue requirement. The 2011 GRC authorized gas distribution base revenue requirement is \$1,131 million (net of operating revenues). As a result of the Decision, PG&E is reflecting a \$47.5 million increase in gas transportation rates for the authorized gas distribution revenue requirement. This advice letter revises the core gas transportation rates to reflect the core distribution portion of the gas distribution

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<sup>2</sup> Procurement-related marketing costs and program bill credits associated with PG&E's Winter Gas Savings Program are collected in April through October for residential customers and January through December for commercial customers.