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October 9, 2012 *DRAFT 10/8/2012*

Advice xxxx-G

(Pacific Gas and Electric Company ID U 39 G)

Public Utilities Commission of the State of California

Subject: Expedited Pre-Approval of Transwestern Pipeline Contract

Pacific Gas and Electric Company (PG&E) seeks California Public Utilities Commission (Commission) approval to extend an expiring Transwestern Pipeline Company, LLC (Transwestern) firm transportation service agreement (TCA), which is used to transport natural gas supplies from the San Juan Basin to California on behalf of PG&E's core gas customers.

Purpose

The purpose of this expedited advice letter is to request approval to renew the existing transportation arrangement with Transwestern, which expires on March 31, 2013. In Decision (D.) 04-09-022,¹ the Commission established procedures for expedited regulatory approval and processing of utility commitments to pipeline capacity. These procedures require consultation between PG&E, the Division of Ratepayer Advocates (DRA) and The Utility Reform Network (TURN), if TURN volunteers to participate. PG&E has consulted with DRA and received its support for PG&E's proposed renewal of the subject pipeline contract. TURN elected not to participate.

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 **October 30, 2012**.

Description of the Contract

The terms of the contract described in the Attachment A, submitted under the confidentiality provisions of General Order 66-C and Section 583 of the Public Utilities Code are provided only to the Energy Division and DRA, and can be provided to TURN upon request. In addition, the confidential contract terms will be provided to PG&E's Core Transport Agents who agree to the terms of a non-disclosure agreement.

¹ Order Instituting Rulemaking to Establish Policies and Rules to Ensure Reliable, Long-Term Supplies of Natural Gas to California (Gas Capacity OIR), R-04-01-025.

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

Protests – Ten Day Expedited Period

Anyone wishing to protest this filing may do so by sending a letter to the address below by **October 19, 2012**, which is ten (**10**) days from the date of this filing, in accordance with the expedited protest period authorized in D.04-09-022. In order to maintain the confidentiality of the proposed contract terms detailed in Appendix A, PG&E respectfully requests that any response referencing confidential information be labeled as such and be submitted only to the Commission, DRA and PG&E.

Protests should be mailed to:

CPUC Energy Division
EDTariffUnit
505 Van Ness Avenue, 4th 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 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:

Brian K. 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 submits this advice letter as a Tier 2, and requests Commission approval of this filing effective **October 30, 2012**, 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 should be directed to email 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>.

Vice President, Regulatory Relations

cc: Richard A. Myers - Energy Division
Franz Cheng - Energy Division
Belinda Gatti - Energy Division
Jonathon Bromson - Legal Division
R. Mark Pocta - Division of Ratepayer Advocates
David Peck – Division of Ratepayer Advocates
Pearlie Sabino - Division of Ratepayer Advocates
Marcel Hawiger - The Utility Reform Network
Service list for R.04-01-025

Attachments

Public Attachments:

Confidentiality Declaration and Matrix

Confidential Attachment:

Attachment A: Capacity Contracts between Pacific Gas and Electric Company (PG&E) and Transwestern Pipeline Company, LLC (Transwestern)