



Pacific Gas and Electric Company  
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Fax: 415-973-7226

October 8, 2012

Mr. Paul Clanon  
Executive Director  
California Public Utilities Commission  
505 Van Ness Street, Room 5222  
San Francisco, CA 94102

Re: Core Procurement Incentive Mechanism  
Cumulative Monthly Report - November 1, 2011 – July 31, 2012

Dear Mr. Clanon:

The Gas Accord Decision requires PG&E to file annual and quarterly Core Procurement Incentive Mechanism (CPIM) reports.<sup>1</sup> However, the Division of Ratepayer Advocates (DRA) has requested that PG&E submit monthly reports. In order to fulfill the Commission's reporting requirement and honor DRA's request, PG&E hereby submits its Cumulative Monthly CPIM Report, covering the period of November 1, 2011 through July 31, 2012. PG&E will submit Cumulative Monthly CPIM Reports, showing data through each successive month until the end of the annual CPIM period.

The attached Cumulative Monthly CPIM Report documents gas costs, revenues and benchmark calculations from November 1, 2011 through July 31, 2012. It also includes hedging transactions in accordance with the Settlement Agreement, including the hedging into CPIM. Since this report reflects the latest, but not necessarily final, information, data and calculations may be updated in subsequent reports. This report is submitted for informational purposes only. PG&E's actual CPIM performance and any resulting incentives or penalties are determined on the basis of an annual CPIM cycle.

This report also fulfills PG&E's obligation set forth in paragraph B.4. of Appendix A to Decision 02-07-037, to report short-term releases on capacity of the El Paso Natural Gas Company interstate pipeline.

<sup>1</sup> Sixth Interim Order, D.97-08-055, p. 65, para. 10. PG&E's first quarterly report covering the period November 1, 1998 through January 31, 1999 was submitted March 31, 1999.

<sup>2</sup> Order Instituting Rulemaking to address the Gas Utilities' Incentive Mechanisms and the Treatment of Hedging Those Incentive Mechanisms.

Mr. Paul Clanon  
October 8, 2012  
Page 2

This report is furnished to DRA and the Commission's Energy Division on a confidential basis pursuant to G.O. 66-C and Public Utilities Code, Section 583.

If you have any questions, please contact Redacted

Sincerely,



Erik B. Jacobson  
Sr. Director - Regulatory Relations

Attachment

cc: electronic w/pdf of attachment  
Richard Myers, Energy Division (hard copy & electronic)  
Eugene Cadenasso, Energy Division  
Franz Cheng, Energy Division  
Belinda Gatti, Energy Division  
R. Mark Pocta, Division of Ratepayer Advocates (hard copy & electronic)  
Nancy Gonzales, Division of Ratepayer Advocates  
Kelly C. Lee, Division of Ratepayer Advocates  
David Peck, Division of Ratepayer Advocate  
Pearlie Sabino, Division of Ratepayer Advocates