



Pacific Gas and Electric Company
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December 21, 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 - October 31, 2012

Dear Mr. Clanon:

The Gas Accord Decision requires PG&E to file annual and quarterly Core Procurement Incentive Mechanism (CPIM) reports.¹ 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 October 31, 2012. This report covers the complete 12 months of CPIM Year 19, and additional auditing and of these results will be done by PG&E before they are finalized. The final Annual Performance Report covering this period (CPIM Year 19) is expected to be filed by PG&E in the first quarter of 2013.

The attached Cumulative Monthly CPIM Report documents gas costs, revenues and benchmark calculations from November 1, 2011 through October 31, 2012. It also includes hedging transactions in accordance with the Settlement Agreement regarding hedging into CPIM.² Since this report reflects the latest, 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 under paragraph B.4. of Appendix A to Decision 02-07-037, to report short-term releases of capacity from the Natural Gas Company interstate pipeline.

¹ Sixth Interim Order, D.97-08-0550, 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.

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

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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