

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Application of Pacific Gas and Electric
Company Proposing Cost of Service and Rates
for Gas Transmission and Storage Services for
the Period 2015-2017

Application 13-12-012
(Filed December 19, 2013)

**PROTEST OF COMMERCIAL ENERGY OF CALIFORNIA
TO PACIFIC GAS AND ELECTRIC COMPANY'S APPLICATION
PROPOSING COST OF SERVICE AND RATES FOR GAS TRANSMISSION AND
STORAGE SERVICES FOR THE PERIOD 2015-2017**

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Date: January 31, 2014

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Pursuant to Rule 2.6 of the Rules of Practice and Procedure of the California Public Utilities Commission ("Commission"), Commercial Energy of Montana, Inc., doing business as Commercial Energy of California ("Commercial Energy") protests the Application of Pacific Gas and Electric Company ("PG&E") proposing cost of service and rates for gas transmission and storage services for the period 2015-2017 ("Application").

I. DESCRIPTION OF COMMERCIAL ENERGY OF CALIFORNIA

Commercial Energy is a privately held Montana corporation marketing energy and energy services to businesses since 1997. Commercial Energy has been selling natural gas to over 100 clients in Montana since 1997 and sold retail electricity there from 1998 through 2004. Commercial Energy opened its Oakland, California office in December, 2004, and now supplies either natural gas or electricity to over 3,000 businesses at over 9,000 locations, primarily in California. Commercial Energy is also an energy management company that operates primarily in the commercial and residential master-metered market sectors and specializes in solving energy-related challenges, conducting comprehensive energy audits, and crafting energy cost containment strategies and supplies for its clients.

II. THE INTEREST OF COMMERCIAL ENERGY IN THIS PROCEEDING

PG&E's application contains extensive proposals for cost recovery of new and existing investments in system maintenance and operations, as well as increased expenses for safety related programs. Substantial additional capital investment programs are also included in the PG&E Application. The costs of these proposals will have a significant effect on the gas transmission and distribution charges for all customers, including Commercial Energy and its retail natural gas customers. In addition, PG&E's proposals for rate design and specific rates and class cost allocations will have a direct impact on Commercial Energy and its customers. Commercial Energy intends to participate in this proceeding in order to further explore PG&E's expense and capital investment proposals and alternative solutions, as well as PG&E's proposed cost allocation, rate design, proposed and existing rates and tariff rules to determine their impact on Commercial Energy and its retail gas customers. Commercial Energy ultimately seeks to reach a satisfactory resolution of the proceeding to avoid serious negative consequences for Commercial Energy and its retail natural gas customers while maintaining system reliability and safety in a cost effective manner that is fair to all parties. Commercial Energy may work in cooperation with other Core Transport Agents (CTAs) and jointly address issues common to all CTAs. However, Commercial Energy also reserves the right to individually advocate for positions of consequence for Commercial Energy and its customers independently of other CTAs.

III. SERVICE

For the purpose of receipt of all correspondence, pleadings, orders and notices in this proceeding, the following Commercial Energy representative should be placed on the service list as a "party":

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In addition, the following Commercial Energy representative should be placed on the service list under the “information only” designation:

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IV. PROTEST

As noted above, Commercial Energy’s interest in this proceeding is related to the elements of PG&E’s Application that may increase the capital investment and expense of PG&E’s natural gas operations and result in greater cost allocations, higher rates, or other restrictive and harmful impacts on Commercial Energy’s retail natural gas service or upon Commercial Energy’s retail natural gas customers. Commercial Energy specifically protests PG&E’s rate proposals for core and non-core retail customers as excessive and unreasonable.

V. COMPLIANCE WITH RULE 2.6

In compliance with Rule 2.6 of the Commission’s Rules of Practice and Procedure, Commercial Energy states the following:

1. Commercial Energy does not object to the proposed categorization of this proceeding as “ratesetting” in Resolution ALJ 176-3329.

2. Commercial Energy agrees with PG&E that hearings will likely be necessary

3. Commercial Energy has reviewed the proposed schedule provided by PG&E in its Application and believes it may be insufficient to allow intervenors sufficient time to conduct discovery on PG&E's application and prepare responsive testimony. Given Commercial Energy's focus in this proceeding, however, it will not propose an alternative schedule.

VI. CONCLUSION

The Commission has properly directed PG&E to improve the safety of its natural gas operations. However, PG&E's proposals in this proceeding will have the effect of dramatically increasing rates for various customer classes, including the retail gas customers of Commercial Energy. The Commission must carefully examine the impact of funding new and expanded capital and operational programs on PG&E's customers and upon entities like Commercial Energy who also serve retail gas customers and represent their aggregate interests. Commercial Energy believes that it is critical that the Commission balance the rate impacts on all classes of customers against the scale and timing of the accelerated investment and expense programs contained in PG&E's Application in order to set just and reasonable rates.

