



Pacific Gas and Electric Company
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July 29, 2014

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, 2013 – May 31, 2014

Dear Mr. Clanon:

The Gas Accord Decision requires PG&E file annual and quarterly Core Procurement Incentive Mechanism (CPIM) reports. However, the Office of Ratepayer Advocates (ORA) has requested that PG&E submit monthly reports in order to fulfill the Commission's reporting requirement and honor ORA's request. PG&E hereby submits its Cumulative Monthly CPIM Report, covering the period of November 1, 2013 through May 31, 2014. 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, 2013 through May 31, 2014. It also includes hedging transactions in accordance with the Settlement Agreement¹ migrating hedging into CPIM. Since this report reflects the latest but not necessarily final information, 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 incentive awards or penalties are determined on the basis of an annual CPIM cycle.

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

¹ 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.

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

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This report is furnished to ORA 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
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, Office of Ratepayer Advocates (hard copy & electronic)
Kelly C. Lee, Office of Ratepayer Advocates
Pearlie Sabino, Office of Ratepayer Advocates
Nathaniel Skinner, Office of Ratepayer Advocates
Michael Tan, Office of Ratepayer Advocates