

**MEMORANDUM  
COUNTY OF PLACER  
ADMINISTRATIVE SERVICES DEPARTMENT  
PROCUREMENT SERVICES DIVISION**

TO: Honorable Board of Supervisors  
FROM: Brett Wood, Purchasing Manager  
DATE: February 28, 2012  
SUBJECT: Approve the Renewal of a Sole Source Blanket Purchase Order with Pacific Gas and Electric Company for the Purchase of Natural Gas for Compression as a Motor Vehicle Fuel for the Department of Public Works, Fleet Services Division in the Maximum Amount of \$160,000.00

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**ACTION REQUESTED**

Approve the renewal of a sole source Blanket Purchase Order (BPO) with Pacific Gas and Electric Company (PG&E) for the purchase of natural gas for compression as a motor vehicle fuel for the Department of Public Works, Fleet Services Division (DPW) in the maximum amount of \$160,000.00, and authorize the Purchasing Manager to sign the resulting BPO.

**BACKGROUND**

DPW has been purchasing piped-in natural gas for compression as a motor vehicle fuel from PG&E for several years to fuel its fleet of natural gas transit buses, passenger sedans, and work trucks. The natural gas purchased through this agreement is piped directly to the County's own refueling station at DeWitt Center where it is compressed for fueling County vehicles.

The contract price fluctuates within current market conditions and is based on Rate Schedule G-NGV1. The elements of the rate include a per therm procurement charge and a per therm transportation charge.

Because PG&E is the only supplier of piped-in natural gas in the Auburn area, this purchase is considered sole source in accordance with Section 1.3(l) of the Purchasing Policy Manual.

**FISCAL IMPACT**

Upon your Board's approval, a BPO will be awarded to PG&E in the maximum amount of \$160,000.00 for the period of April 1, 2012, through March 31, 2013. Attachment A shows the various charges that are billed to the County under this contract. The most current combined procurement and transportation charge is \$0.60152 per therm, which is down from \$0.71989 one year ago. Attachment B is DPW's Fiscal Impact Statement.

Attachments: A. PG&E Schedule G-NGV1  
B. DPW's Fiscal Impact Statement

cc: Cynthia Taylor, Public Works Senior Administrative Services Officer  
Chuck Gordon, Public Works Manager-Fleet Operations

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**Pacific Gas and Electric Company**  
San Francisco, California  
U 39

Revised  
Cancelling Revised

Cal. P.U.C. Sheet No. 29502-G  
Cal. P.U.C. Sheet No. 29431-G

**GAS SCHEDULE G-NGV1**  
**CORE NATURAL GAS SERVICE**  
**FOR COMPRESSION ON CUSTOMERS' PREMISES**

Sheet 1

**APPLICABILITY:** This rate schedule\* applies to natural gas service to Core End-Use Customers on PG&E's Transmission and/or Distribution Systems. Service is for uncompressed natural gas for the sole purpose of compressing it for use as a motor-vehicle fuel. Compression of natural gas to the pressure required for its use as motor-vehicle fuel will be performed by the Customer's equipment at the Customer's designated premises only.

**TERRITORY:** Schedule G-NGV1 applies everywhere PG&E provides natural gas service.

**RATES:** Customers on this schedule pay a Customer Charge, a Procurement Charge and a Transportation Charge, per meter, as specified below. Customers that have executed a Request for Reclassification from Noncore Service to Core Service (Form 79-983) will pay the Customer Charge and Transportation Charge shown below. Such Customers will pay the Procurement Charge specified in Schedule G-CPX for any of the first twelve (12) regular monthly billing periods that they are taking core procurement service from PG&E. After the twelfth regular monthly billing period, such Customers will pay the Procurement Charge specified on this schedule.

	<u>Per Day</u>	
Customer Charge:	\$0.44121	
	<u>Per Therm</u>	
Procurement Charge:	\$0.47454	(I)
Transportation Charge:	<u>\$0.12698</u>	
Total:	\$0.60152	(I)

Public Purpose Program Surcharge:

Customers served under this schedule are subject to a gas Public Purpose Program (PPP) Surcharge under Schedule G-PPPS.

The Customer's total charges are subject to adjustment for the applicable proportionate part of any taxes or governmental imposition which may be assessed on the basis of the gross revenues from such sales.

See Preliminary Statement, Part B for the Default Tariff Rate Components.

The Procurement Charge on this schedule is equivalent to the rate shown on informational Schedule G-CP—Gas Procurement Service to Core End-Use Customers.

**SERVICE AGREEMENT:** Customers must execute an Agreement For Supply of Natural Gas for Compression as a Motor-Vehicle Fuel (Form No. 79-755) in order to receive service under this rate schedule.

**METERING REQUIREMENTS:** Service under this schedule must be metered by a separate gas meter.

\* PG&E's gas tariffs are available online at [www.pge.com](http://www.pge.com).

(Continued)

Advice Letter No: 3274-G  
Decision No.

Issued by  
**Brian K. Cherry**  
Vice President  
Regulation and Rates

Date Filed January 25, 2012  
Effective February 1, 2012  
Resolution No. \_\_\_\_\_

440



**Pacific Gas and Electric Company**  
San Francisco, California  
U 39

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Cal. P.U.C. Sheet No.  
Cal. P.U.C. Sheet No.

29497-G  
29422-G

**GAS PRELIMINARY STATEMENT PART B**  
**DEFAULT TARIFF RATE COMPONENTS**

Sheet 5

B. DEFAULT TARIFF RATE COMPONENTS (\$/THERM)\* (Cont'd.)

CORE p. 5

	<u>G-NGV1</u>		<u>G-NGV2</u>	
CORE FIXED COST ACCOUNT— DISTRIBUTION COST SUBACCOUNT (1)**	0.04663		1.27134	
CORE FIXED COST ACCOUNT—CORE COST SUBACCOUNT	0.01078		0.01078	
LOCAL TRANSMISSION	0.04366		0.04366	
CPUC FEE	0.00069		0.00069	
CSI- SOLAR THERMAL PROGRAM	0.00081		0.00081	
CEE INCENTIVE	0.00002		0.00002	
NGV BALANCING ACCOUNT	0.00000		0.00000	
SMARTMETER™ PROJECT—GAS	0.02439		0.02439	
WINTER HEDGING	0.10539	(I)	0.10539	(I)
CORE BROKERAGE FEE	0.00250		0.00250	
CORE FIRM STORAGE	0.01178	(I)	0.01178	(I)
SHRINKAGE	0.01009	(R)	0.01009	(R)
CAPACITY CHARGE	0.06003	(I)	0.06003	(I)
CORE PROCUREMENT CHARGE (2)**	0.28475	(R)	0.28475	(R)
<b>TOTAL RATE</b>	<b>0.60152</b>	<b>(I)</b>	<b>1.82623</b>	<b>(I)</b>

\* All tariff rate components on this sheet include an allowance for franchise fees and uncollectible accounts expense (F&U).

\*\* Refer to footnotes at end of Core Default Tariff Rate Components.

(Continued)

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**Pacific Gas and Electric Company**  
San Francisco, California  
U 39

Cancelling Revised

Revised Revised

Cal. P.U.C. Sheet No.  
Cal. P.U.C. Sheet No.

29343-G  
28595-G

**GAS SCHEDULE G-PPPS**  
**GAS PUBLIC PURPOSE PROGRAM SURCHARGE**

Sheet 1

**APPLICABILITY:** Pursuant to Public Utility (PU) Code Sections 890-900, this schedule applies a gas Public Purpose Program (PPP) surcharge to gas transportation volumes under the rate schedules\* specified below. The gas PPP surcharge is collected to fund gas energy efficiency and low-income energy efficiency programs, the California Alternate Rates for Energy (CARE) low-income assistant program, and public interest research and development. Under PU Code Section 896, certain customers are exempt from the gas PPP surcharge as described in the Exempt Customer section, below.

**TERRITORY:** This rate applies everywhere within PG&E's natural gas Service Territory.

**RATES:** The following surcharges apply to natural gas service for eligible Core and Noncore End-Use Customers.

Customer Class (Rate Schedule)	Per Therm	
	Non-CARE	CARE
Residential: (G-1, G1-NGV, GM, GS, GT, GL-1, GL1-NGV, GML, GSL, GTL)	\$0.08618 (I)	\$0.05651 (R)
Small Commercial (G-NR1)	\$0.05295 (I)	\$0.02328 (R)
Large Commercial (G-NR2)	\$0.09495 (I)	\$0.06528 (R)
Industrial: (G-NT—Distribution)	\$0.04733 (I)	N/A
Industrial: (G-NT—Transmission/ Backbone)	\$0.03968 (I)	N/A
Natural Gas Vehicle (G-NGV1, G-NGV2, G-NGV4)	\$0.03197 (I)	N/A
Liquid Natural Gas (G-LNG)	\$0.03917 (I)	N/A

**EXEMPT CUSTOMERS:** In accordance with PU Code Section 896, certain customers are exempt from Schedule G-PPPS. These include:

- a. All gas consumed by customer's served under Schedules G-EG and G-WSL;
- b. All gas consumed by Enhanced Oil Recovery (EOR) facilities;
- c. All gas consumed by customers in which the State of California is prohibited from taxing under the United States Constitution or the California Constitution, consistent with California Energy Resources Surcharge Regulations 2315 and 2316, as described in Publication No. 11 issued by the California State Board of Equalization (BOE), which include:
  1. The United States, its unincorporated agencies and instrumentalities;
  2. Any incorporated agency of instrumentality of the United States wholly owned by either the United States or by a corporation wholly owned by the United States;
  3. The American National Red Cross, its chapters and branches;
  4. Insurance companies, including title insurance companies, subject to taxation under California Constitution, Article XIII, Section 28, or its successor;

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Advice Letter No: 3256-G  
Decision No. 04-08-010

Issued by  
**Brian K. Cherry**  
Vice President  
Regulation and Rates

Date Filed November 15, 2011  
Effective January 1, 2012  
Resolution No. \_\_\_\_\_



**Pacific Gas and Electric Company**  
San Francisco, California  
U 39

Revised  
Cancelling Revised

Cal. P.U.C. Sheet No. 29342-G  
Cal. P.U.C. Sheet No. 28594-G

**GAS PRELIMINARY STATEMENT PART B**  
**DEFAULT TARIFF RATE COMPONENTS**

Sheet 21

B. DEFAULT TARIFF RATE COMPONENTS (\$/THERM) (Cont'd.)

PPP p. 1

SCHEDULE G-PPPS—GAS PUBLIC PURPOSE PROGRAM SURCHARGE

	PPP-EE	PPP-LIEE	PPP- RDD/ADMIN	PPP-CARE	Total-PPP
RESIDENTIAL – NONCARE (G-1, GM, GS, GT)	\$0.02891 (R)	\$0.02530 (I)	\$0.00230 (R)	\$0.02967 (I)	\$0.08618 (I)
RESIDENTIAL – CARE (GL-1, GML, GSL, GTL)	\$0.02891 (R)	\$0.02530 (I)	\$0.00230 (R)	\$0.00000	\$0.05651 (R)
SMALL COMMERCIAL – NONCARE (G-NR1)	\$0.01119 (R)	\$0.00979 (R)	\$0.00230 (R)	\$0.02967 (I)	\$0.05295 (I)
SMALL COMMERCIAL – CARE (G-NR1)	\$0.01119 (R)	\$0.00979 (R)	\$0.00230 (R)	\$0.00000	\$0.02328 (R)
LARGE COMMERCIAL – NONCARE (G-NR2)	\$0.03359 (R)	\$0.02939 (I)	\$0.00230 (R)	\$0.02967 (I)	\$0.09495 (I)
LARGE COMMERCIAL – CARE (G-NR2)	\$0.03359 (R)	\$0.02939 (I)	\$0.00230 (R)	\$0.00000	\$0.06528 (R)
NATURAL GAS VEHICLE (G-NGV1/G-NGV2)	\$0.00000	\$0.00000	\$0.00230 (R)	\$0.02967 (I)	\$0.03197 (I)
INDUSTRIAL – DISTRIBUTION (G-NT-D)	\$0.00819 (R)	\$0.00717 (I)	\$0.00230 (R)	\$0.02967 (I)	\$0.04733 (I)
INDUSTRIAL – TRANSMISSION/ BACKBONE (G-NT-T, G-NT-B)	\$0.00411 (R)	\$0.00360 (I)	\$0.00230 (R)	\$0.02967 (I)	\$0.03968 (I)
NATURAL GAS VEHICLE (G-NGV4 Dist/Trans)	\$0.00000	\$0.00000	\$0.00230 (R)	\$0.02967 (I)	\$0.03197 (I)
LIQUID NATURAL GAS (G-LNG)	\$0.00000	\$0.00000	\$0.00230 (R)	\$0.02967 (I)	\$0.03197 (I)

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Vice President  
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Resolution No. \_\_\_\_\_

# MEMORANDUM

DEPARTMENT OF PUBLIC WORKS  
County of Placer

TO: Honorable Board of Supervisors

FROM: Ken Grehm, Director

DATE: February 28, 2012

SUBJECT: **Fiscal Impact Statement**  
RQ054470, BPO with PG&E for Natural Gas

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Sufficient funding has been budgeted in the amount of \$160,000 in the FY 2011-12 Fleet Services budget to fund this BPO.