

November 30, 2001

ADVICE 2357-G

(Pacific Gas and Electric Company ID U39G)

**Subject: Biennial Cost Allocation Proceeding and Gas Accord
Gas Rate Changes Effective January 1, 2002**

Public Utilities Commission of the State of California

Pacific Gas and Electric Company (PG&E) hereby submits revisions to its gas tariffs. The tariff sheets are listed on the enclosed Attachment I.

Purpose

The purpose of this filing is to revise PG&E's gas tariffs for Commission-approved changes effective January 1, 2002. These revisions include:

1. Rate and revenue requirement changes in compliance with PG&E's Biennial Cost Allocation Proceeding (BCAP) Decision (D.) 01-11-001 dated November 8, 2001, which adopted a Settlement Agreement among parties in Application (A.) 00-04-002;
2. Implementation of annual transmission rate changes as set forth in the Gas Accord Settlement approved by the Commission in D. 97-08-055 dated August 1, 1997;
3. Rate and revenue requirement changes in compliance with Public Utilities Code Section 739.1, which authorizes PG&E to record all California Alternate Rates for Energy (CARE) administration costs in a balancing account consistent with Advice 2352-G, filed November 19, 2001; and
4. Rate changes in compliance with Resolution E-3669, which authorizes PG&E to include in the BCAP rates an increase in PG&E's annual gas revenue requirement to reflect the results of the complete tax version of PG&E's Results of Operations (RO) model.

BCAP

The BCAP adopts new gas throughput forecasts, new forecast period costs and balancing account balances, allocates the gas distribution revenue requirement among customer classes, and sets rates to recover the distribution revenue requirement for the two-year BCAP period commencing January 1, 2002. The revenue requirement adopted in BCAP D. 01-11-001 results in an annual decrease in transportation revenues from core customers of approximately \$93 million annually, and a decrease in transportation revenues from noncore customers by approximately \$20 million annually.

The BCAP transportation rates for core customers include the true-up of the core portion of balancing account balances. PG&E will file a noncore gas refund plan by separate advice letter to return to noncore customers through a one-time refund approximately \$15 million. This refund of noncore transportation revenues results from a net overcollection in the balancing account balances.¹ The noncore rates filed in this advice letter reflect the refund.

The transportation revenue requirement has been updated to include the modification to CARE Administrative and General (A&G) costs, as discussed below. It also includes minor changes associated with the reallocation of core and noncore volumes to reflect the results of the study completed regarding the change in the Cogeneration Gas Allowance discussed below. The procurement revenue requirement has been updated to include 2002 core storage rates effective January 1, 2002, pursuant to the Gas Accord.

Gas Accord

Gas Accord D. 97-08-055 provides for annual adjustments to local and backbone transmission charges, transmission-level customer access charges, storage, and parking and lending rates. The annual Gas Accord rate adjustments through the year 2002 are presented on Tables 2 through 13 and Table 15 (pages 71 - 82 and 84) of Appendix B of D. 97-08-055.

California Alternate Rates for Energy Balancing Account (CAREA) Modifications

Beginning in 2002, Section 739.1 of the Public Utilities Code will require PG&E to record all CARE administration costs in a balancing account. PG&E filed Advice 2352-G/2175-E on November 19, 2001, to comply with Section 739.1 revisions. Consistent with that advice letter, PG&E has removed the adopted CARE A&G

¹ PG&E discussed its intention to refund the overcollection in the noncore customer balancing accounts in its "Comments of Pacific Gas and Electric Company In Support of the Draft Decision of Administrative Law Judge Barnett" filed on October 23, 2001.

revenue requirement from rates effective January 1, 2002. All monthly gas CARE administration costs will be recorded to the CARE balancing account for future recovery.

Revision to Annual Tax Revenue Requirement

PG&E filed Advice 2219-G on March 20, 2000, pursuant to General Rate Case (GRC) D. 00-02-046. Ordering Paragraph 1.b. of that decision required revision of PG&E's revenue requirement to reflect corrections of the tax calculations made in PG&E's Results of Operations model. The corrections resulted in an annual gas revenue requirement increase of \$22.9 million. The Commission issued Resolution E-3669 on September 20, 2001, authorizing PG&E to reflect the revised revenue requirement in rates in the next True-up or BCAP. This is consistent with PG&E's BCAP Application and the results adopted in D. 01-11-001, as PG&E assumed that Advice 2219-G would be approved prior to the implementation of the BCAP rates.

Rate Changes

Changes to core transportation rates resulting from the BCAP revenue adjustments and annual Gas Accord escalation will be incorporated into the monthly core procurement price advice filing on December 21, 2001, for rates effective January 1, 2002. Core rate changes include: 1) implementation of an additional 10% de-averaging of rates for the residential and small commercial customer classes; 2) application of a 70% tier differential to the residential transportation rate; 3) elimination of the seasonal differential from core commercial procurement rates; and 4) revisions to core backbone transmission capacity reservations. An all-volumetric design is adopted for natural gas vehicle Schedule G-NGV2 rates in this BCAP. The transportation rate changes for core rate schedules are shown on Attachment II herein.

All noncore transportation rate changes filed herein are effective January 1, 2002. The Gas Accord changes include the annual escalation of customer access charges, local and backbone transmission rates. As adopted in the BCAP decision, noncore Schedules G-NT and G-NGV4 incorporate a seasonal four-tier declining block volumetric distribution rate design, based on the customer's annual usage during the 12 billing months ending with the current billing month. The Schedule G-NT and G-NGV4 transmission rate design does not change.

The annual Gas Accord storage rates are filed separately this date in Advice 2356-G and will be effective April 1, 2002, with the exception of core storage rates, which will change January 1, 2002, as discussed above.

Schedule G-COG/Cogeneration Gas Allowance

In accordance with the BCAP decision, the Cogeneration Gas Allowance in Schedule G-COG increases by 10%, from 9,683 to 10,681 Btu per kilowatt-hour.

Schedule G-COG customers are billed based on the higher of two rates: their otherwise-applicable rate or the rate in Schedule G-EG, lagged by two months. The BCAP/Gas Accord-adopted lagged transportation rate for Schedule G-COG will be filed in the monthly Schedule G-SUR filing effective March 1, 2002.

Schedule G-WSL—Wholesale/Resale Service

Pursuant to the Gas Accord, gas wholesale customers were given a one-time option to subscribe to a share of PG&E's storage capacity on behalf of their core end-use customers. Wholesale customers were required to notify PG&E by February 15, 1998, in order to receive an allocation of storage capacity. No wholesale customers chose to subscribe to the optional storage capacity. Therefore, references to the optional core storage allocation and associated storage rates are removed from gas rate Schedule G-WSL--*Gas Transportation Service to Wholesale/Resale Customers*.

Preliminary Statement Changes

Also included in this filing are new sections to Preliminary Statement Part B--*Default Tariff Rate Components*, showing summer and winter distribution usage rate components for Schedules G-NT and G-NGV4. The volumetric customer access charge component for Schedules G-EG and G-COG is shown as a separate line item.

In Preliminary Statement Part C--*Accounting Terms and Definitions*, the Base Revenue amounts shown in Part C.2 have been revised to reflect the annual revenue requirement adjustments resulting from the BCAP and Gas Accord. References to deleted sections of the Preliminary Statement are removed from Part C.

Balancing Charge Account (BCA)

The BCAP decision adopted a one-time allocation of the balance in Preliminary Statement Part L—*Balancing Charge Account*. For rates in this filing, the balance in the BCA is allocated 30% to the Core Fixed Cost Account (CFCA) for core customers and 70% to the Noncore Subaccount of the Noncore Customer Class Charge Account (NCA) for noncore customers. Thereafter, the BCA will be allocated to core and noncore customer classes on an equal cents per therm basis.

Noncore Customer Class Charge Account (NCA)

To ensure correct tracking and allocating of costs to noncore customers, Preliminary Statement Part J—*Noncore Customer Charge Account*, is being revised to contain the following subaccounts:

1. Industrial Distribution Subaccount: to track the portion of costs or balances allocated specifically to industrial distribution-level customers.
2. Industrial Transmission Subaccount: to track the portion of costs or balances allocated specifically to industrial transmission-level customers.
3. Noncore Subaccount: to track costs or balances allocated on an equal cents per therm basis to all noncore customers.

Furthermore, for Preliminary Statement Part F--*Core Fixed Cost Account* (CFCA), the Interim Relief Subaccount (IRS) was established under the General Rate Case (GRC) Interim Relief D. 98-12-078. This subaccount is used to track the noncore industrial distribution portion of the interim gas revenue requirement increase proposed in PG&E's 1999 GRC. In this filing, the IRS is being moved from the CFCA to the NCA.

Discontinuation of Accounts

In this filing, PG&E is discontinuing Preliminary Statement Part G--*Noncore Fixed Cost Account* (NFCA), and Preliminary Statement Part AF--*Noncore Interstate Transition Cost Surcharge* (ITCS) Account. Any residual balances in these accounts will be transferred to the Noncore Subaccount of the NCA. The ITCS and NFCA will be terminated upon transfer of such residual balance.

The Core Canadian Demand Charge (CCDC) Subaccount of Preliminary Statement Part D--*Purchased Gas Account* (PGA), is eliminated in this filing pursuant to the BCAP decision. Any remaining balance will be transferred to the Core Subaccount of the PGA.

Core to Noncore Migration

As adopted in the BCAP decision, PG&E will discontinue tracking core to noncore migration. The balance associated with the shortfall will be transferred to the NCA and the subaccount removed from the CFCA.

Rule Changes

In Rule 21—*Transportation of Natural Gas*, shrinkage rates are revised for transmission and distribution service in accordance with D. 01-11-001.

Effective Date

In accordance with BCAP D. 01-11-001, and Gas Accord D. 97-08-055, PG&E requests that this filing be approved effective **January 1, 2002**.

Protests

Anyone wishing to protest this filing may do so by sending a letter within 20 days of the date of this filing, which is **December 20, 2001**. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. Protests should be mailed to:

IMC Branch Chief
Energy Division
California Public Utilities Commission
505 Van Ness Avenue, Room 4002
San Francisco, CA 94102
Facsimile: (415) 703-2200

Copies should also be mailed to the attention of the Director, Energy Division, Room 4005 and Jerry Royer, Energy Division, at the address shown above. It is also requested that a copy of the protest be sent via postal mail and facsimile to Pacific Gas and Electric Company on the same date it is mailed or delivered to the Commission at the address shown below:

Pacific Gas and Electric Company
Attention: Les Guliasi
Director, Regulatory Relations
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, California 94177
Facsimile: (415) 973-7226

Notice

In accordance with Section III, Paragraph G, of General Order 96-A, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list, and the service lists listed below. Workpapers for this filing are available upon written request to: Pacific Gas and Electric Company, Rates Department, Attention: Nelia Avendano, 77 Beale Street, Mail Code B10B, P.O. Box 770000, San Francisco, CA 94177. Address changes should also be directed to Ms. Avendano at (415) 973-3529. Advice letter filings can also be accessed electronically at:

http://www.pge.com/customer_services/business/tariffs/

Vice President - Regulatory Relations

Attachments

cc: Service Lists – BCAP A. 00-04-002
Gas Accord A. 92-12-043



PRELIMINARY STATEMENT
(Continued)

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

NONCORE p. 1

THERMS:	G-NT TRANSMISSION	(N)-----	(N)-----				
			G-NT—DISTRIBUTION (1)*				
			SUMMER				
			0- 249,999	250,000- 599,999	600,000- 1,999,999	Over 2,000,000	
		(D)					
NCA	0.00071	(R)	0.00086	0.00087	0.00087	0.00087	
DSM	0.00162	(R)	0.00252	0.00252	0.00252	0.00252	
GRC 2000 INTERIM ACCT	0.00000	(R)	0.00107	0.00107	0.00107	0.00107	(T)
		(D)					
CARE	0.00683	(I)	0.00683	0.00683	0.00683	0.00683	
CPUC FEE**	0.00077		0.00077	0.00077	0.00077	0.00077	
EOR	0.00000	(I)	0.00001	0.00001	0.00001	0.00001	
CEE	0.00000		0.00002	0.00002	0.00002	0.00002	
LOCAL TRANSMISSION (AT RISK)	0.01486	(I)	0.01486	0.01486	0.01486	0.01486	
DISTRIBUTION & BASE REVENUE CREDITS (AT RISK)	0.00000	(I)	0.07452	0.06177	0.05584	0.04741	
TOTAL RATE	0.02479	(I)	0.10146	0.08872	0.08279	0.07436	

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

** The CPUC Fee includes \$.00076 per therm as approved by the CPUC, plus an allowance for Franchise Fees and Uncollectible Expense (F&U).

(Continued)



PRELIMINARY STATEMENT

(Continued)

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

NONCORE p. 3 (T)

	<u>G-COG (3)*</u>	<u>G-EG (4)*</u>	
NFCA SURCHARGE	(0.00017)	N/A	
NCA	0.00090	0.00065	
DSM	0.00000	0.00000	
GRC 2000 INTERIM ACCT	0.00000	0.00000	(T)
ITCS	0.00217	N/A	
CARE	0.00000	0.00000	
CPUC FEE **	0.00077	0.00077	
EOR	(0.00001)	0.00000 (I)	
CEE	0.00000	0.00000	
COGEN DISTRIBUTION SHORTFALL	0.00106	0.00025 (R)	
LOCAL TRANSMISSION (AT RISK)	0.01450	0.01486 (I)	
DISTRIBUTION & BASE REVENUE CREDITS (AT RISK)	0.00073	0.00000 (R)	
CUSTOMER ACCESS CHARGE (AT RISK)	N/A	0.00080	(N)
TOTAL RATE	0.01995	0.01733 (R)	

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

** The CPUC Fee includes \$.00076 per therm as approved by the CPUC, plus an allowance for Franchise Fees and Uncollectible Expense (F&U).

(Continued)



PRELIMINARY STATEMENT
(Continued)

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

NONCORE p. 4 (T)

	G-WSL							
	<u>Palo Alto</u>		<u>Coalinga</u>		<u>Island Energy</u>		<u>Alpine</u>	
								(D)
NCA	0.00070	(R)	0.00070	(R)	0.00070	(R)	0.00070	(R)
DSM	0.00000		0.00000		0.00000		0.00000	
GRC 2000 INTERIM ACCT	0.00000		0.00000		0.00000		0.00000	(T)
								(D)
CARE	0.00000		0.00000		0.00000		0.00000	
CPUC Fee **	0.00000		0.00000		0.00000		0.00000	
EOR	0.00000	(I)	0.00000	(I)	0.00000	(I)	0.00000	(I)
CEE	0.00000		0.00000		0.00000		0.00000	
LOCAL TRANSMISSION (AT RISK)	0.01486	(I)	0.01486	(I)	0.01486	(I)	0.01486	(I)
DISTRIBUTION & BASE REVENUE CREDITS (AT RISK)	0.00000	(I)	0.00000	(I)	0.00000	(I)	0.00000	(I)
TOTAL RATE	0.01556	(R)	0.01556	(R)	0.01556	(R)	0.01556	(R)

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

** The CPUC Fee includes \$.00076 per therm as approved by the CPUC, plus an allowance for Franchise Fees and Uncollectible Expense (F&U). It does not apply to customers on Schedule G-WSL.

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PRELIMINARY STATEMENT
(Continued)

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

NONCORE p. 5 (T)

	<u>G-WSL</u>		
	<u>West Coast Mather</u>	<u>West Coast Castle</u>	
NCA	0.00070 (R)	0.00070 (R)	(D)
DSM	0.00000	0.00000	
GRC 2000 INTERIM ACCT	0.00000	0.00000	(T)
CARE	0.00000	0.00000	(D)
CPUC FEE **	0.00000	0.00000	
EOR	0.00000 (I)	0.00000 (I)	
CEE	0.00000	0.00000	
LOCAL TRANSMISSION (AT RISK)	0.01486 (I)	0.01486 (I)	
DISTRIBUTION & BASE REVENUE CREDITS (AT RISK)	0.00000 (I)	0.00000 (I)	
TOTAL RATE	0.01556 (R)	0.01556 (R)	

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

** The CPUC Fee includes \$.00076 per therm as approved by the CPUC, plus an allowance for Franchise Fees and Uncollectible Expense (F&U). It does not apply to customers on Schedule G-WSL.

(Continued)



PRELIMINARY STATEMENT
(Continued)

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

NONCORE p. 6 (T)

THERMS:	G-NGV4 TRANSMISSION	(N)-----(N)				
		G-NGV4—DISTRIBUTION (1)*				
		SUMMER				
		0- 249,999	250,000- 599,999	600,000- 1,999,999	Over 2,000,000	
		(D)				
NCA	0.00000	0.00000	0.00000	0.00000	0.00000	
DSM	0.00000	0.00000	0.00000	0.00000	0.00000	
GRC 2000 INTERIM ACCT	0.00000	0.00000	0.00000	0.00000	0.00000	(T)
		(D)				
CARE	0.00000	0.00000	0.00000	0.00000	0.00000	
CPUC FEE **	0.00077	0.00077	0.00077	0.00077	0.00077	
EOR	0.00000	0.00000	0.00000	0.00000	0.00000	
CEE	0.00000	0.00000	0.00000	0.00000	0.00000	
NGV BALANCING ACCOUNT	0.02402	(I) 0.10069 (I)	0.08795 (I)	0.08202 (I)	0.07359 (I)	
LOCAL TRANSMISSION (AT RISK)	0.00000	0.00000	0.00000	0.00000	0.00000	
DISTRIBUTION & BASE REVENUE CREDITS (AT RISK)	0.00000	0.00000	0.00000	0.00000	0.00000	
TOTAL RATE	0.02479	(I) 0.10146	0.08872	0.08279	0.07436	

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

** The CPUC Fee includes \$.00076 per therm as approved by the CPUC, plus an allowance for Franchise Fees and Uncollectible Expense (F&U).

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PRELIMINARY STATEMENT
(Continued)

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

NONCORE p. 7

THERMS:	G—NGV4-DISTRIBUTION (1)*				(N)	
	WINTER					
	0- 249,999	250,000- 599,999	600,000- 1,999,999	Over 2,000,000		
NCA	0.00000	0.00000	0.00000	0.00000	 	
DSM	0.00000	0.00000	0.00000	0.00000		
GRC 2000 INTERIM ACCT	0.00000	0.00000	0.00000	0.00000		
CARE	0.00000	0.00000	0.00000	0.00000		
CPUC FEE**	0.00077	0.00077	0.00077	0.00077		
EOR	0.00000	0.00000	0.00000	0.00000		
CEE	0.00000	0.00000	0.00000	0.00000		
NGV BALANCING ACCOUNT	0.12679	0.10959	0.10159	0.09020		
COGEN DISTRIBUTION	0.00000	0.00000	0.00000	0.00000		
LOCAL TRANSMISSION (AT RISK)	0.00000	0.00000	0.00000	0.00000		
DISTRIBUTION & BASE REVENUE CREDITS (AT RISK)	0.00000	0.00000	0.00000	0.00000		
TOTAL RATE	0.12756	0.11036	0.10236	0.09097		(N)

* Refer to footnotes at end of Noncore Default Tariff Rate Components. (N)

** The CPUC Fee includes \$.00076 per therm as approved by the CPUC, plus an allowance for Franchise Fees and Uncollectible Expense (F&U). (N)

(Continued)



PRELIMINARY STATEMENT
(Continued)

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

NONCORE p. 8 (T)

	<u>G-LNG (1)*</u>	(L)
NCA	0.00000	(D)
DSM	0.00000	
GRC 2000 INTERIM ACCT	0.00000	(D)
CARE	0.00000	
CPUC Fee **	0.00077	
EOR	0.00000	
CEE	0.00000	
NGV BALANCING ACCOUNT	0.16629 (I)	
LOCAL TRANSMISSION (AT RISK)	0.00000	
DISTRIBUTION & BASE REVENUE CREDITS (AT RISK)	0.00000	
TOTAL RATE	<u>0.16706 (I)</u>	(L)

* Refer to footnotes at end of Noncore Default Tariff Rate Components. (L)

** The CPUC Fee includes \$.00076 per therm as approved by the CPUC, plus an allowance for Franchise Fees and Uncollectible Expense (F&U). (L)

(Continued)



PRELIMINARY STATEMENT
(Continued)

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

MAINLINE EXTENSION FACTORS (1)

<u>Core Schedules (2)</u>	<u>Mainline Extension Factor (3)</u>
Schedule G-NR1	0.21761 (R)
Schedule G-NR2	0.08629 (R)
Schedule G-NGV1	0.11110 (I)
Schedule G-NGV2	0.11110 (I)
 <u>Noncore Schedules</u>	
Schedule G-NT	
Distribution	0.06736 (I)
Transmission	0.00000
Schedule G-COG	0.00105 (R)
Schedule EG	0.00105 (R)
Schedule G-NGV4	
Distribution	0.06736 (I)
Transmission	0.00000

-
- (1) Mainline Extension Factors are required to support calculation of distribution-based revenues described in Rule 15.
 - (2) For all residential schedules, see Rule 15 for extension allowances.
 - (3) The mainline extension factor does not include the monthly customer access charge. The total mainline extension calculation should include twelve times the monthly customer access charge.



PRELIMINARY STATEMENT
(Continued)

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

NONCORE (Cont'd.)

(1) All transportation revenue collected through this rate, less the amount for CPUC fee, will be booked to the Natural Gas Vehicle Balancing Account (NGVBA).

(2) See Preliminary Statement, Part K for EOR revenue accounting.

(D)

(3) Schedule G-COG, including discounts, will be based on Schedule G-EG, two months prior. If the EG-based bill is lower, the rate components for Schedule G-EG, including the CPUC fee, will apply, multiplied by the current month's cogeneration volume.

(T)

(4) The CPUC fee applies to all gas delivery service under Schedule G-EG, with the exception of interdepartmental sales and sales to electric public utilities. (See Preliminary Statement Part O.)

(T)

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PRELIMINARY STATEMENT
(Continued)

C. GAS ACCOUNTING TERMS AND DEFINITIONS (Cont'd.)

2. BASE REVENUE AMOUNT: (Cont'd.)

Description	Amount (\$000)			
	Total	BCAP Base Revenue(1)		Transmission and Storage(2)
		Core	Noncore	
Authorized Operating Revenue (effective 1-1-2002)	\$1,299,531 (I)	\$919,054 (I)	\$43,325 (R)	\$337,152 (R)
Less: Other Operating Revenues	<u>(5,858)</u>	<u>(5,654) (R)</u>	<u>(204) (I)</u>	
BASE REVENUE AMOUNT	\$1,293,673 (I)	\$913,400 (I)	\$43,121 (R)	\$337,152 (R)
Distribution Marginal Costs(3)	(2,467) (I)		(2,467) (I)	
Rate Escalation Adjustment - Gas Accord 2002	41,481 (I)	5,345 (I)	810 (I)	35,326 (I)
Credits:				
EOR Revenue	(152) (R)	(147) (R)	(5) (R)	
Core Brokerage Fee	(6,882) (R)	(6,869) (R)	(13) (R)	
Noncore Brokerage Fee	(0) (I)	(0) (I)	(0) (I)	
Core Firm Storage(4)	(38,911) (R)	(38,911) (R)		
Allocation Adjustments:				
G-10 Allocated Employee Discount	1,370 (I)	538 (I)	832 (I)	
CARE Administrative & General Expenses	<u>(411) (R)</u>	<u>(406) (R)</u>	<u>(5)</u>	
Total Base Revenue Requirement (with credits and adjustments)	<u>\$1,287,701 (I)</u>	<u>\$872,950 (I)</u>	<u>\$42,273 (I)</u>	<u>\$372,478 (I)</u>

- (1) The BCAP Base Revenue includes Distribution and Public Purpose Program Base Revenue for core and noncore Customers, and Storage Base Revenue allocated to core Customers.
- (2) The Transmission and Storage Base Revenue includes Storage Base Revenue Requirement allocated to load balancing and the Unbundled Storage Program.
- (3) Amount represents a joint compromise adopted in Decision 98-06-073 for the distribution marginal cost revenues allocable to large distribution customers, to be absorbed by shareholders.
- (4) Core firm storage revenue is shown as a credit to base revenue and collected as part of the procurement revenue requirement as authorized in Decision 00-05-049.

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PRELIMINARY STATEMENT
(Continued)

C. GAS ACCOUNTING TERMS AND DEFINITIONS (Cont'd.)

3. COST ALLOCATION FACTORS:

a. General: These factors are derived from the core and noncore costs adopted in the last Cost Allocation Proceeding and are used to allocate recorded costs to customer classes.

Cost Category	Factor			Total
	Core	Noncore	Unbundled Storage	
Transition Cost	0.39260	0.60740		1.00000
Intervenor Compensation	0.95739	0.04261		1.00000
Carrying Cost on Non-cycled Gas in Storage*	0.87500		0.12500	1.00000

* Excluding Non-cycled Gas in Storage which is allocated to system load balancing and recovered through transmission rates.

b. Pacific Gas and Electric Gas Transmission Northwest (PG&E GT-NW) and Intrastate Pipeline Demand Charges: Factors are derived based on the procedures defined in Decisions 91-11-025 and 97-05-093.

- 1) The core procurement factor will be equal to the capacity reserved for core procurement customers on each pipeline divided by the total capacity held by PG&E on that pipeline.
- 2) The core transport factor will be equal to the capacity reserved for core transport customers on each pipeline divided by the total capacity held by PG&E on that pipeline.

(D)

4. COST ALLOCATION PROCEEDING: The proceeding in which the Revenue Requirement, excluding the Revenue Requirement for Transmission and Storage, as described in Section C.10 below, is allocated between customer classes and included in rates. This proceeding is currently a biennial proceeding pursuant to CPUC Decision No. 90-09-089.

5. FORECAST PERIOD OR TEST PERIOD: The 24-month period, beginning with the revision date as specified in the Cost Allocation Proceeding.

(Continued)



PRELIMINARY STATEMENT
(Continued)

C. GAS ACCOUNTING TERMS AND DEFINITIONS (Cont'd.)

10. REVENUE REQUIREMENT (Cont'd.)

c. The Transportation Revenue Requirement includes the core and noncore BCAP Base Revenue Amounts (with credits and adjustments)*, forecast expenses, and balancing account balances, with interest, as listed below. These amounts are recovered through distribution rates and the Customer Class Charge.

- 1) Base Revenue Amount (with credits and adjustments): This shall be the BCAP Base Revenue amount, with credits and allocation adjustments. See Section C.2 for details.
- 2) Natural Gas Vehicle (NGV) Expense: This shall be the total NGV expense, excluding procurement, expected to occur during the forecast period.
- 3) California Alternate Rates for Energy (CARE) Expense: This shall be the total CARE expense expected to occur during the forecast period.
- 4) Customer Energy Efficiency Incentive Account (CEEIA) Expense: This shall be the total CEE expense expected to occur during the forecast period.
- 5) CPUC Reimbursement Fee Expense: This is the amount equal to the CPUC-adopted reimbursement rate, described in Preliminary Statement, Part O, multiplied by the total forecast period deliveries excluding interdepartmental, wholesale, interutility, and UEG deliveries.
- 6) Core Fixed Cost Account (CFCA) Balance: This is the forecast revision date balance in the CFCA, described in Preliminary Statement, Part F, based on the latest recorded data available. The core portion of transition costs shall be recovered through the CFCA. (D)
- 7) Noncore Customer Class Charge Account (NCA) Balance: This is the forecast revision-date balance in the NCA, described in Preliminary Statement, Part J, based on the latest recorded data available. (T)
- 8) Enhanced Oil Recovery Account (EORA) Balance: This is the forecast revision-date balance in the EORA, described in Preliminary Statement, Part K, based on the latest recorded data available. (T)

(Continued)



PRELIMINARY STATEMENT
(Continued)

C. GAS ACCOUNTING TERMS AND DEFINITIONS (Cont'd.)

10. REVENUE REQUIREMENT (Cont'd.)

c. Transportation Revenue Requirement (Cont'd.)

- 9) California Alternate Rates for Energy (CAREA) Balance: This is the forecast revision-date balance in the CAREA, described in Preliminary Statement, Part V, based on the latest recorded data available. (T)
- 10) Natural Gas Vehicle Balancing Account (NGVBA) Balance: This is the forecast revision-date balance in the NGVBA, described in Preliminary Statement, Part X, based on the latest recorded data available. (T)
- 11) Hazardous Substance Mechanism (HSM): This is the forecast revision-date balance in the HSM, as described in Preliminary Statement, Part AN, based on the latest recorded data available. (T)
- 12) Customer Energy Efficiency Incentive Account (CEEIA): This is the forecast revision-date balance in the CEEIA, as described in Preliminary Statement, Part Y, based on the latest recorded data available. (T)
- 13) Core Pipeline Demand Charge (CSPDC) Account: This is the forecast revision-date balance in the PG&E GT-NW Credit Subaccount and the Core Transport Interstate Transition Subaccount of the CPDCA, as described in Preliminary Statement, Part AE, based on the latest recorded data available. (T)
(T)
- (D)
- (D)
- 14) Core Brokerage Fee Balancing Account (CBFA): This is the forecast revision-date balance in the CBFA described in Preliminary Statement, Part U, based on the latest recorded data available. (T)
- 15) Cogeneration Distribution Shortfall Account (CDSA): This is the forecast revision-date balance in the CDSA described in Preliminary Statement, Part W based on the latest recorded data available. (T)
- 16) Franchise Fees and Uncollectible Accounts Expense (F&U): The amount to be added for F&U shall be determined by multiplying the sum of Sections C.10.a. through C.10.c.15, above, by the applicable F&U factor. (T)
(T)

(Continued)



PRELIMINARY STATEMENT
(Continued)

D. PURCHASED GAS ACCOUNT (PGA)

1. **PURPOSE:** The purpose of the PGA is to record the cost associated with gas purchased for the Gas Supply Portfolio and revenues from the sale of that gas. The balance in the core sub-accounts will be incorporated into monthly core procurement rates.

Descriptions of the terms and definitions used in this section are found in Preliminary Statement, Part C or in Rule 1.

2. **APPLICABILITY:** The PGA balance applies to all gas procurement rate schedules and contracts subject to the jurisdiction of the CPUC, except for those schedules and contracts specifically excluded by the CPUC.
3. **REVISION DATE:** The revision date applicable to the PGA rate shall coincide with the revision date of the Cost Allocation Proceeding or at other times, as ordered by the CPUC.
4. **FORECAST PERIOD:** The forecast test period will be as specified in the current Cost Allocation Proceeding.
5. **PGA RATES:** PGA Rates are included in the effective procurement rates set forth in each procurement rate schedule (see Preliminary Statement, Part B), as applicable.
6. **ACCOUNTING PROCEDURE:** The PGA consists of the following subaccounts:

The "Core Subaccount" records the cost of gas procured for sale to core customers and revenues from the sales to core customers of that gas. (See Preliminary Statement Part C.7.)

The "Core Shrinkage Subaccount" records core shrinkage costs and shrinkage revenues from core procurement customers.

The "Core Subscription Subaccount" records the cost or benefit accruing to Core Subscription Customers as a result of the Core Procurement Incentive Mechanism (CPIM) when applicable.

(D)



PRELIMINARY STATEMENT
(Continued)

D. PURCHASED GAS ACCOUNT (PGA) (Cont'd.)

6. ACCOUNTING PROCEDURE: (Cont'd.)

b. Core Shrinkage Subaccount

The following entries will be made to this account each month:

- 1) a debit entry equal to the core portion of the recorded purchased gas cost for shrinkage;
- 2) a credit entry equal to the shrinkage revenue from core customers during the month, excluding the allowance for F&U; and
- 3) an entry equal to the interest on the average of the balance in the subaccount at the beginning of the month and the balance in the subaccount after entries from D.6.b.1. and D.6.b.2, above, at a rate equal to one-twelfth the interest rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, G.13, or its successor.

c. Core Subscription Subaccount

The following entries will be made to this subaccount each month:

- 1) an annual debit or credit entry equal to the core subscription portion of the cost or benefit resulting from the CPIM; and
- 2) an entry equal to the interest on the average of the balance in the subaccount at the beginning of the month and the balance in the subaccount after entries from D.6.c.1, above, at a rate equal to one-twelfth the interest rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor. (T)

(D)



PRELIMINARY STATEMENT
(Continued)

F. CORE FIXED COST ACCOUNT (CFCA)

1. **PURPOSE:** The purpose of the CFCA is to record the authorized core distribution and storage base revenue amounts (with credits and adjustments), certain other core transportation costs, and transportation revenue from core customers. Any under- or overcollection in this account will be incorporated into core transportation rates in the next Cost Allocation Proceeding or Annual True-up Balancing Accounts. (D)
(T)
(T)

Descriptions of the terms and definitions used in this section are found in Preliminary Statement, Part C or in Rule 1. Refer to Section C.3 for the cost allocation factors used to determine the core portion of certain costs.

2. **APPLICABILITY:** The CFCA applies to all core transportation rate schedules and contracts subject to the jurisdiction of the CPUC, except for those schedules and contracts specifically excluded by the CPUC.
3. **REVISION DATE:** The revision date applicable to the CFCA rate shall coincide with the revision date of the Cost Allocation Proceeding or at other times, as ordered by the CPUC.
4. **FORECAST PERIOD:** The forecast test period will be as specified in the current Cost Allocation Proceeding.
5. **CFCA RATES:** CFCA rates are included in the effective rates set forth in each rate schedule (see Preliminary Statement, Part B), as applicable.
6. **ACCOUNTING PROCEDURE:** PG&E shall make the following entries to this CFCA at the end of each month:
- a. A credit entry equal to:
- 1) California Alternate Rates for Energy (CARE) revenue shortfall resulting from deliveries for the month; plus
 - 2) the core portion of demand-side management (DSM) revenue; plus (T)
 - 3) the CFCA revenue from core deliveries during the month; less
 - 4) one-twelfth of the core portion of the authorized BCAP base revenue amount (with credits and adjustments); less
 - 5) the allowance for Franchise Fees and Uncollectible Accounts Expense (F&U).
- b. A credit entry equal to:
- 1) the revenue from the local transmission rate component from core deliveries during the month; excluding the allowance for F&U;

(Continued)



PRELIMINARY STATEMENT
(Continued)

F. CORE FIXED COST ACCOUNT (CFCA) (Cont'd.)

6. ACCOUNTING PROCEDURE: (Cont'd.)

- c. A debit entry equal to:
 - 1) the core portion of intervenor compensation payments authorized by the CPUC, recorded during the month; and
 - 2) the core annual average local transmission rate multiplied by the core local transmission usage during the month.
- d. An entry equal to the balances transferred to or from this account as adopted in a Cost Allocation Proceeding or at other times, as ordered by the CPUC; and
- e. A one time entry when the final 1999 GRC decision in A.97-12-020 becomes effective to reverse the amount recorded in entry F.6.a.3 above, with interest, and substitute it with the final adopted base revenue requirement, with interest, for the period from January 1, 1999, to the implementation date of the final GRC decision; and
- f. An entry equal to interest on the average of the balance in the account at the beginning of the month and the balance in the account after entries F.6.a through F.6.e, above, at a rate equal to one-twelfth the interest rate of the three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, G.13, or its successor.

(D)
(L)



PRELIMINARY STATEMENT
(Continued)

J. NONCORE CUSTOMER CLASS CHARGE ACCOUNT (NCA)

- 1. PURPOSE: The purpose of the NCA is to record certain noncore costs and revenues from noncore customers. The balance in this account will be incorporated into noncore transportation rates in the next Cost Allocation Proceeding or Annual True-up of Balancing Accounts. (T)

Descriptions of the terms and definitions used in this section are found in Preliminary Statement, Part C or in Rule 1. Refer to Section C.3 for the factors used to determine the noncore portion of the transition costs to be recorded in this account.

- 2. APPLICABILITY: The NCA balance applies to noncore transportation rate schedules and contracts subject to the jurisdiction of the CPUC, except for those schedules and contracts specifically excluded by the CPUC.
- 3. REVISION: The revision date applicable to the NCA shall coincide with the revision date of the Cost Allocation Proceeding or at other times, as ordered by the CPUC.
- 4. FORECAST PERIOD: The forecast test period will be as specified in the current Cost Allocation Proceeding.
- 5. NCA RATES: NCA rates are included in the effective rates set forth in each rate schedule (see Preliminary Statement, Part B), as applicable.
- 6. ACCOUNTING PROCEDURE: The NCA consists of the following subaccounts: (T)

The "Industrial Distribution Subaccount" tracks the portion of costs or balances allocated specifically to industrial distribution-level customers taking service on Schedule G-NT. (N)

The "Industrial Transmission Subaccount" tracks the portion of costs or balances allocated specifically to industrial transmission-level customers taking service on Schedule G-NT.

The "Noncore Subaccount" tracks costs or balances allocated on an equal cents per therm basis to all noncore customers. Prior to revising the NCA rate, the noncore distribution and transmission portion of the balance in this subaccount will be transferred to the Industrial Distribution and Industrial Transmission Subaccounts, respectively.

The "Interim Relief Subaccount" tracks the noncore industrial distribution portion of the interim gas revenue requirement increase adopted in Decision 98-12-078. The balance in this subaccount will be allocated to noncore industrial distribution rates and included in the NCA rate component (see Preliminary Statement Part B) upon implementation of the next Annual True-up of Balancing Accounts. (N)

- a. Industrial Distribution Subaccount (T)

The following entries will be made to this subaccount each month:

- 1) a debit entry equal to any expense adopted by the CPUC as a cost to be included in this account; (T)
- 2) a debit entry equal to one-twelfth of the noncore distribution portion of the authorized public purpose program base revenue amount; (T)

(Continued)



PRELIMINARY STATEMENT
(Continued)

J. NONCORE CUSTOMER CLASS CHARGE ACCOUNT (NCA) (Cont'd.)

6. ACCOUNTING PROCEDURE: (Cont'd.)

- | | | | |
|----|---|-----|-----|
| 3) | a credit entry equal to the noncore distribution portion of demand-side management (DSM) revenue, excluding the allowance for Franchise Fees and Uncollectible Accounts Expense (F&U); | (T) | (L) |
| 4) | a credit entry equal to the noncore distribution portion of NCA revenue, excluding the allowance for F&U; | (T) | (L) |
| 5) | an entry equal to the adopted balances transferred to this account in a cost allocation proceeding or at other times, as ordered by the CPUC; and | (T) | (L) |
| 6) | an entry equal to interest on the average of the balance in the subaccount at the beginning of the month and the balance after entries from J.6.a.1 through J.6.a.5, above, at a rate equal to one-twelfth of the interest rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor. | (T) | (L) |

b. Industrial Transmission Subaccount

(N)

The following entries will be made to this subaccount each month:

- | | | | |
|----|--|-----|-----|
| 1) | a debit entry equal to any expense adopted by the CPUC as a cost to be included in this account; | (L) | |
| 2) | a debit entry equal to one-twelfth of the noncore transmission portion of the authorized public purpose program base revenue amount; | (L) | |
| 3) | a credit entry equal to the noncore transmission portion of demand-side management (DSM) revenue, excluding the allowance for F&U; | (T) | |
| 4) | a credit entry equal to the noncore transmission portion of NCA revenue, excluding the allowance for F&U; | (T) | |
| 5) | an entry equal to the adopted balances transferred to this subaccount in a cost allocation proceeding or at other times, as ordered by the CPUC; and | (T) | |
| 6) | an entry equal to interest on the average of the balance in the account at the beginning of the month and the balance after entries from J.6.b.1 through J.6.b.5, above, at a rate equal to one-twelfth of the interest rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor. | (T) | (L) |

(N)

(Continued)



PRELIMINARY STATEMENT
(Continued)

- | | | |
|----|--|-------------------|
| J. | NONCORE CUSTOMER CLASS CHARGE ACCOUNT (NCA) (Cont'd.) | (N) |
| 6. | ACCOUNTING PROCEDURE: (Cont'd.) | |
| c. | <u>Noncore Subaccount</u> | |
| | The following entries will be made to this subaccount each month: | |
| | 1) a debit entry equal to the noncore portion of intervenor compensation and any other expense adopted by the CPUC as a cost to be included in this subaccount; | |
| | 2) a credit entry equal to the NCA revenue not recorded to J.6.a or J.6.b, above, excluding the allowance for F&U; | |
| | 3) an entry equal to the adopted balances transferred to this subaccount in a cost allocation proceeding or at other times, as ordered by the CPUC; and | |
| | 4) an entry equal to interest on the average of the balance in the subaccount at the beginning of the month and the balance after entries from J.6.c.1 through J.6.c.3, above, at a rate equal to one-twelfth of the interest rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor. | (N) |
| d. | <u>Interim Relief Subaccount</u> | (L) |
| | The following entries will be made to this subaccount each month: | |
| | 1) A monthly debit entry equal to one-twelfth of the increase in the noncore industrial distribution portion of the authorized base revenue amount (with credits and adjustments) adopted in Decision 98-12-078; | (T) |
| | 2) A one-time entry when the final 1999 GRC decision in Application 97-12-020 becomes effective to reverse the amount recorded in entry J.6.d.1 above, with interest, and substitute it with the final adopted noncore distribution base revenue requirement, with interest, for the period from January 1, 1999, to the implementation date of the final GRC decision; | (T) |
| | 3) A monthly credit equal to the revenue to amortize the balances in this subaccount, excluding the allowance for F&U; and | (T) |
| | 4) An entry equal to interest on the average of the balance in the account at the beginning of the month and the balance in the account after entries J.6.d.1 through J.6.d.3, above, at a rate equal to one-twelfth the interest rate of the three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor. | (T)
(T)
(T) |
| | | (L) |



PRELIMINARY STATEMENT
(Continued)

L. BALANCING CHARGE ACCOUNT (BCA)

1. **PURPOSE:** The purpose of the BCA is to record the revenue and cost associated with providing balancing service, including penalties and credits per Rule 14, a portion of transaction fee revenue from services offered by an authorized Third Party Service Provider (TPSP) as described in Schedule G-BAL, Rule 14, Rule 21.2, or as otherwise authorized by the CPUC. The balance in this account will be incorporated into core and noncore transportation rates as determined in PG&E's Biennial Cost Allocation Proceeding Decision 01-11-001. (T)

Descriptions of the terms and definitions used in this section are found in Preliminary Statement, Part C or in Rule 1.

2. **APPLICABILITY:** The BCA balance applies to all gas rate schedules and contracts subject to the jurisdiction of the CPUC, except for those schedules and contracts specifically excluded by the CPUC.
3. **REVISION DATE:** The revision date applicable to the BCA rate shall coincide with the revision date of the Cost Allocation Proceeding or at other times, as ordered by the CPUC.
4. **FORECAST PERIOD:** The forecast test period will be as specified in the Cost Allocation Proceeding.
5. **BCA RATES:** This account does not currently have a rate component.
6. **ACCOUNTING PROCEDURE:** PG&E shall maintain the BCA by making entries as follows:
- a. a debit entry equal to the cost of gas purchased under Schedule G-BAL as a result of over-deliveries (excluding transactions during the Schedule G-BAL Transition Period);
 - b. a debit entry equal to the cost of gas purchased under a California Production Balancing Agreement (CPBA) as a result of overdeliveries;
 - c. a debit entry equal to the cost of gas purchased by the transmission system to provide balancing service;
 - d. a debit entry equal to the involuntary diversion credits to suppliers;
 - e. a credit entry equal to revenues from the sale of gas commodity as a result of under-deliveries under Schedule G-BAL during the month (excluding transactions during the Schedule G-BAL transition period), excluding the allowance for Franchise Fees and Uncollectible Accounts Expense (F&U);
 - f. a credit entry equal to the revenue from the sale of gas commodity as a result of underdeliveries under a CPBA, excluding the allowances for F&U;

* The rules referred to in this schedule are part of PG&E's gas tariffs. Copies are available at local offices.



SCHEDULE G-NT—GAS TRANSPORTATION SERVICE TO NONCORE END-USE CUSTOMERS

APPLICABILITY: This rate schedule applies to the transportation of natural gas to Noncore End-Use Customers on PG&E's Local Transmission and/or Distribution Systems. To qualify for service under this schedule, a Customer must be classified as a Noncore End-Use Customer, as defined in Rule 1.* To initially qualify for noncore status, a non-residential Customer must have maintained an average monthly use, through a single meter, in excess of 20,800 therms during the previous twelve (12) months, excluding those months during which usage was 200 therms or less. See Rule 12 for details on core and noncore reclassification.

Customers on Schedule G-NT must procure gas supply from a supplier other than PG&E.

TERRITORY: Schedule G-NT applies everywhere PG&E provides natural gas transportation service.

RATES: To qualify for Transmission rates under this schedule, a Customer must: (a) be served directly from PG&E gas facilities that have a maximum operating pressure greater than 60 pounds per square inch (psi), or (b) have an average historical use through a single meter of greater than 3,000,000 therms per year for the previous three years and a historical use of greater than 2,500,000 therms in the most recent 12-month period, or (c) be able to document an increase in gas use due to permanent changes in the operations of the Customer's facility that will cause usage to exceed 3,000,000 therms per year. Customers qualifying under (c) will be subject to a use-or-pay obligation of 3,000,000 therms per year until they meet the requirements of (b) above.

Each January, the annual gas use and service to all Customers on this schedule will be reviewed to determine continued eligibility for Transmission rates. If a Customer does not meet at least one of the eligibility criteria for Transmission rates, Distribution rates will apply.

The following charges apply to service under this schedule:

1. Customer Access Charge:

The monthly Customer Access Charge applies to the Customer's recorded Average Monthly Use, as defined in Rule 1. This charge includes billing and metering costs. The usage through multiple noncore-eligible meters on a single premises will be combined to determine Average Monthly Use.

<u>Usage</u>	<u>Per Month</u>	
0 to 5,000 therms	\$11.87	(l)
5,001 to 10,000 therms	\$93.52	
10,001 to 50,000 therms	\$354.79	
50,001 to 200,000 therms	\$935.23	
200,001 to 1,000,000 therms	\$1,339.02	
1,000,001 therms and above	\$3,892.38	(l)

* The rules referred to in this schedule are part of PG&E's gas tariffs. Copies are available at local offices.

(Continued)



SCHEDULE G-NT—GAS TRANSPORTATION SERVICE TO NONCORE END-USE CUSTOMERS
(Continued)

RATES:
(Cont'd.)

2. Transportation Charge:

A Customer will pay one of the following rates for gas delivered in the current billing month. The applicable monthly distribution rate tier is based on the customer's total recorded usage during 12 billing months ending with the current billing month.

(N)
|
(N)

Transmission: Per Therm
\$0.02479 (I)

Distribution:

Usage	0-249,999 therms	250,000- 599,999 therms	600,000- 1,999,999 therms	2,000,000 therms or above
Summer	\$0.10146	\$0.08872	\$0.08279	\$0.07436
Winter	\$0.12756	\$0.11036	\$0.10236	\$0.09097

(N)
|
|
|
|
(N)

Customer will pay a franchise fee surcharge for gas volumes transported by PG&E. (See Schedule G-SUR for details.) The Customer will be responsible for any applicable costs, taxes, and/or fees incurred by PG&E in taking delivery of third-party gas from intra- or interstate sources.

See Preliminary Statement, Part B for the default tariff rate components.

SEASONS:

Summer season is from April 1 through October 31. Winter season is from November 1 through March 31.

(N)
(N)

CURTAILMENT
OF SERVICE:

Service under this schedule may be curtailed. See Rule 14* for details.

BALANCING
SERVICE:

Service hereunder shall be subject to all the applicable terms, conditions and obligations of Schedule G-BAL.

ENERGY
EFFICIENCY
ADJUSTMENT:

A Customer who implements measures to improve energy efficiency on or after January 1, 1992, may be eligible to receive an energy efficiency adjustment and therefore qualify to take service under this schedule. The following qualifications must be met by the Customer: 1) Customer's service was established prior to January 1, 1992, and 2) the efficiency measures reduce the Customer's natural gas usage to the point that the Customer would no longer be eligible for service under this schedule. Qualifying Customers must execute an Agreement for Adjustment for Natural Gas Energy Efficiency Measures (Form No. 79-788) with PG&E prior to receiving an energy efficiency adjustment.

BACKBONE
TRANSMISSION
TRANSPORTA-
TION SERVICE:

Transportation service on PG&E's Backbone Transmission System may be taken in conjunction with this schedule under Schedule G-AFT, G-SFT, G-AA, G-NFT, or G-NAA. A separate Gas Transmission Service Agreement (GTSA) (Form 79-866) must be executed for such service.

* The rules referred to in this schedule are part of PG&E's gas tariffs. Copies are available at local offices.

(Continued)



SCHEDULE G-COG—GAS TRANSPORTATION SERVICE TO COGENERATION FACILITIES
(Continued)

RATES: Customers taking service under this schedule who also receive service under their otherwise-applicable rate schedule, will have the Monthly Customer Charge/Access Charge of that schedule prorated by the ratio of volumes billed under Schedule G-COG divided by the Customer's total monthly volumes.
(Cont'd.)

Customers will be responsible for any other applicable costs, taxes, and/or fees incurred by PG&E in taking delivery of gas supplied from a source other than PG&E from intra- or interstate sources.

See Preliminary Statement Part B for the default tariff rate components.

SERVICE AGREEMENT: A Natural Gas Service Agreement (NGSA) (Form No. 79-756) is required for service under this schedule. The initial term of the NGSA will be one (1) year.

LIMITATION OF GAS USE: The volume of gas transported under this schedule is limited to the lesser of: (1) the Cogeneration Gas Allowance (CGA) for each kilowatt-hour of net electricity generation fueled by natural gas; or (2) the quantity of gas actually consumed in the cogeneration facility, as determined by PG&E. Net electricity generation is the output of the generator, less the energy used to operate the auxiliary equipment at the cogeneration facility. Auxiliary equipment includes, but is not limited to, forced and induced draft fans, boiler feed pumps, and lubricating oil systems.

COGENERATION GAS ALLOWANCE (CGA)

Incremental Heat Rate (IHR) (Btu/kWh)	CGA (Therms/kWh)	
10,681	0.10681	(C)

The CGA equals IHR/100,000 Btu/therm. (D)

Gas use in excess of the above limitations will be billed under the Customer's otherwise-applicable rate schedule.

(Continued)



SCHEDULE G-EG—GAS TRANSPORTATION SERVICE TO ELECTRIC GENERATION

APPLICABILITY: This rate schedule applies to the transportation of natural gas on PG&E's Local Transmission System. The following Customer loads will be served under Schedule G-EG: (a) PG&E-owned gas-fired electric generation plants, (b) gas-fired electric generation plants formerly owned by PG&E which have been divested pursuant to electric industry restructuring, (c) existing or new gas-fired electric generation facilities owned by municipalities, irrigation districts, joint power authorities or other state or local governmental entities that would otherwise qualify for Transmission rates under Schedule G-NT, and (d) merchant power plants and independent power production facilities that would otherwise qualify for Transmission rates under Schedule G-NT. This schedule does not apply to gas transported to non-electric generation loads, or to cogeneration loads.

TERRITORY: Schedule G-EG applies everywhere PG&E provides natural gas transportation service.

RATES: The following charges apply to this schedule. They do not include charges for service on PG&E's Backbone Transmission System:

Transportation Charge (per therm): \$0.01733 (R)

In addition, the Customer will also be responsible for any applicable costs, taxes, and/or fees incurred by PG&E in taking delivery of gas supplied from a source other than PG&E from intra- or interstate sources.

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

NEGOTIABLE RATES: Rates under this schedule may be negotiated.

- NEGOTIATED RATE GUIDELINES:**
1. Standard tariff rates and terms are available to all Customers.
 2. PG&E may distinguish between parties in offering negotiated rates by evaluating differences in circumstances and conditions, including, but not limited to, differences occurring upstream of, downstream of, or at, the Customer's location, and differences affecting either cost of service to the Customer or Customer's market alternatives. Negotiations with Customers under this rate schedule will be conducted without undue preference or undue discrimination to the Customer or to any third party. Negotiated rates for G-EG service shall not be less than PG&E's short-run marginal cost of providing the service.
 3. PG&E will issue monthly reports to the Commission listing all negotiated contracts, including those negotiated under G-EG. PG&E will make the report available to others upon request. Customer names, including PG&E's affiliates and other departments, will not be provided in the report. However, the report will indicate whether a particular transaction was with an affiliate. The report will show the negotiated rates and dates of service.

(Continued)



SCHEDULE G-30—PUBLIC OUTDOOR LIGHTING SERVICE

APPLICABILITY: This schedule is applicable to unmetered firm gas service available for continuous use by groups of customer-owned gas lights installed in a consecutive and contiguous arrangement along or adjacent to public thoroughfares and constituting a lighting system. Service under this schedule to be conditional upon arrangements mutually satisfactory to the Customer and PG&E for connection of Customers' gas lights to PG&E's facilities and is available only for groups of gas lights approved by PG&E. This schedule was closed to new installations as of June 20, 1973.

TERRITORY: Schedule G-30 applies everywhere PG&E provides natural gas service.

RATES:		Per Group of Lights Per Month
	First 10 lights or less	\$92.57 (I)
	For each additional gas light	\$9.27 (I)
	For each cubic foot per hour of total rated capacity for the group in excess of either 1.5 cubic foot per hour per light or 15.0 cubic feet per hour for the group, whichever is greater	\$5.42 (I)

See Preliminary Statement, Part B for the Default Tariff Rate Components, including the Interstate Transition Cost Surcharge (ITCS) Account component, applicable to this schedule.

- SPECIAL CONDITIONS:**
1. A contract on Form No. 62-4897 will be required for a term of three years when service is first rendered under this schedule and continuing thereafter until cancelled by either party by thirty days' advance written notice.
 2. All gas lights for public outdoor lighting will be owned and installed by the Customer. The gas light shall consist of a PG&E approved post, base, and luminaire with one or more mantles.
 3. PG&E maintenance includes service to "no light" reports, burner and regulator adjustment, and it includes glassware cleaning at the time other maintenance work is being performed. Mantle replacements, not to exceed annually the total number of mantles installed, will be made at PG&E expense. Replacement glassware provided by the Customer will be installed by PG&E.
 4. The service tap assembly and service pipe for each gas light will be owned, installed, and maintained by PG&E. The estimated installed cost shall be paid by the Customer to PG&E in advance of construction.
 5. The rated capacity of each gas light shall be determined by PG&E to the nearest one-tenth cubic foot per hour from the name plate rating or by test, at PG&E's option.

(Continued)



SCHEDULE G-WSL—GAS TRANSPORTATION SERVICE TO WHOLESALE/RESALE CUSTOMERS

APPLICABILITY: This rate schedule applies to the transportation of natural gas for resale. Service under this schedule is available to the Customers listed below, and any new wholesale Customer. Customers must procure gas supply from a supplier other than PG&E.

RATES: Customers pay a Customer Access Charge and a Transportation Charge. Customers electing to use the Storage options described in this rate schedule must pay the applicable Storage Charge.

1. Customer Access Charge:

	<u>Per Month</u>	
Palo Alto	\$ 4,392.60	(I)
Coalinga	\$ 1,028.08	
West Coast Gas-Mather	\$ 746.87	
Island Energy	\$ 560.47	
Alpine Natural Gas	\$ 206.71	
West Coast Gas-Castle	\$ 482.20	(I)

2. Transportation Charges:

For gas delivered in the current billing month:

	<u>Per Therm</u>	
Palo Alto	\$ 0.01556	(R)
Coalinga	\$ 0.01556	
West Coast Gas-Mather	\$ 0.01556	
Island Energy	\$ 0.01556	
Alpine Natural Gas	\$ 0.01556	
West Coast Gas-Castle	\$ 0.01556	(R)

3. Storage Charges:

Customers may take storage service under Schedule(s) G-FS, G-NFS, and/or G-NAS, if available. (L)
(L)

(Continued)



SCHEDULE G-WSL—GAS TRANSPORTATION SERVICE TO WHOLESALE/RESALE CUSTOMERS
(Continued)

RATES: (Cont'd.) G-WSL Customers must reserve inventory, injection and withdrawal capacity proportionately together. Reservation charges are billed in equal monthly installments. Usage Charges will be applied when Customers withdraw or inject gas into or out of storage.

See Preliminary Statement, Part B for the default tariff rate components applicable to this schedule.

Customers will be responsible for any applicable costs, taxes, and/or fees incurred by PG&E in taking delivery of third-party gas from intra- or interstate sources.

LOAD FORECAST: For planning purposes, Customers may provide PG&E an annual forecast of the core and noncore portion of its load. If the Customer elects not to provide an annual forecast, PG&E will use the forecast adopted in the most recent Cost Allocation Proceeding.

OPTIONAL CORE INTRASTATE CAPACITY RESERVATION: Palo Alto and Coalinga will have a one-time option prior to the end of the Gas Accord open season to subscribe, on behalf of their core Customers, for up to 6.0 MMcf/d and 0.5 MMcf/d (0.508 Mdth/d) of firm capacity on the Redwood to on-system path. In addition, any new wholesale Customers, on behalf of their retail core Customers previously served by PG&E, will have a one-time option to subscribe (provided capacity is available) for a pro rata share of the firm intrastate capacity PG&E has reserved for its Core Customers, as specified below:

Core Reservation of Firm
Intrastate Transmission
Pipeline Capacity

Redwood to On-System

609 Mdth/day

This intrastate capacity will be offered to all G-WSL Customers at the rates specified for Core Procurement Groups in Schedule G-AFT. G-WSL Customers must execute a Gas Transmission Service Agreement (GTSA) (Form No. 79-866) and associated exhibits in order to exercise a preferential right to this intrastate capacity. In addition, G-WSL Customers, at their option, may execute a GTSA and associated exhibits for additional intrastate transmission pipeline capacity which will not be offered at the rates specified for Core Procurement Groups in Schedule G-AFT.

With the exception of Palo Alto and Coalinga, the amount of intrastate capacity offered to each G-WSL Customer will be equal to the ratio of the Customer's most recent recorded January core load to PG&E's most recent recorded January core load times the amount of firm intrastate capacity PG&E has reserved for its retail Core Customers. Closed military bases which become wholesale Customers may elect to take a pro-rata share of capacity based upon historic January core throughput during the last full year of operations at the military base.

OPTIONAL CORE STORAGE ALLOCATION:

(D)

(Continued)



SCHEDULE G-WSL—GAS TRANSPORTATION SERVICE TO WHOLESALE/RESALE CUSTOMERS
(Continued)

		(D)
SERVICE AGREEMENT:	A <u>Natural Gas Service Agreement</u> (NGSA) (Form No. 79-756) is required for service under this schedule. The initial term of the NGSA will be one (1) year.	(L)
SHRINKAGE:	Transportation volumes will be subject to a shrinkage allowance in accordance with Rule 21.	
NOMINATIONS:	Nominations are required for gas supplies delivered under this schedule. See Rule 21 for details.	
CURTAILMENT OF SERVICE:	Service under this schedule may be curtailed. Service under this schedule for the core portion of the Customer's load receives priority comparable to PG&E's core load. See Rule 14 for details.	
BALANCING:	Service hereunder shall be subject to all applicable terms, conditions and obligations of Schedule G-BAL.	(L)
GAS OWNERSHIP:	Quantities of gas transported under this schedule may include gas owned by authorized end-users on the Customer's gas distribution system.	
BACKBONE TRANSMISSION TRANSPORTATION SERVICE:	Transportation service on PG&E's Backbone Transmission System may be taken in conjunction with this schedule under Schedules G-AFT, G-SFT, G-AA, G-NFT, or G-NAA. A separate <u>Gas Transmission Service Agreement</u> (GTSA) (Form No. 79-866) must be executed for such service.	
		(L)



SCHEDULE G-AFT—ANNUAL FIRM TRANSPORTATION ON-SYSTEM
(Continued)

RATES: Customer has the option to elect either the Modified Fixed Variable (MFV) or the Straight Fixed Variable (SFV) rate structure, which will then be specified in the Customer's GTSA.

1. Reservation Charge:

The Reservation Charge shall be the applicable reservation rate multiplied by the Maximum Daily Quantity (MDQ) for the contracted path as specified in the Customer's GTSA. The Reservation Charge is payable each month regardless of the quantity of gas transported during the month.

<u>Path:</u>	<u>Reservation Rate (Per Dth per month)</u>	
	<u>MFV Rates</u>	<u>SFV Rates</u>
Redwood to On-System	\$4.6874 (I)	\$7.9610 (I)
Redwood to On-System (Core Procurement Groups only)	\$2.4142 (I)	\$3.5166 (I)
Baja to On-System (including Core Procurement Groups)	\$3.9100 (I)	\$5.1921 (I)
Silverado to On-System (including Core Procurement Groups)	\$2.3276 (I)	\$3.4260 (I)
Mission to On-System (including Core Procurement Groups)	\$2.3276 (I)	\$3.4260 (I)

2. Usage Charge:

The Usage Charge shall be equal to the applicable usage rate for the contracted path, multiplied by the quantity of gas delivered on the Customer's behalf.

<u>Path:</u>	<u>Usage Rate (Per Dth)</u>	
	<u>MFV Rates</u>	<u>SFV Rates</u>
Redwood to On-System	\$0.1151 (R)	\$0.0074 (I)
Redwood to On-System (Core Procurement Groups only)	\$0.0454 (I)	\$0.0092 (I)
Baja to On-System (including Core Procurement Groups)	\$0.0460 (I)	\$0.0039 (I)
Silverado to On-System (including Core Procurement Groups)	\$0.0393	\$0.0032 (I)
Mission to On-System (including Core Procurement Groups)	\$0.0393	\$0.0032 (I)

(Continued)



SCHEDULE G-AFTOFF—ANNUAL FIRM TRANSPORTATION OFF-SYSTEM
(Continued)

RATES: Customer has the option to elect either the MFV or the SFV rate structure, which will then be specified in the Customer's GTSA.

1. Reservation Charge:

The Reservation Charge shall be the applicable reservation rate multiplied by the Maximum Daily Quantity (MDQ) for the contracted path as specified in the Customer's GTSA. The Reservation Charge is payable each month regardless of the quantity of gas transported during the month.

<u>Path:</u>	<u>Reservation Rate (Per Dth per month)</u>	
	<u>MFV Rates</u>	<u>SFV Rates</u>
Redwood to Off-System	\$5.1815 (R)	\$9.8251 (R)
Baja to Off-System	\$3.9100 (I)	\$5.1921 (I)
Silverado to Off-System	\$5.1815 (R)	\$9.8251 (R)
Mission to Off-System	\$5.1815 (R)	\$9.8251 (R)

2. Usage Charge:

The Usage Charge shall be equal to the applicable usage rate for the contracted path, multiplied by the quantity of gas delivered on the Customer's behalf.

<u>Path:</u>	<u>Usage Rate (Per Dth)</u>	
	<u>MFV Rates</u>	<u>SFV Rates</u>
Redwood to Off-System	\$0.1650 (R)	\$0.0042 (I)
Baja to Off-System	\$0.0460 (I)	\$0.0039 (I)
Silverado to Off-System	\$0.1650 (R)	\$0.0042 (I)
Mission to Off-System	\$0.1650 (R)	\$0.0042 (I)

3. Additional Charges:

The Customer shall be responsible for payment of any applicable costs, taxes, and/or fees incurred by PG&E in taking delivery of third-party gas from intra- or interstate sources.

(Continued)



SCHEDULE G-SFT—SEASONAL FIRM TRANSPORTATION ON-SYSTEM ONLY
(Continued)

RATES:

Customer has the option to elect either the Modified Fixed Variable (MFV) or the Straight Fixed Variable (SFV) rate structure, which will then be specified in the Customer's GTSA.

1. Reservation Charge:

The Reservation Charge shall be the applicable reservation rate multiplied by the Maximum Daily Quantity (MDQ) for the contracted path as specified in the Customer's GTSA. The Reservation Charge is payable each month regardless of the quantity of gas transported during the month.

<u>Path:</u>	<u>Reservation Rate (Per Dth per month)</u>	
	<u>MFV Rates</u>	<u>SFV Rates</u>
Redwood to On-System	\$5.6248 (I)	\$9.5532 (I)
Baja to On-System	\$4.6920 (I)	\$6.2305 (I)
Silverado to On-System	\$2.7932 (I)	\$4.1112 (I)
Mission to On-System	\$2.7932 (I)	\$4.1112 (I)

2. Usage Charge:

The Usage Charge shall be equal to the applicable usage rate for the contracted path, multiplied by the quantity of gas delivered on the Customer's behalf.

<u>Path:</u>	<u>Usage Rate (Per Dth)</u>	
	<u>MFV Rates</u>	<u>SFV Rates</u>
Redwood to On-System	\$0.1381 (R)	\$0.0089 (I)
Baja to On-System	\$0.0552 (I)	\$0.0047 (I)
Silverado to On-System	\$0.0471 (R)	\$0.0038 (I)
Mission to On-System	\$0.0471 (R)	\$0.0038 (I)

3. Additional Charges:

The Customer shall be responsible for payment of any applicable costs, taxes, and/or fees incurred by PG&E in taking delivery of third-party gas from intra- or interstate sources.

(Continued)



SCHEDULE G-AA—AS AVAILABLE TRANSPORTATION ON-SYSTEM
(Continued)

RATES: The Customer shall pay a Usage Charge for each decatherm equal to the applicable usage rate for the contracted path, multiplied by the quantity of gas delivered on the Customer's behalf.

1. Usage Charge:

<u>Path:</u>	<u>Usage Rate (Per Dth)</u>
Redwood to On-System	\$ 0.3230 (I)
Baja to On-System	\$ 0.2095 (I)
Silverado to On-System	\$ 0.1390 (I)
Mission to On-System	\$ 0.0000

2. Additional Charges:

The Customer shall be responsible for payment of any applicable costs, taxes, and/or fees incurred by PG&E in taking delivery of third-party gas from intra- or interstate sources.

NEGOTIABLE RATES: Rates under this schedule are not negotiable.

ELECTRIC DEPARTMENT/ COGENERATOR PARITY RATES: Schedule G-COG Customers who take service under this schedule will be eligible for the provisions of the Cogeneration Rate Parity Exhibit of the Customer's GTSA.

CREDIT-WORTHINESS: Customer must meet the creditworthiness requirements specified in Rule 25.*

SERVICE AGREEMENT: A Gas Transmission Service Agreement (GTSA) (Form No. 79-866) is required for service on this schedule. The minimum term for service under this rate schedule is one (1) day.

SHRINKAGE: Transportation volumes will be subject to a shrinkage allowance in accordance with Rule 21.

NOMINATIONS: Nominations are required for gas transported under this rate schedule. See Rule 21 for details.

CURTAILMENT OF SERVICE: Service under this schedule may be curtailed. See Rule 14 for details.

BALANCING: Service hereunder shall be subject to all applicable terms, conditions and obligations of Schedule G-BAL.

* The rules referred to in this schedule are part of PG&E's gas tariffs. Copies are available at local offices.

(Continued)



SCHEDULE G-AAOFF—AS-AVAILABLE TRANSPORTATION OFF-SYSTEM

APPLICABILITY: This rate schedule applies to As-available transportation of natural gas on PG&E's Backbone Transmission System to Off-System Delivery Point(s) only.

TERRITORY: Schedule G-AAOFF is available only for the transportation of natural gas within PG&E's service territory on the specific paths described herein for off-system deliveries.

PG&E will accept gas on Customer's behalf only at the Receipt Point(s) specifically designated in Customer's Gas Transmission Service Agreement (GTSA) (Form No. 79-866).

Receipt Point(s) are available for service under this schedule as follows:

<u>Path:</u>	<u>Receipt Point(s):</u>
Redwood to Off-System	Malin or other receipt points north of the Antioch Terminal not included in other backbone transmission paths
Baja to Off-System	Topock, Dagget, Kern River Station or other receipt points south of the Antioch Terminal not included in other backbone transmission paths
Silverado to Off-System	PG&E interconnections with California Production (see Gas Rule 1)
Mission to Off-System	PG&E's Market Center Citygate location, an On-System Delivery Point, PG&E's storage facilities, or a third party's storage facilities located in PG&E's service territory.

Delivery Point(s):

Any Delivery Point(s) under to which gas is transported this rate schedule must be an Off-System Delivery Point.

RATES: The Customer shall pay a Usage Charge for each decatherm equal to the applicable usage rate for the contracted path, multiplied by the quantity of gas delivered on the Customer's behalf.

1. Usage Charge:

<u>Path:</u>	<u>Usage Rate (Per Dth)</u>
Redwood to Off-System	\$ 0.4034 (R)
Baja to Off-System	\$ 0.2095 (I)
Silverado to Off-System	\$ 0.4034 (R)
Mission to Off-System	\$ 0.4034 (R)

(Continued)



SCHEDULE G-XF—PIPELINE EXPANSION FIRM INTRASTATE TRANSPORTATION SERVICE

APPLICABILITY: Schedule G-XF is available to any Customer who holds a Pipeline Expansion Firm Transportation Service Agreement (FTSA) (Form No. 79-791) approved by the CPUC. This schedule is closed to new Customers. This schedule may also be taken in conjunction with Schedule G-STOR, G-FS, G-NFS, G-NAS, G-PARK, or G-LEND.

TERRITORY: Schedule G-XF applies to pre-existing Pipeline Expansion firm transportation service.

RATES: The following charges apply to intrastate natural gas transportation service under this schedule. In addition, Customer will be responsible for any applicable costs, taxes, and/or fees incurred by PG&E in taking delivery of third-party gas from inter- or intrastate sources and any other applicable charges.

1. Reservation Charge:

The monthly Reservation Charge shall be the applicable reservation rate multiplied by the Customer's Maximum Daily Quantity (MDQ), as specified in the Customer's FTSA.

<u>Reservation Rates:</u>	<u>Per Dth Per Month</u>
MFV Rates:	\$5.1815 (R)
SFV Rates:	\$9.8251 (R)

Customer's obligation to pay the Reservation Charge each month is absolute and unconditional and is independent of Customer's ability to obtain export authorization from the National Energy Board of Canada, Canadian provincial removal authority, and/or import authorization from the United States Department of Energy. Customer's obligation to pay the Reservation Charge shall be unaffected by the quantity of gas transported by PG&E to Customer's Delivery Point(s) on the Pipeline Expansion.

(Continued)



SCHEDULE G-XF—PIPELINE EXPANSION FIRM INTRASTATE TRANSPORTATION SERVICE
(Continued)

RATES:
(Cont'd.)

2. Usage Charge:

In addition to the Reservation Charge described above, Customer shall pay a usage charge for each decatherm equal to the applicable usage rate times the quantity of gas received on the Customer's behalf, less the applicable shrinkage allowance in the current month.

<u>Usage Rates:</u>	<u>Per Dth</u>
MFV Rates:	\$0.1650 (R)
SFV Rates:	\$0.0042 (I)

CREDIT-
WORTHINESS:

The Customer must meet the creditworthiness requirements set forth in Rule 25.*

SERVICE
AGREEMENT:

Customer must have executed a Pipeline Expansion Firm Transportation Service Agreement (Form No. 79-791) prior to the implementation date of the Gas Accord Settlement on March 1, 1998, in order to qualify for service under this schedule.

NOMINATIONS:

Nominations are required for gas supplies delivered under this rate schedule. See Rule 21 for details.

CURTAILMENT
OF SERVICE:

Service under this schedule may be curtailed. See Rule 14 for details.

TEMPORARY
ASSIGNMENT OF
CAPACITY
RIGHTS:

Customer may assign all or a portion of its long-term firm capacity on the Pipeline Expansion to another party, subject to the creditworthiness requirements set forth in Rule 25. In order to assign capacity, Customer must provide PG&E written notice, using the Assignment of Gas Transmission Services (Form No. 79-867).

RECEIPT
POINTS:

PG&E will accept gas on Customer's behalf only at the Receipt Point(s) specified in Exhibit A to the FTSA. On any given day, the total amount of gas nominated for firm transportation service at all Receipt Points may not exceed Customer's MDQ, as specified in the FTSA.

DELIVERY
POINTS:

Customer may nominate only to the Delivery Point set forth in Exhibit A to the Customer's FTSA. Customer is responsible for separately arranging for transportation of its gas between the Delivery Point and the ultimate end-use destination(s).

SHRINKAGE:

Transportation volumes will be subject to a shrinkage allowance in accordance with Rule 21.

BALANCING:

Service hereunder shall be subject to all applicable terms, conditions and obligations of Schedule G-BAL.

* The rules referred to in this schedule are part of PG&E's gas tariffs. Copies are available at local offices.

(Continued)



SCHEDULE G-PARK—MARKET CENTER PARKING SERVICE

APPLICABILITY: This rate schedule applies to the gas parking service offered to Customers as part of PG&E's Golden Gate Market Center Services. Gas parking is the temporary storage of gas on the PG&E gas transmission system. This service is provided on an interruptible basis only, and is the lowest priority transmission service offered by PG&E.

The Customer shall be responsible for arranging and paying for interstate and intrastate transportation service, as applicable, for transportation into and out of their Market Center accounts.

TERRITORY: The points of service for parking under this schedule are the various locations at which PG&E's system interconnects with interstate pipelines, at Kern River Station, and at PG&E's Citygate.

RATES: Rates will be negotiated on a transaction-by-transaction basis and shall be within the range set forth below:

Minimum Rate (per transaction):\$57.00

Maximum Rate (per Dth per day):\$1.0038 (l)

The minimum rate reflects PG&E's minimum costs to offer and operate the service.

The maximum rate is based upon costs reflected in Schedule G-FS to cycle firm gas into and out of storage.

The Customer will be responsible for any applicable costs, taxes, and/or fees incurred by PG&E in taking delivery of third-party gas from intra- or interstate sources.

ELECTRIC DEPARTMENT/ COGENERATOR PARITY RATES: Schedule G-COG Customers who take service under this schedule will be eligible for the provisions of the Cogeneration Rate Parity Exhibit of the Customer's Gas Transmission Service Agreement (GTSA).

CREDIT-WORTHINESS: The Customer must meet the creditworthiness requirements specified in Rule 25.*

SERVICE AGREEMENT: Service under this schedule is available to Customers who have executed a Gas Transmission Service Agreement (GTSA) (Form No. 79-866) with PG&E.

NOMINATIONS: Notice is required for service under this schedule, as agreed to by PG&E and the customer.

* The rules referred to in this schedule are part of PG&E's gas tariffs. Copies are available at local offices.

(Continued)



SCHEDULE G-LEND—MARKET CENTER LENDING SERVICE

APPLICABILITY: This rate schedule applies to the gas lending service offered to Customers as part of PG&E's Golden Gate Market Center Services. Gas lending is the temporary loan of gas from the PG&E gas transmission system. This service is provided on an interruptible basis only, and is the lowest priority transmission service offered by PG&E.

The Customer shall be responsible for arranging and paying for interstate and intrastate transportation service, as applicable, for transportation into and out of their Market Center accounts.

TERRITORY: The points of service for lending under this schedule are the various locations at which PG&E's system interconnects with interstate pipelines, at Kern River Station, and at PG&E's Citygate.

RATES: Rates will be negotiated on a transaction-by-transaction basis and shall be within the range set forth below:

Minimum Rate (per transaction):\$57.00

Maximum Rate (per Dth per day):\$1.0038 (l)

The minimum rate reflects PG&E's minimum costs to offer and operate the service.

The maximum rate is based upon costs reflected in Schedule G-FS to cycle firm gas into and out of storage.

The Customer will be responsible for any applicable costs, taxes, and/or fees incurred by PG&E in taking delivery of third-party gas from intra- or interstate sources.

ELECTRIC DEPARTMENT/ COGENERATOR PARITY RATES: Schedule G-COG Customers who take service under this schedule will be eligible for the provisions of the Cogeneration Rate Parity Exhibit of the Customer's Gas Transmission Service Agreement (GTSA).

CREDIT-WORTHINESS: The Customer must meet the creditworthiness requirements specified in Rule 25.*

SERVICE AGREEMENT: Service under this schedule is available to Customers who have executed a Gas Transmission Service Agreement (GTSA) (Form No. 79-866) with PG&E.

NOMINATIONS: Notice is required for service under this schedule, as agreed to by PG&E and the customer.

* The rules referred to in this schedule are part of PG&E's gas tariffs. Copies are available at local offices.

(Continued)



SCHEDULE G-NGV4—EXPERIMENTAL GAS TRANSPORTATION SERVICE TO
NONCORE NATURAL GAS VEHICLES

APPLICABILITY: This rate schedule applies to the transportation of gas to customer-owned natural gas vehicle fueling stations on PG&E's Local Transmission and/or Distribution Systems. To qualify for service under this schedule, a Customer must be classified as a Noncore End-Use Customer, as defined in Rule 1.* To initially qualify for noncore status, a non-residential Customer must have maintained an average monthly use, through a single meter, in excess of 20,800 therms during the previous twelve (12) months, excluding those months during which usage was 200 therms or less. See Rule 12 for details on core and noncore reclassification.

Customers must procure gas supply from a supplier other than PG&E.

TERRITORY: Schedule G-NGV4 applies everywhere PG&E provides natural gas service.

RATES: To qualify for Transmission rates under this schedule, a Customer must: (a) be served directly from PG&E gas facilities that have a maximum operating pressure greater than 60 pounds per square inch (psi), or (b) have an average historical use through a single meter of greater than 3,000,000 therms per year. Customers qualifying under (b) will remain qualified for Transmission rates by continuing to use more than 2,500,000 therms per calendar year.

Each January, the annual gas use and service to all Customers on this schedule will be reviewed to determine continued eligibility for Transmission rates. If a Customer does not meet at least one of the eligibility criteria for Transmission rates, Distribution rates will apply.

The following charges apply to service under this schedule:

1. Customer Access Charge:

The monthly Customer Access Charge applies to the Customer's recorded Average Monthly Use, as defined in Rule 1. This charge includes billing and metering costs. The usage through multiple noncore-eligible meters on a single premises will be combined to determine Average Monthly Use.

<u>Usage</u>	<u>Per Month</u>
0 to 5,000 therms	\$11.87 (I)
5,001 to 10,000 therms	\$93.52
10,001 to 50,000 therms	\$354.79
50,001 to 200,000 therms	\$935.23
200,001 to 1,000,000 therms	\$1,339.02
1,000,001 therms and above	\$3,892.38 (I)

* The rules referred to in this schedule are part of PG&E's gas tariffs. Copies are available at local offices.

(Continued)



SCHEDULE G-NGV4—EXPERIMENTAL GAS TRANSPORTATION SERVICE TO
NONCORE NATURAL GAS VEHICLES
(Continued)

RATES:
(Cont'd.)

2. Transportation Charge:

A Customer will pay one of the following rates for gas delivered in the current billing month. The applicable monthly distribution rate tier is based on the customer's total recorded usage during 12 billing months ending with the current billing month.

(N)
|
(N)

Transmission: Per Therm
\$0.02479 (I)

Distribution:

Usage	0-249,999 therms	250,000- 599,999 therms	600,000- 1,999,999 therms	2,000,000 therms or above
Summer	\$0.10146	\$0.08872	\$0.08279	\$0.07436
Winter	\$0.12756	\$0.11036	\$0.10236	\$0.09097

(N)
|
|
|
|
(N)

Customer will pay a franchise fee surcharge for gas volumes transported by PG&E. (See Schedule G-SUR for details.) The Customer will be responsible for any applicable costs, taxes, and/or fees incurred by PG&E in taking delivery of third-party gas from intra- or interstate sources.

See Preliminary Statement, Part B for the default tariff rate components.

SEASONS: Summer season is from April 1 through October 31. Winter season is from November 1 through March 31.

(N)
(N)

SERVICE AGREEMENT: A Natural Gas Service Agreement (NGSA) (Form No. 79-756) is required for service under this schedule. The initial term of the NGSA will be for one (1) year.

SHRINKAGE: Transportation volumes will be subject to a shrinkage allowance in accordance with Rule 21.

NOMINATIONS: Nominations are required for gas transported under this schedule. See Rule 21 for details.

CURTAILMENT OF SERVICE: Service under this schedule may be curtailed. See Rule 14 for details.

BACKBONE TRANSMISSION TRANSPORTATION SERVICE: Transportation service on PG&E's Backbone Transmission System may be taken in conjunction with this schedule under Schedules G-AFT, G-SFT, G-AA, G-NFT, or G-NAA. A separate Gas Transmission Service Agreement (GTSA) (Form No. 79-866) must be executed for such service.



SCHEDULE G-LNG—EXPERIMENTAL LIQUEFIED NATURAL GAS SERVICE

APPLICABILITY: This rate schedule applies to experimental natural gas liquefaction service provided by PG&E to noncore End-Use Customers. This experimental liquefaction service is limited and PG&E will provide this service on a first-come first-served basis.

TERRITORY: Schedule G-LNG applies to the PG&E experimental Liquefied Natural Gas (LNG) facility located in Sacramento, California.

RATES: The following charges will apply to per therm liquefied natural gas service under this rate schedule:

Liquefaction Charge (Per Therm): \$0.16706 (I)

LNG Gallon Equivalent: \$0.13699 (I)
(Conversion factor - One LNG Gallon = 0.82 Therms)

METERING: For metering and billing purposes, the number of LNG gallons dispensed will be compiled from a summary of transactions recorded at the dispensing unit for the Customer during a calendar month. Delivery and custody transfer of LNG shall be at the point where LNG is dispensed into the Customer's LNG transport vehicle. LNG will be weighed and converted to LNG gallons. Vehicles must be weighed at an authorized weigh station prior to receiving LNG and again after filling. Weight information must be provided to PG&E within 5 business days. LNG gallons delivered will be converted to therms and billed. LNG usage that occurs during a billing period, but which is not recorded in that billing period, will be deferred to a future billing period.

The rate includes local transportation costs from the PG&E Citygate to the LNG Facility. These charges do not include transportation service on PG&E's Backbone Transmission System, which must be arranged for separately

See Preliminary Statement, Part B for the default tariff rate components.

LNG COMPOSITION: The resulting LNG product delivered will contain amounts equal to or greater than ninety-six percent (96%) methane and amounts equal to or less than four percent (4%) ethane.

SERVICE AGREEMENT: The Customer must execute a Natural Gas Service Agreement (NGSA) Form No. 79-756 to receive service under this schedule.

NOMINATIONS: Customers who take service under this schedule must arrange for the delivery of natural gas to the PG&E LNG facility in quantities necessary to equal the amount of LNG fuel dispensed to the customer. Nominations are required for gas transported under this schedule. See Rule 21* for details.

* The rules referred to in this schedule are part of PG&E's gas tariffs. Copies are available at local offices.

(Continued)



RULE 21—TRANSPORTATION OF NATURAL GAS
(Continued)

B. QUANTITIES OF GAS (Cont'd.)

1. IN-KIND SHRINKAGE ALLOWANCE (Cont'd.)

a. Backbone Shrinkage

Customer/Agent/CTAs transporting gas over PG&E's Backbone Transmission System shall deliver each day at the Receipt Point to PG&E an additional in-kind quantity of natural gas supply equal to a percent of total volume of natural gas to be delivered at the Receipt Point. Thus, the quantity to be nominated at the Receipt Point equals the quantity desired at the Delivery Point divided by (1 - x) where x is the decimal equivalent of the Backbone Transmission System In-Kind Shrinkage Allowance percentage, based on the transmission path utilized as follows:

<u>Path</u>	<u>In-Kind Shrinkage Allowance</u>	
Redwood to Off-System path	1.11 percent	
Mission to On-System path	0 percent	
Mission to Off-System path	0 percent	
All other transmission paths	1.35 percent	(C)

Provided, however, that PG&E and Customer/Agent/CTA shall not be prohibited under this Rule, where shrinkage requirements support a different shrinkage allowance, from mutually agreeing to a different shrinkage allowance for transportation over PG&E's Backbone Transmission System.

(Continued)



RULE 21—TRANSPORTATION OF NATURAL GAS
(Continued)

B. QUANTITIES OF GAS (Cont'd.)

1. IN-KIND SHRINKAGE ALLOWANCE (Cont'd.)

b. Distribution Shrinkage

For transportation on PG&E's Distribution System, an additional In-Kind Shrinkage Allowance shall apply, which is separate from backbone shrinkage. The Noncore End-Use Customer/Agent/CTA shall deliver each day to PG&E an additional in-kind quantity of natural gas supply equal to a percent of the total volume of natural gas flowing through the End-Use Customer's meter. Thus, the quantity to be nominated at the Citygate equals the quantity to be flowed through the meter multiplied by $(1 + y)$ where y is the decimal equivalent of the Distribution System In-Kind Shrinkage Allowance percentage, as follows:

In-Kind Shrinkage Allowance

Core End-Use Customer	2.41 percent	(C)
Noncore Distribution Level End-Use Customer	0.16 percent	
Noncore Transmission Level End-Use Customer*	-	

As an example, for a Core End-Use Customer being served via the Redwood Path, the amount to be nominated at Malin is calculated as:

$$\text{Receipt Point Quantity} = \frac{\text{Est. Metered Usage} \times (1 + y)}{(1 - x)}$$

Where: x = decimal equivalent of the Backbone Shrinkage percentage, and

y = decimal equivalent of the Distribution Shrinkage percentage

* Noncore Transmission Level End-Use Customers or Agents require no Distribution System In-Kind Shrinkage Allowance.

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