

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

Tel. No. (415) 703-1691



December 17, 2003

Advice Letter 2489-~~G~~

Ms Anita Smith, Rate Analyst
Pacific Gas and Electric Company
77 Beale Street, Mail Code 10B
San Francisco, CA 94177

Subject: Tariff clean-up (Backbone Transmission Schedules; Rule 21)

Dear Ms Smith:

Advice Letter 2489-~~G~~ is effective November 26, 2003. A copy of the advice letter is returned herewith for your records.

Sincerely,

A handwritten signature in cursive script that reads "Paul Clanon".

Paul Clanon, Director
Energy Division



**Pacific Gas and
Electric Company**

Karen A. Tomcala
Vice President
Regulatory Relations

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San Francisco, CA 94105

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October 17, 2003

Advice 2489-G

(Pacific Gas and Electric Company ID U39G)

Public Utilities Commission of the State of California

Subject: Gas Tariff Clean-up (Backbone Transmission Schedules, Rule 21)

Pacific Gas and Electric Company (PG&E) hereby submits for filing revisions to its gas tariffs. The affected tariff sheets are listed on the enclosed Attachment I.¹

Purpose

The purpose of this filing is to add two new receipt points, clarify Service Agreement and exhibit terms, add PG&E's website address to PG&E's backbone transmission gas tariffs, update gas Rule 21, and other minor clean-up revisions.

Transmission Rate Schedules G-AFT, G-NFT, G-AFTOFF, G-NFTOFF, G-AA, G-AAOFF, G-NAA, G-NAAOFF, G-SFT

1. Adds two new Receipt Points to the Baja On-System Path: High Desert Lateral and Essex.
- 2.a. Clarifies that the term of service available under the rate schedule may differ from the term of the Gas Transmission Service Agreement (GTSA). The rate schedule service length language was relocated from the "Service Agreement" section to a new "Term" section on the first page of the rate schedule, and the rate schedule contract term is specified.
- 2.b. Adds language to the Service Agreement section to distinguish the GTSA term from the rate schedule service length.

¹ PG&E reserves all legal rights to challenge the decisions or statutes under which it has been required to make this advice filing, and nothing in this advice filing constitutes a waiver of such rights. Also, PG&E reserves any additional legal rights to challenge the requirement to make this advice filing by reason of its status as a debtor under Chapter 11 of the Bankruptcy Code, and nothing in this advice filing constitutes a waiver of such rights.



3. Adds the words “the exhibits to the” GTSA when the customer information is only available in GTSA exhibits, rather than in the GTSA itself.

Transmission Rate Schedules G-AAOFF, G-NAAOFF:

4. Adds language providing that all off-system interconnection points are available as backhaul delivery points, per Schedules G-AFTOFF and G-NFTOFF.

Transmission Rate Schedules (various)

5. Adds reference to PG&E’s internet website in footnote, and removes outdated language.

Gas Rule 21

General—Replaces “Customer/Agent/CTA” with “Customer”. The word “cycle” is replaced with “gas day.” References to Service Agreement exhibits are added.

1. Section A.1—Nature of Service--Inserts language to correspond with current language in Schedule G-BAL as follows: “In accordance with gas Rule 21, all Balancing Agents must endeavor to ensure that daily gas deliveries match daily gas usage.”

2. Section A.1-- the words “Delivery Point” have been added after “Customer” as the location where PG&E delivers, because PG&E’s transmission service does not deliver to End-Use Customers, and Customers are not typically located on PG&E’s Backbone Transmission System.

3. Section B.1.b -- Removes the words “Noncore End-use” before the word “Customer”, as shrinkage affects all customers.

Protests

Anyone wishing to protest this filing may do so by sending a letter by **November 6, 2003**, which is 20 days from the date of this filing. 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, 4th Floor
San Francisco, California 94102

Facsimile: (415) 703-2200
E-mail: jjr@cpuc.ca.gov



Protests also should be sent by e-mail and facsimile to Mr. Jerry Royer, Energy Division, as shown above, and by U.S. mail to Mr. Royer at the above address.

The protest should be sent via both e-mail and facsimile to PG&E on the same date it is mailed or delivered to the Commission at the address shown below.

Pacific Gas and Electric Company
Attention: Brian K. Cherry
Director, Regulatory Relations
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, California 94177

Facsimile: (415) 973-7226
E-mail: RxDd@pge.com

Effective Date

PG&E requests that this advice filing become effective on regular notice, **November 26, 2003**, which is 40 days after the date of filing.

Notice

In accordance with General Order 96-A, Section III, Paragraph G, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list. Address changes should be directed to Sandra Ciach at (415) 973-7572. Advice letter filings can also be accessed electronically at:

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

Karen A. Tomcala /ss

Vice President - Regulatory Relations

Attachments

ATTACHMENT I
ADVICE 2489-G
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Cal. P.U.C. Sheet No.	Title of Sheet	Canceling Cal P.U.C. Sheet No.
21821-G	Schedule G-AFT—Annual Firm Transportation On-System	19287-G
21822-G	Schedule G-AFT (Cont'd)	20863-G
21823-G	Schedule G-AFT (Cont'd)	18140-G
21824-G	Schedule G-AFTOFF—Annual Firm Transportation Off-System	21604-G
21825-G	Schedule G-AFTOFF (Cont'd)	20864-G
21826-G	Schedule G-AFTOFF (Cont'd)	18143-G
21827-G	Schedule G-SFT—Seasonal Firm Transportation On-System Only	19289-G
21828-G	Schedule G-SFT (Cont'd)	19086-G
21829-G	Schedule G-AA—As-Available Transportation On-System	19290-G
21830-G	Schedule G-AA (Cont'd)	20868-G
21831-G	Schedule G-AAOFF—As-Available Transportation Off-System	20867-G
21832-G	Schedule G-AAOFF (Cont'd)	18150-G
21833-G	Schedule G-NFT—Negotiated Firm Transportation On-System	19292-G
21834-G	Schedule G-NFT (Cont'd)	18153-G
21835-G	Schedule G-NFTOFF—Negotiated Firm Transportation Off-System	21605-G
21836-G	Schedule G-NFTOFF (Cont'd)	18155-G
21837-G	Schedule G-NAA—Negotiated As-Available Transportation On-System	19295-G
21838-G	Schedule G-NAA (Cont'd)	18158-G
21839-G	Schedule G-NAAOFF—Negotiated As-Available Transportation Off-System	19296-G
21840-G	Schedule G-NAAOFF (Cont'd)	18160-G
21841-G	Rule 21—Gas Transportation Service	18907-G
21842-G	Rule 21 (Cont'd.)	21405-G
21843-G	Rule 21 (Cont'd.)	21406-G
21844-G	Rule 21 (Cont'd.)	20646-G
21845-G	Rule 21 (Cont'd.)	18912-G
21846-G	Rule 21 (Cont'd.)	18913-G
21847-G	Rule 21 (Cont'd.)	18914-G
21848-G	Rule 21 (Cont'd.)	18915-G
21849-G	Rule 21 (Cont'd.)	18916-G
21850-G	Rule 21 (Cont'd.)	18917-G
21851-G	Rule 21 (Cont'd.)	18918-G
21852-G	Rule 21 (Cont'd.)	18257-G
21853-G	Rule 21 (Cont'd.)	18258-G

**ATTACHMENT I
ADVICE 2489-G
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<u>Cal. P.U.C. Sheet No.</u>	<u>Title of Sheet</u>	<u>Canceling Cal P.U.C. Sheet No.</u>
21854-G	Table of Contents – Rules	21665-G
21855-G	Table of Contents (Cont'd)	21816-G
21856-G	Table of Contents	21817-G



SCHEDULE G-AFT—ANNUAL FIRM TRANSPORTATION ON-SYSTEM

APPLICABILITY: This rate schedule* applies to the firm transportation of natural gas on PG&E's Backbone Transmission System to On-System Delivery Point(s) only. On-System Delivery Point(s) do not include an End-Use Customer's meter. On-System Delivery Point(s) may include: a delivery point pool; a PG&E storage account; a storage account with a third-party on-system storage facility; or a PG&E G-PARK or G-LEND account at the Citygate.

To arrange for the further transportation and delivery of natural gas to an End-Use Customer's meter, one of the following additional rate schedules must be utilized: G-CT, G-NT, C-COG, G-EG, G-NGV4, or G-WSL. To arrange for the further transportation and delivery of natural gas to an Off-System Delivery Point, one of the following additional rate schedules must be utilized: G-AFTOFF, G-AAOFF, G-NFTOFF or G-NAAOFF.

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

PG&E will accept gas on Customer's behalf only at the Receipt Point(s) specifically designated in the exhibits to the Customer's Gas Transmission Service Agreement (GTSA) (Form No. 79-866). (T)

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

<u>Path:</u>	<u>Receipt Point(s):</u>	
Redwood to On-System	Malin or other receipt points north of the Antioch Terminal not included in other backbone transmission paths	
Baja to On-System	Topock, Daggett, High Desert Lateral, Essex, Kern River Station or other receipt points south of the Antioch Terminal not included in other backbone transmission paths	(T)
Silverado to On-System	PG&E interconnections with California Production (see gas Rule 1)	
Mission to On-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) to which gas is transported under this rate schedule must be On-System Delivery Point(s). (T)
(T)

TERM: The minimum term for service under this rate schedule is one (1) year. (N)

* PG&E's gas tariffs are on-line at www.pge.com. (L) (T)

(Continued)



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 exhibits to the Customer's GTSA. (T)

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 exhibits to the Customer's GTSA. The Reservation Charge is payable each month regardless of the quantity of gas transported during the month. (T)

<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	\$7.9610
Redwood to On-System (Core Procurement Groups only)	\$2.4142	\$3.5166
Baja to On-System (including Core Procurement Groups)	\$3.9100	\$5.1921
Silverado to On-System (including Core Procurement Groups)	\$2.3276	\$3.4260
Mission to On-System (including Core Procurement Groups)	\$2.3276	\$3.4260

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	\$0.0074
Redwood to On-System (Core Procurement Groups only)	\$0.0454	\$0.0092
Baja to On-System (including Core Procurement Groups)	\$0.0460	\$0.0039
Silverado to On-System (including Core Procurement Groups)	\$0.0393	\$0.0032
Mission to On-System (including Core Procurement Groups)	\$0.0393	\$0.0032

(Continued)



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

RATES:
(Cont'd.)

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.

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 the GTSA is one (1) year.

(T)

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.

(L)



SCHEDULE G-AFTOFF—ANNUAL FIRM TRANSPORTATION OFF-SYSTEM

APPLICABILITY: This rate schedule* applies to the firm transportation of natural gas on PG&E's Backbone Transmission System to the Off-System Delivery Points.

TERRITORY: Schedule G-AFTOFF 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 the exhibits to the Customer's Gas Transmission Service Agreement (GTSA) (Form No. 79-866). (T)

Receipt Point(s) available for service under this schedule are 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, Daggett, High Desert Lateral, Essex, Kern River Station or other receipt points south of the Antioch Terminal not included in other backbone transmission paths	(T)
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	

Firm Off-System Delivery Points:

Kern River Station to Southern California Gas Company
Fremont Peak to Kern River Gas Transmission

Backhaul Off-System Delivery Points:

All off-system interconnection points are available as backhaul delivery points under this schedule if the upstream pipeline accepts backhaul nominations. Backhaul service is limited to the quantities of gas being delivered from the upstream pipeline.

Alternative Delivery Points:

If the Customer elects the Modified Fixed Variable (MFV) rate structure under G-AFTOFF, the Delivery Point under this schedule shall be limited to a Firm Off-System Delivery Point.

If the Customer elects the Straight Fixed Variable (SFV) rate structure under G-AFTOFF, the Customer may specify an On-System Delivery Point within the transmission path contracted by Customer as an alternate delivery point.

TERM: The minimum term for service under this rate schedule is one (1) year. (N)

* PG&E's gas tariffs are on-line at www.pge.com.

(T) (L)

(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 exhibits to the Customer's GTSA. (T)

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 exhibits to the Customer's GTSA. The Reservation Charge is payable each month regardless of the quantity of gas transported during the month. (T)

<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	\$9.8251
Baja to Off-System	\$3.9100	\$5.1921
Silverado to Off-System	\$5.1815	\$9.8251
Mission to Off-System	\$5.1815	\$9.8251

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	\$0.0042
Baja to Off-System	\$0.0460	\$0.0039
Silverado to Off-System	\$0.1650	\$0.0042
Mission to Off-System	\$0.1650	\$0.0042

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

- NEGOTIABLE RATES: Rates under this schedule are not negotiable.
- 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 the GTSA is one (1) year. (T)
- 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.

(L)



SCHEDULE G-SFT—SEASONAL FIRM TRANSPORTATION ON-SYSTEM ONLY

APPLICABILITY: This rate schedule* applies to the seasonal firm transportation of natural gas on PG&E's Backbone Transmission System to On-System Delivery Point(s) only. On-System Delivery Point(s) do not include an End-Use Customer's meter. On-System Delivery Point(s) may include: a delivery point pool; a PG&E storage account; a storage account with a third-party on-system storage facility; or a PG&E G-PARK or G-LEND account at the Citygate.

To arrange for the further transportation and delivery of natural gas to an End-Use Customer's meter, one of the following additional rate schedules must be utilized: G-CT, G-NT, C-COG, G-EG, G-NGV4, or G-WSL. To arrange for the further transportation and delivery of natural gas to an Off-System Delivery Point, one of the following additional rate schedules must be utilized: G-AFTOFF, G-AAOFF, G-NFTOFF or G-NAAOFF.

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

PG&E will accept gas on Customer's behalf only at the Receipt Point(s) specifically designated in the exhibits to the Customer's Gas Transmission Service Agreement (GTSA) (Form No. 79-866). (T)

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

<u>Path:</u>	<u>Receipt Point(s):</u>	
Redwood to On-System	Malin or other receipt points north of the Antioch Terminal not included in other backbone transmission paths	
Baja to On-System	Topock, Daggett, High Desert Lateral, Essex, Kern River Station or other receipt points south of the Antioch Terminal not included in other backbone transmission paths	(T)
Silverado to On-System	PG&E interconnections with California Production (see gas Rule 1)	
Mission to On-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) to which gas is transported under this rate schedule must be On-System Delivery Point(s). (T)
(T)
(L)
|
(L)

* PG&E's gas tariffs are on-line at www.pge.com. (T) (L)

(Continued)



SCHEDULE G-AA—AS-AVAILABLE TRANSPORTATION ON-SYSTEM

APPLICABILITY: This rate schedule* applies to as-available transportation of natural gas on PG&E's Backbone Transmission System to On-System Delivery Point(s) only. On-System Delivery Point(s) do not include an End-Use Customer's meter. On-System Delivery Point(s) may include: a delivery point pool; a PG&E storage account; a storage account with a third-party on-system storage facility; or a PG&E G-PARK or G-LEND account at the Citygate.

To arrange for the further transportation and delivery of natural gas to an End-Use Customer's meter, one of the following additional rate schedules must be utilized: G-CT, G-NT, C-COG, G-EG, G-NGV4, or G-WSL. To arrange for the further transportation and delivery of natural gas to an Off-System Delivery Point, one of the following additional rate schedules must be utilized: G-AFTOFF, G-AAOFF, G-NFTOFF or G-NAAOFF.

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

PG&E will accept gas on Customer's behalf only at the Receipt Point(s) specifically designated in the exhibits to the Customer's Gas Transmission Service Agreement (GTSA) (Form No. 79-866). (T)

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

<u>Path:</u>	<u>Receipt Point(s):</u>	
Redwood to On-System	Malin or other receipt points north of the Antioch Terminal not included in other backbone transmission paths	
Baja to On-System	Topock, Daggett, High Desert Lateral, Essex, Kern River Station or other receipt points south of the Antioch Terminal not included in other backbone transmission paths	(T)
Silverado to On-System	PG&E interconnections with California Production (see gas Rule 1)	
Mission to On-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) to which gas is transported under this rate schedule must be On-System Delivery Point(s). (T)
(T)

TERM: The minimum term for service under this rate schedule is one (1) day. (N)

* PG&E's gas tariffs are on-line at www.pge.com. (T) (L)

(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
Baja to On-System	\$ 0.2095
Silverado to On-System	\$ 0.1390
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 the GTSA is one (1) year.

(T)
(N)

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.

(L)



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 the exhibits to the Customer's Gas Transmission Service Agreement (GTSA) (Form No. 79-866). (T)

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, Daggett, High Desert Lateral, Essex, Kern River Station or other receipt points south of the Antioch Terminal not included in other backbone transmission paths	(T)
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 Off-System Delivery Point(s). (T)
(T)

(L)
|
(L)

Backhaul Off-System Delivery Points: (N)
|
All off-system interconnection points are available as backhaul delivery points under this schedule if the upstream pipeline accepts backhaul nominations. Backhaul service is limited to the quantities of gas being delivered from the upstream pipeline. |

TERM: The minimum term service under this rate schedule is one (1) day. (N)

* PG&E's gas tariffs are on-line at www.pge.com. (T) (L)

(Continued)



SCHEDULE G-AAOFF—AS-AVAILABLE TRANSPORTATION OFF-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. (L)

1. Usage Charge:

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

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.

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 under this schedule. The minimum term for service under the GTSA is one (1) year. (T)
(N)

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.

(L)



SCHEDULE G-NFT—NEGOTIATED FIRM TRANSPORTATION ON-SYSTEM

APPLICABILITY: This rate schedule* applies to the firm transportation of natural gas on PG&E's Backbone Transmission System to On-System Delivery Point(s) only, at negotiated rates.

On-System Delivery Point(s) do not include an End-Use Customer's meter. On-System Delivery Point(s) may include: a delivery point pool; a PG&E storage account; a storage account with a third-party on-system storage facility; or a PG&E G-PARK or G-LEND account at the Citygate.

To arrange for the further transportation and delivery of natural gas to an End-Use Customer's meter, one of the following additional rate schedules must be utilized: G-CT, G-NT, C-COG, G-EG, G-NGV4, or G-WSL. To arrange for the further transportation and delivery of natural gas to an Off-System Delivery Point, one of the following additional rate schedules must be utilized: G-AFTOFF, G-AAOFF, G-NFTOFF or G-NAAOFF.

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

PG&E will accept gas on Customer's behalf only at the Receipt Point(s) specifically designated in the exhibits to the Customer's Gas Transmission Service Agreement (GTSA) (Form No. 79-866). (T)

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

<u>Path:</u>	<u>Receipt Point(s):</u>	
Redwood to On-System	Malin or other receipt points north of the Antioch Terminal not included in other backbone transmission paths	
Baja to On-System	Topock, Daggett, High Desert Lateral, Essex, Kern River Station or other receipt points south of the Antioch Terminal not included in other backbone transmission paths	(T)
Silverado to On-System	PG&E interconnections with California Production (see gas Rule 1)	
Mission to On-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) to which gas is transported under this rate schedule must be On-System Delivery Point(s). (T)
(T)

TERM: The minimum term for service under this rate schedule is one (1) day. (N)

* PG&E's gas tariffs are on-line at www.pge.com. (T) (L)

(Continued)



SCHEDULE G-NFT—NEGOTIATED FIRM TRANSPORTATION ON-SYSTEM
(Continued)

NEGOTIATED
RATE
GUIDELINES
(Cont'd.)

5. The CPUC's complaint procedure will be available to address any claims of undue discrimination in providing service hereunder.
6. Negotiated transmission contracts under G-NFT will not require submission to the CPUC for approval. Unless otherwise provided in the applicable GTSA, or exhibit thereto, the application of Sections IX and X of General Order 96-A is waived by the CPUC.

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 under this schedule. The minimum term for service under the GTSA is one (1) year.

(N)
(N)

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 obligation under Schedule G-BAL.

(T)
(T)

(L)



SCHEDULE G-NFTOFF—NEGOTIATED FIRM TRANSPORTATION OFF-SYSTEM

APPLICABILITY: This rate schedule* applies to the firm transportation of natural gas on PG&E's Backbone Transmission System to the Off-System Delivery Points at negotiated rates.

TERRITORY: Schedule G-NFTOFF 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 the exhibits to the Customer's Gas Transmission Service Agreement (GTSA) (Form No. 79-866). (T)

Receipt Point(s) available for service under this schedule are 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, Daggett, High Desert Lateral, Essex, Kern River Station or other receipt points south of the Antioch Terminal not included in other backbone transmission paths	(T)
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.	

Firm Off-System Delivery Points:

Kern River Station to Southern California Gas Company
Fremont Peak to Kern River Gas Transmission

Backhaul Off-System Delivery Points:

All off-system interconnection points are available as backhaul delivery points under this schedule if the upstream pipeline accepts backhaul nominations. Backhaul service is limited to the quantities of gas being delivered from the upstream pipeline.

Alternative Delivery Points:

The Delivery Point to which gas is transported under this rate schedule shall be a Firm Off-System Delivery Point, unless the Customer elects both the Straight Fixed Variable (SFV) rate structure and the maximum allowable rate under G-NFTOFF. If the above conditions are met, the Customer may specify an On-System Delivery Point within the transmission path contracted by Customer as an alternative delivery point.

TERM: The minimum contract term under this rate schedule is one (1) day. (N)

* PG&E's gas tariffs are on-line at www.pge.com. (T) (L)

(Continued)



SCHEDULE G-NFTOFF—NEGOTIATED FIRM TRANSPORTATION OFF-SYSTEM
(Continued)

NEGOTIATED RATE GUIDELINES:

1. Standard tariff rates and terms are available to all Customers, in lieu of negotiated rates and terms.
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 the 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.
3. PG&E will issue monthly reports to the CPUC listing all negotiated contracts, including those negotiated under G-NFTOFF. PG&E will make the report available 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.
4. The CPUC's complaint procedure will be available to address any claims of undue discrimination in providing service hereunder.
5. Negotiated transmission contracts under G-NFTOFF will not require submission to the CPUC for approval. Unless otherwise provided in the applicable GTSA, or exhibit thereto, the application of Sections IX and X of General Order No. 96-A is waived by the CPUC.

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 under this schedule. The minimum term for service under the GTSA is one (1) year.

(N)
(N)

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.

(L)



SCHEDULE G-NAA—NEGOTIATED AS-AVAILABLE TRANSPORTATION ON-SYSTEM

APPLICABILITY: This rate schedule* applies to the as-available transportation of natural gas on PG&E's Backbone Transmission System to On-System Delivery Point(s) only, at negotiated rates.

On-System Delivery Point(s) do not include an End-Use Customer's meter. On-System Delivery Point(s) may include: a delivery point pool; a PG&E storage account; a storage account with a third-party on-system storage facility; or, a PG&E G-PARK or G-LEND account at the Citygate.

To arrange for the further transportation and delivery of natural gas to an End-Use Customer's meter, one of the following additional rate schedules must be utilized: G-CT, G-NT, C-COG, G-EG, G-NGV4, or G-WSL. To arrange for the further transportation and delivery of natural gas to an Off-System Delivery Point, one of the following additional rate schedules must be utilized: G-AFTOFF, G-AAOFF, G-NFTOFF or G-NAAOFF.

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

PG&E will accept gas on Customer's behalf only at the Receipt Point(s) specifically designated in the exhibits to the Customer's Gas Transmission Service Agreement (GTSA) (Form No. 79-866). (T)

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

<u>Path:</u>	<u>Receipt Point(s):</u>	
Redwood to On-System	Malin or other receipt points north of the Antioch Terminal not included in other backbone transmission paths	
Baja to On-System	Topock, Daggett, High Desert Lateral, Essex, Kern River Station or other receipt points south of the Antioch Terminal not included in other backbone transmission paths	(T)
Silverado to On-System	PG&E interconnections with California Production (see gas Rule 1)	
Mission to On-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) to which gas is transported under this rate schedule must be On-System Delivery Point(s). (T)
(T)

TERM: The minimum contract term under this rate schedule is one (1) day. (N)

* PG&E's gas tariffs are on-line at www.pge.com. (L) (T)

(Continued)



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

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 the GTSA is one (1) year.

(N)
(N)

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.

(L)



SCHEDULE G-NAAOFF—NEGOTIATED 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), at negotiated rates.

TERRITORY: Schedule G-NAAOFF 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 the exhibits to the Customer's Gas Transmission Service Agreement (GTSA) (Form No. 79-866). (T)

Receipt Point(s) available for service under this schedule are 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, Daggett, High Desert Lateral, Essex, Kern River Station or other receipt points south of the Antioch Terminal not included in other backbone transmission paths	(T)
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) to which gas is transported under this rate schedule must be an Off-System Delivery Point.

Backhaul Off-System Delivery Points:

All off-system interconnection points are available as backhaul delivery points under this schedule if the upstream pipeline accepts backhaul nominations. Backhaul service is limited to the quantities of gas being delivered from the upstream pipeline.

TERM: The minimum contract term under this rate schedule is one (1) day. (N)

* PG&E's gas tariffs are online at www.pge.com. (T) (L)

(Continued)



SCHEDULE G-NAAOFF—NEGOTIATED AS-AVAILABLE TRANSPORTATION OFF-SYSTEM
(Continued)

NEGOTIATED
RATE
GUIDELINES:

1. Standard tariff rates and terms are available to all Customers, in lieu of negotiated rates and terms.
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 the 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.
3. PG&E will issue monthly reports to the CPUC listing all negotiated contracts, including those negotiated under G-NAAOFF. 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.
4. The CPUC's complaint procedure will be available to address any claims of undue discrimination in providing service hereunder.
5. Negotiated transmission contracts under G-NAAOFF will not require submission to the CPUC for approval. Unless otherwise provided in the applicable GTSA, or exhibit thereto, the application of Sections IX and X of General Order No. 96-A is waived by the CPUC.

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 of service under the GTSA is one (1) year. (N)

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 the Balancing Service under Schedule G-BAL.

(L)



RULE 21—TRANSPORTATION OF NATURAL GAS

This Rule describes the general terms and conditions that apply whenever PG&E transports Customer-owned gas over its system. Customers who wish to transport gas must sign the applicable Agreement.

A. GENERAL

1. NATURE OF SERVICE

Customers or their designated Agent or Core Transport Agent hereinafter referred to as "Customer" and meaning Customer and/or their Agent will deliver or have delivered to PG&E quantities of gas, and PG&E will deliver equivalent quantities of gas adjusted for In-Kind Shrinkage Allowance, on a Btu-for-Btu basis, to the Customer's Delivery Point. Customers must endeavor to ensure that daily gas deliveries match daily gas usage. The gas that PG&E delivers to the Customer's Delivery Point will not necessarily be the gas that the Customer delivered to PG&E.

(T)
(T)
(N)
(N)
(T)
(T)

2. GAS SPECIFICATIONS

Unless otherwise agreed to by both parties, the gas delivered to PG&E must meet the quality specifications detailed in Section C, below. The minimum and maximum heating value and the pressure of the gas must be such that the gas can be integrated into PG&E's system at the Receipt Point(s).

B. QUANTITIES OF GAS

1. IN-KIND SHRINKAGE ALLOWANCE

The in-kind shrinkage quantities represent the unaccounted-for gas and the utility fuel use attributable to the volume of natural gas received by PG&E for transportation service.

(Continued)



RULE 21—TRANSPORTATION OF NATURAL GAS
(Continued)

B. QUANTITIES OF GAS (Cont'd.)

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

a. Backbone Shrinkage

A Customer 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: (T)

Path	In-Kind Shrinkage Allowance (D.01-11-011)	In-Kind Shrinkage Credit	Effective In-Kind Shrinkage Allowance
Redwood to Off-System	1.11 percent	—	1.11 percent
Mission to On-System	0	—	0
Mission to Off-System	0	—	0
All other transmission	1.35 percent	0 percent	1.35 percent

Provided, however, that PG&E and the Customer 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. (T)

(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 Customer 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:

(T)

End-Use Customer	In-Kind Shrinkage Allowance (D.01-11-011)	In-Kind Shrinkage Credit	Effective In-Kind Shrinkage Allowance
Core	2.41 percent	0 percent	2.41 percent
Noncore Distribution	0.16 percent	0 percent	0.16 percent
Noncore Transmission	-	-	-

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.

(Continued)



RULE 21—TRANSPORTATION OF NATURAL GAS
(Continued)

B. QUANTITIES OF GAS (Cont'd.)

2. TRANSPORTATION QUANTITIES

PG&E shall not be required to accept gas at any Receipt Point when the daily flow rate at that Receipt Point is less than 50 Decatherms per day.

PG&E shall not be obligated to agree to a Maximum Daily Quantity (MDQ), as specified in an applicable Agreement, for any Customer or its affiliates, in the aggregate, that exceeds the amount of available capacity to provide service to the Customer or affiliates, as determined by PG&E.

3. NOMINATIONS

a. General

The Customer shall be responsible for submitting gas service nominations to PG&E no later than the deadlines specified below. Nominations shall be made by electronic means acceptable to PG&E or by other means mutually agreeable to PG&E and the Customer. The Customer shall sign an Electronic Commerce System (ECS) User Agreement (Form 79-982) prior to using PG&E's Electronic Commerce System. Currently, there is no charge for using the ECS; however, PG&E reserves the right to initiate or modify fees for the use of the ECS, subject to Commission approval. PG&E may reject any nomination not conforming to the requirements in these rules or in applicable service agreements. (T)

Each nomination shall include all information required by PG&E's normal nomination procedures. Nominations received by PG&E will be subject to the conditions specified in the Customer's service agreements with PG&E. Confirmation of nominations will be subject to operational constraints in accordance with Rule 14. The Customer shall be responsible for making all corresponding upstream and/or downstream nomination arrangements with the interconnecting pipeline(s) and/or operator(s). (T)

(Continued)



RULE 21—TRANSPORTATION OF NATURAL GAS
 (Continued)

B. QUANTITIES OF GAS (Cont'd.)

3. NOMINATIONS (Cont'd.)

c. Timing

All times referred to in Section B.3 are in Pacific Clock Time. The gas day will be from 7 a.m. to 7 a.m.

d. Nomination Cycles

PG&E will accept and process four types of nominations for a given gas day: Timely, Evening, Intraday 1, and Intraday 2:

- 1) A "Timely Nomination" is a nomination received by PG&E no later than 9:30 a.m. one day prior to the gas day for which the Customer requests service. (T)
- 2) An "Evening Nomination" is a nomination received after 9:30 a.m. and no later than 4:00 p.m. one day prior to the gas day for which the Customer requests service. (T)
- 3) An "Intraday 1 Nomination" is a nomination received after 4:00 p.m. one day prior to the gas day for which the Customer requests service and no later than 8:00 a.m. on the gas day for which service is requested. (T)
- 4) An "Intraday 2 Nomination" is a nomination received after 8:00 a.m. and no later than 3:00 p.m. on the gas day for which service is requested by the Customer. (T)

(Continued)



RULE 21—TRANSPORTATION OF NATURAL GAS
 (Continued)

B. QUANTITIES OF GAS (Cont'd.)

3. NOMINATIONS (Cont'd.)

e. Timely Nomination Cycle

Timely Nominations must be received by PG&E no later than 9:30 a.m. one day prior to the gas day for which the Customer requests service. Timely Nominations will be effective at 7:00 a.m. the following morning. (T)

Nominations shall include defined begin and end dates. A timely nomination does not carry over to the following gas day. However, Timely Nominations may have a "roll-over" option; specifically, they may extend for multiple days, months, or years, provided the begin and end dates are within the terms of the Customer Service Agreement exhibit. (T)

Timely Nominations will be confirmed and scheduled by priority of service in accordance with Rule 14. (T)

PG&E will provide to the Customer a confirmed nomination report indicating the nomination quantities which have been received and confirmed for transport on PG&E's system and which have been communicated to the applicable upstream and/or downstream pipeline(s) and/or operator(s). Subject to PG&E receiving notification from the applicable upstream and/or downstream pipeline(s) and/or operator(s), PG&E will provide to the Customer a scheduled quantities report. PG&E will attempt, but cannot guarantee, delivery of these two reports by 1:30 p.m. and 2:30 p.m., respectively. (T)

Timely Nomination summary

- Nominations submitted: No later than 9:30 a.m.
- Flow will be effective: 7:00 a.m. the following morning

(Continued)



RULE 21—TRANSPORTATION OF NATURAL GAS
(Continued)

B. QUANTITIES OF GAS (Cont'd.)

3. NOMINATIONS (Cont'd.)

f. Evening Nomination Cycle

An Evening Nomination must be received by PG&E no later than 4:00 p.m. (T)
one day prior to the gas day for which the Customer requests service. (T)
Evening Nominations will be effective at 7:00 a.m. the following morning.
Evening Nominations will be confirmed and scheduled after Timely
Nominations are confirmed and scheduled.

PG&E will provide to the Customer a confirmed nomination report indicating (T)
the nomination quantities which have been received and confirmed for
transport on PG&E's system and which have been communicated to the
upstream and/or downstream pipeline(s) and/or operator(s). Subject to
PG&E receiving notification from the applicable upstream and/or
downstream pipeline(s) and/or operator(s), PG&E will provide to the
Customer a scheduled quantities report. PG&E will attempt, but cannot (T)
guarantee, delivery of these two reports by 7:00 p.m. and 8:00 p.m.,
respectively.

Evening Nomination summary

- Nominations submitted: No later than 4:00 p.m.
- Flow will be effective: 7:00 a.m. the following morning

Evening Nominations will be confirmed and scheduled by priority of service
among all Evening Nominations PG&E has received and in accordance with
Rule 14.

An Evening Nomination either may be the Customer first nomination for (T)
service for the following day or may modify a Timely Nomination for the
following day. An Evening Nomination may increase or decrease previously
scheduled quantities subject to Section B.3.b. and scheduling non-
performance in Section B.4. An Evening Nomination does not carry over to (T)
the following gas day.

(Continued)



RULE 21—TRANSPORTATION OF NATURAL GAS
(Continued)

B. QUANTITIES OF GAS (Cont'd.)

3. NOMINATIONS (Cont'd.)

g. Intraday 1 Nomination Cycle

An Intraday 1 Nomination must be received by PG&E no later than 8:00 a.m. on the gas day for which service is requested. Intraday 1 Nominations will be effective at 3:00 p.m. the same day. Intraday 1 Nominations will be confirmed and scheduled after all Timely and Evening Nominations are confirmed and scheduled.

PG&E will provide to the Customer a confirmed nomination report indicating the nomination quantities which have been received and confirmed for transport on PG&E's system and which have been communicated to the upstream and/or downstream pipeline(s) and/or operator(s). Subject to PG&E receiving notification from the applicable upstream and/or downstream pipeline(s) and/or operator(s), PG&E will provide to the Customer a scheduled quantities report. PG&E will attempt, but cannot guarantee, delivery of these two reports by 11:00 a.m. and 12:00 p.m., respectively. (T)

Intraday 1 Nomination summary

- Nominations submitted: No later than 8:00 a.m.
- Flow will be effective: 3:00 p.m. the same day

Intraday 1 Nominations will be confirmed and scheduled by priority of service among all Intraday 1 Nominations PG&E has received and in accordance with Rule 14.

An Intraday 1 Nomination either may be the Customer's first nomination for service for the gas day or may modify its previous nomination, Timely or Evening, if any. An Intraday 1 Nomination may also increase or decrease previously scheduled quantities subject to Section B.3.b. and scheduling non-performance in Section B.4. An Intraday 1 Nomination does not carry over to the following gas day. (T)

(Continued)



RULE 21—TRANSPORTATION OF NATURAL GAS
(Continued)

B. QUANTITIES OF GAS (Cont'd.)

3. NOMINATIONS (Cont'd.)

h. Intraday 2 Nomination Cycle

An Intraday 2 Nomination must be received by PG&E no later than 3:00 p.m. on the gas day for which service is requested. Intraday 2 Nominations will be effective at 7:00 p.m. the same day. Intraday 2 Nominations will be confirmed and scheduled after all Timely, Evening and Intraday 1 Nominations are confirmed and scheduled.

PG&E will provide to the Customer a confirmed nomination report indicating the nomination quantities which have been received and confirmed for transport on PG&E's system and which have been communicated to the upstream and/or downstream pipeline(s) and/or operator(s). Subject to PG&E receiving notification from the applicable upstream and/or downstream pipeline(s) and/or operator(s), PG&E will provide to the Customer a scheduled quantities report. PG&E will attempt, but cannot guarantee, delivery of these two reports by 7:00 p.m. (T)

Intraday 2 Nomination summary

- Nominations submitted: No later than 3:00 p.m.
- Flow will be effective: 7:00 p.m. the same day

Intraday 2 Nominations will be confirmed and scheduled by priority of service among all Intraday 2 Nominations PG&E has received and in accordance with Rule 14.

An Intraday 2 Nomination either may be the Customer's first nomination for service for the gas day or may modify its previous nomination, Timely, Evening or Intraday 1, if any. An Intraday 2 Nomination may increase or decrease previously scheduled quantities subject to Section B.3.b. and scheduling non-performance in Section B.4. An Intraday 2 Nomination does not carry over to the following gas day. (T)

(Continued)



RULE 21—TRANSPORTATION OF NATURAL GAS
(Continued)

B. QUANTITIES OF GAS (Cont'd.)

4. SCHEDULING NON-PERFORMANCE

An excess of confirmed nominations relative to scheduled nominations for a given gas day for a given Customer and a particular transportation exhibit to the Gas Transmission Service Agreement (GTSA) shall be deemed to be scheduling non-performance. This section sets forth PG&E's remedies to reduce and eliminate such scheduling non-performance. (T)

If the quantity of gas which PG&E confirms for the Customer based on the total of its Timely and Evening Nominations described in Section B.3. above, submitted and processed on the day prior to gas flow, exceeds the quantity of gas which PG&E schedules at the Receipt Point for the Customer based on the total of its Timely and Evening Nominations submitted and processed on the day prior to gas flow, by the greater of ten (10) percent, of the confirmed nomination(s) or 5,000 Dth, for at least three days in any thirty-day period, then PG&E shall take steps to remedy the scheduling non-performance in the following order: (T)

Step 1: PG&E will contact the Customer to determine the cause of the scheduling non-performance. (T)

Step 2: PG&E will limit the Customer's nominations for up to three gas days consistent with recent actual deliveries by the Customer. (T)
(T)

Step 3: After the third day in Step 2, above, and for each day thereafter until 30 continuous days of nominations have elapsed with no further scheduling non-performance as described above, PG&E will bill the Customer an amount equal to the volumetric rate of the applicable GTSA exhibit, multiplied by the excess of confirmed nomination(s) over scheduled nominations, reduced by the greater of ten percent of the confirmed nomination(s) or 5,000 Dth. (T)

If the scheduling non-performance is not remedied or satisfactorily explained after Step 1, PG&E may, in the exercise of its discretion, implement Step 2. In the event that implementation of Step 2 does not remedy the scheduling non-performance, PG&E may, in the exercise of its discretion, implement Step 3. The remedies hereunder will be applied without undue preference or discrimination.

(Continued)



RULE 21—TRANSPORTATION OF NATURAL GAS
(Continued)

B. QUANTITIES OF GAS (Cont'd.)

5. IMBALANCES IN DELIVERIES

- a. On any given day the Customer shall bring in a quantity of Customer-Owned Gas, adjusted for In-Kind Shrinkage Allowance, to be delivered to the Customer, approximately equal to the quantity of gas received by PG&E for transportation to the Customer that day. (T)
(T)
(T)

Any day-to-day imbalance will be handled and resolved through Schedule G-BAL.

- b. Procedures for balancing the Customer's account when PG&E receives Customer-Owned Gas for transportation but, because of constraints or diversions, does not deliver it to the Customer, are covered in Rule 14. (T)
(T)
- c. A transmission Customer Imbalance, defined in Schedule G-BAL, refers to a difference between a Customer's final scheduled quantity and the quantity of gas actually delivered at the Receipt Point on behalf of that Customer for a given gas day. (T)
(T)

6. TRANSPORT OF CALIFORNIA PRODUCTION GAS

PG&E may receive gas from California production supply for transport by a Customer from various Receipt Points on PG&E's system. As of April 1, 1998, nominations shall be accepted by PG&E only from California production Receipt Points which are designated in a California Production Balancing Agreement (Form No. 79-944) which has been executed between a California producer's Authorized Agent and PG&E. (T)

(Continued)



RULE 21—TRANSPORTATION OF NATURAL GAS
(Continued)

C. QUALITY OF GAS (Cont'd.)

- 10. Temperature: The gas shall not be delivered at less than 60 degrees Fahrenheit or more than 100 degrees Fahrenheit.
- 11. Gas from landfills: Gas from landfills will not be accepted or transported under the Agreement.
- 12. Gas interchangeability: The gas shall be interchangeable with the gas in the receiving pipeline. Interchangeability shall be determined in accordance with the methods and limits presented in Bulletin 36 of the American Gas Association.
- 13. Heating value: The gas shall have a heating value that is consistent with the standards established by PG&E for each Receipt Point(s).

D. ACCOUNTING AND BILLING

1. DESIGNATION OF QUANTITIES DELIVERED FOR TRANSPORTATION

PG&E may be receiving gas from various sources at the Receipt Point(s). Gas entering the PG&E system shall be measured by either PG&E or a third party designated by PG&E as its agent. Where such third party acts as PG&E's measuring agent, the Customer shall accept as correct the agent's determination of the quantity of gas (in Mcf and Decatherms) it has delivered to PG&E for the Customer's account subject to the limitations of Rule 14. Where gas is measured by PG&E, the Customer shall accept as correct PG&E's measurement of the gas received (see Section D.3 below for information about access to meters and charts and other records).

(T)
(T)

2. BILLING

Each month, PG&E shall send the Customer a bill. The bill will show the quantities of gas adjusted for In-Kind Shrinkage Allowance, delivered to PG&E for the Customer's account at each Delivery Point for the billing month. PG&E may use estimated quantities in the bill, and the Customer shall be obligated to pay the estimated bill as presented; PG&E will then make any necessary adjustments in the subsequent months' billings.

(T)
(T)
(T)

(Continued)



RULE 21—TRANSPORTATION OF NATURAL GAS
 (Continued)

D. ACCOUNTING AND BILLING (Cont'd.)

3. BOOKS AND RECORDS

PG&E and the Customer shall keep accounting records and books in accordance with generally accepted accounting principles and practices in the industry. PG&E and the Customer shall have the right to examine those books and accounting records of the other. (T)

Any examination will be at the examining party's expense, must be conducted at a reasonable time, and must be confined to the extent necessary to verify the accuracy of any statement, charge, or computation or any demand made under or as a result of transporting Customer-Owned Gas. (T)

E. ADDITIONAL FACILITIES

Transportation of Customer-Owned Gas does not obligate PG&E to construct any additional facilities (including measuring facilities) or to modify any existing facilities to provide for receipt of Customer-Owned natural gas into the PG&E system. Customer shall have a separate agreement covering any new facilities or necessary modifications for either receipt or delivery of Customer-Owned Gas. (T)

F. POSSESSION OF GAS

For Customer-Owned Gas, the Customer shall be deemed to be in control and possession of the gas until the gas is delivered to PG&E at the Receipt Point(s). The Customer shall be deemed to regain control and possession of the gas upon delivery from PG&E to or on behalf of the Customer. (T)

G. INDEMNIFICATION

The Customer shall indemnify and hold harmless PG&E, its officers, agents and employees against all loss, damage, expense, and liability, resulting from injury to or death of any person, including but not limited to employees of PG&E, Customer or any third party, or for loss, destruction, damage to property, including but not limited to property of PG&E, Customer, or any third party, arising out of or in any way connected with the transportation of customer-owned gas, however caused, except to the extent caused by the active negligence or willful misconduct of PG&E, its officers, agents and employees. The Customer shall on PG&E's request, defend any suit asserting a claim covered by this indemnity. The indemnifying party shall pay all costs that may be incurred by the other party in enforcing this indemnity, including all reasonable attorney's fees. (T)



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**PGE Gas Advice Filing
List**

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ABAG Power Pool
Accent Energy
ACN Energy, Inc.
Aglet Consumer Alliance
Agnews Developmental Center
Ahmed, Ali
Alcantar & Elsesser
Applied Power Technologies
Arter & Hadden LLP
Avista Corp
Barkovich & Yap, Inc.
BART
Blue Ridge Gas
BP Energy Company
Braun & Associates
C & H Sugar Co.
CA Bldg Industry Association
CA Cotton Ginners & Growers Assoc.
CA League of Food Processors
CA Water Service Group
California Energy Commission
California Farm Bureau Federation
California Gas Acquisition Svcs
California ISO
Calpine
Calpine Corp
Calpine Gilroy Cogen
Cambridge Energy Research Assoc
Cameron McKenna
Cardinal Cogen
Chevron USA Production Co.
Childress, David A.
City of Glendale
City of Palo Alto
City of Redding
CLECA Law Office
Constellation New Energy
CPUC
Creative Technology
Cross Border Inc
Crossborder Inc
CSC Energy Services
Davis, Wright Tremaine LLP
Davis, Wright, Tremaine, LLP
Defense Fuel Support Center
Department of the Army
Department of Water & Power City
DGS Natural Gas Services
DMM Customer Services
Downey, Brand, Seymour & Rohwer
Duke Energy
Duke Energy North America
Duncan, Virgil E.
Dutcher, John
Dynergy Inc.
Ellison Schneider
Energy Law Group LLP

Enron Energy Services
Exelon Energy Ohio, Inc
Exeter Associates
Foster Farms
Foster, Wheeler, Martinez
Franciscan Mobilehome
Future Resources Associates, Inc
G. A. Krause & Assoc
GLJ Energy Publications
Goodin, MacBride, Squeri, Schlotz &
Gruneich Resource Advocates
Hanna & Morton
Heeg, Peggy A.
Hogan Manufacturing, Inc
House, Lon
Integrated Utility Consulting Group
International Power Technology
Interstate Gas Services, Inc.
J. R. Wood, Inc
JTM, Inc
Kaiser Cement Corp
Korea Elec Power Corp
Luce, Forward, Hamilton & Scripps
Marcus, David
Masonite Corporation
Matthew V. Brady & Associates
Maynor, Donald H.
McKenzie & Assoc
McKenzie & Associates
Meek, Daniel W.
Meyer, Joseph
Mirant California, LLC
Modesto Irrigation Dist
Morrison & Foerster
Morse Richard Weisenmiller & Assoc.
Navigant Consulting
New United Motor Mfg, Inc
Norris & Wong Associates
Northern California Power Agency
Occidental Energy Marketing
Office of Energy Assessments
Palo Alto Muni Utilities
PG&E National Energy Group
Pinnacle CNG Company
PITCO
Plurimi, Inc.
PPL EnergyPlus, LLC
Price, Roy
Product Development Dept
Provost Pritchard
R. M. Hairston & Company
R. W. Beck & Associates
Recon Research
Regional Cogeneration Service
RMC Lonestar
Sacramento Municipal Utility District
SCD Energy Solutions

Seattle City Light
Sempra
Sempra Energy
Sequoia Union HS Dist
SESCO
Sierra Pacific Power Company
Silicon Valley Power
Simpson Paper Company
Smurfit Stone Container Corp
Southern California Edison
SPURR
St. Paul Assoc
Stanford University
Sutherland, Asbill & Brennan
Tabors Caramanis & Associates
Tansev and Associates
Tecogen, Inc
TFS Energy
TJ Cross Engineers
Transwestern Pipeline Co
Transwestern Pipeline/Enron
U S Borax, Inc
United Cogen Inc.
URM Groups
Utility Cost Management LLC
Utility Resource Network
Wellhead Electric Company
Western Hub Properties, LLC
White & Case
WMA