

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298

Tel. No. (415) 703-1691



January 13, 2004

Advice Letter 2490-~~6~~

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

Subject: Gas tariff clean-up (Nonresidential schedules; Rule 14)

Dear Ms Smith:

Advice Letter 2490-~~6~~ is effective November 29, 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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October 20, 2003

**Advice 2490-G**

(Pacific Gas and Electric Company ID U39G)

Public Utilities Commission of the State of California

**Subject: PG&E Gas Tariffs Clean – Up (Nonresidential Schedules; Rule 14)**

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.<sup>1</sup>

**Purpose**

The purpose of this filing is to remove obsolete language in PG&E's gas tariffs and make minor corrections as described below.

**General (Schedules G-NT, G-COG, G-EG, G-WSL, G-BAL, G-CT,**

PG&E is updating footnotes to show that tariffs may be obtained on PG&E's website, and eliminating outdated language.

**Schedule G-NT**

PG&E is deleting two tariff sheets in which provisions have been relocated or no longer apply (corresponds with equivalent changes and provisions previously approved in Schedule G-NGV4).

**Schedule G-30**

PG&E proposes to remove the language regarding reference to Interstate Transition Cost Surcharge (ITCS), since the surcharge is no longer in place.

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<sup>1</sup> 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.



### Schedule G-BAL

Page 5--The self-balancing provisions are revised to read "...for an NBAA or 24-hour forecast usage for a CP Group."

Various pages--References to "CP [Core Procurement] Groups" are revised to read "CTA [Core Transport Agent] Groups."

### Schedule G-CFS

Page 1--Rates from previous years are deleted. The end date is corrected to March 31, 2004.

### Schedule G-CT

Pages 10, 14 and 15: PG&E proposes to delete outdated sections or language as follows: 1) storage partial year implementation language, 2) previous yearly percentages language, and 3) storage implementation language.

### Gas Rule 14

Sections D.3 and D.4--PG&E proposes to remove the language "through March 31, 1998" regarding Storage injection Priority, because the language is now obsolete. PG&E is also correcting a typo in the word "relationship".

### Protests

Anyone wishing to protest this filing may do so by sending a letter by **November 10, 2003**, which is 21 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, 4<sup>th</sup> Floor  
San Francisco, California 94102

Facsimile: (415) 703-2200  
E-mail: [jjr@cpuc.ca.gov](mailto: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 29, 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/](http://www.pge.com/customer_services/business/tariffs/)

*Karen A. Jomcala/ss*

Vice President - Regulatory Relations

Attachments

**Attachment I**  
**Advice 2490-G**  
Page 1 of 2

Cal P.U.C. Sheet No.	Title of Sheet	Cancelling Cal P.U.C. Sheet No.
21857-G	Schedule G-NT – Gas Transportation Service to Noncore End-Use Customers	21277-G
21858-G	Schedule G-NT (Cont'd)	18361, 20450, 21699-G,
21859-G	Schedule G-COG—Gas Transportation Service to Cogeneration Facilities	21790-G
21860-G	Schedule G-COG (Cont'd)	18985-G
21861-G	Schedule G-EG—Gas Transportation Service to Electric Generation	21700-G
21862-G	Schedule G-EG (Cont'd)	21533-G
21863-G	Schedule G-30—Public Outdoor Lighting Service	21398-G
21864-G	Schedule G-WSL—Gas Transportation Service to Wholesale Customers	21399-G
21865-G	Schedule G-WSL (Cont'd)	20862-G
21866-G	Schedule G-BAL—Gas Balancing Services for Intrastate Transportation Customers	21534-G
21867-G	Schedule G-BAL (Cont'd)	21549-G
21868-G	Schedule G-BAL (Cont'd)	20034-G
21869-G	Schedule G-BAL (Cont'd)	20035-G
21870-G	Schedule G-BAL (Cont'd)	20036-G
21871-G	Schedule G-BAL (Cont'd)	20038-G
21872-G	Schedule G-BAL (Cont'd)	20039-G
21873-G	Schedule G-FS—Firm Storage Service	20828-G
21874-G	Schedule G-FS (Cont'd)	18670-G
21875-G	Schedule G-NFS—Negotiated Firm Storage Service	20829-G
21876-G	Schedule G-NFS (Cont'd)	19218-G
21877-G	Schedule G-NAS—Negotiated As-Available Storage Service	20830-G
21878-G	Schedule G-CFS—Core Firm Storage	21367-G
21879-G	Schedule G-CARE—CARE Program Service for Qualified Nonprofit Group Living and Qualified Agricultural Employee Housing Facilities	20595-G
21880-G	Schedule G-XF—Pipeline Expansion Firm Intrastate Transportation Service	20868-G
21881-G	Schedule G-XF (Cont'd)	20869-G
21882-G	Schedule G-PARK—Market Center Parking Service	20870-G
21883-G	Schedule G-LEND—Market Center Lending Service	20871-G
21884-G	Schedule G-CT—Core Gas Aggregation Service	21368-G
21885-G	Schedule G-CT (Cont'd)	21535-G
21886-G	Schedule G-CT (Cont'd)	21369-G

Cal P.U.C. Sheet No.	Title of Sheet	Cancelling Cal P.U.C. Sheet No.
21887-G	Schedule G-CT (Cont'd)	21370-G
21888-G	Schedule G-NGV4—Experimental Gas Transportation Service to Noncore Natural Gas Vehicles	21280-G
21889-G	Schedule G-LNG—Experimental Liquified Natural Gas Service	21702-G
21890-G	Schedule G-LNG (Cont'd)	20689-G
21891-G	Rule 14—Capacity Allocation and Constraint of Natural Gas	18237, 18238-G
21892-G	Rule 14 (Cont'd)	20068-G
21893-G	Table of Contents -- Rules	21665-G
21894-G	Table of Contents (Cont'd)	21816-G
21895-G	Table of Contents	21817-G



**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 Day</u>
0 to 5,000 therms	\$0.39025
5,001 to 10,000 therms	\$3.07463
10,001 to 50,000 therms	\$11.66433
50,001 to 200,000 therms	\$30.74729
200,001 to 1,000,000 therms	\$44.02258
1,000,001 therms and above	\$127.96866

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

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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.

Transmission: Per Therm  
\$0.04146

Distribution:

Usage	0-249,999 therms	250,000- 599,999 therms	600,000- 1,999,999 therms	2,000,000 therms or above
Summer	\$0.12685	\$0.10278	\$0.09856	\$0.09011
Winter	\$0.15636	\$0.12387	\$0.11818	\$0.10676

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.

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 TRANSPORTATION 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.

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SCHEDULE G-COG—GAS TRANSPORTATION SERVICE TO COGENERATION FACILITIES

**APPLICABILITY:** This rate schedule\* applies to the transportation of natural gas on PG&E's Local Transmission and/or Distribution System to cogeneration facilities and solar electric generation projects, as defined herein. This rate schedule also applies to Customers previously served under Schedule G-EPO.

To qualify for service under this schedule, a Customer must be a cogeneration facility which sequentially uses natural gas to produce electricity and useful thermal energy, as specified in the California Public Utilities Code Section 218.5,\*\* or a solar electric generation project as defined herein.

Customers receive service under this schedule in conjunction with the rate schedule that would otherwise apply if the Customer did not meet the requirements to qualify as a cogeneration facility. All provisions in the otherwise-applicable schedule will be binding on the Customer unless superseded by the provisions in this schedule.

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

**RATES:** The following transportation charges do not include charges for service on PG&E's Backbone Transmission System. These rates apply to volumes up to the Limitation of Gas Use, described herein.

Customers taking service under this schedule will be billed for transportation under the lower of the following rates:

1. The Schedule G-EG transportation rate, including discounts to PG&E's utility steam-electricity generating plants, two months prior.

The Transportation Charge is: Per Therm  
\$0.02461

or,

2. The rate specified in the Customer's otherwise-applicable rate schedule.

Noncore End-Use customers must procure gas supply from PG&E or from a supplier other than PG&E.

Core End-Use Customers will pay the procurement charge under their otherwise-applicable rate schedule, unless they purchase gas from a third-party supplier.

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

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\*\* Efficiency Standards: In accordance with PU Code Section 218.5, at least 5 percent of the facility's total output must be in the form of useful thermal energy. Where useful thermal energy follows power production, the useful annual power output plus one-half the useful annual thermal energy output must equal no less than 42.5 percent of any natural gas and oil energy input.

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

**SOLAR  
ELECTRIC  
GENERATION  
PROJECTS:** A solar electric generation project utilizes solar energy as the primary fuel in the generation of electricity, uses gas as a secondary fuel constituting 25 percent or less of the total fuel utilized on an equivalent basis, has a natural gas efficiency utilization rate of more than 60 percent, and qualifies as a small power production facility under the Public Utility Regulatory Policies Act of 1978. This schedule will not be applicable to such projects after January 1, 2001.

**ELECTRIC  
DEPARTMENT  
NOTIFICATION:** During Open Seasons for PG&E's intrastate services, PG&E will notify on-system cogenerators of PG&E's Electric Generation (EG) Department elections for service three (3) business days prior to the date that cogenerators must make their service elections. PG&E will also notify cogenerators of EG's other elections for intrastate services as they may occur from time to time. This provision will apply to EG service agreements which have terms exceeding one (1) calendar month or thirty (30) days for contracts beginning on other than the first day of the month, and to EG service agreements with automatic renewal provisions where the total contract term would exceed one (1) calendar month or thirty (30) days.

**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.

**DEFAULT  
OPTION:**

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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): \$0.02461

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.

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

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SCHEDULE G-EG—GAS TRANSPORTATION SERVICE TO ELECTRIC GENERATION  
(Continued)

**ELECTRIC DEPARTMENT NOTIFICATIONS:** During Open Seasons for PG&E's intrastate services, PG&E will notify on-system cogenerators of PG&E's Electric Generation (EG) Department's elections for service three (3) business days prior to the date that cogenerators must make their service elections. PG&E will also notify cogenerators of EG's other elections for intrastate services as they may occur from time to time. This provision will apply to EG service agreements which have terms exceeding one (1) calendar month or thirty (30) days for contracts beginning on other than the first day of the month, and to EG service agreements with automatic renewal provisions where the total contract term would exceed one (1) calendar month or thirty (30) days.

**SERVICE AGREEMENT:** A Natural Gas Service Agreement (NGSA) (Form 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.

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

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SCHEDULE G-30—PUBLIC OUTDOOR LIGHTING SERVICE

**APPLICABILITY:** This rate 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. (T)

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

**RATES:**

	<u>Per Group of Lights Per Month</u>
First 10 lights or less .....	\$95.15
For each additional gas light .....	\$9.53
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 .....	\$5.59

See Preliminary Statement, Part B for the Default Tariff Rate Components, applicable to this schedule. (D)

- 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.

\* PG&E's gas tariffs are on-line at [www.pge.com](http://www.pge.com). (N)

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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 Day</u>
Palo Alto	\$144.41425
Coalinga	\$ 33.79989
West Coast Gas-Mather	\$ 24.55463
Island Energy	\$ 18.42641
Alpine Natural Gas	\$ 6.79595
West Coast Gas-Castle	\$ 15.85315

2. Transportation Charges:

For gas delivered in the current billing month:

	<u>Per Therm</u>
Palo Alto	\$ 0.02215
Coalinga	\$ 0.02215
West Coast Gas-Mather	\$ 0.02215
Island Energy	\$ 0.02215
Alpine Natural Gas	\$ 0.02215
West Coast Gas-Castle	\$ 0.02215

3. Storage Charges:

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

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

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

**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.

**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.

**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 Gas Transmission Service Agreement (GTSA) (Form No. 79-866) must be executed for such service.



**SCHEDULE G-BAL—GAS BALANCING SERVICE FOR INTRASTATE TRANSPORTATION CUSTOMERS**

**APPLICABILITY:** This rate schedule\* provides the terms and conditions pursuant to which PG&E will endeavor to balance volumes of gas it receives into its pipeline system with the volume it delivers to End-Use Customers and to Off-System Delivery Points. In addition, this schedule provides for balancing PG&E's Market Center volumes. Under this schedule, PG&E will calculate, maintain, and carry imbalances; provide incentives for Customers to avoid and minimize imbalances; facilitate elimination of imbalances; and cash out imbalances. Schedule G-BAL applies to PG&E's Core Procurement Department transactions on behalf of PG&E's core procurement Customers, and to all Customers taking services under Schedules G-CT (or other core rate schedule(s) where procurement service is provided by a third party), to Schedules G-NT, G-EG, G-COG, G-NGV4, G-WSL, G-LNG, G-AFT, G-SFT, G-NFT, G-AA, G-NAA, G-AFTOFF, G-AAOFF, G-NFTOFF, G-NAAOFF, G-PARK, and G-LEND.

Imbalances generally will be maintained at the delivery point.

This schedule is the default supply schedule for Noncore End-Use Customers who do not execute a Natural Gas Service Agreement (NGSA) (Form No. 79-756), pursuant to the terms of Schedules G-NT or G-COG.

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

**BALANCING AGGREGATION:** Noncore End-Use Customers may elect to aggregate Cumulative Imbalances for multiple premises, or they may assign their balancing obligations to a Balancing Agent, as described below. If the Cumulative Imbalances are aggregated or assigned to a Balancing Agent, PG&E will aggregate individual Balancing Service accounts into a single Balancing Service account, with both the usage and the deliveries aggregated. A single Tolerance Band, as defined below, shall apply to the aggregated quantities.

**BALANCING AGENT:** The Balancing Agent is the party financially responsible for managing and clearing imbalances described in Schedule G-BAL. The Balancing Agent shall be responsible for all applicable balancing, capacity allocation and constraint obligations, charges, and credits related to gas service. The following are Balancing Agents: Core Transportation Agent (CTA), PG&E Core Procurement Department, Noncore Balancing Aggregation Agreement (NBAA) Agent, a Noncore End-Use Customer or Wholesale Customer that is not part of an NBAA. All Balancing Agents are subject to creditworthiness requirements.

For deliveries to a Core Transportation Group, the CTA will be responsible for any imbalances. For deliveries to storage and to off-system points, the Customer holding the Gas Transmission Service Agreement (GTSA) (Form No. 79-866) will be responsible for imbalances.

For deliveries made to Noncore End-Use Customers, the Noncore End-Use Customer will be responsible for imbalances; however, Noncore End-Use Customers may designate a Balancing Agent to manage and assume responsibility for the Noncore End-Use Customer's obligations under this schedule.

A Noncore End-Use Customer may change its Balancing Agent no more than once per month.

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

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SCHEDULE G-BAL—GAS BALANCING SERVICE FOR INTRASTATE TRANSPORTATION CUSTOMERS  
(Continued)

BALANCING  
AGENT:  
(Cont'd.)

Noncore End-Use Customer designation of a Balancing Agent, changing of one Balancing Agent for another Balancing Agent, or terminating the services of a Balancing Agent, will take effect on the first day of the month following PG&E's receipt of an executed Noncore Balancing Aggregation Agreement (NBAA) (Form No. 79-869), or Exhibit A or Exhibit B of the NBAA. The request must be received by PG&E by the last business day prior to the first day of the month the designation or change is to take effect. Requests that are not received by PG&E by the last business day prior to the first day of the month will not take effect until the first day of the second month following such request.

For End-Use Customers whose imbalances were previously not handled under an NBAA, upon designating a Balancing Agent and executing an NBAA, any existing imbalances and/or adjustments to past imbalances will also become the responsibility of such Balancing Agent upon the effective date of the NBAA.

The Balancing Agent may nominate transportation deliveries to PG&E on behalf of the Customer, in accordance with the provisions of gas Rule 21.\*

BALANCING  
OPTIONS:

PG&E will provide Balancing Service to accommodate any imbalances between Customer usage and gas delivered to PG&E for the Customer. Only one balancing option may apply to an individual End-Use Customer at any time. Monthly Balancing remains the default balancing option for any Balancing Agent who does not elect Self-Balancing. In accordance with gas Rule 21, all Balancing Agents must endeavor to ensure that daily gas deliveries match daily gas usage.

MONTHLY  
BALANCING  
OPTION:

MONTHLY TOLERANCE BAND:

The Monthly Tolerance Band is equal to plus or minus five percent ( $\pm 5\%$ ) of the usage in the month in which the imbalance occurred. PG&E will provide Monthly Balancing Service at no additional charge if the Balancing Agent's Cumulative Imbalance is less than or equal to the Tolerance Band limit.

If a Balancing Agent has a month-end imbalance that exceeds the Monthly Tolerance Band, this amount may be traded or will be cashed out as provided below. Unlike the Self-Balancing Option, there is no specific noncompliance charge for exceeding the balancing limit of the Monthly Tolerance Band.

If at any time the aggregate imbalance of all of PG&E's On-System Customers has exceeded plus or minus three percent ( $\pm 3\%$ ) of that month's aggregate deliveries for any two (2) months in the preceding twelve (12) month period, PG&E may decrease the limit of the Tolerance Band by one percent (1%) after a minimum of thirty (30) days' notice to Customers. The Tolerance Band may not be adjusted more than once in any twelve (12) month period. The Tolerance Band may not be set below three percent (3%) without prior CPUC approval.

DAILY USAGE MEASUREMENT:

For purposes of determining daily usage, Noncore End-Use Customers are required to have daily metering. Telemetering will be installed on Noncore End-Use Customers' meters, where PG&E determines that it is cost-effective.

(L)

(Continued)



SCHEDULE G-BAL—GAS BALANCING SERVICE FOR INTRASTATE TRANSPORTATION CUSTOMERS  
(Continued)

MONTHLY  
BALANCING  
OPTION:  
(Cont'd.)

CUMULATIVE IMBALANCE FOR NONCORE CUSTOMERS:

A Balancing Agent's Cumulative Imbalance shall be the difference, for each calendar month, between metered usage (adjusted for shrinkage) and the actual monthly gas deliveries, plus any adjustments and tolerance carried forward from prior months.

A Cumulative Imbalance quantity will be stated each month on the Cumulative Imbalance Statement.

CUMULATIVE IMBALANCE FOR CORE PROCUREMENT GROUPS:

For a Core Procurement Group (which includes PG&E's Core Procurement Department and Core Transport Groups (CTA Group), as defined in gas Rule 1 (CP Group)), PG&E will determine the Cumulative Imbalance as follows:

(T)

PG&E will provide each CP Group with Core Load Forecasting and Determination Service, which will include 24-hour and 48-hour forecasts prior to the Gas Day. As part of this service, PG&E will also provide a Gas Day estimated usage (Determined Usage) for the CP Group. Determined Usage will be based on the historical usage of the CP Group's customer mix, adjusted for climatic and operational conditions.

For a CP Group, the Cumulative Imbalance shall be the difference, for each calendar month, between Determined Usage (adjusted for shrinkage) and the actual monthly gas deliveries plus any Operating Imbalance and tolerance carried forward from prior months.

OPERATING IMBALANCE FOR CORE PROCUREMENT GROUPS:

For CP Groups, each Core End-Use Customer's cycle billed usage will be divided by the number of days within the billing cycle, then weighted on a daily basis to match the daily fluctuations of the CP Group's Determined Usage within the same billing cycle (Daily Weighted Usage).

The Operating Imbalance for each CP Group is the difference between the sum of each day's Determined Usage within a calendar month and the sum of each day's Daily Weighted Usage for each of the Core End-Use Customers for that calendar month. The Operating Imbalance Carryover is the accumulation of untraded monthly Operating Imbalances plus prior month accounting adjustments.

Each month, PG&E will provide the CP Group with an Operating Imbalance Statement. That Operating Imbalance Statement will be processed within two (2) months following the processing of the Cumulative Imbalance Statement for the same month. The processing delay ensures that most of the billing cycle usage for the calendar month has been measured and billed. If a CP Group incurs a Cumulative Imbalance cashout and the subsequent Operating Imbalance indicates that the Group's deliveries more closely matched the Group's actual gas use, then PG&E will reverse the cashout to the extent applicable.

(Continued)



SCHEDULE G-BAL—GAS BALANCING SERVICE FOR INTRASTATE TRANSPORTATION CUSTOMERS  
(Continued)

MONTHLY  
BALANCING  
OPTIONS:  
(Cont'd.)

CASHOUT FOR MONTHLY BALANCING:

Monthly imbalances after trading is completed, which exceed the Monthly Tolerance Band are cashed out for both the commodity component and the transportation component.

The Commodity Cashout for each month is based on the following four (4) imbalance categories: Over-deliveries and under-deliveries in the imbalance range of greater than five percent (5%) and less than or equal to ten percent (10%) of usage (Tier I Cashout), and over-deliveries and under-deliveries in the imbalance range of greater than ten percent (10%) of usage (Tier II Cashout). The amount of gas in each category is multiplied by the appropriate price as determined below to calculate the commodity cashout portion of the bill.

The Transportation Cashout for each month is based only on the under or over-delivery greater than five percent (5%). This amount is multiplied by the appropriate transportation cashout price as determined below to calculate the transportation cashout portion of the bill. In the case of an overdelivery, this will be a credit.

SELF-  
BALANCING  
OPTION:

The Self-Balancing option requires daily balancing within specified limits. To participate in Self-Balancing, the Balancing Agent must have an NBAA or CTA Group. (T)

To elect Self-Balancing, the Balancing Agent must sign a Self-Balancing Amendment (Form No. 79-971) and the NBAA or the Core Gas Aggregation Service Agreement (CTA Agreement) will be subject to the terms of Self-Balancing for the period identified in the Amendment. (T)

SELF-BALANCING CREDIT:

The Self-Balancing option allows a Balancing Agent to receive a credit. The Self-Balancing credit is \$0.0050 per Decatherm multiplied by the actual recorded monthly usage. Credits will be provided to the Balancing Agent on a monthly basis, subject to adjustments.

LIMIT ON SELF-BALANCING PARTICIPATION:

When a Balancing Agent elects Self-Balancing, their share of the balancing storage assets will be assigned to and marketed through PG&E's at-risk unbundled storage program. The amount of storage assets allocated to PG&E's at-risk unbundled storage program is based on the Balancing Agent's End-Use Customer's annual average usage as a percentage of PG&E's average annual system usage. PG&E will allow the election of Self-Balancing until the storage balancing assets of 1.1 Bcf of inventory, 25 MMcf per day of injection and 35 MMcf per day of withdrawal are reached. If these limits are reached, PG&E will restrict further elections for Self-Balancing until capacity is made available or the OFO Forum raises the limits.



SCHEDULE G-BAL—GAS BALANCING SERVICE FOR INTRASTATE TRANSPORTATION CUSTOMERS  
(Continued)

SELF-  
BALANCING  
OPTION:  
(Cont'd.)

DAILY IMBALANCE LIMITS FOR SELF-BALANCING:

A Balancing Agent electing Self-Balancing will be subject to two (2) imbalance limits each day:

- 1. The Daily Imbalance cannot exceed plus or minus ten percent ( $\pm 10\%$ ) of that day's metered usage for an NBAA or 24-hour forecast usage for a CTA Group, except on OFO or EFO days. On OFO or EFO days the applicable OFO or EFO tolerance band and noncompliance charge will apply. (T)
- 2. A Balancing Agent must also maintain an Accumulated Daily Imbalance less than, or equal to, plus or minus one percent ( $\pm 1\%$ ) of the Pre-Determined Monthly Usage for that month.

The Pre-Determined Monthly Usage (PDMU) for Noncore End-Use Customers will be equal to the Monthly Contract Quantity specified in the Exhibit B of their NGSA. PG&E will provide the Self-Balancing CTA with a PDMU at least 5 days prior to the first of each month. The PDMU for CTA Groups will be determined by PG&E as a function of the sum of the actual usage of the End-Use Customers within the CTA Group in the same month of the prior year. Adjustments may be applied for missing usage information for the prior year, mid-month starts and stops of service by the Balancing Agent, and for weather effects. (T)

SELF-BALANCING NONCOMPLIANCE CHARGES:

Self-Balancing Noncompliance charges will be calculated as the sum of the following:

- 1. Daily Noncompliance Charge: For each non-OFO or non-EFO day, a noncompliance charge equal to \$1.00 per Decatherm for the portion of the daily imbalance that exceeds plus or minus ten percent ( $\pm 10\%$ ) of the daily metered usage for an NBAA or 24-hour forecast usage for a CTA Group per day. On OFO or EFO days the corresponding tolerance band and OFO or EFO charge will apply. (T)
- 2. Accumulated Daily Imbalance Noncompliance Charge: For each day, including OFO and EFO days, a noncompliance charge equal to \$1.00 per Decatherm per day for each day when the Accumulated Daily Imbalance exceeds plus or minus one percent ( $\pm 1\%$ ) of the Pre-Determined Monthly Usage. (See gas Rule 14 for possible exemptions from noncompliance charges on OFO days.)

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SCHEDULE G-BAL—GAS BALANCING SERVICE FOR INTRASTATE TRANSPORTATION CUSTOMERS  
(Continued)

SELF-  
BALANCING  
OPTION:  
(Cont'd.)

MEASUREMENT OF DAILY USAGE AND IMBALANCES:

Balancing Agents will be responsible for tracking their own daily imbalance position. PG&E will not provide notice to a Balancing Agent if their imbalances are exceeding the daily tolerance levels. The daily usage for Noncore End-Use Customers who qualify for the Daily Usage Recording Device Exemption, specified above, will be based on the sum of the average daily use plus any actual daily recorded usage. Average daily usage is equal to the monthly recorded usage divided by the number of days within the month. Daily usage for all other noncore End-Use Customers will be based on the actual recorded volumes. If the daily usage recording device fails, average daily use will be used for those days where daily-recorded use is unavailable or missing.

Daily usage for CTA Groups will be based on a forecast of their customers' gas usage, as provided by PG&E. For CTA Groups with an annual demand less than three percent (3%) of the total core market's annual demand, daily usage will be determined using the first 24-hour forecast available each day. For CTA Groups with an annual demand greater than or equal to three percent (3%) of the total core market, daily usage will be determined using an end of the gas day forecast. For any CTA Group electing Self-Balancing, the applicable daily usage forecast will also be used to calculate its monthly Cumulative Imbalance. If the annual demand of any CTA Group participating in Self-Balancing exceeds ten percent (10%) of the total core market annual demand, then the largest CTA Group(s) will have their daily usage determined based on the end of the gas day forecast, such that the sum of the demands for the remaining Self-Balancing CTA Groups continuing to use the 24-hour forecast does not exceed the ten percent (10%) limit. (T)

CUMULATIVE IMBALANCE FOR SELF-BALANCING NONCORE CUSTOMERS:

A Balancing Agent's Cumulative Imbalance under the Self-Balancing option is the same as under the Monthly Balancing Option, and is the difference, for each calendar month, between metered usage (adjusted for shrinkage) and the actual monthly gas deliveries plus any adjustments and tolerance carried forward from a prior month.

A Cumulative Imbalance quantity will be stated each month on the Cumulative Imbalance Statement.

CUMULATIVE IMBALANCE FOR SELF-BALANCING CTA GROUPS: (T)

The Cumulative Imbalance for a CTA Group that elects the Self-Balancing option shall be the difference between the sum of each day's 24-hour Core Load Forecast and the actual monthly gas deliveries including any Operating Imbalance or tolerance carried forward from a prior month. (T)

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SCHEDULE G-BAL—GAS BALANCING SERVICE FOR INTRASTATE TRANSPORTATION CUSTOMERS  
(Continued)

SELF-BALANCING OPTION: (Cont'd.)

OPERATING IMBALANCE FOR SELF-BALANCING CTA GROUPS: (T)

The Operating Imbalance for each CTA Group that elects the Self-Balancing option shall be the difference between the sum of each day's 24-hour Core Load Forecast and the sum of each day's Daily Weighted Usage of the Core End-Use Customers included in that CTA Group for that calendar month. (T)

CASHOUT FOR SELF-BALANCING:

For those balancing groups subject to Self-Balancing, any gas imbalances remaining after the imbalance trading period that are in excess of plus or minus one percent ( $\pm 1\%$ ) of the Pre-Determined Monthly Usage will be cashed out for both the commodity component and the transportation component. The commodity cashout is at the appropriate Tier II Cashout price as determined below. Any remaining gas imbalances within the tolerance band ( $\pm 1\%$ ) will be included in Accumulated Daily Imbalance calculated for the first day of the month following trading period. The transportation cashout is at the appropriate price as determined below.

IMBALANCE TRADING:

A Balancing Agent may trade its Cumulative or Operating Imbalances with another Balancing Agent that has a Cumulative or Operating Imbalance from the same statement period.

Executing an Imbalance trade consists of both parties to the trade completing an Imbalance Trading Form for Schedule G-BAL Service (Form No. 79-762), or electronic equivalent, and submitting the form to PG&E.

IMBALANCE TRADING CRITERIA:

- Each Cumulative Imbalance trade must meet at least one of the following criteria:
1. The trade moves the trading party's Cumulative Imbalance towards zero; and/or
  2. The trade results in a Cumulative Imbalance that is within the range of plus or minus three percent (3%) of usage past zero.

The following table sets forth the range of acceptable Cumulative Imbalance trades. Imbalances are described as a percentage of usage. Each trade will be deemed to have a Beginning Imbalance (the imbalance, positive or negative, existing immediately prior to the trade) and an Ending Imbalance (the imbalance, positive or negative, resulting from the trade).

<u>If Beginning Imbalance is:</u>	<u>Ending Imbalance must be:</u>
Greater than -3% (in the negative direction)	Between the Beginning Imbalance and +3%
Equal to or between -3% and +3%	Equal to or between -3% and +3%
Greater than +3% (in the positive direction)	Between -3% and the Beginning Imbalance

Each Operating Imbalance trade must move the CP Groups' Operating Imbalance Carryover toward zero.

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SCHEDULE G-FS—FIRM STORAGE SERVICE

**APPLICABILITY:** This rate schedule\* applies to the firm use of PG&E's storage facilities. This rate schedule provides a combination of firm storage injection, inventory and withdrawal service. Service under this rate schedule is available to any Customer, including Core Transport Agents, or PG&E, on behalf of Core Customers for storage service in excess of that provided by their core storage allocation.

**TERRITORY:** This rate schedule applies to firm use of PG&E's storage facilities.

**RATES:** Rates under this schedule consist of Reservation Charges and Usage Charges.

1. Reservation Charges:

The annual Reservation Charges shall be based on the capacity and withdrawal quantities specified in the Customer's Gas Transmission Service Agreement (GTSA) (Form No. 79-866). The withdrawal reservation charge is based on the total volume to be withdrawn over a specified number of days each year, or fraction of a year, for the total contract period. The annual Reservation Charges are payable in equal monthly installments regardless of the quantity of gas stored during the month. If the Customer elects to take G-FS service for a term longer than one year, the total Reservation Charges shall equal the term in total years multiplied by the charge(s) below. (If the contract term has less than a full year's duration, then the term shall be rounded up to the nearest full year for purposes of establishing the reservation charges.)

The Annual Reservation Charges are:	<u>Per Dth</u>
Capacity Charge:	\$ 0.8444
Withdrawal Charge (Per Day):	\$10.9191

2. Usage Charges:

Usage Charges shall be equal to the rates below multiplied by the injection and withdrawal quantities utilized during the billing period. Any injections or withdrawals which occur during a billing period, but which are not recorded in that billing period, will be deferred to a future billing period.

	<u>Per Dth</u>
Injection Usage Charge:	\$0.0437
Withdrawal Usage Charge:	\$0.0437

3. Additional Charges:

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.

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

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**SCHEDULE G-FS—FIRM STORAGE SERVICE**

(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 to the GTSA.

**CREDIT-WORTHINESS:**

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

**NOMINATIONS:**

Nominations are required for injections and withdrawals. See Rule 21 for details.

**INJECTION/ WITHDRAWAL SCHEDULE:**

Firm injection is available from April 1 through October 31. PG&E will calculate the amount of injection capacity for the Customer equal to the quantity necessary to fill the Customer's inventory capacity during the firm injection timeframe, (i.e., 214 days). Firm withdrawal is available from November 1 through March 31.

**CURTAILMENT OF SERVICE:**

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

**INVENTORY TRANSFERS:**

Customers may request a transfer of gas held in inventory to another Customer's storage account, or to the account of a customer of an on-system, third-party storage provider, by completing a Request for Gas Storage Inventory Transfer (Form No. 79-796). Inventory transfers are limited to the inventory quantity available for transfer and the inventory capacity of the receiving Customer at the time the transfer is completed by PG&E. Inventory transfers are subject to operational constraints on PG&E's transmission system. PG&E will notify both parties, in writing, of the volume transferred on their monthly invoice.

If an inventory transfer is to occur between a PG&E Customer's storage account and a third-party storage provider Customer's account, PG&E will charge the PG&E Customer the applicable injection or withdrawal Usage Charge in Schedule G-FS.

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SCHEDULE G-NFS—NEGOTIATED FIRM STORAGE SERVICE

**APPLICABILITY:** This rate schedule\* applies to the firm use of PG&E's storage facilities, subject to rates negotiated by the Customer and PG&E. Fixed amounts of firm storage inventory, injection, and withdrawal service may be procured separately or in combination under this rate schedule. Core Transport Agents and PG&E, on behalf of Core Customers, may take storage service under this rate schedule for storage in excess of that provided by their core storage allocation.

**TERRITORY:** This rate schedule applies to firm use of PG&E's storage facilities. The points of service for storage 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 Citigate.

**RATES:** Rates under this schedule are negotiable and may be structured as one-part rates (Usage or Reservation Charge) or two-part rates (both Reservation and Usage Charges), as negotiated between the Customer and PG&E. Reservation Charges, if applicable, shall be based on the injection, inventory, and/or withdrawal quantities specified in the Gas Transmission Service Agreement (GTSA) (Form No. 79-866). Any Usage Charges shall be equal to the applicable effective rate in the GTSA multiplied by the actual injection, inventory, or withdrawal quantities occurring during that billing period, including volumes traded pursuant to Schedule G-BAL. Any injections and withdrawals which occur during a billing period, but which are not recorded in that billing period, will be deferred to a future billing period.

Negotiated rates, for service under this schedule, are subject to minimum and maximum rates. Negotiated rates for storage service shall not be less than PG&E's marginal cost of providing the service. Negotiated rates for storage service will be capped at the price which will collect 100 percent of PG&E's total revenue requirement for the unbundled storage program under all three (3) subfunctions (i.e., injection, inventory or withdrawal), as listed below.

Maximum Rates (Dth)

Injection/Day	\$9.2196
Inventory	\$1.2941
Withdrawal/Day	\$5.5697

PG&E shall not be required to sell firm storage capacity for less than the rates specified in Schedule G-FS. However, at PG&E's sole option, negotiated offers satisfactory to PG&E may be accepted.

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.

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

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SCHEDULE G-NFS—NEGOTIATED FIRM STORAGE SERVICE  
(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 to the GTSA.

CREDIT-  
WORTHINESS:

The Customer must meet the creditworthiness requirements as specified in Rule 25.

SERVICE  
AGREEMENT:

An executed Gas Transmission Service Agreement (GTSA) (Form No. 79-866) and storage exhibit thereto are required for service under this rate schedule.

NOMINATIONS:

Notice is required for injections and withdrawals as agreed to by PG&E and the Customer. See Rule 21 for details.

INJECTION/  
WITHDRAWAL  
SCHEDULE:

The injection and withdrawal schedule shall be as agreed to by PG&E and the Customer and set forth in the Customer's storage exhibit. The Receipt and Delivery point(s) for gas to be injected and withdrawn also shall be set forth in the Customer's storage exhibit.

CURTAILMENT  
OF SERVICE:

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

INVENTORY  
TRANSFERS:

Customers may request a transfer of gas held in inventory to another Customer's storage account, or to the account of a Customer of an on-system, third-party storage provider, by completing a Request for Gas Storage Inventory Transfer (Form No. 79-796). Inventory transfers are limited to the inventory quantity available for transfer and the inventory capacity of the receiving Customer at the time the transfer is completed by PG&E. Inventory transfers are subject to operational constraints on PG&E's transmission system. PG&E will notify both parties in writing of the volume transferred. If an inventory transfer is to occur between a PG&E Customer's storage account and a third-party storage provider Customer's account, PG&E will charge the PG&E customer the applicable injection or withdrawal Usage Charge in Schedule G-FS. Customers choosing to transfer balances from one storage program year to the next storage program year will be charged an injection fee.

GAS IN  
INVENTORY AT  
TERMINATION:

If a Customer has not withdrawn all gas from storage prior to the termination of the Customer's Storage Exhibit of the GTSA, and the Customer and PG&E have not executed a succeeding Storage Exhibit, PG&E may purchase any remaining inventory from the Customer within sixty (60) days of the date of termination. PG&E will purchase the remaining inventory at fifty (50) percent of the OD Index for over-deliveries as specified in Schedule G-BAL at the time of purchase, unless otherwise agreed. The amount paid to the Customer may be reduced by any outstanding amounts owed by the Customer for any services provided by PG&E.

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SCHEDULE G-NAS—NEGOTIATED AS-AVAILABLE STORAGE SERVICE

**APPLICABILITY:** This rate schedule\* applies to the As-available use of PG&E's storage facilities. Storage injection and withdrawal may be taken separately under this schedule. Core Transport Agents, or PG&E, on behalf of Core Customers, may take storage service in excess of that provided by the core storage allocation.

**TERRITORY:** The rate schedule applies to use of PG&E's storage facilities. The points of service for storage 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:** Customers taking service under this rate schedule will pay monthly Usage Charges for any injection and/or withdrawal services utilized during the billing period. Any injections and/or withdrawals occurring during a billing period, but not recorded in that billing period, shall be deferred to a future billing period.

Negotiated rates for service under this rate schedule shall not be less than PG&E's marginal cost of providing the service and shall not exceed a price which will collect 100 percent of PG&E's total revenue requirement for the Unbundled Storage Program under both subfunctions (e.g., injection or withdrawal), as shown below. Customers will be billed on a monthly basis.

Maximum Rates (Per Dth/Day)

Injection	\$9.2196
Withdrawal	\$5.5697

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 to the GTSA.

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

**SERVICE AGREEMENT:** A Gas Transmission Service Agreement (GTSA) (Form No. 79-866) and storage exhibit thereto are required for service under this rate schedule.

**NOMINATIONS:** Notice is required for injections and withdrawals as agreed to by PG&E and the customer. See Rule 21 for details.

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

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

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SCHEDULE G-CFS—CORE FIRM STORAGE

**APPLICABILITY:** This rate schedule\* provides the rates and charges associated with core firm storage capacity (Assigned Storage) assigned to Core Transport Agents (CTAs), pursuant to the core firm storage provisions of Schedule G-CT authorized under Decision 00-05-049.

This schedule also provides the methodology for determining the quantity of gas inventory that may be sold to or purchased from a CTA by PG&E's Core Procurement Department, as amounts of Assigned Storage change during the Storage Year. In addition, this schedule describes the calculation of the prices to be paid when such gas inventory is transferred.

The CTA may also take storage service under Schedule(s), G-FS, G-NFS and/or G-NAS\* in conjunction with service under this rate schedule.

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

**ASSIGNED STORAGE MONTHLY CHARGE:** CTAs holding an assignment of core firm storage (Assigned Storage), pursuant to the provisions of Schedule G-CT, will be billed each month based upon the amount of Assigned Storage held for the current month. The monthly charge is calculated by multiplying the applicable monthly rate, shown below, by the inventory quantity associated with CTA's Assigned Storage for that month.

Rate (per Dth/month)

January 2002 through March 2004

\$0.1078

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**QUANTITIES OF GAS TO BE SOLD OR PURCHASED WITH STORAGE TRANSFERS:** When a CTA's Assigned Storage increases during a Storage Year and core firm storage capacity is transferred from PG&E's Core Procurement Department to the CTA pursuant to Schedule G-CT and an executed Attachment D – Core Firm Storage Declarations (Form 79-845, Attachment D), a quantity of gas in storage will be sold by PG&E's Core Procurement Department to the CTA, unless otherwise agreed by the CTA and PG&E.

The quantity of gas to be sold will equal the minimum gas inventory required for the increased storage by Schedule G-CT at the time of the transfer. The month-end minimum specified for the month of the storage capacity transfer will apply. Prior to the transfer, PG&E will bill CTA for the gas to be transferred, at the price described below. The transfer of gas will occur upon payment by the CTA to PG&E.

When a CTA's Assigned Storage decreases during a Storage Year, and core firm storage capacity is transferred from the CTA to PG&E's Core Procurement Department pursuant to Schedule G-CT and an executed Attachment D, a quantity of gas in storage will be sold by the CTA to PG&E's Core Procurement Department, unless otherwise agreed by the CTA and PG&E. The quantity of gas to be sold will be proportionate to the actual amount in the CTA's Assigned Storage at the end of the month prior to the transfer. PG&E will pay the CTA for the transfer of gas at the price described below. The transfer of gas will occur upon payment by PG&E to the CTA.

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

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SCHEDULE G-CARE—CARE PROGRAM SERVICE FOR QUALIFIED NONPROFIT GROUP-LIVING AND QUALIFIED AGRICULTURAL EMPLOYEE HOUSING FACILITIES

APPLICABILITY: This schedule is applicable to Facilities which meet the criteria for California Alternate Rates for Energy (CARE) set forth in Rules 19.2 or 19.3.

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

RATES: If the Facility qualifies for residential service, the facility's account will be served on the appropriate residential CARE rate schedule.

Qualified Facilities served on a nonresidential rate schedule will not pay the CARE rate component shown in Preliminary Statement Part B, and will receive a 20 percent discount on the charges billed under the otherwise applicable rate schedule. For the purpose of calculating the G-CARE bill, the otherwise applicable commodity or volumetric charge will be the adopted charge less the CARE Rate component.

Core transport Qualified Facilities receiving service in conjunction with Schedule G-CT will receive a 20 percent discount on the transportation charges billed under their otherwise-applicable rate schedule. They will receive an additional 20 percent discount on the procurement charge from their otherwise-applicable rate schedule. This is to assure that the Customer receives the same CARE discount whether they are procuring gas from PG&E or from a party other than PG&E.

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

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

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SCHEDULE G-XF—PIPELINE EXPANSION FIRM INTRASTATE TRANSPORTATION SERVICE

**APPLICABILITY:** This rate schedule\* is available to any Customer who holds a Pipeline Expansion Firm Transportation Service Agreement (FTSA) (Form No. 79-791) approved by the CPUC. (T)  
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
SFV Rates:	\$9.8251

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.

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

(T)(L)

(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
SFV Rates:	\$0.0042

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.

(L)



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

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.

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

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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

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.

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

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SCHEDULE G-CT—CORE GAS AGGREGATION SERVICE

**APPLICABILITY:** This schedule\* applies to transportation of natural gas for Core End-Use Customers (as defined in Rule 1\*) ("Customer") who aggregate their gas volumes and who obtain natural gas supply service from parties other than PG&E. The provisions of Schedule G-CT apply to Core End-Use Customers and to the party who supplies them with natural gas and provides or obtains services necessary to deliver such gas to PG&E's Distribution System. Rule 23 also sets forth terms and conditions applicable to Core Gas Aggregation Service. (T)

A group of Core End-Use Customers who aggregate their gas volumes shall comprise a Core Transport Group (Group). The minimum aggregate gas volume for a Group is 12,000 Decatherms per year. The Customer must designate a Core Transport Agent (CTA), who is responsible for providing gas aggregation services to Customers in the Group as described herein and in Rule 23. Aggregation of multiple loads at a single facility or aggregation of loads at multiple facilities shall not change the otherwise-applicable rate schedule for a specific facility. Customers electing service under this schedule must request such service for one hundred (100) percent of the core load served by the meter. Schedule G-CT must be taken in conjunction with a core rate schedule.

Core volumes are eligible for service under this schedule, whether or not noncore volumes are also delivered to the same premises. However, core volumes cannot be aggregated with noncore volumes in order to meet the minimum therm requirement for noncore service. Service to core volumes associated with noncore volumes under this schedule applies to all core volumes on the noncore premises.

CTAs, on behalf of a Group, may receive service on PG&E's Backbone Transmission System by utilizing Schedules G-AFT, G-SFT, G-AA, G-NFT, or G-NAA.

**TERRITORY:** This schedule applies everywhere PG&E provides natural gas service.

**RATES:** Customers taking service under Schedule G-CT will receive and pay for service under their otherwise-applicable core rate schedule; except that Customers who procure their own gas supply will not pay the Procurement Charge specified on their otherwise-applicable core rate schedule.

Pursuant to Schedule G-SUR, Customers will be subject to a franchise fee surcharge for gas volumes purchased from parties other than PG&E and transported by PG&E. Customers will also be responsible for any applicable costs, taxes and/or fees incurred by PG&E in receiving gas to be delivered to such Customers.

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

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

(T)

(Continued)



SCHEDULE G-CT—CORE GAS AGGREGATION SERVICE  
(Continued)

FIRM WINTER  
CAPACITY  
REQUIREMENT:  
(Cont'd.)

3. Contract with PG&E for firm intrastate transmission pipeline capacity or firm storage capacity and withdrawal rights in conjunction with Schedules G-AA or G-NAA.

Capacity held to satisfy core firm storage requirements, described below, may not simultaneously be used to satisfy the Firm Winter Capacity requirement.

Should the CTA exercise Option 2 or 3 above, to satisfy the Firm Winter Capacity requirements for any winter month, the CTA shall be required to submit, within five (5) days of notification, an executed Declaration of Alternate Winter Capacity (Form No. 79-845, Attachment J).

If a CTA has fulfilled this Firm Winter Capacity Requirement and has incurred no instances of non-compliance with an Emergency Flow Order (EFO) and no more than on (1) such instance with and Operation Flow Order (OFO) as specified in Rule 14 for a two-year period, the CTA will no longer be required to meet this Firm Winter Capacity Requirement.

CORE FIRM  
STORAGE:

PG&E will, from time to time, determine for each CTA an annual core firm storage allocation consisting of core firm inventory capacity and associated injection and withdrawal capacity. An Initial Storage Allocation will be provided and adjusted by Mid-Year Storage Allocations and Winter Season Storage Allocation Adjustments, as described below. These storage allocations are a pro rata share of PG&E's total core firm storage capacity reservation and are calculated as also described below.

In February of each year, PG&E will calculate each CTA's Initial Storage Allocation based upon the number of customers expected to be part of each CTA's Group in April of that year. Prior to March 1, each CTA will be given the option to reject a percentage of its Initial Storage Allocation, up to 100 percent (100%), for the upcoming storage year of April 1 through March 31 (Storage Year). A CTA's failure to reject its Initial Storage Allocation by March 1 shall be deemed an acceptance thereof. (D)

Each CTA's assigned core firm storage capacity (Assigned Storage) shall be the sum of its Initial Storage Allocation, to the extent accepted, plus modifications due to Mid-Year Storage Allocations and Winter Season Storage Allocation Adjustments, plus any capacity that may be reassigned to a CTA pursuant to the reallocation process, triggered if the Annual Cap on rejected amounts is exceeded. Assigned Storage will be provided under the terms of Schedule G-CFS. (D)

Each CTA will be required to execute and shall be subject to the terms and conditions of a Core Firm Storage Declarations (Form No. 79-845, Attachment D) with PG&E, for its Assigned Storage. The rejected percentage shall also be specified in Attachment D. In the event the CTA rejects a portion of its Initial Storage Allocation, it must do so in an increment of 10 percent (10%), (e.g., 10%, 20%, 30%, and so forth) up to 100%. For storage allocation amounts rejected, the CTA must certify Alternate Resources for each Winter month in amounts equivalent to the rejected withdrawal capacity, as more fully set forth in this rate schedule. Gas in storage, for core reliability, including gas stored using the Assigned Storage, may not be subject to encumbrances of any kind.

(Continued)



SCHEDULE G-CT—CORE GAS AGGREGATION SERVICE  
(Continued)

ANNUAL CAPS  
ON REJECTED  
STORAGE  
ALLOCATIONS:

The total capacity of core firm storage allocations that can be cumulatively rejected by CTAs is capped each Storage Year as follows for inventory, with proportionate injection and withdrawal rights.

<u>Storage Year</u> <u>(April 1 - March 31)</u>	<u>Cap On Rejected</u> <u>CTA Storage</u>	<u>Share of Total</u> <u>Core Storage</u>
2002-2004	5,022 MDth	15%

(D)

To the extent that allocations rejected by CTAs cumulatively exceed the specified Caps, such amount will be reallocated to CTAs in proportion to the amounts they have rejected in each PG&E offering. Amounts of rejected CTA Core Storage Allocations up to 1,674 MDth, will be assigned to PG&E's Core Procurement Department and amounts above 1,674 MDth will be allocated to PG&E's at-risk unbundled storage program. Amounts assigned to PG&E's Core Procurement Department will be included in the appropriate CPIM (Core Procurement Incentive Mechanism) benchmark components.

ALTERNATE  
RESOURCES  
AND CTA  
CERTIFICATION:

For storage withdrawal capacity rejected by a CTA in the Initial Storage Allocation or Mid-Year Storage Allocation, Alternate Resources, in like amounts, will be required as provided below. On a monthly basis, during the Winter Season, CTAs shall submit an executed Certification of Alternate Resources for Rejected Storage Withdrawal Capacity (Form No. 79-845, Attachment I). The CTA must provide such certification to PG&E as specified by PG&E. PG&E will not require these certifications earlier than ten business days prior to the beginning of each Winter month.

Certified Alternate Resources may not duplicate any resources offered as replacements for firm winter intrastate transmission capacity that the CTA may be required to hold. The CTA must satisfy the Alternative Resources obligation with any combination of the following:

1. Contracted firm storage services from PG&E or from an on-system CPUC-certified independent storage provider; and/or
2. Contracted firm PG&E backbone capacity matched with an equivalent volume of contracted upstream gas supply, plus any necessary firm upstream pipeline capacity (upstream gas supply may include a gas producer contract, or a contract with an off-system CPUC-certified, gas utility or independent storage provider); and/or
3. Third-party peaking supply arrangements, where that supply is backed up by contracts, as specified in 1 or 2, above.

RELEASE AND  
INDEMNIFICA-  
TION OF PG&E:

For any rejection of the Initial Storage Allocation or the Mid-Year Storage Allocation to be effective, the CTA shall sign and deliver to PG&E a Core Firm Storage Declarations (Form 79-845, Attachment D). This form shall release PG&E from liability associated with that CTA's rejection of storage assets, as well as indemnify PG&E for losses that arise: (i) from any representation in the CTA's monthly Alternate Resources certifications which turns out to be inaccurate, or (ii) from any failure of the CTAs Alternate Resources to perform.

(Continued)



SCHEDULE G-CT—CORE GAS AGGREGATION SERVICE  
 (Continued)

PARTIAL YEAR OPTION UPON IMPLEMENTATION: (D)  
 |  
 |  
 (D)

ASSIGNMENT: Any allocation or Assigned Storage under this schedule, including associated rights and obligations, may not be assigned by a CTA, with the exception that an allocation may be transferred by merger or acquisition to a party assuming the role of the CTA, subject to PG&E's consent and the creditworthiness requirements specified in PG&E's Tariffs and Rules.

INITIATION AND LIMITATION ON CORE FIRM STORAGE PROVISIONS: (D)  
 |  
 |  
 (D)

The CTA option to reject its storage allocation applies only through the 2002-2004 Storage Years. After that time, CTAs must accept and pay for all storage allocated to them. (T)

NOMINATIONS: Nominations are required from the CTA, on behalf of the Group, as specified in Rule 21.

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

BILLING/PAYMENT: Rule 23 provides the terms and conditions of billing and payment procedures under this schedule.

CREDIT-WORTHINESS: Customers must meet PG&E's creditworthiness standards as set forth in Rules 6 and 7. Customers who have established credit with PG&E will not be required to pay an additional or new deposit to be eligible for service under this schedule.

The CTA must meet the requirements specified in Rule 23 before it may provide gas aggregation services under this schedule.



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 Day</u>
0 to 5,000 therms	\$0.39025
5,001 to 10,000 therms	\$3.07463
10,001 to 50,000 therms	\$11.66433
50,001 to 200,000 therms	\$30.74729
200,001 to 1,000,000 therms	\$44.02258
1,000,001 therms and above	\$127.96866

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

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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:

<u>Liquefaction Charge (Per Therm):</u>	\$0.18373
<u>LNG Gallon Equivalent:</u> (Conversion factor - One LNG Gallon = 0.82 Therms)	\$0.15066

**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.

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

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SCHEDULE G-LNG—EXPERIMENTAL LIQUEFIED NATURAL GAS SERVICE  
(Continued)

**BACKBONE 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.

**SHRINKAGE:** Transportation volumes will be subject to the transmission shrinkage requirement in accordance with Rule 21.

**CURTAILMENT OF SERVICE:** Service under this rate 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 and Rule 14.

**TAXES AND FRANCHISE FEES:** Customer may pay a franchise fee surcharge for gas volumes purchased from suppliers other than PG&E and 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.

(D)



RULE 14—CAPACITY ALLOCATION AND CONSTRAINT OF NATURAL GAS SERVICE  
(Continued)

D. PRIORITY OF SERVICE (Cont'd.)

3. STORAGE INJECTION AND TRANSPORTATION TO STORAGE

a. Transportation priority to storage will be determined by the Customer's Gas Transmission Service Agreement (Form 79-866) (GTSA) utilized to transport the gas to storage;

(D)

b. Injection priority at PG&E's storage facilities will be determined by the Storage Exhibit of the Customer's GTSA, as follows:

(T)

- 1) All PG&E Firm storage service (treated equally, with pro rata allocation of nominations, if necessary);
- 2) PG&E As-Available storage service (scheduled according to contract price,\*\* with the lowest price injection capacity interrupted first).

4. STORAGE WITHDRAWAL AND TRANSPORTATION FROM STORAGE

(L)

a. Transportation priority from storage to the delivery point will be determined by the Customer's GTSA utilized to transport the gas from storage;

(D)

b. Withdrawal priority at PG&E's storage facilities will be determined by the Storage Exhibit of the Customer's GTSA, as follows:

(T)

- 1) All PG&E Firm storage service (treated equally, with pro rata allocation of nominations, if necessary);
- 2) PG&E As-Available storage service (scheduled according to contract price,\*\* with the lowest price withdrawal capacity interrupted first).

(L)

\*\* Contract price equals the per unit Usage Charge specified in Schedule G-NAS.

(Continued)



RULE 14—CAPACITY ALLOCATION AND CONSTRAINT OF NATURAL GAS SERVICE  
(Continued)

E. OPERATIONAL FLOW ORDERS (OFO) (Cont'd.)

OFO IMBALANCE RIGHTS TRADING:

OFO Imbalance Rights equal the difference in Decatherms between an OFO day imbalance and the applicable tolerance band for a designated System-wide OFO date. OFO Imbalance Rights will not be issued on Customer-specific OFO dates.

Balancing Agents may sell Operational Flow Order (OFO) Imbalance Rights to another Balancing Agent seeking to reduce or avoid an OFO noncompliance charge. OFO Imbalance Rights are provided to a Balancing Agent that is within the Tolerance Band for each System-wide OFO date. OFO Imbalance Rights trading will be available only to Balancing Agents who have entered into arrangements to use the electronic trading platform provided by an authorized Third Party Service Provider (TPSP). Customer enters into a business relationship with a TPSP on a voluntary basis. The sale or purchase of Imbalance Rights will be subject to applicable terms, conditions, and charges designated by the TPSP. PG&E shall have no liability to any Balancing Agent or any other party regarding acts or omissions of the TPSP or its terms and conditions.

(T)

OFO Imbalance Rights correspond to a specific OFO date and may be purchased to offset OFO noncompliance charges from the same date. Gas in storage is not eligible to create OFO Imbalance Rights. OFO Imbalance Rights may not be traded with Cumulative or Operating Imbalances.

An OFO Imbalance Rights statement will be issued by the 15th day of the subsequent month after an OFO. Trading shall end at 5:00 p.m. Pacific Time on the closing date for New York Mercantile Exchange (NYMEX) Henry Hub Gas Futures contracts. If necessary, PG&E will extend the trading deadline beyond the NYMEX close date to ensure that the trading period lasts a minimum of five (5) business days.

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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  
Dynegy 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 &  
Grueneich 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