

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

Tel. No. (415) 703-1691



September 14, 2004

Advice Letter 2556G|G-A|G-B

Ms Rose de la Torre
Pacific Gas and Electric Company
77 Beale Street, Room 1088
Mail Code B10C
San Francisco, CA 94105

Subject: Noncore Gas Tariff Revisions and Transportation Rate Changes Effective
July 1, 2004

Dear Ms de la Torre:

Advice Letter 2556G|G-A|G-B is effective July 1, 2004. A copy of the advice letter is sent herewith for your records.

Sincerely,

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

Director
Energy Division



**Pacific Gas and
Electric Company**

Brian K. Cherry
Director
Regulatory Relations

77 Beale Street, Room 1087
San Francisco, CA 94105

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July 23, 2004

ADVICE 2556-G-B
(Pacific Gas and Electric Company ID U 39 G)

**Subject: Supplemental--Transportation Rate Changes effective July 1, 2004
(2003 General Rate Case, Gas Accord II – 2004 Rate Revisions for
GRC Decision and Cogeneration Eligibility)**

Public Utilities Commission of the State of California

This supplemental filing submits revisions to Pacific Gas and Electric Company's (PG&E's) noncore end-use gas tariffs effective **July 1, 2004**. This filing revises certain gas transportation rates for the prior period adjustment resulting from the 2003 gas distribution revenue requirement adopted in PG&E's 2003 General Rate Case (GRC) Decision (D.) 04-05-055. Noncore rates were revised in Advice 2556-G on July 1, 2004, in compliance with D. 04-05-055, Gas Accord II – 2004 D. 03-12-061 and Advice 2521-G. The affected tariff sheets are included in Attachment I to this filing.

Noncore Revenue Component Adjustments

In Advice 2556-G, PG&E revised noncore gas rates effective July 1, 2004, for various Commission-adopted adjustments. These adjustments included the recovery of the difference between the noncore distribution revenue requirement included in noncore transportation rates since January 1, 2003, and the authorized amount to be recovered in noncore rates by D. 04-05-055.

The noncore interim relief amount is \$2.6 million amortized over 18 months. The interim amount is recorded in the Interim Relief Subaccount of the Noncore Customer Class Charge Account (NCA). The GRC interim Account rate component, as shown on Preliminary Statement Part B—*Default Tariff Rate Components*, recovers the balance in this NCA subaccount.

In Advice 2556-G, the interim relief amount was correctly allocated to the noncore classes, but was not distributed correctly between the NCA and GRC Interim Account rate components for each class.

This filing corrects the NCA and GRC Interim Account rate components as follows:

- For 2003, the interim amount is allocated to Schedule G-NT--Distribution and Schedule G-EG and included in the GRC Interim Account rate component on Preliminary Statement Part B. In Advice 2556-G, the EG portion was inadvertently included in the NCA rate component.
- For 2004, the interim amount is allocated to G-NT--Distribution, G-NT--Transmission and G-EG and included in the GRC Interim Account rate component on Preliminary Statement Part B. In Advice 2556-G, the interim amount was inadvertently included in the NCA rate component for each class.

Noncore Rate Adjustments

In addition, this supplemental filing revises the GRC Interim Account rate component filed in Advice 2556-G for the application of franchise fees and uncollectibles accounts expense, and the amortization of the noncore interim relief amount over 18 months. This revision results in a small decrease in noncore industrial and natural gas vehicle transportation rates shown in Advice 2556-G. No other rates from Advice 2556-G are being revised in this filing.

This filing updates noncore rate components in Preliminary Statement Part B—*Default Tariff Rate Components*, and renames the “GRC 2000 Interim Account” to “GRC Interim Account”.

Effective Date

PG&E requests that this supplemental filing be approved effective **July 1, 2004**, which is the same date requested in Advice 2556-G and 2556-G-A. These rates shall remain in effect, even if protested, until a Commission resolution or decision rescinds, suspends, or changes the rate(s) or practices(s) described in this filing.

Protests

Anyone wishing to protest this filing may do so by sending a letter within 20 days of the date of this filing, which is **August 12, 2004**. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. Protests should be mailed to:

IMC Branch Chief - Energy Division
California Public Utilities Commission
505 Van Ness Avenue, 4th Floor
San Francisco, California 94102

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

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

Pacific Gas and Electric Company
Attention: 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

Notice

In accordance with General Order 96-A, Section III, Paragraph G, a copy of this advice letter is being sent electronically and sent via U.S. mail to parties shown on the attached list and the service list for 2003 General Rate Case Application (A.) 02-11-017. Supporting workpapers for this filing are available upon written request to: Pacific Gas and Electric Company, Regulatory Relations Department, Attention: Rose de la Torre, 77 Beale Street, Mail Code B10C, P.O. Box 770000, San Francisco, CA 94177. Address change requests should be directed to Ms. de la Torre at (415) 973-4716.

Advice letter filings can be accessed electronically at <http://www.pge.com/tariffs>

A handwritten signature in black ink that reads "Brian K. Cherry" followed by a stylized flourish or initials.

Director, Regulatory Relations

Attachments

cc: Service List – A. 02-11-017

**Attachment I
Advice 2556-G-B**

| Cal. P.U.C. Sheet No. | Title of Sheet | Canceling Cal P.U.C. Sheet No. |
|--------------------------|---|-----------------------------------|
| | Preliminary Statement | |
| 22593-G | Part B—Default Tariff Rate Components - (Noncore p. 1) | 22317-G |
| 22594-G | Part B (Noncore p. 2) (Cont'd) | 22200-G |
| 22595-G | Part B (Noncore p. 3) (Cont'd) | 22201, 22308-G |
| 22596-G | Part B (Noncore p. 4) (Cont'd) | 22318-G |
| 22597-G | Part B (Noncore p. 5) (Cont'd) | 22319-G |
| 22598-G | Part B (Noncore p. 6) (Cont'd) | 22320-G |
| 22599-G | Part B (Noncore p. 7) (Cont'd) | 22205-G |
| 22600-G | Part B (Noncore p. 8) (Cont'd) | 22206-G |
| | Rate Schedules | |
| 22601-G | G-NT—Gas Transportation Service to Noncore End-Use Customers | 22321-G |
| 22602-G | G-NGV4—Experimental Gas Transportation Service to Noncore Natural Gas Vehicles | 22323-G |
| 22603-G | G-LNG—Experimental Liquefied Natural Gas | 22212-G |
| 22604-G | Table of Contents – Preliminary Statements | 22576-G |
| 22605-G | Table of Contents (Cont'd) | 22580-G |
| 22606-G | Table of Contents | 22578-G |



PRELIMINARY STATEMENT
(Continued)

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

NONCORE p. 1

| THERMS: | G-NT TRANSMISSION | G-NT—DISTRIBUTION | | | |
|---|----------------------|--------------------|--------------------|--------------------|-----------------------|
| | | SUMMER | | | |
| | | 0- 20,833 | 20,834- 49,999 | 50,000- 166,666 | 166,667- 249,999** |
| NCA | 0.00301 (R) | 0.00024 (I) | 0.00024 (I) | 0.00024 (I) | 0.00025 (I) |
| DSM | 0.00218 | 0.00339 | 0.00339 | 0.00339 | 0.00339 |
| GRC INTERIM ACCT | 0.00006 (I) | 0.00390 (I) | 0.00390 (I) | 0.00390 (I) | 0.00390 (I) (T) |
| CARE | 0.01547 | 0.01547 | 0.01547 | 0.01547 | 0.01547 |
| CPUC FEE* | 0.00077 | 0.00077 | 0.00077 | 0.00077 | 0.00077 |
| EOR | 0.00000 | 0.00001 | 0.00001 | 0.00001 | 0.00001 |
| CEE | 0.00000 | (0.00001) | (0.00001) | (0.00001) | (0.00001) |
| LOCAL TRANSMISSION (AT RISK) | 0.01533 (R) | 0.01533 (R) | 0.01533 (R) | 0.01533 (R) | 0.01533 (R) |
| DISTRIBUTION & BASE REVENUE CREDITS (AT RISK) | 0.00327 (I) | 0.06481 (I) | 0.04833 (I) | 0.04496 (I) | 0.03819 (I) |
| TOTAL RATE | 0.04009 (R) | 0.10391 (I) | 0.08743 (I) | 0.08406 (I) | 0.07730 (I) |

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

** Rate components for G-NT Distribution over 249,999 therms are the same as G-NT Transmission.

(Continued)



PRELIMINARY STATEMENT
(Continued)

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

NONCORE p. 2

| THERMS: | G-NT—DISTRIBUTION | | | |
|---|--------------------|--------------------|--------------------|-----------------------|
| | WINTER | | | |
| | 0- 20,833 | 20,834- 49,999 | 50,000- 166,666 | 166,667- 249,999** |
| NCA | (0.00112) (R) | (0.00112) (R) | (0.00112) (R) | (0.00112) (R) |
| DSM | 0.00339 | 0.00339 | 0.00339 | 0.00339 |
| GRC INTERIM ACCT | 0.00526 (I) | 0.00526 (I) | 0.00526 (I) | 0.00526 (I) (T) |
| CARE | 0.01547 | 0.01547 | 0.01547 | 0.01547 |
| CPUC FEE* | 0.00077 | 0.00077 | 0.00077 | 0.00077 |
| EOR | 0.00001 | 0.00001 | 0.00001 | 0.00001 |
| CEE | (0.00001) | (0.00001) | (0.00001) | (0.00001) |
| LOCAL TRANSMISSION (AT RISK) | 0.01533 (R) | 0.01533 (R) | 0.01533 (R) | 0.01533 (R) |
| DISTRIBUTION & BASE REVENUE CREDITS (AT RISK) | 0.08751 (I) | 0.06526 (I) | 0.06071 (I) | 0.05158 (I) |
| TOTAL RATE | 0.12661 (I) | 0.10436 (I) | 0.09981 (I) | 0.09068 (I) |

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

** Rate components for G-NT Distribution over 249,999 therms are the same as G-NT Transmission.

(Continued)



PRELIMINARY STATEMENT
 (Continued)

| | | |
|--|---------------------------|--------------|
| B. DEFAULT TARIFF RATE COMPONENTS (\$/THERM) (Cont'd.) | | NONCORE p. 3 |
| | <u>G-EG (3)*</u> | |
| NCA | 0.00222 (R) | |
| DSM | 0.00000 | |
| GRC INTERIM ACCT | 0.00004 (I) | (T) |
| CARE | 0.00000 | |
| CPUC FEE ** | 0.00072 (R) | |
| EOR | 0.00000 | |
| CEE | 0.00000 | |
| LOCAL TRANSMISSION (AT RISK) | 0.01533 (R) | |
| DISTRIBUTION & BASE REVENUE CREDITS (AT RISK) | 0.00067 (I) | |
| TOTAL RATE | <u>0.01898 (I)</u> | |

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

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

(Continued)



PRELIMINARY STATEMENT
(Continued)

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

NONCORE p. 4

| | G-WSL | | | | | | | |
|---|----------------|------------|----------------|------------|----------------|------------|----------------|------------|
| | Palo Alto | | Coalinga | | Island Energy | | Alpine | |
| NCA | 0.00222 | (R) | 0.00222 | (R) | 0.00222 | (R) | 0.00222 | (R) |
| DSM | 0.00000 | | 0.00000 | | 0.00000 | | 0.00000 | |
| GRC INTERIM ACCT | 0.00000 | | 0.00000 | | 0.00000 | | 0.00000 | (T) |
| CARE | 0.00000 | | 0.00000 | | 0.00000 | | 0.00000 | |
| CPUC Fee* | 0.00000 | | 0.00000 | | 0.00000 | | 0.00000 | |
| EOR | 0.00000 | | 0.00000 | | 0.00000 | | 0.00000 | |
| CEE | 0.00000 | | 0.00000 | | 0.00000 | | 0.00000 | |
| LOCAL TRANSMISSION (AT RISK) | 0.01533 | (R) | 0.01533 | (R) | 0.01533 | (R) | 0.01533 | (R) |
| DISTRIBUTION & BASE REVENUE CREDITS (AT RISK) | 0.00000 | | 0.00000 | | 0.00000 | | 0.00000 | |
| TOTAL RATE | 0.01755 | (R) | 0.01755 | (R) | 0.01755 | (R) | 0.01755 | (R) |

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

(Continued)



PRELIMINARY STATEMENT
(Continued)

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

NONCORE p. 5

| | G-WSL | | |
|---|----------------------|----------------------|-----|
| | West Coast Mather | West Coast Castle | |
| NCA | 0.00222 (R) | 0.00222 (R) | |
| DSM | 0.00000 | 0.00000 | |
| GRC INTERIM ACCT | 0.00000 | 0.00000 | (T) |
| CARE | 0.00000 | 0.00000 | |
| CPUC FEE* | 0.00000 | 0.00000 | |
| EOR | 0.00000 | 0.00000 | |
| CEE | 0.00000 | 0.00000 | |
| LOCAL TRANSMISSION (AT RISK) | 0.01533 (R) | 0.01533 (R) | |
| DISTRIBUTION & BASE REVENUE CREDITS (AT RISK) | 0.00000 | 0.00000 | |
| TOTAL RATE | 0.01755 (R) | 0.01755 (R) | |

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

(Continued)



PRELIMINARY STATEMENT
(Continued)

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

NONCORE p. 6

| THERMS: | G-NGV4 TRANSMISSION | G-NGV4—DISTRIBUTION (1)* | | | |
|---|------------------------|--------------------------|--------------------|--------------------|---------------------|
| | | SUMMER | | | |
| | | 0- 20,833 | 20,834- 49,999 | 50,000- 166,666 | 166,667- 249,999 |
| NCA | 0.00000 | 0.00000 | 0.00000 | 0.00000 | 0.00000 |
| DSM | 0.00000 | 0.00000 | 0.00000 | 0.00000 | 0.00000 |
| GRC INTERIM ACCT | 0.00000 | 0.00000 | 0.00000 | 0.00000 | 0.00000 (T) |
| CARE | 0.00000 | 0.00000 | 0.00000 | 0.00000 | 0.00000 |
| CPUC FEE** | 0.00077 | 0.00077 | 0.00077 | 0.00077 | 0.00077 |
| EOR | 0.00000 | 0.00000 | 0.00000 | 0.00000 | 0.00000 |
| CEE | 0.00000 | 0.00000 | 0.00000 | 0.00000 | 0.00000 |
| NGV BALANCING ACCOUNT | 0.03932 (R) | 0.10314 (I) | 0.08666 (I) | 0.08329 (I) | 0.07653 (I) |
| LOCAL TRANSMISSION (AT RISK) | 0.00000 | 0.00000 | 0.00000 | 0.00000 | 0.00000 |
| DISTRIBUTION & BASE REVENUE CREDITS (AT RISK) | 0.00000 | 0.00000 | 0.00000 | 0.00000 | 0.00000 |
| TOTAL RATE | 0.04009 (R) | 0.10391 (I) | 0.08743 (I) | 0.08406 (I) | 0.07730 (I) |

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

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

(Continued)



PRELIMINARY STATEMENT
(Continued)

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

NONCORE p. 7

| THERMS: | G—NGV4-DISTRIBUTION (1)* | | | |
|---|--------------------------|--------------------|--------------------|--------------------|
| | WINTER | | | |
| | 0- 20,833 | 20,834- 49,999 | 50,000- 166,666 | 166,667 249,999 |
| NCA | 0.00000 | 0.00000 | 0.00000 | 0.00000 |
| DSM | 0.00000 | 0.00000 | 0.00000 | 0.00000 |
| GRC INTERIM ACCT | 0.00000 | 0.00000 | 0.00000 | 0.00000 (T) |
| CARE | 0.00000 | 0.00000 | 0.00000 | 0.00000 |
| CPUC FEE** | 0.00077 | 0.00077 | 0.00077 | 0.00077 |
| EOR | 0.00000 | 0.00000 | 0.00000 | 0.00000 |
| CEE | 0.00000 | 0.00000 | 0.00000 | 0.00000 |
| NGV BALANCING ACCOUNT | 0.12584 (I) | 0.10359 (I) | 0.09904 (I) | 0.08991 (I) |
| LOCAL TRANSMISSION (AT RISK) | 0.00000 | 0.00000 | 0.00000 | 0.00000 |
| DISTRIBUTION & BASE REVENUE CREDITS (AT RISK) | 0.00000 | 0.00000 | 0.00000 | 0.00000 |
| TOTAL RATE | 0.12661 (I) | 0.10436 (I) | 0.09981 (I) | 0.09068 (I) |

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

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

(Continued)



PRELIMINARY STATEMENT
(Continued)

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

NONCORE p. 8

| | <u>G-LNG (1)*</u> | |
|---|--------------------|-----|
| NCA | 0.00000 | |
| DSM | 0.00000 | |
| GRC INTERIM ACCT | 0.00000 | (T) |
| CARE | 0.00000 | |
| CPUC Fee ** | 0.00077 | |
| EOR | 0.00000 | |
| CEE | 0.00000 | |
| NGV BALANCING ACCOUNT | 0.18950 (R) | |
| LOCAL TRANSMISSION (AT RISK) | 0.00000 | |
| DISTRIBUTION & BASE REVENUE CREDITS (AT RISK) | 0.00000 | |
| | | |
| TOTAL RATE | <u>0.19027 (R)</u> | |

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

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

(Continued)



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

RATES:
(Cont'd.)

2. Transportation Charge:

A customer will pay one of the following rates for gas delivered in the current billing month.

Transmission-Level Rate:

Transmission-Level Rates apply to Customers served directly from PG&E gas facilities that have a maximum operating pressure greater than sixty pounds per square inch (60 psi).

Transmission-Level Rate (Per Therm) \$0.04009 (R)

Distribution-Level Rates:

The Distribution-Level Rate applies to Customers served from PG&E gas facilities that have a maximum operating pressure of sixty pounds per square inch (60 psi) or less. The Tier 5 rate is equal to the Transmission-Level Rate specified above.

| <u>Average Monthly Use</u> (Therms) | <u>Summer</u> (Per Therm) | <u>Winter</u> (Per Therm) |
|--|------------------------------|------------------------------|
| Tier 1: 0 to 20,833 | \$0.10391 (I) | \$0.12661 (I) |
| Tier 2: 20,834 to 49,999 | \$0.08743 | \$0.10436 |
| Tier 3: 50,000 to 166,666 | \$0.08406 | \$0.09981 |
| Tier 4: 166,667 to 249,999 | \$0.07730 (I) | \$0.09068 (I) |
| Tier 5: 250,000 and above* | \$0.04009 (R) | \$0.04009 (R) |

See Preliminary Statement Part B for Default Tariff Rate Components.

FEES AND
TAXES:

Customer may 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.

* Tier 5 Summer and Winter rates are the same.

(Continued)



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

RATES:
(Cont'd.)

2. Transportation Charge:

A customer will pay one of the following rates for gas delivered in the current billing month.

Transmission-Level Rate:

Transmission-Level Rates apply to Customers served directly from PG&E gas facilities that have a maximum operating pressure greater than sixty pounds per square inch (60 psi).

Transmission-Level Rate (Per Therm) \$0.04009 (R)

Distribution-Level Rates:

The Distribution-Level Rate applies to Customers served from PG&E gas facilities that have a maximum operating pressure of sixty pounds per square inch (60 psi) or less. The Tier 5 rate is equal to the Transmission-Level Rate specified above.

| <u>Average Monthly Use</u> (Therms) | <u>Summer</u> (Per Therm) | <u>Winter</u> (Per Therm) |
|--|------------------------------|------------------------------|
| Tier 1: 0 to 20,833 | \$0.10391 (I) | \$0.12661 (I) |
| Tier 2: 20,834 to 49,999 | \$0.08743 | \$0.10436 |
| Tier 3: 50,000 to 166,666 | \$0.08406 | \$0.09981 |
| Tier 4: 166,667 to 249,999 | \$0.07730 (I) | \$0.09068 (I) |
| Tier 5: 250,000 and above* | \$0.04009 (R) | \$0.04009 (R) |

See Preliminary Statement Part B for Default Tariff Rate Components.

FEES AND
TAXES:

Customer may 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.

* Tier 5 Summer and Winter rates are the same.

(Continued)



SCHEDULE G-LNG—EXPERIMENTAL LIQUEFIED NATURAL GAS SERVICE

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

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

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

Liquefaction Charge (Per Therm): \$0.19027 (R)

LNG Gallon Equivalent: \$0.15602 (R)
(Conversion factor - One LNG Gallon = 0.82 Therms)

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

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

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

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

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

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

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

(Continued)



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(Continued)

PRELIMINARY STATEMENTS

| SCHEDULE | TITLE OF SHEET | CAL P.U.C. SHEET NO. | |
|----------|---|---|-----|
| Part A | Description of Service Area & General Requirements | 14615 to 14623, 18797-G | |
| Part B | Default Tariff Rate Components | 22550 to 22557, 20889, 22593 to 22600, 22023, 22024-G | (T) |
| Part C | Gas Accounting Terms and Definitions | 22025, 22026, 22027, 21698, 22028, 20845, 22029, 20443, 20027, 22030, 18314, 18315, 18316-G | |
| Part D | Purchased Gas Account | 20847, 20445, 20848-G | |
| Part E | Not Being Used | | |
| Part F | Core Fixed Cost Account | 20849, 20850-G | |
| Part G | Not Being Used | | |
| Part H | Not Being Used | | |
| Part I | Noncore Brokerage Fee Balancing Account | 18061-G | |
| Part J | Noncore Customer Class Charge Account | 20851, 20852, 20853-G | |
| Part K | Enhanced Oil Recovery Account | 17360-G | |
| Part L | Balancing Charge Account | 22031, 22032-G | |
| Part M | Core Subscription Phase-Out Account | 18456-G | |
| Part N | Not Being Used | | |
| Part O | CPUC Reimbursement Fee | 22033-G | |
| Part P | Income Tax Component of Contributions Provision | 21054, 13501-G | |
| Part Q | Affiliate Transfer Fees Account | 19459-G | |
| Part R | Not Being Used | | |
| Part S | Interest | 12773-G | |
| Part T | Tax Reform Act of 1986 | 12775-G | |
| Part U | Core Brokerage Fee Balancing Account | 18065-G | |
| Part V | California Alternate Rates For Energy Account | 20794-G | |
| Part W | Not Being Used | | |
| Part X | Natural Gas Vehicle Balancing Account | 20952, 20953-G | |
| Part Y | Customer Energy Efficiency Adjustment | 18551, 18552, 18553-G | |
| Part Z | Energy Efficiency California Energy Commission Memorandum Account | 20797-G | |
| Part AA | Not Being Used | | |
| Part AB | Not Being Used | | |
| Part AC | Catastrophic Event Memorandum Account | 14178, 14179-G | |
| Part AD | Not Being Used | | |
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| Part AH | Air Quality Adjustment Clause | 14928 to 14930-G | |
| Part AI | Applicant Installation Trench Inspection Deferred Account | 19533-G | |
| Part AJ | Applicant Installation Trench Inspection Memorandum Account | 19534-G | |
| Part AK | Low Income Energy Efficiency Memorandum Account | 21244-G | |
| Part AL | Not Being Used | | |
| Part AM | Not Being Used | | |

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Advice Letter No. 2556-G-B
Decision No. 04-05-055

Issued by
Karen A. Tomcala
Vice President
Regulatory Relations

Date Filed July 23, 2004
Effective July 1, 2004
Resolution No. _____



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| G-NAA | Negotiated As-Available Transportation On-System..... | 19295,22064,18158-G |
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PGE Gas Advice Filing

List

General Order 96-A, Section III(G)

ABAG Power Pool
Accent Energy
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.
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
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
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