

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

Tel. No. (415) 703-1691



February 14, 2005

Advice Letter 2601-G, 2601-G-A

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

Subject: Gas accord III, annual true-up, cost of capital, and public purpose program tariff revisions and rate changes

Dear Ms de la Torre:

Advice Letter 2601-G, 2601-G-A is effective January 1, 2005. A copy of the advice letter is returned herewith for your records.

Sincerely,

A handwritten signature in black ink, appearing to read "Sean H. Gallagher".

Sean H. Gallagher, Director
Energy Division



*Pacific Gas and
Electric Company*

Brian K. Cherry
Director
Regulatory Relations

77 Beale Street, Room 1087
San Francisco, CA 94105

Mailing Address
Mail Code B10C
P.O. Box 770000
San Francisco, CA 94177

415.973.4977
Internal: 223.4977
Fax: 415.973.7226
Cellular: 415.517.5067
Internet: BKC7@pge.com

December 23, 2004

Advice 2601-G

(Pacific Gas and Electric Company ID U39G)

**Subject: January 1, 2005, Gas Accord III, Annual True-up,
Cost of Capital and Public Purpose Program Tariff Revisions
and Rate Changes**

Public Utilities Commission of the State of California

Pacific Gas and Electric Company (PG&E) hereby submits for filing revisions to its gas tariffs. The affected tariff sheets are included in Attachment I to this filing.

Purpose

The purpose of this filing is to submit proposed revisions to PG&E's gas tariffs for Commission-adopted changes effective **January 1, 2005**. This filing incorporates changes to noncore end-use transportation rates and revenue requirements pursuant to the Gas Accord III Settlement Agreement (GAIII or GAIII Settlement) Decision (D.) 04-12-050, Annual True-up Advice 2589-G,¹ PG&E's 2004 and 2005 Cost of Capital D. 04-12-047, and CPUC Fee Resolution (R.) M-4813.

This filing includes revisions to unbundled backbone transmission and storage rates, and includes tariff revisions in compliance with Ordering Paragraph (OP) 3 of D. 04-12-050. A rate table showing the consolidated impact on core and noncore end-use transportation rates is included in Table 2 of Attachment II.

This filing also incorporates changes to the gas Public Purpose Program (PPP) surcharges applicable to noncore end-use customers filed concurrently in Supplemental Advice 2585-G-A, and other minor tariff changes for clarification and consistency.

Core gas transportation and procurement rates to be effective January 1, 2005, are being filed concurrently in Advice 2600-G to incorporate local transmission and other core rate changes adopted in GAIII D. 04-12-050, Cost of Capital D. 04-12-047, and Annual True-up Advice 2589-G. Advice 2600-G also incorporates the core gas PPP surcharges being filed in Advice 2585-G-A.

¹ Advice 2589-G incorporated the 2004 and 2005 annual attrition adjustments filed and approved in Advice 2499-G-B/2446-E-B and 2580-G/2566-E, respectively.

The details of these authorized changes are shown in Preliminary Statement Part C.2 filed herein.

January 2005 Transportation Rate Changes

This filing consolidates changes to noncore end-use gas transportation rates and gas revenue requirements filed in PG&E's Annual True-up Advice 2589-G and changes that have been adopted in recent Commission decisions. This filing updates local transmission rates, customer access charges, and backbone and storage rates adopted in GAIII D. 04-12-050. The GAIII rates and distribution base revenue are adjusted pursuant to PG&E's Cost of Capital D. 04-12-047. Transportation rates are also adjusted to reflect the CPUC Fee as adopted in R. M-4813. A table showing the change in transportation, procurement, and GAIII revenue requirements (RRQ) and PPP authorized amounts effective January 1, 2005, is included as Table 1 of Attachment II.

Gas Accord III Settlement, Rate and Revenue Requirement Changes

On December 16, 2004, the Commission issued D. 04-12-050, approving PG&E's GAIII Settlement. D. 04-12-050 continues the current Gas Accord market structure, with some modifications,² and adopts rates, terms and conditions of service for PG&E's natural gas transmission and storage system effective January 1, 2005, through December 31, 2007. In this advice letter, PG&E is filing all 2005 noncore, unbundled, and other tariff changes adopted in D. 04-12-050, including revisions to noncore end-use transportation rates, backbone, storage, and parking and lending service tariffs, pursuant to Ordering Paragraphs 1 and 2 D. 04-12-050, as detailed below.

D. 04-12-050 adopts a revenue requirement for 2005 of \$427.4 million, as adjusted for the 2005 Cost of Capital adopted in D. 04-12-047. This represents a decrease of 0.06 percent from the 2004 gas transmission and storage revenue requirement of \$429.8 million in rates today.

Pursuant to Ordering Paragraph 3 of D. 04-12-050, PG&E is filing as Attachment III to this filing; an update to Table 6-2 of PG&E's opening testimony,³ as well as a complete copy of Page 24 of the Settlement workpapers.⁴ PG&E also is filing a revised set of rate and cost tables, which have been updated to reflect the Cost of Capital approved D. 04-12-047. This is consistent with the Parties' intent in Section 8.2 of the GAIII Settlement Agreement, and, if approved by the Energy

² D.04-12-050 adopts, with certain revisions, the Gas Accord market structure that was continued in D.03-12-061.

³ Regarding Table 6-2 of the GAIII Settlement Agreement, D.04-12-050 found that "it would be beneficial for the Settlement Parties to provide the same level of detail on revenue requirement and results of operation that the Commission included in D.03-12-061."

⁴ Page 24 to the Settlement workpapers is being filed herein to correct the inadvertent omission of Line 33 from the August 25 version of that page.

Division, will enable PG&E to place into effect the correct rates (reflecting the approved cost of capital) on January 1, 2005.

Major GAIII Settlement Agreement Provisions

The GAIII Settlement made the following changes to the Gas Accord:

1. Backbone Level End-Use Service - A new backbone level end-use service for qualifying noncore customers taking service from Schedules G-NT, G-EG and G-NGV4. (GAIII Settlement, Section 3.2.) Implementation of this service option was required by the Commission in D. 03-12-061.
2. Storage-Related Changes - Two issues are related to withdrawals of gas from storage to accommodate third party storage facilities. First, gas withdrawn from storage will be able to be delivered off-system at no additional cost under as-available service. (GAIII Settlement, Section 3.1.4.) Second, firm Redwood and Baja contracts will be given the option to convert a portion of their capacity to a firm Mission path contract at no extra cost. (GAIII Settlement, Section 3.1.5.).
3. Balancing Account for Core Local Transmission Service - Balancing account treatment for local transmission costs allocated to PG&E's core gas customers. (GAIII Settlement, Section 6.3.3.).
4. Phase-in of Direct Assignment Method of Cost Allocation - A new "direct assignment" method for allocating operating and maintenance expenses to the various functions (backbone transmission, local transmission, and storage) to be phased in over a two-year period. (GAIII Settlement, Section 5.2.).
5. Services for Core Transportation Agents (CTAs) - Several provisions, effective November 1, 2005, affect how CTAs are provided service.⁵ In addition, there is an easing of the Operational Flow Order trigger for a CTA firm winter capacity requirement showing. (GAIII Settlement, Section 7.4.)
6. Elimination of the Commensurate Discount Rule - Eliminating the Commensurate Discount Rule, since PG&E is no longer affiliated with Gas Transmission-Northwest Corporation. (GAIII Settlement, Section 3.1.3).

2004 and 2005 Cost of Capital

On December 16, 2004, the Commission issued D. 04-12-047 approving PG&E's 2004 and 2005 Cost of Capital for gas distribution, transmission, and storage revenue requirements. The Cost of Capital adopted for 2004 is 8.53 percent. The Cost of Capital adopted for 2005 is 8.77 percent.

⁵ Provisions related to the election of capacity on the Northern path by gas ESPs will be filed separately as these provisions of core transportation service become effective November 1, 2005.

For gas distribution, the change in the Cost of Capital results in a net decrease of \$5.5 million in the distribution base revenue requirement currently recovered in rates – a \$15.6 million decrease for 2004, and a \$10.1 million increase for 2005. This net change has been incorporated into noncore rates filed herein and into core transportation rates filed concurrently in Advice 2600-G.

In accordance with D. 04-12-047,⁶ the noncore portion of the 2004 Cost of Capital adjustment to distribution base revenue requirement has been incorporated in the forecast balance of the interim relief subaccount of the NCA and included in noncore rates filed herein. The core portion of the 2004 Cost of Capital adjustment to distribution base revenue requirement has been incorporated in the forecast balance of the CFCA and included in core transportation rates filed concurrently in Advice 2600-G. The adjustments to the CFCA and interim relief subaccount of the NCA update the balances filed in PG&E's Annual True-up Advice 2589-G.

For gas transmission and storage, the adopted 2004 Cost of Capital results in a \$10.9 million decrease in gas transmission and storage revenue requirements. In accordance with D.04-12-047,⁷ PG&E has allocated a pro rata share of the transmission and storage revenue requirement changes to core and noncore customers. The noncore portion of the transmission and storage revenue requirement changes has been incorporated in the forecast balance of the noncore subaccount of the NCA and included in noncore rates filed herein. The core portion has been incorporated in the forecast balance of the CFCA and included in core transportation rates filed concurrently in Advice 2600-G.

In accordance with GAIII D. 04-12-050,⁸ the adopted 2005 Cost of Capital has been incorporated into noncore transportation, and gas transmission and storage rates filed herein,⁹ and into core rates filed concurrently in Advice 2600-G.

Annual True-Up including Annual Attrition Adjustments and El Paso Settlement Credit

On November 16, 2004, PG&E filed its Annual True-up Advice 2589-G updating the transportation balancing accounts in core and noncore transportation rates

⁶ D. 04-12-047 states: "For gas distribution changes, revenue requirement changes would be recorded in its Core Fixed Cost Account and Non-core Customer Class Charge Account for recovery in the next Annual True-Up of Balancing Accounts or Biennial Cost Allocation Proceeding."

⁷ D. 04-12-047 states: "Gas transmission and storage would be adjusted to reflect revenue requirement changes affecting those rates. PG&E would allocate the revenue requirement changes to core and non-core customers based on the pro-rata share of revenue requirements, consistent with the method approved in Advice Letter 2521-G. The core portion would be transferred to the core fixed cost account and the non-core portion to the non-core customer class charge account for incorporation in its next gas transmission rate change or true-up."

⁸ D. 04-12-050 approved the Motion which states at Section 8.2: "The cost of capital used to set rates for the Settlement Period will be the cost of capital for 2005 adopted by the Commission in A.04-05-023...For 2006 and 2006, rates will be adjusted prospectively for the effects of the 2005 cost of capital decision."

⁹ The amounts included in the Gas Accord III rates filed in Advice 2600-G and herein are \$1.1 million less than the rates filed in the Motion on August 27, 2004.

effective January 1, 2005. That filing also incorporated: 1) the 2004 Attrition Rate Adjustment to distribution base revenue approved in Advice 2499-G-B/2446-E-B, effective back to January 1, 2004; 2) the 2005 Attrition Rate Adjustment approved in Advice 2580-G/2566-E, to be effective January 1, 2005; 3) a reduction to core aggregation customer rates that reflects their share of the El Paso Settlement in accordance with Advice 2502-G-A, D. 03-10-087 and R. G-3363; and 4) the residential rate shortfall that has been tracked in gas Preliminary Statement Part AY--*Baseline Balancing Account*, pursuant to D. 02-04-026 and D. 04-02-057.

The rate changes resulting from the Annual True-up for noncore customer classes are incorporated herein. As a result of revising core transportation and procurement rates in Advice 2600-G, the California Alternate Rates for Energy (CARE) discount is revised as described in the Gas PPP Surcharge section below. The CARE discount is a reduction to the transportation revenue requirement that is recovered from non-CARE customers in the gas PPP surcharge.

CPUC Fee

On December 16, 2004, the CPUC adopted Resolution M-4813 decreasing the CPUC fee from \$0.00076 to \$0.00000 per therm effective January 1, 2005. Preliminary Statement Part B is updated to reflect this change. The fee is also revised in Preliminary Statement Part O—*CPUC Reimbursement Fee Surcharge*, filed herein.

Gas PPP Surcharge

On October 29, 2004, PG&E filed Advice 2585-G to update its gas PPP surcharge effective January 1, 2005. In that advice letter, PG&E stated that it would supplement this filing for any Commission decisions issued before the end of 2004 that impact the gas PPP surcharge rates.

The gas PPP surcharge is being revised in Supplemental Advice 2585-G-A, which is being filed concurrently. In addition to increasing the authorized funding for energy efficiency programs by \$7.9 million pursuant to D. 04-12-019,¹⁰ the Supplemental Advice incorporates an updated \$80.0 million CARE discount¹¹ resulting from the revisions to core gas transportation and procurement rates filed in Advice 2600-G.

Also revised is a new section of Preliminary Statement Part B that shows the PPP surcharge separate from transportation charges, consistent with the format filed in Advice 2585-G.

The noncore end-use schedules incorporate the gas PPP surcharge as a separate line item, as filed in Advice 2585-G.

¹⁰ D. 04-12-019 granted the Petition to Modify D.03-12-060 and authorized PG&E to revise its gas PPP surcharge for 2005 to recover the increased funding level for energy efficiency programs.

¹¹ The CARE discount originally filed in Advice 2585-G was \$80.1 million.

Preliminary Statement Revisions

The following revisions are being made to PG&E's gas Preliminary Statements:

1. Preliminary Statement Part B – Default Tariff Rate Components, is revised to add a column for backbone level end use rate components for Schedules G-EG, G-NT, and G-NGV4 pursuant to the terms of the GAIII Settlement. In addition, a new section was created to show the PPP surcharge separate from transportation charges, consistent with the format as filed in Advice 2585-G.
2. Preliminary Statement Part C – Gas Accounting Terms and Definitions, is revised to update the GRC/BCAP base revenues, and add a BOE and CPUC Surcharge Administrative Fee.
3. Preliminary Statement Part F – Core Fixed Cost Account (CFCA), is revised to account for the core portion of the local transmission revenue shortfall or over-recovery resulting from a change in customers qualifying for backbone level end-use service, and associated throughput reduction or increase, as applicable. The CFCA is also revised to implement the GAIII Settlement provision that adopted balancing account treatment for core local transmission.
4. Preliminary Statement Part J – Noncore Customer Class Charge Account (NCA), is revised to account for the noncore portion of the local transmission revenue shortfall or over-recovery resulting from a change in customers qualifying for backbone level end-use service, and associated throughput reduction or increase, as applicable. The NCA interim relief subaccount is also revised to add an entry for the 2004 Cost of Capital adjustment for distribution.
5. Preliminary Statement Part O – CPUC Reimbursement Fee, is revised to reflect the decrease in CPUC fee from \$0.00076 to \$0.00000 per therm effective January 1, 2005, in accordance with R. M-4813.

Rate Schedule Revisions - General

1. Schedule G-NT – Gas Transportation Service To Noncore End-Use Customers, Schedule G-NGV4 – Experimental Gas Transportation Service To Noncore Natural Gas Vehicles, and Schedule G-EG – Gas Transportation Service to Electric Generation, now include , in accordance with Section 3.2 of the GAIII Settlement, a new rate for Backbone Level end-use service for qualified customers.

2. Schedule G-WSL – *Gas Transportation Service to Wholesale/Resale Customers*, reflects updated firm Redwood on-system capacity option volumes specified in the GAIII Settlement.¹²
3. Schedule G-CT – *Core Gas Aggregation Service*, is revised to clarify that only “Low Inventory” OFO compliance will be used when determining if a Core Transport Agent has complied with the Firm Winter Capacity Requirement provisions.
4. Schedules G-SFS – *Standard Firm Storage Service*, G-NFS – *Negotiated Firm Storage Service*, G-NAS—*Negotiated As-Available Storage Service*, and G-CFS – *Core Firm Storage*, – Rates will now change in January of each year, rather than April.

Other Tariff Revisions

Rule 1 – Definitions, is revised to define a “Backbone Level End-Use Customer”, and update the definition of “Local Transmission System” to exclude backbone and high pressure distribution transmission facilities.

Natural Gas Service Agreement (Form 79-756) – Exhibits A.1, A.EG, and A.NGV4 are revised to accommodate customers that are eligible for the Backbone Level Rates of Schedules G-NT, G-EG, and G-NGV4.

Effective Date

PG&E requests that this advice filing be approved effective **January 1, 2005**.

Protests

Anyone wishing to protest this filing may do so by sending a letter by **January 12, 2005**, which is 20 days from the date of this filing. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. Protests should be mailed to:

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

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

¹² As described in Section 3.1.1 of the GAIII Settlement, “[t]his is the same one-time option previously available to wholesale customers under the Gas Accord.”

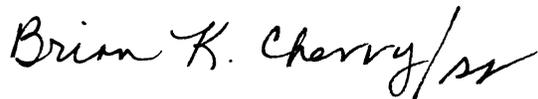
Copies should also be mailed to the attention of the Director, Energy Division, Room 4005 and Jerry Royer, Energy Division, at the address shown above. It is also requested that a copy of the protest be sent via postal mail and facsimile to Pacific Gas and Electric Company on the same date it is mailed 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 lists shown below. 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 B10B, P.O. Box 770000, San Francisco, CA 94177. Address change requests should also be directed to Rose De La Torre at (415) 973-4716. Advice letter filings can also be accessed electronically at:

<http://www.pge.com/tariffs/>

Handwritten signature of Brian K. Cherry in cursive script, followed by the initials "ss".

Director, Regulatory Relations

Attachments

Service Lists –Gas Accord III Settlement A. 04-03-021)
BCAP A. 04-07-044
Cost of Capital A. 04-05-023

| Cal. P.U.C. Sheet No. | Title of Sheet | Canceling Cal P.U.C. Sheet No. |
|--------------------------|--|-----------------------------------|
| | Preliminary Statement | |
| 22875-G | Part B—Default Tariff Rate Components - (Noncore p. 1) | 22758-G |
| 22876-G | Part B (Noncore p. 2) (Cont'd) | 22759-G |
| 22877-G | Part B (Noncore p. 3) (Cont'd) | 22760-G |
| 22878-G | Part B (Noncore p. 4) (Cont'd) | 22761-G |
| 22879-G | Part B (Noncore p. 5) (Cont'd) | 22762-G |
| 22880-G | Part B (Noncore p. 6) (Cont'd) | 22763-G |
| 22881-G | Part B (Noncore p. 7) (Cont'd) | 22764-G |
| 22882-G | Part B (Noncore p. 8) (Cont'd) | 22765-G |
| 22883-G | Part B Mainline Extension (Cont'd) | 22519-G |
| 22884-G | Part B (Public Purpose Program Surcharge p.1) | New |
| 22885-G | Part C—Gas Accounting Terms and Definitions | 22687-G |
| 22886-G | Part C (Cont'd) | 22028-G |
| 22887-G | Part F—Core Fixed Cost Account | 20849, 22697-G |
| 22888-G | Part F (Cont'd) | 20850, 22698-G |
| 22889-G | Part J—Noncore Customer Class Charge Account | 22520-G |
| 22890-G | Part J (Cont'd.) | 22521-G |
| 22891-G | Part O --CPUC Reimbursement Fee | 22033-G |
| | Rate Schedules | |
| 22892-G | G-NT—Gas Transportation Service to Noncore End-Use Customers | 22522-G |
| 22893-G | G-NT (Cont'd) | 22601-G |
| 22894-G | G-EG-- Gas Transportation Service to Transmission Level Electric Generation | 22524-G |
| 22895-G | G-EG (Cont'd.) | 22304-G |
| 22896-G | G-WSL—Gas Transportation Service to Wholesale/Resale Customers | 22527-G |
| 22897-G | G-WSL (Cont'd) | 22044-G |
| 22898-G | G-SFS—Standard Firm Storage Service | 22528-G |
| 22899-G | G-NFS—Negotiated Firm Storage Service | 22579-G |
| 22900-G | G-NAS—Negotiated As-Available Storage Service | 22529-G |
| 22901-G | G-CFS—Core Firm Storage | 22530-G |
| 22902-G | G-AFT—Annual Firm Transportation On-System | 22531-G |
| 22903-G | G-AFT (Cont'd) | 22176-G |
| 22904-G | G-AFTOFF—Annual Firm Transportation | 22532-G |
| 22905-G | G-SFT—Seasonal Firm Transportation On-System Only | 22533-G |
| 22906-G | G-AA—As-Available Transportation On-System | 22534-G |

| Cal. P.U.C. Sheet No. | Title of Sheet | Canceling Cal P.U.C. Sheet No. |
|-------------------------------|---|-----------------------------------|
| 22907-G | G-AAOFF—As-Available Transportation Off-System | 21831-G |
| 22908-G | G-AAOFF (Cont'd.) | 22535-G |
| 22909-G | G-NFT—Negotiated Firm Transportation On-System | 22062-G |
| 22910-G | G-NFT (Cont'd) | 22182-G |
| 22911-G | G-NAA—Negotiated As-Available Transportation On-System | 22064-G |
| 22912-G | G-NAAOFF—Negotiated As-Available Trans- portation Off-System | 19297-G |
| 22913-G | G-NAAOFF (Cont'd.) | 21840-G |
| 22914-G | G-XF—Pipeline Expansion Firm Intrastate Transportation Service | 22536-G |
| 22915-G | G-XF (Cont'd) | 22066-G |
| 22916-G | G-PARK—Market Center Parking Service | 22537-G |
| 22917-G | G-LEND—Market Center Lending Service | 22538-G |
| 22918-G | G-CT—Core Gas Aggregation Service | 22153-G |
| 22919-G | G-NGV4—Experimental Gas Transportation Service to Noncore Natural Gas Vehicles | 22539-G |
| 22920-G | G-NGV4 (Cont'd) | 22602-G |
| 22921-G | G-LNG—Experimental Liquefied Natural Gas | 22603, 22372-G |
| Rules | | |
| 22922-G | Rule 1—Definitions | 18196-G |
| 22923-G | Rule 1 (Cont'd.) | New |
| 22924-G | Rule 1 (Cont'd.) | 18201-G |
| Forms | | |
| 22925-G | Form No. 79-756—Natural Gas Service Agreement (Ex. A.1, A.EG, A.NGV4) | 22542-G |
| Tables of Contents | | |
| 22926-G | Table of Contents – Sample Forms | 22741-G |
| 22927-G | Table of Contents – Rules | 22800-G |
| 22928-G | Table of Contents – Preliminary Statements | 22823-G |
| 22929-G | Table of Contents (Cont'd) | 22605-G |
| 22930-G | Table of Contents | 22825-G |



PRELIMINARY STATEMENT
(Continued)

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

NONCORE p. 1

| THERMS: | G-NT | G-NT—DISTRIBUTION | | | | |
|---|--------------------|--------------------|--------------------|--------------------|----------------------|-----|
| | TRANSMISSION | SUMMER | | | | |
| | | 0- 20,833 | 20,834- 49,999 | 50,000- 166,666 | 166,667- 249,999* | |
| NCA | (0.00407) (R) | (0.01398) (R) | (0.01398) (R) | (0.01398) (R) | (0.01398) (R) | (L) |
| GRC INTERIM ACCT | 0.00000 | 0.00638 (I) | 0.00638 (I) | 0.00638 (I) | 0.00638 (I) | (L) |
| CPUC FEE | 0.00000 (R) | (L) |
| EOR | 0.00000 | 0.00001 | 0.00001 | 0.00001 | 0.00001 | (L) |
| CEE | 0.00000 | 0.00002 (I) | 0.00002 (I) | 0.00002 (I) | 0.00002 (I) | (L) |
| LOCAL TRANSMISSION (AT RISK) | 0.01474 (R) | (L) |
| DISTRIBUTION & BASE REVENUE CREDITS (AT RISK) | 0.00340 (I) | 0.09671 (I) | 0.06779 (I) | 0.06304 (I) | 0.05350 (I) | (L) |
| TOTAL RATE | 0.01407 (R) | 0.10388 (R) | 0.07496 (R) | 0.07021 (R) | 0.06067 (R) | (L) |

* 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

| | (N)——(N) | G-NT—DISTRIBUTION | | | |
|---|------------------|--------------------|--------------------|--------------------|----------------------|
| | G-NT BACKBONE | WINTER | | | |
| THERMS: | | 0- 20,833 | 20,834- 49,999 | 50,000- 166,666 | 166,667- 249,999* |
| NCA | (0.00407) | (0.01623) (I) | (0.01622) (I) | (0.01622) (I) | (0.01622) (I) |
| | | | | | (L) |
| | | | | | (L) |
| | | | | | (L) |
| GRC INTERIM ACCT | 0.00000 | 0.00862 (I) | 0.00862 (I) | 0.00862 (I) | 0.00862 (I) |
| | | | | | (L) |
| CPUC FEE | 0.00000 | 0.00000 (R) | 0.00000 (R) | 0.00000 (R) | 0.00000 (R) |
| EOR | 0.00000 | 0.00001 | 0.00001 | 0.00001 | 0.00001 |
| CEE | 0.00000 | 0.00002 (I) | 0.00002 (I) | 0.00002 (I) | 0.00002 (I) |
| LOCAL TRANSMISSION (AT RISK) | 0.00000 | 0.01474 (R) | 0.01474 (R) | 0.01474 (R) | 0.01474 (R) |
| DISTRIBUTION & BASE REVENUE CREDITS (AT RISK) | 0.00000 | 0.13058 (I) | 0.09154 (I) | 0.08512 (I) | 0.07225 (I) |
| TOTAL RATE | (0.00407) | 0.13774 (I) | 0.09871 (R) | 0.09229 (R) | 0.07942 (R) |

* 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

| | (N) ——— (N) | |
|---|--------------------|----------------|
| | G-EG | G-EG |
| | G-EG (3)* | BACKBONE |
| NCA | (0.00012) (R) | (0.00012) |
| GRC INTERIM ACCT | 0.00000 (R) | 0.00000 |
| CPUC FEE | 0.00000 (R) | 0.00000 |
| EOR | 0.00000 | 0.00000 |
| CEE | 0.00000 | 0.00000 |
| LOCAL TRANSMISSION (AT RISK) | 0.01474 (R) | 0.00000 |
| DISTRIBUTION & BASE REVENUE CREDITS (AT RISK) | 0.00069 (I) | 0.00069 |
| TOTAL RATE | 0.01531 (R) | 0.00057 |

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

(D)

(Continued)



PRELIMINARY STATEMENT
(Continued)

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

NONCORE p. 4

| | G-WSL | | | |
|--|--------------------|--------------------|--------------------|--------------------|
| | Palo Alto | Coalinga | Island Energy | Alpine |
| NCA | (0.00014) (R) | (0.00014) (R) | (0.00014) (R) | (0.00014) (R) |
| GRC INTERIM ACCT | 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) | 0.01474 (R) | 0.01474 (R) | 0.01474 (R) | 0.01474 (R) |
| DISTRIBUTION & BASE REVENUE CREDITS (AT RISK) | 0.00000 | 0.00000 | 0.00000 | 0.00000 |
| TOTAL RATE | 0.01460 (R) | 0.01460 (R) | 0.01460 (R) | 0.01460 (R) |

* The CPUC Fee does not apply to customers on Schedule G-WSL.

(T)

(Continued)



PRELIMINARY STATEMENT
(Continued)

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

NONCORE p. 5

| | G-WSL | |
|---|----------------------|----------------------|
| | West Coast Mather | West Coast Castle |
| NCA | (0.00014) (R) | (0.00014) (R) |
| GRC INTERIM ACCT | 0.00000 | 0.00000 |
| CPUC FEE* | 0.00000 | 0.00000 |
| EOR | 0.00000 | 0.00000 |
| CEE | 0.00000 | 0.00000 |
| LOCAL TRANSMISSION (AT RISK) | 0.01474 (R) | 0.01474 (R) |
| DISTRIBUTION & BASE REVENUE CREDITS (AT RISK) | 0.00000 | 0.00000 |
| TOTAL RATE | 0.01460 (R) | 0.01460 (R) |

* The CPUC Fee does not apply to customers on Schedule G-WSL.

(T)

(Continued)



PRELIMINARY STATEMENT
(Continued)

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

NONCORE p. 6

| THERMS: | G-NGV4 (1)* 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 |
| GRC INTERIM ACCT | 0.00000 | 0.00000 | 0.00000 | 0.00000 | 0.00000 |
| CPUC FEE | 0.00000 (R) | 0.00000 (R) | 0.00000 (R) | 0.00000 (R) | 0.00000 (R) |
| 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 | 0.01407 (R) | 0.10388 (R) | 0.07496 (R) | 0.07021 (R) | 0.06067 (R) |
| 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 | 0.01407 (R) | 0.10388 (R) | 0.07496 (R) | 0.07021 (R) | 0.06067 (R) |

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

(D)

(Continued)



PRELIMINARY STATEMENT
(Continued)

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

NONCORE p. 7

| THERMS: | (N)——(N) G-NGV4 (1)* BACKBONE | 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 | 0.00000 |
| GRC INTERIM ACCT | 0.00000 | 0.00000 | 0.00000 | 0.00000 | 0.00000 |
| CPUC FEE | 0.00000 | 0.00000 (R) | 0.00000 (R) | 0.00000 (R) | 0.00000 (R) |
| 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 | (0.00407) | 0.13774 (I) | 0.09871 (R) | 0.09229 (R) | 0.07942 (R) |
| 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 | (0.00407) | 0.13774 (I) | 0.09871 (R) | 0.09229 (R) | 0.07942 (R) |

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

(D)

(Continued)



PRELIMINARY STATEMENT
(Continued)

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

NONCORE p. 8

| | <u>G-LNG (1)*</u> |
|---|-------------------------------|
| NCA | 0.00000 |
| GRC INTERIM ACCT | 0.00000 |
| CPUC Fee | 0.00000 (R) |
| EOR | 0.00000 |
| CEE | 0.00000 |
| NGV BALANCING ACCOUNT | 0.15336 (R) |
| LOCAL TRANSMISSION (AT RISK) | 0.00000 |
| DISTRIBUTION & BASE REVENUE CREDITS (AT RISK) | 0.00000 |
| TOTAL RATE | <u>0.15336 (R)</u> |

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

(D)

(Continued)



PRELIMINARY STATEMENT
(Continued)

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

MAINLINE EXTENSION FACTORS (1)

| <u>Core Schedules (2)</u> | <u>Mainline Extension Rate (\$/Therm)</u> | <u>(N) Customer Charge (\$/day) (N)</u> |
|---------------------------|---|---|
| Schedule G-NR1 | 0.22164 (R) | 0.37858 |
| Schedule G-NR2 | 0.09290 (I) | 4.95518 |
| Schedule G-NGV1 | 0.16684 (I) | 0.10589 |
| Schedule G-NGV2 | 0.16684 (I) | 0.10589 |
| <u>Noncore Schedules</u> | | |
| Schedule G-NT | | |
| Distribution | 0.07616 (R) | 11.76362 |
| Local Transmission | 0.00340 (R) | 24.52289 |
| Backbone | 0.00000 | 24.52289 (N) |
| Schedule EG | | |
| Distribution | 0.00069 | 60.71025 (N) |
| Local Transmission | 0.00069 | 60.71025 (N) |
| Backbone | 0.00069 | 60.71025 (N) |
| Schedule G-NGV4 | | |
| Distribution | 0.07616 (R) | 11.76362 |
| Local Transmission | 0.00340 (R) | 24.52289 |
| Backbone | 0.00000 | 24.52289 (N) |

- (1) Mainline Extension Factors are required to support calculation of distribution-based revenues described in Rule 15.
- (2) For all residential schedules, see Rule 15 for extension allowances.

(Continued)



PRELIMINARY STATEMENT
(Continued)

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

PPP p. 1

| | GAS PUBLIC PURPOSE PROGRAM SURCHARGE | | | | | (N) |
|---|--------------------------------------|-----------|-----------|-----------|-----------|-----|
| | PPP-EE | PPP-LIEE | PPP-RDD* | PPP-CARE | Total-PPP | |
| RESIDENTIAL – NONCARE (G-1, GM, GS, GT) | \$0.00729 | \$0.01035 | \$0.00004 | \$0.02356 | \$0.04124 | (N) |
| RESIDENTIAL – CARE (GL-1, GML, GSL, GTL) | \$0.00729 | \$0.01035 | \$0.00004 | \$0.00000 | \$0.01768 | (N) |
| SMALL COMMERCIAL – NONCARE (G-NR1) | \$0.00519 | \$0.00736 | \$0.00004 | \$0.02356 | \$0.03615 | (N) |
| SMALL COMMERCIAL – CARE (G-NR1) | \$0.00519 | \$0.00736 | \$0.00004 | \$0.00000 | \$0.01259 | (N) |
| LARGE COMMERCIAL – NONCARE (G-NR2) | \$0.00779 | \$0.01106 | \$0.00004 | \$0.02356 | \$0.04245 | (N) |
| LARGE COMMERCIAL – CARE (G-NR2) | \$0.00779 | \$0.01106 | \$0.00004 | \$0.00000 | \$0.01889 | (N) |
| INDUSTRIAL – DISTRIBUTION (G-NT-D) | \$0.00213 | \$0.00303 | \$0.00004 | \$0.02356 | \$0.02876 | (N) |
| INDUSTRIAL – TRANSMISSION (G-NT-T) | \$0.00119 | \$0.00169 | \$0.00004 | \$0.02356 | \$0.02648 | (N) |
| INDUSTRIAL – BACKBONE (G-NT-B) | \$0.00119 | \$0.00169 | \$0.00004 | \$0.02356 | \$0.02648 | (N) |

* In 2005, the PPP-RDD rate is comprised only of State Board of Equalization administrative costs. In accordance with D.04-08-010, PG&E's \$5.2 million allocation of public interest RD&D is completely offset by RD&D amounts already collected from customers.

(N)
|
(N)

(Continued)



PRELIMINARY STATEMENT
(Continued)

C. GAS ACCOUNTING TERMS AND DEFINITIONS (Cont'd.)
2. AUTHORIZED AMOUNTS: (Cont'd.)

| Description | Amount (\$000) | | | |
|--|----------------|------------|-------------|-------------|
| | Core | Noncore | Unbundled | Total |
| GRC/BCAP BASE REVENUES (1): | | | | |
| Authorized GRC Distribution Base Revenue | - | - | | 963,423 (R) |
| Less: Other Operating Revenue | - | - | | (16,300) |
| Authorized GRC Distribution Revenues in Rates | 908,970 (R) | 38,153 (R) | | 947,123 (R) |
| BCAP ALLOCATION ADJUSTMENTS AND CREDITS TO BASE: | | | | |
| G-10 Allocated Employee Discount | 824 (I) | 1,274 (I) | | 2,098 (I) |
| EOR Revenue | (146) | (6) | | (152) |
| Core Brokerage Fee | (8,587) (R) | (16) (R) | | (8,603) (R) |
| GRC/BCAP REVENUE REQUIREMENT | 901,061 (R) | 39,405 (R) | | 940,466 (R) |
| GAS ACCORD REVENUE REQUIREMENT | | | | |
| Local Transmission | 102,042 (R) | 43,664 (R) | | 145,706 (R) |
| Customer Access Charge - Transmission | | 4,953 (R) | | 4,953 (R) |
| Storage (2) | 41,488 (I) | | 7,331 (I) | 48,819 (I) |
| Backbone Transmission (2) | 70,541 (I) | | 71,678 (I) | 142,219 (I) |
| L401 (PEP) | | | 85,677 (R) | 85,677 (R) |
| GAS ACCORD REVENUE REQUIREMENT | 214,071 (I) | 48,617 (R) | 164,686 (I) | 427,374 (R) |
| PUBLIC PURPOSE PROGRAM AUTHORIZED FUNDING (excludes CARE Shortfall(3)): | | | | |
| Energy Efficiency | | | | 20,849 (I) |
| Low Income Energy Efficiency | | | | 29,192 (R) |
| Research, Development and Demonstration | | | | - |
| BOE and CPUC Surcharge Administrative Fee | | | | 174 (N) |
| CARE Administrative Expense | | | | 1,607 (R) |
| PUBLIC PURPOSE PROGRAM AUTHORIZED FUNDING | | | | 51,822 (I) |

- (1) The GRC/Biennial Cost Allocation Proceeding (BCAP) Base Revenue includes Distribution Base Revenues for core and noncore Customers, adopted in the General Rate Case and allocated in Cost Allocation Proceedings, as shown in Part C.3.a. The authorized GRC amount includes the distribution base revenue approved effective January 1, 2003, in D.04-05-055, Cost of Capital adjustments authorized in D.04-12-047, effective January 1, 2005, and attrition adjustment amounts approved effective January 1, 2004, in AL 2499-G-B, and January 1, 2005, in AL 2580-G.
- (2) The Gas Accord III D.04-12-050 adopted revenue requirements effective January 1, 2005, which include an adjustment for Cost of Capital authorized in D.04-12-047. Storage revenues allocated to load balancing are included in unbundled transmission rates.
- (3) The Public Purpose Program authorized funding includes 2004 PY LIEE program funding adopted in D.03-11-020, Energy Efficiency program funding adopted in D.03-08-067 and D.04-12-019, CARE annual administration budget adopted in D.02-09-021, BOE and CPUC administrative fees adopted in D.04-08-010, and excludes Franchise Fees and Uncollectible Accounts Expense, per D.04-08-010.

(Continued)



PRELIMINARY STATEMENT

(Continued)

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

- 8. CALIFORNIA ALTERNATE RATES FOR ENERGY (CARE) REVENUE SHORTFALL: This shall be computed by subtracting CARE customers' monthly revenues from the revenues that would have been recovered from CARE customers had they been paying standard transportation and procurement rates.
- 9. MEMORANDUM ACCOUNT: In the context of this tariff, a memorandum account operates similar to a balancing account except that interest may be excluded and the under- or overcollection may or may not be amortized in future rates.
- 10. REVENUE REQUIREMENT: The revenue requirement consists of the sum of the Transmission and Storage Revenue Requirement which is set in PG&E's Gas Accord Decisions, and the Transportation and Procurement Revenue Requirements which are allocated in the Cost Allocation Proceeding, and are defined below. Rates will be established to recover all items in the revenue requirement. (T)
 - a. The Transmission System Revenue Requirement includes the Transmission portion of the Gas Accord base revenue amount,* load balancing storage costs, certain forecast amounts and F&U. Amounts to be included in the Customer Class Charge paid by Transmission Service customers are allocated in the Cost Allocation Proceeding and described under Transportation Revenue Requirement, below.
 - b. The Storage Revenue Requirement includes the core and Unbundled Storage base revenue amount,* carrying costs on noncycled gas in storage, and F&U.

* See Section C.2 for details.

(Continued)



PRELIMINARY STATEMENT
 (Continued)

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

6. ACCOUNTING PROCEDURE: (Cont'd.)

- d. a debit entry equal to one-twelfth of the core portion of the authorized GRC/BCAP base revenue amount (with credits and adjustments), excluding the allowance for F&U; (T)
(T)
- e. a debit entry equal to the core portion of intervenor compensation payments authorized by the CPUC, recorded during the month;
- f. a debit entry equal to one-twelfth of the core portion of the authorized local transmission revenue requirement, excluding the allowance for F&U; (T)
(T)
- g. an entry equal to the balances transferred to or from this account as adopted in a Cost Allocation Proceeding or at other times, as ordered by the CPUC; and (T)
- h. an entry equal to 70.03 percent of the local transmission revenue shortfall or over-recovery resulting from a change in customers qualifying for backbone-level end-use service, and associated throughput reduction or increase, as applicable; (D)
(N)
|
(N)
- i. an entry equal to interest on the average of the balance in the account at the beginning of the month and the balance in the account after entries F.6.a through F.6.h, above, at a rate equal to one-twelfth the interest rate of the three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor. (T)



PRELIMINARY STATEMENT
(Continued)

J. NONCORE CUSTOMER CLASS CHARGE ACCOUNT (NCA)

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

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

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

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

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

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

The "Interim Relief Subaccount" tracks the noncore distribution portion of the interim gas revenue requirement increase adopted in GRC Decision 04-05-055 and other amounts approved by the Commission. The balance in this subaccount will be allocated to noncore distribution customers and included in the GRC Interim Account rate component (see Preliminary Statement Part B) as authorized by the Commission.

(T)
(T)

a. Industrial Distribution Subaccount

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

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

(Continued)



PRELIMINARY STATEMENT
(Continued)

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

6. ACCOUNTING PROCEDURE: (Cont'd.)

c. Noncore Subaccount

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

- 1) a debit entry equal to the noncore portion of intervenor compensation and any other expense adopted by the CPUC as a cost to be included in this subaccount;
- 2) a credit entry equal to the NCA revenue not recorded to J.6.a or J.6.b, above, excluding the allowance for F&U;
- 3) an entry equal to the adopted balances transferred to this subaccount in a cost allocation proceeding or at other times, as ordered by the CPUC; (T)
- 4) an entry equal to 29.97 percent of the local transmission revenue shortfall or over-recovery resulting from a change in customers qualifying for backbone-level end-use service, and associated throughput reduction or increase, an applicable; and (N)
|
(N)
- 5) an entry equal to interest on the average of the balance in the subaccount at the beginning of the month and the balance after entries from J.6.c.1 through J.6.c.4, above, at a rate equal to one-twelfth of the interest rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor. (T)
(T)

d. Interim Relief Subaccount

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

- 1) a one-time entry equal to the noncore distribution portion of the gas revenue requirement adopted in GRC Decision 04-05-055, from January 1, 2003 to the implementation date, including interest, and excluding the allowance for F&U.
- 2) an entry equal to any other amounts adopted by the CPUC to be included in this subaccount; (N)
(N)
- 3) a monthly credit equal to the revenue to amortize the balances in this subaccount, excluding the allowance for F&U; and (T)
- 4) an entry equal to interest on the average of the balance in the account at the beginning of the month and the balance in the account after entries J.6.d.1 through J.6.d.3, above, at a rate equal to one-twelfth the interest rate of the three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor. (T)
(T)



PRELIMINARY STATEMENT
(Continued)

O. CPUC REIMBURSEMENT FEE

1. REIMBURSEMENT FEE

- a. PURPOSE: The purpose of this provision is to set forth the Public Utilities Commission Reimbursement Fee (Chapter 323, Statutes of 1983) to be paid by utilities to fund regulation by the California Public Utilities Commission (CPUC) (Public Utilities Code, Sections 401-443). The fee is ordered by the CPUC under Section 433. Surcharge fees shall be forwarded to the CPUC on a quarterly basis between the 1st and the 15th days of October, January, April and July.
- b. APPLICABILITY: This reimbursement fee applies to all gas delivery service rendered under all rate schedules and contracts authorized by the CPUC, with the exception of interdepartmental sales or transfers, and sales to electric, gas, or steam heat public utilities. It is applicable within the entire territory served by the company.
- c. RATE: The current CPUC Reimbursement Fee Rate is \$0.00000 per therm. This rate is included in all applicable schedules (see Preliminary Statement, Part B). (R)

2. MASTER-METERED MOBILEHOME PARK SAFETY PROGRAM SURCHARGE

- a. PURPOSE: The purpose of this provision is to set forth the CPUC Mobilehome Park Safety Inspection and Enforcement Program Surcharge to be paid by mobilehome park operators with master-metered natural gas distribution systems. The surcharge will recover the CPUC's costs to implement and maintain a safety inspection and enforcement program as mandated by the CPUC under the authority granted by Public Utility Code Sections 4351-4358. Surcharge fees shall be forwarded to the CPUC on a quarterly basis between the 1st and 15th days of October, January, April and July.
- b. APPLICABILITY: This surcharge applies to all gas delivery service provided to all master-metered mobilehome parks on Schedules GM, GML, GT, GTL and G-NR1.
- c. RATE: The Master-Metered Mobilehome Park Safety Program Surcharge is \$0.00691 per installed space per day (\$0.21 per installed space per month). This rate is included in Schedule G-MHPS.



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 Backbone, 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. Certain noncore customers served under this schedule may be restricted from converting to a core rate schedule. See Rule 12 for details on core and noncore reclassification. (T)

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

TERRITORY: Schedule G-NT applies everywhere within PG&E's natural gas Service Territory.

RATES: The applicable Customer Access Charges and Distribution Level Transportation Rate specified below is based on the Customer's Average Monthly Usage, as defined in Gas Rule 1. Usage through multiple noncore gas meters on a single premises will be combined to determine Average Monthly Usage.

In accordance with PU Code Sections 890-900 and California Public Utilities Commission Decision 04-08-010, the gas Public Purpose Program Surcharge is collected to fund gas-related public purpose energy efficiency and low-income energy efficiency programs, the California Alternate Rates for Energy (CARE) low-income customer assistance program, and public interest research, development and demonstration. (N)

Public Purpose Program Surcharge (per therm):

| | | |
|--|-----------|-----|
| Backbone/Transmission Level Rate | \$0.02648 | (N) |
| Distribution Level Rate | \$0.02876 | (N) |

The following charges apply to service under this schedule:

- Customer Access Charge:

The applicable Per-Day Customer Access Charge is multiplied by the number of days in the billing period.

| <u>Average Monthly Use (Therms)</u> | <u>Per Day</u> |
|-------------------------------------|-----------------|
| 0 to 5,000 | \$ 2.05808 (I) |
| 5,001 to 10,000 | \$ 6.08515 (R) |
| 10,001 to 50,000 | \$ 11.21819 (R) |
| 50,001 to 200,000 | \$ 14.70608 (R) |
| 200,001 to 1,000,000 | \$ 21.25085 (R) |
| 1,000,001 and above | \$178.84570 (R) |

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

(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.

a. Backbone Level Rate: (N)

The Backbone Level Rate applies to Backbone Level End-Use Customers as defined in Rule 1.

Backbone Level Rate (per therm): (\$0.00407) (N)

b. Transmission-Level Rate: (T)

The Transmission-Level Rate applies to Customers served directly from PG&E gas facilities that have a maximum operating pressure greater than sixty pounds per square inch (60 psi) that do not qualify for the Backbone Level Rate. (T)

Transmission-Level Rate (per therm): \$0.01407 (R) (T)

c. Distribution-Level Rate: (T)

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.

| Average Monthly Use (Therms) | Summer (Per Therm) | Winter (Per Therm) |
|---------------------------------|-----------------------|-----------------------|
| Tier 1: 0 to 20,833 | \$0.10388 (R) | \$0.13774 (I) |
| Tier 2: 20,834 to 49,999 | \$0.07496 | \$0.09871 (R) |
| Tier 3: 50,000 to 166,666 | \$0.07021 | \$0.09229 |
| Tier 4: 166,667 to 249,999 | \$0.06067 | \$0.07942 |
| Tier 5: 250,000 and above* | \$0.01407 (R) | \$0.01407 (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-EG—GAS TRANSPORTATION SERVICE TO ELECTRIC GENERATION

APPLICABILITY: This rate schedule* applies to the transportation of natural gas used in: (a) electric generation plants served directly from PG&E gas facilities that have a maximum operation pressure greater than sixty pounds per square inch (60 psi); (b) all Cogeneration facilities that meet the efficiency requirements specified in the California Public Utilities Code Section 218.5**; and (c) solar electric generation plants, defined herein. This schedule does not apply to gas transported to non-electric generation loads.

Customers on Schedule G-EG permanently classified as Noncore End-Use Customers, per Rule 1 must procure gas supply from a third-party gas supplier, not from a Core Procurement Group, as defined in Rule 1.

Certain noncore customers served under this rate schedule may be restricted from converting to a core rate schedule. See Rule 12 for details on core and noncore reclassification.

TERRITORY: Schedule G-EG applies everywhere within PG&E's natural gas Service Territory.

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

1. Customer Access Charge:

The applicable Per-Day Customer Access Charge specified below is based on the Customer's Average Monthly Use, as defined in Rule 1. Usage through multiple noncore meters on a single premises will be combined to determine Average Monthly Usage. Customers taking service under this schedule who also receive service under other noncore rate schedules at the same premises will be charged a single Customer Access Charge under this schedule.

| Average Monthly Use (Therms) | Per Day |
|------------------------------|-----------------|
| 0 to 5,000 therms | \$ 2.05808 (I) |
| 5,001 to 10,000 therms | \$ 6.08515 (R) |
| 10,001 to 50,000 therms | \$ 11.21819 |
| 50,001 to 200,000 therms | \$ 14.70608 |
| 200,001 to 1,000,000 therms | \$ 21.25085 |
| 1,000,001 and above therms | \$178.84570 (R) |

2. Transportation Charge:

Customers will pay one of the following rates for gas delivered in the current billing period: (N)

a. The Backbone Level Rate applies to Backbone Level End-Use Customers as defined in Rule 1.

Backbone Level Rate: \$0.00057 per therm

b. All Other Customers: \$0.01531 per therm (N)

(L)

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

** Efficiency Standard: 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.

(Continued)



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

| | | |
|------------------------------------|---|-------------------|
| RATES: (Cont'd.) | <p>Customers may be required to pay a franchise fee surcharge for gas volumes transported by PG&E. (See Schedule G-SUR for details.)</p> <p>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.</p> <p>See Preliminary Statement, Part B for Default Tariff Rate Components.</p> | (L) --- (L) |
| NEGOTIABLE RATES: | Rates under this schedule may be negotiated. | |
| NEGOTIATED RATE GUIDELINES: | <ol style="list-style-type: none"> 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. | |
| METER REQUIREMENT: | All electric generation load served under this schedule shall be separately metered using a PG&E-owned and installed gas meter, unless it can be demonstrated that it is not economically feasible. For generation facilities without a separate PG&E installed gas meter, the volume of gas transported under this schedule will be determined under the provisions of the Limitation of Gas Use section below. | |

(Continued)



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

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

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

RATES: Customers pay a Customer Access Charge and a Transportation Charge.

1. Customer Access Charge:

| | <u>Per Day</u> | |
|-----------------------|----------------|-----|
| Palo Alto | \$154.68099 | (R) |
| Coalinga | \$ 46.39200 | |
| West Coast Gas-Mather | \$ 24.62762 | |
| Island Energy | \$ 31.43244 | |
| Alpine Natural Gas | \$ 10.48932 | |
| West Coast Gas-Castle | \$ 26.94904 | (R) |

2. Transportation Charges:

For gas delivered in the current billing month:

| | <u>Per Therm</u> | |
|-----------------------|------------------|-----|
| Palo Alto | \$0.01460 | (R) |
| Coalinga | \$0.01460 | |
| West Coast Gas-Mather | \$0.01460 | |
| Island Energy | \$0.01460 | |
| Alpine Natural Gas | \$0.01460 | |
| West Coast Gas-Castle | \$0.01460 | (R) |

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

(Continued)



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

RATES:
(Cont'd.)

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

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

Existing Wholesale Customers will have a one-time option prior to April 1, 2005, to subscribe, on behalf of their core Customers, for firm capacity on the Redwood to on-system as specified below. Capacity will be offered only for the core portion of the Customer's load. (T)

| <u>Customer</u> | <u>Redwood (MDth)</u> |
|-------------------------|-----------------------|
| Alpine | 0.098 (I) |
| Coalinga | 0.552 (R) |
| Island Energy | 0.064 (R) |
| Palo Alto | 5.898 (I) |
| West Coast Gas (Castle) | 0.051 (R) |
| West Coast Gas (Mather) | 0.171 (R) |

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

(Continued)



SCHEDULE G-SFS—STANDARD 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 Procurement Groups (CPGs) on behalf of Core Customers for storage service in addition to that provided under Schedule G-CFS.

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

RATES: Rates under this schedule consist of Reservation Charges. The Reservation Charge is based upon the amount of inventory capacity held by the Customer (Contract Inventory). Contract Inventory is shown per Decatherm (Dth).

1. Reservation Charges:

The Reservation Charges shall be based on the quantities specified in Exhibit J of the Customer's Gas Transmission Service Agreement (GTSA) (Form No. 79-866). The Reservation Charge includes inventory, injection and withdrawal rights. The monthly charge is calculated by multiplying the applicable monthly rate shown below by the inventory specified in the GTSA (Contract Inventory).

Reservation Charge per Dth of Contract Inventory per month \$0.1278 (I)

2. 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 available on-line at www.pge.com

(Continued)



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 Citygate.

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 | \$14.7896 (I) |
| Inventory | \$1.5330 |
| Withdrawal/Day | \$11.1502 (I) |

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 available on-line at www.pge.com.

(Continued)



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 | \$14.7896 (l) |
| Withdrawal | \$11.1502 (l) |

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.

SHRINKAGE: In-kind storage shrinkage is available to all injection quantities in accordance with gas Rule 21.

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 available on-line at www.pge.com.



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 Procurement Groups (CPGs), which include Core Transport Agents (CTAs) and PG&E's Core Procurement Department, pursuant to the core firm storage provisions of Schedule G-CT.

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 CPG may also take storage service under Schedule(s), G-SFS, G-NFS and/or G-NAS in conjunction with service under this rate schedule.

TERRITORY: Schedule G-CFS applies to the firm use of PG&E's storage facilities.

ASSIGNED STORAGE MONTHLY CHARGE: CPGs 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 CPG's Assigned Storage for that month.

Reservation Charge per Dth per month \$0.1033 (I)

SHRINKAGE: In-kind storage shrinkage is applicable to all injection quantities in accordance with gas Rule 21.

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

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

INJECTION/ WITHDRAWAL: This schedule provides for firm injection and withdrawal for CPGs. It also specifies month-end minimum inventory targets for CPGs.

Firm injection is available from April 1 through October 31. Firm withdrawal is available from November 1 through March 31. In addition, firm summer withdrawal and winter injection are also available, as specified below.

Injection and Withdrawal Capacities

For CPGs that hold up to 1,000,000 Dth of Annual Inventory (AI), fixed injection and withdrawal capacities are assigned pursuant to Schedule G-CT.

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

(Continued)



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

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

1. **Reservation Charge:**

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

| Path: | Reservation Rate (Per Dth per month) | |
|---|---|--------------|
| | MFV Rates | SFV Rates |
| Redwood to On-System | \$5.2567 (R) | \$9.1389 (I) |
| Redwood to On-System (Core Procurement Groups only) | \$3.3341 (I) | \$4.4643 (I) |
| Baja to On-System (including Core Procurement Groups) | \$5.8595 (I) | \$7.9931 (I) |
| Silverado to On-System (including Core Procurement Groups) | \$2.9690 (I) | \$4.4000 (I) |
| Mission to On-System (including Core Procurement Groups) | \$2.9690 (I) | \$4.4000 (I) |

2. **Usage Charge:**

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

| Path: | Usage Rate (Per Dth) | | |
|---|-------------------------|--------------|-----------------|
| | MFV Rates | SFV Rates | |
| Redwood to On-System | \$0.1354 (I) | \$0.0078 (I) | |
| Redwood to On-System (Core Procurement Groups only) | \$0.0514 (I) | \$0.0142 (I) | |
| Baja to On-System (including Core Procurement Groups) | \$0.0855 (I) | \$0.0153 (I) | |
| Silverado to On-System (including Core Procurement Groups) | \$0.0536 (I) | \$0.0065 (I) | |
| Mission to On-System (including Core Procurement Groups) | \$0.0536 (I) | \$0.0065 (I) | |
| Mission to On-System Storage Withdrawals (Conversion option from Firm On-System Redwood or Baja Path only) | \$0.0000 | \$0.0000 | (N) (N) |

(Continued)



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

RATES:
(Cont'd.)

3. Additional Charges:

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

STORAGE
WITHDRAWAL
OPTION:

To transport storage withdrawals On-System, Customers may convert all or part of a Firm On-System Redwood or Firm On-System Baja Exhibit to a Firm On-System Mission Exhibit at any time prior to 60 minutes before the close of the Timely Nomination Cycle, as set forth in gas Rule 21. However, the full monthly demand charge is still applicable. Conversions of Firm On-System Baja Exhibits are limited to the amount of unsold Firm Redwood capacity available at the time of the requested conversion. Baja Exhibit conversions may be requested on a monthly basis, no more than five (5) days prior to the end of the month, for a maximum term of one month. Redwood Exhibit conversions have no maximum term limit.

(N)
|
|
|
|
|
|
|
|
|
|
(N)

NEGOTIABLE
RATES:

Rates under this schedule are not negotiable.

CREDIT-
WORTHINESS:

Customer must meet the creditworthiness requirements specified in Rule 25.

SERVICE
AGREEMENT
AND TERM:

A Gas Transmission Service Agreement (GTSA) (Form No. 79-866) is required for service on this schedule. The minimum term for service under the GTSA is one (1) year.

SHRINKAGE:

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

NOMINATIONS:

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

CURTAILMENT
OF SERVICE:

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

BALANCING:

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

CAPACITY
LIMITATION:

Long-term standard firm contracts for terms of five (5) years or greater are subject to a capacity limitation of 400 MDth/day on the Redwood Path and 200 MDth/day on the Baja Path.



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

RATES:

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

1. **Reservation Charge:**

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

| <u>Path:</u> | <u>Reservation Rate (Per Dth per month)</u> | |
|-------------------------|---|------------------|
| | <u>MFV Rates</u> | <u>SFV Rates</u> |
| Redwood to Off-System | \$5.2567 (R) | \$9.1389 (I) |
| Baja to Off-System | \$5.8595 (I) | \$7.9931 (I) |
| Silverado to Off-System | \$5.2567 (R) | \$9.1389 (I) |
| Mission to Off-System | \$5.2567 (R) | \$9.1389 (I) |

2. **Usage Charge:**

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

| <u>Path:</u> | <u>Usage Rate (Per Dth)</u> | |
|-------------------------|---------------------------------|------------------|
| | <u>MFV Rates</u> | <u>SFV Rates</u> |
| Redwood to Off-System | \$0.1354 (I) | \$0.0078 (I) |
| Baja to Off-System | \$0.0855 (I) | \$0.0153 (I) |
| Silverado to Off-System | \$0.1354 (I) | \$0.0078 (I) |
| Mission to Off-System | \$0.1354 (I) | \$0.0078 (I) |

3. **Additional Charges:**

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

(Continued)



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

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

1. **Reservation Charge:**

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

| Path: | Reservation Rate (Per Dth per month) | |
|------------------------|---|---------------|
| | MFV Rates | SFV Rates |
| Redwood to On-System | \$6.3077 (R) | \$10.9661 (I) |
| Baja to On-System | \$7.0310 (I) | \$9.5911 (I) |
| Silverado to On-System | \$3.5626 (I) | \$5.2797 (I) |
| Mission to On-System | \$3.5626 (I) | \$5.2797 (I) |

2. **Usage Charge:**

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

| Path: | Usage Rate (Per Dth) | |
|------------------------|-------------------------|--------------|
| | MFV Rates | SFV Rates |
| Redwood to On-System | \$0.1625 (I) | \$0.0093 (I) |
| Baja to On-System | \$0.1026 (I) | \$0.0184 (I) |
| Silverado to On-System | \$0.0643 (I) | \$0.0078 (I) |
| Mission to On-System | \$0.0643 (I) | \$0.0078 (I) |

3. **Additional Charges:**

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

(Continued)



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

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

1. Usage Charge:

| <u>Path:</u> | <u>Usage Rate (Per Dth)</u> |
|------------------------|---------------------------------|
| Redwood to On-System | \$0.3699 (l) |
| Baja to On-System | \$0.3337 (l) |
| Silverado to On-System | \$0.1814 (l) |
| Mission to On-System | \$0.0000 |

2. Additional Charges:

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

NEGOTIABLE RATES: Rates under this schedule are not negotiable.

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

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

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

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

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

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



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

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

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

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

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

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

Delivery Point(s):

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

Backhaul Off-System Delivery Points:

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

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

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

(Continued)



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

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

1. Usage Charge:

| <u>Path:</u> | <u>Usage Rate (Per Dth)</u> | |
|---|---------------------------------|-----|
| Redwood to Off-System | \$0.3699 (I) | |
| Baja to Off-System | \$0.3337 (I) | |
| Silverado to Off-System | \$0.3699 (I) | |
| Mission to Off-System | \$0.3699 (I) | |
| Mission to Off-System Storage Withdrawals | \$0.00000 | (N) |

2. Additional Charges:

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

NEGOTIABLE RATES: Rates under this schedule are not negotiable.

STORAGE WITHDRAWAL OPTIONS (MISSION TO OFF-SYSTEM): Storage withdrawals to PG&E's Backbone Transmission System may be nominated for off-system delivery under the Mission Off-System As-Available service for no additional charge. (N)
|
(N)

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

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

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

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

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

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



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

RATES: The term, take requirement,** and rate are negotiable between PG&E and the Customer. Negotiated rates for transmission service shall not be less than PG&E's short-run marginal cost of providing the service. Negotiated transmission rates under G-NFT will be capped at 120 percent of the tariffed rate for G-AFT on a particular path, as follows: the negotiated rate (including all surcharges, costs and/or fees), converted to a volumetric-only rate at 100 percent load factor, shall be no greater than 120 percent of the G-AFT tariffed rate (including all surcharges, costs and/or fees), converted to a volumetric-only rate at 100 percent load factor under the Modified Fixed Variable (MFV) rate structure.

At PG&E's sole option, firm On-System capacity may be available hereunder at less than the rates in Schedule G-AFT. 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.

STORAGE WITHDRAWAL OPTION:

To transport storage withdrawals On-System, Customers may convert all or part of a Firm On-System Redwood or Firm On-System Baja Exhibit to a Firm On-System Mission Exhibit at any time prior to 60 minutes before the close of the Timely Nomination Cycle, as set forth in gas Rule 21. The negotiated transmission rate for this Mission Path service shall, unless otherwise agreed to, be zero. However, the full monthly demand charge is still applicable. Conversions of Firm On-System Baja Exhibits are limited to the amount of unsold Firm Redwood capacity available at the time of the requested conversion. Baja Exhibit conversions may be requested on a monthly basis, no more than five (5) days prior to the end of the month, for a maximum term of one month. Redwood Exhibit conversions have no maximum term limit.

(N)

(N)

NEGOTIATED RATE GUIDELINES:

1. Standard tariff rates and terms are available to all Customers, in lieu of negotiated rates and terms.
2. PG&E may distinguish between parties in offering negotiated rates by evaluating differences in circumstances and conditions, including, but not limited to, differences occurring upstream of, downstream of, or at, the Customer's location, and differences affecting either cost of service to the Customer or the Customer's market alternatives. Negotiations with Customers under this rate schedule will be conducted without undue preference or undue discrimination to the Customer or to any third party.
3. PG&E will issue monthly reports to the CPUC listing all negotiated contracts, including those negotiated under G-NFT. 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.

(D)
(T)

(D)

** A take requirement (also known as a transport-or-pay requirement) is an obligation to pay for a specified quantity of transportation pursuant to the terms of the applicable GTSA exhibit and shall be unaffected by the quantity of gas transported by PG&E to the Customer's Delivery Point(s).

(Continued)



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

- | | |
|--------------------------------------|--|
| NEGOTIATED RATE GUIDELINES (Cont'd.) | <p>4. The CPUC's complaint procedure will be available to address any claims of undue discrimination in providing service hereunder. (T)</p> <p>5. Negotiated transmission contracts under G-NFT will not require submission to the CPUC for approval. Unless otherwise provided in the applicable GTSA, or exhibit thereto, the application of Sections IX and X of General Order 96-A is waived by the CPUC. (T)</p> |
| CREDIT-WORTHINESS: | Customer must meet the creditworthiness requirements specified in Rule 25. |
| SERVICE AGREEMENT AND TERM: | A <u>Gas Transmission Service Agreement</u> (GTSA) (Form No. 79-866) is required for service under this schedule. The minimum term for service under the GTSA is 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 rate schedule. See Rule 21 for details. |
| CURTAILMENT OF SERVICE: | Service under this schedule may be curtailed. See Rule 14 for details. |
| BALANCING: | Service hereunder shall be subject to all applicable terms, conditions and obligation under Schedule G-BAL. |



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

(T)

RATES: The term, take requirement,* and rate are negotiable between PG&E and the Customer. Negotiated rates for transmission service shall not be less than PG&E's short-run marginal cost of providing the service. Negotiated transmission rates under G-NAA will be capped at 120 percent of the tariffed rate for G-AA on a particular path.

At PG&E's sole option, As-available On-System capacity may be available hereunder at less than the rates in Schedule G-AA. 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.

NEGOTIATED RATE GUIDELINES:

1. Standard tariff rates and terms are available to all Customers, in lieu of negotiated rates and terms.
2. PG&E may distinguish between parties in offering negotiated rates by evaluating differences in circumstances and conditions, including, but not limited to, differences occurring upstream of, downstream of, or at, the Customer's location, and differences affecting either cost of service to the Customer or the Customer's market alternatives. Negotiations with Customers under this rate schedule will be conducted without undue preference or undue discrimination to the Customer or to any third party.

(D)

3. PG&E will issue monthly reports to the CPUC listing all negotiated contracts, including those negotiated under G-NAA. 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.

(T)

(D)

4. The CPUC's complaint procedure will be available to address any claims of undue discrimination in providing service hereunder.

(T)

5. Negotiated transmission contracts under G-NAA will not require submission to the CPUC for approval. Unless otherwise provided in the applicable GTSA, or exhibit thereto, the application of Sections IX and X of General Order No. 96-A is waived by the CPUC.

(T)

(Continued)



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

RATES:

The term, take requirement,* and rate are negotiable between PG&E and the Customer. Negotiated rates for transmission service shall not be less than PG&E's short-run marginal cost of providing the service. Negotiated transmission rates under G-NAAOFF will be capped at 120 percent of the tariffed rate for G-AAOFF on a particular path. For storage withdrawals using the Mission to Off-System Path, the negotiated transmission rate under this schedule shall, unless otherwise agreed to, be zero, and in all events will be capped at 120 percent of the tariffed rate in Schedule G-AAOFF for the Redwood to Off-System Path.

(N)
—
(N)

At PG&E's sole option, as available off-system capacity may be available hereunder at less than the rates in Schedule G-AAOFF. 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.

NEGOTIATED RATE GUIDELINES:

1. Standard tariff rates and terms are available to all Customers, in lieu of negotiated rates and terms.
2. PG&E may distinguish between parties in offering negotiated rates by evaluating differences in circumstances and conditions, including, but not limited to, differences occurring upstream of, downstream of, or at, the Customer's location, and differences affecting either cost of service to the Customer or the Customer's market alternatives. Negotiations with Customers under this rate schedule will be conducted without undue preference or undue discrimination to the Customer or to any third party.
3. PG&E will issue monthly reports to the CPUC listing all negotiated contracts, including those negotiated under G-NAAOFF. PG&E will make the report available to others upon request. Customer names, including PG&E's affiliates and other departments, will not be provided in the report. However, the report will indicate whether a particular transaction was with an affiliate. The report will show the negotiated rates and dates of service.
4. The CPUC's complaint procedure will be available to address any claims of undue discrimination in providing service hereunder.
5. Negotiated transmission contracts under G-NAAOFF will not require submission to the CPUC for approval. Unless otherwise provided in the applicable GTSA, or exhibit thereto, the application of Sections IX and X of General Order No. 96-A is waived by the CPUC.

(L)
—
(L)

* A take requirement (also known as a transport-or-pay requirement) is an obligation to pay for a specified quantity of transportation pursuant to the terms of the applicable GTSA exhibit and shall be unaffected by the quantity of gas transported by PG&E to the Customer's Delivery Point(s).

(Continued)



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

(L)

- CREDIT-WORTHINESS: Customer must meet the creditworthiness requirements specified in Rule 25.
- SERVICE AGREEMENT: A Gas Transmission Service Agreement (GTSA) (Form No. 79-866) is required for service on this schedule. The minimum term of service under the GTSA is one (1) year.
- SHRINKAGE: Transportation volumes will be subject to a shrinkage allowance in accordance with Rule 21.
- NOMINATIONS: Nominations are required for gas transported under this rate schedule. See Rule 21 for details.
- CURTAILMENT OF SERVICE: Service under this schedule may be curtailed. See Rule 14 for details.
- BALANCING: Service hereunder shall be subject to the Balancing Service under Schedule G-BAL.



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. 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> |
|---------------------------|--------------------------|

| | |
|------------|--------------|
| SFV Rates: | \$7.3853 (R) |
|------------|--------------|

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

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

(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> |
| SFV Rates: | \$0.0011 |

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.



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): \$0.9192 (l)

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

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.

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 available on-line at www.pge.com.

(Continued)



SCHEDULE G-LEND—MARKET CENTER LENDING SERVICE

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

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

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

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

Minimum Rate (per transaction): \$57.00

Maximum Rate (per Dth per day): \$0.9192 (l)

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

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.

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 available on-line at www.pge.com.

(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 a Low Inventory Operational 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. (T)

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.

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.

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.

All core firm storage inventory capacity that is not assigned to CTAs is assigned to PG&E's Core Procurement department.

(Continued)



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

APPLICABILITY: This rate schedule* applies to the transportation of gas to customer-owned natural gas vehicle fueling stations on PG&E's Backbone, 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. (T)

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

TERRITORY: Schedule G-NGV4 applies everywhere within PG&E's natural gas Service Territory.

RATES: The applicable Customer Access Charges and Distribution Level Transportation Rate specified below is based on the Customer's Average Monthly Usage, as defined in Rule 1. Usage through multiple noncore gas meters on a single premises will be combined to determine Average Monthly Usage.

The following charges apply to service under this schedule:

1. Customer Access Charge:

The applicable Per-Day Customer Access Charge is multiplied by the number of days in the billing period.

| <u>Average Monthly Use (Therms)</u> | <u>Per Day</u> |
|-------------------------------------|-----------------|
| 0 to 5,000 | \$ 2.05808 (I) |
| 5,001 to 10,000 | \$ 6.08515 (R) |
| 10,001 to 50,000 | \$ 11.21819 |
| 50,001 to 200,000 | \$ 14.70608 |
| 200,001 to 1,000,000 | \$ 21.25085 |
| 1,000,001 and above | \$178.84570 (R) |

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

(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.

a. Backbone Level Rate:

(N)

The Backbone Level Rate applies to Backbone Level End-Use Customers as defined in Rule 1.

Backbone Level Rate (per therm) (\$0.00407)

(N)

b. Transmission-Level Rate:

(T)

The Transmission-Level Rate applies to Customers served directly from PG&E gas facilities that have a maximum operating pressure greater than sixty pounds per square inch (60 psi) that do not qualify for the Backbone Level Rate.

Transmission-Level Rate (per therm) \$0.01407 (R)

(T)

(T)

c. Distribution-Level Rate:

(T)

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.

| Average Monthly Use (Therms) | Summer (Per Therm) | Winter (Per Therm) |
|---------------------------------|-----------------------|-----------------------|
| Tier 1: 0 to 20,833 | \$0.10388 (R) | \$0.13774 (I) |
| Tier 2: 20,834 to 49,999 | \$0.07496 | \$0.09871 (R) |
| Tier 3: 50,000 to 166,666 | \$0.07021 | \$0.09229 |
| Tier 4: 166,667 to 249,999 | \$0.06067 | \$0.07942 |
| Tier 5: 250,000 and above* | \$0.01407 (R) | \$0.01407 (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): \$0.15336 (R)

LNG Gallon Equivalent: \$0.12576 (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)



RULE 1—DEFINITIONS

ABNORMAL PEAK DAY (APD): An Abnormal Peak Day (APD) is the coldest day which could reasonably be expected to occur within the PG&E system for planning purposes and is based on the coldest day of record for the PG&E territory.

ALTERNATIVE FUEL: Any fuel, gaseous, liquid, or solid, that may be used in lieu of natural gas. Electricity shall not be considered as an alternative fuel for purposes of conversion.

ANNUAL CONTRACT QUANTITY (ACQ): The annual gas delivery quantity contracted for during each contract year as specified in a service agreement.

APPLICANT: A person or agency requesting PG&E to supply gas service.

APPLICATION: A written request to PG&E for gas service; not an inquiry as to the availability or charges for such service.

AVERAGE DAILY QUANTITY (ADQ): The monthly contracted quantity divided by the number of Customer's operating days in that month.

AVERAGE MONTHLY USE: The total amount of gas used under each rate schedule(s) during the 12 billing months ending with the current billing month, divided by 12. If the Customer does not have 12 billing months of use under a noncore rate schedule, the average monthly use will be determined by dividing the cumulative gas use by the number of billing months since service was initiated.

(L)
—
—
(L)

(Continued)



RULE 1—DEFINITIONS

BACKBONE TRANSMISSION SYSTEM: The system used to transport gas from PG&E's interconnection with interstate pipelines, other local distribution companies, and the California gas fields to PG&E's local transmission and distribution system. The Backbone Transmission System is comprised of Lines 401, Line 400, Line 300, Line 303, Line 319, Line 107, Line 2, Line 131 from the Antioch Terminal to the Milpitas Terminal, and Line 114 from the Antioch Terminal to the Livermore Junction, including all associated compressors, control stations (terminals), metering, valves, individual line taps, cross-ties and other minor facilities.

(L)
|
(T)
|
(L)

BACKBONE LEVEL END-USE CUSTOMER: Noncore End-Use Customers with a load that meets all the following criteria:

(N)

1. Is new or incremental load to PG&E's system on or after March 1, 1998 (i.e., a new or repowered electric generation unit, a new process or production line, or other new gas-consuming equipment, which is substantially stand-alone in nature); and
2. Has separate PG&E metering, or other separate metering acceptable to PG&E; and
3. The load satisfies the applicability provisions of a noncore rate schedule; and
4. Has never have been physically connected to PG&E's local transmission or distribution system; and
5. Is directly connected to PG&E's Backbone Transmission System by a lateral pipeline that delivers gas to the End-Use Customer's premise, which is either:
 - a. 100 percent owned by, or fully under the operational control of, the End-Use Customer or the Customer's affiliate, which affiliate is wholly-owned and/or controlled by a common parent of the End-Use Customer, and used exclusively by the End-Use Customer and its wholly owned or commonly controlled affiliates; or
 - b. Owned by PG&E, and paid for in advance by the End-Use Customer using an approved pro forma agreement, such as the Agreement to Perform Tariff Schedule Related Work (Form No. 62-4527), Agreement for Installation or Allocation of Special Facilities (Form No. 79-255), Distribution and Service Extension Agreement, Cost Summary (Form No. 79-1004), or using a negotiated agreement under the exceptional case provisions that is then approved by the CPUC.

(N)

(Continued)



RULE 1—DEFINITIONS

(Continued)

INTERSTATE TRANSPORTATION: Transportation of natural gas on a pipeline system under the regulation of the Federal Energy Regulatory Commission.

INTRASTATE TRANSPORTATION: Transportation of natural gas on the PG&E system.

LIQUEFIED PETROLEUM GAS (LPG): A gas containing certain specific hydrocarbons (such as butane or propane) which are gaseous under ambient atmospheric conditions, which can be liquefied under moderate pressure at normal temperatures.

LOCAL TRANSMISSION SYSTEM: The term Local Transmission System includes the pipeline used to accept gas from the Backbone Transmission System, and transport it to the Distribution System. For PG&E, the Local Transmission System consists of all numbered (i.e., named) pipelines that are not considered part of the Backbone Transmission System, and Distribution Feeder Mains (DFMs), with a maximum operating pressure of greater than 60 (sixty) pounds per square inch.

(T)
|
(T)

MAIN EXTENSION: The length of main and related facilities required to move gas from the existing facilities to the point of connection with the service piping.

(Continued)



Pacific Gas and Electric Company
San Francisco, California

Cancelling

Revised
Revised

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

22925-G
22542-G

PACIFIC GAS AND ELECTRIC COMPANY

NATURAL GAS SERVICE AGREEMENT

FORM NO. 79-756 (12/02)

EXHIBITS A.1, A.EG, A.NGV4

(REVISED 1/05)

(ATTACHED)

(T)

(T)

Advice Letter No. 2601-G
Decision No. 04-12-047,04-12-050

Issued by
Karen A. Tomcala
Vice President
Regulatory Relations

Date Filed December 23, 2004
Effective January 1, 2005
Resolution No. _____

53426

EXHIBIT A.1 - RATES AND METERING INFORMATION

CUSTOMER NAME: _____ Transp. ID No.: _____

I. TERM:

The provisions specified in this Exhibit A.1 will take effect on _____ (date), with an initial term of twelve (12) months. After the initial term, these provisions will continue on a month-to-month basis until terminated or revised by Customer or by PG&E (as specified in the NGSA), upon thirty (30) days written notice to PG&E. Termination or revision by the Customer will take effect on first day of the calendar month that occurs at least thirty (30) days after notification, unless otherwise agreed by PG&E. Per gas Rule 12, certain noncore Customers are prohibited from reclassification to core service. If this Exhibit A.1 has been revised, indicate the effective date of the latest revision here: _____ (revision effective date).

II. NONCORE RATE SCHEDULES:

Transportation: Customer elects to receive noncore natural gas transportation service under the terms and conditions of Schedule G-NT. Please list all Nominating Marketers having the authority to make daily gas nominations in Exhibit C.

III. CORE RATE SCHEDULE(S):

This Section must be completed if Customer is taking service under a core rate schedule in conjunction with Schedule G-NT.

[] Non-PG&E-supplied gas. (PG&E transportation service only). Transportation service is provided under Schedule G-_____. Procurement service cannot be supplied by a Core Procurement Group. Please list all Nominating Marketers having the authority to make daily gas nominations in Exhibit C

IV. FRANCHISE FEE SURCHARGE EXEMPT:

[] Enter Yes in box if Customer's usage is exempt from charges under Schedule G-SUR because Customer is a political subdivision of the state of California.¹

¹ The exemptions are specified in Schedule G-SUR.

EXHIBIT A.1 - RATES AND METERING INFORMATION

CUSTOMER NAME: _____ Transp. ID No: _____

V. METERING INFORMATION: Metering and service point information will be completed and updated by PG&E, as needed.

GAS METER INFORMATION:

| Service Point No. | Meter Badge Number | Submeter Badge Number² | Meter Serves Core or Noncore³ | BB Trans. or Dist.⁴ |
|----------------------------------|-----------------------------------|--|---|---|
|----------------------------------|-----------------------------------|--|---|---|

VI. SPECIAL BILLING INSTRUCTIONS:

² Completed only if a subtractive meter to the primary meter exists for service point number.

³ For new NGSAs and meters added to an existing NGSA, each listed meter must serve either 100% core or 100% noncore.

⁴ This area is used to indicate whether meter is to be billed at the Backbone Level ("BB"), Transmission Level ("Trans"), or Distribution Level ("Dist") rates under Schedule G-NT.

EXHIBIT A.EG - RATES AND METERING INFORMATION

CUSTOMER NAME: _____ **Transp. ID No.:** _____

I. TERM:

The provisions specified in this Exhibit A.EG will take effect on _____ (date), with an initial term of twelve (12) months. After the initial term, these provisions will continue on a month-to-month basis until terminated or revised by Customer or by PG&E (as specified in the NGSAs), upon thirty (30) days written notice to PG&E. Termination or revision by the Customer will take effect on first day of the calendar month that occurs at least thirty (30) days after notification, unless otherwise agreed by PG&E. Per gas Rule 12, certain noncore Customers are prohibited from reclassification to core service. If this Exhibit A.EG has been revised, indicate the effective date of the latest revision here: _____ (revision effective date).

II. NONCORE RATE SCHEDULES:

Transportation: Customer elects to receive noncore natural gas transportation service under the terms and conditions of Schedule G-EG. All noncore natural gas transportation that does not qualify under Schedule G-EG is provided under the terms and conditions of Schedule G-NT. Please list all Nominating Marketers having the authority to make daily gas nominations in Exhibit C, unless G-EG is taken in conjunction with a core rate schedule and gas is provided by a Core Procurement Group.

III. CORE RATE SCHEDULE(S):

This Section must be completed if Customer is taking transportation and/or procurement service under a core rate schedule in conjunction with Schedule G-EG.

- Non-PG&E supplied gas under Schedule G-_____ (PG&E transportation service only). Procurement service cannot be supplied by a Core Procurement Group. Please list all Nominating Marketers having the authority to make daily gas nominations in Exhibit C.
- Gas supplied by a Core Procurement Group in conjunction with Schedule G-_____. This option is only available to a facility that 1) qualifies as a cogeneration facility pursuant to California Public Utilities Code Section 218.5 and 2) has a rated generation capacity of less than five-hundred kilowatts (500 kW) and 3) does not have a generation usage exceeding 250,000 therms per year. If gas is supplied by a Core Transport Agent (CTA), indicate the CTA Group name and number in Special Billing instructions.

IV. FRANCHISE FEE SURCHARGE EXEMPT:

Enter Yes in box if Customer's usage is exempt from charges under Schedule G-SUR because Customer is a political subdivision of the state of California.¹

¹ The exemptions are specified in Schedule G-SUR.

EXHIBIT A.EG - RATES AND METERING INFORMATION

CUSTOMER NAME: _____ **Transp. ID No:** _____

V. METERING INFORMATION: Metering and service point information will be completed and updated by PG&E, as needed.

GAS METER INFORMATION:

| | | | | | | |
|--------------------------|---------------------------|---|---|------------------------------------|---|---------------------------------------|
| Service Point No. | Meter Badge Number | Submete Badge Number² | Meter Serves Core or Noncore³ | BB Trans. Dist.⁴ | Does Meter Only Serve Gen.Load⁵ | Is Gen Load Cogen?⁶ |
|--------------------------|---------------------------|---|---|------------------------------------|---|---------------------------------------|

NET ELECTRIC OUTPUT METER INFORMATION IF GAS METER SERVES BOTH GENERATION AND NON-GENERATION LOAD: Metering and service point information will be completed and updated by PG&E, as needed. Customer-Owned metering is at PG&E's Sole Discretion.

| | | |
|--|---------------------------|------------------------------|
| Net Electric Output Service Point No. | Meter Badge Number | Submeter Badge Number |
|--|---------------------------|------------------------------|

The Net Electric Output meter is owned by: (indicate below)

- Customer-Owned: Monthly meter reads will be provided by: _____ Customer or by _____ PG&E (indicate by placing a check in the appropriate space).
- PG&E-Owned

² Completed only if a subtractive meter to the primary meter exists for service point number.

³ Meters for new NGSAs or meters added to existing NGSAs must serve either 100% core or 100% noncore load. If meter serves generation load and the otherwise-applicable rate is a core rate schedule or the Customer is receiving procurement from a Core Procurement Group, "Core" will be entered.

⁴ This area is used to indicate if the meter is to be billed at the Backbone Level Rate ("BB") under Schedule G-EG. If meter serves noncore load that is not billed at the Backbone Level Rate, the designation will be "Trans" or "Dist" to indicate whether meter is connected to the Transmission or Distribution System respectively. If meter serves core load, the designation "Dist" is used.

⁵ "Yes" indicates the meter serves only electric generation (EG). "No" indicates the meter serves only non-generation Load. "Both" indicates the meter serves both generation and non-generation load.

⁶ "Yes" indicates that the generation facility qualifies as a cogeneration facility pursuant to California Public Utilities Code 218.5, otherwise, "No" will be entered. Gas that is used for generation through this meter is exempt from G-SUR charges. The exemption is specified in Schedule G-SUR.

EXHIBIT A.EG - RATES AND METERING INFORMATION

CUSTOMER NAME: _____ Transp. ID No: _____

VI. HEAT RATE AND GENERATOR CAPACITY:

Enter Generator Capacity for all Customers. The Annual Average Heat Rate must be completed if the electric generation equipment does not have a separate PG&E installed gas meter. All delivered gas that does not qualify for Schedule G-EG will be billed at the otherwise applicable rate. The Annual Average Heat Rate can be adjusted by PG&E based on actual recorded values.

Generator Capacity _____ (kW)

Annual Average Heat Rate _____ (BTU/kWh)

VII. SPECIAL BILLING INSTRUCTIONS:

EXHIBIT A.NGV4 - RATES AND METERING INFORMATION

CUSTOMER NAME: _____ Transp. ID No.: _____

I. TERM:

The provisions specified in this Exhibit A.NGV4 will take effect on _____ (date), with an initial term of twelve (12) months. After the initial term, these provisions will continue on a month-to-month basis until terminated or revised by Customer or by PG&E (as specified in the NGSAs), upon thirty (30) days written notice to PG&E. Termination or revision by the Customer will take effect on first day of the calendar month that occurs at least thirty (30) days after notification, unless otherwise agreed by PG&E. If this Exhibit A.NGV4 has been revised, indicate the effective date of the latest revision here:
_____ (revision effective date).

II. NONCORE RATE SCHEDULES:

Transportation: Customer elects to receive noncore natural gas transportation service under the terms and conditions of Schedule G-NGV4. Please list all Nominating Marketers having the authority to make daily gas nominations in Exhibit C.

III. CORE RATE SCHEDULE(S):

This Section must be completed if Customer is taking service under a core rate schedule in conjunction with Schedule G-NGV4.

Non-PG&E-supplied gas. (PG&E transportation service only). Transportation service is provided under Schedule G-_____. Procurement service cannot be supplied by a Core Procurement Group. Please list all Nominating Marketers having the authority to make daily gas nominations in Exhibit C

IV. FRANCHISE FEE SURCHARGE EXEMPT:

Enter Yes in box if Customer's usage is exempt from charges under Schedule G-SUR.¹

¹ The exemptions are specified in Schedule G-SUR.

EXHIBIT A.NGV4 - RATES AND METERING INFORMATION

CUSTOMER NAME: _____ Transp. ID No.: _____

V. **METERING INFORMATION:** Metering and service point information will be completed and updated by PG&E, as needed.

GAS METER INFORMATION:

| Service Point <u>No.</u> | Meter Badge <u>Number</u> | Submeter Badge <u>Number</u> ² | Meter Serves Core or <u>Noncore</u> ³ | BB Trans. or <u>Dist.</u> ⁴ |
|--------------------------------|---------------------------------|---|--|--|
|--------------------------------|---------------------------------|---|--|--|

VI. **SPECIAL BILLING INSTRUCTIONS:**

² Completed only if a subtractive meter to the primary meter exists for service point number.

³ For new NGSAs and meters added to an existing NGSA, each listed meter must serve either 100% core or 100% noncore.

⁴ This area is used to indicate whether meter is to be billed at the Backbone Level ("BB"), Transmission Level ("Trans"), or Distribution Level ("Dist") rates under Schedule G-NGV4.



TABLE OF CONTENTS
(Continued)

SAMPLE FORMS (Cont'd.)

| FORM NO. | DATE SHOWN ON FORM | AGREEMENT/CONTRACT TITLE | CAL P.U.C. SHEET NO. |
|------------------------|--------------------|---|----------------------|
| RESIDENTIAL | | | |
| 79-744 | 10/88 | Declaration of Eligibility for Baseline Quantities for Residential RV Parks | 12793-G |
| NON-RESIDENTIAL | | | |
| M62-1491 | 1/97 | Summary Bill Agreement | 17782-G |
| 79-753 | 11/03 | Compressed Natural Gas Fueling Agreement | 21899-G |
| 79-755 | 8/02 | Agreement for Supply of Natural Gas for Compression as a Motor-Vehicle Fuel | 21179-G |
| 79-756 | 1/05 | Natural Gas Service Agreement..... | 22925-G |
| 79-757 | 8/97 | Natural Gas Service Agreement Modification Revised Exhibits | 18289-G |
| 79-762 | 4/00 | Imbalance Trading Form for Schedule G-BAL Service | 19787-G |
| 79-780 | 8/97 | Agreement for Assigned Interstate Capacity for Service to Core Customers | 18291-G |
| 79-788 | 2/94 | Agreement for Adjustment for Natural Gas Energy Efficiency Measures | 16387-G |
| 79-791 | 5/94 | Pipeline Expansion Firm Transportation Service Agreement | 16551-G |
| 79-796 | 5/99 | Notice of Gas Storage Inventory Transfer | 19378-G |
| 79-844 | 11/95 | Agreement to Provide Compressed Natural Gas (CNG) Station Maintenance Service | 17264-G |
| 79-845 | 2/04 | Core Gas Aggregation Service Agreement | 22740-G |
| 79-983 | 12/03 | Request for Re-classification from Noncore Service to Core Service..... | 21983-G |

(T)

(Continued)



TABLE OF CONTENTS
(Continued)

RULES

| RULE | TITLE OF SHEET | CAL P.U.C. SHEET NO. | |
|------|---|--|------------|
| 1 | Definitions | 18195,22922,22923,18197,21977,22789, 18200,22924,18202,21978,18204,18205,21979,18207,19429-G | (T) (T) |
| 2 | Description of Service | 13299 to 13302,14903,17521-G | |
| 3 | Application for Service | 13842,21118-G | |
| 4 | Contracts..... | 17051-G | |
| 5 | Special Information Required on Forms | 17641,13348,13349-G | |
| 6 | Establishment and Reestablishment of Credit | 22126,22127,18873-G | |
| 7 | Deposits | 18212,18213-G | |
| 8 | Notices | 21928,17580,15726,17581,15728-G | |
| 9 | Rendering and Payment of Bills..... | 19353,18712,21294,22491,17780,22590-G | |
| 10 | Disputed Bills | 18214 to 18216-G | |
| 11 | Discontinuance and Restoration of Service | 18217 to 18227,22508,19710-G | |
| 12 | Rates and Optional Rates..... | 18229,18996,21980,21981,21982-G | |
| 13 | Temporary Service..... | 21542,18800-G | |
| 14 | Capacity Allocation and Constraint of Natural Gas Service | 18231 to 18235, 22327,22328,22329,22330,22249,18239,22073,22639,22075,22076,22077,18244, 22078,22079,22080,22081-G | |
| 15 | Gas Main Extensions | 21543,18802,18803,19888, 20350,20351,20352,18808,21544,21545,22376,22377,22378,22379,22380,18813,18814-G | |
| 16 | Gas Service Extensions | 21546,18816,17728,17161,18817 to 18825,17737,18826,18827-G | |
| 17 | Meter Tests and Adjustment of Bills for Meter Error | 14450 to 14456-G | |
| 17.1 | Adjustment of Bills for Billing Error..... | 22745,14458-G | |
| 17.2 | Adjustment of Bills for Unauthorized Use | 22746,14460,14461-G | |
| 17.3 | Limitation on Adjustment of Bills for Energy Use | 22747-G | |
| 18 | Supply to Separate Premises and Submetering of Gas | 22790,17796,13401-G | |
| 19 | Medical Baseline Quantities..... | 21119,21120,21121-G | |
| 19.1 | California Alternate Rates for Energy for Individual Customers and Submetered Tenants of Master-Metered Customers..... | 19370,22426,19372,19373-G | |
| 19.2 | California Alternate Rates for Energy for Nonprofit Group-Living Facilities..... | 17132,22427,17035,17134,17037-G | |
| 19.3 | California Alternate Rates for Energy for Qualified Agricultural Employee Housing Facilities..... | 17305,22428,17307,17308-G | |
| 21 | Transportation of Natural Gas..... | 22313,22798,22799,22314,21844, 19089,21845,21846,22085,21848,21849,22086,22087,18256,21852,22735,22736,22737-G | |
| 21.1 | Use of PG&E's Firm Interstate Rights..... | 20461,18260,18261-G | |
| 23 | Gas Aggregation Service for Core Transport Customers | 20072,18263,21742,18265,22159,18267,22185,21744 to 21751,18272-G | |
| 25 | Gas Services-Customer Creditworthiness and Payment Terms..... | 21409 to 21418-G | |
| 26 | Standards of Conduct and Procedures Related to Transactions with Intracompany Departments, Reports of Negotiated Transactions, and Complaint Procedures | 18284,18285,18633,20462-G | |

(Continued)



TABLE OF CONTENTS
(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 | 22805 to 22809, 22786 to 22788, 22130, 22875 to 22882, 22883, 22884, 22024-G | (T) |
| Part C | Gas Accounting Terms and Definitions | 22025, 22885, 22645, 22490, 22886, 20845, 22029, 20443, 22132, 22030, 22369-G | (T) |
| Part D | Purchased Gas Account | 20847, 20445, 20848-G | |
| Part E | Not Being Used | | |
| Part F | Core Fixed Cost Account | 22887, 22888-G | (T) |
| 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 | 22889, 20852, 22890-G | (T) |
| 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 | | |
| Part AE | Core Pipeline Demand Charge Account | 21361, 20447, 21362-G | |
| Part AF | Not Being Used | | |
| Part AG | Core Firm Storage Account | 20031-G | |
| 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 | | |

(Continued)



TABLE OF CONTENTS
(Continued)

NONRESIDENTIAL (Cont'd.)

| SCHEDULE | TITLE OF SHEET | CAL P.U.C. SHEET NO. | |
|----------|--|---------------------------|-----|
| G-SFS | Standard Firm Storage Service..... | 22898,22140,22141,22300-G | (T) |
| G-NFS | Negotiated Firm Storage Service..... | 22899,22301-G | |
| G-NAS | Negotiated As-Available Storage Service..... | 22900-G | |
| G-CFS | Core Firm Storage..... | 22901,22147,22148,22149-G | |
| G-AFT | Annual Firm Transportation On-System..... | 22175,22902,22903-G | |
| G-AFTOFF | Annual Firm Transportation Off-System..... | 22055,22904,22057-G | |
| G-SFT | Seasonal Firm Transportation On-System Only..... | 22177,22905,22178-G | |
| G-AA | As-Available Transportation On-System..... | 22179,22906-G | |
| G-AAOFF | As-Available Transportation Off-System..... | 22907,22908,18150-G | |
| G-NFT | Negotiated Firm Transportation On-System..... | 22181,22909,22910-G | |
| G-NFTOFF | Negotiated Firm Transportation Off-System..... | 21835,19294,21836-G | |
| G-NAA | Negotiated As-Available Transportation On-System..... | 22183,22911,22185-G | |
| G-NAAOFF | Negotiated As-Available Transportation Off-System..... | 21839,22912,22913-G | (T) |
| G-CARE | CARE Program Service for Qualified Nonprofit Group-Living and Qualified Agricultural Employee Housing Facilities..... | 20595-G | |
| G-XF | Pipeline Expansion Firm Intrastate Transportation Service..... | 22914,22915-G | |
| G-PARK | Market Center Parking Service..... | 22916,18177-G | |
| G-LEND | Market Center Lending Service..... | 22917,18179-G | |

OTHER

| | | | |
|--------|--|---|-----|
| G-CT | Core Gas Aggregation Service..... | 22067,21740, 20050,21741,20052,22152,20054,20055,20903,22918,22154,22155,22156,22157,22158-G | (T) |
| G-CRED | Billing Credits for CTA-Consolidated Billing..... | 20063-G | |
| G-SUR | Customer-Procured Gas Franchise Fee Surcharge..... | 22827-G | |
| G-ESP | Consolidated PG&E Billing Services to Core Transport Agents..... | 21739-G | |

EXPERIMENTAL

| | | | |
|--------|--|---------------------|-----|
| G-NGV1 | Experimental Natural Gas Service for Compression on Customer's Premises .. | 22821,18625-G | |
| G-NGV2 | Experimental Compressed Natural Gas Service..... | 22822,18626-G | |
| G-NGV4 | Experimental Gas Transportation Service to Noncore Natural Gas Vehicles | 22919,22920,22070-G | (T) |
| G-LNG | Experimental Liquefied Natural Gas Service..... | 22921,20689-G | (T) |

(Continued)



TABLE OF CONTENTS

| | <u>CAL P.U.C. SHEET NO.</u> | |
|--------------------------------------|---------------------------------|-----|
| Title Page | 11271-G | |
| Table of Contents: | | |
| Rate Schedules | 22930,22929-G | (T) |
| Preliminary Statements | 22928,21381-G | I |
| Rules | 22927-G | (T) |
| Maps, Contracts and Deviations | 22438-G | |
| Sample Forms | 22434,22926,21538,22266,21292-G | (T) |

RATE SCHEDULES

RESIDENTIAL

| <u>SCHEDULE</u> | <u>TITLE OF SHEET</u> | <u>CAL P.U.C. SHEET NO.</u> |
|-----------------|---|---------------------------------|
| G-1 | Residential Service | 22826,18597-G |
| GM | Master-Metered Multifamily Service | 22810,22167,18599-G |
| GS | Multifamily Service | 22811,22769,18601-G |
| GT | Mobilehome Park Service | 22812,22771-G) |
| G-10 | Service to Company Employees | 11318-G |
| GL-1 | Residential CARE Program Service | 22813,18603-G |
| GML | Master-Metered Multifamily CARE Program Service | 22814,22564,22565-G |
| GSL | Multifamily CARE Program Service | 22815,22775,18607-G |
| GTL | Mobilehome Park CARE Program Service | 22816,22817,18608-G |
| G-MHPS | Master-Metered Mobilehome Park Safety Surcharge | 22034-G |

NONRESIDENTIAL

| | | | |
|-------|---|---|-----|
| G-NR1 | Gas Service to Small Commercial Customers | 22818,22570-G | |
| G-NR2 | Gas Service to Large Commercial Customers | 22819,22572-G | |
| G-CP | Gas Procurement Service to Core End-Use Customers | 22820-G | |
| G-CPX | Crossover Gas Procurement Service to Core End-Use Customers | 22642-G | |
| G-NT | Gas Transportation Service to Noncore End-Use Customers | 22892,22601,22037,22038-G | (T) |
| G-EG | Gas Transportation Service to Electric Generation | 22894,22895,22525,22173-G | I |
| G-WSL | Gas Transportation Service to Wholesale/Resale Customers | 22896,22897,22045-G | (T) |
| G-BAL | Gas Balancing Service for Intrastate Transportation Customers | 22174, 21867,22135,22047,22048,20037,22136,21872,22137,22138,20042,20043,20044,22051-G | |

Supporting Tables

Table 1 - Change in Procurement and GAIII Transportation Revenue Requirements (RRQ) and Public Purpose Program Authorized Amounts Effective January 1, 2005

Table 2 – Consolidated Illustrative Class Average End-Use Gas Rates, Effective January 1, 2005

Attachment II

Table 1

Change in Procurement, Transportation, and GAILL Revenue Requirements (RRQ) and Public Purpose Program
Authorized Amounts Effective January 1, 2005

(In millions of \$)

| | Consolidated Gas Rate Filing (12/23/04) | | | | | Source |
|--|---|-----------------|---------------|--------------|-----------------------------|--|
| | Present | Proposed | Total Change | Core Portion | Noncore / Unbundled Portion | |
| Annual Change to Core Procurement RRQ | | | | | | |
| * Backbone Capacity | 38.8 | 48.5 | 9.7 | 9.7 | | D. 04-12-050 |
| * Backbone Volumetric | 12.6 | 22.1 | 9.5 | 9.5 | | D. 04-12-050 |
| * Storage | 38.0 | 41.5 | 3.5 | 3.5 | | D. 04-12-050 |
| Brokerage Fee | 6.9 | 8.6 | 1.7 | 1.7 | | D. 04-12-050 |
| Shrinkage | 63.4 | 58.3 | (5.0) | (5.0) | | AL 2591-G |
| Franchise Fees and Uncollectibles Exp. | 23.2 | 23.2 | 0.0 | 0.0 | | |
| Total Core Procurement | 182.8 | 202.2 | 19.4 | 19.4 | | |
| End Use Transportation Revenues | | | | | | |
| I. Distribution and Customer Class Charge Revenues | | | | | | |
| Annual True-up of Transportation Balancing Accounts | 87.9 | 138.3 | 50.4 | 66.3 | (15.9) | AL 2589-G w/updates for Secondary Effects from Items Below |
| 2004 and 2005 Attrition Rate Adjustments to Distribution Base Revenues | 910.2 | 952.6 | 42.4 | 40.7 | 1.7 | AL 2589-G |
| 2005 Distribution Cost of Capital Adjustment to Base Revenues | - | (5.5) | (5.5) | (5.3) | (0.2) | D. 04-12-047 |
| 2004 Distribution Cost of Capital Adjustment to CFCA/NCA Balancing Accounts | - | (15.4) | (15.4) | (14.8) | (0.6) | D. 04-12-047 |
| 2004 Transmission and Storage Cost of Capital Adjustment to CFCA/NCA Balancing Accounts | - | (10.5) | (10.5) | (4.6) | (5.9) | D. 04-12-047 |
| CPUC Fee | 5.8 | - | (5.8) | (2.3) | (3.4) | R. M-4813 |
| Core Brokerage Fee Credit to Base Distribution Revenues | (6.9) | (8.6) | (1.7) | (1.7) | (0.0) | D. 04-12-050 |
| Less CARE discount recovered in PPP surcharge from non-CARE customers | (55.3) | (80.0) | (24.8) | (24.8) | - | |
| Total Distribution and Customer Class Charge Revenues | 941.7 | 970.9 | 29.2 | 53.5 | (24.3) | |
| II. GAILL Local Transmission and Customer Access (including Cost of Capital 2005 @ 8.77%) | | | | | | |
| * Local Transmission | 171.4 | 145.7 | (25.7) | (1.9) | (23.8) | D. 04-12-050 |
| * Customer Access | 12.1 | 5.0 | (7.1) | - | (7.1) | D. 04-12-050 |
| Total Transmission and Customer Access | 183.5 | 150.7 | (32.8) | (1.9) | (30.9) | |
| Total End Use Transportation | 1,125.17 | 1,121.51 | (3.66) | 51.60 | (55.26) | |
| PPP Surcharge | | | | | | |
| Authorized PPP Amounts | 63.4 | 62.7 | (0.7) | (0.6) | (0.1) | AL 2585-G |
| Increase in Energy Efficiency Funding | - | 8.0 | 8.0 | 7.2 | 0.8 | D. 04-12-019/ AL 2585-G-A |
| CARE discount recovered from non-CARE customers | 55.3 | 80.0 | 24.8 | 17.4 | 7.3 | AL 2585-G-A |
| Total PPP Authorized Amount | 118.6 | 150.7 | 32.0 | 24.0 | 8.0 | |
| GAILL Unbundled Storage and Backbone | | | | | | |
| * Backbone | 150.3 | 157.4 | 7.1 | - | 7.1 | D. 04-12-050 |
| * Storage | 6.7 | 7.3 | 0.6 | - | 0.6 | |
| Total Unbundled Storage and Backbone | 157.0 | 164.7 | 7.7 | - | 7.7 | |
| Total Change in January 1, 2005 Rates | 1,583.6 | 1,639.0 | 55.4 | 95.0 | (39.6) | |

* Includes an increase for Cost of Capital @ 8.77%.

Attachment II

Table 2

**PACIFIC GAS AND ELECTRIC COMPANY
CONSOLIDATED GAS RATES EFFECTIVE JANUARY 1, 2005
ILLUSTRATIVE GAS RATES
CLASS AVERAGE END-USE RATES (\$/th)**

| Line No. | Customer Class | Present (A) | Proposed (B) | % Change (c) (C) |
|--|---|----------------|-----------------|------------------------|
| BUNDLED - Retail Core (a) | | | | |
| 1 | Residential Non-CARE | \$1.114 | \$1.159 | 3.97% |
| 2 | Residential CARE | \$.911 | \$.908 | -0.30% |
| 3 | Small Commercial | \$1.050 | \$1.082 | 3.03% |
| 4 | Large Commercial | \$.906 | \$.901 | -0.61% |
| TRANSPORTATION RATES - Retail Core (b) | | | | |
| 5 | Residential Non-CARE | \$.394 | \$.432 | 9.62% |
| 6 | Residential CARE | \$.191 | \$.182 | -4.73% |
| 7 | Small Commercial | \$.333 | \$.359 | 7.69% |
| 8 | Large Commercial | \$.213 | \$.203 | -4.79% |
| TRANSPORT ONLY - Retail Noncore (b) | | | | |
| 9 | Industrial - Distribution (G-NT-D) | \$.120 | \$.120 | 0.08% |
| 10 | Industrial - Transmission (G-NT-T) | \$.047 | \$.043 | -8.86% |
| 11 | Industrial - Backbone (G-NT-BB) | \$.047 | \$.025 | -47.62% |
| 12 | Electric Generation - Transmission (G-EG-T) | \$.019 | \$.016 | -17.02% |
| 13 | Electric Generation - Backbone (G-EG-BB) | \$.019 | \$.001 | -92.36% |
| TRANSPORT ONLY - Wholesale Core and Noncore (G-WSL) (b) | | | | |
| 14 | Alpine Natural Gas | \$.039 | \$.024 | -39.63% |
| 15 | Coalinga | \$.032 | \$.023 | -28.13% |
| 16 | Island Energy | \$.067 | \$.043 | -36.31% |
| 17 | Palo Alto | \$.023 | \$.016 | -28.07% |
| 18 | West Coast Gas - Castle | \$.070 | \$.044 | -37.25% |
| 19 | West Coast Gas - Mather | \$.030 | \$.024 | -20.74% |

- (a) Bundled core present and proposed rates include an illustrative average annual WACOG (including volumetric intrastate) rate of \$0.615 per therm. Actual procurement rates change monthly. Consequently, the average January 2005 bundled rates included in Advice 2600-G are not the same as those shown above.
- (b) Transport-only retail rates are the class average rates applicable to the gas schedules as specified. Transport-only rates are shown at citygate (exclude intrastate backbone transmission and storage charges).
- (c) Rates are rounded to 3 decimals for viewing ease. Percentage rate changes are calculated on a 5-digit basis.

Gas Accord III Settlement Agreement

An update to Table 6-2 of PG&E's Opening Testimony to reflect the provisions of the GAIII

GA III Settlement Agreement
(Adjusted per Cost of Capital D. 04-12-047)

TABLE 6 - 2
PACIFIC GAS AND ELECTRIC COMPANY
GAS TRANSMISSION AND STORAGE
RESULTS OF OPERATIONS AT PROPOSED RATES
YEAR 2005
(Thousands of Dollars)

| Line No. | Description | (A) Underground Storage | (B) GT - Customer Access Charges (CAC) | Total GT&S (C) | Line No. |
|----------|-----------------------------|----------------------------|---|-------------------|----------|
| 1 | REVENUE: | | | | 1 |
| 2 | Revenue at Effective Rates | 56,271 | 4,953 | 424,855 | 2 |
| 3 | Less Non-General Revenue | 0 | 0 | 0 | 3 |
| | General Rate Case Revenue | 56,271 | 4,953 | 424,855 | |
| 4 | OPERATING EXPENSES: | | | | 4 |
| 5 | Energy Costs | 0 | 0 | 0 | 5 |
| 6 | Other Production | 0 | 0 | 0 | 6 |
| 7 | Storage | 13,840 | 37 | 76,963 | 7 |
| 8 | Transmission | 0 | 408 | 408 | 8 |
| 9 | Customer Accounts | 140 | 1,240 | 2,316 | 9 |
| 10 | Uncollectibles | 145 | 13 | 1,096 | 10 |
| 11 | Customer Services | 2,443 | 0 | 7,384 | 11 |
| 12 | Administrative and General | 3,329 | 1,102 | 44,956 | 12 |
| 13 | Franchise Requirements | 543 | 48 | 4,099 | 13 |
| 14 | Project Amortization | 0 | 0 | 0 | 14 |
| 15 | Wage Change Impacts | 0 | 0 | 0 | 15 |
| 16 | Other Price Change Impacts | 0 | 0 | 0 | 16 |
| 17 | Other Adjustments | 0 | 0 | (1,879) | 17 |
| 18 | Subtotal Expenses: | 20,439 | 2,849 | 135,343 | 18 |
| 19 | TAXES: | | | | 19 |
| 20 | Superfund | 0 | 0 | 0 | 20 |
| 21 | Property | 1,518 | 97 | 16,165 | 21 |
| 22 | Payroll | 510 | 85 | 3,741 | 22 |
| 23 | Business | 6 | 1 | 46 | 23 |
| 24 | Other | 3 | 0 | 20 | 24 |
| 25 | State Corporation Franchise | 1,616 | 58 | 10,546 | 25 |
| 26 | Federal Income | 7,361 | 19 | 49,721 | 26 |
| | Total Taxes | 11,014 | 259 | 80,258 | |
| 27 | Depreciation | 8,959 | 678 | 81,731 | 27 |
| 28 | Fossil Decommissioning | 0 | 0 | 0 | 28 |
| 29 | Nuclear Decommissioning | 0 | 0 | 0 | 29 |
| 30 | Total Operating Expenses | 40,412 | 3,786 | 297,332 | 30 |
| 31 | Net for Return | 15,859 | 1,167 | 127,523 | 31 |
| 32 | Rate Base | 180,827 | 13,301 | 1,454,012 | 32 |
| 33 | RATE OF RETURN: | | | | 33 |
| 34 | On Rate Base | 8.77% | 8.77% | 8.77% | 33 |
| | On Equity | 11.22% | 11.22% | 11.22% | 34 |

Gas Accord III Settlement Agreement

Completed Page 24 to the Settlement workpapers

Gas Accord III Settlement Agreement

**Revised set of rate and cost tables, which have been updated to reflect the
Cost of Capital approved D. 04-12-047**

Exhibit 1
(As adjusted per Cost of Capital Decision 04-12-047)

Gas Accord III Settlement Agreement

Gas Accord III
Settlement Agreement
(As Adjusted Per Cost of Capital Decision 04-12-047)

August 27, 2004

Gas Accord III Settlement Agreement

August 27, 2004

Table of Contents

| | |
|---|-----------|
| 1. INTRODUCTION..... | 1 |
| 1.1. Purpose | 1 |
| 1.2. Gas Accord | 1 |
| 1.3. Settlement Parties | 1 |
| 1.4. Tariffs To Implement Settlement | 1 |
| 1.5. Tariffs Not Affected | 2 |
| 1.6. Compromise and Support | 2 |
| 1.7. Complete Package | 2 |
| 1.8. Modifications by Commission | 2 |
| 1.9. Implementation | 2 |
| 2. TERM OF SETTLEMENT..... | 2 |
| 2.1. Settlement Period | 2 |
| 2.2. Next Rate Case Filing | 3 |
| 2.3. Effective Date | 3 |
| 3. TRANSMISSION SERVICES..... | 3 |
| 3.1. Backbone Services | 3 |
| 3.2. Backbone Level End-Use Service | 4 |
| 3.3. Local Transmission Service | 6 |
| 3.4. PG&E Authority to Negotiate Rate Discounts | 6 |
| 4. STORAGE SERVICES..... | 6 |
| 4.1. Open Season | 6 |
| 4.2. Sale of Noncycle Working Gas | 6 |
| 4.3. Updated Report on Added Storage for Pipeline Balancing | 7 |
| 5. COST OF SERVICE..... | 7 |
| 5.1. Comparison to Filed Case | 7 |
| 5.2. Allocation of Expenses | 7 |
| 5.3. Revenue Requirement | 7 |
| 6. COST ALLOCATION AND RATES..... | 8 |
| 6.1. Backbone Load Factor, Cost Allocation and Rates | 8 |
| 6.2. Storage Cost Allocation and Rates | 8 |
| 6.3. Local Transmission Throughput, Cost Allocation and Rates | 8 |
| 6.4. Customer Access Charge | 9 |
| 6.5. Self-Balancing Credit | 9 |
| 7. PG&E CORE PROCUREMENT AND CORE TRANSPORTATION AGENTS..... | 9 |
| 7.1. Additional Core Storage Services | 9 |
| 7.2. GTN, TCBC and NGTL Capacity (Northern Interstate Path) | 10 |
| 7.3. Core Procurement Brokerage Fee | 10 |
| 7.4. CTA Firm Winter Capacity Requirement | 10 |
| 8. RATE CERTAINTY AND ADJUSTMENTS DURING TERM OF SETTLEMENT..... | 11 |
| 8.1. Rate Certainty | 11 |
| 8.2. Cost of Capital Adjustment | 11 |
| 8.3. Line 57C Project | 11 |
| 8.4. Annual True-Up and BCAP Filings | 11 |
| 8.5. Operational Provisions | 11 |

Gas Accord III Settlement Agreement

August 27, 2004

1. Introduction

1.1. Purpose

The purpose of this Gas Accord III Settlement Agreement (“Settlement Agreement” or “Settlement”) is to resolve all the issues set for litigation in PG&E’s Gas Transmission and Storage 2005 Rate Case – Application 04-03-021. This Settlement is also in response to Ordering Paragraph 6j in Decision 03-12-061 that requires PG&E to file “an application no later than February 4, 2005 proposing the kind of gas market structure and rates that PG&E’s gas transmission and storage system should operate under [beginning in 2006] ... and how long the rates and such a structure should remain in place.”

1.2. Gas Accord

Under this Settlement Agreement, the basic Gas Accord structure approved in D.97-08-055 remains in place for Northern California. This includes unbundled transmission and storage services. Backbone transmission service is provided via defined paths under firm or as-available tariffs. Storage services are also offered on a firm and as-available basis. This Settlement Agreement makes certain small modifications to the existing Gas Accord provisions, as most recently modified in D.03-12-061, in addition to implementing a backbone level end-use service as ordered in D.03-12-061. As in the Gas Accord, the rates determined by this Settlement Agreement reflect a negotiated balance including, among other things, cost-of-service, backbone load factor, local transmission throughput, and annual cost of service escalators.

1.3. Settlement Parties

This Settlement Agreement is entered into by the Settlement Parties (“Settlement Parties” or “Parties”), as identified by their attached signatures. Parties agree to actively support approval of this Settlement Agreement in A.04-03-021. Parties also agree to not support any changes to this Settlement Agreement that would be effective during the term of this Settlement in any regulatory, legislative or judicial forum, other than as allowed under this Settlement Agreement.

1.4. Tariffs To Implement Settlement

Simultaneously with the filing of this Settlement Agreement, PG&E agrees to file for Commission approval pro forma tariff sheets that would implement the terms agreed to herein. Parties request that the Commission approve the pro forma tariff sheets at the same time it approves the Settlement Agreement, and that the tariffs and rates be effective on January 1, 2005.

Gas Accord III Settlement Agreement

August 27, 2004

1.5. Tariffs Not Affected

Unless otherwise explicitly changed by this Settlement Agreement, all other portions of PG&E's tariffs related to providing gas transmission and storage services remain in place through 2007 for transmission and through March 31, 2008 for storage, unless changed by other Commission action.

1.6. Compromise and Support

This Settlement Agreement is a negotiated compromise of issues and is broadly supported by parties who are gas producers, marketers, shippers, independent storage providers, wholesale and retail end-use customers, and regulatory representatives. Nothing contained herein shall be deemed to constitute an admission or an acceptance by any party of any fact, principle, or position contained herein. Notwithstanding the foregoing, the Settlement Parties, by signing this Settlement Agreement and by joining the motion to adopt the Settlement Agreement filed before the Commission, acknowledge that they pledge support for Commission approval and subsequent implementation of these provisions.

1.7. Complete Package

This Settlement Agreement is to be treated as a complete package not as a collection of separate agreements on discrete issues or proceedings. To accommodate the interests of different parties on diverse issues, the Settlement Parties acknowledge that changes, concessions, or compromises by a party or parties in one section of this Settlement Agreement necessitated changes, concessions, or compromises by other parties in other sections.

1.8. Modifications by Commission

In the event the Commission rejects or modifies this Settlement Agreement, the Settlement Parties reserve their rights under Rule 51.7 of the Commission's Rules of Practice and Procedure.

1.9. Implementation

Within 12 days of a Commission decision approving this Settlement Agreement and the associated tariffs without modification, PG&E shall make a compliance filing to implement the rates and provisions of the Settlement.

2. Term of Settlement

2.1. Settlement Period

The Settlement covers three rate-case years (Settlement Period). The Settlement Period is January 1, 2005 through December 31, 2007, for transmission services, and April 1, 2005 through March 31, 2008, for storage services.

Gas Accord III Settlement Agreement

August 27, 2004

2.2. Next Rate Case Filing

2.2.1. PG&E will file its next rate case no later than February 9, 2007.

2.2.2. Should rates not be in place for Gas Transmission and Storage (GT&S) services by January 1, 2008, pursuant to an order in this next rate case, the interim transmission and storage rates will equal the rates in effect on December 31, 2007, plus a two (2) percent escalator and other adjustments authorized by this Settlement. G-XF rates continue to be calculated based on Line 401 incremental costs. These interim rates will remain in effect until the Commission otherwise approves rates for the remainder of 2008.

2.3. Effective Date

The effective date of this Settlement Agreement shall be the later of January 1, 2005, or the effective date of the tariffs approved by the Commission to implement the Settlement.

3. Transmission Services

3.1. Backbone Services

The path structure and backbone services remain the same. Except for the new backbone level end-use service, all gas transported using PG&E's backbone service must eventually be delivered to an on-system end user or wholesale customer using local transmission service, or to an off-system customer or delivery point.

3.1.1. Core Capacity Assignment and Vintage Capacity Allocation

PG&E's Core Procurement Department firm capacity assignments are as shown in Appendix A, Table A-1. Core Vintage Redwood firm capacity of 615.6 MDth/d (delivery capacity) is allocated to core retail and wholesale customers based on average-year January demands as shown in Appendix A, Table A-2.

Existing wholesale customers will have a one-time option prior to April 1, 2005, to subscribe to their allocation of Core Vintage Redwood firm capacity for the Settlement Period. This is the same one-time option previously available to wholesale customers under the Gas Accord.

During the Settlement Period, Core Procurement will meet and confer with ORA and TURN to discuss Core's firm storage and transportation needs.

3.1.2. Open Season

PG&E will not hold an open season for existing firm backbone capacity at the beginning of the Settlement Period. Sufficient firm backbone capacity remains available for any customer desiring this service at this time.

3.1.3. Commensurate Discount Rule

The commensurate discount rule will be removed from PG&E's tariffs once PG&E is no longer affiliated with Gas Transmission Northwest (GTN), the former Pacific Gas Transmission Company (PGT).

Gas Accord III Settlement Agreement

August 27, 2004

3.1.4. Mission-Off As-Available Rate for Storage Withdrawals

PG&E will revise its Mission-Off as-available tariff (G-AAOff) to allow any storage withdrawals delivered into PG&E's backbone system to be nominated for off-system delivery at no additional charge. Priority of as-available service for off-system deliveries will continue to be based on price. The rate design for firm Mission-Off service does not change.

3.1.5. Backbone Firm Contract Conversion Option to Accommodate Storage Withdrawals

Shippers may convert all or part of a firm on-system Redwood path contract exhibit or firm on-system Baja path contract exhibit for the purpose of transporting gas withdrawn from storage to a firm on-system Mission path contract exhibit at any time prior to 60 minutes before close of the Timely Cycle. For those shippers that convert to a firm on-system Mission path contract exhibit, PG&E will reduce the MDQ by an equal amount on their corresponding firm on-system Redwood or firm on-system Baja path contract exhibit for the same time period. Shippers will not be charged additional shrinkage or a volumetric rate for Mission path service, but will be responsible for the full monthly demand charge on their firm on-system Redwood path or firm on-system Baja path contract exhibit regardless of the amount of time the contract exhibit is converted to a firm on-system Mission path contract exhibit. On-system Baja path conversions will be limited to the amount of unsold firm Redwood capacity available at the time of the requested conversion. Firm Baja path conversions may be requested on a monthly basis, no more than 5 days prior to the end of the month, for a maximum term of one month. There is no limit to the maximum term for a firm Redwood path conversion.

3.2. Backbone Level End-Use Service

Backbone Level End-Use Service begins on the later of January 1, 2005, or the effective date of the tariff revisions required to implement this service. The eligibility criteria for this service are resolved for the term of this Settlement. Customers qualifying for this service do not pay the local transmission rate component as specified in the otherwise applicable end-use tariff. However, they continue to be responsible for all other rate components in their end-user tariffs to the extent they are not components of local transmission service, including, as applicable, the Customer Access Charge, Public Purpose Program Surcharge, Distribution Charge for G-EG Customers,¹ CPUC fee, franchise fees and

¹ These are the distribution costs allocated to distribution level electric generation customers taking service from G-EG. They will continue to be averaged in the rates of all end-use electric generation customers pursuant to Decision 03-12-061. The distribution rate is a separate rate component from the customer class charge. Parties are free to make proposals to de-average the distribution costs allocated to G-EG customers, in future proceedings such as BCAPs or GT&S Rate Case filings.

Gas Accord III Settlement Agreement

August 27, 2004

uncollectibles expense, G-SUR, Customer Class Charge, or other CPUC-mandated fees that may be implemented after this Settlement is finalized.

3.2.1. Backbone Level End-Use Service Eligibility Requirements

Backbone level end-use service eligibility is based on the criteria filed in PG&E's testimony in A.04-03-021.

3.2.1.1. The load must be new or incremental to PG&E's system (i.e., a new or repowered electric generation unit, a new process or production line, or other new gas-consuming equipment which is substantially stand-alone in nature) on or after March 1, 1998, and:

- a. Is by itself of sufficient size to qualify for noncore service; and
- b. Has separate PG&E metering, or other separate metering acceptable to PG&E.

3.2.1.2. The load must never have been physically connected to PG&E's local transmission or distribution system.

3.2.1.3. The lateral pipeline that delivers gas to the Customer's premise must be directly connected to PG&E's Backbone Transmission System, and must be either:

- a. 100 percent owned by, or fully under the operational control of, the end-use Customer or its affiliate, provided that:
 - i. The affiliate is wholly-owned and/or controlled by the Customer or a common parent of the Customer and the affiliate, and
 - ii. The lateral is used exclusively by the Customer and/or its wholly-owned or commonly-controlled affiliates; or
- b. Owned by PG&E, but paid for in advance by the end-use Customer pursuant to:
 - i. An approved pro-forma agreement, such as Agreement to Perform Tariff Schedule Related Work (Form # 62-4527), Agreement for Installation or Allocation of Special Facilities (Form # 79-255), or Distribution and Service Extension Agreement, Cost Summary (Form # 79-1004), or
 - ii. A negotiated agreement under the exceptional case provisions under PG&E's gas Rules 15 or 16, which is subsequently approved by the CPUC.

3.2.2. Balancing Account for Changes to Customers Qualifying for Backbone Level End-Use Service

PG&E will track the change in local transmission demand arising from any changes to the customers that are identified as being eligible for backbone level end-use service as of the date of a Commission order approving this Settlement. PG&E will record the revenue debit or credit entry based on the customer's actual annual demand multiplied by the

Gas Accord III Settlement Agreement

August 27, 2004

applicable local transmission rate in effect, for each customer identified as a change. The tracked amount will be allocated to the Core Fixed Cost Account and the Noncore Customer Class Charge Account in the same proportion as local transmission costs are allocated between core and noncore customers, respectively, and will be reflected in rates in the Annual True-Up of Balancing Account filings (Annual True-Up). This treatment does not apply to new customers.

3.3. Local Transmission Service

Local transmission service remains the same. Except for customers qualifying for backbone level end-use service, this service continues to be non-bypassable for all on-system end-use and wholesale customers taking local transmission service from PG&E.

3.3.1. Bill Credit for Service to Moss Landing Units 1 and 2

A credit of \$166,667 per month will be applied to the bill for local transmission service to Moss Landing Power Plant Units 1 and 2, effective with the implementation of the local transmission rates adopted for the Settlement Period. This \$2 million per year will be collected through PG&E's backbone rates as a volumetric surcharge.

3.4. PG&E Authority to Negotiate Rate Discounts

Nothing in this Settlement alters PG&E's existing authority to negotiate rate discounts for backbone transmission service or for bundled end-use services. PG&E is willing to negotiate discounts to these services with customers that have competitive alternatives or under other circumstances that PG&E determines justify such discounts.

Also, nothing in this Settlement Agreement shall modify existing negotiated agreements between PG&E and any end-use customer or other shipper.

4. Storage Services

Storage services remain the same. Assignments of firm storage to PG&E's Core Procurement Department, pipeline balancing, and noncore storage service as approved in D.03-12-061 do not change during the Settlement Period, unless required by Commission order in R.04-01-025 or other regulatory proceeding. This includes the additional firm storage assigned to pipeline balancing in D.03-12-061.

4.1. Open Season

PG&E will not hold an open season for existing firm storage capacity at the beginning of the Settlement Period. Sufficient firm storage capacity remains available for any customer desiring this service.

4.2. Sale of Noncycle Working Gas

PG&E retains the right during the Settlement Period to file a Section 851 application to sell noncycle working gas in order to expand its annual ability to cycle storage on behalf of its storage customers.

Gas Accord III Settlement Agreement

August 27, 2004

4.3. Updated Report on Added Storage for Pipeline Balancing

When PG&E files its next rate case as provided in Section 2.2.1, PG&E will provide a full update to the "Report on Additional Storage Capacity for Pipeline Balancing Service" it filed on June 30, 2004, in A.04-03-021.

5. Cost of Service**5.1. Comparison to Filed Case**

Appendix A, Table A-3 shows the adjustments from PG&E's filed cost of service, as updated in its June 11, 2004 Supplemental Filing. Appendix A, Table A-4 shows the cost of capital underlying this cost of service. As provided in Section 8.2, the cost of service and rates will be adjusted to reflect a Commission decision in PG&E's recently filed cost of capital case, A.04-05-023.

5.2. Allocation of Expenses

Under the Gas Accord, operating expenses were allocated to Unbundled Cost Categories (UCCs) primarily based on plant. Since then, more detailed data is available on operation and maintenance (O&M) expense incurrence by UCC. Consistent with other rate case approaches, this direct assignment method is to be used for allocating O&M expenses beginning January 1, 2006. For 2005, the allocation is based on half the O&M costs allocated using the direct assignment method and half using the plant method. Administrative and General (A&G) allocation to UCCs follows the O&M labor.

5.3. Revenue Requirement

The Gas Transmission and Storage revenue requirement over the Settlement Period is shown in the table below, as adjusted per the Cost of Capital Decision in A. 04-05-023, addressed in Section 8.2. The total revenue requirement escalates at two (2) percent for 2006 and 2007, except for the revenue requirement attributable to the G-XF contracts.

(\$ in millions by UCC)

| | 2005 | 2006 | 2007 |
|--|---------|---------|---------|
| Backbone, without balancing | \$209.7 | \$226.1 | \$230.6 |
| G-XF Contracts | 8.2 | 7.9 | 7.6 |
| Local Transmission | 145.7 | 135.5 | 138.2 |
| Storage, including load balancing and non-base carrying costs | 58.8 | 60.9 | 62.1 |
| Net Revenue Requirement | \$422.4 | \$430.4 | \$438.5 |
| Customer Access Charge | 5.0 | 5.1 | 5.2 |
| Total Revenue Requirement as Adjusted per Cost of Capital Decision in A. 04-05-023 | \$427.4 | \$435.5 | \$443.7 |

Gas Accord III Settlement Agreement

August 27, 2004

6. Cost Allocation and Rates

Illustrative 2005 class average rates are shown in Appendix B, Tables 1 and 2. For noncore retail and wholesale customers, the rates reflect the impacts of the 2005 local transmission and customer access charges agreed to in this Settlement. For bundled core customers, the rates reflect the impacts of the 2005 local transmission, storage and intrastate backbone charges agreed to in this Settlement. For core transport customers, the rates reflect the impacts of the 2005 local transmission rates agreed to in this Settlement.

All rate changes will be effective January 1 of each year, including storage rates.

6.1. Backbone Load Factor, Cost Allocation and Rates

6.1.1. The backbone load factors used to determine firm backbone rates are:

2005 74.0 percent

2006 75.0 percent

2007 76.5 percent

These are negotiated numbers, and Settlement Parties do not take any position with respect to the underlying demand and throughput adjustments.

6.1.2. Core Vintage rate design for reserved Line 400 firm capacity is retained for the Settlement Period.

6.1.3. The backbone cost of service by UCC is allocated to paths based on firm capacities shown in Appendix A, Table A-5. This cost allocation methodology remains constant over the Settlement Period. The backbone cost allocation by path is shown in Appendix A, Table A-6.

6.1.4. Backbone rate design remains the same, except as set forth in Section 3.1.4, above. All path rates are based on the allocated costs and the backbone load factors specified in Section 6.1.1 above. G-XF rates continue to be calculated using incremental Line 401 costs.

6.1.5. Appendix B, Tables 3 through 9, show the backbone rates by service and rate design.

6.2. Storage Cost Allocation and Rates

Storage cost allocation and rate design methods remain the same. Appendix A, Tables A-7 and A-8 show the firm capacities used to allocate costs and the resulting cost allocation to Injection, Inventory and Withdrawal. Storage rates are shown in Appendix B, Table 10.

6.3. Local Transmission Throughput, Cost Allocation and Rates

6.3.1. The local transmission throughput is shown in Appendix A, Table A-9. The 2005 throughput increases at two (2) percent for 2006 and 2007 for purposes of calculating local transmission rates.

Gas Accord III Settlement Agreement

August 27, 2004

6.3.2. Local Transmission cost of service continues to be allocated to core and noncore customer classes based on Cold-Year January (CYJ) demand. This cost allocation is shown in Appendix A, Table A-10.

Local transmission rates continue to be designed on a postage stamp basis.

6.3.3. The core local transmission revenue requirement will receive full balancing account protection through monthly entries to the Core Fixed Cost Account (CFCA). This will reduce the year-to-year variability of this cost component.

6.3.4. Local Transmission rates are shown in Appendix B, Table 11.

6.4. Customer Access Charge

There are no changes to the current 2004 Customer Access Charges (CACs) rate structure. CACs applicable to industrial and electric generation customers are based on a six-tier fixed monthly charge rate design. The two-part fixed and volumetric Tier 6 CAC in PG&E's filed case has been eliminated. The CACs applicable to wholesale customers continue to be based on customer-specific CAC cost of service. These charges are shown in Appendix B, Table 12.

6.5. Self-Balancing Credit

If a customer elects to self-balance pursuant to Rate Schedule G-BAL, they receive a credit as shown in Appendix B, Table 13.

7. PG&E Core Procurement and Core Transportation Agents

7.1. Additional Core Storage Services

The Draft Decision of ALJ Fukutome and ALJ Wong, dated July 20, 2004, in Rulemaking 04-01-025 orders PG&E to file an application within six (6) months "to address how much, and by what process, incremental gas storage needs for the core should be put out to bid as well as other implementation issues that PG&E feels need to be address before the provisioning of core storage is opened to independent storage providers." PG&E's current Core Firm Storage assignment is outlined in Table A-7 of this settlement.

The Parties agree not to advocate modifications of the portion of the Draft Decision that would order incremental core storage service to be opened to independent storage providers. If this issue is not addressed in the Phase I decision expected to issue in R.04-01-025, PG&E agrees that within two months of Commission approval of this settlement, but not before February 2005, PG&E will file such an application addressing the same topics as specified in the Draft Decision. Regardless of whether this filing is made pursuant to this settlement or a Commission order in R.04-01-025, prior to filing the application, PG&E agrees to meet with ORA, TURN, third-party storage providers and other parties to discuss, and attempt to reach a consensus on the contents of such a filing regarding the manner in which a competitive bidding process for the incremental storage capacity needs of the core will be implemented.

Gas Accord III Settlement Agreement

August 27, 2004

7.2. GTN, TCBC and NGTL Capacity (Northern Interstate Path)

CTAs will have an annual option to accept a proportional share of firm capacity contracted for and held by PG&E for its core customers on Gas Transmission Northwest (GTN), TransCanada PipeLines B.C. System (TCBC, formerly ANG) and NOVA Gas Transmission Ltd. (NGTL, formerly NOVA) – the Northern Interstate Path. The amount of Northern Interstate Path capacity made available to the CTA will be the Group's January capacity factor times the firm interstate capacity reserved for PG&E's core customers. A CTA may elect to take all or part of their allocation provided the same percentage share is taken on all three pipelines. PG&E will provide this option annually on or before the 1st of September, and CTAs must respond with their election on or before September 30. Capacity will then be awarded for the one-year contract period starting November 1 each year.

Until CTA market share exceeds 5% of the core load, no adjustments will be made for an increase or decrease in aggregator load until the next annual assignment period. Once CTA market share exceeds 5% of core load, PG&E will propose an adjustment mechanism in the next available proceeding. CTAs may broker this assignment of capacity up to the end of the assignment period. New CTAs will wait until the next annual assignment period to receive a Northern Interstate Path assignment. All Northern Pipeline Path capacities that are not accepted for assignment by CTAs are assigned to PG&E's Core Procurement Group. Also, if a CTA terminates service and has not brokered its Northern Interstate Path assignment, the capacity will revert back to PG&E's Core Procurement Group.

This provision will be effective on November 1, 2005, and will extend through October 31, 2008. The current GTN and Firm Canadian Capacity provisions in schedule G-CT will be replaced. When and if the annual CTA load reaches 10% of the annual aggregate core load, all CTA pipeline allocations will be capped at 10% until the Commission reviews and approves a new process for future CTA pipeline allocations.

This section only applies to the Northern Interstate Path and not any other Core Procurement firm pipeline holdings.

7.3. Core Procurement Brokerage Fee

The Core Brokerage Fee is increased to \$0.030 per Dth to reflect inflation since 1997. This change occurs as of the effective date of tariffs implementing this Settlement.

7.4. CTA Firm Winter Capacity Requirement

PG&E will modify the Firm Intrastate Pipeline Capacity Alternate Resource exemption provision in Schedule G-CT to exclude "High Inventory OFOs" when evaluating the exemption compliance provisions. Only Low Inventory OFOs would be counted when evaluating exemption compliance. Schedule G-CT would then read *"If a CTA has fulfilled this Firm Winter Capacity Requirement and has incurred no instances of non-compliance with an Emergency Flow Order*

Gas Accord III Settlement Agreement

August 27, 2004

*(EFO) and no more than one (1) such instance with a **Low Inventory** Operational 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."*

8. Rate Certainty and Adjustments During Term of Settlement

8.1. Rate Certainty

The rates specified in this Settlement Agreement are not subject to adjustment during the Settlement Period except as provided herein, or as agreed to by the Settlement Parties and approved by the Commission.

Nothing in this Settlement Agreement shall prevent PG&E from making adjustments to services, capacity assignments, cost allocations, rates or the like in order to comply with Commission orders in other proceedings. No Settlement Party shall make any proposal that would conflict with or alter any term of this Settlement Agreement, and the Settlement Parties shall not support proposals of others that would do the same.

8.2. Cost of Capital Adjustment

The cost of capital used to set rates for the Settlement Period will be the cost of capital for 2005 adopted by the Commission in A.04-05-023. Should this decision be delayed beyond January 1, 2005, the filed Settlement rates will apply for 2005, and the adjustment to 2005 revenues resulting from the cost of capital decision will be reflected in core and noncore customer rates in the next Annual True-Up filing consistent with the method approved in Advice 2521-G for recovery of Administrative and General expenses adopted in 2003 GRC D.04-05-055. For 2006 and 2007, rates will be adjusted prospectively for the effects of the 2005 cost of capital decision.

8.3. Line 57C Project

Rates may be adjusted during the Settlement Period to include the costs for the Line 57C Project, if approved by the Commission in a separate application, and if the project is placed in service during the Settlement Period.

8.4. Annual True-Up and BCAP Filings

Certain rates, such as the Distribution and Customer Class charge, will continue to change with PG&E's BCAP or Annual True-Up filings, and as a result of other Commission decisions. This Settlement Agreement does not change these existing procedures and filings.

8.5. Operational Provisions

During the term of the Settlement Agreement, operational issues may arise that need to be addressed. This Settlement Agreement does not preclude the ability of PG&E or any other party to bring operational issues and solutions to the Commission for its review and approval, or of any Settlement Party to respond as it deems appropriate should any operational issues and solutions be submitted to the Commission.

***Gas Accord III
Settlement Agreement***

August 27, 2004

APPENDIX A

**Tables Supporting the Settlement
(As Adjusted Per Cost of Capital Decision 04-12-047)**

Gas Accord III Settlement Agreement**Appendix A**

Table A-1
Backbone Capacity Assignments to Core Customers, MDth/d

| Line No. | | Summer | Fall/Spring | Winter |
|----------|-----------|--------------|--------------|--------------|
| 1 | Redwood | 608.766 | 608.766 | 608.766 |
| 2 | Baja | 155.000 | 310.000 | 669.000 |
| 3 | Silverado | <u>5.000</u> | <u>5.000</u> | <u>5.000</u> |
| 4 | Total | 768.766 | 923.766 | 1,282.766 |

Table A-2
Vintage Redwood Capacity Assignments to Core Retail and Core Wholesale Customers, MDth/d

| Line No. | Customer | Vintage Redwood Assignment |
|----------|--------------------|----------------------------|
| 1 | Retail Core | 608.766 |
| 2 | Wholesale Core | |
| 3 | Alpine | 0.098 |
| 4 | Coalinga | 0.552 |
| 5 | Island Energy | 0.064 |
| 6 | Palo Alto | 5.898 |
| 7 | WCG – Castle | 0.051 |
| 8 | WCG – Mather | <u>0.171</u> |
| 9 | Subtotal Wholesale | <u>6.834</u> |
| 10 | Total | 615.600 |

Gas Accord III Settlement Agreement
Appendix A (continued)

Table A-3
2005 Cost of Service Adjustments From Filed Case, \$ Thousands
(As Adjusted Per Cost of Capital Decision in A. 04-05-023)

| Line No. | | |
|----------|--|----------------|
| 1 | Filed 2005 COS | \$433,887 |
| 2 | A&G from GRC | (4,900) |
| 3 | Cost of Capital Adjustment | <u>(1,145)</u> |
| 4 | Subtotal | \$427,842 |
| 5 | Adjustments: | |
| 6 | SMUD O&M Credit | (1,079) |
| 7 | SEGDA Credit | (823) |
| 8 | O&M / Capital Adjustment | (2,085) |
| 9 | Pipeline Balancing Adjustment | <u>1,000</u> |
| 10 | Adjusted 2005 COS | \$424,855 |
| 11 | Storage Carrying Costs (non-base revenue) | <u>2,519</u> |
| 12 | Revenue Requirement | \$427,374 |

Table A-4
Cost of Capital Underlying Filed Cost of Service
(As Adjusted Per Cost of Capital Decision in A. 04-05-023)

| | <u>Share</u> | <u>Cost</u> | <u>Weighted</u> |
|------------------|---------------|---------------|-----------------|
| Debt | 45.50% | 6.10% | 2.78% |
| Preferred Equity | 2.50% | 6.42% | 0.16% |
| Common Equity | <u>52.00%</u> | <u>11.22%</u> | <u>5.83%</u> |
| Total | 100.00% | | 8.77% |

Gas Accord III Settlement Agreement**Appendix A (continued)**

Table A-5
2005 Firm Capacity for Cost Allocation to UCC, MDth/d

| Line No. | Rate Path | Line 400/ Line 2 | Line 401 | Redwood Expansion | Line 300 | Gathering* | Other Backbone |
|----------|--------------------|---------------------|----------|----------------------|----------|------------|-------------------|
| 1 | On-System Backbone | | | | | | |
| 2 | Redwood Vintage | 615.6 | | | | | 615.6 |
| 3 | Redwood | 377.2 | 681.9 | 218.4 | – | – | 1,277.5 |
| 4 | Baja | – | – | | 1,102.4 | – | 1,102.4 |
| 5 | Silverado | – | – | | – | 155.4 | 155.4 |
| 6 | Mission | – | – | | – | – | – |
| 7 | Subtotal | 992.8 | 681.9 | 218.4 | 1,102.4 | 155.4 | 3,150.9 |
| 8 | G-XF Contracts | | 91.8 | | – | – | – |
| 9 | Total | 992.8 | 773.7 | 218.4 | 1,102.4 | 155.4 | 3,150.9 |

* Calculated as 115 MDth per day divided by the backbone load factor.

Table A-6
Costs by Backbone Path* for 2005, 2006 and 2007, \$ Million

(As Adjusted Per Cost of Capital Decision in A. 04-05-023)

| Line No. | Backbone Path* | 2005 | 2006 | 2007 |
|----------|---------------------------|---------|---------|---------|
| 1 | Redwood Path – Core | \$ 26.3 | \$ 29.0 | \$ 29.6 |
| 2 | Redwood Path | 105.3 | 108.9 | 111.1 |
| 3 | Line 401 Incremental G-XF | 8.2 | 7.9 | 7.6 |
| 4 | Subtotal Redwood | \$139.8 | \$145.8 | \$148.3 |
| 5 | Baja | 81.9 | 92.0 | 93.9 |
| 6 | Silverado | 6.2 | 6.5 | 6.5 |
| 7 | Total | \$227.9 | \$244.3 | \$248.7 |

* Includes Storage Load Balancing from Table A-8.

Gas Accord III Settlement Agreement**Appendix A (continued)**

Table A-7
Firm Capacity for Storage Cost Allocation to Services

| Line No. | Storage Service | Annual Average Injection MDth/d | Inventory MMDth | Annual Average Withdrawal MDth/d |
|----------|---------------------------|---------------------------------|-----------------|----------------------------------|
| 1 | Firm Storage Services | | | |
| 2 | Core Firm Storage | 112.533 | 33.478 | 489.318 |
| 3 | Standard Firm Storage | 16.524 | 4.783 | 93.932 |
| 4 | Monthly Balancing Service | 76.125 | 4.100 | 76.125 |
| 5 | Total | 205.181 | 42.360 | 659.375 |

Table A-8
Storage Cost Allocation to Services for 2005, 2006 and 2007, \$ Million

(As Adjusted Per Cost of Capital Decision in A. 04-05-023)

| Line No. | Storage Service | 2005 | 2006 | 2007 |
|----------|----------------------------|--------|--------|--------|
| 1 | Firm Storage Services | | | |
| 2 | Core Firm Storage | \$41.5 | \$43.0 | \$43.8 |
| 3 | Standard Firm Storage | 7.3 | 7.6 | 7.8 |
| 4 | Monthly Balancing Service* | 10.0 | 10.3 | 10.5 |
| 5 | Total | \$58.8 | \$60.9 | \$62.1 |

* Included in Backbone Transmission Costs in Table A-6.

Gas Accord III Settlement Agreement
Appendix A (continued)

Table A-9
Local Transmission Throughput For 2005, 2006 and 2007, MDth/d

| Line No. | | |
|-------------|--------------------------------------|---------------|
| 1 | Core | 820.9 |
| 2 | Noncore Non-EG | 415.3 |
| 3 | Electric Generation and Cogeneration | 628.8 |
| 4 | Wholesale | <u>10.5</u> |
| 5 | Total End-Use | 1,875.5 |
| 6 | Backbone End-Use | (185.7) |
| 7 | G-10 and EAD Discount Adjustments | <u>(58.5)</u> |
| 8 | 2005 LT Throughput | 1,631.3 |
| 9 | 2006 LT Throughput (2% growth) | 1,664.0 |
| 10 | 2007 LT Throughput (2% growth) | 1,697.2 |

Table A-10
Local Transmission Cost Allocation To Customer Classes
for 2005, 2006 and 2007

(As Adjusted Per Cost of Capital Decision in A. 04-05-023)

| Line No. | Local Transmission | 2005 | 2006 | 2007 |
|-------------|-------------------------------|----------------|----------------|----------------|
| 1 | Core CYJ Demand, Mth | 570,184 | 570,184 | 570,184 |
| 2 | Percentage | 70.03% | 70.03% | 70.03% |
| 3 | Noncore CYJ Demand on LT, Mth | 243,982 | 243,982 | 243,982 |
| 4 | Percentage | <u>29.97%</u> | <u>29.97%</u> | <u>29.97%</u> |
| 5 | Total CYJ on LT, Mth | <u>814,166</u> | <u>814,166</u> | <u>814,166</u> |
| 6 | Core, \$ Million | \$102.0 | \$ 94.9 | \$ 96.8 |
| 7 | Noncore, \$ Million | <u>43.7</u> | <u>40.6</u> | <u>41.4</u> |
| 8 | Total, \$ Million | \$145.7 | \$135.5 | \$138.2 |

***Gas Accord III
Settlement Agreement***

August 27, 2004

APPENDIX B

**Detailed Rate Tables
(As Adjusted Per Cost of Capital Decision 04-12-047)**

Gas Accord III Settlement Agreement**Appendix B**

Table 1
Illustrative End-Use Class Average Rates (\$/dth) (a)
(As Adjusted per Cost of Capital Decision 04-12-047)

| | Present Rates (As Filed on 3/19/2004) | Settlement Rates 2005 | % Change |
|---|--|--------------------------------------|---------------------|
| Core Retail Bundled Service (b) | | | |
| Residential | 9.099 | 9.139 | 0.4% |
| Small Commercial | 8.524 | 8.562 | 0.4% |
| Large Commercial | 7.273 | 7.299 | 0.4% |
| Core Average | 8.957 | 8.996 | 0.4% |
| Core Retail Transport-Only (c) | | | |
| Residential | 3.617 | 3.585 | -0.9% |
| Small Commercial | 3.070 | 3.038 | -1.0% |
| Large Commercial | 2.042 | 2.010 | -1.5% |
| Core Transport Average | 3.434 | 3.395 | -1.1% |
| Wholesale Transportation-Only (c) | | | |
| Alpine Natural Gas | 0.326 | 0.259 | -20.6% |
| Coalinga | 0.330 | 0.251 | -23.9% |
| Island Energy | 0.596 | 0.450 | -24.6% |
| Palo Alto | 0.219 | 0.187 | -15.0% |
| West Coast Gas - Castle | 0.615 | 0.461 | -25.0% |
| West Coast Gas - Mather | 0.407 | 0.260 | -36.2% |
| Wholesale Transportation Average | 0.239 | 0.201 | -16.2% |
| Noncore Retail Transportation-Only (c) | | | |
| Industrial - Distribution | 1.121 | 1.111 | -0.9% |
| Industrial - Transmission | 0.476 | 0.416 | -12.7% |
| Industrial - Backbone | 0.476 | 0.237 | -50.2% |
| Electric Generation - Distribution/Transmission | 0.205 | 0.192 | -6.1% |
| Electric Generation - Backbone | 0.205 | 0.045 | -78.1% |
| Noncore Transportation Average | 0.367 | 0.303 | -17.3% |

Notes:

- Present 2004 rates are based on PG&E's 1999 General Rate Case (GRC) Decision 00-02-046, the Gas Accord II - 2004 Decision 03-12-061, the 2000 BCAP Decision 01-11-001 and 2004 True-Up Filings (Advice 2498-G, 2508-G, and 2514B-G) for the period beginning April 1, 2004. To isolate the rate change effects of the Gas Accord III rates addressed in this settlement, present rates and other proposed rate components not addressed in this case have been held consistent with the rates filed in the March 19, 2004 Application. The illustrative 2005 rates shown in this table are subject to change when consolidated with the effects of other rate filings including PG&E's Annual True-up of Balancing Accounts, 2003 GRC, Attrition, Core Monthly Pricing and 2005 Gas Public Purpose Program Surcharge.
- PG&E's bundled gas service is for core customers only. Intrastate backbone transmission and storage costs addressed in this proceeding, are included in end use rates paid by bundled core customers. Bundled service also includes a procurement cost for gas purchases, transportation on Canadian and Interstate pipelines, and core brokerage. An illustrative weighted average cost of gas (WACOG) of \$4.44 is assumed in all present and proposed bundled core rates. Core bundled rates also includes the cost of transportation and delivery of gas from the citygate to the customer's burnertip, including local transmission, distribution, customer access, public purpose, and customer class charges.
- PG&E's transportation-only gas service is for core and noncore customers. Transportation-only service begins at PG&E's citygate and includes the applicable costs of gas transportation and delivery on PG&E's local transmission, including distribution, customer access, public purpose programs and customer class charges. Transportation-only rates exclude backbone transmission and storage costs.
- Actual transportation rates will vary depending on the customer's load factor and seasonal usage. The rates shown here are averages for each class.
- Dollar difference are due to rounding.

Gas Accord III Settlement Agreement**Appendix B**

Table 2
2005 Rate Detail By End-Use Customer Class, Including Illustrative Components
(As Adjusted per Cost of Capital Decision 04-12-047)
(\$/dth)

| | Core (a) | | | Noncore Transportation | | | | |
|--------------------------------------|-----------------|--------------|--------------|-------------------------------|--------------|--------------|---------------------|--------------|
| | Res | Small | Large | Industrial | | | Electric Gen | |
| | | Comm | Comm | Dist | Trans | BB | D/T | BB |
| Transportation Charges: | | | | | | | | |
| Local Transmission | 0.341 | 0.341 | 0.341 | 0.147 | 0.147 | 0.000 | 0.147 | 0.000 |
| Customer/ Customer Access Charge (b) | 0.000 | 0.358 | 0.070 | 0.082 | 0.021 | 0.021 | 0.009 | 0.009 |
| Gas Public Purpose Program Surcharge | 0.302 | 0.266 | 0.669 | 0.192 | 0.180 | 0.180 | 0.000 | 0.000 |
| CPUC FEE | 0.008 | 0.008 | 0.008 | 0.008 | 0.008 | 0.008 | 0.007 | 0.007 |
| Customer Class Charge | 0.077 | 0.079 | 0.083 | (0.004) | 0.028 | 0.028 | 0.022 | 0.022 |
| Distribution (c) | 2.858 | 1.986 | 0.840 | 0.686 | 0.031 | 0.000 | 0.006 | 0.006 |
| Total Transportation Rate | 3.585 | 3.038 | 2.010 | 1.111 | 0.416 | 0.237 | 0.192 | 0.045 |

Procurement Charges for Core Bundled Customers:

| | | | |
|---------------------------------|--------------|--------------|--------------|
| Storage | 0.138 | 0.131 | 0.096 |
| Backbone Capacity | 0.161 | 0.155 | 0.103 |
| Backbone Usage | 0.063 | 0.063 | 0.063 |
| WACOG (d) | 4.436 | 4.436 | 4.436 |
| Interstate Capacity and Other | 0.755 | 0.738 | 0.591 |
| Total Core Procurement | 5.554 | 5.524 | 5.289 |
| Total Core Bundled Rates | 9.139 | 8.562 | 7.299 |

Wholesale Transportation

| | Alpine | Coalinga | Island Energy | Palo Alto | WCG Castle | WCG Mather |
|--------------------------------------|---------------|-----------------|----------------------|------------------|-------------------|-------------------|
| Transportation Charges: | | | | | | |
| Local Transmission | 0.147 | 0.147 | 0.147 | 0.147 | 0.147 | 0.147 |
| Customer/ Customer Access Charge (b) | 0.089 | 0.081 | 0.280 | 0.017 | 0.291 | 0.090 |
| Gas Public Purpose Program Surcharge | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Customer Class Charge | 0.022 | 0.022 | 0.022 | 0.022 | 0.022 | 0.022 |
| Total Transportation Rate | 0.259 | 0.251 | 0.450 | 0.187 | 0.461 | 0.260 |

Notes:

a) Table 2 presents the 2005 Gas Accord III rate components for local transmission, noncore customer access charges, bundled core storage and bundled core backbone transmission services. To isolate the rate change effects of the Gas Accord rates addressed in this settlement, other rate components not addressed in this proceeding including distribution, gas public purpose program, CPUC fee, customer class charge, and core customer charges have been held consistent with the rates filed in the March 19, 2004 Application. These other rate components are subject to change in 2005 when adjusted for the effects of other rate filings including PG&E's Annual True-up of Balancing Accounts, 2003 GRC, Attrition, Core Monthly Pricing and 2005 Gas Public Purpose Program Surcharge. Class average rates reflect load shape for bundled core.

b) Customer access and customer charges represent the class average volumetric equivalent of the monthly charge.

c) Distribution rates represent the annual class average.

d) Reflects the \$4.44/dth WACOG, adjusted for intrastate backbone usage charges.

e) Dollar difference are due to rounding.

Gas Accord III Settlement Agreement**Appendix B**

Table 3
Firm Backbone Transportation
Annual Rates (AFT) -- SFV Rate Design
On-System Transportation Service

| | | GA II | | July 14, 2004 | (As Adjusted per Cost of Capital Decision 04-12-047) | | |
|---|--------------------------|--------------|--|----------------------|---|-------------|-------------|
| | | 2004 | | Testimony | 2005 | 2006 | 2007 |
| <u>Redwood - Core</u> | | | | | | | |
| Reservation Charge | (\$/dth/mo) | 3.846 | | 5.189 | 4.464 | 4.895 | 4.897 |
| Usage Charge | (\$/dth) | 0.002 | | 0.012 | 0.014 | 0.014 | 0.014 |
| Total | (\$/dth @ Full Contract) | 0.129 | | 0.182 | 0.161 | 0.175 | 0.175 |
| <u>Redwood Path</u> | | | | | | | |
| Reservation Charge | (\$/dth/mo) | 9.060 | | 9.725 | 9.139 | 9.318 | 9.323 |
| Usage Charge | (\$/dth) | 0.002 | | 0.005 | 0.008 | 0.008 | 0.008 |
| Total | (\$/dth @ Full Contract) | 0.300 | | 0.325 | 0.308 | 0.314 | 0.314 |
| <u>Baja Path</u> | | | | | | | |
| Reservation Charge | (\$/dth/mo) | 5.722 | | 9.459 | 7.993 | 8.900 | 8.905 |
| Usage Charge | (\$/dth) | 0.004 | | 0.013 | 0.015 | 0.015 | 0.015 |
| Total | (\$/dth @ Full Contract) | 0.192 | | 0.324 | 0.278 | 0.308 | 0.308 |
| <u>Silverado and Mission Paths</u> | | | | | | | |
| Reservation Charge | (\$/dth/mo) | 3.452 | | 5.053 | 4.400 | 4.617 | 4.620 |
| Usage Charge | (\$/dth) | 0.001 | | 0.004 | 0.007 | 0.007 | 0.007 |
| Total | (\$/dth @ Full Contract) | 0.115 | | 0.170 | 0.151 | 0.158 | 0.158 |

Notes:

- Rates are only the backbone transmission charge component of the transmission service. They exclude local transmission charges, customer class charges, customer access charges, distribution charges, storage charges, and shrinkage charges.
- Backbone transmission charges are based on a 74, 75, 76.5 percent load factor for 2005, 2006, and 2007 respectively.
- The "Total" rows represent the average backbone transmission charge incurred by a firm shipper that uses its full contract quantity at a 100 percent load factor.
- Customers delivering gas to storage pay the applicable backbone transmission on-system rate from Redwood, Baja and Silverado.
- Dollar difference are due to rounding.

Gas Accord III Settlement Agreement**Appendix B**

Table 4
Firm Backbone Transportation
Annual Rates (AFT) -- MFV Rate Design
On-System Transportation Service

| | | GA II 2004 | | July 14, 2004 Testimony | (As Adjusted per Cost of Capital Decision 04-12-047) | | |
|---|-----------------------------|-----------------------|--|------------------------------------|---|-------------|-------------|
| | | | | | 2005 | 2006 | 2007 |
| <u>Redwood - Core</u> | | | | | | | |
| Reservation Charge | (\$/dth/mo) | 2.962 | | 4.049 | 3.334 | 3.758 | 3.759 |
| Usage Charge | (\$/dth) | 0.031 | | 0.049 | 0.051 | 0.052 | 0.052 |
| Total | (\$/dth @ Full Contract) | 0.129 | | 0.182 | 0.161 | 0.175 | 0.175 |
| <u>Redwood Path</u> | | | | | | | |
| Reservation Charge | (\$/dth/mo) | 5.357 | | 5.822 | 5.257 | 5.409 | 5.413 |
| Usage Charge | (\$/dth) | 0.124 | | 0.133 | 0.135 | 0.136 | 0.136 |
| Total | (\$/dth @ Full Contract) | 0.300 | | 0.325 | 0.308 | 0.314 | 0.314 |
| <u>Baja Path</u> | | | | | | | |
| Reservation Charge | (\$/dth/mo) | 4.468 | | 7.317 | 5.860 | 6.752 | 6.756 |
| Usage Charge | (\$/dth) | 0.045 | | 0.083 | 0.086 | 0.086 | 0.086 |
| Total | (\$/dth @ Full Contract) | 0.192 | | 0.324 | 0.278 | 0.308 | 0.308 |
| <u>Silverado and Mission Paths</u> | | | | | | | |
| Reservation Charge | (\$/dth/mo) | 2.498 | | 3.550 | 2.969 | 3.176 | 3.178 |
| Usage Charge | (\$/dth) | 0.033 | | 0.053 | 0.054 | 0.054 | 0.054 |
| Total | (\$/dth @ Full Contract) | 0.115 | | 0.170 | 0.151 | 0.158 | 0.158 |

Notes:

- Rates are only the backbone transmission charge component of the transmission service. They exclude local transmission charges, customer class charges, customer access charges, distribution charges, storage charges, and shrinkage charges.
- Backbone transmission charges are based on a 74, 75, 76.5 percent load factor for 2005, 2006, and 2007 respectively.
- The "Total" rows represent the average backbone transmission charge incurred by a firm shipper that uses its full contract quantity at a 100 percent load factor.
- Customers delivering gas to storage pay the applicable backbone transmission on-system rate from Redwood, Baja and Silverado.
- Dollar difference are due to rounding.

Gas Accord III Settlement Agreement**Appendix B**

Table 5
Firm Backbone Transportation
Seasonal Rates (SFT) -- SFV Rate Design
On-System Transportation Service

| | | GA II | | July 14, 2004 | (As Adjusted per Cost of Capital Decision 04-12-047) | | |
|------------------------------|--------------------------|--------------|--|----------------------|---|-------------|-------------|
| | | 2004 | | Testimony | 2005 | 2006 | 2007 |
| <u>Redwood Path</u> | | | | | | | |
| Reservation Charge | (\$/dth/mo) | 10.871 | | 11.670 | 10.966 | 11.181 | 11.187 |
| Usage Charge | (\$/dth) | 0.002 | | 0.006 | 0.009 | 0.009 | 0.009 |
| Total | (\$/dth @ Full Contract) | 0.360 | | 0.390 | 0.370 | 0.377 | 0.377 |
| <u>Baja Path</u> | | | | | | | |
| Reservation Charge | (\$/dth/mo) | 6.866 | | 11.351 | 9.591 | 10.680 | 10.686 |
| Usage Charge | (\$/dth) | 0.004 | | 0.015 | 0.018 | 0.019 | 0.019 |
| Total | (\$/dth @ Full Contract) | 0.230 | | 0.389 | 0.334 | 0.370 | 0.370 |
| <u>Silverado Path</u> | | | | | | | |
| Reservation Charge | (\$/dth/mo) | 4.142 | | 6.063 | 5.280 | 5.540 | 5.544 |
| Usage Charge | (\$/dth) | 0.002 | | 0.005 | 0.008 | 0.008 | 0.008 |
| Total | (\$/dth @ Full Contract) | 0.138 | | 0.204 | 0.181 | 0.190 | 0.190 |

Notes:

- Firm Seasonal rates are 120 percent of Firm Annual rates.
- Rates are only the backbone transmission charge component of the transmission service. They exclude local transmission charges, customer class charges, customer access charges, distribution charges, storage charges, and shrinkage charges.
- The "Total" rows represent the average backbone transmission charge incurred by a firm shipper that uses its full contract quantity at a 100 percent load factor.
- Customers delivering gas to storage pay the applicable backbone transmission on-system rate from Redwood, Baja and Silverado.
- Firm seasonal service is available to on-system paths for a minimum term of three consecutive months in one season. Winter season is November through March. Summer season is April through October.
- Dollar difference are due to rounding.

Gas Accord III Settlement Agreement**Appendix B**

Table 6
Firm Backbone Transportation
Seasonal Rates (SFT) -- MFV Rate Design
On-System Transportation Service

| | | GA II 2004 | | July 14, 2004 Testimony | (As Adjusted per Cost of Capital Decision 04-12-047) | | |
|------------------------------|-----------------------------|-----------------------|--|------------------------------------|---|-------------|-------------|
| | | | | | 2005 | 2006 | 2007 |
| <u>Redwood Path</u> | | | | | | | |
| Reservation Charge | (\$/dth/mo) | 6.428 | | 6.987 | 6.308 | 6.491 | 6.495 |
| Usage Charge | (\$/dth) | 0.148 | | 0.160 | 0.163 | 0.164 | 0.164 |
| Total | (\$/dth @ Full Contract) | 0.360 | | 0.390 | 0.370 | 0.377 | 0.377 |
| <u>Baja Path</u> | | | | | | | |
| Reservation Charge | (\$/dth/mo) | 5.361 | | 8.780 | 7.031 | 8.102 | 8.107 |
| Usage Charge | (\$/dth) | 0.054 | | 0.100 | 0.103 | 0.103 | 0.103 |
| Total | (\$/dth @ Full Contract) | 0.230 | | 0.389 | 0.334 | 0.370 | 0.370 |
| <u>Silverado Path</u> | | | | | | | |
| Reservation Charge | (\$/dth/mo) | 2.997 | | 4.260 | 3.563 | 3.812 | 3.814 |
| Usage Charge | (\$/dth) | 0.039 | | 0.064 | 0.064 | 0.065 | 0.065 |
| Total | (\$/dth @ Full Contract) | 0.138 | | 0.204 | 0.181 | 0.190 | 0.190 |

Notes:

- Firm Seasonal rates are 120 percent of Firm Annual rates.
- Rates are only the backbone transmission charge component of the transmission service. They exclude local transmission charges, customer class charges, customer access charges, distribution charges, storage charges, and shrinkage charges.
- The "Total" rows represent the average backbone transmission charge incurred by a firm shipper that uses its full contract quantity at a 100 percent load factor.
- Customers delivering gas to storage pay the applicable backbone transmission on-system rate from Redwood, Baja and Silverado.
- Firm seasonal service is available to on-system paths for a minimum term of three consecutive months in one season. Winter season is November through March. Summer season is April through October.
- Dollar difference are due to rounding.

Gas Accord III Settlement Agreement**Appendix B**

Table 7
As-Available Backbone Transportation
On-System Transportation Service (AA)

| | | <u>GA II</u> <u>2004</u> | | <u>July 14, 2004</u> <u>Testimony</u> | <u>(As Adjusted per Cost of Capital</u> <u>Decision 04-12-047)</u> | | |
|------------------------------|----------|-----------------------------|--|--|---|-------------|-------------|
| | | | | | <u>2005</u> | <u>2006</u> | <u>2007</u> |
| <u>Redwood Path</u> | | | | | | | |
| Usage Charge | (\$/dth) | 0.360 | | 0.390 | 0.370 | 0.377 | 0.377 |
| <u>Baja Path</u> | | | | | | | |
| Usage Charge | (\$/dth) | 0.230 | | 0.389 | 0.334 | 0.370 | 0.370 |
| <u>Silverado Path</u> | | | | | | | |
| Usage Charge | (\$/dth) | 0.138 | | 0.204 | 0.181 | 0.190 | 0.190 |
| <u>Mission Path</u> | | | | | | | |
| Usage Charge | (\$/dth) | 0.000 | | 0.000 | 0.000 | 0.000 | 0.000 |

Notes:

- a) As-Available rates are 120 percent of Firm Annual rates.
- b) Rates are only the backbone transmission charge component of the transmission service. They exclude local transmission charges, customer class charges, customer access charges, distribution charges, storage charges, and shrinkage charges.
- c) Mission path service represents on-system storage to on-system transportation. Customers delivering gas to storage facilities pay the applicable backbone transmission on-system rate from Redwood, Baja or Silverado.
- d) Dollar difference are due to rounding.

Gas Accord III Settlement Agreement**Appendix B**

Table 8
Backbone Transportation
Annual Rates (AFT-Off)
Off-System Deliveries

| | | GA II | July 14, 2004 | (As Adjusted per Cost of Capital Decision 04-12-047) | | |
|--|--------------------------|--------------|----------------------|---|-------------|-------------|
| | | 2004 | Testimony | 2005 | 2006 | 2007 |
| SFV Rate Design | | | | | | |
| Redwood, Silverado and Mission Paths Off-System | | | | | | |
| Reservation Charge | (\$/dth/mo) | 9.060 | 9.725 | 9.139 | 9.318 | 9.323 |
| Usage Charge | (\$/dth) | 0.002 | 0.005 | 0.008 | 0.008 | 0.008 |
| Total | (\$/dth @ Full Contract) | 0.300 | 0.325 | 0.308 | 0.314 | 0.314 |
| Baja Path Off-System | | | | | | |
| Reservation Charge | (\$/dth/mo) | 5.722 | 9.459 | 7.993 | 8.900 | 8.905 |
| Usage Charge | (\$/dth) | 0.004 | 0.013 | 0.015 | 0.015 | 0.015 |
| Total | (\$/dth @ Full Contract) | 0.192 | 0.324 | 0.278 | 0.308 | 0.308 |
| MFV Rate Design | | | | | | |
| Redwood, Silverado and Mission Paths Off-System | | | | | | |
| Reservation Charge | (\$/dth/mo) | 5.357 | 5.822 | 5.257 | 5.409 | 5.413 |
| Usage Charge | (\$/dth) | 0.124 | 0.133 | 0.135 | 0.136 | 0.136 |
| Total | (\$/dth @ Full Contract) | 0.300 | 0.325 | 0.308 | 0.314 | 0.314 |
| Baja Path Off-System | | | | | | |
| Reservation Charge | (\$/dth/mo) | 4.468 | 7.317 | 5.860 | 6.752 | 6.756 |
| Usage Charge | (\$/dth) | 0.045 | 0.083 | 0.086 | 0.086 | 0.086 |
| Total | (\$/dth @ Full Contract) | 0.192 | 0.324 | 0.278 | 0.308 | 0.308 |
| As-Available Service | | | | | | |
| Redwood, Silverado, and Mission Paths, (From Citygate) Off-System | | | | | | |
| Usage Charge | (\$/dth) | 0.360 | 0.390 | 0.370 | 0.377 | 0.377 |
| Mission Paths (From on-system storage) Off-System | | | | | | |
| Usage Charge | (\$/dth) | 0.360 | 0.390 | 0.000 | 0.000 | 0.000 |
| Baja Path Off-System | | | | | | |
| Usage Charge | (\$/dth) | 0.230 | 0.389 | 0.334 | 0.370 | 0.370 |

Notes:

- Rates are only the backbone transmission charge component of the transmission service. They exclude local transmission charges, customer class charges, customer access charges, distribution charges, storage charges, and shrinkage charges.
- Backbone transmission charges are based on a 74, 75, 76.5 percent load factor for 2005, 2006, and 2007 respectively.
- The "Total" rows represent the average backbone transmission charge incurred by a firm shipper that uses its full contract quantity at a 100 percent load factor.
- Except for as-available service from on-system storage to off-system, California gas and storage to off-system are assumed to flow on Redwood path and are priced at the Redwood path rate.
- Dollar difference are due to rounding.

Gas Accord III Settlement Agreement**Appendix B**

Table 9
Firm Transportation
Expansion Shippers -- Annual Rates (G-XF)
SFV Rate Design
Off-System Deliveries

| | | GA II 2004 | | July 14, 2004 Testimony | (As Adjusted per Cost of Capital Decision 04-12-047) | | |
|------------------------|-----------------------------|-----------------------|--|------------------------------------|---|-------------|-------------|
| | | | | | 2005 | 2006 | 2007 |
| SFV Rate Design | | | | | | | |
| Reservation Charge | (\$/dth/mo) | 7.900 | | 7.461 | 7.385 | 7.108 | 6.820 |
| Usage Charge | (\$/dth) | 0.001 | | 0.001 | 0.001 | 0.001 | 0.001 |
| Total | (\$/dth @ Full Contract) | 0.261 | | 0.246 | 0.244 | 0.235 | 0.225 |

Notes:

- a) Rates are only the backbone transmission charge component of the transmission service. They exclude local transmission charges, customer class charges, customer access charges, distribution charges, storage charges, and shrinkage charges.
- b) The "Total" rows represent the average backbone transmission charge incurred by a firm shipper that uses its full contract quantity at a 100 percent load factor.
- c) G-XF charges are based on the embedded cost of Line 401 and a 95 percent load factor.
- d) Dollar difference are due to rounding.

Gas Accord III Settlement Agreement**Appendix B****Table 10
Storage Services**

| | | GA II 2004 | July 14, 2004 Testimony | (As Adjusted per Cost of Capital Decision 04-12-047) | | |
|---|-------------|---------------|----------------------------|---|----------|----------|
| | | | | 2005 | 2006 | 2007 |
| Core Firm Storage (G-CFS) | | | | | | |
| Reservation Charge | (\$/dth/mo) | 0.096 | 0.107 | 0.103 | 0.107 | 0.109 |
| Standard Firm Storage (G-SFS) | | | | | | |
| Reservation Charge | (\$/dth/mo) | 0.118 | 0.132 | 0.128 | 0.132 | 0.135 |
| Negotiated Firm Storage (G-NFS) | | | | | | |
| Injection | (\$/dth/d) | 13.707 | 15.266 | 14.790 | 15.327 | 15.634 |
| Inventory | (\$/dth/mo) | 1.421 | 1.582 | 1.533 | 1.589 | 1.621 |
| Withdrawal | (\$/dth/d) | 10.334 | 11.509 | 11.150 | 11.555 | 11.787 |
| Negotiated As-Available Storage (G-NAS) - Maximum Rate | | | | | | |
| Injection | (\$/dth/d) | 13.707 | 15.266 | 14.790 | 15.327 | 15.634 |
| Withdrawal | (\$/dth/d) | 10.334 | 11.509 | 11.150 | 11.555 | 11.787 |
| Market Center Services (Parking and Lending Services) | | | | | | |
| Maximum Daily Charge (\$/Dth/day) | | 0.820 | 0.946 | 0.919 | 0.951 | 0.970 |
| Minimum Rate (per transaction) | | \$ 57.00 | \$ 57.00 | \$ 57.00 | \$ 57.00 | \$ 57.00 |

Notes:

- Rates for storage services are based on the costs of storage injection, inventory and withdrawal.
- Core Firm Storage (G-CFS) and Standard Firm Storage (G-SFS) rates are a monthly reservation charge designed to recover one twelfth of the annual revenue requirement of injection, inventory and withdrawal storage.
- Negotiated Firm rates may be one-part rates (volumetric) or two-part rates (reservation and volumetric), as negotiated between parties. The volumetric equivalent is shown above.
- Negotiated As-Available Storage Injection and Withdrawal rates are recovered through a volumetric charge only.
- Negotiated rates (NFS and NAS) are capped at the price which will collect 100 percent of PG&E's total revenue requirement for the unbundled storage program under all three subfunctions (e.g. inventory, injection, or withdrawal). The maximum rates are based on a rate design assuming an average injection period of 30 days and an average withdrawal period of 7 days.
- Negotiated Firm and As-available services are negotiable above a price floor representing PG&E's marginal costs of providing the service.
- The maximum charge for parking and lending is based on the annual cost of cycling one dth of Firm Storage Gas assuming the full 214 day injection season and 151 day withdrawal season.
- Gas Storage shrinkage will be applied in-kind on storage injections.
- Dollar difference are due to rounding.

Gas Accord III Settlement Agreement

Appendix B

Table 11
Local Transmission Rates
(\$/dth)

| | <u>GA II 2004</u> | | <u>July 14, 2004 Testimony</u> | (As Adjusted per Cost of Capital Decision 04-12-047) | | |
|-------------------------------------|-----------------------|---|------------------------------------|---|-------------|-------------|
| | | | | <u>2005</u> | <u>2006</u> | <u>2007</u> |
| Core Retail | 0.367 | | 0.317 | 0.341 | 0.311 | 0.311 |
| Noncore Retail and Wholesale | 0.157 | ! | 0.137 | 0.147 | 0.134 | 0.134 |

Notes:

a) Dollar difference are due to rounding.

Gas Accord III Settlement Agreement**Appendix B****Table 12**
Customer Access Charges

| | | GA II | July 14, 2004 | (As Adjusted per Cost of Capital | | |
|--------------------------------------|--------------------------------|--------------|----------------------|---|-------------|-------------|
| | | 2004 | Testimony | 2005 | 2006 | 2007 |
| | | | | Decision 04-12-047) | | |
| <u>G-EG / G-NT (\$/month)</u> | | | | | | |
| Transmission and Distribution | | | | | | |
| | (Therms/Month) | | | | | |
| Tier 1 | 0 to 5,000 | \$30.12 | \$ 65.05 | \$ 62.60 | \$ 64.11 | \$ 65.39 |
| Tier 2 | 5,001 to 10,000 | \$237.27 | \$ 192.34 | \$ 185.09 | \$ 189.55 | \$ 193.34 |
| Tier 3 | 10,001 to 50,000 | \$900.15 | \$ 354.60 | \$ 341.22 | \$ 349.45 | \$ 356.44 |
| Tier 4 | 50,001 to 200,000 | \$2,372.80 | \$ 464.85 | \$ 447.31 | \$ 458.10 | \$ 467.27 |
| Tier 5 | 200,001 to 1,000,000 | \$3,397.26 | \$ 671.72 | \$ 646.38 | \$ 661.97 | \$ 675.21 |
| Tier 6 | 1,000,001 and above | \$9,875.46 | \$ 2,516.48 | \$5,439.89 | \$ 5,571.10 | \$5,682.52 |
| Tier 6 | Usage Charge \$/dth | \$ - | \$ 0.006 | \$ - | \$ - | \$ - |
| <u>Wholesale (\$/month)</u> | | | | | | |
| | Alpine | \$524.45 | \$ 331.56 | \$ 319.05 | \$ 326.74 | \$ 333.28 |
| | Coalinga | \$2,608.37 | \$ 1,466.42 | \$1,411.09 | \$ 1,445.13 | \$1,474.03 |
| | Island Energy | \$1,421.98 | \$ 993.56 | \$ 956.07 | \$ 979.13 | \$ 998.71 |
| | Palo Alto | \$11,144.58 | \$ 4,889.36 | \$4,704.88 | \$ 4,818.36 | \$4,914.73 |
| | West Coast Gas - Castle | \$1,223.40 | \$ 851.84 | \$ 819.70 | \$ 839.47 | \$ 856.26 |
| | West Coast Gas - Mather | \$1,894.90 | \$ 778.46 | \$ 749.09 | \$ 767.15 | \$ 782.50 |

Notes:

a) Dollar difference are due to rounding.

Gas Accord III Settlement Agreement

Appendix B

Table 13
Self Balancing Credit
\$/dth

| | <u>GA II 2004</u> | | <u>July 14, 2004 Testimony</u> | (As Adjusted per Cost of Capital Decision 04-12-047) | | |
|------------------------------|-----------------------|--|------------------------------------|---|-------------|-------------|
| | | | | <u>2005</u> | <u>2006</u> | <u>2007</u> |
| Self Balancing Credit | (0.010) | | (0.011) | (0.010) | (0.011) | (0.011) |

Notes:

- a) Storage balancing costs are bundled in backbone rates. Customers or Balancing agents who elect self balancing on a daily basis can opt out of PG&E's monthly balancing program and receive a self-balancing credit.
- b) Dollar difference are due to rounding.

Exhibit 3
(As adjusted per Cost of Capital Decision 04-12-047)

Comparison Tables

- **Expected Results of Operations**
- **Cost of Service Allocations**
- **Illustrative Rates for Baja Path and Redwood Path Backbone Service**

Gas Transmission and Storage

RESULTS OF OPERATIONS

YEAR 2005: Current Authorized Revenues vs Gas Accord III Settlement

As Adjusted per Cost of Capital Decision 04-12-047

(Thousands of Dollars)

| Line No. | Description | Adjusted Gas Accord - II Revenues | Increase | Proposed 2005 Revenues | Line No. |
|----------------------------|-------------------------------|-----------------------------------|--------------|------------------------|----------|
| | | (A) | (B) | (C) | |
| REVENUE: | | | | | |
| 1 | Revenue at Effective Rates | 424,000 | 855 | 424,855 | 1 |
| 2 | Less Non-General Revenue | 0 | 0 | 0 | 2 |
| 3 | General Rate Case Revenue (+) | 424,000 | 855 0.20% | 424,855 | 3 |
| OPERATING EXPENSES: | | | | | |
| 4 | | | | | 4 |
| 5 | Other Production (*) | 0 | 0 | 0 | 5 |
| 6 | Storage (*) | 0 | 0 | 0 | 6 |
| 7 | Transmission (**) | 76,963 | 0 | 76,963 | 7 |
| 8 | Distribution | 408 | 0 | 408 | 8 |
| 9 | Customer Accounts | 2,316 | 0 | 2,316 | 9 |
| 10 | Uncollectibles | 1,094 | 2 | 1,096 | 10 |
| 11 | Customer Services | 7,384 | 0 | 7,384 | 11 |
| 12 | Administrative and General | 44,956 | 0 | 44,956 | 12 |
| 13 | Franchise Requirements | 4,091 | 8 | 4,099 | 13 |
| 14 | | | | | 14 |
| 15 | Wage Change Impacts | 0 | 0 | 0 | 15 |
| 16 | Other Price Change Impacts | 0 | 0 | 0 | 16 |
| 17 | SMUD/SEGDA (net of F&U) | (1,879) | 0 | (1,879) | 17 |
| 18 | Subtotal Expenses: | 135,333 | 10 | 135,343 | 18 |
| TAXES: | | | | | |
| 19 | | | | 0 | 19 |
| 20 | Property | 16,185 | 0 | 16,185 | 20 |
| 21 | Payroll | 3,741 | 0 | 3,741 | 21 |
| 22 | Business | 46 | 0 | 46 | 22 |
| 23 | Other | 20 | 0 | 20 | 23 |
| 24 | State Corporation Franchise | 10,471 | 75 | 10,546 | 24 |
| 25 | Federal Income | 49,425 | 296 | 49,721 | 25 |
| 26 | Total Taxes | 79,888 | 370 | 80,258 | 26 |
| 27 | Depreciation | 81,731 | 0 | 81,731 | 27 |
| 28 | | | | 0 | 28 |
| 29 | | | | 0 | 29 |
| 30 | Total Operating Expenses | 296,951 | 381 | 297,332 | 30 |
| 31 | Net for Return | 127,049 | 474 | 127,523 | 31 |
| 32 | Rate Base | 1,454,012 | 0 | 1,454,012 | 32 |
| RATE OF RETURN: | | | | | |
| 33 | On Rate Base | 8.74% | | 8.77% | 33 |
| 34 | On Equity | 11.16% | | 11.22% | 34 |

Notes:

+ Present rates revenue adjusted for PG&E's 2003 GRC A&G allocations and PG&E's 2004 / 2005 Cost of Capital Proposed Decisions in A. 04-05-023.

* Expenses included in line 7, Transmission.

** Excludes \$2.519 million for the carrying cost on non-cycled working gas in storage.

Pacific Gas & Electric Company
Gas Accord III Settlement Agreement Compared to Present Rates and A.03-04-021,
As Adjusted per Cost of Capital Decision 04-12-047

Cost of Service Allocations between Core and Noncore / Unbundled Customers

(Thousands of Dollars)

| | Present | July 14, 2004 | Gas Accord III Settlement | | |
|---|-------------|---------------|---------------------------|------------|------------|
| | GAIL - 2004 | Testimony | 2005 | 2006 | 2007 |
| Core Revenue Requirements | | | | | |
| Local Transmission | \$ 106,722 | \$ 94,748 | \$ 102,042 | \$ 94,914 | \$ 96,812 |
| Customer Access Charge | \$ - | \$ - | \$ - | \$ - | \$ - |
| Storage | \$ 38,454 | \$ 42,813 | \$ 41,488 | \$ 42,991 | \$ 43,850 |
| Backbone Transmission | \$ 52,586 | \$ 80,973 | \$ 70,541 | \$ 75,402 | \$ 75,424 |
| Total | \$ 197,762 | \$ 218,534 | \$ 214,071 | \$ 213,307 | \$ 216,087 |
| Noncore / Unbundled Revenue Requirements | | | | | |
| Local Transmission | \$ 69,251 | \$ 40,543 | \$ 43,664 | \$ 40,614 | \$ 41,426 |
| Customer Access Charge | \$ 12,929 | \$ 5,147 | \$ 4,953 | \$ 5,072 | \$ 5,174 |
| Storage | \$ 6,795 | \$ 7,567 | \$ 7,331 | \$ 7,598 | \$ 7,750 |
| Backbone Transmission | \$ 152,097 | \$ 164,234 | \$ 157,355 | \$ 168,862 | \$ 173,251 |
| Total | \$ 241,072 | \$ 217,490 | \$ 213,303 | \$ 222,146 | \$ 227,601 |
| Total | | | | | |
| Local Transmission | \$ 175,973 | \$ 135,290 | \$ 145,706 | \$ 135,528 | \$ 138,238 |
| Customer Access Charge | \$ 12,929 | \$ 5,147 | \$ 4,953 | \$ 5,072 | \$ 5,174 |
| Storage (1) | \$ 45,249 | \$ 50,380 | \$ 48,820 | \$ 50,588 | \$ 51,600 |
| Backbone Transmission | \$ 204,683 | \$ 245,207 | \$ 227,895 | \$ 244,264 | \$ 248,676 |
| Total | \$ 438,834 | \$ 436,024 | \$ 427,374 | \$ 435,453 | \$ 443,688 |

(1) The storage revenue requirements includes the following non-base revenues for carrying costs on noncycled working gas and cycle gas for storage balancing: 2004 - \$2.437 million, 2005 - \$2.519 million, 2006 - \$2.570, and 2007 - \$2.621 million.

(2) Differences may not agree to totals due to rounding.

Pacific Gas & Electric Company

Gas Accord III Settlement as Adjusted per Cost of Capital Decision 04-12-047 Compared to Present Rates and A.03-04-021

Illustrative Class Average End Use Rates - with Annual Firm Baja Backbone Transmission (\$/Dth)

| | Present Rates Gas Accord II - 2004 (1) | | | Proposed 2005 Rates 7/14/04 Revised Testimony (2) | | | Gas Accord III Settlement -2005 (3) (As Adjusted per Cost of Capital Decision in A.04-05-023) | | | |
|--|---|---------------------------------------|---------------|--|---------------------------------------|-------|---|---------------------------------------|-------|--------------------------|
| | End Use Rate | Annual Firm Backbone Transm.(6) | Total 2004 | End Use Rate | Annual Firm Backbone Transm.(6) | Total | End Use Rate | Annual Firm Backbone Transm.(6) | Total | % Change over 2004 |
| Core Retail Bundled Service (4) | | | | | | | | | | |
| Residential | 9.099 | | 9.099 | 9.154 | | 9.154 | 9.139 | | 9.139 | 0.4% |
| Small Commercial | 8.524 | | 8.524 | 8.575 | | 8.575 | 8.562 | | 8.562 | 0.4% |
| Large Commercial | 7.273 | | 7.273 | 7.299 | | 7.299 | 7.299 | | 7.299 | 0.4% |
| Core Average | 8.957 | | 8.957 | 9.011 | | 9.011 | 8.996 | | 8.996 | |
| Core Retail Transport-Only (5) | | | | | | | | | | |
| Residential | 3.617 | 0.192 | 3.809 | 3.567 | 0.324 | 3.890 | 3.585 | 0.278 | 3.863 | 1.4% |
| Small Commercial | 3.070 | 0.192 | 3.262 | 3.019 | 0.324 | 3.343 | 3.038 | 0.278 | 3.316 | 1.7% |
| Large Commercial | 2.042 | 0.192 | 2.233 | 1.991 | 0.324 | 2.315 | 2.010 | 0.278 | 2.288 | 2.5% |
| Core Transport Average | 3.434 | 0.192 | 3.626 | 3.384 | 0.324 | 3.707 | 3.395 | 0.278 | 3.673 | |
| Wholesale Transport-Only (5) | | | | | | | | | | |
| Alpine Natural Gas | 0.326 | 0.192 | 0.518 | 0.252 | 0.324 | 0.576 | 0.259 | 0.278 | 0.537 | 3.7% |
| Coalinga | 0.330 | 0.192 | 0.522 | 0.244 | 0.324 | 0.568 | 0.251 | 0.278 | 0.529 | 1.4% |
| Island Energy | 0.596 | 0.192 | 0.788 | 0.450 | 0.324 | 0.774 | 0.450 | 0.278 | 0.728 | -7.6% |
| Palo Alto | 0.219 | 0.192 | 0.411 | 0.177 | 0.324 | 0.500 | 0.187 | 0.278 | 0.465 | 13.0% |
| West Coast Gas - Castle | 0.615 | 0.192 | 0.807 | 0.462 | 0.324 | 0.786 | 0.461 | 0.278 | 0.739 | -8.3% |
| West Coast Gas - Mather | 0.407 | 0.192 | 0.599 | 0.253 | 0.324 | 0.577 | 0.260 | 0.278 | 0.538 | -10.2% |
| Wholesale Transportation Average | 0.239 | 0.192 | 0.431 | 0.189 | 0.324 | 0.512 | 0.201 | 0.278 | 0.479 | |
| Noncore Retail Transport-Only (5) | | | | | | | | | | |
| Industrial - Distribution | 1.121 | 0.192 | 1.313 | 1.101 | 0.324 | 1.424 | 1.111 | 0.278 | 1.389 | 5.8% |
| Industrial - Transmission | 0.476 | 0.192 | 0.668 | 0.404 | 0.324 | 0.728 | 0.416 | 0.278 | 0.694 | 3.9% |
| Industrial - Backbone (7) | 0.476 | 0.192 | 0.668 | 0.236 | 0.324 | 0.559 | 0.237 | 0.278 | 0.515 | -22.9% |
| Electric Generation - Dist./Trans. | 0.205 | 0.192 | 0.396 | 0.183 | 0.324 | 0.507 | 0.192 | 0.278 | 0.470 | 18.7% |
| Electric Generation - Backbone (7) | 0.205 | 0.192 | 0.396 | 0.046 | 0.324 | 0.370 | 0.045 | 0.278 | 0.323 | -18.5% |
| Noncore Transportation Average | 0.367 | 0.192 | 0.558 | 0.248 | 0.324 | 0.572 | 0.303 | 0.278 | 0.581 | |

See Last Page for Notes

Pacific Gas & Electric Company
Gas Accord III Settlement as Adjusted per Cost of Capital Decision 04-12-047 Compared to Present Rates and A.03-04-021
Illustrative Class Average End Use Rates - with Annual Firm Redwood Backbone Transmission (\$/Dth)

| | Present Rates Gas Accord II - 2004 (1) | | | Proposed 2005 Rates 7/14/04 Revised Testimony (2) | | | Gas Accord III Settlement -2005 (3) (As Adjusted per Cost of Capital Decision in A.04-05-023) | | | |
|--|---|---|---------------|--|---|-------|---|---|-------|--------------------------|
| | End Use Rate | Annual Firm Backbone Transm. (\$) | Total 2004 | End Use Rate | Annual Firm Backbone Transm. (\$) | Total | End Use Rate | Annual Firm Backbone Transm. (\$) | Total | % Change over 2004 |
| Core Retail Bundled Service (4) | | | | | | | | | | |
| Residential | 9.099 | | 9.099 | 9.154 | | 9.154 | 9.139 | | 9.139 | 0.4% |
| Small Commercial | 8.524 | | 8.524 | 8.575 | | 8.575 | 8.562 | | 8.562 | 0.4% |
| Large Commercial | 7.273 | | 7.273 | 7.299 | | 7.299 | 7.299 | | 7.299 | 0.4% |
| Core Average | 8.957 | | 8.957 | 9.011 | | 9.011 | 8.996 | | 8.996 | |
| Core Retail Transport-Only (5) | | | | | | | | | | |
| Residential | 3.617 | 0.129 | 3.746 | 3.567 | 0.182 | 3.749 | 3.585 | 0.161 | 3.746 | 0.0% |
| Small Commercial | 3.070 | 0.129 | 3.199 | 3.019 | 0.182 | 3.202 | 3.038 | 0.161 | 3.199 | 0.0% |
| Large Commercial | 2.042 | 0.129 | 2.170 | 1.991 | 0.182 | 2.173 | 2.010 | 0.161 | 2.171 | 0.0% |
| Core Transport Average | 3.434 | 0.129 | 3.563 | 3.384 | 0.182 | 3.566 | 3.395 | 0.161 | 3.556 | |
| Wholesale Transport-Only (5) | | | | | | | | | | |
| Alpine Natural Gas | 0.326 | 0.129 | 0.455 | 0.252 | 0.182 | 0.434 | 0.259 | 0.161 | 0.420 | -7.7% |
| Coalinga | 0.330 | 0.129 | 0.459 | 0.244 | 0.182 | 0.426 | 0.251 | 0.161 | 0.412 | -10.2% |
| Island Energy | 0.596 | 0.129 | 0.725 | 0.450 | 0.182 | 0.632 | 0.450 | 0.161 | 0.611 | -15.7% |
| Palo Alto | 0.219 | 0.129 | 0.348 | 0.177 | 0.182 | 0.359 | 0.187 | 0.161 | 0.348 | -0.1% |
| West Coast Gas - Castle | 0.615 | 0.129 | 0.744 | 0.462 | 0.182 | 0.645 | 0.461 | 0.161 | 0.622 | -16.3% |
| West Coast Gas - Mather | 0.407 | 0.129 | 0.536 | 0.253 | 0.182 | 0.435 | 0.260 | 0.161 | 0.421 | -21.5% |
| Wholesale Transportation Average | 0.239 | 0.129 | 0.368 | 0.189 | 0.182 | 0.371 | 0.201 | 0.161 | 0.362 | |
| Noncore Retail Transport-Only (5) | | | | | | | | | | |
| Industrial - Distribution | 1.121 | 0.300 | 1.421 | 1.101 | 0.325 | 1.425 | 1.111 | 0.308 | 1.419 | -0.1% |
| Industrial - Transmission | 0.476 | 0.300 | 0.776 | 0.404 | 0.325 | 0.729 | 0.416 | 0.308 | 0.724 | -6.7% |
| Industrial - Backbone (7) | 0.476 | 0.300 | 0.776 | 0.236 | 0.325 | 0.560 | 0.237 | 0.308 | 0.545 | -29.7% |
| Electric Generation - Dist./Trans. | 0.205 | 0.300 | 0.504 | 0.183 | 0.325 | 0.508 | 0.192 | 0.308 | 0.500 | -0.8% |
| Electric Generation - Backbone (7) | 0.205 | 0.300 | 0.504 | 0.046 | 0.325 | 0.371 | 0.045 | 0.308 | 0.353 | -30.0% |
| Noncore Transportation Average | 0.367 | 0.300 | 0.666 | 0.248 | 0.325 | 0.573 | 0.303 | 0.308 | 0.611 | |

See Last Page for Notes

Pacific Gas & Electric Company
Gas Accord III Settlement as Adjusted per Cost of Capital Decision 04-12-047
Compared to Present Rates and A.03-04-021

NOTES for Two Illustrative Rate Tables

- (1) Present 2004 rates are based on PG&E's 1999 General Rate Case (GRC) Decision 00-02-046, the Gas Accord Decision 03-12-061, the 2000 BCAP Decision 01-11-001 and 2004 True-Up Filing (Advice 2498-G, 2508-G, and 2514B-G) for the period beginning April 1, 2004. For consistency in rates comparison purposes, present rates and other rate components not addressed in this case, have been held consistent with the rates filed in the March 19, 2004 Application.
- (2) Proposed 2005 Rates, based on PG&E's Gas Transmission & Storage 2005 Rate Case Revised Testimony Filed July 14, 2004 in A. 04-03-021.
- (3) Proposed 2005 Rates, based on the Gas Accord III Settlement and adjusted per the Cost of Capital Decision in A.04-05-023.
- (4) PG&E's bundled gas service is for core customers only. Intrastate backbone transmission costs are included end use rates paid by bundled core customers. Bundled service also includes a procurement cost for gas purchases, transportation on Canadian and Interstate pipelines, storage and core brokerage. An illustrative weighted average cost of gas (WACOG) of \$4.44 is assumed in all present and proposed bundled core rates. Core bundled rates also includes the cost of transportation and delivery of gas from the citygate to the customer's burner tip, including local transmission, distribution, customer, public purpose, and customer class charges.
- (5) PG&E's transportation-only gas service is for core and noncore customers. Transportation-only service begins at PG&E's citygate and includes the applicable costs of gas transportation and delivery on PG&E's local transmission, distribution, customer access, public purpose programs and customer class charges.
- (6) For illustrative total transportation rate comparison purposes, PG&E has included the cost of annual firm backbone transportation on the Baja path. However, actual transportation rates will vary depending on the customer's choice of backbone path, firm or as-available service and load factor.
- (7) PG&E's backbone level end-use service under rate schedules G-EG and G-NT begins in 2005. Proposed 2005 rates are based on the eligibility criteria filed in PG&E's testimony in A. 04-03-021.

EXHIBIT 6
(As Adjusted per Cost of Capital Decision 04-12-050)
Gas Accord III Settlement Workpapers

**Gas Accord III Settlement Agreement
As Adjusted per Cost of Capital Decision 04-12-047**

Cost Allocation and Rate Design Workpapers

Table of Contents

| Subject | Page Number |
|--|--------------------|
| Backbone Cost Allocation and Rate Design | 1 |
| Storage Cost Allocation and Rate Design | 17 |
| Local Transmission Cost Allocation and Rate Design | 22 |
| Customer Access Cost Allocation and Rate Design | 24 |

Pacific Gas and Electric Company
 Workpapers Supporting Gas Accord III Settlement
 As Adjusted per Cost of Capital Decision in A. 04-05-023
 PG and E Gas Transmission and Storage 2005 Rate Case (A. 04-03-021)

| | A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P | Q | R | S | T |
|----|-------------------------------|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 29 | L401 to on-system (excl G-XF) | | | | | | | | | | | | | | | | | | | |
| 30 | Firm delivery capacity | | | | | | | | | | | | | | | | | | | |
| 31 | Non-G-XF | | | | | | | | | | | | | | | | | | | |
| 32 | Less SMUD | | | | | | | | | | | | | | | | | | | |
| 33 | MDivid | | | | | | | | | | | | | | | | | | | |
| 34 | 2005 | | | | | | | | | | | | | | | | | | | |
| 35 | 962.779 | | | | | | | | | | | | | | | | | | | |
| 36 | BA Loop + | | | | | | | | | | | | | | | | | | | |
| 37 | L401 Norm + | | | | | | | | | | | | | | | | | | | |
| 38 | L300 Norm + | | | | | | | | | | | | | | | | | | | |
| 39 | L401 Other | | | | | | | | | | | | | | | | | | | |
| 40 | Central L3 South | | | | | | | | | | | | | | | | | | | |
| 41 | L400, L2, L3 | | | | | | | | | | | | | | | | | | | |
| 42 | L400, L2, L3 | | | | | | | | | | | | | | | | | | | |
| 43 | L401 Other | | | | | | | | | | | | | | | | | | | |
| 44 | L401 Other | | | | | | | | | | | | | | | | | | | |
| 45 | L401 Other | | | | | | | | | | | | | | | | | | | |
| 46 | L401 Other | | | | | | | | | | | | | | | | | | | |
| 47 | L401 Other | | | | | | | | | | | | | | | | | | | |
| 48 | L401 Other | | | | | | | | | | | | | | | | | | | |
| 49 | L401 Other | | | | | | | | | | | | | | | | | | | |
| 50 | L401 Other | | | | | | | | | | | | | | | | | | | |
| 51 | L401 Other | | | | | | | | | | | | | | | | | | | |
| 52 | L401 Other | | | | | | | | | | | | | | | | | | | |
| 53 | L401 Other | | | | | | | | | | | | | | | | | | | |
| 54 | L401 Other | | | | | | | | | | | | | | | | | | | |
| 55 | L401 Other | | | | | | | | | | | | | | | | | | | |
| 56 | L401 Other | | | | | | | | | | | | | | | | | | | |
| 57 | L401 Other | | | | | | | | | | | | | | | | | | | |
| 58 | L401 Other | | | | | | | | | | | | | | | | | | | |
| 59 | L401 Other | | | | | | | | | | | | | | | | | | | |
| 60 | L401 Other | | | | | | | | | | | | | | | | | | | |
| 61 | L401 Other | | | | | | | | | | | | | | | | | | | |
| 62 | L401 Other | | | | | | | | | | | | | | | | | | | |
| 63 | L401 Other | | | | | | | | | | | | | | | | | | | |
| 64 | L401 Other | | | | | | | | | | | | | | | | | | | |
| 65 | L401 Other | | | | | | | | | | | | | | | | | | | |
| 66 | L401 Other | | | | | | | | | | | | | | | | | | | |
| 67 | L401 Other | | | | | | | | | | | | | | | | | | | |
| 68 | L401 Other | | | | | | | | | | | | | | | | | | | |
| 69 | L401 Other | | | | | | | | | | | | | | | | | | | |
| 70 | L401 Other | | | | | | | | | | | | | | | | | | | |
| 71 | L401 Other | | | | | | | | | | | | | | | | | | | |
| 72 | L401 Other | | | | | | | | | | | | | | | | | | | |
| 73 | L401 Other | | | | | | | | | | | | | | | | | | | |
| 74 | L401 Other | | | | | | | | | | | | | | | | | | | |
| 75 | L401 Other | | | | | | | | | | | | | | | | | | | |
| 76 | L401 Other | | | | | | | | | | | | | | | | | | | |
| 77 | L401 Other | | | | | | | | | | | | | | | | | | | |
| 78 | L401 Other | | | | | | | | | | | | | | | | | | | |
| 79 | L401 Other | | | | | | | | | | | | | | | | | | | |
| 80 | L401 Other | | | | | | | | | | | | | | | | | | | |
| 81 | L401 Other | | | | | | | | | | | | | | | | | | | |
| 82 | L401 Other | | | | | | | | | | | | | | | | | | | |
| 83 | L401 Other | | | | | | | | | | | | | | | | | | | |
| 84 | L401 Other | | | | | | | | | | | | | | | | | | | |
| 85 | L401 Other | | | | | | | | | | | | | | | | | | | |
| 86 | L401 Other | | | | | | | | | | | | | | | | | | | |
| 87 | L401 Other | | | | | | | | | | | | | | | | | | | |
| 88 | L401 Other | | | | | | | | | | | | | | | | | | | |
| 89 | L401 Other | | | | | | | | | | | | | | | | | | | |
| 90 | L401 Other | | | | | | | | | | | | | | | | | | | |
| 91 | L401 Other | | | | | | | | | | | | | | | | | | | |
| 92 | L401 Other | | | | | | | | | | | | | | | | | | | |

CORE REDWOOD PATH VINTAGE - MFV
 Classification of 2005 Base Revenue Requirement to Reservation and Usage Components

| | Redwood | L400, L2, L3 | L401 Other | L300 | Central L3 South | BA Loop + | L401 Norm + | L300 Norm + | L401 Other | Mountain Bell | Galbraith | L401 | Total |
|-------------------------------|---------|--------------|------------|--------|------------------|-----------|-------------|-------------|------------|---------------|-----------|--------|-------|
| Reserve Costs (\$000) | 11,432 | 7,550 | 39,092 | 46,467 | 27,989 | 7,190 | 43,329 | | | | | 43,329 | |
| Usage Costs (\$000) | 1,836 | 1,212 | 422 | 3,725 | 74 | 55 | 354 | | | | | 354 | |
| Variable Costs | 2,428 | 1,604 | 22,483 | 10,448 | 5,834 | 453 | 24,854 | | | | | 24,854 | |
| Return on Equity | 1,675 | 1,106 | 15,508 | 7,206 | 4,024 | 312 | 17,143 | | | | | 17,143 | |
| Income Taxes on Equity Return | 5,938 | 3,922 | 38,413 | 21,379 | 9,932 | 821 | 42,350 | | | | | 42,350 | |
| Total | 17,370 | 11,472 | 77,505 | 67,646 | 37,520 | 8,010 | 85,679 | | | | | 85,679 | |

ALLOCATION OF 2005 TRANSMISSION BASE REVENUE REQUIREMENT TO TRANSMISSION PATHS

| | Redwood | L400 | Redwood Exn 0 | Redwood Exn 1 | L401 Total | Baja | Silverado | Total |
|---|---------|---------|---------------|---------------|------------|-----------|-----------|-----------|
| Firm Capacity @ Chy Gate (Year-round, MDth/d) | 615,600 | 992,792 | 29,388 | 189,084 | 773,695 | 1,102,400 | 155,405 | 2,778,564 |
| Transmission Path | | | | | | | | |
| Redwood - Core Vintage | 17,370 | 0 | 0 | 0 | 0 | 0 | 0 | 17,370 |
| Redwood Path | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| L401 Non G-XF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| L401 G-XF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Baja Path | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Silverado/Mission | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 17,370 | 0 | 0 | 0 | 0 | 0 | 0 | 17,370 |

ALLOCATION OF RESERVATION AND USAGE COSTS TO TRANSMISSION PATHS

| | Redwood | L400, L2, L3 | L401 Noncore | Main L400, L2, L401 Noncore | L401 (for G-XF rate) | L300 Central + South | Other BB Transmission | Total BB Transmission |
|-------------------------------|---------|--------------|--------------|-----------------------------|----------------------|----------------------|-----------------------|-----------------------|
| Reserve | 11,432 | 7,550 | 39,092 | 46,467 | 27,989 | 7,190 | 43,329 | 143,451 |
| Usage | 1,836 | 1,212 | 422 | 3,725 | 74 | 55 | 354 | 8,010 |
| Variable | 2,428 | 1,604 | 22,483 | 10,448 | 5,834 | 453 | 24,854 | 45,689 |
| Return on Equity | 1,675 | 1,106 | 15,508 | 7,206 | 4,024 | 312 | 17,143 | 4,039 |
| Income Taxes on Equity Return | 5,938 | 3,922 | 38,413 | 21,379 | 9,932 | 821 | 42,350 | 2,122 |
| Total | 17,370 | 11,472 | 77,505 | 67,646 | 37,520 | 8,010 | 85,679 | 227,895 |

| | A | B | C | D | E | F | G | H | I | J | K | L |
|------------|---|---|---|---|---|---|--------|-----------|--------|----------|--------|-------------------|
| 95 | LOAD FACTORS | | | | | | | | | | | |
| 96 | | | | | | | | L401 G-XF | Baja | | | Silverado/Mission |
| 97 | | | | | | | Annual | Annual | Annual | Seasonal | Annual | Seasonal |
| 98 | | | | | | | 0.7400 | 1.0000 | 0.7400 | 0.6167 | 0.7400 | 0.6167 |
| 99 | | | | | | | 0.7400 | 0.9500 | 0.7400 | 0.6167 | 0.7400 | 0.6167 |
| 100 | | | | | | | 0.6167 | 0.8108 | 0.6167 | | 0.6167 | |
| 101 | | | | | | | | | | | | |
| 102 | 2005 BACKBONE TRANSMISSION MFV RATES | | | | | | | | | | | |
| 103 | FIRM | | | | | | | | | | | |
| 104 | | | | | | | | | | | | |
| 105 | | | | | | | | | | | | |
| 106 | | | | | | | | | | | | |
| 107 | | | | | | | | | | | | |
| 108 | | | | | | | | | | | | |
| 109 | | | | | | | | | | | | |
| 110 | | | | | | | | | | | | |
| 111 | | | | | | | | | | | | |
| 112 | | | | | | | | | | | | |
| 113 | | | | | | | | | | | | |
| 114 | | | | | | | | | | | | |
| 115 | | | | | | | | | | | | |
| 116 | | | | | | | | | | | | |
| 117 | | | | | | | | | | | | |
| 118 | | | | | | | | | | | | |
| 119 | | | | | | | | | | | | |
| 120 | | | | | | | | | | | | |
| 121 | | | | | | | | | | | | |
| 122 | | | | | | | | | | | | |
| 123 | | | | | | | | | | | | |
| 124 | | | | | | | | | | | | |
| 125 | | | | | | | | | | | | |
| 126 | | | | | | | | | | | | |
| 127 | | | | | | | | | | | | |
| 128 | | | | | | | | | | | | |
| 129 | | | | | | | | | | | | |
| 130 | | | | | | | | | | | | |
| 131 | | | | | | | | | | | | |
| 132 | | | | | | | | | | | | |
| 133 | | | | | | | | | | | | |
| 134 | | | | | | | | | | | | |
| 135 | | | | | | | | | | | | |
| 136 | | | | | | | | | | | | |
| 137 | | | | | | | | | | | | |
| 138 | | | | | | | | | | | | |
| 139 | | | | | | | | | | | | |
| 140 | | | | | | | | | | | | |
| 141 | | | | | | | | | | | | |

Pacific Gas and Electric Company
 Workpapers Supporting Gas Accord III Settlement
 As Adjusted per Cost of Capital Decision In A. 04-05-023
 PG and E Gas Transmission and Storage 2005 Rate Case (A. 04-03-021)

| | A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P | Q | R | S | T | | | | | | | | | | |
|--|---------------|---|---|---|---|------------|---|---|---|---|-----------------|---|---|---|---|--------------|---|---|---|---|--------|--|--|--|--|-------|--|--|--|--|
| 1 PACIFIC GAS AND ELECTRIC COMPANY | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 A. 04-03-021, Gas Transmission and Storage Rate Case 2005 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 As Adjusted per Cost of Capital Decision In A. 04-05-023 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4 Workpapers Supporting Gas Accord III Settlement | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6 Backbone Transmission SFV Rate | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7 Classification of 2005 Base Revenue Requirement to Reservation and Usage Components | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Receipt Point | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Redwood | | | | | L401 Other | | | | | L300 | | | | | BA Loop + | | | | | | | | | | | | | | |
| | L400, L2 Core | | | | | L400, L2 | | | | | Central + South | | | | | L300 North + | | | | | | | | | | | | | | |
| | 15,534 | | | | | 10,260 | | | | | 77,082 | | | | | 64,120 | | | | | 37,446 | | | | | 7,955 | | | | |
| | 1,836 | | | | | 1,212 | | | | | 422 | | | | | 3,725 | | | | | 74 | | | | | 55 | | | | |
| | 0 | | | | | 0 | | | | | 0 | | | | | 0 | | | | | 0 | | | | | 0 | | | | |
| | 0 | | | | | 0 | | | | | 0 | | | | | 0 | | | | | 0 | | | | | 0 | | | | |
| | 1,836 | | | | | 1,212 | | | | | 422 | | | | | 3,725 | | | | | 74 | | | | | 55 | | | | |
| | 17,370 | | | | | 11,472 | | | | | 77,505 | | | | | 67,846 | | | | | 37,520 | | | | | 8,010 | | | | |
| | Total | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Incremental | | | | | L401 G-XE | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | 85,325 | | | | | | | | | | | | | | | | | | | | | | | | |

ALLOCATION OF 2005 TRANSMISSION BASE REVENUE REQUIREMENT TO TRANSMISSION PATHS

| | Main L400, L2, L401 Noncore | | | L401 (for G-XF rate) | | | L300 Central + South | | | Other BB Transmission | | | Total BB Transmission | | |
|-------------------|-----------------------------|--------------------|---------|----------------------|--------------------|---------|----------------------|--------------------|---------|-----------------------|--------------------|---------|-----------------------|--------------------|-------|
| | Amount (\$000) | Allocators (MWh/d) | % | Amount (\$000) | Allocators (MWh/d) | % | Amount (\$000) | Allocators (MWh/d) | % | Amount (\$000) | Allocators (MWh/d) | % | Amount (\$000) | Allocators (MWh/d) | % |
| Transmission Path | \$17,370 | | | \$85,679 | | | \$67,846 | | | \$45,530 | | | \$227,895 | | |
| Redwood - Core | 17,370 | 0 | 100.00% | 86,864 | 0 | 0.00% | 0 | 0.00% | 0.00% | 0 | 0.00% | 0.00% | 8,685 | 0 | 0.00% |
| Redwood Path | 0 | 1,277,525 | 97.62% | 0 | 870,946 | 90.46% | 0 | 0.00% | 0.00% | 0 | 0.00% | 0.00% | 18,480 | 0 | 0.00% |
| L401 Non G-XF | 0 | 0 | 0.00% | 0 | 91,833 | 9.54% | 0 | 0.00% | 0.00% | 0 | 0.00% | 0.00% | 0 | 0 | 0.00% |
| L401 G-XF | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0.00% | 0.00% | 0 | 0.00% | 0.00% | 0 | 0 | 0.00% |
| Baja Path | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0.00% | 0.00% | 0 | 0.00% | 0.00% | 0 | 0 | 0.00% |
| Silverado/Mission | 0 | 31,091 | 2.38% | 2,113 | 0 | 0.00% | 0 | 0.00% | 0.00% | 0 | 0.00% | 0.00% | 15,929 | 0 | 0.00% |
| Total | 17,370 | 1,308,606 | 100.00% | 89,977 | 962,779 | 100.00% | 85,679 | 1,133,481 | 100.00% | 67,846 | 3,150,931 | 100.00% | 45,530 | 227,895 | |

ALLOCATION OF RESERVATION AND USAGE COSTS TO TRANSMISSION PATHS

| | Main L400, L2, L401 Noncore | | | L401 (for G-XF rate) | | | L300 Central + South | | | Other BB Transmission | | | Total BB Transmission | | |
|-------------------|-----------------------------|---------------------|---------|----------------------|---------------------|---------|----------------------|---------------------|---------|-----------------------|---------------------|---------|-----------------------|---------------------|---------|
| | Amount (\$000) | Alloc Am't. (\$000) | % | Amount (\$000) | Alloc Am't. (\$000) | % | Amount (\$000) | Alloc Am't. (\$000) | % | Amount (\$000) | Alloc Am't. (\$000) | % | Amount (\$000) | Alloc Am't. (\$000) | % |
| Reservation | 15,534 | 15,534 | 100.00% | 85,325 | 85,325 | 100.00% | 64,120 | 64,120 | 100.00% | 45,401 | 45,401 | 100.00% | 220,537 | 220,537 | 100.00% |
| Transmission Path | 15,534 | 0 | 0.00% | 85,325 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 8,670 | 0 | 0.00% |
| Redwood - Core | 15,534 | 0 | 0.00% | 85,325 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 18,408 | 0 | 0.00% |
| Redwood Path | 0 | 87,342 | 97.62% | 0 | 77,187 | 90.46% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% |
| L401 Non G-XF | 0 | 87,342 | 0.00% | 0 | 8,139 | 9.54% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% |
| L401 G-XF | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% |
| Baja Path | 0 | 87,342 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% |
| Silverado/Mission | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 15,884 | 0 | 0.00% |
| Total | 15,534 | 15,534 | 100.00% | 85,325 | 85,325 | 100.00% | 64,120 | 64,120 | 100.00% | 45,401 | 45,401 | 100.00% | 2,239 | 2,239 | 100.00% |
| Usage | 1,836 | 1,836 | 100.00% | 354 | 354 | 100.00% | 3,725 | 3,725 | 100.00% | 129 | 129 | 100.00% | 45,630 | 45,630 | 100.00% |
| Transmission Path | 1,836 | 0 | 0.00% | 354 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 25 | 0 | 0.00% |
| Redwood - Core | 1,836 | 0 | 0.00% | 354 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 52 | 0 | 0.00% |
| Redwood Path | 0 | 1,635 | 97.62% | 0 | 320 | 90.46% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% |
| L401 Non G-XF | 0 | 1,635 | 0.00% | 0 | 34 | 9.54% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% |
| L401 G-XF | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% |
| Baja Path | 0 | 1,635 | 0.00% | 0 | 39 | 2.39% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 46 | 0 | 0.00% |
| Silverado/Mission | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 6 | 0 | 0.00% |
| Total | 1,836 | 1,836 | 100.00% | 354 | 354 | 100.00% | 3,725 | 3,725 | 100.00% | 129 | 129 | 100.00% | 119 | 119 | 100.00% |

2006

Pacific Gas and Electric Company
 Workpapers Supporting Gas Accord III Settlement
 As Adjusted per Cost of Capital Decision in A. 04-05-023
 PG and E Gas Transmission and Storage 2005 Rate Case (A. 04-03-021)

| | A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P |
|-----------|--|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | PACIFIC GAS AND ELECTRIC COMPANY | | | | | | | | | | | | | | | |
| 2 | A. 04-03-021, Gas Transmission and Storage Rate Case 2005 | | | | | | | | | | | | | | | |
| 3 | As Adjusted per Cost of Capital Decision in A. 04-05-023 | | | | | | | | | | | | | | | |
| 4 | Workpapers Supporting Gas Accord III Settlement | | | | | | | | | | | | | | | |
| 5 | | | | | | | | | | | | | | | | |
| 6 | Backbone Transmission MFV Rate | | | | | | | | | | | | | | | |
| 7 | 2006 BASE REVENUE REQUIREMENT (\$000) | | | | | | | | | | | | | | | |
| 8 | | | | | | | | | | | | | | | | |
| 9 | | | | | | | | | | | | | | | | |
| 10 | | | | | | | | | | | | | | | | |
| 11 | | | | | | | | | | | | | | | | |
| 12 | | | | | | | | | | | | | | | | |
| 13 | | | | | | | | | | | | | | | | |
| 14 | | | | | | | | | | | | | | | | |
| 15 | | | | | | | | | | | | | | | | |
| 16 | | | | | | | | | | | | | | | | |
| 17 | | | | | | | | | | | | | | | | |
| 18 | | | | | | | | | | | | | | | | |
| 19 | | | | | | | | | | | | | | | | |
| 20 | | | | | | | | | | | | | | | | |
| 21 | | | | | | | | | | | | | | | | |
| 22 | | | | | | | | | | | | | | | | |
| 23 | | | | | | | | | | | | | | | | |
| 24 | | | | | | | | | | | | | | | | |
| 25 | | | | | | | | | | | | | | | | |
| 26 | | | | | | | | | | | | | | | | |
| 27 | | | | | | | | | | | | | | | | |

Pacific Gas and Electric Company
 Workpapers Supporting Gas Accord III Settlement
 As Adjusted per Cost of Capital Decision in A. 04-05-023
 PG and E Gas Transmission and Storage 2005 Rate Case (A. 04-03-021)

| | A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P | Q | R | S | T |
|----|--|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 29 | L401 to on-system (exc G-XF) | | | | | | | | | | | | | | | | | | | |
| 30 | Firm delivery capacity | | | | | | | | | | | | | | | | | | | |
| 31 | Non-G-XF Less SMUD | | | | | | | | | | | | | | | | | | | |
| 32 | MDH/d MDH/d | | | | | | | | | | | | | | | | | | | |
| 33 | 2006 870.946 962.779 | | | | | | | | | | | | | | | | | | | |
| 34 | | | | | | | | | | | | | | | | | | | | |
| 35 | | | | | | | | | | | | | | | | | | | | |
| 36 | CORE REDWOOD PATH VINTAGE - MFV | | | | | | | | | | | | | | | | | | | |
| 37 | Classification of 2006 Base Revenue Requirement to Reservation and Usage Components | | | | | | | | | | | | | | | | | | | |
| 38 | Receipt Point | | | | | | | | | | | | | | | | | | | |
| 39 | Redwood L401 Other L300 L300 North + BA Loop + | | | | | | | | | | | | | | | | | | | |
| 40 | L400, L2, Coils L400, L2 L401 Other L300 L300 North + | | | | | | | | | | | | | | | | | | | |
| 41 | 13,947 9,212 39,875 56,204 27,601 42,056 | | | | | | | | | | | | | | | | | | | |
| 42 | Reservation Costs (\$000) | | | | | | | | | | | | | | | | | | | |
| 43 | Usage Costs (\$000) | | | | | | | | | | | | | | | | | | | |
| 44 | Variable Costs | | | | | | | | | | | | | | | | | | | |
| 45 | Return on Equity | | | | | | | | | | | | | | | | | | | |
| 46 | Income Taxes on Equity Return | | | | | | | | | | | | | | | | | | | |
| 47 | Total Usage | | | | | | | | | | | | | | | | | | | |
| 48 | Total | | | | | | | | | | | | | | | | | | | |
| 49 | | | | | | | | | | | | | | | | | | | | |
| 50 | | | | | | | | | | | | | | | | | | | | |
| 51 | | | | | | | | | | | | | | | | | | | | |
| 52 | | | | | | | | | | | | | | | | | | | | |
| 53 | | | | | | | | | | | | | | | | | | | | |
| 54 | | | | | | | | | | | | | | | | | | | | |
| 55 | | | | | | | | | | | | | | | | | | | | |
| 56 | | | | | | | | | | | | | | | | | | | | |
| 57 | | | | | | | | | | | | | | | | | | | | |
| 58 | | | | | | | | | | | | | | | | | | | | |
| 59 | | | | | | | | | | | | | | | | | | | | |
| 60 | | | | | | | | | | | | | | | | | | | | |
| 61 | | | | | | | | | | | | | | | | | | | | |
| 62 | | | | | | | | | | | | | | | | | | | | |
| 63 | | | | | | | | | | | | | | | | | | | | |
| 64 | | | | | | | | | | | | | | | | | | | | |
| 65 | | | | | | | | | | | | | | | | | | | | |
| 66 | | | | | | | | | | | | | | | | | | | | |
| 67 | | | | | | | | | | | | | | | | | | | | |
| 68 | | | | | | | | | | | | | | | | | | | | |
| 69 | | | | | | | | | | | | | | | | | | | | |
| 70 | | | | | | | | | | | | | | | | | | | | |
| 71 | | | | | | | | | | | | | | | | | | | | |
| 72 | | | | | | | | | | | | | | | | | | | | |
| 73 | | | | | | | | | | | | | | | | | | | | |
| 74 | | | | | | | | | | | | | | | | | | | | |
| 75 | | | | | | | | | | | | | | | | | | | | |
| 76 | | | | | | | | | | | | | | | | | | | | |
| 77 | | | | | | | | | | | | | | | | | | | | |
| 78 | | | | | | | | | | | | | | | | | | | | |
| 79 | | | | | | | | | | | | | | | | | | | | |
| 80 | | | | | | | | | | | | | | | | | | | | |
| 81 | | | | | | | | | | | | | | | | | | | | |
| 82 | | | | | | | | | | | | | | | | | | | | |
| 83 | | | | | | | | | | | | | | | | | | | | |
| 84 | | | | | | | | | | | | | | | | | | | | |
| 85 | | | | | | | | | | | | | | | | | | | | |
| 86 | | | | | | | | | | | | | | | | | | | | |
| 87 | | | | | | | | | | | | | | | | | | | | |
| 88 | | | | | | | | | | | | | | | | | | | | |
| 89 | | | | | | | | | | | | | | | | | | | | |
| 90 | | | | | | | | | | | | | | | | | | | | |
| 91 | | | | | | | | | | | | | | | | | | | | |
| 92 | | | | | | | | | | | | | | | | | | | | |

ALLOCATION OF 2006 TRANSMISSION BASE REVENUE REQUIREMENT TO TRANSMISSION PATHS

| | L400 Core + WSL | | L400 Redwood Extn 0 | | L401 Total | | L401 (for G-XF rate) | | L300 Central + South | | Other BB Transmission | | Total BB Transmission | |
|---|--------------------|----------------|---------------------|----------------|--------------------|----------------|----------------------|----------------|----------------------|----------------|---|--------------------|-----------------------|--|
| | Amount (\$000) | % | Amount (\$000) | % | Amount (\$000) | % | Amount (\$000) | % | Allocators (MDH/d) | Amount (\$000) | % | Allocators (MDH/d) | Amount (\$000) | |
| Firm Capacity @ City Gate (Year-round; MDH/d) | 615,600 | 982,792 | 29,388 | 189,084 | 773,695 | 1,102,400 | 153,333 | 82,481 | 1,133,067 | 78,010 | 46,113 | 3,148,859 | 244,264 | |
| Mainlin L400, L2 Vintage | \$20,004 | 100.00% | \$20,004 | 100.00% | \$20,004 | 100.00% | \$20,004 | 100.00% | | | | | | |
| Transmission Path | Allocators (MDH/d) | Amount (\$000) | Allocators (MDH/d) | Amount (\$000) | Allocators (MDH/d) | Amount (\$000) | Allocators (MDH/d) | Amount (\$000) | Allocators (MDH/d) | Amount (\$000) | % <td>Allocators (MDH/d)</td> <td>Amount (\$000)</td> | Allocators (MDH/d) | Amount (\$000) | |
| Redwood - Core Vintage | 615,600 | 100.00% | 20,004 | 100.00% | 90,106 | 97.66% | 0 | 0 | 0 | 0 | 0.00% | 615,600 | 19,555 | |
| Redwood Path | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0 | 0 | 0 | 0.00% | 0 | 0 | |
| L401 Non G-XF | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 74,614 | 90.46% | 0 | 0 | 0.00% | 0 | 0 | |
| L401 G-XF | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | |
| Baja Path | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 7,867 | 9.54% | 0 | 0 | 0.00% | 0 | 0 | |
| Silverado/Mission | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | |
| Total | 615,600 | 100.00% | 20,004 | 100.00% | 2,163 | 2.34% | 75,899 | 82.481 | 1,102,400 | 78,010 | 46.113 | 1,133,333 | 161,444 | |

ALLOCATION OF RESERVATION AND USAGE COSTS TO TRANSMISSION PATHS

| | L400, L2 Vintage | | L401 Noncore | | L401 (for G-XF rate) | | L300 Central + South | | Other BB Transmission | | Total Alloc. | |
|------------------------|--------------------|---------|--------------------|---------|----------------------|---------|----------------------|---------|-----------------------|---------|--------------------|--|
| | Amount (\$000) | % | Amount (\$000) | % | Amount (\$000) | % | Amount (\$000) | % | Amount (\$000) | % | Amount (\$000) | |
| Reservation | 13,947 | 100.00% | 13,947 | 100.00% | 49,087 | 97.66% | 42,056 | 100.00% | 35,146 | 100.00% | 158,336 | |
| Transmission Path | Alloc Amt. (\$000) | | Alloc Amt. (\$000) | | Alloc Amt. (\$000) | | Alloc Amt. (\$000) | | Alloc Amt. (\$000) | | Alloc Amt. (\$000) | |
| Redwood - Core Vintage | 13,947 | 100.00% | 13,947 | 100.00% | 47,936 | 97.66% | 42,056 | 100.00% | 35,146 | 100.00% | 158,336 | |
| Redwood Path | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | |
| L401 Non G-XF | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 38,044 | 90.46% | 0 | 0.00% | 0 | |
| L401 G-XF | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 4,011 | 9.54% | 0 | 0.00% | 0 | |
| Baja Path | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | |
| Silverado/Mission | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | |
| Total | 13,947 | 100.00% | 13,947 | 100.00% | 49,087 | 100.00% | 42,056 | 100.00% | 35,146 | 100.00% | 158,336 | |
| Usage | 6,057 | 100.00% | 6,057 | 100.00% | 42,169 | 97.66% | 40,425 | 100.00% | 10,968 | 100.00% | 8,201 | |
| Transmission Path | Amount (\$000) | | Amount (\$000) | | Amount (\$000) | | Amount (\$000) | | Amount (\$000) | | Amount (\$000) | |
| Redwood - Core Vintage | 6,057 | 100.00% | 6,057 | 100.00% | 42,169 | 97.66% | 40,425 | 100.00% | 10,968 | 100.00% | 8,201 | |
| Redwood Path | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | |
| L401 Non G-XF | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 36,569 | 90.46% | 0 | 0.00% | 0 | |
| L401 G-XF | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 3,856 | 9.54% | 0 | 0.00% | 0 | |
| Baja Path | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | |
| Silverado/Mission | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | |
| Total | 6,057 | 100.00% | 6,057 | 100.00% | 42,169 | 100.00% | 40,425 | 100.00% | 10,968 | 100.00% | 8,201 | |

2006

Pacific Gas and Electric Company
 Workpapers Supporting Gas Accord III Settlement
 As Adjusted per Cost of Capital Decision in A. 04-05-023
 PG and E Gas Transmission and Storage 2005 Rate Case (A. 04-03-021)

| | A | B | C | D | E | F | G | H | I | J | K | L |
|-----|-------------------------|---|---|---|---|---|---|---|---|---|---|---|
| 95 | LOAD FACTORS | | | | | | | | | | | |
| 96 | Firm Reservation rates | | | | | | | | | | | |
| 97 | Firm Usage rates | | | | | | | | | | | |
| 98 | As-Available usage rate | | | | | | | | | | | |
| 99 | Annual | | | | | | | | | | | |
| 100 | Seasonal | | | | | | | | | | | |
| 101 | Redwood | | | | | | | | | | | |
| 102 | L401 G-XF | | | | | | | | | | | |
| 103 | Annual | | | | | | | | | | | |
| 104 | Seasonal | | | | | | | | | | | |
| 105 | Baja | | | | | | | | | | | |
| 106 | Annual | | | | | | | | | | | |
| 107 | Seasonal | | | | | | | | | | | |
| 108 | Silverado/Mission | | | | | | | | | | | |
| 109 | Annual | | | | | | | | | | | |
| 110 | Seasonal | | | | | | | | | | | |
| 111 | Redwood | | | | | | | | | | | |
| 112 | L401 G-XF | | | | | | | | | | | |
| 113 | Annual | | | | | | | | | | | |
| 114 | Seasonal | | | | | | | | | | | |
| 115 | Baja | | | | | | | | | | | |
| 116 | Annual | | | | | | | | | | | |
| 117 | Seasonal | | | | | | | | | | | |
| 118 | Silverado/Mission | | | | | | | | | | | |
| 119 | Annual | | | | | | | | | | | |
| 120 | Seasonal | | | | | | | | | | | |
| 121 | Redwood | | | | | | | | | | | |
| 122 | L401 G-XF | | | | | | | | | | | |
| 123 | Annual | | | | | | | | | | | |
| 124 | Seasonal | | | | | | | | | | | |
| 125 | Baja | | | | | | | | | | | |
| 126 | Annual | | | | | | | | | | | |
| 127 | Seasonal | | | | | | | | | | | |
| 128 | Silverado/Mission | | | | | | | | | | | |
| 129 | Annual | | | | | | | | | | | |
| 130 | Seasonal | | | | | | | | | | | |
| 131 | Redwood | | | | | | | | | | | |
| 132 | L401 G-XF | | | | | | | | | | | |
| 133 | Annual | | | | | | | | | | | |
| 134 | Seasonal | | | | | | | | | | | |
| 135 | Baja | | | | | | | | | | | |
| 136 | Annual | | | | | | | | | | | |
| 137 | Seasonal | | | | | | | | | | | |
| 138 | Silverado/Mission | | | | | | | | | | | |
| 139 | Annual | | | | | | | | | | | |
| 140 | Seasonal | | | | | | | | | | | |
| 141 | Baja | | | | | | | | | | | |
| 142 | Annual | | | | | | | | | | | |
| 143 | Seasonal | | | | | | | | | | | |
| 144 | Silverado/Mission | | | | | | | | | | | |
| 145 | Annual | | | | | | | | | | | |
| 146 | Seasonal | | | | | | | | | | | |
| 147 | Baja | | | | | | | | | | | |
| 148 | Annual | | | | | | | | | | | |
| 149 | Seasonal | | | | | | | | | | | |
| 150 | Silverado/Mission | | | | | | | | | | | |
| 151 | Annual | | | | | | | | | | | |
| 152 | Seasonal | | | | | | | | | | | |
| 153 | Baja | | | | | | | | | | | |
| 154 | Annual | | | | | | | | | | | |
| 155 | Seasonal | | | | | | | | | | | |
| 156 | Silverado/Mission | | | | | | | | | | | |
| 157 | Annual | | | | | | | | | | | |
| 158 | Seasonal | | | | | | | | | | | |
| 159 | Baja | | | | | | | | | | | |
| 160 | Annual | | | | | | | | | | | |
| 161 | Seasonal | | | | | | | | | | | |
| 162 | Silverado/Mission | | | | | | | | | | | |
| 163 | Annual | | | | | | | | | | | |
| 164 | Seasonal | | | | | | | | | | | |
| 165 | Baja | | | | | | | | | | | |
| 166 | Annual | | | | | | | | | | | |
| 167 | Seasonal | | | | | | | | | | | |
| 168 | Silverado/Mission | | | | | | | | | | | |
| 169 | Annual | | | | | | | | | | | |
| 170 | Seasonal | | | | | | | | | | | |
| 171 | Baja | | | | | | | | | | | |
| 172 | Annual | | | | | | | | | | | |
| 173 | Seasonal | | | | | | | | | | | |
| 174 | Silverado/Mission | | | | | | | | | | | |
| 175 | Annual | | | | | | | | | | | |
| 176 | Seasonal | | | | | | | | | | | |
| 177 | Baja | | | | | | | | | | | |
| 178 | Annual | | | | | | | | | | | |
| 179 | Seasonal | | | | | | | | | | | |
| 180 | Silverado/Mission | | | | | | | | | | | |
| 181 | Annual | | | | | | | | | | | |
| 182 | Seasonal | | | | | | | | | | | |
| 183 | Baja | | | | | | | | | | | |
| 184 | Annual | | | | | | | | | | | |
| 185 | Seasonal | | | | | | | | | | | |
| 186 | Silverado/Mission | | | | | | | | | | | |
| 187 | Annual | | | | | | | | | | | |
| 188 | Seasonal | | | | | | | | | | | |
| 189 | Baja | | | | | | | | | | | |
| 190 | Annual | | | | | | | | | | | |
| 191 | Seasonal | | | | | | | | | | | |
| 192 | Silverado/Mission | | | | | | | | | | | |
| 193 | Annual | | | | | | | | | | | |
| 194 | Seasonal | | | | | | | | | | | |
| 195 | Baja | | | | | | | | | | | |
| 196 | Annual | | | | | | | | | | | |
| 197 | Seasonal | | | | | | | | | | | |
| 198 | Silverado/Mission | | | | | | | | | | | |
| 199 | Annual | | | | | | | | | | | |
| 200 | Seasonal | | | | | | | | | | | |
| 201 | Baja | | | | | | | | | | | |
| 202 | Annual | | | | | | | | | | | |
| 203 | Seasonal | | | | | | | | | | | |
| 204 | Silverado/Mission | | | | | | | | | | | |
| 205 | Annual | | | | | | | | | | | |
| 206 | Seasonal | | | | | | | | | | | |
| 207 | Baja | | | | | | | | | | | |
| 208 | Annual | | | | | | | | | | | |
| 209 | Seasonal | | | | | | | | | | | |
| 210 | Silverado/Mission | | | | | | | | | | | |
| 211 | Annual | | | | | | | | | | | |
| 212 | Seasonal | | | | | | | | | | | |
| 213 | Baja | | | | | | | | | | | |
| 214 | Annual | | | | | | | | | | | |
| 215 | Seasonal | | | | | | | | | | | |
| 216 | Silverado/Mission | | | | | | | | | | | |
| 217 | Annual | | | | | | | | | | | |
| 218 | Seasonal | | | | | | | | | | | |
| 219 | Baja | | | | | | | | | | | |
| 220 | Annual | | | | | | | | | | | |
| 221 | Seasonal | | | | | | | | | | | |
| 222 | Silverado/Mission | | | | | | | | | | | |
| 223 | Annual | | | | | | | | | | | |
| 224 | Seasonal | | | | | | | | | | | |
| 225 | Baja | | | | | | | | | | | |
| 226 | Annual | | | | | | | | | | | |
| 227 | Seasonal | | | | | | | | | | | |
| 228 | Silverado/Mission | | | | | | | | | | | |
| 229 | Annual | | | | | | | | | | | |
| 230 | Seasonal | | | | | | | | | | | |
| 231 | Baja | | | | | | | | | | | |
| 232 | Annual | | | | | | | | | | | |
| 233 | Seasonal | | | | | | | | | | | |
| 234 | Silverado/Mission | | | | | | | | | | | |
| 235 | Annual | | | | | | | | | | | |
| 236 | Seasonal | | | | | | | | | | | |
| 237 | Baja | | | | | | | | | | | |
| 238 | Annual | | | | | | | | | | | |
| 239 | Seasonal | | | | | | | | | | | |
| 240 | Silverado/Mission | | | | | | | | | | | |
| 241 | Annual | | | | | | | | | | | |
| 242 | Seasonal | | | | | | | | | | | |
| 243 | Baja | | | | | | | | | | | |
| 244 | Annual | | | | | | | | | | | |
| 245 | Seasonal | | | | | | | | | | | |
| 246 | Silverado/Mission | | | | | | | | | | | |
| 247 | Annual | | | | | | | | | | | |
| 248 | Seasonal | | | | | | | | | | | |
| 249 | Baja | | | | | | | | | | | |
| 250 | Annual | | | | | | | | | | | |
| 251 | Seasonal | | | | | | | | | | | |
| 252 | Silverado/Mission | | | | | | | | | | | |
| 253 | Annual | | | | | | | | | | | |
| 254 | Seasonal | | | | | | | | | | | |
| 255 | Baja | | | | | | | | | | | |
| 256 | Annual | | | | | | | | | | | |
| 257 | Seasonal | | | | | | | | | | | |
| 258 | Silverado/Mission | | | | | | | | | | | |
| 259 | Annual | | | | | | | | | | | |
| 260 | Seasonal | | | | | | | | | | | |
| 261 | Baja | | | | | | | | | | | |
| 262 | Annual | | | | | | | | | | | |
| 263 | Seasonal | | | | | | | | | | | |
| 264 | Silverado/Mission | | | | | | | | | | | |
| 265 | Annual | | | | | | | | | | | |
| 266 | Seasonal | | | | | | | | | | | |
| 267 | Baja | | | | | | | | | | | |
| 268 | Annual | | | | | | | | | | | |
| 269 | Seasonal | | | | | | | | | | | |
| 270 | Silverado/Mission | | | | | | | | | | | |
| 271 | Annual | | | | | | | | | | | |
| 272 | Seasonal | | | | | | | | | | | |
| 273 | Baja | | | | | | | | | | | |
| 274 | Annual | | | | | | | | | | | |
| 275 | Seasonal | | | | | | | | | | | |
| 276 | Silverado/Mission | | | | | | | | | | | |
| 277 | Annual | | | | | | | | | | | |
| 278 | Seasonal | | | | | | | | | | | |
| 279 | Baja | | | | | | | | | | | |
| 280 | Annual | | | | | | | | | | | |
| 281 | Seasonal | | | | | | | | | | | |
| 282 | Silverado/Mission | | | | | | | | | | | |
| 283 | Annual | | | | | | | | | | | |
| 284 | Seasonal | | | | | | | | | | | |
| 285 | Baja | | | | | | | | | | | |
| 286 | Annual | | | | | | | | | | | |
| 287 | Seasonal | | | | | | | | | | | |
| 288 | Silverado/Mission | | | | | | | | | | | |
| 289 | Annual | | | | | | | | | | | |
| 290 | Seasonal | | | | | | | | | | | |
| 291 | Baja | | | | | | | | | | | |
| 292 | Annual | | | | | | | | | | | |
| 293 | Seasonal | | | | | | | | | | | |
| 294 | Silverado/Mission | | | | | | | | | | | |
| 295 | Annual | | | | | | | | | | | |
| 296 | Seasonal | | | | | | | | | | | |
| 297 | Baja | | | | | | | | | | | |
| 298 | Annual | | | | | | | | | | | |
| 299 | Seasonal | | | | | | | | | | | |
| 300 | Silverado/Mission | | | | | | | | | | | |

2006

Pacific Gas and Electric Company
 Workpapers Supporting Gas Accord III Settlement
 As Adjusted per Cost of Capital Decision in A. 04-05-023
 PG and E Gas Transmission and Storage 2005 Rate Case (A. 04-03-021)

| | A | B | C | D | E | F | G | H | I | J | K | L |
|-----|---|---|---|---|---------------|-------------|---|-----------------|-----------|-------------|-------------------|----------|
| 65 | LOAD FACTORS | | | | | | | | | | | |
| 66 | | | | | | Redwood | | L401 G-XF | Baja | | Silverado/Mission | |
| 67 | | | | | Annual | Seasonal | | Annual | Annual | Seasonal | Annual | Seasonal |
| 68 | | | | | 0.7500 | 0.6250 | | 1.0000 | 0.7500 | 0.6250 | 0.7500 | 0.6250 |
| 69 | | | | | 0.7500 | 0.6250 | | 0.9500 | 0.7500 | 0.6250 | 0.7500 | 0.6250 |
| 70 | | | | | 0.6250 | 0.6250 | | 0.8108 | 0.6250 | 0.6250 | 0.6250 | 0.6250 |
| 71 | | | | | | | | | | | | |
| 72 | 2006 BACKBONE TRANSMISSION SFV RATES | | | | | | | | | | | |
| 73 | FIRM | | | | | | | | | | | |
| 74 | | | | | ANNUAL | | | SEASONAL | | | | |
| 75 | | | | | Allocated | Billing | | Rate | Allocated | Billing | Rate | |
| 76 | | | | | Amount | Determinant | | (\$/Dth/mo) | Amount | Determinant | (\$/Dth/mo) | |
| 77 | | | | | (\$000) | MDth * 12 | | | (\$000) | MDth * 12 | | |
| 78 | RESERVATION | | | | | | | | | | | |
| 79 | Redwood - Core | | | | 27,121 | 5,540 | | 4.8952 | | | | |
| 80 | Redwood Path | | | | 107,133 | 11,498 | | 9.3177 | 107,133 | 9,581 | | 11.1813 |
| 81 | L401 G-XF | | | | 74,287 | 10,451 | | 7.1079 | | | | |
| 82 | Baja Path | | | | 88,300 | 9,922 | | 8.8998 | 88,300 | 8,268 | | 10.6797 |
| 83 | Silverado/Mission | | | | 6,371 | 1,380 | | 4.6170 | 6,371 | 1,150 | | 5.5404 |
| 84 | | | | | | | | | | | | |
| 85 | | | | | | | | | | | | |
| 86 | | | | | | | | | | | | |
| 87 | USAGE | | | | | | | | | | | |
| 88 | Redwood - Core | | | | 1,898 | 168,521 | | 0.0113 | | | | |
| 89 | Redwood Path | | | | 1,682 | 349,723 | | 0.0048 | 1,682 | 291,435 | | 0.0058 |
| 90 | L401 G-XF | | | | 326 | 302,000 | | 0.0011 | | | | |
| 91 | Baja path | | | | 3,743 | 301,782 | | 0.0124 | 3,743 | 251,485 | | 0.0149 |
| 92 | Silverado/Mission | | | | 148 | 41,975 | | 0.0035 | 148 | 34,979 | | 0.0042 |
| 94 | Volumetric Surcharge | | | | | | | 0.0030 | | | | 0.0036 |
| 95 | TOTAL @ Full Contract | | | | | | | | | | | |
| 96 | Redwood - Core | | | | | | | 0.1722 | | | | 0.3734 |
| 97 | Redwood Path | | | | | | | 0.3111 | | | | |
| 98 | L401 G-XF | | | | | | | 0.2348 | | | | |
| 99 | Baja path | | | | | | | 0.3050 | | | | 0.3660 |
| 100 | Silverado/Mission | | | | | | | 0.1553 | | | | 0.1864 |
| 102 | Volumetric Surcharge | | | | | | | 0.0030 | | | | 0.0036 |

Pacific Gas and Electric Company
 Workpapers Supporting Gas Accord III Settlement
 As Adjusted per Cost of Capital Decision in A. 04-05-023
 PG and E Gas Transmission and Storage 2005 Rate Case (A. 04-03-021)

| | A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P |
|-----------|--|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | PACIFIC GAS AND ELECTRIC COMPANY | | | | | | | | | | | | | | | |
| 2 | A. 04-03-021, Gas Transmission and Storage Rate Case 2005 | | | | | | | | | | | | | | | |
| 3 | As Adjusted per Cost of Capital Decision in A. 04-05-023 | | | | | | | | | | | | | | | |
| 4 | Workpapers Supporting Gas Accord III Settlement | | | | | | | | | | | | | | | |
| 5 | | | | | | | | | | | | | | | | |
| 6 | Backbone Transmission MFV Rate | | | | | | | | | | | | | | | |
| 7 | 2007 BASE REVENUE REQUIREMENT (\$000) | | | | | | | | | | | | | | | |
| 8 | | | | | | | | | | | | | | | | |
| 9 | | | | | | | | | | | | | | | | |
| 10 | | | | | | | | | | | | | | | | |
| 11 | | | | | | | | | | | | | | | | |
| 12 | | | | | | | | | | | | | | | | |
| 13 | | | | | | | | | | | | | | | | |
| 14 | | | | | | | | | | | | | | | | |
| 15 | | | | | | | | | | | | | | | | |
| 16 | | | | | | | | | | | | | | | | |
| 17 | | | | | | | | | | | | | | | | |
| 18 | | | | | | | | | | | | | | | | |
| 19 | | | | | | | | | | | | | | | | |
| 20 | | | | | | | | | | | | | | | | |
| 21 | | | | | | | | | | | | | | | | |
| 22 | | | | | | | | | | | | | | | | |
| 23 | | | | | | | | | | | | | | | | |
| 24 | | | | | | | | | | | | | | | | |
| 25 | | | | | | | | | | | | | | | | |
| 26 | | | | | | | | | | | | | | | | |
| 27 | | | | | | | | | | | | | | | | |

Pacific Gas and Electric Company
 Workpapers Supporting Gas Accord III Settlement
 As Adjusted per Cost of Capital Decision in A. 04-05-023
 PG and E Gas Transmission and Storage 2005 Rate Case (A. 04-03-021)

| | A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P | Q | R | S | T |
|----|-------------------------------|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 29 | L401 to on-system (incl G-XF) | | | | | | | | | | | | | | | | | | | |
| 30 | Firm delivery capacity | | | | | | | | | | | | | | | | | | | |
| 31 | Non-G-XF | | | | | | | | | | | | | | | | | | | |
| 32 | MDth/d | | | | | | | | | | | | | | | | | | | |
| 33 | MDth/d | | | | | | | | | | | | | | | | | | | |
| 34 | 2007 | | | | | | | | | | | | | | | | | | | |
| 35 | 870,946 | | | | | | | | | | | | | | | | | | | |
| 36 | 962,779 | | | | | | | | | | | | | | | | | | | |
| 37 | Receipt Point | | | | | | | | | | | | | | | | | | | |
| 38 | L401 Other | | | | | | | | | | | | | | | | | | | |
| 39 | L300 North + | | | | | | | | | | | | | | | | | | | |
| 40 | Central + South | | | | | | | | | | | | | | | | | | | |
| 41 | Monthly Bal | | | | | | | | | | | | | | | | | | | |
| 42 | Gal/line | | | | | | | | | | | | | | | | | | | |
| 43 | L401 | | | | | | | | | | | | | | | | | | | |
| 44 | for G-XF rate | | | | | | | | | | | | | | | | | | | |
| 45 | 40,724 | | | | | | | | | | | | | | | | | | | |
| 46 | Reserve Costs (\$000) | | | | | | | | | | | | | | | | | | | |
| 47 | 14,226 | | | | | | | | | | | | | | | | | | | |
| 48 | 9,396 | | | | | | | | | | | | | | | | | | | |
| 49 | 40,673 | | | | | | | | | | | | | | | | | | | |
| 50 | 57,328 | | | | | | | | | | | | | | | | | | | |
| 51 | 28,153 | | | | | | | | | | | | | | | | | | | |
| 52 | Usage Costs (\$000) | | | | | | | | | | | | | | | | | | | |
| 53 | 1,910 | | | | | | | | | | | | | | | | | | | |
| 54 | 1,261 | | | | | | | | | | | | | | | | | | | |
| 55 | 439 | | | | | | | | | | | | | | | | | | | |
| 56 | 3,876 | | | | | | | | | | | | | | | | | | | |
| 57 | 77 | | | | | | | | | | | | | | | | | | | |
| 58 | 58 | | | | | | | | | | | | | | | | | | | |
| 59 | 2,526 | | | | | | | | | | | | | | | | | | | |
| 60 | 1,668 | | | | | | | | | | | | | | | | | | | |
| 61 | 23,391 | | | | | | | | | | | | | | | | | | | |
| 62 | 10,870 | | | | | | | | | | | | | | | | | | | |
| 63 | 6,070 | | | | | | | | | | | | | | | | | | | |
| 64 | 471 | | | | | | | | | | | | | | | | | | | |
| 65 | 1,742 | | | | | | | | | | | | | | | | | | | |
| 66 | 16,194 | | | | | | | | | | | | | | | | | | | |
| 67 | 7,497 | | | | | | | | | | | | | | | | | | | |
| 68 | 325 | | | | | | | | | | | | | | | | | | | |
| 69 | 6,178 | | | | | | | | | | | | | | | | | | | |
| 70 | 4,081 | | | | | | | | | | | | | | | | | | | |
| 71 | 39,965 | | | | | | | | | | | | | | | | | | | |
| 72 | 22,243 | | | | | | | | | | | | | | | | | | | |
| 73 | 854 | | | | | | | | | | | | | | | | | | | |
| 74 | 20,405 | | | | | | | | | | | | | | | | | | | |
| 75 | 13,476 | | | | | | | | | | | | | | | | | | | |
| 76 | 80,638 | | | | | | | | | | | | | | | | | | | |
| 77 | 79,571 | | | | | | | | | | | | | | | | | | | |
| 78 | 38,486 | | | | | | | | | | | | | | | | | | | |
| 79 | 8,550 | | | | | | | | | | | | | | | | | | | |
| 80 | 79,161 | | | | | | | | | | | | | | | | | | | |
| 81 | 79,161 | | | | | | | | | | | | | | | | | | | |

CORE REDWOOD PATH VINTAGE - MFV
 Classification of 2007 Base Revenue Requirement to Reservation and Usage Components

| | Redwood | L400 | L2 | Core + WSL | L400 | Redwood Expn 0 | Redwood Expn 1 | L401 Total | Baja | Silverado | Total |
|-------------------------------|---------|--------|--------|------------|--------|----------------|----------------|------------|------|-----------|--------|
| Reserve Costs (\$000) | 14,226 | 9,396 | 40,673 | 57,328 | 28,153 | 7,696 | | | | | 40,724 |
| Usage Costs (\$000) | 1,910 | 1,261 | 439 | 3,876 | 77 | 58 | | | | | 368 |
| Return on Equity | 2,526 | 1,668 | 23,391 | 10,870 | 6,070 | 471 | | | | | 22,529 |
| Income Taxes on Equity Return | 1,742 | 1,151 | 16,194 | 7,497 | 4,187 | 325 | | | | | 15,540 |
| Total Usage | 6,178 | 4,081 | 39,965 | 22,243 | 854 | | | | | | 38,437 |
| Total | 20,405 | 13,476 | 80,638 | 79,571 | 38,486 | 8,550 | | | | | 79,161 |

ALLOCATION OF 2007 TRANSMISSION BASE REVENUE REQUIREMENT TO TRANSMISSION PATHS

| | Allocators (MDth/d) | Amount (\$000) | % | Total BB Transmission (\$000) |
|------------------------|---------------------|----------------|---------|---------------------|----------------|---------|---------------------|----------------|---------|---------------------|----------------|---------|---------------------|----------------|---------|---------------------|----------------|---------|---------------------|----------------|---------|-------------------------------|
| Transmission Path | 615,600 | 20,405 | 100.00% | 615,600 | 20,405 | 100.00% | 615,600 | 20,405 | 100.00% | 615,600 | 20,405 | 100.00% | 615,600 | 20,405 | 100.00% | 615,600 | 20,405 | 100.00% | 615,600 | 20,405 | 100.00% | 20,405 |
| Redwood - Core Vintage | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 |
| Redwood Path | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 |
| L401 Non G-XF | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 |
| L401 G-XF | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 |
| Baja Path | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 |
| Silverado/Mission | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 |
| Total | 615,600 | 20,405 | 100.00% | 615,600 | 20,405 | 100.00% | 615,600 | 20,405 | 100.00% | 615,600 | 20,405 | 100.00% | 615,600 | 20,405 | 100.00% | 615,600 | 20,405 | 100.00% | 615,600 | 20,405 | 100.00% | 248,676 |

ALLOCATION OF RESERVATION AND USAGE COSTS TO TRANSMISSION PATHS

| | Amount (\$000) | Alloc Amt. (\$000) | % | Amount (\$000) | Alloc Amt. (\$000) | % | Amount (\$000) | Alloc Amt. (\$000) | % | Amount (\$000) | Alloc Amt. (\$000) | % | Amount (\$000) | Alloc Amt. (\$000) | % | Amount (\$000) | Alloc Amt. (\$000) | % | Amount (\$000) | Alloc Amt. (\$000) | % | Total BB Transmission (\$000) |
|------------------------|----------------|--------------------|---------|----------------|--------------------|---------|----------------|--------------------|---------|----------------|--------------------|---------|----------------|--------------------|---------|----------------|--------------------|---------|----------------|--------------------|---------|-------------------------------|
| Reservation | 14,226 | 14,226 | 100.00% | 14,226 | 14,226 | 100.00% | 14,226 | 14,226 | 100.00% | 14,226 | 14,226 | 100.00% | 14,226 | 14,226 | 100.00% | 14,226 | 14,226 | 100.00% | 14,226 | 14,226 | 100.00% | 14,226 |
| Transmission Path | 14,226 | 14,226 | 100.00% | 14,226 | 14,226 | 100.00% | 14,226 | 14,226 | 100.00% | 14,226 | 14,226 | 100.00% | 14,226 | 14,226 | 100.00% | 14,226 | 14,226 | 100.00% | 14,226 | 14,226 | 100.00% | 14,226 |
| Redwood - Core Vintage | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 |
| Redwood Path | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 |
| L401 Non G-XF | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 |
| L401 G-XF | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 |
| Baja Path | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 |
| Silverado/Mission | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 |
| Total | 14,226 | 14,226 | 100.00% | 14,226 | 14,226 | 100.00% | 14,226 | 14,226 | 100.00% | 14,226 | 14,226 | 100.00% | 14,226 | 14,226 | 100.00% | 14,226 | 14,226 | 100.00% | 14,226 | 14,226 | 100.00% | 14,226 |
| Usage | 6,178 | 6,178 | 100.00% | 6,178 | 6,178 | 100.00% | 6,178 | 6,178 | 100.00% | 6,178 | 6,178 | 100.00% | 6,178 | 6,178 | 100.00% | 6,178 | 6,178 | 100.00% | 6,178 | 6,178 | 100.00% | 6,178 |
| Transmission Path | 6,178 | 6,178 | 100.00% | 6,178 | 6,178 | 100.00% | 6,178 | 6,178 | 100.00% | 6,178 | 6,178 | 100.00% | 6,178 | 6,178 | 100.00% | 6,178 | 6,178 | 100.00% | 6,178 | 6,178 | 100.00% | 6,178 |
| Redwood - Core Vintage | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 |
| Redwood Path | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 |
| L401 Non G-XF | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 |
| L401 G-XF | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 |
| Baja Path | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 |
| Silverado/Mission | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 | 0 | 0.00% | 0 |
| Total | 6,178 | 6,178 | 100.00% | 6,178 | 6,178 | 100.00% | 6,178 | 6,178 | 100.00% | 6,178 | 6,178 | 100.00% | 6,178 | 6,178 | 100.00% | 6,178 | 6,178 | 100.00% | 6,178 | 6,178 | 100.00% | 6,178 |

Pacific Gas and Electric Company
 Workpapers Supporting Gas Accord III Settlement
 As Adjusted per Cost of Capital Decision in A. 04-05-023
 PG and E Gas Transmission and Storage 2005 Rate Case (A. 04-03-021)

2007

| | A | B | C | D | E | F | G | H | I | J | K | L |
|-----|---|---|---|---|---|---|---|---|---|---|---|---|
| 95 | LOAD FACTORS | | | | | | | | | | | |
| 96 | Firm Reservation rates | | | | | | | | | | | |
| 97 | Firm Usage rates | | | | | | | | | | | |
| 98 | As-Available usage rate | | | | | | | | | | | |
| 99 | Annual | | | | | | | | | | | |
| 100 | Seasonal | | | | | | | | | | | |
| 101 | Annual | | | | | | | | | | | |
| 102 | Seasonal | | | | | | | | | | | |
| 103 | Annual | | | | | | | | | | | |
| 104 | Seasonal | | | | | | | | | | | |
| 105 | Annual | | | | | | | | | | | |
| 106 | Seasonal | | | | | | | | | | | |
| 107 | Annual | | | | | | | | | | | |
| 108 | Seasonal | | | | | | | | | | | |
| 109 | Annual | | | | | | | | | | | |
| 110 | Seasonal | | | | | | | | | | | |
| 111 | Annual | | | | | | | | | | | |
| 112 | Seasonal | | | | | | | | | | | |
| 113 | Annual | | | | | | | | | | | |
| 114 | Seasonal | | | | | | | | | | | |
| 115 | Annual | | | | | | | | | | | |
| 116 | Seasonal | | | | | | | | | | | |
| 117 | Annual | | | | | | | | | | | |
| 118 | Seasonal | | | | | | | | | | | |
| 119 | Annual | | | | | | | | | | | |
| 120 | Seasonal | | | | | | | | | | | |
| 121 | Annual | | | | | | | | | | | |
| 122 | Seasonal | | | | | | | | | | | |
| 123 | Annual | | | | | | | | | | | |
| 124 | Seasonal | | | | | | | | | | | |
| 125 | Annual | | | | | | | | | | | |
| 126 | Seasonal | | | | | | | | | | | |
| 127 | Annual | | | | | | | | | | | |
| 128 | Seasonal | | | | | | | | | | | |
| 129 | Annual | | | | | | | | | | | |
| 130 | Seasonal | | | | | | | | | | | |
| 131 | Annual | | | | | | | | | | | |
| 132 | Seasonal | | | | | | | | | | | |
| 133 | Annual | | | | | | | | | | | |
| 134 | Seasonal | | | | | | | | | | | |
| 135 | Annual | | | | | | | | | | | |
| 136 | Seasonal | | | | | | | | | | | |
| 137 | Annual | | | | | | | | | | | |
| 138 | Seasonal | | | | | | | | | | | |
| 139 | Annual | | | | | | | | | | | |
| 140 | Seasonal | | | | | | | | | | | |
| 141 | Annual | | | | | | | | | | | |
| | 2007 BACKBONE TRANSMISSION MFV RATES | | | | | | | | | | | |
| | FIRM | | | | | | | | | | | |
| | RESERVATION | | | | | | | | | | | |
| | Redwood - Core | | | | | | | | | | | |
| | Redwood Path | | | | | | | | | | | |
| | Baja Path | | | | | | | | | | | |
| | Silverado/Mission | | | | | | | | | | | |
| | USAGE | | | | | | | | | | | |
| | Redwood - Core | | | | | | | | | | | |
| | Redwood Path | | | | | | | | | | | |
| | Baja path | | | | | | | | | | | |
| | Silverado/Mission | | | | | | | | | | | |
| | Volumetric Surcharge | | | | | | | | | | | |
| | TOTAL @ Full Contract | | | | | | | | | | | |
| | Redwood - Core | | | | | | | | | | | |
| | Redwood Path | | | | | | | | | | | |
| | Baja path | | | | | | | | | | | |
| | Silverado/Mission | | | | | | | | | | | |
| | Volumetric Surcharge | | | | | | | | | | | |
| | AS-AVAILABLE | | | | | | | | | | | |
| | Redwood Path | | | | | | | | | | | |
| | Baja path | | | | | | | | | | | |
| | Silverado | | | | | | | | | | | |
| | Volumetric Surcharge | | | | | | | | | | | |

2007

Pacific Gas and Electric Company
 Workpapers Supporting Gas Accord III Settlement
 As Adjusted per Cost of Capital Decision in A. 04-05-023
 PG and E Gas Transmission and Storage 2005 Rate Case (A. 04-03-021)

| | A | B | C | D | E | F | G | H | I | J | K | L |
|------------|---|---|---|---|---|---------------|-------------|-------------|-----------------|-------------|-------------------|----------|
| 65 | LOAD FACTORS | | | | | | | | | | | |
| 66 | | | | | | Redwood | | L401 G-XF | Baja | | Silverado/Mission | |
| 67 | | | | | | Annual | Seasonal | Annual | Annual | Seasonal | Annual | Seasonal |
| 68 | | | | | | 0.7650 | 0.6375 | 1.0000 | 0.7650 | 0.6375 | 0.7650 | 0.6375 |
| 69 | | | | | | 0.7650 | 0.6375 | 0.9500 | 0.7650 | 0.6375 | 0.7650 | 0.6375 |
| 70 | | | | | | 0.6375 | 0.6375 | 0.8108 | 0.6375 | 0.6375 | 0.6375 | 0.6375 |
| 71 | | | | | | | | | | | | |
| 72 | 2007 BACKBONE TRANSMISSION SFV RATES | | | | | | | | | | | |
| 73 | FIRM | | | | | | | | | | | |
| 74 | | | | | | | | | | | | |
| 75 | | | | | | ANNUAL | | | SEASONAL | | | |
| 76 | | | | | | Allocated | Billing | Rate | Allocated | Determinant | Rate | |
| 77 | | | | | | Amount | Determinant | (\$/Dth/mo) | Amount | MDth * 12 | (\$/Dth/mo) | |
| 78 | | | | | | (\$000) | MDth * 12 | | (\$000) | MDth | | |
| 79 | | | | | | 27,673 | 5,651 | 4.8967 | 109,335 | 9,773 | 11.1874 | |
| 80 | | | | | | 109,335 | 11,728 | 9.3228 | 90,121 | 8,433 | 10.6862 | |
| 81 | | | | | | 71,277 | 10,451 | 6.8199 | 6,376 | 1,150 | 5.5440 | |
| 82 | | | | | | 90,121 | 10,120 | 8.9052 | | | | |
| 83 | | | | | | 6,376 | 1,380 | 4.6200 | | | | |
| 84 | | | | | | | | | | | | |
| 85 | | | | | | | | | | | | |
| 86 | | | | | | | | | | | | |
| 87 | | | | | | | | | | | | |
| 88 | | | | | | | | | | | | |
| 89 | | | | | | 1,936 | 171,891 | 0.0113 | 1,716 | 297,264 | 0.0058 | |
| 90 | | | | | | 1,716 | 356,717 | 0.0048 | | | | |
| 91 | | | | | | 333 | 302,000 | 0.0011 | 1,716 | 297,264 | 0.0058 | |
| 92 | | | | | | 3,820 | 307,818 | 0.0124 | 3,820 | 256,515 | 0.0149 | |
| 93 | | | | | | 148 | 41,975 | 0.0035 | 148 | 34,979 | 0.0042 | |
| 94 | | | | | | | | 0.0030 | | | 0.0036 | |
| 95 | | | | | | | | | | | | |
| 96 | | | | | | | | | | | | |
| 97 | | | | | | | | | | | | |
| 98 | | | | | | | | | | | | |
| 99 | | | | | | | | | | | | |
| 100 | | | | | | | | | | | | |
| 101 | | | | | | | | | | | | |
| 102 | | | | | | | | | | | | |

Pacific Gas and Electric Company
Workpapers Supporting Gas Accord III Settlement
As Adjusted per Cost of Capital Decision in A. 04-05-023
PG and E Gas Transmission and Storage 2005 Rate Case (A. 04-03-021)

**Calculation Volumetric Backbone Surcharge
Per Gas Accord III Settlement Agreement Section 3.3.1**

| | |
|--|------------------|
| Bill Credit for Service to Moss Landing Power Plant Units 1 and 2 (\$000) | \$ 2,000 |
| On-system Throughput, Net of G-10 and EAD (Mth) | <u>6,632,258</u> |
| Volumetric Surcharge (\$/Dth) | \$0.0030 |

PACIFIC GAS AND ELECTRIC COMPANY
Workpapers Supporting Gas Accord III Settlement Agreement
As Adjusted per Cost of Capital Decision in A. 04-05-023
A.04-03-021, PG&E Gas Transmission and Storage 2005 Rate Case
Allocation of Gas Accord III Storage Revenue

| | 2005 | | | 2006 | | | 2007 | | | | | |
|---|------------|------------|-------------|-------------|------------|------------|-------------|-------------|------------|------------|-------------|-------------|
| | Injection | Inventory | Withdrawal | Total | Injection | Inventory | Withdrawal | Total | Injection | Inventory | Withdrawal | Total |
| STORAGE | | | | | | | | | | | | |
| Revenue Requirement | | | | | | | | | | | | |
| Base Revenue Storage, net of bal NCG | \$11,774 | \$6,660 | \$37,837 | \$56,271 | \$12,208 | \$6,905 | \$39,233 | \$58,347 | \$12,453 | \$7,043 | \$40,018 | \$59,514 |
| Cycle gas for Balancing | | | 382 | 382 | | 390 | | 390 | | 398 | | 398 |
| Carrying Cost of Non-cycle Working Gas | | 2,137 | | 2,137 | | 2,180 | | 2,180 | | 2,223 | | 2,223 |
| TOTAL | \$11,774 | \$8,797 | \$38,219 | \$58,790 | \$12,208 | \$9,085 | \$39,623 | \$60,917 | \$12,453 | \$9,267 | \$40,415 | \$62,135 |
| Fixed Base RRQ | \$10,672 | \$6,037 | \$34,297 | \$51,006 | \$11,085 | \$6,270 | \$35,622 | \$52,977 | \$11,306 | \$6,395 | \$36,335 | \$54,036 |
| Fixed Cycle gas for Balancing | | | 382 | 382 | | 390 | | 390 | | 398 | | 398 |
| Carrying Cost of Non-cycle Working Gas | 1,102 | 2,137 | | 2,137 | 1,124 | 2,180 | | 2,180 | 1,146 | 2,223 | | 2,223 |
| Variable Base RRQ | | 623 | 3,540 | 5,265 | | 636 | 3,611 | 5,370 | | 648 | 3,683 | 5,477 |
| Base Revenue | \$11,774 | \$8,797 | \$38,219 | \$58,790 | \$12,208 | \$9,085 | \$39,623 | \$60,917 | \$12,453 | \$9,267 | \$40,415 | \$62,135 |
| Annual Cycling Capacity (MWh) | | | | | | | | | | | | |
| Monthly Balancing Service | 27,785.625 | 4,100.000 | 27,785.625 | 59,671.250 | 27,785.625 | 4,100.000 | 27,785.625 | 59,671.250 | 27,785.625 | 4,100.000 | 27,785.625 | 59,671.250 |
| Core Firm Service (G-CFS) | 41,074.369 | 33,477.726 | 178,601.057 | 253,153.152 | 41,074.369 | 33,477.726 | 178,601.057 | 253,153.152 | 41,074.369 | 33,477.726 | 178,601.057 | 253,153.152 |
| Standard Firm Service (G-SFS) | 6,031.241 | 4,782.525 | 34,285.027 | 45,098.793 | 6,031.241 | 4,782.525 | 34,285.027 | 45,098.793 | 6,031.241 | 4,782.525 | 34,285.027 | 45,098.793 |
| TOTAL | 74,891.235 | 42,360.251 | 240,671.709 | 357,923.195 | 74,891.235 | 42,360.251 | 240,671.709 | 357,923.195 | 74,891.235 | 42,360.251 | 240,671.709 | 357,923.195 |
| # Of Cycling Days | | | | | | | | | | | | |
| Monthly Balancing Service | 365.0 | | 365.0 | 365.0 | 365.0 | | 365.0 | 365.0 | 365.0 | | 365.0 | 365.0 |
| Core & Standard Firm Service | 365.0 | | 365.0 | 365.0 | 365.0 | | 365.0 | 365.0 | 365.0 | | 365.0 | 365.0 |
| Quantities (Annual Cycling Capacity / # of Cycling Days) | | | | | | | | | | | | |
| Monthly Balancing Service | 76.125 | 4.100 | 76.125 | 162.381 | 76.125 | 4.100 | 76.125 | 162.381 | 76.125 | 4.100 | 76.125 | 162.381 |
| Core Firm Service (G-CFS) | 112.533 | 33.478 | 489.318 | 1,100.381 | 112.533 | 33.478 | 489.318 | 1,100.381 | 112.533 | 33.478 | 489.318 | 1,100.381 |
| Standard Firm Service (G-SFS) | 16.524 | 4.783 | 93.932 | 125.425 | 16.524 | 4.783 | 93.932 | 125.425 | 16.524 | 4.783 | 93.932 | 125.425 |
| TOTAL | 205.181 | 42.360 | 659.375 | 1,488.187 | 205.181 | 42.360 | 659.375 | 1,488.187 | 205.181 | 42.360 | 659.375 | 1,488.187 |
| REVENUE REQUIREMENT ALLOCATED | | | | | | | | | | | | |
| Monthly Balancing Service | | | | | | | | | | | | |
| (Cost allocation %) | | | | | | | | | | | | |
| Fixed | 37.10% | 9.68% | 11.55% | 11.55% | 37.10% | 9.68% | 11.55% | 11.55% | 37.10% | 9.68% | 11.55% | 11.55% |
| Variable | \$3,960 | \$584 | \$3,960 | \$8,503 | \$4,113 | \$607 | \$4,113 | \$8,832 | \$4,195 | \$619 | \$4,195 | \$9,009 |
| Cycle gas for Balancing | 409 | 60 | 409 | 878 | 417 | 62 | 417 | 895 | 425 | 63 | 425 | 913 |
| Carrying Cost of Non-cycle Working Gas | 0 | 0 | 382 | 382 | 0 | 0 | 390 | 390 | 0 | 0 | 398 | 398 |
| TOTAL | \$4,368 | \$951 | \$4,750 | \$9,970 | \$4,529 | \$879 | \$4,919 | \$10,328 | \$4,620 | \$897 | \$5,018 | \$10,535 |
| Core Firm Service (G-CFS) | | | | | | | | | | | | |
| (Cost allocation %) | | | | | | | | | | | | |
| Fixed | 54.85% | 79.03% | 74.21% | 74.21% | 54.85% | 79.03% | 74.21% | 74.21% | 54.85% | 79.03% | 74.21% | 74.21% |
| Variable | \$5,853 | \$4,771 | \$25,452 | \$36,076 | \$6,079 | \$4,955 | \$26,435 | \$37,470 | \$6,201 | \$5,054 | \$26,964 | \$38,219 |
| Carrying Cost of Non-cycle Working Gas | 604 | 492 | 2,627 | 3,724 | 616 | 502 | 2,680 | 3,798 | 629 | 512 | 2,733 | 3,874 |
| TOTAL | \$6,457 | \$5,952 | \$28,079 | \$41,488 | \$6,696 | \$7,180 | \$29,115 | \$42,991 | \$6,830 | \$7,324 | \$29,697 | \$43,650 |
| Standard Firm Service (G-SFS) | | | | | | | | | | | | |
| (Cost allocation %) | | | | | | | | | | | | |
| Fixed | 8.05% | 11.29% | 14.25% | 14.25% | 8.05% | 11.29% | 14.25% | 14.25% | 8.05% | 11.29% | 14.25% | 14.25% |
| Variable | \$959 | \$682 | \$4,886 | \$6,427 | \$983 | \$708 | \$5,075 | \$6,675 | \$911 | \$722 | \$5,176 | \$6,809 |
| Carrying Cost of Non-cycle Working Gas | 89 | 70 | 504 | 663 | 90 | 72 | 514 | 677 | 92 | 73 | 525 | 690 |
| TOTAL | \$948 | \$993 | \$5,390 | \$7,331 | \$993 | \$1,026 | \$5,589 | \$7,596 | \$1,003 | \$1,046 | \$5,701 | \$7,750 |
| Total Storage | \$ 11,774 | \$ 8,797 | \$ 38,219 | \$ 58,790 | \$ 12,208 | \$ 9,085 | \$ 39,623 | \$ 60,917 | \$ 12,453 | \$ 9,267 | \$ 40,415 | \$ 62,135 |

PACIFIC GAS AND ELECTRIC COMPANY
Workpayers Supporting Gas Accord III Settlement Agreement
As Adjusted per Cost of Capital Decision In A. 04-06-023
A.04-03-021, PG&E Gas Transmission and Storage 2006 Rate Case
Market Storage Services Rate Design

| | Present Rates | | | Gas Accord III - Settlement Rates | | | | | | |
|------------------------|---------------|---------------|-----------------|-----------------------------------|---------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 2004 | | | 2006 | | | 2007 | | | |
| | Injection | Inventory | Withdrawal | Injection | Inventory | Withdrawal | Injection | Inventory | Withdrawal | Total |
| Fixed (\$000) | \$ 778 | \$ 615 | \$ 4,409 | \$ 869 | \$ 682 | \$ 4,886 | \$ 911 | \$ 722 | \$ 5,176 | \$ 6,809 |
| Variable | 103 | 82 | 565 | 89 | 70 | 504 | 92 | 73 | 525 | 680 |
| Carrying Costs (Fixed) | 225 | | | 241 | | | 251 | | | 251 |
| Total (\$000) | \$ 879 | \$ 922 | \$ 4,995 | \$ 948 | \$ 963 | \$ 5,390 | \$ 1,003 | \$ 1,048 | \$ 5,701 | \$ 7,750 |

| | 2004 | | | 2006 | | | 2007 | | | |
|--------|-----------|-----------|------------|-----------|-----------|------------|-----------|-----------|------------|-------|
| | Injection | Inventory | Withdrawal | Injection | Inventory | Withdrawal | Injection | Inventory | Withdrawal | Total |
| MDth | MDth | MDth | MDth | MDth | MDth | MDth | MDth | MDth | MDth | MDth |
| 16,524 | 4,782,525 | 83,832 | 16,524 | 4,782,525 | 83,832 | 16,524 | 4,782,525 | 83,832 | 83,832 | |

| | 2004 | | | 2006 | | | 2007 | | | |
|--------|-----------|-----------|------------|-----------|-----------|------------|-----------|-----------|------------|-------|
| | Injection | Inventory | Withdrawal | Injection | Inventory | Withdrawal | Injection | Inventory | Withdrawal | Total |
| MDth | MDth | MDth | MDth | MDth | MDth | MDth | MDth | MDth | MDth | MDth |
| 16,524 | 4,782,525 | 83,832 | 16,524 | 4,782,525 | 83,832 | 16,524 | 4,782,525 | 83,832 | 83,832 | |

| | 2004 | | | 2006 | | | 2007 | | | |
|--------|-----------|-----------|------------|-----------|-----------|------------|-----------|-----------|------------|-------|
| | Injection | Inventory | Withdrawal | Injection | Inventory | Withdrawal | Injection | Inventory | Withdrawal | Total |
| MDth | MDth | MDth | MDth | MDth | MDth | MDth | MDth | MDth | MDth | MDth |
| 16,524 | 4,782,525 | 83,832 | 16,524 | 4,782,525 | 83,832 | 16,524 | 4,782,525 | 83,832 | 83,832 | |

| | 2004 | | | 2006 | | | 2007 | | | |
|--------|-----------|-----------|------------|-----------|-----------|------------|-----------|-----------|------------|-------|
| | Injection | Inventory | Withdrawal | Injection | Inventory | Withdrawal | Injection | Inventory | Withdrawal | Total |
| MDth | MDth | MDth | MDth | MDth | MDth | MDth | MDth | MDth | MDth | MDth |
| 16,524 | 4,782,525 | 83,832 | 16,524 | 4,782,525 | 83,832 | 16,524 | 4,782,525 | 83,832 | 83,832 | |

| | 2004 | | | 2006 | | | 2007 | | | |
|--------|-----------|-----------|------------|-----------|-----------|------------|-----------|-----------|------------|-------|
| | Injection | Inventory | Withdrawal | Injection | Inventory | Withdrawal | Injection | Inventory | Withdrawal | Total |
| MDth | MDth | MDth | MDth | MDth | MDth | MDth | MDth | MDth | MDth | MDth |
| 16,524 | 4,782,525 | 83,832 | 16,524 | 4,782,525 | 83,832 | 16,524 | 4,782,525 | 83,832 | 83,832 | |

| | 2004 | | | 2006 | | | 2007 | | | |
|--------|-----------|-----------|------------|-----------|-----------|------------|-----------|-----------|------------|-------|
| | Injection | Inventory | Withdrawal | Injection | Inventory | Withdrawal | Injection | Inventory | Withdrawal | Total |
| MDth | MDth | MDth | MDth | MDth | MDth | MDth | MDth | MDth | MDth | MDth |
| 16,524 | 4,782,525 | 83,832 | 16,524 | 4,782,525 | 83,832 | 16,524 | 4,782,525 | 83,832 | 83,832 | |

PACIFIC GAS AND ELECTRIC COMPANY
Workpapers Supporting Gas Accord III Settlement Agreement
As Adjusted per Cost of Capital Decision in A. 04-05-023
A.04-03-021, PG&E Gas Transmission and Storage 2005 Rate Case
Core Firm Storage Rate Design

Present Rates

| | 2004 | | |
|-----------------------|-----------------|-----------------|------------------|
| | Injection | Inventory | Withdrawal |
| Fixed (\$000) | \$ 5,282 | \$ 4,305 | \$ 22,969 |
| Variable | 701 | 572 | 3,050 |
| Carrying Cost of NCWG | | 1,575 | 1,575 |
| TOTAL (\$000) | \$ 5,984 | \$ 6,452 | \$ 26,018 |

| | | |
|-----------------|-----------|------------|
| Design Capacity | Inventory | |
| | MDth | 33,477.726 |

Gas Accord III - Settlement Rates

| | 2005 | | | 2006 | | | 2007 | | | | | |
|-----------------------|-----------------|-----------------|------------------|------------------|-----------------|-----------------|------------------|------------------|-----------------|-----------------|------------------|------------------|
| | Injection | Inventory | Withdrawal | Total | Injection | Inventory | Withdrawal | Total | Injection | Inventory | Withdrawal | Total |
| Fixed (\$000) | \$ 5,853 | \$ 4,771 | \$ 25,452 | \$ 36,076 | \$ 6,079 | \$ 4,955 | \$ 26,435 | \$ 37,470 | \$ 6,201 | \$ 5,054 | \$ 26,964 | \$ 38,219 |
| Variable | 604 | 492 | 2,627 | 3,724 | 616 | 502 | 2,680 | 3,798 | 629 | 512 | 2,733 | 3,874 |
| Carrying Cost of NCWG | | 1,689 | | 1,689 | | 1,723 | | 1,723 | | 1,757 | | 1,757 |
| TOTAL (\$000) | \$ 6,457 | \$ 6,952 | \$ 28,079 | \$ 41,488 | \$ 6,696 | \$ 7,180 | \$ 29,115 | \$ 42,991 | \$ 6,830 | \$ 7,324 | \$ 29,697 | \$ 43,850 |

| | | |
|-----------------|-----------|------------|
| Design Capacity | Inventory | |
| | MDth | 33,477.726 |

(G-CFS) Core Firm Storages (\$/Dth):

| | |
|------------------------------------|-----------|
| Core Firm Storage Revenues (\$000) | \$ 38,454 |
| Inventory Quantities (Mdh) | 33,477.73 |
| Reservation Charge / Dth | \$ 1,1486 |
| Reservation Charge / Dth / Mo | \$ 0.0957 |

| | |
|------------------------------------|-----------|
| Core Firm Storage Revenues (\$000) | \$ 42,991 |
| Inventory Quantities (Mdh) | 33,477.7 |
| Reservation Charge / Dth | \$ 1,2842 |
| Reservation Charge / Dth / Mo | \$ 0.1070 |

| | |
|------------------------------------|-----------|
| Core Firm Storage Revenues (\$000) | \$ 43,850 |
| Inventory Quantities (Mdh) | 33,477.7 |
| Reservation Charge / Dth | \$ 1,3098 |
| Reservation Charge / Dth / Mo | \$ 0.1092 |

PACIFIC GAS AND ELECTRIC COMPANY

Workpapers Supporting Gas Accord III Settlement Agreement

A.04-03-021, PG&E Gas Transmission and Storage 2005 Rate Case

As Adjusted per Cost of Capital Decision in A. 04-05-023

Calculation of Carrying Costs on Non-cycled Working Gas (NCWG)

| | Allocation To Storage Subfunctions Based on Inventory | | | |
|--------------------------------------|--|----------------|------------------|----------------|
| | Total | Balancing | Core | Standard Firm |
| Value of Noncycle Working Gas (NCWG) | \$ 84,088,592 | | | |
| Short Term Interest Rate | <u>2.50%</u> | | | |
| Subtotal | \$2,099,908 | | | |
| Franchise and Uncollectible @ | | | | |
| | | | | |
| | | | | |
| | | | | |
| Carrying Cost NCWG - 2005 | <u>\$2,137,106</u> | 206,848 | 1,688,976 | 241,282 |
| | 100.0% | 9.7% | 79.0% | 11.3% |
| Carrying Cost NCWG - 2006 | <u>\$2,179,848</u> | | | |
| Carrying Cost NCWG - 2007 | <u>\$2,223,445</u> | | | |

PACIFIC GAS AND ELECTRIC COMPANY
Workpapers Supporting Gas Accord III Settlement Agreement
As Adjusted per Cost of Capital Decision in A. 04-05-023
A.04-03-021, PG&E Gas Transmission and Storage 2005 Rate Case
Self Balancing Service

| | Gas Accord III Settlement | | | |
|-------------------------------------|----------------------------------|------------------|------------------|------------------|
| | Present | 2005 | 2006 | 2007 |
| | 2004 | | | |
| Cost of Service | \$ 9,330 | \$ 9,970 | \$ 10,328 | \$ 10,535 |
| 80% Of Balancing Assets | \$ 7,464 | \$ 7,976 | \$ 8,262 | \$ 8,428 |
| Annual MDth (2000 BCAP) | <u>778,845</u> | <u>778,845</u> | <u>778,845</u> | <u>778,845</u> |
| Self Balancing Rate Credit (\$/Dth) | <u>\$ 0.0096</u> | <u>\$ 0.0102</u> | <u>\$ 0.0106</u> | <u>\$ 0.0108</u> |

Pacific Gas & Electric Company
 Gas Accord III Settlement Agreement
 Gas Transmission & Storage 2005 Rate Case (A. 04-03-021)

Throughput used to Set Local Transmission Rates

| Throughput Reconciliation | Core | Noncore Non-EG | EG and Cogen | Wholesale | Total Noncore | Total |
|---|-----------|----------------|--------------|-----------|---------------|-----------|
| Total System Throughput (Mth) | 2,996,324 | 1,515,777 | 2,295,188 | 38,470 | 3,849,435 | 6,845,759 |
| Total System Throughput (MDth/d) | 820.9 | 415.3 | 628.8 | 10.5 | 1,054.6 | 1,875.6 |
| Less: | | | | | | |
| G-10 and EAD Adjustments (Mth) | 3,604 | 158,975 | 50,923 | - | 209,898 | 213,502 |
| G-10 and EAD Adjustments (MDth/d) | 1.0 | 43.6 | 14.0 | - | 57.5 | 58.5 |
| Less: | | | | | | |
| Load Qualifying for Backbone Level End-Use Service (Mth) | - | 9,083 | 688,851 | - | 677,914 | 677,914 |
| Load Qualifying for Backbone Level End-Use Service (MDth/d) | - | 2.5 | 183.2 | - | 185.7 | 185.7 |
| Total Throughput Used for 2005 LT Rate Design (Mth) | 2,992,720 | 1,347,739 | 1,575,415 | 38,470 | 2,961,623 | 5,954,344 |
| Total Throughput Used for 2005 LT Rate Design (MDth/d) | 819.9 | 369.2 | 431.6 | 10.5 | 811.4 | 1,631.3 |
| Total Throughput Used for 2006 LT Rate Design (Mth) | 3,052,575 | 1,374,694 | 1,608,923 | 39,239 | 3,020,856 | 6,073,431 |
| Total Throughput Used for 2006 LT Rate Design (MDth/d) | 836.3 | 376.6 | 440.3 | 10.8 | 827.6 | 1,664.0 |
| Total Throughput Used for 2007 LT Rate Design (Mth) | 3,113,626 | 1,402,188 | 1,639,061 | 40,024 | 3,081,273 | 6,194,899 |
| Total Throughput Used for 2007 LT Rate Design (MDth/d) | 853.0 | 384.2 | 449.1 | 11.0 | 844.2 | 1,697.2 |

PACIFIC GAS AND ELECTRIC COMPANY
 Gas Accord III Settlement Agreement
 As Adjusted per Cost of Capital Decision In A. 04-05-023
 Workpaper Calculating Local Transmission Rates

| Line | Cost Allocation: | Wholesale Core and Noncore | | | | | | | | | | System Totals |
|---|--|----------------------------|------------|----------------|-----------|----------------------------|-------------------|-------------------|---------------|-----------|---------------------|---------------|
| | | Core | | Noncore Retail | | Wholesale Core and Noncore | | | | | | |
| | | IND-D | IND-T | G-EG | PALO ALTO | COALINGA | WEST COAST-CASTLE | WEST COAST-MATHER | ISLAND ENERGY | ALPINE | Paying Noncore Rate | |
| 1 | Cold Year January 2005 (mth) | 28,941 | 98,641 | 170,720 | 5,110 | 432 | 88 | 134 | 50 | 77 | 304,193 | 875,105 |
| 2 | % using Local Transmission | 100.00% | 97.91% | 75.28% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 85.45% | 94.94% |
| 3 | Cold Year January Using LT | 570,912 | 28,941 | 128,511 | 5,110 | 432 | 88 | 134 | 50 | 77 | 259,925 | 830,837 |
| 4 | G-10 And EAD Adj. Factors | 99.87% | 100.00% | 99.23% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 93.87% | 97.99% |
| 5 | Adjusted CYJ using LT (mth) | 570,184 | 28,941 | 127,519 | 5,110 | 432 | 88 | 134 | 50 | 77 | 243,982 | 814,166 |
| 6 | % of Cold Year January (Adopted MDM) | 70.033% | 10.026% | 15.663% | 0.628% | 0.053% | 0.011% | 0.016% | 0.006% | 0.009% | 29.967% | 100.000% |
| 7 | 2005 LT RIRQ Allocation (\$ 000) | \$ 102,042 | \$ 5,179 | \$ 14,609 | \$ 22,821 | \$ 77 | \$ 16 | \$ 24 | \$ 9 | \$ 14 | \$ 43,664 | \$ 145,706 |
| Throughput Used for Rate Design: | | | | | | | | | | | | |
| 8 | Avg. Year Served by PG&E | 2,996,324 | 264,048 | 1,251,729 | 33,800 | 2,080 | 750 | 1,000 | 410 | 429 | 3,849,435 | 6,845,759 |
| 9 | % using Local Transmission | 100.00% | 100.00% | 99.28% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 82.39% | 90.10% |
| 10 | Average Year Volumes Using LT | 2,996,324 | 264,048 | 1,242,666 | 33,800 | 2,080 | 750 | 1,000 | 410 | 429 | 3,171,521 | 6,167,845 |
| 11 | G-10 And EAD Adj. Factors | 99.88% | 100.00% | 96.87% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 93.38% | 96.54% |
| 12 | Throughput for LT Rate Design (Mth) | 2,992,720 | 264,048 | 1,083,691 | 33,800 | 2,080 | 750 | 1,000 | 410 | 429 | 2,961,623 | 5,954,344 |
| 13 | 2005 LT Rate (\$/Dth; Ln 7/Ln12*10) | \$ 0.3410 | \$ 0.1962 | \$ 0.1348 | \$ 0.2706 | \$ 0.3714 | \$ 0.2109 | \$ 0.2395 | \$ 0.2182 | \$ 0.3209 | \$ 0.1474 | \$ 0.2447 |
| Three Year Rate Design Summary | | | | | | | | | | | | |
| | Total LT Cost of Service (\$ in 000's) | \$ 145,706 | \$ 135,528 | \$ 138,238 | | | | | | | | |
| Core Retail | | | | | | | | | | | | |
| 14 | MDM Allocation % | 70.0% | 70.0% | 70.0% | | | | | | | | |
| 15 | LT Cost Allocation | \$ 102,042 | \$ 94,914 | \$ 96,812 | | | | | | | | |
| 16 | Throughput | 2,992,720 | 3,052,575 | 3,113,626 | | | | | | | | |
| 17 | Rate/Dth | \$ 0.3410 | \$ 0.3109 | \$ 0.3109 | | | | | | | | |
| Noncore Retail and Wholesale: | | | | | | | | | | | | |
| 18 | MDM Allocation % | 30.0% | 30.0% | 30.0% | | | | | | | | |
| 19 | LT Cost Allocation | \$ 43,664 | \$ 40,614 | \$ 41,426 | | | | | | | | |
| 20 | Throughput | 2,961,623 | 3,020,856 | 3,081,273 | | | | | | | | |
| 21 | Rate/Dth | \$ 0.1474 | \$ 0.1344 | \$ 0.1344 | | | | | | | | |

PACIFIC GAS AND ELECTRIC COMPANY
Workpapers Supporting Gas Accord III - Settlement Agreement
As Adjusted per Cost of Capital Decision in A. 04-05-023
PG&E Gas Transmission & Storage Rate Case (A. 04-03-021)

Customer Access Charge Tiering for Unified G-NTT and G-EG Structure

| Line # | Avg. # of Accts. Paying CAC per mo. | Monthly G-NTT and G-EG Customer Access Charge (\$/Account) | | | | | Totals | Comments |
|--|--|--|-----------|------------|------------|------------|--------------|---|
| | | Tier 1 | Tier 2 | Tier 3 | Tier 4 | Tier 5 | | |
| 1 | 13 | | 10 | 106 | 120 | 103 | 396 | |
| 2 | Total Customer Access Charge 2005 RRQ (\$ 000) | | | | | | \$ 4,953 | |
| 3 | LESS Total of Specific Allocations to Each Wholesale Customer (\$ 000) | | | | | | \$ 108 | |
| 4 | Net for Allocation Among G-NTT and G-EG Unified CAC Tiers (\$ 000) | | | | | | \$ 4,845 | |
| 5 | Multiply by 1000 to Convert to \$ | | | | | | 1000 | |
| 6 | Net \$ for Allocation Among G-NTT/G-EG Unified CAC Tiers | | | | | | \$ 4,845,239 | |
| Filed Allocations for 2005 | | | | | | | | |
| SRM Capital | | | | | | | | |
| 7 | O&M on Capital | \$ 19.02 | \$ 23.23 | \$ 87.42 | \$ 115.74 | \$ 211.44 | \$ 2,501.76 | 398.64 Allocation based on Capital |
| 8 | Customer Care O&M | \$ 4.52 | \$ 5.53 | \$ 20.80 | \$ 27.53 | \$ 50.30 | \$ 595.16 | 94.83 Allocation based on Capital |
| 9 | Phone Costs/Month/Account | \$ 8.11 | \$ 56.74 | \$ 81.01 | \$ 107.31 | \$ 129.37 | \$ 669.71 | 165.46 Customer Care Study |
| 10 | Subtotal | \$ 14.72 | \$ 14.72 | \$ 14.72 | \$ 14.72 | \$ 14.72 | \$ 14.72 | 14.72 \$70K per Year Divided By 4,755 Billings |
| 11 | | \$ 46.36 | \$ 100.21 | \$ 203.94 | \$ 265.31 | \$ 405.83 | \$ 3,781.35 | \$ 673.65 |
| Allocations Scaled to Settlement RRQ for 2005 | | | | | | | | |
| SRM Capital | | | | | | | | |
| 12 | O&M on Capital | \$ 18.30 | \$ 22.35 | \$ 84.12 | \$ 111.38 | \$ 203.46 | \$ 2,407.37 | 383.60 Using Factor in Line 33 |
| 13 | Customer Care O&M | \$ 4.35 | \$ 5.32 | \$ 20.01 | \$ 26.50 | \$ 48.40 | \$ 572.71 | 91.26 Using Factor in Line 33 |
| 14 | Phone Costs/Month/Account | \$ 7.80 | \$ 54.60 | \$ 77.95 | \$ 103.26 | \$ 124.49 | \$ 644.45 | 159.21 Using Factor in Line 33 |
| 15 | Subtotal | \$ 14.16 | \$ 14.16 | \$ 14.16 | \$ 14.16 | \$ 14.16 | \$ 14.16 | 14.16 Using Factor in Line 33 |
| 16 | Multiply by # of Billings per Year | \$ 44.82 | \$ 96.43 | \$ 196.25 | \$ 255.30 | \$ 390.52 | \$ 3,638.69 | 648.23 |
| 17 | Subtotal | 151 | 121 | 1,271 | 1,434 | 1,238 | 540 | 4,755 |
| 18 | | \$ 6,742 | \$ 11,636 | \$ 249,514 | \$ 366,112 | \$ 483,496 | \$ 1,965,107 | \$ 3,082,806 |
| 19 | Total Allocation of O&M [(Ln8+Ln9)*Ln12] | \$ 1,836 | \$ 7,230 | \$ 124,555 | \$ 186,078 | \$ 214,056 | \$ 657,335 | \$ 1,191,091 |
| 20 | Resulting O&M Allocation Factor | 0.154% | 0.607% | 10.457% | 15.622% | 17.971% | 55.188% | 100.000% |
| Allocation of A&G and Billing O&M | | | | | | | | |
| 21 | Total Allocation by Tier (Ln13+Ln16) | \$ 2,718 | \$ 10,699 | \$ 184,322 | \$ 275,367 | \$ 316,771 | \$ 972,756 | \$ 1,762,833 |
| 22 | 2005 Monthly Charge By Tier (Ln17/Ln12) | \$ 9,460 | \$ 22,334 | \$ 433,836 | \$ 641,479 | \$ 800,266 | \$ 2,937,863 | \$ 4,845,239 |
| 23 | Check By Multiplying Avg. # of Accts. Per Mo. Per Tier | \$ 62.60 | \$ 185.09 | \$ 341.22 | \$ 447.31 | \$ 646.38 | \$ 5,439.89 | \$ 1,018.89 |
| 24 | 2006 Customer Access Charge Revenue Requirement | \$ 9,460 | \$ 22,334 | \$ 433,836 | \$ 641,479 | \$ 800,266 | \$ 2,937,863 | \$ 4,845,239 |
| 25 | Ratio To 2005 CAC RRQ | | | | | | \$ | \$ 5,072,213 |
| 26 | 2007 Customer Access Charge Revenue Requirement | | | | | | \$ | 102,412% |
| 27 | Ratio To 2006 CAC RRQ | | | | | | \$ | \$ 5,173,657 |
| 28 | 2006 Customer Access Charges (\$/mo./acct.) | | | | | | | 102,000% |
| 29 | 2007 Customer Access Charges (\$/mo./acct.) | \$ 64.11 | \$ 189.55 | \$ 349.45 | \$ 458.10 | \$ 661.97 | \$ 5,571.10 | \$ 1,043.47 Line 24 Multiplied by Factor in Line 26 |
| 30 | Filed Customer Access Charge Revenue Requirement for 2005 (Errata Filing: \$000) | \$ 65.39 | \$ 193.34 | \$ 356.44 | \$ 467.27 | \$ 675.21 | \$ 5,682.52 | \$ 1,064.34 Line 29 Multiplied by Factor in Line 28 |
| 31 | Settlement Customer Access Charge RRQ for 2005 | | | | | | \$ | \$ 5,147 |
| 32 | Scaling Factor | | | | | | \$ | \$ 4,953 |
| 33 | | | | | | | | \$ 96.227% |

PACIFIC GAS AND ELECTRIC COMPANY
Workpapers Supporting Gas Accord III Settlement Agreement
As Adjusted per Cost of Capital Decision in A. 04-05-023
PG&E Gas Transmission & Storage 2005 Rate Case (A. 04-03-021)

| | | Customer Access Charge: Allocation to Wholesale Customers | | | | | | Wholesale Totals | Notes |
|----|--|---|--------------------|------------------|------------------|------------------|------------------|---|-------|
| | | Palo Alto | Coalinga | Island Energy | Mather | Castle | Alpine | Proportionally Scaled to Gas Accord III Settlement CAC | |
| 1 | SRM Capital | | | | | | | | |
| | Allocator | \$ 1,951,421.43 | | | | | | | |
| | SRM RCN | | | | | | | | |
| 2 | Allocation Factors | 1.923% | 0.357% | 0.162% | 0.073% | 0.104% | 0.197% | | |
| 3 | Allocation Factors adjusted for Alpine | 1.926% | 0.358% | 0.162% | 0.073% | 0.104% | | | |
| 4 | Dollars Allocated to Class | \$37,590 | \$6,983 | \$3,168 | \$1,432 | \$2,025 | \$0 | \$51,199 | |
| 5 | SRM O&M | | | | | | | | |
| | Allocator | \$ 464,238.01 | | | | | | Scaled | |
| | SRM RCN | | | | | | | | |
| 7 | Allocation Factors | 1.926% | 0.358% | 0.162% | 0.073% | 0.104% | 0.000% | | |
| 8 | Dollars Allocated to Class | \$9,943 | \$1,661 | \$754 | \$341 | \$482 | \$0 | \$12,180 | |
| 9 | Customer Accounts O&M | | | | | | | | |
| | Allocator | \$ 1,193,476.95 | | | | | | Scaled | |
| | CA Study | | | | | | | | |
| 10 | Allocation Factors | 0.12% | 0.32% | 0.32% | 0.32% | 0.32% | 0.32% | | |
| 11 | Dollars Allocated to Class | \$1,468 | \$3,829 | \$3,829 | \$3,829 | \$3,829 | \$3,829 | \$20,611 | |
| 12 | Customer Services | | | | | | | | |
| | Allocator | \$ - | | | | | | | |
| | SRM RCN | | | | | | | | |
| 13 | Allocation Factors | 1.92% | 0.36% | 0.16% | 0.07% | 0.10% | 0.20% | | |
| 14 | Dollars Allocated | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| 15 | Cost Allocation Summary | | | | | | | | |
| | SRM Capital | \$37,590 | \$6,983 | \$3,168 | \$1,432 | \$2,025 | \$0 | \$51,199 | |
| | SRM O&M | \$8,943 | \$1,661 | \$754 | \$341 | \$482 | \$0 | \$12,180 | |
| | Customer Accounts | \$1,468 | \$3,829 | \$3,829 | \$3,829 | \$3,829 | \$3,829 | \$20,611 | |
| | Customer Services | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| | Other Customer Expenses | \$8,458 | \$4,460 | \$3,723 | \$3,387 | \$3,502 | \$0 | \$23,529 | |
| | Total 2005 Customer RRQ (sum of lines 15-19) | \$56,459 | \$16,933 | \$11,473 | \$8,959 | \$9,836 | \$3,829 | \$107,519 | |
| 21 | 2005 Monthly Charge (\$) (Ln 20 / 12) | \$ 4,704.88 | \$ 1,411.09 | \$ 956.07 | \$ 749.09 | \$ 819.70 | \$ 319.05 | | |
| 22 | Scaling Factor to 2006 CAC RRQ | 102.4% | 102.4% | 102.4% | 102.4% | 102.4% | 102.4% | | |
| 23 | 2006 Monthly Charge (\$) | \$ 4,818.36 | \$ 1,445.13 | \$ 979.13 | \$ 767.15 | \$ 839.47 | \$ 326.74 | | |
| 24 | Scaling Factor to 2007 CAC RRQ | 102.0% | 102.0% | 102.0% | 102.0% | 102.0% | 102.0% | | |
| 25 | 2007 Monthly Charge (\$) | \$ 4,914.73 | \$ 1,474.03 | \$ 998.71 | \$ 782.50 | \$ 856.26 | \$ 333.28 | | |

**PG&E Gas and Electric Advice
Filing List
General Order 96-A, Section III(G)**

| | | |
|------------------------------------|--|---------------------------------------|
| ABAG Power Pool | Department of Water & Power City | Northern California Power Agency |
| Accent Energy | Dept of the Air Force | Office of Energy Assessments |
| Aglet Consumer Alliance | DGS Natural Gas Services | Palo Alto Muni Utilities |
| Agnews Developmental Center | DMM Customer Services | PG&E National Energy Group |
| Ahmed, Ali | Douglass & Liddell | Pinnacle CNG Company |
| Alcantar & Elsesser | Downey, Brand, Seymour & Rohwer | PITCO |
| Anderson Donovan & Poole P.C. | Duke Energy | Plurimi, Inc. |
| Applied Power Technologies | Duke Energy North America | PPL EnergyPlus, LLC |
| APS Energy Services Co Inc | Duncan, Virgil E. | Praxair, Inc. |
| Arter & Hadden LLP | Dutcher, John | Price, Roy |
| Avista Corp | Dynegy Inc. | Product Development Dept |
| Barkovich & Yap, Inc. | Ellison Schneider | R. M. Hairston & Company |
| BART | Energy Law Group LLP | R. W. Beck & Associates |
| Bartle Wells Associates | Energy Management Services, LLC | Recon Research |
| Blue Ridge Gas | Enron Energy Services | Regional Cogeneration Service |
| Bohannon Development Co | Exelon Energy Ohio, Inc | RMC Lonestar |
| BP Energy Company | Exeter Associates | Sacramento Municipal Utility District |
| Braun & Associates | Foster Farms | SCD Energy Solutions |
| C & H Sugar Co. | Foster, Wheeler, Martinez | Seattle City Light |
| CA Bldg Industry Association | Franciscan Mobilehome | Sempre |
| CA Cotton Ginners & Growers Assoc. | Future Resources Associates, Inc | Sempre Energy |
| CA League of Food Processors | G. A. Krause & Assoc | Sequoia Union HS Dist |
| CA Water Service Group | Gas Transmission Northwest Corporation | SESCO |
| California Energy Commission | GLJ Energy Publications | Sierra Pacific Power Company |
| California Farm Bureau Federation | Goodin, MacBride, Squeri, Schlotz & | Silicon Valley Power |
| California Gas Acquisition Svcs | Hanna & Morton | Simpson Paper Company |
| California ISO | Heeg, Peggy A. | Smurfit Stone Container Corp |
| Calpine | Hogan Manufacturing, Inc | Southern California Edison |
| Calpine Corp | House, Lon | SPURR |
| Calpine Gilroy Cogen | Imperial Irrigation District | St. Paul Assoc |
| Cambridge Energy Research Assoc | Integrated Utility Consulting Group | Stanford University |
| Cameron McKenna | International Power Technology | Sutherland, Asbill & Brennan |
| Cardinal Cogen | Interstate Gas Services, Inc. | Tabors Caramanis & Associates |
| Cellnet Data Systems | J. R. Wood, Inc | Tansev and Associates |
| Chevron Texaco | JTM, Inc | Tecogen, Inc |
| Chevron USA Production Co. | Kaiser Cement Corp | TFS Energy |
| Childress, David A. | Korea Elec Power Corp | TJ Cross Engineers |
| City of Glendale | Luce, Forward, Hamilton & Scripps | Transwestern Pipeline Co |
| City of Healdsburg | Marcus, David | Turlock Irrigation District |
| City of Palo Alto | Masonite Corporation | U S Borax, Inc |
| City of Redding | Matthew V. Brady & Associates | United Cogen Inc. |
| CLECA Law Office | Maynor, Donald H. | URM Groups |
| Constellation New Energy | McKenzie & Assoc | Utility Cost Management LLC |
| Cooperative Community Energy | McKenzie & Associates | Utility Resource Network |
| CPUC | Meek, Daniel W. | Wellhead Electric Company |
| Creative Technology | Mirant California, LLC | Western Hub Properties, LLC |
| Cross Border Inc | Modesto Irrigation Dist | White & Case |
| Crossborder Inc | Morrison & Foerster | WMA |
| CSC Energy Services | Morse Richard Weisenmiller & Assoc. | |
| Davis, Wright Tremaine LLP | Navigant Consulting | |
| Davis, Wright, Tremaine, LLP | New United Motor Mfg, Inc | |
| Defense Fuel Support Center | Norris & Wong Associates | |
| Department of the Army | North Coast Solar Resources | |