

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

Tel. No. (415) 703-1691



April 15, 2005

Advice Letter 2615-G

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

Subject: Revision of Form 79-845 – Core Gas Aggregation Service Agreement Attachment K and Exhibits A and B to Show Separate Public Purpose Program Surcharge

Dear Ms de la Torre:

Advice Letter 2615-G is effective March 1, 2005. A copy of the advice letter is sent herewith for your records.

Sincerely,

A handwritten signature in black ink, appearing to read "S. 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

March 3, 2005

Advice 2615-G
(Pacific Gas and Electric Company ID U39G)

**Subject: Revise Form 79-845--Core Transport Billing Agreement
Attachment K and Exhibits A and B to show separate Public Purpose
Program Surcharge**

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 listed on the enclosed Attachment I.

Purpose

The purpose of this filing is to revise PG&E's gas Form 79-845-- Core Transport Billing Agreement, Attachment K and associated Exhibits A and B, in compliance with Public Purpose Program (PPP) Decision (D.) 04-08-010 dated August 19, 2004, as described below.

Form 79-845 Revisions

Revisions to Form 79-845, Attachment K, include updates to PG&E's mailing address, minor section number updates, and other changes as follows:

Page 1, Introduction—change text to PG&E, a California corporation and remove language regarding laws of the state of California, to comport with other PG&E forms.

Page 1, Introduction--In the second WHEREAS section, the word "that" has been deleted before the words "the CTA".

Section 3, 3.1 -- the obsolete termination date option of December 31, 2002, is removed.

Exhibits A and B -- The changes to Exhibits A and B comply with D. 04-08-010 by separating the PPP surcharge from gas transportation rates. The PPP charge now is identified separately on the customer's bill.

Protests

Anyone wishing to protest this filing may do so by sending a letter by **March 23, 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:

March 3, 2005

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

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

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

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

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

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

Effective Date

In accordance with D. 04-08-010, PG&E requests that this advice filing become effective **March 1, 2005**.

Notice

In accordance with General Order 96-A, Section III, Paragraph G, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list. Address changes should be directed to Rose de la Torre at (415) 973-4716. Advice letter filings can also be accessed electronically at:

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

Brian K. Cherry /sr

Director, Regulatory Relations

Attachments

**ATTACHMENT I
ADVICE 2615-G**

<u>Cal. P.U.C. Sheet No.</u>	<u>Title of Sheet</u>	<u>Canceling Cal P.U.C. Sheet No.</u>
23057-G	Form 79-845—Core Gas Aggregation Service Agreement (Attachment K and Exhibits A and B)	22740-G
23058-G	Table of Contents – Forms	22998-G
23059-G	Table of Contents	23056-G



Pacific Gas and Electric Company
San Francisco, California

Cancelling

Revised
Revised

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

23057-G
22740-G

PACIFIC GAS AND ELECTRIC COMPANY
CORE GAS AGGREGATION SERVICE AGREEMENT
FORM NO. 79-845 (2/04)
REVISED EXHIBIT K (03/05)
(ATTACHED)

(T)

Advice Letter No. 2615-G
Decision No. 04-08-010

54474

Issued by
Karen A. Tomcala
Vice President
Regulatory Relations

Date Filed March 3, 2005
Effective _____
Resolution No. _____

ATTACHMENT K CORE TRANSPORT AGENT BILLING AGREEMENT

This Core Transport Agent Billing Agreement (the "Agreement") is made and entered into as of this ____ day of _____, 20____, by and between _____ ("Core Transport Agent" or "CTA"), and Pacific Gas and Electric Company ("PG&E"), a California corporation. CTA and PG&E may be individually referred to herein as "Party" and collectively as the "Parties." This Agreement constitutes Attachment K to the Core Transport Agent Request for Gas Aggregation Service (Form No. 79-845).

WHEREAS, the Parties desire to revise the current structure for CTA-consolidated billing by having PG&E no longer send end-users served by CTA-consolidated billing an information-only bill; and

WHEREAS, the Parties agree that, in lieu of PG&E sending an information-only bill, the CTA shall be responsible for providing the end-user with the requisite billing and customer protection information.

NOW THEREFORE, the Parties, intending to be legally bound agree as follows:

Section 1. General Description of Agreement

- 1.1 This Agreement is a legally binding contract. The Parties named in this Agreement are bound by the terms set forth herein and otherwise incorporated herein by reference. This Agreement shall govern the business relationship between the Parties by which CTA shall offer CTA-consolidated billing to its customers. Each Party, by agreeing to undertake specific activities and responsibilities for or on behalf of customers, acknowledges that each Party shall relieve and discharge the other Party of the responsibility for said activities and responsibilities with respect to those customers. Except where explicitly defined herein, the definitions controlling this Agreement are contained in PG&E's applicable rules.
- 1.2 The form of this Agreement has been developed as part of the regulatory process of the California Public Utilities Commission (CPUC), was filed and approved by the CPUC for use between PG&E and CTAs and may not be waived, altered, amended or modified, except as provided herein or in the relevant PG&E tariffed rules, or as may otherwise be authorized by the CPUC.

Section 2. Representations

- 2.1 Each Party represents that it is and shall remain in compliance with all applicable laws and tariffs, including applicable CPUC requirements.
- 2.2 Each person executing this Agreement for the respective Parties expressly represents and warrants that he or she has authority to bind the entity on whose behalf this Agreement is executed.
- 2.3 Each Party represents that (a) it has the full power and authority to execute and deliver this Agreement and to perform its terms and conditions; (b) the execution, delivery and performance of this Agreement have been duly authorized by all necessary corporate or other action by such Party; and (c) this Agreement constitutes such Party's legal, valid and binding obligation, enforceable against such Party in accordance with its terms.

Attachment K (Cont'd)

- 2.4 Each Party shall (a) exercise all reasonable care, diligence and good faith in the performance of its duties pursuant to this Agreement; and (b) carry out its duties in accordance with applicable recognized professional standards in accordance with the requirements of this Agreement.

Section 3. Term of Agreement

- 3.1 Unless otherwise agreed to by the Parties in writing, the term of this Agreement shall commence on the date of execution by both Parties hereto (the "Effective Date") and shall terminate on the earlier of (a) the date the CTA informs PG&E that it is no longer operating as a CTA in PG&E's service territory; (b) the date of termination pursuant to an Event of Default as described in Section 4 of this Agreement; or (c) the date of termination pursuant to Section 3.2 of this Agreement.
- 3.2 This Agreement shall terminate after (a) gas consumer protection legislation, including a provision authorizing the CPUC to enforce consumer protection rules, becomes effective for customers in PG&E's service territory; and (b) such consumer protection rules, including a CTA-certification program, are adopted by the CPUC and become effective for customers in PG&E's service territory. PG&E shall notify the CTA in writing within ten (10) calendar days following termination of this Agreement under this Section 3.2.

Section 4. Events of Default and Remedy for Default

- 4.1 An Event of Default under this Agreement shall include either Party's material breach of any provision of this Agreement, including those incorporated by reference herein, and failure to cure such breach within thirty (30) calendar days of receipt of written notice thereof from the non-defaulting Party or the Energy Division of the CPUC (the "Energy Division"); or such other period as may be provided by this Agreement or PG&E's applicable tariffs. Should the Energy Division determine that a CTA has breached its responsibilities under this Agreement, the Energy Division shall send a letter to both PG&E and the CTA notifying the Parties that a breach has occurred.
- 4.2 If an Event of Default occurs, the non-defaulting Party shall be entitled (a) to exercise any and all remedies available under PG&E's applicable tariffs; (b) to the extent not inconsistent with PG&E's applicable tariffs, to exercise any and all remedies provided for by law or in equity; and (c) in the event of a material Event of Default, to terminate this Agreement upon written notice to the other Party, which shall be effective upon the receipt thereof.
- 4.3 In the event that the Energy Division notifies PG&E that an Event of Default has occurred or if PG&E terminates this Agreement due to a CTA's Event of Default, PG&E shall resume sending an information-only bill to all end-users receiving consolidated billing from that CTA. PG&E shall be entitled to recover its costs, on a time and materials basis, associated with the resumption of the information-only bill.
- 4.4 Breach by any Party hereto of any provision of PG&E's applicable tariffs shall be governed by applicable provisions contained therein and each Party will retain all rights granted thereunder.

Attachment K (Cont'd)

Section 5. Credits, Billing and Customer Protection Information

- 5.1 PG&E shall provide gas billing credits to the CTA or the end-user, as appropriate, under the terms of PG&E's Gas Tariff G-CRED. PG&E shall provide such credits for the period during which PG&E no longer sends an information-only bill to the end-user served by CTA-consolidated billing.
- 5.2 The CTA shall present the requisite PG&E-provided charges, bill inserts, and customer protection information in each end-user bill. The requisite information is set forth in Exhibit A. PG&E shall provide the requisite bill inserts and customer protection information to the CTA in an electronic format by the tenth (10th) day of each calendar month. If the CTA does not receive this information by the fifteenth (15th) day of each calendar month, the CTA shall promptly notify PG&E. Upon request from the CTA, PG&E may, in its sole discretion, provide bill inserts to the CTA in the conventional paper format and charge the CTA for PG&E's out-of-pocket costs. Any dispute arising between the Parties relating to the Parties' obligations under Section 5.2 shall be reduced to writing and referred to the Parties' representatives as set forth in Section 13.2.
- 5.3 As set forth in Exhibit A, the CTA shall also provide a statement of Market-Index Commodity Price or PG&E's core procurement price in each end-user bill. The CTA, at its sole discretion, shall elect whether to provide the Market-Index Commodity Price or PG&E's core procurement price. However, once the CTA elects to provide a type of price, the CTA shall provide that elected type of price to the end-user for a period no less than 12 months. The Market-Index Commodity Price is defined to be the Natural Gas Intelligence Weekly Gas Price Index, first of the month publication, PG&E Citygate, Bidweek. If such a price is unavailable, the CTA shall be entitled to present a reasonable substitute to the end-user. PG&E shall provide its core procurement price to CTAs via Electronic Data Interchange (EDI). To the extent that an end-user's billing period extends over more than one pricing period, the CTA shall show the applicable commodity prices for each period. However, the CTA need not show a commodity price for a given period to an end-user if the CTA or PG&E has previously shown the commodity price for that period to that end-user on its bill. Any dispute arising between the Parties relating to the Parties' obligations under Section 5.3 shall be reduced to writing and referred to the Parties' representatives as set forth in Section 13.2.
- 5.4 Within fifteen (15) calendar days of the execution of this Agreement, the CTA shall provide to the Energy Division a copy of a proposed written notification to each end-user receiving CTA-consolidated billing. That notification will explain that PG&E shall no longer be providing an information-only bill to that end-user. Within thirty (30) calendar days of the execution of this Agreement, the CTA shall provide such written notice to end-users. Any dispute arising between the Parties relating to the Parties' obligations under Section 5.4 shall be reduced to writing and referred to the Parties' representatives as set forth in Section 13.2.
- 5.5 Pursuant to Section 8, the CTA shall indemnify PG&E for all liability, including direct and consequential damages that may result if the CTA modifies or fails to provide any customer with any information provided by PG&E to the CTA pursuant to this Section. Any disputes concerning the content of PG&E-provided information shall be resolved pursuant to Section 13.

Attachment K (Cont'd)

Section 6. Billing Information to be Provided by CTA

- 6.1 Within fifteen (15) calendar days of execution of this Agreement, the CTA shall provide the Energy Division a sample of the billing information that the CTA shall provide to its end-users served by CTA-consolidated billing. This billing information shall include the information set forth in Exhibit A. The CTA shall present the provided billing information to its end-users for the duration of this Agreement unless the CTA receives approval from the Energy Division to vary the previously provided billing information.
- 6.2 No less than two times a year during the term of this Agreement, the CTA shall provide the Energy Division with representative samples of bills actually presented to end-users under CTA-consolidated billing. The bills shall establish that the requisite customer information has been presented by the CTA to the end-user. Unless otherwise agreed upon by the Parties, the CTA shall provide the Energy Division with representative samples on or about March 1 and September 1, of each calendar year. The requirements of this Section 6.2 shall not replace or diminish the Energy Division's audit rights as set forth in Section 17.

Section 7. Limitation of Liability

- 7.1 Each Party's liability to the other Party for any loss, cost, claim, injury, liability, or expense, including reasonable attorneys' fees, relating to or arising from any act or omission in its performance of this Agreement, shall be limited to the amount of direct damage actually incurred, except as provided in Section 8. In no event shall either Party be liable to the other Party for any indirect, special, consequential, or punitive damages of any kind whatsoever, whether in contract, tort or strict liability, except in the event of an action covered by the Indemnification provisions of Section 8 of this Agreement, in which event this Section 7 shall not be applicable.

Section 8. Indemnification

- 8.1 To the fullest extent permitted by law, each Party (the "Indemnifying Party") shall indemnify and hold harmless the other Party, and its current and future direct and indirect parent companies, affiliates and their shareholders, officers, directors, employees, agents, servants, and assigns (collectively, the "Indemnified Party") and at the Indemnified Party's option, the Indemnifying Party shall defend the Indemnified Party from and against any and all claims and/or liabilities for losses, expenses, damage to property, injury to or death of any person, including, but not limited to, the Indemnified Party's employees and its affiliates' employees, subcontractors and subcontractors' employees, or any other liability incurred by the Indemnified Party, including reasonable expenses, legal and otherwise, which shall include reasonable attorneys' fees, caused wholly or in part by any negligent, grossly negligent, or willful act or omission by the Indemnifying Party, its officers, directors, employees, agents, or assigns arising out of this Agreement, except to the extent caused wholly or in part by any negligent, grossly negligent, or willful act or omission of the Indemnified Party.

Attachment K (Cont'd)

- 8.2 If any claim covered by Section 8.1 is brought against the Indemnified Party, then the Indemnifying Party shall be entitled to participate in and, unless in the opinion of counsel for the Indemnified Party a conflict of interest between the Parties may exist with respect to such claim, assume the defense of such claim, with counsel reasonably acceptable to the Indemnified Party. If the Indemnifying Party does not assume the defense of the Indemnified Party, or if a conflict precludes the Indemnifying Party from assuming the defense, then the Indemnifying Party shall reimburse the Indemnified Party on a monthly basis for the Indemnified Party's defense through separate counsel of the Indemnified Party's choice. Even if the Indemnifying Party assumes the defense of the Indemnified Party with acceptable counsel, the Indemnified Party, at its sole option, may participate in the defense, at its own expense, with counsel of its own choice, without relieving the Indemnifying Party of any of its obligations hereunder.
- 8.3 The Indemnifying Party's obligation to indemnify under this Section 8 shall survive termination of this Agreement, and shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for the Indemnifying Party under any statutory scheme, including, without limitation, under any Worker's Compensation Acts, Disability Benefit Acts or other Employee Benefit Acts.

Section 9. Entire Agreement

- 9.1 Except as provided in Section 16, this Agreement supersedes all other agreements or understandings, written or oral, between the Parties concerning the specific subject matter hereof. This Agreement may be modified from time to time only by an instrument in writing, signed by both Parties.

Section 10. Nondisclosure

- 10.1 Neither Party may disclose any Confidential Information obtained pursuant to this Agreement to any third party, including affiliates of such Party, without the express prior written consent of the other Party. As used herein, the term "Confidential Information" shall include, but not be limited to, all business, financial, and commercial information pertaining to the Parties, customers of either or both Parties, suppliers for either Party, personnel of either Party, any trade secrets, and other information of a similar nature, whether written or in intangible form that is marked proprietary or confidential with the appropriate owner's name. Confidential Information shall not include information known to either Party prior to obtaining the same from the other Party, information in the public domain, or information obtained by a Party from a third party who did not, directly or indirectly, receive the same from the other Party to this Agreement or from a party who was under an obligation of confidentiality to the other Party to this Agreement or information developed by either Party independent of any Confidential Information. The receiving Party shall use the higher of the standard of care that the receiving Party uses to preserve its own confidential information or a reasonable standard of care to prevent unauthorized use or disclosure of such Confidential Information. Each receiving Party shall, upon termination of this Agreement or at any time upon the request of the disclosing Party, promptly return or destroy all Confidential Information of the disclosing Party then in its possession.

Attachment K (Cont'd)

10.2 Notwithstanding the preceding, Confidential Information may be disclosed to any governmental, judicial or regulatory authority requiring such Confidential Information pursuant to any applicable law, regulation, ruling, or order, provided that (a) such Confidential Information is submitted under any applicable provision, if any, for confidential treatment by such governmental, judicial or regulatory authority; and (b) prior to such disclosure, the other Party is given prompt notice of the disclosure requirement so that it may take whatever action it deems appropriate, including intervention in any proceeding and the seeking of any injunction to prohibit such disclosure.

Section 11. Notices

11.1 Except as otherwise provided in this Agreement, any notices under this Agreement shall be in writing and shall be effective upon delivery if delivered by (a) hand; (b) U.S. Mail, first class postage pre-paid; or (c) facsimile, with confirmation of receipt to the Parties as follows:

If the notice is to the CTA:

Contact Name: _____

Business Address: _____

Facsimile: _____

If the notice is to PG&E:

Contact Name: Manager of ESP Services
Business Address: Account Services Department
 Mail Code B 19 C
 P.O. Box 770000
 San Francisco, CA 94177

11.2 Each Party shall be entitled to specify as its proper address any other address upon written notice to the other Party.

11.3 Each Party shall designate on Exhibit B the person(s) to be contacted with respect to specific operational matters relating to core transport service. Each Party shall be entitled to specify any change to such person(s) upon written notice to the other Party.

Section 12. Time is of the Essence

12.1 The Parties expressly agree that time is of the essence for all portions of this Agreement.

Attachment K (Cont'd)

Section 13. Dispute Resolution

- 13.1 The form of this Agreement has been filed with and approved by the CPUC as part of PG&E's applicable tariffs. Except as provided in Section 13.2 and 13.3, any dispute arising between the Parties relating to interpretation of the provisions of this Agreement or to the performance of PG&E's obligations hereunder shall be reduced to writing and referred to the Parties' representatives identified on Exhibit B for resolution. Should such a dispute arise, the Parties shall be required to meet and confer in an effort to resolve their dispute. Pending resolution, the Parties shall proceed diligently with the performance of their respective obligations under this Agreement, except if this Agreement has been terminated under Section 4.2. If the Parties fail to reach an agreement within a reasonable period of time, the matter shall, upon demand of either Party, be submitted to resolution before the CPUC in accordance with the CPUC's rules, regulations and procedures applicable to resolution of such disputes.
- 13.2 Any dispute arising between the Parties relating to the Parties obligations under Sections 5.2, 5.3, and 5.4 of this Agreement shall be reduced to writing and referred to the Parties' representatives identified on Exhibit B for resolution. Should such a dispute arise, the Parties shall be required to meet and confer before the Energy Division of the CPUC in an effort to resolve their dispute. If the Parties are unable to resolve their dispute, the matter shall be submitted to resolution before the CPUC in accordance with the CPUC's rules, regulations and procedures applicable to resolution of such disputes. Pending resolution, the Parties shall proceed diligently with the performance of their respective obligations under this Agreement, except if this Agreement has been terminated under Section 4.2.
- 13.3 If the dispute involves a request for damages, parties are notified that the Commission has no authority to award damages. To resolve such issues, the parties may mutually agree to pursue mediation or arbitration to resolve such issues; or, if no agreement is reached, to pursue other legal remedies that are available to the parties.

Section 14. Not a Joint Venture

- 14.1 Unless specifically stated in this Agreement to be otherwise, the duties, obligations, and liabilities of the Parties are intended to be several and not joint or collective. Nothing contained in this Agreement shall ever be construed to create an association, trust, partnership or joint venture, or to impose a trust or partnership duty, obligation, or liability on or with regard to either Party. Each Party shall be liable, individually and severally, for its own obligations under this Agreement.

Section 15. Conflicts Between this Agreement and PG&E's Applicable Tariffs

- 15.1 Should a conflict exist or develop between the provisions of this Agreement and PG&E's applicable tariffs, as approved by the CPUC, the provisions of PG&E's applicable tariffs shall prevail.

Section 16. Amendments or Modifications

- 16.1 Except as provided in Section 16.2, no amendment or modification shall be made to this Agreement, in whole or in part, except by an instrument in writing executed by authorized representatives of the Parties, and no amendment or modification shall be made by course of performance, course of dealing or usage of trade.

Attachment K (Cont'd)

- 16.2 This Agreement may be subject to such changes or modifications as the CPUC may from time to time direct or necessitate in the exercise of its jurisdiction, and the Parties may amend the Agreement to conform to changes directed or necessitated by the CPUC. In the event the Parties are unable to agree on the required changes or modifications to this Agreement, their dispute shall be resolved in accordance with the provisions of Section 13 hereof or, in the alternative, the CTA may elect to terminate this Agreement upon written notice to PG&E, which shall be effective upon the receipt thereof. PG&E retains the right to unilaterally file with the CPUC, pursuant to the CPUC's rules and regulations, an application for a change in PG&E's rates, charges, classification, service or rules, or any agreement relating thereto.

Section 17. Audits

- 17.1 PG&E and the CTA shall each retain such specific records as may be required to substantiate the fulfillment of the Parties' obligations under this Agreement.
- 17.2 If the Energy Division reasonably believes that an error related to the CTA's obligations under Sections 5.2, 5.3, 6.1 and 6.2 of this Agreement may have occurred, the Energy Division may request from the CTA the production of such documents as may be required to substantiate the fulfillment of the CTA's obligations under this Agreement. Such documents shall be provided by the CTA to the Energy Division within ten (10) business days of such request. In the event the Energy Division, upon review of such documents, determines that the CTA's duty under the Agreement has been breached, the Energy Division shall send a letter to both PG&E and the CTA to notify the Parties that a breach has occurred.
- 17.3 When either Party reasonably believes that an error related to the Parties' obligations under this Agreement may have occurred except with respect to the Parties' obligations under Sections 5.2, 5.3, 6.1 and 6.2, a Party may request the production of such documents as may be required to substantiate the fulfillment of the Parties' obligations under this Agreement. Such documents shall be provided within ten (10) business days of such request. In the event the requesting Party, upon review of such documents, continues to believe that the other Party's duty under the Agreement has been breached, the requesting Party may direct that an audit be conducted. PG&E and the CTA shall designate their own employee representative or their contracted representative to audit the other Party's records. Nothing in Section 17.3 implies the right or obligation of PG&E to audit or enforce the CTA's obligations under Sections 5.2, 5.3, 6.1 and 6.2 of this Agreement.
- 17.4 Any such audit shall be undertaken by PG&E, the CTA, the Energy Division or their contracted representative at reasonable times without interference with the audited Party's business operations, and in compliance with the audited Party's security procedures. PG&E and the CTA agree to cooperate fully with any such audit.
- 17.5 Except as described in Section 17.2, the auditing party will notify the audited party in writing of any exception taken as a result of an audit. The audited Party shall refund the amount of any undisputed exception to the auditing party within thirty (30) calendar days. If the audited Party fails to make such payment, the audited Party agrees to pay interest, accruing monthly, at a rate equal to the prime rate plus two percent (2%) of Bank of America NT&SA, San Francisco, or any successor institution, in effect from time to time, but not to exceed the maximum contract rate permitted by the applicable usury laws of the State of California. Interest will be computed from the date of written notification of exceptions to the date the audited Party reimburses the auditing party for any exception.

Attachment K (Cont'd)

17.6 This right to audit shall extend for a period of three (3) years following the date of termination of this Agreement. Each party and each subcontractor shall retain all necessary records and documentation for the entire length of this audit period.

Section 18: Miscellaneous

18.1 Unless otherwise stated in this Agreement, (a) any reference in this Agreement to a section, subsection, exhibit or similar term refers to the provisions of this Agreement; (b) a reference to a section includes that section and all its subsections; and (c) the words "include," "includes," and "including" when used in this Agreement shall be deemed in each case to be followed by the words "without limitation." The Parties agree that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting Party shall not be employed in the interpretation of this Agreement.

18.2 The provisions of this Agreement are for the benefit of the Parties and not for any other person or third party beneficiary. The provisions of this Agreement shall not impart rights enforceable by any person, firm or organization other than a Party or a successor or assignee of a Party to this Agreement.

18.3 The descriptive headings of the various sections of this Agreement have been inserted for convenience of reference only and shall in no way define, modify or restrict any of the terms and provisions thereof.

18.4 Each Party shall be responsible for paying its own attorneys' fees and other costs associated with this Agreement, except as provided in Sections 7 and 8 hereof. If a dispute exists hereunder, the prevailing Party, as determined by the CPUC, or as may otherwise be determined by the dispute resolution procedure contained in Section 13 hereof, if used, or by a court of law, shall be entitled to reasonable attorneys' fees and costs.

18.5 To the extent that the CPUC has a right under then-current law to audit either Party's compliance with this Agreement or other legal or regulatory requirements, that Party shall cooperate with such audits. Nothing in this Section shall be construed as an admission by either Party with respect to the right of the CPUC to conduct such audits or the scope thereof.

18.6 Except as otherwise provided in this Agreement, all rights of termination, cancellation or other remedies in this Agreement are cumulative. Use of any remedy shall not preclude any other remedy in this Agreement.

The Parties have executed this Agreement on the dates indicated below, to be effective upon the later date.

On Behalf of CTA

By: _____
Name: _____
Title: _____
Date: _____

On Behalf of PG&E

By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT A
REQUISITE BILL INFORMATION

1. Summary of PG&E charges:
 - a. Transportation charge
 - b. Billing credit
 - c. Public Purpose Program (PPP) Surcharges
 - d. G-SUR Charges
 - e. Other Charges

2. Gas Account Detail:
 - a. From/to service dates
 - b. Gas meter number
 - c. Prior/current meter reads
 - d. Meter read difference
 - e. Multiplier
 - f. Usage

3. Core procurement price(s)

4. PG&E toll-free telephone number

5. Bill dispute information

6. Bill message defining PPP

Exhibit A
Requisite Billing Information
Sample

SUMMARY OF PG&E CHARGES

PG&E Gas Transportation	\$XX.XX
Billing Credit	\$XX.XX
Public Purpose Program Surcharge	\$XX.XX
G-SUR Franchise Fee	\$XX.XX
Other Charges	\$XX.XX

GAS ACCOUNT DETAIL

Service: From 07/17/00 To 08/15/00 Gas Meter Number: 99999999

<u>Prior Meter Read</u>	<u>Current Meter Read</u>	<u>Difference</u>	<u>Multiplier</u>	<u>Usage</u>
0090	0165	75	1.012	76

GAS PROCUREMENT PRICE

PG&E's gas procurement charge was \$0.30161/therm starting 08/07/00 and \$0.33887 starting 09/09/00.

DISPUTED BILLS

PG&E 1-800-743-5000

Should you question this bill, please request an explanation from PG&E. If you thereafter believe you have been billed incorrectly, send the bill and a statement supporting your belief that the bill is not correct to the California Public Utilities Commission, State Building, San Francisco, CA 94102. To avoid having service turned off if the bill has not been paid, enclose a deposit for the amount of the bill made payable to the California Public Utilities Commission. If you are unable to pay the amount in dispute, you must inform the Commission of your inability to pay. Your service will remain on until the CPUC completes its review. The Commission will review the basis of the billed amount, communicate the results of its review to the parties and make disbursement of the deposit.

The Commission will not, however, accept deposits when the dispute appears to be over matters that do not directly relate to the accuracy of the bill. Such matters include the quality of a utility's service, general level of rates, pending rate applications, and sources of fuel and power.

EXHIBIT B

A. Definitions

CTA-Consolidated Billing – The process by which the CTA prepares a consolidated bill and presents the bill to an end-use customer. The bill shall include the customer's CTA charges and PG&E charges.

Information-Only Bill – The bill required by PG&E to be provided to end-use customers served under CTA-consolidated billing, pursuant to CPUC Decision 95-07-048.

CTA Charges – Charges for services to an end-use customer provided by the CTA.

PG&E Charges – Charges (a) for services provided by PG&E; or (b) which are energy-related and which are approved by the CPUC or the Federal Energy Regulatory Commission. This term may also include any applicable credits due to the end-use customer or Energy Service Provider.

Surcharges – Pursuant to CPUC Decision 04-08-010, Public Purpose Programs (PPP), must be separated from the transportation rates and identified.

Other Charges – A limited or one time adjustment; e.g., El Paso Settlement Credit.

B. Contact Persons:

PG&E Contact: _____

CTA Contact: _____

C. Parties' Representatives:

PG&E Representative: Manager of ESP Services
 Account Services Department
 Mail Code B 19 C
 P.O. Box 770000
 San Francisco, CA 94177

CTA Representative: _____

Contact Name _____

Business Address _____



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SAMPLE FORMS (Cont'd.)

FORM NO.	DATE SHOWN ON FORM	AGREEMENT/CONTRACT TITLE	CAL P.U.C. SHEET NO.
79-744		Declaration of Eligibility for Baseline Quantities for Residential RV Parks	
<u>NON-RESIDENTIAL</u>			
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	7/04	Natural Gas Service Agreement.....	22542-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	23057-G (T)
79-983	12/03	Request for Re-classification from Noncore Service to Core Service.....	21983-G

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	<u>CAL P.U.C. SHEET NO.</u>	
Title Page	11271-G	
Table of Contents:		
Rate Schedules	23059,23055-G	(T)
Preliminary Statements	23054,21381-G	
Rules	22927-G	
Maps, Contracts and Deviations	22438-G	
Sample Forms	22434,23058,21538,22266,21292-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	23016,23017-G
GM	Master-Metered Multifamily Service	23018,22851,23019-G
GS	Multifamily Service	23020,23021,18601-G
GT	Mobilehome Park Service	23022,23023-G
G-10	Service to Company Employees	11318-G
GL-1	Residential CARE Program Service	23024,23025-G
GML	Master-Metered Multifamily CARE Program Service	23026,22858,23027-G
GSL	Multifamily CARE Program Service	23028,23029,23030-G
GTL	Mobilehome Park CARE Program Service	23031,23032,23033-G
G-MHPS	Master-Metered Mobilehome Park Safety Surcharge	22034-G

NONRESIDENTIAL

G-NR1	Gas Service to Small Commercial Customers	23034,23035-G
G-NR2	Gas Service to Large Commercial Customers	23036,23037-G
G-CP	Gas Procurement Service to Core End-Use Customers	23038-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
G-EG	Gas Transportation Service to Electric Generation	22894,22895,22525,22173-G
G-WSL	Gas Transportation Service to Wholesale/Resale Customers	22896,22897,22045-G
G-BAL	Gas Balancing Service for Intrastate Transportation Customers	22174, 21867,22135,22047,22048,20037,22136,21872,22137,22138,20042,20043,20044,22051-G

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

ABAG Power Pool
Accent Energy
Aglet Consumer Alliance
Agnews Developmental Center
Ahmed, Ali
Alcantar & Elsesser
Anderson Donovan & Poole P.C.
Applied Power Technologies
APS Energy Services Co Inc
Arter & Hadden LLP
Avista Corp
Barkovich & Yap, Inc.
BART
Bartle Wells Associates
Blue Ridge Gas
Bohannon Development Co
BP Energy Company
Braun & Associates
C & H Sugar Co.
CA Bldg Industry Association
CA Cotton Ginners & Growers Assoc.
CA League of Food Processors
CA Water Service Group
California Energy Commission
California Farm Bureau Federation
California Gas Acquisition Svcs
California ISO
Calpine
Calpine Corp
Calpine Gilroy Cogen
Cambridge Energy Research Assoc
Cameron McKenna
Cardinal Cogen
Cellnet Data Systems
Chevron USA Production Co.
Childress, David A.
City of Glendale
City of Healdsburg
City of Palo Alto
City of Redding
CLECA Law Office
Constellation New Energy
Cooperative Community Energy
CPUC
Creative Technology
Cross Border Inc
Crossborder Inc
CSC Energy Services
Davis, Wright Tremaine LLP
Davis, Wright, Tremaine, LLP
Defense Fuel Support Center
Department of the Army
Department of Water & Power City

DGS Natural Gas Services
DMM Customer Services
Douglass & Liddell
Downey, Brand, Seymour & Rohwer
Duke Energy
Duke Energy North America
Duncan, Virgil E.
Dutcher, John
Dynergy Inc.
Ellison Schneider
Energy Law Group LLP
Energy Management Services, LLC
Enron Energy Services
Exelon Energy Ohio, Inc
Exeter Associates
Foster Farms
Foster, Wheeler, Martinez
Franciscan Mobilehome
Future Resources Associates, Inc
G. A. Krause & Assoc
Gas Transmission Northwest Corporation
GLJ Energy Publications
Goodin, MacBride, Squeri, Schlotz &
Hanna & Morton
Heeg, Peggy A.
Hitachi Global Storage Technologies
Hogan Manufacturing, Inc
House, Lon
Imperial Irrigation District
Integrated Utility Consulting Group
International Power Technology
Interstate Gas Services, Inc.
J. R. Wood, Inc
JTM, Inc
Kaiser Cement Corp
Korea Elec Power Corp
Luce, Forward, Hamilton & Scripps
Marcus, David
Masonite Corporation
Matthew V. Brady & Associates
Maynor, Donald H.
McKenzie & Assoc
McKenzie & Associates
Meek, Daniel W.
Mirant California, LLC
Modesto Irrigation Dist
Morrison & Foerster
Morse Richard Weisenmiller & Assoc.
Navigant Consulting
New United Motor Mfg, Inc
Norris & Wong Associates
North Coast Solar Resources
Northern California Power Agency

Office of Energy Assessments
Palo Alto Muni Utilities
PG&E National Energy Group
Pinnacle CNG Company
PITCO
Plurimi, Inc.
PPL EnergyPlus, LLC
Praxair, Inc.
Price, Roy
Product Development Dept
R. M. Hairston & Company
R. W. Beck & Associates
Recon Research
Regional Cogeneration Service
RMC Lonestar
Sacramento Municipal Utility District
SCD Energy Solutions
Seattle City Light
Sempra
Sempra Energy
Sequoia Union HS Dist
SESCO
Sierra Pacific Power Company
Silicon Valley Power
Simpson Paper Company
Smurfit Stone Container Corp
Southern California Edison
SPURR
St. Paul Assoc
Stanford University
Sutherland, Asbill & Brennan
Tabors Caramanis & Associates
Tansev and Associates
Tecogen, Inc
TFS Energy
Transwestern Pipeline Co
Turlock Irrigation District
U S Borax, Inc
United Cogen Inc.
URM Groups
Utility Cost Management LLC
Utility Resource Network
Wellhead Electric Company
Western Hub Properties, LLC
White & Case
WMA