

## PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE

SAN FRANCISCO, CA 94102-3298

Tel. No. (415) 703-1691



January 24, 2006

Advice Letter 2678-G-A

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

Subject: Annual gas true-up of transportation balancing accounts and gas transportation rate changes

Dear Ms de la Torre:

Advice Letter 2678-G-A is effective January 1, 2006. 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

RECEIVED  
REGULATORY RELATIONS DEPARTMENT

JAN 26 2006



**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  
Pacific Gas and Electric Company  
P.O. Box 770000  
San Francisco, CA 94177

December 22, 2005

**ADVICE 2678-G-A**

(Pacific Gas and Electric Company ID U39G)

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

**Subject: Supplemental Filing- Annual Gas True-up of Transportation  
Balancing Accounts (AGT) and Noncore Gas Transportation  
and Gas Accord III Rate Changes Effective January 1, 2006**

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**

This supplemental filing updates PG&E's Annual Gas True-up of Transportation Balancing Accounts (AGT) Advice 2678-G, filed November 17, 2005, for gas tariff changes effective **January 1, 2006**. This filing updates transportation balancing account balances using November 2005 recorded data and a forecast of December 2005, and updates noncore gas transportation rates to reflect the outcome of filings recently approved by the CPUC. This filing also includes revisions to unbundled Gas Accord III backbone transmission and storage rates as approved in Decision (D.) 04-12-050.

The overall impact of the changes consolidated in this filing compared to authorized amounts currently in gas rates is a total increase of \$76.2 million, comprised of \$35.5 million in gas transportation, backbone transmission and storage revenue requirements and \$40.7 million in public purpose program (PPP) funding. The total increase of \$76.2 million represents an increase of \$14 million to core, \$52.4 million to noncore and \$9.8 in unbundled Gas Accord III backbone and storage costs. Proposed changes in transportation and Gas Accord III revenue requirements and gas PPP authorized funding effective January 1, 2006, are shown in Attachment II.<sup>1</sup> Attachment III shows proposed PG&E's total 2006 revenue requirements and PPP authorized funding, balancing account balances and illustrative average rates proposed in this filing.

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<sup>1</sup> In this filing, PG&E is correcting an administrative error in the allocation of Gas Accord III backbone costs between core and unbundled that was presented in Attachment I of Advice 2678-G. The total remains unchanged.

The assumptions used to calculate rate changes proposed herein are consistent with assumptions that are used to calculate the gas PPP surcharges applicable to core and noncore customers effective January 1, 2006, that are being filed concurrently in Supplemental Advice 2671-G-A.

The changes to gas transportation rates applicable to core end-users are being filed concurrently in conjunction with core procurement rate changes to be effective January 1, 2006, in Advice 2692-G.

### **Background**

Pursuant to D 05-06-029, on November 17, 2005, PG&E filed its AGT Advice 2678-G, revising core and noncore gas transportation rates effective January 1, 2006. Advice-2678-G included forecasted balances for transportation balancing accounts based on September 2005 recorded balances plus a forecast of activity for October through December 2005. Advice 2678-G also consolidated changes authorized by the Commission impacting gas rates and several pending applications and advice letters proposed to be effective by January 1, 2006.

In Advice 2678-G, PG&E stated its intent to supplement the advice filing on December 22, 2005, to update its gas transportation rates and gas PPP surcharges to reflect the final outcome by the Commission of pending filings impacting gas rates effective January 1, 2006.

Since filing Advice 2678-G, the Commission has issued a final decision in PG&E's 2006 Cost of Capital Proceeding (D. 05-12-043), approved PG&E's request for a 2006 contribution to PG&E's Retirement Plan Trust (D. 05-12-046) and adopted program funding for the California Solar Initiative (D. 05-12-044). Several advice letters remain pending. The newly authorized revenue requirements, and other changes to AGT rates filed in Advice 2678-G, are incorporated into gas transportation rates, as described below.

### **Transportation Balancing Accounts**

This supplemental advice updates PG&E's previous December 31, 2005, forecast of balancing account balances using November 2005 recorded balances for each account and forecasted activity for December 2005. Attachment II - Table B details the updated forecast for each of the balancing account balances totaling \$96.7 million. Table 1, below, summarizes the changes comprising the \$31.9 million decrease from the forecast of transportation balancing account balances of \$128.6 million included in Advice 2678-G.

<b>Table 1 Transportation Balancing Accounts Summary of Changes to December 2005 Forecast Balances</b>			
	AL 2678-G Based on September 2005 Recorded Balances	AL 2678-G-A Based on November 2005 Recorded Balances	Change from AL 2678-G
CFCA- Distribution Cost Subaccount	\$45,977	\$20,924	(\$25,053)
Gas Advanced Metering Account	\$107	\$0	(\$107)
Self Generation Program Memorandum Account	\$3,859	\$0	(\$3,859)
Total of other Transportation Balancing Accounts	\$78,670	\$75,784	(\$2,886)
<b>Totals</b>	<b>\$128,613</b>	<b>\$96,708</b>	<b>(\$31,905)</b>

- Core Fixed Cost Account (CFCA)

The updated forecasted December balance of the Distribution Cost Subaccount of the CFCA is \$20.9 million. This is a decrease of \$25.1 million compared to the forecasted December balance of \$45.9 million using the September recorded balance and a forecast of activity through December.

- Gas Advanced Metering Account (GAMA)

The July through September 2005 recorded Advanced Metering Initiative (AMI) pre-deployment costs of approximately \$107,000 in the GAMA balancing account are no longer included in the forecast of balancing accounts balances to be recovered. PG&E's Advice 2674-G/2733-E, requesting recovery of \$106,604 is still pending approval by the CPUC.

- Self Generation Program Memorandum Account (SGPMA) and Self Generation Incentive Program (SGIP)

On December 7, 2005, the CPUC suspended PG&E's November 9, 2005, Advice 2673-G/2732-E requesting recovery of the gas costs forecasted December 31, 2005, balance of \$3.8 million in the SGPMA and \$8.8 million of forecasted gas SGIP costs for 2006. Therefore, these amounts are no longer included in gas transportation costs and rates effective January 1, 2006.

- Affiliate Transfer Fees Account (ATFA)

The purpose of the ATFA is to record employee transfer fees paid to PG&E by its holding company and affiliates for future ratemaking treatment to

ensure that PG&E's customers receive the fees. The balance in the AFTA account is allocated to core and noncore customers on the same basis as distribution base revenue and has historically been transferred to the CFCA and Noncore Subaccount of the Noncore Customer Class Charge Account (NCA) for recovery in rates. In this filing, PG&E is requesting to transfer the core portion of the AFTA balance to the recently established Distribution Cost Subaccount of the CFCA and the noncore portion to the Interim Relief Subaccount of the NCA where PG&E is authorized to recover gas related distribution costs from noncore customers.

### **Transportation Revenue Requirement**

Advice 2678-G is updated in this supplemental filing to reflect the results of decisions approved by the CPUC since November 17, 2005, that impact PG&E's transportation revenue requirement and rates effective January 1, 2006:

#### **2006 Pension Contribution**

On July 13, 2005, PG&E filed a Petition to Modify Decision 04-05-055 regarding the issue of annual contributions to PG&E's Retirement Plan Trust. On December 15, 2005, the Commission issued D. 05-12-046 granting PG&E's petition, in part, and authorizing PG&E to file an application requesting cost recovery of a 2006 contribution to PG&E's Retirement Plan Trust. Decision 05-12-046 authorized PG&E to include the amount requested in its application in rates January 1, 2006, subject to refund, until a decision is made by the Commission on the merits of PG&E's application. On December 20, 2005, PG&E filed its Pension Contribution Application. Accordingly, PG&E is including \$43.3 million of its authorized 2006 pension contribution in gas distribution revenue requirements.

#### **2006 Cost of Capital (COC) Adjustment**

On December 15, 2005, the Commission issued D. 05-12-043 authorizing an increase from PG&E's currently authorized COC<sup>2</sup> of 11.22 percent to 11.35 percent, effective January 1, 2006. This decision results in an increase of approximately \$0.8 million to PG&E's currently authorized gas distribution revenue requirement. The COC authorized by the decision reflects a decrease of \$3.2 million from the COC adjustment included in Advice 2678-G that reflected PG&E's requested COC of 11.5 percent in Application 05-05-006.

#### **California Solar Initiative Programs**

On December 15, 2006, the Commission issued D. 05-12-044 adopting policies and funding for the California Solar Initiative. This decision increases self generation incentive program (SGIP) funding for solar photovoltaic technologies programs by \$132 million in 2006, of which \$21.1 million is incorporated into gas transportation revenue requirements in this filing.

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<sup>2</sup> PG&E's return on equity.

### **Gas Public Purpose Program Authorized Funding**

This supplemental advice incorporates an overall increase in gas PPP surcharges of \$40.7 million compared to authorized amounts presently recovered in gas PPP surcharge rates, as filed today in Supplemental Advice 2671-G-A. This represents a decrease of \$9.3 million from the gas PPP surcharges proposed in Advice 2671-G filed on October 31, 2005, and incorporated in Advice 2678-G.

The gas PPP surcharge rates filed in Advice 2671-G-A include an update to PPP surcharge balancing account balances using November 2005 recorded balances for each balancing account and forecasted activity for December 2005 that results in a decrease of \$9.7 million from PG&E's previous December forecast included in Advice 2671-G.

Additionally, as filed in Advice 2671-G-A, the projected CARE revenue shortfall is revised to \$133 million, an increase of \$0.5 million from the shortfall included in Advice 2671-G (and Advice 2678-G). This increase reflects the higher level of CARE discounts that will be provided to low-income customers due to the overall increase to gas rates that are filed herein (relative to rates filed in Advice 2678-G).

### **Preliminary Statement Changes**

Preliminary Statement Part B for Noncore schedules is updated to reflect changes to noncore transportation rates filed herein.

Preliminary Statement Part C, Part 2 is updated to reflect the changes in authorized gas transportation and Gas Accord III revenue requirements and PPP authorized funding amounts.

Preliminary Statement Part BE – El Paso Settlement Memorandum Account is removed as described in Advice 2678-G.

Preliminary Statement Part M - Core Subscription Phase-out Account is removed now that the balance in the account has been refunded in accordance with BCAP D. 05-06-029 and AL 2656-G.

### **Effective Date**

PG&E requests that this filing be approved effective **January 1, 2006**.

### **Protests**

Anyone wishing to protest this filing may do so by sending a letter by **January 11, 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:

CPUC Energy Division  
Attention: Tariff Unit, 4<sup>th</sup> Floor  
505 Van Ness Avenue, 4<sup>th</sup> Floor  
San Francisco, California 94102

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

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

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

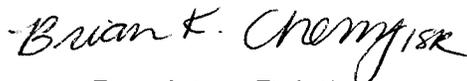
Pacific Gas and Electric Company  
Attention: Brian Cherry  
Director, Regulatory Relations  
77 Beale Street, Mail Code B10C  
P.O. Box 770000  
San Francisco, California 94177

Facsimile: (415) 973-7226  
E-mail: [PGETariffs@pge.com](mailto:PGETariffs@pge.com)

### **Notice**

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

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



Director - Regulatory Relations

### **Attachments**

cc: Service Lists –

Biennial Cost Allocation Proceeding Application (A.) 04-07-044  
General Rate Case/Attrition A. 02-11-017  
California Solar Initiative Rulemaking (R.) 04-03-017  
Gas Accord III Application A.04-03-021

# CALIFORNIA PUBLIC UTILITIES COMMISSION

## ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No. Pacific Gas and Electric Company (ID39G)

Utility type:

ELC       GAS  
 PLC       HEAT     WATER

Contact Person: Shilpa Ramaiya

Phone #: (415) 973- 3186

E-mail: srrd@pge.com

### EXPLANATION OF UTILITY TYPE

ELC = Electric      GAS = Gas  
PLC = Pipeline      HEAT = Heat    WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: **2678-G-A**

Subject of AL: Supplemental Filing - Annual Gas True-up of Transportation Balancing Accounts (AGT) and Noncore Gas Transportation and Gas Accord Rate Changes Effective January 1, 2006

Keywords (choose from CPUC listing): TRUE-UP, TRANSPORTATION, BALANCING ACCOUNT

AL filing type:  Monthly  Quarterly  Annual  One-Time  Other \_\_\_\_\_

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #:

Incorporates directives from Decisions 04-12-050, 05-12-044, 05-12-043, 05-12-046, 05-12-026, 05-09-043

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: N/A

Summarize differences between the AL and the prior withdrawn or rejected AL<sup>1</sup>: \_\_\_\_\_

Resolution Required?  Yes  No

Requested effective date: **01-01-06**

No. of tariff sheets: 32

Estimated system annual revenue effect: (%): \$76.2 million revenue increase; this amount includes the \$40.7 million increase described in Advice 2671-G-A and the \$8.3 million decrease described in Advice 2692-G [also filed today]

Estimated system average rate effect (%): See Attachment III to Advice 2678-G-A

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: Various - See Attachment 1

Service affected and changes proposed<sup>1</sup>: \_\_\_\_\_

Pending advice letters that revise the same tariff sheets: \_\_\_\_\_

**Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:**

**CPUC, Energy Division**

**Utility Info (including e-mail)**

**Attention: Tariff Unit**

**505 Van Ness Ave.,**

**San Francisco, CA 94102**

**jjr@cpuc.ca.gov and jnj@cpuc.ca.gov**

<sup>1</sup> Discuss in AL if more space is needed.

**ATTACHMENT 1  
Advice 2678-G-A**

<b>Cal P.U.C. Sheet No.</b>	<b>Title of Sheet</b>	<b>Cancelling Cal P.U.C. Sheet No.</b>
23644-G	Preliminary Statement Part B--Default Tariff Rate Components	23248-G
23645-G	Preliminary Statement Part B (Cont.)	23249-G
23646-G	Preliminary Statement Part B (Cont.)	23250-G
23647-G	Preliminary Statement Part B (Cont.)	23251-G
23648-G	Preliminary Statement Part B (Cont.)	23252-G
23649-G	Preliminary Statement Part B (Cont.)	23253-G
23675-G	Preliminary Statement Part B (Cont.)	23319-G
23702-G	Preliminary Statement Part B (Cont.)	23254-G
23650-G	Preliminary Statement Part B (Cont.)	23255-G
23674-G	Preliminary Statement Part C--Gas Accounting Terms and Definitions	23258-G
23652-G	Schedule G-NT--Gas Transportation Service to Noncore End-Use Customers	23106-G
23653-G	Schedule G-NT (Cont.)	23286-G
23654-G	Schedule G-EG--Gas Transportation Service to Electric Generation	23287-G
23655-G	Schedule G-WSL--Gas Transportation Service to Wholesale/Resale Customers	23288-G
23656-G	Schedule G-SFS--Standard Firm Storage Service	22898-G
23657-G	Schedule G-NFS--Negotiated Firm Storage Service	22899-G
23658-G	Schedule G-NAS--Negotiated As-Available Storage Service	22900-G
23659-G	Schedule G-CFS--Core Firm Storage	22901-G
23660-G	Schedule G-AFT--Annual Firm Transportation On-System	22902-G
23661-G	Schedule G-AFTOFF--Annual Firm Transportation Off-System	22904-G

**ATTACHMENT 1  
Advice 2678-G-A**

<b>Cal P.U.C. Sheet No.</b>	<b>Title of Sheet</b>	<b>Cancelling Cal P.U.C. Sheet No.</b>
23662-G	Schedule G-SFT--Seasonal Firm Transportation On-System Only	22905-G
23663-G	Schedule G-AA--As-Available Transportation On- System	22906-G
23664-G	Schedule G-AAOFF--As-Available Transportation Off-System	22908-G
23665-G	Schedule G-XF--Pipeline Expansion Firm Intrastate Transportation Service	22914-G
23666-G	Schedule G-PARK--Market Center Parking Service	22916-G
23667-G	Schedule G-LEND--Market Center Lending Service	22917-G
23668-G	Schedule G-LNG--Experimental Liquefied Natural Gas Service	23290-G
23669-G	Schedule G-NGV4--Experimental Gas Transportation Service to Noncore Natural Gas Vehicles	22978-G
23670-G	Schedule G-NGV4 (Cont.)	23291-G
23671-G	Table of Contents -- Preliminary Statements	23591-G
23672-G	Table of Contents -- Rate Schedules	23593-G
23673-G	Table of Contents -- Rate Schedules	23592-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	0.00577 (I)	(0.01743) (R)	(0.01030) (I)	(0.00827) (I)	(0.00667) (I)
GRC INTERIM ACCT	0.00018 (I)	0.00295 (R)	0.00295 (R)	0.00295 (R)	0.00295 (R)
CPUC FEE	0.00000	0.00000	0.00000	0.00000	0.00000
EOR	0.00000	0.00000 (R)	0.00000 (R)	0.00000 (R)	0.00000 (R)
CEE	0.00001 (I)	0.00066 (I)	0.00066 (I)	0.00066 (I)	0.00066 (I)
LOCAL TRANSMISSION (AT RISK)	0.01344 (R)				
NONCORE DISTRIBUTION FIXED COST ACCOUNT	0.00544 (I)	0.13074 (I)	0.08498 (I)	0.07688 (I)	0.07264 (I)
<b>TOTAL RATE</b>	<b>0.02484 (I)</b>	<b>0.13036 (I)</b>	<b>0.09173 (I)</b>	<b>0.08566 (I)</b>	<b>0.08302 (I)</b>

\* 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

	G-NT	G-NT—DISTRIBUTION			
	BACKBONE	WINTER			
THERMS:		0- 20,833	20,834- 49,999	50,000- 166,666	166,667- 249,999*
NCA	0.00577 (I)	0.01952 (I)	0.01312 (I)	0.01303 (I)	0.01371 (I)
GRC INTERIM ACCT	0.00002 (I)	0.00398 (R)	0.00398 (R)	0.00398 (R)	0.00398 (R)
CPUC FEE	0.00000	0.00000	0.00000	0.00000	0.00000
EOR	0.00000	0.00000 (R)	0.00000 (R)	0.00000 (R)	0.00000 (R)
CEE	0.00001 (I)	0.00066 (I)	0.00066 (I)	0.00066 (I)	0.00066 (I)
LOCAL TRANSMISSION (AT RISK)	0.00000	0.01344 (R)	0.01344 (R)	0.01344 (R)	0.01344 (R)
NONCORE DISTRIBUTION FIXED COST ACCOUNT	0.00063 (I)	0.13074 (R)	0.08498 (R)	0.07688 (R)	0.07264 (R)
<b>TOTAL RATE</b>	<b>0.00643 (I)</b>	<b>0.16834 (I)</b>	<b>0.11618 (I)</b>	<b>0.10799 (I)</b>	<b>0.10443 (I)</b>

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

(Continued)



PRELIMINARY STATEMENT  
(Continued)

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

NONCORE p. 3

	<u>G-EG (3)*</u>	<u>G-EG BACKBONE</u>
NCA	0.00762 (I)	0.00762 (I)
GRC INTERIM ACCT	0.00006	0.00006
CPUC FEE	0.00000	0.00000
EOR	0.00000	0.00000
CEE	0.00001 (I)	0.00001 (I)
LOCAL TRANSMISSION (AT RISK)	0.01344 (R)	0.00000
NONCORE DISTRIBUTION FIXED COST ACCOUNT	0.00224 (I)	0.00224 (I)
<b>TOTAL RATE</b>	<b>0.02337 (I)</b>	<b>0.00993 (I)</b>

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

(Continued)



PRELIMINARY STATEMENT  
(Continued)

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

NONCORE p. 4

	G-WSL			
	Palo Alto-T	Coalinga-T	Island Energy-T	Alpine-T
NCA	0.00760 (I)	0.00759 (I)	0.00760 (I)	0.00760 (I)
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)	0.01344 (R)	0.01344 (R)	0.01344 (R)	0.01344 (R)
NONCORE DISTRIBUTION FIXED COST ACCOUNT	0.00063 (I)	0.00063 (I)	0.00063 (I)	0.00063 (I)
<b>TOTAL RATE</b>	<b>0.02167 (I)</b>	<b>0.02166 (I)</b>	<b>0.02167 (I)</b>	<b>0.02167 (I)</b>

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

(Continued)



PRELIMINARY STATEMENT  
(Continued)

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

NONCORE p. 5

	G-WSL		
	West Coast Mather-T	(N) West Coast Mather-D (N)	West Coast Castle-D
NCA	0.00760 (I)	0.01120 (I)	0.00761 (I)
GRC INTERIM ACCT	0.00000	0.00032 (I)	0.00034 (I)
CPUC FEE*	0.00000	0.00000	0.00000
EOR	0.00000	0.00000	0.00000
CEE	0.00000	0.00000	0.00000
LOCAL TRANSMISSION (AT RISK)	0.01344 (R)	0.01344 (R)	0.01344 (R)
NONCORE DISTRIBUTION FIXED COST ACCOUNT	0.00063 (I)	0.00966 (I)	0.00983 (I)
<b>TOTAL RATE</b>	<b>0.02167 (I)</b>	<b>0.03462 (I)</b>	<b>0.03122 (I)</b>

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

(Continued)



**PRELIMINARY STATEMENT**  
(Continued)

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

NONCORE p. 6

THERMS:	G-NGV4 (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	0.00000	0.00000	0.00000	0.00000
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	0.02484 (I)	0.13036 (I)	0.09173 (I)	0.08566 (I)	0.08302 (I)
LOCAL TRANSMISSION (AT RISK)	0.00000	0.00000	0.00000	0.00000	0.00000
NONCORE DISTRIBUTION FIXED COST ACCOUNT	0.00000	0.00000	0.00000	0.00000	0.00000
<b>TOTAL RATE</b>	<b>0.02484 (I)</b>	<b>0.13036 (I)</b>	<b>0.09173 (I)</b>	<b>0.08566 (I)</b>	<b>0.08302 (I)</b>

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

(Continued)



PRELIMINARY STATEMENT  
(Continued)

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

NONCORE p. 7

THERMS:	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	0.00000	0.00000	0.00000
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	0.00643 (I)	0.16834 (I)	0.11618 (I)	0.10799 (I)	0.10443 (I)
LOCAL TRANSMISSION (AT RISK)	0.00000	0.00000	0.00000	0.00000	0.00000
NONCORE DISTRIBUTION FIXED COST ACCOUNT	0.00000	0.00000	0.00000	0.00000	0.00000
<b>TOTAL RATE</b>	<b>0.00643 (I)</b>	<b>0.16834 (I)</b>	<b>0.11618 (I)</b>	<b>0.10799 (I)</b>	<b>0.10443 (I)</b>

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

(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
EOR	0.00000
CEE	0.00000
NGV BALANCING ACCOUNT	0.16411 (R)
LOCAL TRANSMISSION (AT RISK)	0.00000
NONCORE DISTRIBUTION FIXED COST ACCOUNT	0.00000
<b>TOTAL RATE</b>	<u><b>0.16411 (R)</b></u>

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

(Continued)



PRELIMINARY STATEMENT  
(Continued)

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

MAINLINE EXTENSION RATES (1)

<u>Core Schedules (2)</u>	<u>Mainline Extension Rate (Per Therm) (T)</u>	<u>Core Customer Charges (3)</u>	
		<u>ADU (therms) (4)</u>	<u>Per Day</u>
Schedule G-NR1	\$0.22274 (I)	0 – 5.0	\$0.27048
		5.1 to 16.0	\$0.52106
		16.1 to 41.0	\$0.95482
		41.1 to 123.0	\$1.66489
		123.1 & Up	\$2.14936
Schedule G-NR2	\$0.06041 (I)	All Usage Levels	\$4.95518
Schedule G-NGV1	\$0.02570.(I)	All Usage Levels	\$0.44121
Schedule G-NGV2	\$0.02720 (I)	All Usage Levels	N/A
<u>Noncore Schedules</u>	<u>Mainline Extension Rate (Per Therm) (T)</u>	<u>Noncore Customer Access Charges (5)</u>	
Schedule G-NT		<u>Average Monthly Use (Therms)</u>	<u>Per Day</u>
Distribution	\$0.08098 (I)	0 to 5,000	\$1.99332 (I)
Local Transmission	\$0.00470 (I)	5,001 to 10,000	\$5.93819 (I)
Backbone	\$0.00000	10,001 to 50,000	\$11.05216 (I)
		50,001 to 200,000	\$14.50455 (I)
Schedule G-EG		200,001 to 1,000,000	\$21.04504 (I)
Distribution	\$0.00158 (I)	1,000,001 and above	\$178.51562 (I)
Local Transmission	\$0.00158 (I)		
Backbone	\$0.00158 (I)		
Schedule G-NGV4			
Distribution	\$0.08098 (I)		
Local Transmission	\$0.00470 (I)		
Backbone	\$0.00000		

- (1) Mainline Extension Rates are required to support calculation of distribution-based revenues described in Rule 15.
- (2) For all residential schedules, see Rule 15 for extension allowances.
- (3) The Core Customer Charge is in addition to the core Mainline Extension Rates specified above.
- (4) The applicable Schedule G-NR1 Customer Charge is based on the customer's highest Average Daily Usage (ADU) determined from among the billing periods occurring within the last twelve (12) months, including the current billing period. PG&E calculates the ADU for each billing period by dividing the total usage by the number of days in the billing period.
- (5) The Noncore Customer Access Charge is in addition to the noncore Mainline Extension Rates specified above.

(Continued)



**PRELIMINARY STATEMENT**  
(Continued)

C. GAS ACCOUNTING TERMS AND DEFINITIONS (Cont'd.)  
2. BASE REVENUE AND AUTHORIZED FUNDING AMOUNTS: (Cont'd.)  
Amount (\$000)

Description	Core	Noncore	Unbundled	Total
<b>GRC BASE REVENUES (1):</b>				
Authorized GRC Distribution Base Revenue	-	-		999,853 (I)
Pension Contribution	-	-		43,338 (N)
Less: Other Operating Revenue	-	-		(16,300)
Authorized GRC Distribution Base Revenues in Rates	993,288 (I)	33,603 (I)		1,026,891 (I)
<b>BCAP ALLOCATION ADJUSTMENTS AND CREDITS TO BASE:</b>				
G-10 Allocated Employee Discount	1,888 (I)	2,617 (I)		4,505 (I)
EOR Revenue	0	0		0
Core Brokerage Fee	(8,982)	0		(8,982)
<b>GRC DISTRIBUTION BASE REVENUE WITH ADJUSTMENTS AND CREDITS</b>	<b>986,194 (I)</b>	<b>36,220 (I)</b>		<b>1,022,414 (I)</b>
<b>GAS ACCORD REVENUE REQUIREMENT</b>				
Local Transmission	94,914 (R)	40,614 (R)		135,528 (R)
Customer Access Charge – Transmission		5,072 (I)		5,072 (I)
Storage (2)	42,991 (I)		7,598 (I)	50,589 (I)
Backbone Transmission (2)	77,419 (I)		79,922 (I)	157,341 (I)
L401 (PEP)			86,924 (I)	86,924 (I)
<b>GAS ACCORD REVENUE REQUIREMENT</b>	<b>215,324 (I)</b>	<b>45,686 (R)</b>	<b>174,444 (I)</b>	<b>435,454 (I)</b>
<b>PUBLIC PURPOSE PROGRAM AUTHORIZED FUNDING (excludes CARE Shortfall(3)):</b>				
Energy Efficiency				35,035 (I)
Low Income Energy Efficiency				16,959 (R)
Research, Development and Demonstration				6,385 (I)
BOE/CPUC Admin. Fee				178 (I)
CARE Administrative Expense				2,610 (I)
<b>PUBLIC PURPOSE PROGRAM AUTHORIZED FUNDING</b>				<b>61,167 (I)</b>

- (1) The GRC Distribution Base Revenue includes Distribution Base Revenue adopted in the General Rate Case and allocated to core and noncore Customers 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.05-12-043, effective January 1, 2006, and attrition adjustment amounts approved effective January 1, 2006, in Advice Letter 2667-G/2722-E. (T)
- (2) The Gas Accord III D.04-12-050 adopted revenue requirements effective January 1, 2005, 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. (T)
- (3) The Public Purpose Program authorized funding includes LIEE program funding adopted in D.05-12-026, Energy Efficiency program funding adopted in D.05-09-043, CARE annual administration budget adopted in D.05-12-026, and BOE and CPUC administrative fees and the exclusion of Franchise Fees and Uncollectible Accounts Expense, per D.04-08-010. (T)

(Continued)



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.

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.

1. Customer Access Charge:

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

Average Monthly Use (Therms)	Per Day
0 to 5,000	\$ 1.99332 (I)
5,001 to 10,000	\$ 5.93819
10,001 to 50,000	\$ 11.05216
50,001 to 200,000	\$ 14.50455
200,001 to 1,000,000	\$ 21.04504
1,000,001 and above	\$178.51562 (I)

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

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

Backbone Level Rate (per therm): \$0.00643 (I)

b. Transmission-Level Rate:

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): \$0.02484 (I)

c. Distribution-Level Rate:

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	\$0.13036 (I)	\$0.16834 (I)
Tier 2: 20,834 to 49,999	\$0.09173	\$0.11618
Tier 3: 50,000 to 166,666	\$0.08566	\$0.10799
Tier 4: 166,667 to 249,999	\$0.08302	\$0.10443
Tier 5: 250,000 and above*	\$0.02484 (I)	\$0.02484 (I)

See Preliminary Statement Part B for Default Tariff Rate Components.

SURCHARGES,  
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.

Customers served under this schedule are subject to a gas Public Purpose Program (PPP) Surcharge under Schedule G-PPPS.

\* Tier 5 Summer and Winter rates are the same.



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	\$ 1.99332 (I)
5,001 to 10,000 therms	\$ 5.93819
10,001 to 50,000 therms	\$ 11.05216
50,001 to 200,000 therms	\$ 14.50455
200,001 to 1,000,000 therms	\$ 21.04504
1,000,001 and above therms	\$178.51562 (I)

2. Transportation Charge:

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

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

Backbone Level Rate: \$0.00993 (I) per therm

b. All Other Customers: \$0.02337 (I) per therm

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



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	\$158.41184	(I)
Coalinga	\$ 47.51112	
West Coast Gas-Mather	\$ 25.22137	
Island Energy	\$ 32.19058	
Alpine Natural Gas	\$ 10.74214	
West Coast Gas-Castle	\$ 27.59901	(I)

2. Transportation Charges:

For gas delivered in the current billing month:

	<u>Per Therm</u>	
Palo Alto-T	\$0.02167	(I)
Coalinga-T	\$0.02166	
West Coast Gas-Mather-T	\$0.02167	
West Coast-Mather-D	\$0.03462	
Island Energy-T	\$0.02167	
Alpine Natural Gas-T	\$0.02167	
West Coast Gas-Castle-D	\$0.03122	(I)

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

(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 ..... \$0.1324 (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](http://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	\$15.3270 (l)
Inventory	\$1.5887
Withdrawal/Day	\$11.5553 (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.

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

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SCHEDULE G-NAS—NEGOTIATED AS-AVAILABLE STORAGE SERVICE

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

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

**RATES:** Customers taking service under this rate schedule will pay monthly Usage Charges for any injection and/or withdrawal services utilized during the billing period. Any injections and/or withdrawals occurring during a billing period, but not recorded in that billing period, shall be deferred to a future billing period.

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

Maximum Rates (Per Dth/Day)

Injection	\$15.3270 (I)
Withdrawal	\$11.5553 (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.

**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](http://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                      \$0.1070 (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](http://www.pge.com).

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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.

<u>Path:</u>	<u>Reservation Rate</u> (Per Dth per month)	
	<u>MFV Rates</u>	<u>SFV Rates</u>
Redwood to On-System	\$5.4094 (I)	\$9.3177 (I)
Redwood to On-System (Core Procurement Groups only)	\$3.7575 (I)	\$4.8952 (I)
Baja to On-System (including Core Procurement Groups)	\$6.7516 (I)	\$8.8998 (I)
Silverado to On-System (including Core Procurement Groups)	\$3.1763 (I)	\$4.6170 (I)
Mission to On-System (including Core Procurement Groups)	\$3.1763 (I)	\$4.6170 (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</u> (Per Dth)	
	<u>MFV Rates</u>	<u>SFV Rates</u>
Redwood to On-System	\$0.1363 (I)	\$0.0078
Redwood to On-System (Core Procurement Groups only)	\$0.0517 (I)	\$0.0143 (I)
Baja to On-System (including Core Procurement Groups)	\$0.0860 (I)	\$0.0154 (I)
Silverado to On-System (including Core Procurement Groups)	\$0.0539 (I)	\$0.0065
Mission to On-System (including Core Procurement Groups)	\$0.0539 (I)	\$0.0065
Mission to On-System Storage Withdrawals (Conversion option from Firm On-System Redwood or Baja Path only)	\$0.0000	\$0.0000

(Continued)



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

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

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>	Reservation Rate (Per Dth per month)	
	MFV Rates	SFV Rates
Redwood to Off-System	\$5.4094 (I)	\$9.3177 (I)
Baja to Off-System	\$6.7516 (I)	\$8.8998 (I)
Silverado to Off-System	\$5.4094 (I)	\$9.3177 (I)
Mission to Off-System	\$5.4094 (I)	\$9.3177 (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>	Usage Rate (Per Dth)	
	MFV Rates	SFV Rates
Redwood to Off-System	\$0.1363 (I)	\$0.0078
Baja to Off-System	\$0.0860 (I)	\$0.0154 (I)
Silverado to Off-System	\$0.1363 (I)	\$0.0078
Mission to Off-System	\$0.1363 (I)	\$0.0078

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.

<u>Path:</u>	<u>Reservation Rate (Per Dth per month)</u>	
	<u>MFV Rates</u>	<u>SFV Rates</u>
Redwood to On-System	\$6.4912 (I)	\$11.1813 (I)
Baja to On-System	\$8.1020 (I)	\$10.6797 (I)
Silverado to On-System	\$3.8115 (I)	\$5.5404 (I)
Mission to On-System	\$3.8115 (I)	\$5.5404 (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 On-System	\$0.1636 (I)	\$0.0094 (I)
Baja to On-System	\$0.1032 (I)	\$0.0185 (I)
Silverado to On-System	\$0.0647 (I)	\$0.0078
Mission to On-System	\$0.0647 (I)	\$0.0078

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	\$0.3770 (l)
Baja to On-System	\$0.3696 (l)
Silverado to On-System	\$0.1900 (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  
(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	\$0.3770 (l)
Baja to Off-System	\$0.3696 (l)
Silverado to Off-System	\$0.3770 (l)
Mission to Off-System	\$0.3770 (l)
Mission to Off-System Storage Withdrawals	\$0.00000

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.

**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-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.

Reservation Rates:

Per Dth Per Month

SFV Rates:

\$7.1079 (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](http://www.pge.com).

(Continued)



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):.....\$0.9512 (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](http://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):.....\$0.9512 (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](http://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:

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

Backbone Level Rate (per therm).....\$0.00643 (I)

b. Transmission-Level Rate:

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) .....\$0.02484 (I)

c. Distribution-Level Rate:

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	\$0.13036 (I)	\$0.16834 (I)
Tier 2: 20,834 to 49,999	\$0.09173	\$0.11618
Tier 3: 50,000 to 166,666	\$0.08566	\$0.10799
Tier 4: 166,667 to 249,999	\$0.08302	\$0.10443
Tier 5: 250,000 and above*	\$0.02484 (I)	\$0.02484 (I)

See Preliminary Statement Part B for Default Tariff Rate Components.

SURCHARGES  
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.

Public Purpose Program Surcharge:

Customers served under this schedule are subject to a gas Public Purpose Program (PPP) Surcharge under Schedule G-PPPS.

(N)  
|  
(N)

\* Tier 5 Summer and Winter rates are the same.

(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.

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	\$ 1.99332 (l)
5,001 to 10,000	\$ 5.93819
10,001 to 50,000	\$ 11.05216
50,001 to 200,000	\$ 14.50455
200,001 to 1,000,000	\$ 21.04504
1,000,001 and above	\$178.51562 (l)

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

(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): \$0.16411 (I)

LNG Gallon Equivalent: \$0.13457 (I)  
(Conversion factor - One LNG Gallon = 0.82 Therms)

Public Purpose Program Surcharge: (N)  
Customers served under this schedule are subject to a gas Public Purpose Program (PPP) Surcharge under Schedule G-PPPS. (N)

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

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

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

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

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

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

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

(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 .....	23567,23568,23569,23570,23571, ..... 23572,23573,23574,23229,23644 to 23649,23675,23702,23650,22884,22024-G	(T)
Part C	Gas Accounting Terms and Definitions .....	22025,22026,22027, ..... 21698,22028,23674,20443,20027,22030,18314,18315,18316-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	
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	
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	(D)
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.....	23301-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 .....	23656,22140,22141,22300-G	(T)
G-NFS	Negotiated Firm Storage Service .....	23657,22301-G	
G-NAS	Negotiated As-Available Storage Service.....	23658-G	
G-CFS	Core Firm Storage .....	23659,22147,22148,22149-G	
G-AFT	Annual Firm Transportation On-System .....	22175,23660,22903-G	
G-AFTOFF	Annual Firm Transportation Off-System .....	22055,23661,22057-G	
G-SFT	Seasonal Firm Transportation On-System Only .....	22177,23662,22178-G	
G-AA	As-Available Transportation On-System.....	22179,23663-G	
G-AAOFF	As-Available Transportation Off-System.....	22907,23664,18150-G	(T)
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	
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.....	23665,22915-G	(T)
G-PARK	Market Center Parking Service.....	23666,18177-G	
G-LEND	Market Center Lending Service .....	23667,18179-G	(T)
OTHER			
G-CT	Core Gas Aggregation Service .....	23588,22067,21740,20050, 21741,20052,23302,23303,23304,22918,23305,22155,22156,22157,22158-G	
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 ..	23589,18625-G	
G-NGV2	Experimental Compressed Natural Gas Service .....	23590,18626-G	
G-NGV4	Experimental Gas Transportation Service to Noncore Natural Gas Vehicles .....	23669,22668,22070-G	(T)
G-LNG	Experimental Liquefied Natural Gas Service .....	23670,20689-G	(T)

(Continued)



TABLE OF CONTENTS

	<u>CAL P.U.C. SHEET NO.</u>	
Title Page.....	11271-G	
Table of Contents:		
Rate Schedules .....	23673,23672-G	(T)
Preliminary Statements.....	23671,23247-G	(T)
Rules.....	22927-G	
Maps, Contracts and Deviations.....	22438-G	
Sample Forms .....	22434,22926,21538,22266,21292-G	

RATE SCHEDULES

RESIDENTIAL

<u>SCHEDULE</u>	<u>TITLE OF SHEET</u>	<u>CAL P.U.C. SHEET NO.</u>
G-1	Residential Service.....	23575,23487-G
GM	Master-Metered Multifamily Service.....	23576,23489,23019-G
GS	Multifamily Service.....	23577,23491,18601-G
GT	Mobilehome Park Service.....	23578,23493-G
G-10	Service to Company Employees.....	11318-G
GL-1	Residential CARE Program Service.....	23579,23495-G
GML	Master-Metered Multifamily CARE Program Service.....	23580,23497,23027-G
GSL	Multifamily CARE Program Service.....	23581,23582,23030-G
GTL	Mobilehome Park CARE Program Service.....	23583,23584,23502-G
G-MHPS	Master-Metered Mobilehome Park Safety Surcharge.....	22034-G

NONRESIDENTIAL

G-NR1	Gas Service to Small Commercial Customers .....	23585-G	
G-NR2	Gas Service to Large Commercial Customers .....	23586,23037-G	
G-CP	Gas Procurement Service to Core End-Use Customers .....	23587-G	
G-CPX	Crossover Gas Procurement Service to Core End-Use Customers .....	22642-G	
G-NT	Gas Transportation Service to Noncore End-Use Customers .....	23652,23653,22037,22038-G	(T)
G-EG	Gas Transportation Service to Electric Generation .....	23654,22895,22525,22173-G	
G-WSL	Gas Transportation Service to Wholesale/Resale Customers .....	23655,22897,22045-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	

## Attachment II

**Change in Gas Accord III, Transportation Revenue Requirement and Public Purpose Program Authorized Funding in Rates  
Effective January 1, 2006**

(In millions of \$)

Line No.		Present 12/7/2005	Proposed 1/1/2006	Total Change	Core	Noncore / Unbundled	Line No.
	<b>Gas Accord III Core Procurement Revenue Requirement</b>						
1	Intrastate Capacity	48.5	55.2	6.7	6.7		1
2	Backbone Volumetric	22.1	22.2	0.1	0.1		2
3	Core Storage	41.5	43	1.5	1.5		3
4	Core Brokerage Fee	9.0	9.0	0.0	-		4
5	<b>Total GA III Core Procurement RRQ</b>	<b>121.1</b>	<b>129.4</b>	<b>8.4</b>	<b>8.4</b>		5
	<b>Distribution Revenue Requirements and Customer Class Charge</b>						
6	Annual True-up of Transportation Balancing Accounts	121.6	96.7	(24.9)	(47.6)	22.7	6
7	2006 Attrition Rate Adjustment to Distribution Base Revenues	947.1	982.8	35.8	34.5	1.2	7
8	2006 Cost of Capital @ 11.35 % Adjustment to Distribution Base Revenues	0.0	0.8	0.8	0.8	0.0	8
9	GRC Pension Contribution	0.0	43.3	43.3	41.9	1.4	9
10	Self Generation Incentive Program Funding	0.0	0.0	0.0	0.0	0.0	10
11	California Solar Initiative Program Funding	0.0	21.1	21.1	8.8	12.3	11
12	NGV Funding	3.8	0.0	(3.8)	(1.6)	(2.2)	12
13	CPUC Fee	0.0	0.0	0.0	0.0	0.0	13
14	Core Brokerage Fee Credit	(9.0)	(9.0)	0.0	0.0	0.0	14
15	Less CARE discount recovered in PPP surcharge from non-CARE customers	(80.0)	(133.0)	(52.9)	(52.9)	0.0	15
16	FF&U	1.4	1.3	(0.1)	(0.5)	0.4	16
17	<b>Total Transportation RRQ with Adjustments and Credits</b>	<b>984.9</b>	<b>1,004.1</b>	<b>19.2</b>	<b>(16.6)</b>	<b>35.8</b>	17
18	Proc.-Related G-10 Total	(2.5)	(4.5)	(2.0)	(2.0)	0.0	18
19	Proc.-Related G-10 Total Allocated	2.5	4.5	2.0	0.8	1.2	19
20	*Less Additional CARE discount resulting from more customers participating in the CARE Program	(8.2)	-	8.2	8.2	0.0	20
21	<b>Total Transportation Revenue Requirements Reallocated</b>	<b>976.7</b>	<b>1,004.1</b>	<b>27.4</b>	<b>(9.6)</b>	<b>37.0</b>	21
22	<b>Gas Accord III Transportation RRQ</b>						22
23	Local Transmission	145.7	135.5	(10.2)	(7.1)	(3.1)	23
24	Customer Access	5.0	5.1	0.1	0.0	0.1	24
25	<b>Total Gas Accord Transportation RRQ</b>	<b>150.7</b>	<b>140.6</b>	<b>(10.1)</b>	<b>(7.1)</b>	<b>(2.9)</b>	25
26	<b>Total End Use Transportation RRQ</b>	<b>1,127.4</b>	<b>1,144.7</b>	<b>17.3</b>	<b>(16.7)</b>	<b>34.1</b>	26
27	<b>Public Purpose Program (PPP) Funding</b>						27
28	Energy Efficiency	20.8	35.0	14.2	12.8	1.4	28
29	Low Income Energy Efficiency	29.2	16.9	(12.3)	(11.0)	(1.2)	29
30	Research and Development and BOE Administrative Fees	0.2	6.3	6.1	4.1	2.0	30
31	CARE Administrative Expense	1.6	2.6	1.0	0.7	0.3	31
32	<b>Total Authorized PPP Funding</b>	<b>51.8</b>	<b>60.8</b>	<b>8.9</b>	<b>6.5</b>	<b>2.5</b>	32
33	PPP Balancing Accounts	18.8	(1.4)	(20.2)	(16.0)	(4.2)	33
34	CARE discount recovered from non-CARE customers	80.0	133.0	53.0	33.9	19.1	34
35	Estimated PPP R@PR using BCAP adopted volumes rather than the 3 year recorded average used to calculate 2005 PPP rates	1.1	0.0	(1.1)	(2.1)	1.0	35
36	<b>Total PPP Required Funding</b>	<b>151.7</b>	<b>192.3</b>	<b>40.7</b>	<b>22.3</b>	<b>18.4</b>	36
37	<b>Gas Accord III Unbundled Costs</b>						37
38	Backbone	157.4	166.8	9.5		9.5	38
39	Storage	7.3	7.6	0.3		0.3	39
40	<b>Total GAIII Unbundled</b>	<b>164.7</b>	<b>174.4</b>	<b>9.8</b>		<b>9.8</b>	40
41	<b>Total Change in Gas Costs January 1, 2006</b>	<b>1,564.9</b>	<b>1,640.8</b>	<b>76.2</b>	<b>14.0</b>	<b>62.2</b>	41
42							42

PACIFIC GAS AND ELECTRIC COMPANY  
 REVENUE REQUIREMENT AND PUBLIC PURPOSE PROGRAM AUTHORIZED FUNDING  
 Proposed Consolidated Gas Rates Effective January 1, 2006  
 (2006 AGT, 2006 PPP, 2006 GAIII, 2006 COC, 2006 Attrition, 2006 CSI, 2006 Pension)  
 \$(000)

Line No.		ANNUAL	Line No.
1	<b>PROCUREMENT REVENUE REQUIREMENT</b>		1
2	<b>Gas Supply Portfolio Costs:</b>		2
3	Sales Commodity Costs	\$3,458,865	3
4	Shrinkage Commodity Costs	\$114,143	4
5	Core Carrying Cost on Cycled Gas in Storage	\$1,662	5
6	<b>Capacity Costs:</b>		6
7	Gas Transmission Northwest Capacity Costs	\$56,734	7
8	Canadian Capacity Costs	\$42,779	8
9	Intrastate Capacity Costs (incl. F&U)	\$55,213	9
10	El Paso Capacity Costs	\$20,341	10
11	Transwestern Capacity Costs	\$22,190	11
12	<b>Storage Costs:</b>		12
13	Core Storage (incl. F&U)	\$41,268	13
14	Core Carrying Cost on Noncycled Gas in Storage (incl. F&U)	\$1,723	14
15	<b>Total Forecast Period Costs for Procurement</b>	<b>\$3,814,918</b>	15
16	Procurement Account Balances	\$0	16
17	Franchise Fees and Uncollectible Accounts Expense	\$43,797	17
18	Brokerage Fees (incl. F&U)	\$8,982	18
19	<b>Total Procurement Revenue Requirement</b>	<b>\$3,867,697</b>	19
20	Less Procurement Revenues at Present Rates	\$3,859,319	20
21	<b>Shortfall in Collecting Authorized RRQ Given Current Rates <sup>1</sup></b>	<b>\$8,378</b>	21
22	<b>TRANSPORTATION REVENUE REQUIREMENT</b>		22
23	Base Revenue Amount (incl. F&U)		23
24	Distribution	\$983,553	24
25	Pension Contribution	\$43,338	25
26	EOR Credit to Base	\$0	26
27	Brokerage Fee Credit	(\$8,982)	27
28	Natural Gas Vehicle Expenses <sup>2</sup>	\$0	28
29	CPUC Fee Expenses	\$0	29
30	Self Generation Incentive Program	\$0	30
31	California Solar Initiative Program Funding	\$21,120	31
32	<b>Total Forecast Period Costs for Transportation</b>	<b>\$1,039,029</b>	32
33	Transportation Account Balances	\$96,708	33
34	Franchise Fees and Uncollectible Accounts Expense	\$1,283	34
35	<b>Total Transportation Revenue Requirement</b>	<b>\$1,137,020</b>	35
36	Less PPP-CARE Shortfall Collected in PPP-CARE Rates (1/2006) <sup>3</sup>	\$132,957	36
37	Net Transportation Revenue Requirement Collected in Proposed Rates	\$1,004,063	37
38	Less Transportation Revenues at Present Rates	\$976,698	38
39	<b>Shortfall in Collecting Authorized RRQ Given Current Rates <sup>1</sup></b>	<b>\$27,365</b>	39
40	Change in Gas Accord III Local Transmission <sup>9</sup>	(\$10,178)	40
41	Change in Gas Accord III Customer Access <sup>9</sup>	\$119	41
42	<b>Total Change in Transportation</b>	<b>\$17,306</b>	42
43	<b>PUBLIC PURPOSE PROGRAM AUTHORIZED FUNDING (excludes F&amp;U) <sup>3</sup></b>		43
44	Energy Efficiency <sup>4</sup>	\$35,035	44
45	Low Income Energy Efficiency <sup>5</sup>	\$16,959	45
46	Research and Development <sup>6</sup>	\$6,085	46
47	CARE Administrative Expense <sup>7</sup>	\$2,610	47
48	Recovery in PPP of CARE Shortfall in Rates (1/2006)	\$132,957	48
49	BOE Gas Surcharge Administration Costs <sup>8</sup>	\$178	49
50	<b>Total Forecast Period Costs for Public Purpose Programs</b>	<b>\$193,824</b>	50
51	Public Purpose Program Surcharge Account Balances	(\$1,424)	51
52	<b>Total Public Purpose Program Authorized Amounts</b>	<b>\$192,400</b>	52
53	Less Public Purpose Program Surcharge Collections at Present Rates	\$151,644	53
54	<b>Shortfall in Collecting Authorized Amounts Given Current Surcharge Rates <sup>1</sup></b>	<b>\$40,756</b>	54
55	<b>UNBUNDLED GAS ACCORD III REVENUES</b>		55
56	Change in Gas Accord III Storage <sup>9</sup>	\$267	56
57	Change in Gas Accord III Backbone <sup>9</sup>	\$9,491	57
58	<b>TOTAL CHANGE</b>	<b>\$76,198</b>	58

- This includes the change in authorized amounts and the change compared to revenues at present rates.
- The Natural Gas Vehicle expense is set to zero; the actual expenditures are recovered through the NGVBA not to exceed the annual funding level approved in D. 03-10-086, adjusted for current year forecast dollars.
- This amount will be recovered in the gas PPP surcharge.
- D.05-09-043, issued on September 22, 2005, authorized funding for three years totaling \$867,468,243, plus carryover funds from prior program years, for PG&E's 2006-2008 EE programs, effective January 1, 2006. For 2006, the total annual authorized amount is \$244,653,750. The allocation of this amount to PG&E's gas department is \$35,035,152.
- D.05-12-026, issued on December 15, 2005, continued the PG&E authorized total annual amount for LIEE of \$56,530,000. The 2006 annual LIEE program costs allocated to the gas department is \$16,959,000 based on the 70/30 electric/gas split approved in D. 05-04-052.
- PG&E's portion for 2006 statewide public interest R&D costs is \$6,385,217.32. D.04-08-010 reduced PG&E's future funding responsibility for R&D by the amounts previously collected from PG&E customers for gas public interest R&D, but not spent. Of the \$5,519,408 previously-collected, \$299,921 is currently held in the State of California Gas Consumption Fund. As a result, R&D funding in the amount of \$6,085,296.32 is included in PG&E's 2006 gas PPP surcharge rates.
- D.05-12-026 continued PG&E's authorized total annual CARE administration amount of \$7,457,000 for 2006. The allocation of the amount to PG&E's gas department in 2006 is \$2,609,950.
- BOE administrative costs are included in gas PPP surcharge rates pursuant to D. 04-08-010.
- These amounts represent the change resulting from GA III authorized amounts in D. 04-12-050, and are included to show the total change in authorized amounts included in rates effective January 1, 2006.

**PACIFIC GAS AND ELECTRIC COMPANY  
FORECASTED BALANCING ACCOUNT BALANCES  
2006 ANNUAL GAS TRUE-UP  
\$(000)**

**Line No. PROCUREMENT BALANCING ACCOUNTS <sup>1</sup>**

1	PGA: Core Subaccount
2	Core Shrinkage Subaccount
3	Core Firm Storage Account
4	Core Demand Charge Subaccount of CPDCA
5	
6	<b>Sum of Procurement Balancing Accounts</b>
7	
8	

Balance	Allocation	
	Nov 05 Recorded Dec. 05 Forecast	Core
\$0		
\$0		
\$0		
\$0		
<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**9 TRANSPORTATION BALANCING ACCOUNTS**

11	CFCA - Distribution Cost Subaccount
12	CFCA - Core Cost Subaccount
13	Noncore Distribution Fixed Cost Account
14	NC Customer Class Charge (Industrial Distribution Subaccount)
15	NC Customer Class Charge (Industrial Transmission Subaccount)
16	NC Customer Class Charge (Noncore Subaccount)
17	NC Customer Class Charge (Interim Relief)
18	Enhanced Oil Recovery Account
19	Core Brokerage Fee Balancing Account
20	Natural Gas Vehicle Balancing Account
21	Hazardous Substance Balance
22	Core Transport Interstate Transition Subaccount <sup>3</sup>
23	Balancing Charge Account
24	Affiliate Transfer Fee Account
27	Customer Energy Efficiency Incentive Recovery Account - Gas
28	El Paso Settlement Memorandum Account <sup>4</sup>
29	Self Generation Program Memorandum Account
30	Gas Reimbursable Fees Balancing Account <sup>5</sup>
31	Gas Advanced Metering Account
32	
33	<b>Sum of Transportation Balancing Accounts</b>
34	
35	

\$20,924	\$20,924	
\$15,896	\$15,896	
\$799		\$799
(\$1,586)		(\$3,880)
(\$2,294)		
\$3,088		\$3,088
\$1,123		\$1,123
(\$86)	(\$75)	(\$11)
\$529	\$529	\$0
\$839	\$352	\$487
\$27,300	\$11,443	\$15,857
(\$294)	(\$294)	\$0
\$0	\$0	\$0
(\$333)	(\$322)	(\$11)
\$25,416	\$25,201	\$215
\$62	\$62	
\$0		
\$5,325	\$5,151	\$174
\$0		
<b>\$96,708</b>	<b>\$78,866</b>	<b>\$17,842</b>

**36 PUBLIC PURPOSE PROGRAM (PPP) SURCHARGE BALANCING ACCOUNTS <sup>6</sup>**

38	PPP-Energy Efficiency
39	PPP-Low Income Energy Efficiency
40	PPP-Research Development and Demonstration
41	PPP-California Alternate Rates for Energy Account
42	
43	<b>Sum of Public Purpose Program Balancing Accounts</b>
44	
45	
46	<b>TOTAL BALANCING ACCOUNTS</b>

\$825	\$742	\$83
(\$12,105)	(\$10,893)	(\$1,212)
(\$8)	(\$5)	(\$3)
\$9,865	\$6,304	\$3,560
<b>(\$1,424)</b>	<b>(\$3,852)</b>	<b>\$2,428</b>
<b>\$95,284</b>	<b>\$75,014</b>	<b>\$20,270</b>

- Procurement balancing account balances are updated monthly with core procurement rates pursuant to D. 97-10-065.
- PG&E proposes to transfer the recorded December 31, 2005, balance to the Distribution Cost subaccount of the CFCA and Interim Relief subaccount of the NCA.
- The closing balance in this account will be transferred to the Core Cost Subaccount of the CFCA in accordance with AL 2648-G.
- The balance in this account was returned to core transport customers as an "El Paso Settlement Credit" pursuant to AL 2502-G-A; the ending balance will be transferred to the Core Cost Subaccount of th CFCA.
- PG&E proposes to recover this account from all gas customers over 24 months. The 12/05 forecast balance is \$10,650,000.
- These balances were included in the 2006 PPP Gas Surcharges filed in AL 2671-G-A.

ATTACHMENT III - TABLE C

**PACIFIC GAS AND ELECTRIC COMPANY**  
**CONSOLIDATED GAS RATES EFFECTIVE JANUARY 1, 2006**  
 (2006 AGT, 2006 PPP, 2006 GAIII, 2006 COC, 2006 Attrition, 2006 CSI, 2006 Pension)  
**ILLUSTRATIVE CLASS AVERAGE GAS RATES INCLUDING G-PPPS (\$/th)**

Line No.	<u>Customer Class</u>	<u>Present Rates</u> (A)	<u>Consolidated Gas Rates Effective January 1, 2006</u> (B)	<u>% Change</u> (c)
<b>BUNDLED - Retail Core (a)</b>				
1	Residential Non-CARE	\$1.745	\$1.765	1.1%
2	Residential CARE	\$1.494	\$1.387	-7.2%
3	Small Commercial	\$1.644	\$1.667	1.4%
4	Large Commercial	\$1.397	\$1.415	1.3%
<b>TRANSPORTATION and PPP Surcharge - Retail Core (b) (c)</b>				
5	Residential Non-CARE	\$ .453	\$ .470	3.8%
6	Residential CARE	\$ .202	\$ .092	-54.5%
7	Small Commercial	\$ .358	\$ .378	5.7%
8	Large Commercial	\$ .144	\$ .161	11.4%
<b>TRANSPORTATION and PPP SURCHARGE- Retail Noncore (b) (c)</b>				
9	Industrial - Distribution (G-NT-D)	\$ .116	\$ .151	30.2%
10	Industrial - Transmission (G-NT-T)	\$ .043	\$ .066	52.8%
11	Industrial - Backbone (G-NT-BB)	\$ .025	\$ .047	86.3%
12	Electric Generation - Transmission (G-EG-D/T)	\$ .019	\$ .024	26.1%
13	Electric Generation - Backbone (G-EG-BB)	\$ .005	\$ .011	139.4%
<b>TRANSPORTATION and PPP SURCHARGE - Wholesale Core and Noncore (b) (c)</b>				
14	Alpine Natural Gas	\$ .026	\$ .031	19.4%
15	Coalinga	\$ .025	\$ .030	19.9%
16	Island Energy	\$ .045	\$ .050	12.0%
17	Palo Alto	\$ .019	\$ .023	26.2%
18	West Coast Gas - Castle	\$ .054	\$ .061	12.3%
19	West Coast Gas - Mather-D	\$ .037	\$ .044	17.4%
20	West Coast Gas - Mather-T	\$ .026	\$ .031	19.3%

( a ) Present and proposed bundled rates assume an illustrative 2006 weighted average cost of gas of \$1.1553 per therm. Actual bundled rates change monthly to reflect the market cost of gas.

( b ) Class average transportation rates 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.

ATTACHMENT III - TABLE D

PACIFIC GAS AND ELECTRIC COMPANY  
Consolidated Gas Rates Effective January 1, 2006

(2006 AGT, 2006 PPP, 2006 GAILI, 2006 COC, 2006 Atriflion, 2006 CSI, 2006 Pension)

ILLUSTRATIVE GAS TRANSPORTATION RATES AND PUBLIC PURPOSE PROGRAM SURCHARGES (3)  
CLASS AVERAGE END-USE RATES (\$/ft)

Line No.	Customer Class	Present (A)			Proposed (B)			% Change (4) (C)		
		Total Tariff RATE	Total G-PPP RATE (3)	Total Tariff w/ G-PPP Rate	Total Tariff RATE	Total G-PPP RATE (3)	Total Tariff w/ G-PPP Rate	Total Tariff RATE	Total G-PPP RATE	Total Tariff w/ G-PPP Rate
<b>BUNDLED - Retail Core (1)</b>										
1	Residential Non-CARE	\$1.704	\$0.041	\$1.745	\$1.715	\$0.050	\$1.765	0.7%	20.5%	1.1%
2	Residential CARE	\$1.476	\$0.018	\$1.494	\$1.372	\$0.015	\$1.387	-7.0%	-17.6%	-7.2%
3	Small Commercial	\$1.608	\$0.036	\$1.644	\$1.622	\$0.045	\$1.667	0.9%	25.6%	1.4%
4	Large Commercial	\$1.354	\$0.042	\$1.397	\$1.363	\$0.052	\$1.415	0.6%	21.8%	1.3%
<b>TRANSPORTATION RATES - Retail Core (2)</b>										
5	Residential Non-CARE	\$0.412	\$0.041	\$0.453	\$0.420	\$0.050	\$0.470	2.1%	20.5%	3.8%
6	Residential CARE	\$0.184	\$0.018	\$0.202	\$0.077	\$0.015	\$0.092	-58.0%	-17.6%	-54.5%
7	Small Commercial	\$0.321	\$0.036	\$0.358	\$0.332	\$0.045	\$0.378	3.5%	25.6%	5.7%
8	Large Commercial	\$0.102	\$0.042	\$0.144	\$0.109	\$0.052	\$0.161	7.1%	21.8%	11.4%
<b>TRANSPORT - Retail Noncore (2)</b>										
9	Industrial - Distribution	\$0.087	\$0.029	\$0.116	\$0.110	\$0.041	\$0.151	26.4%	41.8%	30.2%
10	Industrial - Transmission	\$0.017	\$0.026	\$0.043	\$0.027	\$0.039	\$0.066	62.2%	46.9%	52.8%
11	Industrial - Backbone	(\$0.001)	\$0.026	\$0.025	\$0.009	\$0.039	\$0.047	94.3%	46.9%	86.3%
12	Electric Generation - Transmission (G-EG-T)	\$0.019	\$0.000	\$0.019	\$0.023	\$0.000	\$0.023	21.2%	n/a	21.2%
13	Electric Generation - Backbone (G-EG-BB)	\$0.005	\$0.000	\$0.005	\$0.011	\$0.000	\$0.011	139.3%	n/a	139.3%
<b>TRANSPORT ONLY - Wholesale Core and Noncore (G-WSL) (2)</b>										
14	Alpine Natural Gas	\$0.026	\$0.000	\$0.026	\$0.031	\$0.000	\$0.031	19.4%	n/a	19.4%
15	Coalinga	\$0.025	\$0.000	\$0.025	\$0.030	\$0.000	\$0.030	19.9%	n/a	19.9%
16	Island Energy	\$0.045	\$0.000	\$0.045	\$0.050	\$0.000	\$0.050	12.0%	n/a	12.0%
17	Palo Alto	\$0.019	\$0.000	\$0.019	\$0.023	\$0.000	\$0.023	26.2%	n/a	26.2%
18	West Coast Gas - Castle	\$0.054	\$0.000	\$0.054	\$0.061	\$0.000	\$0.061	12.3%	n/a	12.3%
19	West Coast Gas - Mather Distribution	\$0.037	\$0.000	\$0.037	\$0.044	\$0.000	\$0.044	17.4%	n/a	17.4%
20	West Coast Gas - Mather Transmission	\$0.026	\$0.000	\$0.026	\$0.031	\$0.000	\$0.031	19.3%	n/a	19.3%

(1) Bundled core rates include: i) an illustrative procurement component that recovers intrastate and interstate backbone transmission charges, storage, brokerage fees and an average annual Weighted Average Cost of Gas (WACOG) of \$1.1553 per therm; ii) a transportation component that recovers customer class charges, customer access charges, CPUC fees, local transmission (where applicable) and distribution costs (where applicable). Actual procurement rate changes monthly.

(2) Transportation Only rates include: i) a transportation component that recovers customer class charges, customer access charges, CPUC fees, local transmission (where applicable) and distribution costs (where applicable). Transport only customers must arrange for their own gas purchases and transportation to PG&E's citygate/local transmission system.

(3) D. 04-08-010 authorized PG&E to remove the gas public purpose program surcharge that recovers the costs of low income California Alternate Rates for Energy (CARE), low income energy efficiency, customer energy efficiency, Research Development and Demonstration program and BOE/CPUC Admin costs from transportation rates and into its own separate surcharge tariff. Certain customers are exempt from paying the PPP surcharge, see Tariff G-PPP for details.

(4) Rates are rounded to 3 decimals for viewing ease. Percentage rate changes are calculated on a 5-digit basis.

ATTACHMENT III - TABLE E

PACIFIC GAS AND ELECTRIC COMPANY  
 CONSOLIDATED GAS RATES EFFECTIVE JANUARY 1, 2006  
 (2006 AGT, 2006 PPP, 2006 GAILL, 2006 COC, 2006 ATTRITION, 2006 CSI, 2006 PENSION)  
 SUMMARY OF RATES BY MAJOR COMPONENT  
 (\$/dth; illustrative)

	Core Retail		Noncore Retail				Wholesale							
	Non-CARE Residential	SmI Com.	Lg. Comm.	Distribution	Industrial Transmission	BB-Level Serv.	Electric Generation Dist./Trans.	BB-Level Serv.	Coalinga	Palo Alto Distribution	WC Gas Maftrr Distribution	Island Energy	Alpine	WC Gas Castle
<b>TRANSPORTATION CHARGE COMPONENTS</b>														
1 Local Transmission (1)	\$ 3109	\$ 3109	\$ 3109	\$ 1344	\$ 1344	\$ 1344	\$ 1344	\$ 1344	\$ 1344	\$ 1344	\$ 1344	\$ 1344	\$ 1344	\$ 1344
2 Customer Class Charge (2)	\$ 2821	\$ 2473	\$ 1285	\$ 0841	\$ 0670	\$ 0643	\$ 0836	\$ 0836	\$ 0822	\$ 0823	\$ 0876	\$ 0823	\$ 0823	\$ 0879
3 CPUC Fee (3)	\$ 0000	\$ 0000	\$ 0000	\$ 0000	\$ 0000	\$ 0000	\$ 0000	\$ 0000	\$ 0000	\$ 0000	\$ 0000	\$ 0000	\$ 0000	\$ 0000
4 Distribution - Annual Average	\$ 3,6311	\$ 2,2274	\$ 6,041	\$ 8098	\$ 0,470	\$ 0,158	\$ 0,158	\$ 0,158	\$ 1,242	\$ 1,242	\$ 1,242	\$ 1,242	\$ 1,242	\$ 0,899
5 <b>VOLUMETRIC RATE - Average Annual</b>	\$ 4,2241	\$ 2,7857	\$ 1,0434	\$ 1,0283	\$ 2,484	\$ 0,643	\$ 2,337	\$ 0,993	\$ 2,166	\$ 2,167	\$ 3,462	\$ 2,167	\$ 2,167	\$ 3,122
6 <b>CUSTOMER ACCESS CHARGE - Class Average (4)</b>	\$ 4,2241	\$ 3,3248	\$ 1,0912	\$ 1,1049	\$ 2,895	\$ 0,854	\$ 2,430	\$ 1,086	\$ 2,997	\$ 2,337	\$ 4,379	\$ 3,084	\$ 5,021	\$ 3,077
7 <b>CLASS AVERAGE TRANSPORTATION RATE</b>	\$ 4,968	\$ 4,542	\$ 5,169	\$ 4,079	\$ 3,890	\$ 3,890	\$ 4,744	\$ 1,086	\$ 2,997	\$ 2,337	\$ 4,379	\$ 3,084	\$ 5,021	\$ 3,077
8 <b>G-PUBLIC PURPOSE PROGRAM SURCHARGE/TAX (5)</b>	\$ 4,7209	\$ 3,7790	\$ 1,6081	\$ 1,5128	\$ 6,585	\$ 4,744	\$ 2,430	\$ 1,086	\$ 2,997	\$ 2,337	\$ 4,379	\$ 3,084	\$ 5,021	\$ 3,077
9 <b>END-USE RATE</b>														
10 <b>INTRASTATE BACKBONE TRANSMISSION</b>														
10 AFT BAJA INTRASTATE @ 100% Load Factor (6)				\$ 3080	\$ 3080	\$ 3080	\$ 3080	\$ 3080	\$ 3080	\$ 3080	\$ 3080	\$ 3080	\$ 3080	\$ 3080
11 AFT REDWOOD INTRASTATE @ 100% Load Factor (6)				\$ 3141	\$ 3141	\$ 3141	\$ 3141	\$ 3141	\$ 1752	\$ 1752	\$ 1752	\$ 1752	\$ 1752	\$ 1752
12 <b>PROCUREMENT (Illustrative) - Bundled Retail Core Service Only (7)</b>														
12 Core Intrastate Backbone Transmission (8)		\$ 1910	\$ 1763	\$ 0948										
13 Interstate Pipeline Demand Charge		\$ 3434	\$ 3205	\$ 1704										
14 Procurement-Other (Incl. Illust. Avg. WACOG)		\$ 12,2642	\$ 12,2540	\$ 12,1869										
15 Storage (9)		\$ 1472	\$ 1406	\$ 0896										
16 <b>PROCUREMENT CHARGE</b>		\$ 12,9458	\$ 12,8934	\$ 12,5417										
17 <b>TOTAL TRANSPORT RATE W/ AFT BAJA</b>		\$ 1,4129	\$ 5,775	\$ 3,934	\$ 5,510	\$ 4,166	\$ 5,510	\$ 4,166	\$ 6,077	\$ 5,417	\$ 7,459	\$ 8,101	\$ 6,157	\$ 9,174
18 <b>TOTAL TRANSPORT RATE W/ AFT REDWOOD</b>		\$ 1,4190	\$ 5,836	\$ 3,995	\$ 5,571	\$ 4,227	\$ 5,571	\$ 4,227	\$ 4,749	\$ 4,089	\$ 6,131	\$ 6,773	\$ 4,829	\$ 7,846

NOTES

- Decision 04-12-050, Table 11; updated by Advice Letter 2601-G
- Based on the 2006 True-Up balances.
- Resolution M-4813, effective January 1, 2005.
- Decision 04-12-050, Table 14, updated by Advice Letter 2601G-A
- Decision 04-08-010 ordered the removal of PPP from transportation rates. March 1, 2005 PG&E began to treat PPP as a tax.
- AL 2671-G-A updated the PPP surcharges for 2006.
- Decision 04-12-050, Tables 3 & 4, updated by Advice Letter 2601-G
- From Attachment III - Table F, Procurement Rates.
- Decision 04-12-050. Rates are based on a forecast of total backbone reservation costs for all transmission paths, allocated to customer classes based on average year January throughput (D.05-06-029). See Attachment III - Table F, Procurement Rates
- Core Storage costs adopted in Decision 04-12-050 are allocated to customer classes based on average year January throughput (D. 05-06-029). See Attachment III - Table F, Procurement Rates

ATTACHMENT III - TABLE F

**PACIFIC GAS AND ELECTRIC COMPANY  
CONSOLIDATED GAS RATES EFFECTIVE JANUARY 1, 2006  
(2006 AGT, 2006 PPP, 2006 GAIII, 2006 COC, 2006 ATTRITION, 2006 CSI, 2006 PENSION)**

**ALLOCATION OF PROCUREMENT COSTS BY CLASS (illustrative two year totals; \$000)**

LINE No.		CORE			NGV	TOTAL
		Residential	Sm Comrc	Lrg Comrc		
1	TOTAL VOLUMES (mth)	4,291,006	1,496,255	171,268	29,292	5,987,821
2	ILLUSTRATIVE WACOG (\$/therm)	\$1.15530	\$1.15530	\$1.15530	\$1.15530	\$1.15530
3	WACOG REVENUE (\$ 000)	\$4,957,399	\$1,728,624	\$197,866	\$33,841	\$6,917,730
4	INTRASTATE BACKBONE CAPACITY (INCLUDES FF&U)	\$81,954	\$26,675	\$1,624	\$174	\$110,427
5	INTERSTATE PIPELINE CAPACITY	\$147,340	\$47,957	\$2,919	\$313	\$198,529
6	CANADIAN CHARGES	\$63,498	\$20,668	\$1,258	\$135	\$85,559
7	BROKERAGE FEES INCL F&U	\$12,873	\$4,489	\$514	\$88	\$17,963
8	SHRINKAGE REVENUE	\$163,594	\$57,045	\$6,530	\$1,117	\$228,285
9	CARRYING COST ON CYCLED GAS IN STORAGE	\$2,382	\$831	\$95	\$16	\$3,324
10	CORE STORAGE BASE REVENUE INCLUDING FF&U (000's)	\$60,614	\$20,206	\$1,473	\$243	\$82,536
11	CARRYING COST ON NONCYCLED GAS IN STORAGE (000's)	\$2,531	\$844	\$61	\$10	\$3,446
12	FRANCHISE FEES AND UNCOLLECTIBLES EXPENSE	\$62,857	\$21,860	\$2,459	\$417	\$87,593
13	TOTAL PROCUREMENT REVENUES	\$5,555,042	\$1,929,197	\$214,799	\$36,355	\$7,735,393
14	F&U FACTOR	1.17890%	1.17890%	1.17890%	1.17890%	

**ILLUSTRATIVE PROCUREMENT RATES (\$/therm)  
(residential/small commercial after being de-averaged by 40%)**

LINE No.		CORE			NGV	Avg. Rate
		Residential	Sm Comrc	Lrg Comrc		
1	ILLUSTRATIVE WACOG	\$1.15530	\$1.15530	\$1.15530	\$1.15530	\$1.15530
2	INTRASTATE CAPACITY CHARGE	\$0.01910	\$0.01783	\$0.00948	\$0.00595	\$0.01844
3	INTERSTATE CAPACITY CHARGE WITH FF&U	\$0.03434	\$0.03205	\$0.01704	\$0.01069	\$0.03316
4	CANADIAN CAPACITY CHARGE	\$0.01480	\$0.01381	\$0.00735	\$0.00461	\$0.01429
5	BROKERAGE FEE RATE	\$0.00300	\$0.00300	\$0.00300	\$0.00300	\$0.00300
6	SHRINKAGE RATE	\$0.03812	\$0.03812	\$0.03812	\$0.03812	\$0.03812
7	CARRYING COST ON CYCLED GAS IN STORAGE	\$0.00056	\$0.00056	\$0.00056	\$0.00056	\$0.00056
8	CORE STORAGE BASE REVENUE INCLUDING FF&U (000's)	\$0.01413	\$0.01350	\$0.00860	\$0.00828	\$0.01378
9	CARRYING COST ON NONCYCLED GAS IN STORAGE (000's)	\$0.00059	\$0.00056	\$0.00036	\$0.00035	\$0.00058
10	FRANCHISE FEES AND UNCOLLECTIBLES EXPENSE	\$0.01465	\$0.01461	\$0.01436	\$0.01425	\$0.01463
11	PROCUREMENT RATE	\$1.29458	\$1.28934	\$1.25417	\$1.24110	\$1.29185

**ATTACHMENT III - TABLE G**

**PACIFIC GAS AND ELECTRIC COMPANY  
CONSOLIDATED GAS RATES EFFECTIVE JANUARY 1, 2006  
(2006 AGT, 2006 PPP, 2006 GAIII, 2006 COC, 2006 ATTRITION, 2006 CSI, 2006 PENSION)**

**CORE RATES AND REVENUES Excluding PPP (illustrative)**

Line No.	RATE CLASS	PRESENT RATES & REVENUES			PROPOSED RATES & REVENUES			PROPOSED CHANGE IN RATES	
		12/7/2005 Rates (El Paso Credit Removed)			1/1/2006				
		ADJ. BILLING DETERMINANT	RATE OR CHARGE	TEST PERIOD REVENUE	ADJ. BILLING DETERMINANT	RATE OR CHARGE	TEST PERIOD REVENUE		
		Mth or # of Customers	\$/them or \$/cust. mo.	(\$ 000)	Mth or # of Customers	\$/them or \$/cust. mo.	(\$ 000)	\$/them or \$/cust. mo.	%
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
	<b>ILLUSTRATIVE AVERAGES FOR BUNDLED CORE CUSTOMERS</b>								
1	NON-CARE RESIDENTIAL	3,269,069		13,947	3,269,069		13,970		.17%
2	Tier I (Baseline)	2,510,875	\$1.63860	4,114,328	2,510,875	\$1.64936	4,141,332	\$0.01075	.66%
3	Tier II	999,460	\$1.85274	1,851,742	999,460	\$1.86613	1,865,120	\$0.01339	.72%
4	Non-CARE Subtotal	3,510,336	\$1.70355	5,980,017	3,510,336	\$1.71506	6,020,421	\$0.01151	.68%
5	CARE RESIDENTIAL	720,532			720,532				
6	Tier I (Baseline)	553,854	\$1.42674	790,205	553,854	\$1.32224	732,325	(\$0.10451)	-7.32%
7	Tier II	219,856	\$1.59977	351,719	219,856	\$1.49733	329,197	(\$0.10244)	-6.40%
8	CARE Subtotal	773,710	\$1.47591	1,141,924	773,710	\$1.37199	1,061,522	(\$0.10392)	-7.04%
9	Pre-GS/GT Discount Residential Subtotal	4,284,045	\$1.66243	7,121,941	4,284,045	\$1.65310	7,081,943	(\$0.00934)	-.56%
10	GS, GT, and G-10 Discount			-24,973			-28,974		
11	TOTAL BUNDLED RESIDENTIAL	4,284,045	\$1.65660	7,096,968	4,284,045	\$1.64633	7,052,969	(\$0.01027)	-.62%
	<b>SMALL COMMERCIAL (G-NR1)</b>								
12	Customer Charge (Average)	202,012	\$16.64	80,660	202,012	\$16.64	80,660	\$0.00	.00%
13	Smr Volumetric Tier A (0-4000 th/mo.)	552,695	\$1.56141	862,985	552,695	\$1.57364	869,745	\$0.01223	.78%
14	Smr Volumetric Tier B (4001+ th/mo.)	111,536	\$1.35887	151,563	111,536	\$1.36768	152,546	\$0.00882	.65%
15	Wtr Volumetric Tier A (0-4000 th/mo.)	679,638	\$1.62003	1,101,032	679,638	\$1.63661	1,112,305	\$0.01659	1.02%
16	Wtr Volumetric Tier B (4001+ th/mo.)	152,386	\$1.37428	209,421	152,386	\$1.38504	211,061	\$0.01076	.78%
17	BUNDLED SML. COMM. TOT.	1,496,255	\$1.60779	2,405,660	1,496,255	\$1.62159	2,426,317	\$0.01381	.86%
	<b>LARGE COMMERCIAL (G-NR2)</b>								
18	Customer Charge (Average)	226	\$150.72	818	226	\$150.72	818	\$0.00	.00%
19	Smr Volumetric Tier A (0-4000 th/mo.)	8,415	\$1.52743	12,853	8,415	\$1.53847	12,946	\$0.01104	.72%
20	Smr Volumetric Tier B (4001+ th/mo.)	93,053	\$1.32489	123,285	93,053	\$1.33251	123,995	\$0.00763	.58%
21	Wtr Volumetric Tier A (0-4000 th/mo.)	5,973	\$1.58605	9,473	5,973	\$1.60144	9,565	\$0.01540	.97%
22	Wtr Volumetric Tier B (4001+ th/mo.)	63,827	\$1.34030	85,548	63,827	\$1.34987	86,159	\$0.00957	.71%
23	BUNDLED LRG. COMM. TOT.	171,268	\$1.35447	231,977	171,268	\$1.36326	233,482	\$0.00879	.65%
24	TOTAL BUNDLED COMMERCIAL	1,667,524	\$1.58177	2,637,637	1,667,524	\$1.59506	2,659,799	\$0.01329	.84%
25	TOTAL BUNDLED CORE	5,951,569	\$1.63564	9,734,605	5,951,569	\$1.63197	9,712,768	(\$0.00367)	-.22%
	<b>TRANSPORTATION TOTALS FOR ALL CORE CUSTOMERS (excludes G-CT credit)</b>								
26	NON-CARE RESIDENTIAL	3,279,587		13,992	3,279,587		14,015		.17%
27	Tier I (Baseline)	2,522,170	\$34692	874,999	2,522,170	\$35478	894,810	\$0.00785	2.26%
28	Tier II	999,460	\$56106	560,759	999,460	\$57155	571,238	\$0.01049	1.87%
29	Non-CARE Subtotal	3,521,631	\$41167	1,449,750	3,521,631	\$42028	1,480,063	\$0.00861	2.09%
30	CARE RESIDENTIAL	722,038		0	722,038		0		
31	Tier I (Baseline)	555,470	\$13506	75,022	555,470	\$02766	15,362	(\$0.10741)	-79.52%
32	Tier II	219,856	\$30809	67,735	219,856	\$02075	44,576	(\$0.10534)	-34.19%
33	CARE Subtotal	775,327	\$18413	142,757	775,327	\$07731	59,938	(\$0.10682)	-58.01%
34	Pre-GS/GT Discount Residential Subtotal	4,296,957	\$37061	1,592,507	4,296,957	\$35839	1,540,000	(\$0.01222)	-3.30%
35	GS, GT, and G-10 Discount			-25,032			-29,034		
36	TOTAL TRANSPORTATION RESIDENTIAL	4,296,957	\$36479	1,567,474	4,296,957	\$35164	1,510,966	(\$0.01315)	-3.61%
	<b>SMALL COMMERCIAL (G-NR1)</b>								
37	Customer Charge (Average)	216,645	\$16.64	86,503	216,645	\$16.64	86,503	\$0.00	.00%
38	Summer Volumetric Tier A	586,928	\$27478	161,277	586,928	\$28430	166,866	\$0.00952	3.47%
39	Summer Volumetric Tier B	118,445	\$07224	8,556	118,445	\$07834	9,279	\$0.00611	8.46%
40	Winter Volumetric Tier A	734,564	\$33340	244,901	734,564	\$34727	255,095	\$0.01388	4.16%
41	Winter Volumetric Tier B	164,702	\$08765	14,435	164,702	\$09570	15,761	\$0.00805	9.19%
42	TRANSPORTATION SML. COMM. TOT.	1,604,639	\$32136	515,673	1,604,639	\$33248	533,504	\$0.01111	3.46%
	<b>LARGE COMMERCIAL (G-NR2)</b>								
43	Customer Charge (Average)	232	\$150.72	839	232	\$150.72	839	\$0.00	.00%
44	Summer Volumetric Tier A	8,606	\$27478	2,365	8,606	\$28430	2,447	\$0.00952	3.47%
45	Summer Volumetric Tier B	95,165	\$07224	6,874	95,165	\$07834	7,456	\$0.00611	8.46%
46	Winter Volumetric Tier A	6,150	\$33340	2,050	6,150	\$34727	2,136	\$0.01388	4.16%
47	Winter Volumetric Tier B	65,726	\$08765	5,761	65,726	\$09570	6,290	\$0.00805	9.19%
48	TRANSPORTATION LRG. COMM. TOT.	175,647	\$10185	17,889	175,647	\$10912	19,167	\$0.00727	7.14%
49	TOTAL TRANSPORTATION COMMERCIAL	1,780,285	\$29971	533,562	1,780,285	\$31044	552,671	\$0.01073	3.58%
50	TOTAL TRANSPORTATION CORE	6,077,242	\$34572	2,101,037	6,077,242	\$33957	2,063,637	(\$37,399)	-1.78%

ATTACHMENT III - TABLE H

PACIFIC GAS AND ELECTRIC COMPANY  
 CONSOLIDATED GAS RATES EFFECTIVE JANUARY 1, 2006  
 (2006 AGT, 2006 PPP, 2006 GAILI, 2006 COC, 2006 ATTRITION, 2006 CSI, 2006 PENSION)

PPP RATES AND REVENUES

Line No.	RATE CLASS	PRESENT RATES & REVENUES 12/7/2005 Rates (El Paso Credit Removed)				PROPOSED RATES & REVENUES 1/1/2006				PROPOSED CHANGE IN RATES	
		ADJ. BILLING DETERMINANT	RATE OR CHARGE	TEST PERIOD REVENUE	ADJ. BILLING DETERMINANT	RATE OR CHARGE	TEST PERIOD REVENUE	Mth	\$/therm or \$ (000)	%	
		(B)	(C)	(D)	(E)	(F)	(G)				(H)
	CORE CLASSES										
1	NON-CARE RESIDENTIAL	3,512,125	\$0.04124	144,840	3,512,125	\$0.04968	174,482		\$0.00844	20.47%	
2	CARE RESIDENTIAL	775,327	\$0.01768	13,708	775,327	\$0.01457	11,297		(\$0.00311)	-17.59%	
3	TOTAL RESIDENTIAL	4,287,451	\$0.03698	158,548	4,287,451	\$0.04333	185,779		\$0.00635	17.18%	
4	SMALL COMMERCIAL (G-NR1)	1,584,153	\$0.03615	57,267	1,584,153	\$0.04542	71,952		\$0.00927	25.64%	
5	LARGE COMMERCIAL (G-NR2)	168,409	\$0.04245	7,149	168,409	\$0.05169	8,705		\$0.00924	21.77%	
6	CORE NGV1 and NGV2	29,292	\$0.00000	0	29,292	\$0.03649	1,069		\$0.03649	.00%	
7	TOTAL COMMERCIAL	1,781,854	\$0.03615	64,416	1,781,854	\$0.04587	81,726		\$0.00971	26.87%	
8	TOTAL CORE VOLUMES & REVENUES	6,069,306	\$0.03674	222,964	6,069,306	\$0.04408	267,505		44,541	19.98%	
	NONCORE CLASSES										
9	INDUSTRIAL TRANS/BACKBONE (G-NTT and G-NTB)	2,481,663	\$0.02648	65,714	2,481,663	\$0.03890	96,537		\$0.01242	46.90%	
10	INDUSTRIAL DISTRIBUTION, (G-NTD)	507,975	\$0.02876	14,609	507,975	\$0.04079	20,720		\$0.01203	41.83%	
11	TOTAL INDUSTRIAL (G-NTB, G-NTT, and G-NTD)	2,989,639	\$0.02687	80,324	2,989,639	\$0.03922	117,257		36,933	45.98%	
12	TOTAL PPP VOLUMES & REVENUES (Two-Year BCAP Test Period)	9,058,944	\$0.03348	303,288	9,058,944	\$0.04247	384,762		81,474	26.86%	
13	ONE-YEAR TOTAL PPP VOLUMES & REVENUES	4,529,472	\$0.03348	151,644	4,529,472	\$0.04247	192,381		40,737	26.86%	

**ATTACHMENT III - TABLE I**  
**PACIFIC GAS AND ELECTRIC COMPANY**  
**CONSOLIDATED GAS RATES EFFECTIVE JANUARY 1, 2006**  
**(2006 AGT, 2006 PPP, 2006 GAIII, 2006 COC, 2006 ATTRITION, 2006 CSI, 2006 PENSION)**  
**SEASONAL VOLUMETRIC RATES FOR DISTRIBUTION-LEVEL SERVICE CUSTOMERS**

Class	Rate Component	Rates (\$/th)			Winter to Summer Ratio		
		Summer	Winter	Average			
CORE	Small Commercial	Distribution Only	\$ .18622	\$ .25139	\$ .22274	1.35	
		Total Volumetric	\$1.53906	\$1.59054	\$1.56768	1.03	
	Large Commercial	Distribution Only	\$ .05284	\$ .07133	\$ .06041	1.35	
		Total Volumetric	\$1.34959	\$1.37139	\$1.35848	1.02	
NONCORE	Industrial Distribution	Distribution Only	Tier 1	\$ .10851	\$ .14649	\$ .12798	1.35
			Tier 2	\$ .06988	\$ .09433	\$ .08222	1.35
			Tier 3	\$ .06381	\$ .08614	\$ .07412	1.35
			Tier 4	\$ .06117	\$ .08258	\$ .06987	1.35
			Tier 5	\$ .00470	\$ .00470	\$ .00470	1.00
			Total Volumetric				
		Tier 1	\$ .17115	\$ .20913	\$ .19062	1.22	
		Tier 2	\$ .13252	\$ .15697	\$ .14486	1.18	
		Tier 3	\$ .12645	\$ .14878	\$ .13676	1.18	
		Tier 4	\$ .12381	\$ .14522	\$ .13251	1.17	
		Tier 5	\$ .06374	\$ .06374	\$ .06374	1.00	

**Notes:**

Rates exclude monthly customer charge.

Total core volumetric rates include distribution, bundled storage, backbone and local transmission, customer class charge, illustrative procurement and public purpose program surcharge.

Core commercial rates are the weighted average of Tier A and Tier B seasonal rates.

Noncore Distribution rates are the distribution-only cost components.

Noncore Total Volumetric rates include distribution, customer class charge, public purpose program surcharge and local transmission.

ATTACHMENT III - TABLE J

PACIFIC GAS AND ELECTRIC COMPANY  
 CONSOLIDATED GAS RATES EFFECTIVE JANUARY 1, 2006  
 (2006 AGT, 2006 PPP, 2006 GAIII, 2006 COC, 2006 ATTRITION, 2006 CSI, 2006 PENSION)

MONTHLY CHARGES AND MINIMUM TRANSPORTATION BILLS (\$) PER ACCOUNT

RESIDENTIAL CLASS	<u>Monthly Average</u>	<u>Daily Equivalent</u>
<u>MINIMUM TRANSPORTATION BILL</u>		
Non-CARE G-1 (Individually Metered)	\$3.00	\$0.09863
CARE G-1 (Individually Metered)	\$0.00	\$0.00000
GS Discount (\$/unit/month)	\$5.38	\$0.17700
GT Discount (\$/unit/month)	\$10.83	\$0.35600

**SMALL COMMERCIAL CLASS**

<u>Customer Charge Tier</u>	<u>Maximum Monthly Therms*</u>	<u>Monthly Average</u>	<u>Daily Equivalent</u>
TIER 1	0      167	\$ 8.23	\$0.27048
TIER 2	168      500	\$ 15.85	\$0.52106
TIER 3	501      1,250	\$ 29.04	\$0.95482
TIER 4	1,251      3,750	\$ 50.64	\$1.66489
TIER 5	3,751 and higher	\$ 65.38	\$2.14936

**LARGE COMMERCIAL CLASS**

	<u>Monthly Average</u>	<u>Daily Equivalent</u>
All Accounts	\$150.72	\$4.95518

**INDUSTRIAL DISTRIBUTION, INDUSTRIAL TRANSMISSION, ELECTRIC GENERATION, and G-NGV4 CLASSES\*\***

<u>Customer Access Charge</u>	<u>Average Monthly Therms*</u>	<u>Monthly Average</u>	<u>Daily Equivalent</u>
TIER 1	0 to 5,000	\$60.63	\$1.99332
TIER 2	5,001 to 10,000	\$180.62	\$5.93819
TIER 3	10,000 to 50,000	\$336.17	\$11.05216
TIER 4	50,001 to 200,000	\$441.18	\$14.50455
TIER 5	200,001 to 1,000,000	\$640.12	\$21.04504
TIER 6	1,000,000 and higher	\$5,429.85	\$178.51562

**WHOLESALE CUSTOMERS\*\***

<u>Customer Access Charge</u>	<u>Monthly Average</u>	<u>Daily Equivalent</u>
ALPINE	\$326.740	\$10.74214
COALINGA	\$1,445.13	\$47.51112
ISLAND ENERGY	\$979.13	\$32.19058
PALO ALTO	\$4,818.36	\$158.41184
WEST COAST GAS (CASTLE)	\$839.47	\$27.59901
WEST COAST GAS (MATHER)	\$767.15	\$25.22137

\* Customers will be billed a small commercial tiered customer charge based upon their maximum monthly usage during the previous 11 plus current billing months.

\*\* Customer Access Charges (applicable to noncore and wholesale accounts) were determined in PG&E's 2005 Gas Transmission and Storage Rate Cases (Gas Accord III) D.04-12-050.

**ATTACHMENT III - TABLE K**

**PACIFIC GAS AND ELECTRIC COMPANY  
 CONSOLIDATED GAS RATES EFFECTIVE JANUARY 1, 2006  
 (2006 AGT, 2006 PPP, 2006 GAIII, 2006 COC, 2006 ATTRITION, 2006 CSI, 2006 PENSION)  
 CORE NATURAL GAS VEHICLE RATES AND REVENUES (EXPERIMENTAL CLASSES)**

Line No.	Rate Class	PRESENT RATES & REVENUES 12/7/2005 Rates (El Paso Credit Removed)			PROPOSED RATES & REVENUES 1/1/2006			PROPOSED CHANGE IN RATES Change
		Adj Billing Determinant	RATE OR CHARGE	TEST PERIOD REVENUE	Adj Billing Determinant	RATE OR CHARGE	TEST PERIOD REVENUE	
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
	# of Cust. or Mth	\$/therm or \$/cust. mo.	\$ (000)	# of Cust. or Mth	\$/therm or \$/cust. mo.	\$ (000)	\$/therm or \$/cust. mo.	%
1	G-NGV1 Customer Charge	137	\$13.42	\$44	137	\$13.42	\$44	0.00%
2	Volumetric Rate	25,349	\$1.30131	\$32,987	25,349	\$1.34226	\$34,025	3.15%
3	G-NGV1	25,349	\$1.30305	\$33,031	25,349	\$1.34400	\$34,069	3.14%
5	G-NGV2 Volumetric Rate	3,943	\$1.98510	\$7,828	3,943	\$2.05667	\$8,110	3.61%
4	Volumetric Rate	3,943	\$1.98510	\$7,828	3,943	\$2.05667	\$8,110	3.61%
5	Total Core NGV	29,292	\$1.39486	\$40,858	29,292	\$1.43993	\$42,179	3.23%

**ATTACHMENT - TABLE L**

**PACIFIC GAS AND ELECTRIC COMPANY  
CONSOLIDATED GAS RATES EFFECTIVE JANUARY 1, 2006  
(2005 AGT, 2006 PPP, 2006 GAII, 2006 COC, 2006 ATTRITION, 2006 CSI, 2006 PENSION)  
ALLOCATION OF AVERAGE ANNUAL DISTRIBUTION-LEVEL REVENUE REQUIREMENT BY CUSTOMER CLASS\***  
(\$000)

Line No.	Component	TOTAL	Residential	Small Commercial	Large Commercial	Subtotal Core	Industrial Distribution	Industrial Transmission	Electric Gen	Coalinga	Palo Alto	Alpine Natural Gas	WC Gas Mather	Island Energy	WC Gas Castle	Total Noncore & Wholesale
1	Customer	592,769	527,289	58,783	1,676	587,748	4,060	201	760	0	0	0	0	0	0	5,021
2	Distribution	422,158	298,409	91,575	3,982	393,967	19,162	5,646	3,368	0	0	9	0	7	16	28,191
3	Allocation of Franchise Fees	9,911	8,063	1,468	55	9,587	227	57	40	0	0	0	0	0	0	324
4	Allocation of Uncollectibles Expense	2,054	1,671	304	11	1,987	47	12	8	0	0	0	0	0	0	67
5	Totals Before Averaging	1,026,892	835,433	152,131	5,725	993,288	23,495	5,916	4,176	0	0	9	0	7	17	33,603
6	Re-Allocation Due to Averaging*	(0)	(69,832)	69,832	0	(0)	0	0	0	0	0	0	0	0	0	0
7	Final Allocation of Distribution Revenue Requirement	1,026,892	765,601	221,963	5,725	993,288	23,495	5,916	4,176	0	0	9	0	7	17	33,603
	Distribution Revenue Requirement Allocation %	100.00000%	74.55515%	21.61503%	0.55743%	96.72766%	2.28301%	0.57607%	0.40665%	0.00000%	0.00000%	0.00091%	0.00000%	0.00070%	0.00161%	3.27234%

**ALLOCATION BY CUSTOMER CLASS OF AVERAGE ANNUAL COSTS AND BALANCES COLLECTED VIA THE CFCA AND NCA RATE COMPONENTS ON PRELIMINARY STATEMENT PART B**

Line No.	Component	TOTAL	Residential	Small Commercial	Large Commercial	Subtotal Core	Industrial Distribution	Industrial Transmission	Electric Gen	Coalinga	Palo Alto	Alpine Natural Gas	WC Gas Mather	Island Energy	WC Gas Castle	Total Noncore & Wholesale
8	Core Fixed Cost Account	36,588	27,203	8,812	573	36,588	0	0	0	0	0	0	0	0	0	0
9	Noncore Customer Class Charge Account (Incl. Subaccounts)	1,130	0	0	0	0	(48)	(1,033)	2,182	2	25	0	1	0	1	1,130
10	NGV expenses	839	0	0	0	0	31	146	307	0	0	0	0	0	0	0
11	Natural Gas Vehicle Account Balance	27,300	8,091	3,021	331	11,443	998	4,737	9,976	8	127	2	4	2	3	15,857
12	Hazardous Substances Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	EOR Credit to Base Rev.	(7,561)	(5,346)	(1,995)	(219)	(7,561)	0	0	0	0	0	0	0	0	0	0
14	Core Brokerage Fee Credit (Gas Brokerage Costs)	(1,421)	(1,275)	(142)	(4)	(1,421)	(8)	(2)	(1)	0	0	0	0	0	0	0
15	Core Brokerage Fee Credit (Sales/Marketing Costs)	(333)	(271)	(49)	(13)	(322)	(8)	(2)	(1)	0	0	0	0	0	0	(11)
16	Affiliate Transfer Fee Account	0	0	0	0	0	165	782	1,646	1	21	0	1	0	0	174
17	Balancing Charge Account	4,505	1,335	499	55	1,888	0	0	0	0	0	0	0	0	0	0
18	G-10 Procurement Allocation	529	374	140	15	529	0	0	0	0	0	0	0	0	0	0
19	Brokerage Fee Balance Account	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20	Self-Generation Program Memorandum Account	(4,505)	(4,505)	0	0	(4,505)	0	0	0	0	0	0	0	0	0	0
21	G-10 Procurement Discount	21,120	6,259	2,337	256	8,853	772	3,665	7,718	6	99	1	3	1	2	113
22	Solar Incentive Costs Allocated to Gas Dept.	5,325	4,332	789	30	5,151	122	31	22	0	0	0	0	0	0	0
23	Gas Reimbursable Fees Account Balance	83,516	36,446	13,503	1,045	50,984	2,032	8,324	21,849	17	276	4	10	3	7	317
24	Subtotals of Items Transferred to CFCA and NCA	(0)	(1,023)	1,023	0	(0)	0	0	0	0	0	0	0	0	0	0
25	Re-Allocation Due to Averaging	83,516	35,423	14,526	1,045	50,984	2,032	8,324	21,849	17	276	4	10	3	7	317
26	Alloc. After Averaging of Items Collected via the CFCA and NCA	884	418	171	12	601	24	98	258	0	3	0	0	0	0	383
27	Franchise Fees and Uncoll. Exp. on Non-Base CFCA and NCA	84,500	35,840	14,687	1,058	51,955	2,056	8,422	22,107	17	278	4	10	3	7	320
28	Subtotals with FF&U and Other Bar. Acct./Forecast Period Costs	1,111,392	801,441	236,660	6,782	1,044,384	25,551	14,338	26,282	17	278	4	19	3	14	336
29	Total of Items Collected Via CFCA and NCA															

\* Residential and Small Commercial Classes are 60% averaged

Line No.	Component	TOTAL	Residential	Small Commercial	Large Commercial	Subtotal Core	Industrial Distribution	Industrial Transmission	Electric Gen	Coalinga	Palo Alto	Alpine Natural Gas	WC Gas Mather	Island Energy	WC Gas Castle	Total Noncore & Wholesale
1	EOB Balancing Account	(86)	(53)	(20)	(13)	(75)	(3)	(3)	(4)	0	0	0	0	0	0	(11)
2	CEE Incentive	25,416	22,608	2,520	72	25,201	174	9	33	0	0	0	0	0	0	215
3	Core Transport Interstate Transition Subaccount of the CPDCA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4	CPUC FEE	25,330	22,655	2,500	70	25,126	171	6	28	0	0	0	0	0	0	205
5	Subtotals	25,330	22,655	2,500	70	25,126	171	6	28	0	0	0	0	0	0	205
6	Re-Allocation Due to Averaging	0	(2,587)	2,587	0	0	0	0	0	0	0	0	0	0	0	0
7	Allocation after Averaging	25,330	19,968	5,088	70	25,126	171	6	28	0	0	0	0	0	0	205
8	Franch. Fee and Uncoll. Exp. on Non-CFCA, Non-NCA, Non-PPP	299	235	60	1	296	2	0	0	0	0	0	0	0	0	2
9	Subtotals of Other Costs	25,629	20,203	5,148	71	25,422	173	6	29	0	0	0	0	0	0	207
10	Allocation of Total Transportation Costs	1,137,021	821,644	241,808	6,863	1,070,305	25,724	14,344	26,311	17	278	4	19	3	14	336

ATTACHMENT III - TABLE L (continued): ALLOCATION OF PUBLIC PURPOSE PROGRAMS (ENERGY EFFICIENCY, LOW INCOME ENERGY EFFICIENCY AND CARE AUTHORIZED COSTS IN GAS PPP SURCHARGE)

(\$'000)

COMPONENT	TOTAL	Residential		Small Commercial		Large Commercial		Subtotal Core	Industrial Distribution	Industrial Transmission	Electric Gen	Coalinga Alto	Palo Verde	Alpine Natural Gas	WC Gas Mather	Island Energy	WC Gas Castle	Total Wholesale	Total Noncore & Wholesale
11 PPP-EE Surcharge	35,035	27,614	2,910	1,101	31,526	942	2,967	0	0	0	0	0	0	0	0	0	0	0	0
12 PPP-EE Balancing Account	825	650	66	26	742	22	60	0	0	0	0	0	0	0	0	0	0	0	83
13 PPP-LIEE Surcharge	16,959	13,367	1,360	533	15,260	456	1,243	0	0	0	0	0	0	0	0	0	0	0	1,699
14 PPP-LIEE Balancing Account	(12,105)	(9,541)	(971)	(381)	(10,893)	(325)	(687)	0	0	0	0	0	0	0	0	0	0	0	(1,212)
15 PPP - RD&D Programs	6,085	2,880	1,064	113	4,077	341	1,667	0	0	0	0	0	0	0	0	0	0	0	2,008
16 PPP - RD&D Balancing Account	(8)	(4)	(1)	(0)	(5)	(0)	(2)	0	0	0	0	0	0	0	0	0	0	0	(3)
17 PPP-CARE Discount Allocation Set Annually	132,957	56,372	25,427	2,703	84,972	8,153	39,632	0	0	0	0	0	0	0	0	0	0	0	47,986
18 PPP-CARE Administration Expense	2,610	1,107	499	53	1,663	160	782	0	0	0	0	0	0	0	0	0	0	0	942
19 PPP-CARE Balancing Account	9,865	4,182	1,886	201	6,304	605	2,955	0	0	0	0	0	0	0	0	0	0	0	3,560
20 PPP-Admin Cost for BOE and CPUC	178	84	31	3	119	10	49	0	0	0	0	0	0	0	0	0	0	0	59
21 Subtotal	192,401	96,712	32,172	4,353	133,771	10,363	48,267	0	0	0	0	0	0	0	0	0	0	0	58,630
22 Re-Allocation Due to Averaging	(0)	(3,809)	3,809	0	(0)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23 Allocation after Averaging	192,401	92,903	35,980	4,353	133,771	10,363	48,267	0	0	0	0	0	0	0	0	0	0	0	58,630
24 Franchise and Uncollectibles on PPP in PPP Surcharge	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25 Total PPP with FF&U	192,401	92,903	35,980	4,353	133,771	10,363	48,267	0	0	0	0	0	0	0	0	0	0	0	58,630
26 LESS: Est. CARE Discount Provided to Residential CARE Customers	(132,957)	(132,957)	(132,957)	(132,957)	(132,957)	(132,957)	(132,957)	0	0	0	0	0	0	0	0	0	0	0	0
27 Net Allocation of PPP by Class After CARE Discount	59,444	(40,054)	35,980	4,353	813	10,363	48,267	0	0	0	0	0	0	0	0	0	0	0	58,630
28 Net Totals of Transportation and PPP Costs	1,136,464	781,590	277,789	11,206	1,071,119	36,088	62,610	26,311	17	278	4	19	3	14	336	0	0	0	125,345

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

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