



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 216.6**; and (c) solar electric generation plants, defined herein. This schedule does not apply to gas transported to non-electric generation loads.

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

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

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

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

1. Customer Access Charge:

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

Average Monthly Use (Therms)	Per Day
0 to 5,000 therms	\$ 2.03342
5,001 to 10,000 therms	\$ 6.05688
10,001 to 50,000 therms	\$ 11.27310
50,001 to 200,000 therms	\$ 14.79485
200,001 to 1,000,000 therms	\$ 21.46586
1,000,001 and above therms	\$182.08603

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: \$0.00499 (R) per therm

b. All Other Customers: \$0.01827 (R) per therm

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

** Efficiency Standard: In accordance with PU Code Section 216.6, at least 5 percent of the facility's total output must be in the form of useful thermal energy. Where useful thermal energy follows power production, the useful annual power output plus one-half the useful annual thermal energy output must equal no less than 42.5 percent of any natural gas and oil energy input.



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(Continued)

RATES:
(Cont'd.)

Customers may be required to pay a franchise fee surcharge for gas volumes transported by PG&E. (See Schedule G-SUR for details.)

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In addition, the Customer will also be responsible for any applicable costs, taxes, and/or fees incurred by PG&E in taking delivery of gas supplied from a source other than PG&E from intra- or interstate sources.

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

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NEGOTIABLE
RATES:

Rates under this schedule may be negotiated.

NEGOTIATED
RATE
GUIDELINES:

1. Standard tariff rates and terms are available to all Customers.
2. PG&E may distinguish between parties in offering negotiated rates by evaluating differences in circumstances and conditions, including, but not limited to, differences occurring upstream of, downstream of, or at, the Customer's location, and differences affecting either cost of service to the Customer or Customer's market alternatives. Negotiations with Customers under this rate schedule will be conducted without undue preference or undue discrimination to the Customer or to any third party. Negotiated rates for G-EG service shall not be less than PG&E's short-run marginal cost of providing the service.
3. PG&E will issue monthly reports to the Commission listing all negotiated contracts, including those negotiated under G-EG. PG&E will make the report available to others upon request. Customer names, including PG&E's affiliates and other departments, will not be provided in the report. However, the report will indicate whether a particular transaction was with an affiliate. The report will show the negotiated rates and dates of service.

METER
REQUIREMENT:

All electric generation load served under this schedule shall be separately metered using a PG&E-owned and installed gas meter, unless it can be demonstrated that it is not economically feasible. For generation facilities without a separate PG&E installed gas meter, the volume of gas transported under this schedule will be determined under the provisions of the Limitation of Gas Use section below.

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LIMITATION OF
 GAS USE:

For customers having both generation and non-generation end use on a single meter, the amount of gas to be billed at the electric generation rate will be the lesser of:

- a. Total metered throughput; or
- b. An amount of gas equal to the customer's recorded net-electric generation in kilowatt-hours (kWh) times the average heat rate for the electric generation equipment as supported by documentation from the manufacturer. If not available, operating data shall be used to determine customer's average heat rate. Net-electric generation is the output of the generator, less the energy used to operate the auxiliary equipment at the cogeneration facility. Auxiliary equipment includes, but is not limited to, forced and induced draft fans, boiler feed pumps, and lubricating oil systems.

When net-electric generation metering is required to determine the gas quantity eligible for billing under this schedule, or for other regulatory purposes, such metering will be installed and owned by PG&E. Installation of net-electric generation metering and on-going maintenance will be at the customer's expense.

Gas use in excess of this Limitation will be billed at the applicable non-generation rate schedule.

Subject to the Meter Requirement Section above, electric generation customers will make available upon request any measurement devices required to directly or indirectly determine the net-electric generation. PG&E shall have the right to read, inspect and/or test all such measurement devices during normal business hours. Additional gas and/or steam metering facilities required to separately determine gas usage to which the electric generation rate, or for monitoring compliance with Public Utilities Code 216.6, may be installed, owned and operated by PG&E; however, PG&E may, at its sole discretion, utilize estimated data to determine such gas usage, or compliance. (T)

MULTIPLE
 FUEL USE:

If multiple fuels are used at a facility, the net amount of electricity generated from using natural gas will be determined each month as follows:

- 1. If the generation facility burns two or more fuels simultaneously, the net electricity generation will be allocated between those fuels based on the Btu input of each fuel. However, if the use of natural gas supplements coke, biomass, or other waste products, (e.g., gas produced in waste water treatment plants or landfill gas), such use will qualify for Schedule G-EG without a Btu-based allocation, provided it does not exceed the limitation defined in the Limitation of Gas Use section herein.
- 2. If the generation facility alternates between natural gas and another fuel, the net amount of electricity generation fueled by gas will be determined by either: (a) meter readings when the fuel change occurs; or (b) the portion of allocated amount calculated by the procedures stated in 1., above, prorated by the number of hours or days that natural gas is used.

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**SOLAR
 ELECTRIC
 GENERATION
 PROJECTS:**

A solar electric generation project utilizes solar energy as the primary fuel in the generation of electricity, uses gas as a secondary fuel constituting 25 percent or less of the total fuel utilized on an equivalent basis, has a natural gas efficiency utilization rate of more than 60 percent, and qualifies as a small power production facility under the Public Utility Regulatory Policies Act of 1978.

**NOTICE OF
 CHANGE IN
 OPERATION:**

Customers must notify PG&E in writing within thirty (30) days if they make any material change either in the amount of, or character of, the gas appliances or apparatuses installed upon Customer's premises to be served under this schedule, that render the facility incapable of meeting the efficiency standards mentioned above and in Public Utilities Code 216.6. (T)

Each year, cogeneration customers are required to certify that they continued to meet Public Utilities Code 216.6 efficiency standards during the previous calendar year. In addition, PG&E retains the right to physically verify the efficiency standards and to require some or all cogeneration customers to provide additional documentation showing that they did meet the standards. (T)

PG&E has the right to install any additional metering required to verify compliance with these standards unless otherwise previously agreed to, in writing, by PG&E. If the efficiency standards are not met during any calendar year or, if the Customer fails to provide certification to PG&E, the gas service may be rebilled for that year, and all subsequent usage billed at the otherwise-applicable rate schedule until the Customer can demonstrate the facility again meets such standards.

**SERVICE
 AGREEMENT:**

A Natural Gas Service Agreement (NGSA) (Form 79-756) is required for service under this schedule. The initial term of the NGSA will be for one (1) year.

SHRINKAGE:

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

NOMINATIONS:

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

**CURTAILMENT
 OF SERVICE:**

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

BALANCING:

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

**BACKBONE
 TRANSMISSION
 TRANSPORTA-
 TION SERVICE:**

Transportation service on PG&E's Backbone Transmission System must be taken in conjunction with this schedule under Schedule G-AFT, G-SFT, G-AA, G-NFT, or G-NAA. A separate Gas Transmission Service Agreement (GTSA) (Form 79-866) and appropriate exhibits must be executed for such service. The GTSA can be held by the Customer or by another party, such as the Customer's gas supplier.

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