



GAS RULE NO. 2
 DESCRIPTION OF SERVICE

Sheet 1

A. GENERAL

1. GAS SOURCE

The natural gas supplied by PG&E is obtained from various oil and gas fields in California and from outside of the state of California. This natural gas may consist of any combustible gas or gases so produced, altered only by removal of any condensible constituents or of injurious impurities and by the addition of a warning odorant. Customers using gas supplied by PG&E for processes that are affected by impurities in excess of specified minimum levels are responsible for testing gas supplied and for rendering the gas suitable for their intended uses. (T)

Except as provided in this Rule, the utility makes no warranties as to the nature, composition, or properties of the natural gas supplied, and the obligations set forth in this Rule are exclusive and in lieu of all other warranties, guaranties, or liabilities, express or implied, arising by law or otherwise (including without limitation any obligations of the utility with respect to fitness, merchantability, and consequential damages). (N)

2. BILLING VOLUME

Natural gas volumes for billing purposes shall be determined by applying the monthly metered volume to any applicable conversion adjustment factors in accordance with this Rule. (T)

3. HEATING VALUE

The heating value of natural gas as supplied by PG&E will vary from time to time and from place to place depending upon the sources being drawn upon. The normal range of heating value is from 750 to 1150 BTU per standard cubic foot of gas at 14.73 psia and 60 degrees Fahrenheit (dry basis). (D)

4. GAS DELIVERIES

a. GAS SERVICE STANDARDS

Gas deliveries shall be in conformance with the standards specified in the California Public Utilities Commission, General Order No. 58-A. (T)

(Continued)



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Sheet 2

A. GENERAL (Cont'd.)

4. GAS DELIVERIES (Cont'd.)

b. STANDARD DELIVERY PRESSURE

Gas will normally be delivered at PG&E's standard delivery pressure of (T)
 seven inches of water column. This pressure supplied to domestic and (T)
 commercial customers shall not vary more than fifty percent above or below
 the standard delivery pressure. No variation in pressure from the standard (T)
 pressure of two inches or more of water column shall occur in a time less
 than fifteen minutes, excepting momentary fluctuations on individual services
 caused by the operations of customer's appliances or fluctuations caused
 by reasonable natural gas regulator buildups. (T)

c. HIGHER-THAN-STANDARD DELIVERY PRESSURE

Upon request of the customer and at the option of PG&E, gas will be
 delivered at a pressure higher than standard delivery pressure where such
 higher pressure is available from existing facilities. PG&E, however, retains
 the right to decrease at any time the higher delivery pressure to a delivery
 pressure not less than the standard delivery pressure.

5. APPLIANCE INSPECTION

PG&E will inspect and adjust as necessary its customers' gas appliances in order
 to assure satisfactory pilot and/or burner flame characteristics for safe and proper (T)
 operation whenever a changed gas supply is determined by PG&E to not be (T)
 interchangeable with the previous gas supply.

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B. DETERMINATION OF THERMS TO BE BILLED

The BTU factor applied to the metered volume will be determined from the average heating value of gas deliveries to that BTU area divided by 1,000. The average heating value in the BTU area is based on the average of the BTU values associated with the billing usage period. For example, if the billing usage period is four (4) weeks, the average BTU value will be calculated by averaging the BTU value of the four (4) weeks ending on the Monday (or on Tuesday if Monday is a holiday) approximately one week prior to the week that bills are processed.

(D)
 (N)
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 (N)

However, if measurement systems exist that are capable of determining more frequent actual average heating values, then the actual average heating value may be applied to the measurement cycle (e.g., continuously, hourly, weekly, or monthly) that is used to determine billing for a specific account. The average heating value is converted to a therm multiplier for use in determining a billing factor.

(N)
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 (N)

For natural gas collection areas, the reported heating value for each area shall be used.

(N)
 (N)

1. CUSTOMERS SUPPLIED AT STANDARD DELIVERY PRESSURE

Where gas is metered at the standard delivery pressure, a billing factor will be used. This billing factor will be the product of the appropriate value from the following table, and the applicable conversion adjustment factor.

(T)
 |
 (T)

<u>Group</u>	<u>Elevation Above Mean Sea Level</u>	<u>Value</u>
A	0 – 999 Feet	1.000
B	1,000 – 1,999 Feet	0.965
C	2,000 – 2,999 Feet	0.932
D	3,000 – 3,999 Feet	0.900
E	4,000 – 4,999 Feet	0.868
F	5,000 – 5,999 Feet	0.838

At PG&E's option, where the utility has access to and the capability to use more specific elevation data, this elevation data may be substituted when determining the value listed above for computing customer billing factors.

(N)
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 (N)

The number of therms to be billed will be determined by multiplying the difference in metered volumes by the billing factor.

(T)

(Continued)



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Sheet 4

B. DETERMINATION OF THERMS TO BE BILLED (Cont'd.)

2. ALL OTHER ACCOUNTS

When gas is metered at a pressure higher than the standard delivery pressure, (T)
 the volume as measured will be adjusted to the standard pressure base of (T)
 14.73 psia.

In adjusting the metered gas volume to the standard pressure base of 14.73 psia,
 the standard barometric pressure assumed to exist at the meter for various
 altitudes shall be taken from the following table:

STANDARD BAROMETRIC PRESSURES OF VARIOUS ALTITUDE ZONES

Altitude Zone Number	Elevation Limits Between Which Standard Barometric Pressure Is To Be Used (Feet)	Standard Barometric Pressure (psia)
1	-200 : 199	14.73
2	200 : 599	14.53
3	600 : 999	14.32
4	1,000 :1,399	14.12
5	1,400 :1,799	13.92
6	1,800 :2,199	13.72
7	2,200 :2,599	13.53
8	2,600 :2,999	13.33
9	3,000 :3,399	13.14
10	3,400 :3,799	12.96
11	3,800 :4,199	12.77
12	4,200 :4,599	12.59
13	4,600 :4,999	12.41
14	5,000 :5,399	12.23
15	5,400 :5,799	12.06
16	5,800 :6,199	11.89

At PG&E's option, where the utility has access to and the capability to use more (N)
 specific elevation data, this elevation data and the related barometric pressure |
 value may be substituted for the barometric pressure values listed above. (N)

(Continued)



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Sheet 5

B. DETERMINATION OF THERMS TO BE BILLED (Cont'd.)

2. ALL OTHER ACCOUNTS (Cont'd.)

The number of therms delivered to a customer in each billing period will normally be determined by multiplying the metered volume of gas by the product of all the appropriate conversion adjustment factors.

(T)
 (D)

3. VOLUME CORRECTION FOR GAS TEMPERATURE

(N)

Correction for gas temperature will be made when average usage exceeds 1,000,000 cubic feet per month. If average usage is 1,000,000 cubic feet per month or less, temperature correction may be made at PG&E's option. When correction for temperature is made, it will be made to a base temperature of 60 degrees F.

(T)
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 (T)

C. SPECIAL FACILITIES

1. PG&E normally installs only those standard facilities which it deems necessary to provide regular service at standard delivery pressure in accordance with the tariff schedules. Where the applicant requests PG&E to install special facilities and PG&E agrees to make such an installation, the additional costs thereof shall be borne by the applicant, including such ownership costs as may be applicable.

2. Special facilities are (a) facilities requested by an applicant, which are in addition to or in substitution for standard facilities which PG&E would normally provide for delivery of service at one point, through one meter, under its tariff schedules or (b) a pro rata portion of the facilities requested by an applicant, allocated for the sole use of such applicant, which would not normally be allocated for such sole use. Unless otherwise provided by PG&E's filed tariff schedules, special facilities will be installed, owned and maintained or allocated by PG&E as an accommodation to the applicant only if acceptable for operation by PG&E and the reliability of service to PG&E's other customers is not impaired.

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C. SPECIAL FACILITIES (Cont'd.)

3. Special facilities will be installed under the terms and conditions of a contract in the form on file with the California Public Utilities Commission. Such contract will include, but is not limited to, the following general terms and conditions.

a. Where new facilities are to be installed for applicant's use as special facilities, the applicant shall advance to PG&E the estimated additional installed cost of the special facilities over the estimated cost of standard facilities. PG&E, at its option, may finance the new facilities. (T)

b. A monthly Cost-of-Ownership charge shall be paid by applicant for its special facilities.

Type of Facility	Financing	Monthly Charge		
Transmission	Customer	0.50% of the amount advanced		
	PG&E	1.17% of the additional cost		
Distribution	Customer	0.67% of the amount advanced		
	PG&E	1.39% of the additional cost	(R)	(T)

c. Where existing facilities are allocated for applicant's use as special facilities, the applicant shall pay the applicable monthly Cost of Ownership charge for the special facilities based on a percentage specified in 3.b. above of the estimated installed cost of that portion of the existing facilities which is allocated to the applicant. (T) (T)

d. Where PG&E determines the collection of continuing monthly Cost of Ownership charges is not practicable, the applicant will be required to make an equivalent one-time payment in lieu of the monthly cost of ownership charges.

e. All monthly Cost of Ownership charges shall be reviewed and refiled with the California Public Utilities Commission when changes occur in PG&E's costs of providing such services. (T)