



GAS SCHEDULE G-CFS
CORE FIRM STORAGE

Sheet 1

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 \$0.1248 (R)

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.

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Sheet 2

INJECTION/
 WITHDRAWAL:
 (Cont'd.)

Injection and Withdrawal Capacities (Cont'd.)

(N)

For CPGs that hold more than 1,000,000 Dth of Annual Inventory, the injection and withdrawal capacities will be variable, as specified herein. Maximum injection and withdrawal will be based upon the amount of gas in inventory at the time of injection or withdrawal (Current Inventory, CI). The calculation for variable injection and withdrawal capacities are as follows, in Dth.**

$$\text{Injection Capacity (April through October)} = \frac{(AI * 207) - (CI * 92)}{33,478}$$

$$\text{Withdrawal Capacity (November through March)} = \frac{(CI * 283) + (AI * 970)}{33,478}$$

Firm Injection and Withdrawal Rights for Other Months for All CPGs

Firm withdrawal is available every day during the months of April through October for all CPGs. Firm injection is available every day during the months of November through March. The amount of injection or withdrawal capacity available to a CPG is dependent upon the CPG's Assigned Storage. The calculation for capacity is shown below in Dth.

$$\text{Injection or Withdrawal Capacity} = (AI/33,477,700) * 50,000$$

Injection Period Month-End Minimum Inventory Target Level

For Assignment of Core Firm Storage, the CPG must meet the storage inventory targets as set forth below.

| Date | Injection Period Month-End Minimum Inventory Target Level |
|-----------------|---|
| By April 30 | Annual Inventory/214 days x 30 days x 75% |
| By May 31 | Annual Inventory/214 days x 61 days x 75% |
| By June 30 | Annual Inventory/214 days x 91 days x 75% |
| By July 31 | Annual Inventory/214 days x 122 days x 75% |
| By August 31 | Annual Inventory/214 days x 153 days x 75% |
| By September 30 | Annual Inventory/214 days x 183 days x 75% |
| By October 31 | Annual Inventory/214 days x 214 days x 75% |

If, by the end of a calendar month, a CPG fails to nominate and inject gas into Assigned Storage to meet the Injection Period Month-End Minimum Inventory Target Level, gas to meet the inventory target will become a negative supply transaction on the CPG's Cumulative Imbalance Statement for that calendar month, as specified in Schedule G-BAL.

(N)

** These formulas specify that as gas is injected or withdrawn throughout the seasons, the capability to inject or withdraw declines due to the physical operation of the storage fields.

(N)
 (N)

(Continued)

