



GAS SCHEDULE G-NFS
 NEGOTIATED FIRM STORAGE SERVICE

Sheet 1

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.

| | <u>Maximum Rates (Dth)</u> |
|----------------|----------------------------|
| Injection/Day | \$6.1542 (R) |
| Inventory | \$2.9407 (R) |
| Withdrawal/Day | \$21.3075 (R) |

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.

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Sheet 2

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|----------------------------------|--|----------------------|
| | | (D) |
| SHRINKAGE: | In-kind storage shrinkage is applicable to all injection quantities in accordance with gas Rule 21. | (N) (N) |
| CREDIT-WORTHINESS: | The Customer must meet the creditworthiness requirements as specified in Rule 25*. | |
| SERVICE AGREEMENT: | An executed <u>Gas Transmission Service Agreement</u> (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. | |
| INJECTION/WITHDRAWAL SCHEDULE: | The injection and withdrawal schedule shall be as agreed to by PG&E and the Customer and set forth in the Customer's storage exhibit. The Receipt and Delivery point(s) for gas to be injected and withdrawn also shall be set forth in the Customer's storage exhibit. | |
| CURTAILMENT OF SERVICE: | Service under this schedule may be curtailed. See Rule 14 for details. | |
| INVENTORY TRANSFERS: | Customers may request a transfer of gas held in inventory to another Customer's storage account by completing a <u>Request for Gas Storage Inventory Transfer</u> (Form No. 79-796). Inventory transfers are limited to the inventory quantity available for transfer and the inventory capacity of the receiving Customer at the time the transfer is completed by PG&E. PG&E will notify both parties in writing of the volume transferred. Customers choosing to transfer balances from one storage program year to the next storage program year will be charged an injection fee. | (T) (T) (T) |
| GAS IN INVENTORY AT TERMINATION: | If a Customer has not withdrawn all gas from storage prior to the termination of the Customer's Storage Exhibit of the GTSA, and the Customer and PG&E have not executed a succeeding Storage Exhibit, PG&E may purchase any remaining inventory from the Customer within sixty (60) days of the date of termination. PG&E will purchase the remaining inventory at the Lowest Citygate Index (LCI), unless otherwise agreed. The LCI is the lower of the lowest daily price during the month or the monthly PG&E Citygate Index Price, as published in <i>Gas Daily</i> , rounded down to the next whole dollar. If no price is published on a given day, the previously published price will be applied. The amount paid to the Customer may be reduced by any outstanding amounts owed by the Customer for any services provided by PG&E. | (T) (T) |