



GAS SCHEDULE G-NFTOFF
NEGOTIATED FIRM TRANSPORTATION OFF-SYSTEM

Sheet 1

APPLICABILITY: This rate schedule* applies to the firm transportation of natural gas on PG&E's Backbone Transmission System to the Off-System Delivery Points at negotiated rates.

TERRITORY: Schedule G-NFTOFF is available only for the transportation of natural gas within PG&E's service territory on the specific paths described herein for off-system deliveries.

PG&E will accept gas on Customer's behalf only at the Receipt Point(s) specifically designated in the exhibits to the Customer's Gas Transmission Service Agreement (GTSA) (Form No. 79-866).

Receipt Point(s) available for service under this schedule are as follows:

<u>Path:</u>	<u>Receipt Point(s):</u>
Redwood to Off-System	Malin or other receipt points north of the Antioch Terminal not included in other backbone transmission paths
Baja to Off-System	Topock North, Topock South, Daggett, Freemont Peak, Essex, Kern River Station or other receipt points south of the Antioch Terminal not included in other backbone transmission paths (T) (T)
Silverado to Off-System	PG&E interconnections with California Production (see gas Rule 1)
Mission to Off-System	PG&E's Market Center Citygate location, an On-System Delivery Point, PG&E's storage facilities, or a third party's storage facilities located in PG&E's service territory.

Firm Off-System Delivery Points:

Kern River Station to Southern California Gas Company
 Fremont Peak to Kern River Gas Transmission

Backhaul Off-System Delivery Points:

All off-system interconnection points are available as backhaul delivery points under this schedule if the upstream pipeline accepts backhaul nominations. Backhaul service is limited to the quantities of gas being delivered from the upstream pipeline.

Alternative Delivery Points:

The Delivery Point to which gas is transported under this rate schedule shall be a Firm Off-System Delivery Point, unless the Customer elects both the Straight Fixed Variable (SFV) rate structure and the maximum allowable rate under G-NFTOFF. If the above conditions are met, the Customer may specify an On-System Delivery Point within the transmission path contracted by Customer as an alternative delivery point.

TERM: The minimum contract term under this rate schedule is one (1) day.

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

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RATES:

The term, take requirement,* and rate are negotiable between PG&E and the Customer. Negotiated rates for transmission service shall not be less than PG&E's short-run marginal cost of providing the service. Negotiated transmission rates under G-NFTOFF will be capped at 120 percent of the tariffed rate for G-AFTOFF on a particular path, as follows: the negotiated rate (including all surcharges, costs and/or fees), converted to a volumetric-only rate at 100 percent load factor, shall be no greater than 120 percent of the G-AFTOFF tariffed rate (including all surcharges, costs and/or fees), converted to a volumetric-only rate at 100 percent load factor under the Modified Fixed Variable (MFV) rate structure.

At PG&E's sole option firm off-system capacity may be available here under at less than the rates in Schedule G-AFTOFF. At PG&E's sole option, negotiated offers satisfactory to PG&E may be accepted.

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.

* A take requirement (also known as a transport-or-pay requirement) is an obligation to pay for a specified quantity of transportation pursuant to the terms of the applicable GTSA exhibit and shall be unaffected by the quantity of gas transported by PG&E to the Customer's Delivery Point(s).

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Sheet 3

**NEGOTIATED
 RATE
 GUIDELINES:**

1. Standard tariff rates and terms are available to all Customers, in lieu of negotiated rates and terms.
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 the 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.
3. PG&E will issue monthly reports to the CPUC listing all negotiated contracts, including those negotiated under G-NFTOFF. PG&E will make the report available 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.
4. The CPUC's complaint procedure will be available to address any claims of undue discrimination in providing service hereunder.
5. Negotiated transmission contracts under G-NFTOFF will not require submission to the CPUC for approval. Unless otherwise provided in the applicable GTSA, or exhibit thereto, the application of Sections IX and X of General Order No. 96-A is waived by the CPUC.

**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.

(N)
 (N)

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.

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