



GAS SCHEDULE G-SFS
STANDARD FIRM STORAGE SERVICE

Sheet 1

APPLICABILITY: This rate schedule* applies to the firm use of PG&E's storage facilities. This rate schedule provides a combination of firm storage injection, inventory and withdrawal service. Service under this rate schedule is available to any Customer including Core Procurement Groups (CPGs) on behalf of Core Customers for storage service in addition to that provided under Schedule G-CFS.

TERRITORY: This rate schedule applies to firm use of PG&E's storage facilities.

RATES: Rates under this schedule consist of Reservation Charges. The Reservation Charge is based upon the amount of inventory capacity held by the Customer (Contract Inventory). Contract Inventory is shown per Decatherm (Dth).

1. Reservation Charges:

The Reservation Charges shall be based on the quantities specified in Exhibit J of the Customer's Gas Transmission Service Agreement (GTSA) (Form No. 79-866). The Reservation Charge includes inventory, injection and withdrawal rights. The monthly charge is calculated by multiplying the applicable monthly rate shown below by the inventory specified in the GTSA (Contract Inventory).

Reservation Charge per Dth of Contract Inventory per month \$0.1350 (l)

2. Additional Charges:

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

SHRINKAGE: In-kind storage shrinkage is applicable to all injection quantities in accordance with gas Rule 21.

CREDIT-WORTHINESS: The Customer must meet the creditworthiness requirements specified in Rule 25.*

SERVICE AGREEMENT: A Gas Transmission Service Agreement (GTSA) (Form No. 79-866) and applicable exhibit are required for service under this rate schedule. The minimum term for service under this rate schedule is one (1) year and the maximum term is fifteen (15) years. Service each year begins on April 1 and terminates on March 31 of the following year (storage year).

NOMINATIONS: Nominations are required for injections and withdrawals. See Rule 21 for details.

CONTRACT INVENTORY: Contract Inventory is purchased for the entire storage year and does not change during that year. The Contract Inventory is filled with Customer gas and later withdrawn upon Customer's request.

INJECTION SCHEDULE: This schedule provides injection amounts proportionally determined by the Contract Inventory. Each unit of Contract Inventory is assigned quantities of injection and withdrawal for each month of the storage year.

Firm injection is available during the injection months from April 1 through November 30, and March 1 through March 31 of each storage year. Customer has the right but not the obligation to inject gas during the injection months. Injection rights are referred to as Maximum Daily Quantity Injection (MDQI). MDQI is proportionally determined based on the Contract Inventory purchased by Customer. Customer is provided sufficient MDQI during the injection months to fill Contract Inventory approximately 1.2 times.

Additional, as-available, injection may be requested at any time by contacting PG&E. As-available injection is provided at the sole discretion of PG&E.

Calculation of Maximum Daily Quantity Injection (MDQI)

The MDQI during the injection months is calculated with the formula below. Firm injection is in Decatherms per day (Dth/d) when Contract Inventory (CI) is expressed in Decatherms (Dths).

$$MDQI = \frac{CI}{214}$$

(N)

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Sheet 3

WITHDRAWAL
 SCHEDULE:

This schedule provides withdrawal amounts proportionally determined by the Contract Inventory. Each unit of Contract Inventory is assigned quantities of injection and withdrawal for each month of the storage year.

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Firm withdrawal is available during the withdrawal months of November through March, and any three (3) calendar months during the traditional injection season of April 1 through October 31. Customer must specify the three (3) calendar months in the applicable exhibit of the GTSA. The three (3) months of withdrawal during the traditional injection season do not need to be consecutive months.

Customer has the right but not the obligation to withdraw gas during the withdrawal months. Withdrawal rights are referred to as Maximum Daily Quantity Withdrawal (MDQW). Customers are provided sufficient MDQW during the withdrawal months to empty their Contract Inventory approximately 7.2 times.

Calculation of Firm Maximum Daily Quantity Withdrawal (MDQW) from December through February and the Months of April through October

The MDQW during the period December through February and the three (3) calendar months during the period from April 1 through October 31 is calculated with the formula below.

$$MDQW = \frac{CI}{30}$$

Calculation of MDQW for the months of November and March

The MDQW for the months of November and March is calculated with the formula below.

$$MDQW = \frac{CI}{54}$$

INJECTION/
 WITHDRAWAL
 ILLUSTRATION:

The table below shows the Firm Maximum Daily Quantity Injection (MDQI) and, Firm Maximum Daily Withdrawal Quantities (MDQW) calculations based on Contract Inventory (CI) throughout the year. The table is illustrative of a Customer that has chosen July, August and September as firm withdrawal months.

	April	May	June	July	Aug.	Sept.
MDQI	= $\frac{CI}{214}$	= $\frac{CI}{214}$	= $\frac{CI}{214}$	= $\frac{CI}{214}$	= $\frac{CI}{214}$	= $\frac{CI}{214}$
MDQW	= 0	= 0	= 0	= $\frac{CI}{30}$	= $\frac{CI}{30}$	= $\frac{CI}{30}$
	Oct.	Nov.	Dec.	Jan.	Feb.	March
MDQI	= $\frac{CI}{214}$	= $\frac{CI}{214}$	= 0	= 0	= 0	= $\frac{CI}{214}$
MDQW	= 0	= $\frac{CI}{54}$	= $\frac{CI}{30}$	= $\frac{CI}{30}$	= $\frac{CI}{30}$	= $\frac{CI}{54}$

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Sheet 4

**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 Request for Gas Storage Inventory Transfer (Form No. 79-796). Inventory transfers are limited to the inventory quantity available for transfer and the available inventory capacity of the receiving Customer at the time the transfer is completed by PG&E. PG&E will notify both parties, in writing on their monthly invoice, of the volume transferred.

**GAS IN
 INVENTORY AT
 TERMINATION:**

If a Customer has not withdrawn all gas remaining in storage prior to the termination of the Customer's GTSA Storage Exhibit, 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 Monthly Citygate Index (LCI) at the time of purchase, 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 *Gas Daily*, rounded down to the next whole dollar. If there is no price 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.

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