There are three components required for delivered natural gas service in California that are detailed on a PG&E rate analysis for economic development projects:

- **Backbone transportation** - charges for gas transportation on PG&E’s high-pressure “Backbone” transmission system from the California border to PG&E’s local transmission system. This service is available through gas brokers and marketers as well as PG&E.

- **Local transportation** - charges for gas transportation on PG&E’s local transmission and distribution systems to the customer’s premise. Depending on usage characteristics, customers pay only for transmission charges or for both transmission and distribution charges. This service is available only from PG&E.

- **Procurement** - charges for the purchase and delivery of natural gas to the California border. This service is available to interruptible customers only from gas brokers and marketers.

Pacific Gas and Electric Company provides both bundled and unbundled natural gas service in Northern and Central California. All customers have a choice of supplier, and may thus procure their gas supply from competing suppliers. Customers also have a choice of firm (core) or interruptible (noncore) delivery service. A customer must generally use more than 250,000 therms of gas annually to opt for interruptible service.

For customers that choose firm service, PG&E is the default supplier of the gas commodity, but customers may choose to be supplied by a competitive supplier through an aggregation program. Businesses taking firm service are generally served under PG&E’s rate schedules GNR-1 or GNR-2, depending on their size. Firm customers taking supply from a third party may also be served under Schedule G-CT.

Commercial and industrial natural gas customers opting for interruptible service must purchase gas directly from suppliers, with PG&E delivering the gas to their facility. These interruptible customers are generally served under PG&E’s rate schedule G-NT.

Services for interruptible customers are largely unbundled, meaning that services for natural gas transmission, distribution, and storage can be independently contracted. Suppliers and customers can work with PG&E to customize a package of gas transportation services to optimize pricing and operating flexibility, while ensuring needed reliability.

Our Backbone transportation and storage rates, special offers, and a list of competitive gas suppliers for interruptible customers can be found on the Internet at pge.com/pipeline.

Our standard local transportation charges for each rate schedule can be found at pge.com/tariffs.

Competitive gas suppliers for firm customers are found at pge.com/gaschoice.