



GAS SCHEDULE G-ESISP
EXCHANGE SERVICE THROUGH ISP FACILITIES

Sheet 1

APPLICABILITY: This rate schedule* provides for service to a PG&E Customer utilizing the storage facilities owned by an Independent Storage Provider (ISP) through an exchange of gas with the ISP (Exchange Service). PG&E and the ISP must execute an ISP-PG&E Exchange Agreement (Form 79-1089). To qualify for service under this schedule, a Customer must be classified as one of the following two types of Customers:

1. Noncore End-Use Customer with historical or potential average monthly use, through a single meter, in excess of 20,800 therms, excluding those months during which usage was 200 therms or less. In addition, the Customer must take service under either Schedule G-NT or G-EG, as applicable, and unless specified herein, is subject to all of the provisions of the applicable rate schedule; or,

Producer Customer that has executed operating and balancing agreements, including a California Production Balancing Agreement (CPBA) (Form 79-944), with PG&E, pursuant to Rule 21.

TERRITORY: Schedule G-ESISP is available only to Customers connected to PG&E metering facilities that are in turn interconnected with storage facilities owned by an ISP.

RATES: Noncore End-Use Customers will pay the rates and charges under Schedule G-NT or Schedule G-EG, as applicable. Customer will also be subject to the Exchange Fee specified in the G-ESISP Service Agreement (Form 79-1090). Applicable rates and fees will be specified in the Customer's Natural Gas Service Agreement (NGSA) (Form 79-756).

Producers will pay the Exchange Fee specified in the G-ESISP Service Agreement. (Form 79-1090)

EXCHANGE FEE: The Exchange Fee, excluding Revenue Fees and Uncollectible (RF&U), i will be paid by PG&E to the ISP for the Exchange Service on all metered volumes. The Exchange Fee charged to a Noncore End-Use Customer shall not be less than the Self Balancing Credit specified in Schedule G-BAL, and to a Producer Customer shall not be less than zero (0). The Exchange Fee charged to any Customer shall not be greater than the Schedule G-NT Winter Tier 2 Distribution-Level Rate. (T)

The total charge for Exchange Service will be based upon the volume of gas, in therms, that is measured by the PG&E-owned metering facilities located between the Customer and the ISP.

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

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Sheet 2

AGREEMENTS: All Customers must sign a G-ESISP Service Agreement (Form 79-1090) with PG&E and the ISP.

(N)

All Customers must sign a G-ESISP Service Relocation Agreement (Form 79-1091) with PG&E.

Noncore End-Use Customers must sign an NGSA with PG&E.

Producers must sign operating and balancing agreements with PG&E, pursuant to Rule 21, including the CPBA. A separate CPBA must be executed for each meter served under Schedule G-ESISP.

All Customers must sign a written agreement for gas balancing service and an agreement for gas quality standards with the ISP. These can be a separate or a combined agreement. The Customer or the ISP will provide a copy of the agreement or the relevant section regarding gas quality to PG&E.

CUSTOMER SERVICE CONNECTION:

To receive service from PG&E, the Customer will interconnect their pipeline to a PG&E metering facility that in turn is connected to the ISP service tap from the storage facilities of the ISP. In addition to the meter, the metering facility can include regulation, gas quality measurement, communication and other equipment. The Customer is required to own the pipeline connection between its facility and the PG&E metering facility, and is responsible for the construction and maintenance of this pipeline.

For a Noncore End-Use Customer, the provisions of PG&E's gas Rule 16 apply to the installation of the metering facility, including the appropriate allowances.

BALANCING SERVICE:

All Customers must sign a storage service agreement for balancing service with the ISP.

Noncore End-Use Customers on this schedule will receive a credit equal to the Self Balancing Credit specified in Schedule G-BAL since balancing service is provided by the ISP. The total credit will be calculated by multiplying the credit times the actual recorded monthly usage per Decatherm. Credits will be provided to Customer on a monthly basis, subject to adjustments. Noncore End-Use Customers cannot aggregate imbalances under a Noncore Balancing Aggregation Agreement (NBAA) (Form 79-869).

Producers must meet the monthly imbalance provisions of the CPBA.

All Customers on this schedule are not subject to the OFO or EFO provisions of gas Rule 14.

TERMINATION: Service under G-ESISP may terminate as provided in the G-ESISP Service Agreement (Form 79-1090).

(N)