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Adopted 2004 Load Factor Worksheet

Assumptions:	
Shrinkage Rate - On-system transmission	1.300%
Heat Rate Conversion	1.0150
Shrinkage Rate - SMUD Line 300	1.720%
Shrinkage Rate - Off-System & SMUD Line 401	1.110%

		Receipt MMcf/day	Receipt MDth/d	Delivery
	Throughput Forecast:			
1	Core Load		799.823	799.823
2	Non-EG Noncore		449.986	449.986
	Wholesale Load		11.158	11.158
	EG (1)		745.483	745.483
	Total On-system (Mdth/day)			
	Shrinkage (Transmission and Distribution)			
7	Total On-System (Mdth/day)			
8	Off System (219 + 79)			
	Total (Mdth/day)			
	Adjustments to Throughput			
10	G-XF Off-system Contracts		(87.394)	(86.424)
11	Backbone Throughput Adjustment (Line 37)		26.271	26.271
12	Total (Mdth/d)		2,293.232	2,244.295
	Existing Firm Delivery Capacity			
13	Redwood Line 401	1,001.552	1,016.575	1,003.606
14	Redwood Line 400	1,019.305	1,034.594	1,021.145
15	Baja	1,140.000	1,157.100	1,141.884
16	Silverado Supply	197.044	200.000	197.400
17	Gross total Firm Capacity	3,357.901	3,408.269	3,364.035
	Adjustments to Delivery Capacity:		-	
18	G-XF Off-system Contracts	86.103	87.394	86.424
19	SMUD Equity Capacity - Line 401	41.564	42.187	41.719
20	SMUD Equity Capacity - Line 300	40.700	41.311	40.600
21	Subtotal Adjustments	168.367	170.892	168.743
22	Net Firm Capacity (Mdth/d)	3,189.534	3,237.377	3,195.291
23	Load Factor before L 401 adjustment (Line 12 / Line 22)			70.24%
24	Adjustment for Line 401 at 95% load Factor (Line 45)			216.79
25	Adjusted Backbone Throughput (Line 24 + Line 12)			2,461.08
26	**Adjusted Load Factor (Line 25 / Line 22)**			**77.02%**
	Off System Premium, net of Discount Adjustment:			
	Downward Adjustment:			
27	Off System throughput forecast MDth/d			133.000
28	Additional Discounted Redwood Off System			79.000
29	Adjusted Off System throughput forecast MDth/d			212.000
30	discounted price - Redwood off			$ 0.1780
31	full price -Redwood off			0.2998
32	discount rate			40.6%
33	Downward Throughput adjustment			-
	Upward Adjustment			
34	As-Available throughput (MDth/d)			562.000
35	premium price for as-available service			20%
36	Premium Throughput Adjustment			112.400
37	Net Adjustment to backbone forecast			26.271
	Adjustment for Line 401 95% load Factor			
38	Load Factor			70.2%
39	Line 401 Load Factor			95.0%
40	Difference			-
41	Original Line 401 PEPR Capacity (MDth/d)			
	Less: Line 401 Capacity Adjustments			
42	SMUD Equity Capacity			(41.719)
43	G-XF Off-system contracts			(86.424)
44	Adjusted Line 401 Capacity			875.463
45	**Adjustment for Line 401 95% load Factor**			**216.786**

Adopted 2004 Transmission Rates
Switches page for model

SWITCHES FOR GAS ACCORD II				
Select a cost of service scenario #	1			
Year - calculate transmission rates	2004			
			Scenario	
Name	Model run Value	Override Value	1_COS_PD	
Rate Design Scenario Description, report heading	Core Redwood vintage; 11.22% ROE; 77.02% LF		Core Redwood vintage; 11.22% ROE; 77.02% LF	
Load Factor				
Redwood	77.02%		77.02%	
Baja	77.02%		77.02%	
Silverado/Mission (California/Storage)	77.02%		77.02%	
L401 Incremental reservation (G-XF off-system)	100.00%		100.00%	
L401 Incremental usage (G-XF off-system)	95.00%		95.00%	
L401 Incremental As-available rate	81.08%		81.08%	
AFT usage rates as a % of AFT reservation	100.00%		100.00%	
As-A & Seasonal rate cap, % of AFT reserve	120.00%		120.00%	
Cost of Capital				
Cost of Debt	7.57%		7.57%	
Rate of Return on Equity	11.22%		11.22%	
Weighted ROE (Common + Preferred)	5.74%		5.74%	
Weighted cost of debt	3.50%		3.50%	
L401 firm capacity at delivery point roll-in to Redwood path (MDth/d)				
2004	870.063		870.063	
L401 firm capacity				
Incremental firm capacity at receipt point (MMc	188.552		188.552	
Rate scenario				
Silverado path - allocate L400, L2, L401 and L300 costs (Mdth)	40		40	
Core Redwood phase in of L410 %				
2004	0.00%		0.0%	

	A B C D	E	F	G	H	I	J	K	L	M	N	O	P
6	**Backbone Transmission MFV Rate**												
7	**2004 BASE REVENUE REQUIREMENT ($000)**												
8							Monthly						
9			Malin		Topock	Other BB	Balancing		L401 G-XF		Storage		
	Updated storage alloc to transmission		L400 + L2	L401	L300	Transmssn	Storage	Gathering	Off-system	Total	Injection	Inventory	Withdrawal
	Operating Expenses Other Than Income												
10	Taxes and Return		16,724	32,142	32,645	14,446	5,089	8,134	32,142	30,525	6,387	3,613	20,525
11	Income Taxes												
12	State Corp. Franchise - Equity		589	4,098	1,004	622	247	57	4,098	1,480	310	175	995
13	State Corp. Franchise - Other		-276	-1,078	-572	-247	15	4	-1,078	87	18	10	59
14	Federal Income - Equity		1,895	13,639	3,342	2,070	821	190	13,639	4,927	1,031	583	3,313
15	Federal Income - Other		-76	1,324	86	145	101	-150	1,324	607	127	72	408
16	Return on Rate Base												
17	Cost of Debt		2,181	15,694	3,845	2,381	945	219	15,694	5,669	1,186	671	3,812
18	Return on Equity		3,573	25,718	6,301	3,902	1,549	359	25,718	9,290	1,944	1,099	6,247
19	Revenue Credits		0	0	0	0	-74	0	0	0	-93	-53	-299
20	Total		24,590	91,537	46,650	23,320	8,893	8,813	91,537	52,585	10,910	6,171	35,081
21	Carrying Cost of Non-cycle Working Gas						193			1,993			
22	Cycle Gas (Balancing ONLY)						444			444			444
23											20.92%	11.84%	67.24%
24	**Variable costs**		506	354	992	439	1,019	0	354	6,112	1,279	723	4,110
25													
26	**Rate Base ($000)**		62,300	448,405	109,856	68,041		6,253	448,405	161,978			
27											37.10%	9.68%	11.55%

REDWOOD ROLL-IN (NO CORE REDWOOD VINTAGE) of L401 COSTS - MFV

ALLOCATION OF 2004 TRANSMISSION BASE REVENUE REQUIREMENT TO TRANSMISSION GROUPS ($000)

	Receipt Point Main L400, L2	Main L400, L2 Core	L401 Roll-in	Topock	Other Backbone	Monthly Balancing Storage	Gathering	Sub-tot Other Than Mailn, Topock	Transmsn. Total Excl. L401 G-XF
Base Revenue Requirement (from above)	24,590	0	82,797	46,650	23,320	9,330	8,813	41,463	195,500

Classification of Base Revenue Requirement to Reservation and Usage Components

	Roll-in L401 to on-system (excl G-XF) Firm delivery capacity Roll-in MDth/d	Less SMUO MDth/d
2004	870.063	961.897

	Main L400, L2	Main L400, L2, L401 Core	L401 Roll-in	Topock	Gathering	Sub-total Other	Transmsn. Total Excl. L401 G-XF	L401 for G-XF rate
Reservation Costs ($000)	18,046	0	43,171	35,012	8,207	25,617	130,054	47,728
Usage Costs ($000)								
Variable Costs	506	0	320	992	0	439	2,256	354
Return on Equity	3,573	0	23,262	8,301	359	3,902	37,397	25,718
Income Taxes on Equity Return	2,464	0	16,044	4,346	247	2,691	25,793	17,737
Total Usage	6,544	0	39,626	11,638	606	7,032	65,446	43,809
Total	24,590	0	82,797	46,650	8,813	32,649	195,500	91,537

ALLOCATION OF 2004 TRANSMISSION BASE REVENUE REQUIREMENT TO TRANSMISSION PATHS

	Main L400 Core	Main L400	L401 Total	Topock	Silverado
Firm Capacity @ City Gate (Year-round; MDth/d)	0.000	1,021.145	961.897	1,101.284	197.400

	Main L400, L2 Vintage $0			Main L400, L2, L401 On-system Roll-in $ 107,387			L401 (for G-XF rate) $91,537			Topock $ 46,650			Gathering + Other $ 41,463			Total Excl L401 G-XF $ 195,500
Transmission Path	Allocators (MDth/d)	%	Amount ($000)	Allocators (MDth/d)	%	Amount ($000)	Allocators (MDth/d)	%	Amount ($000)	Allocators (MDth/d)	%	Amount ($000)	Allocators (MDth/d)	%	Amount ($000)	
Redwood Path	0.000	0.00%	0	1,891.208	97.96%	105,191	0.000	0.00%	0	0.000	0.00%	0	1,891.208	59.29%	24,582	129,774
L401 Non G-XF	0.000	0.00%	0	0.000	0.00%	0	870.063	90.45%	82,797	0.000	0.00%	0	0.000	0.00%	0	0
L401 G-XF	0.000	0.00%	0	0.000	0.00%	0	91.834	9.55%	8,739	0.000	0.00%	0	0.000	0.00%	0	0
Baja Path	0.000	0.00%	0	0.000	0.00%	0	0.000	0.00%	0	1,101.284	98.54%	45,935	1,101.284	34.52%	14,315	56,350
Silverado/Mission	0.000	0.00%	0	39.480	2.04%	2,196	0.000	0.00%	0	39.480	3.46%	1,614	197.400	6.19%	2,566	6,376
Total	0.000	0.00%	0	1,930.688	100.00%	107,387	961.897	100.00%	91,537	1,140.764	100.00%	46,650	3,189.892	100.00%	41,463	195,500

ALLOCATION OF RESERVATION AND USAGE COSTS TO TRANSMISSION PATHS

	Main L400, L2 Vintage			Main L400, L2, L401 On-system Roll-in			L401 (for G-XF rate)			Topock			Gathering + Other			Total Alloc. Amt. Excl. L401 G-XF
Reservation	Amount		Alloc Amt.	Amount		Alloc Amt.	Amount		Alloc Amt.	Amount		Alloc Amt.	Amount		Alloc Amt.	
Transmission Path	($000)	%	($000)	($000)	%	($000)	($000)	%	($000)	($000)	%	($000)	($000)	%	($000)	($000)
Redwood Path	0	0.00%	0	61,217	97.96%	59,956	47,728	0.00%	0	35,012	0.00%	0	33,824	59.29%	20,054	80,010
L401 Non G-XF	0	0.00%	0	61,217	0.00%	0	47,728	90.45%	43,171	35,012	0.00%	0	33,824	0.00%	0	0
L401 G-XF	0	0.00%	0	61,217	0.00%	0	47,728	9.55%	4,557	35,012	0.00%	0	33,824	0.00%	0	0
Baja Path	0	0.00%	0	61,217	0.00%	0	47,728	0.00%	0	35,012	98.54%	33,900	33,824	34.52%	11,678	45,478
Silverado/Mission	0	0.00%	0	61,217	2.04%	1,252	47,728	0.00%	0	35,012	3.46%	1,212	33,824	6.19%	2,093	4,557
Total		0.00%	0		100.00%	61,217		100.00%	47,728		100.00%	35,012		100.00%	33,824	130,054
Usage																
Transmission Path																
Redwood Path	0	0.00%	0	46,170	97.96%	45,226	43,809	0.00%	0	11,638	0.00%	0	7,638	59.29%	4,529	49,754
L401 Non G-XF	0	0.00%	0	46,170	0.00%	0	43,809	90.45%	39,626	11,638	0.00%	0	7,638	0.00%	0	0
L401 G-XF	0	0.00%	0	46,170	0.00%	0	43,809	9.55%	4,182	11,638	0.00%	0	7,638	0.00%	0	0
Baja Path	0	0.00%	0	46,170	0.00%	0	43,809	0.00%	0	11,638	98.54%	11,235	7,638	34.52%	2,637	13,872
Silverado/Mission	0	0.00%	0	46,170	2.04%	944	43,809	0.00%	0	11,638	3.46%	403	7,638	6.19%	473	1,820
Total		0.00%	0		100.00%	46,170		100.00%	43,809		100.00%	11,638		100.00%	7,638	65,446
			0			107,387			91,537			46,650			41,463	195,500

CORE REDWOOD PATH VINTAGE - MFV

Classification of Base Revenue Requirement to Reservation and Usage Components

	Receipt Point							
	Main					Sub-total	Transmsn. Total Excl.	L401
	L400, L2	L400, L2 Core	L401 Roll-In	Topock	Gathering	Other	L401 G-XF	for G-XF rate
Reservation Costs ($000)	7,720	10,326	43,171	35,012	8,207	25,617	130,054	47,726
Usage Costs ($000)								
Variable Costs	201	305	320	992	0	439	2,256	354
Return on Equity	1,419	2,154	23,262	8,301	359	3,902	37,397	25,718
Income Taxes on Equity Return	979	1,485	16,044	4,346	247	2,691	25,793	17,737
Total Usage	2,600	3,944	39,626	11,638	606	7,032	65,446	43,809
Total	10,320	14,270	82,797	46,650	8,813	32,649	195,500	91,537

ALLOCATION OF 2004 TRANSMISSION BASE REVENUE REQUIREMENT TO TRANSMISSION PATHS

	Main				
	L400 Core + WSL	L400	L401 Total	Topock	Silver/Mis
Firm Capacity @ City Gate (Year-round; MDth/d)	615,500	1,021,145	961,897	1,101,284	197,400

	Main L400, L2 Vintage $14,270			Main L400, L2, L401 On-system $93,117			L401 (for G-XF rate) $91,537			Topock $ 46,650			Gathering + Other $ 41,463			Total Excl L401 G-XF $ 195,500
Transmission Path	**Allocators (MDth/d)**	**%**	**Amount ($000)**	**Allocators (MDth/d)**	**%**	**Amount ($000)**	**Allocators (MDth/d)**	**%**	**Amount ($000)**	**Allocators (MDth/d)**	**%**	**Amount ($000)**	**Allocators (MDth/d)**	**%**	**Amount ($000)**	
Redwood - Core Vintage	615,500	100.00%	14,270				0.000	0.00%	0	0.000	0.00%	0	615,500	19.30%	8,000	22,270
Redwood Path	0.000	0.00%	0			90,921	0.000	0.00%	0	0.000	0.00%	0	1,275,708	39.99%	16,582	107,503
L401 Non G-XF	0.000	0.00%	0			0	870,063	90.45%	82,797	0.000	0.00%	0	0.000	0.00%	0	0
L401 G-XF	0.000	0.00%	0			0	91,834	9.55%	8,739	0.000	0.00%	0	0.000	0.00%	0	0
Baja Path	0.000	0.00%	0			0	0.000	0.00%	0	1,101,284	96.54%	45,035	1,101,284	34.52%	14,315	59,350
Silverado/Mission	0.000	0.00%	0	from roll-in calc, cell J71 --->		2,196	0.000	0.00%	0	39,480	3.46%	1,614	197,400	6.19%	2,566	6,376
Total	615,500	100.00%	14,270			93,117	961,897	100.00%	91,537	1,140,764	100.00%	46,650	3,189,892	100.00%	41,463	195,500

ALLOCATION OF RESERVATION AND USAGE COSTS TO TRANSMISSION PATHS

	Main L400, L2 Vintage			Main L400, L2, L401 On-system			L401 (for G-XF rate)			Topock			Gathering + Other			Total Alloc. Amt. Excl. L401 G-XF
Reservation	**Amount**		**Alloc Amt.**	**Amount**		Alloc Amt.	Amount		Alloc Amt.	Amount		Alloc Amt.	Amount		**Alloc Amt.**	
Transmission Path	**($000)**	**%**	**($000)**	**($000)**	**%**	($000)	($000)	%	($000)	($000)	%	($000)	($000)	**%**	**($000)**	**($000)**
Redwood - Core Vintage	10,326	100.00%	10,326				47,728	0.00%	0	35,012	0.00%	0	33,824	19.30%	8,526	18,852
Redwood Path	10,326	0.00%	0			49,640	47,728	0.00%	0	35,012	0.00%	0	33,824	39.99%	13,527	63,167
L401 Non G-XF	10,326	0.00%	0			0	47,728	90.45%	43,171	35,012	0.00%	0	33,824	0.00%	0	0
L401 G-XF	10,326	0.00%	0			0	47,728	9.55%	4,557	35,012	0.00%	0	33,824	0.00%	0	0
Baja Path	10,326	0.00%	0			0	47,728	0.00%	0	35,012	96.54%	33,800	33,824	34.52%	11,678	45,478
Silverado/Mission	10,326	0.00%	0	from roll-in calc, cell J85 --->		1,252	47,728	0.00%	0	35,012	3.46%	1,212	33,824	6.19%	2,093	4,557
Total		100.00%	10,326			50,892		100.00%	47,728		100.00%	35,012		100.00%	33,824	130,054
Usage																
Transmission Path																
Redwood - Core Vintage	3,944	100.00%	3,944				43,809	0.00%	0	11,638	0.00%	0	7,638	19.30%	1,474	5,418
Redwood Path	3,944	0.00%	0			41,281	43,809	0.00%	0	11,638	0.00%	0	7,638	39.99%	3,055	44,336
L401 Non G-XF	3,944	0.00%	0			0	43,809	90.45%	39,626	11,638	0.00%	0	7,638	0.00%	0	0
L401 G-XF	3,944	0.00%	0			0	43,809	9.55%	4,182	11,638	0.00%	0	7,638	0.00%	0	0
Baja Path	3,944	0.00%	0			0	43,809	0.00%	0	11,638	96.54%	11,235	7,638	34.52%	2,637	13,872
Silverado/Mission	3,944	0.00%	0	from roll-in calc, cell J95 --->		944	43,809	0.00%	0	11,638	3.46%	403	7,638	6.19%	473	1,820
Total		100.00%	3,944			42,226		100.00%	43,809		100.00%	11,638		100.00%	7,638	65,446
			14,270			93,117			91,537			46,650			41,463	195,500

		Malin		L401 G-XF	Topock		Silverado/Mission	
		Annual	Seasonal		Annual	Seasonal	Annual	Seasonal
Firm Reservation rates		0.7702	0.6419	1.0000	0.7702	0.6419	0.7702	0.6419
Firm Usage rates		0.7702	0.6419	0.9500	0.7702	0.6419	0.7702	0.6419
As-Available usage rate		0.6419	0.6419	0.8108	0.6419	0.6419	0.6419	0.6419

2004 BACKBONE TRANSMISSION MFV RATES

FIRM

	ANNUAL			SEASONAL		
	Allocated Amount ($000)	Billing Determinant MDth * 12	Rate ($/Dth/mo)	Allocated Amount ($000)	Billing Determinant MDth * 12	Rate ($/Dth/mo)
RESERVATION						
Baja Path	45,478	10,179	**4.4675**	45,478	8,483	**5.3611**
Silverado/Mission	4,557	1,824	**2.4975**	4,557	1,521	**2.9968**
	($000)	MDth	($/Dth)	($000)	MDth	($/Dth)
USAGE						
Baja path	13,872	309,596	**0.0448**	13,872	258,024	**0.0538**
Silverado/Mission	1,820	55,494	**0.0328**	1,820	46,250	**0.0393**
TOTAL @ Full Contract						
Baja path			0.1917			0.2300
Silverado/Mission			0.1149			0.1378

AS-AVAILABLE

Baja path	59,350	258,024	**0.2300**			
Silverado	6,376	46,250	**0.1379**			

0% ROLL-IN OF NONCORE REDWOOD TO CORE

	ANNUAL			SEASONAL		
	Allocated Amount ($000)	Billing Determinant MDth * 12	Rate ($/Dth/mo)	Allocated Amount ($000)	Billing Determinant MDth * 12	Rate ($/Dth/mo)
RESERVATION						
Redwood - Core	16,852	5,689	**2.9623**	16,852	4,741	
Redwood Path	63,167	11,791	**5.3574**	63,167	9,827	**6.4282**
	($000)	MDth	($/Dth)	($000)	MDth	($/Dth)
USAGE						
Redwood - Core	5,418	173,031	**0.0313**	5,418	144,208	
Redwood Path	44,336	358,631	**0.1236**	44,336	298,890	**0.1483**
TOTAL @ Full Contract						
Redwood - Core			0.1287			
Redwood Path			0.2997			0.3596

AS-AVAILABLE

Redwood Path	107,503	298,890	**0.3597**	

1.200

Backbone Transmission SF / Rate

Classification of Base Revenue Requirement to Reservation and Usage Components

	Receipt Point Main L400, L2	Main L400, L2 Core	L401 Roll-in	Topock	Gathering	Sub-total Other	Transmiss. Total Excl. L401 G-XF	L401 G-XF	Total BB Transmission
Reservation Costs ($000)	24,083	0	82,478	45,658	8,813	32,211	193,243	91,183	201,949
Usage Costs ($000)									
Variable Costs	506	0	320	992	0	439	2,256	354	2,290
Return on Equity	0	0	0	0	0	0	0	0	0
Income Taxes on Equity Return	0	0	0	0	0	0	0	0	0
Total Usage	506	0	320	992	0	439	2,256	354	2,290
Total	24,590	0	82,797	46,650	8,813	32,649	195,500	91,537	204,239

REDWOOD ROLL-IN (NO CORE REDWOOD VINTAGE) of L401 COSTS - SFV

ALLOCATION OF 2004 TRANSMISSION BASE REVENUE REQUIREMENT TO TRANSMISSION PATHS

	Main L400 Core	Main L400	L401 Total	Topock	Silverado
Firm Capacity@ City Gate (Year-round; MDth/d)	0.000	1,021.145	961.897	1,101.284	197.400

	Main L400, L2 Vintage $0			Main L400, L2, L401 On-system Roll-in $107,387			L401 (for G-XF rate) $91,537			Topock $ 46,650			Gathering + Other $ 41,463			Total Excl L401 G-XF $ 195,500
Transmission Path	Allocators (MDth/d)	%	Amount ($000)	Allocators (MDth/d)	%	Amount ($000)	Allocators (MDth/d)	%	Amount ($000)	Allocators (MDth/d)	%	Amount ($000)	Allocators (MDth/d)	%	Amount ($000)	
Redwood Path	0.000	0.00%	0	1,891.208	97.96%	105,191	0.000	0.00%	0	0.000	0.00%	0	1,891.208	59.29%	24,582	129,774
L401 Non G-XF	0.000	0.00%	0	0.000	0.00%	0	870.063	90.45%	82,797	0.000	0.00%	0	0.000	0.00%	0	0
L401 G-XF	0.000	0.00%	0	0.000	0.00%	0	91.834	9.55%	8,739	0.000	0.00%	0	0.000	0.00%	0	0
Baja Path	0.000	0.00%	0	0.000	0.00%	0	0.000	0.00%	0	1,101.284	96.54%	45,035	1,101.284	34.52%	14,315	59,350
Silverado/Mission	0.000	0.00%	0	39.480	2.04%	2,196	0.000	0.00%	0	39.480	3.46%	1,614	197.400	6.19%	2,566	6,376
Total	0.000	0.00%	0	1,930.688	100.00%	107,387	961.897	100.00%	91,537	1,140.764	100.00%	46,650	3,189.892	100.00%	41,463	195,500

ALLOCATION OF RESERVATION AND USAGE COSTS TO TRANSMISSION PATHS

Reservation	Main L400, L2, L401 On-system Amount		Alloc Amt.	Main L400, L2, L401 On-system Roll-in Amount		Alloc Amt.	L401 (for G-XF rate) Amount		Alloc Amt.	Topock Amount		Alloc Amt.	Gathering + Other Amount		Alloc Amt.	Total Alloc. Amt. Excl. L401 G-XF
Transmission Path	($000)	%	($000)	($000)	%	($000)	($000)	%	($000)	($000)	%	($000)	($000)	%	($000)	($000)
Redwood Path	0	0.00%	0	106,561	97.96%	104,382	91,183	0.00%	0	45,658	0.00%	0	41,024	59.29%	24,322	128,704
L401 Non G-XF	0	0.00%	0	106,561	0.00%	0	91,183	90.45%	82,478	45,658	0.00%	0	41,024	0.00%	0	0
L401 G-XF	0	0.00%	0	106,561	0.00%	0	91,183	9.55%	8,706	45,658	0.00%	0	41,024	0.00%	0	0
Baja Path	0	0.00%	0	106,561	0.00%	0	91,183	0.00%	0	45,658	96.54%	44,078	41,024	34.52%	14,163	58,241
Silverado/Mission	0	0.00%	0	106,561	2.04%	2,179	91,183	0.00%	0	45,658	3.46%	1,580	41,024	6.19%	2,539	6,298
Total			0		100.00%	106,561		100.00%	91,183		100.00%	45,658		100.00%	41,024	193,243
Usage																
Transmission Path																
Redwood Path	0	0.00%	0	826	97.96%	809	354	0.00%	0	992	0.00%	0	439	59.29%	260	1,069
L401 Non G-XF	0	0.00%	0	826	0.00%	0	354	90.45%	320	992	0.00%	0	439	0.00%	0	0
L401 G-XF	0	0.00%	0	826	0.00%	0	354	9.55%	34	992	0.00%	0	439	0.00%	0	0
Baja Path	0	0.00%	0	826	0.00%	0	354	0.00%	0	992	96.54%	957	439	34.52%	151	1,109
Silverado/Mission	0	0.00%	0	826	2.04%	17	354	0.00%	0	992	3.46%	34	439	6.19%	27	78
Total			0		100.00%	826			354		100.00%	992		100.00%	439	2,256
			0			107,387			91,537			46,650			41,463	195,500

CORE REDWOOD PATH VINTAGE - SFV

Classification of Base Revenue Requirement to Reservation and Usage Components

	Main L400, L2	Main L400, L2 Core	L401 Roll-In	Topock	Gathering	Sub-total Other	Transmission Total Excl. L401 G-XF	L401 G-XF
Reservation Costs ($000)	10,119	13,965	82,478	45,658	8,813	32,211	193,243	91,183
Usage Costs ($000)								
Variable Costs	201	305	320	992	0	439	2,256	354
Return on Equity	0	0	0	0	0	0	0	0
Income Taxes on Equity Return	0	0	0	0	0	0	0	0
Total Usage	201	305	320	992	0	439	2,256	354
Total	10,320	14,270	82,797	46,650	8,813	32,649	195,500	91,537

ALLOCATION OF 2004 TRANSMISSION BASE REVENUE REQUIREMENT TO TRANSMISSION PATHS

	Main L400 Core	Main L400	Main L401 Total	Topock	Silverado
Firm Capacity @ City Gate (Year-round; MDth/d)	615.500	1,021.145	961.897	1,101.284	197.400

	Main L400, L2 Vintage $14,270			Main L400, L2, L401 On-system $93,117			L401 (for G-XF rate) $91,537			Topock $ 46,650			Gathering + Other $ 41,463			Total Excl L401 G-XF $ 195,500
Transmission Path	Allocators (MDth/d)	%	Amount ($000)	Allocators (MDth/d)	%	Amount ($000)	Allocators (MDth/d)	%	Amount ($000)	Allocators (MDth/d)	%	Amount ($000)	Allocators (MDth/d)	%	Amount ($000)	
Redwood - Core	615.500	100.00%	14,270			0	0.000	0.00%	0	0.000	0.00%	0	615.500	19.30%	8,000	22,270
Redwood Path	0.000	0.00%	0			80,921	0.000	0.00%	0	0.000	0.00%	0	1,275.708	39.99%	16,582	107,503
L401 Non G-XF	0.000	0.00%	0			0	870.063	90.45%	82,797	0.000	0.00%	0	0.000	0.00%	0	0
L401 G-XF	0.000	0.00%	0			0	91.834	9.55%	8,739	0.000	0.00%	0	0.000	0.00%	0	0
Baja Path	0.000	0.00%	0			0	0.000	0.00%	0	1,101.284	96.54%	45,035	1,101.284	34.52%	14,315	59,350
Silverado/Mission	0.000	0.00%	0	from roll-in calc, cell J37 --->		2,196	0.000	0.00%	0	39.480	3.46%	1,614	197.400	6.19%	2,566	8,376
Total	615.500	100.00%	14,270			83,117	961.897	100.00%	91,537	1,140.764	100.00%	46,650	3,189.892	100.00%	41,463	195,500

ALLOCATION OF RESERVATION AND USAGE COSTS TO TRANSMISSION PATHS

	Main L400, L2 Vintage			Main L400, L2, L401 On-system			L401 (for G-XF rate)			Topock			Gathering + Other			Total Alloc. Amt. Excl. L401 G-XF
Reservation	Amount		Alloc Amt.	Amount		Alloc Amt.	Amount		Alloc Amt.	Amount		Alloc Amt.	Amount		Alloc Amt.	
Transmission Path	($000)	%	($000)	($000)	%	($000)	($000)	%	($000)	($000)	%	($000)	($000)	%	($000)	($000)
Redwood - Core	13,965	100.00%	13,965			0	91,183	0.00%	0	45,658	0.00%	0	41,024	19.30%	7,918	21,880
Redwood Path	13,965	0.00%	0			80,417	91,183	0.00%	0	45,658	0.00%	0	41,024	39.99%	16,406	108,824
L401 Non G-XF	13,965	0.00%	0			0	91,183	90.45%	82,478	45,658	0.00%	0	41,024	0.00%	0	0
L401 G-XF	13,965	0.00%	0			0	91,183	9.55%	8,705	45,658	0.00%	0	41,024	0.00%	0	0
Baja Path	13,965	0.00%	0			0	91,183	0.00%	0	45,658	96.54%	44,078	41,024	34.52%	14,163	58,241
Silverado/Mission	13,965	0.00%	0	from roll-in calc, cell J51 --->		2,179	91,183	0.00%	0	45,658	3.46%	1,580	41,024	6.19%	2,538	6,298
Total		100.00%	13,965			82,596		100.00%	91,183		100.00%	45,658		100.00%	41,024	193,243
Usage																
Transmission Path																
Redwood - Core	305	100.00%	305			504	354	0.00%	0	992	0.00%	0	439	19.30%	85	390
Redwood Path	305	0.00%	0			0	354	0.00%	0	992	0.00%	0	439	39.99%	175	679
L401 Non G-XF	305	0.00%	0			0	354	90.45%	320	992	0.00%	0	439	0.00%	0	0
L401 G-XF	305	0.00%	0			0	354	9.55%	34	992	0.00%	0	439	0.00%	0	0
Baja Path	305	0.00%	0			0	354	0.00%	0	992	96.54%	957	439	34.52%	151	1,108
Silverado/Mission	305	0.00%	0	from roll-in calc, cell J61 --->		17	354	0.00%	0	992	3.46%	34	439	6.19%	27	78
Total		100.00%	305			521		100.00%	354		100.00%	992		100.00%	439	2,256
			14,270			83,117			91,537			46,650			41,463	195,500

LOAD FACTORS

	Main Annual	Main Seasonal	L401 G-XF	Topock Annual	Topock Seasonal	Silverado/Mission Annual	Silverado/Mission Seasonal
Firm Reservation rates	0.7702	0.6419	1.0000	0.7702	0.6419	0.7702	0.6419
Firm Usage rates	0.7702	0.6419	0.9500	0.7702	0.6419	0.7702	0.6419
As-Available usage rate	0.6419	0.6419	0.8108	0.6419	0.6419	0.6419	0.6419

	A	B	C	D	E	F	G	H	I	J	K	L
145	**2004 BACKBONE TRANSMISSION SFV RATES**											
146	**FIRM**											
147							**ANNUAL**				**SEASONAL**	
148						Allocated				Allocated		
149						Amount		Rate		Amount		
150						($000)		($/Dth/mo)		($000)		
151				RESERVATION								
152				L401 G-XF		8,705	1,102	7.8996				
153				Baja Path		58,241	10,179	5.7218		58,241	8,483	6.8657
154				Silverado/Mission		6,298	1,824	3.4518		6,298	1,521	4.1419
155												
156												
157						($000)	MDth	($/Dth)		($000)	MDth	($/Dth)
158				USAGE								
159				L401 G-XF		34	31,843	0.0011				
160				Baja path		1,109	309,596	0.0036		1,109	258,024	0.0043
161				Silverado/Mission		78	55,494	0.0014		78	46,250	0.0017
162												
163												
164				TOTAL @ Full Contract								
165				L401 G-XF				0.2608				
166				Baja path				0.1917				0.2300
167				Silverado/Mission				0.1149				0.1379
168												
169												
175	**0% ROLL-IN OF NONCORE REDWOOD TO CORE**											
177							**ANNUAL**				**SEASONAL**	
178						Allocated				Allocated		
179						Amount		Rate		Amount		
180						($000)		($/Dth/mo)		($000)		
181				RESERVATION								
182				Redwood - Core		21,880	5,689	3.8462		21,880	4,741	
183				Redwood Path		106,824	11,791	9.0598		106,824	9,827	10.8710
184												
185												
186						($000)	MDth	($/Dth)		($000)	MDth	($/Dth)
187				USAGE								
188				Redwood - Core		390	173,031	0.0023		390	144,208	
189				Redwood Path		679	358,631	0.0019		679	298,890	0.0023
190												
191												
192				TOTAL @ Full Contract								
193				Redwood - Core				0.1288				
194				Redwood Path				0.2998				0.3597
195												

Allocation of Storage Revenue

	2004			
	Injection	Inventory	Withdrawal	Total
STORAGE				
Revenue Requirement				
Base Revenue Storage, net of bal NCG	$10,910	$6,171	$35,061	$52,142
Cycle gas for Balancing			444	444
Carrying Cost of Non-cycle Working Gas		1,993		1,993
TOTAL	$10,910	$8,164	$35,505	$54,579
Fixed Base RRQ	$9,631	$5,448	$30,951	$46,030
Fixed Cycle gas for Balancing			444	444
Carrying Cost of Non-cycle Working Gas		1,993		1,993
Variable Base RRQ	1,279	723	4,110	6,112
Base Revenue	$10,910	$8,164	$35,505	$54,579
Annual Cycling Capacity (MDth)				
Monthly Balancing Service	27,785.625	4,100.000	27,785.625	59,671.250
Core Firm Service (G-CFS)	41,074.369	33,477.726	178,601.057	253,153.152
Standard Firm Service (G-SFS)	6,031.241	4,782.525	34,285.027	45,098.793
TOTAL	74,891.235	42,360.251	240,671.709	357,923.195
# Of Cycling Days				
Monthly Balancing Service	365.0		365.0	
Core & Standard Firm Service	365.0		365.0	
Quantities (Annual Cycling Capacity / # of Cycling Days)				
Monthly Balancing Service	76.125	4.100	76.125	
Core Firm Service (G-CFS)	112.533	33.478	489.318	
Standard Firm Service (G-SFS)	16.524	4.783	93.932	
TOTAL	205.181	42.360	659.375	
REVENUE REQUIREMENT ALLOCATED				
Monthly Balancing Service				
(Cost allocation %)	37.10%	9.68%	11.55%	
Fixed	$3,573	$527	$3,573	$7,674
Variable	474	70	474	1,019
Cycle gas for Balancing	0	0	444	444
Carrying Cost of Non-cycle Working Gas		193		193
TOTAL	$4,048	$790	$4,492	$9,330
Core Firm Service (G-CFS)				
(Cost allocation %)	54.85%	79.03%	74.21%	
Fixed	$5,282	$4,305	$22,969	$32,556
Variable	701	572	3,050	4,323
Carrying Cost of Non-cycle Working Gas		1,575		1,575
TOTAL	$5,984	$6,452	$26,018	$38,454
Standard Firm Services (G-SFS)				
(Cost allocation %)	8.05%	11.29%	14.25%	
Fixed	$776	$615	$4,409	$5,800
Variable	103	82	585	770
Carrying Cost of Non-cycle Working Gas		225		225
TOTAL	$879	$922	$4,995	$6,795
Total Storage	$ 10,910	$ 8,164	$ 35,505	$ 54,579

Market Storage Services Rate Design

	Rates 2002/2003				Rates 2004			
	Injection	Inventory	Withdrawal	Total	Injection	Inventory	Withdrawal	Total
Fixed ($000)	$ 858	$ 2,550	$ 1,734	$ 5,142	$ 776	$ 615	$ 4,409	$ 5,800
Variable	68	199	151	$ 418	103	82	585	770
Carrying Costs (Fixed)		631		$ 631		225		225
TOTAL ($000)	$ 926	$ 3,380	$ 1,885	$ 6,191	$ 879	$ 922	$ 4,995	$ 6,795

	Injection MDth	Inventory MDth	Withdrawal MDth	Injection MDth/d	Inventory MDth	Withdrawal MDth/d
Design Capacity		4,782.525	158.738			

(G-SFS) Standard Firm Storage ($/Dth):	Capacity	Withdrawal	Capacity
Reservation Charge			
Fixed Revenues ($000)	$ 4,039	$ 1,734	$ 6,795
Quantities (Mdth)	4,782.5	158.7	4,782.5
Annual Reservation Charge Per Dth	$ 0.8445	$ 10.9237	$ 1.4206
Monthly Reservation Charge Per Dth (12 mo.'s)	$ 0.0704	$ 0.9103	$ 0.1184

(G- NFS) Negotiated Firm Storage - Maximum Rates ($/Dth):								
Number of Days Injection and Withdrawal Used in								
Negotiated Firm & As-Available rate design	30		7		30		7	
Annual Quantities	671.288	4,782.525	1,111.163		495.7	4,782.5	657.5	
Market Storage Service Revenues	$ 6,191	$ 6,191	$ 6,191		$ 6,795	$ 6,795	$ 6,795	
Billing Determinants	671.3	4,782.5	1,111.2		495.7	4,782.5	657.5	
Maximum Rate Per Dth	$9.2226	$1.2945	$5.5716		$13.7072	$1.420		

(G-NAS) Negotiated As-Available Storage - Maximum Rates ($/Dth/Day):						
Volumetric Rate Per Dth	$ 9.2226	$	$ 5.5716	$ 13.7072	$	$ 10.3342

(G-PARK) (G-LEND) Parking and Lending Service

Maximum Daily Charge ($/Dth) (based on a 214 day injection and 151 day withdrawal period)

Maximum Daily Charge ($/Dth/day)	$ 1.0038	$ 0.8198
Minimum Rate (per transaction)	$ 57.00	$ 57.00

G-BAL Rate $ 0.0805

Core Firm Storage Rate Design

	Rates 2002/2003				Rates 2004			
	Injection	Inventory	Withdrawal	Total	Injection	Inventory	Withdrawal	Total
Fixed ($000)	$ 6,003	$ 17,849	$ 12,134	$ 35,986	$ 5,282	$ 4,305	$ 22,969	$ 32,556
Variable	476	1,393	1,056	2,925	701	572	3,050	4,323
Carrying Cost of Non-cycle Working Gas			6,077	6,077		1,575		1,575
TOTAL ($000)	$ 6,479	$ 19,242	$ 19,267	$ 44,988	$ 5,984	$ 6,452	$ 26,018	$ 38,454
Fixed ($000)	$ 6,003	$ 17,849	$ 18,211	$ 42,063	$ 5,282	$ 5,880	$ 22,969	$ 34,131
Variable	476	1,393	1,056	2,925	701	572	3,050	4,323
TOTAL ($000)	$				$ 5,984	$ 6,452	$ 26,018	$ 38,454

Design Capacity	Inventory MDth	Inventory MDth	Total

(G-CFS) Core Firm Storage ($/Dth):

Core Firm Storage Revenues ($000)	$ 43,326	$ 38,454
Inventory Quantities (Mdth)	33,477.73	33,477.7
Reservation Charge / Dth	$ 1.2942	$ 1.1486
Reservation Charge / Dth / Mo	$	$ 0.0957

Calculation of Carrying Costs on Non-cycled Working Gas (NCWG)

NCWG Rate Base	Short term Interest Rate	Carrying Cost NCWG ($)	Allocation Based on Inventory		
			Balancing	Core	Standard Firm
$ 84,088,592	2.37%	$1,992,900	$ 192,890	$ 1,575,008	$ 225,001
		100.0%	9.7%	79.0%	11.3%

Self Balancing Service

	2002 [1]	2004
Cost of Service		$ 9,330
80% Of Balancing Assets		$ 7,464
Annual MDth (2000 BCAP)		778,845
Self Balancing Rate Credit ($/Dth)	$ 0.0050	$ 0.0096

Note:
(1) Current self balancing service rate was established in Gas OII Decision 00-05-049.

Illustrative Allocation of Standard Firm Storage Services by Month

PRODUCT	April			May			June		
	Inj	Inv	Wth	Inj	Inv	Wth	Inj	Inv	Wth
Standard Firm	MDth/d	MMDth	MDth/d	MDth/d	MMDth	MDth/d	MDth/d	MMDth	MDth/d
G-CFS[1]	199	33.5	50	183	33.5	50	168	33.5	50
G-SFS[2]	22	4.8	0	22	4.8	0	22	4.8	0
System Balancing	76	4.1	76	76	4.1	76	76	4.1	76
Total Standard Firm	297	42.4	126	281	42.4	126	266	42.4	126

PRODUCT	July			August			September		
	Inj	Inv	Wth	Inj	Inv	Wth	Inj	Inv	Wth
Standard Firm	MDth/d	MMDth	MDth/d	MDth/d	MMDth	MDth/d	MDth/d	MMDth	MDth/d
G-CFS	155	33.5	50	142	33.5	50	131	33.5	50
G-SFS	22	4.8	159	22	4.8	159	22	4.8	159
System Balancing	76	4.1	76	76	4.1	76	76	4.1	76
Total Standard Firm	253	42.4	285	240	42.4	285	229	42.4	285

PRODUCT	October			**November**			**December**		
	Inj	Inv	**Wth**	**Inj**	**Inv**	**Wth**	**Inj**	**Inv**	**Wth**
Standard Firm	MDth/d	MMDth	**MDth/d**	**MDth/d**	**MMDth**	**MDth/d**	**MDth/d**	**MMDth**	**MDth/d**
G-CFS	120	33.5	50	50	**33.5**	**1253**	**50**	**33.5**	**1182**
G-SFS	22	4.8	0	22	**4.8**	**89**	**0**	**4.8**	**159**
System Balancing	76	4.1	76	76	**4.1**	**76**	**76**	**4.1**	**76**
Total Standard Firm	218	**42.4**	126	**148[3]**	**42.4**	**1418**	**126**	**42.4**	**1417**

PRODUCT	January			February			March		
	Inj	Inv	Wth	Inj	Inv	Wth	Inj	Inv	Wth
Standard Firm	MDth/d	MMDth	MDth/d	MDth/d	MMDth	MDth/d	MDth/d	MMDth	MDth/d
G-CFS	50	33.5	1111	50	33.5	1041	50	33.5	970
G-SFS	0	4.8	159	0	4.8	159	22	4.8	89
System Balancing	76	4.1	76	76	4.1	76	76	4.1	76
Total Standard Firm	126	42.4	1346	126	42.4	1275	148	42.4	1135

[1] G-CFS injection represents the mid- month injection rights. Actual injection rights are dependent on inventory. Rights shown for the traditional injection season of April 1 through October 31 assume: 1) inventory on April 1 is zero; 2) full injection rights are nominated each day.

[2] G-SFS counter cyclical withdrawal may be purchased in any three months of the of the traditional injection season. G-SFS counter cyclical withdrawal rights are shown in the months of July, August, and September for illustrative purposes.

[3] Counter cyclical injection rights during the first two weeks of November are subject to compressor maintenance schedules.

Calculation of Storage Inventory Totals, Storage Units, and Product Allocation

G-CFS						
Month	Days	Injection Rights/d (MDth/d)	Injection Inventory (MDth)	Withdrawal Rights (MDth/d)	Withdrawal Inventory (MDth/d)	Inventory (MDth)
Jan.	31	50	1,550	1,111	34,447	33,478
Feb.	28	50	1,400	1,041	29,142	33,478
Mar.	31	50	1,550	970	30,082	33,478
Apr.	30	199	5,975	50	1,500	33,478
May	31	183	5,685	50	1,550	33,478
June	30	168	5,052	50	1,500	33,478
July	31	155	4,807	50	1,550	33,478
Aug.	31	142	4,414	50	1,550	33,478
Sep.	30	131	3,922	50	1,500	33,478
Oct.	31	120	3,732	50	1,550	33,478
Nov.	30	50	1,500	1253	37,586	33,478
Dec.	31	50	1,550	1182	36,643	33,478
Counter-cyclical Inventory Subtotal			7,550		10,700	
Traditional Season Injection Inventory			33,524		167,901	
Inventory Totals			41,074		178,601	33,478

Calculation of G-CFS Storage Ratios[1]			
G-CFS Injection Ratio		G-CFS Withdrawal Ratio	
Injection Inventory	33,524	Withdrawal Inventory	167,901
Inventory	33,478	Inventory	33,478
G-CFS Injection Ratio	1.00	G-CFS Withdrawal Ratio	5.02
(Injection Inventory) / (Inventory)		(Withdrawal Inventory) / (Inventory)	

[1] The injection and withdrawal inventory does not include counter-cyclical storage units. The ratios describe traditional seasonal service only.

G-SFS						
Month	Days	Injection Rights/d (MDth/d)	Injection Inventory (MDth)	Withdrawal Rights (MDth/d)	Withdrawal Inventory (MDth/d)	Inventory (MDth)
Jan.	31	0	0	159	4,919	4,783
Feb.	28	0	0	159	4,443	4,783
Mar.	31	22	680	89	2,747	4,783
Apr.	30	22	658	0	0	4,783
May	31	22	680	0	0	4,783
June	30	22	658	0	0	4,783
July	31	22	680	159	4,919	4,783
Aug.	31	22	680	159	4,919	4,783
Sep.	30	22	658	159	4,760	4,783
Oct.	31	22	680	0	0	4,783
Nov.	30	22	658	89	2,659	4,783
Dec.	31	0	0	159	4,919	4,783
Counter-cyclical Inventory Subtotal			1,338		14,598	
Traditional Season Injection Inventory			4,693		19,687	
		Inventory Totals	6,031		34,285	4,783

Calculation of G-SFS Storage Ratios[1]			
G-SFS Injection Ratio		G-SFS Withdrawal Ratio	
Injection Inventory	4,693	Withdrawal Inventory	19,687
Inventory	4,783	Inventory	4,783
G-SFS Injection Ratio	.98	G-SFS Withdrawal Ratio	4.11
(Injection Inventory) / (Inventory)		(Withdrawal Inventory) / (Inventory)	

[1] The injection and withdrawal inventory does not include counter-cyclical storage units. The ratios describe traditional seasonal service only.

System Balancing						
Month	Days	Injection Rights/d (MDth/d)	Injection Inventory (MDth)	Withdrawal Rights (MDth/d)	Withdrawal Inventory (MDth/d)	Inventory (MDth)
Jan.	31	76	2,360	76	2,356	4,100
Feb.	28	76	2,132	76	2,128	4,100
Mar.	31	76	2,360	76	2,356	4,100
Apr.	30	76	2,284	76	2,280	4,100
May	31	76	2,360	76	2,356	4,100
June	30	76	2,284	76	2,280	4,100
July	31	76	2,360	76	2,356	4,100
Aug.	31	76	2,360	76	2,356	4,100
Sep.	30	76	2,284	76	2,280	4,100
Oct.	31	76	2,360	76	2,356	4,100
Nov.	30	76	2,284	76	2,280	4,100
Dec.	31	76	2,360	76	2,356	4,100
		Inventory Totals	27,786		27,786	4,100

Calculation of System Balancing Storage Ratios			
System Balancing Injection Ratio		System Balancing Withdrawal Ratio	
Injection Inventory	27,786	Withdrawal Inventory	27,786
Inventory	4,100	Inventory	4,100
Bal Injection Ratio	6.78	Bal Withdrawal Ratio	6.78
(Injection Inventory) / (Inventory)		(Withdrawal Inventory) / (Inventory)	

Local Transmission Cost Allocation and Rate Design

Adopted Local Transmission RRQ for 2004 ($ 000) **$ 175,973**

	Cold Year January 2004	G-10 Adjustment Factor	Adjusted CYJ 2004	Allocation Factor	Local Transmission 2004 Adopted RRQ	Average Year Annual 2004	G-10 Adjustment Factor	Adjusted Annual 2004	Resulting LT Rates ($/dth)	Adopted 2004 LT Rate ($/dth)
CORE										
Residential	40,751	0.9986	40,694	45.3%	$ 79,744	203,612	0.9986	203,327	$ 0.3922	
Small Commercial	13,026	1.0000	13,026	14.5%	$ 25,527	78,367	1.0000	78,367	$ 0.3257	
Large Commercial (incl. Interdepartmental)	740	1.0000	740	0.8%	$ 1,451	8,808	1.0000	8,808	$ 0.1647	
Total Core	54,518	0.9990	54,461	60.6%	$ 106,722	290,787	0.9990	290,502		$ 0.3674
NONCORE										
INDUSTRIAL										
IND DISTR			2,968	3.3%	$ 5,815			29,353	$ 0.1981	
IND TRANSM			10,849	12.1%	$ 21,260			134,319	$ 0.1583	
TOTAL IND			13,817	15.4%	$ 27,075			163,672	$ 0.1654	
WHOLESALE										
Wholesale Serving Core Customers										
WCG (Castle)			5	0.0%	$ 10			31	$ 0.3308	
PALO ALTO			537	0.6%	$ 1,053			3,530	$ 0.2990	
COALINGA			54	0.1%	$ 106			279	$ 0.3791	
WCG (Mather)			20	0.0%	$ 39			109	$ 0.3625	
ISLAND ENERGY			8	0.0%	$ 15			43	$ 0.3471	
ALPINE			8	0.0%	$ 15			44	$ 0.3446	
Subtotal			632	0.7%	$ 1,238			4,036	$ 0.3068	
Wholesale Serving Noncore Customers										
WCG (Castle)			6	0.0%	$ 12			38	$ 0.3300	
Total Wholesale			638	0.7%	$ 1,251			4,073	$ 0.3071	
EG/COG (Net Served by PG&E)			20,884	23.3%	$ 40,925			272,101	0.1504	
TOTAL NONCORE			35,339	39.4%	$ 69,251			439,846		0.1574
TOTAL CORE AND NONCORE			89,800	100.0%	$ 75,973			730,348		

2004 Customer Access Charge (CAC) Revenue Req. for Noncore Transmission-Level Customers (000s) $ 12,929,000

APPLY THE NEW REVENUE REQUIREMENT (RRQ) BASED ON R@PR ALLOCATION

IND-T + EG-T	2004 Bills By Tier/Mo.	2003 CAC	2004 Rev. At Pres.Rates	% of R@PR	Scaled to 2004 RRQ	Scaled Mo. 2004 Charges	Daily Equivalents
Tier 1	19	$11.87	$ 2,730	0.05%	$ 6,927	$ 30.12	$ 0.99282
Tier 2	16	$93.52	$ 17,582	0.35%	$ 44,607	$ 237.27	$ 7.82216
Tier 3	105	$354.79	$ 447,035	8.77%	$ 1,134,185	$ 900.15	$ 29.67518
Tier 4	109	$935.23	$ 1,220,475	23.95%	$ 3,096,500	$ 2,372.80	$ 78.22407
Tier 5	99	$1,339.02	$ 1,594,773	31.30%	$ 4,046,140	$ 3,397.26	$ 111.99768
Tier 6	37	$3,892.38	$ 1,724,324	33.84%	$ 4,374,829	$ 9,875.46	$ 325.56461
Total IND-T/EG-T	385	$1,084.45	$ 5,006,920	98.25%	$ 12,703,188	$ 2,751.39	$ 90.70531
Wholesale							
Alpine	1	$ 207	$ 2,481	0.05%	$ 6,293	$ 524.45	$ 17.28954
Coalinga	1	$ 1,028	$ 12,337	0.24%	$ 31,300	$ 2,608.37	$ 85.99018
Island Energy	1	$ 560	$ 6,726	0.13%	$ 17,064	$ 1,421.98	$ 46.87857
Palo Alto	1	$ 4,393	$ 52,711	1.03%	$ 133,735	$ 11,144.58	$ 367.40378
West Coast Gas - Castle	1	$ 482	$ 5,786	0.11%	$ 14,681	$ 1,223.40	$ 40.33195
West Coast Gas - Mather	1	$ 747	$ 8,962	0.18%	$ 22,739	$ 1,894.90	$ 62.46935
Total Wholesale	6	1,236	$ 89,003	1.75%	$ 225,812	$ 3,136.28	$ 103.39389
Total Noncore Transr	391	$ 1,087	$ 5,095,923	100.00%	$ 12,929,000	$ 2,757.30	$ 90.90014

Results of Operations Calculations ($000)

Ln.No.			2001	2002	2003	2004
	Operating Revenue:		**10,049**	**11,759**	**12,069**	
	Operating Expenses:					
2	Energy					
3	Production					
4	Storage					
5	Transmission		34	35	36	37
6	Distribution		335	344	354	365
7	Customer Accounts		1,112	1,134	1,164	1,200
8	Customer Services		2,991	3,060	3,146	3,246
9	Administrative and General		2,477	3,774	3,719	4,177
10	Uncollectibles		25	29	30	32
11	Franchise Requirements		97	113	116	125
12	Subtotal Expenses					
	Taxes:					
13	Property		**118**	**134**	**147**	**158**
14	Payroll		**239**	**247**	**255**	**264**
15	Other Taxes		-			
16	State Corporation Franchise		**117**	**129**	**137**	**149**
17	Fedreal Income		**432**	**428**	**463**	**498**
18	Subtotal Taxes		**905**	**939**	**1,003**	**1,069**
19	**Depreciation**		**990**	**1,093**	**1,128**	**1,207**
20	**Total Operating Expenses**		**8,966**	**10,521**	**10,697**	**11,458**
21	**Net for Return**		**1,083**	**1,237**	**1,372**	**1,471**
22	**Weighted Average Rate Base**		**11,869**	**13,563**	**14,858**	
23	Rate of Return:	On Rate Base	9.12%	9.12%	9.24%	9.24%
24		On Equity	11.22%	11.22%	11.22%	11.22%
	Jurisdictional Allocations					
	Fixed Costs					
25	CPUC	100.0000%	2,738	3,022	3,248	3,483
26	FERC	00.0000%	-	-	-	-
27	Total					**3,483**
	Variable Costs					
28	CPUC	100.0000%	7,310	8,737	8,821	9,446
29	FERC	00.0000%	-	-	-	-
30	Total					**9,446**
31	**Total CPUC Jurisdictional Revenue Requirement**		**10,049**	**11,759**	**12,069**	**12,929**

Revenue Requirements Estimation Model

Model Inputs — Adopted 2004 - Customer Access Charge

	2000	2001	2002	2003	2004
Analysis Period	2001 Through	2004			
Analysis Life	4 Years				
Sensitivity	0.01				
Jurisdiction	CPUC				
Fixed Costs	1.000000				
Variable Costs	1.000000				
Plant Investment (Nominal)					
Gross Plant Additions		Input ====>			
Services		-	-	-	-
Meters		1,568	3,864	1,500	3,300
Regulators		-	-	-	-
Common & General				-	209
Investment 5					