**BEFORE THE PUBLIC UTILITIES COMMISSION**

**OF THE STATE OF CALIFORNIA**

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| Redwood Resources Marketing LLC,<br><br>Complainant,<br><br>vs.<br><br>Pacific Gas And Electric Company (U39G),<br><br>Defendant. | C.09-10-<br>(Filed October 14, 2009) |

C0910016

# COMPLAINT OF REDWOOD RESOURCES MARKETING LLC

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Dated: October 14, 2009

***Attorneys for Complainant***
***Redwood Resources Marketing LLC***

**BEFORE THE PUBLIC UTILITIES COMMISSION**

**OF THE STATE OF CALIFORNIA**

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| Redwood Resources Marketing LLC,<br><br>Complainant,<br><br>vs.<br><br>Pacific Gas And Electric Company, (U39G)<br><br>Defendant. | C.09-10-<br>(Filed October 14, 2009) |

**COMPLAINT OF REDWOOD RESOURCES MARKETING LLC**

1. Pursuant to Section 1702 of the Public Utilities Code and Article 4 of the Rules of Practice and Procedure of the California Public Utilities Commission ("Commission"), Redwood Resources Marketing, LLC ("Redwood") hereby submits this complaint as to activities of Pacific Gas and Electric Company (U 39 E) ("PG&E") as detailed below:

## I. SUMMARY OF COMPLAINT

2. From July 2005 through November 2008, Redwood acted as Core Transport Agent ("CTA") for certain California commercial utility customers in accordance with a Core Gas Aggregation Service Agreement ("CTA Agreement") with Pacific Gas & Electric Company ("PG&E"). During this period, PG&E was responsible for billing and collections as to such customers that contracted to purchase natural gas from Redwood (the "Redwood Customers").

3. During 2008, Redwood performed an audit – at its own considerable expense – of all the billing and collection activities that PG&E performs on behalf of Redwood for its customers. The audit revealed that PG&E had, on numerous occasions, erroneously caused Redwood to deliver natural gas to PG&E's pipeline that was then delivered to non-Redwood customers (the "Non-Redwood Customers") for which PG&E billed and collected revenue and charged Redwood transportation charges (the "Improper Deliveries").

4. The audit also revealed that PG&E had, on numerous occasions, erroneously caused Redwood to over-deliver natural gas to PG&E's pipeline that was then delivered to Redwood's non-core customers (the "Over-Deliveries"). These Over-Deliveries occurred because of inaccuracies in PG&E's operating gas balance system. PG&E failed to notify Redwood of these errors.

5. These Improper Deliveries caused by PG&E to Non-Redwood Customers and the Over-Deliveries caused by PG&E to Redwood Customers resulted in Redwood making purchases and deliveries of natural gas for which it incurred expenses and paid charges to PG&E and for which it *never received payment*.

6. PG&E does not dispute that it caused the Improper Deliveries and the Over-Deliveries, yet PG&E refuses to acknowledge its liability for its own errors and refuses to provide an adequate remedy to Redwood.

7. Despite a concerted effort as explained by the correspondence attached hereto, Redwood's attempt to negotiate a resolution of this dispute with PG&E has been unsuccessful to date.

8. Accordingly, pursuant to Article 4 of the Commission's Rules of Practice and Procedure, Public Utilities Code section 734 and other applicable law, Redwood seeks an order compelling PG&E to refund in cash the following: (1) an amount equal to the contemporaneous market-value of the natural gas that Redwood lost as a result of the Improper Deliveries of natural gas to Non-Redwood Customers that PG&E caused, plus interest; (2) an amount equal to the contemporaneous market-value of the natural gas that Redwood lost as a result of the Over-Deliveries of natural gas to Redwood Customers that PG&E caused, plus interest; (3) refund of any charges for PG&E transportation for natural gas resulting from the Improper Deliveries and Over-Deliveries that PG&E caused; and, (4) the audit and other costs incurred by Redwood to discover PG&E's errors.

## II. THE PARTIES AND THEIR RELATIONSHIP

9. Redwood Resources Marketing, LLC ("Redwood") is a limited liability company organized and existing under the laws of the State of Delaware with its principal place of business in Denver, Colorado.

10. High Sierra Energy, LP ("High Sierra") is a limited partnership company organized and existing under the laws of the State of Delaware with its principal place of business in Denver, Colorado. High Sierra is the majority owner and manager of Redwood.

11. All pleadings, correspondence and other communications concerning this complaint should be directed to Complainant's attorney as follows:

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Tara Kaushik
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12. On information and belief, Pacific Gas and Electric Company ("PG&E") is a public utility organized and existing under the laws of the State of California and subject to the jurisdiction of this Commission. On information and belief, the location of PG&E's principal place of business is 77 Beale Street, San Francisco, California, 94105. PG&E's attorney in this matter is believed to be Lawrence C. Witalis at P.O. Box 7442, San Francisco, California, 94120.

## III. FACTS

### Redwood and PG&E's Relationship Pursuant to the CTA Agreement

13. Redwood acted as Core Transport Agent ("CTA") for certain California commercial utility customers starting July 2005.

14. Pursuant to the terms of the Core Gas Aggregation Service Agreement ("CTA Agreement", attached hereto as Exhibit A) between PG&E and Redwood, PG&E was

responsible for billing and collection for such customers that opted for Redwood to provide their gas (the "Redwood Customers").

15. During the period from July 2005 through December 1, 2008, Redwood purchased gas in volumes determined by PG&E for delivery into the PG&E pipeline system and ultimately to the Redwood Customers.

16. PG&E charged Redwood for transportation costs based on the volume of natural gas that Redwood delivered to PG&E's pipeline, which natural gas Redwood believed was ultimately delivered to Redwood Customers. However, as discussed below, PG&E's errors resulted in both the Improper Deliveries, which resulted in the natural gas that Redwood delivered to PG&E's pipeline ultimately going to non-Redwood customers, and the Over-Deliveries, which resulted in deliveries by Redwood to PG&E's pipeline for which Redwood never received payment.

**Redwood's Assignment of its Customers to Tiger Natural Gas, Inc.**

17. On December 1, 2008, Redwood assigned its customers within PG&E service territory to Tiger Natural Gas, Inc. ("Tiger"), an unrelated third party. As part of the transaction with Tiger, Redwood contemporaneously assigned its CTA Agreement with PG&E to Tiger.

18. On December 3, 2008, PG&E consented in writing (the "Consent Agreement", attached hereto as Exhibit B) to Redwood's assignment to Tiger of its customers within PG&E service territory.

19. Following the assignment of its customers and the CTA Agreement to Tiger, Redwood stopped making any further natural gas deliveries to PG&E's pipeline, and Redwood did not continue to serve any customers within PG&E service territory. Therefore, it is impossible for Redwood to account for either the Improper Deliveries or the Over-Deliveries through an in-kind balancing of natural gas by PG&E because Redwood no longer makes any deliveries of natural gas to PG&E's pipeline.

**PG&E's Billing Errors, the Improper Deliveries to Non-Redwood Customers and the Over-Deliveries to Redwood Customers**

20. During 2008, Redwood performed an audit – at its own considerable expense of – of all PG&E billing and collection activities related to Redwood. In November 2008, Redwood notified PG&E of some mistaken charges of gas for which Redwood received no revenue and of the fact that Redwood was conducting an audit on 2005 through 2008 activities. Subsequently in January 2009, Redwood continued its audit already in progress to validate all billing and collection errors committed by PG&E during the period July 1, 2005 through November 30, 2008. The process included a thorough review of daily billing files to customers and gas fulfillment obligations prescribed by PG&E.

21. The audit revealed that PG&E had, on numerous occasions, erroneously caused Redwood to deliver natural gas to PG&E's pipeline that was then delivered to non-Redwood customers (the "Non-Redwood Customers").

22. PG&E billed and collected revenue from Non-Redwood customers for the Improper Deliveries that Redwood made – at PG&E's direction – to PG&E's pipeline that were then delivered to Non-Redwood Customers. PG&E retained all of the payments that it billed and collected for the Improper Deliveries.

23. Redwood's audit also revealed that, on numerous occasions, PG&E erroneously caused Redwood to over-deliver natural gas to PG&E's pipeline that was then delivered to Redwood's non-core customers (the "Over-Deliveries"). As a result of PG&E's errors, Redwood over-delivered natural gas to PG&E's pipeline that was then delivered to some of the Redwood Customers for which Redwood received no revenue.

24. PG&E charged Redwood for the transportation of natural gas that occurred as a result of the Improper Deliveries to Non-Redwood Customers and the Over-Deliveries to Redwood Customers.

25. During the audit, PG&E personnel assisted Redwood in determining the extent of PG&E's errors. Redwood personnel and PG&E personnel met by weekly teleconference on the progress of the audit.

26. In April 2009, PG&E agreed with Redwood's assessment that PG&E incorrectly charged Redwood for 894K Therms of natural gas (not including shrinkage).

**Redwood's Attempts to Amicably Resolve the Situation with PG&E**

27. Redwood initially notified PG&E of certain errors in its billing practices in November 2008. Redwood continued to attempt to work with PG&E to determine the extent of PG&E's errors through April 2009.

28. Redwood is informed and believes that, to this date, PG&E has failed to make adjustments to its billing systems. Redwood is informed and believes that as a result of PG&E's failure to correct its errors, Tiger experienced similar billing errors and improper delivery requests from PG&E through, at a minimum, June 2009.

29. Despite Redwood's repeated efforts to resolve the situation, PG&E refuses to compensate Redwood for the losses Redwood suffered as a result of the Improper Deliveries and the Over-Deliveries, and PG&E refuses to refund to Redwood the transportation charges that Redwood paid to PG&E for the Improper Deliveries and the Over-Deliveries.

30. In its communications with Redwood, PG&E concedes that its errors caused the substantial misallocations of natural gas through the Improper Deliveries and the Over-Deliveries. However, PG&E does not accept liability for its errors and contends that the Improper Deliveries and Over-Deliveries do not require PG&E to make any reparations or refund any amounts to Redwood. Rather, PG&E has proposed to resolve the issue by making in-kind transfers of natural gas to Tiger, the entity to which Redwood assigned its customers in December 2008.

31. PG&E's proposal is wholly inadequate. First, as discussed above, it is impossible for Redwood to accept in-kind transfers of natural gas from PG&E because Redwood no longer makes <u>any</u> deliveries of natural gas to PG&E's pipeline. Second, PG&E's proposal to make in-

kind transfers to Tiger completely fails to compensate Redwood for anything because Tiger is a third-party that is not in any way associated with Redwood. In other words, PG&E suggests compensating an independent third-party for the costs it inflicted on Redwood.

32. On July 13, 2009, Redwood, through its counsel, sent a letter (attached hereto as Exhibit C) to William Chen – Corporate Account Manager at PG&E in charge of the Redwood account – demanding that PG&E compensate Redwood for the following: (1) Redwood's losses resulting from delivery of natural gas to PG&E's pipeline which ultimately was delivered to Non-Redwood Customers (the Improper Deliveries), plus interest; (2) Redwood's losses resulting from over-delivery of natural gas to PG&E's pipeline which was then delivered to Redwood Customers (the Over-Deliveries), plus interest; (3) refund of PG&E's transportation charges for the natural gas misappropriated by PG&E; and, (4) the costs incurred by Redwood to discover PG&E's errors.

33. Redwood's July 13 letter also explained that PG&E's proposal to make in-kind transfers was not valid because it would completely fail to remediate any of the losses suffered by Redwood. First, PG&E's proposal would not adequately compensate for the value of the lost natural gas because the market price of natural gas has declined substantially from the period when PG&E caused the Improper Deliveries and the Over-Deliveries. Second, PG&E's proposal does not compensate Redwood at all. PG&E's proposal to make in-kind transfers to Tiger does not address the problem that PG&E's errors inflicted substantial damages on Redwood. PG&E's proposal would leave Redwood without any remedy for the obvious and substantial damages that PG&E inflicted on Redwood. The letter further details how PG&E's proposed course is inconsistent with law, Commission rules, and PG&E's tariff.

34. By letter on July 15, 2009 (attached hereto as Exhibit D), Lawrence Witalis, counsel for PG&E, responded to Redwood's letter. Without addressing the substantive legal issues raised by Redwood, Mr. Witalis's letter stated that PG&E denied that it has any duty to compensate Redwood for PG&E's billing errors that resulted in the Improper Deliveries and the Over-Deliveries.

35. In yet another effort to resolve these issues informally, Redwood responded to PG&E by letter on July 21, 2009 (attached hereto as Exhibit E). Redwood reiterated its position that PG&E owed compensation to Redwood as a result of PG&E's billing errors that resulted in the Improper Deliveries and the Over-Deliveries. Redwood also provided substantial legal support for its positions that (1) PG&E had unlawfully and tortiously converted Redwood's property, and (2) Redwood's transfer of its customers to Tiger does not relieve PG&E of its obligations that arose prior to the date of assignment. Redwood requested that PG&E respond by August 5, 2009.

36. By email on August 5, 2009, PG&E requested more time to consider the legal issues that Redwood raised in its July 23, 2009 letter. Redwood agreed to accommodate PG&E's request and postpone taking any further action until August 14, 2009 so that PG&E could further review the issues.

37. By letter on August 13, 2009 (attached hereto as Exhibit F), PG&E again rejected Redwood's request for compensation.

38. Redwood has preferred, and continues to prefer, to settle this issue informally with PG&E. However, PG&E's intractable position on the issue leaves Redwood no choice but to file this complaint.

39. Redwood informed PG&E by letter on August 14, 2009 that PG&E's refusal to amicably resolve the situation left Redwood no alternative but to file this complaint (attached hereto as Exhibit G).

40. As of October 10, 2009, Redwood estimates that it has lost an amount in excess of $1,190,238, as a result of (1) Redwood's losses from the Improper Deliveries, (2) Redwood's losses from the Over-Deliveries, (3) excess transportation costs charged by PG&E, and (4) auditing and other costs incurred by Redwood to determine the extent of PG&E's errors.

41. Attached hereto as Exhibit H is the declaration of Lori Rappucci, Vice President and Controller of High Sierra Energy, LP, explaining the calculations Redwood used to determine the amounts due to it by PG&E that are at issue in this complaint. Attached to Exhibit

H is a true and correct copy of a chart showing in detail Redwood's calculation of its losses as of October 10, 2009 totaling $1,190,238. Exhibit H and the chart attached thereto explain that PG&E owes to Redwood the following amounts: $960,373 due for therms charged for Non-Redwood Customers (includes interest at 8% and shrinkage); $88,906 due for therms charged for Redwood Customers (includes interest at 8% and shrinkage); $110,959 due for audit fees; and, $30,000 due for legal fees.

42. Redwood notes that the amount of its damages increases for every day that PG&E fails to pay to Redwood the amounts due. Redwood estimates that the total amount due will increase to $1,238,650 by May 6, 2010, the date proposed for the Commission's issuance of a final decision in this matter.

43. Redwood respectfully reserves the right to update its estimated losses as this proceeding progresses.

## IV. GROUNDS FOR RELIEF

### A. JURISDICTION

44. Article 4 of the Commission's Rules of Practice and Procedure provides that any corporation may file a complaint with the Commission that sets forth any act or omission by a public utility that violates any provision of law or any order or rule of the Commission.

45. Pursuant to Article 4, this complaint asserts that PG&E's acts and omissions violated California law and the rules of the Commission.

46. As detailed in this complaint, Redwood has repeatedly attempted to resolve this issue with PG&E informally. Redwood believes that PG&E's actions demonstrate that the Commission's informal complaint procedures will not resolve the issue and are therefore unnecessary.

47. In this case, neither Redwood nor, presumably, PG&E became aware of the facts giving rise to Redwood's complaint until Redwood informed PG&E of its audit and the errors in PG&E's billing practices in November 2008. Therefore, Redwood timely files this complaint.[1]

## B. FIRST CAUSE OF ACTION: PG&E VIOLATED PUBLIC UTILITIES CODE SECTION 734

48. Redwood incorporates Paragraphs 1 through 47 by reference as if fully set forth herein.

49. Redwood requests that the Commission find that PG&E has imposed unreasonable and/or excessive charges on Redwood.

50. The California Public Utilities Code provides that any unreasonable or excessive charges by a public utility for any service performed by that utility authorizes the California Commission to order "the public utility [to] make due reparation to the complainant therefor, with interest from the date of collection..." Cal. Pub. Util. Code § 734.

51. PG&E acted unreasonably when it improperly caused Redwood to deliver natural gas to PG&E's pipeline which was then delivered to Non-Redwood Customers.

52. PG&E also acted unreasonably when it caused Redwood to over-deliver natural gas to PG&E's which was then delivered to Redwood Customers.

53. PG&E's charges to Redwood – and its subsequent refusals to refund those charges – are unreasonable because PG&E is benefitting from its own errors at Redwood's expense.

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[1] California Public Utilities Code Section 735 provides that in most circumstances a complaint must be filed with the Commission within two years from the time the cause of action accrues. The statute of limitations is tolled until a complainant discovers or should have discovered the facts essential to the cause of action. D.94-04-057, *Toward Utility Rate Normalization v. Pacific Bell* (U 1001 C), 1994 Cal. PUC LEXIS, *8 (citing, *CAMSI IV v. Hunter Technology Corp.* (1991) 230 Cal. App. 3d 1525, 1536). The two-year statute of limitations provided by Public Utilities Code Section 735 was tolled until November 2008 and therefore will not expire until November 2010.

54. Redwood requests that the Commission order PG&E to make reparations to Redwood for the damages PG&E caused by its unreasonable actions.

## C. SECOND CAUSE OF ACTION: PG&E VIOLATED ITS TARIFF GAS SCHEDULE G-BAL

55. Redwood incorporates Paragraphs 1 through 54 by reference as if fully set forth herein.

56. Redwood requests that the Commission find that PG&E violated its tariff, Gas Schedule G-BAL.

57. Gas Schedule G-BAL, Sheet 14 (attached hereto as Exhibit I) provides:

> "Upon termination of a...CTA Agreement...any remaining Cumulative Imbalance and/or Operating Imbalance Carryover must be traded, toward zero, during the first Imbalance Trading Period...Any remaining positive Cumulative and Operating Imbalances will be cashed out at the applicable Lowest Citygate Index (LCI)."

58. Redwood terminated the CTA Agreement when it assigned its customers to Tiger effective December 1, 2008. As such, December 1, 2008 is the effective date on which to determine the LCI.

59. PG&E's actions resulted in imbalances from the Improper Deliveries and Over-Deliveries of natural gas, and PG&E's tariff required PG&E to cash-out Redwood for any remaining imbalances pursuant to the provisions of Schedule G-Bal. PG&E failed to cash-out Redwood for these imbalances following Redwood's termination of the CTA Agreement in December 2008.

60. Redwood requests that the Commission order PG&E to make reparations to Redwood for the damages PG&E caused when it violated its Gas Schedule G-Bal tariff.

## D. THIRD CAUSE OF ACTION: PG&E VIOLATED THE CTA AGREEMENT

61. Redwood incorporates Paragraphs 1 through 60 by reference as if fully set forth herein.

62. Redwood requests that the Commission find that PG&E violated the terms of the CTA Agreement.

63. The CTA Agreement, PG&E Form No. 79-845, p.5 provides:

> "The liability of PG&E for any curtailments, interruptions of service, *or gas losses* otherwise arising out of mistakes, omissions, interruptions, delays, errors or defects in any of the gas services or facilities used or furnished by PG&E shall in no event exceed an amount equal to any applicable pro rata charges *for the period during which the services or facilities are affected* by the mistake, omission, [etc.]." (Emphasis added.)

64. PG&E's mistakes resulted in natural gas losses for Redwood because PG&E caused improper deliveries of natural gas to Non-Redwood Customers and caused over-deliveries of natural gas to Redwood Customers. Redwood did not receive any revenues for these deliveries.

65. Redwood also paid rates for transportation by PG&E of the Improper Deliveries and the Over-Deliveries. Thus, Redwood suffered losses for both the value of the natural gas that it lost and the charges paid to PG&E for transportation of that natural gas.

66. Redwood requests that the Commission order PG&E to make reparations to Redwood for the damages PG&E caused when it violated the terms of the CTA Agreement.

## E. FOURTH CAUSE OF ACTION: PG&E CONVERTED REDWOOD'S PROPERTY

67. Redwood incorporates Paragraphs 1 through 66 by reference as if fully set forth herein.

68. Redwood requests that the Commission find that PG&E converted Redwood property when it made the Improper Deliveries and the Over-Deliveries of Redwood's natural gas.

69. The basic elements of Conversion are: (1) the plaintiff's ownership or right to possession of personal property; (2) the defendant's disposition of the property in a manner that is inconsistent with plaintiff's property rights; and (3) resulting damage. *Fremont Indemnity Company v. Freemont General Corporation* (2007) 148 Cal. App. 4th 97, 119.

70. PG&E's actions in this matter constitute the unlawful conversion of Redwood's property. Redwood held an ownership interest in the natural gas that it entrusted to PG&E, and PG&E in turn agreed to provide a service, per the CTA agreement, to cause Redwood's property to properly be delivered to Redwood Customers.

71. PG&E improperly disposed of Redwood's property when it caused Redwood's natural gas to be delivered to Non-Redwood Customers.

72. PG&E improperly disposed of Redwood's property when it caused Redwood's natural gas to be over-delivered to Redwood Customers.

73. PG&E's actions resulted in damages to Redwood for the lost revenue from the natural gas attributable to the Improper Deliveries and the Over-Deliveries.

74. PG&E's actions resulted in damages to Redwood from the additional transportation costs that PG&E charged to Redwood for the Improper Deliveries and the Over-Deliveries.

75. PG&E's actions resulted in damages to Redwood from the costs incurred by Redwood to discover PG&E's errors.

76. The CTA Agreement permits Redwood to seek damages. The CTA Agreement provides, "No Party under this Agreement shall be assessed any <u>special, punitive, consequential, incidental, or indirect damages</u>, whether in contract or tort..." CTA Agreement at p.5 (emphasis added). The CTA Agreement clearly does not exclude <u>actual or compensatory</u> damages.

77. In its letter of August 13, 2009, PG&E blatantly misinterprets and misrepresents the CTA Agreement's limit on *special* damages as a bar against *general* damages. PG&E's conclusion that the CTA Agreement requires an in-kind remedy is flat wrong.

78. Redwood requests that the Commission make a determination that PG&E converted Redwood's property.

## V. RULE 4.2 COMPLIANCE

79. Categorization: Redwood proposes that this proceeding be categorized as adjudicatory.

80. Hearings: Redwood believes that it has presented uncontestable facts and a full statement of the law, including PG&E's positions on both, upon which a decision in Redwood 's favor must inevitably be rendered. Redwood believes that it is appropriate for the Commission to act expeditiously and without hearings on this matter given the considerable time that has elapsed since PG&E became aware of and admitted to its operational errors, and Redwood's substantial but unsuccessful efforts at resolving this dispute informally. In effect, the only contested issue in this complaint is the remedy for PG&E's actions, and the indisputable record and law clearly dictates the payment by PG&E to Redwood of the amount stated herein. It is Redwood's hope that the Commission will act on this matter before December 31, 2009 either by ruling directly on the matter or by strongly encouraging PG&E to reach a reasonable and legitimate settlement with Redwood. However, if hearings are necessary to determine the extent to which PG&E is liable to Redwood for PG&E's errors that resulted in the Improper Deliveries of natural gas to Non-Redwood Customers and the Over-Deliveries of natural gas to Redwood Customers and to determine the amount of compensation PG&E owes to Redwood, such hearings should be reasonably expedited.

81. Issues: Redwood requests the Commission to consider the issues addressed in this complaint regarding PG&E's liability to Redwood.

82. Schedule: Due to the delaying tactics of PG&E, as well as the pending time and nature of the dispute, an expedited schedule is appropriate for this complaint proceeding if hearings are deemed necessary. Redwood proposes the following schedule:

| | | |
|---|---|---|
| Prehearing Conference | | November 1, 2009 |
| Scoping Memo Issued | | November 15, 2009 |
| Concurrent Direct Testimony | | January 4, 2010 |
| Concurrent Reply Testimony | | January 25, 2010 |
| Evidentiary Hearings | | February 1 – 5, 2010 |
| Concurrent Initial Briefs | | February 22, 2010 |
| Concurrent Reply Briefs | | March 3, 2010 |
| Proposed Decision | | April 6, 2010 |
| Final Decision | | May 6, 2010[2] |

## VI. REQUEST FOR RELIEF

83. WHEREFORE, for the reasons stated above, Redwood requests the Commission issue an order:

a. That requires PG&E to compensate Redwood for the market-value on the date of delivery for the period beginning November 1, 2005 and ending December 1, 2008 of Redwood's natural gas that PG&E caused to be improperly delivered to Non-Redwood Customers, which amount, plus interest, would be determined in this proceeding;

b. That requires PG&E compensate Redwood for the market-value on the date of delivery for the period beginning November 1, 2005 and ending December 1, 2008 of

[2] The Commission has not yet published its 2010 hearing schedule. As such, the proposed date of May 6, 2010 may require adjustment to comport with the appropriate Commission hearing schedule.

Redwood's natural gas that PG&E caused to be over-delivered to Redwood Customers, which amount, plus interest, would be determined in this proceeding;

c. That requires PG&E to refund any transportation charges it required Redwood to pay for the Improper Deliveries and Over-Deliveries, which amount, plus interest, would be determined in this proceeding;

d. That requires PG&E to compensate Redwood for the costs Redwood incurred to discover PG&E's errors and recover the costs for those errors, including the cost of the audit Redwood performed and attorneys fees, which amounts, plus interest, would be determined in this proceeding;

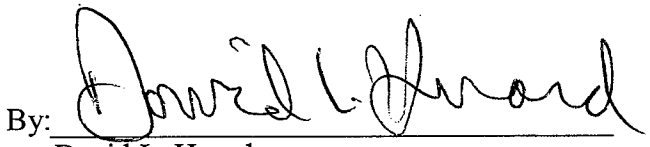
e. That requires a determination that PG&E converted Redwood's property;

f. That waives any obligation to use informal complaint procedures,

g. That hearings be established on the schedule requested herein to determine the monetary refunds under PG&E's tariff due Redwood by PG&E; and,

h. That grants such other and further relief as the Commission deems just and proper.

Dated: October 14, 2009

By: 
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***Attorneys for Complainant***
***Redwood Resources Marketing LLC***

## VERIFICATION

I, the undersigned, say:

I am a corporate officer for REDWOOD RESOURCES MARKETING LLC, a limited liability corporation, and am authorized to make this verification for and on behalf of REDWOOD RESOURCES MARKETING LLC, and I make this verification for that reason. I have read the foregoing REDWOOD RESOURCES MARKETING LLC complaint, am informed, and believe the matters therein are true, and, on that ground, allege that the matters stated therein are true.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief.

Executed at Denver, Colorado, this 14th day of october, 2009.

By _____

Lori Rappucci
Vice President,
Redwood Resources Marketing, LLC

300002327.2

## PROOF OF SERVICE

I, Kim O.T. Trinh, declare as follows:

I am employed in the City and County of San Francisco, California. I am over the age of eighteen years and not a party to this action. My business address is MANATT, PHELPS & PHILLIPS, LLP, One Embarcadero Center, 30th Floor, San Francisco, California 94111-3719. On October 14, 2009, I served the within:

**COMPLAINT OF REDWOOD RESOURCES MARKETING LLC**

on the interested parties in this action addressed as follows:

***See attached service list.***

☒ **(BY U.S. MAIL)** By placing such document(s) in a sealed envelope, with postage thereon fully prepaid for first class mail, for collection and mailing at Manatt, Phelps & Phillips, LLP, San Francisco, California following ordinary business practice. I am readily familiar with the practice at Manatt, Phelps & Phillips, LLP for collection and processing of correspondence for mailing with the United States Postal Service, said practice being that in the ordinary course of business, correspondence is deposited in the United States Postal Service the same day as it is placed for collection.

☒ **(E-MAIL SERVICE)** By transmitting such document electronically from Manatt, Phelps & Phillips, LLP, San Francisco, California, to the electronic mail addresses listed below. I am readily familiar with the practice of Manatt, Phelps & Phillips, LLP for transmitting documents by electronic mail, said practice being that in the ordinary course of business, such electronic mail is transmitted immediately after such document has been tendered for filing.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration was executed on October 14, 2009, at San Francisco, California.

Kim O.T. Trinh

**U.S. Mail Service List**
**C.09-10**

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**Email Service List:**
**C.09-10**

PGETariffs@pge.com
jnj@cpuc.ca.gov
mas@cpuc.ca.gov
KBohn99@comcast.net
LCW4@pge.com
WHC9@pge.com

# Exhibit A

**Distribution:**
☐PG&E Program Administrator (original)
☐CTA
☐PG&E Gas Contract Administrator
☐PG&E Credit Manager

**For PG&E Use Only**
CTA Group No.:_____
Billing Account No.:_____
Date Received: _____
Effective Service Date: _____
Termination Date: _____

**Pacific Gas and Electric Company**

# CORE GAS AGGREGATION SERVICE AGREEMENT

This Core Gas Aggregation Service Agreement (CTA Agreement or Agreement) is made by and between Pacific Gas and Electric Company (PG&E), a California Corporation, and _____, to be known as a Core Transport Agent (CTA). PG&E and CTA are collectively herein referred to as "Parties" and individually as "Party." CTA requests that PG&E provide Core Gas Aggregation Service to CTA on behalf of its Core Transportation Group (Group). CTA shall be considered an Agent for the Group, and for individual Group members, who are Core End-Use Customers receiving transportation service and who have selected the CTA as their gas supplier, pursuant to Schedule G-CT.

The CTA agrees to abide by the applicable sections of PG&E's tariffs, including its rate schedules and gas Rules, as well as the terms and conditions stated in this Agreement and Attachments hereto. The Attachments described below are hereby made a part of this Agreement and specify terms and conditions of Core Gas Aggregation Services provided by PG&E pursuant to its tariffs, including Schedule G-CT and gas Rule 23.

## TERM OF AGREEMENT

This Agreement will become effective as of_____ (Effective Service Date) and will remain in effect unless terminated by the CTA or PG&E in accordance with this Agreement, Schedule G-CT and/or gas Rule 23.

## ATTACHMENTS

(A) Customer Authorization for Core Gas Transportation Service (Authorization). Attachment A provides one method by which CTA may obtain authorization from a Core End-Use Customer to act on the Customer's behalf to provide Core Gas Aggregation Service.

(B) Core Transport Group Summary (Group Summary). This Attachment is no longer in use.

(C) Optional Assignment to Core Transport Agent of Firm Southern Interstate Pipeline Capacity (Optional Southern Interstate Capacity Assignment). In accordance with Schedule G-CT, the CTA will be offered assignment, on a month-to-month basis, of a pro rata share of firm interstate pipeline capacity contracted for and held by PG&E for its core customers on the El Paso Natural Gas Company and Transwestern Pipeline Company pipelines, which will be identified in Attachment C of this Agreement. If CTA has multiple CTA Agreements, the assigned volumes for Attachment(s) C with the same term will be combined and considered as one direct assignment with the interstate pipeline, unless otherwise agreed by the Parties.

(D) Core Firm Storage Declarations (Core Storage) PG&E will allocate to CTA a pro rata share of core firm storage capacity, which allocation shall be set forth in Attachment D of this CTA Agreement. This attachment will record amounts accepted, rejected, and assigned to the CTA. Amounts of core firm storage capacity held by the CTA (Assigned Storage) will be used according to Schedule G-CT and Schedule G-CFS and will be paid for by the CTA.

(E) Termination of Customer Authorization for Core Gas Transportation Service (Termination). This Attachment is no longer in use.

(F) Formal Communications Between Parties (Communications). Any formal communications concerning this Agreement shall be in writing and shall be delivered by hand or certified delivery to the appropriate address shown in Attachment F and shall be deemed to be received as of the delivery date. Operational communications regarding billing, capacity, forecasts, imbalances, and other matters will be directed as indicated on the most recent version of this Attachment, as provided by CTA. CTA will promptly submit changes in this Attachment to PG&E.

(G) Optional Assignment to Core Transport Agent of Firm Northern Pipeline Path Capacity. In accordance with Schedule G-CT, the CTA may be offered assignment, on an annual basis, of an incremental pro rata portion of PG&E's available firm TransCanada Pipelines Limited – TransCanada B.C. System (TCBC) and associated capacity on NOVA Gas Transmission Ltd. (NGTL) and Gas Transmission – Northwest (GTN) pipeline capacity, which will be identified in Attachment G of this Agreement. If CTA has multiple CTA Agreements, the assigned volumes for Attachment(s) G with the same term will be combined and considered as one direct assignment of pipeline capacity unless otherwise agreed by the Parties.

(H) Authorization for Early Termination Any CTA who authorizes PG&E to terminate Core Gas Aggregation Service prior to the initial twelve (12) month term must execute an Attachment H.

(I) Certification of Alternate Resources for Rejected Storage Withdrawal Capacity (Alternate Resources) In accordance with Schedule G-CT, Alternate Resources are required to the extent that the CTA rejects all or part of either an Initial Storage Allocation or a Mid-Year Storage Allocation.

(J) Declaration of Alternate Winter Capacity (Winter Capacity) Pursuant to Schedule G-CT, CTAs may be required, during the Winter Season, to contract for firm intrastate capacity. If such a CTA chooses not to accept PG&E pro rata allocation of winter intrastate capacity, Attachment J must be executed for each winter month and transmitted to PG&E within five (5) days of CTA's receipt of notice of their Firm Winter Capacity Requirement.

(K) Core Transport Agent Billing Agreement (Consolidated Billing Credits) Attachment K must be executed if: 1) the CTA provides consolidated billing and PG&E no longer sends end-users an information-only bill; 2) the CTA shall be responsible for providing the end-user with the required billing and customer protection information; and 3) PG&E is to provide a billing credit to the CTA or the end-user for PG&E's avoided costs.

(L) Consolidated PG&E Billing In accordance with gas Rule 23, Attachment L must be executed if the CTA authorizes PG&E to provide Consolidated PG&E Billing.

BILLING AND PAYMENT

CTA is ultimately responsible for paying PG&E for all charges associated with Core Gas Aggregation Service that PG&E provides to CTA on behalf of Customers in the Group. These charges include, but are not limited to, excess imbalance charges specified in Schedule G-BAL, Operational Flow Order, Emergency Flow Order and Involuntary Diversion Compliance Charges specified in gas Rule 14, payment to interstate and Canadian pipelines for capacity assigned to CTA per Attachments C and G herein, payment to PG&E for storage costs specified in Schedule G-CT and Schedule G-CFS, and Consolidated PG&E charges and fees specified in Schedule G-ESP.

PG&E will bill CTA for services rendered under this Agreement. Bills are due and payable upon receipt. Payment shall be considered past due if full payment has not been received by PG&E within fifteen (15) calendar days of the transmittal date of PG&E's billing statement. If full payment is not received by the due date, this Agreement is subject to termination by PG&E as set forth in gas Rule 23.

In the event of a billing dispute, the bill must be paid in full by CTA pending resolution of the dispute under California Public Utilities Commission (CPUC) procedures. Such payment shall not be deemed a waiver of CTA's right to a refund. The Agreement may not be subject to termination for any billing dispute pending before the CPUC.

CREDITWORTHINESS

CTA must meet creditworthiness requirements as set forth in gas Rule 23 before providing Core Gas Aggregation Service to a Group under this Agreement.

FIRM SOUTHERN INTERSTATE CAPACITY

Subject to approval of the interstate pipeline, PG&E will offer an assignment to CTA of a pro rata share of firm interstate pipeline capacity (Southern Interstate Capacity) contracted for and held by PG&E for its core customers on the El Paso Natural Gas Company and Transwestern Pipeline Company under the terms and conditions set forth herein and in Schedule G-CT.

Attachment C specifies the terms and conditions for direct assignment of Interstate Capacity to CTA for service to Customers in its Group. Attachment C must be executed by the Parties prior to assignment of Interstate Capacity. The assignment will be made on a month-to-month basis pursuant to Schedule G-CT.

CTA is responsible for all charges associated with Interstate Capacity including, but not limited to, reservation charges, volumetric charges, all penalties, and late charges directly to the interstate pipeline in accordance with rules and charges set forth by the interstate pipeline.

If CTA defaults on its payments to the interstate pipeline and the interstate pipeline bills PG&E for any unpaid charges, CTA will be considered in violation of this CTA Agreement until CTA meets all outstanding financial obligations to the interstate pipeline and the interstate pipeline so notifies PG&E. If CTA fails to pay the interstate pipeline, PG&E may terminate this CTA Agreement and reclaim Interstate Capacity acquired or awarded to CTA.

CTA shall indemnify, reimburse and otherwise hold PG&E harmless for all losses, reasonably incurred costs, expenses, damages, and liabilities relating to Interstate Capacity covered by this Agreement. Any Interstate Capacity assigned per Attachment C herein shall at all times be subject to the jurisdiction of the Federal Energy Regulatory Commission (FERC) and applicable FERC pipeline tariffs.

FIRM NORTHERN PIPELINE PATH CAPACITY

Subject to approval of appropriate Interstate or Canadian pipeline (Pipeline), PG&E will offer an assignment to CTA of an incremental pro rata portion of firm Northern Pipeline Path Capacity on Gas Transmission – Northwest, TransCanada Pipelines Limited - TransCanada B.C. System (TCBC) and associated capacity on NOVA Gas Transmission Ltd. (NGTL), under the terms and conditions set forth herein and in Schedule G-CT.

Attachment G specifies the terms and conditions for assignment of Northern Pipeline Path Capacity to CTA for service to Customers in its Group. Attachment G must be executed by the Parties prior to assignment of Northern Pipeline Path Capacity. The assignment will be made on an annual basis pursuant to Schedule G-CT.

CTA is responsible for all charges associated with Northern Pipeline Path Capacity including, but not limited to, reservation charges, volumetric charges, all penalties, and late charges directly to Pipeline in accordance with rules and charges set forth by Pipeline.

If CTA defaults on its payments to Pipeline and Pipeline bills PG&E for any unpaid charges, CTA will be considered in violation of this CTA Agreement until CTA meets all outstanding financial obligations to Pipeline and Pipeline so notifies PG&E. If CTA fails to pay Pipeline, PG&E may terminate this CTA Agreement and reclaim Northern Pipeline Path Capacity acquired or awarded to CTA.

CTA shall indemnify, reimburse, and otherwise hold PG&E harmless for all losses, reasonably incurred costs, expenses, damages, and liabilities relating to Northern Pipeline Path Capacity covered by this Agreement. Any Northern Pipeline Path Capacity assigned per Attachment G herein shall at all times be subject to the jurisdiction of FERC and any governing Canadian authorities and applicable pipeline tariffs.

CTA CORE FIRM STORAGE ALLOCATION

PG&E will allocate to CTA, and CTA has the option to reject a percentage of their pro rata share of core firm storage capacity, under the terms and conditions set forth herein and in Schedule(s) G-CT and G-CFS. Attachment D, which specifies the terms and conditions for assignment of core firm storage allocation to CTA for service to Customers in its Group, must be executed by the CTA and PG&E prior to commencement of service under this CTA Agreement.

For any and all storage capacity rejected from an Initial or Mid-Year Storage Allocation, CTA agrees to obtain Alternate Resources, as provided in Schedule G-CT, equivalent in amount to the amounts of withdrawal capacity rejected, for each month of the Winter Season. CTA agrees to provide timely monthly certifications of its Alternate Resources, as set forth in Attachment I to this Agreement.

For any and all rejected PG&E storage allocations, the CTA releases PG&E from any and all liability arising out of or associated with the CTA's rejection thereof and with the associated injection, inventory and withdrawal capacity not being available for the CTA's use. Further, the CTA shall indemnify PG&E for any and all losses, including direct and consequential damages, that arise from or are associated with: (i) any representation in the CTA's monthly certifications respecting Alternate Resources (Attachment I) which turn out to be inaccurate; (ii) any failure of the CTA's Alternate Resources to perform as compared to the storage resources which would have been available to the CTA from PG&E's allocated core storage capacity had the PG&E storage capacity not been rejected by the CTA; and/or (iii) any failure to provide such certifications as required in Schedule G-CT.

COMMUNICATIONS

Formal communications concerning this CTA Agreement shall be in writing and shall be delivered by hand or certified delivery to the appropriate address specified in Attachment F hereto and shall be deemed to be received as of the delivery date. The contacts, addresses, and telecopier numbers designated on Attachment F may be changed from time to time, by the party affected, upon receipt of a revised Attachment F by the other party.

ASSIGNMENT

Neither Party may assign all or any portion of this CTA Agreement without the written consent of the other Party provided, however, notice only, and not consent, is required if an assignment of PG&E's entire interest hereunder is made to a parent or affiliate of PG&E or to an entity succeeding to all or substantially all of the business properties and assets of PG&E or to the business function to which this Agreement relates. Any successor to, transferee, or assignee of the rights of a Party, whether by voluntary transfer, judicial sale, foreclosure sale, or otherwise, shall be subject to all terms and conditions of this Agreement to the same extent as though such successor, transferee or assignee were an original Party.

FORCE MAJEURE

(a) In the event either CTA or PG&E is rendered unable, wholly or in part, by force majeure to carry out its obligations under this CTA Agreement, it is agreed that, upon such Party giving notice as soon as practicable in writing (or as soon as practicable by facsimile or telephone if confirmed in writing within seventy-two (72) hours) to the other Party no later than five (5) business days after the onset of the force majeure condition, then the obligations of the Party giving such notice, so far as they are affected by such force majeure, shall be suspended during the continuance of the effects of the cause; provided that such notice shall give the other Party reasonably full particulars of such force majeure, including the circumstances preventing or delaying performance hereunder; and provided that the Party subject to such force majeure shall remedy it so far as possible with all reasonable dispatch; and further provided, that no force majeure shall be cause for delay in the payment for services rendered.

(b) The term "force majeure," as employed herein, shall mean acts of God, strikes, lockouts or other industrial disturbances, acts of the public enemy, wars, blockage, insurrection, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, high water, washouts, civil disturbances, explosions, breakage, blockage or accident to machinery or lines of pipe, the necessity for making non-routine repairs or non-routine alterations to machinery or lines of pipe, freezing lines of pipe, acts of civil or military authority (including, but not limited to, courts, or administrative or regulatory agencies), and any other cause, whether of the kind herein enumerated or otherwise, not within the control of the Party claiming suspension and which, by the exercise of due diligence, that Party is unable to prevent or overcome.

(c) It is understood and agreed that the settlement of strikes or lockouts shall be entirely within the discretion of the Party having the difficulty, and the above requirement that any force majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes or lockouts when such course is inadvisable in the discretion of the Party having the difficulty.

(d) It is understood and agreed that "force majeure" as used herein shall not include scheduled and routine maintenance and repairs of machinery and lines of pipe, operational flow orders, emergency flow orders or diversion orders in accordance with PG&E's gas Rule 14, financial considerations, or the unavailability of upstream or downstream transportation or supply.

GENERAL

PG&E shall have no liability to Group/Customer/CTA, or any assignee thereof, for any curtailments or interruptions of service or losses of gas pursuant to this Agreement, PG&E's gas Rules or rate schedules. The liability of PG&E for any curtailments, interruptions of service or gas losses otherwise arising out of mistakes, omissions, interruptions, delays, errors or defects in any of the gas services or facilities used or furnished by PG&E shall in no event exceed an amount equal to any applicable pro rata charges for the period during which the services or facilities are affected by the mistake, omission, interruption, loss, delay, error or defect, provided, however, that the provisions hereof shall not apply to damages caused by willful misconduct, fraudulent conduct or violations of law by PG&E.

No Party under this Agreement shall be assessed any special, punitive, consequential, incidental, or indirect damages, whether in contract or tort (including negligence) or otherwise, for any breach, actions or inactions arising from, out of, or related to this Agreement.

PG&E may accept facsimile copies of this Agreement and any other notices or agreements hereunder, and the same shall be binding on the CTA or Customer as though they were original signed documents. PG&E may accept the signature of any representative of the CTA or Customer on any such agreement or notice, and the same shall be binding on CTA or Customer without any obligation on PG&E's part to verify that the person so signing has authority to bind CTA or Customer provided that the CTA or Customer may, and has the affirmative obligation to, provide PG&E with a list of people authorized by the CTA or Customer to execute such documents or agreements with PG&E and, if the CTA or Customer provides such a list, PG&E shall limit its acceptance of and reliance on such documents accordingly.

With the exception of CPUC-approved tariff and rule changes, no subsequent waiver, modification or amendment of this Agreement or attachments shall be effective, including such changes the CPUC may direct as provided below, unless in writing and signed by a duly authorized representative of the Parties, provided, however, that modifications to Attachment A require the signature of the CTA and the Customer, but not PG&E.

This CTA Agreement does not change the obligations, restrictions or rights contained in other agreements between the Parties unless expressly set forth in this Agreement. The Parties agree that all understandings between them regarding the services to be provided under this Agreement are set forth or referenced in this Agreement. No agreements, representations, memoranda, or any other form of communication, written or oral, exchanged before the signing of this Agreement (other than PG&E's tariffs), shall be grounds for altering or interpreting the terms of this CTA Agreement.

## CORE GAS AGGREGATION SERVICE AGREEMENT (Cont'd.)

The waiver by either Party of any breach of any term, covenant or condition contained in this Agreement, or any default in the performance of any obligations under this Agreement, shall not be deemed to be a waiver of any other breach or default of the same or any other term, covenant, condition or obligation. Nor shall any waiver of any incident of breach or default constitute a continuing waiver of the same.

This Agreement shall be interpreted under the laws of the State of California. This Agreement and the obligations of the Parties are subject to all valid laws, orders, rules, and regulations of authorities (or the successors of those authorities) having jurisdiction over this Agreement or the Parties' actions thereunder.

This Agreement shall at all times be subject to any changes or modifications the CPUC may direct from time to time in the exercise of its jurisdiction. Such changes or modifications may be made to this Agreement or to PG&E's applicable tariff schedules and rules. This Agreement in all respects shall be and remains subject to PG&E's gas Rules in effect during the term of this Agreement, as they may change from time to time.

Complaints against the utility arising out of this Agreement shall be enforced only under the provisions of Section 1702 of the Public Utilities Code. Each Party shall be entitled to recover reasonable costs, including attorney fees, to collect payment for services performed or other amounts due and owing under this Agreement.

Neither CTA nor Customer shall take any action which may subject PG&E's gas operations or facilities to the jurisdiction of the FERC or any successor to the FERC. Any such action is cause for the immediate termination of this Agreement.

| **Core Transport Agent:** | **Pacific Gas and Electric Company:** |
|---|---|
| _____ (CTA Name) | |
| _____ (Authorized Representative) | _____ (Authorized Representative) |
| _____ (Title) | _____ (Title) |
| _____ (Signature) | _____ (Signature) |
| _____ (Date) | _____ (Date) |

Attachments: Attachments A, C, D, F, G, H, I, J, K, L
Schedules G-CT, G-BAL, G-CFS, G-ESP
Gas Rules 1, 14, 21, 21.1, 23, 25

# Exhibit B

## CONSENT TO ASSIGNMENT

Redwood Resources Marketing LLC (Assignor), the Core Transport Agent (CTA) referred to in that certain Core Gas Aggregation Service Agreement dated July 16, 2004 (the Agreement) with **PACIFIC GAS AND ELECTRIC COMPANY** (PG&E), a copy of which is attached hereto, and Tiger Natural Gas, Inc. (Assignee), agree as follows:

1. PG&E hereby consents to the assignment by Assignor to Assignee of the entirety of whatever rights, title and interest Assignor may have in and to the Agreement under the terms and conditions of this Consent to Assignment agreement (Consent).
2. Assignor assigns to Assignee effective December 1, 2008 (the Assignment Date), all of Assignor's rights in and under the Agreement and delegates to Assignee all of Assignor's duties and obligations of the Agreement. Assignee hereby accepts this assignment and agrees to assume all of Assignor's duties and obligations in and under the Agreement as if it were an original Party to the Agreement. Assignor agrees that it is responsible and liable for any and all its obligations under the Agreement up to and through the Assignment Date, and for any obligations arising under the Agreement up to and through the Assignment Date that under the terms of the Agreement survive the Assignment Date.
3. Assignee represents and warrants that it meets all requirements to be a CTA under the Agreement and all applicable laws, rules, tariffs and regulations, including but not limited to PG&E's gas rate Schedule G-CT and gas Rule 23.
4. Assignor and Assignee recognize and acknowledge that PG&E makes no representation or warranty, express or implied, that Assignor has any right, title, or interest in the Agreement. Assignee is responsible for satisfying itself as to the existence and extent of Assignor's right, title, and interest in the Agreement and Assignor and Assignee expressly release PG&E from any liability resulting from or related to the assignment to which PG&E is consenting herein.
5. Assignee acknowledges that the assignment of rights to it may be subject to previous assignments, liens or claims executed or arising prior to the date of execution of this Consent. Assignee agrees that it takes this assignment subject to any defenses or causes of action PG&E may have against Assignor.
6. Assignee hereby agrees that it will not assign any of the rights, title or interest in, or the duties and obligations under the Agreement without the prior written consent of PG&E as required by the Agreement.
7. Assignor hereby requests that PG&E henceforth make any payments which shall become due under the Agreement to Assignee and Assignor releases PG&E from all liability for making payment to Assignee, and Assignee releases PG&E from all liability for failure to direct such payments to Assignee rather than Assignor.
8. Assignee and Assignor each agree that PG&E shall have (and PG&E hereby expressly reserves) the right to set off or deduct from payments due to Assignor, each and every amount due PG&E from Assignor arising out of or in connection with the

Agreement in accordance with the terms of the Agreement or in accordance with applicable law.

9. Assignor hereby requests that PG&E substitute Assignee for Assignor as the notice addressee under the Agreement.
10. Other than as explicitly provided herein, this Consent is neither a modification of nor an amendment to the Agreement.
11. Assignor and Assignee agree that this Consent is subject to all general terms and conditions of the Agreement, including but not limited to those specified in the "General" section of the Agreement regarding limitation of liability, modifications (including by the California Public Utilities Commission), waiver, choice of law, and complaints against the utility.
12. Sections 7 and 8 of this consent shall be effective December 1, 2008. All other provisions of this consent shall be effective on January 1, 2009.

Executed on: Dec. 3, 2008 at Redwood Resources Marketing, LLC

Assignor

By: [signature]

Its: Executive V.P.

Executed on: Dec. 3, 2008 at Tiger Natural Gas Inc.

Assignee

By [signature]

Its: President

Pacific Gas and Electric Company hereby consents to the foregoing assignment.

Dated Dec 3, 2008 PACIFIC GAS AND ELECTRIC COMPANY

BY: [signature]

Its: Director, Corporate Sales & Service

# Exhibit C

manatt
manatt | phelps | phillips

**David L. Huard**
Manatt, Phelps & Phillips, LLP
Direct Dial: (415) 291-7430
E-mail: dhuard@manatt.com

July 13, 2009

Client-Matter: Y33337

**BY E-MAIL AND U.S. MAIL**

William H. Chen
Corporate Account Manager
Pacific Gas and Electric Co.
Mail Code N8C
P.O. Box 770000
San Francisco, CA 94177

**Re: Billing Errors by PG&E for Redwood Resources Marketing, LLC**

Dear ~~Mr. Chen:~~ Bill

I represent Redwood Resource Marketing, LLC ("Redwood") and its majority owner and manager, High Sierra Energy, LP ("High Sierra") in the above-referenced matter. Please direct all future correspondence and communications regarding this matter to me.

From July 2005 through November 2008, Redwood acted as Core Transport Agent ("CTA") for certain California commercial utility customers in accordance with a Core Gas Aggregation Service Agreement ("CTA Agreement") with Pacific Gas & Electric Company ("PG&E"). During this period, PG&E was responsible for billing and collections as to such customers that contracted to purchase natural gas from Redwood.

PG&E has confirmed that Redwood advised it of the cancellation of Redwood's CTA Agreement with PG&E, effective December 1, 2008, and Redwood's contemporaneous assignment of its customers within PG&E service territory to Tiger Natural Gas, Inc. ("Tiger"), an unrelated third party with an independent CTA Agreement with PG&E.

Despite a concerted effort, Redwood's attempt to negotiate a resolution of the dispute between PG&E and Redwood has been unsuccessful to date.

Therefore, due to the failure of PG&E to pay Redwood for natural gas received by PG&E and resold in error but as to which PG&E failed to pay to Redwood, Redwood has no choice but to make a formal demand for payment to Redwood by PG&E. As of July 10, 2009, Redwood estimates this payment amount to be approximately $1,102,125 plus transportation and interest from this date. The amount demanded does not now include, but may require, additional amounts that are unknown and not quantified at this time, and Redwood reserves the right to

update the amount as necessary. Such additional amounts may include charges for volumes misappropriated by PG&E and subsequently resold to its customers or others, and any other charges, such as imbalance penalties, charged as a result of the misappropriation of natural gas supplies and other errors of PG&E.

**Background**

**1. Delivery of natural gas to non-Redwood Customers**

During 2008, Redwood performed an audit – at its own considerable expense – of all PG&E billing and payment activities related to Redwood. The audit revealed that PG&E had, on several occasions, erroneously requested that Redwood deliver natural gas to non-Redwood customers for which PG&E billed and collected revenue and charged Redwood transportation charges. These unauthorized deliveries by PG&E to non-Redwood customers resulted in Redwood making purchases and deliveries of natural gas for which it incurred expenses and paid charges to PG&E and for which it *never received payment*.

The results of the audit indicate that during the period July 2005 through November 2008, PG&E's errors caused Redwood to deliver 84,185 Dth (dekatherms) of natural gas to parties who had no contractual relationship with Redwood. As a result, Redwood did not collect any revenues for the natural gas delivered to these customers. Instead, PG&E billed these non-Redwood customers and collected an estimated $745,545 for itself. Redwood conservatively estimated this amount based on PG&E Rate Schedule G-CP (Gas Procurement Rates) for January 1, 2005 to November 30, 2008. This loss of revenue, plus interest, amounts to an estimated $939,973 out-of-pocket loss to Redwood. In addition to this loss, Redwood expended approximately $75,000 or more in external audit costs to discover PG&E's errors.

**2. Over-delivery of natural gas to Redwood customers**

In addition to the errors discussed above, since 2006, PG&E has improperly required Redwood to over-deliver an estimated 51,890 therms to certain Redwood customers. Redwood did not receive any revenue for these over-deliveries that it made due to PG&E's errors. At an average price of $12.62 per therm (based on PG&E Rate Schedule G-CP), PG&E's errors resulted in an estimated loss to Redwood of at least $65,492, or $87,152 after calculating interest.

**Governing Provisions**

The California Public Utilities Code provides that any unreasonable or excessive charges by a public utility for any service performed by that utility authorizes the California Public Utilities Commission ("Commission") to order "the public utility [to] make due reparation

to the complainant therefor, with interest from the date of collection..." Cal. Pub. Util. Code § 734. PG&E clearly acted unreasonably when it improperly delivered natural gas to non-Redwood customers and when it over-delivered natural gas to Redwood customers. As such, Redwood has grounds to file a complaint seeking an order for PG&E to pay to Redwood reparations, with interest from the time of the improper deliveries, for the significant financial damages PG&E inflicted on Redwood.

PG&E acted unreasonably because it violated the CTA Agreement that governs the rights and obligations of Redwood and PG&E in this matter. Under the general provisions on page 5, the CTA Agreement states:

> "The liability of PG&E for any curtailments, interruptions of service, *or gas losses* otherwise arising out of mistakes, omissions, interruptions, delays, errors or defects in any of the gas services or facilities used or furnished by PG&E shall in no event exceed an amount equal to any applicable pro rata charges *for the period during which the services or facilities are affected* by the mistake, omission, [etc.]."

CTA Agreement, PG&E Form No. 79-845, p.5 (emphasis added). This provision directly applies here. PG&E's mistakes resulted in natural gas losses for Redwood because PG&E improperly delivered natural gas to non-Redwood customers. Redwood did not receive any revenues for these deliveries while paying rates for transportation by PG&E and thus both lost revenues for the amount of natural gas delivered to non-Redwood customers and paid charges to PG&E on such volumes. Therefore, PG&E is liable to Redwood for the losses suffered by Redwood for the period during which PG&E caused the natural gas to be misappropriated. These losses are appropriately determined by the market value of the natural gas that Redwood lost at the time that PG&E misappropriated the natural gas for its own uses and any related charges plus interest.

It is my understanding that PG&E contends that its Gas Schedule G-BAL Tariff Sheet 14 applies to PG&E's improper deliveries of Redwood natural gas to non-Redwood customers. This contention has no merit. Gas Schedule G-BAL Tariff Sheet 1 states, "This rate schedule provides the terms and conditions pursuant to which PG&E will endeavor to balance volumes of natural gas it receives into its pipeline with the volume it delivers to End-Use Customers." Clearly, Gas Schedule G-BAL applies to balancing over-deliveries or under-deliveries of natural gas from CTA's to *the CTA's own customers*. The primary issue in this situation does not involve a simple over-delivery or under-delivery of natural gas; rather, PG&E delivered natural gas that it had no right to deliver to entities that were not Redwood customers. The balancing issues contemplated by Gas Schedule G-BAL do not apply. Instead, PG&E is liable to Redwood under the terms of the CTA Agreement discussed above.

Even if Gas Schedule G-BAL applied here, which it does not, the termination provisions of Sheet 14 require PG&E to cash-out Redwood for any remaining imbalances:

> "Upon termination of a...CTA Agreement...any remaining Cumulative Imbalance and/or Operating Imbalance Carryover must be traded, toward zero, during the first Imbalance Trading Period...Any remaining positive Cumulative and Operating Imbalances *will be cashed out* at the applicable Lowest Citygate Index (LCI)."

Gas Schedule G-BAL, Sheet 14 (emphasis added). Redwood ceased further operations under the CTA Agreement when it sold its customer list to Tiger Natural Gas, Inc. ("Tiger") effective December 1, 2008. PG&E signed an agreement consenting to this assignment (the "Consent to Assign"). The Consent to Assign states that Redwood terminates all of its rights and obligation under the CTA Agreement *following* the effective date of the Consent to Assign. It further provides that the obligations and liabilities that arose *prior to and through* the date of the assignment remain unchanged. Therefore, the CTA Agreement between Redwood and PG&E terminated after December 1, 2008. Even if Gas Schedule G-BAL applied, its termination provision requires PG&E to cash-out Redwood based on the LCI index during the month that the imbalance occurred.

**PG&E's Proposed Solution is Inadequate**

It is my further understanding that PG&E does not dispute that it committed the errors discussed above, nor does it dispute the amount of natural gas that was incorrectly delivered to customers. However, PG&E now proposes to credit these errors in-kind by adjusting the balancing process of Tiger, the company that purchased Redwood's customer list effective December 1, 2008. This proposed solution to address PG&E's errors is unacceptable, as it would fail to remedy the losses suffered by Redwood.

**1. Neither refunds in-kind nor a cash-out to a third party compensate Redwood**

Despite the fact that Redwood has suffered monetary losses as a result of PG&E's actions, PG&E proposes to adjust Tiger's monthly balancing process to account for the natural gas that it improperly delivered to Redwood customers. This proposal does *nothing* to restore the financial losses suffered by Redwood because Tiger does not have any affiliation with Redwood or any direct contractual relationship as to service before December 1, 2008. A refund to Tiger, whether in-kind or as a cash-out, does not in any way compensate for the damages that PG&E inflicted directly on Redwood. PG&E's refund for the misappropriated natural gas should be sent directly to Redwood because PG&E's errors before December 1, 2008 resulted in losses to Redwood – not Tiger.

Redwood holds all of the legal rights associated with the natural gas that PG&E improperly delivered before December 1, 2008, and PG&E financially harmed Redwood when it made the improper deliveries. PG&E cannot remediate this harm by adjusting the balancing process with Tiger, who is a third party with no financial affiliation to Redwood. PG&E's proposal to adjust Tiger's accounts would leave Redwood without a remedy because Redwood has no claim against Tiger and Tiger has no obligation to Redwood with respect to the improperly delivered natural gas. California law and public policy require that PG&E compensate the party in interest that was harmed by its actions. *See,* Cal. Civ. Code § 3274 ("As a general rule, compensation is the relief or remedy provided by the law of this State for the violation of private rights"); *See, e.g., Crisci v. Security Ins. Co.* (1967) 66 Cal. 2d 425, 433 ("Fundamental in our jurisprudence is the principle that for every wrong there is a remedy and that an injured party should be compensated for all damage proximately caused by the wrongdoer"). Here, PG&E harmed Redwood; therefore, PG&E must pay compensation to Redwood.

**2. A transfer or credit of natural gas does not compensate Redwood because Redwood is no longer a CTA in PG&E's territory**

PG&E's proposal contemplates a refund of the improperly delivered natural gas in-kind via an adjustment. Even if the adjustment were to occur with a return of the misappropriated natural gas in-kind to Redwood, such a proposal does not provide a solution for Redwood because Redwood no longer operates as a CTA. As such, Redwood does not maintain any customers or inventory of natural gas that would allow it to accept, let alone sell any refunds made in-kind. PG&E's proposal to return in-kind the improperly delivered natural gas to Redwood fails to compensate Redwood for its losses. Redwood has no use for such natural gas and does not have any mechanism to store, transfer, or sell such natural gas. Therefore, the only solution is for PG&E to compensate Redwood *in cash* for the significant financial damages that PG&E has inflicted. PG&E's approach is also inconsistent with the tariff provisions on balancing that PG&E itself argues is applicable – G-BAL – which requires a cash out for terminated CTAs.

**3. PG&E's proposal would result in a substantial financial loss to Redwood**

PG&E's proposal to refund the natural gas in-kind also ignores the difference in the market value of natural gas from the date of PG&E's errors until now. The average PG&E tariff rate for natural gas at the time of PG&E's errors was $8.86 per Dth. In contrast, as of July 1, 2009, the market price of natural gas was $3.795 per Dth. Accordingly, PG&E proposes to refund Redwood (through Tiger) a commodity that is worth less than half the value of the commodity that PG&E improperly delivered to non-Redwood customers that would otherwise have been paid to Redwood. This supposed "remedy" would result in a windfall profit to PG&E

of $620,490 and is contrary to the governing CTA Agreement between the parties here. Under PG&E's proposal, Redwood would be punished and PG&E would be rewarded as a result of errors that PG&E committed. PG&E must base its cash refund to Redwood on the market prices applicable to the lost natural gas at the time that PG&E improperly delivered that natural gas.

**Resolution**

In light of the foregoing, Redwood hereby requires that PG&E compensate Redwood by refunding in cash the following: (1) Redwood's lost revenue resulting from delivery of natural gas to non-Redwood customers, plus interest; (2) Redwood's lost revenue resulting from over-delivery of natural gas to Redwood customers, plus interest; (3) refund of any charges for PG&E transportation for natural gas misappropriated by PG&E; and, (4) the costs incurred by Redwood to discover PG&E's errors. As of July 10, 2009, Redwood has calculated this amount to exceed $1,102,125.

Please have your counsel contact me no later than July 27, 2009 to discuss these issues. We would prefer to resolve these issues amicably. However, Redwood and High Sierra reserve all rights available to them by law to take further actions related to this matter.

Regards,

David L. Huard /TMR

David L. Huard
Manatt, Phelps & Phillips, LLP

DLH:TMR

90078486.7

# Exhibit D

**Pacific Gas and Electric Company**

Lawrence C. Witalis
Attorney at Law

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July 15, 2009

David L. Huard
Monatt, Phelps & Phillips, LLP
One Embarcadero Center, 30th Floor
San Francisco, CA 94111

Re: Your Letter Dated July 13, 2009

Mr. Huard:

Bill Chen has forwarded the above-referenced letter to me. As I understand the letter, your clients, Redwood Resources Marketing, LLC (Redwood) and its majority owner, High Sierra Energy LP (High Sierra) are requesting payment from PG&E for natural gas that they allege was not properly accounted for under Redwood's Core Aggregation Service Agreement with PG&E, dated July 16, 2004 (the Agreement). The period covered by this request is July 2005 through November 2008. For the reasons set forth below, PG&E declines that request.

On December 3, 2008, PG&E, Redwood (as Assignor), and Tiger Natural Gas Company (Tiger, as Assignee) executed a Consent to Assignment (Consent) of the Agreement. Paragraph 2 of the Consent states, in relevant part: "Assignor assigns to Assignee effective December 1, 2008 (the Assignment Date) all of Assignor's rights in and under the Agreement and delegates to Assignee all of Assignor's duties and obligations under the Agreement." The plain meaning and clear intent of this provision of the Consent is to relieve PG&E of any obligation to Redwood under or relating to the Agreement. In accordance with the Consent, as of December 2008, Redwood simply has no basis upon which to request any redress from PG&E with respect to the Agreement.

By intent, this letter does not address the several claims made in your letter. If there was an accounting error, and if PG&E in fact owes a duty to its customer with respect to such an error, that duty is owed to Tiger, not Redwood. If there exists a separate agreement between Redwood and Tiger underlying the Consent, that agreement should include a provision to deal with the request made in your letter. In any case, that request is a matter between Redwood and Tiger, and it has been misdirected by you to PG&E.

If you have need of further communication regarding this matter, you should contact me, not my client.

Regards,

Lawrence C. Witalis

**Exhibit E**

manatt
manatt | phelps | phillips

**David L. Huard**
Manatt, Phelps & Phillips, LLP
Direct Dial: (415) 291-7430
E-mail: dhuard@manatt.com

July 21, 2009

Client-Matter: Y33337

**BY E-MAIL AND U.S. MAIL**

Lawrence C. Witalis
Pacific Gas & Electric Co.
P.O. Box 7442
San Francisco, CA 94120

**Re: Billing Errors by PG&E for Redwood Resources Marketing, LLC**

Dear Mr. Witalis:

This letter responds to your letter of July 15, 2009 in which you state, without any basis in fact or law, that Pacific Gas and Electric Co. ("PG&E") "declines" to pay my client, Redwood Resources Marketing, LLC ("Redwood"), for its losses caused by PG&E's billing errors and misallocation of natural gas deliveries related to Redwood's Core Aggregation Service Agreement ("CTA Agreement") with PG&E. My July 13, 2009 letter to Bill Chen ("Demand Letter") contains a detailed discussion of the substantive issues related to PG&E's errors, all of which you admittedly do not address in your letter.

Your letter incorrectly assumes that Redwood's assignment of the CTA Agreement to Tiger Natural Gas, Inc. ("Tiger") relieves PG&E of its payment obligations to Redwood that arose before the effective date of the assignment. This assumption is wrong for several reasons. First, PG&E's misallocation of Redwood's natural gas to non-Redwood customers is an unlawful and tortious conversion of Redwood's property. Second, Redwood's assignment of its customer list to Tiger does not relieve PG&E of its obligations to Redwood that arose prior to the effective date of the assignment because Redwood's right to pursue a cause of action against PG&E is independent of the CTA Agreement and was not a part of the rights Redwood assigned to Tiger.

**PG&E Converted Redwood's Property**

California defines conversion as the wrongful exercise of dominion over the personal property of another. *Fremont Indemnity Company v. Freemont General Corporation* (2007) 148 Cal. App. 4th 97, 119. The basic elements are: (1) the plaintiff's ownership or right to possession of personal property; (2) the defendant's disposition of the property in a manner that is inconsistent with plaintiff's property rights; and (3) resulting damage.

PG&E's actions in this matter constitute the unlawful conversion of Redwood's property. Redwood held an ownership interest in the natural gas that it entrusted to PG&E, and PG&E in turn agreed to provide a service, per the CTA agreement, to deliver Redwood's property to Redwood customers. PG&E improperly disposed of Redwood's property when it delivered Redwood's natural gas to non-Redwood customers. PG&E's actions resulted in damages to Redwood from the lost revenue attributable to that natural gas, the additional transportation costs that PG&E charged to Redwood for the misallocated natural gas, and the costs incurred by Redwood to discover PG&E's errors. As a matter of law, PG&E converted Redwood's property and therefore must compensate Redwood for the damages it causes. Moreover, California law authorizes an action for punitive damages for such actions.

Your contention that Redwood assigned all of its rights in this matter to Tiger has no merit. Clearly, Redwood has sufficient grounds to assert a claim against PG&E for the unlawful conversion of Redwood's property. This claim exists independent of the CTA Agreement, and Redwood's assignment of its rights under the CTA Agreement has no bearing on the claim. In any case, even under a contractual theory of recovery, as discussed in more detail below, Redwood did not assign its right to pursue a cause of action under the CTA Agreement to recovery for violations that PG&E committed before the effective date of the assignment.

**Redwood Did Not Assign its Rights to Pursue a Cause of Action Against PG&E**

California recognizes that the right to a cause of action arising out of a violation of a contract obligation accrues as a ***separate and distinct right*** than those rights arising under an assigned contract. Cal. Civ. Code § 953; *Millner v. Lankershim Packing Co.* (1936) 13 Cal. App. 2d 315, 320 ("we are of the opinion that the mere assignment of a note and mortgage does not give to the assignee thereof the right to sue for a conversion committed...some two years before the [assignment]"); *see, National Reserve Co. v. Metropolitan Trust Co.* (1941) 17 Cal. 2d 827, 833 ("Unless an assignment specifically or impliedly designates them, accrued causes of action arising out of an assigned contract...do not pass under the assignment as incidental to the contract if they can be asserted by the assignor independently of his continued ownership of the contract and are not essential to a continued enforcement of the contract").

As you are aware, Redwood assigned the CTA Agreement to Tiger effective December 1, 2008. PG&E agreed to this assignment, as evidenced by the Consent to Assign executed by Redwood, Tiger and PG&E on December 3, 2008. Redwood did not assign any of its rights related to a cause of action under the CTA Agreement that arose before December 1, 2008. PG&E's billing errors and misallocations of Redwood's natural gas to customers other than Redwood's customers, subsequently assigned to Tiger, occurred prior to the effective date of assignment. These violations give rise to a cause of action that is independent from the continued operation of the CTA Agreement that was assigned to Tiger because Redwood's

pursuit of a cause of action is not essential to the ongoing operation of the CTA Agreement between Tiger and PG&E and does not involve service to the customers of Redwood and/or Tiger under the CTA Agreement. Therefore, Redwood retains the right to seek compensation for the damages caused to it by PG&E prior to the date of the effective date of the assignment.

In your letter, you state, "The plain meaning and intent of [the Consent to Assign] is to relieve PG&E of any obligation to Redwood under or relating to the Agreement." This is simply not the case. Redwood assigned its rights under the CTA Agreement to Tiger effective December 1, 2008. PG&E committed multiple and ongoing errors in the accounting and allocation of Redwood's natural gas deliveries prior to the date of the assignment. Redwood's assignment of certain rights to Tiger does not relieve PG&E of the obligations that it owes to Redwood under the original CTA Agreement. Extinguishing PG&E's obligations to Redwood would have required a novation rather than an assignment of Redwood's rights. *See*, Cal. Civ. Code § 1530 *et seq*. Redwood did not agree to a novation; therefore, PG&E cannot escape its obligations to Redwood under the CTA Agreement.

**Summary**

Your letter contains a bare conclusion that PG&E has no obligation to pay Redwood, which fails to address any of the substantive issues raised by the Demand Letter. You rely solely on the claim that Redwood assigned all of its rights in this matter to Tiger, and you do not address the actual errors committed by PG&E or the compensation owed by PG&E for the damages it caused. For the reasons discussed above and set forth in the Demand Letter, the assignment of the CTA Agreement to Tiger does not prohibit Redwood's recovery from PG&E.

Redwood has pursued resolution of this matter in a more than diligent fashion by conducting, at a considerable expense, an extensive audit of PG&E's billing practices. As such, Redwood has preserved its right to pursue a cause of action against PG&E. *See,* Cal. Civ. Code § 338(d) ("The cause of action in [the case of fraud or mistake] is not deemed to have accrued until the discovery, by the aggrieved party, of the facts constituting the fraud or mistake").

Therefore, as stated in the Demand Letter, we demand that PG&E pay compensation to Redwood for its losses in this matter. While we would prefer to resolve these issues amicably, Redwood reserves its rights to pursue all actions and remedies available to the fullest extent of the law. If you do not contact me to resolve this issue by August 5, 2009, we will file a formal complaint with the California Public Utilities Commission.

manatt
manatt | phelps | phillips



Sincerely,

David L. Huard

DLH:TMR

90079689.4

**Exhibit F**

Pacific Gas and
Electric Company

Lawrence C. Witalis
Attorney at Law

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August 13, 2009

Via Hand Delivery

David L. Huard, Esq.
Monatt, Phelps & Phillips, LLP
One Embarcadero Center, 30th Floor
San Francisco, CA 94111

Re: Redwood's Damages Claim

Dear Mr. Huard:

Thank you for the additional time to consider more thoroughly the assertions made in your July 23rd letter. Pacific Gas and Electric Company (PG&E) has now reviewed your arguments concerning the assignment involved here and your assertion that the tort claim of conversion applies to these facts; however, we continue to disagree with your position. Neither Redwood Resources Marketing, LLC (Redwood) nor High Sierra Energy, LP (High Sierra) is entitled to either tort or contract damages for PG&E's billing error.

As you are no doubt aware, the Core Gas Aggregation Service Agreement (Core Gas Agreement) between PG&E and Redwood expressly bars "any special punitive, consequential, incidental, or indirect damages, *whether in contract or tort* (including negligence) or otherwise, for any breach, actions or inactions arising from, out of, or related to this Agreement." See Core Gas Agreement at p. 5 (emphasis added). Thus, even had Redwood not assigned its rights and interests to Tiger Natural Gas, Inc. (Tiger), Redwood would only be entitled to the in-kind remedy that PG&E already has provided to Tiger. See Gas Schedule G-BAL, Accounting Adjustments, Sheet 14 ("If subsequent accounting adjustments change a previous Cumulative or Operating Imbalance, then . . . (3) For Core Procurement Groups, adjustment quantities *will be* included in the Operating Imbalance Carryover" [emphasis added]). The fact that Redwood has ceased to be involved in the core gas transport business does not change this result.

So that PG&E's position on Redwood's claim is clear, each of your arguments is addressed below.

A. Assignment.

1. Redwood Assigned All Of Its Rights To Tiger.

Further research has underscored the conclusion set forth in my previous letter to you, dated July 15, 2009, regarding the assignment by Redwood to Tiger Natural Gas Company (Tiger) of Redwood's Core Gas Agreement. In your July 23 letter, you cite to National Reserve Company v. Metropolitan Trust Company (1941) 17 Cal.2d 827, 833, for the proposition that Redwood implicitly reserved its right to sue PG&E for conversion and resulting tort damages.

Although National Reserve is on point, it does not support Redwood's position here. In fact, it confirms that Redwood has no standing to bring any claim against PG&E.

The question before the Court in National Reserve was whether a valid assignment agreement transferred to plaintiff the right to sue for a breach of the trust agreement that had occurred prior to the assignment. The Court recognized that the assignor had assigned "all of his right, title and interest in and to the hereinabove property," and went on to add as follows:

> [P]laintiff as an assignee for collection should collect all amounts recoverable on the certificate, and the cash value of the certificate would therefore include not only the amounts available in the trust estate for its cancellation, but in addition any amounts which may be obtained by bringing suit against one whose wrongdoing has depleted the available funds and thereby reduced the value of the certificate.

Id. at 832 (emphasis added). In determining whether the assignor or assignee held the right to sue on this alleged breach, the Court recognized (as you did in your July 23rd letter) that those claims that are "independent" and "not essential" to the assigned contract are retained by the assignor. Id. at 833. But otherwise they are the property of the assignee.

> All right, title and interest in such certificate has been assigned to plaintiff. Only by virtue of its transfer to the plaintiff could the cause of action continue to exist. Furthermore, plaintiff as an assignee for collection must secure the largest obtainable amount, and to the end of complete and adequate enforcement of the contract must be able to sue the delinquent trustee for a restitution that will enhance the value of the certificate.

Id. at 834.

Here, as in National Reserve, the assignment language (as reflected in the Consent to Assignment) transferred all of Redwood's rights to Tiger (the Consent reflects Redwood's assignment of "the entirety of whatever rights, title and interest [Redwood] may have in and to [the Core Gas Agreement])." With respect to any errors that may arise out of the underlying contract, Tiger, as assignee, in order to "secure the largest obtainable amount, and to the end of complete and adequate enforcement of the contract," necessarily retains all related rights to sue. While we believe that even Tiger is limited by the express liability limitation in the assigned Core Gas Agreement and PG&E's Gas Schedule G-BAL, Accounting Adjustments, Sheet 14 (Sheet 14, discussed below at B (1) and (2)), the case upon which Redwood relies underscores that Redwood itself certainly lacks standing to sue PG&E for the errors at issue.

2. Neither PG&E Nor Redwood Terminated the Core Gas Aggregation Service Agreement.

You assert in your July 13th letter to PG&E's Bill Chen that PG&E's Gas Schedule G-BAL does not apply to Redwood, but that even if it did the termination provisions of Sheet 14 would apply and "require PG&E to cash-out Redwood for any remaining imbalances . . . ." That is not the case. No party terminated the Core Gas Agreement; rather, Redwood assigned it to Tiger. Thus, while Redwood no longer has any right, title, or interest in the subject of that contract, the contract is ongoing – between PG&E and Tiger. Your assertion that "[t]he Consent to Assign[ment] states that Redwood terminates all of its rights and obligations under the CTA Agreement following the effective date of the Consent to Assign[ment]" is simply not true. There has been no termination of the Core Gas Agreement, and Redwood is not entitled to termination-based damages.

B. Conversion.

1. The Core Gas Agreement Expressly Limits PG&E's Damages.

Redwood's conversion claim fails on its face, because the parties' California Public Utilities Commission (CPUC)-approved Core Gas Agreement expressly precludes the kind of damages to which your letter claims Redwood is entitled:

> **No party under this Agreement shall be assessed any special punitive, consequential, incidental, or indirect damages, *whether in contract or tort* (including negligence) or otherwise, for any breach, actions or inactions arising from, out of, or related to this Agreement.**

See Core Gas Agreement at p.5 (emphasis added). Accordingly, and notwithstanding the various arguments that Redwood posits for its entitlement to damages instead of gas in-kind, Redwood accepted the benefits of this liability-limitation as a party to the contract. That limitation on liability limits PG&E's liability as well.

2. PG&E's Gas Schedule G-BAL, Accounting Adjustments, Sheet 14 Provides the Exclusive Remedy Available in This Matter.

Redwood's assertion that PG&E should be held liable for conversion based on its billing error contradicts well-established law. The Supreme Court's decision in Waters v. Pacific Telephone Company (1974) 12 Cal.3d 1, 10, is dispositive.

In Waters, Pacific Telephone Company allegedly failed to furnish plaintiff with adequate telephone service, and plaintiff sued for substantial damages pursuant to Public Utilities Code

Section 2106. Pacific's applicable tariff, however, provided for a credit allowance as plaintiff's remedy, and the Court ruled that plaintiff was not entitled to damages. Id. at 11-12 (affirming the trial court's decision limiting damages to the tariff-based credit allowance).

The point of Waters is that where the CPUC has approved a tariff providing for a remedy that limits a utility's liability – precisely as is the case here – it has done so with good reason, as the CPUC's approved tariffs and ratemaking already contemplate such risks.

> [G]eneral principles which might govern disputes between private parties are not necessarily applicable to disputes with regulated utilities. Pacific's use of a credit allowance provision as a means of limiting its liability for ordinary negligence has been considered and approved by the commission, and taken into account in setting its rates. Were the courts permitted to reappraise and reinterpret the language of commission-approved tariff schedules in the guise of "judicial construction," the supervisory and regulatory functions of the commission set forth above could easily be undermined.

Id. at 10.[1]

PG&E (and similarly-situated utilities) handle many millions of bills each year, which bills are based on the collection of many terabytes of data. Even an infinitesimal rate of error would result in some number of billing errors, and even small numbers of errors can result in errors that reflect significant dollar amounts. The remedies contained in PG&E's tariffs, such as the exclusive in-kind remedy which PG&E's Gas Schedule G-BAL, Accounting Adjustments, Sheet 14 provides and the express limitation of liability in the Core Gas Agreement, are designed to address these concerns and limit PG&E's liability. Indeed, they are mandatory and uniform in application.

> If uniformity is to prevail, the tariff schedule must represent the whole duty and the whole liability of the company rendering the service.

---

1 As the Court acknowledged in Waters, the United States Supreme Court has reached a similar conclusion on this point:

> Both this Court and the United States Supreme Court have acknowledged that considerations of public policy which might be applicable to disputes between private parties are not necessarily applicable to provisions of a tariff filed with, and subject to the pervasive regulatory authority of, an expert administrative body. . . . For all we know, it may be that the rate specified in the relevant tariff is computed on the understanding that the exculpatory clause shall apply to relieve the utility of the expense of insuring itself against liability for damage . . . and is a reasonable rate so computed.

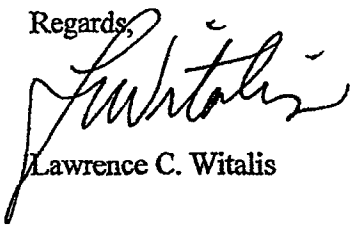
Id. at 6 n.5 (internal quotations, citations, and ellipses omitted).

> Thus, the company is not contracting against its negligence. The law fixes the rate to be paid and the extent of the liability to be assumed. Neither party is allowed to depart from this standard of duty and measure of liability. The two are component parts of an integrated whole. The one is as sacrosanct as the other. The "rate" as the term is used in the statute with all that it implies, is withdrawn from the field of agreement. The approved tariff schedule is not subject to modification or change by the parties. It contains both the legal standard and the limitation of liability.

See Trammell v. Western Union Telegraph Co. (1976) 57 Cal.App.3d 538, 551-552.

To suggest that each and every such error would result in a conversion, with each such conversion exposing PG&E to market fluctuations, interest, civil penalties, and punitive damages, would void this notion and expose the utility and its customers to unmanageable risk. We reject this reading of California law and respectfully decline Redwood's claim.

Regards,



Lawrence C. Witalis

# Exhibit G

manatt
manatt | phelps | phillips

**David L. Huard**
Manatt, Phelps & Phillips, LLP
Direct Dial: (415) 291-7430
E-mail: dhuard@manatt.com

August 14, 2009

Client-Matter: 43110-030

**BY E-MAIL AND U.S. MAIL**

Lawrence C. Witalis
Pacific Gas & Electric Co.
P.O. Box 7442
San Francisco, CA 94120

**Re: Billing Dispute between PG&E and Redwood Resources Marketing, LLC**

Dear Mr. Witalis:

This letter responds to your letter of August 13, 2009 in which you state that Pacific Gas and Electric Co. ("PG&E") "continues to disagree" with the position of my client, Redwood Resources Marketing, LLC ("Redwood"), concerning its losses caused by PG&E's billing errors and misallocation of natural gas deliveries related to Redwood's Core Aggregation Service Agreement ("CTA Agreement") with PG&E. PG&E's refusal to reconsider its position on the issues set forth in Redwood's demand letters is ill-advised and demonstrates that PG&E does not wish to engage in good faith negotiations with Redwood to resolve this matter.

Once again, PG&E fails to address the underlying claims made by Redwood for compensation for errors that occurred by PG&E *prior to Redwood's assignment* of its rights to Tiger. In addition, PG&E has incorrectly interpreted the authorities cited by Redwood in support for its claim for damages. Redwood disagrees with each and every response provided by PG&E with respect to Redwood's claims. Despite Redwood's efforts to negotiate for a resolution of this matter in good faith, PG&E has declined to compensate Redwood for its monetary losses.

In light of PG&E's refusal to resolve this matter informally, Redwood has no alternative but to pursue formal actions and remedies as soon as possible.

Sincerely,

David L. Huard

DLH:tsk

90083228.1

# Exhibit H

**BEFORE THE PUBLIC UTILITIES COMMISSION**

**OF THE STATE OF CALIFORNIA**

| | |
|---|---|
| REDWOOD RESOURCES MARKETING LLC,<br><br>Complainant,<br><br>vs.<br><br>PACIFIC GAS AND ELECTRIC COMPANY,<br><br>Defendant. | C.09-10-<br>(Filed October 13, 2009) |

**DECLARATION OF LORI RAPPUCCI**

I Lori Rappucci, declare:

1. I am the Vice President and Controller for for High Sierra Energy, LP, a limited liability company organized and existing under the laws of the State of Delaware with its principal place of business in Denver, Colorado. Prior to holding my current position, I was the Senior Finance Contractor for High Sierra Energy, LP.

2. High Sierra Energy, LP is the majority owner and manager of Redwood Resources Marketing, LLC ("Redwood"), the complainant in the above-captioned proceeding. I have personal knowledge of the facts set forth herein, except as otherwise noted. I could and would testify competently to these same facts if called as a witness.

3. On October 10, 2009, I calculated or caused to be calculated an estimate of costs that Redwood incurred as a result of PG&E's actions detailed in this complaint proceeding. Attached hereto as Attachment 1 is a true and correct copy of a spreadsheet showing the

calculation of costs Redwood incurred as a result of PG&E's errors and the underlying supporting data for those costs.

4. In January 2009, I directed Chris Philpott to take the lead on an audit already in process to validate all billing and collection errors committed by PG&E during the period of July 1, 2005 through November 30, 2008. The process included a thorough review of daily billing files to customers and gas fulfillment obligations prescribed by PG&E ("Therm Balancing Reports"). The audit encompassed a total of approximately 1,000,000 lines of billing, payment, and operational data over the three year audit period.

5. The audit revealed that PG&E charged Redwood for natural gas therm usage for certain PG&E customers who did not choose Redwood as their Core Transportation Agent ("CTA"). Monthly Usage Balance Reports, provided to Redwood by PG&E, indicated that Redwood was charged for this therm usage. Daily billing files verified that these customers were never billed by Redwood for this therm usage.

6. The audit also revealed that PG&E charged Redwood for natural gas therm usage for certain Redwood customers that were never billed by Redwood for this therm usage.

7. For each incorrect natural gas charge, Redwood applied a shrinkage factor that corresponded to PG&E's published schedules to determine the total gas therms incorrectly charged to Redwood. Shrinkage is a standard factor that PG&E adds to therm usage through its balancing reports. The published shrinkage factor for the period from July 1, 2005 through November 30, 2008 ranged from 2.1% to 3.1%.

8. Redwood then factored the therms charged by PG&E and the market price for

gas, which it determined using PG&E's published Gas Procurement Rates tariff rate (Schedule G-CP) for the time that each improper delivery were made. This calculation yielded the total therm cost due to Redwood for PG&E's incorrect charges.

9. Redwood calculated interest at 8% to determine the interest accrued on Redwood's lost capital. Redwood added this amount to the total therm cost paid by Redwood to determine the total funds due to Redwood for PG&E's incorrect charges ($1,049,279).

10. Redwood added audit costs of $110,959 and legal fees of $30,000 to reach the total amount due to Redwood by PG&E of $1,190,238.

11. If adjusted to May 6, 2010, the costs absent subsequent legal fees incurred, would be $1,238,650.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Dated: October 10, 2007

Lori Rappucci

300002493.1

# Attachment 1

## PGE Billing and Collections Errors for Redwood Account Activity

### 1. Gas charged to Redwood from PGE for customers that were not Redwood Customers

| Charged Gas Therms to Redwood [1] | Avg PGE tariff rate per Decatherm (Dth) | Effective cost of gas paid by Redwood [3] | Cost for this gas paid by PGE |
|---|---|---|---|
| 841,854 | $ 8.86 | $ 745,545 | $ - |

[1] *Schedule "Therm Credits-non Rdwd Cust", includes therms charged + standard* ***shrinkage*** *factors charged from PGE*
[2] *PGE effectively has borrowed from Redwood approximately $745K to pay for PGE customer's gas supply*
[3] *PGE G-CP historical rates for Small Commercial*

PGE suggested remedy is to fix this error is to refund gas in therms to Redwood, which Redwood subsequently would have to sell such gas at 2009 reduced prices

| Gas Therms to be refunded to Redwood | Current Market Price per Dth@ 7.1.09 (henry hub rate) | PGE's recommended Effective $ refund to Redwood | PGE charges to their customer for said gas | Interest on Redwood Cash @ 8% Interest | Total PGE Receipts | PGE profit on these transactions due to their charging error |
|---|---|---|---|---|---|---|
| 841,854 | $ 3.795 | $ 319,484 | $ 745,545 | $ 214,828 | $ 960,373 | **$ 640,889** |

| | |
|---|---|
| Therm Cost Paid by Redwood | $ (745,545) |
| Interest on Lost Capital | $ (214,828) |
| Total Out of Pocket Cost to Redwood | **$ (960,373)** |
| Cost recovered under PGE suggested remedy | $ 319,484 |
| **Loss to Redwood due to PGE administrative errors** | **$ (640,889)** |
| Audit costs to discover PGE incorrect charges (3.5 years of records, over 1M transactions analyzed) | $ 110,959 |
| **Total Economic Impact to Redwood for PGE errors** | **$ (751,848)** |

### 2. Incorrect charges of gas therms to Redwood for Redwood customers

| Redwood Out of Pocket | | | | | PGE Suggested Refund | | | |
|---|---|---|---|---|---|---|---|---|
| Charged Gas Therms to Redwood | Avg Cost paid per Therm | Historical Cost Paid by Redwood | Interest on Redwood funded gas purchases | Total Out of Pocket Cost to Redwood | Charged Gas Therms to Redwood | Current Market Price per Dth@ 7.1.09 (henry hub rate) | Effective $ refund to Redwood | Redwood Loss due to PGE errors |
| 51,890 | $ 12.62 | $ 65,492 | $ 23,414 | **$ 88,906** | 51,890 | $ 3.80 | **$ 19,692** | **$ 69,214** |

**REFUND SUMMARY**

| | |
|---|---|
| Funds due for therms charged for Non Redwood Customers (includes interest, and shrinkage) | $ 960,373 |
| Funds due for therms charged for Redwood Customers (includes interest, and shrinkage) | 88,906 |
| AUDIT FEES | 110,959 |
| Legal Fees | 30,000 |
| | **$ 1,190,238** |

## PGE INCORRECT GAS CHARGES TO REDWOOD ENERGY FOR CUSTOMERS THAT WERE NOT REDWOOD ENERGY CUSTOMERS

**Background:**

Redwood was charged for Therm Usage from PGE for certain PGE customers who did not choose Redwood as their CTA(Core Transport Agent)

"Monthly Usage for Balancing" reports provided monthly by PGE, indicate that Redwood was charged for Therm Usage

Daily Billing files verify that these customers were never billed by Redwood, validating a credit due to Redwood

Therms were incorrectly assigned/charged to Redwood over a 3 year period to at gas prices that fluctuated significantly.

Shrinkage is a standard factor that PGE adds to therm usage through its balancing reports. Rates herein are from PGE published schedules

## MONIES PAID FOR GAS USAGE THAT WERE FOR PGE CUSTOMERS, NOT REDWOOD CUSTOMERS.

attached

[2] Henry Hub Rate

| schedule ref | Customer Name | Month | Year | DAXREF | Beg Meter Date | End Meter Date | Redwood Turn-on Service Date | (a) Therms Charged by PGE | Shrink-age, (from PGE Table) | Therms charged + Shrinkage | (b) PGE Published GCP Gas Rates per Dth | a * b Economic losses for Redwood | 10/10/09 Interest on Lost Capital @8.0% as of 10/10/09 | Total Refund Due | Notes | PGE Price per Therm (includes shrinkage) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| oper actuals | BAY VIEW HUNTERS POINT F | 10 | 2007 | 658562010 | 10/31/07 | 12/1/07 | none | 2 | 3.1% | 2.0 | $ 8.06 | $ 2 | $0.28 | $1.89 | | 1.61 |
| oper actuals | BERTOLUCCIS RESTAURANT | 11 | 2007 | 1252504010 | 11/1/07 | 12/1/07 | none | 18 | 3.1% | 19.0 | $ 8.56 | $ 16 | $2.81 | $19.08 | | 16.27 |
| oper actuals | BERTOLUCCIS RESTAURANT | 11 | 2007 | 9079245767 | 11/1/07 | 12/1/07 | none | 5 | 3.1% | 5.0 | $ 8.56 | $ 4 | $0.74 | $5.02 | | 4.28 |
| oper actuals | CHILDRENS MUSEUM OF STC | 1 | 2006 | 4742505005 | 1/4/06 | 2/3/06 | none | 612 | 2.1% | 625.0 | $ 12.63 | $ 789 | $282.12 | $1,071.26 | | 789.14 |
| oper actuals | CHILDRENS MUSEUM OF STC | 2 | 2006 | 4742505005 | 2/3/06 | 3/7/06 | none | 563 | 2.1% | 575.0 | $ 8.85 | $ 509 | $177.34 | $686.18 | | 508.84 |
| oper actuals | CHILDRENS MUSEUM OF STC | 3 | 2006 | 4742505005 | 3/7/06 | 4/5/06 | none | 497 | 2.9% | 511.0 | $ 8.09 | $ 413 | $140.38 | $553.75 | | 413.37 |
| oper actuals | CHILDRENS MUSEUM OF STC | 4 | 2006 | 4742505005 | 4/5/06 | 5/5/06 | none | 178 | 2.9% | 183.0 | $ 8.35 | $ 153 | $50.51 | $203.24 | | 152.73 |
| oper actuals | CHILDRENS MUSEUM OF STC | 11 | 2005 | 4742505005 | 11/3/05 | 12/6/05 | none | 276 | 2.1% | 282.0 | $ 12.89 | $ 363 | $136.52 | $499.94 | | 363.42 |
| oper actuals | CHILDRENS MUSEUM OF STC | 12 | 2005 | 4742505005 | 12/6/05 | 1/4/06 | none | 578 | 2.1% | 590.0 | $ 10.18 | $ 601 | $220.24 | $821.07 | | 600.83 |
| City of Stockton | CITY OF STOCKTON | 5 | 2007 | 3824565186 | 5/2/07 | 6/1/07 | none | 25 | 3.1% | 26.0 | $ 8.26 | $ 21 | $4.74 | $26.21 | | 21.48 |
| City of Stockton | CITY OF STOCKTON | 5 | 2007 | 8542904807 | 5/31/07 | 7/2/07 | none | 1,955 | 3.1% | 2,016.0 | $ 8.26 | $ 1,665 | $353.86 | $2,019.04 | | 1,665.18 |
| City of Stockton | CITY OF STOCKTON | 6 | 2007 | 3824565186 | 6/1/07 | 7/3/07 | none | 26 | 3.1% | 27.0 | $ 9.64 | $ 26 | $5.53 | $31.57 | | 26.04 |
| City of Stockton | CITY OF STOCKTON | 6 | 2007 | 4776184169 | 6/12/07 | 7/13/07 | none | 11 | 3.1% | 11.0 | $ 9.64 | $ 11 | $2.17 | $12.78 | | 10.61 |
| City of Stockton | CITY OF STOCKTON | 7 | 2007 | 3824565186 | 7/3/07 | 8/1/07 | none | 22 | 3.1% | 23.0 | $ 9.34 | $ 21 | $4.39 | $25.86 | | 21.47 |
| City of Stockton | CITY OF STOCKTON | 7 | 2007 | 4776184169 | 7/13/07 | 8/13/07 | none | 11 | 3.1% | 11.0 | $ 9.34 | $ 10 | $2.02 | $12.29 | | 10.27 |
| City of Stockton | CITY OF STOCKTON | 7 | 2007 | 8542904807 | 7/2/07 | 8/1/07 | none | 1,002 | 3.1% | 1,033.0 | $ 9.34 | $ 964 | $197.18 | $1,161.49 | | 964.31 |
| City of Stockton | CITY OF STOCKTON | 8 | 2007 | 3824565186 | 8/1/07 | 8/29/07 | none | 18 | 3.1% | 19.0 | $ 7.76 | $ 15 | $2.90 | $17.63 | | 14.74 |
| City of Stockton | CITY OF STOCKTON | 8 | 2007 | 3824565186 | 8/29/07 | 10/1/07 | none | 24 | 3.1% | 25.0 | $ 7.76 | $ 19 | $3.66 | $23.05 | | 19.39 |
| City of Stockton | CITY OF STOCKTON | 8 | 2007 | 4776184169 | 8/13/07 | 8/27/07 | none | 5 | 3.1% | 5.0 | $ 7.76 | $ 4 | $0.73 | $4.61 | | 3.88 |
| City of Stockton | CITY OF STOCKTON | 8 | 2007 | 8542904807 | 8/1/07 | 8/24/07 | none | 807 | 3.1% | 832.0 | $ 7.76 | $ 645 | $126.82 | $772.21 | | 645.39 |
| City of Stockton | CITY OF STOCKTON | 1 | 2006 | 1004586005 | 1/31/06 | 3/2/06 | none | 268 | 2.1% | 274.0 | $ 12.63 | $ 346 | $120.57 | $466.53 | | 345.96 |
| City of Stockton | CITY OF STOCKTON | 1 | 2006 | 3617517005 | 1/4/06 | 2/3/06 | none | 3,814 | 2.1% | 3,894.0 | $ 12.63 | $ 4,917 | $1,757.73 | $6,674.37 | | 4,916.64 |
| City of Stockton | CITY OF STOCKTON | 2 | 2006 | 3617517005 | 2/3/06 | 3/7/06 | none | 4,052 | 2.1% | 4,137.0 | $ 8.85 | $ 3,661 | $1,275.91 | $4,936.91 | | 3,661.00 |
| City of Stockton | CITY OF STOCKTON | 3 | 2006 | 1004586005 | 3/2/06 | 3/31/06 | none | 252 | 2.9% | 259.0 | $ 8.09 | $ 210 | $71.15 | $280.67 | | 209.52 |
| City of Stockton | CITY OF STOCKTON | 3 | 2006 | 1004586005 | 3/31/06 | 5/2/06 | none | 113 | 2.9% | 116.0 | $ 8.09 | $ 94 | $31.03 | $124.87 | | 93.84 |
| City of Stockton | CITY OF STOCKTON | 3 | 2006 | 3617517005 | 3/7/06 | 4/5/06 | none | 4,775 | 2.9% | 4,913.0 | $ 8.09 | $ 3,974 | $1,349.64 | $5,324.01 | | 3,974.37 |
| City of Stockton | CITY OF STOCKTON | 4 | 2006 | 3617517005 | 4/5/06 | 5/5/06 | none | 2,483 | 2.9% | 2,555.0 | $ 8.35 | $ 2,132 | $705.22 | $2,837.65 | | 2,132.43 |
| City of Stockton | CITY OF STOCKTON | 5 | 2006 | 1004586005 | 5/2/06 | 6/1/06 | none | 69 | 2.9% | 71.0 | $ 7.52 | $ 53 | $17.19 | $70.58 | | 53.39 |
| City of Stockton | CITY OF STOCKTON | 10 | 2005 | 1004586005 | 10/31/05 | 12/1/05 | none | 122 | 2.1% | 125.0 | $ 12.26 | $ 153 | $57.56 | $210.77 | | 153.22 |
| City of Stockton | CITY OF STOCKTON | 11 | 2005 | 3617517005 | 11/3/05 | 12/6/05 | none | 2,535 | 2.1% | 2,588.0 | $ 12.89 | $ 3,335 | $1,252.91 | $4,588.10 | | 3,335.18 |
| City of Stockton | CITY OF STOCKTON | 12 | 2005 | 1004586005 | 12/1/05 | 12/31/05 | none | 317 | 2.1% | 324.0 | $ 10.18 | $ 330 | $120.94 | $450.89 | | 329.95 |
| City of Stockton | CITY OF STOCKTON | 12 | 2005 | 1004586005 | 12/31/05 | 1/31/06 | none | 328 | 2.1% | 335.0 | $ 10.18 | $ 341 | $121.96 | $463.11 | | 341.15 |
| City of Stockton | CITY OF STOCKTON | 12 | 2005 | 3617517005 | 12/6/05 | 1/4/06 | none | 3,693 | 2.1% | 3,771.0 | $ 10.18 | $ 3,840 | $1,407.66 | $5,247.90 | | 3,840.24 |
| City of Stockton | CITY OF STOCKTON 10 2620 2 | 1 | 2006 | 8661329005 | 1/10/06 | 2/10/06 | none | 337 | 2.1% | 344.0 | $ 12.63 | $ 434 | $155.28 | $589.62 | | 434.34 |
| City of Stockton | CITY OF STOCKTON 10 2620 2 | 2 | 2006 | 8661329005 | 2/10/06 | 3/13/06 | none | 313 | 2.1% | 320.0 | $ 8.85 | $ 283 | $98.69 | $381.87 | | 283.18 |
| City of Stockton | CITY OF STOCKTON 10 2620 2 | 3 | 2006 | 8661329005 | 3/13/06 | 4/11/06 | none | 234 | 2.9% | 241.0 | $ 8.09 | $ 195 | $66.20 | $261.16 | | 194.96 |
| City of Stockton | CITY OF STOCKTON 10 2620 2 | 4 | 2006 | 8661329005 | 4/11/06 | 5/11/06 | none | 112 | 2.9% | 115.0 | $ 8.35 | $ 96 | $31.74 | $127.72 | | 95.98 |
| City of Stockton | CITY OF STOCKTON 10 2620 2 | 5 | 2006 | 8661329005 | 5/11/06 | 6/12/06 | none | 109 | 2.9% | 112.0 | $ 7.52 | $ 84 | $27.11 | $111.33 | | 84.22 |
| City of Stockton | CITY OF STOCKTON 10 2620 2 | 11 | 2005 | 8661329005 | 11/9/05 | 12/12/05 | none | 302 | 2.1% | 308.0 | $ 12.89 | $ 397 | $149.11 | $546.03 | | 396.92 |
| City of Stockton | CITY OF STOCKTON 10 2620 2 | 12 | 2005 | 8661329005 | 12/12/05 | 1/10/06 | none | 258 | 2.1% | 263.0 | $ 10.18 | $ 268 | $98.17 | $366.00 | | 267.83 |
| City of Stockton | CITY OF STOCKTON 10 2620 2 | 1 | 2006 | 628339005 | 1/6/06 | 2/6/06 | none | 247 | 2.1% | 252.0 | $ 12.63 | $ 318 | $113.75 | $431.93 | | 318.18 |
| City of Stockton | CITY OF STOCKTON 10 2620 2 | 1 | 2006 | 5420867005 | 1/9/06 | 2/7/06 | none | 355 | 2.1% | 362.0 | $ 12.63 | $ 457 | $163.40 | $620.47 | | 457.07 |
| City of Stockton | CITY OF STOCKTON 10 2620 2 | 1 | 2006 | 6143702005 | 1/3/06 | 2/1/06 | none | 236 | 2.1% | 241.0 | $ 12.63 | $ 304 | $108.79 | $413.08 | | 304.29 |

# MONIES PAID FOR GAS USAGE THAT WERE FOR PGE CUSTOMERS, NOT REDWOOD CUSTOMERS.

attached

[2] Henry Hub Rate

| schedule ref | Customer Name | Month | Year | DAXREF | Beg Meter Date | End Meter Date | Redwood Turn-on Service Date | (a) Therms Charged by PGE | Shrink-age (from PGE Table) | Therms charged + Shrinkage | (b) PGE Published GCP Gas Rates per Dth | a * b Economic losses for Redwood | 10/10/09 Interest on Lost Capital @8.0% as of 10/10/09 | Total Refund Due | Notes | PGE Price per Therm (includes shrinkage) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| City of Stockton | CITY OF STOCKTON 10 2620 2 | 2 | 2006 | 628339005 | 2/6/06 | 3/8/06 | none | 135 | 2.1% | 138.0 | $ 8.85 | $ 122 | $42.56 | $164.68 | | 122.12 |
| City of Stockton | CITY OF STOCKTON 10 2620 2 | 2 | 2006 | 5420867005 | 2/7/06 | 3/9/06 | none | 278 | 2.1% | 284.0 | $ 8.85 | $ 251 | $87.59 | $338.91 | | 251.32 |
| City of Stockton | CITY OF STOCKTON 10 2620 2 | 2 | 2006 | 6143702005 | 2/1/06 | 3/3/06 | none | 251 | 2.1% | 256.0 | $ 8.85 | $ 227 | $78.95 | $305.50 | | 226.54 |
| City of Stockton | CITY OF STOCKTON 10 2620 2 | 3 | 2006 | 628339005 | 3/8/06 | 4/6/06 | none | 203 | 2.9% | 209.0 | $ 8.09 | $ 169 | $57.41 | $226.48 | | 169.07 |
| City of Stockton | CITY OF STOCKTON 10 2620 2 | 3 | 2006 | 5420867005 | 3/9/06 | 4/7/06 | none | 277 | 2.9% | 285.0 | $ 8.09 | $ 231 | $78.29 | $308.84 | | 230.55 |
| City of Stockton | CITY OF STOCKTON 10 2620 2 | 3 | 2006 | 6143702005 | 3/3/06 | 4/3/06 | none | 183 | 2.9% | 188.0 | $ 8.09 | $ 152 | $51.64 | $203.73 | | 152.08 |
| City of Stockton | CITY OF STOCKTON 10 2620 2 | 4 | 2006 | 628339005 | 4/6/06 | 5/8/06 | none | 92 | 2.9% | 95.0 | $ 8.35 | $ 79 | $26.22 | $105.51 | | 79.29 |
| City of Stockton | CITY OF STOCKTON 10 2620 2 | 4 | 2006 | 5420867005 | 4/7/06 | 5/9/06 | none | 76 | 2.9% | 78.0 | $ 8.35 | $ 65 | $21.53 | $86.63 | | 65.10 |
| City of Stockton | CITY OF STOCKTON 10 2620 2 | 4 | 2006 | 6143702005 | 4/3/06 | 5/4/06 | none | 97 | 2.9% | 100.0 | $ 8.35 | $ 83 | $27.60 | $111.06 | | 83.46 |
| City of Stockton | CITY OF STOCKTON 10 2620 2 | 5 | 2006 | 628339005 | 5/8/06 | 6/7/06 | none | 75 | 2.9% | 77.0 | $ 7.52 | $ 58 | $18.64 | $76.54 | | 57.90 |
| City of Stockton | CITY OF STOCKTON 10 2620 2 | 5 | 2006 | 5420867005 | 5/9/06 | 6/8/06 | none | 43 | 2.9% | 44.0 | $ 7.52 | $ 33 | $10.65 | $43.74 | | 33.09 |
| City of Stockton | CITY OF STOCKTON 10 2620 2 | 5 | 2006 | 6143702005 | 5/4/06 | 6/2/06 | none | 66 | 2.9% | 68.0 | $ 7.52 | $ 51 | $16.46 | $67.60 | | 51.14 |
| City of Stockton | CITY OF STOCKTON 10 2620 2 | 10 | 2005 | 6143702005 | 10/4/05 | 11/1/05 | none | 84 | 2.1% | 86.0 | $ 12.26 | $ 105 | $40.57 | $145.98 | | 105.41 |
| City of Stockton | CITY OF STOCKTON 10 2620 2 | 11 | 2005 | 628339005 | 11/4/05 | 12/7/05 | none | 194 | 2.1% | 198.0 | $ 12.89 | $ 255 | $95.86 | $351.02 | | 255.16 |
| City of Stockton | CITY OF STOCKTON 10 2620 2 | 11 | 2005 | 5420867005 | 11/7/05 | 12/9/05 | none | 188 | 2.1% | 192.0 | $ 12.89 | $ 247 | $92.95 | $340.38 | | 247.43 |
| City of Stockton | CITY OF STOCKTON 10 2620 2 | 11 | 2005 | 6143702005 | 11/1/05 | 12/3/05 | none | 114 | 2.1% | 116.0 | $ 12.89 | $ 149 | $56.16 | $205.65 | | 149.49 |
| City of Stockton | CITY OF STOCKTON 10 2620 2 | 12 | 2005 | 628339005 | 12/7/05 | 1/6/06 | none | 192 | 2.1% | 196.0 | $ 10.18 | $ 200 | $73.16 | $272.76 | | 199.60 |
| City of Stockton | CITY OF STOCKTON 10 2620 2 | 12 | 2005 | 5420867005 | 12/9/05 | 1/9/06 | none | 461 | 2.1% | 471.0 | $ 10.18 | $ 480 | $175.82 | $655.47 | | 479.65 |
| City of Stockton | CITY OF STOCKTON 10 2620 2 | 12 | 2005 | 6143702005 | 12/3/05 | 1/3/06 | none | 253 | 2.1% | 258.0 | $ 10.18 | $ 263 | $96.31 | $359.04 | | 262.74 |
| City of Stockton | CITY OF STOCKTON 10 2620 2 | 1 | 2006 | 119650005 | 1/10/06 | 2/10/06 | none | 461 | 2.1% | 471.0 | $ 12.63 | $ 595 | $212.61 | $807.30 | | 594.69 |
| City of Stockton | CITY OF STOCKTON 10 2620 2 | 2 | 2006 | 119650005 | 2/10/06 | 3/13/06 | none | 396 | 2.1% | 404.0 | $ 8.85 | $ 358 | $124.60 | $482.12 | | 357.52 |
| City of Stockton | CITY OF STOCKTON 10 2620 2 | 3 | 2006 | 119650005 | 3/13/06 | 4/10/06 | none | 309 | 2.9% | 318.0 | $ 8.09 | $ 257 | $87.36 | $344.60 | | 257.25 |
| City of Stockton | CITY OF STOCKTON 10 2620 2 | 4 | 2006 | 119650005 | 4/10/06 | 5/11/06 | none | 106 | 2.9% | 109.0 | $ 8.35 | $ 91 | $30.09 | $121.06 | | 90.97 |
| City of Stockton | CITY OF STOCKTON 10 2620 2 | 5 | 2006 | 119650005 | 5/11/06 | 6/12/06 | none | 33 | 2.9% | 34.0 | $ 7.52 | $ 26 | $8.23 | $33.80 | | 25.57 |
| City of Stockton | CITY OF STOCKTON 10 2620 2 | 11 | 2005 | 119650005 | 11/9/05 | 12/13/05 | none | 69 | 2.1% | 70.0 | $ 12.89 | $ 90 | $33.89 | $124.10 | | 90.21 |
| City of Stockton | CITY OF STOCKTON 10 2620 2 | 12 | 2005 | 119650005 | 12/13/05 | 1/10/06 | none | 636 | 2.1% | 649.0 | $ 10.18 | $ 661 | $242.26 | $903.18 | | 660.92 |
| City of Stockton | CITY OF STOCKTON 10 3920 2 | 1 | 2006 | 1522219005 | 1/3/06 | 2/2/06 | none | 2,410 | 2.1% | 2,461.0 | $ 12.63 | $ 3,107 | $1,110.88 | $4,218.19 | | 3,107.31 |
| City of Stockton | CITY OF STOCKTON 10 3920 2 | 2 | 2006 | 1522219005 | 2/2/06 | 3/3/06 | none | 1,623 | 2.1% | 1,657.0 | $ 8.85 | $ 1,466 | $511.04 | $1,977.39 | | 1,466.35 |
| City of Stockton | CITY OF STOCKTON 10 3920 2 | 3 | 2006 | 1522219005 | 3/3/06 | 4/3/06 | none | 1,003 | 2.9% | 1,032.0 | $ 8.09 | $ 835 | $283.50 | $1,118.33 | | 834.84 |
| City of Stockton | CITY OF STOCKTON 10 3920 2 | 4 | 2006 | 1522219005 | 4/3/06 | 5/4/06 | none | 465 | 2.9% | 478.0 | $ 8.35 | $ 399 | $131.94 | $530.88 | | 398.94 |
| City of Stockton | CITY OF STOCKTON 10 3920 2 | 5 | 2006 | 1522219005 | 5/4/06 | 6/2/06 | none | 2 | 2.9% | 2.0 | $ 7.52 | $ 2 | $0.48 | $1.99 | | 1.50 |
| City of Stockton | CITY OF STOCKTON 10 3920 2 | 10 | 2005 | 1522219005 | 10/4/05 | 11/1/05 | none | 60 | 2.1% | 61.0 | $ 12.26 | $ 75 | $28.77 | $103.54 | | 74.77 |
| City of Stockton | CITY OF STOCKTON 10 3920 2 | 11 | 2005 | 1522219005 | 11/1/05 | 12/5/05 | none | 1,314 | 2.1% | 1,342.0 | $ 12.89 | $ 1,729 | $649.70 | $2,379.14 | | 1,729.45 |
| City of Stockton | CITY OF STOCKTON 10 3920 2 | 12 | 2005 | 1522219005 | 12/5/05 | 1/3/06 | none | 1,745 | 2.1% | 1,782.0 | $ 10.18 | $ 1,815 | $665.20 | $2,479.91 | | 1,814.72 |
| City of Stockton | CITY OF STOCKTON 10 5101 2 | 1 | 2006 | 6616235005 | 1/3/06 | 2/2/06 | none | 3,254 | 2.1% | 3,322.0 | $ 12.63 | $ 4,194 | $1,499.53 | $5,693.95 | | 4,194.42 |
| City of Stockton | CITY OF STOCKTON 10 5101 2 | 2 | 2006 | 6616235005 | 2/2/06 | 3/3/06 | none | 1,795 | 2.1% | 1,833.0 | $ 8.85 | $ 1,622 | $565.33 | $2,187.42 | | 1,622.10 |
| City of Stockton | CITY OF STOCKTON 10 5101 2 | 3 | 2006 | 6616235005 | 3/3/06 | 4/3/06 | none | 2,619 | 2.9% | 2,695.0 | $ 8.09 | $ 2,180 | $740.34 | $2,920.46 | | 2,180.12 |
| City of Stockton | CITY OF STOCKTON 10 5101 2 | 4 | 2006 | 6616235005 | 4/3/06 | 5/4/06 | none | 715 | 2.9% | 736.0 | $ 8.35 | $ 614 | $203.15 | $817.42 | | 614.27 |
| City of Stockton | CITY OF STOCKTON 10 5101 2 | 5 | 2006 | 6616235005 | 5/4/06 | 6/2/06 | none | 656 | 2.9% | 675.0 | $ 7.52 | $ 508 | $163.39 | $670.99 | | 507.59 |
| City of Stockton | CITY OF STOCKTON 10 5101 2 | 10 | 2005 | 6616235005 | 10/4/05 | 11/1/05 | none | 523 | 2.1% | 534.0 | $ 12.26 | $ 655 | $251.89 | $906.43 | | 654.54 |
| City of Stockton | CITY OF STOCKTON 10 5101 2 | 11 | 2005 | 6616235005 | 11/1/05 | 12/5/05 | none | 1,773 | 2.1% | 1,810.0 | $ 12.89 | $ 2,333 | $876.27 | $3,208.83 | | 2,332.57 |
| City of Stockton | CITY OF STOCKTON 10 5101 2 | 12 | 2005 | 6616235005 | 12/5/05 | 1/3/06 | none | 2,617 | 2.1% | 2,672.0 | $ 10.18 | $ 2,721 | $997.42 | $3,718.48 | | 2,721.06 |
| City of Stockton | CITY OF STOCKTON 7 0024 21 | 1 | 2006 | 8411327005 | 1/10/06 | 2/10/06 | none | - | 2.1% | - | $ 12.63 | $ - | $0.00 | $0.00 | | - |
| City of Stockton | CITY OF STOCKTON 7 0024 21 | 1 | 2006 | 8411327005 | 1/10/06 | 3/13/06 | none | 99 | 2.1% | 101.0 | $ 12.63 | $ 128 | $45.59 | $173.12 | | 127.52 |
| City of Stockton | CITY OF STOCKTON 7 0024 21 | 3 | 2006 | 8411327005 | 3/13/06 | 4/10/06 | none | 38 | 2.9% | 39.0 | $ 8.09 | $ 32 | $10.71 | $42.26 | | 31.55 |
| City of Stockton | CITY OF STOCKTON 7 0024 21 | 4 | 2006 | 8411327005 | 4/10/06 | 5/11/06 | none | 16 | 2.9% | 16.0 | $ 8.35 | $ 13 | $4.42 | $17.77 | | 13.35 |
| City of Stockton | CITY OF STOCKTON 7 0024 21 | 5 | 2006 | 8411327005 | 5/11/06 | 6/12/06 | none | 8 | 2.9% | 8.0 | $ 7.52 | $ 6 | $1.94 | $7.95 | | 6.02 |
| City of Stockton | CITY OF STOCKTON 7 0024 21 | 11 | 2005 | 8411327005 | 11/9/05 | 12/13/05 | none | 89 | 2.1% | 91.0 | $ 12.89 | $ 117 | $44.06 | $161.33 | | 117.27 |
| City of Stockton | CITY OF STOCKTON 7 0024 21 | 12 | 2005 | 8411327005 | 12/13/05 | 1/10/06 | none | 47 | 2.1% | 48.0 | $ 10.18 | $ 49 | $17.92 | $66.80 | | 48.88 |
| City of Stockton | CITY OF STOCKTON 7 0026 21 | 1 | 2006 | 1559005 | 1/3/06 | 2/1/06 | none | 167 | 2.1% | 171.0 | $ 12.63 | $ 216 | $77.19 | $293.10 | | 215.91 |
| City of Stockton | CITY OF STOCKTON 7 0026 21 | 2 | 2006 | 1559005 | 2/1/06 | 3/3/06 | none | 190 | 2.1% | 194.0 | $ 8.85 | $ 172 | $59.83 | $231.51 | | 171.68 |
| City of Stockton | CITY OF STOCKTON 7 0026 21 | 3 | 2006 | 1559005 | 3/3/06 | 4/3/06 | none | 218 | 2.9% | 224.0 | $ 8.09 | $ 181 | $61.53 | $242.74 | | 181.20 |
| City of Stockton | CITY OF STOCKTON 7 0026 21 | 4 | 2006 | 1559005 | 4/3/06 | 5/3/06 | none | 116 | 2.9% | 119.0 | $ 8.35 | $ 99 | $32.85 | $132.16 | | 99.32 |
| City of Stockton | CITY OF STOCKTON 7 0026 21 | 5 | 2006 | 1559005 | 5/3/06 | 6/2/06 | none | 106 | 2.9% | 109.0 | $ 7.52 | $ 82 | $26.39 | $108.35 | | 81.97 |

# MONIES PAID FOR GAS USAGE THAT WERE FOR PGE CUSTOMERS, NOT REDWOOD CUSTOMERS.

attached

[2] Henry Hub Rate

| schedule ref | Customer Name | Month | Year | DAXREF | Beg Meter Date | End Meter Date | Redwood Turn-on Service Date | (a) Therms Charged by PGE | Shrink-age (from PGE Table) | Therms charged + Shrinkage | (b) PGE Published GCP Gas Rates per Dth | a * b Economic losses for Redwood | 10/10/09 Interest on Lost Capital @8.0% as of 10/10/09 | Total Refund Due | Notes | PGE Price per Therm (includes shrinkage) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| City of Stockton | CITY OF STOCKTON 7 0026 21 | 10 | 2005 | 1559005 | 10/4/05 | 11/1/05 | none | 176 | 2.1% | 180.0 | $ 12.26 | $ 221 | $84.91 | $305.54 | | 220.63 |
| City of Stockton | CITY OF STOCKTON 7 0026 21 | 11 | 2005 | 1559005 | 11/1/05 | 12/2/05 | none | 164 | 2.1% | 167.0 | $ 12.89 | $ 215 | $80.85 | $296.06 | | 215.21 |
| City of Stockton | CITY OF STOCKTON 7 0026 21 | 12 | 2005 | 1559005 | 12/2/05 | 1/3/06 | none | 241 | 2.1% | 246.0 | $ 10.18 | $ 251 | $91.83 | $342.34 | | 250.52 |
| City of Stockton | CITY OF STOCKTON 7 0058 21 | 1 | 2006 | 7993791005 | 1/6/06 | 2/7/06 | none | 29 | 2.1% | 30.0 | $ 12.63 | $ 38 | $13.54 | $51.42 | | 37.88 |
| City of Stockton | CITY OF STOCKTON 7 0058 21 | 2 | 2006 | 7993791005 | 2/7/06 | 3/9/06 | none | 28 | 2.1% | 29.0 | $ 8.85 | $ 26 | $8.94 | $34.61 | | 25.66 |
| City of Stockton | CITY OF STOCKTON 7 0058 21 | 3 | 2006 | 7993791005 | 3/9/06 | 4/7/06 | none | 43 | 2.9% | 44.0 | $ 8.09 | $ 36 | $12.09 | $47.68 | | 35.59 |
| City of Stockton | CITY OF STOCKTON 7 0058 21 | 4 | 2006 | 7993791005 | 4/7/06 | 5/9/06 | none | 21 | 2.9% | 22.0 | $ 8.35 | $ 18 | $6.07 | $24.43 | | 18.36 |
| City of Stockton | CITY OF STOCKTON 7 0058 21 | 5 | 2006 | 7993791005 | 5/9/06 | 6/8/06 | none | 12 | 2.9% | 12.0 | $ 7.52 | $ 9 | $2.90 | $11.93 | | 9.02 |
| City of Stockton | CITY OF STOCKTON 7 0058 21 | 11 | 2005 | 7993791005 | 11/7/05 | 12/8/05 | none | 40 | 2.1% | 41.0 | $ 12.89 | $ 53 | $19.85 | $72.69 | | 52.84 |
| City of Stockton | CITY OF STOCKTON 7 0058 21 | 12 | 2005 | 7993791005 | 12/8/05 | 1/6/06 | none | 4 | 2.1% | 4.0 | $ 10.18 | $ 4 | $1.49 | $5.57 | | 4.07 |
| City of Stockton | CITY OF STOCKTON 7 2053 21 | 1 | 2006 | 8686778005 | 1/4/06 | 2/4/06 | none | 98 | 2.1% | 100.0 | $ 12.63 | $ 126 | $45.14 | $171.40 | | 126.26 |
| City of Stockton | CITY OF STOCKTON 7 2053 21 | 2 | 2006 | 8686778005 | 2/4/06 | 3/7/06 | none | 93 | 2.1% | 95.0 | $ 8.85 | $ 84 | $29.30 | $113.37 | | 84.07 |
| City of Stockton | CITY OF STOCKTON 7 2053 21 | 3 | 2006 | 8686778005 | 3/7/06 | 3/29/06 | none | 66 | 2.9% | 68.0 | $ 8.09 | $ 55 | $18.68 | $73.69 | | 55.01 |
| City of Stockton | CITY OF STOCKTON 7 2053 21 | 3 | 2006 | 8686778005 | 3/29/06 | 4/28/06 | none | 74 | 2.9% | 76.0 | $ 8.09 | $ 61 | $20.33 | $81.81 | | 61.48 |
| City of Stockton | CITY OF STOCKTON 7 2053 21 | 4 | 2006 | 8686778005 | 4/28/06 | 5/30/06 | none | 68 | 2.9% | 70.0 | $ 8.35 | $ 58 | $18.81 | $77.23 | | 58.42 |
| City of Stockton | CITY OF STOCKTON 7 2053 21 | 11 | 2005 | 8686778005 | 11/3/05 | 12/6/05 | none | 91 | 2.1% | 93.0 | $ 12.89 | $ 120 | $45.02 | $164.87 | | 119.85 |
| City of Stockton | CITY OF STOCKTON 7 2053 21 | 12 | 2005 | 8686778005 | 12/6/05 | 1/4/06 | none | 90 | 2.1% | 92.0 | $ 10.18 | $ 94 | $34.34 | $128.03 | | 93.69 |
| City of Stockton | CITY OF STOCKTON ATTN: MI | 1 | 2006 | 74458005 | 1/3/06 | 2/2/06 | none | 423 | 2.1% | 432.0 | $ 12.63 | $ 545 | $195.00 | $740.45 | | 545.45 |
| City of Stockton | CITY OF STOCKTON ATTN: MI | 2 | 2006 | 74458005 | 2/2/06 | 3/4/06 | none | 393 | 2.1% | 401.0 | $ 8.85 | $ 355 | $123.67 | $478.54 | | 354.86 |
| City of Stockton | CITY OF STOCKTON ATTN: MI | 3 | 2006 | 74458005 | 3/4/06 | 4/3/06 | none | 336 | 2.9% | 346.0 | $ 8.09 | $ 280 | $95.05 | $374.95 | | 279.90 |
| City of Stockton | CITY OF STOCKTON ATTN: MI | 4 | 2006 | 74458005 | 4/3/06 | 5/3/06 | none | 147 | 2.9% | 151.0 | $ 8.35 | $ 126 | $41.68 | $167.70 | | 126.03 |
| City of Stockton | CITY OF STOCKTON ATTN: MI | 5 | 2006 | 74458005 | 5/3/06 | 6/2/06 | none | 29 | 2.9% | 30.0 | $ 7.52 | $ 23 | $7.26 | $29.82 | | 22.56 |
| City of Stockton | CITY OF STOCKTON ATTN: MI | 10 | 2005 | 74458005 | 10/3/05 | 11/1/05 | none | 65 | 2.1% | 66.0 | $ 12.26 | $ 81 | $31.13 | $112.03 | | 80.90 |
| City of Stockton | CITY OF STOCKTON ATTN: MI | 11 | 2005 | 74458005 | 11/1/05 | 12/3/05 | none | 305 | 2.1% | 311.0 | $ 12.89 | $ 401 | $150.56 | $551.35 | | 400.79 |
| City of Stockton | CITY OF STOCKTON ATTN: MI | 12 | 2005 | 74458005 | 12/3/05 | 1/3/06 | none | 419 | 2.1% | 428.0 | $ 10.18 | $ 436 | $159.77 | $595.62 | | 435.86 |
| City of Stockton | CITY OF STOCKTON DEPT OF | 1 | 2006 | 6574568005 | 1/3/06 | 2/2/06 | none | 695 | 2.1% | 710.0 | $ 12.63 | $ 896 | $320.49 | $1,216.95 | | 896.46 |
| City of Stockton | CITY OF STOCKTON DEPT OF | 2 | 2006 | 6574568005 | 2/2/06 | 3/3/06 | none | 540 | 2.1% | 551.0 | $ 8.85 | $ 488 | $169.94 | $657.54 | | 487.60 |
| City of Stockton | CITY OF STOCKTON DEPT OF | 3 | 2006 | 6574568005 | 3/3/06 | 4/3/06 | none | 628 | 2.9% | 646.0 | $ 8.09 | $ 523 | $177.46 | $700.04 | | 522.58 |
| City of Stockton | CITY OF STOCKTON DEPT OF | 4 | 2006 | 6574568005 | 4/3/06 | 5/4/06 | none | 224 | 2.9% | 230.0 | $ 8.35 | $ 192 | $63.48 | $255.44 | | 191.96 |
| City of Stockton | CITY OF STOCKTON DEPT OF | 5 | 2006 | 6574568005 | 5/4/06 | 6/2/06 | none | 6 | 2.9% | 6.0 | $ 7.52 | $ 5 | $1.45 | $5.96 | | 4.51 |
| City of Stockton | CITY OF STOCKTON DEPT OF | 10 | 2005 | 6574568005 | 10/4/05 | 11/1/05 | none | 22 | 2.1% | 22.0 | $ 12.26 | $ 27 | $10.38 | $37.34 | | 26.97 |
| City of Stockton | CITY OF STOCKTON DEPT OF | 11 | 2005 | 6574568005 | 11/1/05 | 12/5/05 | none | 426 | 2.1% | 435.0 | $ 12.89 | $ 561 | $210.59 | $771.18 | | 560.59 |
| City of Stockton | CITY OF STOCKTON DEPT OF | 12 | 2005 | 6574568005 | 12/5/05 | 1/3/06 | none | 673 | 2.1% | 687.0 | $ 10.18 | $ 700 | $256.45 | $956.06 | | 699.61 |
| City of Stockton | CITY OF STOCKTON NO 1 280 | 1 | 2006 | 1169516005 | 1/5/06 | 2/6/06 | none | 1,026 | 2.1% | 1,048.0 | $ 12.63 | $ 1,323 | $473.06 | $1,796.29 | | 1,323.23 |
| City of Stockton | CITY OF STOCKTON NO 1 280 | 2 | 2006 | 1169516005 | 2/6/06 | 3/7/06 | none | 827 | 2.1% | 844.0 | $ 8.85 | $ 747 | $260.30 | $1,007.19 | | 746.89 |
| City of Stockton | CITY OF STOCKTON NO 1 280 | 3 | 2006 | 1169516005 | 3/7/06 | 4/6/06 | none | 847 | 2.9% | 872.0 | $ 8.09 | $ 705 | $239.54 | $944.95 | | 705.40 |
| City of Stockton | CITY OF STOCKTON NO 1 280 | 4 | 2006 | 1169516005 | 4/6/06 | 5/6/06 | none | 552 | 2.9% | 568.0 | $ 8.35 | $ 474 | $156.78 | $630.84 | | 474.06 |
| City of Stockton | CITY OF STOCKTON NO 1 280 | 5 | 2006 | 1169516005 | 5/6/06 | 6/6/06 | none | 533 | 2.9% | 548.0 | $ 7.52 | $ 412 | $132.65 | $544.74 | | 412.09 |
| City of Stockton | CITY OF STOCKTON NO 1 280 | 11 | 2005 | 1169516005 | 11/3/05 | 12/6/05 | none | 1,346 | 2.1% | 1,374.0 | $ 12.89 | $ 1,771 | $665.19 | $2,435.87 | | 1,770.69 |
| City of Stockton | CITY OF STOCKTON NO 1 280 | 12 | 2005 | 1169516005 | 12/6/05 | 1/5/06 | none | 1,095 | 2.1% | 1,118.0 | $ 10.18 | $ 1,139 | $417.33 | $1,555.86 | | 1,138.53 |
| City of Stockton | CITY/STKN 7-2306-211 | 1 | 2006 | 6816892005 | 1/10/06 | 2/8/06 | none | 385 | 2.1% | 393.0 | $ 12.63 | $ 496 | $177.40 | $673.61 | | 496.21 |
| City of Stockton | CITY/STKN 7-2306-211 | 2 | 2006 | 6816892005 | 2/8/06 | 3/10/06 | none | 403 | 2.1% | 411.0 | $ 8.85 | $ 364 | $126.76 | $490.47 | | 363.71 |
| City of Stockton | CITY/STKN 7-2306-211 | 3 | 2006 | 6816892005 | 3/10/06 | 4/11/06 | none | 364 | 2.9% | 375.0 | $ 8.09 | $ 303 | $103.02 | $406.37 | | 303.36 |
| City of Stockton | CITY/STKN 7-2306-211 | 4 | 2006 | 6816892005 | 4/11/06 | 5/10/06 | none | 28 | 2.9% | 29.0 | $ 8.35 | $ 24 | $8.00 | $32.21 | | 24.20 |
| City of Stockton | CITY/STKN 7-2306-211 | 5 | 2006 | 6816892005 | 5/10/06 | 6/9/06 | none | 31 | 2.9% | 32.0 | $ 7.52 | $ 24 | $7.75 | $31.81 | | 24.06 |
| City of Stockton | CITY/STKN 7-2306-211 | 11 | 2005 | 6816892005 | 11/8/05 | 12/9/05 | none | 252 | 2.1% | 257.0 | $ 12.89 | $ 331 | $124.42 | $455.62 | | 331.20 |
| City of Stockton | CITY/STKN 7-2306-211 | 12 | 2005 | 6816892005 | 12/9/05 | 1/10/06 | none | 361 | 2.1% | 369.0 | $ 10.18 | $ 376 | $137.74 | $513.52 | | 375.77 |
| City of Stockton | CITY/STOCKTON 10 2420 211 | 1 | 2006 | 7505004005 | 1/10/06 | 2/10/06 | none | 94 | 2.1% | 96.0 | $ 12.63 | $ 121 | $43.33 | $164.55 | | 121.21 |
| City of Stockton | CITY/STOCKTON 10 2420 211 | 2 | 2006 | 7505004005 | 2/10/06 | 3/13/06 | none | 81 | 2.1% | 83.0 | $ 8.85 | $ 73 | $25.60 | $99.05 | | 73.45 |
| City of Stockton | CITY/STOCKTON 10 2420 211 | 3 | 2006 | 7505004005 | 3/13/06 | 4/11/06 | none | 77 | 2.9% | 79.0 | $ 8.09 | $ 64 | $21.70 | $85.61 | | 63.91 |
| City of Stockton | CITY/STOCKTON 10 2420 211 | 4 | 2006 | 7505004005 | 4/11/06 | 5/11/06 | none | 32 | 2.9% | 33.0 | $ 8.35 | $ 28 | $9.11 | $36.65 | | 27.54 |
| City of Stockton | CITY/STOCKTON 10 2420 211 | 5 | 2006 | 7505004005 | 5/11/06 | 6/12/06 | none | 18 | 2.9% | 19.0 | $ 7.52 | $ 14 | $4.60 | $18.89 | | 14.29 |
| City of Stockton | CITY/STOCKTON 10 2420 211 | 11 | 2005 | 7505004005 | 11/9/05 | 12/12/05 | none | 80 | 2.1% | 82.0 | $ 12.89 | $ 106 | $39.70 | $145.37 | | 105.67 |
| City of Stockton | CITY/STOCKTON 10 2420 211 | 12 | 2005 | 7505004005 | 12/12/05 | 1/10/06 | none | 85 | 2.1% | 87.0 | $ 10.18 | $ 89 | $32.48 | $121.07 | | 88.60 |

# MONIES PAID FOR GAS USAGE THAT WERE FOR PGE CUSTOMERS, NOT REDWOOD CUSTOMERS.

attached

[2] Henry Hub Rate

| schedule ref | Customer Name | Month | Year | DAXREF | Beg Meter Date | End Meter Date | Redwood Turn-on Service Date | (a) Therms Charged by PGE | Shrink-age (from PGE Table) | Therms charged ÷ Shrinkage | (b) PGE Published GCP Gas Rates per Dth | a * b Economic losses for Redwood | 10/10/09 Interest on Lost Capital @8.0% as of 10/10/09 | Total Refund Due | Notes | PGE Price per Therm (includes shrinkage) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| City of Stockton | CITY/STOCKTON 10 2510 211F | 1 | 2006 | 1911751005 | 1/12/06 | 2/13/06 | none | 2,325 | 2.1% | 2,374.0 | $ 12.63 | $ 2,997 | $1,071.61 | $4,069.07 | | 2,997.46 |
| City of Stockton | CITY/STOCKTON 10 2510 211F | 2 | 2006 | 1911751005 | 2/13/06 | 3/13/06 | none | 2,221 | 2.1% | 2,268.0 | $ 8.85 | $ 2,007 | $699.49 | $2,706.53 | | 2,007.04 |
| City of Stockton | CITY/STOCKTON 10 2510 211F | 3 | 2006 | 1911751005 | 3/13/06 | 4/12/06 | none | 2,105 | 2.9% | 2,166.0 | $ 8.09 | $ 1,752 | $595.02 | $2,347.20 | | 1,752.19 |
| City of Stockton | CITY/STOCKTON 10 2510 211F | 4 | 2006 | 1911751005 | 4/12/06 | 5/12/06 | none | 941 | 2.9% | 968.0 | $ 8.35 | $ 808 | $267.18 | $1,075.09 | | 807.90 |
| City of Stockton | CITY/STOCKTON 10 2510 211F | 5 | 2006 | 1911751005 | 5/12/06 | 6/13/06 | none | 516 | 2.9% | 531.0 | $ 7.52 | $ 399 | $128.54 | $527.84 | | 399.31 |
| City of Stockton | CITY/STOCKTON 10 2510 211F | 11 | 2005 | 1911751005 | 11/10/05 | 12/14/05 | none | 2,757 | 2.1% | 2,815.0 | $ 12.89 | $ 3,628 | $1,362.81 | $4,990.53 | | 3,627.72 |
| City of Stockton | CITY/STOCKTON 10 2510 211F | 12 | 2005 | 1911751005 | 12/14/05 | 1/12/06 | none | 2,925 | 2.1% | 2,986.0 | $ 10.18 | $ 3,041 | $1,114.63 | $4,155.45 | | 3,040.82 |
| Op Actuals | KATHIE GARNER | 1 | 2008 | 5169132742 | 1/2/08 | 2/1/08 | none | 1 | 3.1% | 1.0 | $ 7.99 | $ 1 | $0.13 | $0.92 | | 0.80 |
| Turlock | OSBORN SCHOOL TURLOCK | 1 | 2006 | 7013614005 | 1/9/06 | 2/6/06 | none | 2,437 | 2.1% | 2,488.0 | $ 12.63 | $ 3,141 | $1,123.07 | $4,264.47 | | 3,141.40 |
| Turlock | OSBORN SCHOOL TURLOCK | 1 | 2007 | 7013614005 | 1/5/07 | 2/5/07 | none | 3,197 | 3.1% | 3,296.0 | $ 7.88 | $ 2,596 | $657.99 | $3,253.92 | | 2,595.93 |
| Turlock | OSBORN SCHOOL TURLOCK | 1 | 2008 | 7013614005 | 1/4/08 | 2/1/08 | none | 2,248 | 3.1% | 2,318.0 | $ 7.99 | $ 1,852 | $291.52 | $2,143.58 | | 1,852.06 |
| Turlock | OSBORN SCHOOL TURLOCK | 2 | 2006 | 7013614005 | 2/6/06 | 3/9/06 | none | 2,284 | 2.1% | 2,332.0 | $ 8.85 | $ 2,064 | $719.22 | $2,782.90 | | 2,063.68 |
| Turlock | OSBORN SCHOOL TURLOCK | 2 | 2007 | 7013614005 | 2/5/07 | 3/8/07 | none | 1,895 | 3.1% | 1,954.0 | $ 7.74 | $ 1,513 | $371.00 | $1,884.26 | | 1,513.26 |
| Turlock | OSBORN SCHOOL TURLOCK | 2 | 2008 | 7013614005 | 2/1/08 | 3/4/08 | none | 1,829 | 3.1% | 1,886.0 | $ 8.65 | $ 1,632 | $244.37 | $1,876.35 | | 1,631.97 |
| Turlock | OSBORN SCHOOL TURLOCK | 3 | 2006 | 7013614005 | 3/9/06 | 4/7/06 | none | 1,907 | 2.9% | 1,962.0 | $ 8.09 | $ 1,587 | $538.98 | $2,126.14 | | 1,587.16 |
| Turlock | OSBORN SCHOOL TURLOCK | 3 | 2007 | 7013614005 | 3/8/07 | 4/6/07 | none | 714 | 3.1% | 736.0 | $ 8.18 | $ 602 | $142.62 | $744.57 | | 601.95 |
| Turlock | OSBORN SCHOOL TURLOCK | 3 | 2008 | 7013614005 | 3/4/08 | 4/2/08 | none | 795 | 3.1% | 820.0 | $ 8.95 | $ 734 | $104.28 | $837.98 | | 733.70 |
| Turlock | OSBORN SCHOOL TURLOCK | 4 | 2006 | 7013614005 | 4/7/06 | 5/9/06 | none | 768 | 2.9% | 790.0 | $ 8.35 | $ 659 | $218.05 | $877.40 | | 659.34 |
| Turlock | OSBORN SCHOOL TURLOCK | 4 | 2007 | 7013614005 | 4/6/07 | 5/7/07 | none | 619 | 3.1% | 638.0 | $ 7.37 | $ 470 | $107.49 | $577.45 | | 469.96 |
| Turlock | OSBORN SCHOOL TURLOCK | 4 | 2008 | 7013614005 | 4/2/08 | 5/2/08 | none | 504 | 3.1% | 520.0 | $ 9.92 | $ 516 | $69.41 | $585.25 | | 515.84 |
| Turlock | OSBORN SCHOOL TURLOCK | 5 | 2006 | 7013614005 | 5/9/06 | 6/7/06 | none | 134 | 2.9% | 138.0 | $ 7.52 | $ 104 | $33.41 | $137.18 | | 103.77 |
| Turlock | OSBORN SCHOOL TURLOCK | 5 | 2007 | 7013614005 | 5/7/07 | 6/7/07 | none | 305 | 3.1% | 314.0 | $ 8.26 | $ 259 | $57.21 | $316.57 | | 259.36 |
| Turlock | OSBORN SCHOOL TURLOCK | 5 | 2008 | 7013614005 | 5/2/08 | 6/3/08 | none | 213 | 3.1% | 220.0 | $ 10.39 | $ 229 | $29.03 | $257.56 | | 228.53 |
| Turlock | OSBORN SCHOOL TURLOCK | 6 | 2006 | 7013614005 | 6/7/06 | 7/8/06 | none | 84 | 2.9% | 86.0 | $ 5.58 | $ 48 | $15.03 | $63.04 | | 48.00 |
| Turlock | OSBORN SCHOOL TURLOCK | 6 | 2007 | 7013614005 | 6/7/07 | 7/9/07 | none | 23 | 3.1% | 24.0 | $ 9.64 | $ 23 | $4.92 | $28.07 | | 23.15 |
| Turlock | OSBORN SCHOOL TURLOCK | 6 | 2008 | 7013614005 | 6/3/08 | 7/2/08 | none | 28 | 3.1% | 29.0 | $ 11.95 | $ 35 | $3.89 | $38.55 | | 34.66 |
| Turlock | OSBORN SCHOOL TURLOCK | 7 | 2006 | 7013614005 | 7/8/06 | 8/7/06 | none | 53 | 2.9% | 55.0 | $ 5.99 | $ 33 | $10.03 | $42.97 | | 32.94 |
| Turlock | OSBORN SCHOOL TURLOCK | 7 | 2007 | 7013614005 | 7/9/07 | 8/6/07 | none | 12 | 3.1% | 12.0 | $ 9.34 | $ 11 | $2.20 | $13.40 | | 11.20 |
| Turlock | OSBORN SCHOOL TURLOCK | 7 | 2008 | 7013614005 | 7/2/08 | 8/1/08 | none | 23 | 3.1% | 24.0 | $ 14.80 | $ 36 | $3.98 | $39.51 | | 35.53 |
| Turlock | OSBORN SCHOOL TURLOCK | 8 | 2006 | 7013614005 | 8/7/06 | 9/6/06 | none | 58 | 2.9% | 60.0 | $ 7.04 | $ 42 | $12.50 | $54.76 | | 42.26 |
| Turlock | OSBORN SCHOOL TURLOCK | 8 | 2007 | 7013614005 | 8/6/07 | 9/5/07 | none | 17 | 3.1% | 18.0 | $ 7.76 | $ 14 | $2.74 | $16.71 | | 13.96 |
| Turlock | OSBORN SCHOOL TURLOCK | 8 | 2008 | 7013614005 | 8/1/08 | 9/2/08 | none | 11 | 3.1% | 11.0 | $ 12.45 | $ 14 | $1.44 | $15.13 | | 13.70 |
| Turlock | OSBORN SCHOOL TURLOCK | 9 | 2006 | 7013614005 | 9/6/06 | 10/5/06 | none | 90 | 2.9% | 93.0 | $ 7.56 | $ 70 | $20.20 | $90.54 | | 70.33 |
| Turlock | OSBORN SCHOOL TURLOCK | 9 | 2007 | 7013614005 | 9/5/07 | 10/4/07 | none | 84 | 3.1% | 87.0 | $ 7.53 | $ 66 | $12.36 | $77.91 | | 65.55 |
| Turlock | OSBORN SCHOOL TURLOCK | 9 | 2008 | 7013614005 | 9/1/08 | 9/2/08 | none | 17 | 3.1% | 18.0 | $ 9.05 | $ 16 | $1.47 | $17.77 | | 16.30 |
| Turlock | OSBORN SCHOOL TURLOCK | 10 | 2006 | 7013614005 | 10/5/06 | 11/6/06 | none | 393 | 2.9% | 404.0 | $ 5.73 | $ 232 | $64.57 | $296.23 | | 231.67 |
| Turlock | OSBORN SCHOOL TURLOCK | 10 | 2007 | 7013614005 | 10/4/07 | 11/2/07 | none | 308 | 3.1% | 318.0 | $ 8.06 | $ 256 | $46.31 | $302.55 | | 256.24 |
| Turlock | OSBORN SCHOOL TURLOCK | 10 | 2008 | 7013614005 | 10/1/08 | 10/2/08 | none | 102 | 3.1% | 105.0 | $ 7.79 | $ 82 | $6.79 | $88.53 | | 81.75 |
| Turlock | OSBORN SCHOOL TURLOCK | 10 | 2008 | 7013614005 | 10/1/08 | 10/30/08 | none | 358 | 3.1% | 369.0 | $ 7.79 | $ 287 | $23.84 | $311.13 | | 287.28 |
| Turlock | OSBORN SCHOOL TURLOCK | 11 | 2005 | 7013614005 | 11/4/05 | 12/8/05 | none | 899 | 2.1% | 918.0 | $ 12.89 | $ 1,183 | $444.43 | $1,627.46 | | 1,183.04 |
| Turlock | OSBORN SCHOOL TURLOCK | 11 | 2006 | 7013614005 | 11/6/06 | 12/7/06 | none | 1,312 | 3.1% | 1,353.0 | $ 7.91 | $ 1,071 | $289.36 | $1,360.14 | | 1,070.78 |
| Turlock | OSBORN SCHOOL TURLOCK | 11 | 2007 | 7013614005 | 11/2/07 | 12/4/07 | none | 1,464 | 3.1% | 1,509.0 | $ 8.56 | $ 1,292 | $223.37 | $1,515.38 | | 1,292.01 |
| Turlock | OSBORN SCHOOL TURLOCK | 12 | 2005 | 7013614005 | 12/8/05 | 1/9/06 | none | 3,671 | 2.1% | 3,748.0 | $ 10.18 | $ 3,817 | $1,399.07 | $5,215.89 | | 3,816.81 |
| Turlock | OSBORN SCHOOL TURLOCK | 12 | 2006 | 7013614005 | 12/7/06 | 1/5/07 | none | 2,671 | 3.1% | 2,754.0 | $ 7.65 | $ 2,107 | $551.57 | $2,658.22 | | 2,106.64 |
| Turlock | OSBORN SCHOOL TURLOCK | 12 | 2007 | 7013614005 | 12/4/07 | 1/4/08 | none | 2,680 | 3.1% | 2,763.0 | $ 8.97 | $ 2,479 | $409.32 | $2,888.26 | | 2,478.94 |
| Op Actuals | STANISLAUS COUNTY MORG, | 1 | 2007 | 6394976397 | 1/1/07 | 1/9/07 | none | 4,440 | 3.1% | 4,578.0 | $ 7.88 | $ 3,606 | $913.91 | $4,519.55 | | 3,605.63 |
| Op Actuals | STANISLAUS COUNTY MORG, | 1 | 2007 | 6394976397 | 1/9/07 | 2/8/07 | none | 16,769 | 3.1% | 17,289.0 | $ 7.88 | $ 13,617 | $3,451.43 | $17,068.25 | | 13,616.82 |
| Op Actuals | STANISLAUS COUNTY MORG, | 2 | 2007 | 6394976397 | 2/8/07 | 3/10/07 | none | 17,163 | 3.1% | 17,695.0 | $ 7.74 | $ 13,704 | $3,359.70 | $17,063.42 | | 13,703.72 |
| Op Actuals | STANISLAUS COUNTY MORG, | 3 | 2007 | 6394976397 | 3/10/07 | 3/31/07 | none | 12,076 | 3.1% | 12,450.0 | $ 8.18 | $ 10,182 | $2,412.45 | $12,594.93 | | 10,182.48 |
| Op Actuals | STANISLAUS COUNTY MORG, | 4 | 2007 | 6394976397 | 4/1/07 | 4/9/07 | none | 5,176 | 3.1% | 5,336.0 | $ 7.37 | $ 3,931 | $899.03 | $4,829.58 | | 3,930.55 |
| Op Actuals | STANISLAUS COUNTY MORG, | 12 | 2006 | 6394976397 | 12/8/06 | 12/31/06 | none | 11,345 | 3.1% | 11,697.0 | $ 7.65 | $ 8,948 | $2,342.68 | $11,290.18 | | 8,947.50 |
| City of Stockton | STOCKTON FREE LIBRARY 1 : | 1 | 2006 | 3411324005 | 1/11/06 | 2/9/06 | none | 77 | 2.1% | 79.0 | $ 12.63 | $ 100 | $35.66 | $135.41 | | 99.75 |
| City of Stockton | STOCKTON FREE LIBRARY 1 : | 2 | 2006 | 3411324005 | 2/9/06 | 3/13/06 | none | 35 | 2.1% | 36.0 | $ 8.85 | $ 32 | $11.10 | $42.96 | | 31.86 |
| City of Stockton | STOCKTON FREE LIBRARY 1 : | 3 | 2006 | 3411324005 | 3/13/06 | 4/11/06 | none | 41 | 2.9% | 42.0 | $ 8.09 | $ 34 | $11.54 | $45.51 | | 33.98 |

# MONIES PAID FOR GAS USAGE THAT WERE FOR PGE CUSTOMERS, NOT REDWOOD CUSTOMERS.

attached

[2] Henry Hub Rate

| schedule ref | Customer Name | Month | Year | DAXREF | Beg Meter Date | End Meter Date | Redwood Turn-on Service Date | (a) Therms Charged by PGE | (a) Shrink-age (from PGE Table) | (a) Therms charged + Shrinkage | (b) PGE Published GCP Gas Rates per Dth | a * b Economic losses for Redwood | 10/10/09 Interest on Lost Capital @8.0% as of 10/10/09 | Total Refund Due | Notes | PGE Price per Therm (Includes shrinkage) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| City of Stockton | STOCKTON FREE LIBRARY 1 : | 4 | 2006 | 3411324005 | 4/11/06 | 5/12/06 | none | 17 | 2.9% | 17.0 | $ 8.35 | $ 14 | $4.69 | $18.88 | | 14.19 |
| City of Stockton | STOCKTON FREE LIBRARY 1 : | 5 | 2006 | 3411324005 | 5/12/06 | 6/12/06 | none | 5 | 2.9% | 5.0 | $ 7.52 | $ 4 | $1.21 | $4.97 | | 3.76 |
| City of Stockton | STOCKTON FREE LIBRARY 1 : | 11 | 2005 | 3411324005 | 11/9/05 | 12/12/05 | none | 2 | 2.1% | 2.0 | $ 12.89 | $ 3 | $0.97 | $3.55 | | 2.58 |
| City of Stockton | STOCKTON FREE LIBRARY 1 : | 12 | 2005 | 3411324005 | 12/12/05 | 1/11/06 | none | 58 | 2.1% | 59.0 | $ 10.18 | $ 60 | $22.02 | $82.11 | | 60.08 |
| SutterSolano | Sutter Solano Hosptial | 1 | 2006 | 3515494005 | 1/11/06 | 2/10/06 | none | 21,653 | 2.1% | 22,108.0 | $ 12.63 | $ 27,914 | $9,979.41 | $37,893.42 | | 27,914.00 |
| SutterSolano | Sutter Solano Hosptial | 2 | 2006 | 3515494005 | 2/10/06 | 3/13/06 | none | 23,322 | 2.1% | 23,812.0 | $ 8.85 | $ 21,072 | $7,343.99 | $28,416.18 | | 21,072.19 |
| SutterSolano | Sutter Solano Hosptial | 3 | 2006 | 3515494005 | 3/13/06 | 4/12/06 | none | 21,771 | 2.9% | 22,402.0 | $ 8.09 | $ 18,122 | $6,153.99 | $24,276.09 | | 18,122.10 |
| SutterSolano | Sutter Solano Hosptial | 4 | 2006 | 3515494005 | 4/12/06 | 5/12/06 | none | 20,990 | 2.9% | 21,599.0 | $ 8.35 | $ 18,027 | $5,961.69 | $23,988.43 | | 18,026.74 |
| SutterSolano | Sutter Solano Hosptial | 5 | 2006 | 3515494005 | 5/12/06 | 6/13/06 | none | 18,776 | 2.9% | 19,321.0 | $ 7.52 | $ 14,529 | $4,676.96 | $19,206.16 | | 14,529.20 |
| SutterSolano | Sutter Solano Hosptial | 6 | 2006 | 3515494005 | 6/13/06 | 7/13/06 | none | 16,192 | 2.9% | 16,662.0 | $ 5.58 | $ 9,301 | $2,912.44 | $12,213.00 | | 9,300.56 |
| SutterSolano | Sutter Solano Hosptial | 7 | 2006 | 3515494005 | 7/13/06 | 8/11/06 | none | 13,890 | 2.9% | 14,293.0 | $ 5.99 | $ 8,561 | $2,606.34 | $11,167.13 | | 8,560.79 |
| SutterSolano | Sutter Solano Hosptial | 8 | 2006 | 3515494005 | 8/11/06 | 9/11/06 | none | 19,814 | 2.9% | 20,389.0 | $ 7.04 | $ 14,359 | $4,247.66 | $18,607.03 | | 14,359.36 |
| SutterSolano | Sutter Solano Hosptial | 9 | 2006 | 3515494005 | 9/11/06 | 10/10/06 | none | 18,126 | 2.9% | 18,652.0 | $ 7.56 | $ 14,106 | $4,051.71 | $18,157.84 | | 14,106.13 |
| SutterSolano | Sutter Solano Hosptial | 10 | 2006 | 3515494005 | 10/10/06 | 11/8/06 | none | 16,920 | 2.9% | 17,411.0 | $ 5.73 | $ 9,984 | $2,782.59 | $12,766.58 | | 9,983.99 |
| SutterSolano | Sutter Solano Hosptial | 11 | 2006 | 3515494005 | 11/8/06 | 12/9/06 | none | 19,650 | 3.1% | 20,259.0 | $ 7.91 | $ 16,033 | $4,332.76 | $20,365.93 | | 16,033.18 |
| SutterSolano | Sutter Solano Hosptial | 12 | 2005 | 3515494005 | 12/12/05 | 1/11/06 | none | 21,750 | 2.1% | 22,207.0 | $ 10.18 | $ 22,615 | $8,289.56 | $30,904.28 | | 22,614.72 |
| SutterSolano | Sutter Solano Hosptial | 12 | 2006 | 3515494005 | 12/9/06 | 1/9/07 | none | 20,409 | 3.1% | 21,042.0 | $ 7.65 | $ 16,096 | $4,214.30 | $20,310.17 | | 16,095.87 |
| Turlock | TURLOCK JOINT SCH DIST | 1 | 2006 | 848699005 | 1/12/06 | 2/10/06 | none | 3,042 | 2.1% | 3,106.0 | $ 12.63 | $ 3,922 | $1,402.03 | $5,323.73 | | 3,921.70 |
| Turlock | TURLOCK JOINT SCH DIST | 1 | 2007 | 848699005 | 1/10/07 | 2/10/07 | none | 6,570 | 3.1% | 6,774.0 | $ 7.88 | $ 5,335 | $1,308.02 | $6,643.22 | | 5,335.20 |
| Turlock | TURLOCK JOINT SCH DIST | 1 | 2008 | 848699005 | 1/8/08 | 2/6/08 | none | 4,107 | 3.1% | 4,234.0 | $ 7.99 | $ 3,383 | $506.56 | $3,889.48 | | 3,382.92 |
| Turlock | TURLOCK JOINT SCH DIST | 2 | 2006 | 848699005 | 2/10/06 | 3/14/06 | none | 2,748 | 2.1% | 2,806.0 | $ 8.85 | $ 2,483 | $865.41 | $3,348.56 | | 2,483.14 |
| Turlock | TURLOCK JOINT SCH DIST | 2 | 2007 | 848699005 | 2/10/07 | 3/11/07 | none | 3,059 | 3.1% | 3,154.0 | $ 7.74 | $ 2,443 | $578.70 | $3,021.28 | | 2,442.58 |
| Turlock | TURLOCK JOINT SCH DIST | 2 | 2008 | 848699005 | 2/6/08 | 3/7/08 | none | 2,590 | 3.1% | 2,670.0 | $ 8.65 | $ 2,310 | $328.36 | $2,638.74 | | 2,310.38 |
| Turlock | TURLOCK JOINT SCH DIST | 3 | 2006 | 848699005 | 3/14/06 | 4/11/06 | none | 2,019 | 2.9% | 2,078.0 | $ 8.09 | $ 1,681 | $570.84 | $2,251.84 | | 1,681.00 |
| Turlock | TURLOCK JOINT SCH DIST | 3 | 2007 | 848699005 | 3/11/07 | 4/10/07 | none | 948 | 3.1% | 977.0 | $ 8.18 | $ 799 | $182.77 | $981.83 | | 799.06 |
| Turlock | TURLOCK JOINT SCH DIST | 3 | 2008 | 848699005 | 3/7/08 | 4/7/08 | none | 1,913 | 3.1% | 1,972.0 | $ 8.95 | $ 1,764 | $237.43 | $2,001.90 | | 1,764.47 |
| Turlock | TURLOCK JOINT SCH DIST | 4 | 2006 | 848699005 | 4/11/06 | 5/11/06 | none | 1,101 | 2.9% | 1,133.0 | $ 8.35 | $ 946 | $312.73 | $1,258.34 | | 945.61 |
| Turlock | TURLOCK JOINT SCH DIST | 4 | 2007 | 848699005 | 4/10/07 | 5/10/07 | none | 923 | 3.1% | 952.0 | $ 7.37 | $ 701 | $154.69 | $855.94 | | 701.25 |
| Turlock | TURLOCK JOINT SCH DIST | 4 | 2008 | 848699005 | 4/7/08 | 5/7/08 | none | 1,488 | 3.1% | 1,534.0 | $ 9.92 | $ 1,522 | $193.33 | $1,715.06 | | 1,521.73 |
| Turlock | TURLOCK JOINT SCH DIST | 5 | 2006 | 848699005 | 5/11/06 | 6/12/06 | none | 407 | 2.9% | 419.0 | $ 7.52 | $ 315 | $101.43 | $416.51 | | 315.08 |
| Turlock | TURLOCK JOINT SCH DIST | 5 | 2007 | 848699005 | 5/10/07 | 6/10/07 | none | 405 | 3.1% | 418.0 | $ 8.26 | $ 345 | $73.37 | $418.63 | | 345.26 |
| Turlock | TURLOCK JOINT SCH DIST | 5 | 2008 | 848699005 | 5/7/08 | 6/6/08 | none | 510 | 3.1% | 526.0 | $ 10.39 | $ 546 | $65.34 | $611.73 | | 546.39 |
| Turlock | TURLOCK JOINT SCH DIST | 6 | 2006 | 848699005 | 6/12/06 | 7/13/06 | none | 286 | 2.9% | 294.0 | $ 5.58 | $ 164 | $51.39 | $215.50 | | 164.11 |
| Turlock | TURLOCK JOINT SCH DIST | 6 | 2007 | 848699005 | 6/10/07 | 7/12/07 | none | 207 | 3.1% | 213.0 | $ 9.64 | $ 205 | $42.01 | $247.44 | | 205.43 |
| Turlock | TURLOCK JOINT SCH DIST | 6 | 2008 | 848699005 | 6/6/08 | 7/8/08 | none | 214 | 3.1% | 221.0 | $ 11.95 | $ 264 | $29.63 | $293.75 | | 264.12 |
| Turlock | TURLOCK JOINT SCH DIST | 7 | 2006 | 848699005 | 7/13/06 | 8/11/06 | none | 201 | 2.9% | 207.0 | $ 5.99 | $ 124 | $37.75 | $161.73 | | 123.98 |
| Turlock | TURLOCK JOINT SCH DIST | 7 | 2007 | 848699005 | 7/12/07 | 8/9/07 | none | 245 | 3.1% | 253.0 | $ 9.34 | $ 236 | $46.41 | $282.58 | | 236.18 |
| Turlock | TURLOCK JOINT SCH DIST | 7 | 2008 | 848699005 | 7/8/08 | 8/6/08 | none | 192 | 3.1% | 198.0 | $ 14.80 | $ 293 | $30.72 | $323.80 | | 293.08 |
| Turlock | TURLOCK JOINT SCH DIST | 8 | 2006 | 848699005 | 8/11/06 | 9/11/06 | none | 301 | 2.9% | 310.0 | $ 7.04 | $ 218 | $64.58 | $282.91 | | 218.32 |
| Turlock | TURLOCK JOINT SCH DIST | 8 | 2007 | 848699005 | 8/9/07 | 9/10/07 | none | 377 | 3.1% | 389.0 | $ 7.76 | $ 302 | $56.90 | $358.65 | | 301.75 |
| Turlock | TURLOCK JOINT SCH DIST | 8 | 2008 | 848699005 | 8/6/08 | 9/5/08 | none | 355 | 3.1% | 366.0 | $ 12.45 | $ 456 | $44.43 | $500.20 | | 455.77 |
| Turlock | TURLOCK JOINT SCH DIST | 9 | 2006 | 848699005 | 9/11/06 | 10/11/06 | none | 349 | 2.9% | 359.0 | $ 7.56 | $ 272 | $77.98 | $349.49 | | 271.50 |
| Turlock | TURLOCK JOINT SCH DIST | 9 | 2007 | 848699005 | 9/10/07 | 10/9/07 | none | 476 | 3.1% | 491.0 | $ 7.53 | $ 370 | $66.85 | $436.78 | | 369.93 |
| Turlock | TURLOCK JOINT SCH DIST | 9 | 2008 | 848699005 | 9/5/08 | 10/6/08 | none | 289 | 3.1% | 298.0 | $ 9.05 | $ 270 | $24.34 | $294.15 | | 269.81 |
| Turlock | TURLOCK JOINT SCH DIST | 10 | 2006 | 848699005 | 10/11/06 | 11/9/06 | none | 480 | 2.9% | 494.0 | $ 5.73 | $ 283 | $78.95 | $362.22 | | 283.27 |
| Turlock | TURLOCK JOINT SCH DIST | 10 | 2007 | 848699005 | 10/9/07 | 11/7/07 | none | 849 | 3.1% | 875.0 | $ 8.06 | $ 705 | $121.90 | $826.97 | | 705.08 |
| Turlock | TURLOCK JOINT SCH DIST | 10 | 2008 | 848699005 | 10/6/08 | 10/24/08 | none | 498 | 3.1% | 513.0 | $ 7.79 | $ 399 | $33.15 | $432.55 | | 399.40 |
| Turlock | TURLOCK JOINT SCH DIST | 10 | 2008 | 848699005 | 10/24/08 | 11/4/08 | none | 160 | 3.1% | 165.0 | $ 7.79 | $ 128 | $10.66 | $139.12 | | 128.46 |
| Turlock | TURLOCK JOINT SCH DIST | 11 | 2005 | 848699005 | 11/9/05 | 12/12/05 | none | 2,291 | 2.1% | 2,339.0 | $ 12.89 | $ 3,014 | $1,132.37 | $4,146.66 | | 3,014.29 |
| Turlock | TURLOCK JOINT SCH DIST | 11 | 2006 | 848699005 | 11/9/06 | 12/9/06 | none | 1,624 | 3.1% | 1,674.0 | $ 7.91 | $ 1,325 | $358.02 | $1,682.84 | | 1,324.82 |
| Turlock | TURLOCK JOINT SCH DIST | 11 | 2007 | 848699005 | 11/7/07 | 12/7/07 | none | 1,946 | 3.1% | 2,006.0 | $ 8.56 | $ 1,718 | $283.60 | $2,001.14 | | 1,717.54 |
| Turlock | TURLOCK JOINT SCH DIST | 11 | 2008 | 848699005 | 11/4/08 | 12/5/08 | none | 1,745 | 3.3% | 1,803.0 | $ 7.18 | $ 1,294 | $98.15 | $1,392.50 | | 1,294.36 |
| Turlock | TURLOCK JOINT SCH DIST | 12 | 2005 | 848699005 | 12/12/05 | 1/12/06 | none | 3,264 | 2.1% | 3,333.0 | $ 10.18 | $ 3,394 | $1,244.16 | $4,638.36 | | 3,394.19 |
| Turlock | TURLOCK JOINT SCH DIST | 12 | 2006 | 848699005 | 12/9/06 | 1/10/07 | none | 3,502 | 3.1% | 3,611.0 | $ 7.65 | $ 2,762 | $723.21 | $3,485.41 | | 2,762.20 |

# MONIES PAID FOR GAS USAGE THAT WERE FOR PGE CUSTOMERS, NOT REDWOOD CUSTOMERS.

attached

[2] Henry Hub Rate

| schedule ref | Customer Name | Month | Year | DAXREF | Beg Meter Date | End Meter Date | Redwood Turn-on Service Date | (a) Therms Charged by PGE | (a) Shrink-age (from PGE Table) | (a) Therms charged + Shrinkage | (b) PGE Published GCP Gas Rates per Dth | a * b Economic losses for Redwood | 10/10/09 Interest on Lost Capital @8.0% as of 10/10/09 | Total Refund Due | Notes | PGE Price per Therm (includes shrinkage) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Turlock | TURLOCK JOINT SCH DIST | 12 | 2007 | 848699005 | 12/7/07 | 1/8/08 | none | 3,394 | 3.1% | 3,499.0 | $ 8.97 | $ 3,139 | $494.13 | $3,633.40 | | 3,139.27 |
| Turlock | TURLOCK UNIF SCHL DIST W. | 1 | 2006 | 3409624005 | 1/4/06 | 1/30/06 | none | 1,390 | 2.1% | 1,419.0 | $ 12.63 | $ 1,792 | $640.53 | $2,432.19 | | 1,791.66 |
| Turlock | TURLOCK UNIF SCHL DIST W. | 1 | 2006 | 3409624005 | 1/30/06 | 3/2/06 | none | 1,199 | 2.1% | 1,224.0 | $ 12.63 | $ 1,545 | $538.61 | $2,084.06 | | 1,545.45 |
| Turlock | TURLOCK UNIF SCHL DIST W. | 1 | 2007 | 3409624005 | 1/29/07 | 3/1/07 | none | 1,455 | 3.1% | 1,500.0 | $ 7.88 | $ 1,181 | $289.64 | $1,471.04 | | 1,181.40 |
| Turlock | TURLOCK UNIF SCHL DIST W. | 1 | 2008 | 3409624005 | 1/24/08 | 2/26/08 | none | 1,920 | 3.1% | 1,980.0 | $ 7.99 | $ 1,582 | $236.89 | $1,818.89 | | 1,582.00 |
| Turlock | TURLOCK UNIF SCHL DIST W. | 2 | 2008 | 3409624005 | 2/26/08 | 3/26/08 | none | 706 | 3.1% | 728.0 | $ 8.65 | $ 630 | $89.53 | $719.48 | | 629.95 |
| Turlock | TURLOCK UNIF SCHL DIST W. | 3 | 2006 | 3409624005 | 3/2/06 | 3/31/06 | none | 1,256 | 2.9% | 1,292.0 | $ 8.09 | $ 1,045 | $354.92 | $1,400.09 | | 1,045.16 |
| Turlock | TURLOCK UNIF SCHL DIST W. | 3 | 2006 | 3409624005 | 3/31/06 | 5/2/06 | none | 451 | 2.9% | 464.0 | $ 8.09 | $ 375 | $124.13 | $499.49 | | 375.35 |
| Turlock | TURLOCK UNIF SCHL DIST W. | 3 | 2007 | 3409624005 | 3/1/07 | 3/31/07 | none | 558 | 3.1% | 575.0 | $ 8.18 | $ 470 | $111.42 | $581.69 | | 470.28 |
| Turlock | TURLOCK UNIF SCHL DIST W. | 3 | 2007 | 3409624005 | 3/31/07 | 4/30/07 | none | 246 | 3.1% | 254.0 | $ 8.18 | $ 208 | $47.52 | $255.26 | | 207.74 |
| Turlock | TURLOCK UNIF SCHL DIST W. | 3 | 2008 | 3409624005 | 3/26/08 | 4/25/08 | none | 521 | 3.1% | 537.0 | $ 8.95 | $ 480 | $64.65 | $545.14 | | 480.49 |
| Turlock | TURLOCK UNIF SCHL DIST W. | 4 | 2007 | 3409624005 | 4/30/07 | 5/31/07 | none | 77 | 3.1% | 79.0 | $ 7.37 | $ 58 | $12.84 | $71.03 | | 58.19 |
| Turlock | TURLOCK UNIF SCHL DIST W. | 4 | 2008 | 3409624005 | 4/25/08 | 5/28/08 | none | 128 | 3.1% | 132.0 | $ 9.92 | $ 131 | $16.64 | $147.58 | | 130.94 |
| Turlock | TURLOCK UNIF SCHL DIST W. | 5 | 2006 | 3409624005 | 5/2/06 | 6/1/06 | none | 62 | 2.9% | 64.0 | $ 7.52 | $ 48 | $15.49 | $63.62 | | 48.13 |
| Turlock | TURLOCK UNIF SCHL DIST W. | 5 | 2007 | 3409624005 | 5/31/07 | 6/28/07 | none | 42 | 3.1% | 43.0 | $ 8.26 | $ 36 | $7.55 | $43.06 | | 35.52 |
| Turlock | TURLOCK UNIF SCHL DIST W. | 5 | 2008 | 3409624005 | 5/28/08 | 6/25/08 | none | 47 | 3.1% | 48.0 | $ 10.39 | $ 50 | $5.96 | $55.82 | | 49.86 |
| Turlock | TURLOCK UNIF SCHL DIST W. | 6 | 2006 | 3409624005 | 6/1/06 | 6/29/06 | none | 41 | 2.9% | 42.0 | $ 5.58 | $ 23 | $7.34 | $30.79 | | 23.44 |
| Turlock | TURLOCK UNIF SCHL DIST W. | 6 | 2006 | 3409624005 | 6/29/06 | 8/1/06 | none | 9 | 2.9% | 9.0 | $ 5.58 | $ 5 | $1.53 | $6.55 | | 5.02 |
| Turlock | TURLOCK UNIF SCHL DIST W. | 6 | 2007 | 3409624005 | 6/28/07 | 7/30/07 | none | 44 | 3.1% | 45.0 | $ 9.64 | $ 43 | $8.87 | $52.28 | | 43.40 |
| Turlock | TURLOCK UNIF SCHL DIST W. | 6 | 2008 | 3409624005 | 6/25/08 | 7/26/08 | none | 28 | 3.1% | 29.0 | $ 11.95 | $ 35 | $3.89 | $38.55 | | 34.66 |
| Turlock | TURLOCK UNIF SCHL DIST W. | 7 | 2007 | 3409624005 | 7/30/07 | 8/27/07 | none | 39 | 3.1% | 40.0 | $ 9.34 | $ 37 | $7.34 | $44.68 | | 37.34 |
| Turlock | TURLOCK UNIF SCHL DIST W. | 7 | 2008 | 3409624005 | 7/26/08 | 8/25/08 | none | 8 | 3.1% | 8.0 | $ 14.80 | $ 12 | $1.24 | $13.08 | | 11.84 |
| Turlock | TURLOCK UNIF SCHL DIST W. | 8 | 2006 | 3409624005 | 8/1/06 | 8/29/06 | none | 29 | 2.9% | 30.0 | $ 7.04 | $ 21 | $6.25 | $27.38 | | 21.13 |
| Turlock | TURLOCK UNIF SCHL DIST W. | 8 | 2006 | 3409624005 | 8/29/06 | 9/29/06 | none | 49 | 2.9% | 50.0 | $ 7.04 | $ 35 | $10.11 | $45.33 | | 35.21 |
| Turlock | TURLOCK UNIF SCHL DIST W. | 8 | 2007 | 3409624005 | 8/27/07 | 9/27/07 | none | 50 | 3.1% | 52.0 | $ 7.76 | $ 40 | $7.61 | $47.94 | | 40.34 |
| Turlock | TURLOCK UNIF SCHL DIST W. | 8 | 2008 | 3409624005 | 8/25/08 | 9/24/08 | none | 22 | 3.1% | 23.0 | $ 12.45 | $ 29 | $2.79 | $31.43 | | 28.64 |
| Turlock | TURLOCK UNIF SCHL DIST W. | 9 | 2006 | 3409624005 | 9/29/06 | 10/28/06 | none | 112 | 2.9% | 115.0 | $ 7.56 | $ 87 | $24.24 | $111.21 | | 86.97 |
| Turlock | TURLOCK UNIF SCHL DIST W. | 9 | 2007 | 3409624005 | 9/27/07 | 10/26/07 | none | 115 | 3.1% | 119.0 | $ 7.53 | $ 90 | $16.20 | $105.86 | | 89.66 |
| Turlock | TURLOCK UNIF SCHL DIST W. | 9 | 2008 | 3409624005 | 9/24/08 | 10/23/08 | none | 46 | 3.1% | 47.0 | $ 9.05 | $ 43 | $3.84 | $46.39 | | 42.55 |
| Turlock | TURLOCK UNIF SCHL DIST W. | 10 | 2006 | 3409624005 | 10/28/06 | 11/30/06 | none | 784 | 2.9% | 807.0 | $ 5.73 | $ 463 | $125.05 | $587.81 | | 462.76 |
| Turlock | TURLOCK UNIF SCHL DIST W. | 10 | 2007 | 3409624005 | 10/26/07 | 11/28/07 | none | 646 | 3.1% | 666.0 | $ 8.06 | $ 537 | $92.78 | $629.45 | | 536.66 |
| Turlock | TURLOCK UNIF SCHL DIST W. | 10 | 2008 | 3409624005 | 10/23/08 | 11/17/08 | none | 114 | 3.1% | 118.0 | $ 7.79 | $ 92 | $7.63 | $99.49 | | 91.87 |
| Turlock | TURLOCK UNIF SCHL DIST W. | 11 | 2005 | 3409624005 | 11/4/05 | 12/8/05 | none | 1,010 | 2.1% | 1,031.0 | $ 12.89 | $ 1,329 | $499.13 | $1,827.79 | | 1,328.66 |
| Turlock | TURLOCK UNIF SCHL DIST W. | 11 | 2006 | 3409624005 | 11/30/06 | 12/29/06 | none | 1,795 | 3.1% | 1,851.0 | $ 7.91 | $ 1,465 | $383.55 | $1,848.45 | | 1,464.90 |
| Turlock | TURLOCK UNIF SCHL DIST W. | 11 | 2007 | 3409624005 | 11/28/07 | 12/28/07 | none | 1,959 | 3.1% | 2,020.0 | $ 8.56 | $ 1,730 | $285.58 | $2,015.10 | | 1,729.52 |
| Turlock | TURLOCK UNIF SCHL DIST W. | 12 | 2005 | 3409624005 | 12/8/05 | 1/4/06 | none | 1,303 | 2.1% | 1,330.0 | $ 10.18 | $ 1,354 | $496.47 | $1,850.89 | | 1,354.42 |
| Turlock | TURLOCK UNIF SCHL DIST W. | 12 | 2006 | 3409624005 | 12/29/06 | 1/29/07 | none | 2,204 | 3.1% | 2,272.0 | $ 7.65 | $ 1,738 | $440.51 | $2,178.46 | | 1,737.94 |
| Turlock | TURLOCK UNIF SCHL DIST W. | 12 | 2007 | 3409624005 | 12/28/07 | 1/24/08 | none | 2,084 | 3.1% | 2,149.0 | $ 8.97 | $ 1,928 | $303.49 | $2,231.55 | | 1,928.06 |
| Turlock | TURLOCK UNIFIED SCHOOL | 1 | 2006 | 9754562005 | 1/13/06 | 2/13/06 | none | 14,317 | 2.1% | 14,618.0 | $ 12.63 | $ 18,457 | $6,598.48 | $25,055.45 | | 18,456.98 |
| Turlock | TURLOCK UNIFIED SCHOOL | 1 | 2007 | 9754562005 | 1/12/07 | 2/12/07 | none | 20,161 | 3.1% | 20,786.0 | $ 7.88 | $ 16,371 | $4,013.65 | $20,384.70 | | 16,371.05 |
| Turlock | TURLOCK UNIFIED SCHOOL | 1 | 2008 | 9754562005 | 1/10/08 | 2/8/08 | none | 7,722 | 3.1% | 7,961.0 | $ 7.99 | $ 6,361 | $952.46 | $7,313.22 | | 6,360.76 |
| Turlock | TURLOCK UNIFIED SCHOOL | 2 | 2006 | 9754562005 | 2/13/06 | 3/15/06 | none | 16,074 | 2.1% | 16,412.0 | $ 8.85 | $ 14,524 | $5,061.71 | $19,585.35 | | 14,523.64 |
| Turlock | TURLOCK UNIFIED SCHOOL | 2 | 2007 | 9754562005 | 2/12/07 | 3/15/07 | none | 12,835 | 3.1% | 13,233.0 | $ 7.74 | $ 10,248 | $2,428.01 | $12,676.17 | | 10,248.16 |
| Turlock | TURLOCK UNIFIED SCHOOL | 2 | 2008 | 9754562005 | 2/8/08 | 3/10/08 | none | 24,956 | 3.1% | 25,730.0 | $ 8.65 | $ 22,264 | $3,164.34 | $25,428.77 | | 22,264.43 |
| Turlock | TURLOCK UNIFIED SCHOOL | 3 | 2006 | 9754562005 | 3/15/06 | 4/13/06 | none | 9,252 | 2.9% | 9,520.0 | $ 8.09 | $ 7,701 | $2,615.21 | $10,316.42 | | 7,701.20 |
| Turlock | TURLOCK UNIFIED SCHOOL | 3 | 2007 | 9754562005 | 3/15/07 | 4/13/07 | none | 4,490 | 3.1% | 4,629.0 | $ 8.18 | $ 3,786 | $865.95 | $4,651.87 | | 3,785.92 |
| Turlock | TURLOCK UNIFIED SCHOOL | 3 | 2008 | 9754562005 | 3/10/08 | 4/9/08 | none | 5,897 | 3.1% | 6,080.0 | $ 8.95 | $ 5,440 | $732.03 | $6,172.17 | | 5,440.14 |
| Turlock | TURLOCK UNIFIED SCHOOL | 4 | 2006 | 9754562005 | 4/13/06 | 5/15/06 | none | 4,111 | 2.9% | 4,230.0 | $ 8.35 | $ 3,530 | $1,167.55 | $4,697.95 | | 3,530.40 |
| Turlock | TURLOCK UNIFIED SCHOOL | 4 | 2007 | 9754562005 | 4/13/07 | 5/14/07 | none | 3,883 | 3.1% | 4,003.0 | $ 7.37 | $ 2,949 | $650.45 | $3,599.10 | | 2,948.65 |
| Turlock | TURLOCK UNIFIED SCHOOL | 4 | 2008 | 9754562005 | 4/9/08 | 5/10/08 | none | 5,190 | 3.1% | 5,351.0 | $ 9.92 | $ 5,308 | $674.39 | $5,982.59 | | 5,308.19 |
| Turlock | TURLOCK UNIFIED SCHOOL | 5 | 2006 | 9754562005 | 5/15/06 | 6/14/06 | none | 434 | 2.9% | 447.0 | $ 7.52 | $ 336 | $105.26 | $441.40 | | 336.14 |
| Turlock | TURLOCK UNIFIED SCHOOL | 5 | 2007 | 9754562005 | 5/14/07 | 6/15/07 | none | 1,061 | 3.1% | 1,094.0 | $ 8.26 | $ 904 | $192.03 | $1,095.65 | | 903.62 |
| Turlock | TURLOCK UNIFIED SCHOOL | 5 | 2008 | 9754562005 | 5/10/08 | 6/10/08 | none | 3,709 | 3.1% | 3,824.0 | $ 10.39 | $ 3,972 | $475.01 | $4,447.23 | | 3,972.22 |
| Turlock | TURLOCK UNIFIED SCHOOL | 6 | 2006 | 9754562005 | 6/14/06 | 7/14/06 | none | 221 | 2.9% | 227.0 | $ 5.58 | $ 127 | $38.58 | $165.29 | | 126.71 |

# MONIES PAID FOR GAS USAGE THAT WERE FOR PGE CUSTOMERS, NOT REDWOOD CUSTOMERS.

attached

[2] Henry Hub Rate

| schedule ref | Customer Name | Month | Year | DAXREF | Beg Meter Date | End Meter Date | Redwood Turn-on Service Date | (a) Therms Charged by PGE | Shrink-age (from PGE Table) | Therms charged + Shrinkage | (b) PGE Published GCP Gas Rates per Dth | a * b Economic losses for Redwood | 10/10/09 Interest on Lost Capital @8.0% as of 10/10/09 | Total Refund Due | Notes | PGE Price per Therm (includes shrinkage) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Turlock | TURLOCK UNIFIED SCHOOL | 6 | 2007 | 9754562005 | 6/15/07 | 7/16/07 | none | 164 | 3.1% | 169.0 | $ 9.64 | $ 163 | $33.33 | $196.32 | | 162.99 |
| Turlock | TURLOCK UNIFIED SCHOOL | 6 | 2008 | 9754562005 | 6/10/08 | 7/10/08 | none | 1,004 | 3.1% | 1,035.0 | $ 11.95 | $ 1,237 | $138.75 | $1,375.69 | | 1,236.94 |
| Turlock | TURLOCK UNIFIED SCHOOL | 7 | 2006 | 9754562005 | 7/14/06 | 8/14/06 | none | 140 | 2.9% | 144.0 | $ 5.99 | $ 86 | $25.51 | $111.76 | | 86.25 |
| Turlock | TURLOCK UNIFIED SCHOOL | 7 | 2007 | 9754562005 | 7/16/07 | 8/13/07 | none | 152 | 3.1% | 157.0 | $ 9.34 | $ 147 | $28.80 | $175.36 | | 146.56 |
| Turlock | TURLOCK UNIFIED SCHOOL | 7 | 2008 | 9754562005 | 7/10/08 | 8/8/08 | none | 136 | 3.1% | 140.0 | $ 14.80 | $ 207 | $21.72 | $228.95 | | 207.23 |
| Turlock | TURLOCK UNIFIED SCHOOL | 8 | 2006 | 9754562005 | 8/14/06 | 9/13/06 | none | 399 | 2.9% | 411.0 | $ 7.04 | $ 289 | $83.14 | $372.60 | | 289.45 |
| Turlock | TURLOCK UNIFIED SCHOOL | 8 | 2007 | 9754562005 | 8/13/07 | 9/12/07 | none | 349 | 3.1% | 360.0 | $ 7.76 | $ 279 | $52.66 | $331.92 | | 279.26 |
| Turlock | TURLOCK UNIFIED SCHOOL | 8 | 2008 | 9754562005 | 8/8/08 | 9/10/08 | none | 382 | 3.1% | 394.0 | $ 12.45 | $ 491 | $47.83 | $538.46 | | 490.63 |
| Turlock | TURLOCK UNIFIED SCHOOL | 9 | 2006 | 9754562005 | 9/13/06 | 10/12/06 | none | 1,809 | 2.9% | 1,861.0 | $ 7.56 | $ 1,407 | $392.26 | $1,799.70 | | 1,407.44 |
| Turlock | TURLOCK UNIFIED SCHOOL | 9 | 2007 | 9754562005 | 9/12/07 | 10/12/07 | none | 1,818 | 3.1% | 1,874.0 | $ 7.53 | $ 1,412 | $255.14 | $1,667.05 | | 1,411.91 |
| Turlock | TURLOCK UNIFIED SCHOOL | 9 | 2008 | 9754562005 | 9/10/08 | 10/8/08 | none | 1,630 | 3.1% | 1,681.0 | $ 9.05 | $ 1,522 | $137.31 | $1,659.29 | | 1,521.98 |
| Turlock | TURLOCK UNIFIED SCHOOL | 10 | 2006 | 9754562005 | 10/12/06 | 11/13/06 | none | 3,926 | 2.9% | 4,040.0 | $ 5.73 | $ 2,317 | $626.05 | $2,942.70 | | 2,316.66 |
| Turlock | TURLOCK UNIFIED SCHOOL | 10 | 2007 | 9754562005 | 10/12/07 | 11/10/07 | none | 4,044 | 3.1% | 4,169.0 | $ 8.06 | $ 3,359 | $580.80 | $3,940.18 | | 3,359.38 |
| Turlock | TURLOCK UNIFIED SCHOOL | 10 | 2008 | 9754562005 | 10/8/08 | 11/6/08 | none | 4,384 | 3.1% | 4,520.0 | $ 7.79 | $ 3,519 | $292.08 | $3,811.13 | | 3,519.05 |
| Turlock | TURLOCK UNIFIED SCHOOL | 11 | 2005 | 9754562005 | 11/8/05 | 12/9/05 | none | 14,962 | 2.1% | 15,276.0 | $ 12.89 | $ 19,686 | $7,395.49 | $27,081.82 | | 19,686.33 |
| Turlock | TURLOCK UNIFIED SCHOOL | 11 | 2006 | 9754562005 | 11/13/06 | 12/13/06 | none | 12,368 | 3.1% | 12,751.0 | $ 7.91 | $ 10,091 | $2,642.15 | $12,733.41 | | 10,091.27 |
| Turlock | TURLOCK UNIFIED SCHOOL | 11 | 2007 | 9754562005 | 11/10/07 | 12/11/07 | none | 11,862 | 3.1% | 12,230.0 | $ 8.56 | $ 10,471 | $1,729.03 | $12,200.36 | | 10,471.33 |
| Turlock | TURLOCK UNIFIED SCHOOL | 11 | 2008 | 9754562005 | 11/6/08 | 12/9/08 | none | 9,700 | 3.3% | 10,020.0 | $ 7.18 | $ 7,193 | $545.45 | $7,738.70 | | 7,193.26 |
| Turlock | TURLOCK UNIFIED SCHOOL | 12 | 2005 | 9754562005 | 12/9/05 | 1/13/06 | none | 15,372 | 2.1% | 15,695.0 | $ 10.18 | $ 15,983 | $5,858.72 | $21,841.88 | | 15,983.16 |
| Turlock | TURLOCK UNIFIED SCHOOL | 12 | 2006 | 9754562005 | 12/13/06 | 1/12/07 | none | 20,487 | 3.1% | 21,122.0 | $ 7.65 | $ 16,157 | $4,095.31 | $20,252.37 | | 16,157.06 |
| Turlock | TURLOCK UNIFIED SCHOOL | 12 | 2007 | 9754562005 | 12/11/07 | 1/10/08 | none | 19,447 | 3.1% | 20,050.0 | $ 8.97 | $ 17,989 | $2,831.49 | $20,820.15 | | 17,988.66 |
| oper actuals | VDP INVESTMENT INC | 10 | 2007 | 1611201374 | 10/31/07 | 12/1/07 | none | 123 | 3.1% | 127.0 | $ 8.06 | $ 102 | $17.69 | $120.03 | | 102.34 |
| | | | | | | | | | | | | $ - | | | | - |
| missing bills B | East Bay Asian Local Development | 1 | 2006 | 6818364005 | 1/12/06 | 3/15/06 | 2/13/06 | 840 | 2.1% | 858.0 | $ 12.63 | $ 1,083 | $387.30 | $1,470.62 | charges to Redwood b4 switch date | 1,083.33 |
| missing bills B | Ameron Inc Northern CA Div | 1 | 2006 | 2412617005 | 1/16/06 | 3/16/06 | 2/14/06 | 9,047 | 2.1% | 9,237.0 | $ 12.63 | $ 11,663 | $4,064.67 | $15,727.50 | charges to Redwood b4 switch date | 11,662.82 |
| missing bills B | Michael Querard | 2 | 2006 | 6047181039 | 2/23/06 | 4/25/06 | 3/24/06 | 237 | 2.1% | 242.0 | $ 8.85 | $ 214 | $72.72 | $286.88 | charges to Redwood b4 switch date | 214.16 |
| missing bills other | SILVA,ELENA | 10 | 2006 | 3881253005 | 10/31/06 | 12/1/06 | 12/1/06 | 277 | 2.9% | 285.0 | $ 5.73 | $ 163 | $44.16 | $207.59 | charges to Redwood b4 switch date | 163.43 |
| missing bills other | LUCICH,MICHAEL | 1 | 2008 | 1492858005 | 1/5/08 | 2/1/08 | 2/1/08 | 299 | 3.1% | 308.0 | $ 7.99 | $ 246 | $36.85 | $282.94 | charges to Redwood b4 switch date | 246.09 |
| missing bills other | E SIAZ COZUMEL RESTAURANT | 3 | 2008 | 5836276010 | 3/3/08 | 4/1/08 | 4/1/08 | 460 | 3.1% | 474.0 | $ 8.95 | $ 424 | $60.28 | $484.39 | charges to Redwood b4 switch date | 424.12 |
| missing bills other | ST LUKE'S HOSPITAL | 11 | 2005 | 5074668020 | 11/7/05 | 1/9/06 | 12/8/05 | 694 | 2.1% | 709.0 | $ 12.89 | $ 914 | $343.24 | $1,256.94 | charges to Redwood b4 switch date | 913.70 |
| missing bills other | TAQUERIAS LA ALTENA INC | 2 | 2006 | 3241321030 | 2/3/06 | 4/5/06 | 4/5/06 | 791 | 2.1% | 808.0 | $ 8.85 | $ 715 | $249.20 | $964.23 | charges to Redwood b4 switch date | 715.03 |
| missing bills other | SAN JOSE UNIFIED | 11 | 2005 | 5220496100 | 11/8/05 | 12/9/05 | none | 1,430 | 2.1% | 1,460.0 | $ 12.89 | $ 1,882 | $706.82 | $2,588.34 | charges to Redwood b4 switch date | 1,881.52 |
| missing bills other | SAN JOSE UNIFIED | 12 | 2005 | 5220496100 | 12/9/05 | 1/9/06 | none | 1,706 | 2.1% | 1,742.0 | $ 10.18 | $ 1,774 | $650.26 | $2,424.25 | charges to Redwood b4 switch date | 1,773.98 |
| missing bills other | US GENERAL SERVICES ADMINIS | 11 | 2005 | 9647058005 | 11/1/05 | 12/2/05 | 12/1/05 | 22,428 | 2.1% | 22,899.0 | $ 12.89 | $ 29,510 | $11,085.97 | $40,596.14 | charges to Redwood b4 switch date | 29,510.17 |
| | | | | | | | | 819,354 | 2.7% | 841,854 | 8.86 | $ 745,545 | $ 214,828 | $ 960,373 | | $ 745,545 |

Current Gas Cost per Therm

Refund from Tiger for their reduced purchase of gas

(Therms to Credit) / (Current Gas Cost) = Refund $

# REDWOOD CUSTOMERS WITH INCORRECT PGE CHARGES FOR THERM USAGE

| Schedule | | Customer Name | Month | Year | DAXREF | Beg Meter Date | End Meter Date | Actual Redwood Turn-on Service Date | Therms Charged by PGE | Shrink-age (from PGE Table) | Therms Purchased Shrinkage | Published GCP Gas Rates per Dth | Total Cost of Gas Paid by Redwood | 10/10/09 Interest on Lost Capital @8.0% as of 10/10/09 | Total Refund Amount | Notes | Cost Historical per Dth |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Missing Bills Other | 12-2005 | LISA MAGNANI BRACKETT BELLISSI | 12 | 2005 | 3029331005 | 12/21/05 | 1/23/06 | | 100.0 | 2.1% | 102 | $ 10.18 | $ 103.87 | $37.14 | $ 141.01 | incorrect therm charge | $ 9.65 |
| Missing Bills Other | 1-2006 | RUDY W MELNITZER | 1 | 2006 | 7806707010 | 1/10/06 | 2/8/06 | | 50,723.0 | 2.1% | 51,803 | $ 12.63 | $ 65,388.56 | $23,376.78 | $ 88,765.35 | incorrect therm charge | $ 9.38 |
| | | | | | | | | | 50,823 | | 51,890 | 12.62 | $ 65,492.44 | ######### | $ 88,906.36 | | |

**Pacific Gas and Electric Company**

**Rate Schedule G-CP**
**Gas Core Procurement Rates**
**January 1, 2005, to December 31, 2007**
**($/therm)**

http://www.pge.com/nots/rates/tariffs/GRF.SHTML#GCP

| Effective Date | Advice Number | Residential | Residential NGV | Small Commercial | Large Commercial | Natural Gas Vehicles |
|---|---|---|---|---|---|---|
| | | (All) | | (G-NR1) | (G-NR2) | (G-NGV1, G-NGV2) |
| 01/01/05 | 2600-G | $0.77863 | | $0.77545 | $0.75004 | $0.76600 |
| 02/07/05 | 2606-G | $0.67072 | | $0.66756 | $0.64229 | $0.65816 |
| 03/01/05 | 2612-G | $0.60164 | | $0.59848 | $0.57321 | $0.58908 |
| 04/07/05 | 2620-G | $0.64883 | | $0.64567 | $0.62052 | $0.63648 |
| 05/06/05 | 2628-G | $0.67486 | | $0.67174 | $0.64677 | $0.66260 |
| 06/07/05 | 2635-G | $0.65844 | | $0.65533 | $0.63046 | $0.64623 |
| 07/01/05 | 2645-G | $0.70560 | | $0.70088 | $0.66896 | $0.65727 |
| 08/05/05 | 2650-G | $0.72312 | | $0.71814 | $0.68455 | $0.67215 |
| 09/08/05 | 2654-G | $0.90465 | | $0.89965 | $0.86591 | $0.85345 |
| 10/07/05 | 2661-G | $1.23073 | | $1.22573 | $1.19198 | $1.17953 |
| 11/01/05 | 2670-G | $1.29374 | | $1.28871 | $1.25479 | $1.24219 |
| 12/07/05 | 2682-G | $1.02339 | | $1.01836 | $0.98445 | $0.97186 |
| 01/01/06 | 2692-G | $1.26783 | | $1.26262 | $1.22753 | $1.21449 |
| 02/07/06 | 2696-G | $0.89008 | $0.87142 | $0.88494 | $0.85029 | $0.83744 |
| 03/07/06 | 2710-G | $0.81410 | $0.79542 | $0.80895 | $0.77428 | $0.76141 |
| 04/01/06 | 2715-G | $0.83971 | $0.82124 | $0.83461 | $0.69125 | $0.67850 |
| 05/05/06 | 2724-G | $0.75711 | $0.73856 | $0.75199 | $0.60847 | $0.59565 |
| 06/07/06 | 2730-G | $0.56333 | $0.54470 | $0.55819 | $0.52361 | $0.51074 |
| 07/07/06 | 2739-G | $0.60408 | $0.58550 | $0.59895 | $0.56444 | $0.55161 |
| 08/07/06 | 2749-G | $0.70939 | $0.69085 | $0.70427 | $0.66986 | $0.65706 |
| 09/01/06 | 2757-G | $0.76141 | $0.74282 | $0.75628 | $0.72176 | $0.70890 |
| 10/06/06 | 2765-G | $0.57856 | $0.55995 | $0.57343 | $0.53887 | $0.52601 |
| 11/01/06 | 2772-G | $0.79653 | $0.77797 | $0.79141 | $0.75694 | $0.74410 |
| 12/07/06 | 2785-G | $0.76999 | $0.75073 | $0.76494 | $0.73027 | $0.71714 |
| 01/01/07 | 2793-G | $0.77761 | $0.75545 | $0.78760 | $0.75147 | $0.72028 |
| 02/07/07 | 2804-G | $0.76591 | $0.74378 | $0.77444 | $0.73966 | $0.70857 |
| 03/01/07 | 2810-G | $0.80937 | $0.78719 | $0.81787 | $0.78300 | $0.75187 |
| 04/01/07 | 2818-G | $0.78688 | $0.76530 | $0.73661 | $0.70167 | $0.67066 |
| 05/01/07 | 2828-G | $0.87632 | $0.85457 | $0.82598 | $0.79076 | $0.75962 |
| 06/07/07 | 2837-G | $1.01488 | $0.99291 | $0.96446 | $0.92883 | $0.89752 |
| 07/01/07 | 2845-G | $0.98383 | $0.96211 | $0.93350 | $0.89830 | $0.86717 |
| 08/01/07 | 2854-G | $0.82607 | $0.80424 | $0.77571 | $0.74030 | $0.70910 |
| 09/10/07 | 2865-G | $0.82900 | $0.74810 | $0.75342 | $0.65536 | $0.63667 |
| 10/05/07 | 2870-G | $0.88088 | $0.80805 | $0.80580 | $0.72426 | $0.69221 |
| 11/01/07 | 2878-G | $0.85153 | $0.82025 | $0.85620 | $0.80971 | $0.77932 |
| 12/07/07 | 2888-G | $0.88177 | $0.87699 | $0.89719 | $0.88640 | $0.84489 |

# REDWOOD GAS PURCHASES
# JULY 2005 - NOVEMBER 2008

| Month-Year | Vendor | Inv Date | inv # | Delivery dates | Therms | Cost | Cost per Dth | Taxes/ Storage Factor | Total Cost Paid by Redwood |
|---|---|---|---|---|---|---|---|---|---|
| | | | | Vendor Direct Cost information, does not include taxes, storage etc | | | | | |
| | | | | May-05 | | | | | |
| | | | | Jun-05 | | | | | |
| 7-2005 | B. Charles Rogers Co | 8/15/2005 | s57102, jul 05 | Jul-05 | 560,860 | $ 362,942 | $ 6.47 | 1.000 | $ 6.47 |
| 8-2005 | Adams | 9/15/2005 | s57741 | Aug-05 | 369,000 | $ 245,106 | $ 6.64 | 1.000 | $ 6.64 |
| 9-2005 | Adams | 10/12/2005 | s58308 | Sep-05 | 210,000 | $ 185,955 | $ 8.86 | 1.000 | $ 8.86 |
| 10-2005 | Adams | 11/15/2005 | s58878 | Oct-05 | 93,000 | $ 98,952 | $ 10.64 | 1.000 | $ 10.64 |
| 11-2005 | Adams | 12/15/2005 | s59367 | Nov-05 | 359,150 | $ 402,966 | $ 11.22 | 1.000 | $ 11.22 |
| 12-2005 | B. Charles Rogers Co | 1/18/2006 | dec-05 | Dec-05 | 2,394,390 | $ 2,309,660 | $ 9.65 | 1.000 | $ 9.65 |
| 1-2006 | B. Charles Rogers Co | 2/15/2006 | Jan 06 | Jan-06 | 3,182,340 | $ 2,986,239 | $ 9.38 | 1.000 | $ 9.38 |
| 2-2006 | B. Charles Rogers Co | 3/14/2006 | feb 06 | Feb-06 | 2,885,570 | $ 2,099,394 | $ 7.28 | 1.000 | $ 7.28 |
| 3-2006 | Adams, B. Charles Rogers Co | 4/13/2006 | s62229, mar-06 | Mar-06 | 3,885,520 | $ 2,492,228 | $ 6.41 | 1.000 | $ 6.41 |
| 4-2006 | Adams, B. Charles Rogers Co | 5/15/2006 | s62865, apr-06 | 1/1/2006, apr 0 | 3,360,620 | $ 2,068,372 | $ 6.15 | 1.000 | $ 6.15 |
| 5-2006 | Adams, B. Charles Rogers Co | 6/8/2006 | s63375, May-06 | May-06 | 5,107,370 | $ 2,972,382 | $ 5.82 | 1.000 | $ 5.82 |
| 6-2006 | Adams | 7/14/2006 | s64207 | Jun-06 | 2,747,930 | $ 1,463,193 | $ 5.32 | 1.000 | $ 5.32 |
| 7-2006 | Adams | 8/15/2006 | s64905 | Jul-06 | 2,802,280 | $ 1,526,900 | $ 5.45 | 1.000 | $ 5.45 |
| 8-2006 | Adams | 9/15/2006 | s56585 | Aug-06 | 2,609,880 | $ 1,681,786 | $ 6.44 | 1.000 | $ 6.44 |
| 9-2006 | Adams | 10/13/2006 | s66612 | Sep-06 | 4,266,740 | $ 2,628,851 | $ 6.16 | 1.000 | $ 6.16 |
| 10-2006 | Adams | 11/15/2006 | s67055 | Oct-06 | 7,089,030 | $ 3,182,905 | $ 4.49 | 1.000 | $ 4.49 |
| 11-2006 | Adams | 12/15/2006 | s67810 | Nov-06 | 4,270,170 | $ 3,050,821 | $ 7.14 | 1.000 | $ 7.14 |
| 12-2006 | Adams | 1/15/2007 | s68546,s69028 | Dec-06 | 7,788,300 | $ 5,718,802 | $ 7.34 | 1.000 | $ 7.34 |
| 1-2007 | Adams | 2/15/2007 | s69301 | Jan-07 | 5,320,530 | $ 3,346,750 | $ 6.29 | 1.000 | $ 6.29 |
| 2-2007 | Adams | 3/15/2007 | s70092 | Feb-07 | 4,298,350 | $ 3,110,330 | $ 7.24 | 1.000 | $ 7.24 |
| 3-2007 | Adams | 4/13/2007 | s70921 | Mar-07 | 5,733,790 | $ 4,228,937 | $ 7.38 | 1.000 | $ 7.38 |
| 4-2007 | Adams | 5/15/2007 | s71694 | Apr-07 | 5,174,220 | $ 3,625,519 | $ 7.01 | 1.000 | $ 7.01 |
| 5-2007 | Adams | 6/15/2007 | s725504 | May-07 | 4,454,110 | $ 3,184,907 | $ 7.15 | 1.000 | $ 7.15 |
| 6-2007 | Adams | 7/16/2007 | s73304 | Jun-07 | 4,295,360 | $ 3,043,570 | $ 7.09 | 1.000 | $ 7.09 |
| 7-2007 | Adams | 8/15/2007 | S74110 | Jul-07 | 4,210,470 | $ 2,947,179 | $ 7.00 | 1.000 | $ 7.00 |
| 8-2007 | Adams | 9/14/2007 | s74929 | Aug-07 | 4,534,440 | $ 2,742,503 | $ 6.05 | 1.000 | $ 6.05 |
| 9-2007 | Adams | 10/15/2007 | nb0709 | Sep-07 | 4,376,860 | $ 2,376,934 | $ 5.43 | 1.000 | $ 5.43 |
| 10-2007 | Adams | 11/13/2007 | nb0710 | Oct-07 | 5,299,100 | $ 3,137,449 | $ 5.92 | 1.000 | $ 5.92 |
| 11-2007 | Adams | 12/18/2007 | nb0711 | Nov-07 | 5,919,260 | $ 4,164,675 | $ 7.04 | 1.000 | $ 7.04 |
| 12-2007 | Adams | | nb0712 | Dec-07 | 7,651,020 | $ 5,730,532 | $ 7.49 | 1.000 | $ 7.49 |
| 1-2008 | Adams | | nb0801 | Jan-08 | 8,093,930 | $ 5,748,526 | $ 7.10 | 1.000 | $ 7.10 |
| 2-2008 | Adams | 3/14/2008 | nb0802 | Feb-08 | 6,572,600 | $ 5,214,264 | $ 7.93 | 1.000 | $ 7.93 |
| 3-2008 | Adams | 4/25/2008 | nb0803 | Mar-08 | 4,905,110 | $ 4,304,747 | $ 8.78 | 1.000 | $ 8.78 |
| 4-2008 | Adams | 5/23/2008 | nb0804 | Apr-08 | 4,912,900 | $ 4,531,682 | $ 9.22 | 1.000 | $ 9.22 |
| 5-2008 | Adams | 6/13/2008 | nb0805 | May-08 | 5,720,070 | $ 6,025,937 | $ 10.53 | 1.000 | $ 10.53 |
| 6-2008 | Adams | 7/25/2008 | nb0806 | Jun-08 | 4,889,680 | $ 5,490,831 | $ 11.23 | 1.000 | $ 11.23 |
| 7-2008 | Adams+Shell | Multiple | nb0807 | Jul-08 | 6,779,070 | $ 8,104,504 | $ 11.96 | 1.000 | $ 11.96 |
| 8-2008 | Adams | 9/22/2008 | nb0808 | Aug-08 | 5,051,890 | $ 4,237,021 | $ 8.39 | 1.000 | $ 8.39 |
| 9-2008 | Adams | | nb0809 | Sep-08 | 4,789,450 | $ 3,443,712 | $ 7.19 | 1.000 | $ 7.19 |
| 10-2008 | Adams | | nb0810 | Oct-08 | 3,918,180 | $ 2,517,352 | $ 6.42 | 1.000 | $ 6.42 |
| 11-2008 | Adams | | nb0811 | Nov-08 | 4,160,260 | $ 2,454,233 | $ 5.90 | 1.000 | $ 5.90 |
| 12-2008 | | | | | | | | | |

http://www.pge.com/pipeline/products/rates/new_shrink.shtml

| Distribution Shrinkage | Core | Noncore on distribution system | Noncore on local transmission system |
|---|---|---|---|
| As of Nov. 1, 2008 | 3.30% | 0.20% | 0 |
| As of Nov. 1, 2006 | 3.10% | 0.20% | 0 |
| As of Mar. 1, 2006 | 2.90% | 0.20% | 0 |
| As of Apr. 1, 2005 | 2.10% | 0.20% | 0 |
| As of Jan. 1, 2005 | 2.10% | 0.20% | 0 |
| As of May. 1, 2004 | 2.40% | 0.20% | 0 |
| As of Jan. 1, 2004 | 2.40% | 0.20% | 0 |
| As of Mar. 1, 2003 | 2.41% | 0.16% | 0 |
| As of Mar. 1, 2002 | 1.88% | 0.12% | 0 |
| As of Jan. 1, 2002 | 2.41% | 0.16% | 0 |
| As of Oct. 1, 2000 | 2.31% | 0.16% | 0 |
| As of Nov. 2, 1998 | 4.02% | 0.22% | 0 |
| As of Sept. 1, 1998 | 4.02% | 0.22% | 0 |
| As of Mar. 1, 1998 | 3.31% | 0.21% | 0 |

**Table by Month**

| | | | |
|---|---|---|---|
| 12 | 2008 | Dec-08 | 3.30% |
| 11 | 2008 | Nov-08 | 3.30% |
| 10 | 2008 | Oct-08 | 3.10% |
| 9 | 2008 | Sep-08 | 3.10% |
| 8 | 2008 | Aug-08 | 3.10% |
| 7 | 2008 | Jul-08 | 3.10% |
| 6 | 2008 | Jun-08 | 3.10% |
| 5 | 2008 | May-08 | 3.10% |
| 4 | 2008 | Apr-08 | 3.10% |
| 3 | 2008 | Mar-08 | 3.10% |
| 2 | 2008 | Feb-08 | 3.10% |
| 1 | 2008 | Jan-08 | 3.10% |
| 12 | 2007 | Dec-07 | 3.10% |
| 11 | 2007 | Nov-07 | 3.10% |
| 10 | 2007 | Oct-07 | 3.10% |
| 9 | 2007 | Sep-07 | 3.10% |
| 8 | 2007 | Aug-07 | 3.10% |
| 7 | 2007 | Jul-07 | 3.10% |
| 6 | 2007 | Jun-07 | 3.10% |
| 5 | 2007 | May-07 | 3.10% |
| 4 | 2007 | Apr-07 | 3.10% |
| 3 | 2007 | Mar-07 | 3.10% |
| 2 | 2007 | Feb-07 | 3.10% |
| 1 | 2007 | Jan-07 | 3.10% |
| 12 | 2006 | Dec-06 | 3.10% |
| 11 | 2006 | Nov-06 | 3.10% |
| 10 | 2006 | Oct-06 | 2.90% |
| 9 | 2006 | Sep-06 | 2.90% |
| 8 | 2006 | Aug-06 | 2.90% |
| 7 | 2006 | Jul-06 | 2.90% |
| 6 | 2006 | Jun-06 | 2.90% |
| 5 | 2006 | May-06 | 2.90% |
| 4 | 2006 | Apr-06 | 2.90% |
| 3 | 2006 | Mar-06 | 2.90% |
| 2 | 2006 | Feb-06 | 2.10% |
| 1 | 2006 | Jan-06 | 2.10% |
| 12 | 2005 | Dec-05 | 2.10% |
| 11 | 2005 | Nov-05 | 2.10% |
| 10 | 2005 | Oct-05 | 2.10% |
| 9 | 2005 | Sep-05 | 2.10% |
| 8 | 2005 | Aug-05 | 2.10% |
| 7 | 2005 | Jul-05 | 2.10% |

| Account | Period | Source | Category | Batch | Journal Entry | Line Description | Entered Debit | Entered Credit | Line Reference 1 | Line Reference 2 |
|---|---|---|---|---|---|---|---|---|---|---|
| 260.7100.€ | 9-Jan | Payables | Purchase I | 3125 | Paya Purchase I | PHILPOTT FOR WEEK ENDING 01.25.( | 4,620.00 | | AJS PARTNERS | 40622 |
| 260.7100.€ | 9-Feb | Payables | Purchase I | 3326 | Paya Purchase I | PHILPOTT FOR WEEK ENDING 02.01.( | 4,620.00 | | AJS PARTNERS | 42718 |
| 260.7100.€ | 9-Feb | Payables | Purchase I | 3616 | Paya Purchase I | PHILPOTT FOR WEEK ENDING 02.08.( | 4,620.00 | | AJS PARTNERS | 44418 |
| 260.7100.€ | 9-Feb | Payables | Purchase I | 3890 | Paya Purchase I | 2/16/09 PHILPOTT W/E 2/15/09 | 4,446.75 | | AJS PARTNERS | 46729 |
| 260.7100.€ | 9-Feb | Payables | Purchase I | 4009 | Paya Purchase I | 2/23/09 PHILPOTT W/E 2/22/09 | 3,724.88 | | AJS PARTNERS | 47206 |
| 260.7100.€ | 9-Feb | Payables | Purchase I | 4398 | Paya Purchase I | C PHILPOTT FOR WEEK ENDING 03.0 | 4,620.00 | | AJS PARTNERS | 50150 |
| 260.7100.€ | 9-Mar | Payables | Purchase I | 4945 | Paya Purchase I | 3/9/09 PHILPOTT W/E 3/08/09 | 4,620.00 | | AJS PARTNERS | 53152 |
| 260.7100.€ | 9-Mar | Payables | Purchase I | 4945 | Paya Purchase I | 3/16/09 PHILPOTT W/E 3/15/09 | 4,620.00 | | AJS PARTNERS | 53151 |
| 260.7100.€ | 9-Mar | Payables | Purchase I | 5033 | Paya Purchase I | 3/23/09 PHILPOTT W/E 3/22/09 | 4,620.00 | | AJS PARTNERS | 53517 |
| 260.7100.€ | 9-Apr | Payables | Purchase I | 5506 | Paya Purchase I | 4/6/09 PHILPOTT W/E 4/5/09 | 4,620.00 | | AJS PARTNERS | 56672 |
| 260.7100.€ | 9-Apr | Payables | Purchase I | 5506 | Paya Purchase I | 3/30/09 PHILPOTT W/E 3/29/09 | 4,620.00 | | AJS PARTNERS | 56671 |
| 260.7100.€ | 9-Apr | Payables | Purchase I | 5966 | Paya Purchase I | 4/13/09 PHILPOTT W/E 4/12/09 | 4,620.00 | | AJS PARTNERS | 59154 |
| 260.7100.€ | 9-Apr | Payables | Purchase I | 6434 | Paya Purchase I | 04/27/09 CHRIS PHILPOTT W/E 04/26/( | 2,772.00 | | AJS PARTNERS | 61633 |
| 260.7100.€ | 9-Jan | Manual | Reclass | 260-JAN0 | 9 260-JAN0 | 9 RECLASS RHIKPOTT AJS INVOICE | 1,905.75 | | | |
| | 9-May | Payables | Purchase I | 6574 | Paya Purchase I | 04/20/09 CHRIS PHILPOTT W/E 04/19/( | 2,541.00 | | AJS PARTNERS | |
| 260.6105.€ | 8-Oct | Payables | Purchase I | 214 | Payab Purchase I | L REID FOR WEEK ENDING 10.03.08 | 1,312.75 | | ACCOUNTEMPS | |
| 260.6105.€ | 8-Oct | Payables | Purchase I | 214 | Payab Purchase I | L REID FOR WEEK ENDING 10.24.08 | 1,346.13 | | ACCOUNTEMPS | |
| 260.6105.€ | 8-Oct | Payables | Purchase I | 214 | Payab Purchase I | L REID FOR WEEK ENDING 10.17.08 | 1,513.00 | | ACCOUNTEMPS | |
| 260.6105.€ | 8-Oct | Payables | Purchase I | 214 | Payab Purchase I | L REID FOR WEEK ENDING 10.31.08 | 1,679.88 | | ACCOUNTEMPS | |
| 260.6105.€ | 8-Oct | Payables | Purchase I | 214 | Payab Purchase I | L REID FOR WEEK ENDING 10.10.08 | 1,702.13 | | ACCOUNTEMPS | |
| 260.6105.€ | 8-Nov | Payables | Purchase I | 214 | Payab Purchase I | L REID FOR WEEK ENDING 10.31.08 | 1,679.88 | | ACCOUNTEMPS | |
| 260.6105.€ | 8-Nov | Payables | Purchase I | 400 | Payab Purchase I | L REID FOR WEEK ENDING 11.07.08 | 1,613.13 | | ACCOUNTEMPS | |
| 260.6105.€ | 8-Nov | Payables | Purchase I | 832 | Payab Purchase I | L REID FOR WEEK ENDIN 11.21.08 | 1,830.06 | | ACCOUNTEMPS | |
| 260.6105.€ | 8-Nov | Payables | Purchase I | 912 | Payab Purchase I | L REID FOR WEEK ENDING 11.14.08 | 1,368.38 | | ACCOUNTEMPS | |
| 260.6105.€ | 8-Dec | Payables | Purchase I | 1873 | Paya Purchase I | L REID FOR WEEK ENDING 12.05.08 | 1,830.06 | | ACCOUNTEMPS | |
| 260.6105.€ | 8-Dec | Payables | Purchase I | 2093 | Paya Purchase I | L REID FOR WEEK ENDING 12.26.08 | 712 | | ACCOUNTEMPS | |
| 260.6105.€ | 8-Dec | Payables | Purchase I | 2093 | Paya Purchase I | L REID FOR WEEK ENDING 12.12.08 | 1,546.38 | | ACCOUNTEMPS | |
| 260.6105.€ | 8-Dec | Payables | Purchase I | 2093 | Paya Purchase I | L REID FOR WEEK ENDING 12.19.08 | 1,702.13 | | ACCOUNTEMPS | |
| 260.6105.€ | 9-Jan | Payables | Purchase I | 2291 | Paya Purchase I | L REID FOR WEEK ENDING 01.02.09 | 1,257.13 | | ACCOUNTEMPS | |
| 260.6105.€ | 9-Jan | Payables | Purchase I | 2641 | Paya Purchase I | L REID FOR WEEK ENDING 01.16.09 | 322.63 | | ACCOUNTEMPS | |
| 260.6105.€ | 9-Jan | Payables | Purchase I | 2641 | Paya Purchase I | L REID FOR WEEK ENDING 01.09.09 | 1,379.50 | | ACCOUNTEMPS | |
| 260.6105.€ | 9-Jan | Payables | Purchase I | 2844 | Paya Purchase I | PHILPOTT FOR WEEK ENDING 01.18.( | 4,620.00 | | AJS PARTNERS | |
| | | | | | | | 89,005.55 | | | |
| | | | | | | | | | | 48018 |
| 260.7100.€ | 9-Feb | Payables | Purchase I | 3931 | Paya Purchase I | 2/27/09 JAN 09 WORK | 9,300.00 | | KEN BOHN | 47062 |
| 260.7100.€ | 9-Feb | Payables | Purchase I | 4092 | Paya Purchase I | 2/28/09 FEB CONSULTING | 6,500.00 | | KEN BOHN | 47898 |
| 260.7100.€ | 9-Jan | Payables | Purchase I | 2882 | Paya Purchase I | REDWOOD-01/26/09 BILLING FOR SEF | 8,804.11 | | LR ASSOCIATES, LLC | 39184 |
| 260.7100.€ | 9-Jan | Payables | Purchase I | 3353 | Paya Purchase I | 02/02/09 SERVICES 01/26/09-02/01/09 | 3,657.50 | | LR ASSOCIATES, LLC | 43290 |
| 260.7100.€ | 9-Feb | Payables | Purchase I | 3449 | Paya Purchase I | 02/09/09 SERVICES 02/02/09-02/08/09 | 3,562.50 | | LR ASSOCIATES, LLC | 43666 |
| 260.7100.€ | 9-Feb | Payables | Purchase I | 3581 | Paya Purchase I | RRM-02/16/09 SERVICES 02/09/09-02/1 | 4,185.65 | | LR ASSOCIATES, LLC | 44133 |
| 260.7100.€ | 9-Feb | Payables | Purchase I | 3897 | Paya Purchase I | RRM-02/23/09 SERVICES 02/16/09-02/2 | 4,414.47 | | LR ASSOCIATES, LLC | 46856 |
| 260.7100.€ | 9-Feb | Payables | Purchase I | 4059 | Paya Purchase I | 03/03/09N SERVICES 02/23/09-03/01/0 | 5,165.63 | | LR ASSOCIATES, LLC | 47569 |
| 260.7100.€ | 9-Mar | Payables | Purchase I | 4353 | Paya Purchase I | 03/09/09 SERVICES 03/02/09-03/08/09 | 4,375.00 | | LR ASSOCIATES, LLC | 50051 |
| 260.7100.€ | 9-Mar | Payables | Purchase I | 4659 | Paya Purchase I | REDWOOD-03/16/09 SERVICES 03/09/ | 3,600.00 | | LR ASSOCIATES, LLC | 51952 |
| 260.7100.€ | 9-Mar | Payables | Purchase I | 4960 | Paya Purchase I | REDWOOD-03/30/09 SERVICES 03/23/ | 900 | | LR ASSOCIATES, LLC | 53167 |
| 260.7100.€ | 9-Mar | Payables | Purchase I | 4960 | Paya Purchase I | REDWOOD-03/23/09 SERVICES 03/09/ | 3,450.00 | | LR ASSOCIATES, LLC | 53159 |
| 260.7100.€ | 9-Apr | Payables | Purchase I | 5559 | Paya Purchase I | 04/13/09 SERVICES 03/30/09-04/12/09 | 1,550.00 | | LR ASSOCIATES, LLC | 56983 |
| 260.7100.€ | 9-Apr | Payables | Purchase I | 6020 | Paya Purchase I | 04/29/09 SERVICES 04/13/09-04/26/09 | 300 | | LR ASSOCIATES, LLC | 59404 |
| | | | | | | | 59,764.86 | | | |
| | | | | | | 20% | 11,952.97 | | | |
| | | | | | | TOTAL | 100,958.52 | | | |

| | | |
|---|---|---|
| – | (C. Philpott, L. Reid, L. Rappucci) | 100,959 |
| – | HSE salaried employees estimated cost in protracted legal proceedings | 10,000 |
| | **TOTAL** | **$ 110,959** |

# Exhibit I

# GAS SCHEDULE G-BAL

Sheet 1

## GAS BALANCING SERVICE FOR INTRASTATE TRANSPORTATION CUSTOMERS

APPLICABILITY: This rate schedule* provides the terms and conditions pursuant to which PG&E will endeavor to balance volumes of gas it receives into its pipeline system with the volume it delivers to End-Use Customers and to Off-System Delivery Points. In addition, this schedule provides for balancing PG&E's Market Center volumes. Under this schedule, PG&E will calculate, maintain, and carry imbalances; provide incentives for Customers to avoid and minimize imbalances; facilitate elimination of imbalances; and cash out imbalances. Schedule G-BAL applies to PG&E's Core Procurement Department transactions on behalf of PG&E's core procurement Customers, and to all Customers taking services under Schedules G-CT (or other core rate schedule(s) where procurement service is provided by a third party), to Schedules G-NT, G-EG, G-NGV4, G-WSL, G-LNG, G-AFT, G-SFT, G-NFT, G-AA, G-NAA, G-AFTOFF, G-AAOFF, G-NFTOFF, G-NAAOFF, G-PARK, and G-LEND.

Imbalances generally will be maintained at the delivery point.

This schedule is the default supply schedule for Noncore End-Use Customers who do not execute a Natural Gas Service Agreement (NGSA) (Form No. 79-756), pursuant to the terms of Schedule G-NT.

TERRITORY: Schedule G-BAL applies everywhere within PG&E's natural gas Service Territory.

BALANCING AGGREGATION: Noncore End-Use Customers may elect to aggregate Cumulative Imbalances for multiple premises, or they may assign their balancing obligations to a Balancing Agent, as described below. If the Cumulative Imbalances are aggregated or assigned to a Balancing Agent, PG&E will aggregate individual Balancing Service accounts into a single Balancing Service account, with both the usage and the deliveries aggregated. A single Monthly Tolerance Band, as defined below, shall apply to the aggregated quantities.

BALANCING AGENT: The Balancing Agent is the party financially responsible for managing and clearing imbalances described in Schedule G-BAL. The Balancing Agent shall be responsible for all applicable balancing and Rule 14 Operational Flow Order, Emergency Flow Order and diversion noncompliance charges. The following are Balancing Agents: Core Transport Agent (CTA), PG&E Core Procurement Department, Noncore Balancing Aggregation Agreement (NBAA) Agent, a Noncore End-Use Customer or Wholesale/Resale Customer that is not part of an NBAA. All Balancing Agents are subject to creditworthiness requirements. (T) (T)

For deliveries to a Core Transport Group, the CTA will be responsible for any imbalances. For deliveries to storage and to off-system points, the Customer holding the Gas Transmission Service Agreement (GTSA) (Form No. 79-866) will be responsible for imbalances. (T)

For deliveries made to Noncore End-Use Customers, the Noncore End-Use Customer will be responsible for imbalances; however, Noncore End-Use Customers may designate a Balancing Agent to manage and assume responsibility for the Noncore End-Use Customer's obligations under this schedule.

A Noncore End-Use Customer may change its Balancing Agent no more than once per month.

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

(Continued)

## GAS SCHEDULE G-BAL

Sheet 2

## GAS BALANCING SERVICE FOR INTRASTATE TRANSPORTATION CUSTOMERS

BALANCING AGENT: (Cont'd.)

Noncore End-Use Customer designation of a Balancing Agent, changing of one Balancing Agent for another Balancing Agent, or terminating the services of a Balancing Agent, will take effect on the first day of the month following PG&E's receipt of an executed Noncore Balancing Aggregation Agreement (NBAA) (Form No. 79-869), or Exhibit A or Exhibit B of the NBAA. The request must be received by PG&E by the last business day prior to the first day of the month the designation or change is to take effect. Requests that are not received by PG&E by the last business day prior to the first day of the month will not take effect until the first day of the second month following such request.

For End-Use Customers whose imbalances were previously not handled under an NBAA, upon designating a Balancing Agent and executing an NBAA, any existing imbalances and/or adjustments to past imbalances will also become the responsibility of such Balancing Agent upon the effective date of the NBAA.

The Balancing Agent may nominate transportation deliveries to PG&E on behalf of the Customer, in accordance with the provisions of gas Rule 21.*

BALANCING OPTIONS:

PG&E will provide Balancing Service to accommodate any imbalances between Customer usage and gas delivered to PG&E for the Customer. Only one balancing option may apply to an individual End-Use Customer at any time. The Monthly Balancing Option remains the default balancing option for any Balancing Agent who does not elect Self-Balancing. In accordance with gas Rule 21, all Balancing Agents must endeavor to ensure that daily gas deliveries match daily gas usage. (T) (T)

MONTHLY BALANCING OPTION:

MONTHLY TOLERANCE BAND:

The Monthly Tolerance Band is equal to plus or minus five percent (± 5%) of the usage in the month in which the imbalance occurred. PG&E will provide Monthly Balancing Service at no additional charge if the Balancing Agent's Cumulative Imbalance is less than or equal to the Monthly Tolerance Band limit. (T)

If a Balancing Agent has a month-end imbalance that exceeds the Monthly Tolerance Band, this amount may be traded or will be cashed out as provided below. Unlike the Self-Balancing Option, there is no specific noncompliance charge for exceeding the balancing limit of the Monthly Tolerance Band.

If at any time the aggregate imbalance of all of PG&E's On-System Customers has exceeded plus or minus three percent (±3%) of that month's aggregate deliveries for any two (2) months in the preceding twelve (12) month period, PG&E may decrease the limit of the Monthly Tolerance Band by one percent (1%) after a minimum of thirty (30) days' notice to Customers. The Monthly Tolerance Band may not be adjusted more than once in any twelve (12) month period. The Monthly Tolerance Band may not be set below three percent (3%) without prior CPUC approval. (T) | (T)

DAILY USAGE MEASUREMENT:

For purposes of determining daily usage, Noncore End-Use Customers are required to have daily metering. Telemetering will be installed on Noncore End-Use Customers' meters, where PG&E determines that it is cost-effective.

(Continued)

# GAS SCHEDULE G-BAL

Sheet 3

## GAS BALANCING SERVICE FOR INTRASTATE TRANSPORTATION CUSTOMERS

MONTHLY BALANCING OPTION: (Cont'd.)

CUMULATIVE IMBALANCE FOR NONCORE CUSTOMERS:

A Balancing Agent's Cumulative Imbalance shall be the difference, for each calendar month, between metered usage (adjusted for shrinkage) and the actual monthly gas deliveries, plus any adjustments and tolerance carried forward from prior months.

A Cumulative Imbalance quantity will be stated each month on the Cumulative Imbalance Statement.

CUMULATIVE IMBALANCE FOR CORE PROCUREMENT GROUPS:

For a Core Procurement Group (which includes PG&E's Core Procurement Department and Core Transport Groups (CTA Group), as defined in gas Rule 1 (CP Group)), PG&E will determine the Cumulative Imbalance as follows:

PG&E will provide each CP Group with Core Load Forecasting and Determination Service, which will include 24-hour and 48-hour forecasts prior to the Gas Day. As part of this service, PG&E will also provide a Gas Day estimated usage (Determined Usage) for the CP Group. Determined Usage will be based on the historical usage of the CP Group's customer mix, adjusted for climatic and operational conditions.

For a CP Group, the Cumulative Imbalance shall be the difference, for each calendar month, between Determined Usage (adjusted for shrinkage) and the actual monthly gas deliveries plus any Operating Imbalance, plus tolerance carried forward from prior months, plus any under-delivery of gas by a CP Group resulting from the failure to meet the Injection Period Month-End Minimum Inventory Target Level as specified in Schedule G-CFS. (T) | (T)

OPERATING IMBALANCE FOR CORE PROCUREMENT GROUPS:

For CP Groups, each Core End-Use Customer's cycle billed usage will be divided by the number of days within the billing cycle, then weighted on a daily basis to match the daily fluctuations of the CP Group's Determined Usage within the same billing cycle (Daily Weighted Usage).

The Operating Imbalance for each CP Group is the difference between the sum of each day's Determined Usage within a calendar month and the sum of each day's Daily Weighted Usage for each of the Core End-Use Customers for that calendar month. The Operating Imbalance Carryover is the accumulation of untraded monthly Operating Imbalances plus prior month accounting adjustments.

Each month, PG&E will provide the CP Group with an Operating Imbalance Statement. That Operating Imbalance Statement will be processed within two (2) months following the processing of the Cumulative Imbalance Statement for the same month. The processing delay ensures that most of the billing cycle usage for the calendar month has been measured and billed. If a CP Group incurs a Cumulative Imbalance cashout and the subsequent Operating Imbalance indicates that the Group's deliveries more closely matched the Group's actual gas use, then PG&E will reverse the cashout to the extent applicable.

(Continued)

# GAS SCHEDULE G-BAL

Sheet 4

## GAS BALANCING SERVICE FOR INTRASTATE TRANSPORTATION CUSTOMERS

MONTHLY BALANCING OPTIONS: (Cont'd.)

CASHOUT FOR MONTHLY BALANCING:

Monthly imbalances after trading is completed, which exceed the Monthly Tolerance Band are cashed out for both the commodity component and the transportation component.

The Commodity Cashout for each month is based on the following four (4) imbalance categories: Over-deliveries and under-deliveries in the imbalance range of greater than five percent (5%) and less than or equal to ten percent (10%) of usage (Tier I Cashout), and over-deliveries and under-deliveries in the imbalance range of greater than ten percent (10%) of usage (Tier II Cashout). The amount of gas in each category is multiplied by the appropriate price as determined below to calculate the commodity cashout portion of the bill.

The Transportation Cashout for each month is based only on the under or over-delivery greater than five percent (5%). This amount is multiplied by the appropriate transportation cashout price as determined below to calculate the transportation cashout portion of the bill. In the case of an overdelivery, this will be a credit.

SELF-BALANCING OPTION:

The Self-Balancing option requires daily balancing within specified limits. To participate in Self-Balancing, the Balancing Agent must have an NBAA or CTA Group.

To elect Self-Balancing, the Balancing Agent must sign a Self-Balancing Amendment (Form No. 79-971) and the NBAA or the Core Gas Aggregation Service Agreement (CTA Agreement) will be subject to the terms of Self-Balancing for the period identified in the Amendment.

SELF-BALANCING CREDIT:

The Self-Balancing option allows a Balancing Agent to receive a credit. The Self-Balancing credit is $0.0096 per Decatherm multiplied by the actual recorded monthly usage. Credits will be provided to the Balancing Agent on a monthly basis, subject to adjustments. (I)

LIMIT ON SELF-BALANCING PARTICIPATION:

When a Balancing Agent elects Self-Balancing, their share of the balancing storage assets will be assigned to and marketed through PG&E's at-risk unbundled storage program. The amount of storage assets allocated to PG&E's at-risk unbundled storage program is based on the Balancing Agent's End-Use Customer's annual average usage as a percentage of PG&E's average annual system usage. PG&E will allow the election of Self-Balancing until the storage balancing assets of 1.1 Bcf of inventory, 25 MMcf per day of injection and 35 MMcf per day of withdrawal are reached. If these limits are reached, PG&E will restrict further elections for Self-Balancing until capacity is made available or the OFO Forum raises the limits.

(Continued)

# GAS SCHEDULE G-BAL

Sheet 5

## GAS BALANCING SERVICE FOR INTRASTATE TRANSPORTATION CUSTOMERS

SELF-BALANCING OPTION: (Cont'd.)

DAILY IMBALANCE LIMITS FOR SELF-BALANCING:

A Balancing Agent electing Self-Balancing will be subject to two (2) imbalance limits each day:

1. The Daily Imbalance cannot exceed plus or minus ten percent (±10%) of that day's metered usage for an NBAA or 24-hour forecast usage for a CTA Group, except on OFO or EFO days. On OFO or EFO days the applicable OFO or EFO tolerance band and noncompliance charge will apply.

2. A Balancing Agent must also maintain an Accumulated Daily Imbalance less than, or equal to, plus or minus one percent (±1%) of the Pre-Determined Monthly Usage for that month.

The Pre-Determined Monthly Usage (PDMU) for Noncore End-Use Customers will be equal to the Monthly Contract Quantity specified in the Exhibit B of their NGSA. PG&E will provide the Self-Balancing CTA with a PDMU at least 5 days prior to the first of each month. The PDMU for CTA Groups will be determined by PG&E as a function of the sum of the actual usage of the End-Use Customers within the CTA Group in the same month of the prior year. Adjustments may be applied for missing usage information for the prior year, mid-month starts and stops of service by the Balancing Agent, and for weather effects.

SELF-BALANCING NONCOMPLIANCE CHARGES:

Self-Balancing Noncompliance charges will be calculated as the sum of the following:

1. Daily Noncompliance Charge: For each non-OFO or non-EFO day, a noncompliance charge equal to fifty percent (50%) of the Monthly Citygate Index (MCI) per Decatherm for the portion of the daily imbalance that exceeds plus or minus ten percent (±10%) of the daily metered usage for customers in an NBAA or 24-hour forecast usage for a CTA Group per day. The MCI is the higher of the highest daily price during the month, or the monthly PG&E Citygate Index price published in *Gas Daily*, rounded up to the next whole dollar. If no price is published on a given day, the previously published price will be applied. On OFO or EFO days the corresponding tolerance band and OFO or EFO charge will apply. (T) (T) (T) (T) (T)

2. Accumulated Daily Imbalance Noncompliance Charge: For each day, including OFO and EFO days, a noncompliance charge equal to fifty percent (50%) of the Monthly Citygate Index (MCI) per Decatherm per day for each day when the Accumulated Daily Imbalance exceeds plus or minus one percent (±1%) of the Pre-Determined Monthly Usage. The MCI is the higher of the highest daily price during the month, or the monthly PG&E Citygate Index price published in *Gas Daily*, rounded up to the next whole dollar. If no price is published on a given day, the previously published price will be applied. (See gas Rule 14 for possible exemptions from noncompliance charges on OFO days.) (T) (T) (T) (T) (T)

(Continued)

# GAS SCHEDULE G-BAL

Sheet 6

## GAS BALANCING SERVICE FOR INTRASTATE TRANSPORTATION CUSTOMERS

SELF-BALANCING OPTION: (Cont'd.)

ANNUAL SELF-BALANCING ELECTION PERIOD:

A Balancing Agent may elect the Self-Balancing option annually in February. The election is effective for a minimum term of one year that begins on April 1, and ending on the following March 31. Election requests for Self-Balancing will be accepted on a first-come, first-served basis. A Balancing Agent may not combine Self-Balancing and Monthly Balancing Customers in a single group.

CHANGES TO A BALANCING GROUP AFTER THE ELECTION PERIOD:

Circumstances may arise which would require the release of an End-Use Customer from a Self-Balancing Group during the year. PG&E will agree to changes that result from, but are not limited to, the following: failure of the business, change in core or noncore status, change of ownership, End-Use Customer changing Balancing Agents, and the termination of a Natural Gas Service Agreement, CTA Agreement, or NBAA. A Balancing Agent may not elect to move End-Use Customers from their Self-Balancing group to their Monthly Balancing group after the election period has ended nor may a Balancing Agent add a customer from their Monthly Balancing group to their Self-Balancing Group. End-Use Customers may be added to a Balancing Agent's Self-Balancing group if the End-Use Customer is not currently served by that same Balancing Agent under Monthly Balancing. All additions or deletions to a Self-Balancing group after the Election Period has ended must be agreed to by PG&E prior to the effective date of the change. (T) (T)

REQUIREMENT FOR DAILY USAGE RECORDING GAS METERS:

Noncore End-Use Customers must have a minimum of one daily usage recording meter prior to the Annual Self-Balancing Election Period. The cost of adding daily usage recording devices and/or data access is the responsibility of the customer. Noncore End-Use Customers who add daily usage recording devices after the election period will be allowed to convert to Self-Balancing during the next election period, if capacity is available. (See Limit on Self-Balancing Participation.) Meters with a capacity less than 100 Dth per day at a customer premises with large hourly recording meters are exempted from the hourly recording requirement. The average daily usage of these meters will be included in the daily calculations. (T) (T)

(Continued)

# GAS SCHEDULE G-BAL

Sheet 7

## GAS BALANCING SERVICE FOR INTRASTATE TRANSPORTATION CUSTOMERS

SELF-BALANCING OPTION: (Cont'd.)

MEASUREMENT OF DAILY USAGE AND IMBALANCES:

Balancing Agents will be responsible for tracking their own daily imbalance position. PG&E will not provide notice to a Balancing Agent if their imbalances are exceeding the daily tolerance levels. The daily usage for Noncore End-Use Customers who qualify for exemption from the hourly recording requirement in the Requirement for Daily Usage Recording Gas Meters provision, specified above, will be based on the sum of the average daily use plus any actual daily recorded usage. Average daily usage is equal to the monthly recorded usage divided by the number of days within the month. Daily usage for all other noncore End-Use Customers will be based on the actual recorded volumes. If the daily usage recording device fails, average daily use will be used for those days where daily-recorded use is unavailable or missing. (T) (T)

Daily usage for CTA Groups will be based on a forecast of their customers' gas usage, as provided by PG&E. For CTA Groups with an annual demand less than three percent (3%) of the total core market's annual demand, daily usage will be determined using the first 24-hour forecast available each day. For CTA Groups with an annual demand greater than or equal to three percent (3%) of the total core market, daily usage will be determined using an end of the gas day forecast. For any CTA Group electing Self-Balancing, the applicable daily usage forecast will also be used to calculate its monthly Cumulative Imbalance. If the annual demand of any CTA Group participating in Self-Balancing exceeds ten percent (10%) of the total core market annual demand, then the largest CTA Group(s) will have their daily usage determined based on the end of the gas day forecast, such that the sum of the demands for the remaining Self-Balancing CTA Groups continuing to use the 24-hour forecast does not exceed the ten percent (10%) limit.

CUMULATIVE IMBALANCE FOR SELF-BALANCING NONCORE CUSTOMERS:

A Balancing Agent's Cumulative Imbalance under the Self-Balancing option is the same as under the Monthly Balancing Option, and is the difference, for each calendar month, between metered usage (adjusted for shrinkage) and the actual monthly gas deliveries plus any adjustments and tolerance carried forward from a prior month.

A Cumulative Imbalance quantity will be stated each month on the Cumulative Imbalance Statement.

CUMULATIVE IMBALANCE FOR SELF-BALANCING CTA GROUPS:

The Cumulative Imbalance for a CTA Group that elects the Self-Balancing option shall be the difference between the sum of each day's 24-hour Core Load Forecast and the actual monthly gas deliveries including any Operating Imbalance or tolerance carried forward from a prior month, plus any under-delivery of gas by a CTA Group resulting from the failure to meet the Injection Period Month-End Minimum Inventory Target Level as specified in Schedule G-CFS.

(Continued)

# GAS SCHEDULE G-BAL

Sheet 8

## GAS BALANCING SERVICE FOR INTRASTATE TRANSPORTATION CUSTOMERS

SELF-BALANCING OPTION: (Cont'd.)

OPERATING IMBALANCE FOR SELF-BALANCING CTA GROUPS:

The Operating Imbalance for each CTA Group that elects the Self-Balancing option shall be the difference between the sum of each day's 24-hour Core Load Forecast and the sum of each day's Daily Weighted Usage of the Core End-Use Customers included in that CTA Group for that calendar month.

CASHOUT FOR SELF-BALANCING:

For those balancing groups subject to Self-Balancing, any gas imbalances remaining after the Imbalance Trading Period that are in excess of plus or minus one percent (±1%) of the Pre-Determined Monthly Usage will be cashed out for both the commodity component and the transportation component. The commodity cashout is at the appropriate Tier II Cashout price as determined below. Any remaining gas imbalances within the tolerance band (±1%) will be included in Accumulated Daily Imbalance calculated for the first day of the month following trading period. The transportation cashout is at the appropriate price as determined below. (T)

IMBALANCE TRADING:

A Balancing Agent may trade its Cumulative or Operating Imbalances with another Balancing Agent that has a Cumulative or Operating Imbalance from the same statement period.

Executing an Imbalance trade consists of both parties to the trade completing an Imbalance Trading Form for Schedule G-BAL Service (Form No. 79-762), or electronic equivalent, and submitting the form to PG&E.

IMBALANCE TRADING CRITERIA:

Each Cumulative Imbalance trade must meet at least one of the following criteria:

1. The trade moves the trading party's Cumulative Imbalance towards zero; and/or

2. The trade results in a Cumulative Imbalance that is within the range of plus or minus three percent (3%) of usage past zero.

The following table sets forth the range of acceptable Cumulative Imbalance trades. Imbalances are described as a percentage of usage. Each trade will be deemed to have a Beginning Imbalance (the imbalance, positive or negative, existing immediately prior to the trade) and an Ending Imbalance (the imbalance, positive or negative, resulting from the trade).

| If Beginning Imbalance is: | Ending Imbalance must be: |
|---|---|
| Greater than -3% (in the negative direction) | Between the Beginning Imbalance and +3% |
| Equal to or between –3% and +3% | Equal to or between -3% and +3% |
| Greater than +3% (in the positive direction) | Between -3% and the Beginning Imbalance |

Each Operating Imbalance trade must move the CP Groups' Operating Imbalance Carryover toward zero.

(Continued)

# GAS SCHEDULE G-BAL



## GAS BALANCING SERVICE FOR INTRASTATE TRANSPORTATION CUSTOMERS

IMBALANCE TRADING: (Cont'd.)

IMBALANCE TRADING PERIOD:

PG&E will issue Cumulative Imbalance statements no later than the fifteenth (15) day of the first subsequent month following the month in which the Cumulative Imbalance occurred. PG&E will issue Operating Imbalance Statements no later than the fifteenth (15) day of the second subsequent month following the month in which the Cumulative Imbalance Statement for the same period was issued. Thereafter, Balancing Agents may trade all or a portion of their Cumulative and/or Operating Imbalance quantity by executing an imbalance trade by 5:00 p.m. Pacific Time on the closing date for New York Mercantile Exchange (NYMEX) Henry Hub Gas Futures contracts for the following month. If necessary, PG&E will extend the Cumulative and Operating Imbalance trading deadline beyond the NYMEX close date to ensure that the trading period lasts a minimum of five (5) business days.

TRADING IMBALANCES USING STORAGE ACCOUNTS:

During the imbalance Trading Period, Balancing Agents may manage both Cumulative and Operating Imbalances by trading into or out of storage accounts at on-system storage facilities. The owner of the storage account is not required to purchase storage injection or storage withdrawal capacity from PG&E to effect an imbalance trade.

The owner of the storage account must have, at the time of the trade, the inventory capacity to accept a trade into storage or the gas in inventory to trade out of storage. A CTA that uses its core storage account for managing Cumulative or Operating Imbalances must adhere to the end-of-month inventory target levels, as specified in Schedule G-CT. Owners of a third-party storage account must provide documentation of their inventory capacity or gas in inventory. Subject to system load balancing and/or operational constraints, Balancing Agents may trade as much of their Cumulative and/or Operating Imbalance quantity as their storage inventory/capacity allows. (D)

(Continued)

# GAS SCHEDULE G-BAL



## GAS BALANCING SERVICE FOR INTRASTATE TRANSPORTATION CUSTOMERS

IMBALANCE TRADING: (Cont'd.)

MANAGING REMAINING IMBALANCES AFTER TRADING:

After the imbalance trading deadline, any remaining Cumulative Imbalance, within the Monthly Tolerance Band, and any Operating Imbalance Carryover, as specified below, will be considered the first transaction during the calendar month following the just-completed trading period. Any remaining Cumulative Imbalance in excess of the Monthly Tolerance Band will be automatically cashed out. Cashouts will include a Commodity Cashout component and a Transmission Cashout component. (T) (T)

After the imbalance trading deadline, any remaining Operating Imbalance will be managed as follows:

1. The Operating Imbalance remaining after trading will be added to the Operating Imbalance Carryover.

2. One-twelfth (1/12) of the Operating Imbalance Carryover will be considered part of the first transaction for the CP Group during the calendar month following the just completed trading period.

3. A CP Group may also make a monthly election to clear its entire Operating Imbalance Carryover if it is less than 5,000 Dth. This will be considered the first transaction during the calendar month following PG&E's receipt of written notification, and will set the Operating Imbalance Carryover to zero.

(Continued)

# GAS SCHEDULE G-BAL

Sheet 11

## GAS BALANCING SERVICE FOR INTRASTATE TRANSPORTATION CUSTOMERS

CASHOUT PRICING:

COMMODITY CASHOUT PRICING: (L)

Each commodity cashout price is based on a two-step calculation: First, a cashout index is determined based on an average of the published price data from Natural Gas Intelligence (NGI) and the BTU Daily Gas Wire for the PG&E interconnect points of Malin (Northern California Border) and Topock (Southern California Border). Second, that index is adjusted to arrive at the cashout price for that imbalance category.

Tier I Commodity Cashout – Imbalances greater than five percent (5%) and less than or equal to ten percent (10%) of usage: (T) (T)

1. Over-deliveries:
   a. The Weighted Over Delivery (WOD) Index equals the lower of the Bid Week monthly index price or the average of the five (5) lowest average published daily prices, weighted by the supply mix of all gas received at Malin and Topock for on-system End-Use Customers during the month in which the imbalance occurred.
   b. The cashout price equals seventy-five percent (75%) of the WOD Index. (T)
2. Under-deliveries:
   a. The Weighted Under Delivery (WUD) Index equals the higher of the Bid Week monthly index price or the average of the five highest average published daily prices, weighted by the supply mix of all gas received at Malin and Topock for on-system End-Use Customers during the month in which the imbalance occurred.
   b. The cashout price equals one hundred twenty-five percent (125%) of the WUD Index. (T)

Tier II Commodity Cashout – Imbalances greater than ten percent (10%) of usage: (T)

1. Over-deliveries:
   a. The Over Delivery (OD) Index equals the lowest average published daily price at either Malin or Topock.
   b. The cashout price equals fifty percent (50%) of the OD Index. (T)
2. Under-deliveries:
   a. The Under-Delivery (UD) Index is defined as the highest average published daily price at either Malin or Topock.
   b. The cashout price equals one hundred fifty percent (150%) of the UD Index. (T) (L)

(L)

(L)

(Continued)

# GAS SCHEDULE G-BAL

Sheet 12

## GAS BALANCING SERVICE FOR INTRASTATE TRANSPORTATION CUSTOMERS

CASHOUT PRICING:

If no published daily price is reported on a given day, the prior published daily price from that index service will continue to apply for that day. If an index service is no longer available, PG&E reserves the right to choose another nationally recognized index to replace it.

TRANSPORTATION CASHOUT PRICING:

The Transportation Cashout price for under-deliveries is based on the Usage Charge as specified in Schedule G-AA. Over-deliveries will receive a transmission credit based on the Modified Fixed Variable (MFV) Usage Charge as specified in Schedule G-AFT. The Transportation Cashout price or credit is determined by weighting the path specific rates by the supply mix percentages of all gas received by PG&E, for on-system End-Use Customers, during the month.

MARKET CENTER IMBALANCES:

A Customer may have a positive or negative balance when a Market Center account expires. This balance becomes a Market Center Imbalance after the end date specified on the Market Center Exhibit.

Negative Imbalances:

For a Customer with a negative imbalance ranging from 1 Dth to 1,000 Dth, after thirty (30) calendar days from the termination of the exhibit resulting from Customer's under-delivery of gas to the Market Center, automatic reimbursement will occur. (T)

For a Customer with an imbalance greater than 1,000 Dth, the Customer shall have thirty (30) calendar days resulting from Customer's under-delivery of gas to the Market Center to clear the imbalance as follows:

1. Customer shall reach agreement with PG&E to make up such imbalance in-kind during a specified period and at a specific rate; or

2. Customer shall reimburse PG&E at the rate of one hundred fifty percent (150%) of the Under-Delivery Index, defined as the highest average published daily price at the same Market Center location specified in the Exhibit for the same time period.

If the Customer fails to establish the terms of resolving the Market Center Imbalance within the thirty (30) day period:

1. PG&E shall charge the Customer the maximum daily rate, as specified in Schedule G-LEND, for each day of the Market Center imbalance; and

2. Customer shall reimburse PG&E at the rate of one hundred fifty percent (150%) of the Under-Delivery Index, defined as the highest average published daily price at the same Market Center location specified in the Exhibit for the same time period.

Positive Imbalances:

If a Customer has a positive imbalance ranging from 1 Dth to 1,000 Dth, after thirty (30) calendar days from the termination of the exhibit resulting from Customer's over-delivery of gas to the Market Center automatic reimbursement will occur. (T)

(Continued)

## GAS SCHEDULE G-BAL

Sheet 13

## GAS BALANCING SERVICE FOR INTRASTATE TRANSPORTATION CUSTOMERS

MARKET CENTER IMBALANCES: (Cont'd.)

If a Customer has an imbalance greater than 1,000 Dth, the Customer shall have thirty (30) calendar days after the termination of the exhibit resulting from Customer's over-delivery of gas to the Market Center to clear the imbalance as follows:

1. Customer shall reach agreement with PG&E to use up such imbalance in-kind during a specified period and at a specific rate; or

2. Customer shall be reimbursed by PG&E at the rate of fifty percent (50%) of the lowest monthly Over-Delivery Index, at the same Market Center location specified in the Exhibit for the same time period.

If the Customer fails to establish the terms of resolving the Market Center Imbalance within the thirty (30) day period: (T)

1. PG&E shall charge the Customer the maximum daily rate for each day of the Market Center imbalance specified in Schedule G-PARK.; and

2. The Customer's imbalance shall be reimbursed by PG&E at the rate of fifty percent (50%) of the lowest monthly Over-Delivery Index at the same Market Center location specified in the Exhibit for the same time period. (T)

TRANSMISSION CUSTOMER IMBALANCE:

Transmission Customer Imbalance can occur for gas delivered to Off-System Delivery Points or On-System Storage Facilities, and is defined as the difference between the final scheduled volume on the day of flow at the PG&E system Receipt Point, and the quantity of gas which was actually delivered at the receipt point.

A Transmission Customer Imbalance may be made up in-kind at a later date as agreed upon between the Customer on whose contract the imbalance occurs and PG&E. If no agreement can be reached by the end of the month following the month in which PG&E sends notification of the imbalance to the Customer, then PG&E shall resolve the imbalance in the following manner:

1. For positive imbalances, PG&E shall cashout the entire positive imbalance quantity at the lowest daily commodity price at Malin or Topock, as published in Gas Daily, during the month in which the imbalance occurred; and

2. For negative imbalances, PG&E shall account for the entire negative imbalance quantity as the first transaction during the second calendar month following the date of notification of the imbalance.

(Continued)

# GAS SCHEDULE G-BAL

Sheet 14

## GAS BALANCING SERVICE FOR INTRASTATE TRANSPORTATION CUSTOMERS

ACCOUNTING ADJUSTMENTS: If subsequent accounting adjustments change a previous Cumulative or Operating Imbalance, then:

1. If any portion of the adjusted quantity was previously subject to an imbalance cashout, the adjusted portion of the cashout will be reversed. (T)

2. For noncore Cumulative Imbalances, any remaining adjustment quantity will be considered the first transaction during the calendar month following the date of notification of the adjustment, and reported on the Cumulative Imbalance Statement, unless otherwise agreed to by PG&E.

3. For Core Procurement Groups, adjustment quantities will be included in the Operating Imbalance Carryover.

CURTAILMENT OF SERVICE: Service under this schedule may be curtailed. Details are provided in gas Rule 14.

TERMINATION: Upon termination of a Customer's GTSA, NGSA, NBAA, CTA Agreement, and/or CPBA, any remaining Cumulative Imbalance and/or Operating Imbalance Carryover must be traded, toward zero, during the first Imbalance Trading Period following notice of termination. Following the Imbalance Trading Period, any remaining negative Cumulative and Operating Imbalances will be cashed out at the applicable MCI. The MCI is the higher of the highest daily price during the month, or the monthly PG&E Citygate Index Price of gas in the daily range, as published in *Gas Daily*, rounded up to the next whole dollar. If there is no price published on a given day the previously published price will be applied. Any remaining positive Cumulative and Operating Imbalances will be cashed out at the applicable Lowest Citygate Index (LCI). 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. (T)