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APPENDIX A

TABLE 1
INPUTS FOR MARGINAL DISTRIBUTION COSTS

Adders	
GPLF	0.25570
A&G	0.28563
CWC	0.00000
M&S ($ Value)	1938.30474
Discount Rate	0.092400
RRQ	
M&O ($ Value)	31332.85683
RECC	0.09351
Replacement	80849.29641

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TABLE 2
DISTRIBUTION MARGINAL COSTS

Distribution Marginal Costs

Line No.	Regression Method		Marginal Costs		Notes
1	15 Year Regression Result		1,255	2005$	
2	Marginal Investment Cost		1,255	2005$	
3	Real Economic Carrying Charge (RECC)		0.0935		
4	Annualized Marginal Capital Investment		117.3611	($/Dthd)	(Line 2*Line 3)
5	MDM: Cold Winter Day Demand		**2240**	MDthd	Cold winter day at distribution (CWD) (average 2006+2007)
6	**Annualized Marginal Capital Investment**		**117.3611**	**($/Dthd)**	(From Line 4 above)
7	Marginal M&O Expense (average cost	15.2304		($/Dthd)	M&O Value/CWD MDM
8	O&M - related marginal A&G	4.3503		($/Dthd)	A&G % * Marginal O&M (Line 7)
9	O&M - related marginal General Plant	3.8944		($/Dthd)	GPLF% * Marginal O&M (Line 8)
10	**Total O&M - related marginal cost**		**23.475**	**($/Dthd)**	
11	Average replacement cost	38.1236		($/Dthd)	Depreciation proxy/CYCPM MDM
12	Replacement-related A&G (ORA Meth	10.8893		($/Dthd)	A&G % * Marginal O&M (Line 11)
13	Replacement-related General Plant (C	9.7482		($/Dthd)	GPLF% * Marginal O&M (Line 11)
14	**Replacement cost adder (D.95-12-053)**		**58.7612**	**($/Dthd)**	
15	**Materials and Supplies**		**0.9140**	($/Dthd)	M&S Value/CWD MDM
16	Total Marginal Cost ($2000)		200.511	($/Dthd)	
	Total Marginal Cost ($2000)		**200.511**	($/Dthd)	
17	**Two Year Average**		**205.755**	($/Dthd)	

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TABLE 3
MARGINAL COST REVENUE SUMMARY

MARGINAL COSTS AND MDMs — **Average of 2 year BCAP Period (July 2005 - June 2007) - CONTINUED**

Component	Marginal Cost $/MDM	Residential Residential	Small Commercial	Large Commercial	NGV Core	Industrial Distribution	Indusrial Transmission	EG
Distribution	**205.755**	1,579.5482	484.73	21.08	1.822	101.43	29.884	17.825
	0.0148							

DEMAND-RELATED MARGINAL COST REVENUES ($000)

Note: Marginal costs are averaged over two years (MC + MC * inflation rate)/2

MARGINAL COST REVENUES	Residential	Small Commercial	Large Commercial	NGV Core	Industrial Distribution	Industrial Trans (Dist Pressure)	EG
Customer	416,173.9148	45,948.5396	1,218.0969	41.7966	2,972.3813	147.1083	554.6055
Distribution	325,000.7116	99,735.6613	4,337.1493	374.8062	20,869.0631	6,148.7424	3,667.6517
Local Transmission	70.604%						
Total Marginal Cost Revenue	741,175	145,684	5,555	417	23,841	6,296	4,222
	79.922%						

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TABLE 3 - CONTINUED
MARGINAL COST REVENUE SUMMARY

MARGINAL COSTS AND MDMs

Component	Mather	Castle	Total
Distribution	0.4883	0.3780	2,237.180

Note: Marginal costs are averaged over two y

MARGINAL COST REVENUES

	Palo Alto C	NGV N Core	Mather	Castle	Total
Customer			0.0000	0.0000	467,056.4430
Distribution			100.4601	77.7756	460,312.0213
Local Transmission					
Total Marginal Cost Revenue			100	78	927,368

TABLE 4
CUSTOMER MARGINAL COSTS

Line			Residential	Small Commercial	Large Commercial	Ind. Distrib.	Ind. Trans.	NGV	COGEN	Palo Alto	Coalinga	Mather	Island Energy
	MARGINAL CUSTOMER COSTS												
	o Fixed Costs												
1	SRM Cost		*$579*	*$1,263*	*$16,659*	*$16,072*	*$25,787*	*$8,061*	*$19,388*				
	General Plant Loading factor (PG&E method)		*$0*	*$0*	*$0*	*$0*	*$0*	*$0*	*$0*	*$0*	*$0*	*$0*	*$0*
2	Return, Taxes & Insurance Factor	*34.55%*	$200	$437	$5,756	$5,553	$8,910	$2,785	$6,699				
3	One-Time Hookup Cost ($/customer)		$780	$1,700	$22,415	$21,625	$34,697	$10,847	$26,087				
	o Variable (O&M) Costs												
4	Annual Customer Accounts Cost		*$42.78*	*$93.75*	*$4,012.74*	*$3,944.31*	$3,944	*$93.75*	*$4,188.73*	3552.2154	50%		
5	Annual Distribution O&M Cost		*$18.96*	*$41.34*	*$545.13*	*$525.94*	$526	*$41.34*	*$634.46*	1210.061	17%		
6	A&G Loading Factor	*28.56%*	*$17.63*	*$38.59*	*$1,301.87*	*$1,276.85*	$1,277	*$38.59*	*$1,377.66*	1406.5594	20%		
7	General Plant Loading Factor	*5.48%*	*$3.38*	*$7.41*	*$249.87*	*$245.07*	*$302.36*	*$7.41*	*$264.41*	955.78888	13%		
8	Materials & Supplies Loading Factor	*2,332*	*$0.56*	*$1.21*	*$15.97*	*$15.41*	$15	*$1.21*	*$18.59*	42.270032	1%		
9	Variable O&M Cost ($/customer-year)		$83.32	$182.29	$6,125.59	$6,007.56	$6,064.86	$182.29	$6,483.85	7166.8947			
10	Replacement Cost ($/customer-year)		$7	$13	$173	$169	$249	$81	$192				

TABLE 5

2005 BIENNIAL COST ALLOCATION PROCEEDING (APPLICATION 04-07-044)
April 22, 2005 Update to Include Master Metered Discount and NGV Settlements
ILLUSTRATIVE CLASS AVERAGE GAS RATES ($/th)

Line No.	Customer Class	Present Rates Effective 1/1/2005 (A)	Adopted Rates 7/1/2005 (B)	% Change (b) (C)
	BUNDLED - Retail Core (a)			
1	Residential Non-CARE	$1.15889	$1.17320	1.2%
2	Residential CARE	$0.89924	$0.91988	2.3%
3	Small Commercial	$1.07981	$1.07892	-0.1%
4	Large Commercial	$0.87951	$0.83588	-5.0%
	TRANSPORTATION ONLY - Retail Core (a) (b) (c)			
5	Residential Non-CARE	$0.43287	$0.44671	3.2%
6	Residential CARE	$0.17332	$0.19348	11.6%
7	Small Commercial	$0.35804	$0.35789	0.0%
8	Large Commercial	$0.19209	$0.14846	-22.7%
	TRANSPORTATION ONLY - Retail Noncore (a) (b)			
9	Industrial - Distribution (G-NT-D)	$0.12021	$0.12457	3.6%
10	Industrial - Transmission (G-NT-T)	$0.04261	$0.04340	1.9%
11	Industrial - Backbone (G-NT-BB)	$0.02447	$0.02354	-3.8%
12	Electric Generation - Transmission (G-EG-D/T)	$0.01622	$0.01719	6.0%
13	Electric Generation - Backbone (G-EG-BB)	$0.00148	$0.00245	65.7%
	TRANSPORTATION ONLY - Wholesale Core and Noncore (a) (b)			
14	Alpine Natural Gas - T	$0.02352	$0.02351	0.0%
15	Coalinga - T	$0.02274	$0.02273	0.0%
16	Island Energy - T	$0.04258	$0.04257	0.0%
17	Palo Alto - T	$0.01627	$0.01626	-0.1%
18	West Coast Gas - Castle - D	$0.04374	$0.14262	226.0%
19	West Coast Gas - Mather-D	$0.02359	$0.16027	579.4%
20	West Coast Gas - Mather-T	$0.02359	$0.02362	0.1%

(a) Rates are rounded to 3 decimals for viewing ease. Percentage rate changes are calculated on a 5-digit basis.
(b) Class average transportation rates exclude intrastate backbone transmission and storage charges.
(c) Core Transportation rates do not include the El Paso Settlement credit of $0.019 ther therm applicable to G-CT customers.

TABLE 6

2005 BIENNIAL COST ALLOCATION PROCEEDING (APPLICATION 04-07-044)

SUMMARY OF RATES BY MAJOR COMPONENT

($/dth; Illustrative)

		Core Retail			Noncore Retail					Wholesale						
					Industrial			Electric Generation				WC Gas Mather		Island		WC Gas
		Non-CARE Residential	Sml Com.	Lg. Comm.	Distribution	Transmission	BB-Level Serv.	Dist./Trans.	BB-Level Serv.	Coalinga	Palo Alto	Distribution	Transmission	Energy	Alpine	Castle
	TRANSPORTATION CHARGE COMPONENTS															
1	Local Transmission (1)	$.3410	$.3410	$.3410	$.1474	$.1474		$.1474		$.1474	$.1474	$.1474	$.1474	$.1474	$.1474	$.1474
2	Customer Class Charge (2)	$.4254	$.3063	$.0657	($.1084)	($.0503)	($.0503)	($.0009)	($.0009)	($.0015)	($.0015)	($.0011)	($.0011)	($.0015)	($.0015)	($.0011)
3	Public Purpose Program Charges	$.4019	$.3470	$.4315	$.2876	$.2651	$.2651									
4	CPUC Fee (3)	$.0000	$.0000	$.0000	$.0000	$.0000	$.0000	$.0000	$.0000							
4	Distribution - Annual Average	$3.2988	$2.0456	$.5985	$.8443	$.0511		$.0163	$.0163			$1.3665				$.9884
5	**VOLUMETRIC RATE - Average Annual**	$4.4671	$3.0398	$1.4368	$1.1709	$.4133	$.2148	$.1628	$.0154	$.1459	$.1459	$1.5128	$.1463	$.1459	$.1459	$1.1347
6	**CUSTOMER ACCESS CHARGE - Class Average (4)**		$.5391	$.0478	$.0748	$.0206	$.0206	$.0091	$.0091	$.0814	$.0167	$.0899	$.0899	$.2798	$.0892	$.2914
7	**CLASS AVERAGE TRANSPORTATION RATE**	$4.4671	$3.5789	$1.4846	$1.2457	$.4340	$.2354	$.1719	$.0245	$.2273	$.1626	$1.6027	$.2362	$.4257	$.2351	$1.4262
	INTRASTATE BACKBONE TRANSMISSION															
8	AFT BAJA INTRASTATE @ 100% Load Factor (5)				$.2781	$.2781	$.2781	$.2781	$.2781	$.2781	$.2781	$.2781	$.2781	$.2781	$.2781	$.2781
9	AFT REDWOOD INTRASTATE @ 100% Load Factor (5)				$.3082	$.3082	$.3082	$.3082	$.3082	$.1610	$.1610	$.1610	$.1610	$.1610	$.1610	$.1610
	PROCUREMENT (Illustrative) - Bundled Retail Core Service Only (6)															
10	Core Intrastate Backbone Transmission (7)	$.1651	$.1541	$.0820												
11	Interstate Pipeline Demand Charge	$.3420	$.3193	$.1698												
12	Procurement-Other (Incl. Illust. Avg. WACOG)	$6.6167	$6.6064	$6.5383												
13	Storage (8)	$.1390	$.1329	$.0846												
14	PROCUREMENT CHARGE	$7.2629	$7.2127	$6.8747												
15	**TOTAL TRANSPORT RATE W/ AFT BAJA**				$1.5238	$.7121	$.5135	$.4500	$.3026	$.5054	$.4407	$1.8808		$.7038	$.5132	$1.7043
16	**TOTAL TRANSPORT RATE W/ AFT REDWOOD**				$1.5539	$.7422	$.5436	$.4801	$.3327	$.3883	$.3236	$1.7637		$.5867	$.3961	$1.5872

NOTES

1. Decision 04-12-050, Table 11; updated by Advice Letter 2601-G
2. Based on the 2005 True-Up balances.
3. Resolution M-4813, effective January 1, 2005.
4. Decision 04-12-050, Table 14, updated by Advice Letter 2601G-A
5. Decision 04-12-050, Tables 3 & 4; updated by Advice Letter 2601-G
6. From Table 5-C, Procurement Rates.
7. Decision 04-12-050; updated by Advice Letter 2601-G. Rates are based on a forecast of total backbone reservation costs for all transmission paths, allocated to customer classes based on average year January throughput. See Table 15, Procurement Rates
8. Core Storage costs adopted in Decision 04-12-050 (updated by Advice Letter 2601-G) are allocated to customer classes based on average year January throughput. See Table 5-C, Procurement Rates

TABLE 7

2005 BIENNIAL COST ALLOCATION PROCEEDING (APPLICATION 04-07-044)

ALLOCATION OF AVERAGE ANNUAL DISTRIBUTION-LEVEL REVENUE REQUIREMENT BY CUSTOMER CLASS*

($000)

Line No.	Component	TOTAL	Residential	Small Commercial	Large Commercial	Subtotal Core	Industrial Distribution	Industrial Transmission	Electric Gen	Coalinga	Palo Alto	Alpine Natural Gas	WC Gas Mather	Island Energy	WC Gas Castle	Total Noncore & Wholesale
1	Customer	471,617	420,276	46,401	1,230	467,907	3,002	149	560	0	0	0	0	0	0	3,710
2	Distribution	464,470	328,204	100,719	4,380	433,302	21,075	6,209	3,704	0	0	0	101	0	79	31,168
3	Allocation of Franchise Fees	9,142	7,310	1,437	55	8,801	235	62	42	0	0	0	1	0	1	341
4	Allocation of Uncollectibles Expense	1,895	1,515	298	11	1,824	49	13	9	0	0	0	0	0	0	70
5	Totals Before Averaging	947,124	757,304	148,855	5,676	911,835	24,360	6,433	4,314	0	0	0	102	0	79	35,289
6	Re-Allocation Due to Averaging*	(0)	(58,517)	58,517	0	(0)	0	0	0	0	0	0	0	0	0	0
7	**Final Allocation of Distribution Revenue Requirement**	**947,124**	**698,787**	**207,372**	**5,676**	**911,835**	**24,360**	**6,433**	**4,314**	**0**	**0**	**0**	**102**	**0**	**79**	**35,289**
	Distribution Revenue Requirement Allocation %		73.7799%	21.8949%	0.5993%	96.2741%	2.5720%	0.6792%	0.4555%	0.0000%	0.0000%	0.0000%	0.0108%	0.0000%	0.0084%	3.7259%

ALLOCATION BY CUSTOMER CLASS OF AVERAGE ANNUAL COSTS AND BALANCES COLLECTED VIA THE CFCA AND NCA RATE COMPONENTS ON PRELIMINARY STATEMENT PART B

	Component	TOTAL	Residential	Small Commercial	Large Commercial	Subtotal Core	Industrial Distribution	Industrial Transmission	Electric Gen	Coalinga	Palo Alto	Alpine Natural Gas	WC Gas Mather	Island Energy	WC Gas Castle	Total Noncore & Wholesale
8	Core Fixed Cost Account	117,683	94,694	22,376	612	117,683	0	0	0	0	0	0	0	0	0	0
9	Noncore Customer Class Charge Account (Incl. Subaccounts)	(14,605)	0	0	0	0	(3,233)	(8,075)	(3,247)	(3)	(44)	(1)	(1)	(1)	(1)	(14,605)
10	NGV expenses	3,838	1,138	425	47	1,609	140	666	1,403	1	18	0	1	0	0	2,229
11	Natural Gas Vehicle Account Balance	(6,592)	(1,954)	(730)	(80)	(2,763)	(241)	(1,144)	(2,409)	(2)	(31)	(0)	(1)	(0)	(1)	(3,829)
12	Hazardous Substance Balance	12,503	3,705	1,384	151	5,241	457	2,169	4,569	4	58	1	2	1	1	7,262
13	EOR Credit to Base Rev.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	Core Brokerage Fee Credit (Gas Brokerage Costs)	(7,561)	(5,346)	(1,996)	(219)	(7,561)	0	0	0	0	0	0	0	0	0	0
15	Core Brokerage Fee Credit (Sales/Marketing Costs)	(1,421)	(1,276)	(141)	(4)	(1,421)	0	0	0	0	0	0	0	0	0	0
16	Affiliate Transfer Fee Account	(102)	(82)	(16)	(1)	(98)	(3)	(1)	(0)	0	0	0	(0)	0	(0)	(4)
17	Balancing Charge Account	(4,041)	(1,198)	(447)	(49)	(1,694)	(148)	(701)	(1,477)	(1)	(19)	(0)	(1)	(0)	(0)	(2,347)
18	G-10 Procurement Allocation	2,528	749	280	31	1,060	92	439	924	1	12	0	0	0	0	1,468
19	Brokerage Fee Balance Account	37	26	10	1	37	0	0	0	0	0	0	0	0	0	0
20	**Self-Generation Program Memorandum Account**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
21	Subtotals of Items Transferred to CFCA and NCA	102,268	90,458	21,144	490	112,093	(2,935)	(6,646)	(237)	(0)	(5)	(0)	(0)	(0)	(0)	(9,824)
22	Re-Allocation Due to Averaging	0	(2,373)	2,373	0	0	0	0	0	0	0	0	0	0	0	0
23	Alloc. After Averaging of Items Collected via the CFCA and NCA	102,268	88,085	23,517	490	112,093	(2,935)	(6,646)	(237)	(0)	(5)	(0)	(0)	(0)	(0)	(9,824)
24	Franchise Fees and Uncoll. Exp. on Non-Base CFCA and NCA	1,206	1,038	277	6	1,321	(35)	(78)	(3)	(0)	(0)	(0)	(0)	(0)	(0)	(116)
25	Subtotals with FF&U and Other Bal. Acct./Forecast Period Costs	103,474	89,124	23,794	496	113,414	(2,969)	(6,725)	(240)	(0)	(5)	(0)	(0)	(0)	(0)	(9,940)
26	Total of Items Collected via CFCA and NCA	1,050,598	787,910	231,166	6,172	1,025,249	21,391	(292)	4,074	(0)	(5)	(0)	102	(0)	79	25,349

* Residential and Small Commercial Classes are 60% averaged

TABLE 8

2005 BIENNIAL COST ALLOCATION PROCEEDING (APPLICATION 04-07-044)

ALLOCATION OF AVERAGE ANNUAL TRANSPORTATION FORECAST PERIOD COSTS AND BALANCING ACCOUNTS COLLECTED VIA COMPONENTS ON PRELIMINARY STATEMENT PART B
($000)

Component	TOTAL	Residential	Small Commercial	Large Commercial	Subtotal Core	Industrial Distribution	Industrial Transmission	Electric Gen	Coalinga	Palo Alto	Alpine Natural Gas	WC Gas Mather	Island Energy	WC Gas Castle	Total Noncore & Wholesale
1 EOR Balancing Account	84	52	20	2	74	3	3	4	0	0	0	0	0	0	10
2 CEE Incentive	571	509	56	1	567	4	0	1	0	0	0	0	0	0	4
3 Core Transport Interstate Transition Subaccount of the CPDCA	1,174	830	310	34	1,174	0	0	0	0	0	0	0	0	0	0
4 CPUC FEE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5 Subtotals	1,829	1,391	386	37	1,814	7	3	5	0	0	0	0	0	0	15
6 Re-Allocation Due to Averaging	0	-58	58	0	0	0	0	0	0	0	0	0	0	0	0
7 Allocation after Averaging	1,829	1,333	444	37	1,814	7	3	5	0	0	0	0	0	0	15
8 Franch. Fee and Uncoll. Exp. on Non-CFCA, Non-NCA, Non-PPI	22	16	5	0	21	0	0	0	0	0	0	0	0	0	0
9 Subtotals of Other Costs	1,851	1,349	450	38	1,836	7	3	5	0	0	0	0	0	0	15
10 Allocation of Total Transportation Costs	1,052,448	789,259	231,616	6,210	1,027,085	21,398	-289	4,079	0	-5	0	102	0	79	25,364
11 Franch. Fee and Uncoll. Exp. on Public Purpose Programs	1,776	921	328	43	1,293	90	394								483
12 Total Revenues Collected in Transportation Rates	1,054,224	790,180	231,944	6,254	1,028,377	21,488	105	4,079	0	-5	0	102	0	79	25,847

ALLOCATION OF PUBLIC PURPOSE PROGRAMS (ENERGY EFFICIENCY, LOW INCOME ENERGY EFFICIENCY AND CARE AUTHORIZED COSTS IN GAS PPP SURCHARGE)
($000)

COMPONENT	TOTAL	Residential	Small Commercial	Large Commercial	Subtotal Core	Industrial Distribution	Industrial Transmission	Electric Gen	Coalinga	Palo Alto	Alpine Natural Gas	WC Gas Mather	Island Energy	WC Gas Castle	Total Noncore & Wholesale
11 PPP-EE Surcharge	20,849	16,433	1,672	655	18,760	560	1,528								2,088
12 PPP-EE Balancing Account	468	369	38	15	421	13	34								47
13 PPP-LIEE Surcharge	29,192	23,009	2,342	918	26,268	785	2,139								2,924
14 PPP-LIEE Balancing Account	1,060	836	85	33	954	29	78								106
15 PPP - RD&D Programs	0	0	0	0	0	0	0								0
16 PPP - RD&D Balancing Account	0	0	0	0	0	0	0								0
17 PPP-CARE Discount Allocation	80,031	34,162	15,251	1,669	51,083	5,038	23,910								28,949
18 PPP-CARE Administration Expense	1,607	686	306	34	1,026	101	480								581
19 PPP-CARE Balancing Account	17,264	7,369	3,290	360	11,019	1,087	5,158								6,245
20 PPP-Admin Cost for BOE and CPUC	174	74	33	4	111	11	52								63
21 Subtotal	150,645	82,937	23,017	3,688	109,642	7,624	33,379	0	0	0	0	0	0	0	41,003
22 Re-Allocation Due to Averaging	(0)	(4,824)	4,824	0	(0)	0	0	0	0	0	0	0	0	0	0
23 Allocation after Averaging	150,645	78,113	27,841	3,688	109,642	7,624	33,379	0	0	0	0	0	0	0	41,003
24 Franchise and Uncollectibles on PPP in PPP Surcharge	0				0										0
25 Total PPP with FF&U	150,645	78,113	27,841	3,688	109,642	7,624	33,379	0	0	0	0	0	0	0	41,003
26 LESS: CARE Discount Provided to Residential CARE Customers	(80,793)	(80,793)			(80,793)			0	0	0	0	0	0	0	0
27 Net Allocation of PPP by Class After CARE Discount	69,852	(2,680)	27,841	3,688	28,849	7,624	33,379	0	0	0	0	0	0	0	41,003
28 Net Totals of Transportation and PPP Costs	**1,124,077**	**787,500**	**259,785**	**9,941**	**1,057,226**	**29,111**	**33,484**	**4,079**	**(0)**	**(5)**	**(0)**	**102**	**(0)**	**79**	**66,850**

TABLE 9

2005 BIENNIAL COST ALLOCATION PROCEEDING (APPLICATION 04-07-044)

CORE NATURAL GAS VEHICLE RATES AND REVENUES (EXPERIMENTAL CLASSES)

Line No.	Rate Class	PRESENT RATES & REVENUES January 1, 2005 Consolidated Rate Change			ADOPTED RATES & REVENUES July 2005			PROPOSED CHANGE IN RATES Change	
		Adj Billing Determinant	RATE OR CHARGE	TEST PERIOD REVENUE	Adj Billing Determinant	RATE OR CHARGE	TEST PERIOD REVENUE		
		# of Cust. or Mth	$/therm or $/cust. mo.	$ (000)	# of Cust. or Mth	$/therm or $/cust. mo.	$ (000)	$/therm or $/cust. mo.	%
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
	G-NGV1								
1	Customer Charge	137	$13.42	$44	137	$13.42	$44	$.00	0.00%
2	Volumetric Rate	25,349	$.88331	$22,391	25,349	$.73720	$18,687	($.14611)	-16.54%
3	G-NGV1	25,349	$.88504	$22,435	25,349	$.73893	$18,731	($.14611)	-16.51%
	G-NGV2								
4	Customer Charge	882		$0	882				
5	Volumetric Rate	3,943	$1.44599	$5,702	3,943	$1.42757	$5,629	($.01842)	-1.27%
6	Volumetric Rate	3,943	$1.44599	$5,702	3,943	$1.42757	$5,629	($.01842)	-1.27%
7	Total Core NGV	29,292	$.96056	$28,137	29,292	$.83164	$24,360	($.12892)	-13.42%

Rates include an illustrative WACOG of $0.61479 per therm

TABLE 10

2005 BIENNIAL COST ALLOCATION PROCEEDING (APPLICATION 04-07-044)

SEASONAL VOLUMETRIC RATES FOR DISTRIBUTION SERVICE CUSTOMERS

Class		Rate Component		Rates ($/th) Summer	Winter	Average	Winter to Summer Ratio
CORE							
	Small Commercial	Distribution Only		$.17101	$.23087	$.20456	1.35
		Total Volumetric		$.99403	$1.04974	$1.02501	1.06
	Large Commercial	Distribution Only		$.05236	$.07068	$.05985	1.35
		Total Volumetric		$.81920	$.84840	$.83110	1.04
NONCORE							
	Industrial Distribution	Distribution Only					
			Tier 1	$.11313	$.15272	$.13342	1.35
			Tier 2	$.07285	$.09835	$.08572	1.35
			Tier 3	$.06652	$.08980	$.07727	1.35
			Tier 4	$.06377	$.08609	$.07285	1.35
			Tier 5	$.00511	$.00511	$.00511	1.00
		Total Volumetric					
			Tier 1	$.14579	$.18538	$.16609	1.27
			Tier 2	$.10551	$.13101	$.11838	1.24
			Tier 3	$.09918	$.12247	$.10993	1.23
			Tier 4	$.09643	$.11875	$.10551	1.23
			Tier 5	$.00008	$.00008	$.00008	1.00

Notes:

Rates exclude monthly customer charge.

Total core volumetric rates include distribution, bundled storage, backbone and local transmission, customer class charge, illustative procurement and public purpose program surcharge.

Core commercial rates are the weighted average of Tier A and Tier B seasonal rates.

Noncore Distribution rates are the distribution-only cost components.

Noncore Total Volumetric rates include distribution, customer class charge, public purpose program surcharge and local transmission.

TABLE 11

2005 BIENNIAL COST ALLOCATION PROCEEDING (APPLICATION 04-07-044)

CORE RATES AND REVENUES (illustrative)

Line No.	RATE CLASS	PRESENT RATES & REVENUES January 1, 2005 Consolidated Rate Change ADJ. BILLING DETERMINANT Mth or # of Customers	RATE OR CHARGE $/therm or $/cust. mo.	TEST PERIOD REVENUE ($ 000)	ADOPTED RATES & REVENUES July 2005 ADJ. BILLING DETERMINANT Mth or # of Customers	RATE OR CHARGE $/therm or $/cust. mo.	TEST PERIOD REVENUE ($ 000)	PROPOSED CHANGE IN RATES $/therm or $/cust. mo.	%
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
	ILLUSTRATIVE AVERAGES FOR BUNDLED CORE CUSTOMERS								
1	NON-CARE RESIDENTIAL	3,336,681		0	3,336,681		13,025		
2	Tier I (Baseline)	2,586,583	$1.08832	2,815,029	2,586,583	$1.10618	2,861,227	$.01786	1.64%
3	Tier II	996,354	$1.34208	1,337,191	996,354	$1.33411	1,329,250	($.00797)	-.59%
4	Non-CARE Subtotal	3,582,937	$1.15889	4,152,220	3,582,937	$1.17320	4,203,502	$.01431	1.24%
5	CARE RESIDENTIAL	652,920			652,920		0		
6	Tier I (Baseline)	510,509	$.84830	433,065	510,509	$.87236	445,346	$.02406	2.84%
7	Tier II	190,598	$1.03568	197,400	190,598	$1.04715	199,585	$.01147	1.11%
8	CARE Subtotal	701,108	$.89924	630,465	701,108	$.91988	644,932	$.02063	2.29%
9	Pre-GS/GT Discount Residential Subtotal	4,284,045	$1.11639	4,782,685	4,284,045	$1.13174	4,848,434	$.01535	1.37%
10	GS and GT Discount			-13,237			-19,857		
11	TOTAL BUNDLED RESIDENTIAL	4,284,045	$1.11330	4,769,448	4,284,045	$1.12711	4,828,577	$.01380	1.24%
	SMALL COMMERCIAL (G-NR1)								
12	Customer Charge (Average)	202,012	$11.52	55,829	202,012	$16.64	80,660	$5.12	44.48%
13	Smr Volumetric Tier A (0-4000 th/mo.)	552,695	$1.03413	571,558	552,695	$1.02565	566,869	($.00848)	-.82%
14	Smr Volumetric Tier B (4001+ th/mo.)	111,536	$.88068	98,228	111,536	$.83739	93,399	($.04329)	-4.92%
15	Wtr Volumetric Tier A (0-4000 th/mo.)	679,638	$1.10417	750,434	679,638	$1.09170	741,964	($.01246)	-1.13%
16	Wtr Volumetric Tier B (4001+ th/mo.)	152,386	$.91628	139,629	152,386	$.86259	131,447	($.05369)	-5.86%
17	BUNDLED SML. COMM. TOT.	1,496,255	$1.07981	1,615,678	1,496,255	$1.07892	1,614,340	($.00089)	-.08%
	LARGE COMMERCIAL (G-NR2)								
18	Customer Charge (Average)	226	$150.72	818	226	$150.72	818	$0.00	.00%
19	Smr Volumetric Tier A (0-4000 th/mo.)	8,415	$.99958	8,411	8,415	$.99185	8,346	($.00773)	-.77%
20	Smr Volumetric Tier B (4001+ th/mo.)	93,053	$.84613	78,735	93,053	$.80359	74,777	($.04254)	-5.03%
21	Wtr Volumetric Tier A (0-4000 th/mo.)	5,973	$1.06962	6,388	5,973	$1.05790	6,318	($.01171)	-1.10%
22	Wtr Volumetric Tier B (4001+ th/mo.)	63,827	$.88173	56,279	63,827	$.82879	52,900	($.05294)	-6.00%
23	BUNDLED LRG. COMM. TOT.	171,268	$.87951	150,632	171,268	$.83588	143,159	($.04363)	-4.96%
24	TOTAL BUNDLED COMMERCIAL	1,667,524	$1.05924	1,766,310	1,667,524	$1.05396	1,757,499	($.00528)	-.50%
25	TOTAL BUNDLED CORE	5,951,569	$1.09816	6,535,758	5,951,569	$1.10661	6,586,076	$.00845	.77%
	TRANSPORTATION TOTALS FOR ALL CORE CUSTOMERS (excludes G-CT credit)								
26	NON-CARE RESIDENTIAL	3,347,199		0	3,347,199		13,066		
27	Tier I (Baseline)	2,597,878	$.36252	941,782	2,597,878	$.37989	986,908	$.01737	4.79%
28	Tier II	996,354	$.61628	614,037	996,354	$.60782	605,608	($.00846)	-1.37%
29	Non-CARE Subtotal	3,594,232	$.43287	1,555,819	3,594,232	$.44671	1,605,583	$.01385	3.20%
30	CARE RESIDENTIAL	654,426		0	654,426		0		
31	Tier I (Baseline)	512,126	$.12250	62,735	512,126	$.14607	74,805	$.02357	19.24%
32	Tier II	190,598	$.30988	59,063	190,598	$.32086	61,156	$.01098	3.54%
33	CARE Subtotal	702,724	$.17332	121,799	702,724	$.19348	135,960	$.02015	11.63%
34	Pre-GS/GT Discount Residential Subtotal	4,296,957	$.39042	1,677,617	4,296,957	$.40530	1,741,543	$.01488	3.81%
35	GS and GT Discount			-13,277			-19,917		
36	TOTAL TRANSPORTATION RESIDENTIAL	4,296,957	$.38733	1,664,341	4,296,957	$.40066	1,721,626	$.01333	3.44%
	SMALL COMMERCIAL (G-NR1)								
37	Customer Charge (Average)	216,645	$11.52	59,873	216,645	$16.64	86,503	$5.12	44.48%
38	Summer Volumetric Tier A	586,928	$.31209	183,173	586,928	$.30438	178,647	($.00771)	-2.47%
39	Summer Volumetric Tier B	118,445	$.15864	18,790	118,445	$.11612	13,754	($.04252)	-26.80%
40	Winter Volumetric Tier A	734,564	$.38213	280,697	734,564	$.37043	272,108	($.01169)	-3.06%
41	Winter Volumetric Tier B	164,702	$.19424	31,992	164,702	$.14132	23,276	($.05292)	-27.25%
42	TRANSPORTATION SML. COMM. TOT.	1,604,639	$.35804	574,527	1,604,639	$.35789	574,287	($.00015)	-.04%
	LARGE COMMERCIAL (G-NR2)								
43	Customer Charge (Average)	232	$150.72	839	232	$150.72	839	$0.00	.00%
44	Summer Volumetric Tier A	8,606	$.31209	2,686	8,606	$.30438	2,619	($.00771)	-2.47%
45	Summer Volumetric Tier B	95,165	$.15864	15,097	95,165	$.11612	11,050	($.04252)	-26.80%
46	Winter Volumetric Tier A	6,150	$.38213	2,350	6,150	$.37043	2,278	($.01169)	-3.06%
47	Winter Volumetric Tier B	65,726	$.19424	12,767	65,726	$.14132	9,288	($.05292)	-27.25%
48	TRANSPORTATION LRG. COMM. TOT.	175,647	$.19209	33,739	175,647	$.14846	26,076	($.04363)	-22.71%
49	TOTAL TRANSPORTATION COMMERCIAL	1,780,285	$.34167	608,266	1,780,285	$.33723	600,363	($.00444)	-1.30%
50	TOTAL TRANSPORTATION CORE	6,077,242	$.37395	2,272,606	6,077,242	$.38208	2,321,989	$49,383	2.17%

TABLE 12

2005 BIENNIAL COST ALLOCATION PROCEEDING (APPLICATION 04-07-044)

ALLOCATION OF PROCUREMENT COSTS BY CLASS (illustrative two year totals; $000)

LINE No.		CORE Residential	Sm Comrcl	Lrg Comrcl	NGV	TOTAL
1	TOTAL VOLUMES (mth)	4,291,006	1,496,255	171,268	29,292	5,987,821
2	ILLUSTRATIVE WACOG ($/therm)	$.61479	$.61479	$.61479	$.61479	$.61479
3	WACOG REVENUE ($ 000)	$2,638,067	$919,883	$105,294	$18,008	$3,681,253
4	INTRASTATE BACKBONE CAPACITY (INCLUDES FF&U)	$70,861	$23,064	$1,404	$151	$95,480
5	INTERSTATE PIPELINE CAPACITY	$146,766	$47,770	$2,908	$312	$197,755
6	CANADIAN CHARGES	$64,300	$20,929	$1,274	$137	$86,639
7	BROKERAGE FEES INCL F&U	$12,873	$4,489	$514	$88	$17,963
8	SHRINKAGE REVENUE	$87,056	$30,356	$3,475	$594	$121,481
9	CARRYING COST ON CYCLED GAS IN STORAGE	$2,332	$813	$93	$16	$3,254
10	CORE STORAGE BASE REVENUE INCLUDING FF&U (000's	$57,219	$19,074	$1,390	$229	$77,912
11	CARRYING COST ON NONCYCLED GAS IN STORAGE (000'	$2,428	$809	$59	$10	$3,306
12	FRANCHISE FEES AND UNCOLLECTIBLES EXPENSE	$34,615	$12,012	$1,332	$225	$48,183
13	TOTAL PROCUREMENT REVENUES	$3,116,517	$1,079,200	$117,742	$19,769	$4,333,228
14	F&U FACTOR	1.17890%	1.17890%	1.17890%	1.17890%	

ILLUSTRATIVE PROCUREMENT RATES (first year rates; $/therm)
(residential/small commercial after being de-averaged by 40 %)

LINE No.		CORE Residential	Sm Comrcl	Lrg Comrcl	NGV	Avg. Rate
1	ILLUSTRATIVE WACOG	$.61479	$.61479	$.61479	$.61479	$.61479
2	INTRASTATE CAPACITY CHARGE	$.01651	$.01541	$.00820	$.00514	$.01595
3	INTERSTATE CAPACITY CHARGE WITH FF&U	$.03420	$.03193	$.01698	$.01065	$.03303
4	CANADIAN CAPACITY CHARGE	$.01498	$.01399	$.00744	$.00467	$.01447
5	BROKERAGE FEE RATE	$.00300	$.00300	$.00300	$.00300	$.00300
6	SHRINKAGE RATE	$.02029	$.02029	$.02029	$.02029	$.02029
7	CARRYING COST ON CYCLED GAS IN STORAGE	$.00054	$.00054	$.00054	$.00054	$.00054
8	CORE STORAGE BASE REVENUE INCLUDING FF&U (000's	$.01333	$.01275	$.00812	$.00782	$.01301
9	CARRYING COST ON NONCYCLED GAS IN STORAGE (000'	$.00057	$.00054	$.00034	$.00033	$.00055
10	FRANCHISE FEES AND UNCOLLECTIBLES EXPENSE	$.00807	$.00803	$.00777	$.00767	$.00805
11	PROCUREMENT RATE	$.72629	$.72127	$.68747	$.67490	$.72368

TABLE 13
PACIFIC GAS AND ELECTRIC COMPANY
2005 BIENNIAL COST ALLOCATION PROCEEDING (APPLICATION 04-07-044)

AVERAGE COST OF CUSTOMER FUNCTION PER RESIDENTIAL ACCOUNT PER MONTH WITH COMPARISON TO REVENUE COLLECTED THROUGH PROPOSED MINIMUM MONTHLY RESIDENTIAL TRANSPORTATION BILL

Line		Residential Class		Source
1	Scaled Annual Marginal Customer Cost Revenues ($)	$ 420,275,530		Table 5-H, Line 1
2	Multiplier for Applicable Franchise Fees and Uncollectibles Expense	101.1789%		
3	Total Marginal Customer Cost Revenues ($ 000)		$ 425,230,158	
4	Number of Residential Accounts	4,001,625		Table 5-D, Lines 26 + 30
5	Multiply by 12 to Calculate Annual Number of Bills	12		
6	Annual Number of Residential Bills		48,019,502	
7	Average Marginal Customer Cost Per Residential Account Per Month		$ 8.86	
8	Proposed Recovery of Residential Customer Costs Via Minimum Bill		$ 13,066,494	Table 5-D, Line 26
9	% of Scaled Annual Marginal Customer Cost Recovered via Residential Minimum Monthly Transporation Bill		3.1%	

TABLE 14

2005 BIENNIAL COST ALLOCATION PROCEEDING (APPLICATION 04-07-044)

APRIL 22, 2005 UPDATE TO INCLUDE MASTER METERED DISCOUNT AND NGV SETTLEMENTS
MONTHLY CHARGES AND MINIMUM TRANSPORTATION BILLS ($) PER ACCOUNT

RESIDENTIAL CLASS

	Monthly Average	Daily Equivalent
MINIMUM TRANSPORTATION BILL		
Non-CARE G-1 (Individually Metered)	$3.00	$0.09863
CARE G-1 (Individually Metered)	$0.00	$0.00000

SMALL COMMERCIAL CLASS

Customer Charge Tier	Maximum Monthly Therms*		Monthly Average	Daily Equivalent
TIER 1	0	167	$8.23	$0.27048
TIER 2	168	500	$15.85	$0.52106
TIER 3	501	1,250	$29.04	$0.95482
TIER 4	1,251	3,750	$50.64	$1.66489
TIER 5	3,751		$65.38	$2.14936

LARGE COMMERCIAL CLASS

	Monthly Charge	Daily Equivalent
All Accounts	$150.72	$4.95518

INDUSTRIAL DISTRIBUTION, INDUSTRIAL TRANSMISSION, ELECTRIC GENERATION, and G-NGV4 CLASSES**

Customer Access Charge	Average Monthly Therms*	Monthly Average	Daily Equivalent
TIER 1	0 to 5,000	$59.21	$1.94652
TIER 2	5,001 to 10,000	$176.36	$5.79823
TIER 3	10,000 to 50,000	$328.25	$10.79181
TIER 4	50,001 to 200,000	$430.79	$14.16308
TIER 5	200,001 to 1,000,000	$625.04	$20.54938
TIER 6	1,000,000 and higher	$5,301.97	$174.31130

WHOLESALE CUSTOMERS**

ALPINE	$319.05	$10.48932
COALINGA	$1,411.09	$46.39200
ISLAND ENERGY	$956.07	$31.43244
PALO ALTO	$4,704.88	$154.68099
WEST COAST GAS (CASTLE)	$819.70	$26.94904
WEST COAST GAS (MATHER)	$749.09	$24.62762

* Customers will be billed a small commercial tiered customer charge based upon their maximum monthly usage during the previous 11 plus current billing months. Noncore retail customers pay a monthly customer access charge based upon their average monthly usage during the previous 11 plus current billing months.

** Customer Access Charges (applicable to noncore and wholesale accounts) were determined in PG&E's Gas Accord III decision.

TABLE 15
SWITCHES

	B	C	D	E	S
54	SWITCH DESCRIPTION (Note: rows with unused switches have been hidden to reduce the number of workpaper pages)	CURRENT MODEL SETTINGS (DO NOT TYPE OVER FORMULAS)	OVERRIDES TO CASE SELECTED (enter changes in this column)	Not Used; Available	Updated Using January 2005 RRQ and Rate Structures; Stipulation; Otherwise Reflects PG&E's Proposals
55	Throughput, Customer, and WACOG Forecast (see tabs)	7			7
56	StartDate for Test Period	Jul-05			Jul-05
57	Marginal Cost Revenue Case (cases entered in Marg_Cost_Rev_Input)	2	2		3
58	CORE WACOG override ($/therm; to use a WACOG different from PG&E's)	$.61479			$.61479
60	Gas Accord Year	2005			2005
61	Additional EG-T Volumes Added to Forecast for Settlement (mdth/d)	45			45
63	2003 Cost of Capital (non-DSM/CEE portion)	($15,589)			($15,589)
64	1999 GRC Rehearing: Ongoing Change to Distribution Base Rev.	$10,088			$10,088
65	2003 GRC	$21,321			$21,321
66	2005 Base Revenue Changes post BCAP Filing	$18,530			$18,530
67	Other Distribution Operating Revenues	($16,300)			($16,300)
68	Minimum Monthly Residential Transportation Bill	$3.00			$3.00
69	Which Present Rates? (see cell note for current options)	1			1
70	Minimum Bill Rev. in Terms of Equiv. Cust. Charge to All	$.1627			$.16265
71	De-Average Residential and Small Commercial Rates by X %	40%			40%
72	Percent of Residential T1 Volumes that are CARE	17.96%			17.96%
73	Percent of Residential T2 Volumes that are CARE	17.96%			17.96%
74	Percent of Residential Customers that are CARE	17.96%			17.96%
75	Percent of Residential MF accounts that are GS/GT/GM	78.66%			78.66%
76	Residential T2/T1 Ratio for Applicable Costs	1.6000			1.600
77	Charge Minimum Monthly Transportation Bill for IM CARE? (1=Yes, 0 = No)	0			0
78	Allow Model to Calculate CARE Shortfall (1) or Use Fixed Amt. (2)?	2			2
79	Fixed CARE Shortfall based on PPP Filing	$160,063			$160,063
80	Ref NC IF Net Overcollection? (NCA, ITCS, NFCA, BCA) (1=YES, 0 = NO)	0			0
81	Small Commercial Customers Receiving Reduced Customer Charge (# of)	141,317			141,317
82	Cutoff Point for Tier A Usage in Comm. Class (See cell note for choices)	4,000			4,000
83	Winter/Summer Vol. Rate Ratio for Commercial/Industrial Seasonal Rates	1.35			1.35
84	CARE Discount Percentage	20.0%			20.0%
85	Residential Tiering: Status Quo (0) or PG&E Proposed (1)	0			0
86	Commercial Customer Charges: Constant, Scaled, or Tiered?	Stipulation			Stipulation
87	Core Brokerage Fee ($ / therm)	$.00300			$.00300
88	CPUC Fee ($/th) (before FF&U)	$.00000			$0.00000
89	Core NGV1 Monthly Customer Charge	$13.42			$13.42
90	PROPOSED Core Procurement Deaveraging %	40%			40%
91	CURRENT Core Procurement Deaveraging %	30%			30%
92	% of Unscaled MCR Flowed Through to WHSL-D Accounts	100%	100%		10%
93	Allocate SG to EG if ECPT? (1= Yes, 0 = No)	1			1
94	Illustrative % of former PG&E EG Plants Paying CPUC/Franchise Fees	90.62%			90.62%
95	Deaverage NGV? (1 = YES, 0 = NO)	1			1
103	PPP A&G expense - 2004 Attrition	$2,560			$2,560
104	Show PPP at (1) 2005 PPP Rates or (2) Illust. 2006 Using BCAP Throughput	2			2
105	**ALLOCATION METHODS FOR NON-BASE NON-PROCUREMENT COSTS**				
106	EOR and Interutility Revenue Credit Alloc. Method	33			33
107	Residential Baseline OIR Balancing Account	44			44
109	Core Gas Brokerage Proc. Credit (Brok Fee) Alloc. Method	3			3
111	Core Sales/Marketing Credit (Brok Fee) Alloc. Method	27			27
112	Allocation of PPP - CARE	11	11		50
113	Self-Generation Program Memorandum Account (SGPMA)	21	21		21
115	NGV expenses Alloc. Method	1			1
116	CEE Alloc. Method	28			28
122	CPUC Fee Expense (excluding EOR) Alloc. Method	26			26
126	Affiliate Transfer Fee Account	33			33
131	Natural Gas Vehicle Account Balance Alloc. Method	1			1
134	Core Fixed Cost Acct. Bal. Alloc. Method	16			16
135	Enhanced Oil Recovery Account Balance Alloc. Method	34			34
136	Core Transport Transition Subaccount of CPDCA	3			3
138	Balancing Charge Account	1			1
140	G-10 Procurement Allocation Alloc. Method	1			1
148	Hazardous Substance Balance Alloc. Method	1			1

TABLE 16
SWITCHES

54	B SWITCH DESCRIPTION (Note: rows with unused switches have been hidden to reduce the number of workpaper pages)	C CURRENT MODEL SETTINGS (DO NOT TYPE OVER FORMULAS)	D OVERRIDES TO CASE SELECTED (enter changes in this column)	E Not Used; Available	S Updated Using January 2005 RRQ and Rate Structures; Stipulation; Otherwise Reflects PG&E's Proposals
149	NC Cust. Class Charge: Distribution	7			7
151	Noncore Customer Class Charge: GNT-T	8			8
163	Core Brokerage Fee Balance Acct.	3			3
168	Noncore Customer Class Charge Account	6			6
169	*NOTE: See Transportation and Procurement Allocation Factor Tabs for definition of each factor*				
170	**PROCUREMENT COSTS: DESIGNATION OF ALLOCATION METHODS**				
177	Allocation of Core Interstate Pipeline Demand Charges	C			C
178	Allocation of Canadian Balances and ANG/Nova	C			C
179	Allocation of Intrastate Backbone Transmission Reservation Charges	C			C
183					
184	**VARIOUS FACTORS / CHARGES**				
185	Franchise Fee Factor	.9765%			.9765%
186	Uncollectibles Factor	.2024%			.2024%
187	GS Base Discount per unit	$6.05	$6.05		$4.15
188	GS Diversity Benefit (iterative based on proposed rates)	$0.67	$0.67		$1.40
189	GT Base Discount per unit	$11.86	$11.86		$8.89
190	GT Diversity Benefit (iterative based on proposed rates)	$1.03	$1.03		$1.64
194	Commercial, small - summer Tier A factor	83.21%			83.21%
195	Commercial, small - summer Tier B factor	16.79%			16.79%
196	Commercial, small - winter Tier A factor	81.68%			81.68%
197	Commercial, small - winter Tier A factor	18.32%			18.32%
198	Commercial, large - summer Tier A factor	8.29%			8.29%
199	Commercial, large - summer Tier B factor	91.71%			91.71%
200	Commercial, large - winter Tier A factor	8.56%			8.56%
201	Commercial, large - winter Tier A factor	91.44%			91.44%
205	Core Shrinkage Factor	3.300%			3.300%
208					
209	**REVENUE REQUIREMENT INPUTS**				
210	**Procurement Balancing Accounts**				
217	Note: These are assumed to be zero for BCAP/TU Illustrative Rates				
218	The actual balances are dealt with via Monthly Procurement Pricing				
220					
221	**Transportation Balancing Accounts**				
222	Core Fixed Cost Account Balance	$134,799			$134,799
223	Baseline OIR Allocation to Residential Class	$38,586			$38,586
224	Core Brokerage Fee Balancing Account	$74			$74
225	Noncore Brokerage Fee Balancing Account	$0			$0
226	Balancing Charge Account	($8,082)			($8,082)
227	Enhanced Oil Recovery Account	$169			$169
230	PPP - California Alternate Rates for Energy (CARE) Account	$34,528			$34,528
231	Natural Gas Vehicle Balancing Account	($13,183)			($13,183)
232	Self-Generation Program Memorandum Account (SGPMA)	$0	$0		$29,704
233	2003 GRC Adjustment - Core	$61,981			$61,981
234	Core Transport Interstate Transition Subaccount of the CPDCA	$2,348			$2,348
235	Affiliate Transfer Fee Account	($204)			($204)
238	Hazardous Substance Balance	$25,006			$25,006
239	Customer Energy Efficiency (CEE) Incentive Recovery Account - Gas	$1,142			$1,142
241	PPP BA - LIEE/EE	$2,121			$2,121
242	PPP BA - Reserved for EE	$935			$935
243	PPP BA - RD&D	$0			$0
244	NC Customer Class Charge (Interim Rate Relief)	$3,249			$3,249
245	NC Customer Class Charge (Noncore Subaccount)	($10,855)			($10,855)
246	NC Customer Class Charge (Industrial Distribution Subaccount)	($10,926)			($10,926)
247	NC Customer Class Charge (Industrial Transmission Subaccount)	($12,915)			($12,915)
248	NC Customer Class Charge (2003 GRC Interim Rate Relief: 2003 $$)	$2,197			$2,197
249	NC Customer Class Charge (2003 GRC Interim Rate Relief: 2004 $$)	$40			$40
260	El Paso Settlement Memorandum Account	($2,078)			($2,078)

TABLE 17
SWITCHES

	B	C	D	E	S
54	SWITCH DESCRIPTION (Note: rows with unused switches have been hidden to reduce the number of workpaper pages)	CURRENT MODEL SETTINGS (DO NOT TYPE OVER FORMULAS)	OVERRIDES TO CASE SELECTED (enter changes in this column)	Not Used; Available	Updated Using January 2005 RRQ and Rate Structures; Stipulation; Otherwise Reflects PG&E's Proposals
263	**PROCUREMENT FORECAST PERIOD COSTS**				
265	Shrinkage Purchases (LUAF & GDU)	$132,525			$132,525
268	CORE Procurement CANADIAN Reservation Charge	$86,639			$86,639
270	CORE Procurement GT NW Reservation Charge	$113,468			$113,468
271	CORE Procurement El Paso Reservation Charge	$41,875			$41,875
272	CORE Procurement Transwestern Reservation Charge	$44,107			$44,107
273	Core Storage Base Revenue, excl carrying costs of non-cycle Work gas	$79,599			$79,599
274	Cycled Carrying Cost of Gas in Storage	$3,324			$3,324
275	Core Procurement Intrastate Backbone Transmission Reservation	$96,928			$96,928
276	CORE Procurement Storage Responsibility (AY peak season share)	97.88%			97.88%
277	Carrying Cost on Noncycled Gas in Storage Allocated to Core	$3,378			$3,378
278	Core Bundled Share of Interstate (AY January share)	98.51%			98.51%
280					
281	**TRANSPORTATION FORECAST PERIOD COSTS**				
282	Distribution Base Revenue Amount (incl. F&U)	$1,853,026			$1,853,026
284	EOR Credit	$0.00			$0
290	NGV Expenses	$7,677			$7,677
291	PPP - CARE A&G Expenses	$3,215			$3,215
292	CPUC Fee Expenses	$0			$0
308	PPP - LIEE (Low Income Energy Efficiency)	$58,384			$58,384
309	PPP - EE (Energy Efficiency)	$41,697			$41,697
310	PPP - RD&D (Research, Demonstration, and Development)	$0			$0
311	PPP - Admin Cost For Board of Equalization	$347			$347
312	PPP - Admin Cost For CPUC	$0			$0
313	**Gas Accord Inputs**				
314	100% LF Average Backbone AFT Rate, Baja ($/Dth)	$.2781			$.2781
320	100% LF Average Backbone AFT Rate, Redwood Noncore ($/Dth)	$.3082			$.3082
326	100% LF Average Backbone AFT Rate, Redwood Core ($/Dth)	$.1610			$.1610
333	Core Local Transmission Rate ($/th)	$.03410			$.03410
334	Noncore Local Transmission Rate ($/th)	$.01474			$.01474
335	Wholesale Local Transmission Rate ($/th)	$.01474			$.01474
336	Customer Access Charges: Industrial/EG Tier 1 ($/month)	$59.21			$59.21
337	Customer Access Charges: Industrial/EG Tier 2 ($/month)	$176.36			$176.36
338	Customer Access Charges: Industrial/EG Tier 3 ($/month)	$328.25			$328.25
339	Customer Access Charges: Industrial/EG Tier 4 ($/month)	$430.79			$430.79
340	Customer Access Charges: Industrial/EG Tier 5 ($/month)	$625.04			$625.04
341	Customer Access Charges: Industrial/EG Tier 6 ($/month)	$5,301.97			$5,301.97
348	Coalinga Customer Access Charge ($/month)	$1,411.09			$1,411.09
349	Palo Alto Customer Access Charge ($/month)	$4,704.88			$4,704.88
350	West Coast Gas-Mather Customer Access Charge ($/month)	$749.09			$749.09
351	Island Energy Customer Access Charge ($/month)	$956.07			$956.07
352	Alpine Customer Access Charge ($/month)	$319.05			$319.05
353	West Coast Gas-Castle Customer Access Charge ($/month)	$819.70			$819.70
356	IND-T/BB CAC (Illus. Vol. Equiv. $/dth)	$.02064			$.02064
357	EG CAC (Illus. Vol. Equiv. $/dth)	$.00906			$.00906
358	Coalinga CAC (Illus. Vol. Equiv. $/dth)	$.08139			$.08139
359	Palo Alto CAC (Illus. Vol. Equiv. $/dth)	$.01670			$.01670
360	West Coast Gas-Mather CAC (Illus. Vol. Equiv. $/dth)	$.08989			$.08989
361	Island Energy CAC (Illus. Vol. Equiv. $/dth)	$.27983			$.27983
362	Alpine CAC (Illus. Vol. Equiv. $/dth)	$.08921			$.08921
363	West Coast Gas-Castle CAC (Illus. Vol. Equiv. $/dth)	$.29145			$.29145

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TABLE 18

MARGINAL COSTS

			Total	Residential	Small Commercial	Large Commercial	Experimental NGV Core	Industrial Distribution	Industrial Transmission	Elect. Gen	Coalinga	Palo Alto	Alpine Nat. Gas	WC Gas Mather	Island Energy	WC Gas Castle
MCR Case 1	**Application: 7/30/04**															
		Customer	467,693	416,175	45,949	1,468	290	2,972	0	839				0		0
		Distribution	314,986	222,314	68,145	2,981	327	14,343	4,231	2,526				66		54
MCR Case 2																
		Customer	467,056	416,174	45,949	1,218	42	2,972	147	555						
		Distribution	460,312	325,001	99,736	4,337	375	20,869	6,149	3,668				100		78
MCR Case 3	**PG&E Case w/Corrections**															
		Customer	467,056	416,174	45,949	1,218	42	2,972	147	555						
		Distribution	320,532	226,252	69,432	3,019	343	14,528	4,280	2,553				70		54