A. 04-07-044

APPENDIX A

TABLE 1

PACIFIC GAS AND ELECTRIC COMPANY
2004 BIENNIAL COST ALLOCATION PROCEEDING (A.04-07-044)
TOTAL REVENUE REQUIREMENT AND PUBLIC PURPOSE PROGRAM AUTHORIZED AMOUNTS -

PERIOD: JULY 1, 2005 THROUGH JUNE 30, 2007
$(000)

Line No.		TOTAL PERIOD	ANNUAL	Line No.
	PROCUREMENT REVENUE REQUIREMENT			
1	**Gas Supply Portfolio Costs:**			1
2	Sales Commodity Costs	$3,681,253	$1,840,627	2
3	Shrinkage Commodity Costs	$121,481	$60,741	3
4	Core Carrying Cost on Cycled Gas in Storage	$3,324	$1,662	4
5	**Capacity Costs:**			5
6	Gas Transmission Northwest Capacity Costs	$113,468	$56,734	6
7	Canadian Capacity Costs	$86,639	$43,320	7
8	Intrastate Capacity Costs	$96,928	$48,464	8
9	El Paso Capacity Costs	$41,875	$20,938	9
10	Transwestern Capacity Costs	$44,107	$22,053	10
11	**Storage Costs:**			11
12	Core Storage	$79,598	$39,799	12
13	Core Carrying Cost on Noncycled Gas in Storage	$3,378	$1,689	13
14	**Total Forecast Period Costs for Procurement**	**$4,272,051**	**$2,136,025**	14
15	Procurement Account Balances	$0	$0	15
16	Franchise Fees and Uncollectible Accounts Expense	$48,260	$24,130	16
17	Brokerage Fees	$17,963	$8,982	17
18	**Total Procurement Revenue Requirement**	**$4,338,274**	**$2,169,137**	18
19	Less Procurement Revenues at Present Rates	$4,338,274	$2,169,137	19
20	**Shortfall in Collecting Authorized RRQ Given Current Rates** [1]	**$0**	**$0**	20
21				21
22				22
23	**TRANSPORTATION REVENUE REQUIREMENT**			23
24				24
25	Base Revenue Amount (incl. F&U)			25
26	Distribution	$1,894,246	$947,123	26
27	EOR Credit to Base	$0	$0	27
28	Brokerage Fee Credit	($17,963)	($8,982)	28
29	Natural Gas Vehicle Expenses [2]	$7,677	$3,838	29
30	CPUC Fee Expenses	$0	$0	30
31	**Total Forecast Period Costs for Transportation**	**$1,883,960**	**$941,979**	31
32	Transportation Account Balances	$239,898	$119,949	32
33	Franchise Fees and Uncollectible Accounts Expense	$2,804	$1,403	33
38	**Total Transportation Revenue Requirement**	**$2,126,662**	**$1,063,331**	38
39	Less PPP-CARE Shortfall Collected in PPP-CARE Rates (1/2005) [3]	$160,063	$80,032	39
40	Less PPP-CARE Shortfall Not Collected in Proposed Rates	($612)	($306)	40
41	Net Transportation Revenue Requirement Collected in Proposed Rates	$1,967,210	$983,605	41
42	Less Transportation Revenues at Present Rates	$1,849,224	$924,612	42
43	**Shortfall in Collecting Authorized RRQ Given Current Rates** [1]	**$117,986**	**$58,993**	43
44				44
45				45
46	**PUBLIC PURPOSE PROGRAM AUTHORIZED AMOUNTS (excludes F&U)** [3]			46
47				47
48	Energy Efficiency [4]	$41,698	$20,849	48
49	Low Income Energy Efficiency [5]	$58,384	$29,192	49
50	Research Development and Demonstration [6]	$0	$0	50
51	CARE Adminstrative Expense [7]	$3,215	$1,607	51
52	CARE Shortfall in Rates (1/2005)	$160,063	$80,032	52
53	BOE/CPUC Gas Surcharge Adminstration Costs [8]	$347	$174	53
54	**Total Forecast Period Costs for Public Purpose**	**$263,707**	**$131,853**	54
55	Public Purpose Account Balances [9]	$37,584	$18,792	55
56	**Total Public Purpose Revenue Requirement**	**$301,291**	**$150,645**	56
57	Less Public Purpose Revenues at Present Rates	$301,291	$150,645	57
58	**Shortfall in Collecting Authorized Amounts Given Current Surcharge Rates** [1]	**$0**	**$0**	58
59				59
60	**TOTAL CHANGE IN REVENUE REQUIREMENT** [1]	**$115,185**	**$57,592**	60

1. This includes the change in authorized amounts and the change compared to revenues at present rates.
2. The Natural Gas Vehicle expense is set at the annual funding level approved in D. 03-10-086, adjusted for current year dollars, and from the amount included in is unchanged rates effective 7-1-04.
3. This amount will be recovered in the gas PPP surcharge.
4. D. 03-12-060 and D. 04-02-059 adopted a two year budget of $240,956,000, plus carryover funds from prior program years, for PG&E's 2004 and 2005 Energy Efficiency Programs, effective January 1, 2004. The annual EE budget allocated to PG&E's gas department is $12,888,000. On December 7, 2004, the Commission issued D. 04-12-019 authorizing an increase in gas EE for 2005 of $7,960,700.
5. D. 03-11-020 approved a total annual Low Income Energy Efficiency (LIEE) budget of $56,530,000 for PG&E. The allocation of the LIEE budget to PG&E's gas department is $29,192,000.
6. PG&E's 2005 allocation of RD&D is $5,219,487 offset by $5,519,408 already sent to BOE for RD&D in 2001-2003 per D. 04-08-010.
7. The CARE administrative budget allocated to PG&E's gas department in D. 02-09-021 is $1,607,287.
8. BOE administrative costs are included in gas PPP surcharge rates pursuant to D. 04-08-010.
9. The balances are the amounts included in the gas PPP surcharge effective January 1, 2005, filed in AL 2585-G/G-A.

TABLE 2

PACIFIC GAS AND ELECTRIC COMPANY
2004 BIENNIAL COST ALLOCATION PROCEEDING A.04-07-044
BALANCING ACCOUNT SUMMARY -

$(000)

Line No.			Line No.
	PROCUREMENT BALANCING ACCOUNTS [1]		
1	PGA: Core Subaccount	$0	1
2	Core Shrinkage Subaccount	$0	2
3	Core Firm Storage Account	$0	3
4	Core Demand Charge Subaccount of CPDCA	$0	4
7			7
8	**Sum of Procurement Balancing Accounts**	**$0**	8
9			9
10			10
11	**TRANSPORTATION BALANCING ACCOUNTS** [2]		11
12			12
13	Core Fixed Cost Account	$137,089	13
14	CFCA 2004 COC Distribution RRQ Adjustment	($14,787)	14
15	CFCA 2004 COC Transmission RRQ Adjustment	($4,619)	15
16	NC Customer Class Charge (Industrial Distribution Subaccount)	($5,463)	16
17	NC Customer Class Charge (Industrial Transmission Subaccount)	($6,457)	17
18	NC Customer Class Charge (Noncore Subaccount)	$475	18
19	NC Customer Class Charge (Noncore Subaccount) 2004 COC Tran. Adj	($5,902)	19
20	NC Customer Class Charge (Interim Rate Relief)	$3,364	20
21	NC Customer Class Charge (Interim Rate Relief) 2004 COC Dist. Adj	($621)	21
22	Enhanced Oil Recovery Account	$84	22
23	Core Brokerage Fee Balancing Account	$37	23
24	Natural Gas Vehicle Balancing Account	($6,592)	24
25	Hazardous Substance Balance	$12,503	25
26	Core Transport Interstate Transition Subaccount	$1,174	26
27	Balancing Charge Account	($4,041)	27
28	Affiliate Transfer Fee Account	($102)	28
29	Customer Energy Efficiency Incentive Recovery Account - Gas	$571	29
30	El Paso Settlement Memorandum Account [3]	($1,039)	30
31	Self-Generation Program Memorandum Account [4]	$14,852	31
32	Core-subscription Phase-Out Account [5]	($577)	32
33			33
34	**Sum of Transportation Balancing Accounts**	**$119,949**	34
35			35
36			36
37	**PUBLIC PURPOSE PROGRAM BALANCING ACCOUNTS** [6]		37
38			38
39	PPP - Energy Efficiency	$468	39
40	PPP - Low IncomeEnergy Efficiency	$1,060	40
41	PPP - Research Development and Demonstration	$0	41
42	California Alternate Rates for Energy Account	$17,264	42
43			43
44	**Sum of Public Purpose Program Balancing Accounts**	**$18,792**	44
45			45
46			46
47	**TOTAL BALANCING ACCOUNTS**	**$138,741**	47

1. Procurement balancing account balances are updated monthly with core procurement rates pursuant to D. 97-10-065.
2. Transportation balancing account balances were updated in the Annual Gas True-up effective 01-01-05 in AL 2589-G, AL 2600-G and AL 2601-G, except as noted.
3. The balance in this account is being returned to core transport customers as an "El Paso Settlement Credit" pursuant to AL 2502-G-A, effective 1-1-05.
4. The BCAP includes a proposal to amortize the Self-Generation Program Memorandum Account balance in rates. The balance has been updated to reflect an increase in authorized EE amounts allocated to gas for 2005.
5. The BCAP includes a proposal to refund the Core-subscription Phase-Out Account balance to core subscription customers.
6. These balances were included in the 2005 Gas PPP Surcharge, Advice Letter 2585-G/G-A.

TABLE 3
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

TABLE 4
MARGINAL DISTRIBUTION COSTS

Marginal Distribution 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)	

TABLE 5
MARGINAL COST REVENUE SUMMARY

MARGINAL COSTS AND MDMs

Average of 2 year BCAP Period (July 2005 - June 2007)

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							

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

DEMAND-RELATED MARGINAL COST REVENUES ($000)

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

TABLE 5 - 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

	Coalinga	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 6
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 7
SWITCHES

	A	B	C	D	E	S
54	SWITCH NUMBER	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	1)	Throughput, Customer, and WACOG Forecast (see tabs)	7			7
56	2)	StartDate for Test Period	Jul-05			Jul-05
57	3)	Marginal Cost Revenue Case (cases entered in Marg_Cost_Rev_Input)	2	**2**		**3**
58	4)	CORE WACOG override ($/therm; to use a WACOG different from PG&E'	$.61479			$.61479
60	6)	Gas Accord Year	2005			2005
61	7)	Additional EG-T Volumes Added to Forecast for Settlement (mdth/d)	45			45
62	8)	PPP De-averaging Percentage	30%			30%
63	9)	2003 Cost of Capital (non-DSM/CEE portion)	($15,589)			($15,589)
64	10)	1999 GRC Rehearing: Ongoing Change to Distribution Base Rev.	$10,088			$10,088
65	11)	2003 GRC	$21,321			$21,321
66	12)	2005 Base Revenue Changes post BCAP Filing	$18,530			$18,530
67	13)	Other Distribution Operating Revenues	($16,300)			($16,300)
68	14)	Minimum Monthly Residential Transportation Bill	$3.00			**$3.00**
69	15)	Which Present Rates? (see cell note for current options)	9	**9**		**1**
70	16)	Minimum Bill Rev. in Terms of Equiv. Cust. Charge to All	$.1794			**$.17936**
71	17)	De-Average Residential and Small Commercial Rates by X %	40%			**40%**
72	18)	Percent of Residential T1 Volumes that are CARE	17.96%			**17.96%**
73	19)	Percent of Residential T2 Volumes that are CARE	17.96%			**17.96%**
74	20)	Percent of Residential Customers that are CARE	17.96%			**17.96%**
75	21)	Percent of Residential MF accounts that are GS/GT/GM	78.66%			78.66%
76	22)	Residential T2/T1 Ratio for Applicable Costs	1.6200	**1.620**		1.600
77	23)	Charge Minimum Monthly Transportation Bill for IM CARE? (1=Yes, 0 = No	0			**0**
78	24)	Allow Model to Calculate CARE Shortfall (1) or Use Fixed Amt. (2)?	2			**2**
79	25)	Fixed CARE Shortfall based on PPP Filing	$160,063			**$160,063**
80	26)	Ref NC IF Net Overcollection? (NCA, ITCS, NFCA, BCA) (1=YES, 0 = NO)	0			0
81	27)	Small Commercial Customers Receiving Reduced Customer Charge (# of)	141,317			141,317
82	28)	Cutoff Point for Tier A Usage in Comm. Class (See cell note for choices)	4,000			4,000
83	29)	Winter/Summer Vol. Rate Ratio for Commercial/Industrial Seasonal Rates	1.35			1.35
84	30)	CARE Discount Percentage	20.0%			20.0%
85	31)	Residential Tiering: Status Quo (0) or PG&E Proposed (1)	0			**0**
86	32)	Commercial Customer Charges: Constant, Scaled, or Tiered?	Stipulation			**Stipulation**
87	33)	Core Brokerage Fee ($ / therm)	$.00300			$.00300
88	34)	CPUC Fee ($/th) (before FF&U)	$.00000			$0.00000
89	35)	Core NGV1 Monthly Customer Charge	$13.42			$13.42
90	36)	PROPOSED Core Procurement Deaveraging %	40%			**40%**
91	37)	CURRENT Core Procurement Deaveraging %	30%			**30%**
92	38)	% of Unscaled MCR Flowed Through to WHSL-D Accounts	10%	**10%**		**10%**
93	39)	Allocate SG to EG if ECPT? (1= Yes, 0 = No)	1			**1**
94	40)	Illustrative % of former PG&E EG Plants Paying CPUC/Franchise Fees	90.62%			90.62%
95	41)	Deaverage NGV? (1 = YES, 0 = NO)	1	**1**		**1**
96	42)	PPP Throughput (0) BCAP Volumes (1) Actual 3 year average	1			**1**
101	47)	Residential Procurement Rate Used in G-10 Calculations	$0.55070			$0.55070
102	48)	Use Frozen Res Proc. Rate for G-10 Calculation?	NO			NO
103	49)	PPP A&G expense - 2004 Attrition	$2,560			$2,560
104	50)	Show PPP at (1) 2005 PPP Rates or (2) Illust. 2006 Using BCAP Throughp	1	**1**		2
105	51)	**ALLOCATION METHODS FOR NON-BASE NON-PROCUREMENT COSTS**				
106	52)	EOR and Interutility Revenue Credit Alloc. Method	33			33
107	53)	Residential Baseline OIR Balancing Account	44			44
109	55)	Core Gas Brokerage Proc. Credit (Brok Fee) Alloc. Method	3			3
111	57)	Core Sales/Marketing Credit (Brok Fee) Alloc. Method	27			27
112	58)	Allocation of PPP - CARE	11	11		**50**
113	59)	Self-Generation Program Memorandum Account (SGPMA)	1	1		**21**
115	61)	NGV expenses Alloc. Method	1			1
116	62)	CEE Alloc. Method	28			28
122	68)	CPUC Fee Expense (excluding EOR) Alloc. Method	26			26
126	72)	Affiliate Transfer Fee Account	33			33
131	77)	Natural Gas Vehicle Account Balance Alloc. Method	1			1
134	80)	Core Fixed Cost Acct. Bal. Alloc. Method	16			16
135	81)	Enhanced Oil Recovery Account Balance Alloc. Method	34			34
136	82)	Core Transport Transition Subaccount of CPDCA	3			3
138	84)	Balancing Charge Account	1			1
140	86)	G-10 Procurement Allocation Alloc. Method	1			1
148	94)	Hazardous Substance Balance Alloc. Method	1			1

TABLE 8
SWITCHES

	A	B	C	D	E	S
54	SWITCH NUMBER	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
149	95)	NC Cust. Class Charge: Distribution	7			7
151	97)	Noncore Customer Class Charge: GNT-T	8			8
163	109)	Core Brokerage Fee Balance Acct.	3			3
168	114)	Noncore Customer Class Charge Account	6			6
169	115)	*NOTE: See Transportation and Procurement Allocation Factor Tabs for definition of each factor*				
170	116)	**PROCUREMENT COSTS: DESIGNATION OF ALLOCATION METHODS**				
177	123)	Allocation of Core Interstate Pipeline Demand Charges	C			C
178	124)	Allocation of Canadian Balances and ANG/Nova	C			C
179	125)	Allocation of Intrastate Backbone Transmission Reservation Charges	C			C
183	129)					
184	130)	**VARIOUS FACTORS / CHARGES**				
185	131)	Franchise Fee Factor	.9765%			.9765%
186	132)	Uncollectibles Factor	.2024%			.2024%
187	133)	GS Base Discount per unit	$6.05	$6.05		$4.15
188	134)	GS Diversity Benefit (iterative based on proposed rates)	$0.67	$0.67		$1.40
189	135)	GT Base Discount per unit	$11.86	$11.86		$8.89
190	136)	GT Diversity Benefit (iterative based on proposed rates)	$1.03	$1.03		$1.64
194	140)	Commercial, small - summer Tier A factor	83.21%			83.21%
195	141)	Commercial, small - summer Tier B factor	16.79%			16.79%
196	142)	Commercial, small - winter Tier A factor	81.68%			81.68%
197	143)	Commercial, small - winter Tier A factor	18.32%			18.32%
198	144)	Commercial, large - summer Tier A factor	8.29%			8.29%
199	145)	Commercial, large - summer Tier B factor	91.71%			91.71%
200	146)	Commercial, large - winter Tier A factor	8.56%			8.56%
201	147)	Commercial, large - winter Tier A factor	91.44%			91.44%
205	151)	Core Shrinkage Factor	3.300%			3.300%
208	154)					
209	155)	**REVENUE REQUIREMENT INPUTS**				
210	156)	**Procurement Balancing Accounts**				
217	163)	Note: These are assumed to be zero for BCAP/TU Illustrative Rates				
218	164)	The actual balances are dealt with via Monthly Procurement Pricing				
220	166)					
221	167)	**Transportation Balancing Accounts**				
222	168)	Core Fixed Cost Account Balance	$134,799			$134,799
223	169)	Baseline OIR Allocation to Residential Class	$38,586			$38,586
224	170)	Core Brokerage Fee Balancing Account	$74			$74
225	171)	Noncore Brokerage Fee Balancing Account	$0			$0
226	172)	Balancing Charge Account	($8,082)			($8,082)
227	173)	Enhanced Oil Recovery Account	$169			$169
230	176)	PPP - California Alternate Rates for Energy (CARE) Account	$34,528			$34,528
231	177)	Natural Gas Vehicle Balancing Account	($13,183)			($13,183)
232	178)	Self-Generation Program Memorandum Account (SGPMA)	$29,704	**$29,704**		$29,704
233	179)	2003 GRC Adjustment - Core	$61,981			$61,981
234	180)	Core Transport Interstate Transition Subaccount of the CPDCA	$2,348			$2,348
235	181)	Affiliate Transfer Fee Account	($204)			($204)
238	184)	Hazardous Substance Balance	$25,006			$25,006
239	185)	Customer Energy Efficiency (CEE) Incentive Recovery Account - Gas	$1,142			$1,142
241	187)	PPP BA - LIEE/EE	$2,121			$2,121
242	188)	PPP BA - Reserved for EE	$935			$935
243	189)	PPP BA - RD&D	$0			$0
244	190)	NC Customer Class Charge (Interim Rate Relief)	$3,249			$3,249
245	191)	NC Customer Class Charge (Noncore Subaccount)	($10,855)			($10,855)
246	192)	NC Customer Class Charge (Industrial Distribution Subaccount)	($10,926)			($10,926)
247	193)	NC Customer Class Charge (Industrial Transmission Subaccount)	($12,915)			($12,915)
248	194)	NC Customer Class Charge (2003 GRC Interim Rate Relief: 2003 $$)	$2,197			$2,197
249	195)	NC Customer Class Charge (2003 GRC Interim Rate Relief: 2004 $$)	$40			$40
260	206)	El Paso Settlement Memorandum Account	($2,078)			($2,078)

TABLE 9
SWITCHES

	A	B	C	D	E	S
54	SWITCH NUMBER	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
149	95)	NC Cust. Class Charge: Distribution	7			7
151	97)	Noncore Customer Class Charge: GNT-T	8			8
163	109)	Core Brokerage Fee Balance Acct.	3			3
168	114)	Noncore Customer Class Charge Account	6			6
169	115)	*NOTE: See Transportation and Procurement Allocation Factor Tabs for definition of each factor*				
170	116)	**PROCUREMENT COSTS: DESIGNATION OF ALLOCATION METHODS**				
177	123)	Allocation of Core Interstate Pipeline Demand Charges	C			C
178	124)	Allocation of Canadian Balances and ANG/Nova	C			C
179	125)	Allocation of Intrastate Backbone Transmission Reservation Charges	C			C
183	129)					
184	130)	**VARIOUS FACTORS / CHARGES**				
185	131)	Franchise Fee Factor	.9765%			.9765%
186	132)	Uncollectibles Factor	.2024%			.2024%
187	133)	GS Base Discount per unit	$6.05	$6.05		$4.15
188	134)	GS Diversity Benefit (iterative based on proposed rates)	$0.67	$0.67		$1.40
189	135)	GT Base Discount per unit	$11.86	$11.86		$8.89
190	136)	GT Diversity Benefit (iterative based on proposed rates)	$1.03	$1.03		$1.64
194	140)	Commercial, small - summer Tier A factor	83.21%			83.21%
195	141)	Commercial, small - summer Tier B factor	16.79%			16.79%
196	142)	Commercial, small - winter Tier A factor	81.68%			81.68%
197	143)	Commercial, small - winter Tier A factor	18.32%			18.32%
198	144)	Commercial, large - summer Tier A factor	8.29%			8.29%
199	145)	Commercial, large - summer Tier B factor	91.71%			91.71%
200	146)	Commercial, large - winter Tier A factor	8.56%			8.56%
201	147)	Commercial, large - winter Tier A factor	91.44%			91.44%
205	151)	Core Shrinkage Factor	3.300%			3.300%
208	154)					
209	155)	**REVENUE REQUIREMENT INPUTS**				
210	156)	**Procurement Balancing Accounts**				
217	163)	Note: These are assumed to be zero for BCAP/TU Illustrative Rates				
218	164)	The actual balances are dealt with via Monthly Procurement Pricing				
220	166)					
221	167)	**Transportation Balancing Accounts**				
222	168)	Core Fixed Cost Account Balance	$134,799			$134,799
223	169)	Baseline OIR Allocation to Residential Class	$38,586			$38,586
224	170)	Core Brokerage Fee Balancing Account	$74			$74
225	171)	Noncore Brokerage Fee Balancing Account	$0			$0
226	172)	Balancing Charge Account	($8,082)			($8,082)
227	173)	Enhanced Oil Recovery Account	$169			$169
230	176)	PPP - California Alternate Rates for Energy (CARE) Account	$34,528			$34,528
231	177)	Natural Gas Vehicle Balancing Account	($13,183)			($13,183)
232	178)	Self-Generation Program Memorandum Account (SGPMA)	$29,704	**$29,704**		$29,704
233	179)	2003 GRC Adjustment - Core	$61,981			$61,981
234	180)	Core Transport Interstate Transition Subaccount of the CPDCA	$2,348			$2,348
235	181)	Affiliate Transfer Fee Account	($204)			($204)
238	184)	Hazardous Substance Balance	$25,006			$25,006
239	185)	Customer Energy Efficiency (CEE) Incentive Recovery Account - Gas	$1,142			$1,142
241	187)	PPP BA - LIEE/EE	$2,121			$2,121
242	188)	PPP BA - Reserved for EE	$935			$935
243	189)	PPP BA - RD&D	$0			$0
244	190)	NC Customer Class Charge (Interim Rate Relief)	$3,249			$3,249
245	191)	NC Customer Class Charge (Noncore Subaccount)	($10,855)			($10,855)
246	192)	NC Customer Class Charge (Industrial Distribution Subaccount)	($10,926)			($10,926)
247	193)	NC Customer Class Charge (Industrial Transmission Subaccount)	($12,915)			($12,915)
248	194)	NC Customer Class Charge (2003 GRC Interim Rate Relief: 2003 $$)	$2,197			$2,197
249	195)	NC Customer Class Charge (2003 GRC Interim Rate Relief: 2004 $$)	$40			$40
260	206)	El Paso Settlement Memorandum Account	($2,078)			($2,078)

TABLE 10
CPUC DECISION IN PG&E'S BCAP A. 04-07-044
2005 BIENNIAL COST ALLOCATION PROCEEDING (APPLICATION 04-07-044)

ILLUSTRATIVE CLASS AVERAGE GAS RATES ($/th)

Line No.	Customer Class	Present Rates Effective 3/1/2005 (A)	Adopted Rates (B)	% Change (b) (C)
	BUNDLED - Retail Core (a)			
1	Residential Non-CARE	$1.15840	$1.17594	1.5%
2	Residential CARE	$.90266	$.92540	2.5%
3	Small Commercial	$1.07926	$1.08211	0.3%
4	Large Commercial	$.87793	$.83678	-4.7%
	TRANSPORTATION ONLY - Retail Core (a) (b) (c)			
5	Residential Non-CARE	$.43240	$.44946	3.9%
6	Residential CARE	$.17675	$.19900	12.6%
7	Small Commercial	$.35749	$.36105	1.0%
8	Large Commercial	$.19050	$.14934	-21.6%
	TRANSPORTATION ONLY - Retail Noncore (a) (b)			
9	Industrial - Distribution	$.12130	$.12632	4.1%
10	Industrial - Transmission	$.04235	$.04513	6.6%
11	Industrial - Backbone	$.02420	$.02527	4.4%
12	Electric Generation - Transmission	$.01622	$.01926	18.8%
13	Electric Generation - Backbone	$.00148	$.00452	205.7%
	TRANSPORTATION ONLY - Wholesale Core and Noncore (a) (b)			
14	Alpine Natural Gas - T	$.02352	$.02558	8.8%
15	Coalinga - T	$.02274	$.02480	9.1%
16	Island Energy - T	$.04258	$.04464	4.8%
17	Palo Alto - T	$.01627	$.01833	12.7%
18	West Coast Gas - Castle - D	$.04374	$.05569	27.3%
19	West Coast Gas - Mather-D	$.02359	$.03932	66.7%
20	West Coast Gas - Mather-T	$.02359	$.02565	8.7%

(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 11
CPUC DECISION IN PG&E'S BCAP A. 04-07-044
2005 BIENNIAL COST ALLOCATION PROCEEDING (APPLICATION 04-07-044)

SUMMARY OF RATES BY MAJOR COMPONENT
($/dth; illustrative)

		Core Retail			Noncore Retail					Wholesale						
		Non-CARE			Industrial			Electric Generation				WC Gas Mather		Island		WC Gas
		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)	$.4418	$.3229	$.0815	($.0910)	($.0327)	($.0327)	$.0198	$.0198	$.0192	$.0192	$.0192	$.0192	$.0192	$.0192	$.0192
3	CPUC Fee (3)	$.0000	$.0000	$.0000	$.0000	$.0000	$.0000	$.0000	$.0000							
4	Distribution - Annual Average	$3.2994	$2.0460	$.5986	$.8444	$.0512		$.0163	$.0163			$.1367				$.0989
5	**VOLUMETRIC RATE - Average Annual**	$4.0822	$2.7099	$1.0212	$.9008	$.1658	($.0327)	$.1835	$.0361	$.1666	$.1666	$.3033	$.1666	$.1666	$.1666	$.2655
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**	$4.0822	$3.2490	$1.0689	$.9756	$.1865	($.0121)	$.1926	$.0452	$.2480	$.1833	$.3932	$.2565	$.4464	$.2558	$.5569
8	**G-PUBLIC PURPOSE PROGRAM SURCHARGE TAX (9)**	$.4124	$.3615	$.4245	$.2876	$.2648	$.2648									
9	**END-USER RATE**	$4.4946	$3.6105	$1.4934	$1.2632	$.4513	$.2527									
	INTRASTATE BACKBONE TRANSMISSION															
10	AFT BAJA INTRASTATE @ 100% Load Factor (5)				$.2781	$.2781	$.2781	$.2781	$.2781	$.2781	$.2781	$.2781	$.2781	$.2781	$.2781	$.2781
11	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)															
12	Core Intrastate Backbone Transmission (7)	$.1651	$.1541	$.0820												
13	Interstate Pipeline Demand Charge	$.3420	$.3193	$.1698												
14	Procurement-Other (Incl. Illust. Avg. WACOG)	$6.6167	$6.6064	$6.5383												
15	Storage (8)	$.1390	$.1329	$.0846												
16	PROCUREMENT CHARGE	$7.2629	$7.2127	$6.8747												
15	**TOTAL TRANSPORT RATE W/ AFT BAJA**				$1.2537	$.4646	$.2660	$.4707	$.3233	$.5261	$.4614	$.6713		$.7245	$.5339	$.8350
17	**TOTAL TRANSPORT RATE W/ AFT REDWOOD**				$1.2838	$.4947	$.2961	$.5008	$.3534	$.4090	$.3443	$.5542		$.6074	$.4168	$.7179

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
9. Public Purpose Programs starting March 1, 2005 was removed from the transportation rates and became a surcharge with its own tariff G-PPP as ordered in D.04-08-010 and approved in Advice Letter 2574-G.

TABLE 12
CPUC DECISION IN PG&E'S BCAP A. 04-07-044
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		$.17105	$.23092	$.20460	1.35
		Total Volumetric		$.96502	$1.01363	$.99205	1.05
	Large Commercial	Distribution Only		$.05236	$.07069	$.05986	1.35
		Total Volumetric		$.78110	$.80184	$.78955	1.03
NONCORE							
	Industrial Distribution	Distribution Only					
			Tier 1	$.11315	$.15275	$.13345	1.35
			Tier 2	$.07286	$.09836	$.08573	1.35
			Tier 3	$.06653	$.08982	$.07728	1.35
			Tier 4	$.06378	$.08610	$.07286	1.35
			Tier 5	$.00512	$.00512	$.00512	1.00
		Total Volumetric					
			Tier 1	$.14755	$.18715	$.16785	1.27
			Tier 2	$.10726	$.13276	$.12013	1.24
			Tier 3	$.10093	$.12422	$.11168	1.23
			Tier 4	$.09818	$.12050	$.10726	1.23
			Tier 5	$.00184	$.00184	$.00184	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 13
CPUC DECISION IN PG&E'S BCAP A. 04-07-044
2005 BIENNIAL COST ALLOCATION PROCEEDING (APPLICATION 04-07-044)

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 14
CPUC DECISION IN PG&E'S BCAP A. 04-07-044
2005 BIENNIAL COST ALLOCATION PROCEEDING (APPLICATION 04-07-044)

CORE NATURAL GAS VEHICLE RATES AND REVENUES (EXPERIMENTAL CLASSES)

		PRESENT RATES & REVENUES March 1, 2005 (PPP-Unbundling)			ADOPTED RATES & REVENUES July 2005			CHANGE IN RATES Change	
	Rate Class	Adj Billing Determinant	RATE OR CHARGE	TEST PERIOD REVENUE	Adj Billing Determinant	RATE OR CHARGE	TEST PERIOD REVENUE		
Line No.		# 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	$18,687	($.14610)	-16.54%
3	G-NGV1	25,349	$.88504	$22,435	25,349	$.73894	$18,731	($.14610)	-16.51%
	G-NGV2								
4	Customer Charge	882		$0	882				
5	Volumetric Rate	3,943	$1.44599	$5,702	3,943	$1.42758	$5,629	($.01842)	-1.27%
6	Volumetric Rate	3,943	$1.44599	$5,702	3,943	$1.42758	$5,629	($.01842)	-1.27%
7	Total Core NGV	29,292	$.96056	$28,137	29,292	$.83164	$24,361	($.12891)	-13.42%

Rates include an illustrative WACOG of $0.61479 per therm

TABLE 15
CPUC DECISION IN PG&E'S BCAP A. 04-07-044
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	471,699	420,348	46,409	1,230	467,988	3,002	149	560	0	0	0	0	0	0	3,711
2	Distribution	464,389	328,261	100,736	4,381	433,377	21,078	6,210	3,704	0	0	0	10	0	8	31,011
3	Allocation of Franchise Fees	9,141	7,310	1,437	55	8,802	235	62	42	0	0	0	0	0	0	339
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	947,123	757,435	148,880	5,677	911,992	24,364	6,434	4,315	0	0	0	10	0	8	35,132
6	Re-Allocation Due to Averaging*	(0)	(58,528)	58,528	0	(0)	0	0	0	0	0	0	0	0	0	0
7	**Final Allocation of Distribution Revenue Requirement**	**947,123**	**698,907**	**207,408**	**5,677**	**911,992**	**24,364**	**6,434**	**4,315**	**0**	**0**	**0**	**10**	**0**	**8**	**35,132**
	Distribution Revenue Requirement Allocation %		73.7926%	21.8987%	0.5994%	96.2907%	2.5725%	0.6793%	0.4556%	0.0000%	0.0000%	0.0000%	0.0011%	0.0000%	0.0008%	3.7093%

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**	**14,852**	**4,402**	**1,644**	**180**	**6,225**	**543**	**2,577**	**5,427**	**4**	**69**	**1**	**2**	**1**	**2**	**8,627**
21	Subtotals of Items Transferred to CFCA and NCA	117,120	94,860	22,788	670	118,318	(2,392)	(4,069)	5,190	4	64	1	2	1	2	(1,198)
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	117,120	92,487	25,161	670	118,318	(2,392)	(4,069)	5,190	4	64	1	2	1	2	(1,198)
24	Franchise Fees and Uncoll. Exp. on Non-Base CFCA and NCA	1,381	1,090	297	8	1,395	(28)	(48)	61	0	1	0	0	0	0	(14)
25	Subtotals with FF&U and Other Bal. Acct./Forecast Period Costs	118,501	93,577	25,457	678	119,713	(2,420)	(4,117)	5,251	4	65	1	2	1	2	(1,212)
26	Total of Items Collected via CFCA and NCA	1,065,624	792,484	232,865	6,355	1,031,705	21,945	2,317	9,566	4	65	1	12	1	9	33,920

* Residential and Small Commercial Classes are 60% averaged

TABLE 16
CPUC DECISION IN PG&E'S BCAP A. 04-07-044
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-PPP	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	1,067,475	793,833	233,315	6,393	1,033,540	21,951	2,320	9,571	4	65	1	12	1	9	33,935
11	Franch. Fee and Uncoll. Exp. on Public Purpose Programs	0	0	0	0	0	0	0								0
12	Total Revenues Collected in Transportation Rates	1,067,475	793,833	233,315	6,393	1,033,540	21,951	2,320	9,571	4	65	1	12	1	9	33,935

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	34,042	14,279	1,639	49,960	5,121	24,950								30,071
18	PPP-CARE Administration Expense	1,607	684	287	33	1,003	103	501								604
19	PPP-CARE Balancing Account	17,264	7,343	3,080	354	10,777	1,105	5,382								6,487
20	PPP-Admin Cost for BOE and CPUC	178	79	33	4	115	11	52								63
21	Subtotal	150,650	82,793	21,816	3,651	108,260	7,726	34,664	0	0	0	0	0	0	0	42,390
22	Re-Allocation Due to Averaging	(0)	(5,287)	5,287	0	(0)	0	0	0	0	0	0	0	0	0	0
23	Allocation after Averaging	150,650	77,506	27,103	3,651	108,260	7,726	34,664	0	0	0	0	0	0	0	42,390
24	Franchise and Uncollectibles on PPP in PPP Surcharge	0				0										0
25	Total PPP with FF&U	150,650	77,506	27,103	3,651	108,260	7,726	34,664	0	0	0	0	0	0	0	42,390
26	LESS: CARE Discount Provided to Residential CARE Customers	(79,725)	(79,725)			(79,725)			0	0	0	0	0	0	0	0
27	Net Allocation of PPP by Class After CARE Discount	70,925	(2,219)	27,103	3,651	28,535	7,726	34,664	0	0	0	0	0	0	0	42,390
28	**Net Totals of Transportation and PPP Costs**	**1,138,400**	**791,614**	**260,418**	**10,044**	**1,062,075**	**29,677**	**36,984**	**9,571**	**4**	**65**	**1**	**12**	**1**	**9**	**76,325**

TABLE 17
CPUC DECISION IN PG&E'S BCAP A. 04-07-044
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 ($)	$ 420,348,406		Table 5-H, Line 1
2	Multiplier for Applicable Franchise Fees and Uncollectibles Expense	101.1789%		
3	Total Marginal Customer Cost Revenues ($ 000)		$ 425,303,893	
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		$ 14,408,427	Table 5-D, Line 26
9	% of Scaled Annual Marginal Customer Cost Recovered via Residential Minimum Monthly Transporation Bill		3.4%	

TABLE 18
CPUC DECISION IN PG&E'S BCAP A. 04-07-044
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 19
CPUC DECISION IN PG&E'S BCAP A. 04-07-044
2005 BIENNIAL COST ALLOCATION PROCEEDING (APPLICATION 04-07-044)

CORE RATES AND REVENUES EXCLUDING PPP (illustrative)

		PRESENT RATES & REVENUES March 1, 2005 (PPP-Unbundling)			ADOPTED RATES & REVENUES July 2005			CHANGE IN RATES	
Line No.	RATE CLASS	ADJ. BILLING DETERMINANT Mth or # of Customers	RATE OR CHARGE $/therm or $/cust. mo.	TEST PERIOD REVENUE ($ 000)	ADJ. BILLING DETERMINANT Mth or # of Customers	RATE OR CHARGE $/therm or $/cust. mo.	TEST PERIOD REVENUE ($ 000)	$/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		14,363		
2	Tier I (Baseline)	2,586,583	$1.05339	2,724,689	2,586,583	$1.07122	2,770,798	$.01783	1.69%
3	Tier II	996,354	$1.28271	1,278,032	996,354	$1.28508	1,280,391	$.00237	.18%
4	Non-CARE Subtotal	3,582,937	$1.11716	4,002,720	3,582,937	$1.13470	4,065,552	$.01754	1.57%
5	CARE RESIDENTIAL	652,920			652,920		0		
6	Tier I (Baseline)	510,509	$.83632	426,950	510,509	$.86060	439,343	$.02427	2.90%
7	Tier II	190,598	$1.01532	193,519	190,598	$1.03393	197,065	$.01860	1.83%
8	CARE Subtotal	701,108	$.88498	620,469	701,108	$.90772	636,408	$.02273	2.57%
9	Pre-GS/GT Discount Residential Subtotal	4,284,045	$1.07916	4,623,189	4,284,045	$1.09755	4,701,960	$.01839	1.70%
10	GS and GT Discount			-13,237			-19,857		
11	TOTAL BUNDLED RESIDENTIAL	4,284,045	$1.07607	4,609,953	4,284,045	$1.09292	4,682,102	$.01684	1.57%
	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	$.99865	551,951	552,695	$.99867	551,960	$.00002	.00%
14	Smr Volumetric Tier B (4001+ th/mo.)	111,536	$.83812	93,481	111,536	$.79828	89,037	($.03984)	-4.75%
15	Wtr Volumetric Tier A (0-4000 th/mo.)	679,638	$1.07001	727,222	679,638	$1.05821	719,198	($.01181)	-1.10%
16	Wtr Volumetric Tier B (4001+ th/mo.)	152,386	$.86807	132,282	152,386	$.81481	124,166	($.05326)	-6.14%
17	BUNDLED SML. COMM. TOT.	1,496,255	$1.04311	1,560,765	1,496,255	$1.04596	1,565,022	$.00284	.27%
	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	$.96410	8,113	8,415	$.96487	8,119	$.00077	.08%
20	Smr Volumetric Tier B (4001+ th/mo.)	93,053	$.80357	74,775	93,053	$.76448	71,138	($.03909)	-4.86%
21	Wtr Volumetric Tier A (0-4000 th/mo.)	5,973	$1.03546	6,184	5,973	$1.02441	6,118	($.01106)	-1.07%
22	Wtr Volumetric Tier B (4001+ th/mo.)	63,827	$.83352	53,201	63,827	$.78101	49,850	($.05251)	-6.30%
23	BUNDLED LRG. COMM. TOT.	171,268	$.83548	143,092	171,268	$.79433	136,043	($.04115)	-4.93%
24	TOTAL BUNDLED COMMERCIAL	1,667,524	$1.02179	1,703,857	1,667,524	$1.02011	1,701,065	($.00167)	-.16%
25	TOTAL BUNDLED CORE	5,951,569	$1.06086	6,313,809	5,951,569	$1.07252	6,383,168	$.01165	1.10%
	TRANSPORTATION TOTALS FOR ALL CORE CUSTOMERS (excludes G-CT credit)								
26	NON-CARE RESIDENTIAL	3,347,199		0	3,347,199		14,408		
27	Tier I (Baseline)	2,597,878	$.32759	851,047	2,597,878	$.34493	896,085	$.01734	5.29%
28	Tier II	996,354	$.55691	554,878	996,354	$.55879	556,749	$.00188	.34%
29	Non-CARE Subtotal	3,594,232	$.39116	1,405,924	3,594,232	$.40822	1,467,242	$.01706	4.36%
30	CARE RESIDENTIAL	654,426		0	654,426		0		
31	Tier I (Baseline)	512,126	$.11052	56,602	512,126	$.13431	68,782	$.02378	21.52%
32	Tier II	190,598	$.28952	55,183	190,598	$.30764	58,635	$.01811	6.26%
33	CARE Subtotal	702,724	$.15907	111,784	702,724	$.18132	127,417	$.02225	13.99%
34	Pre-GS/GT Discount Residential Subtotal	4,296,957	$.35321	1,517,708	4,296,957	$.37111	1,594,659	$.01791	5.07%
35	GS and GT Discount			-13,277			-19,917		
36	TOTAL TRANSPORTATION RESIDENTIAL	4,296,957	$.35012	1,504,432	4,296,957	$.36648	1,574,742	$.01636	4.67%
	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	$.27661	162,352	586,928	$.27740	162,814	$.00079	.28%
39	Summer Volumetric Tier B	118,445	$.11608	13,749	118,445	$.07701	9,122	($.03907)	-33.66%
40	Winter Volumetric Tier A	734,564	$.34797	255,610	734,564	$.33694	247,502	($.01104)	-3.17%
41	Winter Volumetric Tier B	164,702	$.14603	24,051	164,702	$.09354	15,407	($.05249)	-35.94%
42	TRANSPORTATION SML. COMM. TOT.	1,604,639	$.32134	515,636	1,604,639	$.32490	521,347	$.00356	1.11%
	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	$.27661	2,380	8,606	$.27740	2,387	$.00079	.28%
45	Summer Volumetric Tier B	95,165	$.11608	11,047	95,165	$.07701	7,329	($.03907)	-33.66%
46	Winter Volumetric Tier A	6,150	$.34797	2,140	6,150	$.33694	2,072	($.01104)	-3.17%
47	Winter Volumetric Tier B	65,726	$.14603	9,598	65,726	$.09354	6,148	($.05249)	-35.94%
48	TRANSPORTATION LRG. COMM. TOT.	175,647	$.14805	26,004	175,647	$.10689	18,776	($.04116)	-27.80%
49	TOTAL TRANSPORTATION COMMERCIAL	1,780,285	$.30424	541,640	1,780,285	$.30339	540,123	($.00085)	-.28%
50	TOTAL TRANSPORTATION CORE	6,077,242	$.33668	2,046,072	6,077,242	$.34800	2,114,865	$68,793	3.36%

TABLE 20
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