

A. 04-07-044

APPENDIX A

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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	(\$56)	(\$28)	40
41	Net Transportation Revenue Requirement Collected in Proposed Rates	\$1,966,654	\$983,327	41
42	Less Transportation Revenues at Present Rates	\$1,849,224	\$924,612	42
43	Shortfall in Collecting Authorized RRQ Given Current Rates ¹	\$117,430	\$58,715	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 Administrative Expense ⁷	\$3,215	\$1,607	51
52	CARE Shortfall in Rates (1/2005)	\$160,063	\$80,032	52
53	BOE/CPUC Gas Surcharge Administration 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	\$117,430	\$58,715	60

- This includes the change in authorized amounts and the change compared to revenues at present rates.
- 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 unchanged rates effective 7-1-04.
- This amount will be recovered in the gas PPP surcharge.
- 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.
- 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.
- 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)

<u>Line No.</u>	<u>PROCUREMENT BALANCING ACCOUNTS ¹</u>		<u>Line No.</u>
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 Income Energy 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 1-1-06.

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.

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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/CYCPCM 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)		0.0000 (\$/Dthd)	
15	Materials and Supplies		0.9140 (\$/Dthd)	M&S Value/CWD MDM
16	Total Marginal Cost (\$2000)		141.750 (\$/Dthd)	
	Total Marginal Cost (\$2000)		141.750 (\$/Dthd)	
17	Two Year Average		145.457 (\$/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	Industrial Transmission EG
Distribution	145.457	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							
Distribution	228,757.0550		45,948.5396	1,218.0969	41,7966	2,972.3813	147.1083	554.8055
Local Transmission	70.604%		70,507.4512	3,086.1184	284.9667	14,753.2430	4,346.8119	2,592.8216
Total Marginal Cost Revenue		645,932	116,456	4,284	307	17,726	4,494	3,147

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TABLE 5 -CONTINUED **
MARGINAL COST REVENUE SUMMARY

MARGINAL COSTS AND MDMs

Component	Mather	Castile	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	Castile	Total
Customer				0.0000	0.0000	467,056.4430
Distribution				71.0196	54.9829	325,414.4703
Local Transmission						

Total Marginal Cost Revenue

71 55 792,471

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TABLE 6
CUSTOMER MARGINAL COSTS

Line	MARGINAL CUSTOMER COSTS	Residential	Small Commercial	Large Commercial	Ind. Distrib.	Ind. Trans.	NGV	COGEN	Palo Alto	Coalinga	Mather	Island Energy
	o Fixed Costs											
1	SRM Cost											
2	General Plant Loading factor (PG&E method)	\$579	\$1,263	\$16,659	\$16,072	\$25,787	\$8,061	\$19,388				
	Return, Taxes & Insurance Factor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$200	\$437	\$5,766	\$5,553	\$8,910	\$2,785	\$6,589				
3	One-Time Hookup Cost (\$/customer)	\$780	\$1,700	\$22,415	\$21,625	\$34,897	\$10,847	\$26,087				
4	Annual Customer Accounts Cost	\$42.78	\$33.75	\$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	\$528	\$41.34	\$634.46	1210.061	17%		
6	AKG Loading Factor	28.56%	\$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%	\$7.41	\$249.87	\$245.07	\$302.36	\$7.41	\$264.41	955.78888	13%		
8	Materials & Supplies Loading Factor	2.332	\$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



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	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 (mth/d)	45			45
62	8) PPP Deleveraging 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 SCAP 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	\$,1775			\$,1775
71	17) Do 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	1.6150	1.615		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			\$,00000
89	35) Core NGV1 Monthly Customer Charge	\$13.42			\$13.42
90	36) PROPOSED Core Procurement Deleveraging %	40%			40%
91	37) CURRENT Core Procurement Deleveraging %	30%			30%
92	38) % of Unscaled MCR Flowed Through to WHSLD 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) Deleveraging NGV? (1= YES, 0 = NO)	1	1		1
96	42) PPP Throughput (G) EG&T 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 Calculations?	NO			NO
103	49) PPP A&G expense - 2004 Attrition	\$2,560			\$2,560
104	50) Allow PPT at (1) 2004 PPP Rates, (2) Illustr. PPT Using SCAP Throughput	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		56
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 Acc. 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
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	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 B 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 B 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 - INTEREST	\$2,121			\$2,121
242	188)	PPP BA - Reserved for EE	\$935			\$935
243	189)	PPP BA - RESID	\$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
250	206)	El Paso Settlement Memorandum Account	(\$2,078)			(\$2,078)

TABLE 9
SWITCHES

A		B	C	D	E	S
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	January 2005 RRQ and Rate Structures; Stipulation; Otherwise Reflects PG&E's Proposals
54	207)					
261	208)					
262	209)					
263	211)	PROCUREMENT FORECAST PERIOD COSTS				
265	214)	Shrinkage Purchases (LUAF & GDU)	\$132,525			\$132,525
268	216)	CORE Procurement CANADIAN Reservation Charge	\$86,639			\$86,639
270	217)	CORE Procurement GT.NW Reservation Charge	\$113,468			\$113,468
271	218)	CORE Procurement El Paso Reservation Charge	\$41,875			\$41,875
272	219)	CORE Procurement Transwestern Reservation Charge	\$44,107			\$44,107
273	220)	Core Storage Base Revenue, excl carrying costs of non-cycle Work gas	\$79,599			\$79,599
274	221)	Cycled Carrying Cost of Gas in Storage	\$3,324			\$3,324
275	222)	Core Procurement Intrastate Backbone Transmission Reservation	\$96,928			\$96,928
276	223)	CORE Procurement Storage Responsibility (AY peak season share)	97.88%			97.88%
277	224)	Carrying Cost on Noncycled Gas in Storage Allocated to Core	\$3,378			\$3,378
278	226)	Core Bundled Share of Interstate (AY January share)	98.51%			98.51%
280	227)					
281	228)	TRANSPORTATION FORECAST PERIOD COSTS				
282	230)	Distribution Base Revenue Amount (incl. F&U)	\$1,853,026			\$1,853,026
284	236)	EOR Credit	\$0.00			\$0
290	237)	NGV Expenses	\$7,677			\$7,677
291	238)	PPP - CARE AND Expenses	\$3,215			\$3,215
292	254)	CPUC Fee Expenses	\$0			\$0
308	255)	PPP - EEE (Low Income Energy Efficiency)	\$58,384			\$58,384
309	256)	PPP - EE (Energy Efficiency)	\$41,697			\$41,697
310	257)	PPP - R&D (Research, Demonstration, and Development)	\$0			\$0
311	258)	PPP - Admin Cost For Board of Equalization	\$347			\$347
312	259)	PPP - Admin Cost For CPUC	\$0			\$0
313	260)	Gas Accord Inputs				
314	266)	100% LF Average Backbone AFT Rate, Baja (\$/Dth)	\$2781			\$2781
320	272)	100% LF Average Backbone AFT Rate, Redwood Noncore (\$/Dth)	\$3082			\$3082
326	279)	100% LF Average Backbone AFT Rate, Redwood Core (\$/Dth)	\$1610			\$1610
333	280)	Core Local Transmission Rate (\$/th)	\$03410			\$03410
334	281)	Noncore Local Transmission Rate (\$/th)	\$01474			\$01474
335	282)	Wholesale Local Transmission Rate (\$/th)	\$01474			\$01474
336	283)	Customer Access Charges: Industrial/EG Tier 1 (\$/month)	\$59.21			\$59.21
337	284)	Customer Access Charges: Industrial/EG Tier 2 (\$/month)	\$176.36			\$176.36
338	285)	Customer Access Charges: Industrial/EG Tier 3 (\$/month)	\$328.25			\$328.25
339	286)	Customer Access Charges: Industrial/EG Tier 4 (\$/month)	\$430.79			\$430.79
340	287)	Customer Access Charges: Industrial/EG Tier 5 (\$/month)	\$625.04			\$625.04
341	294)	Customer Access Charges: Industrial/EG Tier 6 (\$/month)	\$5,301.97			\$5,301.97
348	295)	Coalinga Customer Access Charge (\$/month)	\$1,411.09			\$1,411.09
349	296)	Palo Alto Customer Access Charge (\$/month)	\$4,704.88			\$4,704.88
350	297)	West Coast Gas-Mather Customer Access Charge (\$/month)	\$749.09			\$749.09
351	298)	Island Energy Customer Access Charge (\$/month)	\$956.07			\$956.07
352	299)	Alpine Customer Access Charge (\$/month)	\$319.05			\$319.05
353	302)	West Coast Gas-Castle Customer Access Charge (\$/month)	\$819.70			\$819.70
356	303)	IND-T/BB CAC (Illus. Vol. Equiv. \$/dth)	\$02064			\$02064
357	304)	EG CAC (Illus. Vol. Equiv. \$/dth)	\$00906			\$00906
358	305)	Coalinga CAC (Illus. Vol. Equiv. \$/dth)	\$08139			\$08139
359	306)	Palo Alto CAC (Illus. Vol. Equiv. \$/dth)	\$01670			\$01670
360	307)	West Coast Gas-Mather CAC (Illus. Vol. Equiv. \$/dth)	\$08989			\$08989
361	308)	Island Energy CAC (Illus. Vol. Equiv. \$/dth)	\$27983			\$27983
362	309)	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 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	\$1.17990	1.9%
2	Residential CARE	\$.90266	\$.92856	2.9%
3	Small Commercial	\$1.07926	\$1.07818	-0.1%
4	Large Commercial	\$.87793	\$.82975	-5.5%
TRANSPORTATION ONLY - Retail Core (a) (b) (c)				
5	Residential Non-CARE	\$.43240	\$.45342	4.9%
6	Residential CARE	\$.17675	\$.20216	14.4%
7	Small Commercial	\$.35749	\$.35711	-0.1%
8	Large Commercial	\$.19050	\$.14231	-25.3%
TRANSPORTATION ONLY - Retail Noncore (a) (b)				
9	Industrial - Distribution	\$.12130	\$.11436	-5.7%
10	Industrial - Transmission	\$.04235	\$.04429	4.6%
11	Industrial - Backbone	\$.02420	\$.02527	4.4%
12	Electric Generation - Transmission	\$.01622	\$.01905	17.5%
13	Electric Generation - Backbone	\$.00148	\$.00431	191.5%
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	\$.04473	5.0%
17	Palo Alto - T	\$.01627	\$.01833	12.7%
18	West Coast Gas - Castle - D	\$.04374	\$.04580	4.7%
19	West Coast Gas - Mather-D	\$.02359	\$.03695	56.6%
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 per therm applicable to G-CT customers.



TABLE 11
CPUC DECISION IN PG&E'S SCAP 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 Residential	Smld Com.	Lg. Comm.	Industrial Distribution	Industrial Transmission	BB-Level Serv.	Electric Generation Dist./Trans.	BB-Level Serv.	Palo Alto Distribution	Coalinga	WC Gas Mother	Island Energy
1												
2												
3												
4												
5												
6												
7												
8												
9												
10												
11												
12												
13												
14												
15												
16												
17												

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.
9. See Table 5-C, Procurement Rates
10. 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

<u>Class</u>	<u>Rate Component</u>	<u>Rates (\$/th)</u>			<u>Winter to Summer Ratio</u>
		<u>Summer</u>	<u>Winter</u>	<u>Average</u>	
CORE	Small Commercial	\$.16793	\$.22671	\$.20087	1.35
		\$.96173	\$ 1.00919	\$.98812	1.05
	Large Commercial	\$.04684	\$.06324	\$.05355	1.35
		\$.77468	\$.79392	\$.78252	1.02
NONCORE	Industrial Distribution				
	Distribution Only				
	Total Volumetric				
	Tier 1	\$.09713	\$.13112	\$.11455	1.35
		\$.06254	\$.08443	\$.07359	1.35
	Tier 2	\$.05711	\$.07710	\$.06634	1.35
		\$.05475	\$.07391	\$.06254	1.35
	Tier 3	\$.00427	\$.00427	\$.00427	1.00
	Tier 4	\$.13152	\$.16551	\$.14895	1.26
		\$.09694	\$.11883	\$.10799	1.23
	Tier 5	\$.09151	\$.11150	\$.10073	1.22
		\$.08914	\$.10831	\$.09694	1.21
	Tier 6	\$.00100	\$.00100	\$.00100	1.00

Notes:

Rates exclude monthly customer charge.

Total core volumetric rates include distribution, bundled storage, backbone and local transmission, customer class charge, illustrative 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				
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	\$8.23	\$0.27048	
TIER 2	168	\$15.85	\$0.52106	
TIER 3	501	\$29.04	\$0.95482	
TIER 4	1,251	\$50.64	\$1.66489	
TIER 5	3,751	\$65.38	\$2.14938	
LARGE COMMERCIAL CLASS				
All Accounts		Monthly Charge	Daily Equivalent	
		\$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	\$69.21	\$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	\$825.04	\$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	\$154.89099	
WEST COAST GAS (CASTLE)		\$319.70	\$28.94904	
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.

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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)

Line No.	Rate Class	PRESENT RATES & REVENUES March 1, 2005 (PPP-Unbundling)			ADOPTED RATES & REVENUES July 2005			CHANGE IN RATES 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)
1	G-NGV1								
2	Customer Charge	137	\$13.42	\$44	137	\$13.42	\$44	\$.00	0.00%
3	Volumetric Rate	25,349	\$.88331	\$22,391	25,349	\$.73300	\$18,581	(\$.15030)	-17.02%
	G-NGV1	25,349	\$.88504	\$22,435	25,349	\$.73474	\$18,625	(\$.15030)	-16.98%
4	G-NGV2								
5	Customer Charge	882		\$0	882				
6	Volumetric Rate	3,943	\$1.44599	\$5,702	3,943	\$1.42338	\$5,613	(\$.02262)	-1.56%
	Volumetric Rate	3,943	\$1.44599	\$5,702	3,943	\$1.42338	\$5,613	(\$.02262)	-1.56%
7	Total Core NGV	29,292	\$.96056	\$28,137	29,292	\$.82744	\$24,237	(\$.13312)	-13.86%

Rates include an illustrative WACOG of \$0.61479 per therm



TABLE 15
CPUC DECISION IN PG&E'S SCAP A. 04-07-044
2005 BIENNIAL COST ALLOCATION PROCEEDING (APPLICATION 04-07-044)

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

Line No.	Component	TOTAL	Residential	Small Commercial	Large Commercial	Subtotal Core	Industrial Distribution	Industrial Transmission	Electric Gen	Coaling	Palo Alto	Alpine Natural Gas	WC Gas Mather	Island Energy	WC Gas Castle	Total Noncore & Wholesale
1	Customer	551,908	491,826	54,301	1,440	547,568	3,513	174	655	0	0	0	0	0	0	4,342
2	Distribution	384,179	271,522	83,324	3,823	358,470	17,435	5,137	3,064	0	0	0	8	65	0	25,710
3	Allocation of Franchise Fees	9,141	7,454	1,344	49	8,847	205	52	36	0	0	0	0	1	0	293
4	Allocation of Uncollectibles Expense	1,895	1,545	279	10	1,834	42	11	8	0	0	0	0	0	0	61
5	Totals Before Averaging	947,123	772,347	139,248	5,123	916,718	21,195	5,373	3,763	0	0	0	8	66	0	30,408
6	Re-Allocation Due to Averaging*	(0)	(65,169)	65,169	0	(0)	0	0	0	0	0	0	0	0	0	0
7	Final Allocation of Distribution Revenue Requirement	947,123	707,179	204,416	5,123	916,718	21,195	5,373	3,763	0	0	0	8	66	0	30,408
Distribution Revenue Requirement Allocation %			74.6660%	21.5923%	0.5403%	96.7897%	2.2376%	0.5733%	0.3974%	0.0000%	0.0000%	0.0000%	0.0069%	0.0069%	0.0000%	3.2103%

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

Line No.	Component	TOTAL	Residential	Small Commercial	Large Commercial	Subtotal Core	Industrial Distribution	Industrial Transmission	Electric Gen	Coaling	Palo Alto	Alpine Natural Gas	WC Gas Mather	Island Energy	WC Gas Castle	Total Noncore & Wholesale
8	Core Fixed Cost Account	117,683	85,194	21,940	550	117,683	0	0	0	0	0	0	0	0	0	0
9	Noncore Customer Class Charge Account (Ind. Subaccounts)	(14,605)	0	0	0	0	(3,233)	(8,075)	(3,246)	(9)	(44)	(1)	(1)	(9)	(1)	(14,605)
10	NGV expenses	3,838	1,198	425	47	1,809	140	665	1,403	1	18	0	1	0	0	2,229
11	Natural Gas Vehicle Account Balance	(6,562)	(1,954)	(730)	(80)	(2,763)	(241)	(1,144)	(2,409)	(2)	(91)	(0)	(1)	(9)	(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	ECR 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)	(7,551)	(5,346)	(1,999)	(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)	(63)	(15)	(1)	(89)	(2)	(1)	(0)	0	0	0	(0)	(0)	(0)	(9)
17	Balancing Charge Account	(4,041)	(1,199)	(447)	(49)	(1,894)	(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	438	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	85,357	22,353	608	118,317	(2,392)	(4,069)	5,190	4	64	1	2	1	2	(1,197)
22	Re-Allocation Due to Averaging	0	(2,844)	2,844	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	82,513	24,997	608	118,317	(2,392)	(4,069)	5,190	4	64	1	2	1	2	(1,197)
24	Franchise Fees and Uncoll. Exp. on Non-Base CFCA and NCA	1,381	1,093	295	7	1,395	(28)	(48)	61	0	1	0	0	0	0	(14)
25	Subtotals with F&U and Other Bal. Act./Forecast Period Costs	118,501	83,608	25,291	615	119,712	(2,420)	(4,117)	5,252	4	65	1	2	1	2	(1,211)
26	Total of Items Collected via CFCA and NCA	1,085,824	800,965	229,708	5,738	1,038,130	18,775	1,256	9,015	4	65	1	11	68	2	29,194

* 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	0	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	388	37	1,814	7	3	5	0	0	0	0	0	0	0
6 Re-Allocation Due to Averaging	0	-58	58	0	(0)	0	0	0	0	0	0	0	0	0	15
7 Allocation after Averaging	1,829	1,333	444	37	1,814	7	3	5	0	0	0	0	0	0	0
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	15
9 Subtotals of Other Costs	1,851	1,349	450	38	1,838	7	3	5	0	0	0	0	0	0	0
10 Allocation of Total Transportation Costs	1,067,475	802,333	230,157	5,775	1,038,266	18,782	1,259	9,020	4	65	1	11	66	2	15
11 Franch. Fee and Uncoll. Exp. on Public Purpose Programs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12 Total Revenues Collected in Transportation Rates	1,067,475	802,333	230,157	5,775	1,038,266	18,782	1,259	9,020	4	65	1	11	66	2	28,208

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	18,433	1,872	655	18,760	560	1,528	0	0	0	0	0	0	0	2,088
12 PPP-EE Balancing Account	468	368	38	15	421	13	34	0	0	0	0	0	0	0	47
13 PPP-LIEE Surcharge	29,192	23,009	2,042	918	26,268	785	2,139	0	0	0	0	0	0	0	2,924
14 PPP-LIEE Balancing Account	1,060	836	85	33	954	29	78	0	0	0	0	0	0	0	106
15 PPP - RD&D Programs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16 PPP - RD&D Balancing Account	0	0	0	0	0	0	0	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	24,850	0	0	0	0	0	0	0	30,071
18 PPP-CARE Administration Expense	1,607	684	287	83	1,003	103	501	0	0	0	0	0	0	0	604
19 PPP-CARE Balancing Account	17,264	7,343	3,080	354	10,777	1,105	5,382	0	0	0	0	0	0	0	6,487
20 PPP-Admin Cost for BOE and CPUC	174	79	30	3	112	11	51	0	0	0	0	0	0	0	62
21 Subtotal	150,645	82,793	21,812	3,650	108,256	7,725	34,664	0	0	0	0	0	0	0	42,389
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	150,645	77,506	27,100	3,650	108,256	7,725	34,664	0	0	0	0	0	0	0	42,389
24 Franchise and Uncollectibles on PPP in PPP Surcharge	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25 Total PPP with FF&U	150,645	77,506	27,100	3,650	108,256	7,725	34,664	0	0	0	0	0	0	0	42,389
26 LESS: CARE Discount Provided to Residential CARE Customers	(80,003)	(80,003)	0	0	(80,003)	0	0	0	0	0	0	0	0	0	0
27 Net Allocation of PPP by Class After CARE Discount	70,642	(2,497)	27,100	3,650	28,253	7,725	34,664	0	0	0	0	0	0	0	42,389
28 Net Totals of Transportation and PPP Costs	1,138,117	799,836	257,257	9,426	1,066,519	26,507	35,923	9,020	4	65	1	11	66	2	71,598

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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**

<u>Line</u>		<u>Residential Class</u>	<u>Source</u>
1	Scaled Annual Marginal Customer Cost Revenues (\$)	\$ 491,825,772	Table 5-H, Line 1
2	Multiplier for Applicable Franchise Fees and Uncollectibles Expense	101.1789%	
3	Total Marginal Customer Cost Revenues (\$ 000)		
4	Number of Residential Accounts		
5	Multiply by 12 to Calculate Annual Number of Bills	4,001,625	Table 5-D, Lines 26 + 30
6	Annual Number of Residential Bills	12	
7	Average Marginal Customer Cost Per Residential Account Per Month	<u>48,019,502</u> \$ 10.36	
8	Proposed Recovery of Residential Customer Costs Via Minimum Bill	\$ 14,255,220	Table 5-D, Line 26
9	% of Scaled Annual Marginal Customer Cost Recovered via Residential Minimum Monthly Transportation Bill	2.9%	



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			NGV	TOTAL
		Residential	Sm Comrcl	Lrg Comrcl		
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			NGV	Avg. Rate
		Residential	Sm Comrcl	Lrg Comrcl		
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)

Line No.	RATE CLASS	PRESENT RATES & REVENUES March 1, 2005 (PPP-Unbundling)			ADOPTED RATES & REVENUES July 2005			CHANGE IN RATES	
		ADJ. BILLING DETERMINANT	RATE OR CHARGE	TEST PERIOD REVENUE	ADJ. BILLING DETERMINANT	RATE OR CHARGE	TEST PERIOD REVENUE		
		Mth or # of Customers	\$/therm or \$/cust. mo.	(\$ 000)	Mth or # of Customers	\$/therm or \$/cust. mo.	(\$ 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		14,210		
2	Tier I (Baseline)	2,586,583	\$1.05339	2,724,689	2,586,583	\$1.07504	2,780,692	\$0.02165	2.06%
3	Tier II	996,354	\$1.28271	1,278,032	996,354	\$1.28953	1,284,827	\$0.00682	.53%
4	Non-CARE Subtotal	3,582,937	\$1.11716	4,002,720	3,582,937	\$1.13866	4,079,730	\$0.02149	1.92%
5	CARE RESIDENTIAL	652,920		0	652,920		0		
6	Tier I (Baseline)	510,509	\$0.83632	426,950	510,509	\$0.86363	440,893	\$0.02731	3.27%
7	Tier II	190,598	\$1.01532	193,519	190,598	\$1.03744	197,733	\$0.02211	2.18%
8	CARE Subtotal	701,108	\$0.88498	620,469	701,108	\$0.91088	638,627	\$0.02590	2.93%
9	Pre-GS/GT Discount Residential Subtotal	4,284,045	\$1.07916	4,623,189	4,284,045	\$1.10138	4,718,357	\$0.02221	2.06%
10	GS and GT Discount			-13,237			-19,857		
11	TOTAL BUNDLED RESIDENTIAL	4,284,045	\$1.07607	4,609,953	4,284,045	\$1.09674	4,698,500	\$0.02067	1.92%
12	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	\$0.99865	551,951	552,695	\$0.99608	550,529	(\$0.00257)	-.26%
14	Smr Volumetric Tier B (4001+ th/mo.)	111,536	\$0.83812	93,481	111,536	\$0.79152	88,283	(\$0.04661)	-5.56%
15	Wtr Volumetric Tier A (0-4000 th/mo.)	679,638	\$1.07001	727,222	679,638	\$1.05464	716,772	(\$0.01538)	-1.44%
16	Wtr Volumetric Tier B (4001+ th/mo.)	152,386	\$0.86807	132,282	152,386	\$0.80648	122,897	(\$0.06158)	-7.09%
17	BUNDLED SML. COMM. TOT.	1,496,255	\$1.04311	1,560,765	1,496,255	\$1.04203	1,559,141	(\$0.00109)	-.10%
18	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	\$0.96410	8,113	8,415	\$0.96228	8,097	(\$0.00182)	-.19%
20	Smr Volumetric Tier B (4001+ th/mo.)	93,053	\$0.80357	74,775	93,053	\$0.75772	70,508	(\$0.04586)	-5.71%
21	Wtr Volumetric Tier A (0-4000 th/mo.)	5,973	\$1.03546	6,184	5,973	\$1.02084	6,097	(\$0.01463)	-1.41%
22	Wtr Volumetric Tier B (4001+ th/mo.)	63,827	\$0.83352	53,201	63,827	\$0.77268	49,318	(\$0.06083)	-7.30%
23	BUNDLED LRG. COMM. TOT.	171,268	\$0.83548	143,092	171,268	\$0.78730	134,839	(\$0.04819)	-5.77%
24	TOTAL BUNDLED COMMERCIAL	1,667,524	\$1.02179	1,703,857	1,667,524	\$1.01587	1,693,980	(\$0.00592)	-.58%
25	TOTAL BUNDLED CORE	5,951,569	\$1.06086	6,313,809	5,951,569	\$1.07408	6,392,480	\$0.01322	1.25%
TRANSPORTATION TOTALS FOR ALL CORE CUSTOMERS (excludes G-CT credit)									
26	NON-CARE RESIDENTIAL	3,347,199		0	3,347,199		14,255		
27	Tier I (Baseline)	2,597,878	\$0.32759	851,047	2,597,878	\$0.34875	906,022	\$0.02116	6.46%
28	Tier II	996,354	\$0.55691	554,878	996,354	\$0.56324	561,185	\$0.00633	1.14%
29	Non-CARE Subtotal	3,594,232	\$0.39116	1,405,924	3,594,232	\$0.41218	1,481,463	\$0.02102	5.37%
30	CARE RESIDENTIAL	654,426		0	654,426		0		
31	Tier I (Baseline)	512,126	\$1.11052	56,602	512,126	\$1.13734	70,338	\$0.02682	24.27%
32	Tier II	190,598	\$0.28952	55,183	190,598	\$0.31115	59,304	\$0.02162	7.47%
33	CARE Subtotal	702,724	\$1.15907	111,784	702,724	\$1.18448	129,642	\$0.02541	15.98%
34	Pre-GS/GT Discount Residential Subtotal	4,296,957	\$0.35321	1,517,708	4,296,957	\$0.37494	1,611,104	\$0.02174	6.15%
35	GS and GT Discount			-13,277			-19,917		
36	TOTAL TRANSPORTATION RESIDENTIAL	4,296,957	\$0.35012	1,504,432	4,296,957	\$0.37031	1,591,187	\$0.02019	5.77%
37	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	\$0.27661	162,352	586,928	\$0.27481	161,294	(\$0.00180)	-.65%
39	Summer Volumetric Tier B	118,445	\$0.11608	13,749	118,445	\$0.07025	8,320	(\$0.04584)	-39.49%
40	Winter Volumetric Tier A	734,564	\$0.34797	255,610	734,564	\$0.33337	244,880	(\$0.01461)	-4.20%
41	Winter Volumetric Tier B	164,702	\$0.14603	24,051	164,702	\$0.08521	14,035	(\$0.06081)	-41.65%
42	TRANSPORTATION SML. COMM. TOT.	1,604,639	\$0.32134	515,636	1,604,639	\$0.32096	515,032	(\$0.00038)	-.12%
43	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	\$0.27661	2,380	8,606	\$0.27481	2,365	(\$0.00180)	-.65%
45	Summer Volumetric Tier B	95,165	\$0.11608	11,047	95,165	\$0.07025	6,685	(\$0.04584)	-39.49%
46	Winter Volumetric Tier A	6,150	\$0.34797	2,140	6,150	\$0.33337	2,050	(\$0.01461)	-4.20%
47	Winter Volumetric Tier B	65,726	\$0.14603	9,598	65,726	\$0.08521	5,601	(\$0.06081)	-41.65%
48	TRANSPORTATION LRG. COMM. TOT.	175,647	\$0.14805	26,004	175,647	\$0.09986	17,540	(\$0.04819)	-32.55%
49	TOTAL TRANSPORTATION COMMERCIAL	1,780,285	\$0.30424	541,640	1,780,285	\$0.29915	532,572	(\$0.00509)	-1.67%
50	TOTAL TRANSPORTATION CORE	6,077,242	\$0.33668	2,046,072	6,077,242	\$0.34946	2,123,759	\$0.00688	3.80%

**

TABLE 20
MARGINAL COSTS

MCR Case 1	Application: 7/30/04 Customer Distribution	Total	Residential	Small Commercial		Large Commercial	Experimental		Industrial Distribution	Industrial Transmission	Elect. Gen	Coalinga Alto	Palo Alto Nat. Gas	Alpine Nat. Gas	WC Gas Mather Energy	Island Energy	WC Gas Castle
							NGV	Core									
		467,893	416,175	45,949	1,468	290	2,972	0	839					0		0	
		314,988	222,314	68,145	2,981	327	14,343	4,231	2,526					66		54	
MCR Case 2	Customer Distribution	467,056	416,174	45,949	1,218	42	2,972	147	555								
		325,414	229,757	70,507	3,066	265	14,753	4,347	2,593					71	54.98	0	
MCR Case 3	PG&E Case w/Corrections Customer Distribution	467,056	416,174	45,949	1,218	42	2,972	147	555								
		320,532	226,252	69,432	3,019	343	14,528	4,280	2,553					70		54	

(END OF APPENDIX A)