

COMMISSION ADVISORY AND
COMPLIANCE DIVISION

Resolution G-2779

ENERGY BRANCH

April 27, 1988

R E S O L U T I O N

PACIFIC GAS AND ELECTRIC COMPANY (PG&E), GAS DEPARTMENT.
ORDER AUTHORIZING FILING OF NEW AND REVISED PRELIMINARY
STATEMENT AND TARIFF RATE SCHEDULES, REVISED TARIFF
RULES AND NEW SAMPLE CONTRACT FORMS RESULTING IN AN
ANNUAL REVENUE INCREASE OF \$144 MILLION.

SUMMARY

1. By Advice Letters 1453-G, 1453-G-A & 1453-G-B, filed February 1, 1988, April 6, 1988 & April 21, 1988, respectively, PG&E requests Commission authorization to file new and revised gas rate schedules, revised gas rules and new sample contract forms. These new tariffs will implement unbundled gas utility services for non-core customers. These filings are in compliance with Decision 87-12-039, and they also comport with our other decisions and/or resolutions issued during the investigation into the restructuring of natural gas rates in California.

2. These filings, as set forth on Cal. P.U.C. Sheets Nos. 12609-G through 12694-G, inclusive, would withdraw some existing gas rate schedules and results in a revenue increase of approximately \$144 million. The effect of this revenue change on each customer class is shown as Attachment A to this resolution.

3. Similar advice letters have been filed separately by Southern California Gas Company (SoCalGas) and San Diego Gas and Electric (SDG&E) submitting restructured gas tariff rate schedules and rules in compliance with the provisions of Decision 87-12-039. Resolutions authorizing these filings are also subject to adoption today.

BACKGROUND

1. Decision 87-12-039 results from Order Instituting Investigation (OII) 86-06-005 and Order Instituting Rulemaking (OIR) 86-06-006, the Commission's investigation into restructuring the natural gas industry in California. The definition of "Unbundled Gas Service" which was adopted for the competitive gas market, is as follows:

"The term 'market-responsive' means an unbundling of the traditional combination service provided by the distribution utility and the de-averaging of rates. Traditionally, bundled

service has included both procuring gas (a merchant function) and getting it to the burner tip (a transportation or transmission function). These two functions have now been separated on the basis that the merchant function is clearly competitive in nature, and the transmission function has natural monopoly characteristics with economies of scale. Yet at the same time, there exists alternative fuel competition with 'bundled' natural gas service. Thus, there exists a monopolistic structure for the transmission function, a very competitive structure for the merchant function, and a somewhat less competitive structure for the 'bundled' service."

2. These filings provide for the expiration of non-residential gas rate schedules (except Schedules G-DC, G-30, G-70, GC-2 and G-INT) and the introduction of restructured rate schedules consistent with the provisions of the above Commission decision. With these filings the gas market is basically separated into two customer classes. The core market will include customers with end-use priorities P-1, P-2A and P-2B. Customers with priorities P-3 and above are assigned to the noncore market.

Also consistent with this order, PG&E has revised and restructured the gas rules which are applicable to the rate schedules submitted with these filings.

Preliminary Statement

3. With the exception of Part A (Description of Services) the existing Preliminary Statement has been withdrawn and replaced with new, revised and relocated sections outlining new accounting practices and procedures in conjunction with the restructured gas industry. Due to PG&E's late filing of its Preliminary Statement, the CACD and other parties have not had an adequate opportunity to review the Statement. Following this review, the Commission intends to approve a new Preliminary Statement in the near future. Any disputes involving the accounting or other provisions included in the Preliminary Statement will be resolved based upon the Statement that we ultimately approve.

Rate Changes

4. Thirteen gas rate schedules will expire on April 30, 1988 and will be withdrawn. Attachment B to this resolution shows which new gas rate schedules will replace those cancelled schedules. Ten new rate schedules are to become effective for service on and after May 1, 1988:

- a. Schedule G-NR1--Gas Sales to Small Nonresidential Core Customers;
- b. Schedule G-NR2--Gas Sales to Large Nonresidential Core Customers;
- c. Schedule G-NR3--Gas Transportation Service to Large Non-Residential Core Customers;
- d. Schedule G-P2b--Gas Transportation Service to Noncore P2b Customers;
- e. Schedule G-IND--Gas Transportation Service To Commercial and Industrial Customers;
- f. Schedule G-COG--Gas Transportation Service to Noncore Cogeneration Facilities;
- g. Schedule G-UEG--Gas Transportation Service to PG&E's Electric Generating Plants;
- h. Schedule G-PN---Procurement of Gas from the Noncore Supply Portfolio;
- i. Schedule G-PC---Procurement of Gas from the Core Supply Portfolio.
- j. Schedule G-WRT--Wholesale/Resale Transportation Service

5. The following rate schedules will remain applicable for service on and after May 1, 1988: Schedule G-INT, as ordered in Decision 87-09-027 and resolution G-2760; and Schedule GC-2, which has been modified to delete sections that no longer apply and to include the customer and demand charge provisions applicable to certain GC-2 customers. These charges were previously applied under Schedule G-DC, which is being cancelled with these filings.

Rule Revisions

6. Revisions have been made, by this filing, to several of PG&E's gas rules in the following manner:
- a. Rule 1 (Definitions) has been expanded to incorporate new terminologies resulting from the Commission's restructuring of the California natural gas industry. Some definitions previously found in Rules 15 and 21 are also located to this rule.
 - b. Rule 4 (Contracts) reflects minor text changes which have been made for the purpose of clarification and consistency with other rules.
 - c. Rule 5 (Special Information Required On Forms) also reflects minor text changes made for the purpose of clarification and consistency.
 - d. Rule 11 (Discontinuation and Restoration Of Service) also contains minor textural changes the same as Rules 4 and 5 above.
 - e. Rule 12 (Rate and Optional Rates) has been modified to reflect the restructuring of the natural gas industry.

- f. Rule 14 (Shortage of Supply and Interruption of Delivery) has been renamed: Interruption or Curtailment of Natural Gas Service. Rule 14 now reflects the consolidation of subjects previously provided for in Rules 14, 19 and 21.
- g. Rule 17 (Meter Tests and Adjustment of Bills for Meter Error) has been renamed: Metering, Measuring and Adjustment of Bills. Provisions for the measurement of customer-owned natural gas have been added to this rule.
- h. Rule 19 (Limitations Upon Natural Gas Use) has been renamed: Medical Baseline Quantities. The prior Rule 19 has been modified and consolidated with Rule 14. The new Rule 19 has been transferred from Rule 22 without modification to text.
- i. Rule 21 (Curtailment of Natural Gas Service) has now become a new rule named: Transportation of Customer Owned Natural Gas. Sections that have appeared in the prior Rule 21 reflect the general terms and conditions that apply for the transportation of customer-owned natural gas.

Contract Forms and Agreements

7. In addition to the rate and rule revisions listed above, several sample contract forms and service agreements have been cancelled and removed from PG&E's gas tariff schedules. Four new Service Agreement forms are included in this filing to provide for service under the utility's new restructured rate schedules and revised tariff rules.

8. In Decision 87-12-039 the Commission adopted an illustrative gas revenue requirement increase for PG&E of \$158 million. The Commission also ordered PG&E to revise this revenue requirement to account for further Commission action in other pending cases and additional recorded gas balancing account data.

9. As ordered, the updated gas revenue requirement and rate design result in an increased annual revenue requirement of \$144 million and include the following revisions:

- a. Resolution G-2763, Liquified Natural Gas;
- b. Resolution G-2755, 1988 Attrition Rate Adjustment;
- c. December 1987 recorded balancing account date; and
- d. Revenues at January 1, 1988 rates.
- e. Commission Decision 88-03-041
- f. Commission Decision 88-03-085
- g. Resolution G-2787, dated April 13, 1988

DISCUSSION

1. Protests to PG&E's Advice Letter 1453-G were received from Hadson Gas Systems (Hadson), Towards Utility Rate Normalization

(TURN) and California Manufacturer's Association (CMA).

2. In addition, applications for rehearing and/or petitions for modification of decision 87-12-039 were filed by PG&E, Hadson, TURN and CMA, as well as by: Southern California Edison Company (Edison); California Department of General Services (DGS); Southern California Gas Company (SoCalGas); San Diego Gas and electric (SDG&E); California Hotel and Motel Association (Hotel); and the Cities of Palo Alto and Long Beach.

3. Hadson protested a number of specific provisions of PG&E's Advice Letter 1453-G. Among other things, Hadson alleged that:

- a. The core-elect price adopted by the Commission in Decision 87-12-039 was unjust, unreasonable and discriminatory because the Commission and the utility have arbitrarily excluded gathering and transportation costs from the calculation of the core-elect gas price.
- b. In setting up cost allocation such that all customers, including those who buy gas from independent sources, have to pay for the utility's acquisition and marketing costs. Thus, the new rates discriminate against noncore customers who don't become core-elect.
- c. The Commission's adopted program gives the utilities an unfair marketing advantage, to the extent that they have the exclusive use of information on customer characteristics that would be valuable to anyone intending to market gas to noncore customers.
- d. The utility is in a position to unfairly tie its transmission monopoly to core-elect status as it can negotiate discounted transmission rates only for those customers who elect into the core.

4. TURN also objected to portions of PG&E's filing and alleged that:

- a. PG&E improperly used a revised Cost-Of-Service (COS) study to distribute among customer classes the 1988 Attrition Rate Adjustment (ARA) revenue decrease authorized in Resolution G-2755.
- b. TURN has noted inconsistencies between PG&E's filing and that of SoCalGas in the conditions of service and suggests that PG&E incorporate into its core-portfolio procurement tariff, Schedule G-PC, Special Conditions 9 through 11 from SoCalGas' Schedule GN-30.
- c. TURN also proposes that PG&E incorporate into its noncore-portfolio procurement tariff, Schedule G-PN, Special Conditions 6 and 7 from SoCalGas' Schedule GN-30.
- d. PG&E should file a standard (default) tariff prior to signing agreements with each of the utility's wholesale and resale customers.

- e. TURN objects to the rate schedule that PG&E filed for cogenerators, Schedule G-COG, and requests that PG&E refile this rate schedule consistent with the approach adopted by SoCalGas.

5. CMA voiced similar arguments and alleges that there is legal error concerning three aspects of the demand charge provisions contained in Decision 87-12-039, in that:

- a. The customers who cease taking service before the implementation date should only be liable for existing demand charges rather than demand charges under the new program.
- b. Even if a customer has been buying gas under a rate schedule containing a demand charge and continues to buy gas as a default customer after the new rate decision is implemented, the customer's use prior to the effective date of the new rate design should not be used to calculate the new demand charges.
- c. The one year ratchet provision of the demand charge will cause many default customers to either minimize their gas usage or leave the system entirely. This is due to the hardships which will be felt by those default customers who experience significant swings in usage, with either very low or very high bills for periods up to a year.

6. PG&E responded to Hadson, TURN and CMA in a timely fashion and stipulated to certain provisions of the protests. Also, Commission Decisions 88-03-041 88-03-085 dated March 9, 1988 and March 23, 1988, respectively, responded to the protests by modifying certain portions of Decision 87-12-039, but denied petitions for rehearing. Commission Resolution G-2787, dated April 13, 1988, attempted to clear up other unresolved issues by either calling for revisions in PG&E's filing or by supporting PG&E's position on the issue.

7. By Decisions 88-03-041 and 88-03-085, dated March 9, 1988 and March 23, 1988, respectively, the Commission responded to some of the protests by modifying portions of Decision 87-12-039 and at the same time, denying petitions for rehearings. Decision 87-12-039 has been clarified and/or modified in the following manner:

- a. A statement is added to the decision to clarify that the Commission has adopted relatively flat allocation factors which tend to spread nongas costs more evenly over all markets. These factors recognize that the current system was built to serve all customer classes, and that all users should contribute to paying for the current excess capacity in the system.
- b. The Commission will require Utility Electric Generating (UEG) customers to notify their cogeneration customers, immediately after they have determined their procurement

- packages, of the percentages of core, noncore, and self procurement gas which they have included in the package. Each time the package changes, the UEG customer should provide a new notice.
- c. The Commission agrees to treat cogeneration facilities with standby boilers as one customer for the purposes of assessing customer and demand charges, providing the cogeneration customer has signed an affidavit to the effect that its boiler system only operates when the cogeneration system is not operating.
 - d. Customers who do not take gas on or after the implementation date of the new rate design will not be subject to the higher demand charges under the rate design, but will only be subject to demand charges under applicable rate schedules in effect prior to the implementation date.
 - e. It is stipulated that the first annual reallocation filing that will be accepted will be PG&E's September 15, 1988 filing.
 - f. All customers should continue to pay the unavoidable costs still being incurred as a result of the evolution of the local distribution company structure to its present state of excess capacity. Common costs associated with this transition and not readily assignable to any given customer class, should be spread equitably to both procurement and transportation-only customers.
 - g. In order to qualify for noncore status, a small (less than 20,800 therms per month) core customer must demonstrate: (1) that actual alternative fuel facilities are installed and capable of use on a sustained basis; (2) that the cost of using alternative fuel would be lower than the price of core gas service; and (3) that the customer is willing to accept the lower service priority of noncore service.
 - h. The existing standby requirements for large customers will be retained, with exceptions possible in cases where the customer has the clear technological capability to install alternative fuel facilities, and where the cost to do so and then to use alternative fuel would be less than the cost of core service.
 - i. P1 and P2A customers that, because of their usage, would not otherwise be considered noncore may be reclassified as noncore, if such customers meet the conditions detailed in sub paragraph (g) above.
 - j. For customers large enough to be considered noncore, exceptions to the standby requirement will require authorization from the Commission on a case-by-case basis.
 - k. The allocation of Franchise fees will be on a percent of revenue basis and uncollectibles (both fixed cost related and commodity cost related) should not be allocated to wholesale customers.

1. Ordering Paragraph 9 of D 99-03-085 states in part: ".The maximum amount by which volumes purchased to serve the wholesale customer's core market can be out-of-balance is limited to a volume equal to the percentage of the serving utility's storage capacity equivalent to the percentage of total storage costs assessed to the core customers of that wholesale customer in the adopted cost allocation."
 - m. The amortization for "offset balancing accounts" is set at two years, which is the length of time that the NRSA protection will be in existence. By setting this two-year limit, the Commission provides for an extended period of rate stability while at the same time allowing the utilities ample opportunity to recover the balance.
 - n. All noncore transmission contracts should be filed with the CACD within five days of execution. Also, each utility shall make the contracts available at its general offices within five days of execution and, upon request, at any of its district offices within ten days of execution.
8. In all other aspects, Commission Decisions 88-03-041 and 88-03-085 do not address other allegations issued by the utilities and/or intervenors. All petitions for modification of Decision 87-12-039 are denied with the exception of the above stipulations and all requests for rehearings are denied.
9. On April 13, 1988, the Commission approved Resolution G-2787 which authorized certain revisions to Advice Letter 1453-G in order to resolve the remaining issues not addressed by Commission Decisions 88-03-041 and 88-03-085. Those issues which were authorized by Resolution G-2787 and which were incorporated into Advice Letter 1453-G-B include, but not necessarily limited to the following:
- a. Demand charges will not be waived during supply or capacity curtailment but will be waived under conditions of force majeure.
 - b. The force majeure conditions of the utility's existing long-term contracts represent appropriate conditions for the default contracts.
 - c. The utility will provide its customers with relief from demand charges in the event that the customer provides the utility with 30-days notice of a planned maintenance shutdown.
 - d. Details outlining the basis for functionalization and allocation of attrition adjustments shall be filed with the Commission and interested parties with each general rate case and attrition filing.
 - e. Customers who contract for core-elect service must be responsible for the expense costs which they may cause on an annual and/or monthly shortfall basis if they fail to

- meet the terms of that agreement.
- f. Customer-owned gas diverted by the utility in the event of a Commission-declared emergency (supply/capacity) shall be purchased at a value-based price, tied to the alternative fuel price of the customer at the time of the curtailment.
 - g. The customers will be allowed to avoid customer and demand charges following the termination of service, provided that the utility receives at least 12-months notice of the termination. Only the latest notice of such termination shall be effectual.

10. Ordering Paragraph 1 of Decision 88-03-085 states that: "The parties of the NRSA (Negotiated Revenue Stability Account) stipulation adopted in D86-12-010, as well as any interested parties to I.86-06-005, shall meet and confer to attempt to develop a procedure which would allow the utilities to file to revise just the core portfolio WACOG, whenever the Core Procurement Purchased Gas Adjustment Account threatens to become significantly out of balance, due to unexpected changes in gas costs or in the sequence of purchases for the core portfolio. This procedure shall be as simple as possible, and shall be based on the discussions in this order."

FINDINGS

1. We recognize the variety and complexity of issues involved in the restructuring of the natural gas rates for the state. However, we find that the proceedings in OII 86-06-005 and OIR 86-06-006, which led to Decision 87-12-039 et.al., established the new rate structure as presented by PG&E Advice Letters 1453-G, 1453-G-A and 1453-G-B.
2. We also find that PG&E's Advice letter 1453-G-B supercedes and replaces the two previous advice letters in toto. Advice Letters 1453-G and 1453-G-A should be withdrawn as they are replaced by Advice Letter 1453-G-B.
3. We further find that Decisions 88-03-041 & 88-03-085 responded to the majority of the issues presented by the utilities and/or the intervenors and have clarified Decision 87-12-039, and that the other issues were addressed by Commission Resolution G-2787.
4. Insufficient time is available to review PG&E's Preliminary Statement, refiled April 20, 1988.
5. We also find that the tariff sheets as submitted with Advice Letter 1453-G, have been replaced by those filed with Advice Letter 1453-G-B.
6. We finally find that such revised substitute tariff sheets, insofar as they agree with the provisions of Decisions 87-12-039,

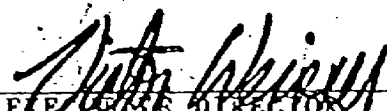
88-03-041 and 88-03-085, and with Resolution G-2787 are just and reasonable and that any such tariff sheet that disagrees with the provisions of the above are unjust and unreasonable.

THEREFORE: it is ordered that:

1. Pacific Gas & Electric Company is authorized to file the revised substitute tariff sheets as submitted by Advice Letter 1453-G-B, insofar as such revised tariff sheets are in accordance with the provisions of Decisions 88-03-041 and 88-03-085, as well as with the stipulations agreed upon by PG&E in its response to the various protests filed in this matter, and with the provisions previously ordered by Commission Resolution G-2787.
2. Such revised tariff sheets shall be accepted for filing, under Sections 454, 490, 491, 532 and 701 of the Public Utilities Code, and shall be effective for service rendered on and after May 1, 1988, provided they agree with the provisions of Ordering Paragraph 1, above.
3. Any disputes involving the accounting or other provisions included in the Preliminary Statement will be resolved based upon the Statement that we ultimately approve.
4. Advice Letter 1454-G-B and accompanying tariff sheets shall be marked to show that they were accepted for filing under the provisions of Commission Resolution G-2779.
5. Advice Letters 1453-G and 1453-G-A, and accompanying tariff sheets shall be withdrawn as they are replaced by the filing of Advice letter 1453-G-B. This resolution is effective today.

I certify that this resolution was adopted by the Public Utilities Commission at its regular meeting on April 27, 1988. The following Commissioners approved it:

STANLEY W. HULETT
President
DONALD VIAL
FREDERICK R. DUDA
G. MITCHELL WILK
Commissioners


EXECUTIVE DIRECTOR

THE NEXT

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PACIFIC GAS AND ELECTRIC COMPANY
SUMMARY OF RATE RATES AND REVENUES(1)

LINE NO.	CLASS OF SERVICE	FORECASTED ADJUSTED SALES	HISTORICAL BILLING DETERMINANTS	PRESENT RATES AND REVENUES EFFECTIVE 1/1/70		PROPOSED RATES AND REVENUES		PROPOSED REVENUE CHANGE		LINE NO.
				(1) (10/70)	(2) (7/69)	(3) (10/70)	(4) (7/69)	(5) (7/71)	(6) (7/69)	
RESIDENTIAL										
1	Year 1 (Residential)	1,619,451		.36193	615,918	.42519	687,159	71,241	11.5	1
2	Year 11	668,583		.75587	503,291	.84618	564,212	60,921	12.1	2
3	EE-SI Adjustment				-0,562		-0,562			3
4	Total Residential(2)	2,288,034		.46762	1,119,209	.51723	1,251,871	132,662	11.8	4
COMMERCIAL SCHEDULE B-SB(13)										
5	Customer Charge		192,833			11,417.92	26,411			5
6	Summer Rate(3)	373,459				.42736	157,467			6
7	Winter Rate(3)	379,959				.57145	218,859			7
8	Total B-SB	753,418		.36521	419,459	.51367	594,727	-17,261	-4.1	8
COMMERCIAL SCHEDULE B-SB(14)										
9	Customer Charge		211			126,437.92	415			9
10	Summer Rate(3)	73,658				.24527	27,278			10
11	Winter Rate(3)	79,226				.47566	37,559			11
12	Total B-SB(14)	149,170		.47519	73,832	.47774	65,292	-8,540	-11.6	12
13	Total Commercial	902,588		.50730	493,291	.51723	660,019	-16,258	-3.3	13
14	TOTAL G&E	3,190,622		.48574	1,612,500	.51723	1,911,890	299,390	18.6	14

NOTES:

- (1) EXCLUDING OTHER OPERATING REVENUES.
- (2) ADJUSTED FOR 8-10 SALES OF 1,478 BTR.
- (3) APPLICABLE TO PG, P2A AND P2B COMMERCIAL CUSTOMERS WITH USE OF FEWER THAN 26,000 THERMS PER ACTIVE MONTH. ALL THERMS SOLD AT THE G&E PORTFOLIO PRICE (\$2.17710 PER THERM). INCLUDES INTERDEPARTMENTAL CONSTRUCTION CLEARING AND OTHER OPERATIONS SALES.
- (4) APRIL THROUGH OCTOBER.
- (5) NOVEMBER THROUGH MARCH.
- (6) APPLICABLE TO PG AND P2A CUSTOMERS WITH USE OF 26,000 THERMS OR MORE PER ACTIVE MONTH. IT IS ASSUMED THAT ALL SALES CUSTOMERS IN THIS CATEGORY WILL CHOOSE NONCORE PROCUREMENT.
- (7) RATES FOR THROUGHPUT-ONLY CUSTOMERS ARE: CUSTOMER CHARGE \$119.04 PER MONTH; SUPPLY \$3.16166 PER THERM; WINTER \$2.31416 PER THERM.

PACIFIC GAS AND ELECTRIC COMPANY
SUMMARY OF PROPOSED RATES AND REVENUES

Resolution G-2779

Attachment A
Sheet 2 of 2

LINE NO.	CUSTOMER CLASS	ANNUAL FORECASTED	ANNUAL FORECASTED	HISTORICAL	PERCENT	ADOPTED RATES		DIFFERENCE		PAGE NO.
		REVENUES	SALES	REVENUES	REVENUES	AND	REVENUES			
		(01)	(02)	(03)	(04)	(05)	(06)	(07)	(08)	
		(DOLLARS)	(DOLLARS)	(DOLLARS OR CENTS)	(PERCENT)	(DOLLARS OR CENTS)	(DOLLARS)	(DOLLARS)	(DOLLARS)	
RESIDENTIAL:										
1	Customer Charge			50			20			1
2	Season Charge (10)			35,374		1,7774	5,290			1
3	Season Charge (20)									1
4	Winter (1)			20,017		51070	911			2
5	Winter (2)			10,310		32251	1,751			2
6	Voluntary Charge (1)	74,340				54154	1,171			2
7	Procurement Charge		47,200			17465	3,352			2
8	Total Residential	74,340			29,974	77257	21,775	-8,952	-31.4	1
INDUSTRIAL (1):										
9	Customer Charge			52			2,862			2
10	Season Charge (10)			1,019,210		1,0192	21,924			2
11	Season Charge (20)									2
12	Winter (1)			1,514,711		50452	10,570			10
13	Winter (2)			774,101		22161	11,926			11
14	Voluntary Charge (1)	1,257,350				54120	51,704			12
15	Procurement Charge		145,776			17465	192,091			12
16	Industrial Net of 80-2	1,257,350			207,244	21122	221,276	14,110	6.3	14
17	Plus 80-2	395,210			27,879		27,639			15
18	Total Industrial	1,652,560			235,123		345,615	14,110	6.3	14
COOPERATION:										
19	Customer Charge			57			517			17
20	Season Charge (10)						21,474			18
21	Voluntary Charge	229,750				15201	4,433			19
22	Procurement Charge		229,750			17465	45,221			20
23	Cooperation Net of 80-2	229,750			12,538	20736	68,944	4,443	7.1	21
24	Plus 80-2	194,650			19,119		19,119			22
25	Total Cooperation	424,400			31,657		77,663	4,443	6.1	23
UTILITY ELECTRIC GENERATION:										
26	Customer Charge					75,49275	344			24
27	Season Charge (10)						107,448			24
28	Voluntary Charge									24
29	Year 1	326,574				104754	19,510			24
30	Year 2	1,412,221				1,01113	17,172			24
31	Procurement Charge		1,732,850			120252	210,377			24
32	Total UEG	1,738,845			471,371	22917	318,011	47,245	13.0	24
33	80% DISCOUNT	2,864,450			923,925		124,827	51,852	6.3	24
WHOLESALE (11):										
34	Customer Charge									25
35	Season (10)		19,400			10210	10,470			25
36	Winter		6,590			17437	1,102			25
37	Procurement									25
38	Season Charge (10)	96,000					9,904			27
39	Voluntary Charge					61643	1,412			30
40	Total Wholesale	96,000			25,241		27,626	3,740	1.4	34
41	TOTAL	3,911,110			929,116		513,456	59,260	6.4	35

GAS RATE CONVERTER

OLD STRUCTURE

G-2	G-50 G-DC	G-55	G-55A G-DC	G-57	G-59 G-DC	G-59	G-85	G-87	G-88	GC-1	GC-1 G-DC
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NEW STRUCTURE	New Priority																
	P1	P2A	P2B	P3B,P4	P5	P3A	P5	P3B,P4	P4	P2A	P2B	P3B,P4	P4	P4	P2A	P2B	P3B,P4
CORE																	
G-NR1: Small Commercial (<20,800 thermsto)	X	X	X														
G-NR2: Large Commercial (>20,800 thermsto)	X	X								X						X	
G-NR3: Large Commercial (>20,800 thermsto)	X	X								X						X	
NONCORE																	
G-P2B: Large Priority 2B (>20,800 thermsto)			X								X						X
G-IND: Industrial				X			X	X	X			X	X	X			X
G-COG: Cogeneration						X											
G-UEG: Utility Electric Generation					X												

Notes for Gas Rate Converter

- Although the rates will change, the following gas rate *schedules* will not change on May 1: G-1, GM, GS, GT, G-10, G-30, G-70, G-INT, and GC-2.

- Customers on Schedule GC-2 will continue to pay the rates shown on their long-term transportation contracts (including escalation as described in the tariff) until their contracts expire, at which time they will move on to the new applicable schedule. GC-2 customers that pay G-DC charges will have them combined with Schedule GC-2.

- There will no longer be a Priority 6A or 6B.

- Customers currently on Schedule G-55A that are Priority 1 or 2A will become Priority 3A.