



<<Date>>

«Customer_Name1»
«Customer_Name_2»
«Mailing_Address»
«Mailing_City_State_Zip»

Re: August 2011 PG&E Natural Gas System Update for «Service for Account_Number» at «Facility_Address»

Dear «Customer_Name1»:

As a PG&E noncore gas customer, you receive natural gas service at a lower rate when compared to our core customers. As part of this rate, noncore customers are subject to possible curtailment of part or all of their gas service. Historically, PG&E has forecasted necessary service curtailment to our noncore customers ahead of severe, cold weather conditions that cause a significant increase in demand.

Pressure Reductions May Impact Noncore Customers

While we are doing everything we can to avoid service impacts to our customers, noncore customers should be aware that recent pressure reductions have temporarily changed the characteristics of PG&E's natural gas delivery system. With reduced pressures on our backbone transmission system, we have less system gas inventory available to meet normal hourly and daily fluctuations in gas usage.

The upper limit of PG&E's system inventory is now approximately 4,100 MMcf and the lower limit is approximately 3,900 MMcf, which makes the amount of system inventory now available to manage these fluctuations approximately 200 MMcf, approximately one-third the amount of inventory in the past. Additional information on pipeline system inventory can be found at www.pge.com/pipeline/ which provides information on PG&E's California Gas Transmission system.

While this reduced inventory is in effect, noncore customers, working with their gas marketers, will need to more closely monitor how much natural gas they deliver into our transmission system and use at their facility.

You Can Take Steps to Prepare

Even with these changes to our system, PG&E continues to strive to minimize any service interruptions to our noncore customers. To improve your facility's planning, we strongly recommend that noncore customers review and confirm their established emergency plans to ensure the safe reduction of natural gas usage if a curtailment is called. In addition, the emergency plan should also include arrangements for conducting a complete shut-down of PG&E-delivered natural gas, if required. You can find the details of noncore curtailment in PG&E Gas Rule 14, Section H at www.pge.com/tariffs.

To ensure we reach the right contact persons within your company, please reconfirm the current contact information on the enclosed Emergency Gas Contact Sheet. Please verify and make changes as appropriate and fax it back to **415-973-7043** by September 15, 2011.

As your Account Manager, I am available to assist with your planning and keep you informed of any updates or changes to your service. If you are unsure that we have your current emergency contact information on file, or if you would like to arrange a time to discuss this letter, please feel free to contact me at <phone number and/or e-mail>.

Sincerely,
<Name>

Account Manager
Energy Solutions & Service
Pacific Gas and Electric Company