

## **Gas Accord V Settlement Agreement**

August 20, 2010

PG&E's Annual Gas True-up filing. The balance will be allocated 50% to the core class and 50% to the noncore class. This true-up mechanism will survive beyond the Settlement Period to the extent necessary to recover balances accumulated in the account during the calendar year 2014 in post-2014 Customer Class Charges.

### **10.2. Other Cost Adjustment Mechanisms**

In addition to the mechanisms described in Sections 7.2.10., 7.3.1., 7.3.2., 7.4.5., 7.5., and 10.1.3. above, the following mechanisms apply during this Settlement Period.

#### **10.2.1. Continuation of Previously Established Mechanisms**

The following mechanisms will continue to apply to GT&S during this Settlement Period:

- Catastrophic Event Memorandum Account (CEMA)
- Hazardous Substance Mechanism (HSM)
- z-factor Mechanism

#### **10.2.2. Greenhouse Gas (GHG) Memorandum Account**

PG&E withdraws, without prejudice, its proposal made in its 2011 GT&S Rate Case Application to establish the GHG Cost Memorandum Account. PG&E reserves the right to request GHG cost recovery authorization from the CPUC in the future and the parties' right to protest such a filing is preserved. PG&E anticipates filing, likely within the next year, advice letters or applications to recover, among other things, its direct costs for purchasing carbon dioxide emission allowances, annual compliance and startup costs associated with detecting, monitoring and recording emissions in excess of the costs authorized in this Settlement, and long-term capital investments made to reduce greenhouse gas emissions in excess of the investments authorized in this Settlement. These future filings may increase gas transmission rates over the rates authorized in this Settlement Agreement.

## **11. Other Provisions**

### **11.1. Operational Provisions**

#### **11.1.1. Same Day Operational Flow Orders (OFOs) and 5<sup>th</sup> Nomination Cycle**

PG&E withdraws, without prejudice, its proposal made in its 2011 GT&S Rate Case Application to establish same day OFOs and a 5<sup>th</sup> nomination cycle.

#### **11.1.2. Storage Curtailment Issue**

If the independent storage withdrawal capacity allocation method, described in Gas Rule 14 of PG&E's tariffs, is applied five or more times between any April and March (i.e., a storage year) and in two of these applications at least 10% of the volumes are curtailed, PG&E must propose specific solutions to reduce the constraints in its next GT&S rate case.