

| STATEMENT OF RATES<br>EFFECTIVE RATES APPLICABLE TO SOUTH LAKE TAHOE DISTRICT SCHEDULES (1) (2) (3) |                  |                             |            |            |                         |            |            |            |                      |   |
|---|------------------|-----------------------------|------------|------------|-------------------------|------------|------------|------------|----------------------|---|
| Schedule No. and Type of Charge   | Southwest Margin | Upstream Interstate Charges |            | CFCAM      | Subtotal Gas Usage Rate | CPUC       | PPP [2]    | Gas Cost   | Effective Sales Rate | D |
|   |                  | Reservation                 | Storage    |            |                         |            |            |            |                      |   |
| <b>GLT-211 - Permanent Residential Natural Gas Service</b>  |                  |                             |            |            |                         |            |            |            |                      |   |
| Basic Service Charge  | \$ 5.50          |                             |            |            |                         |            |            |            | \$ 5.50              |   |
| Cost per Therm  | \$ 0.17467       | \$ 0.05711                  | \$ 0.03271 | \$ 0.03591 | \$ 0.30040              | \$ 0.00000 | \$ 0.01688 | \$ 1.02308 | \$ 1.34036           |   |
| Baseline Quantities   |                  | 0.39746                     | 0.03271    | 0.03591    | 0.46608                 | 0.00000    | 0.01688    | 1.02308    | 1.50604              |   |
| Tier II   |                  |                             |            |            |                         |            |            |            |                      |   |
| <b>GLT-211 - Seasonal Residential Natural Gas Service</b>   |                  |                             |            |            |                         |            |            |            |                      |   |
| Basic Service Charge  | \$ 5.50          |                             |            |            |                         |            |            |            | \$ 5.50              |   |
| Cost per Therm  | \$ 0.00000       | \$ 0.39746                  | \$ 0.03271 | \$ 0.03591 | \$ 0.46608              | \$ 0.00000 | \$ 0.01688 | \$ 1.02308 | \$ 1.50604           |   |
| <b>GLT-212 - Limited Income Residential Natural Gas Service</b>                                     |                  |                             |            |            |                         |            |            |            |                      |   |
| Basic Service Charge  | \$ 4.40          |                             |            |            |                         |            |            |            | \$ 4.40              |   |
| Cost per Therm  | ( 0.09003)       | \$ 0.05711                  | \$ 0.03271 | \$ 0.03591 | \$ 0.03570              | \$ 0.00000 | \$ 0.00575 | \$ 1.02308 | \$ 1.06453           |   |
| Baseline Quantities   | ( 0.29783)       | 0.39746                     | 0.03271    | 0.03591    | 0.16825                 | 0.00000    | 0.00575    | 1.02308    | 1.19708              |   |
| Tier II   |                  |                             |            |            |                         |            |            |            |                      |   |
| <b>GLT-221 - General Natural Gas Service</b>  |                  |                             |            |            |                         |            |            |            |                      |   |
| Basic Service Charge  | \$ 5.50          |                             |            |            |                         |            |            |            | \$ 5.50              |   |
| Cost per Therm  | \$ 0.12173       | \$ 0.17750                  | \$ 0.00000 | \$ 0.03591 | \$ 0.33514              | \$ 0.00000 | \$ 0.01688 | \$ 1.02308 | \$ 1.37510           |   |
| Summer  |                  | 0.17750                     | 0.04000    | 0.03591    | 0.37514                 | 0.00000    | 0.01688    | 1.02308    | 1.41510              |   |
| Winter  |                  |                             |            |            |                         |            |            |            |                      |   |
| <b>GLT-222 - Limited Income General Natural Gas Service</b>   |                  |                             |            |            |                         |            |            |            |                      |   |
| Basic Service Charge  | \$ 4.40          |                             |            |            |                         |            |            |            | \$ 4.40              |   |
| Cost per Therm  | ( 0.14991)       | \$ 0.17750                  | \$ 0.00000 | \$ 0.03591 | \$ 0.06350              | \$ 0.00000 | \$ 0.00575 | \$ 1.02308 | \$ 1.09233           |   |
| Summer  | ( 0.15791)       | 0.39746                     | 0.04000    | 0.03591    | 0.09550                 | 0.00000    | 0.00575    | 1.02308    | 1.12433              |   |
| Winter  |                  |                             |            |            |                         |            |            |            |                      |   |
| <b>GLT-223 - Multi-Family Natural Gas Service (Submetered)</b>                                      |                  |                             |            |            |                         |            |            |            |                      |   |
| Basic Service Charge per Month per Dwelling   | \$ 5.50          |                             |            |            |                         |            |            |            | \$ 5.50              |   |
| Cost per Therm  | \$ 0.17467       | \$ 0.05711                  | \$ 0.03271 | \$ 0.03591 | \$ 0.30040              | \$ 0.00000 | \$ 0.01688 | \$ 1.02308 | \$ 1.34036           |   |
| Baseline Quantities   | 0.00000          | 0.39746                     | 0.03271    | 0.03591    | 0.46608                 | 0.00000    | 0.01688    | 1.02308    | 1.50604              |   |
| Tier II   |                  |                             |            |            |                         |            |            |            |                      |   |
| <b>GLT-224 - Multi-Family Natural Gas Service (No Submetered)</b>                                   |                  |                             |            |            |                         |            |            |            |                      |   |
| Basic Service Charge per Month per Dwelling   | \$ 5.50          |                             |            |            |                         |            |            |            | \$ 5.50              |   |
| Cost per Therm  | \$ 0.17467       | \$ 0.05711                  | \$ 0.03271 | \$ 0.03591 | \$ 0.30040              | \$ 0.00000 | \$ 0.01688 | \$ 1.02308 | \$ 1.34036           |   |
| Baseline Quantities   | 0.00000          | 0.39746                     | 0.03271    | 0.03591    | 0.46608                 | 0.00000    | 0.01688    | 1.02308    | 1.50604              |   |
| Tier II   |                  |                             |            |            |                         |            |            |            |                      |   |

Advice Letter No. 749  
Decision No. \_\_\_\_\_

Issued by  
John P. Hester  
Vice President

Date Filed November 1, 2005  
Effective November 7, 2005  
Resolution No. \_\_\_\_\_

| Schedule No. and Type of Charge  | Southwest Margin | Upstream Interstate Charges |            | CFCAM      | Subtotal Gas Usage Rate | CPUC       | PPP [2]    | Gas Cost     | Effective Sales Rate D |
|--|------------------|-----------------------------|------------|------------|-------------------------|------------|------------|--------------|------------------------|
|  |                  | Reservation                 | Storage    |            |                         |            |            |              |                        |
| <b>STATEMENT OF RATES</b><br><b>EFFECTIVE RATES APPLICABLE TO SOUTH LAKE TAHOE DISTRICT SCHEDULES. [1] [2] [3]</b><br><i>(Continued)</i> |                  |                             |            |            |                         |            |            |              |                        |
| <b>GI-244 - Large General Natural Gas Service</b>  |                  |                             |            |            |                         |            |            |              |                        |
| Minimum Annual Charge  | \$ 495.00        |                             |            |            |                         |            |            | \$ 495.00    |                        |
| Cost per Therm   | \$ 0.12173       | \$ 0.17750                  | \$ 0.00000 | \$ 0.03591 | \$ 0.33514              | \$ 0.00000 | \$ 0.01688 | \$ 1.02308   | 1.37510 I              |
| Summer   | 0.12173          | 0.17750                     | 0.04000    | 0.03591    | 0.37514                 | 0.00000    | 0.01688    | 1.02308      | 1.41510 I              |
| Winter   |                  |                             |            |            |                         |            |            |              |                        |
| <b>GI-255 - Transportation Service For Customer-Owned Gas</b>  |                  |                             |            |            |                         |            |            |              |                        |
| Minimum Annual Charge  | \$ 33,073.00     |                             |            |            |                         |            |            | \$ 33,073.00 |                        |
| Basic Service Charge   | \$ 5.50          |                             |            |            |                         |            |            | \$ 5.50      |                        |
| Cost per Therm   | \$ 0.12173       |                             |            |            |                         |            |            | \$ 0.13861   |                        |
| Summer   | 0.12173          |                             |            |            |                         |            |            | 0.13861      |                        |
| Winter   |                  |                             |            |            |                         |            |            |              |                        |
| <b>Transportation Franchise Fee (TFF) Surcharge Provision</b>  |                  |                             |            |            |                         |            |            |              |                        |
| TFF Surcharge per Therm  |                  |                             |            |            | \$ 0.12173              | \$ 0.00000 | \$ 0.01688 | \$ 0.13861   |                        |
|  |                  |                             |            |            | 0.12173                 | 0.00000    | 0.01688    | 0.13861      |                        |
| <b>MHPS - Master-Metered Mobile Home Park Safety Inspection Provision</b>  |                  |                             |            |            |                         |            |            |              |                        |
| MHPS Surcharge per Space per Month   |                  |                             |            |            |                         |            |            | \$ 0.21000   |                        |

[1] Customers taking only transportation service will pay the Effective Sales Rate less the Interstate Reservation Charge and Gas Cost components of the Effective Sales Rate. The volume charge for customer-secured natural gas transportation service will also be subject to the TFF Surcharge, if applicable. The TFF Surcharge shall be the product of the customer-secured volumes transported, multiplied by the monthly projected cost of gas excluding franchise fees and uncollectibles, multiplied by the most current authorized franchise fee factor.

[2] For the purpose of administering the tariff provisions of Rule No. 22, Transportation of Customer-Secured Natural Gas, the otherwise applicable Procurement Charge is equal to the monthly projected cost of gas.

[3] The PPP Surcharge applies to all gas sales and transportation service excluding exempt customers as defined in Rate Schedule No. PPPS-292.