

Canceling

| Schedule No. & Type of Charge   | STATEMENT OF RATES   |             |                               |           |           |                                   |                           |                  |           |           | Effective Sales Rate |
|---|--|-------------|-------------------------------|-----------|-----------|-----------------------------------|---------------------------|------------------|-----------|-----------|----------------------|
|   | EFFECTIVE RATES APPLICABLE TO NORTHERN CALIFORNIA DIVISION SCHEDULES [1] [2] [3] [4] |             |                               |           |           | UPSTREAM INTERSTATE FIXED CHARGES |                           |                  |           |           |                      |
|   | Southwest  |             | Balancing Account Adjustments |           |           | Subtotal (Gas Usage Rate)         |                           | Other Surcharges |           |           |                      |
| Margin  | Shrinkage  | Reservation | Storage                       | PGA       | CFCAM     | PPPMA                             | Subtotal (Gas Usage Rate) | CPUC             | PPP       | Gas Cost  | Effective Sales Rate |
| GN-10 — Residential Gas Service   | \$ 4.25  |             |                               |           |           |                                   |                           |                  |           |           | \$ 4.25              |
| Basic Service Charge  |  |             |                               |           |           |                                   |                           |                  |           |           |                      |
| Cost per Therm:   |  |             |                               |           |           |                                   |                           |                  |           |           |                      |
| Baseline Quantities   | \$ .36160  | \$ .00874   | \$ .18687                     | \$ .02470 | \$ .00000 | \$ .00000                         | \$ .56538                 | \$ .00199        | \$ .02090 | \$ .55229 | \$ 1.14056           |
| Tier II   | .41871   | .00874      | .18687                        | .02470    | .00000    | (.01653)                          | .62249                    | .00199           | .02090    | .55229    | 1.19767              |
| GN-12 — CARE Residential Gas Service  | \$ 3.40  |             |                               |           |           |                                   |                           |                  |           |           | \$ 3.40              |
| Basic Service Charge  |  |             |                               |           |           |                                   |                           |                  |           |           |                      |
| Cost per Therm:   |  |             |                               |           |           |                                   |                           |                  |           |           |                      |
| Baseline Quantities   | \$ .12722  | \$ .00874   | \$ .18687                     | \$ .02470 | \$ .00000 | \$ .00568                         | \$ .34185                 | \$ .00199        | \$ .00916 | \$ .55229 | \$ .90529            |
| Tier II   | .17290   | .00874      | .18687                        | .02470    | .00000    | (.00568)                          | .38753                    | .00199           | .00916    | .55229    | .95097               |
| GN-15 — Secondary Residential Gas Service   | \$ 4.25  |             |                               |           |           |                                   |                           |                  |           |           | \$ 4.25              |
| Basic Service Charge  |  |             |                               |           |           |                                   |                           |                  |           |           |                      |
| Cost per Therm:   |  |             |                               |           |           |                                   |                           |                  |           |           |                      |
| Baseline Quantities   | \$ .45754  | \$ .00874   | \$ .19117                     | \$ .02527 | \$ .00000 | \$ .01653                         | \$ .66619                 | \$ .00199        | \$ .02090 | \$ .55229 | \$ 1.24137           |
| Tier II   |  |             |                               |           |           |                                   |                           |                  |           |           |                      |
| GN-30 — Sireal and Outdoor Lighting Gas Service                                       | \$ 4.5367  |             |                               |           |           |                                   |                           |                  |           |           | \$ 4.5367            |
| Charge per Therm of Rated Capacity  |  |             |                               |           |           |                                   |                           |                  |           |           |                      |
| GN-35 — Agricultural Employee Housing and Nonprofit Group Living Facility Gas Service | \$ 8.00  |             |                               |           |           |                                   |                           |                  |           |           | \$ 8.00              |
| Basic Service Charge  |  |             |                               |           |           |                                   |                           |                  |           |           |                      |
| Cost per Therm:   |  |             |                               |           |           |                                   |                           |                  |           |           |                      |
| Summer (June–September)   | \$ .04181  | \$ .00874   | \$ .19844                     | \$ .00000 | \$ .00000 | \$ .00568                         | \$ .24331                 | \$ .00199        | \$ .00916 | \$ .55229 | \$ .80675            |
| Winter (October–May)  | .03424   | .00874      | .19844                        | .03786    | .00000    | (.00568)                          | .27360                    | .00199           | .00916    | .55229    | .83704               |
| GN-40 — Core Commercial Gas Service   | \$ 10.00   |             |                               |           |           |                                   |                           |                  |           |           | \$ 10.00             |
| Basic Service Charge  |  |             |                               |           |           |                                   |                           |                  |           |           |                      |
| Cost per Therm:   |  |             |                               |           |           |                                   |                           |                  |           |           |                      |
| Summer (June–September)   | \$ .25156  | \$ .00874   | \$ .19844                     | \$ .00000 | \$ .00000 | \$ .01653                         | \$ .44221                 | \$ .00199        | \$ .02090 | \$ .55229 | \$ 1.01739           |
| Winter (October–May)  | .25156   | .00874      | .19844                        | .03786    | .00000    | (.01653)                          | .48007                    | .00199           | .02090    | .55229    | 1.05525              |
| GN-50 — Core Natural Gas Service for Motor Vehicles                                   | \$ 25.00   |             |                               |           |           |                                   |                           |                  |           |           | \$ 25.00             |
| Basic Service Charge  |  |             |                               |           |           |                                   |                           |                  |           |           |                      |
| Cost per Therm:   |  |             |                               |           |           |                                   |                           |                  |           |           |                      |
| Summer (June–September)   | \$ .06477  | \$ .00874   | \$ .19844                     | \$ .00000 | \$ .00000 | \$ .01653                         | \$ .25542                 | \$ .00199        | \$ .02090 | \$ .55229 | \$ .83060            |
| Winter (October–May)  | .01022   | .00874      | .19844                        | .03786    | .00000    | (.01653)                          | .23873                    | .00199           | .02090    | .55229    | .81391               |
| GN-66 — Small Electric Power Generation Gas Service                                   | \$ 10.00   |             |                               |           |           |                                   |                           |                  |           |           | \$ 10.00             |
| Basic Service Charge  |  |             |                               |           |           |                                   |                           |                  |           |           |                      |
| Cost per Therm:   |  |             |                               |           |           |                                   |                           |                  |           |           |                      |
| Summer (June–September)   | \$ .25504  | \$ .00874   | \$ .19844                     | \$ .00000 | \$ .00000 | \$ .00000                         | \$ .46222                 | \$ .00199        | \$ .00199 | \$ .55229 | \$ 1.01650           |
| Winter (October–May)  | .25504   | .00874      | .19844                        | .03786    | .00000    | .00000                            | .50008                    | .00199           | .00199    | .55229    | 1.05436              |

Advice Letter No. 684  
Decision No. \_\_\_\_\_

Issued by Edward S. Zub  
Executive Vice President

Date Filed April 30, 2003  
Effective May 7, 2003  
Resolution No. \_\_\_\_\_

Canceling

Revised  
Revised

Cal. P.U.C. Sheet No. 5684-G\*  
Cal. P.U.C. Sheet No. 5670-G

| Schedule No. & Type of Charge                                      | Southwest |           | Upstream Interstate Fixed Charges |           | Balancing Account Adjustments |           |             | Other Surcharges          |           | Effective Sales Rate |           |            |
|--|-----------|-----------|-----------------------------------|-----------|-------------------------------|-----------|-------------|---------------------------|-----------|----------------------|-----------|------------|
|  | Margin    | Shrinkage | Reservation                       | Storage   | PGA                           | CFCAM     | PPIMA       | Subtotal (Gas Usage Rate) | CPUC      |                      | PPP       | Gas Cost   |
| GN-70 — Noncore General Gas Transportation Service [5]             |           |           |                                   |           |                               |           |             |                           |           |                      |           |            |
| Basic Service Charge   | \$ 75.00  |           |                                   |           |                               |           |             |                           |           |                      |           | \$ 75.00   |
| Cost per Therm:  |           |           |                                   |           |                               |           |             |                           |           |                      |           |            |
| Summer (June–September)  | \$ .25156 | \$ .00874 |                                   |           |                               |           | (\$ .01653) | \$ .24377                 | \$ .00199 | \$ .02090            |           | \$ .26666  |
| Winter (October–May)   | .25156    | .00874    |                                   |           |                               |           | (.01653)    | .24377                    | .00199    | .02090               |           | .26666     |
| G-20 — Multi-Family Master Metered Gas Service                     | \$ 25.00  |           |                                   |           |                               |           |             |                           |           |                      |           | \$ 25.00   |
| Basic Service Charge   |           |           |                                   |           |                               |           |             |                           |           |                      |           |            |
| Cost per Therm:  |           |           |                                   |           |                               |           |             |                           |           |                      |           |            |
| Baseline Quantities Tier II  | \$ .36246 | \$ .00874 | \$ .18611                         | \$ .02460 | \$ .00000                     | \$ .00000 | (\$ .01653) | \$ .56538                 | \$ .00199 | \$ .02090            | \$ .55229 | \$ 1.14056 |
|  | .41957    | .00874    | .18611                            | .02460    | .00000                        | .00000    | (.01653)    | .62249                    | .00199    | .02090               | .55229    | 1.19767    |
| G-25 — Multi-Family Master Metered Gas Service – Submetered        | \$ 25.00  |           |                                   |           |                               |           |             |                           |           |                      |           | \$ 25.00   |
| Basic Service Charge   |           |           |                                   |           |                               |           |             |                           |           |                      |           |            |
| Cost per Therm:  |           |           |                                   |           |                               |           |             |                           |           |                      |           |            |
| Baseline Quantities Tier II  | \$ .24840 | \$ .00874 | \$ .18611                         | \$ .02460 | \$ .00000                     | \$ .00000 | (\$ .01653) | \$ .45132                 | \$ .00199 | \$ .02090            | \$ .55229 | \$ 1.02650 |
|  | .41957    | .00874    | .18611                            | .02460    | .00000                        | .00000    | (.01653)    | .62249                    | .00199    | .02090               | .55229    | 1.19767    |
| Core Subscription Procurement Service Procurement Charge per Therm |           |           |                                   |           |                               |           |             |                           |           |                      |           | \$ .53043  |
| Transportation Franchise Fee (TFF) Surcharge Provision             |           |           |                                   |           |                               |           |             |                           |           |                      |           | \$ .00490  |
| TFF Surcharge per Therm  |           |           |                                   |           |                               |           |             |                           |           |                      |           | \$ .21000  |
| MHPS — Master Meter Mobile Home Park Safety Inspection Provision   |           |           |                                   |           |                               |           |             |                           |           |                      |           |            |
| MHPS Surcharge per Space per Month                                 |           |           |                                   |           |                               |           |             |                           |           |                      |           |            |

[1] Customers taking only transportation service will pay the Effective Sales Rate less the Upstream Interstate Reservation Charge and Gas Cost components of the Effective Sales Rate, plus a Transportation Service Charge of \$780 per month. The PGA Balancing Account Adjustment is applicable to customers converting from sales service to transportation service for the greater period of either 12 months or the conclusion of the amortization period upon which the Balancing Account Adjustment was developed. The volume charge for customer-secured natural gas transportation 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 Core Subscription Procurement Charge, excluding franchise fees, 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 for Schedule No. GN-70 is equal to the Core Subscription Procurement Charge.

[3] In addition to the Effective Sales Rate, a Facilities Surcharge per therm applies to all natural gas volumes delivered in the Utility's Northern California Expansion Areas pursuant to the provisions of Section 16 of the Preliminary Statements of this California Gas Tariff.

[4] A Franchise Fee differential of 2% will be applied to monthly billings calculated for all rate schedules for all customers within the limits of the Town of Truckee.

[5] Electric generation customers served under Schedule No. GN-70 are exempted from the PPP Surcharge.