



Natural Gas Working Group Meeting March 4, 2010

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FERC Orders 720 and 720-A

Pipeline Posting Requirements

- **FERC's reasons for orders**
 - Market transparency; wholesale natural gas price fundamentals
 - Gas flow information lacking on pipelines upstream and downstream of interstate pipelines
 - Authority: 2005 Energy Policy Act
- **Order 720-A issued 1/21/10**
 - Follows Order 720 (11/20/08), which was stayed pending order on rehearing
- Requires “major non-interstate pipelines”, such as PG&E and SoCalGas, to **publicly post daily scheduled volumes** at physical and virtual receipt and delivery points equal to or greater than 15,000 MMBtu
- **Postings required by July 1, 2010**

FERC Orders 720 and 720-A

Pipeline Posting Requirements (cont)

- **Specific Posting Requirements**
 - Transportation Service Provider Name
 - Posting Date
 - Posting Time
 - Nomination Cycle
 - Location Name
 - Additional Location Information if Needed to Distinguish Between Points
 - Location Purpose Description (Receipt, Delivery, Bilateral or Non-physical Scheduling Point)
 - Posted Capacity (physically metered design capacity or maximum flow within the last three years)
 - Method of Determining Posted Capacity (Capacity or Maximum Volume)
 - Scheduled Volume
 - Available Capacity (Calculated as Posted Capacity minus Scheduled Capacity)
 - Measurement Unit (Dth, MMBtu, or MCf).

FERC Orders 720 and 720-A

Pipeline Posting Requirements (cont)

- Key Issue: Customer Confidentiality
 - Order 720-A requires posting of a Location Name for each receipt and delivery point
 - PG&E's preferred approach is to use a numeric indicator to identify each customer.
 - AGA asked FERC for clarification that utilities can protect customer-specific information
 - AGA petition referenced Section M of PG&E Gas Rule 9 that treats customer information as confidential.
 - FERC may rule that the customer names at posted delivery points must be identified.

Gill Ranch Storage Project

- Located west of Fresno
- Developers are Gill Ranch Storage LLC (75% share), a subsidiary of NW Natural, and PG&E (25% share).
- Each owner will separately market its proportionate share. PG&E's share integrated into PG&E's overall storage program.
- GRS LLC will operate the project.
- Total storage capacity 20 BCF (working gas)

Gill Ranch Storage Project



Gill Ranch Storage Project

- Project Schedule
 - CPCNs issued by CPUC October 2009.
 - Construction began January 2010.
 - Projected in service date September 2010.
- Project website: <http://www.gillranchstorage.com>

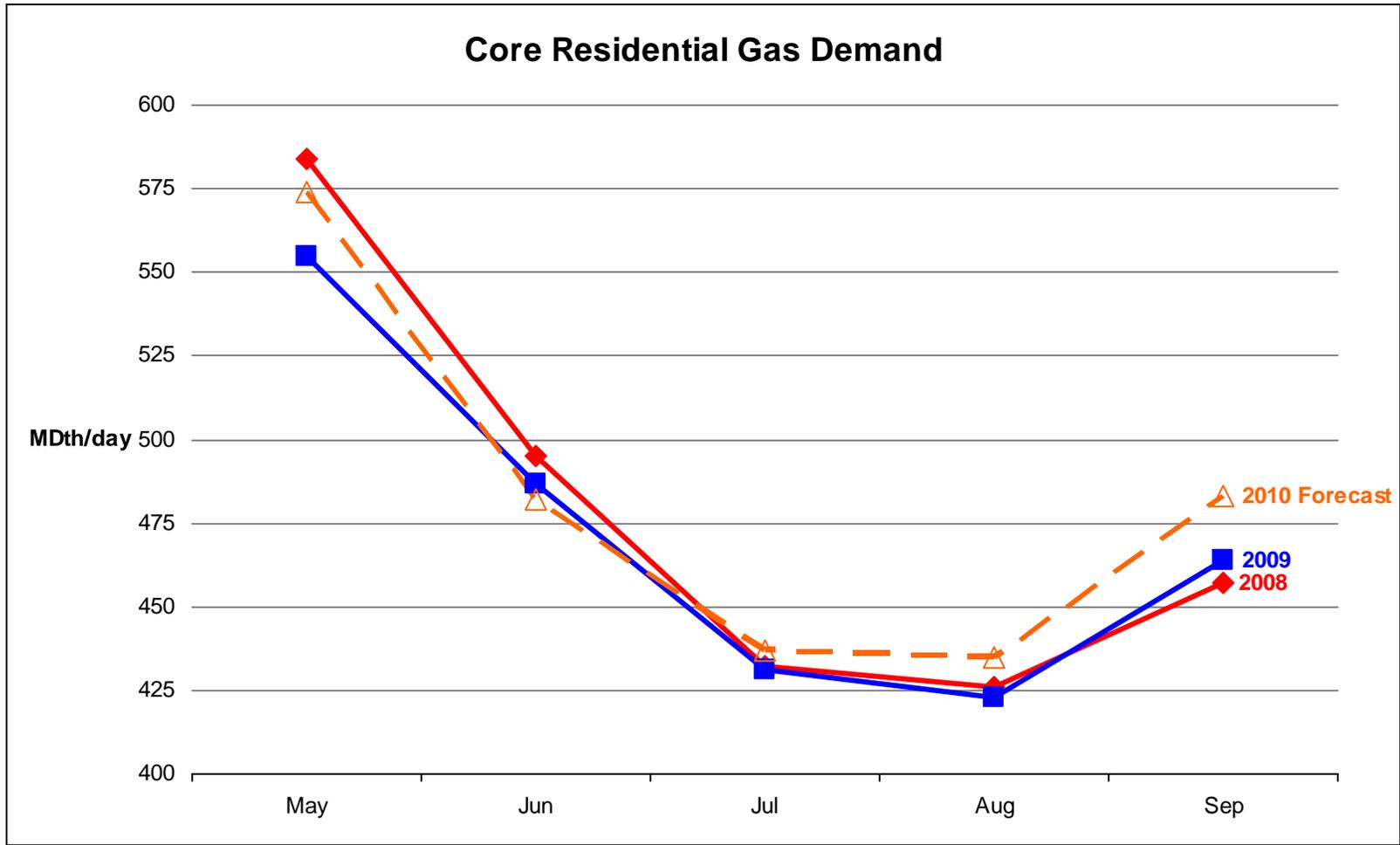
2011 GT&S Rate Case

- Update to information provided at Dec 09 NGWG mtg
- Overview
 - Filed September 18, 2009
 - 4-year term (2011-14)
 - Updated cost allocations and rates
 - Changes to backbone rate design
 - One Core Redwood and Baja path rate
 - One Non-core Redwood and Baja path rate
 - Silverado & Mission paths – no change
 - Revenue sharing mechanism
 - New cost recovery mechanisms
 - Electric Compressor Fuel, Green-House-Gas Compliance
 - Changes to balancing and scheduling provisions

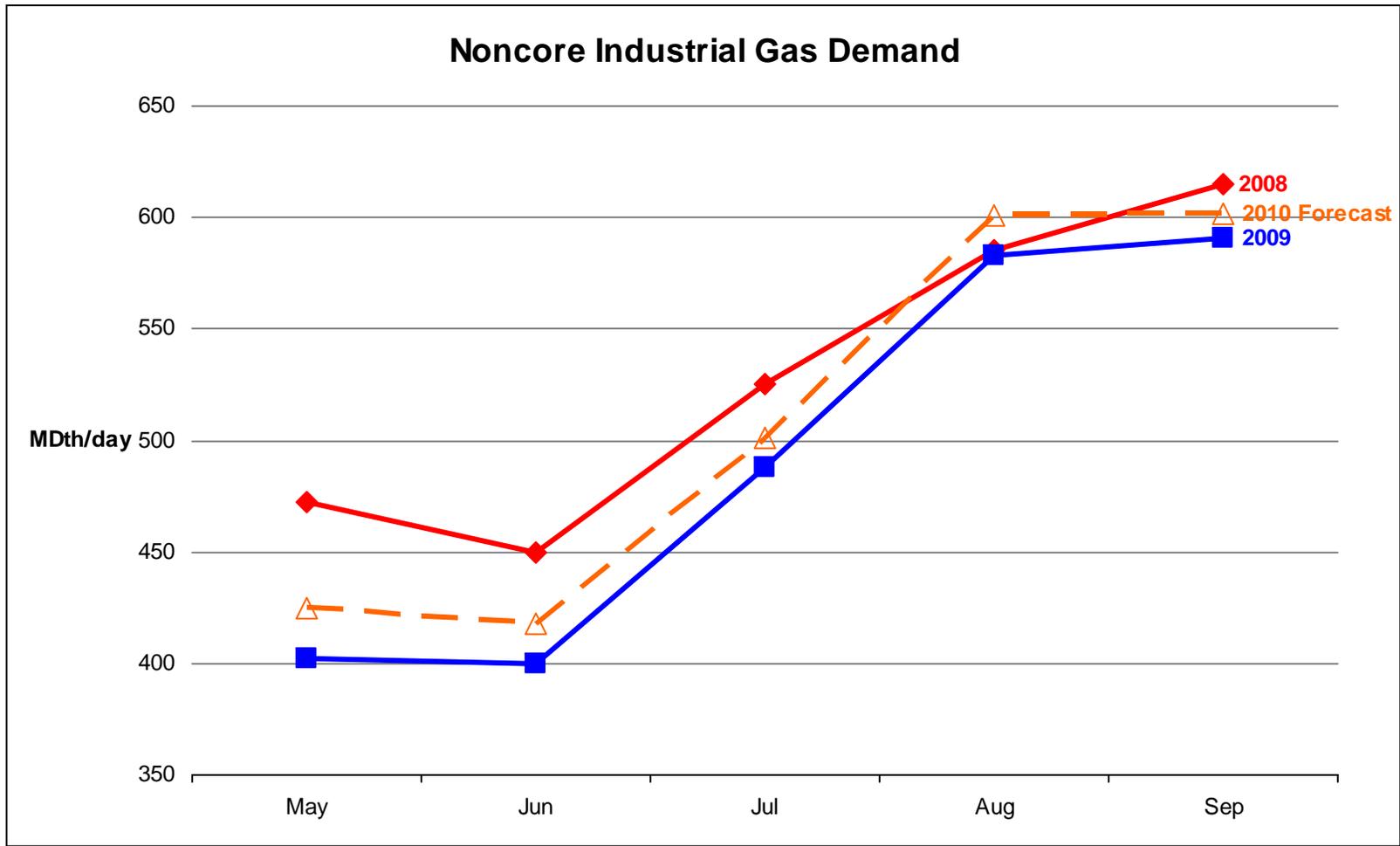
2011 GT&S Rate Case -- Next Steps

- PG&E proceeding on both litigation and settlement paths.
- Litigation schedule per 1/15/10 CPUC Scoping Memo
 - PG&E Supplemental Testimony March 15
 - DRA and Intervenor Testimony May 21
 - Concurrent Rebuttal Testimony June 11
 - CPUC Hearings June 21 to July 2
 - Opening briefs 3 weeks after hearings conclude (late July)
 - Reply briefs filed 2 weeks later (early to mid-August)
 - Proposed decision 90 days after reply briefs (late October)
 - ***Final decision in the November-December time frame.***

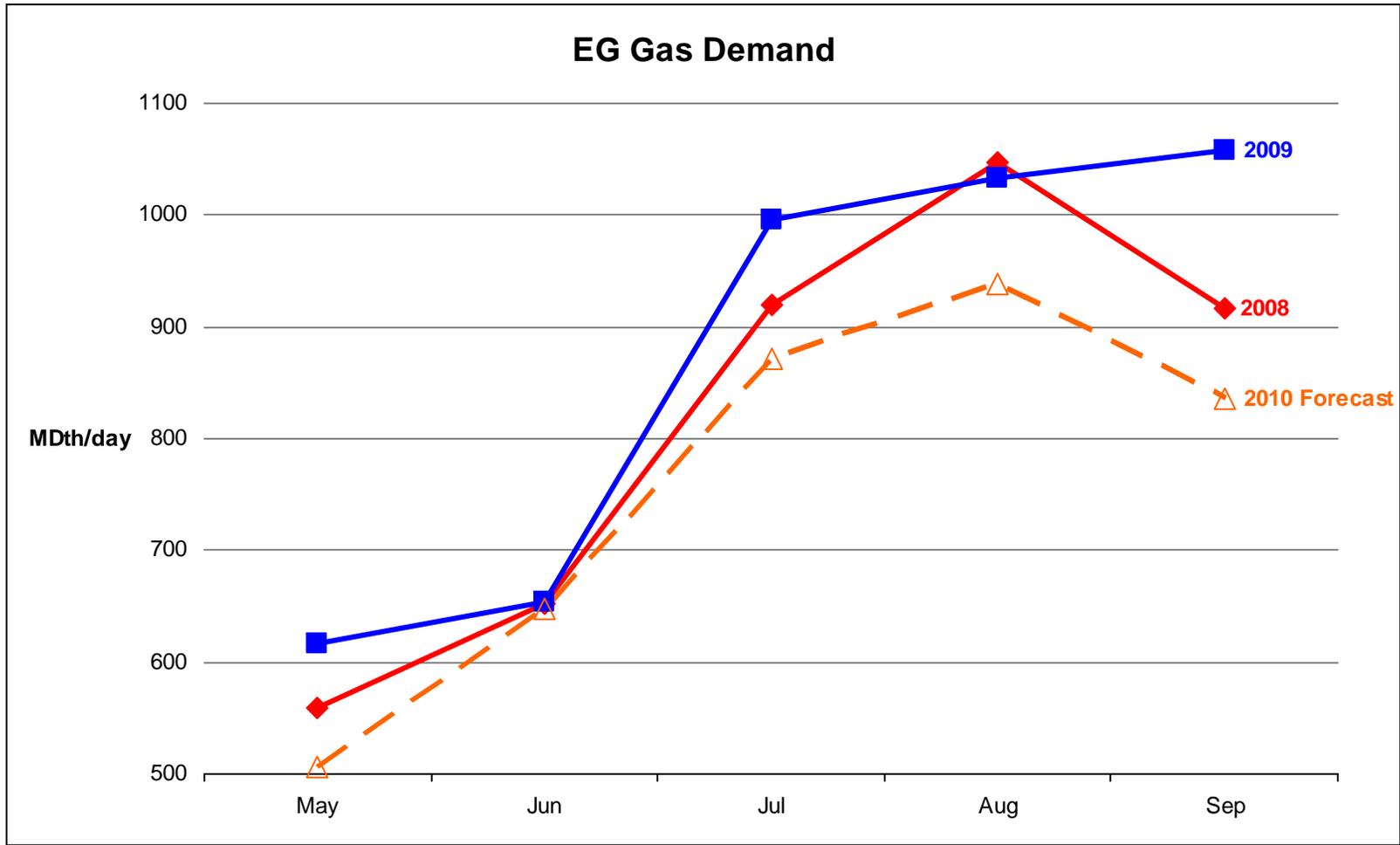
Summer Demand Outlook



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