

DOCKETED

Docket Number:	16-RPS-02
Project Title:	Appeal by Los Angeles Department of Water & Power re Renewables Portfolio Standard Certification Eligibility
TN #:	213060
Document Title:	51 SoCalGas 2004 Master Services Contract Agreement 47349-4 LADWP Board File No 47349-2 (Bates Nos. LA000630-LA000703)
Description:	N/A
Filer:	Pjoy Chua
Organization:	LADWP
Submitter Role:	Applicant
Submission Date:	8/30/2016 1:15:12 PM
Docketed Date:	8/30/2016

DEPARTMENT OF WATER AND POWER
CITY OF LOS ANGELES

COMMISSION OFFICE

July 22, 2004

BOARD FILE

Attached herewith for FILE

The following **CONFORMED COPY OF AGREEMENT.**

FILE NO.	DATE	NAME
47349-4	04/20/04	<p>Southern California Gas Company – Master Services Contract, Agreement No. 47349-4 – Authorizes intrastate transportation services as authorized by the California Public Utilities Commission. Authorized by Resolution No. 004-260 adopted April 20, 2004.</p> <p>Original - Accounts Payable Duplicate Original - Power System Conformed Copies – Power System - Corporate Purchasing Services - Board File</p>

Title SUSAN C. PARKS
Board Secretary

LA000630

MASTER SERVICES CONTRACT

TAXPAYER I.D. 956000736

This Master Services Contract ("MSC") is entered into by and between Southern California Gas Company ("Utility") and **Dept of Water & Power, City of LA** ("Customer") as of the **30th** day of **March, 2004**.

NOW THEREFORE, in consideration of the promises and mutual undertakings set forth herein, the parties agree as follows:

Section 1 - Scope

This MSC sets forth the general terms and conditions under which Utility will provide gas services to Customer pursuant to the applicable Tariff Rate Schedules and Tariff Rules which have been filed with the Public Utilities Commission of the State of California ("CPUC"), as in effect from time to time. Such services shall be limited to those services specified by Customer from time to time for which Customer qualifies. Service under this MSC shall commence on **July 1st, 2004** ("Effective Date") and continue thereafter so long as one or more of the Schedules referenced in Section 2 remain in effect. This MSC shall also remain in effect to permit any "winding up" occurring thereafter (e.g., billing and payment reconciliations, correction of gas imbalances, etc.) or to enforce or satisfy any obligations arising prior to the end of the MSC.

Section 2 - Applicable Services

Utility offers services including, but not limited to, Transportation Services, Contracted Marketer Program Services, Core Aggregation Transportation Services, Storage Services, and other services that may be available from time to time.

Services may be requested by Customer from time to time consistent with Utility's Tariff Rate Schedules and Tariff Rules and any publicly-announced bidding, offering or operating procedures of Utility, and this MSC may be supplemented as appropriate.

The agreement(s) specifying the terms and conditions for services requested by Customer shall be incorporated into the MSC as a "Schedule". Each Schedule shall be an independent agreement, incorporating by reference the terms of this MSC. Customer may select additional services after the MSC is initially executed, and the MSC shall be deemed amended to include the additional executed Schedule.

Although the various services are compiled under this MSC for administration and other considerations, each service provided by Utility to Customer is separate and independent from all other services. Thus, the breach of an agreement for one service under an incorporated Schedule shall not result in the breach of, or excuse performance under, another agreement for another service incorporated as a Schedule to this MSC. Likewise, there shall be no offset between any amounts claimed to be payable or due under one Schedule against amounts claimed to be payable or due under another Schedule.

Section 3 - Interpretation

In the event of any conflict between the provisions of this MSC and the provisions of any Schedule, the provisions of such Schedule shall be deemed to control; provided, however, notwithstanding the foregoing, this MSC and the Schedules incorporated shall at all times be subject to (a) Utility's Tariff Rate Schedules and Tariff Rules, (b) all rules, regulations, decisions and orders of the CPUC, and (c) all other governmental laws, regulations, and decisions (including by a court) applicable to this MSC and/or the incorporated Schedules, as each of the foregoing may be in effect from time to time.

Section 4 – Billing/Payments

All bills rendered by Utility shall be paid by Customer in accordance with the provisions of Tariff Rule No. 9 to Utility's depository specified below (which may be changed by Utility on ten (10) days prior written notice). One master billing may be made by Utility for all services provided under this MSC (including all Schedules incorporated). Such billing shall be sent to Customer at the designated address. Changes in billing address shall be provided to Utility in writing.

Dept of Water & Power, City of LA
P.O. BOX 51211, ROOM 424
LOS ANGELES, CA 90051-5511
 Attn: **Harumi Barron**

Additional copies of billings shall also be sent to the following location(s) designated by the Customer:

Dept of Water & Power, City of LA
10322 SUNLAND BLVD.
SUNLAND, CA 91040
 Attn: **Scott C. Masuda, Nat'l Gas Marketer**

The parties recognize that billings may be subject to adjustment in subsequent periods during the term hereof or after the expiration of this MSC (or any Schedule) to reflect subsequent reconciliation with the records of interstate transporters or third parties delivering gas in California for Customer.

All payments by Customer shall be made for the account of Utility to the following address:

Southern California Gas Company
P.O. BOX C
MONTEREY PARK, CA 91756

Section 5 - Notices/Information

All notices, requests or demands by either party shall be given in writing as specified in the effective Schedules except that notices of changes to Section 4 shall be sent to the Master Billing Address of Customer for changes in Utility's depository and to Utility at the address provided below for changes in the Master Billing Address:

Southern California Gas Company
555 W. FIFTH ST.
LOS ANGELES, CA 90013-1011
 Attn: **Ms. Gwen R. Marelli, Sales Manager**

Section 6 - Legal Provisions

(A) **Interpretation** - The interpretation and performance of any contracts for gas service shall be in accordance with the laws of the State of California, and the orders, rules and regulations of the Public Utilities Commission of the State of California, in effect from time to time.

(B) **Amendment or Modification** - Except as required to conform with California law and the orders, rules and regulations of the Public Utilities Commission of the State of California (which retains continuing jurisdiction over this Contract and the Schedules attached hereto), no amendment or modification shall be made to this Contract except by an instrument in writing executed by all parties thereto, and no amendment or modification shall be made by course of performance, course of dealing or usage of trade.

(C) **Waiver** - No waiver by any party of one or more defaults under this Contract shall operate or be construed as a waiver of any other default or defaults, whether of a like or different character.

(D) **Damages** - No party under this Contract shall be assessed any special, punitive, consequential, incidental, or indirect damages, whether in contract or tort, for any actions or inactions arising from or related to this Contract.

(E) **Assignment** - This Contract (or any rights or obligations related thereto) shall not be assigned without the prior written consent of Utility, which consent shall not be withheld unreasonably (but Utility may require that any assignee confirm in writing its assumption of the rights and obligations of its predecessor).

(F) **Hinshaw Exemption** - In the event that any governmental entity (including a court) issues an order or rule which would result in the loss of Utility's Hinshaw Exemption from federal regulations if this Contract entered into by Utility remains in effect, Utility may terminate this Contract.

The foregoing provisions (A) through (F) shall be superseded to the extent such matters are covered by Utility's Tariff Rule 4, as in effect from time to time.

IN WITNESS WHEREOF, the authorized representatives of the parties have executed this MSC in duplicate original copies.

DEPARTMENT OF WATER AND POWER
OF THE CITY OF LOS ANGELES BY
BOARD OF WATER AND POWER COMMISSIONERS
OF THE CITY OF LOS ANGELES

By: *Frank Salas*
Frank Salas, Acting General Manager

Date: 6/24/04

And: *Rosie A. Garcia*
ASSISTANT Secretary

APPROVED AS TO FORM AND LEGALITY
ROCKARD J. DELGADILLO, CITY ATTORNEY

APR 07 2004
BY *Fay A. Chu*
FAY A. CHU
Deputy City Attorney

Southern California Gas Company

Signature: *Rick Morrow*

Name: MR. RICK MORROW

Title: VP Cust Service Maj Mkts

AUTHORIZED BY RES. 004 260
APR 20 2004

MASTER SERVICES CONTRACT

SCHEDULE A

INTRASTATE TRANSMISSION SERVICE

This Agreement is entered into by and between Southern California Gas Company ("Utility") and **Dept of Water & Power, City of LA** ("Customer") as of the **30th** day of **March, 2004**. This Agreement shall be deemed attached to and incorporated as a Schedule in the Master Services Contract ("MSC") executed by the Parties.

NOW THEREFORE, in consideration of the promises and mutual undertakings set forth herein, the parties agree as follows:

Section 1 - Scope

A. Intent

This Agreement sets forth the general terms and conditions under which Utility will transport gas, or transport and procure gas, for Customer in California pursuant to Utility's applicable Tariff Rate Schedules and Tariff Rules ("Tariffs") on file with the Public Utilities Commission of the State of California ("CPUC"), as are in effect from time to time.

To the extent not inconsistent herewith, the provisions of the MSC are incorporated by reference in this Agreement. All transmission services by Utility shall be paid for by Customer at the rates specified in the applicable Tariffs, except as otherwise specified herein. Nothing in this Agreement shall be construed as preventing Utility and Customer from mutually agreeing to conditions which are more stringent than set forth in the Tariffs.

B. Effective Date/Term

- (1) The Effective Date of this Agreement shall be as of 12:00 AM on **July 1st, 2004**.
- (2) The initial term of this Agreement shall end on **July 1st, 2006**.
- (3) Billing Schedule Sequences for terms less than the initial term of this Agreement may be amended or renewed upon expiration as permitted or required in the applicable Tariffs on file with the CPUC. In the event any such Billing Schedule Sequences are not amended or renewed by the Customer, an available Tariff Service that allows a month term may be provided.

At the end of the initial term, this Agreement shall continue thereafter on a month to month basis unless terminated by written notice from one party to the other given not less than twenty (20) days prior to the last day of the initial term or any month thereafter.

Section 2 - Services Provided and Redelivery Locations

Customer has requested and agreed to pay for, and Utility has determined that Customer is qualified for transmission services to the following locations (the data provided will be utilized by Utility in determinations regarding curtailment):

Facility A

Facility Name: HARBOR GENERATING STATION
Account Number: 18-8888-001-217-2
Address: 123 S. FRIES AV.
WILMINGTON, CA 90744

Mail copy of Bill to this Facility: NO

Facility Mailing Address: _____

Supplemental Facility Account Number(s):

N/A

Full Requirements YES (Noncore only)

Facility Customer Contacts

Operations		Emergency	
Name:	<u>Scott C Masuda</u>	Name:	<u>Shift Supervisor</u>
Title:	<u>Nat'l Gas Marketer</u>	Title:	<u>Operations Supervisor</u>
Address:	<u>P.O. BOX 51111, RM 1148</u> <u>LOS ANGELES, CA 90051-0100</u>	Address:	<u>123 S. FRIES AVE.</u> <u>WILMINGTON, CA 90744</u>
Tel. No:	<u>(818) 771-6545</u>	Tel. No:	<u>(310) 522-1306</u>
Fax No:	<u>(818) 771-6565</u>	Fax No:	<u>(310) 522-1310</u>

Customer shall notify Utility in the event of any change in the gas requirements or notification designations for this facility.

BILLING SCHEDULE SEQUENCE 01				
Rate Schedule	Priority	Net Billed	Transmission Rates Tariff/Negotiated	Otherwise Applicable Rate
GT-F5	FIRM	N/A	-TARIFF-	

The term of this sequence is for: 2 YEARS .

MONTHLY SCHEDULED QUANTITY (THERMS)			
January	12,090,000	July	16,120,000
February	10,920,000	August	16,120,000
March	12,090,000	September	15,600,000
April	15,600,000	October	16,120,000
May	16,120,000	November	15,600,000
June	15,600,000	December	12,090,000

Annual Quantity 174,070,000

Use or Pay Aggregator (Yes/No) NO

Customer's regular days for operations under this sequence are:

M x T x W x Th x F x Sat x Sun x

Section 3 - Other Existing Transportation/Exchange Arrangements

(1) Customer has existing intrastate transportation/exchange arrangements with Utility: _____

(2) Date of Arrangement: _____

(3) Term of Arrangement: _____

(4) This Agreement shall have no impact on such existing arrangement except: _____

Section 4 - Transportation Services

Customers "Order Control Code" (OCC) for gas transportation by Utility is : **D12**

In the event Customer has elected Transportation Services herein, a Transportation Services Addendum must be completed to indicate the specific account to which any applicable imbalance charges pursuant to imbalance service provided under Tariff Schedule G-IMB shall be applied. Additional elections may be made by the customer, including but not limited to the use of Agent or Contracted Marketer services. Any elections, or changes thereto, made on the Transportation Services Addendum shall be applicable to all Customer Agreements and facilities utilizing the same Order Control Code.

Section 5 - Billing and Payment

Billing and Payment for services hereunder shall be as provided in Utility's Tariff Rule No. 9. Any special billing instructions should be noted in Section 7(E).

Section 6 - Transfer of Rights

Subject to Section 7(A), this Agreement and the rights and obligations hereunder shall only be transferred or assigned with the prior written consent of Utility which shall not be withheld unreasonably, provided that any successor first establishes its "creditworthiness" and assumes such contractual rights and obligations in writing.

Section 7 - Miscellaneous

A. Use or Pay Aggregator : N/A

Use or Pay Aggregators will automatically be authorized to access Customer's meter usage. To the extent applicable, appropriate authorization by Customer (including the terms and conditions thereof) has been executed and incorporated by reference (as supplemented from time to time) in this Agreement.

B. Contacts/Notices:

Any written notices from one party to the other affecting this Agreement shall be sent to the following locations (unless changed by seven days prior written notice):

Customer	Utility
Dept of Water & Power, City of LA	Southern California Gas Company
P.O. BOX 111, RM 1148	555 W. FIFTH ST.
LOS ANGELES, CA 90051	LOS ANGELES, CA 90013-1011
Attn: MR. ROBERT L. PETTINATO	Attn: Ms. Gwen R. Marelli
Title: NATURAL GAS SUPPLY MGR.	Title: Sales Manager

004 260
APR 20 2004
AUTHORIZED BY RES.

C. Definitions:

All definitions set forth in the Tariffs, including without limitation Utility Rule No. 1, are incorporated herein by reference as if set forth in full.

D. Miscellaneous Legal Provisions:

This Agreement incorporates by reference all terms and conditions of the MSC.

E. Special Conditions: The following special conditions of service are applicable hereto:

N/A

IN WITNESS WHEREOF, the authorized representatives of the parties have executed two duplicate original copies hereof.

Customer	Utility
DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES BY BOARD OF WATER AND POWER COMMISSIONERS OF THE CITY OF LOS ANGELES	<u>Southern California Gas Company</u>
By: <u>Frank Salas</u> Frank Salas, Acting General Manager	Signature: <u>Rick Morrow</u>
Date: <u>6/24/04</u>	Name: <u>MR. RICK MORROW</u>
And: <u>Rosie A. Garcia</u> Secretary	Title: <u>VP Cust Service Maj Mkts</u>
APPROVED AS TO FORM AND LEGALITY ROCKARD J. DELGADILLO, CITY ATTORNEY	

APR 07 2004
BY Fay A. Chu
FAY A. CHU
Deputy City Attorney

MASTER SERVICES CONTRACT

SCHEDULE A – INTRASTATE TRANSMISSION SERVICE

TRANSPORTATION SERVICES ADDENDUM

Order Control Code: D12

The Customer acknowledges that the above Order Control Code (OCC) shall be used to associate Customer's nominations and deliveries to individual Customer facilities. Any rights or access granted herein by the Customer shall be applicable to all Agreements and facilities utilizing the above OCC.

Any applicable imbalance charges pursuant to Tariff Schedule G-IMB associated with the OCC selected above shall be charged to account number: 18-8888-001-216-2. For any Customer utilizing the services of a Contracted Marketer, a summary of transactional activities shall be provided to the following designated account: N/A.

Contracted Marketer Services:

In accordance with Tariff Rule No. 35, Customers may elect a Contracted Marketer to purchase, nominate, trade and balance the Customer's gas requirements. This election, along with confirmation of this election by the Contracted Marketer, and any changes to this election, must be received by Utility not less than ten days prior to the effective date of the election.

Customer hereby designates / terminates (circle one) : N/A as the Contracted Marketer for the above OCC.

Authorized to access Customer's meter usage: N/A
Will nominate on Customer's behalf : N/A
Will trade on Customer's behalf : N/A

Agent Services:

Customers may elect an Agent to purchase, nominate, and trade on their behalf. Any changes to the Agent designations below must be received by the Utility not less than ten days prior to the effective date of the election.

Customer hereby designates / terminates (circle one): N/A as an Agent for the above OCC.

Authorized to access Customer's meter usage: N/A
Will nominate on Customer's behalf : N/A
Will trade on Customer's behalf : N/A

If Customer designates an Agent or Contracted Marketer, any communications made by such Agent or Contracted Marketer shall be binding on Customer and shall prevail in any conflict during the period such authorization remains in effect. Such authorization shall remain in effect for the term of this Agreement unless otherwise specified in the initial authorization, or unless terminated pursuant to written notification received by the Utility.

Effective the first day of: _____ (month/year)

Customer:

DEPARTMENT OF WATER AND POWER
OF THE CITY OF LOS ANGELES BY
BOARD OF WATER AND POWER COMMISSIONERS
OF THE CITY OF LOS ANGELES

APPROVED AS TO FORM AND LEGALITY
ROCKARD J. DELGADILLO, CITY ATTORNEY

By: [Signature]
Frank Salas, Acting General Manager

Date: 6/24/04

And: Rosie A. Garcia
ASSISTANT, Secretary

APR 07 2004

BY [Signature]
FAY A. CHU
Deputy City Attorney

004 280
APR 20 2004
AUTHORIZED BY RES.

MASTER SERVICES CONTRACT

SCHEDULE A

INTRASTATE TRANSMISSION SERVICE

This Agreement is entered into by and between Southern California Gas Company ("Utility") and **Dept of Water & Power, City of LA** ("Customer") as of the **30th** day of **March, 2004**. This Agreement shall be deemed attached to and incorporated as a Schedule in the Master Services Contract ("MSC") executed by the Parties.

NOW THEREFORE, in consideration of the promises and mutual undertakings set forth herein, the parties agree as follows:

Section 1 - Scope

A. Intent

This Agreement sets forth the general terms and conditions under which Utility will transport gas, or transport and procure gas, for Customer in California pursuant to Utility's applicable Tariff Rate Schedules and Tariff Rules ("Tariffs") on file with the Public Utilities Commission of the State of California ("CPUC"), as are in effect from time to time.

To the extent not inconsistent herewith, the provisions of the MSC are incorporated by reference in this Agreement. All transmission services by Utility shall be paid for by Customer at the rates specified in the applicable Tariffs, except as otherwise specified herein. Nothing in this Agreement shall be construed as preventing Utility and Customer from mutually agreeing to conditions which are more stringent than set forth in the Tariffs.

B. Effective Date/Term

- (1) The Effective Date of this Agreement shall be as of 12:00 AM on **July 1st, 2004**.
- (2) The initial term of this Agreement shall end on **July 1st, 2006**.
- (3) Billing Schedule Sequences for terms less than the initial term of this Agreement may be amended or renewed upon expiration as permitted or required in the applicable Tariffs on file with the CPUC. In the event any such Billing Schedule Sequences are not amended or renewed by the Customer, an available Tariff Service that allows a month term may be provided.

At the end of the initial term, this Agreement shall continue thereafter on a month to month basis unless terminated by written notice from one party to the other given not less than twenty (20) days prior to the last day of the initial term or any month thereafter.

Section 2 - Services Provided and Redelivery Locations

Customer has requested and agreed to pay for, and Utility has determined that Customer is qualified for transmission services to the following locations (the data provided will be utilized by Utility in determinations regarding curtailment):

Facility A

Facility Name: HAYNES GENERATING STATION
 Account Number: 18-8888-001-221-2
 Address: 6801 WESTMINSTER AVE.
LONG BEACH, CA 90803-4324

Mail copy of Bill to this Facility: NO

Facility Mailing Address: _____

Supplemental Facility Account Number(s):

18-8888-001-227-3 18-8888-001-228-3 18-8888-002-067-1 18-8888-002-069-2

Full Requirements YES (Noncore only)

Facility Customer Contacts

Operations		Emergency	
Name:	<u>Scott C Masuda</u>	Name:	<u>Shift Supervisor</u>
Title:	<u>Nat'l Gas Marketer</u>	Title:	<u>Operations Supervisor</u>
Address:	<u>P.O. BOX 51111, RM 1148</u> <u>LOS ANGELES, CA 90051-0100</u>	Address:	<u>6801 WESTMINSTER AVE.</u> <u>LONG BEACH, CA 90803-4324</u>
Tel. No:	<u>(818) 771-6545</u>	Tel. No:	<u>(310) 522-7507</u>
Fax No:	<u>(818) 771-6565</u>	Fax No:	<u>(310) 522-7388</u>

Customer shall notify Utility in the event of any change in the gas requirements or notification designations for this facility.

BILLING SCHEDULE SEQUENCE <u>01</u>				
Rate Schedule	Priority	Net Billed	Transmission Rates Tariff/Negotiated	Otherwise Applicable Rate
GT-F5	FIRM	N/A	-TARIFF-	
The term of this sequence is for: <u>2 YEARS</u> .				

MONTHLY SCHEDULED QUANTITY (THERMS)			
January	37,820,000	July	75,640,000
February	34,160,000	August	75,640,000
March	37,820,000	September	73,200,000
April	73,200,000	October	75,640,000
May	75,640,000	November	73,200,000
June	73,200,000	December	37,820,000

Annual Quantity 742,980,000

Use or Pay Aggregator (Yes/No) NO

Customer's regular days for operations under this sequence are:

M x T x W x Th x F x Sat x Sun x

Section 3 - Other Existing Transportation/Exchange Arrangements

(1) Customer has existing intrastate transportation/exchange arrangements with Utility: _____

(2) Date of Arrangement: _____

(3) Term of Arrangement: _____

(4) This Agreement shall have no impact on such existing arrangement except: _____

Section 4 - Transportation Services

Customers "Order Control Code" (OCC) for gas transportation by Utility is : **D12**

In the event Customer has elected Transportation Services herein, a Transportation Services Addendum must be completed to indicate the specific account to which any applicable imbalance charges pursuant to imbalance service provided under Tariff Schedule G-IMB shall be applied. Additional elections may be made by the customer, including but not limited to the use of Agent or Contracted Marketer services. Any elections, or changes thereto, made on the Transportation Services Addendum shall be applicable to all Customer Agreements and facilities utilizing the same Order Control Code.

Section 5 - Billing and Payment

Billing and Payment for services hereunder shall be as provided in Utility's Tariff Rule No. 9. Any special billing instructions should be noted in Section 7(E).

Section 6 - Transfer of Rights

Subject to Section 7(A), this Agreement and the rights and obligations hereunder shall only be transferred or assigned with the prior written consent of Utility which shall not be withheld unreasonably, provided that any successor first establishes its "creditworthiness" and assumes such contractual rights and obligations in writing.

Section 7 - Miscellaneous

A. Use or Pay Aggregator : N/A

Use or Pay Aggregators will automatically be authorized to access Customer's meter usage. To the extent applicable, appropriate authorization by Customer (including the terms and conditions thereof) has been executed and incorporated by reference (as supplemented from time to time) in this Agreement.

B. Contacts/Notices:

Any written notices from one party to the other affecting this Agreement shall be sent to the following locations (unless changed by seven days prior written notice):

Customer

Utility

Dept of Water & Power, City of LA
P.O. BOX 111, RM 1148
LOS ANGELES, CA 90051
Attn: **MR. ROBERT L. PETTINATO**
Title: **NATURAL GAS SUPPLY MGR.**

Southern California Gas Company
555 W. FIFTH ST.
LOS ANGELES, CA 90013-1011
Attn: **Ms. Gwen R. Marelli**
Title: **Sales Manager**

AUTHORIZED BY RES. 004 260
APR 20 2004

C. Definitions:

All definitions set forth in the Tariffs, including without limitation Utility Rule No. 1, are incorporated herein by reference as if set forth in full.

D. Miscellaneous Legal Provisions:

This Agreement incorporates by reference all terms and conditions of the MSC.

E. Special Conditions: The following special conditions of service are applicable hereto:

N/A

IN WITNESS WHEREOF, the authorized representatives of the parties have executed two duplicate original copies hereof.

Customer

DEPARTMENT OF WATER AND POWER
OF THE CITY OF LOS ANGELES BY
BOARD OF WATER AND POWER COMMISSIONERS
OF THE CITY OF LOS ANGELES

By: Frank Salas
Frank Salas, Acting General Manager

Date: 4/24/04

And: Rosie A. Garcia
ASSISTANT Secretary

APPROVED AS TO FORM AND LEGALITY
ROCKARD J. DELGADILLO, CITY ATTORNEY

APR 07 2004

BY FAY A. CHU
FAY A. CHU
Deputy City Attorney

Utility

Southern California Gas Company

Signature: Debra L. Reed

Name: Debra L. Reed

Title: President & COO

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MASTER SERVICES CONTRACT

SCHEDULE A – INTRASTATE TRANSMISSION SERVICE

TRANSPORTATION SERVICES ADDENDUM

Order Control Code: D12

The Customer acknowledges that the above Order Control Code (OCC) shall be used to associate Customer's nominations and deliveries to individual Customer facilities. Any rights or access granted herein by the Customer shall be applicable to all Agreements and facilities utilizing the above OCC.

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Contracted Marketer Services:

In accordance with Tariff Rule No. 35, Customers may elect a Contracted Marketer to purchase, nominate, trade and balance the Customer's gas requirements. This election, along with confirmation of this election by the Contracted Marketer, and any changes to this election, must be received by Utility not less than ten days prior to the effective date of the election.

Customer hereby designates / terminates (circle one) : N/A as the Contracted Marketer for the above OCC.

Authorized to access Customer's meter usage: N/A
Will nominate on Customer's behalf : N/A
Will trade on Customer's behalf : N/A

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Authorized to access Customer's meter usage: N/A
Will nominate on Customer's behalf : N/A
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If Customer designates an Agent or Contracted Marketer, any communications made by such Agent or Contracted Marketer shall be binding on Customer and shall prevail in any conflict during the period such authorization remains in effect. Such authorization shall remain in effect for the term of this Agreement unless otherwise specified in the initial authorization, or unless terminated pursuant to written notification received by the Utility.

Effective the first day of: _____ (month/year)

**AUTHORIZED BY RES. 004 260
APR 20 2004**

APPROVED AS TO FORM AND LEGALITY
ROCKARD J. DELGADILLO, CITY ATTORNEY

APR 07 2004

BY Fay A. Chu
FAY A. CHU
Deputy City Attorney

Customer:

DEPARTMENT OF WATER AND POWER
OF THE CITY OF LOS ANGELES BY
BOARD OF WATER AND POWER COMMISSIONERS
OF THE CITY OF LOS ANGELES

By: Frank Salas
Frank Salas, Acting General Manager

Date: 4/29/04

And: Rosie A. Garcia
ASSISTANT Secretary

MSC # 191603 Contract # 191605

MASTER SERVICES CONTRACT

SCHEDULE A

INTRASTATE TRANSMISSION SERVICE

This Agreement is entered into by and between Southern California Gas Company ("Utility") and **Dept of Water & Power, City of LA** ("Customer") as of the **30th** day of **March, 2004**. This Agreement shall be deemed attached to and incorporated as a Schedule in the Master Services Contract ("MSC") executed by the Parties.

NOW THEREFORE, in consideration of the promises and mutual undertakings set forth herein, the parties agree as follows:

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A. Intent

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To the extent not inconsistent herewith, the provisions of the MSC are incorporated by reference in this Agreement. All transmission services by Utility shall be paid for by Customer at the rates specified in the applicable Tariffs, except as otherwise specified herein. Nothing in this Agreement shall be construed as preventing Utility and Customer from mutually agreeing to conditions which are more stringent than set forth in the Tariffs.

B. Effective Date/Term

- (1) The Effective Date of this Agreement shall be as of 12:00 AM on **July 1st, 2004**.
- (2) The initial term of this Agreement shall end on **August 1st, 2004**.
- (3) Billing Schedule Sequences for terms less than the initial term of this Agreement may be amended or renewed upon expiration as permitted or required in the applicable Tariffs on file with the CPUC. In the event any such Billing Schedule Sequences are not amended or renewed by the Customer, an available Tariff Service that allows a month term may be provided.

At the end of the initial term, this Agreement shall continue thereafter on a month to month basis unless terminated by written notice from one party to the other given not less than twenty (20) days prior to the last day of the initial term or any month thereafter.

Section 2 - Services Provided and Redelivery Locations

Customer has requested and agreed to pay for, and Utility has determined that Customer is qualified for transmission services to the following locations (the data provided will be utilized by Utility in determinations regarding curtailment):

Facility A

Facility Name: **SCATTERGOOD GENERATING STATION**
 Account Number: **18-8888-001-215-2**
 Address: **12700 VISTA DEL MAR**
PLAYA DEL REY, CA 90293-8502

Mail copy of Bill to this Facility: **NO**

Facility Mailing Address: _____

Supplemental Facility Account Number(s):

18-8888-001-224-3 **18-8888-001-225-3** **18-8888-001-226-3**

Full Requirements **N/A** (Noncore only)

Facility Customer Contacts

Operations		Emergency	
Name:	Scott C Masuda	Name:	Shift Supervisor
Title:	Nat'l Gas Marketer	Title:	Operations Supervisor
Address:	P.O. BOX 51111, RM 1148	Address:	12700 VISTA DEL MAR
	LOS ANGELES, CA 90051-0100		PLAYA DEL REY, CA 90293-8502
Tel. No:	(818) 771-6545	Tel. No:	(310) 524-8508
Fax No:	(818) 771-6565	Fax No:	(310) 524-8551

Customer shall notify Utility in the event of any change in the gas requirements or notification designations for this facility.

BILLING SCHEDULE SEQUENCE <u>01</u>				
Rate Schedule	Priority	Net Billed	Transmission Rates Tariff/Negotiated	Otherwise Applicable Rate
GT-I5	IT	N/A	-TARIFF-	
The term of this sequence is for: <u>1 MONTH</u> .				

MONTHLY SCHEDULED QUANTITY (THERMS)			
January	41,850,000	July	31,930,000
February	37,800,000	August	31,930,000
March	41,850,000	September	30,900,000
April	30,900,000	October	31,930,000
May	31,930,000	November	40,800,000
June	30,900,000	December	41,850,000

Annual Quantity **424,570,000**

Use or Pay Aggregator (Yes/No) **NO**

Customer's regular days for operations under this sequence are:

M x T x W x Th x F x Sat x Sun x

Section 3 - Other Existing Transportation/Exchange Arrangements

(1) Customer has existing intrastate transportation/exchange arrangements with Utility: _____

(2) Date of Arrangement: _____

(3) Term of Arrangement: _____

(4) This Agreement shall have no impact on such existing arrangement except: _____

Section 4 - Transportation Services

Customers "Order Control Code" (OCC) for gas transportation by Utility is : **D12**

In the event Customer has elected Transportation Services herein, a Transportation Services Addendum must be completed to indicate the specific account to which any applicable imbalance charges pursuant to imbalance service provided under Tariff Schedule G-IMB shall be applied. Additional elections may be made by the customer, including but not limited to the use of Agent or Contracted Marketer services. Any elections, or changes thereto, made on the Transportation Services Addendum shall be applicable to all Customer Agreements and facilities utilizing the same Order Control Code.

Section 5 - Billing and Payment

Billing and Payment for services hereunder shall be as provided in Utility's Tariff Rule No. 9. Any special billing instructions should be noted in Section 7(E).

Section 6 - Transfer of Rights

Subject to Section 7(A), this Agreement and the rights and obligations hereunder shall only be transferred or assigned with the prior written consent of Utility which shall not be withheld unreasonably, provided that any successor first establishes its "creditworthiness" and assumes such contractual rights and obligations in writing.

Section 7 - Miscellaneous

A. Use or Pay Aggregator : N/A

Use or Pay Aggregators will automatically be authorized to access Customer's meter usage. To the extent applicable, appropriate authorization by Customer (including the terms and conditions thereof) has been executed and incorporated by reference (as supplemented from time to time) in this Agreement.

B. Contacts/Notices:

Any written notices from one party to the other affecting this Agreement shall be sent to the following locations (unless changed by seven days prior written notice):

Customer	Utility
Dept of Water & Power, City of LA	Southern California Gas Company
P.O. BOX 111, RM 1148	555 W. FIFTH ST.
LOS ANGELES, CA 90051	LOS ANGELES, CA 90013-1011
Attn: MR. ROBERT L. PETTINATO	Attn: Ms. Gwen R. Marelli
Title: NATURAL GAS SUPPLY MGR.	Title: Sales Manager

C. Definitions:

All definitions set forth in the Tariffs, including without limitation Utility Rule No. 1, are incorporated herein by reference as if set forth in full.

D. Miscellaneous Legal Provisions:

This Agreement incorporates by reference all terms and conditions of the MSC.

E. Special Conditions: The following special conditions of service are applicable hereto:

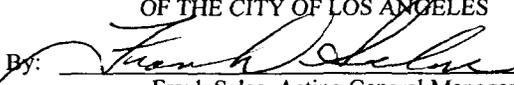
N/A

IN WITNESS WHEREOF, the authorized representatives of the parties have executed two duplicate original copies hereof.

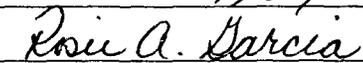
AUTHORIZED BY RES. 004 260
APR 20 2004

Customer

DEPARTMENT OF WATER AND POWER
OF THE CITY OF LOS ANGELES BY
BOARD OF WATER AND POWER COMMISSIONERS
OF THE CITY OF LOS ANGELES

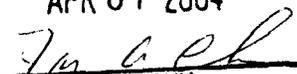
By: 
Frank Salas, Acting General Manager

Date: 6/24/04

And: 
ASSISTANT Secretary

APPROVED AS TO FORM AND LEGALITY
ROCKARD J. DELGADILLO, CITY ATTORNEY

APR 07 2004

BY 
FAY A. CHU
Deputy City Attorney

Utility

Southern California Gas Company

Signature: 

Name: MR. RICK MORROW

Title: VP Cust Service Maj Mkts

MASTER SERVICES CONTRACT

SCHEDULE A – INTRASTATE TRANSMISSION SERVICE

TRANSPORTATION SERVICES ADDENDUM

Order Control Code: D12

The Customer acknowledges that the above Order Control Code (OCC) shall be used to associate Customer's nominations and deliveries to individual Customer facilities. Any rights or access granted herein by the Customer shall be applicable to all Agreements and facilities utilizing the above OCC.

Any applicable imbalance charges pursuant to Tariff Schedule G-IMB associated with the OCC selected above shall be charged to account number: **18-8888-001-216-2**. For any Customer utilizing the services of a Contracted Marketer, a summary of transactional activities shall be provided to the following designated account: N/A.

Contracted Marketer Services:

In accordance with Tariff Rule No. 35, Customers may elect a Contracted Marketer to purchase, nominate, trade and balance the Customer's gas requirements. This election, along with confirmation of this election by the Contracted Marketer, and any changes to this election, must be received by Utility not less than ten days prior to the effective date of the election.

Customer hereby designates / terminates (circle one) : N/A as the Contracted Marketer for the above OCC.

Authorized to access Customer's meter usage: N/A
Will nominate on Customer's behalf : N/A
Will trade on Customer's behalf : N/A

Agent Services:

Customers may elect an Agent to purchase, nominate, and trade on their behalf. Any changes to the Agent designations below must be received by the Utility not less than ten days prior to the effective date of the election.

Customer hereby designates / terminates (circle one): N/A as an Agent for the above OCC.

Authorized to access Customer's meter usage: N/A
Will nominate on Customer's behalf : N/A
Will trade on Customer's behalf : N/A

If Customer designates an Agent or Contracted Marketer, any communications made by such Agent or Contracted Marketer shall be binding on Customer and shall prevail in any conflict during the period such authorization remains in effect. Such authorization shall remain in effect for the term of this Agreement unless otherwise specified in the initial authorization, or unless terminated pursuant to written notification received by the Utility.

Effective the first day of: _____ (month/year)

Customer:

DEPARTMENT OF WATER AND POWER
OF THE CITY OF LOS ANGELES BY
BOARD OF WATER AND POWER COMMISSIONERS
OF THE CITY OF LOS ANGELES

AUTHORIZED BY RES. 004 260
APR 20 2004

By: Frank Salas
Frank Salas, Acting General Manager

APPROVED AS TO FORM AND LEGALITY
ROCKARD J. DELGADILLO, CITY ATTORNEY

Date: 6/24/04

And: Rosie A. Garcia
ASSISTANT Secretary

APR 07 2004

BY Fay A. Chu
FAY A. CHU
City Attorney

MASTER SERVICES CONTRACT

SCHEDULE A

INTRASTATE TRANSMISSION SERVICE

This Agreement is entered into by and between Southern California Gas Company ("Utility") and **Dept of Water & Power, City of LA** ("Customer") as of the **30th** day of **March, 2004**. This Agreement shall be deemed attached to and incorporated as a Schedule in the Master Services Contract ("MSC") executed by the Parties.

NOW THEREFORE, in consideration of the promises and mutual undertakings set forth herein, the parties agree as follows:

Section 1 - Scope

A. Intent

This Agreement sets forth the general terms and conditions under which Utility will transport gas, or transport and procure gas, for Customer in California pursuant to Utility's applicable Tariff Rate Schedules and Tariff Rules ("Tariffs") on file with the Public Utilities Commission of the State of California ("CPUC"), as are in effect from time to time.

To the extent not inconsistent herewith, the provisions of the MSC are incorporated by reference in this Agreement. All transmission services by Utility shall be paid for by Customer at the rates specified in the applicable Tariffs, except as otherwise specified herein. Nothing in this Agreement shall be construed as preventing Utility and Customer from mutually agreeing to conditions which are more stringent than set forth in the Tariffs.

B. Effective Date/Term

- (1) The Effective Date of this Agreement shall be as of 12:00 AM on **July 1st, 2004**.
- (2) The initial term of this Agreement shall end on **July 1st, 2006**.
- (3) Billing Schedule Sequences for terms less than the initial term of this Agreement may be amended or renewed upon expiration as permitted or required in the applicable Tariffs on file with the CPUC. In the event any such Billing Schedule Sequences are not amended or renewed by the Customer, an available Tariff Service that allows a month term may be provided.

At the end of the initial term, this Agreement shall continue thereafter on a month to month basis unless terminated by written notice from one party to the other given not less than twenty (20) days prior to the last day of the initial term or any month thereafter.

Section 2 - Services Provided and Redelivery Locations

Customer has requested and agreed to pay for, and Utility has determined that Customer is qualified for transmission services to the following locations (the data provided will be utilized by Utility in determinations regarding curtailment):

Facility A

Facility Name: VALLEY GENERATING STATION
 Account Number: 18-8888-001-216-2
 Address: 11805 SHELDON ST.
SUN VALLEY, CA 91352-1508

Mail copy of Bill to this Facility: NO

Facility Mailing Address: _____

Supplemental Facility Account Number(s):

18-8888-001-223-3 18-8888-001-977-2 18-8888-001-978-2

Full Requirements YES (Noncore only)

Facility Customer Contacts

Operations		Emergency	
Name:	<u>Scott C Masuda</u>	Name:	<u>Shift Supervisor</u>
Title:	<u>Nat'l Gas Marketer</u>	Title:	<u>Operations Supervisor</u>
Address:	<u>P.O. BOX 51111, RM 1148</u> <u>LOS ANGELES, CA 90051-0100</u>	Address:	<u>11805 SHELDON ST.</u> <u>SUN VALLEY, CA 91352</u>
Tel. No:	<u>(818) 771-6545</u>	Tel. No:	<u>(818) 771-4507</u>
Fax No:	<u>(818) 771-6565</u>	Fax No:	<u>(818) 771-4532</u>

Customer shall notify Utility in the event of any change in the gas requirements or notification designations for this facility.

BILLING SCHEDULE SEQUENCE <u>01</u>				
Rate Schedule	Priority	Net Billed	Transmission Rates Tariff/Negotiated	Otherwise Applicable Rate
GT-F5	FIRM	N/A	-TARIFF-	
The term of this sequence is for: <u>2 YEARS</u> .				

MONTHLY SCHEDULED QUANTITY (THERMS)			
January	32,550,000	July	32,550,000
February	29,400,000	August	32,550,000
March	32,550,000	September	31,500,000
April	31,500,000	October	32,550,000
May	32,550,000	November	31,500,000
June	31,500,000	December	32,550,000

Annual Quantity 383,250,000

Use or Pay Aggregator (Yes/No) NO

Customer's regular days for operations under this sequence are:

M x T x W x Th x F x Sat x Sun x

Section 3 - Other Existing Transportation/Exchange Arrangements

(1) Customer has existing intrastate transportation/exchange arrangements with Utility: _____

(2) Date of Arrangement: _____

(3) Term of Arrangement: _____

(4) This Agreement shall have no impact on such existing arrangement except: _____

Section 4 - Transportation Services

Customers "Order Control Code" (OCC) for gas transportation by Utility is : **D12**

In the event Customer has elected Transportation Services herein, a Transportation Services Addendum must be completed to indicate the specific account to which any applicable imbalance charges pursuant to imbalance service provided under Tariff Schedule G-IMB shall be applied. Additional elections may be made by the customer, including but not limited to the use of Agent or Contracted Marketer services. Any elections, or changes thereto, made on the Transportation Services Addendum shall be applicable to all Customer Agreements and facilities utilizing the same Order Control Code.

Section 5 - Billing and Payment

Billing and Payment for services hereunder shall be as provided in Utility's Tariff Rule No. 9. Any special billing instructions should be noted in Section 7(E).

Section 6 - Transfer of Rights

Subject to Section 7(A), this Agreement and the rights and obligations hereunder shall only be transferred or assigned with the prior written consent of Utility which shall not be withheld unreasonably, provided that any successor first establishes its "creditworthiness" and assumes such contractual rights and obligations in writing.

Section 7 - Miscellaneous

A. Use or Pay Aggregator : N/A

Use or Pay Aggregators will automatically be authorized to access Customer's meter usage. To the extent applicable, appropriate authorization by Customer (including the terms and conditions thereof) has been executed and incorporated by reference (as supplemented from time to time) in this Agreement.

B. Contacts/Notices:

Any written notices from one party to the other affecting this Agreement shall be sent to the following locations (unless changed by seven days prior written notice):

Customer	Utility
Dept of Water & Power, City of LA	Southern California Gas Company
P.O. BOX 111, RM 1148	555 W. FIFTH ST.
LOS ANGELES, CA 90051	LOS ANGELES, CA 90013-1011
Attn: MR. ROBERT L. PETTINATO	Attn: Ms. Gwen R. Marelli
Title: NATURAL GAS SUPPLY MGR.	Title: Sales Manager

C. Definitions:

All definitions set forth in the Tariffs, including without limitation Utility Rule No. 1, are incorporated herein by reference as if set forth in full.

D. Miscellaneous Legal Provisions:

This Agreement incorporates by reference all terms and conditions of the MSC.

E. Special Conditions: The following special conditions of service are applicable hereto:

N/A

IN WITNESS WHEREOF, the authorized representatives of the parties have executed two duplicate original copies hereof.

AUTHORIZED BY RES. 004 260
APR 20 2004

Customer

DEPARTMENT OF WATER AND POWER
OF THE CITY OF LOS ANGELES BY
BOARD OF WATER AND POWER COMMISSIONERS
OF THE CITY OF LOS ANGELES

By: *Frank Salas*
Frank Salas, Acting General Manager

Date: 6/24/04

And: *Rose A. Garcia*
ASSISTANT Secretary

APPROVED AS TO FORM AND LEGALITY
ROCKARD J. DELGADILLO, CITY ATTORNEY

APR 07 2004
BY *Ray A. Chu*
RAY A. CHU
Deputy City Attorney

Utility

Southern California Gas Company

Signature: *Debra L. Reed* *DRM*

Name: Debra L. Reed

Title: President & COO

AGREEMENT NO. 47349-4
MASTER SERVICES CONTRACT

SCHEDULE A – INTRASTATE TRANSMISSION SERVICE

TRANSPORTATION SERVICES ADDENDUM

Order Control Code: D12

The Customer acknowledges that the above Order Control Code (OCC) shall be used to associate Customer's nominations and deliveries to individual Customer facilities. Any rights or access granted herein by the Customer shall be applicable to all Agreements and facilities utilizing the above OCC.

Any applicable imbalance charges pursuant to Tariff Schedule G-IMB associated with the OCC selected above shall be charged to account number: 18-8888-001-216-2. For any Customer utilizing the services of a Contracted Marketer, a summary of transactional activities shall be provided to the following designated account: N/A.

Contracted Marketer Services:

In accordance with Tariff Rule No. 35, Customers may elect a Contracted Marketer to purchase, nominate, trade and balance the Customer's gas requirements. This election, along with confirmation of this election by the Contracted Marketer, and any changes to this election, must be received by Utility not less than ten days prior to the effective date of the election.

Customer hereby designates / terminates (circle one) : N/A as the Contracted Marketer for the above OCC.

Authorized to access Customer's meter usage: N/A
Will nominate on Customer's behalf : N/A
Will trade on Customer's behalf : N/A

Agent Services:

Customers may elect an Agent to purchase, nominate, and trade on their behalf. Any changes to the Agent designations below must be received by the Utility not less than ten days prior to the effective date of the election.

Customer hereby designates / terminates (circle one): N/A as an Agent for the above OCC.

Authorized to access Customer's meter usage: N/A
Will nominate on Customer's behalf : N/A
Will trade on Customer's behalf : N/A

If Customer designates an Agent or Contracted Marketer, any communications made by such Agent or Contracted Marketer shall be binding on Customer and shall prevail in any conflict during the period such authorization remains in effect. Such authorization shall remain in effect for the term of this Agreement unless otherwise specified in the initial authorization, or unless terminated pursuant to written notification received by the Utility.

Effective the first day of: _____ (month/year)

Customer:

DEPARTMENT OF WATER AND POWER
OF THE CITY OF LOS ANGELES BY
BOARD OF WATER AND POWER COMMISSIONERS
OF THE CITY OF LOS ANGELES

By: Frank Salas
Frank Salas, Acting General Manager

Date: 6/24/04

And: Rose A. Garcia
ASSISTANT Secretary

APPROVED AS TO FORM AND LEGALITY
ROCKARD J. DELGADILLO, CITY ATTORNEY

APR 07 2004

BY Fay A. Chu
FAY A. CHU

004 260
APR 20 2004
AUTHORIZED BY RES.

Rule No. 01
DEFINITIONS

Sheet 1

The following are definitions of the principal terms used in these tariff schedules.

Agent Marketer (Agent): Agents are individuals, companies or consortiums that are appointed by noncore customers to act on their behalf in activities such as the purchasing, nominating and balancing of gas supplies. As an example, however, Agents bear no financial responsibility for the transportation imbalances incurred by the customers they represent.

Aggregator: See Energy Service Provider (ESP).

Alternate Fuel: Any fuel, gaseous, liquid, or solid, that may be used in lieu of natural gas. Electricity shall not be considered as an alternate fuel for purposes of conversion.

Alternate Fuel Capability: Alternate fuel facilities installed, permitted and capable of use on a sustained basis, excluding those uses exempted by Section 2773.5 of the California Public Utilities Code.

Alternate Gas Transportation Service Provider: Entity other than the Utility that transports natural gas to the customer's facility.

Annual Firm Withdrawal: Storage withdrawal service that is available every day of the storage year except for core emergencies, force majeure, or scheduled maintenance outages.

Appliance: Approved (e.g. AGA listed) and essential gas fired equipment.

Applicant: Person, agency, or entity requesting the Utility to supply natural gas service.

Application: Request to the Utility for natural gas service; not an inquiry as to the availability or charges for such services.

As-Available Storage Service: Injection or withdrawal storage service which is provided at times when firm storage capacity is not fully utilized.

Balancing Account: Account in which expenses are compared with actual revenues derived from rates designed to recover those expenses. Any resulting over- or undercollection, plus interest, is due to or owed from ratepayers, respectively. Account balances are amortized in future rates, as approved by the Commission.

Balancing Service: Best-efforts service to accommodate imbalances between actual Customer usage and Customer-owned gas delivered to the Utility.

Baseline: A rate structure mandated by the California Legislature that ensures all residential customers are provided a minimum necessary quantity of gas at the lowest possible cost.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVISE LETTER NO. 3016
DECISION NO. 2

ISSUED BY
William L. Reed
Vice President
Chief Regulatory Officer

(TO BE INSERTED BY CAL. PUC)
DATE FILED Apr 23, 2001
EFFECTIVE Jun 2, 2001
RESOLUTION NO. _____

Rule No. 01
DEFINITIONS

Sheet 2

(Continued)

Billing Cycle: The regular periodic interval for reading a Customer's meter for billing purposes. Usually meters are scheduled to be read monthly.

Branch Service: Service that is not connected to a natural gas main and has another service as its source of supply.

British Thermal Unit (Btu): The standard unit for measuring a quantity of thermal energy. One Btu equals the amount of thermal energy required to raise the temperature of one pound of water one degree Fahrenheit and is exactly defined as equal to 1,055.05585262 joule, rounded to 1,055.056 joule. (A joule is equal to one watt-second.)

Brokerage Fee: Fee charged to customers who procure supply directly from the Utility to cover gas purchasing expenses.

Burn: Natural gas usage as measured by electronic metering or an estimated quantity such as Minimum Daily Quantity (MinDQ) for purposes of compliance with winter delivery requirements as specified in Rule No. 30.

Buyback Rate: Rate applicable to excess imbalance volumes of gas as specified in the Utility's rate schedules. Rate shall generally be the lower of either 1) the Utility's lowest incremental cost of gas; or 2) 50% of the weighted average cost of gas of the applicable gas supply portfolio.

California Alternate Rates for Energy (CARE) Program: CPUC program that offers reduced rates to qualified low-income customers. Household income of customers qualifying for CARE assistance shall not exceed 175% of the Federal poverty level as established by the CPUC and set forth in the applicable Utility rate schedules. CARE Program was previously known as the Low-Income Ratepayer Assistance (LIRA) Program.

Cogeneration: Sequential use of energy for the production of electrical and useful thermal energy. Sequence can be thermal use followed by power production or the reverse, subject to the following standards: (a) At least 5 percent of the facility's total annual energy output shall be in the form of useful thermal energy. (b) Where useful thermal energy follows power production, the useful annual power output plus one-half the useful annual thermal energy output equals not less than 42.5 percent of any natural gas and oil energy input.

Commission: Public Utilities Commission of the State of California, sometimes referred to as the Public Utilities Commission (PUC) or the California Public Utilities Commission (CPUC).

Company: See Utility.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3229
DECISION NO.
2014

ISSUED BY
Lee Schavrien
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Jan 21, 2003
EFFECTIVE Mar 2, 2003
RESOLUTION NO. _____

Rule No. 01
DEFINITIONS

Sheet 3

(Continued)

Company's Operating Convenience: Use, under certain circumstances, of facilities or practices not ordinarily employed which contribute to the overall efficiency of the Utility's operations; term does not refer to customer convenience nor to the use of facilities or adoption of practices required to comply with applicable laws, ordinances, rules, regulations, or similar requirements of public authorities.

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|
L
L

Conservation Meter: Meter to identify conservation applications to calibrate process equipment; to account for fuel and energy invested in a process, a production run, or the like. Not to be used for billing purposes.

N
|
N

Consumer Price Index (CPI): Index as published in the Bureau of Labor Statistics, "Los Angeles--Long Beach--Anaheim Metropolitan Area Consumer Price Indexes".

L
L

Contract Quantity, Annual: Annual natural gas quantity contracted for delivery during each contract year. Quantity is based on the customer's historical usage or negotiated on the basis of the customer's operational forecast.

L,D
L,T
L,T

Contract Quantity, Daily (DCQ): Annual average natural gas quantity contracted for delivery, stated on a daily basis. The DCQ is based on historical consumption or forecasted consumption and is set forth in the applicable service agreement. For a Marketer's or Aggregator's end-users, this quantity is: (1) the basis for establishing credit with the Utility, and (2) represents the maximum amount of interstate capacity to be reserved by the Utility for allocation to Aggregators and core transportation customers. The DCQ calculation for Aggregators participating in the Core Aggregation Transportation Program is defined in Rule No. 32.

D,T
T
T
D

Contract Quantity, Monthly: Monthly natural gas quantity contracted for delivery during each contract month as set forth in the customer's applicable service agreement. Quantity is based on the customer's historical usage or negotiated on the basis of the customer's operational forecast.

D
D

Contracted Marketer: Contracted Marketers are individuals, companies or consortiums that arrange for natural gas procurement-related activities on behalf of noncore customers. Contracted Marketers must enter into a contract with SoCalGas and meet certain credit requirements. They must comply with Rules 30 and 35 and all other tariffs which address the transportation and management of customer-owned gas.

Core Service: Service to end-use Priority 1 or Priority 2A as set forth in Rule No. 23.

D

Core Subscription Service: Utility natural gas procurement service available to noncore customers. Core subscription service is subject to special conditions as identified in the customer's applicable rate schedule.

T
T

Core Transportation Aggregator (CTA): See Energy Service Provider (ESP).

N

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3016
 DECISION NO. 2
 3C2

ISSUED BY
William L. Reed
 Vice President
 Chief Regulatory Officer

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Apr 23, 2001
 EFFECTIVE Jun 2, 2001
 RESOLUTION NO. _____

Rule No. 01
DEFINITIONS

Sheet 4

(Continued)

Critical Customer: Customer facility where the interruption of natural gas service would cause a danger to human life, health or safety, and includes customers such as hospitals, other state-licensed health care facilities, medical research facilities, medical facilities at military installations and detention facilities, municipal water pumping plants and sanitation facilities.

Cross-Over Rate: Procurement rate authorized in D.02-08-065 that is comprised of: (1) the higher of the weighted average estimated cost of gas (WACOG) for the current month, derived in the manner set forth in D.98-07-068, plus any adjustments for over- or under-collection balance in the Core Purchased Gas Account (CPGA) as defined and approved in D.98-07-068, or the Adjusted Border Price; (2) authorized franchise fees and uncollectible expenses; and (3) authorized core brokerage fee. The Border Price is equal to the average of the first of the month "Southern Cal Border Avg." index from Natural Gas Intelligence and the "Bid Week, California-South, Delivered to Pipeline" index from Natural Gas Week. The Adjusted Border Price is equal to the Border Price less the currently authorized core interstate capacity costs included in core transportation rates.

Cubic Foot of Gas: The quantity of gas that, at a temperature of sixty (60) degrees Fahrenheit and a pressure of 14.73 pounds per square inch absolute, occupies one cubic foot.

Curtailement: Utility initiated suspension of natural gas service. Utility may temporarily reduce the quantity of gas it will transport or deliver or may terminate service entirely for certain service categories as needed for operational requirements.

Customer: Person or entity in whose name service is rendered as evidenced by the signature on the application, contract, or agreement for that service, or in the absence of a signed instrument, by the receipt and payment of bills regularly issued in their name.

Customer-Owned Gas: Natural gas transported by the Utility for customer's own use where title to such natural gas is held by the Utility customer or third party and is not a part of the Utility-owned system supplies.

Day: Period commencing at 12:00 midnight (Pacific time) on any calendar day and ending at 12:00 midnight (Pacific time) on the next succeeding calendar day.

DCQ: See Contract Quantity, Daily.

Decatherm: Ten therms or 1,000,000 British thermal units (MMBtu).

Direct Access (DA): Any end-use Utility customer electing to procure its natural gas, and any other CPUC-authorized energy services, directly from energy service providers (ESP).

Direct Access Service Request (DASR): Request for enrollment, termination, or other change under the Core Aggregation Transportation (CAT) program. The DASR transaction outlined in Rule No. 32 was implemented pursuant to CPUC D.98-02-108.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3188-A
DECISION NO. 02-08-065

ISSUED BY
Lee Schavrien
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Jun 13, 2003
EFFECTIVE Oct 1, 2003
RESOLUTION NO. _____

4C10

LA000658

Rule No. 01
DEFINITIONS

Sheet 5

(Continued)

Electric Generation: Use of natural gas to generate electricity, either directly or indirectly, including natural gas used for cogeneration or solar electric generation projects.

Electric Generation Startup and Igniter Fuel: Electric generation natural gas use where no alternate fuel capability exists for: (1) heating the boiler system adequately during start-up to enable efficient oil burning to meet pollution standards; and (2) insuring continuous-ignition and flame-stabilization within the boiler.

Electronic Billing: An option that customers can elect whereby the Utility provides billing information to the customer by means of a computer network such as the Internet or in a form to be used by a computer or similar electronic device to destinations mutually agreed upon between Utility and the customer, such as the Utility's web page, or a home banking, bill aggregator or financial institution website.

Electronic Bulletin Board (EBB): Southern California Gas' Internet based electronic gas transactions and information management computer system. Current trademarked name is SoCalGas' Envoy.

Electronic Data Interchange (EDI): The sending and receiving of data and/or funds in a structured electronic format, commonly involving information technology and telecommunications technology.

Energy Service Provider (ESP): Individuals, companies or consortiums that arrange for natural gas procurement related activities (procurement, interstate transportation and balancing) on behalf of core customers. See Rule No. 32.

Enhanced Oil Recovery (EOR): Operation which includes the use of natural gas to pressure, cycle, or inject a substance into a well for the purpose of increasing oil production from that well, specifically including natural gas used for cogeneration to promote these operations.

Enterprise: Business corporation, partnership, or sole ownership established for the purpose of engaging in a single business or commerce.

Equivalent Margin: Margin embedded in the Commission's rate design. Margin is the amount of revenue the Commission allows a utility to recover over a one-year period without consideration of fuel costs, Gas Exploration and Development Adjustments and Conservation Cost Adjustments.

Exchange Gas: Natural gas which is produced by a customer and redelivered under a natural gas exchange agreement by Utility to that same customer at a different location.

Facility: Individual meter with the exception of meters combined for the Utility's operating convenience in accordance with Rule No. 17. Customers who have had more than one meter installed for their own convenience at their own request shall be treated as a separate facility with respect to each meter.

Feedstock Usage: Natural gas used as raw material for its chemical properties in creating an end product.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3291
DECISION NO.
5C14

ISSUED BY
Lee Schavrien
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Sep 12, 2003
EFFECTIVE Oct 22, 2003
RESOLUTION NO. E-3711

Rule No. 01
DEFINITIONS

Sheet 6

(Continued)

Force Majeure: Unanticipated events or conditions beyond the reasonable control of the party claiming Force Majeure which could not have been prevented by the exercise of due diligence. Force Majeure as it applies to the Tariff Rate Schedules specifically does not include required maintenance of customer's facilities, plant closures, economic conditions or variations in agricultural crop production.

Franchise Fees: Financial obligation collected from the customers by the Utility and remitted in whole to a city or a county government for the Utility's nonexclusive right to install and maintain equipment on that government's highway and street property, or public rights of way.

Full Requirements Service: Full requirements service is an option for core subscription customers and firm intrastate transmission customers. Full requirements customers choose to have all of their fossil fuel requirements satisfied by natural gas. Full requirements customers may choose to procure their supplies from the Utility; transport their own supplies; or any combination of the two. Such customers are not subject to use-or-pay charges except to the extent that unauthorized alternate fuel use or bypass occurs. Full requirements customers are prohibited from using alternate fuels or bypass pipeline service except: (1) in the event of curtailment, (2) to test alternate fuel systems, or (3) where Utility has provided prior written authorization for the use of alternate fuels or bypass. Any fuel produced on-site by the customer can be used by the producer without penalty.

Gas Engine Water Pumping: Natural gas engine used for water pumping in agricultural or agricultural-related operations for the growing of crops or the raising of fowl or animals within SoCalGas' service territory. In addition, any natural gas engine used for municipal water pumping for countercyclical or agricultural use.

Gas Service Provider (GSP): Supplier of natural gas to core or noncore customers including, but not limited to Energy Service Provider (ESP or Aggregator), Contracted Marketer, Agent or its equivalent title for SoCalGas, Pacific Gas & Electric Company, or San Diego Gas & Electric Company.

Gas Service Provider No Longer Offering Gas Service In California: GSP will be considered no longer offering gas service in California if the GSP does not provide natural gas to any customer facility on the system of SoCalGas, Pacific Gas & Electric Company or San Diego Gas & Electric Company, excluding those customers that serve as their own GSP.

Gas Supply: Supply of gas procured by Utility on behalf of its procurement customers and to meet its operational needs.

(Continued)

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 3291

DECISION NO.

6C10

ISSUED BY

Lee Schavrien

Vice President

Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Sep 12, 2003

EFFECTIVE Oct 22, 2003

RESOLUTION NO. E-3711

Rule No. 01
DEFINITIONS

Sheet 7

(Continued)

Heating Value: Number of Btus liberated by the complete combustion at constant pressure of one cubic foot of natural gas at a base temperature of sixty degrees Fahrenheit (60°F) and a pressure base of fourteen and seventy-three hundredths (14.73) psia, with air at the same temperature and pressure as the natural gas, after the products of combustion are cooled to the initial temperature of the natural gas, and after the water vapor of the combustion is condensed to the liquid state. The Heating Value of the natural gas shall be corrected for the water vapor content of the natural gas being delivered except that, if such content is seven (7) pounds or less per one million (1,000,000) cubic feet, the natural gas shall be considered to be dry.

Housing Project: Building or group of buildings located on a single premises and containing more than one family dwelling unit.

Hub: Also California Energy Hub, refers to SoCalGas' area natural gas hub. Encompasses the various delivery points in California or at the California border at which some portion of a Hub Transaction may be effectuated by utilizing SoCalGas' facilities or some interconnection therewith.

Hub Delivery Point: Point on the Hub where SoCalGas shall deliver natural gas to any service user or for service user's account. Hub Transaction may require more than one delivery point.

Hub Displacement Delivery: Delivery or redelivery to a service user on an interruptible basis of natural gas received by SoCalGas pursuant to a "Wheeling Transaction" or a "Parking Transaction", when such redelivery occurs at a delivery point where either party has access to an interstate pipeline, but not a delivery point located on or interconnected with the pipeline facilities of SoCalGas as the ultimate delivery point. Displacement delivery is made in the direction contrary to the physical flow of gas in a pipeline facility.

Hub Receipt Point: Point on or off the Hub where SoCalGas shall receive natural gas from service user or for a service user's account in connection with a Hub Transaction. Hub Transaction may require more than one receipt point.

Hub Transaction: Either an interruptible Parking or Loaning-storage type transaction or a Wheeling transmission type transaction or other transactions approved and implemented from time to time.

Individually Metered Service: Service whereby each single family dwelling unit, each dwelling unit within a multi-family structure, or nonresidential occupancy, is separately metered and billed by the utility.

Industrial Use: Service to customers engaged primarily in a process which creates or changes raw or unfinished materials into another form or product.

(Continued)

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 3291

DECISION NO. 2 -

709

ISSUED BY
Lee Schavrien
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Sep 12, 2003

EFFECTIVE Oct 22, 2003

RESOLUTION NO. E-3711

Rule No. 01
DEFINITIONS

Sheet 8

(Continued)

Interstate Transition Cost Surcharge (ITCS): Volumetric surcharge on the Utility's noncore intrastate transmission service to recover costs for certain interstate pipeline demand charges resulting from the transition to an unbundled interstate capacity market pursuant to the CPUC's Capacity Brokering Rules set forth in Decision Nos. 91-11-025 and 92-07-025. ITCS is applicable to all noncore service except for enhanced oil recovery and that service provided by the Utility under fixed-rate contracts (including long-term contracts in effect on or before the implementation date of the CPUC's Capacity Brokering Rules).

Late Payment Charge: Charge that is added to offset the expenses created by late customer payments.

Life-Support Device: Medical device using Utility-supplied natural gas for its operation that is regularly required to sustain, restore, or supplant a vital function of a person residing in a residential unit. Term does not include apparatus or appliances used in a hospital or medical clinic, nor does it include therapeutic devices such as pool or tank heaters, saunas, or hot tubs.

Loaning Transaction: Utility advances or loans natural gas which is returned by service user delivering back to Utility an equivalent or greater natural gas quantity at the time(s) and location(s) specified in the Hub Transaction.

Low-Income Ratepayer Assistance (LIRA) Program: See California Alternate Rates for Energy (CARE) Program above.

Mailed: Notice or other communication to the customer will be considered "mailed" when received into the customer's electronic mail box via electronic data interchange or when it is enclosed in a sealed envelope, properly addressed, and deposited in any authorized United States Postal Service receptacle, postage prepaid.

Main Extension: Length of main and its related facilities required to transport natural gas from the existing facilities to the point of connection with the service piping.

Marketer: Third party which accesses one or more interstate or intrastate pipeline systems for the purpose of transporting natural gas to Utility System on Marketer's own behalf or on the behalf of designated end-use customers.

Master-Metered Service: Service whereby the Utility installs a meter to register the consumption of two or more occupancies.

Maximum Daily Quantity (MDQ): Maximum daily quantity of natural gas that can be nominated for delivery to a customer's premises not served by an automated meter when the Utility institutes an excess nominations period. For noncore customers and core customers not served under core aggregation this is based on the equipment at the customer's facility. For ESP's the maximum daily quantity is equal to their DCQ.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3291
DECISION NO. 2 -
8C9

ISSUED BY
Lee Schavrien
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Sep 12, 2003
EFFECTIVE Oct 22, 2003
RESOLUTION NO. E-3711

Rule No. 01
DEFINITIONS

Sheet 9

(Continued)

Mcf/d: Thousands of cubic feet per day. Measure quantifies the amount of gas being consumed or transported on a daily basis.

Memorandum Account: Account authorized by the Commission for the purpose of tracking certain costs and revenues. Each individual memorandum account may have specific accounting treatment applicable to that account.

Minimum Daily Quantity (MinDQ): Estimate of natural gas usage at a customer's premises not served by an automated meter for purposes of compliance with winter delivery requirements as specified in Rule No. 30.

Mobilehome: Structure designed as a residence, in one or more sections, and of width and length, which when moved over a public highway requires a special permit from the California Department of Transportation. They are located in mobilehome parks and residential lots in California where they comply with the requirements of the local ordinances for permanent housing. Mobilehomes first sold prior to July 1, 1980 are licensed by the California Department of Housing and Community Development. Mobilehomes first sold new on and after July 1, 1980, for installation as a residence, are all automatically subject to local property taxation.

Mobilehome Park: Area of land where two or more mobilehome sites are rented to accommodate mobilehomes used for permanent residency. Homeowner and mobilehome park management are subject to the Civil Code requirements of the "Mobilehome Residency Law". This law only applies to a mobilehome that requires a permit to be moved on a street or highway.

Multi-family Accommodation: Apartment building, duplex, mobile home park, or any other group of permanent residential single-family dwellings located upon a single premises, provided that the residential dwellings therein meet the requirements for a single-family dwelling or accommodation. Multi-family accommodation does not include hotels, motels, residential hotels, guest or resort ranches, marinas, tourist camps, recreational vehicle parks, campgrounds, halfway houses, rooming houses, boarding houses, institutions, dormitories, rest or nursing homes, convalescent or care facilities, military barracks, or any enterprise that includes or rents to either transient tenants or transient accommodations.

Net Usage: Customer's uncorrected billing period usage plus any adjustments from previous billing periods.

Noncore Service: Service to customers who are not assigned to end-use priority 1 or 2A as defined in Rule 23. Customers receiving noncore service must have Automated Meter Reading (AMR) equipment installed at customer's expense as a condition of noncore service.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3188-A
DECISION NO. 02-08-065
908

ISSUED BY
Lee Schavrien
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Jun 13, 2003
EFFECTIVE Oct 1, 2003
RESOLUTION NO. _____

Rule No. 01
DEFINITIONS

Sheet 10

(Continued)

Non-Profit Group Living Facility: Non-profit homeless shelter that may be government subsidized with six (6) or more beds that provides lodging day or night for a minimum of 180 days of the year; other non-profit residential-type facilities (excluding government-owned and privately-owned, "for profit" government-subsidized housing) that provide a service in addition to lodging and which may be licensed by the appropriate state agency to care for residents who temporarily or permanently cannot function normally outside of the group home environment; and non-licensed, separately metered affiliated facilities where the primary facility is eligible for CARE and is the customer of record for the affiliate, and at least 70% of the energy consumed by the affiliate is used for residential purposes. All residents must meet the CARE income eligibility standards; however, a caregiver who lives in the group facility is not a resident for purposes of determining the facility's eligibility. Non-profit group living facilities that are not licensed or certified must provide any other documentation the Utility may reasonably require.

Off-System Customer: Marketer, broker, supplier or other entity bidding for storage service on their own behalf for ultimate consumption outside the Utility's service territory.

Open Season: Designated time period in which a service election must be submitted to the Utility. Customers who do not submit their service election during the Open Season will receive default service, or will continue receiving current service election, if tariffs contain evergreen provisions.

Paid or Payment: Funds received by Utility through postal service, Utility payment office, Utility authorized agent, or deposited in Utility bank account by electronic transfer.

Parking Transaction: Utility-received natural gas for service user's account for short-term interruptible storage.

Peak Day Minimum: Volume of gas in Utility storage inventory that provides deliverability for the core 1-in-35 year peak day event, firm withdrawal commitments and noncore balancing requirement. Peak day minimums are calculated annually as part of normal winter operations planning. Peak day minimums are specified in billion cubic feet (Bcf).

Peak Day Minimum + 5 Bcf Trigger: Volume of gas in Utility storage inventory at which customers are required to deliver on a daily basis 90% of burn as specified in Rule No. 30.

Peak Day Minimum + 20 Bcf Trigger: Volume of gas in Utility storage inventory at which customers are required to deliver on a daily basis 70% of burn as specified in Rule No. 30.

Peak-Day Volume: Customer's highest one-day usage over the specified time period.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3188-A
DECISION NO. 02-08-065

10C8

ISSUED BY
Lee Schavrien
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Jun 13, 2003
EFFECTIVE Oct 1, 2003
RESOLUTION NO. _____

LA000664

Rule No. 01
DEFINITIONS

Sheet 11

(Continued)

Percentage of Default: Ratio that shall be determined on a monthly basis and shall be equal to:

- A. Customer's total (1) volumetric transmission charges, (2) demand charges or other non-volumetric transmission charges, (3) customer or facilities charges, (4) CPUC Reimbursement Fee (Schedule No. G-SRF), and (5) Interstate Transition Cost Surcharge, under the applicable noncore service schedule for the immediate prior twelve-month period, divided by:
- B. Total of the above charges that would have applied if the customer were paying full-tariff rates for the same 12-month period.

Permanent Service: Service which, in opinion of the Utility, is of a permanent and established character. Customer's use of gas may be continuous, intermittent, or seasonal in nature.

Point(s) of Delivery: Place(s) where Utility delivers customer-owned natural gas to customer at its Facility.

Point(s) of Receipt: Place(s) where customer delivers, or has delivered on its behalf, natural gas into the Utility System.

Post-Bypass Load Factor: Used to calculate the ceiling rate for Residual Load Service customers subject to one of the following applicable customer classes:

- A. Non-UEG Customers and Non-Jurisdictional UEG Customers: The post-bypass load factor shall be calculated by dividing the average daily volume by the Peak-Day Volume on the Utility System on a cumulative basis from the first day after bypass begins, or over the previous twelve months, whichever is less, to the 20th day of the calendar month prior to the month service is provided.
- B. UEG customers subject to CPUC jurisdiction: The post-bypass load factor shall be calculated using the customer's average daily volume divided by the Peak-Day Volume on the SoCalGas system on a cumulative basis over the relevant time period as follows:
 - 1) For the first three billing months following the date of bypass, the relevant time period will be the three months prior to the month service is provided, up to the 20th day of the month prior to the month service is provided.
 - 2) After the first three billing months following the date of bypass, the relevant time period will be all days since the first day after bypass begins, or over the previous twelve months, whichever is less, to the 20th day of the month prior to the month service is provided.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3188-A
DECISION NO. 02-08-065

ISSUED BY
Lee Schavrien
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Jun 13, 2003
EFFECTIVE Oct 1, 2003
RESOLUTION NO. _____

Rule No. 01
DEFINITIONS

Sheet 12

(Continued)

Pre-Bypass Load Factor: Used to calculate the ceiling rate for Residual Load Service customers subject to one of the following applicable customer classes:

- A. Non-UEG customers: The customer's average daily volume divided by the customer's Peak-Day Volume recorded on the SoCalGas system over the 12 month period prior to the installation and operation of bypass facilities.
- B. UEG customers subject to CPUC jurisdiction: The customer's average daily combined volume divided by the combined Peak-Day Volume on the Utility system and the bypass pipeline(s) on a cumulative basis over the relevant time period as follows:
 - 1) For the first three billing months following the date of bypass, the relevant time period will be the three months prior to the month service is provided, up to the 20th day of the month prior to the month service is provided.
 - 2) After the first three billing months following the date of bypass, the relevant time period will be all days since the first day after bypass begins, or over the previous twelve months, whichever is less, to the 20th day of the month prior to the month service is provided.
- C. UEG customers not subject to CPUC jurisdiction: The customer's aggregate forecasted average daily volume divided by the customer's Peak-Day Volume based on the most recently adopted forecast in SoCalGas' BCAP proceeding.

If daily measurement load data is not available for the specified time periods, then monthly load data will be pro-rated on a daily basis to calculate the appropriate Pre-Bypass Load Factor.

Premises: All of the real property and apparatus employed in a single enterprise on an integral parcel of land undivided, excepting in the case of industrial, agricultural, oil field, resort enterprises and public or quasi-public institutions, by a dedicated street, highway or other public thoroughfare or a railway. Automobile parking lots constituting a part of and adjacent to a single enterprise may be separated by an alley from the remainder of the premises served.

Prime Mover: Machine which converts heat energy supplied by fuel into mechanical energy.

Priority: Classification assigned to all customers to be used in the event of curtailment as provided for in Rule 23.

Procurement Customer: Customer who receives both natural gas procurement and transportation services from the Utility.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3188-A
DECISION NO. 02-08-065
12C8

ISSUED BY
Lee Schavrien
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Jun 13, 2003
EFFECTIVE Oct 1, 2003
RESOLUTION NO. _____

Rule No. 01
DEFINITIONS

Sheet 13

(Continued)

Procurement Management Charge: Charges billed to ESPs participating in the Core Aggregation Transportation program that may arise from ESPs' management of procurement portfolios on behalf of customers served by the ESPs.

Qualified Agricultural Employee Housing Facility: Migrant farmworker housing center provided pursuant to Section 50710 of the Health and Safety Code currently under contract to the Office of Migrant Services; privately-owned employee housing as defined by Section 17008 of the Health and Safety Code, that is licensed and inspected by state and/or local agencies pursuant to Part I (commencing with Section 17000) of Division 13 of the Health and Safety Code; or agricultural employee housing operated by nonprofit entities as defined by Subdivision (b) of Section 1140.4 of the Labor Code exempted from local property taxes pursuant to subdivision (g) of Section 214 of the Revenue and Taxation Code. All usage (100%) must be residential except for master-metered migrant farmworker housing centers and agricultural employee housing operated by a nonprofit entity where at least 70% of the energy consumed must be used for residential purposes. Each resident household in the facility must meet the CARE income-eligibility standards; however, an employee operating and/or managing the facility who lives in it is not considered a resident household for purposes of determining eligibility.

Qualified Contractor/Subcontractor (OC/S): Applicant's contractor or subcontractor who: 1) Is licensed in California for the appropriate type of work such as, but not limited to, gas and general; 2) Employs workmen properly certified for specific required skills such as, but not limited to, plastic fusion and welding. Workmen shall be properly qualified; and 3) Complies with applicable laws such as, but not limited to, Equal Opportunity Regulations, OSHA and EPA.

Recreational Vehicle: Motor home, travel trailer, camper or camping trailer, with or without motive power, designed for recreational or emergency occupancy. Travel trailer or camping trailer may be moved on a public highway without a special permit or chauffeur's license. Recreational Vehicles are licensed by the Department of Motor Vehicles, and must comply with traffic laws.

Recreational Vehicle Park: Area or tract of land within an area zoned for recreational use; or a separate designated-section within a mobilehome park. Lots are customarily occupied for temporary purposes (less than 30 days), and there is displayed in plain view a sign indicating that the recreational vehicle may be removed from the premises, for the reason specified in the Civil Code "Recreational Vehicle Park Occupancy Law". Sign must also contain the number of the local traffic law enforcement agency.

Red Team: Term referring to a California State-sponsored economic development effort whose principal goal is the creation and/or retention of business within the State of California. Red Teams typically consists of State and local governments, utilities and businesses who mobilize individuals and resources to negotiate, streamline and expedite the business retention, expansion or development process; identify and propose incentives; and recommend resolution of regulatory issues and requirements. Separate Red Teams are usually created for each project under the leadership or coordination efforts of the California Trade and Commerce Agency.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3188-A
 DECISION NO. Q2-08-065

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Jun 13, 2003
 EFFECTIVE Oct 1, 2003
 RESOLUTION NO. _____

Rule No. 01
DEFINITIONS

Sheet 14

(Continued)

Refinery: (1) Establishments primarily engaged in producing gasoline, kerosene, distillate fuel oils, residual fuel oils, and lubricants, through fractionation or straight distillation of crude oil, redistillation of unfinished petroleum derivatives, cracking or other processes. Establishments of this industry also produce aliphatic and aromatic chemicals as byproducts; and (2) Establishments primarily engaged in hydrogen manufacturing for sale in compressed liquid, and solid forms.

Residential Dwelling Unit: Group of rooms, such as a house, a flat, an apartment, or a mobilehome which provides complete single-family living facilities in which the occupant normally cooks meals, eats, sleeps, and carries on the household operations incident to domestic life.

Residential Hotel: Hotel establishment which provides lodging as a primary or permanent residence and has at least 50% of the units or rooms leased for a minimum period of one month and said units are occupied for nine months of the year. Residential hotels do not include establishments such as guest or resort hotels, resort motels or resort ranches, tourist camps, recreational vehicle parks, half-way houses, rooming houses, boarding houses, dormitories, rest homes, convalescent or care facilities, military barracks, or a house, apartment, flat or any residential unit which is used as a residence by a single family or group of persons.

Residential Use: Gas service for use at dwelling units, which includes service to residential units and mobile home units but does not include enterprises such a rooming houses, boarding houses, dormitories, rest homes, convalescent or care facilities, military barracks, stores, restaurants, service stations and other similar establishments. Also excluded are central heating plants serving a combination of residential and commercial uses where the commercial portion of the use is in excess of 100 Mcf per day or is more than 15% of the total natural gas requirements.

Rules: Tariff sheets which set forth the application of all rates, charges and service when such applicability is not set forth in and as a part of the rate schedules.

Seasonal Service: Permanent natural gas service to a facility which is utilized seasonally or intermittently, such as a seasonal resort, cottage or other part-time establishment.

Service: All pipe, valves and fittings from and including the connection at the main up to the service delivery point.

Service Delivery Point: Point where the utility's pipe connects to the customer's house line, usually the meter location.

Service Extension: Consists of the service as above defined when provided for a new customer at a premises not heretofore served in accordance with the service extension rule.

Shipper: See Marketer.

(Continued)

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 3188-A
DECISION NO. 02-08-065

14C7

ISSUED BY
Lee Schavrien
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Jun 13, 2003
EFFECTIVE Oct 1, 2003

RESOLUTION NO. _____

Rule No. 01
DEFINITIONS

Sheet 15

(Continued)

Short-Run Marginal Cost: Variable per-unit cost of providing additional throughput to the average customer in a customer class. Short-Run Marginal Cost (SRMC) is determined for a given customer class by dividing the sum of Company Use and Unaccounted for (UAF) costs allocated to that customer class in the most recent BCAP by the cost allocation throughput for that customer class.

SoCalGas: Southern California Gas Company (also referred to as "Utility").

Solar Electric Generation Project: Project which utilizes solar energy as the primary fuel in the generation of electricity, uses natural gas as a secondary fuel constituting 25% or less of the total fuel utilized on an equivalent basis, has a natural gas efficiency utilization rate of more than 60%, and qualifies as a small power production facility under the Public Utility Regulatory Policies Act of 1978.

Space Heating Only: Term applied to customers who are using gas primarily for space heating for human comfort as determined by survey or under the presumption that customers who use less than 11 therms per month during each of the regular billing periods ending in August and September are using gas primarily for space heating for human comfort.

Standby: Gas service used as an alternate energy source, typically for emergency or backup purposes.

Stub Service: Lateral pipe, including valves and fittings, from and including the connection at the main to a dead end near the curb or property line of the street in which the main is located.

Submetered Service: Service from metering furnished, owned, installed, maintained, read and tested by the customer who is served through a master meter.

Summary Bill: Billing statement that includes charges for multiple service accounts.

Surface Repair: Replacement to the satisfaction of the Utility, appropriate governmental agency, or property owner, of existing asphalt, concrete, decorative surfaces, landscaping, etc., removed for trenching and/or construction purposes.

Tariff Schedules: Entire body of effective rates, rentals, charges, and rules collectively, of the Utility, as set forth herein, and including title page, preliminary statement, rate schedules, rules and sample forms.

Tariff Sheet: Individual sheet of the tariff schedules.

Temporary Service: Service for enterprises or activities which are temporary in character or where it is known in advance that service will be of limited duration. Service which, in the opinion of the Utility, is for operations of a speculative character or the permanence of which has not been established, also is considered temporary service.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3188-A
 DECISION NO. 02-08-065

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Jun 13, 2003
 EFFECTIVE Oct 1, 2003
 RESOLUTION NO. _____

Rule No. 01
DEFINITIONS

Sheet 16

(Continued)

Tenant: One who holds or possesses real estate (as a condominium) or sometimes personal property by any kind of right; one who has the occupation or temporary possession of lands or tenements of another; one who rents or leases (as a house or apartment) from a landlord.

Therm: Unit of measurement for billing purposes, nominally 100,000 Btu.

Third Party Gas: See Customer-Owned Gas.

Tracking Account: Account which reconciles the difference between Commission-authorized forecasted costs and the Utility's recorded costs. Balances in the tracking accounts shall be reconciled in the revenue requirement in the Utility's next Biennial Cost Allocation Proceeding (BCAP) or other appropriate rate proceeding.

Transportation: Receipt of gas purchased and owned by a customer into the Utility System at one or more points of receipt and the subsequent delivery of an equivalent quantity of natural gas to the customer at a mutually acceptable location (points of delivery) on the system.

Transportation Deliveries: Volume of gas delivered to the Utility to be transported for customer use.

UEG: Utility Electric Generation. Consumption of gas for the generation of electricity by a utility's power plants.

Utility: Southern California Gas Company (also referred to as "SoCalGas").

Utility Distribution Company (UDC): Entity which provides regulated services for the distribution of natural gas to all customers and provides natural gas procurement services to customers who do not choose direct access. See Utility.

Utility System: Pipeline transmission and distribution system and related facilities located in California and operated by Utility.

Utility Users Tax: Tax imposed by local governments on the Utility's customers. Utility is required to bill customers within the city or county for the taxes due, collect the taxes from customers, and then pay the taxes to the city or county.

Utility's Metered Service: See Individually Metered Service.

Wheeling Transaction: Interruptible receipt of natural gas at a point of interconnection on SoCalGas' pipeline system and the interruptible redelivery of such natural gas to the initial or other service user either at a point of interconnection on or with SoCalGas' pipeline system, or at a point off such system. All Hub Transactions which require more than one day to complete are Parking or Loaning Transactions, even though Wheeling may be involved.

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3188-A
DECISION NO. 02-08-065

16C7

ISSUED BY
Lee Schavrien
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Jun 13, 2003
EFFECTIVE Oct 1, 2003
RESOLUTION NO. _____

LA000670

Schedule No. G-IMB
TRANSPORTATION IMBALANCE SERVICE

Sheet 1

DESCRIPTION OF SERVICE

Utility will provide a Monthly Imbalance Service for individual customers, marketers and aggregators (referred to herein as "Customers") when their usage differs from their transportation deliveries to the Utility's system or their targeted sales gas quantities purchased and delivered by Utility. The Monthly Imbalance Service provided hereunder has four components: Imbalance Trading, a no-charge Balancing Service, Standby Procurement, and Buy-Back. Under the Imbalance Trading Service, customers may locate other customers with offsetting imbalances and trade these quantities to avoid imbalance charges (Standby Procurement or Buy-Back). Imbalance Trading Service shall be facilitated either through Electronic Bulletin Board (EBB), as defined in Rule No. 1, or through the Imbalance Trading Form as described in Special Conditions 2 and 4 of this Schedule and in Rule No. 33. Balancing Service will be provided without charge if the cumulative imbalance at the end of the monthly imbalance trading period is within 10 percent of the customer's usage (Tolerance Band) for the billing period. Any remaining cumulative imbalance within the tolerance band will be carried forward. Remaining imbalance quantities outside the tolerance band at the end of the imbalance trading period will be subject to a Standby Procurement Charge or Buy-Back as described under Rates.

Utility will require daily balancing during the winter operating period. From November through March, customers will be required to deliver (using a combination of flowing supply and firm storage withdrawal) at least 50% of burn over a five day period. As the Utility's total inventory in storage declines to the peak day minimum + 20 Bcf, customers will be required to deliver 70% of burn daily. As the Utility's total inventory in storage declines to the peak day minimum + 5 Bcf, customers will be required to deliver 90% of burn daily. Volumes not in compliance with the minimum delivery requirements will be purchased at the daily balancing standby rates described below. Imbalance trading and as-available withdrawal may not be used to offset the minimum delivery requirements. A complete description of the winter minimum delivery requirements is specified in Rule No. 30.

APPLICABILITY

Applicable to core and noncore transportation service to end-use customers, marketers, and aggregators.

TERRITORY

Applicable throughout the service territory.

RATES

Imbalance quantities remaining at the end of the designated imbalance trading period and which are outside of the 10% tolerance band will be billed at the Standby Procurement Charge or purchased by Utility at the Buy-Back Rate.

(Continued)

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 3235

DECISION NO. -

1C12

ISSUED BY

Lee Schavrien

Vice President

Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Feb 7, 2003

EFFECTIVE Mar 30, 2003

RESOLUTION NO. _____

Schedule No. G-IMB
TRANSPORTATION IMBALANCE SERVICE

Sheet 2

(Continued)

RATES (Continued)

Standby Procurement Charge

This charge is applied to customer's cumulative negative transportation imbalance (confirmed transportation deliveries less actual usage) exceeding the 10 percent tolerance band. The Standby Procurement Charge is posted at least one day in advance of each corresponding imbalance trading period for noncore/wholesale and core transport agents (CTAs). It is calculated at 150% of the highest daily border price index at the Southern California border beginning on the first day of the month that the imbalance is created to five days prior to the start of each corresponding imbalance trading period plus a Brokerage Fee of 0.266¢ per therm for noncore retail service and all wholesale service, and 0.201¢ per therm for core retail service. The highest daily border price index is an average of the highest prices from "NGI's Daily Gas Price Index – Southern California Border Average" and "Gas Daily's Daily Price Survey – SoCal gas, large pkgs Midpoint."

Core Retail Service:

SP-CR Standby Rate, per therm

November, 2003	94.926¢
December, 2003	98.939¢
January, 2004	TBD*

Noncore Retail Service:

SP-NR Standby Rate, per therm

November, 2003	94.991¢
December, 2003	99.004¢
January, 2004	TBD*

Wholesale Service:

SP-W Standby Rate per therm

November, 2003	94.991¢
December, 2003	99.004¢
January, 2004	TBD*

* To be determined (TBD). Pursuant to Resolution G-3316, the January 2004 Standby Procurement Charge will be filed by separate advice letter at least one day prior to February 23, 2004.

Buy-Back Rate

This rate is applied to customer's cumulative positive transportation imbalance (confirmed transportation deliveries less actual usage) exceeding the 10 percent tolerance band. The Buy-Back Rate is established effective the last day of each month and will be the lower of 1) the lowest incremental cost of gas purchased by Utility during the month the excess imbalance was incurred; or 2) 50% of the applicable Adjusted Core Procurement Charge, G-CPA, set forth in Schedule No. G-CP, during the month such excess imbalance was incurred.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3345
 DECISION NO. 89-11-060 & 90-09-089,
 208 et al.

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Jan 30, 2004
 EFFECTIVE Jan 31, 2004
 RESOLUTION NO. _____

Schedule No. G-IMB
TRANSPORTATION IMBALANCE SERVICE

Sheet 3

(Continued)

RATES (Continued)

Buy-Back Rate (Continued)

Retail Service:

BR-R Buy-Back Rate, per therm

November, 2003	21.370¢
December, 2003	22.905¢
January, 2004	27.903¢

Wholesale Service:

BR-W Buy-Back Rate, per therm

November, 2003	21.266¢
December, 2003	22.793¢
January, 2004	27.767¢

If the incremental cost of gas is the basis for the Standby or Buy-Back Rates, Utility will provide CPUC the necessary work papers for such cost. Such documentation will be provided under confidentiality pursuant to General Order 66-C and Section 583 of the Public Utilities Code.

Daily Balancing Standby Rates

During November through March customers are required to deliver (flowing supply and firm storage withdrawal) at a minimum of 50% of burn during a five-day period. Volumes not in compliance with the 50% five-day minimum delivery requirement are purchased at the daily standby rate. The daily balancing standby rate is calculated as 150% of the highest Southern California Border price during the five-day period as published in "NGI's *Daily Gas Price Index*" including authorized franchise fees and, for retail customers, uncollectible expenses (F&U), and an authorized brokerage fee.

When the Utility's total inventory in storage declines to the "peak day minimum + 20 Bcf trigger", the minimum daily delivery requirement increases to 70%. The five-day period no longer applies. The daily balancing standby rate is 150% of the highest Southern California Border price per NGI's *Daily Gas Price Index* for the day (including F&U and brokerage fee) and is applied to each day's deliveries which are less than the 70% delivery requirement.

When the Utility's total inventory in storage declines to the "peak day minimum + 5 Bcf trigger", the minimum delivery requirement increases to 90% daily. Similar to the 70% regime, the five-day period no longer applies. The daily balancing standby rate is 150% of the highest Southern California Border price per NGI's *Daily Gas Price Index* for the day (including F&U and brokerage fee) and is applied to each day's deliveries which are less than the 90% delivery requirement.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3345
 DECISION NO. 89-11-060 & 90-09-089,
 et al.
 3ca

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Jan 30, 2004
 EFFECTIVE Jan 31, 2004
 RESOLUTION NO. _____

Schedule No. G-IMB
TRANSPORTATION IMBALANCE SERVICE

Sheet 4

(Continued)

RATES (Continued)

Daily Balancing Standby Rates (Continued)

Daily Balancing Standby Rate, per therm

January 2004 <u>Day</u>	Core Retail <u>DB-CR</u>	Noncore Retail <u>DB-NR</u>	Wholesale <u>DB-W</u>
1	\$0.85117	\$0.85182	\$0.84769
2	\$0.85117	\$0.85182	\$0.84769
3	\$0.85117	\$0.85182	\$0.84769
4	\$0.85117	\$0.85182	\$0.84769
5	\$0.85117	\$0.85182	\$0.84769
Period 1 High	\$0.85117	\$0.85182	\$0.84769
6	\$0.95521	\$0.95586	\$0.95123
7	\$1.04242	\$1.04307	\$1.03801
8	\$0.92002	\$0.92067	\$0.91621
9	\$0.89707	\$0.89772	\$0.89337
10	\$0.97357	\$0.97422	\$0.96950
Period 2 High	\$1.04242	\$1.04307	\$1.03801
11	\$0.97357	\$0.97422	\$0.96950
12	\$0.97357	\$0.97422	\$0.96950
13	\$0.86647	\$0.86712	\$0.86292
14	\$0.86800	\$0.86865	\$0.86444
15	\$0.85576	\$0.85641	\$0.85226
Period 3 High	\$0.97357	\$0.97422	\$0.96950
16	\$0.87718	\$0.87783	\$0.87357
17	\$0.80833	\$0.80898	\$0.80506
18	\$0.80833	\$0.80898	\$0.80506
19	\$0.80833	\$0.80898	\$0.80506
20	\$0.80833	\$0.80898	\$0.80506
Period 4 High	\$0.87718	\$0.87783	\$0.87357

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(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3344
 DECISION NO. 97-11-070

407

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Jan 23, 2004
 EFFECTIVE Jan 23, 2004
 RESOLUTION NO. _____

Schedule No. G-IMB
TRANSPORTATION IMBALANCE SERVICE

Sheet 5

(Continued)

RATES (Continued)

Daily Balancing Standby Rates (Continued)

Daily Balancing Standby Rate, per therm (Continued)

January 2004 Day	Core Retail DB-CR	Noncore Retail DB-NR	Wholesale DB-W
21	\$0.87259	\$0.87324	\$0.86901
22	\$0.88483	\$0.88548	\$0.88119
23	\$0.87412	\$0.87477	\$0.87053
24	\$0.84658	\$0.84723	\$0.84312
25	\$0.84658	\$0.84723	\$0.84312
Period 5 High	\$0.88483	\$0.88548	\$0.88119
26	\$0.84658	\$0.84723	\$0.84312
27	\$0.84199	\$0.84264	\$0.83855
28	\$0.87106	\$0.87171	\$0.86748
29	\$0.88024	\$0.88089	\$0.87662
30	\$0.84658	\$0.84723	\$0.84312
31	\$0.84658	\$0.84723	\$0.84312
Period 6 High	\$0.88024	\$0.88089	\$0.87662

Note: For the days of January 1-31, 2004 the Utility's total inventory in storage was above the "peak day minimum + 20 Bcf trigger" and therefore the five-day period applies.

Revision of Rates

The Standby Procurement Charge and the Buy-Back Rate shall be established effective the last day of each month. The Daily Balancing Standby Rate shall be established on NGI's Daily Gas Price Index. Utility may file the Daily Balancing Standby Rate weekly to become effective immediately. In any event, the Daily Balancing Standby Rate shall be filed on or before the fifth business day of each month.

SPECIAL CONDITIONS

1. Definitions of the principal terms used in this rate schedule are contained in Rule No. 1.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3347
 DECISION NO. 97-11-070
 SC6

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Feb 3, 2004
 EFFECTIVE Feb 3, 2004
 RESOLUTION NO. _____

Schedule No. G-IMB
TRANSPORTATION IMBALANCE SERVICE

Sheet 6

(Continued)

SPECIAL CONDITIONS (Continued)

2. Imbalances will be calculated by combining all of a customer's meters served under the same order control code, not by account or individual delivery point. The order control code is used by Utility to group those facilities identified by the customer for determining the customer's imbalances.
3. Customers may not use imbalance trading or as-available withdrawal during the period November 1-March 31 to offset minimum daily delivery requirements.
4. Customers may trade their monthly imbalances with other customers. Customer's cumulative imbalances will be stated on the customer's monthly bill. The customer's bill will serve as notice of current imbalances. Beginning at 7:00 a.m., Pacific Clock Time (PCT), on the 25th calendar day in the month of notification, customers may enter EBB to trade imbalances with other customers. Customers within the tolerance band may trade any quantities so long as the 10% tolerance band is not exceeded. Customers outside the tolerance band may trade quantities up to a maximum of their excess imbalance (quantities outside of tolerance) plus the 10% tolerance band. Utility will notify participants through EBB or other notice once the trade is validated. The trading period will end at 11:59 p.m. PCT on the 30th calendar day of the same month. During the month of February, the trading period begins at 7:00 a.m. PCT on the 23rd of the month and ends at 11:59 p.m. PCT on the 28th calendar day of the month.
5. Imbalance trades may be submitted through EBB or by facsimile using the Imbalance Trading Agreement Form (Form No. 6544) and must be received by the Utility by the close of the trading period.

To submit an imbalance trade by facsimile, both parties must complete and send by facsimile a copy of the Imbalance Trading Agreement Form to the Utility. The Utility will then confirm the trade and adjust the participants' imbalance accounts. A processing charge of \$13.73 will be charged by the Utility for each imbalance trade submitted by facsimile using the Imbalance Trading Agreement Form. No processing charge will apply to an EBB subscriber for imbalance trades submitted by facsimile at a time the EBB system is unavailable for use by the subscriber.
6. Customers may use their storage account(s) to offset their imbalances or to trade with other customers under the conditions set forth in their applicable storage service rate schedule for unbundled storage service, or in Rule No. 32 for Aggregators.

A storage customer may trade positive imbalances, i.e., overdeliveries, into its storage account only if its storage inventory capacity is available during the month that the imbalance occurred and at the time the imbalance trade takes place. Similarly, a storage customer may trade negative imbalances, i.e., underdeliveries, using its storage account only if there is sufficient gas in storage in the account during the month that the imbalance occurred and at the time the imbalance trade takes place.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3235
DECISION NO.
6C13

ISSUED BY
Lee Schavrien
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Feb 7, 2003
EFFECTIVE Mar 30, 2003
RESOLUTION NO.

Schedule No. G-IMB
TRANSPORTATION IMBALANCE SERVICE

Sheet 7

(Continued)

SPECIAL CONDITIONS (Continued)

7. After the imbalance trading period, the Standby Procurement Charge or Buy-Back will be applied to all imbalance quantities in excess of the tolerance band.
8. Standby Procurement service provided hereunder will be curtailed in accordance with the provisions of Rule 23. Penalties for violations of curtailment shall apply as set forth in Rule No. 23. Customers will not be allowed to trade negative imbalances incurred during periods of curtailment.
9. When in the judgment of the Utility transportation nominations are in excess of system capacity, Buy-Back service hereunder shall be applied to daily periods as designated by the Utility in accordance with the provisions of Rule No. 30, Section F. Customers shall not be allowed to trade positive imbalances incurred during such daily periods. The Buy-Back Rate shall apply to all positive imbalances in excess of the 10% tolerance band for each such period. Standby service shall be provided for the regular monthly balancing period and shall not be restricted to the excess nominations periods.
10. Under this schedule, the responsible customer will reimburse the Utility for any penalties or charges incurred by the Utility under an interstate or intrastate supplier arrangement when such penalties or charges occur as a direct result of Utility's providing this imbalance service to customer.
11. If as the result of billing error, metering error, or transportation adjustments, customer trades an incorrect amount of imbalance quantities based on notification by Utility, Utility will not be liable for any financial losses or damages incurred by customer nor will Utility be financially liable to any of the customer's imbalance trading partners. If as a result of such error, Utility overbills customer, Utility shall refund the difference. If Utility underbills customer, the customer shall be liable for the undercharge including any associated penalty. The customer shall not be relieved of imbalance penalties when a subsequent billing adjustment is made by Utility. For the purpose of determining imbalances and any applicable charges hereunder, Utility will include subsequent billing adjustments for prior periods as part of the usage deemed to occur during the subsequent period unless the customer reimburses the Utility for the actual cost of gas incurred. Trades occurring in prior periods will not be affected by such billing adjustments. Utility may issue a bill for Daily Balancing Standby Rate charges on a weekly or fortnightly basis upon customer or marketer request or if a customer or marketer delivers into the system less than 50 percent of its usage. Otherwise, Daily Balancing Standby Rate charges shall be included in the regular monthly bill.

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 3018

DECISION NO. 2

7C3

ISSUED BY

William L. Reed

Vice President

Chief Regulatory Officer

(TO BE INSERTED BY CAL. PUC)

DATE FILED Apr 27, 2001

EFFECTIVE Jun 6, 2001

RESOLUTION NO. _____

Rule No. 30

Sheet 1

TRANSPORTATION OF CUSTOMER-OWNED GAS

The provisions of this Rule shall not apply to service until the date of full implementation of the CPUC's Capacity Brokering Rules set forth in Decision Nos. 91-11-025 and 92-07-025 and Resolution Nos. G-3023, G-3033 and G-3043.

The general terms and conditions applicable whenever the Utility transports customer-owned gas over its system are described herein.

A. General

1. Subject to the terms, limitations and conditions of this rule and any applicable CPUC authorized tariff schedule, directive, or rule, the customer will deliver or cause to be delivered to the Utility and accept on redelivery quantities of customer-owned gas which shall not exceed Utility's capability to receive or redeliver such quantities. Utility will accept such quantities of gas from the customer or its designee and redeliver to the customer on a reasonably concurrent basis an equivalent quantity, on a term basis, to the quantity accepted.
2. The customer warrants to the Utility that the customer has the right to deliver the gas provided for in the customer's applicable service agreement or contract (hereinafter "service agreement") and that the gas is free from all liens and adverse claims of every kind. The customer will indemnify, defend and hold the Utility harmless against any costs and expenses on account of royalties, payments or other charges applicable before or upon delivery to the Utility of the gas under such service agreement.
3. The point(s) where the Utility will receive the gas into its intrastate system (point(s) of receipt, as defined in Rule No. 1) and the point(s) where the Utility will deliver the gas from its intrastate system to the customer (point(s) of delivery, as defined in Rule No. 1) will be set forth in the customer's applicable service agreement. Other points of receipt and delivery may be added by written amendment thereof by mutual agreement. The appropriate delivery pressure at the points of delivery to the customer shall be that existing at such points within the Utility's system or as specified in the service agreement.

B. Quantities

1. The Utility shall as nearly as practicable each day redeliver to customer and customer shall accept, a like quantity of gas as is delivered by the customer to the Utility on such day. It is the intention of both the Utility and the customer that the daily deliveries of gas by the customer for transportation hereunder shall approximately equal the quantity of gas which the customer shall receive at the points of delivery. However, it is recognized that due to operating conditions either (1) in the fields of production, (2) in the delivery facilities of third parties, or (3) in the Utility's system, deliveries into and redeliveries from the Utility's system may not balance on a day-to-day basis. The Utility and the customer will use all due diligence to assure proper load balancing in a timely manner.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 2651
DECISION NO. 97-11-070

ISSUED BY
Paul J. Cardenas
Vice President

(TO BE INSERTED BY CAL. PUC)
DATE FILED Nov 21, 1997
EFFECTIVE Dec 26, 1997
RESOLUTION NO. _____

Rule No. 30
TRANSPORTATION OF CUSTOMER-OWNED GAS

Sheet 2

(Continued)

B. Quantities (Continued)

2. The gas to be transported hereunder shall be delivered and redelivered as nearly as practicable at uniform hourly and daily rates of flow. Utility may refuse to accept fluctuations in excess of ten percent (10%) of the previous day's deliveries, from day to day, if in the Utility's opinion receipt of such gas would jeopardize other operations. Customers may make arrangements acceptable to the Utility to waive this requirement.
3. The Utility does not undertake to redeliver to the customer any of the identical gas accepted by the Utility for transportation, and all redelivery of gas to the customer will be accomplished by substitution on a therm-for-therm basis.
4. Transportation customers, contracted marketers, and aggregators will be provided monthly balancing services in accordance with the provisions of Schedule No. G-IMB.
5. Gas shall be transported hereunder for use only by the customer within the state of California, and not for delivery or resale to a third party unless authorized by the Commission.

C. Electronic Bulletin Board

1. SoCalGas prefers and encourages customers to use Electronic Bulletin Board (EBB) as defined in Rule No. 1 to submit their transportation nominations to the Utility. Imbalance trades are to be submitted through EBB or by means of the Imbalance Trading Agreement Form (Form 6544). Charges for EBB are set forth in Rule No. 33 and are based upon the level of actual usage. Use of EBB is not mandatory for transportation only customers.

D. Operational Requirements

1. The customer must provide to the Utility the name(s) of its shipper(s) as well as any brokers or agents ("agent") used by the customer for delivery of gas to the Utility for transportation service hereunder and their authority to represent customer.
2. Transportation nominations may be submitted manually or through EBB. For each transportation nomination submitted manually, (by means other than EBB such as facsimile transmittal), a processing charge of \$11.87 shall be assessed. No processing charge will apply to an EBB subscriber for nominations submitted by fax at a time the EBB system is unavailable for use by the subscriber.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3235
DECISION NO.

2015

ISSUED BY
Lee Schavrien
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Feb 7, 2003
EFFECTIVE Mar 30, 2003
RESOLUTION NO. _____

TRANSPORTATION OF CUSTOMER-OWNED GAS

(Continued)

D. Operational Requirements (Continued)

3. Transportation nominations submitted via EBB for the Timely Nomination cycle must be received by the Utility by 9:30 a.m. Pacific Clock Time one day prior to the flow date. Nominations submitted via fax must be received by the Utility by 8:30 a.m. Pacific Clock Time one day prior to the flow date. Nominations received after the nomination deadline will be processed after the nominations received before the nomination deadline. All nominations are considered original nominations and should be replaced to be changed.

Nominations submitted via EBB for the Evening Nomination cycle must be received by the Utility by 4:00 p.m. Pacific Clock Time one day prior to the flow date. Nominations submitted via fax must be received by the Utility by 3:00 p.m. Pacific Clock Time one day prior to the flow date.

Nominations submitted via EBB for the Intraday 1 Nomination cycle must be received by the Utility by 8:00 a.m. Pacific Clock Time on the flow date. Nominations submitted via fax must be received by the Utility by 7:00 a.m. Pacific Clock Time on the flow date.

Nominations submitted via EBB for the Intraday 2 Nomination cycle must be received by the Utility by 3:00 p.m. Pacific Clock Time on the flow date. Nominations submitted via fax must be received by the Utility by 2:00 p.m. Pacific Clock Time on the flow date.

Evening and Intraday nominations may be used to request an increase or decrease to scheduled volumes or a change to receipt or delivery points.

4. Where gas is transported by a shipper or agent to more than one customer of the Utility and the transporting pipeline's allocation to the shipper or agent is less than the shipper's or agent's requested quantity, such shipper or agent must allocate among its customers the total quantity of gas delivered each day to the Utility by the shipper or agent.

An allocation ranking must be submitted to the Utility no later than 3:00 p.m. Pacific Clock Time on the date of flow. An allocation ranking should be received for each flow date from each shipper. Agent rankings should be submitted along with the nominations.

If no allocation ranking is made by such shipper or agent by the due date and time, the Utility will use a pro rata allocation in allocating delivered quantities among the shipper's or agent's customers and the Utility's allocation of these quantities will prevail. The total quantity allocated among the customers of a shipper or agent during a month shall be adjusted by the Utility if necessary to match the actual monthly delivery to the Utility for the shipper or agent as reported by the transporting pipeline.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3235
DECISION NO.

ISSUED BY
Lee Schavrien
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Feb 7, 2003
EFFECTIVE Mar 30, 2003
RESOLUTION NO. _____

Rule No. 30

Sheet 4

TRANSPORTATION OF CUSTOMER-OWNED GAS

(Continued)

Operational Requirements (Continued)

5. As between the customer and the Utility, the customer shall be deemed to be in control and possession of the gas to be delivered hereunder and responsible for any damage or injury caused thereby until the gas has been delivered at the point(s) of receipt. The Utility shall thereafter be deemed to be in control and possession of the gas after delivery to the Utility at the point(s) of receipt and shall be responsible for any damage or injury caused thereby until the same shall have been redelivered at the point(s) of delivery, unless the damage or injury has been caused by the quality of gas originally delivered to the Utility, for which the customer shall remain responsible.
6. Any penalties or charges incurred by the Utility under an interstate or intrastate supplier contract as a result of accommodating transportation service shall be paid by the responsible customer.
7. Customers receiving service from the Utility for the transportation of customer-owned gas shall pay any costs incurred by the Utility because of any failure by third parties to perform their obligations related to providing such service.

E. Interruption of Service

1. The customer's transportation service priority shall be established in accordance with the definitions of Core and Noncore service, as set forth in Rule No. 1, and the provisions of Rule No. 23, Continuity of Service and Interruption of Delivery. If the customer's gas use is classified in more than one service priority, it is the customer's responsibility to inform the Utility of such priorities applicable to the customer's service. Once established, such priorities cannot be changed during a curtailment period.
2. The Utility shall have the right, without liability (except for the express provisions of the Utility's Service Interruption Credit as set forth in Rule No. 23), to interrupt the acceptance or redelivery of gas whenever it becomes necessary to test, alter, modify, enlarge or repair any facility or property comprising the Utility's system or otherwise related to its operation. When doing so, the Utility will try to cause a minimum of inconvenience to the customer. Except in cases of unforeseen emergency, the Utility shall give a minimum of ten (10) days advance written notice of such activity.

F. Nominations in Excess of System Capacity

1. In the event the Utility determines that the transportation nominations received for a specific date of gas flow ("flow date") exceed its expected system capacity (including storage) on such flow date, the Utility shall apply Buy-Back service under Schedule No. G-IMB separately for each flow date that is overnominated. In such event, the Utility shall follow the procedure set forth below. This procedure and the resulting periods of excess nominations shall apply only to (1) all noncore transportation customers, and (2) all customers with usage exceeding 250,000 therms per year at each facility served under Schedule Nos. GT-10 and GT-NGV.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 2917
DECISION NO. 00-04-060

ISSUED BY
William L. Reed
Vice President
Chief Regulatory Officer

(TO BE INSERTED BY CAL. PUC)
DATE FILED May 19, 2000
EFFECTIVE Jun 1, 2000
RESOLUTION NO. _____

Rule No. 30

Sheet 5

TRANSPORTATION OF CUSTOMER-OWNED GAS

(Continued)

F. Nominations in Excess of System Capacity (Continued)

2. If the Utility determines that transportation nominations received for a specific flow date will result in a period of excess nominations, the Utility shall effectuate at such time a reduction of Hub services that would contribute to the overnomination event and as-available storage injection nominations made for service under Schedule No. G-AUC. Such reductions shall be made in the order of the as-available service queue.
3. If such reductions in nominations are inadequate in resolving the excess transportation nominations problem, Utility shall notify all applicable customers that an excess nominations period shall be instituted. The Utility shall provide such notice via its EBB system.
4. The excess nominations period shall begin on the flow date(s) indicated by the Utility. Nominations for customers without automated meter reading devices will be reduced to the maximum daily quantity specified for the customer. Customers shall be allowed to reduce their nominations in response to the Utility's notification. Such nominations reductions must be received by the Utility within two (2) business hours from the Utility's notification. If such voluntary reductions are adequate to bring the system into balance, the overnomination flow date will be anceled. Nomination reductions received after this deadline shall be considered received for the next day's nominations.
5. In the event customers fail to adequately reduce their transportation nominations, the Utility shall reduce the nominations of those customers that the Utility believes are causing the excess nominations problem. In making such nominations reductions, the Utility shall utilize the most recent and best available operating data at its disposal.
6. In cases where the Utility reduces a customer's nomination under the above procedure and, as a result of such reduction, the customer uses Standby Procurement service under Schedule No. G-IMB in excess of the 10% tolerance band, the customer shall be allowed to additionally carry over the lesser of (1) the negative imbalance for the month in excess of the tolerance band, or (2) the amount of the customer's total involuntary nominations reductions for the month. Such additional carryover shall be applied to the customer's imbalance account at the conclusion of the imbalance trading period for the month in which the involuntary reduction occurred.
7. In accordance with the provisions of Schedule No. G-IMB, Buy-Back service shall be applied separately to each excess nominations day. Customer meters subject to maximum daily quantity limitations will use the maximum daily quantity as a proxy for daily usage. For each such day, the Utility shall apply the applicable Buy-Back rate to all of the customer's deliveries, less any firm storage injections made on behalf of the customer, for the designated flow date that are in excess of 110% of the customer's actual usage.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3235
DECISION NO.

5C14

ISSUED BY
Lee Schavrien
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Feb 7, 2003
EFFECTIVE Mar 30, 2003
RESOLUTION NO. _____

LA000682

Rule No. 30
TRANSPORTATION OF CUSTOMER-OWNED GAS

Sheet 6

(Continued)

F. Nominations in Excess of System Capacity (Continued)

8. Consistent with the requirements of Decision No. 92-07-025, the Utility's Gas Supply Department shall limit its deliveries into its system on behalf of its core sales market to no more than 110% of actual gas usage for the core (including firm storage injections on behalf of the core) during periods of excess transportation nominations.

G. Winter Deliveries

The Utility requires that customers deliver (using a combination of flowing supply and firm storage withdrawal) at least 50% of burn over a five day period from November through March. As the Utility's total storage inventory declines through the winter, the delivery requirement becomes daily and increases to 70% or 90% depending on the level of inventory relative to peak day minimums.

1. From November 1 through March 31 customers are required to deliver (flowing supply and firm storage withdrawal) at a minimum of 50% of burn over a 5-day period. In other words, for each 5-day period, the Utility will calculate the total burn and the total delivery. If the total delivery is less than 50% of the total burn, a daily balancing standby charge is applied. The daily balancing standby rate is 150% of the highest Southern California Border price during the five day period as published by Natural Gas Intelligence in "NGI's Daily Gas Price Index," including authorized franchise fees and uncollectible expenses (F&U) and brokerage fees. Imbalance trading and as-available withdrawals may not be used to offset the delivery minimums. As an additional requirement, retail core and core aggregation will deliver a volume no less than 50% of their allocated firm interstate pipeline rights.
 - a. "Burn" means usage and is defined as metered throughput or an estimated quantity such as Minimum Daily Quantity (MinDQ), as defined in Rule No. 1, for customers without automated meters.
 - b. Example five-day periods are: Nov. 1 through Nov. 5, Nov. 6 through Nov. 10, Nov. 11 through Nov. 15 and so on. November with 30 days has six 5-day periods. December, January and March with 31 days have a 6-day period at the end of the month. February has a shortened 3 or 4-day period at the end of the month. The current 5-day period will run its course fully before the implementation of the 70% daily requirement. In the event that inventories rise above the 70% daily trigger levels by 1 Bcf, then a new, 5-day period will be implemented on the following day.
 - c. Example calculations for determining volumes subject to the daily balancing standby rate are: if over 5 days, total burn is 500,000 therms and total deliveries (including firm withdrawal) are 240,000 therms, then 10,000 therms is subject to daily balancing standby rate. (50% times 500,000 minus 240,000 equals 10,000).

(Continued)

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 2734

DECISION NO.

6C3

ISSUED BY

Paul J. Cardenas

Vice President

(TO BE INSERTED BY CAL. PUC)

DATE FILED Aug 7, 1998

EFFECTIVE Sep 16, 1998

RESOLUTION NO.

LA000683

TRANSPORTATION OF CUSTOMER-OWNED GAS

(Continued)

G. Winter Deliveries (Continued)

1. (continued)

- d. Example calculations in using NGI's Daily Gas Price Index for determining the daily balancing standby rate are: If for Jan. 6 through Jan. 10 the NGI Southern California Border quoted price ranges are \$2.36- 2.39, \$2.36-2.44, \$2.38-2.47, \$2.36-2.42, and \$2.37- 2.45, respectively, then the daily balancing standby rate becomes \$3.71 (\$2.47 times 150%).
 - e. With the exception of weekends and holidays, the Utility will use quotes from the NGI publication dated on the same day as the flow date. Weekend or holiday flow dates will use the first available publication date after the weekend or holiday.
 - f. Under current capacity assignments, 50% of core (retail core plus core aggregation) interstate pipeline rights translates to 522 MMcf/d. For aggregators this translates to 50% of the Daily Contract Quantity (DCQ) as defined in Rule No. 1.
2. When total inventory declines to the "peak day minimum + 20 Bcf trigger," the minimum daily delivery requirement increases to 70%. Customers are then required to be balanced (flowing supply plus firm storage withdrawal) at a minimum of 70% of burn on a daily basis. The 5-day period no longer applies since the system can no longer provide added flexibility. The daily balancing standby rate is 150% of the highest Southern California Border price per NGI's *Daily Gas Price Index* for the day (including authorized F&U and brokerage fees) and is applied to each day's deliveries which are less than the 70% requirement. In this regime as-available storage withdrawal is cut in half. All Hub activity contributing to the underdelivery situation (i.e., Hub deliveries greater than Hub receipts) is suspended.
- a. Peak day minimums are calculated annually before November 1 as part of normal winter operations planning. The peak day minimum is that level of total inventory that must be in storage to provide deliverability for the core 1-in-35 year peak day event, firm withdrawal commitments and noncore balancing requirement.
 - b. Example calculations in this regime for determining volumes subject to the daily balancing standby rates are: If on January 6 total burn is 500,000 therms, and total deliveries (including firm withdrawal) are 300,000 therms then 50,000 therms is subject to the daily balancing standby charge (70% times 500,000 minus 300,000 equals 50,000).
 - c. Example calculations in using NGI's Daily Gas Price Index for daily balancing standby rates in this regime are: if for January 6 and January 7, the NGI Southern California Border quoted price ranges are \$2.36-2.39 and \$2.36-2.44, then the daily balancing standby rates become \$3.59 (150% of 2.39) for January 6, and \$3.66 (150% times 2.44) for January 7, respectively.

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(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 2734
 DECISION NO. _____

ISSUED BY
Paul J. Cardenas
 Vice President

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Aug 7, 1998
 EFFECTIVE Sep 16, 1998
 RESOLUTION NO. _____

Rule No. 30

Sheet 8

TRANSPORTATION OF CUSTOMER-OWNED GAS

(Continued)

G. Winter Deliveries (Continued)

3. When total inventories decline to the "peak day minimum + 5 Bcf trigger," the minimum daily delivery requirement increases to 90%. Customers are required to be balanced (flowing supply plus firm storage withdrawal) at a minimum of 90% of burn on a daily basis. Similar to the 70% regime the 5 day period no longer applies. The daily balancing standby rate is charged daily and is 150% of the highest Southern California Border price per NGI's *Daily Gas Price Index* for the day (including authorized F&U and brokerage fees). In this regime there are no as-available storage withdrawals. All Hub activity contributing to the underdelivery situation (i.e., Hub deliveries greater than Hub receipts) is suspended.
4. Information regarding the established peak day minimums, daily balancing trigger levels and total storage inventory levels will be made available to customers on a daily basis via EBB and other customer notification media.
5. If a wholesale customer so requests, the Utility will nominate firm storage withdrawal volumes on behalf of the customer to match 100% of actual usage assuming the customer has sufficient firm storage withdrawal and inventory rights to match the customer's supply and demand.
6. The Utility will accept intra-day nominations to increase deliveries.
7. In all cases, current BCAP rules for monthly balancing and monthly imbalance trading continue to apply. Volumes not in compliance with the 50%, 70% and 90% minimum delivery requirements, purchased at the daily balancing standby rate, are credited toward the monthly 90% delivery requirements. Daily balancing charges remain independent of monthly balancing charges. Daily balancing and monthly balancing charges go to the Purchased Gas Account (PGA). Schedule No. G-IMB provides details on monthly and daily balancing charges.

H. Accounting and Billing

1. The customer and the Utility acknowledge that on any operating day during the customer's applicable term of transportation service, the Utility may be redelivering quantities of gas to the customer pursuant to other present or future service arrangements. In such an event, the Utility and customer agree that the total quantities of gas shall be accounted for in accordance with the provisions of Rule No. 23. If there is no conflict with Rule No. 23, the quantities of gas shall be accounted for in the following order:

(Continued)

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 3235

DECISION NO. -

8C14

ISSUED BY

Lee Schavrien

Vice President

Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Feb 7, 2003

EFFECTIVE Mar 30, 2003

RESOLUTION NO. _____

LA000685

Rule No. 30

Sheet 9

TRANSPORTATION OF CUSTOMER-OWNED GAS

(Continued)

H. Accounting and Billing (Continued)

1. (Continued)

- a. First, to satisfy any minimum quantities under existing agreements.
 - b. Second, after complete satisfaction of (a), then to any supply or exchange service arrangements with the customer.
 - c. Third, after the satisfaction of (a) and (b), then to any subsequently executed service agreement.
2. The customer agrees that it shall accept and the Utility can rely upon, for purposes of accounting and billing, the allocation made by customer's shipper as to the quality and quantity of gas, expressed both in Mcf and therms, delivered at each point of receipt during the preceding billing period for the customer's account. If the shipper does not make such an allocation, the customer agrees to accept the quality and quantity as determined by the Utility. All quality and measurement calculations are subject to subsequent adjustment as provided in the Utility's tariff schedules or applicable CPUC rules and regulations. Any other billing correction or adjustment made by the customer or third party for any prior period shall be based on the rates or costs in effect when the event occurred and accounted for in the period they are reconciled.
3. The Utility shall render to the customer an invoice for the services hereunder showing the quantities of gas, expressed in therms, delivered to the Utility for the customer's account, at each point of receipt and the quantities of gas, expressed in therms, redelivered by Utility for the customer's account at each point of delivery during the preceding billing period. The Customer shall pay such amounts due hereunder within nineteen (19) calendar days following the date such bill is mailed.
4. Both the Utility and the customer shall have the right at all reasonable times to examine, at its expense, the books and records of the other to the extent necessary to verify the accuracy of any statement, charge, computation, or demand made under or pursuant to service hereunder. The Utility and the customer agree to keep records and books of account in accordance with generally accepted accounting principles and practices in the industry.

I. Gas Quality

1. The gas stream delivered by the customer into the Utility's system shall conform to the gas quality specifications as provided in any applicable agreements, contracts, service contracts and tariff schedules in effect between the delivering interstate or intrastate pipeline and the Utility at the time of the delivery.

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(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 2665
DECISION NO.
9C2

ISSUED BY
William L. Reed
Vice President
Chief Regulatory Officer

(TO BE INSERTED BY CAL. PUC)
DATE FILED Jan 16, 1998
EFFECTIVE Feb 25, 1998
RESOLUTION NO. _____

Rule No. 30

Sheet 10

TRANSPORTATION OF CUSTOMER-OWNED GAS

(Continued)

I. Gas Quality (Continued)

2. All gas delivered into the Utility's system for the account of the customer for which there is no existing contract between the delivering pipeline and the Utility shall be at a pressure such that the gas can be integrated into the Utility's system at the point(s) of receipt and shall conform to the following minimum specifications:
- a. Heating Value: The minimum heating value is nine hundred and seventy (970) Btu (gross) per standard cubic foot on a dry basis. The maximum heating value is one thousand one hundred fifty (1150) Btu (gross) per standard cubic foot on a dry basis.
 - b. Moisture Content or Water Content: For gas delivered at or below a pressure of eight hundred (800) psig, the gas shall have a water content not in excess of seven (7) pounds per million standard cubic feet. For gas delivered at a pressure exceeding of eight hundred (800) psig, the gas shall have a water dew point not exceeding 20F at delivery pressure.
 - c. Hydrogen Sulfide: The gas shall not contain more than twenty-five hundredths (0.25) of one (1) grain of hydrogen sulfide per one hundred (100) standard cubic feet. The gas shall not contain any entrained hydrogen sulfide treatment chemical (solvent) or its by-products in the gas stream.
 - d. Mercaptan Sulfur: The mercaptan sulfur is not to exceed three tenths (0.3) grains per hundred standard cubic feet.
 - e. Total Sulfur: The gas shall not contain more than seventy-five hundredths (0.75) of a grain of total sulfur compounds per one hundred (100) standard cubic feet. This includes COS and CS₂, hydrogen sulfide, mercaptans and mono, di and poly sulfides.
 - f. Carbon Dioxide: The gas shall not have a total carbon dioxide content in excess of three percent (3%) by volume.
 - g. Oxygen: The gas shall not at any time have an oxygen content in excess of two-tenths of one percent (0.2%) by volume, and customer will make every reasonable effort to keep the gas free of oxygen.
 - h. Inerts: The gas shall not at any time contain in excess of four percent (4%) total inerts (the total combined carbon dioxide, nitrogen, oxygen and any other inert compound) by volume.
 - i. Hydrocarbons: For gas delivered at a pressure of 800 psig or less, the gas hydrocarbon dew point is not to exceed 45F at 400 psig or at the delivery pressure if the delivery pressure is below 400 psig. For gas delivered at a pressure higher than 800 psig, the gas hydrocarbon dew point is not to exceed 20F at a pressure of 400 psig.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 2665
DECISION NO. 2

ISSUED BY
William L. Reed
Vice President
Chief Regulatory Officer

(TO BE INSERTED BY CAL. PUC)
DATE FILED Jan 16, 1998
EFFECTIVE Feb 25, 1998
RESOLUTION NO. _____

Rule No. 30

Sheet 11

TRANSPORTATION OF CUSTOMER-OWNED GAS

(Continued)

I. Gas Quality (Continued)

2. (Continued)

- j. Dust, Gums and Other Objectionable Matter: The gas shall be commercially free from dust, gums and other foreign substances.
 - k. Hazardous Substances: The gas must not contain hazardous substances (including but not limited to toxic and/or carcinogenic substances and/or reproductive toxins) concentrations which would prevent or restrict the normal marketing of gas, be injurious to pipeline facilities, or which would present a health and/or safety hazard to Utility employees and/or the general public.
 - l. Delivery Temperature: The gas delivery temperature is not to be below 50F or above 105F.
 - m. Interchangeability: The gas shall meet American Gas Association's Wobbe Number, Lifting Index, Flashback Index and Yellow Tip Index interchangeability indices for high methane gas relative to a typical composition of gas in the Utility system near the points of receipt. Acceptable specification ranges are:
 - * Wobbe Number (W for receiving facility)
(WP for producer)
 $0.9 W \leq WP \leq 1.1 W$
 - * Lifting Index (IL)
 $IL \leq 1.06$
 - * Flashback Index (IF)
 $IF \leq 1.2$
 - * Yellow Tip Index (IY)
 $IY \geq 0.8$
 - * Specifications are in relation to a typical composition of gas serving the area to be supplied by the new source.
3. The Utility, at its option, may refuse to accept any gas tendered for transportation by the customer or on his behalf if such gas does not meet the specifications as set out in I. 1 and I. 2 above, as applicable.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 2665
DECISION NO. 2
11C2

ISSUED BY
William L. Reed
Vice President
Chief Regulatory Officer

(TO BE INSERTED BY CAL. PUC)
DATE FILED Jan 16, 1998
EFFECTIVE Feb 25, 1998
RESOLUTION NO. _____

Rule No. 30

Sheet 12

TRANSPORTATION OF CUSTOMER-OWNED GAS

(Continued)

J. Termination or Modification

1. If the customer breaches any terms and conditions of service of the customer's service agreement or the applicable tariff schedules and does not correct the situation within thirty (30) days of notice, the Utility shall have the right to cease service and immediately terminate the customer's applicable service agreement.
2. If the contract is terminated, either party has the right to collect any quantities of gas or money due them for transportation service provided prior to the termination.

K. Regulatory Requirements

1. Any gas transported by the Utility for the customer which was first transported outside the State of California shall have first been authorized under Federal Energy Regulatory Commission (FERC) regulations, as amended. Both parties recognize that such regulations only apply to pipelines subject to FERC jurisdiction, and do not apply to the Utility. The customer shall not take any action which would subject the Utility to the jurisdiction of the FERC, the Economic Regulatory Administration or any succeeding agency. Any such action shall be cause for immediate termination of the service arrangement between the customer and the Utility.
2. Transportation service shall not begin until both parties have received and accepted any and all regulatory authorizations necessary for such service.

L. Warranty and Indemnification

1. The customer warrants to the Utility that the customer has the right to deliver gas hereunder and that such gas is free from all liens and adverse claims of every kind. Customer will indemnify, defend and save Utility harmless against all loss, damage, injury, liability and expense of any character where such loss, damage, injury, liability or expense arises directly or indirectly out of any demand, claim, action, cause of action or suit brought by any person, association or entity asserting ownership of or any interest in the gas tendered for transportation hereunder, or on account of royalties, payments or other charges applicable before or upon delivery of gas hereunder.
2. The customer shall indemnify, defend and save harmless Utility, its officers, agents, and employees from and against any and all loss, costs (including reasonable attorneys' fees), damage, injury, liability, and claims for injury or death of persons (including any employee of the customer or the Utility), or for loss or damage to property (including the property of the customer or the Utility), which occurs or is based upon an act or acts which occur while the gas is deemed to be in the customer's control and possession or which results directly or indirectly from the customer's performance of its obligations arising pursuant to the provisions of its service agreement and the Utility's applicable tariff schedules, or occurs based on the customer-owned gas not meeting the specifications of Section I of this rule.

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 2651-A
DECISION NO. 97-11-070

ISSUED BY
Paul J. Cardenas
Vice President

(TO BE INSERTED BY CAL. PUC)
DATE FILED Dec 16, 1997
EFFECTIVE Dec 26, 1997
RESOLUTION NO. _____

Rule No. 23

Sheet 1

CONTINUITY OF SERVICE AND INTERRUPTION OF DELIVERY

The provisions of this Rule shall not apply to service until the date of full implementation of the CPUC's Capacity Brokering Rules set forth in Decision Nos. 91-11-025 and 92-07-025 and Resolution Nos. G-3023, G-3033 and G-3043.

A. General

The Utility will exercise reasonable diligence and care to furnish and deliver service to its customers, and to avoid any interruption of same. The Utility shall not be liable for damages or otherwise for any failure to deliver gas or provide service to its customers, which failure in any way or manner results from breakage of its facilities, however caused, war, riots, acts of God, strikes, failure of or interruption in service, operating limitations or other conditions beyond its reasonable control.

B. Priority of Service

In the event of a curtailment, as defined in Rule No. 1, the Utility shall curtail gas service to customers as described in Section C, Curtailment of Service, herein. Customer usage will be assigned to appropriate end-use priority or service classifications as set forth below.

Core Service

Priority 1 All residential usage regardless of size. All commercial and non-refinery industrial usage less than 20,800 therms per active month* (active month defined as one in which consumption exceeds 1,000 therms), excluding usage reclassified to noncore service pursuant to economic practicality prior to September 29, 1993. All electric generation, refinery and enhanced oil recovery (EOR) usage less than 20,800 therms per active month* electing core service.

Priority 2A All commercial and non-refinery industrial usage of 20,800 therms or greater per active month* who elect to remain core customers.

* A customer, excluding electric generation, refinery and enhanced oil recovery (EOR), whose usage does not exceed 20,800 therms per active month on an annualized basis for any period of 12 contiguous months within the most recent 24 month period will be classified as Priority 1. A commercial or non-refinery industrial customer whose usage is 20,800 therms per active month or greater on an annualized basis, for a period of any 12 contiguous months within the most recent 24 month period will be classified as Priority 2A and have the option of electing noncore service.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3188-A
 DECISION NO. 02-08-065

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Jun 13, 2003
 EFFECTIVE Oct 1, 2003
 RESOLUTION NO. _____

CONTINUITY OF SERVICE AND INTERRUPTION OF DELIVERY

(Continued)

B. Priority of Service (Continued)

Noncore Service

Noncore Service includes all commercial and industrial usage electing noncore service, electric generation, enhanced oil recovery (EOR), and refinery usage less than 20,800 therms per active month who have not elected core service, all electric generation, enhanced oil recovery (EOR), and refinery usage in excess of 20,800 therms per month.

Firm Service All usage served through firm intrastate transmission service (including core subscription service).

Interruptible All usage served through interruptible intrastate transmission service. Interutility deliveries shall be considered interruptible intrastate service.

C. Curtailment of Service

1. Effectuation of Curtailment

When in the judgment of the Utility, operating conditions require curtailment of service and/or the diversion of customer-owned gas, such curtailment shall be effectuated in the order and manner described below, unless otherwise specified in this rule.

- (1) All interruptible noncore Standby Procurement service.
- (2) All firm noncore Standby Procurement service.
- (3) All interutility service provided under Schedule No. GIT.
- (4) All as-available storage withdrawal service, provided under Schedule No. G-AUC, or portions thereof according to the as-available withdrawal reservation price paid with customers paying the lowest price curtailed first and customers paying the highest price curtailed last. Customers paying the same price will be curtailed on a pro rata basis with the exception that all UEG service shall be curtailed before cogeneration service.
- (5) All interruptible intrastate service according to the percentage of default rate paid, as defined in Rule No. 1, with customers paying the lowest percentage of default curtailed first. Customers paying the same percentage of default shall be curtailed on a pro rata basis (by equal percentage) with the exception that all UEG service shall be curtailed before cogeneration service where such service is at the same percentage of default.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3188-A
DECISION NO. 02-08-065

ISSUED BY
Lee Schavrien
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Jun 13, 2003
EFFECTIVE Oct 1, 2003
RESOLUTION NO. _____

Rule No. 23

Sheet 3

CONTINUITY OF SERVICE AND INTERRUPTION OF DELIVERY

(Continued)

C. Curtailement of Service (Continued)

1. Effectuation of Curtailment (Continued)

- (6) All firm intrastate service on a rotating basis as described in Section C.2 herein. During any period of firm intrastate service curtailment, standby procurement service shall be made available to core transportation customers. During such a curtailment period, however, core transportation customers using standby procurement in excess of the 10% tolerance band described in Schedule No. G-IMB shall pay the curtailment violation penalty described herein.
- (7) All firm unbundled storage withdrawal, equally with the Utility's core price function storage, on a pro rata basis with the exception that all UEG service shall be curtailed before cogeneration service.
- (8) All Priority 2A service on a pro rata basis.
- (9) All Priority 1 non-residential service on a pro rata basis.
- (10) All Priority 1 residential service on a pro rata basis.

2. Curtailment of Firm Intrastate Service

Firm intrastate service curtailment shall be effectuated by customer rotation. For determining the order of such curtailment, customers shall be separated into two firm service curtailment lists. The first list shall be for UEG and cogeneration customers and the second list shall be for all other firm service customers. Each curtailment list shall be ordered by individual customer as described in Section C.1. The order of customers for the two lists shall be established by lottery or other non-discriminatory means prior to the implementation date of the CPUC's Capacity Brokering Rules. The customer distribution for the two lists shall be maintained for the ten-year period beginning on the date of such implementation. During the ten-year period, new customers to firm service shall be randomly assigned a position on the appropriate list.

Once the order of the customers is established for each firm service curtailment list, the Utility shall aggregate customers with peak-day usage under 20 MMcfd into "blocks" of approximately 20 MMcfd, to the extent possible. Such aggregation shall be accomplished in the order of the listed customers for each list. Customers with peak-day usage of 20 MMcfd or more shall remain separately listed and shall be considered as one curtailment block. In the event firm service customers are added or deleted from the curtailment lists over the ten-year period, the Utility shall adjust the aggregation of the customer blocks as necessary.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 2958-A
DECISION NO.
3c2

ISSUED BY
William L. Reed
Vice President
Chief Regulatory Officer

(TO BE INSERTED BY CAL. PUC)
DATE FILED Oct 11, 2000
EFFECTIVE Nov 1, 2000
RESOLUTION NO. _____

Rule No. 23

Sheet 4

CONTINUITY OF SERVICE AND INTERRUPTION OF DELIVERY

(Continued)

C. Curtailement of Service (Continued)

2. Curtailement of Firm Intrastate Service (Continued)

In the event of a firm service curtailement, the Utility shall curtail, in unison, that number of customer blocks necessary to provide for a sufficient level of curtailement. The customer blocks curtailed shall be established by (1) selecting the first customer block from one firm service list, (2) then selecting the first customer block from the other firm service list, and (3) continuing such alternating selections down the two lists until that level of curtailement is reached that is operationally necessary. At the conclusion of the curtailement of the initially curtailed customer blocks, additional customer blocks shall be curtailed, if necessary, using the same alternating method beginning with the customer block immediately following the last block selected. Once all customers on a particular firm service list have been selected for curtailement, the alternating rotation process for such list shall continue at the beginning of the list.

In the event the curtailement of the last customer block selected would result in exceeding the level of curtailement operationally necessary, then the customers within that block shall be selected for curtailement based on the customer order within the block. Those customers not selected shall be treated as a separate block in succeeding curtailement rotations. If the curtailement of an individual customer would result in exceeding the level of curtailement necessary, then such customer shall be curtailed only to the level of curtailement which is necessary. Such partial curtailement shall still constitute an interruption for the purposes of the Service Interruption Credit.

For the UEG and cogeneration customer firm service list, UEG customers shall be listed before cogeneration customers. For each curtailement episode, UEG customers must be curtailed at least once using the alternating rotation process described above before beginning the curtailement order of cogeneration customers.

3. Transfers of Intrastate Curtailement

Firm and interruptible intrastate customers may make arrangements among themselves to transfer curtailement requirements in the event the Utility curtails service. Through such arrangements, responsibility for the curtailement imposed by the Utility shall be transferred from the original customer to be curtailed ("original curtailement assignee") to another customer or group of customers ("curtailement transferee") who would not otherwise be curtailed. All of the customers involved in the curtailement transfer must execute and provide to the Utility a Notice of Intrastate Curtailement Transfer (Form No. 6600).

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 2958-A
 DECISION NO.
 4C2

ISSUED BY
William L. Reed
 Vice President
 Chief Regulatory Officer

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Oct 11, 2000
 EFFECTIVE Nov 1, 2000
 RESOLUTION NO. _____

CONTINUITY OF SERVICE AND INTERRUPTION OF DELIVERY

(Continued)

C. Curtailement of Service (Continued)

3. Transfers of Intrastate Curtailement (Continued)

In the event the Utility provides curtailement notification to the original curtailement assignee less than 48 hours prior to initiation of the curtailement of such customer, the Utility must receive the Notice of Intrastate Curtailement Transfer, executed by all customers involved in the transfer arrangement, within 24 hours of the Utility's notification to the original curtailement assignee. In the event the Utility provides more than 72 hours notice to the original curtailement assignee, the Utility must receive the Transfer Notice, signed by all involved customers, no later than 48 hours prior to the scheduled initiation of curtailement of the original curtailement assignee. In the event of a curtailement, parties involved in a transfer of intrastate curtailement shall have their authorized curtailement quantity (ACQ) adjusted to reflect the transfer. The original curtailement assignee shall have its authorized curtailement quantity increased and the curtailement transferee shall have their authorized curtailement quantity decreased. Any penalties and charges assessed to either the original curtailement assignee or the curtailement transferee, due to either parties' failure to curtail, will be based upon transfer-adjusted ACQ's for each party.

The Service Interruption Credit (SIC) shall not apply to curtailed or diverted quantities transferred among customers and the original curtailement assignee shall be considered as having been curtailed for the purposes of the firm intrastate curtailement rotation list described in Section C.2 herein.

For the purpose of facilitating transfers of intrastate curtailement, as described in Section C.3, the Utility shall maintain a curtailement list by customer facility, as defined in Rule No. 1, for interruptible and firm intrastate service with the exception that for UEG customers, the curtailement order shall be listed by all service for an individual UEG customer for a particular level of service (firm or interruptible) and by percentage of default for interruptible service. The Utility shall make the curtailement list available to firm and interruptible end-use customers upon request.

4. Operating Emergency Declared By A Customer

In the event of an operating emergency as declared by a customer at the customer's facility, service may be made available out of the normal curtailement pattern order, if in the judgment of the Utility it is possible to do so. Out-of-pattern deliveries will be provided to critical customers, as defined in Rule No. 1, whenever they declare an operating emergency. In such an event, subsequent out-of-pattern curtailement may be imposed on the customer in order to balance the amount of curtailement with other customers at the same level on the curtailement order.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3062
DECISION NO.

ISSUED BY
William L. Reed
Vice President
Chief Regulatory Officer

(TO BE INSERTED BY CAL. PUC)
DATE FILED Sep 13, 2001
EFFECTIVE Oct 23, 2001
RESOLUTION NO. _____

Rule No. 23

Sheet 6

CONTINUITY OF SERVICE AND INTERRUPTION OF DELIVERY

(Continued)

C. Curtailment of Service (Continued)

5. Intrastate California-Produced Supply

Noncore transportation service for customer-owned, California-produced gas, excluding exchange service and service at less than full tariff rates, shall be treated hereunder as firm intrastate transmission service. Noncore transportation service for customer-owned, California-produced gas under exchange agreements or at less than full tariff rates shall be treated hereunder as interruptible intrastate service.

6. Restoration of Service

When curtailment of service is to be decreased, restoration of service shall be made (a) in the same manner as described in Section C.1, but inversely to the order given, and (b) to the level of service which in the judgment of the Utility can be provided. However, the Utility reserves the right to restore firm intrastate service in such order as it deems necessary irrespective of the curtailment rotation list described in Section C.2 herein.

D. Diversions of Customer-Owned Gas

In the event insufficient gas supply or capacity is available for the Utility to meet the requirements of its customers, the Utility may effectuate involuntary and/or voluntary diversions of customer-owned gas originally intended for the Utility's noncore customers. Such diversions shall be of the following type:

- (1) Voluntary Diversion Agreements
- (2) Voluntary Core Protection Purchase Agreements
- (3) Involuntary Diversions

1. Voluntary Diversion Agreements

In order to avoid or mitigate curtailment, the Utility may mutually agree with firm and/or interruptible intrastate transmission customers to purchase their flowing gas deliveries. The price paid by Utility for such diverted gas shall not exceed the price paid for gas that is involuntarily diverted as set forth in Section D.3 herein.

In the event of such a voluntary diversion, the customer may make arrangements with another customer or customers in order to transfer the responsibility for the diversion. Such arrangements shall be subject to the same requirements as transfers of intrastate curtailment as set forth in Section C.3 herein.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 2958-A
DECISION NO.
6C3

ISSUED BY
William L. Reed
Vice President
Chief Regulatory Officer

(TO BE INSERTED BY CAL. PUC)
DATE FILED Oct 11, 2000
EFFECTIVE Nov 1, 2000
RESOLUTION NO. _____

CONTINUITY OF SERVICE AND INTERRUPTION OF DELIVERY

(Continued)

D. Diversions of Customer-Owned Gas (Continued)

2. Voluntary Core Purchase Protection Agreements

The Utility may also enter into Voluntary Core Protection Purchase Agreements (VCPAs) with firm and interruptible intrastate transmission customers as a source of supply for the Utility's core requirements.

The price paid by the Utility for such VCPA deliveries shall be determined through negotiation with such customers and shall be subject to a ceiling price of 150% of the Adjusted Core Procurement Rate, G-CPA, set forth in Schedule No. G-CP, in effect during the period of diversion.

The Utility shall divert customer-owned gas through VCPAs on a least-cost basis, with least expensive supplies being purchased first, to the extent operationally feasible.

As part of a VCPA, the Utility and the customer may agree to allow the customer to arrange a transfer of the responsibility for the diversion. In such event, the VCPA shall specify the conditions under which such a transfer would be allowed by the Utility.

3. Involuntary Diversions

To the extent that VCPA, discussed above, are inadequate for the protection of core service, the Utility shall be authorized to involuntarily divert gas supplies from firm noncore transmission customers.

The Utility shall notify the CPUC within one business day in the event of any involuntary diversion of customer gas.

An involuntary diversion of customer-owned gas shall occur as a result of the Utility's curtailment of the customer's service as described in Section C.

In the event customer-owned gas is involuntarily diverted as a consequence of curtailment, the Utility will reimburse the customer at the higher of:

- (1) the customer's cost of alternative fuel or replacement energy used during the diversion plus associated transportation costs actually incurred by the customer;
- (2) the customer's actual cost of gas (price as delivered to SoCalGas' intrastate system) diverted by Utility; or
- (3) 150% of the Utility's Adjusted Core Procurement Charge, G-CPA, set forth in Schedule No. G-CP during the month in which the gas was diverted.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3268
DECISION NO. D.01-12-018

ISSUED BY
Lee Schavrien
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Jun 12, 2003
EFFECTIVE Dec 1, 2003
RESOLUTION NO. G-3357

Rule No. 23

Sheet 8

CONTINUITY OF SERVICE AND INTERRUPTION OF DELIVERY

(Continued)

D. Diversions of Customer-Owned Gas (Continued)

3. Involuntary Diversions (Continued)

The Utility shall have the right to audit the customer's alternate fuel or replacement energy cost, or the customer's actual cost of gas. In the event of disagreement, these costs shall be determined by binding third party arbitration.

E. Curtailment Due to Emergency Conditions

At a time when there is a threatened or actual shortage creating an emergency condition for a short duration in the Utility's ability to meet the demands of Priority 1 and 2A customers, the Utility may, during such emergency period, curtail and/or divert service of all customers, or a portion of such customers, in the most reasonable and practicable manner possible. Further, in such event, the Utility shall have the right to shut off, discontinue, re-establish, or continue service for all customers or a portion of such customers, irrespective of the priority or preference provisions set forth herein or in the tariff schedules, contracts, or rules and regulations applicable to such service. In such emergency situations, curtailments shall generally be made based on the customer's level of demand and transfers of curtailment responsibility, as provided for in Section C.3 herein, shall not be allowed.

The Utility may also, during any national crisis, give preference, as between all customers, to facilities directly engaged in the production of food supplies and the production of national government requirements, when the discontinuance of service to such customers would stop, or materially diminish, the output of said plants.

F. Localized Curtailment

Curtailments may be effected in certain localized areas due to intrastate system capacity restrictions or emergencies. In such cases, curtailments will generally be made based on the order established herein to the extent it is operationally feasible to do so. In the event of a localized curtailment, customers in unconstrained areas may receive service while other customers of equal or higher priority are curtailed.

G. System Maintenance and Repair

The Utility, whenever it finds necessary for the purpose of making repairs or improvements to its system, will have the right to suspend temporarily the delivery of gas, but, in all such cases, as reasonable notice thereof as circumstances will permit will be given to customers, and the making of such repairs or improvements will be prosecuted as rapidly as may be practicable, and, if practicable, at such times as will cause the least inconvenience to the customers.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 2958-A
 DECISION NO.
 8C2

ISSUED BY
William L. Reed
 Vice President
 Chief Regulatory Officer

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Oct 11, 2000
 EFFECTIVE Nov 1, 2000
 RESOLUTION NO. _____

CONTINUITY OF SERVICE AND INTERRUPTION OF DELIVERY

(Continued)

G. System Maintenance and Repair (Continued)

In the event such interruption of service affects more than one customer, interruption of service shall be made in the order established herein only to the extent it is operationally feasible to do so. Special conditions which apply to scheduled maintenance for firm intrastate service are set forth in Section L herein.

H. Utility Electric Generation Service

The Utility shall accommodate, subject to the capability of its existing physical facilities and the requirements of higher priority customers, requests by its retail and wholesale customers for reallocation of deliveries for use in electric generating plants deviating from the normal pattern of deliveries by the Utility (a) of an emergency nature to avoid actual electric load curtailment, and/or (b) based on requirements to minimize particularly adverse air pollution impacts expected to be of short duration. Such deviations in deliveries must be approved by the Utility and shall be in accordance with the agreements between the Utility's retail and wholesale customers relating to such reallocations and providing for compensation between such customers. In no event, however, will the Utility's total deliveries for electric generation requirements imposed on the Utility exceed in the aggregate the deliveries which would have been scheduled absent the reallocation agreements between Utility's customers. Customers requesting the Utility to redirect deliveries hereunder shall notify the CPUC promptly after each occurrence of the problem occasioning such request.

I. Wholesale Service Excluding SDG&E

Wholesale customers, excluding SDG&E, will receive Priority 1 and 2A service from the Utility in proportion to such customers' Priority 1 and 2A loads. Service to wholesale customers' loads shall be curtailed in the same manner as that for the Utility's retail customers. Wholesale customers may, however, negotiate with the Utility regarding the timing and extent of curtailments for their noncore loads with the condition that such loads shall be subject to curtailments which are proportionate to the curtailment of the Utility's noncore customers.

J. Wholesale Service to SDG&E

The Utility and SDG&E shall operate as independent gas systems to the extent operationally feasible. The Utility shall curtail its noncore customers only to the extent necessary to maintain service to its own core customers. Likewise, SDG&E shall curtail service to its noncore customers only to the extent necessary to maintain service to its own core customers. Neither the Utility nor SDG&E shall curtail its noncore customers to serve the core requirements of the other except as expressly provided by a mutual assistance agreement between the two utilities.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 2958-A
DECISION NO.
9C2

ISSUED BY
William L. Reed
Vice President
Chief Regulatory Officer

(TO BE INSERTED BY CAL. PUC)
DATE FILED Oct 11, 2000
EFFECTIVE Nov 1, 2000
RESOLUTION NO. _____

CONTINUITY OF SERVICE AND INTERRUPTION OF DELIVERY

(Continued)

K. Curtailment Violations

The Utility shall read the meter of the curtailed customer at the beginning and end of each curtailment period for the applicable service curtailed. For other than a customer operating emergency as set forth in Section C.6, customers failing to curtail on request will be assessed a penalty of \$1.00 per therm for the initial 5 hours of the Customer's operating day, \$3.00 per therm for hours 6 through 8, and \$10.00 per therm for hours 9 through the end of the curtailment episode. The penalty applies to all gas quantities determined by the Utility to be in violation of curtailment. All other charges associated with such usage will apply. Curtailment violations will be determined as follows:

1. System Curtailment

For curtailment of interruptible or firm intrastate service, customers whose consumption under their applicable service schedule exceeds their authorized curtailment quantity during the curtailment of such service will be in violation of curtailment.

For curtailment of standby procurement service under Schedule No. G-IMB, customers whose consumption under such schedule exceeds their actual transportation deliveries plus the ten percent (10%) tolerance band will be in violation of curtailment. The Utility shall assess negative imbalances incurred during the standby curtailment period separately from monthly imbalances incurred outside such period. Negative imbalances determined to be in violation of curtailment shall not be eligible for imbalance trading. Such negative imbalances will be charged at the applicable standby procurement rate in addition to the curtailment violation penalty.

2. Localized Curtailment

For curtailment of interruptible or firm intrastate service, customers whose consumption under their applicable service schedule exceeds their authorized curtailment quantity during the curtailment period for such service will be in violation of curtailment. Standby procurement service shall not be curtailed during a localized curtailment.

3. Authorized Curtailment Quantity

The authorized curtailment quantity used to determine a customer's compliance with curtailment shall be established on the basis of the monthly contract billing quantities set forth in the customer's Master Services Contract, Schedule A, Intrastate Transmission Service (Form Nos. 6597 and 6597-1).

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3188-A
DECISION NO. 02-08-065

ISSUED BY
Lee Schavrien
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Jun 13, 2003
EFFECTIVE Oct 1, 2003
RESOLUTION NO. _____

CONTINUITY OF SERVICE AND INTERRUPTION OF DELIVERY

(Continued)

K. Curtailment Violations (Continued)

3. Authorized Curtailment Quantity (Continued)

The customer's total authorized curtailment quantity for the applicable period of curtailment shall be equal to the sum of the authorized curtailment quantities for each of the customer's services which are not subject to curtailment during such period. For each such service, the authorized curtailment quantity shall be equal to the monthly contract quantity divided by the customer's actual number of operating days for such service during the month in which the curtailment occurs, multiplied by the customer's actual number of operating days during the curtailment period.

The customer's actual operating days for the month shall be determined based on the operating-day information set forth in the customer's contract. For service designated as operating seven days per week, the operating days shall be all calendar days in the month. For service designated as less than seven operating days per week, the operating days shall be all designated days in the month excluding national holidays. Customers with non-uniform operating schedules for any particular month shall be required to designate in the contract the actual operating-day schedule for such months. The customer may request a change to the operating schedule on a month-to-month basis. All operating schedules shall be subject to the Utility's acceptance and the Utility may adjust such schedules as it deems necessary based on the customer's operations.

L. Service Interruption Credit

A qualifying service interruption of firm intrastate transmission service is defined as any curtailment which is not (1) the result of either force majeure or scheduled maintenance, as described below, or (2) a curtailment of Standby Procurement service. If a firm intrastate transmission customer (including core subscription service) experiences more than one qualifying interruption during the ten-year period beginning on the implementation date of the CPUC's Capacity Brokering Rules, the Utility shall provide such customer with a Service Interruption Credit (SIC) of \$0.25 per therm of gas curtailed or diverted.

For the customer's first qualifying interruption during the ten-year period, the SIC shall only apply to the volume of curtailed or diverted gas over and above 72 consecutive hours of full curtailment or the volumetric equivalent thereof during a five day period. For subsequent qualifying interruptions during this period, the SIC shall apply to all of the customer's curtailed or diverted volumes resulting from the subsequent interruptions regardless of the duration or extent of the customer's initial interruption.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 2958-A
DECISION NO.

ISSUED BY
William L. Reed
Vice President
Chief Regulatory Officer

(TO BE INSERTED BY CAL. PUC)
DATE FILED Oct 11, 2000
EFFECTIVE Nov 1, 2000
RESOLUTION NO. _____

CONTINUITY OF SERVICE AND INTERRUPTION OF DELIVERY

(Continued)

L. Service Interruption Credit (Continued)

The maximum aggregate SIC obligation of the Utility in any calendar year shall be \$5 million. To the extent such maximum aggregate obligation would be exceeded, the Utility shall provide the SIC on a pro rata basis to all applicable customers for the calendar year. Utility shall make payment of the SIC at the end of the applicable calendar year.

1. Force Majeure

For the purpose of SIC applicability, force majeure shall be defined as the occurrence of unforeseen events or conditions, not resulting from a negligent act or omission on the part of the Utility, that are beyond its reasonable control and that could not have been prevented by the exercise of due diligence on its part. The Utility shall use all reasonable efforts to remedy such events or conditions and to remove the cause of same in an adequate manner and with reasonable dispatch. The occurrence of high demand for gas service due to weather conditions shall not constitute a force majeure event.

2. Scheduled Maintenance

For the purpose of SIC applicability, scheduled maintenance shall be considered the interruption of transmission service to the customer resulting from maintenance of the Utility's facilities which are directly relevant to providing such service to the customer's facilities when the customer has been given at least thirty (30) calendar days prior written notice of the scheduled date of the maintenance and service interruption.

The Utility shall take all reasonable steps to minimize the duration of such scheduled maintenance interruptions and to reroute the flow of natural gas to eliminate any service interruptions that would otherwise occur due to such maintenance.

The Utility shall consult with the customer in scheduling any such maintenance interruptions and shall use reasonable efforts to schedule such maintenance to accommodate the customer's operating needs and to continue same only for such time as is necessary, including any agreed upon adjustments to the scheduled date for maintenance as reasonably necessary in light of unforeseen occurrences affecting the customer and/or the Utility.

M. Performance of Aggregators

To assure that firm interstate nominations and deliveries into SoCalGas' transmission and distribution system by aggregators are equivalent in reliability to those made by SoCalGas for core procurement customers, SoCalGas may implement an Operational Flow Order (OFO) as described in Rule No. 32, Section G.

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 2958-A
 DECISION NO.
 12C2

ISSUED BY
William L. Reed
 Vice President
 Chief Regulatory Officer

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Oct 11, 2000
 EFFECTIVE Nov 1, 2000
 RESOLUTION NO. _____

Rule No. 04
CONTRACTS

Sheet 1

All contracts for gas service by the Utility shall be subject to the following terms and conditions:

A. REQUIREMENT

Contracts for gas service will be required as a condition precedent to service as follows:

1. As required by conditions set forth in the regular schedule of rates approved or accepted by the Public Utilities Commission of the State of California, or otherwise specified in the Utility's rules or Orders of the Commission.
2. In the case of gas main extension or temporary service, for a period not to exceed three years, except by special permission from the Commission.

B. CONTRACTS FOR SPECIAL SERVICES

Eligible customers may be required, as a condition of a special service, to complete an agreement provided by the Utility, which outlines the conditions of the service provided.

C. INTERPRETATION

The interpretation and performance of any contracts for gas service shall be in accordance with the laws of the State of California, and the orders, rules and regulations of the Commission, in effect from time to time.

D. AMENDMENT OR MODIFICATION

Except as required to conform with California law and the orders, rules and regulations of the Commission, no amendment or modification shall be made to written contracts for gas service except by an instrument in writing executed by all parties thereto, and no amendment or modification shall be made by course of performance, course of dealing or usage of trade.

E. WAIVER

No waiver by any party of one or more defaults under contracts for gas service shall operate or be construed as a waiver of any other default or defaults, whether of a like or different character.

F. DAMAGES

No party under contracts for gas service shall be assessed any special, punitive, consequential, incidental, or indirect damages, whether in contract or tort, for any actions or inactions arising from or related to such contract.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3171
DECISION NO.

ISSUED BY
Lee Schavrien
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Jul 18, 2002
EFFECTIVE Aug 27, 2002
RESOLUTION NO. _____

Rule No. 04
CONTRACTS

Sheet 2

(Continued)

G. ASSIGNMENT

No contracts for gas service (or any rights or obligations related thereto) shall be assigned without the prior written consent of the Utility, which consent shall not be withheld unreasonably (but the Utility may require that any assignee confirm in writing its assumption of the rights and obligations of its predecessor).

H. HINSHAW EXEMPTION

In the event that any governmental entity (including a court) issues an order or rule that would result in the loss of the Utility's Hinshaw Exemption from federal regulations if a contract entered into by the Utility remains in effect, the Utility may terminate such contract.

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 3171

DECISION NO. 2 -

208

ISSUED BY

Lee Schavrien

Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Jul 18, 2002

EFFECTIVE Aug 27, 2002

RESOLUTION NO. _____