The general terms and conditions applicable whenever the Utility System Operator transports customer-owned gas, including wholesale customers, the Utility Gas Procurement Department, other end-use customers, aggregators, marketers and storage customers (referred to herein as “customers”) 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 gas which shall not exceed the Utility's capability to receive or redeliver such quantities. The 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 therm 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 point(s) of delivery to the customer shall be that existing at such point(s) 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 point(s) 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.
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. The 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, including the Utility Gas Procurement Department, wholesale customers, contracted marketers, and Core Transport Agents (CTAs) will be provided monthly balancing services in accordance with the provisions of Schedule No. G-IMB.

C. Electronic Bulletin Board

1. The Utility prefers and encourages customers, including the Utility Gas Procurement Department, to use Electronic Bulletin Board (EBB) as defined in Rule No. 1 to submit their transportation nominations to the Utility. Imbalance trades, Scheduled Quantity Trades, Producer Daily Delivery Trades, and Payback Imbalance Trades are to be submitted through the EBB. Monthly Imbalance Trades may also be submitted by means of the Imbalance Trading Agreement Form (Form 6544). Use of EBB is not mandatory for transportation only customers.

2. Transportation nominations may be submitted manually or through EBB.

D. Operational Requirements

1. Customer Representation

The customer must provide to the Utility the name(s) of any agents ("Agent") used by the customer for delivery of gas to the Utility for transportation service hereunder and their authority to represent customer.

A customer may choose only one of the following gas supply arrangements: 1) one Contracted Marketer, 2) one or multiple Agents (in addition to a Contracted Marketer if desired), or 3) itself for purposes of nominating to its end-use account (OCC).
D. Operational Requirements (Continued)

2. Receipt Points

Utility accepts nominations from transportation customers or their representatives at the following Receipt Points into the SoCalGas system, as referenced in Schedule No. G-BTS*:

- El Paso Pipeline at Blythe (Southern Transmission Zone)
- North Baja Pipeline at Blythe (Southern Transmission Zone)
- Transportadora de Gas Natural de Baja California at Otay Mesa (Southern Transmission Zone)
- Kern River Pipeline and Mojave Pipeline (Wheeler Transmission Zone)
- PG&E at Kern River Station (Wheeler Transmission Zone)
- Occidental of Elk Hills at Gosford (Wheeler Transmission Zone)
- Transwestern Pipeline at North Needles (Northern Transmission Zone)
- Transwestern Pipeline at Topock (Northern Transmission Zone)
- El Paso Pipeline at Topock (Northern Transmission Zone)
- Kern River Pipeline and Mojave Pipeline at Kramer Junction (Northern Transmission Zone)
- Line 85 (California Supply)
- North Coastal (California Supply)
- Other (California Supply)
- Northern Zone Production (California Supply)
- Southern Zone Production (California Supply)
- Wheeler Ridge Zone Production (California Supply)
- Storage

* Additional Receipt Points will be added as they are established in the future.

3. Backbone Transmission Capacity

Each day, Receipt Point and Backbone Transmission Zone capacities will be set at their physical operating maximums under the operating conditions for that day. The Utility will schedule nominations for each Receipt Point and Backbone Transmission Zone to the maximum operating capacity of that individual Receipt Point or Backbone Transmission Zone. The maximum operating capacity is defined as the facility design or contractual limitation to deliver gas into the Utility’s system adjusted for operational constraints (i.e. maintenance, localized restrictions, and upstream delivery pressures) as determined each day.
D. Operational Requirements (Continued)

3. Backbone Transmission Capacity (Continued)

The NAESB elapsed pro rata rules require that the portion of the scheduled quantity that would have theoretically flowed up to the effective time of the intraday nomination be confirmed, based upon a cumulative uniform hourly quantity for each nomination period affected. As such, the scheduled quantities for each shipper are subject to change in the Intraday 1 Cycle, the Intraday 2 Cycle, and the Intraday Cycle 3. However, each shipper’s resulting scheduled quantity for the Gas Day will be no less than the elapsed prorated scheduled quantity for that shipper.

Each day, the Utility will use the following rules to confirm nominations to the Receipt Point and Backbone Transmission Zone maximum operating capacities. The Utility will also use the following rules to confirm nominations to the system capacity limitation as defined in Section F for OFO events during the Intraday 1, Intraday 2, and Intraday 3 cycles; and during the Intraday 3 cycle when an OFO event is not called and nominations exceed system capacity.

Confirmation Order:
- Nominations using Firm Primary backbone transportation rights will be first; pro-rated if over-nominated*.
- Nominations using Firm Alternate backbone transportation rights within the associated transmission zone will be second (“Firm Alternate Within-the-Zone”); pro-rated if over-nominated.
- Nominations using Firm Alternate backbone transportation rights outside the associated transmission zone will be third (“Firm Alternate Outside-the-Zone”); pro-rated if over-nominated.
- Nominations using Interruptible backbone transportation rights will be fourth, pro-rated if over-nominated.
- Southern Transmission Receipt Points will not be reduced in any cycle below 110% of the Southern System minimum flowing supply requirement established by the Gas Control Department.

Bumping Rules:
- Firm Primary rights can “bump” any Firm Alternate scheduled quantities through the Evening Cycle.
- Firm Alternate Within-the-Zone rights can “bump” Firm Alternate Outside-the-Zone scheduled quantities through the Evening Cycle.
- Firm Primary and any Firm Alternate can “bump” interruptible scheduled quantities through the Intraday 2 Cycle subject to the NAESB elapsed pro-rata rules.
- Bumping will not be allowed in the Intraday 3 Cycle.

(Continued)
Rule No. 30
TRANSPORTATION OF CUSTOMER-OWNED GAS

D. Operational Requirements (Continued)

3. Backbone Transmission Capacity (Continued)

* If the available firm capacity at a particular receipt point or within a particular transmission zone is less than the firm capacity figures stated in Schedule No. G-BTS, scheduling of firm backbone transportation capacity nominations will be pro rata within each scheduling cycle. Any nominations of firm backbone transportation rights acquired through the addition of Displacement Backbone Transmission Capacity facilities will be reduced pro rata to zero at the applicable receipt point or within the applicable transmission zone prior to other firm backbone transportation rights nominations being reduced.

Priority Rules:

a. Firm primary scheduled quantities in the Evening Cycle will have priority over a new firm primary nomination made in the Intraday 1 Cycle.
b. Firm Alternate Inside-the-Zone scheduled quantities in the Evening Cycle will have priority over a new Firm Alternate Inside-the-Zone nomination made in the Intraday 1 Cycle.
c. Firm Alternate Outside-the-Zone scheduled quantities in the Evening Cycle will have priority over a new Firm Alternate Outside-the-Zone nomination made in the Intraday 1 Cycle.
d. Interruptible scheduled quantities in the Evening Cycle will have priority over a new Interruptible nomination made in the Intraday 1 Cycle.
e. This same structure will be applied in going from Intraday 1 Cycle (Cycle 3) to Intraday 2 Cycle (Cycle 4) to Intraday 3 Cycle (Cycle 5). However, this hierarchy will not affect Intraday 4 Cycle (Cycle 6) nominations or the elapsed pro-rata rule.

4. Storage Service Capacity

Each day, storage injection and withdrawal capacities will be set at their physical operating maximums under the operating conditions for that day and posted on the Utility’s EBB. Injection nominations will be held to the injection capacity specified in the Operational Flow Order (OFO) calculation on the EBB in every flowing cycle regardless of OFO status.* The Utility will use the following rules to limit the nominations to the storage maximums.

As necessary, available withdrawal or injection capacities will be prorated to the core and daily balancing functions based on the maximum authorized withdrawal or injection capacities, as detailed in Decision (D.) 20-02-045.

- Nominations using Firm storage rights will have the highest priority, pro-rated, if necessary to the available storage capacity.
- All other nominations using Interruptible storage rights will have the lowest priority, pro-rated if over-nominated based on the daily volumetric price paid.
D. Operational Requirements (Continued)

4. Storage Service Capacity (Continued)

- On low OFO days the volume of interruptible withdrawal will be cut in half relative to the calculation on a non-OFO day. If interruptible nominations immediately prior to the low OFO were above this level, then they will be held constant through the low OFO.
- Firm storage rights can “bump” interruptible scheduled storage quantities through the Intraday 3 cycle.

Notice to bumped parties will be provided via the Transactions module in EBB. Bumping is subject to the NAESB elapsed prorate rules.

5. Off-System Delivery (OSD) Service

For each flow date, the Utility will determine the quantity of capacity available for off-system deliveries. The quantity will include that available via physical redelivery from the Utility system along with displacement of forward haul flowing supplies. For each nomination cycle, the Utility customers who have contracted with the Utility for off-system delivery service may submit a nomination for such service pursuant to Schedule No. G-OSD and Section D.6. “Nominations” below, for deliveries to the PG&E system and to the Utility Transmission system’s interconnection points with all interstate and international pipelines, but excluding California-produced gas supply lines.

The following rules will be used in scheduling of Off-System Delivery Services:

- Nominations using Firm OSD rights will have first priority; pro-rated if over-nominated.
- Nominations using Interruptible OSD rights will have second priority; pro-rated if over-nominated.
- Firm OSD rights can “bump” Interruptible OSD scheduled quantities through the Intraday 2 Cycle, subject to the NAESB elapsed pro-rata rules.
- Bumping of Interruptible OSD rights by Firm OSD rights will not be allowed in the Intraday 3 Cycle.
- Both Firm and Interruptible OSD rights, at any Delivery Point, can be reduced in any cycle, including during curtailment events, (subject to the NAESB elapsed pro rata rules) if, in the sole judgment of the Utility, the discontinuation or reduction of OSD service at that Delivery Point would diminish the need for the Utility to bring additional gas into the Utility’s system at an additional cost or reduce the level of curtailment to any Utility customer.
- Reduction of Interruptible OSD nominations at any Delivery Point will be prorated at that particular Delivery Point.
- Reduction of Firm OSD nominations at any Delivery Point will be prorated at that particular Delivery Point.
D. Operational Requirements  (Continued)

6. Nominations

The customer shall be responsible for submitting gas service nominations to the Utility no later than the deadlines specified below.

Each nomination shall include all information required by the Utility’s nomination procedures. Nominations received by the Utility will be subject to the conditions specified in the service agreements with the Utility. The Utility may reject any nomination not conforming to the requirements in these rules or in applicable service agreements. The customer shall be responsible for making all corresponding upstream nomination/confirmation arrangements with the interconnecting pipeline(s) and/or operator(s).

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

Intraday nominations do not roll from day to day.

Nominations submitted in any cycle will automatically roll to subsequent cycles for the specified flow date and from day-to-day through the end date or until the end date is modified by the nominating entity.

Nominations may be made in the following manner:

<table>
<thead>
<tr>
<th>FROM</th>
<th>TO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pipeline/CA Producer</td>
<td>Backbone Transportation Service Contract</td>
</tr>
<tr>
<td>Backbone Transportation Service Contract</td>
<td>End User, Contracted Marketer, CTA</td>
</tr>
<tr>
<td>Backbone Transportation Service Contract</td>
<td>Citygate Pool Account</td>
</tr>
<tr>
<td>Backbone Transportation Service Contract</td>
<td>Storage Account</td>
</tr>
<tr>
<td>Citygate Pool Account</td>
<td>End User, Contracted Marketer, CTA</td>
</tr>
<tr>
<td>Citygate Pool Account</td>
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<tr>
<td>Storage Account</td>
<td>Storage Account</td>
</tr>
<tr>
<td>Storage Account</td>
<td>Off-System Delivery Contract</td>
</tr>
<tr>
<td>Citygate Pool Account</td>
<td>Off-System Delivery Contract</td>
</tr>
<tr>
<td>End User, Contracted Marketer, CTA</td>
<td>Storage Account</td>
</tr>
</tbody>
</table>

(Continued)
D. Operational Requirements

6. Nominations (Continued)

FROM

Off-System Delivery Contract
Off-System Delivery Contract
Off-System Delivery Contract
Off-System Delivery Contract
Off-System Delivery Contract
Off-System Delivery Contract
Off-System Delivery Contract
Off-System Delivery Contract
Off-System Delivery Contract
Off-System Delivery Contract
Off-System Delivery Contract
Off-System Delivery Contract
Off-System Delivery Contract
Receipt Point Pool Account
Receipt Point Pool Account

TO (Continued)

PG&E Pipeline (at Kern River Station)
Mojave Pipeline (at Wheeler Ridge)
Mojave Pipeline (at Kramer Junction)
Kern River Pipeline (at Wheeler Ridge)
Kern River Pipeline (at Kramer Junction)
Transwestern Pipeline (at North Needles)
Transwestern Pipeline (at Topock)
El Paso Pipeline (at Topock)
El Paso Pipeline (at Blythe)
North Baja Pipeline (at Blythe)
Transportadora de Gas Natural de Baja California
( at Otay Mesa)
Receipt Point Pool Account
Receipt Point Pool Account

7. Timing

All times referred to below are in Pacific Clock Time. Requests for deadline extensions may be granted for 15 minutes only if request is made prior to the deadlines shown below.

Timely Cycle

Transportation nominations submitted via EBB for the Timely Nomination cycle must be received by the Utility by 11:00 a.m. one day prior to the flow date. Nominations submitted via fax must be received by the Utility by 10:00 a.m. one day prior to the flow date. Timely nominations will be effective at 7:00 a.m. on the flow date.

Evening Cycle

Nominations submitted via EBB for the Evening Nomination cycle must be received by the Utility by 4:00 p.m. one day prior to the flow date. Nominations submitted via fax must be received by the Utility by 3:00 p.m. one day prior to the flow date. Evening nominations will be effective at 7:00 a.m. on the flow date.
D. Operational Requirements  (Continued)

7. Timing  (Continued)

**Intraday 1 Cycle**

Nominations submitted via EBB for the Intraday 1 Nomination cycle must be received by the Utility by 8:00 a.m. on the flow date. Nominations submitted via fax must be received by the Utility by 7:00 a.m. on the flow date. Intraday 1 nominations will be effective at 12:00 p.m. the same day.

**Intraday 2 Cycle**

Nominations submitted via EBB for the Intraday 2 Nomination cycle must be received by the Utility by 12:30 p.m. on the flow date. Nominations submitted via fax must be received by the Utility by 11:30 a.m. on the flow date. Intraday 2 nominations will be effective at 4:00 p.m. the same day.

**Intraday 3 Cycle**

Nominations submitted via EBB for Intraday 3 Nomination cycle must be received by the Utility by 5:00 p.m. on the flow date. Nominations submitted via fax must be received by the Utility by 4:00 p.m. on the flow date. Intraday 3 nominations will be effective at 8:00 p.m. the same day.

**Intraday 4 Cycle**

Nominations submitted via EBB for the Intraday 4 Nomination cycle must be received by the Utility by 9:00 p.m. Pacific Clock Time one calendar day after the flow date. Nominations submitted via fax must be received by the Utility by 8:00 p.m. Pacific Clock Time one calendar day after the flow date.

Intraday 4 nominations are available only for firm nominations relating to the injection of existing flowing supplies into a storage account or for firm nominations relating to the withdrawal of gas in storage to meet an identified customer’s usage. A customer may make Intraday 4 nominations from a third-party storage provider that is directly connected to the Utility’s system or from the Utility’s storage, subject to the storage provider or the Utility being able to deliver or accept the daily quantity nominated for Intraday 4. Third-party storage providers will be treated on a comparable basis with the Utility’s storage facilities to the extent that it can provide the equivalent service and operations.

**Scheduled Quantity Trading**

Customers may trade scheduled quantities for any Gas Day.

A scheduled quantity trade must occur between a Buyer End-use contract and Seller End-use contract. The Buyer End-use contract must be different from the Seller End-use contract.
D. Operational Requirements  (Continued)

Scheduled Quantity Trading  (Continued)

Customers may post scheduled quantity trades between the time a Gas Day is finished being processed by the Utility and 9:00 PM Pacific Clock Time one business day following the Intraday 4 nomination deadline. Utility will not grant any extensions beyond this deadline.

After Utility confirms a scheduled quantity trade, it may only be voided at the discretion of Utility on behalf of the Buyer and Seller involved. The Buyer and Seller must send an email to GasScheduling@socalgas.com by 3:00 PM Pacific Clock Time on the second day of the month after the month of the Gas Day.

Customers may not enter into a trade that results in negative scheduled quantities. If negative scheduled quantities result due to reallocations, void trades, or other circumstances, Utility shall contact the Buyer and Seller of the trade to resolve the issue.

Daily Deliveries Trading (For California Producers)

California Producers may trade daily deliveries for any Gas Day.

California Producers either have a California Producer Operational Balancing Agreement (CPOBA) or a non-CPOBA.

A daily delivery trade must occur between 1) a Buyer CPOBA contract and a Seller CPOBA contract; or 2) a Buyer non-CPOBA contract and Seller non-CPOBA contract.

For CPOBA contracts, California Producers may post daily delivery trades between the time a Gas Day is finished being processed by the Utility and 9:00 PM Pacific Clock Time one business day following the Intraday 4 nomination deadline. Utility will not grant any extensions beyond this deadline.

For non-CPOBA contracts, California Producers may post daily delivery trades between the time a Gas Day is finished being processed by the Utility and 9:00 PM Pacific Clock Time one business day following the Intraday 4 nomination deadline. Utility will not grant any extensions beyond this deadline.

After Utility confirms a daily delivery trade, it may only be voided at the discretion of Utility on behalf of the Buyer and Seller involved. The Buyer and Seller must send an email to GasScheduling@socalgas.com by 3:00 PM Pacific Clock Time on the second day of the month after the month of the Gas Day.
D. Operational Requirements (Continued)

Daily Deliveries Trading (For California Producers) (Continued)

California Producer may not enter into a trade that puts its Daily Operational Imbalance position into OFO penalty. If a California Producer is outside of its daily OFO tolerance, California Producer may not enter into a trade that increases its OFO imbalance position.

California Producers may not enter into a trade that results in negative daily deliveries. If negative daily deliveries result due to reallocations, void trades, or other circumstances, Utility shall contact the Buyer and Seller of the trade to resolve the issue.

Payback Imbalance Trading (For California Producers with CPOBA)

For CPOBA contracts, California Producers may trade Cumulative Operational Imbalances during a payback period (payback imbalance trade) subject to the CPOBA.

A payback imbalance trade must occur between a Buyer CPOBA contract and a Seller CPOBA contract. At least one of the CPOBA contracts must be in a payback period.

California Producers may post payback imbalance trade once a CPOBA is in a payback period.

After Utility confirms a payback imbalance trade, it may only be voided at the discretion of Utility on behalf of the Buyer and Seller involved. The Buyer and Seller must send an email to GasScheduling@socalgas.com by 3:00 PM Pacific Clock Time on the second day of the month after the month of the Gas Day.

8. Confirmation and Ranking Process

A ranking must be received by the Utility at the time the nomination or the confirmation is submitted. The nominating party will rank its supplies and the confirming party will rank its markets. The Utility will then balance the pipeline system using the “lesser of” rule and the rankings submitted.

The ranking will automatically roll from cycle-to-cycle and day-to-day until the nomination end date, unless modified by the nominating entity.

If no ranking is submitted at the time the nomination is submitted, the Utility will assign the lowest ranking to the nomination.
Transportation of Customer-Owned Gas

(Department of Operational Requirements (Continued))

8. Confirmation and Ranking Process (Continued)

The Utility will compare the nominations received for each transaction and the corresponding confirmation. If the two quantities do not agree, the “lesser of” the two quantities will be the quantity scheduled by the Utility. Subject to the Utility receiving notification of confirmed transportation from the applicable upstream pipeline(s) and/or operator(s), the Utility will provide scheduled quantities on EBB.

9. 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.

10. 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.

11. 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, 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 customers fail to adequately reduce their transportation nominations, the Utility shall reduce the confirmed receipt point access nominations as defined in Section D.
G. Operational Flow Orders and Emergency Flow Orders

1. Operational Flow Order (OFO)

a. The Utility System Operator’s protocol for declaring an Operational Flow Order (OFO) is described in Rule No. 41. All OFO declarations will be identified by stage that will specify a Daily Imbalance Tolerance and Noncompliance Charge per the table below. The daily balancing standby rate is not applicable to High OFOs. Pursuant to D.22-04-042, the eight-stage OFO Noncompliance Charge structure shall be in effect year-round, unless conditions warrant a temporary change to the five-stage structure not to exceed 120 days, which would be implemented through an Advice Letter submission to the Commission.

Effective if Ordered

<table>
<thead>
<tr>
<th>Stage</th>
<th>Daily Imbalance Tolerance</th>
<th>Noncompliance Charge ($/therm)</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>Up to +/-25%</td>
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</tr>
<tr>
<td>2</td>
<td>Up to +/-20%</td>
<td>0.10</td>
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<tr>
<td>3</td>
<td>Up to +/-15%</td>
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<td>4</td>
<td>Up to +/-5%</td>
<td>0.50</td>
</tr>
<tr>
<td>5</td>
<td>Up to +/-5%</td>
<td>0.50 plus Rate Schedule G-IMB daily balancing standby rate</td>
</tr>
<tr>
<td>EFO</td>
<td>Zero</td>
<td>5.00 plus Rate Schedule G-IMB daily balancing standby rate</td>
</tr>
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</table>

Effective Year-Round

<table>
<thead>
<tr>
<th>Stage</th>
<th>Daily Imbalance Tolerance</th>
<th>Noncompliance Charge ($/therm)</th>
</tr>
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<tbody>
<tr>
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<td>Up to +/-15%</td>
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<td>3.1</td>
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<td>3.2</td>
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<td>2.50</td>
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<tr>
<td>5</td>
<td>Up to +/-5%</td>
<td>2.50 plus Rate Schedule G-IMB daily balancing standby rate</td>
</tr>
<tr>
<td>EFO</td>
<td>Zero</td>
<td>5.00 plus Rate Schedule G-IMB daily balancing standby rate</td>
</tr>
</tbody>
</table>

1 Negative daily imbalance tolerances for all stages are capped at up to -5% until Aliso Canyon’s withdrawal capacity is available without constraint to the System Operator for load balancing.
G. Operational Flow Orders and Emergency Flow Orders (Continued)

1. Operational Flow Order (OFO) (Continued)

b. The OFO shall apply to all customers financially responsible for managing and clearing transportation imbalances (Balancing Agents), including wholesale customers, Contracted Marketers, core aggregators, California Gas Producers and the Utility Gas Procurement Department.

c. The OFO period shall begin on the flow date(s) indicated by the Utility Gas Control Department. Generally an initial OFO event will start at Stage 1; however an OFO event may begin at any stage as deemed appropriate by the Utility Gas Control Department with the corresponding noncompliance charge.

d. An OFO will normally be ordered with at least twelve (12) hours notice prior to the beginning of the gas day, or as necessary as dictated by operating conditions. Charges for the first day of the OFO event will not be imposed if notice is given after 8:00 p.m.* Pacific Time the day prior to the start of the OFO event.

e. OFO and EFO compliance and charges will be based on the following for determination of daily usage quantities:

i. For a Noncore End-Use Customer equipped with automated meter reading device (AMR) and SDG&E’s Electric & Gas Fuel Procurement Department, compliance during an OFO will be based on actual daily metered usage, and the calculation after the OFO event of any applicable noncompliance charge will be based on actual daily metered usage.

ii. For a Noncore End-Use Customer with non-functioning AMR meters, compliance during an OFO or EFO will be based on the Customer’s actual daily metered usage; or the estimated daily usage in accordance with Section C of SoCalGas Rule 14 will be substituted for the actual daily metered usage when actual metered usage is not available.

iii. For a Noncore End-Use Customer without AMR capability compliance during an OFO or EFO will be based on the Customer’s MinDQ.

iv. For the Utility Gas Procurement Department, the Daily Usage for the Utility Gas Procurement Department will be used.

v. For core aggregators, their Daily Contract Quantity will be used as a proxy for daily usage.
(Continued)

1. Operational Flow Order (OFO) (Continued)
   
e. (Continued)
   
   vi. For a California Producer with an effective California Producer Operational Balancing Agreement, Form 6452, compliance with an OFO and EFO and calculation of any noncompliance charges will be based on the difference between scheduled receipts and measured receipts for each day of an event. OFO and EFO compliance for a California Producer with an existing non-California Producer Operational Balancing Agreement, Form 6452 access agreement will be treated consistent with the terms of that access agreement.

   f. If a Balancing Agent’s OFO daily gas imbalance exceeds the applicable daily imbalance tolerance by 10,000 therms or less, the OFO, noncompliance charge will be zero. If the daily gas imbalance amount exceeds the daily imbalance tolerance by more than 10,000 therms, the Balancing Agent will be responsible for the full noncompliance charge; i.e. 10,000 therms will not be deducted from the daily gas imbalance that exceeds the daily imbalance tolerance.

   g. The daily measurement quantity used to calculate the Noncompliance Charge for each OFO event will be the daily quantity recorded as of the month-end close of the applicable month.

   h. **Low OFO noncompliance charges for the gas flow day will be waived when the confirmation process limiting nominations to system capacity cuts previously scheduled BTS nominations during any of the Intraday 1-3 Cycles.**

   i. SoCalGas will have the discretion to waive OFO noncompliance charges for an electric generation customer who was dispatched after the Intraday 1 (Cycle 3) nomination deadline in response to (1) a SoCalGas System Operator request to an Electric Grid Operator to reallocate dispatched electric generation load to help maintain gas system reliability and integrity, or (2) an Electric Grid Operator request to the SoCalGas System Operator to help maintain electric system reliability and integrity that can be accommodated by the SoCalGas System Operator at its sole discretion. For electric generators served by a contracted marketer, OFO noncompliance charges can be waived under this section only to the extent the contracted marketer nominates their electric generation customer’s gas to the electric generation customer’s Order Control Code.
G. Operational Flow Orders and Emergency Flow Orders (Continued)

2. Emergency Flow Order (EFO)

   a. The Utility System Operator’s protocol for declaring an Emergency Flow Order (EFO) is described in Rule No. 41.

   b. During an EFO Customer usage must be less than or equal to scheduled supply for a gas day. EFOs will have a zero percent tolerance and a noncompliance charge of $5.00 plus the Schedule G-IMB Daily Balancing Standby Rate for each therm of usage in excess of scheduled supply.

   c. The EFO shall apply to all customers financially responsible for managing and clearing transportation imbalances (Balancing Agents), including wholesale customers, Contracted Marketers, core aggregators, California Gas Producers and the Utility Gas Procurement Department.

   d. When an EFO is in effect interruptible storage withdrawals are limited to one half of the capacity normally available for interruptible withdrawals. Interruptible storage withdrawal capacity is equal to Withdrawal Capacity minus confirmed firm storage withdrawal nominations minus withdrawal allocated to the balancing function.

   e. Daily measurement quantities used to determine EFO compliance and charges are the same as those used to determine OFO compliance and charges.

   f. The daily measurement quantity used to calculate the noncompliance charges for each EFO event will be the daily quantity recorded as of the month-end close of the applicable month.

(Continued)
G. Operational Flow Orders and Emergency Flow Orders (Continued)

3. Information regarding the System Sendout, Withdrawal Capacity and Net Withdrawals will be made available to customers on a daily basis via the EBB.

4. 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.

5. The Utility will accept intra-day nominations to increase deliveries.

6. In all cases, current rules for monthly balancing and monthly imbalance trading continue to apply. Quantities not in compliance with the Daily Imbalance Tolerance that are purchased at the daily balancing standby rate are credited toward the monthly 92% delivery requirements. Daily balancing charges remain independent of monthly balancing charges. Noncore daily balancing and monthly balancing charges go to the Purchased Gas Account (PGA). Net revenues from core daily balancing and monthly balancing charges go to the Noncore Fixed Cost Account (NFCA). 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:

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.
Rule No. 30
TRANSPORTATION OF CUSTOMER-OWNED GAS

(Continued)

H. Accounting and Billing  (Continued)

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 Decatherm 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 the 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 Delivery Specifications

1. The natural gas stream delivered into the Utility's system shall conform to the gas quality specifications as provided in any applicable agreements and contracts currently in place between the entity delivering such natural gas and the Utility at the time of the delivery. If no such agreement is in place, the natural gas shall conform to the gas specifications as defined below.
1. Gas Delivery Specifications (Continued)

2. Gas delivered into the Utility's system for the account of a 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.

3. Gas delivered, except as defined in I.1 above, shall conform to the following quality specifications at the time of delivery:

   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 20 degrees F 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, measured as hydrogen sulfide, per one hundred (100) standard cubic feet (4 ppm). The gas shall not contain any entrained hydrogen sulfide treatment chemical (solvent) or its by-products in the gas stream.

   d. Mercaptan Sulfur: The gas shall not contain more than three tenths (0.3) grains of mercaptan sulfur, measured as sulfur, per hundred standard cubic feet (5 ppm).

   e. Total Sulfur: The gas shall not contain more than seventy-five hundredths (0.75) of a grain of total sulfur compounds, measured as sulfur, per one hundred (100) standard cubic feet (12.6 ppm). 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 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 contain in excess of four percent (4%) total inerts (the total combined carbon dioxide, nitrogen, oxygen and any other inert compound) by volume.
TRANSPORTATION OF CUSTOMER-OWNED GAS

(Continued)

1. Gas Delivery Specifications (Continued)

3. (Continued)

i. Hydrocarbons: For gas delivered at a pressure of 800 psig or less, the gas hydrocarbon dew point is not to exceed 45 degrees F 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 20 degrees F measured at a pressure of 400 psig.

j. Merchantability: The gas shall not contain dust, sand, dirt, gums, oils and other substances at levels that would be injurious to Utility facilities or that would cause gas to be unmarketable.

k. Hazardous Substances: The gas must not contain hazardous substances (including but not limited to toxic and/or carcinogenic substances and/or reproductive toxins) at 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 50 degrees F or above 105 degrees F.

m. Interchangeability: The gas shall have a minimum Wobbe Number of 1279 and shall not have a maximum Wobbe Number greater than 1385. The gas shall meet American Gas Association's 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 serving the area.

Acceptable specification ranges are:

* Lifting Index (IL)
  IL <= 1.06

* Flashback Index (IF)
  IF <= 1.2

* Yellow Tip Index (IY)
  IY >= 0.8

n. Liquids: The gas shall contain no liquids at or immediately downstream of the receipt point.
TRANSPORTATION OF CUSTOMER-OWNED GAS

1. Gas Delivery Specifications (Continued)

4. 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 at the time of delivery as set out in I. 2, I. 3, and J.5, as applicable.

5. The Utility will grant specific deviations to California production from the gas quality specifications defined in Paragraph I.3 above, if such gas will not have a negative impact on system operations. Any such deviation will be required to be filed through Advice Letter for approval prior to gas actually flowing in the Utility system.

6. The Utility will post on its EBB and/or general website information regarding the available real-time Wobbe Number of gas at identified operational locations on its system.

7. Gas monitoring and enforcement hardware and software including, but not limited to, a gas chromatograph and all related equipment, communications facilities and software, identified in Exhibit A to Schedule No. G-CPS, are required, and shall be installed at each interconnection meter site where a California Producer delivers natural gas into the Utility’s gas transportation system. The gas chromatograph shall monitor non-hydrogen sulfide constituents in the gas delivered, and deny access to gas that does not comply with the gas specifications set forth in the Gas Delivery Specifications, Section I.1 or I.3 above. Compliance shall be assessed using the 4- to 8-minute monitoring interval adopted in D.07-08-029 and D.10-09-001.

8. The gas chromatograph and all related equipment and software, identified in Exhibit A to Schedule No. G-CPS, shall monitor and enforce the gas quality specifications, using the 4- to 8-minute monitoring interval adopted in D.07-08-029 and D.10-09-001. Access shall be denied by the Utility on a non-latching basis after a second consecutive monitoring interval results in an alarm for gas which exceeds the non-hydrogen sulfide specifications. The gas chromatograph and all related equipment and software shall also enable the Utility to remotely gather and retain gas quality and alarm data. Where additional measures are necessary to promote or enhance safety, SoCalGas may request a deviation from the aforementioned monitoring interval requirements established by the CPUC.

9. For California Producers currently delivering gas into the Utility’s transportation system without a gas chromatograph and all related equipment and software in place, as required in Rule No. 39, non-hydrogen sulfide constituents of gas will, on an interim basis, continue to be monitored and access denied under the methods currently in place, until such time as a gas chromatograph and all related equipment and software are installed and operational, subject to Rule No. 39 conditions.
J. Renewable Gas Delivery Specifications

1. Renewable Gas delivered, except as defined in Section I.1, must meet the gas quality specifications set out in Section I and the renewable gas-specific specifications set out in the Standard Renewable Gas Interconnections to the Utility’s Pipeline System Rule No. 45 Section K Renewable Gas Quality and Specifications. The terms and conditions contained in Section J apply solely to suppliers of renewable gas and are incremental to Section I’s gas quality requirements for their entire gas deliveries if renewable gas is a part of supplier’s deliveries.

K. 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.

L. 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.

M. 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 the 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.
TRANSPORTATION OF CUSTOMER-OWNED GAS

(Continued)

M. Warranty and Indemnification  (Continued)

2. The customer shall indemnify, defend and save harmless the 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 Sections I or J of this rule.

N. Temporary Settlement Term

1. The Sections of this Rule italicized and followed by an asterisk (*) are temporary and will end when an adopted decision is issued in SoCalGas’ next Triennial Cost Allocation Proceeding.