



February 1, 2002

Advice No. 3117
(U 904 G)

Public Utilities Commission of the State of California

Subject: Unbundled Storage Services

Southern California Gas Company ("SoCalGas") hereby submits for filing revisions to its tariff schedules, applicable throughout its service territory, as shown on Attachment B. Attachment C is a summary of storage rates at embedded costs and escalated based on SoCalGas' Commission-approved performance-based regulation ("PBR") rate-adjustments

Purpose

This advice letter is in compliance with Commission decision (D.)01-12-018 to unbundle storage capacity rights and calculate costs based on the embedded costs rather than long-run marginal costs ("LRMC").

Background

SoCalGas currently offers unbundled storage service with its storage capacity in excess of that amount of capacity reserved for the core market. SoCalGas is currently at risk for recovery of fifty (50%) of a specified level of storage costs that are allocated and unbundled on the basis of LRMC.

In D.01-12-018, the Commission ordered unbundled storage capacity to be awarded as firm, tradable rights and unbundled based on embedded costs. SoCalGas shall conduct an open season for unbundled storage services annually for the term of the Comprehensive Settlement Agreement ("CSA"). SoCalGas shall offer in the initial Open Season storage capacity that has not already been contracted for, not committed to retail and wholesale core loads, and not dedicated to balancing services. Twenty (20%) of the capacity available in the initial open season shall be offered for a term of one year. The remaining eighty (80%) shall be offered for a term of up to the full remaining term of the CSA. CSA, Section 2.1.3.4.

Information

Unbundled storage will be available through an annual Open Season process as a packaged product of inventory, injection, and withdrawal at embedded cost rate of \$0.70606 per year per dth (\$0.667 per CSA escalated for 2002 as shown on Attachment C). Capacity not awarded in an Open Season shall be marketed by SoCalGas through Schedules G-TBS. Uncontracted-for unbundled capacity can be marketed by SoCalGas on a negotiated rate basis, subject to ceiling and floor rates. SoCalGas will be placed at 75% shareholder risk for unbundled storage in the 2002 storage year, and will assume 100% shareholder risk for unbundled storage beginning with the 2003 storage year.

Pursuant to D.01-12-018, SoCalGas shall offer in the initial Open Season that is scheduled for March 2002, all storage capacity available that has not already been contracted for, not committed to retail and wholesale core loads, and not dedicated to balancing services. For this initial Open Season, SoCalGas will have available storage quantity of up to 2 Bcf. This is the maximum amount of storage capacity that SoCalGas can make available in 2002 and still maintain the ratios of 1 Bcf of inventory, 7.6 MMcfd of injection, and 29.6 MMcfd of withdrawal specified in the CSA.

Recognizing that the capacity offered for the 2002 storage year is limited, SoCalGas will offer its storage capacity beginning April 2003 for the multi-year offering in March 2002. This capacity is expected to be about 7 BCF. Beginning in April 2003, SoCalGas will make 20% of this capacity available each year for one-year terms.

Pursuant to D.01-12-018, SoCalGas will have two storage tariffs, 1) Schedule G-PAC to offer packages of inventory, injection, and withdrawal during the Open Seasons, and 2) Schedule G-TBS to offer capacity not awarded through the Open Seasons. Pursuant to D.01-12-018, SoCalGas will discontinue Schedule G-LTS (Long-Term storage); customers shall contract through Schedule G-TBS for long-term storage services. Existing commitments under Schedule G-LTS will be honored through their existing terms. SoCalGas proposes to close Schedule G-AUC, which is applicable to as-available unbundled storage; this as-available capacity shall be made available through Schedule G-TBS. Schedule G-BSS shall remain in effect for the term of the CSA but shall be closed to new customers.

In D.01-12-018, the Commission ordered that any contracts for storage services between SoCalGas and any of its wholesale customers that are in effect at the time the CSA became effective shall not be altered. Each wholesale customer may exercise an option to contract for a specific amount of storage capacity which would be taken from unbundled storage quantities from SoCalGas to meet reliability and balancing needs of its core load. The core storage options for Wholesale customers as ordered by the Commission are shown on Attachment B.

Requested Tariff/Rule Changes as Shown on Attachment B

- *Establish Schedule G-PAC* – Pursuant to D.01-12-018 SoCalGas shall offer packaged storage services during the annual open season (includes Bid Form, Packaged Storage Service Agreement - Schedule L of the MSC, Credit Application, Open Season information form).

- *Modify Schedule G-TBS (including Master Service Agreement – Schedule I) –* Extend the term of the contract from a maximum of three years to 15 years to allow for contract terms of up to 15 years requiring Commission approval.
- *Close and eliminate Schedule G-AUC –* Make as-available capacity available through Schedule G-TBS
- *Close Schedule G-LTS to new customers –* Close Schedule G-LTS to new customers but Schedule shall remain in effect for the term of the CSA for existing customers with G-LTS contracts.
- *Close Schedule G-BSS to new customers –* Close Schedule G-BSS to new customers but Schedule shall remain in effect for the term of the CSA for existing customers with G-BSS contracts.
- *Transfer of Storage Capacity Rights –* Allow customers to trade contracted storage rights with other customers in any ratio agreed upon by both parties. Transferors must provide SoCalGas with written notice.
- *Rule 39 –* Establish creditworthiness for customers and entities requesting service from SoCalGas.
- *Rule 32 –* Change creditworthiness section only to conform to new Rule 39.
- *Rate Schedules GW-SD, GW-LB, GW-SWG and GW-VRN –* to implement provisions for SoCalGas' Wholesale customer core loads.

Conclusion

SoCalGas is proposing to offer the new Packaged Storage services as of April 1, 2002 in order to provide for a full storage year of service availability. SoCalGas' storage year runs from April through the end of March of the subsequent year. SoCalGas is not proposing to remove storage costs from rates until implementation of new balancing procedures on November 1, 2002. The cost of storage services in rates will be calculated using the embedded costs established in D.01-12-018 and the CSA beginning April 1, 2002. At the same time, SoCalGas shareholder risk will be established at a 75/25% split. Therefore, SoCalGas anticipates that the Open Season for Packaged Storage Services will be held in March 2002. April 1, 2002 is proposed to be the effective date of the initial Packaged Storage Service contracts.

Protest

Anyone may protest this Advice Letter to the California Public Utilities Commission. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. The protest must be made in writing and received within 20 days of the date of this Advice Letter. There is no restriction on who may file a protest. The address for mailing or delivering a protest to the Commission is:

Energy Division - IMC Branch
California Public Utilities Commission
505 Van Ness Avenue, 4th Floor
San Francisco, CA 94102

Copies of the protest should also be sent via e-mail to the attention of both Jerry Royer (jir@cpuc.ca.gov) and Honesto Gatchalian (jnj@cpuc.ca.gov) of the Energy Division. A copy of the protest shall also be sent via both e-mail and facsimile to the address shown below on the same date it is mailed or delivered to the Commission.

Attn: Sid Newsom
Regulatory Tariff Administration - GT14D6
555 West Fifth Street
Los Angeles, CA 90013-1011
Facsimile No. (213) 244-4957
E-Mail: snewsom@sempra.com

Attn: C. Richard Swanson
Regulatory Tariff Manager – CP22D
8315 Century Park Court
San Diego, CA 92123-1550
Facsimile No. (858) 654-1788
E-Mail: rswanson@sempra.com

Effective Date

SoCalGas respectfully requests that this advice filing be made effective March 1, 2002. Per Conclusion of Law No. 39 of D.01-12-018, advice filings will be made effective thirty (30) days after filing unless rejected by the Energy Division.

Notice

In accordance with Section III.G of General Order No. 96-A, a copy of this advice letter is being sent to the parties listed on Attachment A, which includes the interested parties in I.99-07-003.

LEE SCHAVRIEN
Vice President
Regulatory Affairs

Attachments

ATTACHMENT A

Advice No. 3117

(See Attached Service Lists)

ACN Energy
 Christopher Waldron
 christopher.waldron@acnenergy.com

ACN Energy
 Hans Herzog
 hans.herzog@acnenergy.com

ACN Energy
 Tony Cusati
 tony.cusati@acnenergy.com

ACN Energy
 Mark Warno
 mark.warno@acnenergy.com

AFBCA/DB March
 3430 Bundy Ave., Bldg. 3408
 March AFC, CA 92518-1504

Aglet Consumer Alliance
 James Weil
 jweil@aglet.org

Alcantar & Kahl
 Elizabeth Westby
 egw@a-klaw.com

Alcantar & Kahl
 Kari Harteloo
 klc@a-klaw.com

Alcantar & Kahl LLP
 Phil Vizcarra
 120 Montgomery Street, Ste 2200
 San Francisco, CA 94104

Aquila Energy
 Cindi Doeschot
 cdoeschot@utilicorp.com

Arter & Hadden
 Dan Douglass
 douglass@arter-hadden.com

BP Amoco, Reg. Affairs
 Marianne Jones
 501 West Lake Park Blvd.
 Houston, TX 77079

Barkovich & Yap
 Catherine E. Yap
 ceyap@earthlink.net

Berliner, Camdon & Jimison
 John Jimison
 johnj@bcjlaw.com

Beta Consulting
 John Burkholder
 burkee@cts.com

CPUC
 Consumer Affairs Branch
 505 Van Ness Ave., #2003
 San Francisco, CA 94102

CPUC
 Energy Rate Design & Econ.
 505 Van Ness Ave., Rm. 4002
 San Francisco, CA 94102

CSC Energy
 Ron McKillip
 rmckilli@csc.com

CSC Energy
 Stacy Schlotterbeck
 sschlott@csc.com

Calpine Corp
 Avis Clark
 aclark@calpine.com

City of Anaheim
 Ben Nakayama
 Public Utilities Dept.
 P. O. Box 3222
 Anaheim, CA 92803

City of Azusa
 Light & Power Dept.
 215 E. Foothill Blvd.
 Azusa, CA 91702

City of Banning
 Paul Toor
 P. O. Box 998
 Banning, CA 92220

City of Burbank
 Fred Fletcher/Ronald Davis
 164 West Magnolia Blvd., Box 631
 Burbank, CA 91503-0631

City of Colton
 Thomas K. Clarke
 650 N. La Cadena Drive
 Colton, CA 92324

City of Glendale
 Larry Silva
 lsilva@ci.glendale.ca.us

City of Lompoc
 H. Paul Jones
 100 Civic Center Plaza
 Lompoc, CA 93438

City of Long Beach, Gas Dept.
 Chris Garner
 2400 East Spring Street
 Long Beach, CA 90806-2385

City of Los Angeles
 City Attorney
 1700 City Hall East
 Los Angeles, CA 90012

City of Pasadena
 Manuel A. Robledo
 150 S. Los Robles Ave., #200
 Pasadena, CA 91101

City of Riverside
 Stephen Aronson
 saronson@ci.riverside.ca.us

City of Vernon
 Kenneth J. DeDario
 kdedario@ci.vernon.ca.us

Coral Energy
 Walter Cinibulk
 wcinibulk@coral-energy.com

County of Los Angeles
 Otto Radtke
 1100 Northeastern Ave., Rm. 101
 Los Angeles, CA 90063

Crossborder Energy
 Tom Beach
 tomb@crossborderenergy

Davis Wright Tremaine, LLP
 Edward W. O'Neill
 One Embarcadero Center, #600
 San Francisco, CA 94111-3834

Davis, Wright, Tremaine
 Judy Pau
 judypau@dwt.com

Downey, Brand, Seymour & Rohwer
 Ann Trowbridge
 atrowbridge@dbsr.com

Downey, Brand, Seymour & Rohwer
 Phil Stohr
 pstohr@dbsr.com

Downey, Brand, Seymour & Rohwer
 Dan Carroll
 dcarroll@dbsr.com

Dynegy
 Joseph M. Paul
 jmpa@dynegy.com

Edison Source
 Usha Kondragunta
 955 Overland Ct.
 San Dimas, CA 91773-1718

Edson & Modisette
 925 L Street, Ste 1490
 Sacramento, CA 95814

El Paso Natural Gas Company
 Richard O. Baish
 P. O. Box 1492
 El Paso, TX 79978

Energy Law Group, LLP
 Andrew Skaff
 askaff@energy-law-group.com

Energy Law Group, LLP
 Diane Fellman
 dfellman@energy-law-group.com

Enserch Gas Marketing, Inc.
 Cathy Hawes
 353 Sacramento, St., Suite 400
 San Francisco, CA 94111

Gas Purchasing
 BC Gas Utility Ltd.
 16705 Fraser Highway
 Surrey, British Columbia, Canada V3S
 2X7

General Services Administration
 Dir., Public Utility Services Div.
 Public Bldgs. Serv., Rm. 7325
 18th and F Streets, N.W.
 Washington, D.C. 20405

General Services Administration
 Facilities Management (9PM-FT)
 450 Golden Gate Ave.
 San Francisco, CA 94102-3611

Goodin, MacBride, Squeri
 J. H. Patrick
 hpatrick@gmssr.com

Goodin, MacBride, Squeri
 James D. Squeri
 jsqueri@gmssr.com

Imperial Irrigation District
 K. S. Noller
 P. O. Box 937
 Imperial, CA 92251

JBS Energy
 Jeff Nahigian
 jeff@jbsenergy.com

Jeffer, Mangels, Butler & Marmaro
 One Sansome Street, 12th Floor
 San Francisco, CA 94104-4430

Jones, Day, Reavis, & Pogue
 Norman A. Pedersen, Esq.
 555 West 5th Street, #4600
 Los Angeles, CA 90013-1025

LADWP
 Nevenka Ubavich
 nubavi@ladwp.com

LADWP
 Randy Howard
 P. O. Box 51111, Rm. 956
 Los Angeles, CA 90051-0100

Law Offices of William H. Booth
 William Booth
 wbooth@booth-law.com

LeBoeuf, Lamb, Greene
 Christopher Hilén
 chilen@llgm.com

Luce, Forward, Hamilton & Scripps
John Leslie
jleslie@luce.com

MRW & Associates
Robert Weisenmiller
mrw@mrwassoc.com

Matthew Brady & Associates
Matthew Brady
mbradylaw@pacbell.net

National Utility Service, Inc.
Jim Boyle
One Maynard Drive, P. O. Box 712
Park Ridge, NJ 07656-0712

Navigant Consulting
Katie Elder
katie-elder@rmiinc.com

Office of Energy Assessments
Bill Knox
billknox@dgs.ca.gov

Pacific Gas & Electric Co.
John Clarke
Regulatory R77 Beale, B30A B10C
San Francisco, CA 94105

Questar Southern Trails
Lenard Wright
lenardw@questar.com

Regulatory & Cogen Services, Inc.
Donald W. Schoenbeck
900 Washington Street, #1000
Vancouver, WA 98660

Richard Hairston & Co.
Richard Hairston
hairstonco@aol.com

SCANA Energy
Randy Campbell
rcampbell@wwdb.org

Sempra Solutions
Marie Bocek
mbocek@sempra-slns.com

Southern California Edison Co
Fileroom Supervisor
2244 Walnut Grove Ave., Room 290,
GO1
Rosemead, CA 91770

Southern California Edison Co
Karyn Gansecki
601 Van Ness Ave., #2040
San Francisco, CA 94102

Southern California Edison Co.
Colin E. Cushnie
cushnice@sce.com

Southern California Edison Co.
John Quinlan
john.quinlan@sce.com

Southern California Edison Co.
Kevin Cini
cinikr@sce.com

Southern California Edison Co.
Peter S. Goeddel
P. O. Box 800
Rosemead, CA 91770

Southwest Gas Corp.
Edward Zub
P. O. Box 98510
Las Vegas, NV 89193-8510

Suburban Water System
Bob Kelly
1211 E. Center Court Drive
Covina, CA 91724

Sutherland, Asbill & Brennan
Keith McCrea
kmccrea@sablaw.com

TURN
Marcel Hawiger
marcel@turn.org

TURN
Mike Florio
mflorio@turn.org

Transwestern Pipeline Co.
Glen R. Hass
glen.hass@enron.com

Vandenberg AFB
Ken Padilla
ken.padilla@vandenberg.af.mil

Western Division, Naval Facilities
Engineering Code 1642
900 Commodore Dr.
San Bruno, CA 94066-2402

White & Case
Regulatory Affairs
regaffairs@sf.whitecase.com

WILD GOOSE STORAGE INC.
PAUL M. AMIRALTY
3900 421 7TH AVENUE S. W.
CALGARY ALBERTA, BC T2P 4K9

PACIFIC GAS AND ELECTRIC
COMPANY
DAVID W. ANDERSON
dwa3@pge.com

INTERSTATE GAS SERVICES, INC.
MARK A. BALDWIN
igsinc@ix.netcom.com

CROSSBORDER ENERGY
TOM BEACH
tomb@crossborderenergy.com

SOUTHWEST GAS CORPORATION
ANDREW W. BETTWY
andy.bettwy@swgas.com

DYNEGY, INC.
GREGORY T. BLUE
gtbl@dynegy.com

POWERSPRING, INC.
TOD BRADLEY
531 ENCINITAS BLVD. SUITE 200
ENCINITAS, CA 92024

BRADY & ASSOCIATES
MATTHEW BRADY
bradylaw@pacbell.net

LATINO ISSUES FORUM
SUSAN E. BROWN
lifcentral@lif.org

BETA CONSULTING
JOHN BURKHOLDER
burkee@cts.com

CALIF PUBLIC UTILITIES COMMISSION
Valerie Beck
vjb@cpuc.ca.gov

DOWNEY, BRAND, SEYMOUR &
ROHWER
DAN L. CARROLL
dcarroll@dbsr.com

PANCANADIAN ENERGY SERVICES,
INC.
JOHN J. CATTERMOLE
jcattermole@pcenergy.com

LOS ANGELES DEPT. OF WATER &
POWER
ALVIN CHAN
PO BOX 5 1111, SUITE 340
LOS ANGELES, CA 90051-0100

CALPINE CORPORATION
AVIS CLARK
aclark@calpine.com

GREENMOUNTAIN.COM
RICHARD H. COUNIHAN
rick.counihan@greenmountain.com

GOODIN MACBRIDE SQUERI RITCHIE
& DAY LLP
BRIAN CRAGG
bcragg@gmssr.com

CALIF PUBLIC UTILITIES COMMISSION
Roderick A Campbell
rax@cpuc.ca.gov

NORTHERN CALIFORNIA POWER
AGENCY
DONALD D. DAME
180 CIRBY WAY
ROSEVILLE, CA 95678

CITY OF BURBANK
RONALD DAVIS
bjeider@ci.burbank.ca.us

GOODIN MACBRIDE SQUERI RITCHIE
& DAY LLP
MICHAEL B. DAY
mday@gmssr.com

CALIFORNIA ENERGY COMMISSION
FERNANDO DE LEON
fdeleon@energy.state.ca.us

WESTERN GAS RESOURCES
CALIFORNIA
TERRI M. DICKERSON
tdickers@westerngas.com

WESTERN HUB PROPERTIES, LLC
THOMAS R. DILL
trdill@westernhubs.com

UNITED ENERGY MANAGEMENT, INC.
BRIAN DINGWALL
1210 SHEPPARD AVE. EAST, SUITE
401
TORONTO, BC M2K 1E3

ABAG POWER
DAVE` FINIGAN
davef@abag.ca.gov

THE UTILITY REFORM NETWORK
BOB FINKELSTEIN
bfinkelstein@turn.org

PACIFIC GAS AND ELECTRIC CO
 STEVE FRANK
 PO BOX 770000
 77 BEALE STREET, B30A
 SAN FRANCISCO, CA 94177

CALIF PUBLIC UTILITIES COMMISSION
 Darwin Farrar
 edf@cpuc.ca.gov

CALIF PUBLIC UTILITIES COMMISSION
 Patrick L. Gileau
 plg@cpuc.ca.gov

ELLISON, SCHNEIDER & HARRIS, LLP
 LYNN M. HAUG
 lmh@eslawfirm.com

STATE OF NEW MEXICO, DEPT. OF
 ENERGY...
 LYN HEBERT
 2040 S. PACHECO
 SANTA FE, NM 87505

AERA ENERGY, LLC
 KEVAN HENSMAN
 kbhensman@aeraenergy.com

LATINO ISSUES FORUM
 JOSE ATILIO HERNANDEZ
 joseh@lif.org

CITY OF PASADENA
 RUFUS HIGHTOWER
 eklinkner@ci.pasadena.ca.us

LEBOEUF LAMB GREENE & MACRAE
 LLP
 CHRISTOPHER A. HILEN
 chilen@llgm.com

RELIANT ENERGY, INC.
 GARY HINNERS
 ghinners@reliantenergy.com

DAVIS WRIGHT TREMAINE LLP
 LINDSEY HOW-DOWNING
 lindseyhowdowning@dwt.com

CALIF PUBLIC UTILITIES COMMISSION
 Trina Horner
 tah@cpuc.ca.gov

SOUTHERN CALIFORNIA EDISON
 COMPANY
 GLORIA M. ING
 gloria.ing@sce.com

CALIFORNIA ENERGY COMMISSION
 MICHAEL R. JASKE
 mjaske@energy.state.ca.us

BERLINER, CANDON & JIMISON
 JOHN JIMISON
 johnj@bcjlaw.com

ADAMS BROADWELL JOSEPH &
 CARDOZO
 MARC D. JOSEPH
 mdjoseph@adamsbroadwell.com

ALCANTAR & KAHL LLP
 CHRISTINE H. JUN
 chj@a-klaw.com

ALCANTAR & KAHL, LLP
 EVELYN KAHL
 ek@a-klaw.com

WHITE & CASE
 JOE KARP
 jkarp@whitecase.com

WHITE & CASE LLP
 JOSEPH M. KARP
 jkarp@whitecase.com

SEMPRA ENERGY TRADING
 STEFANIE KATZ
 skatz@sempratrading.com

INDEPENDENT ENERGY PRODUCERS
 ASSOCIATION
 STEVEN KELLY
 iep@iepa.com

CITY OF PALO ALTO
 GRANT KOLLING
 grant_kolling@city.palo-alto.ca.us

LUCE FORWARD HAMILTON &
 SCRIPPS, LLP
 JOHN W. LESLIE
 jleslie@luce.com

CITY OF PALO ALTO
 RAVEEN MAAN
 raveen_maan@city.palo-alto.ca.us

SUTHERLAND, ASBILL & BRENNAN
 KEITH MC CREA
 kmccrea@sablaw.com

GOODIN MACBRIDE SQUERI RITCHIE
 & DAY LLP
 JAMES W. MC TARNAGHAN
 jmct@gmssr.com

CALIFORNIA FARM BUREAU
 FEDERATION
 KAREN NORENE MILLS
 kmills@cfbf.com

KERN RIVER GAS TRANSMISSION CO.
 MARK MOENCH
 mark.c.moench@wgp.twc.com

CALIF PUBLIC UTILITIES COMMISSION
 Michael D. McNamara
 mcn@cpuc.ca.gov

CALIF PUBLIC UTILITIES COMMISSION
 Richard A. Myers
 ram@cpuc.ca.gov

DAVIS WRIGHT TREMAINE LLP
 EDWARD W. O'NEILL
 edwardoneill@dwt.com

**NAVIGANT CONSULTING, INC. -
 PRINCIPAL**
 RONALD G. OECHSLER
 ron_oechsler@rmiinc.com

AERA ENERGY LLC
 HAROLD ORNDORFF
 haorndorff@aeraenergy.com

CITY OF GLENDALE
 BERNARD PALK
 slins@ci.glendale.ca.us

DYNEGY MARKETING & TRADE
 JOSEPH M. PAUL
 joe.paul@dynegy.com

HANNA AND MORTON
 NORMAN A. PEDERSEN
 npedersen@hanmor.com

WILLIAMS ENERGY SERVICES
 ROGER T. PELOTE
 roger.pelote@williams.com

**LOS ANGELES DEPT OF WATER &
 POWER**
 ROBERT L. PETTINAT
 rpetti@ladwp.com

ANDERSON & POOLE
 EDWARD G. POOLE
 epoole@adplaw.com

**SOUTHERN CALIFORNIA EDISON
 COMPANY**
 DOUGLAS PORTER
 douglas.porter@sce.com

PATRICK J. POWER
 pjpowerlaw@aol.com

CALIF PUBLIC UTILITIES COMMISSION
 Robert M. Pocha
 rmp@cpuc.ca.gov

CALIF PUBLIC UTILITIES COMMISSION
 Edwin Quan
 eyq@cpuc.ca.gov

**CALIFORNIA PUBLIC UTILITIES
 COMMISSION**
 JAMES W. REEDE, JR
 jwr@cpuc.ca.gov

**PANCANADIAN ENERGY SERVICES,
 INC.**
 ALAN C. REID
 alan_reid@pcp.ca

CALIFORNIA UTILITY BUYERS JPA
 MICHAEL ROCHMAN
 rochmanm@cubjpa.org

TRANSWESTERN PIPELINE COMPANY
 SUSAN SCOTT
 sscott3@enron.com

ENERGY LAW GROUP, LLP
 ANDREW J. SKAFF
 askaff@energy-law-group.com

IMPERIAL IRRIGATION DISTRICT
 JOHN STEFFEN
 jsteffen@iid.com

SEMPRA ENERGY
 GLEN SULLIVAN
 gsullivan@sempra.com

CALIF PUBLIC UTILITIES COMMISSION
 Sarita Sarvate
 sbs@cpuc.ca.gov

CALIF PUBLIC UTILITIES COMMISSION
 Maria E. Stevens
 mer@cpuc.ca.gov

WRIGHT & TALISMAN, P.C.
 MICHAEL J. THOMPSON
 thompson@wrightlaw.com

SOUTHWEST GAS CORPORATION
 JOHN C. WALLEY
 johnwalley@swgas.com

AGLET CONSUMER ALLIANCE
 JAMES WEIL
 jweil@aglet.org

CALIFORNIA ENERGY COMMISSION
 BILL WOOD
 bwood@energy.state.ca.us

TXU ENERGY SERVICE
 GERARD WORSTER
 39650 LIBERTY STREET, STE 400
 FREMONT, CA 94538-2261

CALIF PUBLIC UTILITIES COMMISSION
 John S. Wong
 jsww@cpuc.ca.gov

BARKOVICH AND YAP
 CATHERINE E. YAP
 ceyap@earthlink.net

ED YATES
 ed@clfp.com

**SOUTHERN ENERGY CALIFORNIA,
 LLC**
 KELVIN YIP
 kfyip@seiworldwide.com

ATTACHMENT B
Advice No. 3117

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 34622-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 7	Revised 32491-G Revised 32492-G
Revised 34623-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 8	Revised 32492-G
Revised 34624-G	Schedule No. GW-LB, WHOLESale NATURAL GAS SERVICE, Sheet 7	Revised 32681-G
Original 34625-G	Schedule No. GW-LB, WHOLESale NATURAL GAS SERVICE, Sheet 8	
Revised 34626-G	Schedule No. GW-SD, WHOLESale NATURAL GAS SERVICE, Sheet 5	Revised 32686-G
Original 34627-G	Schedule No. GW-SD, WHOLESale NATURAL GAS SERVICE, Sheet 6	
Revised 34628-G	Schedule No. GW-SWG, WHOLESale NATURAL GAS SERVICE, Sheet 5	Revised 32691-G
Revised 34629-G	Schedule No. GW-VRN, WHOLESale NATURAL GAS SERVICE, Sheet 6	Original 32697-G
Revised 34630-G	Schedule No. G-BSS, BASIC STORAGE SERVICE, Sheet 1	Revised 32700-G
Revised 34631-G	Schedule No. G-BSS, BASIC STORAGE SERVICE, Sheet 2	Revised 32701-G
Revised 34632-G	Schedule No. G-BSS, BASIC STORAGE SERVICE, Sheet 3	Revised 32702-G
Revised 34633-G	Schedule No. G-BSS, BASIC STORAGE SERVICE, Sheet 4	Revised 32703-G
Revised 34634-G	Schedule No. G-BSS, BASIC STORAGE SERVICE, Sheet 5	Revised 32704-G
Revised 34635-G	Schedule No. G-BSS, BASIC STORAGE SERVICE, Sheet 6	Revised 32705-G
Revised 34636-G	Schedule No. G-BSS, BASIC STORAGE SERVICE, Sheet 7	Revised 32706-G
Revised 34637-G	Schedule No. G-BSS, BASIC STORAGE SERVICE, Sheet 8	Revised 32707-G
Original 34638-G	Schedule No. G-BSS, BASIC STORAGE SERVICE, Sheet 9	
Revised 34639-G	Schedule No. G-LTS, LONG-TERM STORAGE SERVICE, Sheet 1	Revised 32716-G
Revised 34640-G	Schedule No. G-LTS, LONG-TERM STORAGE SERVICE, Sheet 2	Revised 32717-G
Revised 34641-G	Schedule No. G-LTS, LONG-TERM STORAGE SERVICE, Sheet 3	Revised 32718-G Revised 32719-G

ATTACHMENT B
Advice No. 3117

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 34642-G	Schedule No. G-LTS, LONG-TERM STORAGE SERVICE, Sheet 4	Revised 32719-G
Revised 34643-G	Schedule No. G-LTS, LONG-TERM STORAGE SERVICE, Sheet 5	Revised 32720-G
Revised 34644-G	Schedule No. G-LTS, LONG-TERM STORAGE SERVICE, Sheet 6	Revised 32720-G
Revised 34645-G	Schedule No. G-LTS, LONG-TERM STORAGE SERVICE, Sheet 7	Revised 32721-G
Revised 34646-G	Schedule No. G-LTS, LONG-TERM STORAGE SERVICE, Sheet 8	Revised 32721-G
Revised 34647-G	Schedule No. G-TBS, TRANSACTION BASED STORAGE SERVICE, Sheet 1	Revised 32722-G
Revised 34648-G	Schedule No. G-TBS, TRANSACTION BASED STORAGE SERVICE, Sheet 2	Revised 32722-G
Revised 34649-G	Schedule No. G-TBS, TRANSACTION BASED STORAGE SERVICE, Sheet 3	Revised 32723-G
Revised 34650-G	Schedule No. G-TBS, TRANSACTION BASED STORAGE SERVICE, Sheet 4	Revised 32723-G
Revised 34651-G	Schedule No. G-TBS, TRANSACTION BASED STORAGE SERVICE, Sheet 5	Revised 32724-G
Revised 34652-G	Schedule No. G-TBS, TRANSACTION BASED STORAGE SERVICE, Sheet 6	Revised 32724-G
Original 34653-G	Schedule No. G-PAC, PACKAGED STORAGE SERVICE, Sheet 1	Revised 32725-G
Original 34654-G	Schedule No. G-PAC, PACKAGED STORAGE SERVICE, Sheet 2	Revised 32725-G
Original 34655-G	Schedule No. G-PAC, PACKAGED STORAGE SERVICE, Sheet 3	Original 27374-G
Original 34656-G	Schedule No. G-PAC, PACKAGED STORAGE SERVICE, Sheet 4	Original 27374-G
Original 34657-G	Schedule No. G-PAC, PACKAGED STORAGE SERVICE, Sheet 5	Original 27375-G
Revised 34658-G	Rule No. 32, CORE AGGREGATION TRANSPORTATION, Sheet 1	Revised 31929-G
Revised 34659-G	Rule No. 32, CORE AGGREGATION TRANSPORTATION, Sheet 7	Original 27377-G
Revised 34660-G	Rule No. 32, CORE AGGREGATION TRANSPORTATION, Sheet 8	Original 27377-G
Revised 34661-G	Rule No. 32, CORE AGGREGATION TRANSPORTATION, Sheet 9	Original 27378-G
Revised 34662-G	Rule No. 32, CORE AGGREGATION TRANSPORTATION, Sheet 10	
Revised 34663-G	Rule No. 32, CORE AGGREGATION TRANSPORTATION, Sheet 11	
		Revised 34506-G
		Revised 34512-G
		Revised 34513-G
		Revised 34514-G
		Revised 34515-G, 34516-G
		Revised 34516-G
		Revised 34517-G
		Revised 34518-G
		Revised 34519-G

ATTACHMENT B
Advice No. 3117

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 34664-G	Rule No. 32, CORE AGGREGATION TRANSPORTATION, Sheet 12	Revised 34520-G
Revised 34665-G	Rule No. 32, CORE AGGREGATION TRANSPORTATION, Sheet 13	Revised 34521-G
Revised 34666-G	Rule No. 32, CORE AGGREGATION TRANSPORTATION, Sheet 14	Revised 34522-G
Original 34667-G	Rule No. 39, CUSTOMER CREDITWORTHINESS, Sheet 1	
Original 34668-G	Rule No. 39, CUSTOMER CREDITWORTHINESS, Sheet 2	
Original 34669-G	Rule No. 39, CUSTOMER CREDITWORTHINESS, Sheet 3	
Original 34670-G	Rule No. 39, CUSTOMER CREDITWORTHINESS, Sheet 4	
Original 34671-G	SAMPLE FORMS, Contracts, Transfer of Storage Capacity Rights (Form 1790), Sheet 1	
Original 34672-G	SAMPLE FORMS, Contracts, Packaged Storage Service Open Season (Form 2015), Sheet 1	
Original 34673-G	SAMPLE FORMS, Contracts, Packaged Storage Service Open Season Bid (Form 2015-1), Sheet 1	
Original 34674-G	SAMPLE FORMS, Contracts, Credit Application (Form 150), Sheet 1	
Revised 34675-G	SAMPLE FORMS - CONTRACTS, Master Services Contract, Schedule I, Transaction Based Storage Service (Form 6597-11, Rev. 2/02), Sheet 1	Original 27379-G
Original 34676-G	SAMPLE FORMS - CONTRACTS, Master Services Contract, Schedule L, Packaged Storage Service (Form 6597-16), Sheet 1	
Revised 34677-G	TABLE OF CONTENTS	Revised 34620-G
Revised 34678-G	TABLE OF CONTENTS	Revised 34531-G
Revised 34679-G	TABLE OF CONTENTS	Revised 34024-G
Revised 34680-G	TABLE OF CONTENTS	Revised 33354-G*
Revised 34681-G	TABLE OF CONTENTS, GENERAL AND PRELIMINARY STATEMENTS, Sheet 1	Revised 34621-G

PRELIMINARY STATEMENT
 PART II
SUMMARY OF RATES AND CHARGES

Sheet 7

(Continued)

STORAGE SERVICE

Schedule G-BSS (Basic Storage Service)

Reservation Charges

Annual Inventory, per decatherm reserved	21.741¢/year	I
Annual Withdrawal, per decatherm/day reserved	\$5.909/year	R
Monthly Injection, per decatherm/day reserved	19.283¢/day	I

Variable Injection Charges (April through November only)

In-Kind Energy Charge, percent reduction	2.440%	
Operating and Maintenance Charge		
Rate, per therm available for injection	0.123¢	R

Variable Withdrawal Charges (November through March only)

Operating and Maintenance Charge		
Rate per therm available for injection	0.172¢	R

Transmission Charges

Transmission Charge for all quantities injected		
Rate per therm	5.670¢	
Transmission Credit for storage quantities withdrawn		
Rate per therm	5.670¢	

Schedule G-LTS (Long-Term Storage Service)

Reservation Charges

Annual Inventory, per decatherm reserved	21.741¢/year	L
Annual Withdrawal, per decatherm/day reserved	\$5.909/year	L,I
Monthly Injection, per decatherm/day reserved	19.283¢/day	L,R

Variable Injection Charges (April through November only)

In-Kind Energy Charge, percent reduction, per therm	2.440%	L
Operating and Maintenance Charge		L
Rate per therm available for injection	0.123¢	L,R

Variable Withdrawal Charges (November through March only)

Operating and Maintenance Charge		L
Rate per therm available for injection	0.172¢	L

Transmission Charges

Transmission Charge for all quantities injected		L
Rate, per therm	5.670¢	
Transmission Credit for storage quantities withdrawn		
Rate, per therm	5.670¢	

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3117
 DECISION NO. 01-12-018

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Feb 1, 2002
 EFFECTIVE _____
 RESOLUTION NO. _____

PRELIMINARY STATEMENT
PART II
SUMMARY OF RATES AND CHARGES

Sheet 8

(Continued)

STORAGE SERVICE (continued)

Schedule G-TBS (Transaction Based Storage Service)

Reservation Charges (1)

Annual Firm Inventory, per decatherm reserved	21.741¢/year
Daily Firm Withdrawal, per decatherm/day reserved	3.913¢/day
Daily Firm Injection, per decatherm/day reserved	19.283¢/day

Variable Injection Charges (April through November only)

In-Kind Energy Charge, percent reduction, per therm	2.440%
Operating and Maintenance Charge	
Rate per therm available for injection	0.123¢

Variable Withdrawal Charges (November through March only)

Operating and Maintenance Charge	
Rate per therm available for injection	0.172¢

Transmission Charges

Transmission Charge for all quantities injected	
Rate, per therm	5.670¢
Transmission Credit for storage quantities withdrawn	
Rate, per therm	5.670¢

Schedule G-PAC (Packaged Storage Service)

Reservation Charge

Annual Inventory, per decatherm reserved	70.606¢ (2)
--	-------------

Variable Injection Charges (April through November only)

In-Kind Energy Charge, percent reduction	2.440%
Operating and Maintenance Charge	
Rate per therm available for injection	0.123¢

Variable Withdrawal Charges (November through March only)

Operating and Maintenance Charge	
Rate per therm available for injection	0.172¢

- (1) G-TBS reservation charges for contracts executed after April 1, 2002 shall be no more than 200% or less than 50% of the individual reservation charges set forth for inventory, withdrawal and injection services.
- (2) G-PAC reservation charge for inventory and corresponding injection and withdrawal capacities.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3117
 DECISION NO. 01-12-018

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Feb 1, 2002
 EFFECTIVE _____
 RESOLUTION NO. _____

D,L
 N
 N

Schedule No. G-BSS
BASIC STORAGE SERVICE

Sheet 1

APPLICABILITY

Schedule No. G-BSS is closed to new customers as of the effective date of the Comprehensive Gas OII Settlement Agreement (the "CS") (in accordance with D.01-12-018, CPUC Docket No. I-99-08-003). It is only applicable to customers with existing BSS contracts as of the effective date of the CS.

N
 N
 N,D

TERRITORY

Applicable for gas stored by the Utility within its service territory.

RATES

Reservation Charges

The Utility has pricing flexibility to charge different rates than those stated below provided the reservation charge is no higher than the maximum reservation charge allowed in the G-TBS tariff.

Annual Firm Inventory

Reservation Charge for annual inventory capacity reserved

Rate, per decatherm 21.741¢

I

The above reservation charge shall apply to the customer's annual amount of reserved basic storage inventory and shall be billed in twelve equal monthly installments during the storage year.

One-Month Firm Injection

Reservation Charge for injection capacity reserved for one month

Rate, per decatherm 19.283¢

I

The above reservation charge shall apply to the customer's reserved basic storage monthly injection capacity rate for the month reserved multiplied by the number of days in that month and shall be billed in twelve equal monthly installments during the storage year.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3117
 DECISION NO. 01-12-018

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Feb 1, 2002
 EFFECTIVE _____
 RESOLUTION NO. _____

Schedule No. G-BSS
BASIC STORAGE SERVICE

Sheet 2

(Continued)

RATES (Continued)

Reservation Charges (Continued)

Annual Firm Withdrawal

Reservation Charge for withdrawal capacity reserved for year

Rate, per decatherm/day \$5.909

The above reservation charge shall apply to the customer's reserved basic storage annual withdrawal capacity and shall be billed in twelve equal monthly installments during the storage year.

All reservation charges for firm basic storage service are applicable whether the storage service is used or not and shall not be prorated under any circumstances.

Variable Charges

Injection Service

Peak Season, April through November

In-Kind Energy Charge for quantity delivered for injection

Rate, percent reduction 2.440%

O&M Injection Charge for quantity injected (less In-Kind Charge)

Rate, per therm 0.123¢

Off-Peak Season, December through March

Variable storage charges shall not be applied for off-peak storage injection service provided under this schedule.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3117
 DECISION NO. 01-12-018

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Feb 1, 2002
 EFFECTIVE _____
 RESOLUTION NO. _____

Schedule No. G-BSS
BASIC STORAGE SERVICE

Sheet 3

(Continued)

RATES (Continued)

Variable Charges (Continued)

Withdrawal Service

Peak Season, November through March

O&M Withdrawal Charge for quantity withdrawn

Rate, per therm 0.172¢

Off-Peak Season, April through October

Variable storage charges shall not be applied for off-peak storage withdrawal service provided under this schedule.

Billing Adjustments

Billing adjustments may be necessary to reflect changes in quantities applicable under this schedule or changes in costs used in prior period's storage charges.

Transmission Charges

Transmission Charge for all quantities injected (less In-Kind Charge)

Rate, per therm 5.670¢

All gas delivered by the Utility for injection into storage under this schedule shall be assessed a transmission charge as shown above. This charge shall also be applied to all storage customers who (1) inject gas by imbalance trade under the provisions of Schedule No. G-IMB, or (2) receive a storage inventory transfer from another customer.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3117
 DECISION NO. 01-12-018

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Feb 1, 2002
 EFFECTIVE _____
 RESOLUTION NO. _____

Schedule No. G-BSS
BASIC STORAGE SERVICE

Sheet 4

(Continued)

RATES (Continued)

Transmission Charges (Continued)

Transmission Credit for all storage quantities withdrawn

Credit, per therm 5.670¢

For all gas withdrawn by the Utility on behalf of a customer for storage service under this schedule, that customer shall receive a credit as shown above. This credit shall also be applied to all storage service customers who (1) withdraw gas by imbalance trade, or (2) who transfer inventory to another storage customer.

All other charges for transmission service shall be applied by the Utility in accordance with the provisions of the applicable tariff schedules.

SPECIAL CONDITIONS

General

1. The definitions of the principal terms used in the Utility's tariff schedules are contained in Rule No. 1.
2. Storage service under this schedule shall be curtailed in accordance with the provisions of Rule No. 23.
3. All terms and conditions of Rule No. 30 and Schedule No. G-IMB shall apply to the storage services and the transportation of customer-owned gas in conjunction with the storage services provided under this schedule.
4. As a condition precedent to service under this schedule, an executed Master Services Contract, Schedule D, Basic Storage Service (Form Nos. 6597 and 6597-4) is required. All contracts, rates and conditions are subject to revision and modification as a result of Commission order.
5. The contract term for service hereunder shall be one year and shall begin on either April 1 or October 1 and continue thereafter for a twelve month period. The twelve month period beginning April 1 shall be termed the Spring storage year, and the twelve month period beginning October 1 shall be termed the Fall storage year with the term "storage year" referring to either a Spring or Fall storage year as appropriate.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3117
 DECISION NO. 01-12-018

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Feb 1, 2002
 EFFECTIVE _____
 RESOLUTION NO. _____

T
T

T
T

Schedule No. G-BSS
BASIC STORAGE SERVICE

Sheet 5

(Continued)

SPECIAL CONDITIONS (Continued)

General (Continued)

6. The storage year shall be comprised of seasonal periods as follows:

	<u>Peak Season</u>	<u>Off-Peak Season</u>
Injection:	April - November	December - March
Withdrawal:	November - March	April - October

7. For transportation customers served hereunder, any storage gas remaining in inventory at the conclusion of the customer's storage contract term shall be considered an imbalance subject to the provisions of Schedule No. G-IMB, unless such inventory is rolled-over by the customer into the next storage year under the provisions of Special Condition 19 herein. For 100% core subscription customers served under this schedule, the Utility shall credit the customer at the applicable core subscription procurement charge, plus brokerage fee, then in effect for any such excess storage gas in inventory, unless such inventory is rolled-over by the customer under the provisions of Special Condition 19.

8. In the event any customer's storage contract is terminated, for whatever reason, prior to the completion of the term of such contract, the Utility may at its option immediately purchase any remaining inventory quantities from such customer at the applicable Buy-Back Rate stated in Schedule No. G-IMB. The Buy-Back purchase amount paid to the customer may be reduced by any outstanding amounts owed by the customer for any other services provided by the Utility.

9. Prior to and while taking service under this tariff, a customer must meet the Utility's creditworthiness requirements as specified in Rule 39.

Storage Nominations

10. Basic storage service customers may designate an agent to act on their behalf for the purpose of making storage nominations for their service under this schedule. Such agents may not aggregate the storage rights of the basic storage customer with the rights of any other storage customer.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3117
 DECISION NO. 01-12-018

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Feb 1, 2002
 EFFECTIVE _____
 RESOLUTION NO. _____

T
T
N
N
D

Schedule No. G-BSS
BASIC STORAGE SERVICE

Sheet 6

(Continued)

SPECIAL CONDITIONS (Continued)

Storage Imbalance Trading

11. Except during any period of system curtailment of transportation service, as described in Rule No. 23, storage customers may use their available storage inventory capacity and quantities to (1) offset the customer's own transportation imbalances, or (2) trade with other customers for their transportation imbalances, under the imbalance trading provisions set forth in Schedule No. G-IMB.
12. For storage injections and withdrawals performed through imbalance trading, the customer shall not be required to have storage injection or withdrawal rights but shall be assessed the variable charges (including In-Kind Energy and O&M charges) set forth herein for such storage operations. For such storage trading activity, the storage transaction will be considered as occurring at the time the imbalance trade is completed by the Utility.
13. If gas is to be injected by the storage customer as a result of an imbalance trade, the customer must have sufficient available inventory space at the time the trade is completed by the Utility. If storage gas is to be withdrawn through an imbalance trade, the storage customer must have sufficient gas in inventory at the time the trade is completed.

Storage Inventory Transfers

14. Storage customers may mutually request to transfer gas in inventory from one customer's storage account to another. Such requests must be made by both parties to the inventory transfer and are limited to the inventory quantity available for transfer and the available inventory capacity of the receiving customer at the time the transfer is completed by the Utility. All transfers may be accepted or rejected, in whole or in part, by the Utility and shall not be deemed accepted until such time as the Utility notifies both customers of the completion of the transfer.

Basic Service Storage Rights

15. Under basic storage service, noncore customers may contract for firm storage withdrawal capacity. The awarded withdrawal capacity shall be stated as a daily capacity rate and shall be available to the customer throughout the storage year.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3117
DECISION NO. 01-12-018

ISSUED BY
Lee Schavrien
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Feb 1, 2002
EFFECTIVE _____
RESOLUTION NO. _____

Schedule No. G-BSS
BASIC STORAGE SERVICE

Sheet 7

(Continued)

SPECIAL CONDITIONS (Continued)

Basic Service Storage Rights (Continued)

16. In addition to withdrawal capacity, the basic storage service customer may contract for storage inventory capacity up to seven times the customer's awarded basic service withdrawal capacity. This inventory capacity shall be available to the customer throughout the storage year. T
17. The basic storage service customer must also contract for one month of firm storage injection capacity. The customer must contract for that amount of injection capacity necessary to fill the customer's awarded inventory capacity over a one month period. T
18. Basic service injection capacity shall be limited to those peak season injection months the Utility is able to make such service available. Prior to the start of the storage year, customers shall be required to designate their order of preference for the available injection months. If a customer's primary choice month is oversubscribed, the customer's awarded injection capacity for that month shall be prorated downward to a level consistent with the injection capacity available. The customer's remaining injection capacity shall be allocated to the customer's second and then third designated choice of injection month and awarded in the same manner as for the primary month. Once established, the customer's awarded injection capacity shall be stated in the customer's contract as a daily capacity rate by month and shall only be available for the designated month or months. T

Year-to-Year Participation

19. At the end of each storage year, current basic storage customers will automatically have their contracted basic storage service rights rolled over to the following storage year, including any quantities in inventory at the end of the storage year. The amount of the customer's basic storage rights eligible to be rolled over to the next storage year shall be restricted to the limitations on capacity rights described above. T
20. Also on or before March 1 of each year for the Spring storage year and September 1 of each year for the Fall storage year, customers not currently receiving basic storage service may request to receive such service for the following storage year. For such customers, service availability shall be limited to that reserved basic service capacity remaining after the requirements of current basic storage customers are met. T

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3117
DECISION NO. 01-12-018

ISSUED BY
Lee Schavrien
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Feb 1, 2002
EFFECTIVE _____
RESOLUTION NO. _____

Schedule No. G-BSS
BASIC STORAGE SERVICE

Sheet 8

(Continued)

SPECIAL CONDITIONS (Continued)

Year-to-Year Participation (Continued)

21. Once the Utility has initially established the basic storage service capacity to be awarded to both new and current basic service customers for the upcoming storage year, any unsubscribed annual firm withdrawal capacity, and the corresponding inventory and injection capacity rights, shall then be offered on a pro rata basis to all customers who were initially awarded withdrawal capacity in an amount less than their average winter daily usage. If accepted, the additional capacity award shall be reflected in the customer's storage contract. T

Core Subscription Storage

22. Core subscription customers may receive basic storage service under this schedule. The Utility shall inject such customer's core subscription storage quantities in the month or months designated in the customer's contract. T
23. For the customer's contracted core subscription injection quantities, the customer shall be charged the core subscription procurement rate, plus brokerage fee, in effect during the month such quantities are injected. For core subscription withdrawal quantities, the customer shall be charged the full cost of core subscription service and shall receive a credit based on the core subscription procurement charge, plus brokerage fee, in effect during the period such quantities are withdrawn. T
24. For basic storage service customers who are 100% core subscription, storage inventory may only be withdrawn during periods of curtailment of the customer's transmission service. T
25. For basic storage service customers who split their requirements between core subscription service and transportation service, the customer's core subscription storage gas shall be treated as customer-owned gas and may be (1) used together with the customer's transportation deliveries to storage, or (2) traded under the imbalance trading provisions set forth in Schedule No. G-IMB. T

Secondary Market Transactions

26. Subject to the conditions below, through the remainder of the term of the CS, storage customers will be allowed to transfer to any qualified person, whether or not an end-user or wholesale customer of Utility, all or any portions of their storage contract rights (inventory, injection, and withdrawal rights may be transferred independently) for any period of time up to the remaining term of their contracts. Storage contract rights may be re-transferred any number of times under the same rules applicable to transfers by persons who originally obtained the rights directly from Utility. T
D
N
|
|
|
|
N

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3117
 DECISION NO. 01-12-018

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Feb 1, 2002
 EFFECTIVE _____
 RESOLUTION NO. _____

Schedule No. G-BSS
BASIC STORAGE SERVICE

Sheet 9

(Continued)

SPECIAL CONDITIONS (Continued)

Secondary Market Transactions (Continued)

27. Transferors must provide Utility with written notice two days in advance of the first nomination cycle for the effective flow date of the rights transferred. Written notice must be on Form 1790, and be received by Utility no later than 2:30 pm Pacific time. Until the complete implementation of the CS, certain transfer restrictions are in effect. For the flow days of Saturday, Sunday, and Monday, rights cannot be transferred for these days individually. Rights applicable to these days must be transferred for the entire three days. In addition, when transferred rights begin on a Tuesday, the third nomination cycle will be the first opportunity to nominate these rights. For transfers affected by Utility holidays, a special schedule will be posted on GasSelect.
28. Prior to any notice of transfer for specific storage rights being submitted, potential transferees must have a valid executed Master Services Contract with the Utility and must have approved credit per Rule No. 39. Until the complete implementation of the CS: (i) Utility will bill the reservation charges to the transferee only if the transfer of storage rights is a complete assignment of the entire storage contract for the remaining term of the contract; (ii) if the transfer is a partial assignment of the storage rights under the contract, or a transfer of the entire contract for a period of time less than the remaining term of the contract, Utility will continue to bill the reservation charges to the transferor and will bill the variable and transmission charges to the transferee under its existing storage agreement. If the transferee has no existing storage agreement, then a G-TBS agreement will be established for the transferred capacity.

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 3117
DECISION NO. 01-12-018

9R6

ISSUED BY

Lee Schavrien
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Feb 1, 2002
EFFECTIVE _____
RESOLUTION NO. _____

Schedule No. G-LTS
LONG-TERM STORAGE SERVICE

Sheet 1

APPLICABILITY

Schedule No. G-LTS is closed to new customers as of the effective date of the Comprehensive Gas OII Settlement Agreement (the "CS") (in accordance with D.01-12-018, CPUC Docket No. I-99-08-003). It is only applicable to customers with existing LTS contracts as of the effective date of the CS. All eligible participants are collectively referred to herein as "customers" unless otherwise specified.

N
 N
 D,N

TERRITORY

Applicable for gas stored by the Utility within its service territory.

RATES

Reservation Charges

The Utility has pricing flexibility to charge different rates than those stated below provided the reservation charge is no higher than the maximum reservation charge allowed in the G-TBS tariff.

Annual Firm Inventory

Reservation Charge for annual firm inventory capacity reserved

Rate, per decatherm 21.741¢

I

The above reservation charge shall apply to the customer's reserved annual firm inventory and shall be billed in twelve equal monthly installments for each storage year during the long-term contract, unless Special Condition 22 applies.

Monthly Firm Injection

Reservation Charge for monthly firm injection capacity reserved

Rate, per decatherm per day 19.283¢

I

The above reservation charge shall apply to the customer's reserved monthly injection capacity for the contracted month multiplied by the number of days in that month and shall be billed in twelve equal monthly installments for each storage year during the long-term contract, unless Special Condition 22 applies.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3117
 DECISION NO. 01-12-018

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Feb 1, 2002
 EFFECTIVE _____
 RESOLUTION NO. _____

Schedule No. G-LTS
LONG-TERM STORAGE SERVICE

Sheet 2

(Continued)

RATES (Continued)

Reservation Charges (Continued)

Annual Firm Withdrawal

Reservation Charge for annual firm withdrawal capacity reserved

Rate, per decatherm per day \$5.909

T
R

The above reservation charge shall apply to the customer's reserved annual firm withdrawal capacity and shall be billed in twelve equal monthly installments for each storage year during the long-term contract, unless Special Condition 22 applies.

All reservation charges for firm long-term storage service are applicable each storage year for the entire term of the customer's long-term contract, whether the contracted storage services are used or not.

Variable Charges

Injection Service

Peak Season, April through November

In-Kind Energy Charge for quantity delivered for injection

Rate, percent reduction 2.440%

O&M Injection Charge for quantity injected (less In-Kind Charge)

Rate, per therm 0.123¢

L
|
|
|
|
|
|
|
|
|
|
L
L,R
D
L
|
|
L

Off-Peak Season, December through March

Variable storage charges shall not be applied for off-peak storage injection service provided under this schedule.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3117
 DECISION NO. 01-12-018

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Feb 1, 2002
 EFFECTIVE _____
 RESOLUTION NO. _____

Schedule No. G-LTS
LONG-TERM STORAGE SERVICE

Sheet 3

(Continued)

RATES (Continued)

Withdrawal Service

Peak Season, November through March

O&M Withdrawal Charge for quantity withdrawn

Rate, per therm 0.172¢

Off-Peak Season, April through October

Variable storage charges shall not be applied for off-peak storage withdrawal service provided under this schedule.

The variable storage charges set forth in this schedule are based on the Utility's embedded costs.

Billing Adjustments

Billing adjustments may be necessary to reflect changes in quantities applicable under this schedule or changes in costs used in prior period's storage charges.

Transmission Charges

Transmission Charge for all quantities injected (less In-Kind Energy Charge)

Rate, per therm 5.670¢

All gas delivered by the Utility for injection into storage under this schedule shall be assessed a transmission charge as shown above. This charge shall also be applied to all storage customers who (1) inject gas through imbalance trading under the provisions of Schedule No. G-IMB, or (2) receive a storage inventory transfer from another storage customer.

Transmission Credit for all quantities withdrawn

Credit, per therm 5.670¢

For all gas withdrawn by the Utility on behalf of a customer for storage service under this schedule, that customer shall receive a credit as shown above. This credit shall also be applied to all storage customers who (1) withdraw gas by imbalance trade, or (2) who transfer inventory to another storage customer.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3117
 DECISION NO. 01-12-018

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Feb 1, 2002
 EFFECTIVE _____
 RESOLUTION NO. _____

L

T,R
D

T,D

L

L

L,T

L

L

L

L

L

L

L,T

L,T

L

L

Schedule No. G-LTS
LONG-TERM STORAGE SERVICE

Sheet 4

(Continued)

RATES (Continued)

Transmission Charges (Continued)

The above provisions shall not apply to off-system customers storing gas for ultimate use east of California. The transmission charges for such storage service shall be set forth in the off-system customer's long-term storage contract.

All other charges for transmission service shall be applied by the Utility in accordance with the provisions of the applicable tariff schedules.

SPECIAL CONDITIONS

General

1. The definitions of the principal terms used in the Utility's tariff schedules are contained in Rule No. 1.
2. Storage service under this schedule shall be curtailed in accordance with the provisions of Rule No. 23.
3. All terms and conditions of Rule No. 30 and Schedule No. G-IMB shall apply to the storage services and the transportation of customer-owned gas in conjunction with the storage services provided under this schedule.
4. As a condition precedent to service under this schedule, an executed Master Services Contract, Schedule F, Long-Term Storage Service (Form Nos. 6597 and 6597-6) is required. All contracts, rates and conditions are subject to revision and modification as a result of Commission order.
5. The minimum contract term for service under this schedule shall be three years and the maximum contract term shall be fifteen years.
6. The storage year for long-term contract service shall begin on April 1 and continue thereafter for a twelve month period. Eligible customers may contract for long-term storage service anytime during this period but the annual reservation charges applicable for the initial storage year shall not be prorated unless otherwise agreed to by the Utility. The storage year shall be comprised of seasonal periods as follows:

	<u>Peak Season</u>	<u>Off-Peak Season</u>
Injection:	April - November	December - March
Withdrawal:	November - March	April - October

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3117
 DECISION NO. 01-12-018

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Feb 1, 2002
 EFFECTIVE _____
 RESOLUTION NO. _____

L

L,T
 L,T
 L

L

Schedule No. G-LTS
LONG-TERM STORAGE SERVICE

Sheet 5

(Continued)

SPECIAL CONDITIONS (Continued)

General (Continued)

7. For customers served under this schedule, any storage gas remaining in inventory at the conclusion of the customer's storage contract term shall be considered an imbalance subject to the provisions of Schedule No. G-IMB, unless the customer has obtained sufficient inventory capacity rights for the following storage year.
8. In the event the customer's storage contract is terminated, for whatever reason, prior to the completion of the term of such contract, the Utility may at its option immediately purchase any remaining inventory quantities from such customer at the applicable Buy-Back Rate stated in Schedule No. G-IMB. The Buy-Back purchase amount paid to the customer may be reduced by any outstanding amounts owed by the customer for any other services provided by the Utility.
9. Prior to and while taking service under this tariff, a customer must meet the Utility's creditworthiness requirements as specified in Rule 39.

Storage Nominations

10. Long-term storage service customers may designate an agent to act on their behalf for the purpose of making storage nominations for their service under this schedule.

Storage Imbalance Trading

11. Except during any period of system curtailment of transportation service, as described in Rule No. 23, storage customers may use their available storage inventory capacity and quantities to (1) offset the customer's own transportation imbalances, or (2) trade with other customers for their transportation imbalances, under the imbalance trading provisions set forth in Schedule No. G-IMB.
12. For storage injections and withdrawals performed through imbalance trading, the customer shall not be required to have storage injection or withdrawal rights but shall be assessed the variable charges (including In-Kind Energy and O&M charges) set forth herein for such storage operations. For such storage trading activity, the storage transaction will be considered as occurring at the time the imbalance trade is completed by the Utility.
13. If gas is to be injected by the storage customer as a result on an imbalance trade, the customer must have sufficient available inventory space at the time the trade is completed by the Utility. If storage gas is to be withdrawn through an imbalance trade, the storage customer must have sufficient gas in inventory at the time the trade is completed.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3117
 DECISION NO. 01-12-018

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Feb 1, 2002
 EFFECTIVE _____
 RESOLUTION NO. _____

L

N
 N

L
 D

L
 |

|

|

|

|

|

L
 L,N

L
 |

|

|

L

Schedule No. G-LTS
LONG-TERM STORAGE SERVICE

Sheet 6

(Continued)

SPECIAL CONDITIONS (Continued)

Storage Inventory Transfers

14. Storage customers may mutually request to transfer gas in inventory from one customer's storage account to another. Such requests must be made by both parties to the inventory transfer and are limited to the inventory quantity available for transfer and the available inventory capacity of the receiving customer at the time the transfer is completed by the Utility. All transfers may be accepted or rejected, in whole or in part, by the Utility and shall not be deemed accepted until such time as the Utility notifies both customers of the completion of the transfer.

Contract Approval

15. All contracts for service under this schedule shall be filed by advice letter for CPUC approval. The Utility and the customer may negotiate special provisions for long-term storage service. Such provisions may include reservation charges other than those stated in this schedule. Any such special provisions or reservation charges shall be set forth in the customer's long-term storage contract filed with the CPUC.

Service Availability

16. Service under this schedule shall be subject to the availability of the Utility's existing unsubscribed firm storage capacity. The Utility shall not be obligated to provide firm long-term storage service in the event the Utility would have to expand its storage capacity in order to provide such service.
17. Customers may request the Utility to expand its firm storage capacity and thereby provide long-term firm storage service under this schedule. Any such expansion of the Utility's storage capacity shall be subject to the requesting customer providing sufficient financial guarantees, to the sole satisfaction of the Utility, for the recovery of any and all costs associated with the expansion of the Utility's storage facilities.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3117
DECISION NO. 01-12-018

ISSUED BY
Lee Schavrien
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Feb 1, 2002
EFFECTIVE _____
RESOLUTION NO. _____

Schedule No. G-LTS
LONG-TERM STORAGE SERVICE

Sheet 7

(Continued)

SPECIAL CONDITIONS (Continued)

Core Subscription Storage

18. Core subscription customers may receive long-term storage service under this schedule. The Utility shall inject such customer's core subscription storage quantities in the month or months designated in the customer's long-term storage service agreement.
19. For the customer's contracted core subscription injection quantities, the customer shall be charged the core subscription procurement rate, plus brokerage fee, in effect during the month such quantities are injected. For core subscription withdrawal quantities, the customer shall be charged the full cost of core subscription service and shall receive a credit based on the core subscription procurement charge, plus brokerage fee, in effect during the period such quantities are withdrawn.
20. For long-term storage service customers who are 100% core subscription, storage inventory may only be withdrawn during periods of curtailment of the customer's transmission service.
21. For long-term storage service customers who split their requirements between core subscription service and transportation-only service, the customer's core subscription storage gas shall be treated as customer-owned gas and may be (1) used together with the customer's transportation deliveries to storage, or (2) traded under the imbalance trading provisions set forth in Schedule No. G-IMB.

Advance Reservation Charges

22. Customers, other than end-use customers of the Utility, awarded service under this schedule shall be required to pay one-quarter (25%) of their total annual reservation charge in the first month of the storage year. The balance of the total annual reservation charge shall be billed in equal monthly installments over the remaining storage year.

Creditworthiness

23. For service under this schedule, the customer shall be required to undergo a creditworthiness check whereby the Utility shall establish the customer's credit limit. Customers shall be required to pay the Utility \$500 per year for an annual credit check to be performed by an agency of the Utility's choice. The credit review will establish a credit limit for the customer based upon the customer's expected annual participation for long-term storage service. If the customer's credit limit is less than the customer's obligations for service under this schedule, the Utility shall require the customer to advance a larger portion of the reservation charges hereunder to compensate for such credit deficiency.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3117
DECISION NO. 01-12-018

ISSUED BY
Lee Schavrien
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Feb 1, 2002
EFFECTIVE _____
RESOLUTION NO. _____

Schedule No. G-TBS
TRANSACTION BASED STORAGE SERVICE

Sheet 1

APPLICABILITY

Applicable for unbundled inventory, injection, and withdrawal storage services to noncore transportation customers, wholesale customers, contracted marketers, and marketers/agents; and to core transportation customers; core aggregators, and the Utility's gas supply department for any storage capacity that is additional to their allocated core storage rights. All eligible participants are collectively referred to herein as "customers" unless otherwise specified.

The storage service package and associated charges shall be negotiated on a transactional basis between the customer and the Utility dependent on market conditions and customer needs. The Utility is not required to accept any bid or make any offer under Schedule G-TBS.

TERRITORY

Applicable for gas stored by the Utility within its service territory.

RATES

Storage service rates under Schedule G-TBS consist of Reservation Charges, Variable Charges and Transmission Charges/Credits.

Reservation Charges

Firm Storage Service

The reservation charge, or price, for G-TBS storage service will be established between the customer and the Utility on a transactional basis dependent upon market conditions and the specific storage service to be provided to the customer. The price established for such service for contracts executed after April 1, 2002 shall be no more than 200% or less than 50% of the individual charges set forth below for firm inventory, injection and withdrawal services. For end-use customers the price shall be set forth in the Contract and shall be billed in equal monthly installments over the term of the Contract. All other customers shall be required to pay one-quarter (25%) of their total annual reservation charge in the first month of each contract year. The balance of the total annual reservation charge shall be billed in equal monthly installments over the remaining contract year. For contract periods less than one year, one-quarter (25%) of the total reservation charge shall be billed in the first month with the balance billed in equal monthly installments over the remaining contract period. The price under this schedule is applicable whether the service is used or not.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3117
 DECISION NO. 01-12-018

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Feb 1, 2002
 EFFECTIVE _____
 RESOLUTION NO. _____

D

D

D
 D,N
 N

T
 N,T
 D,T
 T
 D,N
 N
 |
 |
 N
 N,D

Schedule No. G-TBS
TRANSACTION BASED STORAGE SERVICE

Sheet 2

(Continued)

RATES (Continued)

Reservation Charges (Continued)

Annual Firm Inventory

Reservation Charge for annual firm inventory capacity reserved

Rate, per decatherm 21.741¢

Daily Firm Injection

Reservation Charge for daily firm injection capacity reserved

Rate, per decatherm per day 19.283¢

Daily Firm Withdrawal

Reservation Charge for daily firm withdrawal capacity reserved

Rate, per decatherm per day 3.913¢

As-Available Injection and Withdrawal

Reservation charges for as-available injection and withdrawal capacity provided under this schedule shall not be applicable unless otherwise established in the Contract.

Variable Storage Charges

Injection Service

Peak Season (April through November)

In-Kind Energy Charge, applied to all quantities delivered for injection

Rate, percent reduction 2.440%

O&M Injection Charge, applied to all quantities injected (less In-Kind Charge)

Rate, per therm 0.123¢

Off-peak Season (December through March)

Variable charges shall not be applied for off-peak storage injection service provided under this schedule unless otherwise set forth in the Contract.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3117
 DECISION NO. 01-12-018

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Feb 1, 2002
 EFFECTIVE _____
 RESOLUTION NO. _____

D

N

N

T,R

L

Schedule No. G-TBS
TRANSACTION BASED STORAGE SERVICE

Sheet 5

(Continued)

SPECIAL CONDITIONS (Continued)

Storage Nominations

- 10. G-TBS customers may designate an agent to act on their behalf for the purpose of making storage nominations for their service under this schedule.

Storage Imbalance Trading

- 11. Except during any period of system curtailment, as described in Rule No. 23, G-TBS customers may use their available storage inventory capacity and quantities to (1) offset the customer's own transportation imbalances, or (2) trade with other customers for their transportation imbalances, under the imbalance trading provisions set forth in Schedule No. G-IMB.
- 12. For injections and withdrawals performed through imbalance trading, the customer shall not be required to have storage injection or withdrawal rights but shall be assessed the variable charges (including in-Kind Energy and O&M charges) set forth herein for such storage operations. For such imbalance trading, the storage transaction shall be considered as occurring at the time the imbalance trade is completed by the Utility.
- 13. If gas is to be injected by the storage customer as a result of an imbalance trade, the customer must have sufficient available inventory space at the time the trade is completed by the Utility. If storage gas is to be withdrawn through an imbalance trade, the storage customer must have sufficient gas in inventory at the time the trade is completed.

Storage Inventory Transfers

- 14. Storage customers may mutually request to transfer gas in inventory from one customer's storage account to another. Such requests must be made by both parties to the inventory transfer and are limited to the inventory quantity available for transfer and the available inventory capacity of the receiving customer at the time the transfer is completed by the Utility. All transfers may be accepted or rejected, in whole or in part, by the Utility and shall not be deemed accepted until such time as the Utility notifies both customers of the completion of the transfer.

As-Available Injection and Withdrawal Service

- 15. Customers served under this schedule may utilize the Utility's as-available injection and withdrawal service to the extent permitted under their G-TBS contract.
- 16. At any time during the month, the Utility may reduce or eliminate the amount of as available injection or withdrawal capacity made available under this schedule.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3117
DECISION NO. 01-12-018

ISSUED BY
Lee Schavrien
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Feb 1, 2002
EFFECTIVE _____
RESOLUTION NO. _____

D
D
D
T
T
T
N
T
L
L,T
L
|
|
|
L
L
D
L,T
L
L,T
L,D

Schedule No. G-TBS
TRANSACTION BASED STORAGE SERVICE

Sheet 6

(Continued)

SPECIAL CONDITIONS (Continued)

Secondary Market Transactions

17. Subject to the conditions below, through the remainder of the term of the CS, storage customers will be allowed to transfer to any qualified person, whether or not an end-user or wholesale customer of Utility, all or any portions of their storage contract rights (inventory, injection, and withdrawal rights may be transferred independently) for any period of time up to the remaining term of their contracts. Storage contract rights may be re-transferred any number of times under the same rules applicable to transfers by persons who originally obtained the rights directly from Utility.

18. Transferors must provide Utility with written notice two days in advance of the first nomination cycle for the effective flow date of the rights transferred. Written notice must be on Form 1790, and be received by Utility no later than 2:30 pm Pacific time. Until the complete implementation of the CS, certain transfer restrictions are in effect. For the flow days of Saturday, Sunday, and Monday, rights cannot be transferred for these days individually. Rights applicable to these days must be transferred for the entire three days. In addition, when transferred rights begin on a Tuesday, the third nomination cycle will be the first opportunity to nominate these rights. For transfers affected by Utility holidays, a special schedule will be posted on GasSelect.

19. Prior to any notice of transfer for specific storage rights being submitted, potential transferees must have a valid executed Master Services Contract with the Utility and must have approved credit per Rule No. 39. Until the complete implementation of the CS: (i) Utility will bill the reservation charges to the transferee only if the transfer of storage rights is a complete assignment of the entire storage contract for the remaining term of the contract; (ii) if the transfer is a partial assignment of the storage rights under the contract, or a transfer of the entire contract for a period of time less than the remaining term of the contract, Utility will continue to bill the reservation charges to the transferor and will bill the variable and transmission charges to the transferee under its existing storage agreement. If the transferee has no existing storage agreement, then a G-TBS agreement will be established for the transferred capacity.

D
 N
 N
 N

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3117
 DECISION NO. 01-12-018

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Feb 1, 2002
 EFFECTIVE _____
 RESOLUTION NO. _____

Schedule No. G-PAC
PACKAGED STORAGE SERVICE

Sheet 1

APPLICABILITY

Applicable for unbundled inventory, injection, and withdrawal storage services to noncore transportation customers, wholesale customers, contracted marketers, and marketers/agents; and to core transportation customers; core aggregators, and the Utility's gas supply department for any storage capacity that is additional to their allocated core storage rights. All qualified eligible participants are collectively referred to herein as "customers" unless otherwise specified.

Packaged Storage Service (PAC) is a defined combination of storage capacity comprised of 0.0076 decaetherm (dth) per day of firm injection and 0.0296 dth per day of firm withdrawal for each dth of inventory capacity. The storage packages are offered for a one-year or multiple-year term. Prior to the beginning of each storage year (April 1), the Utility will hold an open season to auction the one-year package. During the initial open season for the first one-year package, the Utility will also auction the multiple-year package, which will be available for a term up to three years beginning April 1, 2003.

TERRITORY

Applicable for gas stored by the Utility within its service territory.

RATES

Storage service rates under Schedule G-PAC consist of Reservation Charges, Variable Charges and Transmission Charges/Credits.

Reservation Charge

Firm Storage Service

The annual reservation charge for PAC shall be 70.606¢/dth. End-use customers shall be billed in equal monthly installments over the term of the Contract. All other customers shall be required to pay one-quarter (25%) of their total annual reservation charge in the first month of each contract year. The balance of the total annual reservation charge shall be billed in equal monthly installments over the remaining contract year. The reservation charge under this schedule is applicable whether the service is used or not.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3117
DECISION NO. 01-12-018

ISSUED BY
Lee Schavrien
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Feb 1, 2002
EFFECTIVE _____
RESOLUTION NO. _____

Schedule No. G-PAC
PACKAGED STORAGE SERVICE

Sheet 2

(Continued)

RATES (Continued)

Variable Storage Charges

Injection Service

Peak Season (April through November)

In-Kind Energy Charge, applied to all quantities delivered for injection

Rate, percent reduction 2.440%

O&M Injection Charge, applied to all quantities injected (less In-Kind Energy Charge)

Rate, per therm 0.123¢

Off-peak Season (December through March)

Variable charges shall not be applied for off-peak storage injection service provided under this schedule unless otherwise set forth in the Contract.

Withdrawal Service

Peak Season (November through March)

O&M Withdrawal Charge, applied to all quantities withdrawn

Rate, per therm 0.172¢

Off-peak Season (April through October)

Variable charges shall not be applied for off-peak storage withdrawal service provided under this schedule unless otherwise specified in the Contract.

Billing Adjustments

Billing adjustments may be necessary to reflect changes in quantities applicable under this schedule or changes in costs used in prior period's storage charges.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3117
DECISION NO. 01-12-018

ISSUED BY
Lee Schavrien
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Feb 1, 2002
EFFECTIVE _____
RESOLUTION NO. _____

Schedule No. G-PAC
PACKAGED STORAGE SERVICE

(Continued)

RATES (Continued)

Transmission Charges/Credits

Unless otherwise specified in the Contract, all gas delivered for injection for Schedule G-PAC storage account shall be assessed a transmission charge as shown below. This transmission charge shall also be applied to all gas injected through imbalance trading or transferred from another storage account.

For all gas withdrawn by the Utility on behalf of a customer under this schedule, the customer shall receive a credit as shown below. This credit shall also be applied to all gas withdrawn through imbalance trading and gas transferred to another storage account.

Transmission Charge, applied to all quantities injected (less In-Kind Energy Charge)

Rate, per therm 5.670¢

Transmission Credit, applied to all quantities withdrawn

Rate, per therm 5.670¢

All other charges for transmission service shall be applied by the Utility in accordance with the provisions of the Utility's other applicable tariff schedules.

SPECIAL CONDITIONS

General

1. The definitions of the principal terms used in this rate schedule and the Utility's other tariff schedules are contained in Rule No. 1.
2. Service under this schedule shall be curtailed in accordance with the provisions of Rule No. 23.
3. All terms and conditions of Rule No. 30 and Schedule No. G-IMB shall apply to the storage services and the transportation of customer-owned gas in conjunction with the storage services provided under this schedule.
4. As a condition precedent to service under this schedule, an executed Master Services Contract and Schedule L, Packaged Storage Service Agreement (Form Nos. 6597 and 6597-16) are required (referred to in this schedule as the "Contract"). All contracts, rates and conditions are subject to revision and modification as a result of Commission order.
5. The contract term for service under this schedule shall be set forth in the customer's Contract.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3117
DECISION NO. 01-12-018

ISSUED BY
Lee Schavrien
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Feb 1, 2002
EFFECTIVE _____
RESOLUTION NO. _____

Schedule No. G-PAC
PACKAGED STORAGE SERVICE

Sheet 4

(Continued)

SPECIAL CONDITIONS (Continued)

General (Continued)

6. For customers under this schedule, any storage gas remaining in inventory at the conclusion of the customer's storage Contract term shall be considered an imbalance subject to the provisions of Schedule No. G-IMB, unless the customer obtains sufficient inventory capacity rights for the period immediately following the expiration of the Contract.
7. In the event the customer's storage contract is terminated, for whatever reason, prior to the completion of the term of such contract, the Utility may at its option immediately purchase any remaining inventory quantities from such customer at the applicable Buy-Back Rate stated in Schedule No. G-IMB. The Buy-Back purchase amount paid to the customer may be reduced by any outstanding amounts owed by the customer for any other services provided by the Utility.
8. Prior to and while taking service under this tariff, a customer must meet the Utility's creditworthiness requirements as specified in Rule 39.

Storage Nominations

9. G-PAC customers may designate an agent to act on their behalf for the purpose of making storage nominations for their service under this schedule.

Storage Imbalance Trading

10. Except during any period of system curtailment, as described in Rule No. 23, G-PAC customers may use their available storage inventory capacity and quantities to (1) offset the customer's own transportation imbalances, or (2) trade with other customers for their transportation imbalances, under the imbalance trading provisions set forth in Schedule No. G-IMB.
11. For injections and withdrawals performed through imbalance trading, the customer shall not be required to have storage injection or withdrawal rights but shall be assessed the variable charges (In-Kind Energy and O&M charges) set forth herein for such storage operations. For such imbalance trading, the storage transaction shall be considered as occurring at the time the imbalance trade is completed by the Utility.
12. If gas is to be injected by the storage customer as a result of an imbalance trade, the customer must have sufficient available inventory space at the time the trade is completed by the Utility. If storage gas is to be withdrawn through an imbalance trade, the storage customer must have sufficient gas in inventory at the time the trade is completed.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3117
DECISION NO. 01-12-018

ISSUED BY
Lee Schavrien
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Feb 1, 2002
EFFECTIVE _____
RESOLUTION NO. _____

Schedule No. G-PAC
PACKAGED STORAGE SERVICE

Sheet 5

(Continued)

SPECIAL CONDITIONS (Continued)

Storage Inventory Transfers

13. Storage customers may mutually request to transfer gas in inventory from one customer's storage account to another. Such requests must be made by both parties to the inventory transfer and are limited to the inventory quantity available for transfer and the available inventory capacity of the receiving customer at the time the transfer is completed by the Utility. All transfers may be accepted or rejected, in whole or in part, by the Utility and shall not be deemed accepted until such time as the Utility notifies both customers of the completion of the transfer.

Secondary Market Transactions

14. Subject to the conditions below, through the remainder of the term of the Comprehensive Gas OII Settlement Agreement (the "CS") (D:01-12-018), storage customers will be allowed to transfer to any qualified person, whether or not an end-user or wholesale customer of Utility, all or any portions of their storage contract rights (inventory, injection, and withdrawal rights may be transferred independently) for any period of time up to the remaining term of their contracts. Storage contract rights may be re-transferred any number of times under the same rules applicable to transfers by persons who originally obtained the rights directly from Utility.
15. Transferors must provide Utility with written notice two days in advance of the first nomination cycle for the effective flow date of the rights transferred. Written notice must be on Form 1790, and be received by Utility no later than 2:30 pm Pacific time. Until the complete implementation of the CS, certain transfer restrictions are in effect. For the flow days of Saturday, Sunday, and Monday, rights cannot be transferred for these days individually. Rights applicable to these days must be transferred for the entire three days. In addition, when transferred rights begin on a Tuesday, the third nomination cycle will be the first opportunity to nominate these rights. For transfers affected by Utility holidays, a special schedule will be posted on GasSelect.
16. Prior to any notice of transfer for specific storage rights being submitted, potential transferees must have a valid executed Master Services Contract with the Utility and must have approved credit per Rule No. 39. Until the complete implementation of the CS: (i) Utility will bill the reservation charges to the transferee only if the transfer of storage rights is a complete assignment of the entire storage contract for the remaining term of the contract; (ii) if the transfer is a partial assignment of the storage rights under the contract, or a transfer of the entire contract for a period of time less than the remaining term of the contract, Utility will continue to bill the reservation charges to the transferor and will bill the variable and transmission charges to the transferee under its existing storage agreement. If the transferee has no existing storage agreement, then a G-TBS agreement will be established for the transferred capacity.

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3117
DECISION NO. 01-12-018

ISSUED BY
Lee Schavrien
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Feb 1, 2002
EFFECTIVE _____
RESOLUTION NO. _____

Schedule No. GW-SWG
WHOLESALE NATURAL GAS SERVICE

Sheet 5

(Continued)

SPECIAL CONDITIONS (continued)

FIRM INTRASTATE TRANSMISSION (continued)

11. (Continued)

- c. Interruptible Interstate, New Capacity: Firm intrastate transmission service shall be available for customers' volumes delivered to Utility on an interruptible basis across a new interstate pipeline or an expansion of an existing pipeline (as of November 6, 1991) provided that (1) the customer has given assurances acceptable to the Utility that any costs associated with enhancements of the Utility's intrastate system which are necessary to provide firm intrastate service will be recovered by the Utility, (2) required enhancements are approved by the CPUC and are constructed and placed in service, and (3) the Utility has determined that it can physically provide firm intrastate service for all such volumes.

RESIDUAL LOAD SERVICE

12. Customer may be subject to the provisions of the Residual Load Service Tariff, GT-RLS, if it receives gas transportation service from an alternate service provider.

CORE STORAGE OPTION

13. Upon expiration of Customer's storage agreement in effect on April 1, 2002, Customer has the option to contract for a specific amount of storage capacity to meet the reliability/balancing needs of its core load.
14. The specific amount of storage that Customer may elect under this option is its last 12 months core throughput divided by SoCalGas' core throughput for the same period times the inventory, injection and withdrawal storage capacity reserved for reliability/balancing purposes for SoCalGas' total core market. Customer must take the whole amount of storage so quantified if it chooses to elect this option.
15. Under this option Customer will pay the same rate per unit of storage charged by SoCalGas for storage capacity reserved for the SoCalGas core market.
16. This option is available once per year immediately prior to the annual storage open season, to be effective for a period of one storage year (April 1 to March 31 of the succeeding year).
17. Customer is under no obligation to exercise this option and may acquire storage capacity in the same manner as all other noncore customers whether or not it exercises this option.

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 3117
DECISION NO. 01-12-018

5R7

ISSUED BY

Lee Schavrien
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Feb 1, 2002
EFFECTIVE _____
RESOLUTION NO. _____

CORE AGGREGATION TRANSPORTATION

A. GENERAL

The terms and conditions of this Rule shall apply to Energy Service Providers (ESPs) who are also known as Aggregators, and their end-use customers (Core Transportation Customers), as defined in Southern California Gas Company's (SoCalGas) Rule No. 1.

The specific requirements for Core Transportation Customers are described in each core transportation rate schedule. The transportation of customer-owned gas in conjunction with service under this Rule is subject specifically to the terms and conditions of Rule No. 30, Transportation of Customer-Owned Gas, Rule No. 23, Continuity of Service and Interruption of Delivery, and Schedule No. G-IMB.

The terms and conditions of Core Transportation Service as well as the specific rights and obligations of ESPs, Core Transportation Customers, and SoCalGas with regard to Core Transportation Service have been updated in this Rule to reflect CPUC D.98-02-108, which conforms the customer switching process for Core Transportation Service (also known as Core Aggregation Transportation or CAT Service) with the procedures and policies established for electric direct access.

1. Eligibility and Application for ESP Status

- a. ESPs are required to complete an Energy Service Provider Agreement (Service Agreement or ESPA) with SoCalGas.
- b. Approved ESPs may provide service to customers eligible for Core Service, as defined in Rule No. 1 in accordance with D.93-09-082. The aggregate load of customers served by each ESP must meet a minimum transport quantity of 120,000 therms annually. If an ESP's aggregated load falls below the 120,000 therms per year, the ESP will be given 90 days from notification to make up the deficient load. If sufficient load is not added within 90 days of the date of notification by SoCalGas, the ESP's contract may be terminated, at SoCalGas' sole discretion, and end-use customers served by the ESP will be able to authorize service from a different ESP or return to SoCalGas' Core Procurement Service.
- c. ESPs must have the capability to exchange data electronically with SoCalGas using an electronic format acceptable to SoCalGas.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3117
DECISION NO. 01-12-018

ISSUED BY
Lee Schavrien
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Feb 1, 2002
EFFECTIVE _____
RESOLUTION NO. _____

CORE AGGREGATION TRANSPORTATION

(Continued)

A. GENERAL (Continued)

6. Taxes

The ESP shall pay the applicable Utility User's Tax, and any other fees and taxes applicable within the city or political subdivision where the gas is actually used unless otherwise provided for in a specific ordinance or other legislative ruling. For those customers located in the City of Los Angeles, pursuant to Los Angeles City Ordinance No. 168164, dated August 4, 1992, SoCalGas shall collect the user tax for all gas commodity delivered through the gas system for transportation service customers and consumed in the City of Los Angeles.

T
T
T
T

7. Applicable Contract Provisions

All contracts and customer authorizations of ESPs under this Rule shall be subject to Rule No. 4, Contracts, except as set forth below. DASRs shall be deemed to be "contracts for gas service between ESP and Core Transportation Service Customer" for purposes of applying Rule No. 4 to this Rule:

T,D

a. Damages

SoCalGas shall not 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 the Program.

b. CPUC Jurisdiction

The contracts and authorizations pertaining to Transportation Only Service under this Rule, shall at all times be subject to such changes or modifications by the CPUC as said Commission may, from time to time, direct in the exercise of its jurisdiction.

B. CREDITWORTHINESS REQUIREMENTS

T

Prior to the establishment of service the ESP shall be required to complete a creditworthiness application. SoCalGas will establish the ESP's creditworthiness evaluation as set forth in gas Rule 39.

T,D
N,D

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3117
 DECISION NO. 01-12-018

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Feb 1, 2002
 EFFECTIVE _____
 RESOLUTION NO. _____

CORE AGGREGATION TRANSPORTATION

(Continued)

B. CREDITWORTHINESS REQUIREMENTS (Continued)

Calculation of Financial Exposure

The financial exposure shall be calculated as follows:

(a) ESP Bills Customers For Gas Commodity Only:

$$CWR1.0 = 120 \text{ days} \times DCQ \times \text{Core Standby Rate};$$

Where: CWR1.0 equals the security in dollars for ESP Procurement Management Charges, as defined in Rule No. 1, for which the ESP is liable.

(b) ESP Bills All Customers For Gas Commodity And Transportation Charges:

$$CWR2.0 = CWR1.0 + (75 \text{ days} \times DCQ \times \text{Average Retail Core Transportation Charge});$$

Where: CWR2.0 equals CWR1.0 plus the security in dollars for handling the customer's money in the event that an ESP bills and collects SoCalGas' transportation charges.

C. BILLING AND PAYMENT TERMS

CAT Program end-use customers have three billing options: Dual Billing, Consolidated ESP Billing and UDC Consolidated Billing. Under Dual Billing, customers receive one bill from the ESP for gas commodity charges, and one bill from the UDC for transportation charges. Under Consolidated ESP Billing, customers receive a single bill from the ESP that includes charges for both SoCalGas' transportation services and the ESP's commodity charges. SoCalGas shall provide customers choosing the Consolidated ESP Billing option with an "informational statement" containing transportation and related charges. Under Consolidated ESP Billing option, the customer remains ultimately responsible for transportation and related charges (excluding any Procurement Management Charges, as defined in Rule 1) billed by SoCalGas, should the ESP fail to remit payment to SoCalGas on the customer's behalf. Under UDC Consolidated Billing, customers receive a single bill from the UDC that includes both SoCalGas' transportation charges and the ESP's gas procurement charges (see rate Schedule G-CBS for a more detail description of this service).

1. Weekly Billing

For an ESP who bills for SoCalGas' transportation charges, in order to eliminate the cash-flow in the current month-end billing of SoCalGas' transportation charges, weekly summary billing of customer accounts will be implemented. Interstate transmission charges, and imbalance billing and notification will occur monthly. On a monthly basis, the ESP will receive from SoCalGas the interstate transportation credit less any unpaid, overdue Procurement Management Charges owed by the ESP.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3117
 DECISION NO. 01-12-018

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Feb 1, 2002
 EFFECTIVE _____
 RESOLUTION NO. _____

D,N
 D,N
 T
 T
 D
 L
 L

CORE AGGREGATION TRANSPORTATION

(Continued)

C. BILLING AND PAYMENT TERMS (Continued)

2. Payment Terms

The ESP's bill is due and payable upon receipt. All payments will be made electronically or by wire transfer unless otherwise agreed to by SoCalGas. The bill will be considered past due if it is not paid within fifteen calendar days after transmittal. Past due notices will be mailed to the ESP and may be mailed to each of its customers. If the bill is not paid within seven days of the issuance of the past due notice, the ESP's participation may be subject to immediate termination by SoCalGas.

For an ESP who does not bill for SoCalGas' transportation charges, bills issued to the ESP for any Procurement Management Charges remaining after offset will be past due if not paid within fifteen calendar days after the date the bill is mailed.

3. Late Payment

If an ESP does not pay any bill rendered to it by SoCalGas within fifteen days after transmittal, then:

- a. A seven-day notice may be mailed to the ESP and its customers may be advised of such notice. If the charges in the notice remain unpaid after the expiration of the seven-day notice, participation under the Program is subject to termination. If participation is terminated, the ESP remains responsible for all charges incurred under the Program, even if such charges are identified after the termination becomes effective.
- b. The outstanding balance will be subject to any applicable late payment fees as authorized by the CPUC.
- c. The ESP will be unable to add customers, or increase its DCQ to its contract until late payment is cured; and,
- d. The ESP may not trade, sell or withdraw any gas in storage until late payment is cured.

If an ESP pays late three or more times by seven days or less, or pays late one or more times by greater than seven days in any contiguous twelve month period, SoCalGas may also require full collateral in the form of cash, irrevocable standby letter of credit, security bond, or any other security instrument deemed appropriate by SoCalGas. If such collateral is requested and not provided by the ESP to SoCalGas, the ESP's participation will be subject to termination by SoCalGas.

L
|
|
|
|
|
L
L,D
L
|
L
D

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3117
 DECISION NO. 01-12-018

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Feb 1, 2002
 EFFECTIVE _____
 RESOLUTION NO. _____

CORE AGGREGATION TRANSPORTATION

(Continued)

C. BILLING AND PAYMENT TERMS (Continued)

4. Termination of the Service Agreement

If a payment is not received within seven days of the issuance of a past due notice, the ESP's participation in the Program may be subject to termination. In addition, if SoCalGas receives any notification that the ESP has filed or will be filing any type of bankruptcy, or is closing its business, the ESP's participation will be terminated immediately and all of the ESP's rights to conduct business with SoCalGas thereunder shall be terminated, consistent with any bankruptcy laws that may take precedence over the rules set forth herein.

Upon termination of an ESP's participation:

- a. Notices of such Termination will be sent to the ESP, to the CPUC, and may be sent to each of its customers;
- b. Any gas in storage and gas that has been delivered into SoCalGas' system on behalf of the Customers served by ESPs will be used to off-set any immediate imbalances. This gas cannot be subject to encumbrances of any kind, including, but not limited to, liens, trades, or sales to other customers;
- c. The ESP will lose its right to a 10% tolerance for transportation imbalances and will be required to trade toward a zero imbalance; and,
- d. All fees, charges and other obligations of ESP to SoCalGas shall be immediately due and payable without further notice of demand and shall thereafter be subject to CPUC authorized late payment fees and interest, until paid in full.

At the time of termination, if the ESP has not paid SoCalGas billings, any deposit held on the ESP's accounts shall be applied to recoup unpaid bills. In addition, if an ESP is terminated and/or declares bankruptcy, the ESP will be liable to SoCalGas for any and all costs, expenses, and attorney's fees incurred by SoCalGas as a result of such termination or bankruptcy. Payment by the ESP of all such costs, expenses and attorney's fees will be a condition of re-entry into, or continuation in, the Program.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3117
DECISION NO. 01-12-018

ISSUED BY
Lee Schavrien
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Feb 1, 2002
EFFECTIVE _____
RESOLUTION NO. _____

CORE AGGREGATION TRANSPORTATION

(Continued)

C. BILLING AND PAYMENT TERMS (Continued)

5. Customer Liability For ESP Obligations

If a security deposit has not been provided or does not adequately cover the outstanding charges owed by an ESP, excluding any Procurement Management Charges, the customers represented by the ESP will be liable for any such charges. These outstanding charges will first be reconciled and assigned to customers based on the customers' outstanding balance with SoCalGas. Any outstanding charges that remain unreconciled after that process will then be allocated to customers served by the ESP on a pro rata basis to customers based on the customers' usage during the period the outstanding balance was accumulated.

Regardless of who renders bills for SoCalGas transportation charges, the ESP will continue to be financially liable for outstanding Procurement Management Charges.

6. SoCalGas Collection Assistance

SoCalGas will pursue normal collection activity for nonpayment of SoCalGas' charges, if SoCalGas bills such charges directly to the customer. SoCalGas will bill the customer directly for such charges when the ESP bills for the gas commodity only.

7. Billing Disputes

If a Core Transportation Service customer disputes a SoCalGas bill, the disputed amount will be deposited by the customer with the CPUC pending resolution of the dispute under the existing CPUC procedures for resolving such disputes with SoCalGas. If a Core Transportation Service customer has a billing dispute with its ESP, the customer will remain obligated to pay SoCalGas charges in a timely manner. The ESP shall not withhold payment of any such SoCalGas charges pending resolution of any such disputes regarding the ESP's bills.

If the ESP, or customer whose transportation charges are billed by the ESP, disputes a SoCalGas bill, the disputed amount will be deposited by the ESP with the CPUC pending resolution of the dispute under existing CPUC procedures. No termination of participation in the Program will occur for this dispute while the CPUC is hearing this matter.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3117
DECISION NO. 01-12-018

ISSUED BY
Lee Schavrien
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Feb 1, 2002
EFFECTIVE _____
RESOLUTION NO. _____

CORE AGGREGATION TRANSPORTATION

(Continued)

D. TRANSPORTATION SERVICES

1. Nominations and Deliveries

ESPs participating in the Program will perform capacity nominations and gas deliveries pursuant to the provisions and conditions set forth in Rule No. 30.

E. OPERATIONAL FLOW ORDER

At any time, SoCalGas may implement an Operational Flow Order for ESPs (OFO-ESP) to assure that firm interstate nominations and deliveries at the border by ESPs are equivalent in reliability to those made by SoCalGas. When an OFO-ESP is implemented, ESPs will be required to nominate their full DCQ as firm deliveries to SoCalGas' system. The OFO-ESP procedure, in conjunction with the storage rules set forth in this Rule, will supplement current core curtailment policy when the standby portfolio, or balancing service, is curtailed. Over-nominations for the OFO-ESP period will not be subject to imbalance charges for that monthly period. Similarly, injections for that period resulting from the OFO-ESP will not count against the ESP's storage cycle limitations if such injections are authorized by SoCalGas. The ESP will be authorized to trade any such quantities to other parties on SoCalGas system during the subsequent imbalance trading period. Failure by the ESP to deliver the minimum quantities of gas as defined in the following formula will result in an OFO-ESP Non-Compliance Charge (OFO-ESP Charge), when an OFO-ESP is implemented by SoCalGas. This OFO-ESP Charge will be calculated as follows:

$$\text{OFO-ESP Charge} = \Sigma [\text{DCQ} \times \text{PPF} - (\text{ECD} + \text{STORE})] \times \$X/\text{th}$$

Where: "PPF" is defined as the Procurement Performance Factor and equals the projected ratio of core procurement deliveries over core procurement firm capacity reservations;

"ECD" is defined as confirmed deliveries via interstate pipelines.

"STORE" equals the gas withdrawn from storage pursuant to unbundled firm storage withdrawal rights; and,

"\$X/th" equals a curtailment violation charge pursuant to Rule No. 23, Section K.

The OFO-ESP Charge will be assessed over the entire OFO period and not on a daily basis and will be calculated on the basis of the first tier of the then-existing curtailment penalty charge as defined in Rule No. 23. The OFO-ESP Charge will be allocated in a manner consistent with the then-existing authorized allocation of curtailment penalty charges.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3117
 DECISION NO. 01-12-018

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Feb 1, 2002
 EFFECTIVE _____
 RESOLUTION NO. _____

CORE AGGREGATION TRANSPORTATION

(Continued)

F. STORAGE RIGHTS AND OBLIGATIONS

1. Allocation of Storage Rights

Storage rights and costs will be allocated to each ESP by SoCalGas in the same proportion as storage costs are allocated to the customer classes represented by each ESP in SoCalGas' core procurement rates.

2. Storage Cycle

ESPs will be allowed one annual cycle for injection, inventory, and withdrawal of gas in storage for core reliability. The injection season is April 1 to October 31. The withdrawal season is November 1 to March 31.

3. Monthly Storage Inventory Requirements

ESPs will be assigned month-end storage minimums to meet SoCalGas' storage requirements for core service reliability as well as to maintain minimum storage quantities to meet Abnormal Peak Day (APD) and cold year requirements. Preliminary storage requirements will be estimated in March and final storage requirements will be assigned in September for the month of October and in October for the months of November through March. Prior to the final storage requirement, ESP storage requirements are subject to change each month due to customer additions to, and deletions from CAT Service. This gas in storage may not be subject to encumbrances of any kind. ESPs will not be allowed to withdraw gas below these minimum month-end requirements for each applicable month.

ESP winter month storage minimums are based on a proportionate allocation of total core minimum inventory requirements.

4. Injection Rights and Obligations

ESPs are given a proportionate share of injection rights associated with the core minimum reliability storage reservation from April 1 through October 31 proportionate to their DCQ within each rate class.

Over-deliveries can be traded into storage during the imbalance trading period by utilizing injection rights associated with the ESP's assigned storage capacity or on an as-available basis.

5. Nominations In Excess Of System Capacity/Receipt Point Restriction

At times of nominations in excess of system capacity or receipt point restrictions, ESPs may not nominate quantities greater than their DCQ.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3117
DECISION NO. 01-12-018

ISSUED BY
Lee Schavrien
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Feb 1, 2002
EFFECTIVE _____
RESOLUTION NO. _____

CORE AGGREGATION TRANSPORTATION

(Continued)

F. STORAGE RIGHTS AND OBLIGATIONS (Continued)

6. Adding And Deleting Customers

The ESP and SoCalGas' core procurement group, on an individual basis, will remain obligated to meet all applicable storage targets resulting from additions or deletions of customers by ESPs.

G. IMBALANCE SERVICES

The ESP is responsible for balancing transportation services with the customers' end-use consumption pursuant to Schedule G-IMB and Rule No. 30.

H. CURTAILMENT

In the event of curtailment, SoCalGas shall make every effort to maintain service to Core Transportation Service customers. Such curtailment shall be effectuated in accordance with the provisions of Rule No. 23, Continuity of Service and Interruption of Delivery. Charges for violations of curtailment shall apply as set forth in Rule No. 23.

I. SERVICES PROVIDED BY SOCALGAS

SoCalGas shall read customer meters, send customers legally required notices and bill inserts in accordance with Public Utilities Code 454(a), and provide customers with all other regular SoCalGas services.

J. OTHER TARIFFS

Service under this Rule is subject to the terms and conditions of SoCalGas' tariff schedules on file with the CPUC, including all applicable contracts and agreements.

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 3117
DECISION NO. 01-12-018

14R8

ISSUED BY

Lee Schavrien
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Feb 1, 2002
EFFECTIVE _____
RESOLUTION NO. _____

Rule No. 39

Sheet 1

CUSTOMER CREDITWORTHINESS

A. GENERAL

This Rule shall apply to Customers (including, but not limited to, potential Customers, Contracted Marketers, and Energy Service Providers under the Core Aggregation Transportation program obtaining services from Southern California Gas Company (SoCalGas) including, but not limited to, backbone transmission services, balancing services, or storage services pursuant to SoCalGas' authorized tariffs. In order to receive such services, Customers must meet the credit requirements set forth herein.

This Rule shall not apply to Customers who purchase or receive only local transmission service or distribution service from SoCalGas.

To receive service from SoCalGas, a Customer must either establish an unsecured line of credit or must provide security to SoCalGas at least equal to SoCalGas' total financial exposure based on all of that Customer's transactions with SoCalGas.

SoCalGas shall apply the credit evaluation criteria and make decisions under this Rule on a non-discriminatory basis; subject, however, to the reasonable exercise of decision-making. SoCalGas modify its creditworthiness requirements for a Customer based on changes in the Customer's requirements for service and/or overall financial condition. If SoCalGas determines that a financial change has affected, or could adversely affect the creditworthiness of a Customer, SoCalGas may immediately terminate the Customer's participation in any SoCalGas service or program.

A Customer requesting service must establish a credit line on a secured basis, unsecured basis, or any combination thereof before SoCalGas will execute any agreement for service. Criteria for establishing creditworthiness are shown below.

B. ESTABLISHMENT OF CREDIT

1. Application for Credit

The Customer shall be required to complete, execute, and submit a credit application that includes financial and other relevant information needed to establish credit.

SoCalGas shall use the financial and other relevant information, along with the Customer's service request and any other available information, to determine the Customer's maximum credit line, either secured or unsecured.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3117
DECISION NO. 01-12-018

ISSUED BY
Lee Schavrien
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Feb 1, 2002
EFFECTIVE _____
RESOLUTION NO. _____

Rule No. 39

Sheet 2

CUSTOMER CREDITWORTHINESS

(Continued)

B. ESTABLISHMENT OF CREDIT (Continued)

1. Application for Credit (Continued)

After a creditworthiness evaluation is conducted, SoCalGas will grant final credit approval, on a secured or unsecured basis. If unsecured credit is granted based on the financial strength of a parental corporation, a parental guaranty will be required.

Acceptable Forms of Guaranty:

A guaranty in form, substance and in an amount acceptable to SoCalGas may be provided by a Customer from the Customer's parent company or some other guarantor acceptable to SoCalGas. Any guarantor must submit to a creditworthiness evaluation and provide necessary financial and other information as requested by SoCalGas.

SoCalGas will provide acceptable guaranty forms and any amendment thereto.

All information provided by Customer shall remain strictly confidential.

2. Continuation of Creditworthiness

To assure the continued validity of an established credit facility with SoCalGas, the Customer shall be required to furnish SoCalGas with financial and other relevant information satisfactory to SoCalGas during the Customer's service period. In the event that SoCalGas determines that a financial change has affected, or could adversely affect the creditworthiness of a Customer, or if the Customer does not provide the requested financial information, SoCalGas may immediately terminate the Customer's participation in any SoCalGas service or program.

In the event that SoCalGas determines that the Customer qualifies for an unsecured line of credit, security may be required at a future date if SoCalGas determines that a material change has occurred, or becomes aware of a material change in a Customer's financial position, or if the provisions of this Rule are changed.

3. Credit Line Utilizing Security

SoCalGas may approve a credit line on a secured or unsecured basis, or any combination thereof at the discretion of SoCalGas.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3117
DECISION NO. 01-12-018

ISSUED BY
Lee Schavrien
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Feb 1, 2002
EFFECTIVE _____
RESOLUTION NO. _____

Rule No. 39

Sheet 3

CUSTOMER CREDITWORTHINESS

(Continued)

B. ESTABLISHMENT OF CREDIT (Continued)

3. Credit Line Utilizing Security (Continued)

As an alternative to the creditworthiness evaluation process or as a supplement, any Customer may establish a secured credit line by posting security equivalent to the requested credit line, in a form acceptable to SoCalGas.

Examples of Acceptable Forms of Security:

a. Cash

The amount of cash taken to establish a credit line may be subject to adjustment upon request by SoCalGas and/or the Customer.

b. Irrevocable Standby Letter of Credit

An irrevocable and renewable Standby Letter of Credit in form, substance and amount satisfactory to SoCalGas and issued by a major financial institution within the United States, acceptable to SoCalGas.

c. Surety Bond

Renewable Surety Bond(s) in a form acceptable to SoCalGas and issued by a major insurance company within the United States, acceptable to SoCalGas.

d. Other Forms of Security, Subject to Discretionary Acceptance

Other forms of security that SoCalGas may, at its sole discretion, determine are acceptable to SoCalGas.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3117
DECISION NO. 01-12-018

ISSUED BY
Lee Schavrien
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Feb 1, 2002
EFFECTIVE _____
RESOLUTION NO. _____

Rule No. 39

Sheet 4

CUSTOMER CREDITWORTHINESS

(Continued)

B. ESTABLISHMENT OF CREDIT (Continued)

4. Reducing Creditworthiness Requirements

SoCalGas and Customer may agree pursuant to the exercise of reasonable decision-making, to any other arrangements in order to reduce the secured or unsecured credit line.

Examples of Credit Line Reducing Agreements:

a. Prepayment for services rendered

Agreement to pay periodic prepayments for services rendered.

b. Guaranteed Delivery Agreements

Agreement to deliver a specified quantity of gas.

c. Supplemental Margin Agreement

Agreement to limit exposure to a specified dollar amount gas.

d. Other credit reducing agreements

Other agreements that SoCalGas may, at its sole discretion, determine are acceptable to SoCalGas

5. Reestablishment of Credit

A Customer may be required to reestablish credit if bills are not paid as required or, if in the sole opinion of SoCalGas, the conditions under which credit was originally established have changed.

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 3117
DECISION NO. 01-12-018

4R5

ISSUED BY

Lee Schavrien
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Feb 1, 2002
EFFECTIVE _____
RESOLUTION NO. _____

SAMPLE FORMS - CONTRACTS
Master Services Contract, Schedule L
Packaged Storage Service (Form 6597-16)

Sheet 1

(See Attached Form)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3117
DECISION NO. 01-12-018

ISSUED BY
Lee Schavrien
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Feb 1, 2002
EFFECTIVE _____
RESOLUTION NO. _____

MASTER SERVICES CONTRACT

SCHEDULE L

PACKAGED STORAGE SERVICE AGREEMENT

THIS PACKAGED STORAGE SERVICE AGREEMENT ("Agreement") is entered into as of the _____ day of _____, _____, by and between Southern California Gas Company ("Utility") and _____ ("Customer") and sets forth the terms and conditions under which Utility will provide storage services to Customer. This Agreement shall be attached to and incorporated as Schedule L to the Master Services Contract ("MSC") entered into by the parties.

SECTION 1 - STORAGE SERVICES

(a) For the Time Period for Service indicated below (the "Service Period"), Utility shall provide Customer with the storage services set forth below. This Agreement and the rights established herein shall be subject to the terms and conditions of Utility's Tariff Rate Schedule G-PAC ("G-PAC") and other applicable Tariff Rules and Schedules as amended from time to time (including, without limitation, the definitions in Utility's Tariff Rule No. 1).

<u>Storage Services</u>	<u>Maximum Quantity</u>	<u>Firm or As-Available</u>	<u>Time Period for Service ("Service Period")</u>
Inventory	_____ (Dth)	Firm	_____
Injection	_____ (Dth/day)	Firm	_____
Withdrawal	_____ (Dth/day)	Firm	_____

(b) When required in G-PAC, Customer's firm withdrawal capacity will depend on its own inventory level and the Utility System storage inventory level according to the formula provided in G-PAC.

SECTION 2 - RESERVATION AND STORAGE CHARGES

(a) Customer agrees to pay to Utility the following charges:

<u>Storage Services</u>	<u>Quantity (Dth)</u>	<u>Unit Annual Reservation Charges</u>	<u>Variable Storage Charges</u>	
			<u>In-Kind Fuel</u>	<u>O&M Injection or Withdrawal</u>
Inventory	_____ (Dth)	_____ \$(/Dth)		
Injection	_____ (Dth/day)	* _____	_____ %	_____ \$(/Dth)
Withdrawal	_____ (Dth/day)	* _____		_____ \$(/Dth)

*Reservation charges for injection and withdrawal capacity are combined in the annual reservation charge for the inventory capacity.

(b) Reservation and variable storage charges are subject to change and are those specified by G-PAC.

SECTION 3 - TRANSMISSION CHARGES

Customer agrees to pay Utility all applicable transmission charges incurred to move gas to Utility System storage, including receipt point access fees, if applicable. Transmission charges are subject to change and are those specified by G-PAC.

SECTION 4 - BILLING AND PAYMENT

(a) All reservation charges shall be billed by Utility and paid by Customer in equal monthly installments over the Service Period of this Agreement. Provided, however, that if Customer is not an end-use customer of Utility, then 25% of the annual reservation charges shall be paid to Utility in the first month of each year in the Agreement and the balance shall be billed and paid in equal installments over the remaining months of the year. All other charges shall be billed and paid as the applicable services are provided.

(b) All bills shall be timely paid. In addition to any remedies provided under Utility's Tariff Rate Schedules and Tariff Rules, in the event that Customer fails to timely pay any amounts due hereunder and such amounts are not paid in full within seven (7) days following notice by Utility that such payment is in arrears, Utility may, without any additional notice, immediately suspend service hereunder until Customer pays all amounts due.

(c) In the event of a billing dispute, the bill must be paid in full by Customer pending resolution of the dispute. Such payment shall not be deemed a waiver of Customer's right to a refund. All bills shall be sent to Customer as specified below in Section 6 (a).

SECTION 5 - STORAGE RECEIPT AND DELIVERY POINTS

(a) The Points of Receipt for gas to be injected into storage are the Utility System interconnects with interstate pipelines, with intrastate pipelines, and with California gas producers.

(b) The Points of Delivery for gas withdrawn from storage are the end-use Facilities located inside the Utility's service territory, and the Utility System interconnects with interstate and intrastate pipelines when deliveries for off-system gas use are offered by the Utility.

(c) The Points of Receipt and the Points of Delivery are subject to change with implementation of receipt point access rights specified in the Comprehensive Gas OII Settlement Agreement (D.01-12-018)

SECTION 6 - MISCELLANEOUS

(a) Notices - All notices and requests under this Agreement shall be deemed to have been duly given if sent by facsimile (fax) properly addressed, and with confirming original copy thereof being sent by postage prepaid, certified mail properly addressed, as follows:

CUSTOMER

UTILITY

Operating Matters

Contact Name _____
Contact Title _____
Telephone _____
Fax No. _____

Contact Name _____
Contact Title _____
Telephone _____
Fax No. _____

Billing Matters

Contact Name _____
Contact Title _____
Telephone _____
Fax No. _____

Contact Name _____
Contact Title _____
Telephone _____
Fax No. _____

Contract Matters

Contact Name _____	Contact Name _____
Contact Title _____	Contact Title _____
Telephone _____	Telephone _____
Fax No. _____	Fax No. _____

Either party may change its designation set forth above by giving the other party at least seven (7) days prior written notice.

(b) **Governing Law** - This Agreement shall be construed 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.

(c) **Credit Worthiness** - From time to time, as is deemed necessary, Utility may request that Customer furnish Utility with all relevant information or data to establish Customer's credit worthiness, including, without limitation, financial statements of Customer which are audited or otherwise attested to Utility's satisfaction. Following review of such information, Utility may require that Customer supply additional assurance as may be necessary to establish Customer's ongoing financial ability to perform under this Agreement during the Term, including, without limitation, contractual guarantees or financial instruments such as letters of credit.

(d) **Limited Storage Liability** - Utility shall not be responsible for any loss of gas in storage, including, without limitation, losses due to the inherent qualities of gas (including leakage and migration) or due to physical or legal inability to withdraw gas from storage, unless such loss is caused by failure of Utility to exercise the ordinary care and diligence required by law. In the event of any such loss, the portion of such loss which is attributable to Customer shall be determined based on Customer's pro rata share of the total recoverable working gas inventory in Utility's storage facilities at the time of the loss.

(e) **Incorporated Provisions** - The provisions of Section 6 of the MSC are incorporated by reference herein as if set forth in full herein, except to the extent such Section 6 is superseded by Utility's Tariff Rule 4.

IN WITNESS WHEREOF, the authorized representatives of the parties have executed two (2) duplicate original copies of this Agreement as of the date first written above.

CUSTOMER

SOUTHERN CALIFORNIA GAS COMPANY

By _____

By _____

Title: _____

Title: _____

SAMPLE FORMS - CONTRACTS
Master Services Contract, Schedule I
Transaction Based Storage Service (Form 6597-11, Rev. 2/02)

Sheet 1

T

(See Attached Form)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3117
DECISION NO. 01-12-018

ISSUED BY
Lee Schavrien
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Feb 1, 2002
EFFECTIVE _____
RESOLUTION NO. _____

MASTER SERVICES CONTRACT

SCHEDULE I

TRANSACTION BASED STORAGE SERVICE AGREEMENT

THIS TRANSACTION BASED STORAGE SERVICE AGREEMENT ("Agreement") is entered into as of the ____ day of _____, _____, by and between Southern California Gas Company ("Utility") and _____ ("Customer") and sets forth the terms and conditions under which Utility will provide storage services to Customer. This Agreement shall be attached to and incorporated as Schedule J to the Master Services Contract ("MSC") entered into by the parties.

SECTION 1 - STORAGE SERVICES

(a) For the Time Period for Service indicated below (the "Service Period"), Utility shall provide Customer with the storage services set forth below. This Agreement and the rights established herein shall be subject to the terms and conditions of Utility's Tariff Rate Schedule G-TBS ("G-TBS") and other applicable Tariff Rules and Schedules as amended from time to time (including, without limitation, the definitions in Utility's Tariff Rule No. 1).

<u>Storage Services</u>	<u>Maximum Quantity</u>	<u>Firm or As-Available</u>	<u>Time Period for Service ("Service Period")</u>
Inventory	_____ (Dth)	_____	_____
Injection	_____ (Dth/day)	_____	_____
Withdrawal	_____ (Dth/day)	_____	_____

(b) Other: _____.

SECTION 2 - RESERVATION AND STORAGE CHARGES

(a) Customer agrees to pay to Utility the following charges:

<u>Storage Services</u>	<u>Quantity (Dth)</u>	<u>Unit Reservation Charges</u>	<u>Variable Storage Charges</u>	<u>In-Kind Fuel</u>	<u>O&M Injection or Withdrawal</u>
Inventory	_____ (Dth)	_____ \$(/Dth)			
Injection	_____ (Dth/day)	_____ \$(/Dth/day)		_____ %	_____ \$(/Dth)
Withdrawal	_____ (Dth/day)	_____ \$(/Dth/day)			_____ \$(/Dth)

(b) Other charges: _____.

SECTION 3 - TRANSMISSION CHARGES

(a) Customer agrees to pay Utility all applicable transportation charges incurred to move gas to Utility system, including receipt point access fees, if applicable.

(b) Other transportation charges and conditions: _____.

SECTION 4 - BILLING AND PAYMENT

(a) All reservation charges shall be billed by Utility and paid by Customer in equal monthly installments over the Service Period of this Agreement. Provided, however, that if Customer is not an end-use customer of Utility, then 25% of the reservation charges shall be paid to Utility in the first month of the Service Period and the balance shall be billed and paid in equal installments over the remaining months of the Service Period. If the Service Period is greater than one year, then 25% of the annual reservation charges shall be paid in the first month of each year in the Agreement, with the balance paid in equal installments over the remaining months of the year. All other charges shall be billed and paid as the applicable services are provided.

(b) All bills shall be timely paid. In addition to any remedies provided under Utility's Tariff Rate Schedules and Tariff Rules, in the event that Customer fails to timely pay any amounts due hereunder and such amounts are not paid in full within seven (7) days following notice by Utility that such payment is in arrears, Utility may, without any additional notice, immediately suspend service hereunder until Customer pays all amounts due.

(c) In the event of a billing dispute, the bill must be paid in full by Customer pending resolution of the dispute. Such payment shall not be deemed a waiver of Customer's right to a refund. All bills shall be sent to Customer as specified below in Section 6 (a).

SECTION 5 – STORAGE RECEIPT AND DELIVERY POINTS

(a) The Points of Receipt for gas to be injected into storage are the Utility System interconnects with interstate pipelines, with intrastate pipelines, and with California gas producers.

(b) The Points of Delivery for gas withdrawn from storage are the end-use Facilities located inside Utility's service territory, and the Utility System interconnects with interstate and intrastate pipelines when deliveries for off-system gas use are offered by the Utility.

(c) Other: _____.

SECTION 6 - MISCELLANEOUS

(a) Notices - All notices and requests under this Agreement shall be deemed to have been duly given if sent by facsimile (fax) properly addressed, and with confirming original copy thereof being sent by postage prepaid, certified mail properly addressed, as follows:

<u>CUSTOMER</u>	<u>Operating Matters</u>	<u>UTILITY</u>
Contact Name _____		Contact Name _____
Contact Title _____		Contact Title _____
Telephone _____		Telephone _____
Fax No. _____		Fax No. _____

Billing Matters

ContactName _____	Contact Name _____
Contact Title _____	Contact Title _____
Telephone _____	Telephone _____
Fax No. _____	Fax No. _____

Contract Matters

Contact Name _____	Contact Name _____
Contact Title _____	Contact Title _____
Telephone _____	Telephone _____
Fax No. _____	Fax No. _____

Either party may change its designation set forth above by giving the other party at least seven (7) days prior written notice.

(b) Governing Law - This Agreement shall be construed 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.

(c) Credit Worthiness - From time to time, as is deemed necessary, Utility may request that Customer furnish Utility with all relevant information or data to establish Customer's credit worthiness, including, without limitation, financial statements of Customer which are audited or otherwise attested to Utility's satisfaction. Following review of such information, Utility may require that Customer supply additional assurance as may be necessary to establish Customer's ongoing financial ability to perform under this Agreement during the Term, including, without limitation, contractual guarantees or financial instruments such as letters of credit.

(d) Limited Storage Liability - Utility shall not be responsible for any loss of gas in storage, including, without limitation, losses due to the inherent qualities of gas (including leakage and migration) or due to physical or legal inability to withdraw gas from storage, unless such loss is caused by failure of Utility to exercise the ordinary care and diligence required by law. In the event of any such loss, the portion of such loss which is attributable to Customer shall be determined based on Customer's pro rata share of the total recoverable working gas inventory in Utility's storage facilities at the time of the loss.

(e) Incorporated Provisions - The provisions of Section 6 of the MSC are incorporated by reference herein as if set forth in full herein, except to the extent such Section 6 is superseded by Utility's Tariff Rule 4.

IN WITNESS WHEREOF, the authorized representatives of the parties have executed two (2) duplicate original copies of this Agreement as of the date first written above.

CUSTOMER

SOUTHERN CALIFORNIA GAS COMPANY

By _____

By _____

Title: _____

Title: _____

SAMPLE FORMS

Sheet 1

Contracts

Packaged Storage Service Open Season (Form 2015)

(See Attached Form)

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 3117
DECISION NO. 01-12-018

1R6

ISSUED BY

Lee Schavrien

Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Feb 1, 2002

EFFECTIVE _____

RESOLUTION NO. _____

**SOUTHERN CALIFORNIA GAS COMPANY
2002 OPEN SEASON
PACKAGED STORAGE SERVICE**

OPEN SEASON

Southern California Gas Company ("SoCalGas") is holding an open season for Packaged Storage Service ("PAC"). Two separate packages are offered in the open season. One package is for a term of one year beginning April 1, 2002 ("One-Year Package"). The other package is for a term of up to three years beginning April 1, 2003 ("Three-Year Package").

The open season will be held from _____ . To participate in the auction, a sealed bid must be received by SoCalGas no later than **p.m. Pacific Standard Time** on _____. SoCalGas will award the packages by _____, _____.

The bid is comprised of the following documents:

1. Bid Form
2. Master Services Contract ("MSC"), if required
3. Packaged Storage Service Agreement (Schedule L of the MSC)
4. Credit Application, unless other arrangements are made

PACKAGED STORAGE SERVICE

PAC is offered under the G-PAC tariff, which is attached for reference. PAC is a defined combination of storage capacity comprised of 0.0076 decatherms ("dth") per day of firm injection and 0.0296 dth per day of firm withdrawal for each dth of inventory capacity.

Two storage packages are offered in the open season. The One-Year Package, beginning April 1, 2002, consists of _____ dth of inventory, _____ dth/day of injection, and _____ dth/day of withdrawal. The Three-Year Package, beginning April 1, 2003, consists of _____ dth of inventory, _____ dth/day of injection, and _____ dth/day of withdrawal. For both packages inventory, injection and withdrawal capacity is provided for the entire term, subject to reductions during the off season as stated in the G-PAC tariff.

The annual reservation charge for both packages is set by the G-PAC tariff and is subject to changes authorized by the California Public Utilities Commission ("CPUC"). For the Three-Year Package, the annual reservation charge will escalate each storage year according to _____.

BIDDING

For the two packages offered, bidders may bid for less than an entire package, for an entire package, or for both packages. Only the inventory level is specified in the bid to denote the portion of the package desired, since injection and withdrawal capacity are set by formula to the inventory. If total acceptable bids exceed the capacity of a package, then all acceptable bids will be pro ratably reduced to meet the available capacity. Bidders can specify a minimum acceptable inventory level requiring that bid to be dropped if the pro rata reduction results in an award capacity lower than the minimum acceptable level.

Since the charges are set by the G-PAC tariff, bid awards are not made by price. Awards are made by the term bid. Only bids for full-year terms will be accepted. For the One-Year Package, bidders can only bid a one-year term. Any acceptable bid will receive an award unless that award is less than the bidder's specified minimum acceptable level. For the Three-Year Package, bidders can bid one, two, or three years. The longer terms bid will have priority in the awards. First, capacity will be awarded to the three-year bids, then to the two-year bids, and finally to the one-year bids. All partial-year bids are discarded.

Any creditworthy legal entity may participate in the auction. Single bids for a package cannot exceed the available capacity of that package. Any bids received exceeding a package size will be reduced to the available capacity. Multiple bids for a package by the same entity cannot exceed the capacity of the package when its bids are aggregated. If multiple bids from the same entity exceed the package size when aggregated, then the smaller-size bids from the shorter-term bids are discarded until the aggregated bid size is equal to or less than the package size.

For a bid to be considered, SoCalGas must receive it no later than ____ p.m. Pacific Standard Time (“PST”), on _____, _____. Bids must be sent by U. S. Certified Mail or by a “courier service” in a sealed envelope to the address below with the bidder’s name and address printed on the outside. A facsimile or email cannot substitute for a sealed bid and will be discarded. It is the bidder’s responsibility to verify that its bid has been timely received.

Southern California Gas Company
Attn: Mary Bretthauer (GT 22E1)
555 W. Fifth Street
Los Angeles, CA 90013-1011

For questions regarding the mailing of your bid, you can contact Mary Bretthauer at (213) 244-3870. All bids are considered firm, final, and unconditional unless modified or withdrawn, in writing, by the bidder prior to ____ p.m. PST on _____.

BID DOCUMENT INSTRUCTIONS

Bid Form

1. Provide the information needed to establish your legal entity.
2. Make your bid for the One-Year Package
3. Make your bid for the Three-Year package
4. Indicate your status for the Master Services Contract.
5. Indicate your status for the Packaged Storage Service Agreement
6. Indicate your status for the Credit Application
7. Sign and date the bid form and provide the signor’s information.

Master Services Contract

A Master Services Contract (“MSC”) must be executed with SoCalGas to participate in this program. If you already do business with SoCalGas as an end-use customer, marketer, storage user, or GasSelect user, you probably have a current MSC. Contact Mary Bretthauer at (213) 244-3870 to confirm if you are unsure. If you do not have one on file, execute two signed originals of the MSC and return with the Bid Form.

Page 1 of MSC: Fill in the Taxpayer I.D. number, customer name, and date. Leave all other entries blank. They will be filled in after an award is made.

Page 2 of MSC: Fill in the Billing information for the Customer, leave the payment information blank.

Page 3 of MSC: Enter the Customer name, and sign the MSC and state the signor’s title.

Packaged Storage Service Agreement

The Packaged Storage Service Agreement (“Agreement”) is Schedule L of the Master Services Contract. Two signed originals are required with the bid. A fully signed original will be completed and returned to you when you receive an award.

Page 1 of Agreement: Enter only the Customer name. All other entries will be completed upon an award.

Page 2 of Agreement: Complete the Customer information for Section 6.

Page 3 of Agreement: Sign the Customer portion.

Credit Application

Adequate credit must be established prior to the awarding of capacity. If credit is not adequately established by then, the bid will be discarded. To establish credit, complete the enclosed Credit Application form and submit it with the Bid Form, or contact Judy Delgadillo at (213) 244-4343.

SAMPLE FORMS

Sheet 1

Contracts

Transfer of Storage Capacity Rights (Form 1790)

(See Attached Form)

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 3117
DECISION NO. 01-12-018

1R6

ISSUED BY

Lee Schavrien

Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Feb 1, 2002

EFFECTIVE _____

RESOLUTION NO. _____

SOUTHERN CALIFORNIA GAS COMPANY

TRANSFER OF STORAGE CAPACITY RIGHTS
(Pursuant to Tariff Schedule G-BSS, G-LTS, G-TBS or G-PAC)

FAX COMPLETED FORM TO STORAGE PRODUCTS ADVISOR: FAX (213) 244-8645

For information call (213) 244-3870

Transferor Information:

Customer Name: _____

Fed. Tax ID: _____ Duns No: _____ Storage Account OCC: _____

Storage Capacity Rights to be Transferred:

	Inventory (dth)	Injection (dth/day)	Withdrawal (dth/day)
Quantity:	_____	_____	_____
First Flow day transferred:	_____	_____	_____ (mm/dd/yy)
Last Flow day transferred:	_____	_____	_____ (mm/dd/yy)

Signed: _____

Name: _____ Phone: _____

Title: _____ Fax: _____

Date: _____

Note: Transferors must provide Utility with written notice two days in advance of the first nomination cycle for the effective flow date of the rights transferred. Written notice must be on this Form, and be received by Utility no later than 2:30 pm Pacific time. Until the complete implementation of the CS, certain transfer restrictions are in effect. For the flow days of Saturday, Sunday, and Monday, rights cannot be transferred for these days individually. Rights applicable to these days must be transferred for the entire three days. In addition, when transferred rights begin on a Tuesday, the third nomination cycle will be the first opportunity to nominate these rights. For transfers affected by Utility holidays, a special schedule will be posted on GasSelect.

Transferee Information:

Customer Name: _____

Address: _____

Fed. Tax ID: _____ Duns No: _____

Storage to be assigned to existing storage account? YES ___ OCC # _____, or NO ___

Signed: _____

Name: _____ Phone: _____

Title: _____ Fax: _____

Date: _____

SoCalGas Action: _____ **Date:** _____ (mm/dd/yy)

Approved: _____ (Y/N) Reason Not Approved: _____

SAMPLE FORMS

Sheet 1

Contracts

Packaged Storage Service Open Season Bid (Form 2015-1)

(See Attached Form)

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 3117
DECISION NO. 01-12-018

1R6

ISSUED BY

Lee Schavrien

Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Feb 1, 2002

EFFECTIVE _____

RESOLUTION NO. _____

**SOUTHERN CALIFORNIA GAS COMPANY
2002 OPEN SEASON
PACKAGED STORAGE SERVICE**

BID FORM

1. LEGAL ENTITY

Business Name: _____	Fed Tax ID: _____
Street: _____	
City, State, ZIP _____	
Contact Name: _____	Title: _____
Telephone: (____) _____	Fax: (____) _____

2. BID FOR ONE-YEAR PACKAGE

Inventory Capacity Bid (cannot exceed a bid of _____ dths): _____ dths
Term Bid (only acceptable bid is "1" year): <u> 1 </u> year
Minimum acceptable award level for inventory: _____ dths (if the award is lower than this specified amount, then your bid will be discarded; if left blank the entry defaults to zero)

3. BID FOR THREE-YEAR PACKAGE

Inventory Capacity Bid (cannot exceed a bid of _____ dths): _____ dths
Term Bid (only acceptable bids are "1", "2", or "3" years): _____ year(s)
Minimum acceptable award level for inventory: _____ dths (if the award is lower than this specified amount, then your bid will be discarded; if left blank the entry defaults to zero)

4. MASTER SERVICES CONTRACT ("MSC")

Indicate your MSC status: <u> </u> yes, executed MSC is on file <u> </u> no, 2 signed originals are attached to the Bid Form

5. PACKAGED STORAGE SERVICE AGREEMENT ("Agreement")

Indicate your Agreement status: <u> </u> yes, 2 signed originals of the Agreement are attached <u> </u> no, Agreements are not attached (the bid will be rejected)

6. CREDIT APPLICATION ("Credit App")

Indicate your Credit App status: <u> </u> yes, Credit App is completed and attached; <u> </u> no, I have contacted Judy Delgadillo at (213) 244-4343 to establish credit.

7. SIGNATURE

All bids are firm, final, and unconditional, unless modified in writing prior to the close of this open season.	
Signature: _____	Date: _____
By: _____	
Title: _____	

SAMPLE FORMS
Contracts
Credit Application (Form 150)

Sheet 1

(See Attached Form)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3117
DECISION NO. 01-12-018

ISSUED BY
Lee Schavrien
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Feb 1, 2002
EFFECTIVE _____
RESOLUTION NO. _____



A Sempra Energy company

RETURN TO: SOCALGAS
ATTENTION: Major Markets Credit and Collection
555 W. Fifth Street, M.L.10E3
Los Angeles, California 90013-1011
FAX (213) 244-8316

CREDIT APPLICATION

General Information

Legal Company Name

Doing Business As (D.B.A.)

Street Address City State Zip Code

Federal Tax ID #

Organized & existing under the laws of: (State) Year Incorporated/Established

Primary Contacts:

Credit Department Contact:

Name Title Phone FAX E-Mail

Gas Trader Contact:

Name Title Phone FAX E-Mail

Service Type:

- Contracted Marketer
Core Aggregator
Intrastate Transportation
Backbone
Gas Storage
Trading (Gas Acquisition)
Hub Services
Other

Estimated Volumes of Service Requested per month:

Blank lines for entering estimated volumes of service requested per month.

Company References

Please list at least three references with which you are currently doing business:

	<u>Company Name</u>	<u>Contact Person</u>	<u>Phone Number</u>
1)	_____	_____	_____
2)	_____	_____	_____
3)	_____	_____	_____
4)	_____	_____	_____

Please provide the following information with this application:

- Most recent three (3) fiscal years', CPA audited, financial statements including notes to the financial statements.
- The most recent interim financial statements.
- A list of corporate affiliates, including addresses and relationship to your company/entity (Corporate Organization Chart).
- Most recent three (3) fiscal years', CPA audited, financial statements of the ultimate parent company.

General Certification

The undersigned declares that the statements set forth herein are true and complete.

The undersigned hereby authorizes Southern California Gas Company (SoCalGas), to obtain verification from any source named herein as to the accuracy of the information provided and to obtain credit information regarding Applicant as part of its approval process.

The undersigned hereby releases, discharges, exonerates and covenants not to sue any person, company or governmental organization providing information to SoCalGas in connection with its approval process, any recipient of such information conducting a review of such information in connection with this application, including SoCalGas or its representatives, and its officers, agents, employees and independent contractors, from any and all liability of every nature and kind arising from or in connection with the furnishing, receipt and review of such information.

Official Signature: _____
(Must be signed by an officer of the Applicant)

Typed Name: _____ Title: _____ Dated: _____

TABLE OF CONTENTS

(Continued)

GT-SD	Intrastate Transmission Service	34413-G,30593-G,30594-G,30595-G	
GT-RLS	Residual Load Service	27508-G,31497-G,27510-G	
GW-LB	Wholesale Natural Gas Service	34585-G,34254-G,32677-G,32678-G	
		32679-G,32680-G,34624-G,34625-G	T
GW-SD	Wholesale Natural Gas Service	34586-G,34415-G,32684-G	
		32685-G,34626-G,34627-G	T
GW-SWG	Wholesale Natural Gas Service	34587-G,34258-G,32689-G	
		32690-G,34628-G	T
GW-VRN	Wholesale Natural Gas Service	34588-G,34260-G,32694-G	
		32695-G,32696-G,34629-G	T
G-IMB	Transportation Imbalance Service	29614-G,34579-G,34580-G,34549-G	
		34619-G,33497-G,33498-G	
G-ITC	Interconnect Access Service	32698-G,32699-G	
G-BSS	Basic Storage Service	34630-G,34631-G,34632-G,34633-G	T
		34634-G,34635-G,34636-G,34637-G,34638-G	T
G-LTS	Long-Term Storage Service	34639-G,34640-G,34641-G,34642-G	D,T
		34643-G,34644-G,34645-G,34646-G	T
G-TBS	Transaction Based Storage Service	34647-G,34648-G,34649-G	
		34650-G,34651-G,34652-G	T
G-PAC	Packaged Storage Service	34653-G,34654-G,34655-G	N
		34656-G,34657-G	N
G-CBS	UDC Consolidated Billing Service	34071-G,34072-G,34073-G,33095-G	
G-PPPS	Tax Surcharge to Fund Public Purpose Programs	34261-G,34262-G	
G-SRF	Surcharge to Fund Public Utilities Commission		
	Utilities Reimbursement Account	24565-G	
G-MHPS	Surcharge to Fund Public Utilities Commission		
	Master Metered Mobile Home Park Gas Safety		
	Inspection and Enforcement Program	32828-G	
G-MSUR	Transported Gas Municipal Surcharge	25005-G,25006-G	
GIT	Interruptible Interutility Transportation	24567-G,24568-G	
GLT	Long-Term Transportation of Customer-Owned		
	Natural Gas	24569-G,24570-G,24571-G	
GLT-1	Transportation of Customer-Owned Natural Gas	24572-G,24573-G,24574-G	
		24575-G,24576-G,24577-G	
GLT-2	Transportation of Customer-Owned Natural Gas	24578-G,24579-G,24580-G	
		24581-G,24582-G,24583-G	
G-LOAN	Hub Loaning	34263-G	
G-PRK	Hub Parking	34264-G	
G-WHL	Hub Service	34418-G	

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVISE LETTER NO. 3117
 DECISION NO. 01-12-018

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Feb 1, 2002
 EFFECTIVE _____
 RESOLUTION NO. _____

TABLE OF CONTENTS

(Continued)

SAMPLE FORMS (continued)

Contracts

Cogeneration Contract Addendum (Form 5058)	16063-G
Stub Service Installation (Form 3607-A, Rev. 3-67)	11583-G
Interutility Transportation Agreement (Form 6400, 9-88)	18895-G
Gas Transportation Service Agreement, Rate Schedule GLT (Form No. 6361)	18585-G
Gas Transportation Service Agreement, Rate Schedule GLT-1 or GLT-2 (Form No. 6305, Rev. 10/86)	18041-G
Transportation, Terms and Conditions (Form No. 6351, 12-87)	18586-G
Gas Service Agreement (Form 6533, Rev. 5-91)	20882.1-G
Targeted Sales Service Agreement (Form 6534)	21435.4-G
Energy Services Provider Agreement (Form 6536-A, 1/99)	31200-G
Customer Termination of CAT Program Contract (Form 6567-T)	26418-G
Marketer/Aggregator Contract (Form No. 6536)	21435.3-G
GasSelect Agreement (Form 6537, Rev. 4/98)	30119-G
Customer Information Release (Form 6538)	21435.1-G
Cogeneration Standby Equipment Affidavit (Form 6419, 3/88)	18773.1-G
Notice of Intrastate Curtailment Transfers (Form 6600, 9/01)	34022-G
Agreement for Non-Core Status, Rate Schedule GN-10 (Form 6485, 8/89)	19411-G
Agreement for Non-Core Status, Rate Schedule GN-10 or GT-10 (Form 6486, 5-00)	32750-G
Applicant Design Terms and Conditions (Form 6665, 5/98)	30295-G
Temporary Service Extension (Form 3454-C, 2/73)	13814-G
Assignment of Contract (Form 3907-A, 7/73)	13815-G
Transfer of Service Pipe to Yard Piping (Form 1951-F)	13816-G
Form of Indemnification (Form 6403, 10/87)	18570-G
Transfer of Storage Capacity Rights (Form 1790)	34671-G
Packaged Storage Service 2002 Open Season (Form 2015)	34672-G
Packaged Storage Service 2002 Open Season Bid Form (Form 2015-1)	34673-G
Credit Application (Form 150)	34674-G
Gas Service Agreement with the City of Long Beach	15510-G,15511-G,15512-G,15513-G,15514-G
Gas Service Agreement -- San Diego Gas & Electric Company	15989-G,15990-G,15591-G,15992-G 15993-G,15994-G,15995-G,15996-G
Master Services Contract (Form 6597)	23730-G
Master Services Contract, Schedule A, Intrastate Transmission Service (Form 6597-a)	23604-G

D
D
N
|
|
N

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3117
 DECISION NO. 01-12-018

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Feb 1, 2002
 EFFECTIVE _____
 RESOLUTION NO. _____

TABLE OF CONTENTS

(Continued)

SAMPLE FORMS (continued)

Contracts (continued)

Master Services Contract, Schedule B, Marketer/Core Aggregator/Use-or-Pay Aggregator (Form 6597-2)	23605-G	
Master Services Contract, Schedule D, Basic Storage Service (Form 6597-4, 7/96)	27911.1-G	D
Master Services Contract, Schedule F, Long-Term Storage Service (Form 6597-6)	23733-G	
Master Services Contract, Schedule H, Extended Balancing Service (Form 6597-8)	23735-G	
Amendment to Master Services Contract, Schedule A, Intrastate Transmission Service (Form 6597-9)	26370-G	
Supplement to Master Services Contract Schedule A, Intrastate Transmission Service, (Form 6597-10, Rev. 5/97)	28713-G	
Master Services Contract, Schedule I, Transaction Based Storage Service (Form 6597-11, Rev. 2/02)	34675-G	T
Master Services Contract, Schedule J, Gas Air Conditioning Service (Form 6597-12, Rev. 11/99)	32027-G	
Master Services Contract, Schedule L, Packaged Storage Service (Form 6597-16)	34676-G	N N
Pre-Arranged Interstate Capacity Transfer (Form 6598)	23606-G	
Access Agreement (Form 6600)	25062-G	
Seismic Services Subscription Contract (Form 6625 - 6/95)	26972-G	
Seismic Services Sales Contract (Form 6627 - 6/95)	26973-G	
Imbalance Trading Agreement (Form 6544 - 2/01)	33353-G	
Producer's Application Fee Notification Letter (Form 6640 - 7/96)	27898-G	
Appendix A - Producer's Payment for Utility's Investment for Facilities (Existing Facilities) (Form 6641 - 7/96)	27899-G	
Appendix A - Producer's Payment for Utility's Investment for Facilities (New Facilities) (Form 6642 - 7/96)	27900-G	
Appendix B - Producer's Payment for Utility's Operation & Maintenance Fee (Form 6643 - 7/96)	27901-G	
Equipment Incentive Program Agreement (Form 6700-1, Rev. 5/00)	32751-G	
Rule 38 Special Conditions: Metering and Gas Usage (Form 6700-1A - 5/00)	32752-G	
Rule 38 Affidavit (Form 6700-1B - 5/00)	32753-G	
Red Team Affidavit (Form 6683 - 5/00)	32754-G	
Feasibility Study Program Agreement (Form 6700-2, Rev. 8/96)	27950-G	
Excess Core Gas Sales Prequalification Contract (Form 6628 - 8/96)	27957-G	
Excess Core Gas Sales Contract (Form 6629 - 8/96)	27958-G	
Consent to Common Use Agreement (Form 6679 - 1/01)	33304-G	

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3117
 DECISION NO. 01-12-018

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Feb 1, 2002
 EFFECTIVE _____
 RESOLUTION NO. _____

TABLE OF CONTENTS

The following listed sheets contain all effective Schedules of Rates and Rules affecting service and information relating thereto in effect on the date indicated thereon.

GENERAL

Cal. P.U.C. Sheet No.

Title Page	21888-G	
Table of Contents--General and Preliminary Statement	34681-G,34423-G	T
Table of Contents--Service Area Maps and Descriptions	28516-G	
Table of Contents--Rate Schedules	34616-G,34617-G,34677-G	T
Table of Contents--List of Cities and Communities Served	33771-G	
Table of Contents--List of Contracts and Deviations	33771-G	
Table of Contents--Rules	34573-G,34678-G	T
Table of Contents--Sample Forms	33712-G,34679-G,34680-G,34193-G,32785-G	T

PRELIMINARY STATEMENT

Part I General Service Information	24331-G,24332-G,24333-G,24334-G,24749-G	
Part II Summary of Rates and Charges	34592-G,34593-G,34363-G,34364-G,34594-G,34578-G 34622-G,34623-G,34203-G,34595-G,34596-G,34368-G,34369-G	T
Part III Cost Allocation and Revenue Requirement ...	27024-G,27025-G,27026-G,27027-G,34370-G	
Part IV Income Tax Component of Contributions and Advances	24353-G,24354-G	
Part V Description of Regulatory Accounts-Balancing	33994-G,33995-G,34371-G 33997-G,33998-G,33999-G,34000-G,34001-G,34002-G,34003-G,34004-G	
Part VI Description of Regulatory Accounts-Memorandum	34278-G,34279-G,34280-G 34281-G,34282-G,34283-G,34284-G,34285-G,34286-G,34287-G 34288-G,34289-G,34290-G,34291-G,34292-G,34293-G,34294-G,34295-G	
Part VII Description of Regulatory Accounts-Tracking	34372-G,34373-G,34374-G 34375-G,34376-G,34377-G,34378-G,34379-G	
Part VIII Gas Cost Incentive Mechanism (GCIM)	31776-G,31777-G,31778-G,30523-G,30524-G	
Part IX Hazardous Substances Mechanism (HSM)	26199-G,26200-G,26201-G	
Part X Global Settlement	32530-G,32531-G,32532-G,32533-G	

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3117
 DECISION NO. 01-12-018

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Feb 1, 2002
 EFFECTIVE _____
 RESOLUTION NO. _____

ATTACHMENT C

UNBUNDLED STORAGE RATES FOR EXISTING FACILITIES

SOUTHERN CALIFORNIA GAS COMPANY GIR Implementation: Embedded Storage Rates

	<u>INJECTION</u> \$/Dth/d	<u>WITHDRAWAL</u> \$/Dth/d	<u>INVENTORY</u> \$/Dth
SEASONAL RESERVATION RATE	41.265	5.909	0.21741
DAILY RESERVATION RATE	0.19283	0.03913	
VARIABLE RATE	0.01232	0.01716	NA

Package Storage Service Rates

<u>STORAGE SERVICE</u>	<u>CAPACITY PER PACKAGE</u> MMcf	<u>PACKAGE RATE</u> \$/Dth
INVENTORY	1,000	0.21741
INJECTION, per day	7.6	0.31379
WITHDRAWAL, per day	29.6	0.17487
TOTAL		0.70606

Pricing Flexibility

<u>Storage Service</u>	<u>Reservation Rate</u> \$/Dth	<u>Price Floor (50% of Res. Rate) ¹</u> \$/Dth	<u>Price Ceiling (200% of Res. Rate) ¹</u> \$/Dth
Inventory	0.21741	0.10870	0.43482
Injection, per day	0.19283	0.09641	0.38565
Withdrawal, per day	0.03913	0.01957	0.07827

¹ For the period April 1, 2002 to March 31, 2003. Beginning April 1, 2003 the floor price on Schedule G-TBS is the short run marginal cost (SRMC) of providing that product, and there is no ceiling price.