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June 9, 2004

Advice No. 3385
(U 904 G)

Public Utilities Commission of the State of California

Subject: Compliance Filing to Remove References to Core Subscription Service from SoCalGas' Tariff due to the Discontinuing of the Core Subscription Program Effective December 1, 2003 Pursuant to Resolution G-3334 and Decision (D.)01-12-018.

Southern California Gas Company (SoCalGas) hereby submits for approval by the California Public Utilities Commission (Commission) revisions to its tariff schedules, applicable throughout its service territory, as shown on Attachment B.

Purpose

This filing is made as a consequence of Resolution G-3334 and D.01-12-018 which ordered SoCalGas to discontinue noncore core subscription service.

Background

Ordering Paragraph 16 of D.01-12-018, dated December 11, 2001, ordered SoCalGas to discontinue offering noncore core subscription service to new customers. Existing core subscription contracts were to remain in effect until the end of their contract term at which time those noncore customers must transfer to noncore transportation service or to core service. SoCalGas' last core subscription contracts expired November 30, 2003. It is therefore no longer necessary to have references to the core subscription program in certain sections of SoCalGas' authorized tariff.

This filing is being made today to remove specific references to the core subscription program from SoCalGas' authorized tariff with the exception of the core subscription subaccount to the Purchased Gas Account (PGA); the core subscription subaccount to the noncore interstate transition cost surcharge account (NITCSA); and references to Schedule G-CS, Core Subscription Natural Gas Service, under the Vernon Avoided Distribution Cost Memorandum Account (VADCMA) in the Preliminary Statement section of SoCalGas' tariff. A separate filing will be made to remove these subaccount items from SoCalGas' tariff once final accounting has been accomplished on balances in these accounts.

Information

Following is a list of the tariff sheets that currently reference the core subscription program and the changes needed to remove these references:

Preliminary Statement - Part I General Service Information

Delete two references to core subscription service under Section B. Description of Service.

Preliminary Statement - Part II Summary of Rates and Charges

Delete reference to the Core Subscription Procurement Charge and seven references to various core subscription rates contained in Schedule No. G-CS, Core Subscription Natural Gas Service, that have been discontinued effective December 1, 2003.

Preliminary Statement - Part III Cost Allocation and Revenue Requirement

Delete reference to core subscription customers under Section B. 1d, Transition Costs - Interstate Pipeline Capacity Costs.

Preliminary Statement - Part VIII Gas Cost Incentive Mechanism

Delete reference to core subscription customers under Section A, General. Delete reference to core subscription transportation reservation charges under Section C. 5, Gas Cost Incentive Mechanism (GCIM) Methodology, Monthly Benchmark Transportation Reservation Charges. These charges no longer exist with the elimination of the core subscription program.

Schedule No. GN-10, Core Service for Small Commercial and Industrial

Delete the exception to the application of the cross-over rate under GN-10C and GN-10VC "except noncore customers who have been served under Schedule No. G-CS since January 1, 2001" that no longer applies with the expiration of the last core subscription contracts on November 30, 2003. Delete reference to Schedule No. G-CS under Special Condition 10 that will be eliminated with the approval of this advice filing.

Schedule No. GT-10, Core Service for Small Commercial and Industrial

Delete reference to Schedule No. G-CS under Special Condition 16 that will be eliminated with the approval of this advice filing.

Schedule No. G-AC, Core Air Conditioning Service for Commercial and Industrial

Delete the exception to the application of the cross-over rate under G-ACC and Special Condition 14 "except noncore customers who have been served under Schedule No. G-CS since January 1, 2001" that no longer applies with the expiration of the last core subscription contracts on November 30, 2003. Delete reference to Schedule No. G-CS under Special Condition 12 that will be eliminated with the approval of this advice filing.

Schedule No. GT-AC, Core Transportation-Only Air Conditioning Service for Commercial and Industrial

Delete reference to Schedule No. G-CS under Special Condition 21 that will be eliminated with the approval of this advice filing.

Schedule No. G-EN, Core Gas Engine Service for Water Pumping

Delete the exception to the application of the cross-over rate under G-ENC and Special Condition 7 "except noncore customers who have been served under Schedule No. G-CS

since January 1, 2001” that no longer applies with the expiration of the last core subscription contracts on November 30, 2003.

Schedule No. G-CP, Core Procurement Service

Delete the exception to the application of the cross-over rate under G-CPNRC “except noncore customers who have been served under Schedule No. G-CS since January 1, 2001” that no longer applies with the expiration of the last core subscription contracts on November 30, 2003. Delete reference to core subscription customers under Special Condition 3.

Schedule No. G-CS, Core Subscription Natural Gas Service

Delete schedule in its entirety. This schedule is no longer needed due to the discontinuing of the core subscription service.

Schedule No. GT-F, Firm Interstate Transmission Service

Delete two references under the Rates, Customer Charges section and one reference under Special Condition 10 to Schedule No. G-CS that will be eliminated with the approval of this advice filing.

Schedule No. GT-I, Interruptible Intrastate Transmission Service

Delete two references under the Rates, Customer Charges section to Schedule No. G-CS that will be eliminated with the approval of this advice filing.

Schedule No. GT-PS, Peaking Service

Delete thirty-two references under Firm Service Rates, four references under Interruptible Service Rates and one reference under Special Condition 16 to Schedule No. G-CS rates that are no longer effective as of December 1, 2003.

Schedule No. GW-LB, Wholesale Natural Gas Service – City of Long Beach

Delete reference to core subscription service in the Applicability section; delete the core subscription Transmission Charge, the core subscription Procurement Charge and the core subscription Reservation Charge under the Rates section; delete references to core subscription service under Special Condition 6; delete Special Conditions 7; 15 and 16 that apply to core subscription service; delete references to core subscription service under Full Requirements Service and Partial Requirements Service; and renumber the remaining Special Conditions.

Schedule No. GW-SD, Wholesale Natural Gas Service – San Diego Gas & Electric Company

Delete reference to core subscription service in the Applicability section; delete the core subscription Transmission Charge, the core subscription Procurement Charge and the core subscription Reservation Charge under the Rates section; delete reference to core subscription service under Special Conditions 7 and 10; delete Special Conditions 11 and 12 that apply to core subscription service; and renumber the remaining Special Conditions.

Schedule No. GW-SWG, Wholesale Natural Gas Service – Southwest Gas Corporation

Delete reference to core subscription service in the Applicability section; delete the core subscription Transmission Charge, the core subscription Procurement Charge, the core subscription Reservation Charge and the Minimum Charge under the Rates section; delete Special Conditions 8 and 9 that apply to core subscription service; and renumber the remaining Special Conditions.

Schedule No. GW-VRN, Wholesale Natural Gas Service – City of Vernon

Delete reference to core subscription service in the Applicability section; delete the core subscription Transmission Charge, the core subscription Procurement Charge, the core subscription Reservation Charge and the Minimum Charge under the Rates section; delete reference to core subscription service under Special Conditions 8 and 11; delete Special Conditions 12 and 13 that apply to core subscription service; and renumber the remaining Special Conditions.

Schedule No. G-BSS, Basic Storage Service

Delete portion of Special Condition 7 pertaining to core subscription; delete Special Conditions 23 through 26 on core subscription storage that are no longer applicable due to the discontinuing of the core subscription program; and renumber the remaining Special Conditions.

Schedule No. G-LTS, Long-Term Storage Service

Delete Special Conditions 18 through 21 on core subscription storage that is no longer available due to the discontinuing of the core subscription program and renumber the remaining Special Conditions.

Rule No. 1, Definitions

Add language to the definition of Core Subscription Service stating that the service has been discontinued pursuant to D.01-12-018 effective December 1, 2003.

Rule No. 23, Continuity of Service and Interruption of Delivery

Delete references to core subscription service under Section B. Priority of Service, Noncore Service and under Section L. Service Interruption Credit.

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 must be 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 (jjr@cpuc.ca.gov) and to Honesto Gatchalian (jnj@cpuc.ca.gov) of the Energy Division. A copy of the protest should 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.

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If there are questions regarding the content of this filing, please contact:

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Effective Date

This filing will not result in an increase or decrease in any rate or charge, conflict with any rate schedule or any other rules, nor cause the withdrawal of service. Therefore, no resolution is needed to approve this filing. SoCalGas respectfully requests that this filing become effective July 19, 2004, which is not less than forty (40) days regular statutory notice.

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.

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Attachments

ATTACHMENT A

Advice No. 3385

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ATTACHMENT B
Advice No. 3385

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 37917-G	PRELIMINARY STATEMENT, PART I, GENERAL SERVICE INFORMATION, Sheet 1	Revised 24331-G*
Revised 37918-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 4	Revised 37491-G
Revised 37919-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 5	Revised 37865-G
Revised 37920-G	PRELIMINARY STATEMENT, PART III, COST ALLOCATION AND REVENUE REQUIREMENT, Sheet 2	Revised 27025-G
Revised 37921-G	PRELIMINARY STATEMENT, PART VIII, GAS COST INCENTIVE MECHANISM, Sheet 1	Revised 35876-G*
Revised 37922-G	PRELIMINARY STATEMENT, PART VIII, GAS COST INCENTIVE MECHANISM, Sheet 3	Revised 35878-G
Revised 37923-G	Schedule No. GN-10, CORE SERVICE FOR SMALL COMMERCIAL AND INDUSTRIAL, Sheet 3	Revised 37821-G
Revised 37924-G	Schedule No. GN-10, CORE SERVICE FOR SMALL COMMERCIAL AND INDUSTRIAL, Sheet 5	Revised 37823-G
Revised 37925-G	Schedule No. GN-10, CORE SERVICE FOR SMALL COMMERCIAL AND INDUSTRIAL, Sheet 7	Original 36669-G
Revised 37926-G	Schedule No. GT-10, CORE AGGREGATION TRANSPORTATION, FOR CORE COMMERCIAL AND INDUSTRIAL SERVICE, Sheet 7	Revised 36673-G
Revised 37927-G	Schedule No. G-AC, CORE AIR CONDITIONING SERVICE, FOR COMMERCIAL AND INDUSTRIAL, Sheet 2	Revised 37825-G
Revised 37928-G	Schedule No. G-AC, CORE AIR CONDITIONING SERVICE, FOR COMMERCIAL AND INDUSTRIAL, Sheet 5	Revised 36678-G
Revised 37929-G	Schedule No. GT-AC, CORE TRANSPORTATION-ONLY AIR CONDITIONING, SERVICE FOR COMMERCIAL AND INDUSTRIAL, Sheet 7	Revised 36687-G
Revised 37930-G	Schedule No. G-EN, CORE GAS ENGINE SERVICE, FOR WATER PUMPING, Sheet 2	Revised 37826-G

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Revised 37931-G	Schedule No. G-EN, CORE GAS ENGINE SERVICE, FOR WATER PUMPING, Sheet 3	Revised 36691-G
Revised 37932-G	Schedule No. G-CP, CORE PROCUREMENT SERVICE, Sheet 2	Revised 37828-G
Revised 37933-G	Schedule No. G-CP, CORE PROCUREMENT SERVICE, Sheet 5	Original 37144-G
Revised 37934-G	Schedule No. GT-F, FIRM INTRASTATE TRANSMISSION SERVICE, Sheet 1	Revised 37534-G
Revised 37935-G	Schedule No. GT-F, FIRM INTRASTATE TRANSMISSION SERVICE, Sheet 4	Revised 32663-G
Revised 37936-G	Schedule No. GT-I, INTERRUPTIBLE INTRASTATE TRANSMISSION SERVICE, Sheet 1	Revised 37536-G
Revised 37937-G	Schedule No. GT-PS, PEAKING SERVICE, Sheet 1	Revised 37288-G
Revised 37938-G	Schedule No. GT-PS, PEAKING SERVICE, Sheet 2	Revised 37289-G
Revised 37939-G	Schedule No. GT-PS, PEAKING SERVICE, Sheet 3	Revised 37539-G
Revised 37940-G	Schedule No. GT-PS, PEAKING SERVICE, Sheet 4	Revised 37540-G
Revised 37941-G	Schedule No. GT-PS, PEAKING SERVICE, Sheet 5	Revised 37541-G
Revised 37942-G	Schedule No. GT-PS, PEAKING SERVICE, Sheet 9	Original 35957-G
Revised 37943-G	Schedule No. GW-LB, WHOLESALE NATURAL GAS SERVICE, Sheet 1	Revised 37543-G
Revised 37944-G	Schedule No. GW-LB, WHOLESALE NATURAL GAS SERVICE, Sheet 2	Revised 35885-G
Revised 37945-G	Schedule No. GW-LB, WHOLESALE NATURAL GAS SERVICE, Sheet 3	Revised 36731-G
Revised 37946-G	Schedule No. GW-LB, WHOLESALE NATURAL GAS SERVICE, Sheet 4	Revised 35885-G, 32678-G
Revised 37947-G	Schedule No. GW-LB, WHOLESALE NATURAL GAS SERVICE, Sheet 5	Revised 32678-G
Revised 37948-G	Schedule No. GW-LB, WHOLESALE NATURAL GAS SERVICE, Sheet 3	Revised 32679-G
Revised 37949-G	Schedule No. GW-LB, WHOLESALE NATURAL GAS SERVICE, Sheet 4	Revised 32679-G
Revised 37950-G	Schedule No. GW-LB, WHOLESALE NATURAL GAS SERVICE, Sheet 5	Revised 32680-G
Revised 37948-G	Schedule No. GW-SD, WHOLESALE NATURAL GAS SERVICE, Sheet 1	Revised 35958-G
Revised 37949-G	Schedule No. GW-SD, WHOLESALE NATURAL GAS SERVICE, Sheet 2	Revised 32680-G
Revised 37950-G	Schedule No. GW-SD, WHOLESALE NATURAL GAS SERVICE, Sheet 3	Revised 37544-G
		Revised 37295-G
		Revised 37544-G
		Revised 36732-G
		Revised 36732-G
		Revised 32685-G

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Revised 37952-G	Schedule No. GW-SWG, WHOLESALE NATURAL GAS SERVICE, Sheet 1	Revised 37545-G Revised 35887-G
Revised 37953-G	Schedule No. GW-SWG, WHOLESALE NATURAL GAS SERVICE, Sheet 2	Revised 35887-G Revised 32689-G
Revised 37954-G	Schedule No. GW-SWG, WHOLESALE NATURAL GAS SERVICE, Sheet 3	Revised 32689-G Revised 32690-G
Revised 37955-G	Schedule No. GW-SWG, WHOLESALE NATURAL GAS SERVICE, Sheet 4	Revised 35960-G Revised 32690-G
Revised 37956-G	Schedule No. GW-VRN, WHOLESALE NATURAL GAS SERVICE, Sheet 1	Revised 37546-G Revised 36733-G, 35888- G
Revised 37957-G	Schedule No. GW-VRN, WHOLESALE NATURAL GAS SERVICE, Sheet 2	Revised 36733-G
Revised 37958-G	Schedule No. GW-VRN, WHOLESALE NATURAL GAS SERVICE, Sheet 3	Original 32695-G
Revised 37959-G	Schedule No. GW-VRN, WHOLESALE NATURAL GAS SERVICE, Sheet 4	Revised 35961-G Original 32696-G
Revised 37960-G	Schedule No. GW-VRN, WHOLESALE NATURAL GAS SERVICE, Sheet 5	Revised 35961-G
Revised 37961-G	Schedule No. G-BSS, BASIC STORAGE SERVICE, Sheet 5	Revised 32704-G Revised 32705-G
Revised 37962-G	Schedule No. G-BSS, BASIC STORAGE SERVICE, Sheet 6	Revised 32705-G Revised 32706-G
Revised 37963-G	Schedule No. G-BSS, BASIC STORAGE SERVICE, Sheet 7	Revised 32706-G Revised 32707-G
Revised 37964-G	Schedule No. G-BSS, BASIC STORAGE SERVICE, Sheet 8	Revised 32707-G
Revised 37965-G	Schedule No. G-LTS, LONG-TERM STORAGE SERVICE, Sheet 7	Revised 32722-G Revised 32723-G
Revised 37966-G	Schedule No. G-LTS, LONG-TERM STORAGE SERVICE, Sheet 8	Revised 32723-G
Revised 37967-G	Rule No. 01, DEFINITIONS, Sheet 3	Revised 33480-G
Revised 37968-G	Rule No. 23, CONTINUITY OF SERVICE AND INTERRUPTION OF DELIVERY, Sheet 2	Revised 36720-G
Revised 37969-G	Rule No. 23, CONTINUITY OF SERVICE AND INTERRUPTION OF DELIVERY, Sheet 11	Revised 33049-G
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Revised 37973-G	TABLE OF CONTENTS	Revised 37892-G

PRELIMINARY STATEMENT
PART I
GENERAL SERVICE INFORMATION

Sheet 1

A. SERVICE TERRITORY

Southern California Gas Company (the "Utility") serves gas for residential, commercial, and industrial uses within the following counties: Fresno, Imperial, Kern, Kings, Los Angeles, Orange, Riverside, Santa Barbara, San Bernardino, San Luis Obispo, Tulare, and Ventura. Service is provided in the geographical areas definitively set forth in the Utility's tariff schedules.

B. DESCRIPTION OF SERVICE

Service is provided to two classes of customers -- "core" and "noncore". Core customers are primarily (1) residential and (2) small commercial and industrial customers, without alternate fuel capability. Noncore customers are primarily (1) large commercial and industrial customers with alternate fuel capability, (2) utility electric generation, (3) cogeneration, (4) enhanced oil recovery, and (5) wholesale customers. Noncore customers may choose to purchase gas from an independent supplier or from the Utility. Large core customers who use 250,000 therms or more per year may choose to purchase gas from an independent supplier or from the Utility. Small core customers using less than 250,000 therms per year on an individual basis must purchase gas from the Utility. However, such customers may aggregate their gas volumes with other core customers in order to meet the 250,000 therms per year requirement and thereby be able to purchase gas from an independent supplier. This alternative is called "core aggregation" and is described in Rule No. 32.

Core service is provided under residential, multi-family, street and outdoor lighting, and commercial and industrial procurement and transportation rate schedules. Noncore service is provided under firm transportation, interruptible transportation, and wholesale rate schedules. For a more detailed summary of the rates the Utility offers, please see the Summary of Rates and Charges section herein.

All service shall be provided by the Utility in accordance with the rates, conditions and rules set forth in the following tariff schedules.

The rates specified in these schedules apply only to the use of such gas as is furnished or transported by the Utility in its service territory. The gas supplied is to be of the heating value, quality and pressure set forth in Rule No. 2. Please see Rule No. 2 for a more detailed description of the Utility's service.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3385
DECISION NO. 01-12-018

ISSUED BY
Lee Schavrien
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Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
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PRELIMINARY STATEMENT
 PART II
 SUMMARY OF RATES AND CHARGES

Sheet 4

(Continued)

NON-RESIDENTIAL CORE AGGREGATION SERVICE Transmission Charge
 (Continued) (per therm)

Schedule GT-EN

GT-EN: rate per therm 17.347¢
 Customer Charge: \$50/month

Schedule GT-NGV

GT-NGU: rate per therm 11.370¢
 GT-NGC: rate per therm 46.370¢
 P-1 Customer Charge: \$13/month
 P-2A Customer Charge: \$65/month

NONCORE RETAIL SERVICE

Schedules GT-F, & GT-I

Noncore Commercial/Industrial (GT-F3 & GT-I3)

Customer Charge:

GT-F3D/GT-I3D (Distribution Level):
 Per month \$350

GT-F3T/GT-I3T (Transmission Level):
 Per month \$700

Transmission Charges:

GT-F3D/GT-I3D (Distribution Level):
 Tier I 0 - 20,833 Therms 12.521¢
 Tier II 20,834 - 83,333 Therms 7.737¢
 Tier III 83,334 - 166,667 Therms 4.676¢
 Tier IV Over 166,667 Therms 2.489¢

GT-F3T/GT-I3T (Transmission Level):
 Tier I 0 - 166,667 Therms 8.795¢
 Tier II Over 166,667 Therms 1.954¢

Enhanced Oil Recovery (GT-F4 & GT-I4)

Transmission Charge 3.493¢
 Customer Charge: \$500/month

(Continued)

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PRELIMINARY STATEMENT
 PART II
SUMMARY OF RATES AND CHARGES

Sheet 5

(Continued)

NONCORE RETAIL SERVICE (Continued)

Schedules GT-F, & GT-I (Continued)

Electric Generation (GT-F5 & GT-I5)

For customers using less than 3 million therms per year

Transmission Charge 6.585¢

Customer Charge: \$50

For customers using 3 million therms or more per year

Transmission Charge 3.438¢

Customer Charge: N/A

WHOLESALE SERVICE

Schedule GW-LB (Long Beach, GT-F7 & GT-I7)

Volumetric Charge 3.050¢

ITCS-LB (0.223¢)

Schedule GW-SD and GT-SD (San Diego Gas & Electric, GT-F8, GT-I8, GT-F11 & GT-I11)

Volumetric Charge 2.440¢

ITCS-SD (0.223¢)

Schedule GW-SWG (Southwest Gas, GT-F9 & GT-I9)

Volumetric Charge 2.850¢

ITCS-SWG (0.223¢)

Storage Reservation Charge (per year) \$1,192,118

Schedule GW-VRN (City of Vernon, GT-F10 & GT-I10)

Transmission Charge 2.572¢

ITCS-VRN..... (0.223¢)

PROCUREMENT CHARGE

Schedule G-CP

Non-Residential Core Procurement Charge, per therm 58.809¢

Non-Residential Cross-Over Rate, per therm 58.809¢

Residential Core Procurement Charge, per therm 58.809¢

Residential Cross-Over Rate, per therm 58.809¢

Adjusted Core Procurement Charge, per therm 58.608¢

(Continued)

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ISSUED BY

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 EFFECTIVE Jul 19, 2004

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PRELIMINARY STATEMENT

Sheet 2

PART III
COST ALLOCATION AND REVENUE REQUIREMENT

(Continued)

B. REVENUE REQUIREMENT:

The Utility's revenue requirement consists of the sum total of all estimated costs to provide service for the forecast period. Rates will be established to recover all items in the Revenue Requirement. The components of the revenue requirement are as follows:

1. TRANSITION COSTS

Transition costs are those actual or estimated costs remaining from the past structure and practices of the gas industry resulting from a gas purchase contract, tariff or arrangement that must have taken effect before the division of the Utility's gas supply portfolio pursuant to Decision Nos. 86-12-009 and 86-12-010, dated December 3, 1986. These costs have been initiated for the benefit of all ratepayers, have been intended to be recouped from all ratepayers, and now result in costs in excess of a currently reasonable level.

Transition costs allocated to the core market shall be recovered through the CFCA. Transition costs allocated to the noncore market shall be recovered through the Noncore Cost Revenue Memorandum Account (NCRMA). See Preliminary Statement, Part V and VI for a description of the CFCA and NCRMA, respectively.

Transition Cost Categories:

- a. Take-or-Pay Costs: These are the costs that may be passed on to the Utility by pipelines for the buy-out or buy-down of pipelines' obligations with their producer-suppliers to take a given amount of gas or pre-pay the costs of such gas not taken.
- b. Minimum Purchase Obligation (MPO) Excess Gas Costs: These are the gas costs in excess of a reasonable amount that would be paid in a competitive market.
- c. PITCO/POPCO Transition Costs (PPTC): These are the buydown costs to reduce PITCO and POPCO gas costs to market levels and excess costs above market levels thereafter.
- d. Interstate Pipeline Capacity Costs: Excess El Paso interstate pipeline capacity costs are allocable to noncore customers.

2. PIPELINE DEMAND CHARGES

Pipeline Demand Charges include Transwestern, El Paso, PITCO and POPCO fixed costs allocable to core customers.

(Continued)

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PRELIMINARY STATEMENT
PART VIII
GAS COST INCENTIVE MECHANISM

Sheet 1

A. GENERAL

The Gas Cost Incentive Mechanism (GCIM) replaces the Reasonableness Review as a means of reviewing SoCalGas' natural gas purchasing activities for retail core (core) customers. The purpose of the GCIM is to provide market-based incentives to reduce the cost of gas to core customers and to provide appropriate objective standards against which to measure SoCalGas' performance in gas procurement and transportation functions on behalf of core customers.

On an annual basis, the GCIM provides SoCalGas with an incentive to achieve a cost of gas that is at or below the prevailing market price for gas, by establishing an annual benchmark budget. The actual gas costs incurred to meet the needs of core customers are measured against the annual benchmark budget. If the actual total gas cost is less than the annual benchmark budget, the cost savings is shared between ratepayers and shareholders based on a tiered formula with ratepayers receiving a progressively greater percentage of the GCIM gain over certain tolerances and within established sharing bands, subject to a cap on shareholders' benefit (see Section C.9). If the actual total gas cost is greater than the annual benchmark budget plus a specified tolerance, the excess cost penalty is split equally between shareholders and ratepayers. See Section C. for the detailed methodology used to calculate these components.

The commodity costs under the GCIM are recorded to SoCalGas' Purchased Gas Account (PGA). The transportation reservation charges for capacity reserved for the core are recorded to the Core Fixed Cost Account (CFCA). Any additional interstate capacity acquired in excess of that reserved for the core and intended for the core use will be treated similar to other gas commodity charges and included in the PGA.

B. EFFECTIVE DATES

1. A three-year experimental GCIM was approved in D.94-03-076, effective April 1, 1994. The GCIM program was modified and extended for two years by D.97-06-061, effective April 1, 1997. The GCIM program extension remained in effect through March 31, 1999.
2. Pursuant to D.98-12-057, the GCIM is extended on an annual basis for 12-month cycles, beginning in Year 6, the period April 1, 1999 through March 31, 2000, unless the mechanism is modified or discontinued by further order of the Commission.
3. D.02-06-023 approved a Settlement Agreement sponsored by the Commission's Office of Ratepayer Advocates (ORA), The Utility Reform Network (TURN) and SoCalGas, with amendments, which further modifies the GCIM and extended it for Year 7 (April 1, 2000 through March 31, 2001) and beyond, on an annual basis until further modified or terminated upon Commission Order.

(Continued)

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PRELIMINARY STATEMENT
PART VIII
GAS COST INCENTIVE MECHANISM

Sheet 3

(Continued)

C. GAS COST INCENTIVE MECHANISM (GCIM) METHODOLOGY (Continued)

4. The Monthly Benchmark Commodity Transportation Costs are the product of pipeline weighted commodity firm transportation rates multiplied by the total net volumes of gas actually purchased at the mainline points on El Paso and Transwestern (net of fuel) and transported via firm transportation agreements. Additional interstate transportation costs will be flowed through as a ratepayer cost as long as total transportation does not exceed transportation necessary for retail core load.

5. Monthly Benchmark Transportation Reservation Charges are the pipeline transportation reservation charges for total core capacity reserved on Transwestern and El Paso, as determined in SoCalGas' Biennial Cost Allocation Proceeding (BCAP) minus those reservation charges paid directly to interstate pipelines by core aggregators. San Juan Lateral reservation charges and all transportation reservation charges associated with additional core capacity are included as adjustments to the GCIM benchmark budget with no benefit to shareholders. Any transportation that is acquired in excess of that required for retail core load in a given month is subject to annual GCIM review.

SoCalGas will maximize its utilization of firm interstate capacity and its purchases from the basin and mainline receipt points. Capacity utilization is deemed reasonable if SoCalGas nominates at least 95% of its unreleased capacity rights in a given month. The transportation necessary for retail core load will be determined after giving consideration to the performance of the interstate pipeline capacity, including cuts and pipeline maintenance.

All commitments for capacity will be communicated to the ORA and TURN. Commitments in excess of two years will be made with the consultation of the ORA and TURN.

6. The Actual Total Annual Purchased Gas Costs are the sum of the twelve monthly total actual gas commodity costs plus the sum of the twelve monthly commodity transportation costs, plus the sum of the twelve monthly transportation reservation charges (as calculated in C.5 above). The following adjustments are made to the Actual Total Annual Purchased Gas Costs:

- a. The actual cost of gas for California and Federal Offshore contracts are included in the actual purchased gas costs measured by the GCIM. The actual cost of California and Federal Offshore gas purchases are reduced by an amount equal to the Minimum Purchase Obligation (MPO) costs allocated to the noncore in rates.
- b. Any revenues generated through the release of core interstate pipeline capacity on El Paso and Transwestern (including the San Juan Lateral) are to be credited to the actual costs.
- c. Interstate exchange revenues are treated as credits to actual gas commodity costs.

(Continued)

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Schedule No. G-AC
CORE AIR CONDITIONING SERVICE
FOR COMMERCIAL AND INDUSTRIAL

Sheet 2

(Continued)

RATES (Continued)

Commodity Charges

G-AC

This charge is for service as defined above and consists of: (1) the monthly non-residential procurement charge as set forth in Schedule No. G-CP; (2) the GT-AC transmission charge, as set forth in Schedule No. GT-AC; (3) the San Juan Lateral interstate demand charge; and (4) the procurement carrying cost of storage inventory charge.

The non-residential procurement charge is determined as set forth in Schedule No. G-CP, in the manner approved by D.96-08-037, and subject to change monthly as described in Special Condition 10.

Rate, per therm.

Procurement Charge:	G-CPNR	58.809¢
<u>Transmission Charge:</u>	<u>GPT-AC</u>	<u>11.677¢</u>
Commodity Charge:	G-AC	70.486¢

G-ACC

This charge will be applicable for the first 12 months of service for: (1) customers who transfer from noncore service to core procurement service, except noncore customers who have been disqualified from noncore service and are required to return to core service; (2) non-residential core transportation customers who consumed over 50,000 therms in the last 12 months, unless such customer was returned to utility procurement because their gas supplier is no longer doing any business in California, or (3) non-residential core transportation customers with annual consumption over 50,000 therms who return to core procurement service and switch back to transportation only service within 90 days.

This charge consists of: (1) the monthly procurement charge as set forth in Schedule No. G-CPNRC; (2) the GT-AC transmission charge, as set forth in Schedule No. GT-AC; (3) the San Juan Lateral interstate demand charge; and (4) the procurement carrying cost of storage inventory charge.

Rate, per therm.

Procurement Charge:	G-CPNRC	58.809¢
<u>Transmission Charge:</u>	<u>GPT-AC</u>	<u>11.677¢</u>
Commodity Charge:	G-ACC	70.486¢

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Schedule No. G-AC

Sheet 5

CORE AIR CONDITIONING SERVICE
FOR COMMERCIAL AND INDUSTRIAL

(Continued)

SPECIAL CONDITIONS (Continued)

Large Commercial and Industrial

11. As a condition precedent to service under this schedule, an executed Master Services Contract (Form No. 6597) and Schedule A, Intrastate Transmission Service (Form No. 6597-1) is required. All contracts, rates, and conditions are subject to revision and modification as a result of Commission order.
12. If the customer splits its gas requirements between service under this schedule and noncore service under Schedule Nos. GT-F, and/or GT-I, the customer shall be required to specify a fixed monthly quantity for service hereunder by month for the term of the customer's contract. The monthly contract quantity breakdown may be established on the basis of seasonal variations in the customer's usage in accordance with the customer's historic usage pattern. The Utility reserves the right to accept or reject such requested quantities after considering the customer's historic usage pattern and other evidence provided by the customer regarding operational changes affecting the customer's consumption. Notwithstanding that monthly quantities are fixed for the term of the contract, the customer may request increases to the monthly quantities subject to approval by the utility. In the event an increase is approved, the incremental monthly quantity shall be subject to the Cross-Over Rate and the entire core quantity shall become subject to a new five (5) year term.
13. In the event customers make any material change, in either the amount or character of their gas appliances or equipment, written notice to the Utility must be made in accordance with Rule No. 29, Change of Customer's Apparatus or Equipment.
14. Current noncore customers with usage that qualifies for service herein who transfer that usage to this schedule shall be required to pay the Cross-Over Rate, as set forth in Schedule No. G-CP, for 12-months, except noncore customers who have been disqualified from noncore service and are required to return to core service. Furthermore, noncore eligible customers who transfer from noncore service to this schedule shall be required to make a 5-year commitment to core procurement service and are required to execute a Master Services Contract (Form No. 6597) and Schedule A, Intrastate Transmission Service (Form No. 6597-1). Upon expiration of their five (5) year commitment, the customer shall be on a month to month term thereafter. Core transportation customers on a 5-year commitment pursuant to D.02-08-065 may transfer qualifying load to this schedule but are subject to the Cross-Over Rate for 12-months and must complete their 5-year commitment on this schedule.

(Continued)

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Schedule No. G-EN
CORE GAS ENGINE SERVICE
FOR WATER PUMPING

Sheet 2

(Continued)

RATES (Continued)

Commodity Charges (Continued)

G-EN (Continued)

The non-residential procurement charge is determined as set forth in Schedule No. G-CP, in the manner approved by D.96-08-037, and subject to change monthly as described in Special Condition 6.

Rate, per therm

Procurement Charge:	G-CPNR	58.809¢
<u>Transmission Charge:</u>	<u>GPT-EN</u>	<u>17.631¢</u>
Commodity Charge:	G-EN	76.440¢

G-ENC

This charge will be applicable for the first 12 months of service for: (1) customers who transfer from noncore service to core procurement service, except noncore customers who have been disqualified from noncore service and are required to return to core service; (2) non-residential core transportation customers who consumed over 50,000 therms in the last 12 months, unless such customer was returned to utility procurement because their gas supplier is no longer doing any business in California, or (3) non-residential core transportation customers with annual consumption over 50,000 therms who return to core procurement service and switch back to transportation only service within 90 days.

This charge consists of: (1) the monthly procurement charge as set forth in Schedule No. G-CPNRC; (2) the GT-EN transmission charge, as set forth in Schedule No. GT-EN; (3) the San Juan Lateral interstate demand charge; and (4) the procurement carrying cost of storage inventory charge.

Procurement Charge:	G-CPNRC	58.809¢
<u>Transmission Charge:</u>	<u>GPT-EN</u>	<u>17.631¢</u>
Commodity Charge:	G-ENC	76.440¢

Minimum Charge

The minimum monthly charge shall consist of the Monthly Customer Charge.

The number of therms to be billed shall be determined in accordance with Rule No. 2.

(Continued)

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Schedule No. G-EN
CORE GAS ENGINE SERVICE
FOR WATER PUMPING

Sheet 3

(Continued)

SPECIAL CONDITIONS

General

1. Definitions of the principal terms used in this schedule are contained in Rule No. 1.
2. Customers must receive service under this schedule separately from their other non-qualifying usage requirements. Any additional service and measurement related facilities deemed necessary by the Utility to separately measure service hereunder shall be installed, owned, and operated by the Utility and the installation of such facilities shall be at the customer's expense.
3. In the event of curtailment, customers under this schedule will be curtailed in accordance with Rule No. 23, Continuity of Service and Interruption of Delivery.
4. In the event customers make any material change, either in the amount or character of their gas equipment, written notice to the Utility must be made in accordance with Rule No. 29, Change of Customer's Apparatus or Equipment.
5. Customers receiving service under this rate schedule may be eligible to elect transportation service under Schedule No. GT-EN.
6. The Utility will file core procurement rate changes on the last business day of each month to become effective on the first calendar day of the following month, except the Cross-Over Rate, which will be filed on or before the 9th calendar day of each month to be effective on the 10th calendar day of each month.
7. Current noncore customers with usage that qualifies for service herein who transfer that usage to this schedule shall be required to pay the Cross-Over Rate, as set forth in Schedule No. G-CP, for 12-months, except noncore customers who have been disqualified from noncore service and are required to return to core service. Furthermore, noncore eligible customers who transfer from noncore service to this schedule shall be required to make a 5-year commitment to core procurement service and are required to execute a Master Services Contract (Form No. 6597) and Schedule A, Intrastate Transmission Service (Form No. 6597-1). Upon expiration of their five (5) year commitment, the customer shall be on a month to month term thereafter. Core transportation customers on a 5-year commitment pursuant to D.02-08-065 may transfer qualifying load to this schedule but are subject to the Cross-Over Rate for 12-months and must complete their 5-year commitment on this schedule.

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EFFECTIVE Jul 19, 2004
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Schedule No. G-CP
CORE PROCUREMENT SERVICE

Sheet 2

(Continued)

RATES (Continued)

G-CPNR (Continued)

Cost of Gas, per therm	58.608¢
Brokerage Fee, per therm	<u>0.201¢</u>
Total Core Procurement Charge, per therm	58.809¢

G-CPNRC

This is the non-residential Cross-Over Rate authorized in D.02-08-065. This charge will be applicable for the first 12 months of service for: (1) customers who transfer from noncore service to core procurement service, except noncore customers who have been disqualified from noncore service and are required to return to core service; (2) non-residential core transportation customers who consumed over 50,000 therms in the last 12 months, unless such customer was returned to utility procurement because their gas supplier is no longer doing any business in California, or (3) non-residential core transportation customers with annual consumption over 50,000 therms who return to core procurement service and switch back to transportation only service within 90 days.

The monthly gas procurement charge is comprised of: (1) the higher of the Cost of Gas in the G-CPNR rate above, less authorized franchise fees and uncollectible expenses, or the Adjusted Border Price; (2) authorized franchise fees and uncollectible expenses; and (3) authorized core brokerage fee.

The Border Price is equal to the average of the first of the month "Southern Cal Border Avg." index from Natural Gas Intelligence and the "Bid Week, California-South, Delivered to Pipeline" index from Natural Gas Week. The Adjusted Border Price is equal to the Border Price less the currently authorized core interstate capacity costs included in core transportation rates.

Cost of Gas, (1) and (2) above, per therm	58.608¢
Brokerage Fee, per therm	<u>0.201¢</u>
Total Core Procurement Charge, per therm	58.809¢

G-CPR

This charge is for residential service. Pursuant to D.96-08-037, SoCalGas was authorized to change the residential gas procurement charge monthly concurrent with its implementation of the 1996 BCAP Decision (D.97-04-082).

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3385
 DECISION NO. 01-12-018

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Jun 9, 2004
 EFFECTIVE Jul 19, 2004
 RESOLUTION NO. _____

D

Schedule No. G-CP
CORE PROCUREMENT SERVICE

Sheet 5

(Continued)

SPECIAL CONDITIONS (Continued)

3. Gas purchases made by the Utility on behalf of core customers will come from a single gas portfolio. The monthly WACOG will be based on the estimated prices of gas purchased for this single gas portfolio.

4. Term of Service: Notwithstanding the following exception, customers who transfer from noncore service to this schedule are required to make a five (5) year commitment to core procurement service, and execute a Master Services Contract (Form No. 6597) and Schedule A, Intrastate Transmission Service (Form No. 6597-1). The exception is limited to noncore customers who have been disqualified from noncore service and are required to return to core service. Upon expiration of their five (5) year commitment, the customer shall be on a month to month term thereafter.

Core transportation customers who transfer to this schedule are required at a minimum to make a one (1) year commitment to core procurement service. If those customers are currently in a five (5) year commitment due to previously transferring from noncore service, then they must fulfill the balance of their five (5) year commitment while remaining on core procurement service. Upon expiration of their one (1) year or five (5) year commitment, as applicable, the customer shall be on a month to month term thereafter.

The term of service for all other customers shall be one (1) month.

5. All special conditions specified in the otherwise-applicable rate schedules will apply unless superseded by the special conditions specified herein.

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 3385
DECISION NO. 01-12-018

5C11

ISSUED BY

Lee Schavrien
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Jun 9, 2004
EFFECTIVE Jul 19, 2004

RESOLUTION NO. _____

D

Schedule No. G-BSS
BASIC STORAGE SERVICE

(Continued)

SPECIAL CONDITIONS (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 20 herein.

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.

Storage Nominations

9. Storage customers must provide the Utility with their monthly nominations for storage injections and/or withdrawals concurrently with their monthly nominations for transportation service made pursuant to Rule No. 30. During the month, storage customers may request changes to their storage nominations upon two days notice to the Utility. At its discretion and subject to its operational feasibility, the Utility may accept nominations for storage service withdrawals on less notice than set forth above.

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.

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.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3385
 DECISION NO. 01-12-018

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Jun 9, 2004
 EFFECTIVE Jul 19, 2004
 RESOLUTION NO. _____

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Schedule No. G-BSS
BASIC STORAGE SERVICE

Sheet 6

(Continued)

SPECIAL CONDITIONS (Continued)

Storage Imbalance Trading (Continued)

- 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 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. The Utility shall offer a basic storage service package to all of its retail noncore customers. The basic service package shall provide such customers with a limited amount of firm storage inventory, injection and withdrawal capacity. The maximum amount of capacity available for an individual customer under basic storage service shall be based on the customer's average winter daily usage. The average winter daily usage shall be equal to the higher amount of the customer's noncore usage from December 1 through March 31, divided by the average number of operating days of the customer's facility during this time period, for the prior two calendar years.
- 16. 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.
- 17. 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.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3385
 DECISION NO. 01-12-018

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Jun 9, 2004
 EFFECTIVE Jul 19, 2004
 RESOLUTION NO. _____

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Schedule No. G-BSS
BASIC STORAGE SERVICE

Sheet 7

(Continued)

SPECIAL CONDITIONS (Continued)

Basic Service Storage Rights (Continued)

18. 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.
19. 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.

Year-to-Year Participation

20. 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.
21. 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.
22. 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.

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(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3385
 DECISION NO. 01-12-018

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Jun 9, 2004
 EFFECTIVE Jul 19, 2004
 RESOLUTION NO. _____

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Schedule No. G-BSS
BASIC STORAGE SERVICE

Sheet 8

(Continued)

SPECIAL CONDITIONS (Continued)

Secondary Market

23. Basic storage customers may assign their contract storage rights in full to another noncore customer upon 90 days written notice to the Utility.

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(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 3385
DECISION NO. 01-12-018

8H18

ISSUED BY

Lee Schavrien
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Jun 9, 2004
EFFECTIVE Jul 19, 2004

RESOLUTION NO. _____

Schedule No. G-LTS
LONG-TERM STORAGE SERVICE

Sheet 7

(Continued)

SPECIAL CONDITIONS (Continued)

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.

Advance Reservation Charges

- 18. 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

- 19. 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.

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(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3385
 DECISION NO. 01-12-018

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Jun 9, 2004
 EFFECTIVE Jul 19, 2004
 RESOLUTION NO. _____

Schedule No. G-LTS
LONG-TERM STORAGE SERVICE

Sheet 8

(Continued)

SPECIAL CONDITIONS (Continued)

Secondary Market

20. Long-term storage customers may assign their contract storage rights in full to another customer upon 90 days notice to the Utility. Such assignment shall be subject to the storage assignee meeting all of the Utility's creditworthiness requirements.

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(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 3385
DECISION NO. 01-12-018

8H19

ISSUED BY

Lee Schavrien
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Jun 9, 2004
EFFECTIVE Jul 19, 2004
RESOLUTION NO. _____

Schedule No. GN-10

CORE SERVICE FOR SMALL COMMERCIAL AND INDUSTRIAL

(Continued)

RATES (Continued)

Commodity Charges (Continued)

GN-10 (Continued)

Tier II Rate, per therm, for usage above Tier I quantities and up to 4167 therms per month.

Procurement Charge:	G-CPNR	58.809¢
<u>Transmission Charge:</u>	<u>GPT-10</u>	<u>24.548¢</u>
Commodity Charge:	GN-10	83.357¢

Tier III Rate, per therm, for all usage above 4167 therms per month.

Procurement Charge:	G-CPNR	58.809¢
<u>Transmission Charge:</u>	<u>GPT-10</u>	<u>11.535¢</u>
Commodity Charge:	GN-10	70.344¢

GN-10C

These charges will be applicable for the first 12 months of service for: (1) customers who transfer from noncore service to core procurement service, except noncore customers who have been disqualified from noncore service and are required to return to core service; (2) non-residential core transportation customers who consumed over 50,000 therms in the last 12 months, unless such customer was returned to utility procurement because their gas supplier is no longer doing any business in California, or (3) non-residential core transportation customers with annual consumption over 50,000 therms who return to core procurement service and switch back to transportation only service within 90 days.

These charges consist of: (1) the monthly procurement charge as set forth in Schedule No. G-CPNRC; (2) the GT-10 transmission charges, as set forth in Schedule No. GT-10; (3) the San Juan Lateral interstate demand charge; and (4) the procurement carrying cost of storage inventory charge.

Tier I Rate, per therm, for the first 100 therms used during summer months and the first 250 therms used during winter months.

Procurement Charge:	G-CPNRC	58.809¢
<u>Transmission Charge:</u>	<u>GPT-10</u>	<u>43.828¢</u>
Commodity Charge:	GN-10C	102.637¢

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3385
 DECISION NO. 01-12-018

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Jun 9, 2004
 EFFECTIVE Jul 19, 2004
 RESOLUTION NO. _____

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Schedule No. GN-10

CORE SERVICE FOR SMALL COMMERCIAL AND INDUSTRIAL

(Continued)

RATES (Continued)

Commodity Charges (Continued)

GN-10V (Continued)

Tier III Rate, per therm, for all usage above 4167 therms per month.

Procurement Charge:	G-CPNR	58.809¢
<u>Transmission Charge:</u>	<u>GPT-10V</u>	<u>11.535¢</u>
Commodity Charge:	GN-10V	70.344¢

GN-10VC

These charges will be applicable for the first 12 months of service for those customers who are located in the City of Vernon, as defined in Special Condition 6 and are: (1) customers who transfer from noncore service to core procurement service, except noncore customers who have been disqualified from noncore service and are required to return to core service; (2) non-residential core transportation customers who consumed over 50,000 therms in the last 12 months, unless such customer was returned to utility procurement because their gas supplier is no longer doing any business in California, or (3) non-residential core transportation customers with annual consumption over 50,000 therms who return to core procurement service and switch back to transportation only service within 90 days.

The charges consist of: (1) the monthly non-residential procurement charge as set forth in Schedule No. G-CPNRC; (2) the GT-10V transmission charges, as set forth in Schedule No. GT-10; (3) the San Juan Lateral interstate demand charge; and (4) the procurement carrying cost of storage inventory charge.

Tier I Rate, per therm, for the first 100 therms used during summer months and the first 250 therms used during winter months.

Procurement Charge:	G-CPNRC	58.809¢
<u>Transmission Charge:</u>	<u>GPT-10V</u>	<u>43.828¢</u>
Commodity Charge:	GN-10VC	102.637¢

Tier II Rate, per therm, for usage above Tier I quantities and up to 4167 therms per month.

Procurement Charge:	G-CPNRC	58.809¢
<u>Transmission Charge:</u>	<u>GPT-10V</u>	<u>21.055¢</u>
Commodity Charge:	GN-10VC	79.864¢

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3385
 DECISION NO. 01-12-018

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Jun 9, 2004
 EFFECTIVE Jul 19, 2004
 RESOLUTION NO. _____

D

Schedule No. GN-10

Sheet 7

CORE SERVICE FOR SMALL COMMERCIAL AND INDUSTRIAL

(Continued)

SPECIAL CONDITIONS (Continued)

7. Term of Service: Notwithstanding the following exception, customers who transfer from noncore service to this schedule are required to make a five (5) year commitment to core procurement service, and execute a Master Services Contract (Form No. 6597) and Schedule A, Intrastate Transmission Service (Form No. 6597-1). The exception is limited to noncore customers who have been disqualified from noncore service and are required to return to core service. Upon expiration of their five (5) year commitment, the customer shall be on a month to month term thereafter.

Core transportation customers who transfer to this schedule are required at a minimum to make a one (1) year commitment to core procurement service. If those customers are currently in a five (5) year commitment due to previously transferring from noncore service, then they must fulfill the balance of their five (5) year commitment while remaining on core procurement service. Upon expiration of their one (1) year or five (5) year commitment, as applicable, the customer shall be on a month to month term thereafter.

The term of service for all other customers shall be one (1) month.

8. The Utility will file core procurement rate changes on the last business day of each month to become effective on the first calendar day of the following month, except the Cross-Over Rate, which will be filed on or before the 9th calendar day of each month to be effective on the 10th calendar day of each month.

9. In the event customers make any material change, either in the amount or character of their gas appliances or equipment, written notice to the Utility must be made in accordance with Rule No. 29, Change of Customer's Apparatus or Equipment.

10. If the customer splits its gas requirements between service under this schedule and noncore service under Schedule Nos. GT-F and/or GT-I, the customer shall be required to specify a fixed monthly quantity for service hereunder by month for the term of the customer's contract. The monthly contract quantity breakdown may be established on the basis of seasonal variations in the customer's usage in accordance with the customer's historic usage pattern. The Utility reserves the right to accept or reject such requested quantities after considering the customer's historic usage pattern and other evidence provided by the customer regarding operational changes affecting the customer's consumption. Notwithstanding that monthly quantities are fixed for the term of the contract, the customer may request increases to the monthly quantities subject to approval by the utility. In the event an increase is approved, the incremental monthly quantity shall be subject to the Cross-Over Rate and the entire core quantity shall become subject to a new five (5) year term.

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(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3385
DECISION NO. 01-12-018

ISSUED BY
Lee Schavrien
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Jun 9, 2004
EFFECTIVE Jul 19, 2004
RESOLUTION NO. _____

Schedule No. GT-10

Sheet 7

CORE AGGREGATION TRANSPORTATION
FOR CORE COMMERCIAL AND INDUSTRIAL SERVICE

(Continued)

SPECIAL CONDITIONS (Continued)

16. If the customer splits its gas requirements between service under this schedule and noncore service under Schedule Nos. GT-F, and/or GT-I, the customer shall be required to specify a fixed monthly quantity for service hereunder by month for the term of the customer's contract. The monthly contract quantity breakdown may be established on the basis of seasonal variations in the customer's usage in accordance with the customer's historic usage pattern. The Utility reserves the right to accept or reject such requested quantities after considering the customer's historic usage pattern and other evidence provided by the customer regarding operational changes affecting the customer's consumption. Notwithstanding that monthly quantities are fixed for the term of the contract, the customer may request increases to the monthly quantities subject to approval by the utility. In the event an increase is approved, the entire core quantity shall become subject to a new five (5) year term.
17. As a condition of transportation service under this schedule, the customer or its ESP or marketer/shipper shall be required to take assignment of the interstate capacity reserved by SoCalGas on the customer's behalf in accordance with the provisions of Rule No. 36. The customer or its ESP or marketer/shipper shall be required to execute the necessary contracts with the applicable interstate pipelines and shall ultimately be held financially responsible to SoCalGas for all applicable pipeline demand charges, at the full as-billed rate, associated with the customer's reserved capacity. In the event the customer or its ESP or marketer/shipper does not qualify for and take full assignment of the interstate pipeline capacity reserved by SoCalGas on the customer's behalf, the customer or its ESP or marketer/shipper shall not qualify for transportation service and shall be served under the applicable SoCalGas sales service schedule.

Firm Noncore Service in Areas of the San Joaquin Valley and Imperial Valley Commencing April 1, 2003, Pursuant to CPUC Decision 02-11-073

- 18 Any existing noncore customer, or potential new noncore customer, offered an opportunity to bid for firm noncore service commencing April 1, 2003, but declined to bid, or was not awarded sufficient firm capacity, may not elect core service for the period covered by the open season.
- 19 Noncore eligible customers, on core service as of January 20, 2003, that do not submit a bid for service commencing April 1, 2003, may remain core.

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 3385
DECISION NO. 01-12-018

7H18

ISSUED BY

Lee Schavrien
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Jun 9, 2004
EFFECTIVE Jul 19, 2004

RESOLUTION NO. _____

D

Schedule No. GW-LB
WHOLESALE NATURAL GAS SERVICE

Sheet 1

APPLICABILITY

Applicable for firm intrastate transmission and interruptible intrastate transmission service for the City of Long Beach ("Customer").

TERRITORY

Delivery points shall be as specified in the Master Services Contract, Schedule A, Intrastate Transmission Service ("Contract").

RATES

Transmission Charges

GT-F7, GT-I7, Firm & Interruptible Intrastate Transmission

Rate, per therm 3.050¢

Interstate Transition Cost Surcharge (ITCS)

ITCS-LB, per therm (0.223¢)

The ITCS, as defined in Rule No. 1, recovers certain interstate capacity costs and applies to all service under this schedule except for that service identified in Rule No. 1 as being exempt. The ITCS under this schedule may include an additional allocation of any capacity costs associated with service hereunder as provided in Special Condition 17.

Rates may be adjusted to reflect any applicable taxes, franchise or other fees, regulatory surcharges, and interstate or intrastate pipeline charges that may occur.

The number of therms to be billed shall be determined in accordance with Rule No. 2.

SPECIAL CONDITIONS

GENERAL

1. Definitions of the principal terms used in this schedule are contained in Rule No. 1.
2. As a condition precedent to service under this schedule, an executed Master Services Contract, Schedule A, Intrastate Transmission Service (Form Nos. 6597 and 6597-1) is required. All contracts, rates and conditions are subject to revision and modification as a result of Commission order.

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(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3385
 DECISION NO. 01-12-018

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Jun 9, 2004
 EFFECTIVE Jul 19, 2004
 RESOLUTION NO. _____

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Schedule No. GW-LB
WHOLESALE NATURAL GAS SERVICE

(Continued)

SPECIAL CONDITIONS (Continued)

GENERAL (Continued)

- 3. In the event of curtailment, Customer will be curtailed in accordance with Rule No. 23. Penalties for violation of curtailment shall apply as set forth in Rule No. 23. If service to Customer's Priority 1 and 2A customers is in jeopardy, such customers shall be served in parity with Utility's Priority 1 and 2A customers as set forth in Rule No. 23.
- 4. All terms and conditions of Rule No. 30 and Schedule No. G-IMB shall apply to the transportation of customer-owned gas under this schedule.
- 5. Customer's core load can be out of balance for a period up to twelve months in length. The maximum amount by which quantities purchased to serve the Customer's core market can be out-of-balance is limited to: (1) a quantity equal to the percentage of the Utility's storage capacity equivalent to the percentage of total storage costs assessed to the core customers of Customer as adopted in the most recent cost allocation proceeding; and (2) by any operational constraints experienced by the Utility.

SERVICE ELECTIONS

- 6. Prior to the implementation date of the CPUC's Capacity Brokering Rules, the Utility shall conduct an open season, as described in Rule No. 35, wherein Customer shall be required to designate the extent to which it will take firm intrastate transmission service (GT-F7). If Customer fails to notify the Utility of its service elections, then Customer shall be assigned to interruptible intrastate service (GT-I7).

FIRM INTRASTATE TRANSMISSION

- 7. The contract term for firm intrastate transmission service shall be two years. In the event the Customer does not subsequently execute an agreement electing an additional term, service may continue to be provided on an interruptible basis under this schedule.
- 8. Utility shall offer firm intrastate transmission service only to customers whose volumes qualify as follows:
 - a. Firm Interstate Customers: Firm intrastate transmission shall be available for customers' volumes delivered through firm interstate capacity rights or where customers purchase or receive (1) gas delivered to Utility interconnection with an interstate pipeline on a firm basis, (2) intrastate California supplies delivered directly into the Utility's system, or (3) supplies which are delivered from the Utility's storage facilities, provided that the Utility has sufficient capacity to receive and redeliver all such volumes on a firm basis.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVISE LETTER NO. 3385
 DECISION NO. 01-12-018

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Jun 9, 2004
 EFFECTIVE Jul 19, 2004
 RESOLUTION NO. _____

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Schedule No. GW-LB
WHOLESALE NATURAL GAS SERVICE

Sheet 3

(Continued)

SPECIAL CONDITIONS (Continued)

FIRM INTRASTATE TRANSMISSION (Continued)

b. Interruptible Interstate, Existing Capacity: Firm intrastate transmission shall be available for volumes delivered by customers or customers of shippers to the Utility on an interruptible basis through interstate pipeline capacity in existence as of November 6, 1991 to the extent and so long as (1) the capacity of the interstate pipeline is not expanded so as to create a mismatch of interstate and intrastate capacity, and (2) the Utility has adequate intrastate system capacity to receive and redeliver all such volumes on a firm basis.

The Utility shall have no obligation to build new facilities to provide firm intrastate service for customers' volumes delivered to the Utility on an interruptible basis through interstate capacity in existence as of November 6, 1991.

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.

9. Pursuant to the provisions and guidelines of Decision No. 92-11-052, the Utility may negotiate a discounted contract with Customer for a service term of five years or more. Such a contract must be filed for prior CPUC approval under the CPUC's Expedited Application Docket (EAD) procedure as adopted in Decision No. 92-11-052.

FULL REQUIREMENTS SERVICE

10. For its firm intrastate transmission service, Customer may elect full requirements service only for that portion of such usage serving (1) its own core customers' requirements, on an aggregate basis, and/or (2) the requirements, on an individual basis, of those noncore customers designated by Customer as requesting such service; as set forth in the Customer's Contract. Customer must provide Utility sufficient information to establish the usage requirements of its designated full requirements load.

11. Customer's full requirements service loads are prohibited from being displaced through use of alternate fuels or bypass pipeline service except (1) in the event of curtailment, (2) to test alternate fuel capability, (3) or where the Utility has provided prior written authorization for the use of alternate fuels or bypass for temporary periods. The Utility shall have the right to review the Customer's records in order to determine compliance hereunder.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3385
 DECISION NO. 01-12-018

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Jun 9, 2004
 EFFECTIVE Jul 19, 2004
 RESOLUTION NO. _____

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Schedule No. GW-LB
WHOLESALE NATURAL GAS SERVICE

Sheet 4

(Continued)

SPECIAL CONDITIONS (Continued)

FULL REQUIREMENTS SERVICE (Continued)

12. In the event of any unauthorized alternate fuel use or bypass which displaces Customer's full requirement load, Customer must provide the Utility written notice thereof quantifying the extent to which alternate fuel or bypass use occurred. Such notice must be provided prior to the end of the month in which the usage took place. Any unauthorized alternate fuel or bypass use will be subject to a use-or-pay charge equal to 80% of the applicable transmission charge. No other use-or-pay charges are applicable to full requirements service.

PARTIAL REQUIREMENTS SERVICE

13. For its firm intrastate transmission service (excluding Customer's full requirements load, if applicable), Customer must contract for a separate annual quantity of gas applicable for each contract year during the term of the Contract. The annual contract quantity may not be changed during the term of the Contract and must be broken down by month into fixed service quantities for each contract year during the Contract term. Customer may request changes to the monthly contract quantities on a month-to-month basis, however, the total of the monthly contract quantities for a contract year must equal the annual contract quantity. The monthly quantity breakdown may be established on the basis of seasonal variations in accordance with Customer's historic usage pattern. The Utility reserves the right to accept or reject any requested contract quantities after considering Customer's historic requirements and other evidence provided by Customer regarding operational changes affecting its consumption.
14. If at the end of a contract year, Customer's partial requirements firm intrastate transmission usage is less than 75% of the firm intrastate transmission contract quantity, Customer will pay use-or-pay charges equal to 80% of the transmission charge for the last billing month of the contract year times the difference between the Customer's actual usage and the 75% threshold.
15. Use-or-pay charges applicable to partial requirements firm intrastate transmission service shall only be forgiven to the extent Customer's reduced consumption is specifically due to intrastate curtailment or a Force Majeure event on either the interstate or intrastate systems.

INTERRUPTIBLE INTRASTATE TRANSMISSION

16. Customer may elect interruptible intrastate transmission service for all or part of its requirements. The minimum contract term for such service shall be one month.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3385
 DECISION NO. 01-12-018

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Jun 9, 2004
 EFFECTIVE Jul 19, 2004
 RESOLUTION NO. _____

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Schedule No. GW-LB
WHOLESALE NATURAL GAS SERVICE

Sheet 5

(Continued)

SPECIAL CONDITIONS (Continued)

INTERRUPTIBLE INTRASTATE TRANSMISSION (Continued)

- 17. By mutual agreement, the Utility and Customer may negotiate interruptible intrastate transmission charges for a term of service of less than five years without CPUC approval. Any such negotiated transmission charges shall be set forth in the Customer's Contract. Any such contract must be submitted by letter to the CPUC and made available for public inspection. No other charges for service under this schedule shall be negotiable unless CPUC approval is first obtained.
- 18. All contracts for a term of service of five years or longer ("long-term") meeting the guidelines set forth in Decision No. 92-11-052 must be filed for prior CPUC approval under the CPUC's Expedited Application Docket (EAD) procedure adopted in Decision No. 92-11-052. All other long-term contracts must be filed by advice letter for prior CPUC approval.

FIRM INTERSTATE PIPELINE CAPACITY

- 19. At any time prior to five (5) business days before commencement of the Utility's initial open season for the brokering of firm interstate pipeline capacity conducted pursuant to the provisions of Rule No. 36, Customer may request an assignment of such capacity for Customer's core requirements. Capacity shall be provided to Customer on a pro rata basis between the El Paso and Transwestern pipeline systems and charged at the full as-billed interstate rate. Such capacity shall be assigned to Customer for a term from the implementation date of the CPUC's Capacity Brokering Rules until the expiration of the Utility's firm capacity contracts with El Paso and Transwestern. If Customer does not provide such a request prior to the 5-day deadline, Utility will reserve sufficient firm interstate pipeline capacity, split 70% on El Paso and 30% on Transwestern, to meet Customer's core load requirements. Interstate capacity allocated to Customer for its core requirements shall be at the full as-billed rate for pipeline demand charges.
- 20. In the event Customer relinquishes all or a part of its reserved firm interstate capacity, or the capacity reserved by Utility on Customer's behalf, Customer shall be solely responsible for any shortfall between the as-billed interstate pipeline demand charges and the actual revenue the Utility obtains from its subsequent brokering of the relinquished capacity.

PEAKING SERVICE

- 21. Customers who receive gas transportation service from an alternate service provider may be subject to the provisions of the Peaking Service Tariff, GT-PS.

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3385
 DECISION NO. 01-12-018

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Jun 9, 2004
 EFFECTIVE Jul 19, 2004
 RESOLUTION NO. _____

Schedule No. GW-SD
WHOLESALE NATURAL GAS SERVICE

Sheet 1

APPLICABILITY

Applicable for intrastate transmission service for San Diego Gas & Electric Company ("Customer").

TERRITORY

Delivery points shall be as specified in the Customer's Master Services Contract, Schedule A, Wholesale Intrastate Transmission Service.

RATES

Interstate Transition Cost Surcharge (ITCS)

ITCS-SD, per therm (0.223¢)

The ITCS, as defined in Rule No. 1, recovers certain interstate capacity costs and applies to all service under this schedule except for that service identified in Rule No. 1 as being exempt.

Transmission Charges

The transmission charges below are applicable for firm intrastate transmission service (GT-F8) and interruptible intrastate transmission service (GT-I8).

GT-F8 Rate/Therm 2.440¢
 GT-I8 Rate/Therm 2.440¢

Rates may be adjusted to reflect any applicable taxes, franchise or other fees, regulatory surcharges, and interstate or intrastate pipeline charges or penalties that may occur.

The number of therms to be billed shall be the number of therms determined in accordance with Rule No. 2 less the number of therms billed to customers under Schedule No. GT-SD for the same applicable billing period.

SPECIAL CONDITIONS

1. Definitions of the principal terms used in this schedule are contained in Rule No. 1.
2. As a condition precedent to service under this schedule, an executed Master Services Contract, Schedule A, Intrastate Transmission Service (Form Nos. 6597 and 6597-1) is required. All contracts, rates and conditions are subject to revision and modification as a result of Commission order.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3385
 DECISION NO. 01-12-018

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Jun 9, 2004
 EFFECTIVE Jul 19, 2004
 RESOLUTION NO. _____

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Schedule No. GW-SD
WHOLESALE NATURAL GAS SERVICE

Sheet 2

(Continued)

SPECIAL CONDITIONS (Continued)

3. In the event of curtailment, the Utility shall provide service to Customer in accordance with the provisions of Rule No. 23.
4. The transportation imbalance will be calculated by aggregating the confirmed transportation deliveries for the customer with the confirmed transportation deliveries for customers taking service under Schedule No. GT-SD less the actual usage recorded by the Utility at the SDG&E system receipt points. All other terms and conditions of Rule No. 30 and Schedule No. G-IMB shall apply to the transportation of customer-owned gas under this schedule.
5. The contract term for firm intrastate transmission service shall be two years. In the event the Customer does not subsequently execute an agreement electing an additional term, service may continue to be provided on an interruptible basis under this schedule.
6. Utility shall offer firm intrastate transmission service only to customers whose volumes qualify as follows:
 - a. Firm Interstate Customers: Firm intrastate transmission shall be available for volumes delivered through firm interstate capacity rights or where Customer purchases or receives (1) gas delivered to Utility interconnection with an interstate pipeline on a firm basis, (2) intrastate California supplies delivered directly into the Utility's system, or (3) supplies that are delivered from the Utility's storage facilities, provided that the Utility has sufficient capacity to receive and redeliver all such volumes on a firm basis.
 - b. Interruptible Interstate, Existing Capacity: Firm intrastate transmission shall be available for volumes delivered by Customer or Customer's shipper to the Utility on an interruptible basis through interstate pipeline capacity in existence as of November 6, 1991 to the extent and so long as (1) the capacity of the interstate pipeline is not expanded so as to create a mismatch of interstate and intrastate capacity, and (2) the Utility has adequate intrastate system capacity to receive and redeliver all such volumes on a firm basis.

The Utility shall have no obligation to build new facilities to provide firm intrastate service for Customer's volumes delivered to the Utility on an interruptible basis through interstate pipeline capacity in existence as of November 6, 1991.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3385
DECISION NO. 01-12-018

ISSUED BY
Lee Schavrien
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Jun 9, 2004
EFFECTIVE Jul 19, 2004
RESOLUTION NO. _____

Schedule No. GW-SD
WHOLESALE NATURAL GAS SERVICE

Sheet 3

(Continued)

SPECIAL CONDITIONS (Continued)

- c. Interruptible Interstate, New Capacity: Firm intrastate transmission service shall be available for Customer's volumes delivered to the 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) 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 transmission 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 volumes.

- 7. For its firm intrastate transmission service, Customer may elect full requirements service only for that portion of such usage serving (1) its own core customers' requirements, on an aggregate basis, and/or (2) the requirements, on an individual basis, of those noncore customers designated by the Customer as requesting such service; as set forth in the Customer's Contract. The Customer must provide the Utility sufficient information to establish the usage requirements of its designated full requirements load.

- 8. Customer's full requirements service loads are prohibited from being displaced through use of alternate fuels or bypass pipeline service except (1) in the event of curtailment, (2) to test alternate fuel capability, or (3) where the Utility has provided prior written authorization for the use of alternate fuels or bypass for temporary periods. The Utility shall have the right to review the Customer's records in order to determine compliance hereunder.

- 9. In the event of any unauthorized alternate fuel use or bypass which displaces Customer's full requirements load, Customer must provide the Utility written notice thereof quantifying the extent to which alternate fuel or bypass use occurred. Such notice must be provided prior to the end of the month in which the usage took place. Any such unauthorized use will be subject to a use-or-pay charge equal to 80% of the applicable transmission charge. No other use-or-pay charges are applicable to full requirements service.

- 10. For its firm intrastate transmission service (excluding Customer's full requirements load, if applicable), Customer must contract for a separate annual quantity of gas applicable for each contract year during the term of the Contract ("partial requirements"). The annual contract quantity may not be changed during the term of the Contract and must be broken down by month into fixed service quantities for each contract year during the Contract term. Customer may request changes to the monthly contract quantities on a month-to-month basis, however, the total of the monthly contract quantities for a contract year must equal the annual contract quantity. The monthly quantity breakdown may be established on the basis of seasonal variations in accordance with Customer's historic usage pattern. The Utility reserves the right to accept or reject any requested contract quantities after considering Customer's historic requirements and other evidence provided by Customer regarding operational changes affecting its consumption.

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(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3385
 DECISION NO. 01-12-018

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Jun 9, 2004
 EFFECTIVE Jul 19, 2004
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Schedule No. GW-SD
WHOLESALE NATURAL GAS SERVICE

Sheet 4

(Continued)

SPECIAL CONDITIONS (Continued)

- 11. If at the end of a contract year, Customer's partial requirements firm intrastate transmission usage is less than 75% of the Customer's firm intrastate transmission contract quantity, Customer will pay use-or-pay charges equal to 80% of the average transmission charge for the last billing month of the contract year times the difference between the Customer's actual usage and the 75% threshold. T
- 12. Use-or-pay charges applicable to partial requirements firm intrastate transmission service shall only be forgiven to the extent Customer's reduced consumption is specifically due to intrastate curtailment or a Force Majeure event on either the interstate or intrastate systems. T
- 13. Customer may elect interruptible intrastate transmission service for all or part of its requirements. The minimum contract term for such service shall be one month. T
- 14. By mutual agreement, the Utility and Customer may negotiate interruptible intrastate transmission charges for a term of service of less than five years without CPUC approval. Any such negotiated transmission charges shall be set forth in the Customer's Contract. Any such contract must be submitted by letter to the CPUC and made available for public inspection. No other charges for service under this schedule shall be negotiable unless CPUC approval is first obtained. T
- 15. All contracts for a term of service of five years or longer ("long-term") meeting the guidelines set forth in Decision No. 92-11-052 must be filed for prior CPUC approval under the CPUC's Expedited Application Docket (EAD) procedure adopted in Decision No. 92-11-052. All other long-term contracts must be filed by advice letter for prior CPUC approval. T
- 16. Customer may be subject to the provisions of the Peaking Service Tariff, GT-PS, if it receives gas transportation service from an alternate service provider. T

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 3385
 DECISION NO. 01-12-018

ISSUED BY

Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Jun 9, 2004
 EFFECTIVE Jul 19, 2004
 RESOLUTION NO. _____

Schedule No. GW-SWG
WHOLESALE NATURAL GAS SERVICE

Sheet 1

APPLICABILITY

Applicable for firm intrastate transmission and interruptible intrastate transmission service, and long-term storage service for Southwest Gas Corporation ("Customer") to Customer's service territory in southern California.

TERRITORY

Delivery points shall be as specified in the California Wholesale Gas Transportation and Storage Service Agreement ("Contract").

RATES

Transmission Charges

GT-F9, GT-I9, Firm & Interruptible Intrastate Transmission
 Rate, per therm 2.850¢

Interstate Transition Cost Surcharge (ITCS)

ITCS-SWG, per therm (0.223¢)

The ITCS, as defined in Rule No. 1, recovers certain interstate capacity costs and applies to all service under this schedule except for that service identified in Rule No. 1 as being exempt.

Storage Reservation Charges

Rate, per year \$1,192,118

The annual storage reservation charge set forth above shall be escalated annually as of each January 1 during the Contract term in accordance with the storage reservation charge escalation provisions set forth in the Contract. The annual reservation charge shall be billed in twelve equal monthly installments.

The above storage reservation charge shall be in lieu of the reservation charges set forth in Schedule No. G-LTS. The variable charges set forth in Schedule No. G-LTS shall be applicable to storage service hereunder.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3385
 DECISION NO. 01-12-018

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Jun 9, 2004
 EFFECTIVE Jul 19, 2004
 RESOLUTION NO. _____

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Schedule No. GW-SWG
WHOLESALE NATURAL GAS SERVICE

Sheet 2

(Continued)

RATES (Continued)

Billing Adjustments

Billing adjustments may be necessary to reflect changes in quantities used in developing prior periods' transportation charges.

Rates may be adjusted to reflect any applicable taxes, franchise or other fees, regulatory surcharges, and interstate or intrastate pipeline charges that may occur.

The number of therms to be billed shall be determined in accordance with Rule No. 2.

SPECIAL CONDITIONS

GENERAL

1. Definitions of the principal terms used in this schedule are contained in Rule No. 1.
2. As a condition precedent to service under this schedule, an executed California Wholesale Gas Transportation and Storage Service Agreement is required. The minimum term of such Contract shall be fifteen (15) years. All contracts, rates and conditions of service are subject to revision and modification as a result of Commission order.
3. In the event of curtailment, Customer will be curtailed in accordance with Rule No. 23. Penalties for violation of curtailment shall apply as set forth in Rule No. 23. If service to Customer's Priority 1 and 2A customers is in jeopardy, such customers shall be served in parity with Utility's Priority 1 and 2A customers as set forth in Rule No. 23.
4. All terms and conditions of Rule No. 30 and Schedule No. G-IMB shall apply to the transportation of customer-owned gas under this schedule.

STORAGE SERVICES

5. The Utility shall provide the Customer with storage service rights in the following capacities:

Annual firm withdrawal: 60 MMcfd

Annual firm inventory: 1.5 Bcf

Monthly firm injection: 12.5 MMcfd (April through September only)

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3385
 DECISION NO. 01-12-018

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Jun 9, 2004
 EFFECTIVE Jul 19, 2004
 RESOLUTION NO. _____

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Schedule No. GW-SWG
WHOLESALE NATURAL GAS SERVICE

Sheet 3

(Continued)

SPECIAL CONDITIONS (Continued)

- 6. On a daily or monthly basis, the Customer's storage service injections or withdrawals may exceed the capacities set forth above by up to ten percent (10%) so long as the Customer's scheduled injections plus total storage quantity in inventory does not exceed 1.5 Bcf at any time.
- 7. All terms and conditions of Schedule No. G-LTS, Long-Term Storage Service, shall apply to the storage services provided under this schedule except where such provisions would conflict with the charges and conditions set forth in this schedule or in the Customer's Contract.

FIRM INTRASTATE TRANSMISSION

- 8. The minimum service period for firm intrastate transmission service under the Customer's Contract shall be two years.
- 9. Utility shall offer firm intrastate transmission service only to customers whose volumes qualify as follows:
 - a. Firm Interstate Customers: Firm intrastate transmission shall be available for customers' volumes delivered through firm interstate capacity rights or where customers purchase or receive (1) gas delivered to Utility interconnection with an interstate pipeline on a firm basis, (2) intrastate California supplies delivered directly into the Utility's system, or (3) supplies which are delivered from the Utility's storage facilities, provided that the Utility has sufficient capacity to receive and redeliver all such volumes on a firm basis.
 - b. Interruptible Interstate, Existing Capacity: Firm intrastate transmission shall be available for volumes delivered by customers or customers of shippers to the Utility on an interruptible basis through interstate pipeline capacity in existence as of November 6, 1991 to the extent and so long as (1) the capacity of the interstate pipeline is not expanded so as to create a mismatch of interstate and intrastate capacity, and (2) the Utility has adequate intrastate system capacity to receive and redeliver all such volumes on a firm basis.

The Utility shall have no obligation to build new facilities to provide firm intrastate service for customers' volumes delivered to the Utility on an interruptible basis through interstate capacity in existence as of November 6, 1991.

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(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3385
 DECISION NO. 01-12-018

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Jun 9, 2004
 EFFECTIVE Jul 19, 2004
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Schedule No. GW-SWG
WHOLESALE NATURAL GAS SERVICE

Sheet 4

(Continued)

SPECIAL CONDITIONS (Continued)

FIRM INTRASTATE TRANSMISSION

9. (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.

PEAKING SERVICE

10. Customer may be subject to the provisions of the Peaking Service Tariff, GT-PS, if it receives gas transportation service from an alternate service provider.

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 3385
DECISION NO. 01-12-018

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ISSUED BY

Lee Schavrien
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Jun 9, 2004
EFFECTIVE Jul 19, 2004

RESOLUTION NO. _____

Schedule No. GW-VRN
WHOLESALE NATURAL GAS SERVICE

Sheet 1

APPLICABILITY

Applicable for firm intrastate transmission and interruptible intrastate transmission service for the City of Vernon ("Customer").

TERRITORY

Delivery points shall be as specified in the Master Services Contract, Schedule A, Intrastate Transmission Service ("Contract").

RATES

Transmission Charges

GT-F10, GT-I10, Firm & Interruptible Intrastate Transmission
 Rate, per therm 2.572¢

Rates may be adjusted to reflect any applicable taxes, franchise or other fees, regulatory surcharges, and interstate or intrastate pipeline charges or penalties that may occur.

Interstate Transition Cost Surcharge (ITCS)

ITCS-VRN, per therm (0.223¢)

The ITCS, as defined in Rule No. 1, recovers certain interstate capacity costs and applies to all service under this schedule except for that service identified in Rule No. 1 as being exempt.

Billing Adjustments

Billing adjustments may be necessary to reflect changes in quantities used in developing prior periods' transportation charges.

Rates may be adjusted to reflect any applicable taxes, franchise or other fees, regulatory surcharges, and interstate or intrastate pipeline charges that may occur.

The number of therms to be billed shall be determined in accordance with Rule No. 2.

SPECIAL CONDITIONS

GENERAL

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

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(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3385
 DECISION NO. 01-12-018

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Jun 9, 2004
 EFFECTIVE Jul 19, 2004
 RESOLUTION NO. _____

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Schedule No. GW-VRN
WHOLESALE NATURAL GAS SERVICE

Sheet 2

(Continued)

SPECIAL CONDITIONS (Continued)

GENERAL (Continued)

2. As a condition precedent to service under this schedule, an executed Master Services Contract, Schedule A, Intrastate Transmission Service (Form Nos. 6597 and 6597-1) is required. All contracts, rates and conditions are subject to revision and modification as a result of Commission order.
3. In the event of curtailment, Customer will be curtailed in accordance with Rule No. 23. Penalties for violation of curtailment shall apply as set forth in Rule No. 23.
4. All terms and conditions of Rule No. 30 and Schedule No. G-IMB shall apply to the transportation of customer-owned gas under this schedule.

FIRM INTRASTATE TRANSMISSION

5. The contract term for firm intrastate transmission service shall be two years. In the event the Customer does not subsequently execute an agreement electing an additional term, service may continue to be provided on an interruptible basis under this schedule.
6. Utility shall offer firm intrastate transmission service only to customers whose volumes qualify as follows:
 - a. Firm Interstate Customers: Firm intrastate transmission shall be available for customers' volumes delivered through firm interstate capacity rights or where customers purchase or receive (1) gas delivered to Utility interconnection with an interstate pipeline on a firm basis, (2) intrastate California supplies delivered directly into the Utility's system, or (3) supplies which are delivered from the Utility's storage facilities, provided that the Utility has sufficient capacity to receive and redeliver all such volumes on a firm basis.
 - b. Interruptible Interstate, Existing Capacity: Firm intrastate transmission shall be available for volumes delivered by customers or customers of shippers to the Utility on an interruptible basis through interstate pipeline capacity in existence as of November 6, 1991 to the extent and so long as (1) the capacity of the interstate pipeline is not expanded so as to create a mismatch of interstate and intrastate capacity, and (2) the Utility has adequate intrastate system capacity to receive and redeliver all such volumes on a firm basis.

The Utility shall have no obligation to build new facilities to provide firm intrastate service for customers' volumes delivered to the Utility on an interruptible basis through interstate capacity in existence as of November 6, 1991.

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(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3385
DECISION NO. 01-12-018

ISSUED BY
Lee Schavrien
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Jun 9, 2004
EFFECTIVE Jul 19, 2004
RESOLUTION NO. _____

Schedule No. GW-VRN
WHOLESALE NATURAL GAS SERVICE

Sheet 3

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(Continued)

SPECIAL CONDITIONS (Continued)

FIRM INTRASTATE CUSTOMERS (continued)

6. (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.
7. Pursuant to the provisions and guidelines of Decision No. 92-11-052, the Utility may negotiate a discounted contract with Customer for a service term of five years or more. Such a contract must be filed for prior CPUC approval under the CPUC's Expedited Application Docket (EAD) procedure as adopted in Decision No. 92-11-052.

FULL REQUIREMENTS SERVICE

8. For its firm intrastate transmission service, Customer may elect full requirements service only for that portion of such usage serving (1) its own core customers' requirements, on an aggregate basis, and/or (2) the requirements, on an individual basis, of those noncore customers designated by Customer as requesting such service; as set forth in the Customer's Contract. Customer must provide Utility sufficient information to establish the usage requirements of its designated full requirements load.
9. Customer's full requirements service loads are prohibited from being displaced through use of alternate fuels or bypass pipeline service except (1) in the event of curtailment, (2) to test alternate fuel capability, (3) or where the Utility has provided prior written authorization for the use of alternate fuels or bypass for temporary periods. The Utility shall have the right to review the Customer's records in order to determine compliance hereunder.
10. In the event of any unauthorized alternate fuel use or bypass which displaces Customer's full requirement load, Customer must provide the Utility written notice thereof quantifying the extent to which alternate fuel or bypass use occurred. Such notice must be provided prior to the end of the month in which the usage took place. Any unauthorized alternate fuel or bypass use will be subject to a use-or-pay charge equal to 80% of the applicable transmission charge. No other use-or-pay charges are applicable to full requirements service.

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(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3385
DECISION NO. 01-12-018

ISSUED BY
Lee Schavrien
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Jun 9, 2004
EFFECTIVE Jul 19, 2004
RESOLUTION NO. _____

Schedule No. GW-VRN
WHOLESALE NATURAL GAS SERVICE

Sheet 4

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(Continued)

SPECIAL CONDITIONS (continued)

PARTIAL REQUIREMENTS SERVICE

- 11. For its firm intrastate transmission service (excluding Customer's full requirements load, if applicable), Customer must contract for a separate annual quantity of gas applicable for each contract year during the term of the Contract. The annual contract quantity may not be changed during the term of the Contract and must be broken down by month into fixed service quantities for each contract year during the Contract term. Customer may request changes to the monthly contract quantities on a month-to-month basis, however, the total of the monthly contract quantities for a contract year must equal the annual contract quantity. The monthly quantity breakdown may be established on the basis of seasonal variations in accordance with Customer's historic usage pattern. The Utility reserves the right to accept or reject any requested contract quantities after considering Customer's historic requirements and other evidence provided by Customer regarding operational changes affecting its consumption.
- 12. If at the end of a contract year, Customer's partial requirements firm intrastate transmission usage is less than 75% of the firm intrastate transmission contract quantity, Customer will pay use-or-pay charges equal to 80% of the transmission charge for the last billing month of the contract year times the difference between the Customer's actual usage and the 75% threshold.
- 13. Use-or-pay charges applicable to partial requirements firm intrastate transmission service shall only be forgiven to the extent Customer's reduced consumption is specifically due to intrastate curtailment or a Force Majeure event on either the interstate or intrastate systems.

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INTERRUPTIBLE INTRASTATE TRANSMISSION

- 14. Customer may elect interruptible intrastate transmission service for all or part of its requirements. The minimum contract term for such service shall be one month.
- 15. By mutual agreement, the Utility and Customer may negotiate interruptible intrastate transmission charges for a term of service of less than five years without CPUC approval. Any such negotiated transmission charges shall be set forth in the Customer's Contract. Any such contract must be submitted by letter to the CPUC and made available for public inspection. No other charges for service under this schedule shall be negotiable unless CPUC approval is first obtained.
- 16. All contracts for a term of service of five years or longer ("long-term") meeting the guidelines set forth in Decision No. 92-11-052 must be filed for prior CPUC approval under the CPUC's Expedited Application Docket (EAD) procedure adopted in Decision No. 92-11-052. All other long-term contracts must be filed by advice letter for prior CPUC approval.

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(Continued)

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

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Schedule No. GW-VRN
WHOLESALE NATURAL GAS SERVICE

Sheet 5

(Continued)

SPECIAL CONDITIONS (continued)

PEAKING SERVICE

17. Customer who receive gas transportation service from an alternate service provider may be subject to the provisions of the Peaking Service Tariff, GT-PS.

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 3385
DECISION NO. 01-12-018

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ISSUED BY

Lee Schavrien
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Jun 9, 2004
EFFECTIVE Jul 19, 2004

RESOLUTION NO. _____

Schedule No. GT-PS
PEAKING SERVICE

Sheet 1

APPLICABILITY

This schedule applies to gas transportation service provided to any noncore customer who bypasses SoCalGas' service, in part or in whole. For the purposes of this schedule, bypass is defined as any situation where a customer of SoCalGas becomes connected to, and receives gas from an alternate supply source or an alternate gas transportation service provider.

TERRITORY

Applicable throughout the service territory.

CONTRACT QUANTITY

The customer will specify a Maximum Daily Quantity (MDQ) for service under this peaking service tariff. Metered usage above the customer's MDQ will be subject to an overrun charge, as specified below.

FIRM SERVICE RATES

The charges set forth herein are in lieu of any charges specified under the otherwise applicable rate schedule.

Customer Charge

The customer charge will be collected as a monthly fee equal to 1/12 of the annualized cost for all customer-related facilities and marketing costs. The customer charge will be based on the scaled-LRMC customer-related facilities cost plus the direct assigned marketing costs for the otherwise applicable customer class.

GT-F3PD, Commercial/Industrial Distribution Level, per month	\$1,290	D
GT-F3PT, Transmission Level, per month	\$1,790	D
GT-F4P, Enhanced Oil Recovery, per month	\$2,110	D
GT-F5P, Electric Generation		D
For customers using less than three million therms per year		
Charge, per month	\$250	
For customers using three million therms or more per year		
Charge, per month	\$12,670	

(Continued)

(TO BE INSERTED BY UTILITY)
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Schedule No. GT-PS
PEAKING SERVICE

Sheet 2

(Continued)

FIRM SERVICE RATES (Continued)

Customer Charge (Continued)

GT-F7P, Long Beach, per month	\$15,700	D
GT-F8P/GT-F11P, SDG&E, per month	\$19,900	D
GT-F9P, Southwest Gas, per month	\$11,500	D
GT-F10P, Vernon, per month	\$8,580	D
DGN, per month	\$8,330	

Reservation Charge

The customer will pay a monthly reservation charge based on the currently authorized end-use rate for the specific customer class adjusted to exclude customer costs, transition costs including ITCS, the Sempra-wide rate, and regulatory accounts times the customer's contract MDQ.

Daily Reservation Rate:

GT-F3PD, Commercial/Industrial Distribution Level, per therm	3.933¢	D
GT-F3PT, Transmission Level, per therm	1.126¢	D
GT-F4P, Enhanced Oil Recovery, per therm	1.389¢	D
GT-F5P, Electric Generation		D
For customers using less than 3 million therms per year		
Rate, per therm	3.567¢	
For customers using 3 million therms or more per year		
Rate, per therm	1.353¢	
GT-F7P, Long Beach, per therm	1.308¢	D
GT-F8P/GT-F11P, SDG&E, per therm	1.214¢	D

(Continued)

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Schedule No. GT-PS
PEAKING SERVICE

Sheet 3

(Continued)

FIRM SERVICE RATES (Continued)

Reservation Charge (Continued)

GT-F9P, Southwest Gas, per therm	1.287¢	D
GT-F10P, Vernon, per therm	1.227¢	D
DGN, per therm	1.236¢	

Volumetric Charge

The customer will pay for fuel costs, transition costs, the Sempra-wide rate and regulatory accounts through a volumetric charge equal to the costs included in the authorized end-use rate for the specific customer class.

GT-F3PD, Commercial/Industrial Distribution Level, per therm	0.810¢	D
GT-F3PT, Transmission Level, per therm	0.810¢	D
GT-F4P, Enhanced Oil Recovery, per therm	1.482¢	D
GT-F5P, Electric Generation		D
For customers using less than 3 million therms per year		
Rate, per therm	1.650¢	
For customers using 3 million therms or more per year		
Rate, per therm	1.234¢	
GT-F7P, Long Beach, per therm	0.975¢	D
GT-F8P/GT-F11P, SDG&E, per therm	0.951¢	D
GT-F9P, Southwest Gas, per therm	0.985¢	D
GT-F10P, Vernon, per therm	0.865¢	D
DGN, per therm.....	0.863¢	

(Continued)

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Schedule No. GT-PS
PEAKING SERVICE

Sheet 4

(Continued)

FIRM SERVICE RATES (Continued)

Overrun Charge

The customer will be assessed an overrun charge on any metered usage above the customer's MDQ. The overrun charge is 150% of the otherwise applicable default tariff rate. Volumes in excess of a customer's MDQ will be considered interruptible and customers will have no assurance that capacity in excess of the reserved MDQ will be available.

GT-F3PD, Commercial/Industrial Distribution Level, per therm	9.641¢	D
GT-F3PT, Transmission Level, per therm	3.518¢	D
GT-F4P, Enhanced Oil Recovery, per therm	5.240¢	D
GT-F5P, Electric Generation		D
For customers using less than 3 million therms per year		
Rate, per therm	9.861¢	
For customers using 3 million therms or more per year		
Rate, per therm	4.821¢	
GT-F7P, Long Beach, per therm	4.240¢	D
GT-F8P/GT-F11P, SDG&E, per therm	3.325¢	D
GT-F9P, Southwest Gas, per therm	3.941¢	D
GT-F10P, Vernon, per therm	3.524¢	D
DGN, per therm	3.803¢	

INTERRUPTIBLE SERVICE RATES

The charges set forth herein are in lieu of any charges specified under the otherwise applicable rate schedule.

(Continued)

(TO BE INSERTED BY UTILITY)
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Schedule No. GT-PS
PEAKING SERVICE

Sheet 5

(Continued)

INTERRUPTIBLE SERVICE RATES (Continued)

Customer Charge

The customer charge will be collected as a monthly fee equal to 1/12 of the annualized cost for all customer-related facilities and marketing costs. The customer charge will be based on the scaled-LRMC customer-related facilities cost plus the direct assigned marketing costs for the otherwise applicable customer class.

GT-F3PD, Commercial/Industrial Distribution Level, per month	\$1,290	D
GT-F3PT, Transmission Level, per month	\$1,790	D
GT-I4P, Enhanced Oil Recovery, per month	\$2,110	
GT-I5P, Electric Generation		
For customers using less than 3 million therms per year		
Charge, per month	\$250	
For customers using 3 million therms or more per year		
Charge, per month	\$12,670	
GT-I7P, Long Beach, per month	\$15,700	
GT-I8P/GT-I11P, SDG&E, per month	\$19,900	
GT-I9P, Southwest Gas, per month	\$11,500	
GT-I10P, Vernon, per month	\$8,580	
DGN, per month	\$8,330	

Volumetric Rate

An interruptible rate is available to peaking service customers set at 150% of the otherwise applicable default tariff rate at 100% load factor.

GT-F3PD, Commercial/Industrial Distribution Level, per therm	9.641¢	D
GT-F3PT, Transmission Level, per therm	3.518¢	D

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3385
 DECISION NO. 01-12-018

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Schedule No. GT-PS
PEAKING SERVICE

Sheet 9

(Continued)

SPECIAL CONDITIONS (Continued)

7. The utility may, at its own discretion, add facilities pursuant to an agreement with the customer for the recovery of any new investment. The utility may seek an extended contract term, incremental transportation rate, and/or an exit fee to recover the cost of such investment. If the customer chooses not to accept the prescribed contract changes, the utility may limit the availability of partial bypass service to an MDQ level that can be met without incremental facilities investment.
8. Measurement of the usage under this schedule shall be accomplished through the use of electronic meter reading equipment in accordance with the provisions of Rule No. 31, including the condition that the customer shall be responsible for all costs associated with the installation of the electronic metering equipment.
9. A customer who has received service under this schedule may elect to resume default tariff service under the following condition. Before default tariff service can be resumed, the customer must cease receiving service and physically disconnect from the bypass pipeline(s) with which the customer had established a connection.
10. The customer will be required to receive service under this schedule as of the first regular meter read date after the customer bypasses SoCalGas' facilities.
11. All contracts, rates and conditions of service are subject to revision and modification as a result of Commission order.
12. The customer will be subject to all other taxes, fees, surcharges, or other charges collected from customers, as set forth in SoCalGas' tariff schedules.
13. All provisions within the customer's otherwise applicable tariff will apply, except as specifically designated within this Peaking Service tariff.

PRIORITY OF SERVICE

14. In the event of curtailment, customers served hereunder will be curtailed in accordance with Rule No. 23. Penalties for violation of curtailment shall apply as set forth in Rule No. 23.
15. Partial bypass customers will be assigned equal service priority up to their contract MDQ as are other noncore firm on-system customers. Volumes that would be subject to the overrun charge or provided under the interruptible peaking service option are exempt from Section L of Rule No. 23.
16. Partial bypass customers must sign a service agreement consistent with the contract commitments set forth in Schedules GT-F and GT-I.

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

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(TO BE INSERTED BY CAL. PUC)
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Schedule No. GT-AC

Sheet 7

CORE TRANSPORTATION-ONLY AIR CONDITIONING
SERVICE FOR COMMERCIAL AND INDUSTRIAL

(Continued)

SPECIAL CONDITIONS (Continued)

Large Commercial and Industrial (Continued)

- 20. Except as otherwise provided for herein, the contract terms for service under Schedule A (Form No. 6597-1) shall be for a minimum of 30 days. After the initial 30-day term, the contract will continue on a month-to-month basis until terminated by either party upon 15-day written notice.
- 21. If the customer splits its gas requirements between service under this schedule and noncore service under Schedule Nos. GT-F, and/or GT-I, the customer shall be required to specify a fixed monthly quantity for service hereunder by month for the term of the customer's contract. The monthly contract quantity breakdown may be established on the basis of seasonal variations in the customer's usage in accordance with the customer's historic usage pattern. The Utility reserves the right to accept or reject such requested quantities after considering the customer's historic usage pattern and other evidence provided by the customer regarding operational changes affecting the customer's consumption. Notwithstanding that monthly quantities are fixed for the term of the contract, the customer may request increases to the monthly quantities subject to approval by the utility. In the event an increase is approved, the entire core quantity shall become subject to a new five (5) year term.
- 22. All terms and conditions of Rule No. 30 and Schedule No. G-IMB shall apply to the transportation of customer-owned gas under schedule GT-AC.
- 23. Customers having existing gas exchange arrangements with SoCalGas must exchange the maximum amount of gas allowable under those arrangements prior to the delivery of customer-owned natural gas to SoCalGas for transportation, unless otherwise agreed to by SoCalGas.
- 24. In the event customers make any material change, in either the amount or character of their gas appliances or equipment, written notice to SoCalGas must be made in accordance with Rule No. 29, Change of Customer's Apparatus or Equipment.
- 25. Customers receiving service under Schedule A (Form No. 6597-1) may elect to participate in the Core Aggregation Transportation Program and receive service under Schedule No. GT-10.

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(Continued)

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Lee Schavrien
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(TO BE INSERTED BY CAL. PUC)
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Schedule No. GT-F
FIRM INTRASTATE TRANSMISSION SERVICE

Sheet 1

APPLICABILITY

Applicable for firm intrastate transmission-only service for (1) commercial and industrial, and enhanced oil recovery use at each facility classified as noncore, as defined in Rule No. 1, and (2) electric generation plants.

TERRITORY

Applicable throughout the service territory.

RATES

Customer Charges

GT-F3D, Commercial/Industrial Distribution Level, per month	\$350
GT-F3T, Transmission Level, per month	\$700
GT-F4, Enhanced Oil Recovery, per month	\$500
GT-F5, Electric Generation using less than 3 million therms per year Per month	\$50

The applicable GT-F5 monthly customer charge shall be determined on the basis of the customer's GT-F5 usage (combined with GT-I5 usage, if applicable) for the most recent twelve-month period. For customers with less than twelve months of historical usage, the customer charge shall be determined on a pro rata basis using the months for which usage is available.

If the applicable customer charge is collected under Schedule No. GT-I, no duplicative charge shall be collected hereunder.

Transmission Charges

GT-F3D, Commercial/Industrial Distribution Level
 Rate, per therm

Tier I	0 - 20,833 Therms	12.521¢
Tier II	20,834 - 83,333 Therms	7.737¢
Tier III	83,334 - 166,667 Therms	4.676¢
Tier IV	Over 166,667 Therms	2.489¢

(Continued)

(TO BE INSERTED BY UTILITY)
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Schedule No. GT-F
FIRM INTRASTATE TRANSMISSION SERVICE

Sheet 4

(Continued)

SPECIAL CONDITIONS (Continued)

SERVICE ELECTIONS

7. Customers receiving service under this schedule or other commercial/industrial noncore rate schedule as of September 29, 1993 may continue to receive service hereunder regardless of size consistent with the grandfathering of noncore customers established in D.93-09-082. Such customers who elect core service or close their facilities (excluding changes in name or ownership) will no longer be eligible for service under this schedule unless they meet the size requirements set forth for noncore customers under Rule No. 23.
8. All terms and conditions of Rule No. 30 and Schedule No. G-IMB shall apply to the transportation of customer-owned gas under this schedule.
9. Customers having existing gas exchange agreements with the Utility must exchange the maximum amount of gas allowable under those agreements prior to the delivery of customer-owned gas for transportation under other service agreements, unless otherwise agreed to by the Utility.

FULL REQUIREMENTS SERVICE

10. Customers may elect full requirements service under this schedule. Full requirements customers are not required to contract for a stated annual quantity.
11. Full requirements customers are prohibited from using alternate fuels or bypass pipeline service (1) except in the event of curtailment, (2) to test alternate fuel capability, or (3) where the Utility has provided prior written authorization for the use of alternate fuels or bypass for temporary periods.
12. In the event of any unauthorized alternate fuel use or bypass, customers must provide the Utility written notice thereof quantifying the extent to which alternate fuel or bypass use occurred. Such notice must be provided prior to the end of the month in which the usage took place. Any unauthorized alternate fuel or bypass use will be subject to a use-or-pay charge equal to 80% of the applicable transmission charge. No other use-or-pay charges are applicable to full requirements service.

(Continued)

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Schedule No. GT-I
INTERRUPTIBLE INTRASTATE TRANSMISSION SERVICE

Sheet 1

APPLICABILITY

Applicable for interruptible intrastate transmission-only service for (1) commercial and industrial, and enhanced oil recovery use at each facility classified as noncore, as defined in Rule No. 1, and (2) electric generation plants. All such noncore customers shall be eligible to receive interruptible intrastate transmission service under this schedule.

TERRITORY

Applicable throughout the service territory.

RATES

Customer Charges

GT-I3D, Commercial/Industrial Distribution Level, per month	\$350
GT-I3T, Transmission Level, per month	\$700
GT-I4, Enhanced Oil Recovery, per month	\$500
GT-I5, Electric Generation using less than 3 million therms per year Per month	\$50

The applicable GT-I5 monthly customer charge shall be determined on the basis of the customer's GT-I5 usage (combined with GT-F5 usage, if applicable) for the most recent twelve-month period. For customers with less than twelve months of historical usage, the customer charge shall be determined on a pro rata basis using the months for which usage is available.

If the applicable customer charge is collected under Schedule No. GT-F, no duplicative charge shall be collected hereunder.

Transmission Charges

GT-I3D, Commercial/Industrial Distribution Level
 Rate, per therm

Tier I	0 - 20,833 Therms	12.521¢
Tier II	20,834 - 83,333 Therms	7.737¢
Tier III	83,334 - 166,667 Therms	4.676¢
Tier IV	Over 166,667 Therms	2.489¢

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Rule No. 01
DEFINITIONS

Sheet 3

(Continued)

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

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

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

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

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

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

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

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

Core Subscription Service: Utility natural gas procurement service available to noncore customers. Core subscription service is subject to special conditions as identified in the customer's applicable rate schedule. Core subscription service has been discontinued pursuant to Decision 01-12-018 effective December 1, 2003.

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

(Continued)

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Rule No. 23

Sheet 2

CONTINUITY OF SERVICE AND INTERRUPTION OF DELIVERY

(Continued)

B. Priority of Service (Continued)

Noncore Service

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

Firm Service All usage served through firm intrastate transmission service.

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

C. Curtailement of Service

1. Effectuation of Curtailment

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

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

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CONTINUITY OF SERVICE AND INTERRUPTION OF DELIVERY

(Continued)

K. Curtailment Violations (Continued)

3. Authorized Curtailment Quantity (Continued)

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

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

L. Service Interruption Credit

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

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

(Continued)

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