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August 12, 2004

Advice No. 3398  
(U 904 G)

Public Utilities Commission of the State of California

**Subject: Modify Tariffs to Delete Language Specific to the Open Season Held in 2003 for Firm Noncore Service in Compliance with the Gas Transmission OII Decision (D.) 02-11-073**

Southern California Gas Company (SoCalGas) hereby submits for filing with the California Public Utilities Commission (Commission) revisions applicable to its tariffs as shown on Attachment B.

### **Purpose**

This filing revises Schedule Nos. GN-10, GT-10, G-AC, GT-AC, G-EN, GT-EN, GT-F and the Constrained Area Amendment to Master Services Contract, Schedule A, Intrastate Transmission Service (Form 6597-14) to modify language specific to the open season held in January 2003 on Line 7000 in the San Joaquin Valley and Line 6902 in the Imperial Valley in compliance with the Gas Transmission OII (D.02-11-073). The language is being changed in SoCalGas' tariffs to general terms to allow a new open season to be held in January 2005, that does not conflict with current tariff language.

### **Background**

On November 2, 2000, the Commission initiated I.00-11-002 into the adequacy of SoCalGas' and San Diego Gas & Electric's (SDG&E) gas transmission systems to serve the needs of core and noncore gas customers of SDG&E. As a result of this proceeding, the Commission issued D.02-11-073 adopting, among other things, new rules and procedures for SoCalGas to use open seasons to allocate capacity for firm noncore service on two potentially constrained local transmission lines and to use this information to assist in planning expansions of these local transmission lines. On January 17, 2003 SoCalGas filed Advice No. (AL) 3228 to add provisions to its tariffs on holding an open season on transmission Line 7000 in the San Joaquin Valley and Line 6902 in the Imperial Valley as ordered on page 34 of D.02-11-073. The Commission approved AL 3228 on March 13, 2003 with an effective date of January 17, 2003.

Pursuant to D.02-11-073, the results of the open season are to be in effect for a 24 month period. This 24 month period which ends on March 31, 2005 is referred to specifically in SoCalGas' tariffs. This filing is therefore being made to modify SoCalGas' tariffs to remove the specific open season date references and to consolidate information to eliminate the need to update the tariffs in the future each time an open season is held on Lines 7000 and 6902 to provide service to noncore customers served off of these lines.

SoCalGas intends to hold its next open season starting January 20, 2005, consistent with the rules and procedures adopted by D.02-11-073 which are set forth in SoCalGas' tariffs approved by AL 3228. Timely approval of this Advice filing will allow SoCalGas to provide all eligible noncore customers with bidding material on or before January 20, 2005. The open season will close and all bids will be due by 5:00PM (Pacific Standard Time) on March 1<sup>st</sup>, 2005. The results of the open season shall be in effect for a 24-month period starting April 1, 2005 and ending March 31, 2007.

### **Information**

Following is a list of the tariffs that are being modified to remove obsolete information specific to the April 1, 2003 to March 31, 2005 open season held on Line 7000 in the San Joaquin Valley and Line 6902 in the Imperial Valley:

- Schedule No. GN-10, Core Service for Small Commercial and Industrial
- Schedule No. GT-10, Core Aggregation Transportation for Core Commercial and Industrial Service
- Schedule No. G-AC, Core Air Conditioning Service for Commercial and Industrial
- Schedule No. GT-AC, Core Transportation-Only Air Conditioning Service for Commercial and Industrial
- Schedule No. G-EN, Core Gas Engine Service for Water Pumping
- Schedule No. GT-EN, Core Transportation-Only Gas Engine Service for Water Pumping
- Schedule No. GT-F, Firm Interstate Transmission Service
- Constrained Area Amendment to Master Services Contract, Schedule A, Intrastate Transmission Service (Form 6597-14).

### **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. SoCalGas respectfully requests that this filing become effective September 21, 2004, which is not less than forty (40) days regular statutory notice.

### **Protest**

Anyone may protest this Advice Letter to the 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 this Advice Letter was filed with the Commission. 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, 4<sup>th</sup> Floor  
San Francisco, CA 94102

Copies of the protest should also be sent via e-mail to the attention of both Jerry Royer (jrr@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.

Attn: Sid Newsom  
Tariff Manager – GT14D6  
555 West Fifth Street  
Los Angeles, CA 90013-1011  
Facsimile No. (213) 244-4957  
E-mail: snewsom@semprautilities.com

**Notice**

In accordance with Section III-G of General Order 96-A, a copy of this filing has been sent to the parties listed on Attachment A, which includes interested parties in I.00-11-002.

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J. STEVE RAHON  
Director – Tariffs & Regulatory Accounts

Attachments

**ATTACHMENT A**

**Advice No. 3398**

**(See Attached Service List)**

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ATTACHMENT B  
Advice No. 3398

| Cal. P.U.C.<br>Sheet No. | Title of Sheet   | Cancelling Cal.<br>P.U.C. Sheet No. |
|--------------------------|--|-------------------------------------|
| Revised 38156-G          | Schedule No. GN-10, CORE SERVICE FOR SMALL COMMERCIAL AND INDUSTRIAL, Sheet 8  | Original 36670-G                    |
| Revised 38157-G          | Schedule No. GT-10, CORE AGGREGATION TRANSPORTATION, FOR CORE COMMERCIAL AND INDUSTRIAL SERVICE, Sheet 7   | Revised 36673-G                     |
| Revised 38158-G          | Schedule No. G-AC, CORE AIR CONDITIONING SERVICE, FOR COMMERCIAL AND INDUSTRIAL, Sheet 8   | Original 36681-G                    |
| Revised 38159-G          | Schedule No. GT-AC, CORE TRANSPORTATION-ONLY AIR CONDITIONING, SERVICE FOR COMMERCIAL AND INDUSTRIAL, Sheet 8  | Original 36688-G                    |
| Revised 38160-G          | Schedule No. G-EN, CORE GAS ENGINE SERVICE, FOR WATER PUMPING, Sheet 4   | Original 36692-G                    |
| Revised 38161-G          | Schedule No. GT-EN, CORE TRANSPORTATION-ONLY GAS ENGINE, SERVICE FOR WATER PUMPING, Sheet 3  | Revised 36695-G                     |
| Revised 38162-G          | Schedule No. GT-F, FIRM INTRASTATE TRANSMISSION SERVICE, Sheet 8   | Revised 36524-G                     |
| Revised 38163-G          | Schedule No. GT-F, FIRM INTRASTATE TRANSMISSION SERVICE, Sheet 9   | Revised 36525-G                     |
| Revised 38164-G          | Schedule No. GT-F, FIRM INTRASTATE TRANSMISSION SERVICE, Sheet 10  | Original 36526-G                    |
| Revised 38165-G          | SAMPLE FORMS - CONTRACTS, Constrained Area Amendment to Master Services Contract, Schedule A, Intrastate Transmission Service (Form 6597-14, Rev. 1/2005), Sheet 1 | Original 36252-G*                   |
| Revised 38166-G          | TABLE OF CONTENTS  | Revised 38133-G                     |
| Revised 38167-G          | TABLE OF CONTENTS  | Revised 37018-G                     |
| Revised 38168-G          | TABLE OF CONTENTS  | Revised 38134-G                     |

Schedule No. G-AC

Sheet 8

CORE AIR CONDITIONING SERVICE  
FOR COMMERCIAL AND INDUSTRIAL

(Continued)

SPECIAL CONDITIONS (Continued)

Firm Noncore Service in Potential Capacity Constrained Areas, as defined in the Constrained Area  
Amendment to Master Services Contract – Schedule A Intrastate Transmission Service

- 16. Any existing noncore customer, or potential new noncore customer, offered an opportunity to bid for firm noncore service commencing on the effective date of the Constrained Area Amendment to Master Services Contract – Schedule A Intrastate Transmission Service, but declined to bid, or was not awarded sufficient firm capacity, may not elect core service for the period covered by the open season.
- 17. Noncore eligible customers, on core service as of the Open Season start date, as defined in the Constrained Area Amendment to Master Services Contract – Schedule A Intrastate Transmission Service, that do not submit a bid for service commencing on the effective date of the Constrained Area Amendment to Master Services Contract – Schedule A Intrastate Transmission Service, may remain core.

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(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 3398  
 DECISION NO. 02-11-073

8H10

ISSUED BY

**Lee Schavrien**  
 Vice President  
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Aug 12, 2004  
 EFFECTIVE Sep 21, 2004  
 RESOLUTION NO. \_\_\_\_\_

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

Sheet 4

(Continued)

SPECIAL CONDITIONS (Continued)

Priority 2A Customers

- 8. 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.
- 9. The contract term for service under this schedule shall be for a minimum of one year, except as noted in Special Condition 7. After the initial term, the contract will continue on a year-to-year basis until terminated by either party upon 15-days written notice.

Firm Noncore Service in Potential Capacity Constrained Areas, as defined in the Constrained Area Amendment to Master Services Contract – Schedule A Intrastate Transmission Service

- 10. Any existing noncore customer, or potential new noncore customer, offered an opportunity to bid for firm noncore service commencing on the effective date of the Constrained Area Amendment to Master Services Contract – Schedule A Intrastate Transmission Service, but declined to bid, or was not awarded sufficient firm capacity, may not elect core service for the period covered by the open season.
- 11. Noncore eligible customers, on core service as of the Open Season start date, as defined in the Constrained Area Amendment to Master Services Contract – Schedule A Intrastate Transmission Service, that do not submit a bid for service commencing on the effective date of the Constrained Area Amendment to Master Services Contract – Schedule A Intrastate Transmission Service, may remain core.

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(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 3398  
 DECISION NO. 02-11-073

4H11

ISSUED BY

**Lee Schavrien**  
 Vice President  
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Aug 12, 2004  
 EFFECTIVE Sep 21, 2004  
 RESOLUTION NO. \_\_\_\_\_

Schedule No. GN-10

Sheet 8

CORE SERVICE FOR SMALL COMMERCIAL AND INDUSTRIAL

(Continued)

SPECIAL CONDITIONS (Continued)

Firm Noncore Service in Potential Capacity Constrained Areas, as defined in the Constrained Area  
Amendment to Master Services Contract – Schedule A Intrastate Transmission Service

11. Any existing noncore customer, or potential new noncore customer, offered an opportunity to bid for firm noncore service commencing on the effective date of the Constrained Area Amendment to Master Services Contract – Schedule A Intrastate Transmission Service, but declined to bid, or was not awarded sufficient firm capacity, may not elect core service for the period covered by the open season.
12. Noncore eligible customers, on core service as of the Open Season start date, as defined in the Constrained Area Amendment to Master Services Contract – Schedule A Intrastate Transmission Service, that do not submit a bid for service commencing on the effective date of the Constrained Area Amendment to Master Services Contract – Schedule A Intrastate Transmission Service, may remain core.

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(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 3398  
DECISION NO. 02-11-073

8H15

ISSUED BY

**Lee Schavrien**  
Vice President  
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Aug 12, 2004  
EFFECTIVE Sep 21, 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 Potential Capacity Constrained Areas, as defined in the Constrained Area Amendment to Master Services Contract – Schedule A Intrastate Transmission Service

- 18 Any existing noncore customer, or potential new noncore customer, offered an opportunity to bid for firm noncore service commencing on the effective date of the Constrained Area Amendment to Master Services Contract – Schedule A Intrastate Transmission Service, 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 the Open Season start date, as defined in the Constrained Area Amendment to Master Services Contract – Schedule A Intrastate Transmission Service, that do not submit a bid for service commencing on the effective date of the Constrained Area Amendment to Master Services Contract – Schedule A Intrastate Transmission Service, may remain core.

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(TO BE INSERTED BY UTILITY)  
 ADVICE LETTER NO. 3398  
 DECISION NO. 02-11-073  
 747

ISSUED BY  
**Lee Schavrien**  
 Vice President  
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)  
 DATE FILED Aug 12, 2004  
 EFFECTIVE Sep 21, 2004  
 RESOLUTION NO. \_\_\_\_\_

Schedule No. GT-EN

Sheet 3

CORE TRANSPORTATION-ONLY GAS ENGINE  
SERVICE FOR WATER PUMPING

(Continued)

SPECIAL CONDITIONS (Continued)

Priority 2A Customers

- 8. 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) shall be required. All contracts, rates, and conditions are subject to revision and modification as a result of Commission order.
- 9. The contract term for service under this rate schedule shall be for a minimum of one year, except as noted in Special Condition 7. After the initial term, the contract will continue on a year-to-year basis until terminated by either party upon 15-days written notice.
- 10. As a condition of transportation service under this schedule, the customer 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 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 does not qualify for and take full assignment of the interstate pipeline capacity reserved by SoCalGas on customer's behalf, the customer shall not qualify for transportation service and shall be served under the applicable SoCalGas sales service schedule.

Firm Noncore Service in Potential Capacity Constrained Areas, as defined in the Constrained Area Amendment to Master Services Contract – Schedule A Intrastate Transmission Service

- 11. Any existing noncore customer, or potential new noncore customer, offered an opportunity to bid for firm noncore service commencing on the effective date of the Constrained Area Amendment to Master Services Contract – Schedule A Intrastate Transmission Service, but declined to bid, or was not awarded sufficient firm capacity, may not elect core service for the period covered by the open season.
- 12. Noncore eligible customers, on core service as of the Open Season start date, as defined in the Constrained Area Amendment to Master Services Contract – Schedule A Intrastate Transmission Service, that do not submit a bid for service commencing on the effective date of the Constrained Area Amendment to Master Services Contract – Schedule A Intrastate Transmission Service, may remain core.

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(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 3398  
 DECISION NO. 02-11-073

3H11

ISSUED BY

**Lee Schavrien**  
 Vice President  
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Aug 12, 2004  
 EFFECTIVE Sep 21, 2004  
 RESOLUTION NO. \_\_\_\_\_

Schedule No. GT-AC

Sheet 8

CORE TRANSPORTATION-ONLY AIR CONDITIONING  
SERVICE FOR COMMERCIAL AND INDUSTRIAL

(Continued)

SPECIAL CONDITIONS (Continued)

Large Commercial and Industrial (Continued)

26. As a condition of transportation service under this schedule, the customer 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 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 does not qualify for and take full assignment of the interstate pipeline capacity reserved by SoCalGas on customer's behalf, the customer shall not qualify for transportation service and shall be served under the applicable SoCalGas sales service schedule.

Firm Noncore Service in Potential Capacity Constrained Areas, as defined in the Constrained Area Amendment to Master Services Contract – Schedule A Intrastate Transmission Service

27. Any existing noncore customer, or potential new noncore customer, offered an opportunity to bid for firm noncore service commencing on the effective date of the Constrained Area Amendment to Master Services Contract – Schedule A Intrastate Transmission Service, but declined to bid, or was not awarded sufficient firm capacity, may not elect core service for the period covered by the open season.

28. Noncore eligible customers, on core service as of the Open Season start date, as defined in the Constrained Area Amendment to Master Services Contract – Schedule A Intrastate Transmission Service, that do not submit a bid for service commencing on the effective date of the Constrained Area Amendment to Master Services Contract – Schedule A Intrastate Transmission Service, may remain core.

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(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 3398  
 DECISION NO. 02-11-073

ISSUED BY

**Lee Schavrien**  
 Vice President  
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Aug 12, 2004  
 EFFECTIVE Sep 21, 2004  
 RESOLUTION NO. \_\_\_\_\_



Schedule No. GT-F  
FIRM INTRASTATE TRANSMISSION SERVICE

Sheet 8

(Continued)

SPECIAL CONDITIONS (Continued)

COMMERCIAL/INDUSTRIAL

25. Commercial and industrial customers served under this schedule shall be assigned a rate classification based on the type of facilities from which the customer receives service. Customers served from the Utility's distribution-related facilities shall be classified as distribution (GT-F3D). Customers served from the Utility's transmission-related facilities, as established by the Utility's capital accounting records, shall be classified as transmission (GT-F3T). Customers served from transmission facilities or a combination of transmission and distribution facilities may, at their option, elect transmission or distribution rate status.
26. When the Utility uses its discretion, as defined in Rule 20 H.4, to accommodate a current commercial and industrial customer's request to switch from distribution to transmission level service, the Utility shall file an advice letter to notify the Commission before accommodating such a request. The advice letter filing should include an estimate amount of stranded costs associated with the customers' request.
27. For commercial and industrial customers served under this schedule through multiple meters on a single premises, as defined in Rule No. 1, the Utility shall combine all such meters, excluding meters serving electric generation equipment, for billing purposes in accordance with the provisions of Rule No. 17.

LONG-TERM DISCOUNTED CONTRACTS

28. Pursuant to the provisions of Decision No. 92-11-052, the Utility may negotiate discounted contracts for a service term of five years or longer with customers served under this schedule. Such contracts must be filed for prior CPUC approval under the CPUC's Expedited Application Docket (EAD) procedure as adopted in Decision No. 92-11-052.

PEAKING SERVICE

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

FIRM NONCORE SERVICE IN POTENTIAL CAPACITY CONSTRAINED AREAS AS DEFINED  
IN THE CONSTRAINED AREA AMENDMENT TO MASTER SERVICES CONTRACT –  
SCHEDULE A INTRASTATE TRANSMISSION SERVICE

30. All firm noncore deliveries will be under partial requirements service. Full requirements service is not available.

(Continued)

(TO BE INSERTED BY UTILITY)  
ADVICE LETTER NO. 3398  
DECISION NO. 02-11-073

ISSUED BY  
**Lee Schavrien**  
Vice President  
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)  
DATE FILED Aug 12, 2004  
EFFECTIVE Sep 21, 2004  
RESOLUTION NO. \_\_\_\_\_

Schedule No. GT-F

Sheet 9

FIRM INTRASTATE TRANSMISSION SERVICE

(Continued)

SPECIAL CONDITIONS (Continued)

FIRM NONCORE SERVICE IN POTENTIAL CAPACITY CONSTRAINED AREAS AS DEFINED  
 IN THE CONSTRAINED AREA AMENDMENT TO MASTER SERVICES CONTRACT –  
 SCHEDULE A INTRASTATE TRANSMISSION SERVICE

- 31. Hourly Scheduled Quantity (HSQ) is the quantity awarded in an open season and to be delivered each hour as firm noncore service as specified in the Constrained Area Amendment to Master Services Contract, Schedule A, Intrastate Transmission Service, Form 6597-14 (Amendment), under this rate schedule.
- 32. Monthly Scheduled Quantity (MSQ) is the quantity awarded in an open season and to be delivered each month as firm noncore service as specified in the Amendment under this rate schedule. For customers bidding hourly, the MSQ under this rate schedule is equivalent to the summation of HSQs for the month.
- 33. If during any billing period, the customer's firm noncore usage is less than 75% of customer's firm noncore MSQ, the customer will be assessed use-or-pay charges equal to 80% of the transmission charges multiplied by the difference between 75% of the customer's firm noncore MSQ and the customer's firm noncore usage for that month.
- 34. The maximum hourly quantity (in therms) the customer is entitled to use during an interruptible service curtailment is equal to the core MSQs for the month *divided by* operating days specified for that Sequence 1 in the Amendment *divided by* 24 hours. In addition, the customer is authorized to use either: (a) the firm noncore MSQs for the month *divided by* operating days specified for that Sequence 2 in the Amendment *divided by* 24 hours for customer's who bid monthly MSQs; or (b) the stated HSQ for the specific hour, day, month and year awarded for customers who bid hourly HSQ. In the event interruptible service is only partially curtailed, the Customer shall also be entitled to use the non-curtailed portion of their interruptible MSQ, divided by operating days, as specified for that sequence, divided by 24 hours.
- 35. Curtailment violation charges will apply hourly for any quantities consumed that exceed those authorized by hour at the following charges:  
 \$1 per therm for hours 1 through 5 of the curtailment event;  
 \$3 per therm for hours 6 through 8 of the curtailment event; and  
 \$10 per therm for each hour after hour 8 through end of the curtailment event.

(Continued)

(TO BE INSERTED BY UTILITY)  
 ADVICE LETTER NO. 3398  
 DECISION NO. 02-11-073

ISSUED BY  
**Lee Schavrien**  
 Vice President  
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)  
 DATE FILED Aug 12, 2004  
 EFFECTIVE Sep 21, 2004  
 RESOLUTION NO. \_\_\_\_\_

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SAMPLE FORMS - CONTRACTS  
Constrained Area Amendment to Master Services Contract, Schedule A  
Intrastate Transmission Service (Form 6597-14, Rev. 1/2005)

Sheet 1

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(See Attached Form)

(TO BE INSERTED BY UTILITY)  
ADVICE LETTER NO.    3398  
DECISION NO.    02-11-073  
1H8

ISSUED BY  
**Lee Schavrien**  
Vice President  
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)  
DATE FILED    Aug 12, 2004  
EFFECTIVE    Sep 21, 2004  
RESOLUTION NO.    \_\_\_\_\_

**CONSTRAINED AREA AMENDMENT to  
Master Services Contract – Schedule A  
Intrastate Transmission Service  
Account No. \_\_\_\_\_**

This Amendment is entered into by and between Southern California Gas Company (“Utility”) and \_\_\_\_\_ (“Customer”) as of \_\_\_\_\_ to amend the Master Services Contract (MSC) Schedule A entered into as of \_\_\_\_\_.

Utility and Customer agree to amend the MSC Schedule A (“Agreement”) as follows:

**1. Section 1 (B) is deleted in its entirety and replaced with the following:**

**B. Effective Date and Term.** All gas deliveries shall be transported pursuant to the Agreement as amended by this Amendment, and it shall be effective commencing as of \_\_\_\_\_ (“Effective Date”) and shall terminate on \_\_\_\_\_ (“Termination Date”).

**2. Section 1 (C) is added as follows:**

**C. Partial Requirements and Use-or-Pay Aggregation**

(1) Partial Requirements Service. All firm noncore deliveries will be under the partial requirements service. Full requirements service is not available.

(2) Use-or-Pay Aggregation. Individual Customers may aggregate their firm intrastate transmission service only at their facilities located within the same constrained area for purposes of use-or-pay charge determination. If Customer aggregates facilities with different rates, use-or-pay charges shall be based on the highest transmission charge. Firm intrastate transmission service shall be aggregated with similar service under Account No. \_\_\_\_\_ (if specified) and any applicable use or pay charges shall be applied to that account.

**3. Section 2 is amended as follows:**

The first paragraph under the Section heading, beginning with “Customer has requested and agreed to pay for,” and ending with “noted in Section 9(E)”, is deleted. The heading “Sequence 01”, etc. and the “BILLING SCHEDULE” AND “MONTHLY SCHEDULED QUANTITY” tables are deleted and replaced with the following:

**Sequence 1**

**This sequence is for Core Quantities only.**

**If you (Customer) want your facility to have 100% Core service, you do not need to submit a bid and should contact your Account Representative to arrange for a transfer to core service before the Due Date. (Pursuant to SoCalGas Tariff Rule No. 23, Customers with Electric Generation using 20,800 therms or more per month may not qualify for core service.)**

| Billing Schedule  |                                 |                                 |   |                              |
|---|---------------------------------|---------------------------------|---|------------------------------|
| Rate Schedule<br>(Select one)   | Priority                        | Net Billed                      | Transmission Rates<br>Tariff/Negotiated | Otherwise Applicable<br>Rate |
| <input type="checkbox"/> G-EN<br><input type="checkbox"/> GT-EN<br><input type="checkbox"/> GN-10<br><input type="checkbox"/> GT-10 | <i>For Utility<br/>use only</i> | <i>For Utility<br/>use only</i> | <i>For Utility use only</i>             | <i>For Utility use only</i>  |
| Term: <u>2</u> -Years   |                                 |                                 |   |                              |
| Monthly Scheduled Quantities (therms <i>per month</i> )   |                                 |                                 |   |                              |
| Year 1  |                                 |                                 | Year 2                                  |                              |

|  |  |
|--|--|
| Apr _____<br>May _____<br>Jun _____<br>Jul _____<br>Aug _____<br>Sep _____<br>Oct _____<br>Nov _____<br>Dec _____<br>Jan _____<br>Feb _____<br>Mar _____ | Apr _____<br>May _____<br>Jun _____<br>Jul _____<br>Aug _____<br>Sep _____<br>Oct _____<br>Nov _____<br>Dec _____<br>Jan _____<br>Feb _____<br>Mar _____ |
| Annual<br>Quantity _____   | Annual<br>Quantity _____   |

Operating Days M \_\_\_\_\_ T \_\_\_\_\_ W \_\_\_\_\_ Th \_\_\_\_\_ F \_\_\_\_\_ Sat \_\_\_\_\_ Sun \_\_\_\_\_

**Sequence 2**  
**This sequence is for Firm Noncore Quantities**

You (Customer) may bid for firm noncore service by entering the quantities in appropriate sequence. If multiple firm noncore rate schedules apply, each rate schedule and its associated volumes must be submitted separately as Sequence 2, 3, etc. (in the order in which they apply after core service). You may bid monthly quantities for one month, and then hourly quantities for the next month; but not both, monthly and hourly, for the same month. Use the appropriate form(s) for monthly and hourly bids.

| Billing Schedule   |                                 |                                 |  |                              |
|--|---------------------------------|---------------------------------|--|------------------------------|
| Rate Schedule<br>(Select one)  | Priority                        | Net Billed                      | Transmission Rates<br>Tariff/Negotiated                              | Otherwise Applicable<br>Rate |
| ___ GT-F3 ___<br>___ GT-F4 ___<br>___ GT-F5 ___                      | <i>For Utility<br/>use only</i> | <i>For Utility<br/>use only</i> | <i>For Utility use only</i>  | <i>For Utility use only</i>  |
| Term: <u>2</u> -Years  |                                 |                                 |  |                              |
| Year 1   |                                 |                                 | Year 2   |                              |
| <u>Bid Amount</u> <u>Award Amount</u><br><i>For Utility use only</i> |                                 |                                 | <u>Bid Amount</u> <u>Award Amount</u><br><i>For Utility use only</i> |                              |
| Annual<br>Quantity _____   |                                 |                                 | Annual<br>Quantity _____   |                              |

**Sequence 2**  
**Firm Noncore Quantities**  
**Monthly Bid Form**  
**Use Additional Pages if Necessary**

|   |        |
|---|--------|
| Monthly Scheduled Quantities (therms <i>per month</i> ) |        |
| Year 1  | Year 2 |

|     | <u>Bid Amount</u> | <u>Award Amount</u><br><i>For Utility use only</i> |     | <u>Bid Amount</u> | <u>Award Amount</u><br><i>For Utility use only</i> |
|-----|-------------------|--|-----|-------------------|--|
| Apr | _____             | _____  | Apr | _____             | _____  |
| May | _____             | _____  | May | _____             | _____  |
| Jun | _____             | _____  | Jun | _____             | _____  |
| Jul | _____             | _____  | Jul | _____             | _____  |
| Aug | _____             | _____  | Aug | _____             | _____  |
| Sep | _____             | _____  | Sep | _____             | _____  |
| Oct | _____             | _____  | Oct | _____             | _____  |
| Nov | _____             | _____  | Nov | _____             | _____  |
| Dec | _____             | _____  | Dec | _____             | _____  |
| Jan | _____             | _____  | Jan | _____             | _____  |
| Feb | _____             | _____  | Feb | _____             | _____  |
| Mar | _____             | _____  | Mar | _____             | _____  |

Operating Days M \_\_\_\_\_ T \_\_\_\_\_ W \_\_\_\_\_ Th \_\_\_\_\_ F \_\_\_\_\_ Sat \_\_\_\_\_ Sun \_\_\_\_\_





**Sequence 3**  
**This sequence is for Interruptible Noncore Quantities**

If multiple interruptible noncore rate schedules apply, each rate schedule and its associated volumes must be submitted separately as Sequence 3, 4, etc. (in the order in which they apply after core and firm noncore service).

| Billing Schedule                                       |                                 |                                 |   |                              |
|--|---------------------------------|---------------------------------|---|------------------------------|
| Rate Schedule<br>(Select one)                          | Priority                        | Net Billed                      | Transmission Rates<br>Tariff/Negotiated | Otherwise Applicable<br>Rate |
| ___ GT-I3 ___<br>___ GT-I4 ___<br>___ GT-I5 ___        | <i>For Utility<br/>use only</i> | <i>For Utility<br/>use only</i> | <i>For Utility use only</i>             | <i>For Utility use only</i>  |
| Term: <u>2-Years</u>                                   |                                 |                                 |   |                              |
| Monthly Scheduled Quantities (therms <i>per</i> month) |                                 |                                 |   |                              |
| Year 1   |                                 |                                 | Year 2                                  |                              |

| <u>Bid Amount</u>        | <u>Award Amount</u><br><i>For Utility use only</i> | <u>Bid Amount</u>        | <u>Award Amount</u><br><i>For Utility use only</i> |
|--------------------------|--|--------------------------|--|
| Apr _____                | _____  | Apr _____                | _____  |
| May _____                | _____  | May _____                | _____  |
| Jun _____                | _____  | Jun _____                | _____  |
| Jul _____                | _____  | Jul _____                | _____  |
| Aug _____                | _____  | Aug _____                | _____  |
| Sep _____                | _____  | Sep _____                | _____  |
| Oct _____                | _____  | Oct _____                | _____  |
| Nov _____                | _____  | Nov _____                | _____  |
| Dec _____                | _____  | Dec _____                | _____  |
| Jan _____                | _____  | Jan _____                | _____  |
| Feb _____                | _____  | Feb _____                | _____  |
| Mar _____                | _____  | Mar _____                | _____  |
| Annual<br>Quantity _____ | _____  | Annual<br>Quantity _____ | _____  |

Operating Days M \_\_\_\_\_ T \_\_\_\_\_ W \_\_\_\_\_ Th \_\_\_\_\_ F \_\_\_\_\_ Sat \_\_\_\_\_ Sun \_\_\_\_\_

#### 4. Section 8 is added to the Agreement as follows:

##### Section 8 Special Terms and Conditions for Constrained Area Transportation:

###### A. Definitions

(1) **Potential Capacity Constrained Areas.** (a) The Imperial Valley from Niland, CA South to Mexico border. (b) The San Joaquin Valley, the approximate area impacted is North of Highway 119, East of Interstate 5, South of the City of Fresno, and West of the Sierra Nevada Mountain range.

(2) **Hourly Scheduled Quantity (“HSQ”).** The quantities awarded and to be delivered each hour under a sequence with a firm noncore rate schedule.

(3) **Monthly Scheduled Quantity (“MSQ”).** The quantities awarded and to be delivered each month under the specified sequence and applicable rate schedule. For Customers bidding hourly in Sequence 2, the MSQ for Sequence 2 is equivalent to the summation of HSQs for the month.

(4) **Bidding Core and Noncore Rates.** If both core and noncore rates are bid, the core rates must be entered in Sequence 1 before any noncore sequence.

(5) **Last Sequence.** In all bids, the last sequence will be an interruptible noncore rate schedule (GT-I3, GT-I4, GT-I5) with an MSQ of at least 1 therm. This will allow the Customer to receive more quantities of gas than core or firm noncore MSQ specifies, provided the system is delivering interruptible service at the time. If the last Sequence submitted is not an interruptible rate schedule, an additional Sequence will automatically be added and awarded for an MSQ of 1 therm.

(6) **Use-or-Pay.** Use-or-pay charges will be calculated as follows: If during any billing period, the Customer’s firm noncore usage is less than 75% of Customer’s firm noncore MSQ, the Customer will be assessed use-or-pay charges equal to 80% of the transmission charges multiplied by the difference between 75% of the Customer’s firm noncore MSQ and the Customer’s firm noncore usage.

(7) **Firm Noncore Usage for Monthly Billing and Use-or-Pay Charges Determination.** Firm usage are those volumes transported on a firm basis and are limited monthly to the Firm MSQ. Usages exceeding the firm MSQs for the month are delivered on an interruptible basis.

(8) **Authorized Curtailment Quantity.** The maximum hourly quantity (in therms) the Customer is entitled to use during an interruptible service curtailment is equal to the core MSQ for the month divided by operating days, as specified for that sequence, *divided by 24 hours*. In addition, the Customer would be authorized to use either: (a) the firm noncore MSQs for the month *divided by* operating days, as specified for that sequence, *divided by 24 hours* for Customer’s who bid monthly MSQs; or (b) the stated HSQ for the specific hour and month awarded for Customers who bid hourly HSQ, which ever applies. In the event interruptible service is only partially curtailed, the Customer shall also be entitled to use the non-curtailed portion of their interruptible MSQ, divided by operating days, as specified for that sequence, *divided by 24 hours*.

(9) **Billing of Interruptible Metered Volumes.** Billed at the rate schedule(s) indicated on the appropriate sequence. The rate tier for interruptible volumes each month will begin at the rate tier of the last firm metered volume.

(10) **Curtailment.** Utility shall curtail service in accordance with its tariffs as in effect from time to time, including but not limited to its Rule 23.

(11) **Curtailment violation charges.** Curtailment violation charges will apply hourly for any quantities consumed that exceed those authorized by hour at the following charges:

\$1 per therm for hours 1 through 5 of the curtailment event;

\$3 per therm for hours 6 through 8 of the curtailment event

\$10 per therm for each hour after hour 8 through end of the curtailment event.

**B. Future Regulatory Changes Regarding Un-Bundling and to Current Transmission Services**

The California Public Utilities Commission (“CPUC”) has instructed Utility to un-bundle services which are currently included as part of the intrastate noncore transportation service, but has not yet approved Utility’s proposed implementation of these changes. Upon CPUC approval of implementation, such services shall be unbundled.

**C. Early Termination.** In the event of early termination, Customer will pay Utility an amount equal to the outstanding use-or-pay charges for the contract period.

**D. Availability of Daily and Hourly Data.** In the event that daily usage data is not available, the recorded monthly volumes delivered to Customer shall be assumed to be delivered at a constant rate over the number of calendar days during the month. In the event that hourly usage data is not available, the recorded daily volumes delivered to Customer shall be assumed to be delivered at a constant rate over a 24-hour period.

**E. Awarding of Firm Noncore Capacity.** For any period where the firm bids exceed firm capacity; all bids that exceed the customers’ historic usage will be reduced to historic usage. The historic usage will be equal to the customer’s peak day usage for that month within the most recent 12 months. Peak day usage will be divided by 24 to determine historic hour. If firm capacity remains oversubscribed after customers’ bids have been reduced to historic usage, the utility shall first award available firm capacity pro-rata based on historic usage. If firm capacity is not oversubscribed after customers’ bids have been awarded based on historic usage, quantities bid in excess of the customer’s historic usage and quantities submitted by new customers will be awarded on a pro-rata basis.

**F. Hourly Allocation of Bids when Oversubscribed.** In the event that only certain hours are oversubscribed, then monthly bids will be converted to an hourly basis by dividing by operating days in the month and then by 24 hours; the “converted hourly bid” will be pro-rated along with hourly bids for the oversubscribed hour(s); and then converted back into a monthly award by multiplying the pro-rated hour amount by 24 hours and then multiplied by the operating days in the month.

**G. Firm Quantities Bid but Not Awarded.** Such quantities shall be added to Customer’s interruptible sequence.

**H. Right of Refusal.** Utility reserves the right to reject any bid. Once rejected, Utility shall notify Customer as to the reason for such rejection. Customer may re-submit a bid, provided that firm quantities have not yet been awarded to participants in the Open Season.

**I. Rates.** The effective rate(s) to be charged for all natural gas services under this Agreement are specified in the appropriate CPUC-approved Tariff(s) Schedules identified herein, and their successor Schedules that become effective during the term of this Agreement. All applicable Tariff Schedules and Rules are incorporated by reference in this Agreement, including, but not limited to generally applicable Tariff Rules 1 and 23.

**J. Open Season/Contractual Bid**

(1) This Agreement including the Amendment must be executed and received by Utility no later than the Due Date (defined below). By signing this Amendment, Customer agrees that it is making an irrevocable offer to enter into an Agreement on the terms stated in this Amendment and agrees that the Amendment will become effective as of the Effective Date for the MSQs and HSQs Customer is awarded by Utility at the end of the Open Season.

(a) **Open Season Start Date.** The Open Season will commence on \_\_\_\_\_.

(b) **Due Date.** All Bids must be received by Utility pursuant to the bidding instructions no later than **5:00PM (Pacific Standard Time) on \_\_\_\_\_**. After this time, the Open Season is closed.

(c) **Open Season.** This Amendment and Agreement are being entered into as a result of CPUC Decision 02-11-073 ordering Utility to conduct an Open Season to award capacity in the constrained capacity areas of Northern San Joaquin and Southern Imperial counties.

**K. Amendment Prevails.** In the event of any conflict or inconsistency between this Amendment and the MSC Schedule A, the terms and conditions of this Amendment shall control.

**5. Except as provided herein, all other terms and conditions of the Agreement (Schedule A) remain the same and are hereby ratified and affirmed.**

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

**Customer**

**Utility**

Name: \_\_\_\_\_

Name: Southern California Gas Company\_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

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