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August 25, 2004

Advice No. 3401 U-904-G

Public Utilities Commission of the State of California

Subject: Submission of Long-Term Storage Contract

Southern California Gas Company (SoCalGas) hereby submits for filing with the California Public Utilities Commission (Commission) the attached long-term storage contract SoCalGas has executed with the following customer:

Little Company of Mary Hospital

This filing is made in compliance with Section 9.4 and Ordering Paragraph 14 of Decision No. (D.) 93-02-013, dated February 3, 1993 in A.92-03-038/I.87-03-036.

Information

By this filing, SoCalGas submits one long-term storage service contract (Contract) incorporated herein as Attachment C. As demonstrated in this filing, the Contract meets the storage service guidelines adopted by the Commission in D.93-02-013. The Contract is fixed-price with a provision for escalation of the Contract's reservation charges. The Contract does not contain any special features other than it is fixed-price with a provision for escalation of the Contract's reservation charges.

Accordingly, SoCalGas submits that the Contract should be considered approved by the Commission under the provisions of D.93-02-013 and made effective seven days from the date of this filing (D.93-02-013 at page 34, Resolution No. G-3064 at Ordering Paragraph 5). The provisions of the Contract are summarized as follows:

Contract Term

The Contract shall be in effect for a term of three years. Accordingly, the Contract meets the long-term contract duration guidelines set forth in Finding of Fact No. 44 of D.93-02-013.

Contract Services

All of the annual inventory, firm injection, and firm withdrawal services subscribed under the Contract shall be provided by SoCalGas through existing storage facilities. The specific amounts of storage inventory, injection, and withdrawal services elected by the customer is summarized in Attachment B. The customer has not elected the Drive Gas option under SoCalGas' long-term storage program.

Reservation Charges

In accordance with the provisions of Finding of Fact No. 45 of D.93-02-013, any over- or under-collections resulting from fixed-price contracts shall be the responsibility of SoCalGas' shareholders. The reservation charges under the Contract are initially set equal to the current rates in SoCalGas' Schedule No. G-LTS. The reservation charges are as follows:

Annual Inventory = \$0.214 per decatherm

Firm Withdrawal = \$11.584 per decatherm per day

Firm Injection = \$0.09425 per decatherm per day (every day of the month reserved)

Beginning on April 1, 2005, and for each April 1 thereafter, the injection, withdrawal, and inventory reservation charges for the Contract Year shall be adjusted based on the percentage difference between the Consumer Price Index - All Urban Consumers (CPI) for September, as published by the Bureau of Labor Statistics in December of the calendar year immediately preceding such April, and the September CPI published in December for the previous calendar year.

Effective Date of Contract

As demonstrated in this filing, the Contract filed hereunder meets the guidelines for storage service as authorized by the Commission in D.93-02-013. Accordingly, pursuant to Section 9.4 of D.93-02-013, the Contract should be considered approved and made effective on and after September 1, 2004, which is at least seven days from the date of this filing.

This advice letter will not increase any rate or charge, conflict with any rate schedules or rules, or cause the withdrawal of any service.

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. There is no restriction on who may file a protest. The address for mailing or delivering a protest to the Commission is:

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

Copies of the protest should also be sent via e-mail to the attention of both Jerry Royer (jir@cpuc.ca.gov) and to Honesto Gatchalian (jin@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 No. 96-A, a copy of this advice letter is being sent to the parties listed on Attachment A. Copies of the Agreement referenced herein have been provided to the Commission Staff. Other parties may request a copy of this Agreement by contacting (213) 244-4298.

J. STEVE RAHON
Director
Tariffs and Regulatory Accounts

Attachments

ATTACHMENT A

Advice No. 3401

(See Attached Service List)

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

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

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California Energy Market Lulu Weinzimer Iuluw @newsdata.com

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

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Coral Energy County of Los Angeles Crossborder Energy Walter Cinibulk Stephen Crouch Tom Beach 1100 N. Eastern Ave., Room 300 wcinibulk@coral-energy.com tomb@crossborderenergy.com Los Angeles, CA 90063 Pat Darish Davis Wright Tremaine, LLP **Davis Wright Tremaine, LLP** pdarish@acninc.com Christopher Hilen Edward W. O'Neill chrishilen@dwt.com One Embarcadero Center, #600 San Francisco, CA 94111-3834 **Dept. of General Services Dept. of General Services** Davis, Wright, Tremaine Judy Pau **Celia Torres Deniese Earley** judypau@dwt.com celia.torres@dgs.ca.gov deniese.earley@dgs.ca.gov **Dan Douglass** Downey, Brand, Seymour & Rohwer Downey, Brand, Seymour & Rohwer douglass@energyattorney.com **Ann Trowbridge** Phil Stohr atrowbridge@dbsr.com pstohr@dbsr.com Downey, Brand, Seymour & Rohwer **Duke Energy North America** Dynegy Dan Carroll **Melanie Gillette** Joseph M. Paul dcarroll@downeybrand.com mlgillette@duke-energy.com jmpa@dynegy.com Gas Purchasing **Enserch Gas Marketing, Inc. General Services Administration Cathy Hawes** BC Gas Utility Ltd. Facilities Management (9PM-FT) 353 Sacramento, St., Suite 400 16705 Fraser Highway 450 Golden Gate Ave. San Francisco, CA 94111 Surrey, British Columbia, V3S 2X7 San Francisco, CA 94102-3611 Goodin, MacBride, Squeri, Ritchie & Goodin, MacBride, Squeri, Ritchie & Jacqueline Greig Day, LLP Day, LLP jnm@cpuc.ca.gov J. H. Patrick James D. Squeri hpatrick@gmssr.com jsqueri@gmssr.com **Hanna & Morton David Huard** Imperial Irrigation District dhuard@manatt.com K. S. Noller Norman A. Pedersen, Esq. npedersen@hanmor.com P. O. Box 937 Imperial, CA 92251 **JBS Energy** Jeffer, Mangels, Butler & Marmaro Kern River Gas Transmission Company 2 Embarcaero Center, 5th Floor Janie Nielsen Jeff Nahigian San Francisco, CA 94111 Janie.Nielsen@KernRiverGas.com jeff@jbsenergy.com **LADWP LADWP** Law Office of Andrew J. Skaff Nevenka Ubavich Randy Howard **Andrew Skaff** nubavi@ladwp.com P. O. Box 51111, Rm. 956 andy@skafflaw.com Los Angeles, CA 90051-0100

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Communities Assoc. Sheila Day sheila@wma.org

Western Manufactured Houseing

ATTACHMENT B

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SUMMARY OF STORAGE SERVICE

Little Company of Mary Hospital

Inventory	Withdrawal	Injection
<u>(dth)</u>	(dth/day)	(dth/day) (Month)
900	300	29 September

ATTACHMENT C

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LONG-TERM STORAGE CONTRACT

Little Company of Mary Hospital