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September 24, 2004

Advice No. 3410
U-904-G

Public Utilities Commission of the State of California

Subject: Submission of Long-Term Storage Contracts

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

University of Southern California (renewed)
Anheuser Busch, Inc (renewed)

A customer having a previous long term storage contact that has expired and has signed a new 3 year long-term storage contract with SoCalGas is indicated as a "renewed" contract.

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 two long-term storage service contracts (Contracts) incorporated herein as Attachment C. As demonstrated in this filing, the Contracts meet the storage service guidelines adopted by the Commission in D.93-02-013. The Contracts are fixed-price with a provision for escalation of the Contract's reservation charges. The Contracts do 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 Contracts 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 Contracts are summarized as follows:

Contract Term

The Contracts shall be in effect for a term of three years. Accordingly, the Contracts meet 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 Contracts 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 customers have 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 Contracts filed hereunder meet 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 Contracts should be considered approved and made effective on and after October 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, nor cause the withdrawal of any service.

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 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 (ijnj@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
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Attachments

ATTACHMENT A

Advice No. 3410

(See Attached Service List)

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ATTACHMENT B

Advice No. 3410

SUMMARY OF STORAGE SERVICE

University of Southern California

<u>Inventory</u> <u>(dth)</u>	<u>Withdrawal</u> <u>(dth/day)</u>	<u>Injection</u> <u>(dth/day)</u>	<u>(Month)</u>
8,000	1,100	258	March

Anheuser Busch, Inc

<u>Inventory</u> <u>(dth)</u>	<u>Withdrawal</u> <u>(dth/day)</u>	<u>Injection</u> <u>(dth/day)</u>	<u>(Month)</u>
21,250	4,250	708	October

ATTACHMENT C

Advice No. 3410

LONG-TERM STORAGE CONTRACT

University of Southern California

Anheuser Busch, Inc