

PUBLIC UTILITIES COMMISSION

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November 20, 2007

Advice Letters 3706-A
3706-B

Mr. Sid Newsom
Regulatory Tariff Administration
Southern California Gas Company – GT14D6
555 West Fifth Street
Los Angeles, CA 90013-4957



Subject: Supplemental Filings – Establishment and Modification of Tariffs and Regulatory Accounts Related to the Implementation of System Integration, Firm Access Rights (FAR), Off-System Delivery and Gas Pooling Services

Dear Mr. Newsom:

Advice Letters 3706-A and 3706-B are effective November 16, 2007.

Sincerely,

A handwritten signature in black ink, appearing to read "Sean H. Gallagher".

Sean H. Gallagher, Director
Energy Division



Ken Deremer
Director
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September 17, 2007

Advice No. 3706-A
(U 904 G)

Public Utilities Commission of the State of California

Subject: SUPPLEMENTAL FILING - Establishment and Modification of Tariffs and Regulatory Accounts Related to the Implementation of System Integration, Firm Access Rights (FAR), Off-System Delivery and Gas Pooling Services

In compliance with Ordering Paragraph (OP) 2 of Resolution G-3407 (the Resolution), dated September 6, 2007, Southern California Gas Company (SoCalGas) hereby submits for filing revisions to its tariffs and Preliminary Statement, Part V, Balancing Accounts, as shown on Attachment B. This supplemental filing replaces in its entirety Advice No. (AL) 3706, dated January 29, 2007. A red-lined version of the changes ordered by the Resolution compared to SoCalGas' FAR tariffs filed in AL 3706 is provided in Attachment C. San Diego Gas & Electric Company (SDG&E) is concurrently making a similar filing.

Purpose

This supplemental filing establishes and/or modifies tariffs to implement the FAR system and services adopted in D.06-12-031. This filing eliminates Schedule No. G-ITC, Interconnect Access Service, as proposed by SoCalGas and adopted in D.06-12-031. This filing also establishes the Integrated Transmission Balancing Account (ITBA) pursuant to Ordering Paragraph (OP) 1.c. of Decision (D.) 06-04-033 and expands this account for firm access rights consistent with OP 6 of D.06-12-031 and Findings 14 and 39 of Resolution G-3407. Lastly, this filing also revises existing regulatory accounts consistent with these decisions.

Background

On April 13, 2006, the Commission issued D.06-04-033 approving SDG&E and SoCalGas' system integration proposal to combine the transmission costs of the two utilities and to develop integrated transmission rates for various customer classes of both utilities using the proposed cost allocation methodology. The proposal provides the framework for allowing customers of both utilities to access gas supplies flowing into existing or new receipt points on both systems at the same transmission rate. System Integration is to be implemented once regasified LNG deliveries from Baja Mexico are available at the Otay Mesa receipt point. SDG&E and SoCalGas filed AL 1718-G and AL 3771 respectively to implement System Integration on September 6, 2007, which is approximately 120 days prior to the expected delivery of regasified LNG to the Otay Mesa receipt point.

On December 14, 2006, the Commission issued D.06-12-031 adopting SDG&E and SoCalGas' firm access rights and off-system delivery proposals (with modifications including unbundling the five cents/decatherm/day firm access rights charge). The decision also retains SoCalGas' peaking rate tariff but does not adopt the proposal to include the multi-unit electric generation (EG) provision as part of the peaking rate tariff.

On January 29, 2007, SoCalGas filed AL 3706 to establish and/or modify tariffs and regulatory accounts to implement the FAR system and services adopted in D.06-12-031. On September 6, 2007, the Commission issued Resolution G-3407 which approved AL 3706 with modifications and ordered SoCalGas to file a supplemental AL within 10 days to make the required modifications to tariff language as ordered in the Resolution.

Establishment and Modification of Tariffs

Pursuant to OP3 of D.06-12-031, SoCalGas is establishing new tariffs or modifying existing tariffs or rules, as summarized below, to implement the FAR system and off-system delivery service to the Pacific Gas & Electric Company (PG&E) system; they were first filed in AL 3706. As required by Resolution G-3407, SoCalGas re-submits modified tariffs addressing the changes outlined in the Resolution. Those tariffs are incorporated herein as Attachment B and in red-line form compared to AL 3706 as Attachment C. These tariffs also eliminate the five-year monthly average interconnect usage as the maximum receipt point quantity available to end-users in Step 2 of the FAR open season process as required by D.07-06-003.

- New Schedule No. G-RPA, Receipt Point Access – Service provided to customers for firm and interruptible receipt point access rights into Utility's transmission system.
- New Schedule No. G-Pool, Pooling Service – Gas pooling service provided to customers to facilitate the transfer and delivery of gas within the transmission system after the gas has been scheduled through the receipt points.
- New Schedule No. G-OSD, Off-System Delivery – Service provided to customers for the transportation of natural gas on Utility's Transmission System off-system to the PG&E system.
- Schedule No. G-CP, Core Procurement Service – Modified monthly procurement charge to include an access charge.
- Schedule No. GT-F, Firm Intrastate Transmission Service – Modified to indicate that discounted contracts as of the date of D.06-12-031 shall have their contract rate reduced by the applicable unbundled interruptible receipt point access rate, and that long-term discounted contracts executed after the date of D.06-12-031 shall be deemed to be unbundled and shall not receive a reduction to the rate negotiated to account for receipt point access service.
- Schedule No. GT-I, Interruptible Intrastate Transmission Service – Same change as in Schedule No. GT-F described above.
- Schedule No. GLT, (Enhanced Oil Recovery) Long-Term Transportation of Customer-Owned Natural Gas – Same change as in Schedule No. GT-F described above.
- Rule No. 01, Definitions – Rule modified to define expansion and displacement receipt point capacity. Additionally, the definition of Off-System Customer is revised as ordered in Resolution G-3407.
- Rule No. 30, Transportation of Customer-Owned Gas – Rule modified to address nominations using receipt point access rights.

- Rule No. 32, Core Aggregation Transportation – Rule modified to allow Energy Service Providers (ESPs) to receive receipt point access service by utilizing Schedule No. G-RPA and, under the schedule, have the set-aside option to acquire firm receipt point access rights during the open season process.
- Rule No. 33, Electronic Bulletin Board – Rule modified to include receipt point access rights information to facilitate the trade of these rights in a secondary market.
- Rule No. 39, Access to the SoCalGas Pipeline System – Rule modified to describe the Utility's responsibility for a customer's request to establish or increase the takeaway capacity at a receipt point.

Establishment of New Regulatory Accounts

Pursuant to D.06-04-033, D.06-12-031, and modified in Resolution G-3407, SoCalGas is establishing the ITBA detailed below in preparation to implement system integration, firm access rights and off-system deliveries. To facilitate the accounting of the firm access rights, SoCalGas will establish a Firm Access Rights (FAR) subaccount within the ITBA to record firm and interruptible access charges.

SoCalGas also initially proposed a balancing account mechanism for off-system delivery services; however, since off-system delivery service is limited to interruptible off-system delivery service to the PG&E system and such service does not place a significant cost burden on SoCalGas' system, SoCalGas will not establish a separate balancing account mechanism at this time¹. SoCalGas plans to record interruptible off-system delivery service to the PG&E system in the FAR Subaccount of the ITBA. Consistent with D.06-12-031, the ITBA, as filed herein, reflects the removal of the language regarding a shareholder incentive mechanism for revenues associated with interruptible access and off-system delivery service that was proposed and filed in the exemplary tariffs in A.04-12-004.

ITBA - The ITBA consists of two subaccounts: The SI Subaccount and the FAR Subaccount. The purpose of the SI Subaccount is to record the difference between the authorized transmission system revenue requirements and the corresponding transmission revenues. The FAR Subaccount will record the difference between actual FAR revenues received and the FAR revenue requirement, interruptible access charges and revenues from interruptible off-system delivery service to the PG&E system. Under System Integration, the balance in the ITBA – SI Subaccount shall be combined with the balance in SDG&E's ITBA - Subaccount and re-allocated between the utilities based on cold year throughput. Each utility's allocation of the combined ITBA SI and SoCalGas' FAR Subaccount balances shall then be amortized in the following year's customer rates and FAR reservation charges (SoCalGas only), respectively, as proposed in their respective annual October regulatory account balance update filing.

The ITBA – SI Subaccount will not record activity until system integration rates are in effect in the month regasified LNG is expected to flow at Otay Mesa. The ITBA – FAR

¹ SoCalGas may propose a separate off-system deliveries balancing account mechanism in the future in an application establishing firm off-system delivery service to PG&E or off-system delivery service to pipeline interconnections other than PG&E (pursuant to pages 119 and 120 of D.06-12-031).

Subaccount will record activity once the FAR system and the interruptible off-system delivery service to the PG&E system are implemented.

Modification of Existing Balancing Accounts

Consistent with the aforementioned decisions, SoCalGas revises its existing regulatory accounts as detailed below to reflect changes associated with the implementation of system integration, firm access rights, and off-system deliveries. Except for the removal of the in-kind gas treatment proposed for company use fuel costs in A.04-12-004, the changes described below are consistent with the changes presented in SoCalGas' exemplary tariffs filed in June 2006².

- Purchased Gas Account (PGA) – A Firm Access Rights Subaccount shall be established in the PGA to track the costs to core procurement customers for firm and interruptible access rights, net of any costs and revenues associated with the purchase or sale of firm access rights in the secondary market and the corresponding revenues to recover these costs.
- Core Fixed Cost Account (CFCA)/Noncore Fixed Cost Account (NFCA) – The CFCA and NFCA are revised to exclude the recording of transmission revenue requirements and the FAR revenue requirement associated with the 5 cents/decatherm/day charge that will be tracked in the ITBA once system integration rates and firm access rights, respectively, are implemented.
- Enhanced Oil Recovery Account (EORA) – Revenues recorded to the EORA relate to long-term contracts. Similar to the treatment of noncore discounted contracts, the EORA contracted rate shall be reduced by the applicable unbundled receipt point access rate. The revenues associated with receipt point access will continue to be balanced in the EORA to offset the corresponding FAR revenue requirement allocated to EORA customers. Accordingly, the EORA is revised to reflect the recording of any firm or interruptible access revenues.

Elimination of Schedule No. G-ITC, Interconnect Access Service

D.06-12-031 and Resolution G-3407 adopted SoCalGas' proposal for elimination of Schedule No. G-ITC, Interconnect Access Service with the implementation of the tariffs filed herein.

With this filing, SoCalGas will eliminate Schedule No. G-ITC, and it is herein removed from SoCalGas' tariff book, as shown in the Table of Contents for Rate Schedules as contained in Attachment B.

Revenue Requirement Impact

Pursuant to the directive in the Resolution to base the transportation rate credit on the higher of the actual firm FAR subscription level or projected 2008 cold year throughput, rates are not presented herein, but will be updated after the FAR open season when this figure will be known.

² The changes described in the CFCA/NFCA are the same as originally filed in Advice No. 3706 but also reflect subsequent changes approved by the Commission as filed in Advice No. 3714 regarding the treatment of costs related to the payment deferral plan adopted in Resolution E-4065.

Sample Forms

There are no changes to the sample forms filed with Advice No. 3706 except for the Electronic Bulletin Board Agreement – Exhibit A – EBB Logon ID Request Form (6800-A) and Firm Receipt Point Location Change Request – Form (2900). Under EBB Service Selections, “Capacity Trading” as a service has been added. Within Form 2900 the TGN interconnect point was added. See Attachment B for a listing of the sample forms.

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:

CPUC Energy Division
Attn: Tariff Unit
505 Van Ness Avenue
San Francisco, CA 94102

Copies of the protest should also be sent via e-mail to the attention of both Maria Salinas (mas@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

Effective Date

Ordering Paragraph 4 of D.06-12-031 states:

“The FAR system, the gas pooling service, and the off-system delivery service to PG&E shall be implemented and operational beginning no later than 365 days after a decision, resolution, or Energy Division has approved the implementing tariffs and related services.”

However, in order to implement the requisite open season, the effective date for Schedule No. G-RPA, as shown in Attachment B, needs to be at least 4 or 5 months prior to the effective date for the rest of the tariffs. OP 4 of Resolution G-3407 directs that “The supplemental advice letters shall be subject to the full protest period and review of the Energy Division” and, as such, SoCalGas believes that this filing is subject to Energy Division disposition and should be classified as Tier 2 (effective after staff approval) pursuant to GO 96-B. SoCalGas therefore respectfully requests that this advice letter and Schedule No. G-RPA be approved on October 17, 2007, which is 30 calendar days after the date filed. SoCalGas requests that the rest of the tariffs filed herein be approved and made effective for service on and after the first day of the month no later than the 365-day

period after the final approval referenced in OP 4 of D.06-12-031. SoCalGas will notify the Commission within 90 days after this final approval at to the exact effective date.

Notice

In compliance with OP 4 of Resolution G-3407 this supplemental advice letter is being sent to all parties listed on Attachment A to this advice letter, which includes the service lists in A. 04-12-004, Phase I, System Integration, and Phase II, Firm Access Rights and Off-System Gas Transportation Services.

KEN DEREMER
Director
Tariffs and Regulatory Accounts

Attachments

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No. **SOUTHERN CALIFORNIA GAS COMPANY (U 904-G)**

Utility type:

ELC

GAS

PLC

HEAT

WATER

Contact Person: Sid Newsom

Phone #: (213) 244-2846

E-mail: snewsom@semprautilities.com

EXPLANATION OF UTILITY TYPE

ELC = Electric

GAS = Gas

PLC = Pipeline

HEAT = Heat

WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: 3706-A

Subject of AL: Supplemental: Establishment and Modification of Tariffs and Regulatory Accounts
Related to the Implementation of SI, FAR, Off System Delivery and Gas Pooling Services

Keywords (choose from CPUC listing): Core, Cogeneration Transportation Rates, UEG, Volumetric

AL filing type: Monthly Quarterly Annual One-Time Other

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #:

D06-12-033, D07-06-033, G-3407

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL No

Summarize differences between the AL and the prior withdrawn or rejected AL¹: N/A

Does AL request confidential treatment? If so, provide explanation: No

Resolution Required? Yes No

Tier Designation: 1 2 3

Requested effective date: 10/17/07

No. of tariff sheets: 96

Estimated system annual revenue effect (%): None

Estimated system average rate effect (%): None

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: PS V, G-CP, GT-F, GT-I, G-OSD, G-RPA, G-POOL, GLT, Rule 1, Tule 30,
Rule 32, Rule 33, Rule 39, Sample Forms & TOCs

Service affected and changes proposed¹: N/A

Pending advice letters that revise the same tariff sheets: None

Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division

Attention: Tariff Unit

505 Van Ness Ave.

San Francisco, CA 94102

mas@cpuc.ca.gov and jnj@cpuc.ca.gov

Southern California Gas Company

Attention: Sid Newsom

555 West Fifth Street, GT14D6

Los Angeles, CA 90013-1011

snewsom@semprautilities.com

¹ Discuss in AL if more space is needed.

ATTACHMENT A
Advice No. 3706-A

(See Attached Service Lists)

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ATTACHMENT B
Advice No. 3706-A

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PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS
DESCRIPTION AND LISTING OF BALANCING ACCOUNTS

Sheet 1

A. GENERAL

Balancing accounts are those regulatory accounts where authorized expenses are compared with revenues from rates designed to recover those expenses. The resulting under or overcollection, plus interest calculated in the manner described in Preliminary Statement, Part I, is recorded on the Utility's financial statements as an asset or liability, which is owed from or due to the ratepayers. Balances in balancing accounts are to be amortized in rates.

B. LISTING OF BALANCING ACCOUNTS

- Purchased Gas Account (PGA)
- Core Fixed Cost Account (CFCA)
- Noncore Fixed Cost Account (NFCA)
- Enhanced Oil Recovery Account (EORA)
- Noncore Storage Balancing Account (NSBA)
- California Alternate Rates for Energy Account (CAREA)
- Brokerage Fee Account (BFA)
- Hazardous Substance Cost Recovery Account (HSCRA)
- Natural Gas Vehicle Account (NGVA)
- El Paso Turned-Back Capacity Balancing Account (EPTCBA)
- Gas Cost Rewards and Penalties Account (GCRPA)
- Pension Balancing Account (PBA)
- Post-Retirement Benefits Other Than Pensions Balancing Account (PBOPBA)
- Conservation Expense Account (CEA)
- Research Development and Demonstration Gas Surcharge Account (RDDGSA)
- Demand Side Management Balancing Account (DSMBA)
- Direct Assistance Program Balancing Account (DAPBA)
- California Solar Initiative Balancing Account (CSIBA)
- Integrated Transmission Balancing Account (ITBA)

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(TO BE INSERTED BY UTILITY)
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 DECISION NO. 06-12-031, 07-06-003

ISSUED BY
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 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Sep 17, 2007
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PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS
PURCHASED GAS ACCOUNT (PGA)

Sheet 1

The PGA is a balancing account. The purpose of this account is to balance the recorded cost of gas bought for the Utility portfolio with revenue from the sale of that gas.

a. The PGA consists of six subaccounts. They are:

1. The Core Subaccount which tracks the cost of gas procured for core customers and revenues from the sale of that gas.
2. The Core-Subscription Subaccount which tracks the cost of gas procured for core-subscription customers and revenues from the sale of that gas.
3. The Noncore Standby Service Subaccount which tracks the cost of gas purchases and the revenues from the sale of gas procured to provide standby procurement service for noncore customers.
4. The Excess Core Supply Subaccount which tracks the cost of gas purchases and the revenues from the sale of excess core supplies.
5. The Firm Access Rights Subaccount which tracks the costs to core procurement customers for firm and interruptible access rights, net of any costs and revenues associated with the purchase or sale of firm access rights in the secondary market and the corresponding revenues to recover these costs.
6. The Take-or-Pay Subaccount which tracks revenue from take-or-pay charges that core-subscription customers incur.
7. The Core Brokerage Fee Subaccount which tracks revenues from the core brokerage fee and the authorized core brokerage fee.

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b. The Utility shall maintain the PGA by making entries at the end of each month as follows:

1. A debit entry equal to the recorded gas cost in the Utility Portfolio Account during the month, which includes all gas and transmission access rights purchased for procurement customers.
2. Credit entries equal to the procurement revenue, which includes recovery of transmission access rights, from the sale of gas delivered during the month and amortization of the forecasted revision date PGA balance, excluding the allowance for F&U.
3. A credit entry equal to the brokerage fee charged to core customers less the allowance for F&U.
4. A debit entry equal to 1/12 of the annual core brokerage fee revenue requirement.

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(Continued)

(TO BE INSERTED BY UTILITY)
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PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS
CORE FIXED COST ACCOUNT (CFCA)

Sheet 1

The CFCA is an interest bearing balancing account recorded on SoCalGas' financial statements. The purpose of this account is to balance the difference between authorized margin, (excluding the transmission revenue requirements and firm access rights (FAR) revenue requirement upon implementation of system integrated rates and the FAR system, respectively), transition, and other non-gas fixed costs, including administrative costs and uncollectible deferred billings associated with the payment deferral plan pursuant to Resolution E-4065, allocated to the core market with revenues intended to recover these costs.

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On a monthly basis, SoCalGas maintains this account as follows:

SoCalGas debits this account with the core portion of the following costs: gas margin costs, transition costs, other non-gas operating costs, and incremental administrative costs and any amounts written off as uncollectible associated with the payment deferral plan.

SoCalGas credits this account with the core portion of the following revenues: transportation revenues from core deliveries; revenues from the sale of core storage capacity rights; base revenues that would have been collected from customers absent the core pricing flexibility program; and other revenues that the Commission has directed SoCalGas to allocate to the core market. Pursuant to D.03-10-017, revenues also include core's allocation of the capital component of FIG (fiber optic cable in gas pipelines) revenues associated with the use of the gas distribution system until superseded by ratemaking adopted in SoCalGas' 2004 PBR/Cost of Service Proceeding (A.02-12-027).

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In addition, SoCalGas adjusts this account to amortize previously accumulated overcollected or undercollected balances, after adjustment for the portion allocable to the NGV customer class, to reflect payment to, or recovery from, ratepayers. Pursuant to Resolution G-3380, on an annual basis, SoCalGas shall transfer a portion of the CFCA over or under collection balance that is allocable to the NGV customer class to the Natural Gas Vehicle Account (NGVA). SoCalGas also adjusts this account to reflect volumetric differences associated with the core amortization recorded in other regulatory accounts.

(TO BE INSERTED BY UTILITY)
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PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS
NONCORE FIXED COST ACCOUNT (NFCA)

Sheet 1

The NFCA is an interest-bearing balancing account. The purpose of this account is to balance the difference between authorized margin (excluding the transmission revenue requirements and firm access rights (FAR) revenue requirement upon implementation of system integrated rates and the FAR system, respectively), transition, and other non-gas fixed costs associated with the noncore market, including administrative costs and uncollectible deferred billings associated with the payment deferral plan pursuant to Resolution E-4065 with noncore revenues intended to recover these costs. Noncore revenues exclude Enhanced Oil Recovery (EOR) and unbundled storage revenues and revenues from (1) non-tariff contracts for service to DGN, (2) future non-tariff contracts with Sempra Energy affiliates not subject to competitive bidding, and (3) Competitive Load Growth Opportunities for noncore Rule No. 38 and Red Team incentive revenues. Pursuant to D.03-10-017, revenues also include noncore's allocation of the capital component of FIG (fiber optic cable in gas pipeline) revenues associated with the use of the gas distribution system until superseded by ratemaking adopted in SoCalGas' 2004 PBR/Cost of Service Proceeding (A.02-12-027). Pursuant to D.02-12-017, the Commission authorized 100% balancing account protection effective January 1, 2003 until the date the new BCAP rates go into effect.

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On a monthly basis, SoCalGas maintains this account as follows:

SoCalGas debits this account with 100% of the seasonally forecasted noncore and wholesale revenues, including transition and certain non-gas costs allocated to the noncore market, incremental administrative costs and any amounts written off as uncollectible associated with the payment deferral plan pursuant to Resolution E-4065, and excluding the transactions stated above less F&U.

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SoCalGas credits this account with 100% of the actual noncore and wholesale revenues excluding the transactions stated above less F&U.

In addition, SoCalGas adjusts this account to amortize previously accumulated overcollected or undercollected balances to reflect payment to, or recovery from, ratepayers.

(TO BE INSERTED BY UTILITY)
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 Regulatory Affairs

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PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS
ENHANCED OIL RECOVERY ACCOUNT (EORA)

Sheet 1

This EORA is a balancing account. The purpose of this account is to balance recorded EOR revenue with forecasted EOR revenues. The Utility shall maintain the EORA by making entries at the end of each month as follows:

- a. A debit entry equal to one-twelfth of the forecasted EOR revenue amount used to offset the revenue requirement in the most recent annual cost-allocation proceeding;
- b. A debit entry equal to the amortization of the forecasted revision date EORA balance;
- c. A credit entry equal to 3.0 cents per therm plus 75 percent of EOR non-gas revenue under contracts signed on or before December 3, 1986, and an amount equal to the short-run marginal cost plus 95 percent of EOR non-gas revenue under contracts signed subsequent to December 3, 1986. EOR non-gas revenue shall equal revenue from EOR customers, including any firm or interruptible access revenues, and excluding the following:
 - 1. A floor rate of 3.0¢ per therm for contracts signed on or before December 3, 1986, and a floor rate equal to the short-run marginal cost for contracts signed subsequent to December 3, 1986,
 - 2. Gas procurement costs, and
 - 3. Interutility transportation costs; and
 - 4. LUAF, CU and CCSI.
- d. An entry equal to interest on the average of the balance in the account during the month, calculated in the manner described in Preliminary Statement, Part I, J.

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Schedule No. G-CP
CORE PROCUREMENT SERVICE

Sheet 1

APPLICABILITY

Applicable for natural gas procurement service provided to core customers from the Utility's core portfolio, as defined in Rule No. 1. Service hereunder will be rendered in accordance with the provisions of the customer's otherwise-applicable rate schedule, as defined in Special Condition 2.

TERRITORY

Applicable throughout the service territory.

RATES

The residential and non-residential procurement charges will be subject to change monthly, as set forth in D.98-07-068. The adjusted procurement charge is subject to change monthly, as set forth in Resolution G-3357. The procurement charges will be based upon the estimated average price of flowing gas supplies during the injection season, and a blend of the weighted average estimated monthly price of flowing gas supplies and the estimated price of gas withdrawn from storage, when applicable. The Cross-Over Rate, as set forth in D.02-08-065, will be the higher of the procurement charge described above or the Adjusted Border Price, as described below. The Utility will file the core procurement charges and affected core service rate schedules on the last business day of the previous month, to be effective the first day of the following month; except the Cross-Over Rate. The Cross-Over Rate will be filed on or before the 9th calendar day of each month, to be effective the 10th calendar day of each month.

G-CPNR

This charge is for non-residential core service. Pursuant to D.96-08-037, Utility was authorized to change its non-residential procurement charge monthly beginning in January 1997.

The non-residential monthly gas procurement charge is comprised of: (1) the weighted average estimated cost of gas (WACOG) for the current month, derived in the manner set forth in D.98-07-068, including reservation charges associated with interstate pipeline capacity contracts entered into by the Utility pursuant to D.04-09-022 and D.02-06-023, and the carrying cost of storage inventory pursuant to D.07-12-019; (2) authorized franchise fees and uncollectible expenses; (3) authorized core brokerage fee; (4) any adjustments for over- or under-collection imbalance in the Core Purchased Gas Account (CPGA) imbalance band as defined and approved in D.98-07-068; (5) access charges as described in D.06-12-031; and (6) an adjustment for the Gas Cost Incentive Mechanism (GCIM) reward/penalty pursuant to D.02-06-023. The CPGA component is an adder in the case of an under-collection and a subtracter in the case of an over-collection.

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(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3706-A
 DECISION NO. 06-12-031, 07-06-003

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Sep 17, 2007
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Schedule No. G-CP
CORE PROCUREMENT SERVICE

Sheet 3

(Continued)

RATES (Continued)

G-CPR (Continued)

The monthly residential gas procurement charge is comprised of: (1) the weighted average cost of gas (WACOG) for the current month, derived in the manner set forth in D.98-07-068, including reservation charges associated with interstate pipeline capacity contracts entered into by the Utility pursuant to D.04-09-022 and D.02-06-023; (2) authorized franchise fees and uncollectible expenses; (3) authorized core brokerage fee; (4) any adjustments for over- or under- collection imbalance in the Core Purchased Gas Account (CPGA) imbalance band as defined and approved in D.98-07-068; access charges as described in D.06-12-031; and (6) an adjustment for the Gas Cost Incentive Mechanism (GCIM) reward/penalty pursuant to D.02-06-023. The CPGA component is an adder in the case of an under-collection and a subtracter in the case of an over-collection.

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Cost of Gas, per therm	63.354¢
Brokerage Fee, per therm	<u>0.201¢</u>
Total Core Procurement Charge, per therm	63.555¢

G-CPRC

This is the residential Cross-Over Rate authorized in D.02-08-065. This charge will be applicable for the first 12 months for: (1) residential core transportation customers who consumed over 50,000 therms in the last 12 months and who transfer to utility procurement, or (2) 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-CPR 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, plus access charges as described in D.06-12-031.

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Cost of Gas, (1) and (2) above, per therm	65.520¢
Brokerage Fee, per therm	<u>0.201¢</u>
Total Core Procurement Charge, per therm	65.721¢

The Border Price will be posted on the Utility's Internet web site at <http://www.socalgas.com>.

(Continued)

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Schedule No. G-CP
CORE PROCUREMENT SERVICE

Sheet 4

(Continued)

RATES (Continued)

G-CPA

This rate is for the purposes of calculating the municipal surcharge as defined in Schedule No. G-MSUR; the Buy-Back Rates as defined in Schedule No. G-IMB; involuntary diversions; and VCPPA deliveries as defined in Rule No. 23 and purchases of storage gas as defined in Rule No. 32. This rate is equivalent to the Core Subscription Procurement Charge, previously reported in Schedule No. G-CS, that was eliminated pursuant to Decision 01-12-018 and Resolution G-3357, effective December 1, 2003.

The monthly adjusted gas procurement charge is comprised of: (1) the weighted average cost of gas (WACOG) for the current month, derived in the manner set forth in D.98-07-068, including reservation charges associated with interstate pipeline capacity contracts entered into by the Utility pursuant to D.04-09-022 and D.02-06-023; (2) authorized franchise fees and uncollectible expenses; (3) any adjustments for over- or under-collection imbalance in the Core Purchased Gas Account (CPGA) imbalance band as defined and approved in D.98-07-068; (4) access charges as described in D.06-12-031; and (5) an adjustment for the Gas Cost Incentive Mechanism (GCIM) reward/penalty pursuant to D.02-06-023. The charge is exclusive of (1) core storage gas withdrawals and (2) authorized core brokerage fee. The CPGA component is an adder in the case of an under-collection and a subtracter in the case of an over-collection.

Adjusted Core Procurement Charge, per therm 63.535¢

The current procurement charge will be posted on the Utility's Electronic Bulletin Board (EBB), as defined in Rule No. 1, and Internet web site at <http://www.socalgas.com/regulatory>.

The Utility will reflect all applicable taxes, fees, and surcharges and/or credits imposed as a result of providing service hereunder.

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

SPECIAL CONDITIONS

1. Definitions of the principal terms used in this rate schedule and the Utility's other tariffs are provided in Rule No. 1.
2. Service provided hereunder is subject to the terms and conditions of the Utility's tariff schedules on file with the Commission. Charges for transmission service will be in accordance with the Utility's core transportation rate schedules. The terms and conditions in the customer's otherwise-applicable core procurement schedule apply.

(Continued)

(TO BE INSERTED BY UTILITY)
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Schedule No. G-OSD
OFF-SYSTEM DELIVERY SERVICE

Sheet 1

APPLICABILITY

Applicable to transportation of natural gas on the Utility’s Transmission System off-system to the Pacific Gas & Electric Company (PG&E) system. Service under this Schedule is available to any creditworthy party. All eligible participants are collectively referred to herein as “Customers” unless otherwise specified.

TERRITORY

Applicable throughout the service territory.

RECEIPT POINTS

The Receipt Points available for service under this schedule are a Receipt Point Access Contract, a City Gate Pool agreement as defined in Schedule No. G-POOL, or a SoCalGas storage account.

OFF-SYSTEM DELIVERY POINTS

The Delivery Point available for service under this schedule is the Kern River Station delivery point for PG& E or other PG&E interconnection points that may be added in the future.

RATES

<u>Rate</u>	<u>Description of Service</u>	<u>Rate Structure</u>	<u>Rate (per Dth)</u>
G-OSDI	Interruptible	100% Volumetric	\$0.05
G-OSDF	Firm	To be determined in open season	To be determined in open season

BILLING CALCULATION

Monthly Volumetric Charge:

The Volumetric Charge for each billing period shall be calculated using the applicable volumetric rate multiplied by the scheduled quantities during the billing period.

$$\text{Monthly Volumetric Charge} = \text{Volumetric Rate} * \text{Quantities of Gas scheduled during billing period}$$

(Continued)

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Schedule No. G-RPA
RECEIPT POINT ACCESS

Sheet 2

(Continued)

RECEIPT POINTS (Continued)

EPN – El Paso Natural Gas Pipeline
TGN – Transportadora de Gas Natural de Baja California
NBP – North Baja Pipeline
TW – Transwestern Pipeline
MP – Mojave Pipeline
QST – Questar Southern Trails Pipeline
KR – Kern River Pipeline
PG&E – Pacific Gas and Electric
OEHI – Occidental of Elk Hills

Transmission Zone Contract Limitations:

Southern Zone – In total EPN Ehrenberg and NBP Blythe cannot exceed 1210 MMcfd.
Southern Zone – In total EPN Ehrenberg, NBP Blythe and TGN Otay Mesa cannot exceed 1210 MMcfd.
Northern Zone – In total TW at Topock and EPN at Topock cannot exceed 540 MMcfd.
Northern Zone – In total TW at North Needles and QST at North Needles cannot exceed 800 MMcfd.
Northern Zone – In total TW North Needles, TW Topock, EPN Topock, QST North Needles, and KR Kramer Junction cannot exceed 1590 MMcfd.
Wheeler Ridge Zone – In total PG&E at Kern River Station and OEHI at Gosford cannot exceed 520 MMcfd.
Wheeler Ridge Zone – In total PG&E Kern River Station, OEHI Gosford, and KR/MP Wheeler Ridge cannot exceed 765 MMcfd.

DELIVERY POINTS

Delivery Points available for service under this schedule are:

1. End-User's Local Transportation Agreement
2. Citygate Pool Account
3. Storage Account
4. Contracted Marketer or Core Aggregator Transportation Account
5. Off-System Delivery Service Agreement

(Continued)

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Schedule No. G-POOL
POOLING SERVICE

Sheet 2

(Continued)

SPECIAL CONDITIONS (Continued)

GENERAL (Continued)

7. In a situation where, due to the complexity of the transaction chain, a Pooler's transactions cannot be processed within the scheduling timeline, the Utility will process as many of the transactions as possible.
8. The Pooler shall indemnify, hold harmless and defend the Utility, its officers, agents and employees, against any and all loss, damage, expense and/or liability (including reasonable attorney fees) arising out of or in any way connected with the Pooler's use or intended use of the Utility's pooling service or the performance or non-performance of the Utility's pooling service, however caused, except to the extent caused by the negligence or willful misconduct of the Utility, its officers, agents and employees.

ESTABLISHMENT OF CREDIT

9. The Pooler shall be required to establish and maintain creditworthiness in accordance with the Utility's applicable credit rules.

NOMINATIONS

10. Pooling Services shall be subject to the applicable transportation provisions as contained in Rule No. 30, Transportation of Customer-Owned Gas. Pooling Services shall be an optional service and is not mandatory.
11. Gas may be nominated as follows using Pooling Services:

<u>FROM</u>	<u>TO</u>
Customer Pool Account	Off-System Delivery Agreement
Customer Pool Account	End User, Contracted Marketer, ESP Account
Customer Pool Account	Storage Account
Customer Pool Account	Customer Pool Account
Receipt Point Access Contract	Customer Pool Account
Storage Account	Customer Pool Account

(Continued)

(TO BE INSERTED BY UTILITY)
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Schedule No. GLT
 (Enhanced Oil Recovery)

Sheet 3

LONG-TERM TRANSPORTATION OF CUSTOMER-OWNED NATURAL GAS

(Continued)

SPECIAL CONDITIONS (Continued)

7. Any line extensions, reinforcements and enhancements in addition to standard metering and pressure regulating equipment necessary for service as determined by the Utility will be paid for by the customer to the Utility in advance of construction under a separate facility agreement in accordance with Utility's main extension rule.
8. Unless otherwise ordered by the Commission, gas shall be transported under this schedule for use only by the customer, and not for delivery resale to a third party.
9. Customers having existing gas exchange arrangements with the Utility must exchange the maximum amount of gas allowable under those arrangements prior to the delivery of customer-owned natural gas to the Utility for transmission, unless otherwise agreed to by the Utility.
10. Landfill gas or gas from other biomass processes or natural gas that has impurities in excess of minimum levels as specified in the Service Contract will not be accepted by the Utility for transmission.
11. In the event there is at any time a demand for the firmest levels of transportation service which exceeds the Utility's capacity to provide such service, the available service to new customers shall be allocated to the highest priority customers first.
12. In accordance with Decision 86-12-009, Contracts approved by the Commission will not be required to state that the contract remains subject to the continuing jurisdiction of the Commission.
13. If the actual delivery by the customer's shipper is less than the shipper's minimum delivery obligation, which is equal to 95% of the shipper's requested capacity, then when Utility schedules the next deliveries, it may limit the shipper's available capacity to the quantity of the last recorded actual delivery. If shipper's actual delivery meets the allocated available capacity, the previously agreed capacity level will be reinstated for future deliveries.
14. In accordance with decisions issued in OII 86-06-005 and OIR 86-06-006, this schedule is suspended and closed for new service as of July 26, 1988.
15. Customers under CPUC approved long-term bundled discounted contracts as of the date of D.06-12-031 shall have their contracted rate reduced by the average rate reduction to the GT-F rate associated with the unbundled Receipt Point Access revenues. Long-term discounted contracts after the date of D.06-12-031 shall be deemed to be unbundled and shall not receive a reduction to the rate negotiated to account for receipt point access service.

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Schedule No. G-RPA
RECEIPT POINT ACCESS

Sheet 1

APPLICABILITY

Applicable to firm and interruptible receipt point access rights to Utility's transmission system. Service under this Schedule is available to any creditworthy party. All eligible participants are collectively referred to herein as "customers" unless otherwise specified.

Firm receipt point access rights to Utility's transmission system do not guarantee nor imply firm service on Utility's local transmission/distribution system; such service is defined by the end-use customers' applicable Utility transportation service agreement.

TERRITORY

Applicable throughout the service territory.

RECEIPT POINTS

Receipt Points available for service under this schedule are as follows:

<u>Transmission Zone</u>	<u>Total Transmission Zone Firm Access (MMcfd)</u>	<u>Specific Points of Access (MMcfd)*</u>
Southern	1210	EPN Ehrenberg - 1210 TGN Otay Mesa - 400 NBP Blythe - 1200
Northern	1590	TW North Needles - 800 TW Topock - 190 EPN Topock - 540 QST North Needles - 120 KR Kramer Junction - 500
Wheeler	765	KR/MP Wheeler Ridge - 765 PG&E Kern River Station - 520 OEHI Gosford - 150
Line 85	160	California Supply
Coastal	150	California Supply
Other	<u>N/A</u>	California Supply
Total	3875	

* Any interstate pipeline, LNG Supplier or PG&E that interconnect through a new receipt point may be added to that Transmission Zone.

(Continued)

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Schedule No. G-RPA
RECEIPT POINT ACCESS

Sheet 5

(Continued)

SPECIAL CONDITIONS (Continued)

NOMINATIONS AND BALANCING

8. Service under this rate schedule shall be subject to all applicable terms, conditions and obligations of Rule No. 23, Continuity of Service and Interruption of Delivery, Rule No. 30, Transportation of Customer-Owned Gas, and Rate Schedule No. G-IMB, Transportation Imbalance Service.
9. The Utility will schedule interruptible nominations up to all available receipt point access capacity at each of its Receipt Points subject to Rule No. 30, Transportation of Customer-Owned Gas.
10. Customers holding firm receipt point access capacity will be able to nominate natural gas for delivery on an alternate "within-the-zone" firm basis from any specific Receipt Point within an applicable transmission zone. Customers will also be able to nominate natural gas for delivery on an alternate "outside-the-zone" firm basis from any receipt point on the system. All such nominations will be scheduled in accordance with Rule No. 30, Transportation of Customer-Owned Gas.
11. A customer may opt to designate one and only one nominating agent in addition to itself at any one time to nominate on all RPACs under a customer's RPMA. Customer must provide appropriate written authorization to the Utility of its intent to add or change a designated nominating agent via the Nomination and Trading Authorization Form (Form No. 9924). Such designation shall be subject to that nominating agent complying with applicable tariff and contractual provisions. Customer shall provide appropriate written notice to the Utility of its intent to terminate a nominating agent via the Termination of Nominating or Trading Agent Form (Form No. 9926).

SECONDARY MARKET ASSIGNMENTS

12. Customers who hold firm receipt point access rights may release all or a portion of those rights to any creditworthy party in the secondary market through SoCalGas' EBB (see Special Condition 15 below for exception) at a rate up to 125% of the G-RPA1 rate. Any creditworthy party may purchase firm receipt point access rights in the secondary market. Any party releasing firm rights will be referred to as "Releasing Shipper" and the party purchasing firm rights through the secondary market will be referred to as "Acquiring Shipper." Rights may be re-released any number of times under the same rules applicable to releases by customers who originally obtained the rights directly from the Utility. Releases may consist of all or part of the receipt point access rights of a customer's DCQ and all or part of the remaining contract term with a minimum term of one day. The Utility will bill the Acquiring Shipper and credit the Releasing Shipper subject to the provisions in Special Condition 15. If the Acquiring Shipper's rate is less than the Releasing Shippers rate, the Releasing Shipper will continue to be responsible for payment of the difference. In the event that the Utility realizes revenues from an Acquiring Shipper that exceed the amount due from a Releasing Shipper for any month, the Utility shall credit any excess amount to the account of the Releasing Shipper, or return excess revenues directly to the Releasing Shipper, as may be requested.

(Continued)

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Schedule No. G-RPA
RECEIPT POINT ACCESS

Sheet 12

(Continued)

SPECIAL CONDITIONS (Continued)

OPEN SEASON: Preferential Bidding – Step 2 (Continued)

- 38. The applicable rate for firm access rights awarded in Step 2 will be the G-RPA1.
- 39. All bids must be submitted through the Utility's internet-based bid system platform. Prior to submitting a bid, a bidder must have an executed RPMA in place and must also have satisfied the Utility's applicable credit requirements.
- 40. An end-use customer who is already in good standing for credit with the Utility prior to Step 2 will be deemed creditworthy up to their specified maximum bidding rights.
- 41. All bids, once submitted, cannot be withdrawn. The Utility will provide a confirmation to the bidding party that the submitted bid was received.
- 42. Bids for monthly capacity will be given a lower priority relative to bids for base load capacity in awarding receipt point access rights for over-subscribed Receipt Points.
- 43. If more quantity is bid for at a particular Receipt Point or Transmission Zone than the available capacity at the Receipt Point or Transmission Zone, all such bidders will be awarded rights on a basis pro rata to the amounts they bid for that point. Bids will be prorated first at a particular receipt points and then at the Transmission Zone if needed.
- 44. Successful bidders are contractually liable for all firm receipt point access rights awarded to them in Step 2 and will be assigned a unique contract number for each successful bid.

OPEN SEASON: Long Term Open Season – Step 3(A&B)

- 45. An open season –Step 3A will be conducted through the Utility's on-line bid system prior to service commencing under this schedule whereby all existing firm receipt point capacity available after Step 2 shall be made available through an open season process consisting of one round of bidding.
- 46. The applicable rate for firm access rights awarded in Step 3A will be the G-RPA1.
- 47. An open season –Step 3B will be conducted through the Utility's on-line bid system prior to service commencing under this schedule whereby remaining base-load existing capacity, expansions at existing receipt points, and new receipt point capacity shall be made available through an open season process consisting of one round of bidding.

(Continued)

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Schedule No. G-RPA
RECEIPT POINT ACCESS

Sheet 14

(Continued)

SPECIAL CONDITIONS (Continued)

OPEN SEASON: Long Term Open Season – Step 3 (A& B) (Continued)

58. Customers will have three funding options for increasing receipt point capacity under Step 3B. First, a customer may elect to pay 100% of the costs, including applicable CIAC taxes, to the Utility in accordance with Rule No. 39 to complete the installation of the necessary facility without any refund of the advanced funds and not be charged a G-RPA2 rate on a going forward basis. Second, a customer may elect to pay 100% of the costs to the Utility in accordance with Rule No. 39 to complete the installation of the necessary facility, receive a refund of those advanced funds after gas first flows through the receipt point, and be charged a G-RPA2 rate on a going forward basis. Third, a customer may elect to install the necessary facility themselves under the direction of the Utility, transfer ownership of the necessary facilities, along with any payment of applicable CIAC taxes, and not be charged a G-RPA2 rate on a going forward basis.
59. Customers that are awarded new receipt point capacity shall be able to continue their capacity rights ownership after the initial contract term by exercising a Right of First Refusal (ROFR) for a like contract term.
60. In order to minimize the amount of Utility facilities that are actually required to meet the Step 3B awarded bids, the Utility will first ask all existing capacity rights holders if they are willing to turn-back their awarded capacity at the G-RPA1 rate.
61. If bidders in Step 3B secure capacity that later is accorded rolled-in ratemaking treatment, they would be permitted to relinquish the capacity before the end of their contract term (and be relieved of the associated reservation charges). This relinquishment would be timed to correspond to the allocation of existing capacity to customers in succeeding Step 1 and Step 2 open seasons.

CONTRACT INTERCHANGEABILITY

62. After receipt point capacity is awarded in all steps described, capacity holders will also be allowed to “re-contract” any part of their capacity from any Receipt Point on the system to a different point, even in a different zone, to the extent capacity is available at the requested Receipt Point.
63. After all of the steps have taken place, the Utility will post any available receipt point capacity on its EBB and accept requests from capacity holders to move their specific receipt point capacities during a two-week re-contracting period. At the end of this period, the Utility will evaluate all requests for changes on a non-discriminatory basis and grant requests where receipt point capacity is available. To the extent more quantities are requested to be moved to a particular Receipt Point or Transmission Zone than the available capacity, the requests will be prorated among the requesting customers. Customers may signify that their specific receipt point move request is an all-or-nothing request so that it will be rejected if any prorating is required.

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(TO BE INSERTED BY UTILITY)
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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. 14.B.

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.
- 29. Customers under CPUC approved long-term bundled discounted contracts as of the date of D.06-12-031 shall have their contracted rate reduced by the average rate reduction to the GT-F rate associated with the unbundled Receipt Point Access revenues. Long-term discounted contracts after the date of D.06-12-031 shall be deemed to be unbundled and shall not receive a reduction to the rate negotiated to account for receipt point access service.

PEAKING SERVICE

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

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3706-A
 DECISION NO. 06-12-031, 07-06-003

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Lee Schavrien
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Schedule No. GT-F
FIRM INTRASTATE TRANSMISSION SERVICE

Sheet 9

(Continued)

SPECIAL CONDITIONS (Continued)

FIRM NONCORE SERVICE IN POTENTIALLY CAPACITY-CONSTRAINED AREAS (Continued)

- 31. Open Season: Utility will conduct an open season to solicit contractually binding bids from noncore eligible customers for firm service in potentially capacity-constrained areas, as defined in Rule No. 1. T,L
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- 32. Partial Requirements Service: All firm noncore deliveries will be under partial requirements service. Full requirements service is not available. T
- 33. Customer Size: For the purposes of bidding for firm capacity in potentially capacity-constrained areas, large noncore customers are defined as (1) commercial/industrial and enhanced oil recovery (EOR) customers with historical peak day usage of 20 million cubic feet per day (MMcfd) or more and (2) electric generation customers using three (3) million therms or more per year. Small noncore customers are defined as (1) commercial/industrial and EOR customers with historical peak day usage of less than 20 MMcfd and (2) electric generation customers using fewer than (3) million therms per year.
- 34. Scheduled Quantity Addendum: The Master Services Contract Schedule A Intrastate Transmission Service Scheduled Quantity Addendum (Form No. 6900) (Addendum) shall be used to specify monthly or hourly scheduled quantities in conjunction with the standard Master Services Contract Schedule A, Intrastate Transmission Service (Form No. 6597-1). T
- 35. Term: For large noncore customers, the term for firm service shall be the earlier of (a) two (2) years beyond the in-service date of facilities associated with the expansion of local transmission service, or the commencement of service on interstate and/or foreign pipelines or other arrangements that alleviate the need for expanding local transmission facilities, limited to the contractual commitments approved in D.07-05-022; or (b) five (5) years. For small noncore customers, the term is two years. In the event all requests for firm noncore capacity can be awarded without proration and the Utility does not plan to expand the local transmission system within the five-year contract period, the Utility will inform the Commission. Upon Commission agreement that there is no need to construct additional facilities within the five-year contract period, the Utility shall amend the five-year contracts to expire after two-years, consistent with the term for small customers. T
- 36. Hourly Scheduled Quantity (HSQ): HSQ is the quantity awarded in an open season and to be delivered each hour as firm noncore service as specified in the Addendum under this rate schedule. T
- 37. Monthly Scheduled Quantity (MSQ): MSQ is the quantity awarded in an open season and to be delivered each month as firm noncore service as specified in the Addendum under this rate schedule. For customers bidding hourly, the MSQ under this rate schedule is equivalent to the summation of HSQs for the month. T
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(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3706-A
 DECISION NO. 06-12-031, 07-06-003

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

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Schedule No. GT-F

Sheet 10

FIRM INTRASTATE TRANSMISSION SERVICE

(Continued)

SPECIAL CONDITIONS (Continued)

FIRM NONCORE SERVICE IN POTENTIALLY CAPACITY-CONSTRAINED AREAS (Continued)

- 38. Use-or-Pay: 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. T,L
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- 39. 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 the customer aggregates facilities with different rates, use-or-pay charges shall be based on the highest transmission charge. Customers wishing to aggregate their firm intrastate transmission service shall execute the Master Services Contract, Schedule B, Marketer/Core Aggregator Use or Pay Aggregator Agreement (Form 6597-2). T
- 40. Early Termination: In the event of early termination of the contract, the customer will pay the Utility an amount equal to the outstanding use-or-pay charges for the contracted period. T
- 41. Authorized Curtailment Quantity: The maximum hourly quantity (in therms) the customer is entitled to use during an interruptible service curtailment is equal to any core MSQs for the month *divided by* operating days specified for that sequence in the contract *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 in the contract *divided by* 24 hours for customers 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. T
- 42. Availability of Daily and Hourly Data: In the event that daily usage data is not available, the recorded monthly volumes delivered to the 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 the customer shall be assumed to be delivered at a constant rate over a 24-hour period. T
- 43. Curtailment Violation Charges: Charges will apply hourly for any quantities consumed that exceed those authorized by hour at the following charges: T
 - \$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.

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FIRM INTRASTATE TRANSMISSION SERVICE

Sheet 11

(Continued)

SPECIAL CONDITIONS (Continued)

FIRM NONCORE SERVICE IN POTENTIALLY CAPACITY-CONSTRAINED AREAS (Continued)

- 44. Awarding of Firm Noncore Capacity: For any period where the firm bids exceed firm capacity, all bids that exceed a customer's 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 hourly usage. If firm capacity remains over-subscribed 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 over-subscribed after customers' bids have been awarded based on historic usage, quantities bid in excess of each customer's historic usage and quantities submitted by new customers will be awarded on a pro-rata basis. The Utility will use small customers' Year 2 bids as a factor in determining the firm service capacity awards for Years 3, 4, and 5 for large customers within the same constrained area. After, and to the extent, the Utility places into service facilities that can provide higher levels of firm service, all customers' awards will be increased by a pro-rated amount, up to their bid amounts, for the duration of their contracts. During the term of its contract, a large customer may not change its bids for firm service for any of the time periods in the Addendum. T
- 45. 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 the number of 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 multiplying by the number of operating days in the month. T
- 46. Firm Quantities Bid but Not Awarded: Such quantities shall be added to the customer's interruptible sequence. T
- 47. Right of Refusal: The Utility reserves the right to reject any bid. Once a bid is rejected, the Utility shall notify the customer as to the reason for such rejection. The customer may re-submit a bid, provided that firm quantities have not yet been awarded to participants in the open season. T
- 48. Non-Bidding Customers: Noncore customers eligible to participate in the open season that do not submit a bid shall be placed on an interruptible noncore rate schedule. Any potential noncore eligible customer, offered an opportunity to bid for firm noncore service, who declines to bid, or was not awarded sufficient firm capacity, may not elect core service during the period covered by the open season. Noncore-eligible customers taking core service as of the open season start date that do not submit a bid for service may remain core. T

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Sheet 12

FIRM INTRASTATE TRANSMISSION SERVICE

(Continued)

SPECIAL CONDITIONS (Continued)

FIRM NONCORE SERVICE IN POTENTIALLY CAPACITY-CONSTRAINED AREAS (Continued)

49. Intrastate Capacity Trading: A customer taking firm noncore service within a capacity-constrained service area (Capacity Holder) may request to transfer all or a portion of its awarded firm noncore intrastate capacity and the associated obligations, including monthly use-or-pay obligations (Trade), to another noncore customer (Recipient) that desires the capacity in the same capacity-constrained area during the periods designated in the Constrained Area Firm Capacity Trading Agreement (Form 6910) (Trading Agreement) (see the trading section of <http://www.socalgas.com/>). The following process shall apply to all proposed Trades of intrastate firm capacity in constrained areas:

- a. Trades must be within the same constrained service area.
- b. No less than thirty (30) calendar days prior to the first proposed Trading Day, defined as a calendar day on which a Trade occurs, Capacity Holder and Recipient shall submit to the Utility an original Trading Agreement signed by Capacity Holder and Recipient.
- c. Any trade requests must be approved by the Utility before the Trade may commence.
- d. The Utility shall determine, in its sole reasonable discretion, whether the trade request is accepted or rejected based on operational feasibility and/or Recipient's creditworthiness as set forth in the Utility's Rule No. 6.
- e. Within twenty-five (25) Calendar Days after receiving the trade request, the Utility shall notify Capacity Holder and Recipient as to whether the proposed Trade is approved or rejected.
 - 1) If the Utility approves the proposed Trade, Utility shall execute the Trading Agreement and return a copy of the fully executed original to Capacity Holder and Recipient. The Trade is approved as of the date on which the Utility executes the Trading Agreement.
 - 2) If the Utility rejects the proposed Trade, the Utility shall notify Capacity Holder and Recipient that the trade request has been rejected and the reason for rejection.
- f. Capacity Holder and Recipient may trade only the capacity amounts for the operating days or hours set forth in the Trading Agreement.

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Schedule No. GT-F

Sheet 13

FIRM INTRASTATE TRANSMISSION SERVICE

(Continued)

SPECIAL CONDITIONS (Continued)

FIRM NONCORE SERVICE IN POTENTIALLY CAPACITY-CONSTRAINED AREAS (Continued)

49. Intrastate Capacity Trading (Continued)

- g. Customers desiring a Trade may use a Utility-hosted platform or other lawful means to solicit a Trade.
- h. As of the first Trading Day and throughout the period subject to the Trade, all of Capacity Holder's obligations with regard to the traded capacity, including use-or-pay obligations, shall become Recipient's sole responsibility. Capacity Holder's use-or-pay obligations will decrease and Recipient's use-or-pay obligations will increase by the quantities set forth in the Trading Agreement.

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Schedule No. GT-I Sheet 5
INTERRUPTIBLE INTRASTATE TRANSMISSION SERVICE

(Continued)

SPECIAL CONDITIONS (Continued)

NEGOTIABLE TRANSMISSION CHARGES (Continued)

- 12. 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 long-term contracts must be filed by advice letter for prior CPUC approval.
- 13. Customers under CPUC approved long-term bundled discounted contracts as of the date of D.06-12-031 shall have their contracted rate reduced by the average rate reduction to the GT-F rate associated with the unbundled Receipt Point Access revenues. Long-term discounted contracts after the date of D.06-12-031 shall be deemed to be unbundled and shall not receive a reduction to the rate negotiated to account for receipt point access service.

ELECTRIC GENERATION

- 14. Subject to Special Condition 16, the amount of gas to be billed at the electric generation rate for customers having both electric generation and non-electric generation end use on a single meter will be the lesser of:
 - a. Total metered throughput; or
 - b. An amount of gas equal to the customer's recorded power production in kilowatt-hours (KWH) times the average heat rate for their electric generation facilities. The difference between total meter throughput and the volume limitation specified herein will be charged the rate applicable to the other end use served off the meter.
- 15. When required, as a condition of service under the electric generation rate, electric generation customers will provide the utility with the average heat rate for electric generation equipment as supported by documentation from the manufacturer. If not available, operating data shall be used to determine customer's average heat rate.
- 16. Electric generation customers receiving electric generation service will make available upon request any measurement devices required to directly or indirectly determine the kilowatt-hours generated or the average heat rate for the electric generation equipment. The Utility shall have the right to read, inspect and/or test all such measurement devices during normal business hours. Additional gas and/or steam metering facilities required to separately determine gas usage to which the electric generation rate is applicable may be installed, owned and operated by the Utility in accordance with Rule No. 21; however, the Utility may, at its sole discretion, utilize estimated data to determine such gas usage.
- 17. All electric generation customers receiving service at the electric generation transmission rate shall be separately metered unless it can be demonstrated that a separate meter is not economically feasible.

(Continued)

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Schedule No. GT-I
INTERRUPTIBLE INTRASTATE TRANSMISSION SERVICE

Sheet 6

(Continued)

SPECIAL CONDITIONS (Continued)

ELECTRIC GENERATION (Continued)

- 18. A Cogeneration Contract Addendum (Form No. 5058) will be required as a condition of electric generation service for cogeneration customers under this schedule in those cases where dedicated main facilities are necessary to serve the customer. L,T
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- 19. Cogeneration facilities with standby boilers will be treated as one customer for purposes of assessing customer charges, providing the customer has signed an affidavit (Form No. 6419) to the effect that its boiler system only operates when the cogeneration system is not operating. L,T
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COMMERCIAL AND INDUSTRIAL

- 20. 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-I3D). Customers served from the Utility's transmission-related facilities, as established by the Utility's capital accounting records, shall be classified as transmission (GT-I3T). Customers served from transmission facilities or a combination of transmission and distribution facilities may, at their option, elect transmission or distribution rate status. T
- 21. 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. T
- 22. 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. T

PEAKING SERVICE

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

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Rule No. 01
DEFINITIONS

Sheet 5

(Continued)

Displacement Receipt Point Capacity: Utility pipeline system improvements which increase the take-away capacity from a receipt point but do not increase the overall downstream capacity of the Utility's backbone transmission system. The addition of Displacement Receipt Point Capacity increases the ability of the Utility to receive gas from a particular receipt point or zone in competition with other gas supplies delivered into the system.

Electric Generation: Use of natural gas to generate electricity, either directly or indirectly, including natural gas used for cogeneration or solar electric generation projects.

Electric Generation Startup and Igniter Fuel: Electric generation natural gas use where no alternate fuel capability exists for: (1) heating the boiler system adequately during start-up to enable efficient oil burning to meet pollution standards; and (2) insuring continuous-ignition and flame-stabilization within the boiler.

Electronic Billing: An option that customers can elect whereby the Utility provides billing information to the customer by means of a computer network such as the Internet or in a form to be used by a computer or similar electronic device to destinations mutually agreed upon between Utility and the customer, such as the Utility's web page, or a home banking, bill aggregator or financial institution website.

Electronic Bulletin Board (EBB): Southern California Gas' Internet based electronic gas transactions and information management computer system. Current trademarked name is SoCalGas' Envoy.

Electronic Bulletin Board (EBB) User: The customer's employee, agent or contractor who has been authorized to access the Utility's EBB on Form 6800 and is authorized to perform transactions and obtain information on behalf of the customer.

Electronic Data Interchange (EDI): The sending and receiving of data and/or funds in a structured electronic format, commonly involving information technology and telecommunications technology.

Energy Service Provider (ESP): Individuals, companies or consortiums that arrange for natural gas procurement related activities (procurement, interstate transportation and balancing) on behalf of core customers. See Rule No. 32.

Enhanced Oil Recovery (EOR): Operation which includes the use of natural gas to pressure, cycle, or inject a substance into a well for the purpose of increasing oil production from that well, specifically including natural gas used for cogeneration to promote these operations.

Enterprise: Business corporation, partnership, or sole ownership established for the purpose of engaging in a single business or commerce.

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Rule No. 01
DEFINITIONS

Sheet 6

(Continued)

Equivalent Margin: Margin embedded in the Commission's rate design. Margin is the amount of revenue the Commission allows a utility to recover over a one-year period without consideration of fuel costs, Gas Exploration and Development Adjustments and Conservation Cost Adjustments.

Exchange Gas: Natural gas which is produced by a customer and redelivered under a natural gas exchange agreement by Utility to that same customer at a different location.

Expansion Receipt Point Capacity: Utility pipeline system improvements which increase the take-away capacity from a receipt point and the overall downstream capacity of the Utility's backbone transmission system.

Facility: Individual meter with the exception of meters combined for the Utility's operating convenience in accordance with Rule No. 17. Customers who have had more than one meter installed for their own convenience at their own request shall be treated as a separate facility with respect to each meter.

Feedstock Usage: Natural gas used as raw material for its chemical properties in creating an end product.

Force Majeure: Unanticipated events or conditions beyond the reasonable control of the party claiming Force Majeure which could not have been prevented by the exercise of due diligence. Force Majeure as it applies to the Tariff Rate Schedules specifically does not include required maintenance of customer's facilities, plant closures, economic conditions or variations in agricultural crop production.

Franchise Fees: Financial obligation collected from the customers by the Utility and remitted in whole to a city or a county government for the Utility's nonexclusive right to install and maintain equipment on that government's highway and street property, or public rights of way.

Full Requirements Service: Full requirements service is an option for core subscription customers and firm intrastate transmission customers. Full requirements customers choose to have all of their fossil fuel requirements satisfied by natural gas. Full requirements customers may choose to procure their supplies from the Utility; transport their own supplies; or any combination of the two. Such customers are not subject to use-or-pay charges except to the extent that unauthorized alternate fuel use or bypass occurs. Full requirements customers are prohibited from using alternate fuels or bypass pipeline service except: (1) in the event of curtailment, (2) to test alternate fuel systems, or (3) where Utility has provided prior written authorization for the use of alternate fuels or bypass. Any fuel produced on-site by the customer can be used by the producer without penalty.

Gas Engine Water Pumping: Natural gas engine used for water pumping in agricultural or agricultural-related operations for the growing of crops or the raising of fowl or animals within SoCalGas' service territory. In addition, any natural gas engine used for municipal water pumping for countercyclical or agricultural use.

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Rule No. 01
DEFINITIONS

Sheet 7

(Continued)

Gas Service Provider (GSP): Supplier of natural gas to core or noncore customers including, but not limited to Energy Service Provider (ESP or Aggregator), Contracted Marketer, Agent or its equivalent title for SoCalGas, Pacific Gas & Electric Company, or San Diego Gas & Electric Company.

Gas Service Provider No Longer Offering Gas Service In California: GSP will be considered no longer offering gas service in California if the GSP does not provide natural gas to any customer facility on the system of SoCalGas, Pacific Gas & Electric Company or San Diego Gas & Electric Company, excluding those customers that serve as their own GSP.

Gas Supply: Supply of gas procured by Utility on behalf of its procurement customers and to meet its operational needs.

Heating Value: Number of Btus liberated by the complete combustion at constant pressure of one cubic foot of natural gas at a base temperature of sixty degrees Fahrenheit (60°F) and a pressure base of fourteen and seventy-three hundredths (14.73) psia, with air at the same temperature and pressure as the natural gas, after the products of combustion are cooled to the initial temperature of the natural gas, and after the water vapor of the combustion is condensed to the liquid state. The Heating Value of the natural gas shall be corrected for the water vapor content of the natural gas being delivered except that, if such content is seven (7) pounds or less per one million (1,000,000) cubic feet, the natural gas shall be considered to be dry.

Housing Project: Building or group of buildings located on a single premises and containing more than one family dwelling unit.

Hub: Also California Energy Hub, refers to SoCalGas' area natural gas hub. Encompasses the various delivery points in California or at the California border at which some portion of a Hub Transaction may be effectuated by utilizing SoCalGas' facilities or some interconnection therewith.

Hub Delivery Point: Point on the Hub where SoCalGas shall deliver natural gas to any service user or for service user's account. Hub Transaction may require more than one delivery point.

Hub Displacement Delivery: Delivery or redelivery to a service user on an interruptible basis of natural gas received by SoCalGas pursuant to a "Wheeling Transaction" or a "Parking Transaction", when such redelivery occurs at a delivery point where either party has access to an interstate pipeline, but not a delivery point located on or interconnected with the pipeline facilities of SoCalGas as the ultimate delivery point. Displacement delivery is made in the direction contrary to the physical flow of gas in a pipeline facility.

Hub Receipt Point: Point on or off the Hub where SoCalGas shall receive natural gas from service user or for a service user's account in connection with a Hub Transaction. Hub Transaction may require more than one receipt point.

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DEFINITIONS

Sheet 8

(Continued)

Hub Transaction: Either an interruptible Parking or Loaning-storage type transaction or a Wheeling transmission type transaction or other transactions approved and implemented from time to time.

Individually Metered Service: Service whereby each single family dwelling unit, each dwelling unit within a multi-family structure, or nonresidential occupancy, is separately metered and billed by the utility.

Industrial Use: Service to customers engaged primarily in a process which creates or changes raw or unfinished materials into another form or product.

Interstate Transition Cost Surcharge (ITCS): Volumetric surcharge on the Utility's noncore intrastate transmission service to recover costs for certain interstate pipeline demand charges resulting from the transition to an unbundled interstate capacity market pursuant to the CPUC's Capacity Brokering Rules set forth in Decision Nos. 91-11-025 and 92-07-025. ITCS is applicable to all noncore service except for enhanced oil recovery and that service provided by the Utility under fixed-rate contracts (including long-term contracts in effect on or before the implementation date of the CPUC's Capacity Brokering Rules).

Late Payment Charge: Charge that is added to offset the expenses created by late customer payments.

Life-Support Device: Medical device using Utility-supplied natural gas for its operation that is regularly required to sustain, restore, or supplant a vital function of a person residing in a residential unit. Term does not include apparatus or appliances used in a hospital or medical clinic, nor does it include therapeutic devices such as pool or tank heaters, saunas, or hot tubs.

Loaning Transaction: Utility advances or loans natural gas which is returned by service user delivering back to Utility an equivalent or greater natural gas quantity at the time(s) and locations(s) specified in the Hub Transaction.

Log On ID: Identification code issued to an EBB User and used to authenticate identity, privileges and to establish communication and initiate interaction with the Utility's EBB.

Low-Income Ratepayer Assistance (LIRA) Program: See California Alternate Rates for Energy (CARE) Program above.

Mailed: Notice or other communication to the customer will be considered "mailed" when received into the customer's electronic mail box via electronic data interchange or when it is enclosed in a sealed envelope, properly addressed, and deposited in any authorized United States Postal Service receptacle, postage prepaid.

Main Extension: Length of main and its related facilities required to transport natural gas from the existing facilities to the point of connection with the service piping.

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DEFINITIONS

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(Continued)

Marketer: Third party which accesses one or more interstate or intrastate pipeline systems for the purpose of transporting natural gas to Utility System on Marketer's own behalf or on the behalf of designated end-use customers.

Master-Metered Service: Service whereby the Utility installs a meter to register the consumption of two or more occupancies.

Maximum Daily Quantity (MDQ): Maximum daily quantity of natural gas that can be nominated for delivery to a customer's premises not served by an automated meter when the Utility institutes an excess nominations period. For noncore customers and core customers not served under core aggregation this is based on the equipment at the customer's facility. For ESP's the maximum daily quantity is equal to their DCQ.

Mcf/d: Thousands of cubic feet per day. Measure quantifies the amount of gas being consumed or transported on a daily basis.

Memorandum Account: Account authorized by the Commission for the purpose of tracking certain costs and revenues. Each individual memorandum account may have specific accounting treatment applicable to that account.

Minimum Daily Quantity (MinDQ): Estimate of natural gas usage at a customer's premises not served by an automated meter for purposes of compliance with winter delivery requirements as specified in Rule No. 30.

Mobilehome: Structure designed as a residence, in one or more sections, and of width and length, which when moved over a public highway requires a special permit from the California Department of Transportation. They are located in mobilehome parks and residential lots in California where they comply with the requirements of the local ordinances for permanent housing. Mobilehomes first sold prior to July 1, 1980 are licensed by the California Department of Housing and Community Development. Mobilehomes first sold new on and after July 1, 1980, for installation as a residence, are all automatically subject to local property taxation.

Mobilehome Park: Area of land where two or more mobilehome sites are rented to accommodate mobilehomes used for permanent residency. Homeowner and mobilehome park management are subject to the Civil Code requirements of the "Mobilehome Residency Law". This law only applies to a mobilehome that requires a permit to be moved on a street or highway.

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DEFINITIONS

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(Continued)

Multi-family Accommodation: Apartment building, duplex, mobile home park, or any other group of permanent residential single-family dwellings located upon a single premises, provided that the residential dwellings therein meet the requirements for a single-family dwelling or accommodation. Multi-family accommodation does not include hotels, motels, residential hotels, guest or resort ranches, marinas, tourist camps, recreational vehicle parks, campgrounds, halfway houses, rooming houses, boarding houses, institutions, dormitories, rest or nursing homes, convalescent or care facilities, military barracks, or any enterprise that includes or rents to either transient tenants or transient accommodations.

Net Usage: Customer's uncorrected billing period usage plus any adjustments from previous billing periods.

Noncore Service: Service to customers who are not assigned to end-use priority 1 or 2A as defined in Rule 23. Customers receiving noncore service must have Automated Meter Reading (AMR) equipment installed at customer's expense as a condition of noncore service.

Non-Profit Group Living Facility: Non-profit homeless shelter that may be government subsidized with six (6) or more beds that provides lodging day or night for a minimum of 180 days of the year; other non-profit residential-type facilities (excluding government-owned and privately-owned, "for profit" government-subsidized housing) that provide a service in addition to lodging and which may be licensed by the appropriate state agency to care for residents who temporarily or permanently cannot function normally outside of the group home environment; and non-licensed, separately metered affiliated facilities where the primary facility is eligible for CARE and is the customer of record for the affiliate, and at least 70% of the energy consumed by the affiliate is used for residential purposes. All residents must meet the CARE income eligibility standards; however, a caregiver who lives in the group facility is not a resident for purposes of determining the facility's eligibility. Non-profit group living facilities that are not licensed or certified must provide any other documentation the Utility may reasonably require.

Off-System Customer: Marketer, broker, supplier or other entity contracting for off-system delivery services within California or bidding for storage on its own behalf for ultimate consumption outside the Utility's service territory within California.

Open Season: Designated time period in which a service election must be submitted to the Utility. Customers who do not submit their service election during the Open Season will receive default service, or will continue receiving current service election, if tariffs contain evergreen provisions.

Paid or Payment: Funds received by Utility through postal service, Utility payment office, Utility authorized agent, or deposited in Utility bank account by electronic transfer.

Parking Transaction: Utility-received natural gas for service user's account for short-term interruptible storage.

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Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Sep 17, 2007
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RESOLUTION NO. G-3407

Rule No. 01
DEFINITIONS

Sheet 12

(Continued)

Post-Bypass Load Factor (Continued)

B. UEG customers subject to CPUC jurisdiction: The post-bypass load factor shall be calculated using the customer's average daily volume divided by the Peak-Day Volume on the SoCalGas system on a cumulative basis over the relevant time period as follows:

- 1) For the first three billing months following the date of bypass, the relevant time period will be the three months prior to the month service is provided, up to the 20th day of the month prior to the month service is provided.
- 2) After the first three billing months following the date of bypass, the relevant time period will be all days since the first day after bypass begins, or over the previous twelve months, whichever is less, to the 20th day of the month prior to the month service is provided.

Potentially Capacity Constrained Area: Segments of the local transmission system in which customer requests for firm transportation service currently exceed, or within the next five years may exceed, available capacity. Such requests must be based on historical usage or evidence which substantiates expected incremental load.

Pre-Bypass Load Factor: Used to calculate the ceiling rate for Residual Load Service customers subject to one of the following applicable customer classes:

- A. Non-UEG customers: The customer's average daily volume divided by the customer's Peak-Day Volume recorded on the SoCalGas system over the 12 month period prior to the installation and operation of bypass facilities.
- B. UEG customers subject to CPUC jurisdiction: The customer's average daily combined volume divided by the combined Peak-Day Volume on the Utility system and the bypass pipeline(s) on a cumulative basis over the relevant time period as follows:
 - 1) For the first three billing months following the date of bypass, the relevant time period will be the three months prior to the month service is provided, up to the 20th day of the month prior to the month service is provided.
 - 2) After the first three billing months following the date of bypass, the relevant time period will be all days since the first day after bypass begins, or over the previous twelve months, whichever is less, to the 20th day of the month prior to the month service is provided.
- C. UEG customers not subject to CPUC jurisdiction: The customer's aggregate forecasted average daily volume divided by the customer's Peak-Day Volume based on the most recently adopted forecast in SoCalGas' BCAP proceeding.

If daily measurement load data is not available for the specified time periods, then monthly load data will be pro-rated on a daily basis to calculate the appropriate Pre-Bypass Load Factor.

(Continued)

(TO BE INSERTED BY UTILITY)
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Premises: All of the real property and apparatus employed in a single enterprise on an integral parcel of land undivided, excepting in the case of industrial, agricultural, oil field, resort enterprises and public or quasi-public institutions, by a dedicated street, highway or other public thoroughfare or a railway. Automobile parking lots constituting a part of and adjacent to a single enterprise may be separated by an alley from the remainder of the premises served.

Prime Mover: Machine which converts heat energy supplied by fuel into mechanical energy.

Priority: Classification assigned to all customers to be used in the event of curtailment as provided for in Rule 23.

Procurement Customer: Customer who receives both natural gas procurement and transportation services from the Utility.

Procurement Management Charge: Charges billed to ESPs participating in the Core Aggregation Transportation program that may arise from ESPs' management of procurement portfolios on behalf of customers served by the ESPs.

Qualified Agricultural Employee Housing Facility: Migrant farmworker housing center provided pursuant to Section 50710.1(e) of the Health and Safety Code currently under contract to the Office of Migrant Services; privately-owned employee housing as defined by Section 17008 of the Health and Safety Code, that is licensed and inspected by state and/or local agencies pursuant to Part I (commencing with Section 17000) of Division 13 of the Health and Safety Code; or agricultural employee housing operated by nonprofit entities as defined by Subdivision (b) of Section 1140.4 of the Labor Code exempted from local property taxes pursuant to subdivision (g) of Section 214 of the Revenue and Taxation Code. All usage (100%) must be residential except for master-metered non-migrant agricultural employee housing operated by a nonprofit entity where at least 70% of the energy consumed must be used for residential purposes. Each resident household in the facility (except migrant and non-profit farm worker housing centers pursuant to AB 868) must meet the CARE income-eligibility standards; however, an employee operating and/or managing the facility who lives in it is not considered a resident household for purposes of determining eligibility.

Qualified Contractor/Subcontractor (QC/S): Applicant's contractor or subcontractor who: 1) Is licensed in California for the appropriate type of work such as, but not limited to, gas and general; 2) Employs workmen properly certified for specific required skills such as, but not limited to, plastic fusion and welding. Workmen shall be properly qualified; and 3) Complies with applicable laws such as, but not limited to, Equal Opportunity Regulations, OSHA and EPA.

(Continued)

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DEFINITIONS

(Continued)

Recreational Vehicle: Motor home, travel trailer, camper or camping trailer, with or without motive power, designed for recreational or emergency occupancy. Travel trailer or camping trailer may be moved on a public highway without a special permit or chauffeur's license. Recreational Vehicles are licensed by the Department of Motor Vehicles, and must comply with traffic laws.

Recreational Vehicle Park: Area or tract of land within an area zoned for recreational use; or a separate designated section within a mobilehome park. Lots are customarily occupied for temporary purposes (less than 30 days), and there is displayed in plain view a sign indicating that the recreational vehicle may be removed from the premises, for the reason specified in the Civil Code "Recreational Vehicle Park Occupancy Law". Sign must also contain the number of the local traffic law enforcement agency.

Red Team: Term referring to a California State-sponsored economic development effort whose principal goal is the creation and/or retention of business within the State of California. Red Teams typically consists of State and local governments, utilities and businesses who mobilize individuals and resources to negotiate, streamline and expedite the business retention, expansion or development process; identify and propose incentives; and recommend resolution of regulatory issues and requirements. Separate Red Teams are usually created for each project under the leadership or coordination efforts of the California Trade and Commerce Agency.

Refinery: (1) Establishments primarily engaged in producing gasoline, kerosene, distillate fuel oils, residual fuel oils, and lubricants, through fractionation or straight distillation of crude oil, redistillation of unfinished petroleum derivatives, cracking or other processes. Establishments of this industry also produce aliphatic and aromatic chemicals as byproducts; and (2) Establishments primarily engaged in hydrogen manufacturing for sale in compressed, liquid, and solid forms.

Residential Dwelling Unit: Group of rooms, such as a house, a flat, an apartment, or a mobilehome which provides complete single-family living facilities in which the occupant normally cooks meals, eats, sleeps, and carries on the household operations incident to domestic life.

Residential Hotel: Hotel establishment which provides lodging as a primary or permanent residence and has at least 50% of the units or rooms leased for a minimum period of one month and said units are occupied for nine months of the year. Residential hotels do not include establishments such as guest or resort hotels, resort motels or resort ranches, tourist camps, recreational vehicle parks, half-way houses, rooming houses, boarding houses, dormitories, rest homes, convalescent or care facilities, military barracks, or a house, apartment, flat or any residential unit which is used as a residence by a single family or group of persons.

(Continued)

(TO BE INSERTED BY UTILITY)
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Residential Use: Gas service for use at dwelling units, which includes service to residential units and mobile home units but does not include enterprises such a rooming houses, boarding houses, dormitories, rest homes, convalescent or care facilities, military barracks, stores, restaurants, service stations and other similar establishments. Also excluded are central heating plants serving a combination of residential and commercial uses where the commercial portion of the use is in excess of 100 Mcf per day or is more than 15% of the total natural gas requirements.

Rules: Tariff sheets which set forth the application of all rates, charges and service when such applicability is not set forth in and as a part of the rate schedules.

Seasonal Service: Permanent natural gas service to a facility which is utilized seasonally or intermittently, such as a seasonal resort, cottage or other part-time establishment.

Service: All pipe, valves and fittings from and including the connection at the main up to the service delivery point.

Service Delivery Point: Point where the utility's pipe connects to the customer's house line, usually the meter location.

Service Extension: Consists of the service as above defined when provided for a new customer at a premises not heretofore served in accordance with the service extension rule.

Shipper: See Marketer.

Short-Run Marginal Cost: Variable per-unit cost of providing additional throughput to the average customer in a customer class. Short-Run Marginal Cost (SRMC) is determined for a given customer class by dividing the sum of Company Use and Unaccounted for (UAF) costs allocated to that customer class in the most recent BCAP by the cost allocation throughput for that customer class.

SoCalGas: Southern California Gas Company (also referred to as "Utility").

Solar Electric Generation Project: Project which utilizes solar energy as the primary fuel in the generation of electricity, uses natural gas as a secondary fuel constituting 25% or less of the total fuel utilized on an equivalent basis, has a natural gas efficiency utilization rate of more than 60%, and qualifies as a small power production facility under the Public Utility Regulatory Policies Act of 1978.

Space Heating Only: Term applied to customers who are using gas primarily for space heating for human comfort as determined by survey or under the presumption that customers who use less than 11 therms per month during each of the regular billing periods ending in August and September are using gas primarily for space heating for human comfort.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3706-A
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DEFINITIONS

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Standby: Gas service used as an alternate energy source, typically for emergency or backup purposes.

Stub Service: Lateral pipe, including valves and fittings, from and including the connection at the main to a dead end near the curb or property line of the street in which the main is located.

Submetered Service: Service from metering furnished, owned, installed, maintained, read and tested by the customer who is served through a master meter.

Summary Bill: Billing statement that includes charges for multiple service accounts.

Surface Repair: Replacement to the satisfaction of the Utility, appropriate governmental agency, or property owner, of existing asphalt, concrete, decorative surfaces, landscaping, etc., removed for trenching and/or construction purposes.

Tariff Schedules: Entire body of effective rates, rentals, charges, and rules collectively, of the Utility, as set forth herein, and including title page, preliminary statement, rate schedules, rules and sample forms.

Tariff Sheet: Individual sheet of the tariff schedules.

Temporary Service: Service for enterprises or activities which are temporary in character or where it is known in advance that service will be of limited duration. Service which, in the opinion of the Utility, is for operations of a speculative character or the permanence of which has not been established, also is considered temporary service.

Tenant: One who holds or possesses real estate (as a condominium) or sometimes personal property by any kind of right; one who has the occupation or temporary possession of lands or tenements of another; one who rents or leases (as a house or apartment) from a landlord.

Therm: Unit of measurement for billing purposes, nominally 100,000 Btu.

Third Party Gas: See Customer-Owned Gas.

Tracking Account: Account which reconciles the difference between Commission-authorized forecasted costs and the Utility's recorded costs. Balances in the tracking accounts shall be reconciled in the revenue requirement in the Utility's next Biennial Cost Allocation Proceeding (BCAP) or other appropriate rate proceeding.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3706-A
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DEFINITIONS

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(Continued)

Transportation: Receipt of gas purchased and owned by a customer into the Utility System at one or more points of receipt and the subsequent delivery of an equivalent quantity of natural gas to the customer at a mutually acceptable location (points of delivery) on the system.

Transportation Deliveries: Volume of gas delivered to the Utility to be transported for customer use.

UEG: Utility Electric Generation. Consumption of gas for the generation of electricity by a utility's power plants.

Utility: Southern California Gas Company (also referred to as "SoCalGas").

Utility Distribution Company (UDC): Entity which provides regulated services for the distribution of natural gas to all customers and provides natural gas procurement services to customers who do not choose direct access. See Utility.

Utility System: Pipeline transmission and distribution system and related facilities located in California and operated by Utility.

Utility Users Tax: Tax imposed by local governments on the Utility's customers. Utility is required to bill customers within the city or county for the taxes due, collect the taxes from customers, and then pay the taxes to the city or county.

Utility's Metered Service: See Individually Metered Service.

Wheeling Transaction: Interruptible receipt of natural gas at a point of interconnection on SoCalGas' pipeline system and the interruptible redelivery of such natural gas to the initial or other service user either at a point of interconnection on or with SoCalGas' pipeline system, or at a point off such system. All Hub Transactions which require more than one day to complete are Parking or Loaning Transactions, even though Wheeling may be involved.

(TO BE INSERTED BY UTILITY)

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RESOLUTION NO. G-3407

TRANSPORTATION OF CUSTOMER-OWNED GAS

This rule describes the general terms and conditions applicable whenever the Utility transports customer-owned gas over its system. Customers who wish to transport gas must sign the applicable agreements.

A. General

1. Subject to the terms, limitations and conditions of this rule and any applicable CPUC authorized tariff schedule, directive, or rule, the customer will deliver or cause to be delivered to the Utility and accept on redelivery quantities of customer-owned gas which shall not exceed Utility's capability to receive or redeliver such quantities. The Utility will accept such quantities of gas from the customer or its designee and redeliver to the customer on a reasonably concurrent basis an equivalent quantity, on a term basis, to the quantity accepted.
2. The customer warrants to the Utility that the customer has the right to deliver the gas provided for in the customer's applicable service agreement or contract (hereinafter "service agreement") and that the gas is free from all liens and adverse claims of every kind. The customer will indemnify, defend and hold the Utility harmless against any costs and expenses on account of royalties, payments or other charges applicable before or upon delivery to the Utility of the gas under such service agreement.

3. Gas Specifications

Unless otherwise agreed to by the Utility, the gas delivered to the Utility must meet the quality specifications detailed in Section I, below. The minimum and maximum heating value and the pressure of the gas must be such that the gas can be integrated into the Utility's system at the Receipt Point(s).

4. In order to protect the safety and integrity of its pipeline system, the Utility reserves the right to institute such measures it deems necessary to alleviate the operating condition.

B. Quantities

1. The Utility shall as nearly as practicable each day redeliver to customer and customer shall accept, a like quantity of gas as is delivered by the customer to the Utility on such day. It is the intention of both the Utility and the customer that the daily deliveries of gas by the customer for transportation hereunder shall approximately equal the quantity of gas which the customer shall receive at the points of delivery. However, it is recognized that due to operating conditions either (1) in the fields of production, (2) in the delivery facilities of third parties, or (3) in the Utility's system, deliveries into and redeliveries from the Utility's system may not balance on a day-to-day basis. The Utility and the customer will use all due diligence to assure proper load balancing in a timely manner.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3706-A
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Rule No. 30

Sheet 2

TRANSPORTATION OF CUSTOMER-OWNED GAS

(Continued)

B. Quantities (Continued)

2. The gas to be transported hereunder shall be delivered and redelivered as nearly as practicable at uniform hourly and daily rates of flow. The Utility may refuse to accept fluctuations in excess of ten percent (10%) of the previous day's deliveries, from day to day, if in the Utility's opinion receipt of such gas would jeopardize other operations. Customers may make arrangements acceptable to the Utility to waive this requirement.
3. The Utility does not undertake to redeliver to the customer any of the identical gas accepted by the Utility for transportation, and all redelivery of gas to the customer will be accomplished by substitution on a therm-for-therm basis.
4. Transportation customers, contracted marketers, and aggregators will be provided monthly balancing services in accordance with the provisions of Schedule No. G-IMB.

C. Electronic Bulletin Board

1. SoCalGas prefers and encourages customers to use Electronic Bulletin Board (EBB) as defined in Rule No. 1 to submit their transportation nominations to the Utility. Imbalance trades are to be submitted through EBB or by means of the Imbalance Trading Agreement Form (Form 6544). Use of EBB is not mandatory for transportation only customers.
2. Transportation nominations may be submitted manually or through EBB. For each transportation nomination submitted manually, (by means other than EBB such as facsimile transmittal), a processing charge of \$11.87 shall be assessed. No processing charge will apply to an EBB subscriber for nominations submitted by fax at a time the EBB system is unavailable for use by the subscriber.

D. Operational Requirements

1. Customer Representation

The customer must provide to the Utility the name(s) of any agents ("Agent") used by the customer for delivery of gas to the Utility for transportation service hereunder and their authority to represent customer.

A customer may choose only one of the following gas supply arrangements: 1) one Contractor, 2) one or multiple Agents, or 3) itself for purposes of nominating to its end-use account (OCC).

(Continued)

(TO BE INSERTED BY UTILITY)
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Rule No. 30

Sheet 3

TRANSPORTATION OF CUSTOMER-OWNED GAS

(Continued)

D. Operational Requirements (Continued)

2. Receipt Points

Utility accepts nominations from transportation customers or their representatives at the following Receipt Points into the SoCalGas system, as referenced in Schedule No. G-RPA*:

- El Paso Pipeline at Blythe (Southern Transmission Zone)
- North Baja Pipeline at Blythe (Southern Transmission Zone)
- Transportadora de Gas Natural de Baja California at Otay Mesa (Southern Transmission Zone)
- Kern River Pipeline and Mojave Pipeline (Wheeler Transmission Zone)
- PG&E at Kern River Station (Wheeler Transmission Zone)
- Occidental of Elk Hills at Gosford (Wheeler Transmission Zone)
- Transwestern Pipeline at North Needles (Northern Transmission Zone)
- Transwestern Pipeline at Topock (Northern Transmission Zone)
- El Paso Pipeline at Topock (Northern Transmission Zone)
- Questar Southern Trails Pipeline at North Needles (Northern Transmission Zone)
- Kern River Pipeline at Kramer Junction (Northern Transmission Zone)
- Line 85 (California Supply)
- North Coastal (California Supply)
- Other CA Producers (California Supply)
- Storage

* Additional Receipt Points will be added as they are established in the future.

3. Receipt Point Capacity

Each day, Receipt Point and Transmission Zone capacities will be set at their physical operating maximums under the operating conditions for that day. The Utility will schedule nominations for each Receipt Point and Transmission Zone to the maximum operating capacity of that individual Receipt Point or Transmission Zone. The maximum operating capacity is defined as the facility design or contractual limitation to deliver gas into the Utility's system adjusted for operational constraints (i.e. maintenance, localized restrictions, and upstream delivery pressures) as determined each day.

The Utility will use the following rules to schedule nominations to the Receipt Point and Transmission Zone maximum operating capacities.

(Continued)

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Sheet 5

TRANSPORTATION OF CUSTOMER-OWNED GAS

(Continued)

D. Operational Requirements (Continued)

4. Off-System Delivery (OSD) Service (Continued)

The following rules will be used in scheduling of Off-System Delivery Services:

- Nominations using Firm OSD rights will have first priority; pro-rated if over-nominated.
- Nominations using Interruptible OSD rights will have second priority; pro-rated if over-nominated.
- Firm OSD rights can “bump” interruptible OSD scheduled quantities through the Intraday 1 Cycle, subject to the NAESB elapsed pro rata rules.
- Bumping will not be allowed in the Intraday 2 Cycle.

5. Nominations

The customer shall be responsible for submitting gas service nominations to the Utility no later than the deadlines specified below.

Each nomination shall include all information required by the Utility's nomination procedures. Nominations received by the Utility will be subject to the conditions specified in the service agreements with the Utility. The Utility may reject any nomination not conforming to the requirements in these rules or in applicable service agreements. The customer shall be responsible for making all corresponding upstream nomination/confirmation arrangements with the interconnecting pipeline(s) and/or operator(s).

Evening and Intraday nominations may be used to request an increase or decrease to scheduled volumes or a change to receipt or delivery points.

Intraday nominations do not roll from day to day.

Nominations submitted in any cycle will automatically roll to subsequent cycles for the specified flow date and from day-to-day through the end date or until the end date is modified by the nominating entity.

(Continued)

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Rule No. 30

Sheet 6

TRANSPORTATION OF CUSTOMER-OWNED GAS

(Continued)

D. Operational Requirements (Continued)

5. Nominations (Continued)

Nominations may be made in the following manner:

<u>FROM</u>	<u>TO</u>
Pipeline/CA Producer	Receipt Point Access Contract
Receipt Point Access Contract	End User, Contracted Marketer, ESP
Receipt Point Access Contract	Pool Account
Receipt Point Access Contract	Storage Account
Receipt Point Access Contract	Off-System Delivery Agreement
Pool Account	End User, Contracted Marketer, ESP
Pool Account	Pool Account
Storage Account	End User, Contracted Marketer, ESP
Pool Account	Storage Account
Storage Account	Pool Account
Storage Account	Storage Account
Storage Account	Off-System Delivery Agreement
Pool Account	Off-System Delivery Agreement
Off-System Delivery Agreement	Pipeline (PG&E)

6. Timing

All times referred to below are in Pacific Clock Time. Requests for deadline extensions may be granted for 15 minutes only if request is made prior to the deadlines shown below.

Timely Cycle

Transportation nominations submitted via EBB for the Timely Nomination cycle must be received by the Utility by 9:30 a.m. one day prior to the flow date. Nominations submitted via fax must be received by the Utility by 8:30 a.m. one day prior to the flow date. Timely nominations will be effective at 7:00 a.m. on the flow date.

Evening Cycle

Nominations submitted via EBB for the Evening Nomination cycle must be received by the Utility by 4:00 p.m. one day prior to the flow date. Nominations submitted via fax must be received by the Utility by 3:00 p.m. one day prior to the flow date. Evening nominations will be effective at 7:00 a.m. on the flow date.

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Rule No. 30
TRANSPORTATION OF CUSTOMER-OWNED GAS

Sheet 8

(Continued)

D. Operational Requirements (Continued)

- 9. Any penalties or charges incurred by the Utility under an interstate or intrastate supplier contract as a result of accommodating transportation service shall be paid by the responsible customer. T
- 10. Customers receiving service from the Utility for the transportation of customer-owned gas shall pay any costs incurred by the Utility because of any failure by third parties to perform their obligations related to providing such service. T

E. Interruption of Service

- 1. The customer's transportation service priority shall be established in accordance with the definitions of Core and Noncore service, as set forth in Rule No. 1, and the provisions of Rule No. 23, Continuity of Service and Interruption of Delivery. If the customer's gas use is classified in more than one service priority, it is the customer's responsibility to inform the Utility of such priorities applicable to the customer's service. Once established, such priorities cannot be changed during a curtailment period.
- 2. The Utility shall have the right, without liability (except for the express provisions of the Utility's Service Interruption Credit as set forth in Rule No. 23), to interrupt the acceptance or redelivery of gas whenever it becomes necessary to test, alter, modify, enlarge or repair any facility or property comprising the Utility's system or otherwise related to its operation. When doing so, the Utility will try to cause a minimum of inconvenience to the customer. Except in cases of unforeseen emergency, the Utility shall give a minimum of ten (10) days advance written notice of such activity.

F. Nominations in Excess of System Capacity (OFO)

- 1. In the event the Utility determines that the transportation nominations received for a specific date of gas flow ("flow date") exceed its expected system capacity (including storage) on such flow date, the Utility shall call an OFO and apply Buy-Back service under Schedule No. G-IMB separately for each flow date under an OFO. In such event, the Utility shall follow the procedure set forth below. T
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- 2. The OFO period shall begin on the flow date(s) indicated by the Utility. Customers shall be allowed to reduce their nominations or supply ranking in response to the Utility's notification. T,D
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- 3. In the event customers fail to adequately reduce their transportation nominations, the Utility shall reduce the confirmed receipt point access nominations on a pro rata basis across the system consistent with the scheduling priorities of receipt point access. T,D
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- 4. In accordance with the provisions of Schedule No. G-IMB, Buy-Back service shall be applied separately to each OFO day. Customer meters subject to maximum daily quantity limitations will use the maximum daily quantity as a proxy for daily usage. T
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(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3706-A
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Lee Schavrien
 Senior Vice President
 Regulatory Affairs

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TRANSPORTATION OF CUSTOMER-OWNED GAS

(Continued)

F. Nominations in Excess of System Capacity (OFO) (Continued)

5. Consistent with the requirements of Decision No. 92-07-025, the Utility's Gas Acquisition Department shall limit its deliveries into its system on behalf of its core sales market to no more than 110% of actual gas usage for the core (including firm storage injections on behalf of the core) during periods of excess transportation nominations.

G. Winter Deliveries

The Utility requires that customers deliver (using a combination of flowing supply and firm storage withdrawal) at least 50% of burn over a five-day period from November through March. As the Utility's total storage inventory declines through the winter, the delivery requirement becomes daily and increases to 70% or 90% depending on the level of inventory relative to peak day minimums.

1. From November 1 through March 31 customers are required to deliver (flowing supply and firm storage withdrawal) at a minimum of 50% of burn over a 5-day period. In other words, for each 5-day period, the Utility will calculate the total burn and the total delivery. If the total delivery is less than 50% of the total burn, a daily balancing standby charge is applied. The daily balancing standby rate is 150% of the highest Southern California Border price during the five day period as published by Natural Gas Intelligence in "NGI's *Daily Gas Price Index*," including authorized franchise fees and uncollectible expenses (F&U) and brokerage fees. Imbalance trading and as-available withdrawals may not be used to offset the delivery minimums. As an additional requirement, retail core and core aggregation will deliver a volume no less than 50% of their allocated firm interstate pipeline rights.
 - a. "Burn" means usage and is defined as metered throughput or an estimated quantity such as Minimum Daily Quantity (MinDQ), as defined in Rule No. 1, for customers without automated meters.
 - b. Example five-day periods are: Nov. 1 through Nov. 5, Nov. 6 through Nov. 10, Nov. 11 through Nov. 15 and so on. November with 30 days has six 5-day periods. December, January and March with 31 days have a 6-day period at the end of the month. February has a shortened 3 or 4-day period at the end of the month. The current 5-day period will run its course fully before the implementation of the 70% daily requirement. In the event that inventories rise above the 70% daily trigger levels by 1 Bcf, then a new, 5-day period will be implemented on the following day.
 - c. Example calculations for determining volumes subject to the daily balancing standby rate are: if over 5 days, total burn is 500,000 therms and total deliveries (including firm withdrawal) are 240,000 therms, then 10,000 therms is subject to daily balancing standby rate. (50% times 500,000 minus 240,000 equals 10,000).

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3706-A
 DECISION NO. 06-12-031, 07-06-003

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Sep 17, 2007
 EFFECTIVE Oct 1, 2008
 RESOLUTION NO. G-3407

TRANSPORTATION OF CUSTOMER-OWNED GAS

(Continued)

G. Winter Deliveries (Continued)

1. (continued)

- d. Example calculations in using NGI's Daily Gas Price Index for determining the daily balancing standby rate are: If for Jan. 6 through Jan. 10 the NGI Southern California Border quoted price ranges are \$2.36- 2.39, \$2.36-2.44, \$2.38-2.47, \$2.36-2.42, and \$2.37- 2.45, respectively, then the daily balancing standby rate becomes \$3.71 (\$2.47 times 150%).
 - e. With the exception of weekends and holidays, the Utility will use quotes from the NGI publication dated on the same day as the flow date. Weekend or holiday flow dates will use the first available publication date after the weekend or holiday.
 - f. Under current capacity assignments, 50% of core (retail core plus core aggregation) interstate pipeline rights translates to 522 MMcfd. For aggregators this translates to 50% of the Daily Contract Quantity (DCQ) as defined in Rule No. 1.
2. When total inventory declines to the "peak day minimum + 20 Bcf trigger," the minimum daily delivery requirement increases to 70%. Customers are then required to be balanced (flowing supply plus firm storage withdrawal) at a minimum of 70% of burn on a daily basis. The 5-day period no longer applies since the system can no longer provide added flexibility. The daily balancing standby rate is 150% of the highest Southern California Border price per NGI's *Daily Gas Price Index* for the day (including authorized F&U and brokerage fees) and is applied to each day's deliveries which are less than the 70% requirement. In this regime as-available storage withdrawal is cut in half. All Hub activity contributing to the underdelivery situation (i.e., Hub deliveries greater than Hub receipts) is suspended.
- a. Peak day minimums are calculated annually before November 1 as part of normal winter operations planning. The peak day minimum is that level of total inventory that must be in storage to provide deliverability for the core 1-in-35 year peak day event, firm withdrawal commitments and noncore balancing requirement.
 - b. Example calculations in this regime for determining volumes subject to the daily balancing standby rates are: If on January 6 total burn is 500,000 therms, and total deliveries (including firm withdrawal) are 300,000 therms then 50,000 therms is subject to the daily balancing standby charge (70% times 500,000 minus 300,000 equals 50,000).
 - c. Example calculations in using NGI's Daily Gas Price Index for daily balancing standby rates in this regime are: if for January 6 and January 7, the NGI Southern California Border quoted price ranges are \$2.36-2.39 and \$2.36-2.44, then the daily balancing standby rates become \$3.59 (150% of 2.39) for January 6, and \$3.66 (150% times 2.44) for January 7, respectively.

(Continued)

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TRANSPORTATION OF CUSTOMER-OWNED GAS

(Continued)

G. Winter Deliveries (Continued)

3. When total inventories decline to the "peak day minimum + 5 Bcf trigger," the minimum daily delivery requirement increases to 90%. Customers are required to be balanced (flowing supply plus firm storage withdrawal) at a minimum of 90% of burn on a daily basis. Similar to the 70% regime the 5 day period no longer applies. The daily balancing standby rate is charged daily and is 150% of the highest Southern California Border price per NGI's *Daily Gas Price Index* for the day (including authorized F&U and brokerage fees). In this regime there are no as-available storage withdrawals. All Hub activity contributing to the underdelivery situation (i.e., Hub deliveries greater than Hub receipts) is suspended.
4. Information regarding the established peak day minimums, daily balancing trigger levels and total storage inventory levels will be made available to customers on a daily basis via EBB and other customer notification media.
5. If a wholesale customer so requests, the Utility will nominate firm storage withdrawal volumes on behalf of the customer to match 100% of actual usage assuming the customer has sufficient firm storage withdrawal and inventory rights to match the customer's supply and demand.
6. The Utility will accept intra-day nominations to increase deliveries.
7. In all cases, current BCAP rules for monthly balancing and monthly imbalance trading continue to apply. Volumes not in compliance with the 50%, 70% and 90% minimum delivery requirements, purchased at the daily balancing standby rate, are credited toward the monthly 90% delivery requirements. Daily balancing charges remain independent of monthly balancing charges. Daily balancing and monthly balancing charges go to the Purchased Gas Account (PGA). Schedule No. G-IMB provides details on monthly and daily balancing charges.

H. Accounting and Billing

1. The customer and the Utility acknowledge that on any operating day during the customer's applicable term of transportation service, the Utility may be redelivering quantities of gas to the customer pursuant to other present or future service arrangements. In such an event, the Utility and customer agree that the total quantities of gas shall be accounted for in accordance with the provisions of Rule No. 23. If there is no conflict with Rule No. 23, the quantities of gas shall be accounted for in the following order:

(Continued)

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TRANSPORTATION OF CUSTOMER-OWNED GAS

(Continued)

H. Accounting and Billing (Continued)

1. (Continued)

- a. First, to satisfy any minimum quantities under existing agreements.
 - b. Second, after complete satisfaction of (a), then to any supply or exchange service arrangements with the customer.
 - c. Third, after the satisfaction of (a) and (b), then to any subsequently executed service agreement.
2. The customer agrees that it shall accept and the Utility can rely upon, for purposes of accounting and billing, the allocation made by customer's shipper as to the quality and quantity of gas, expressed both in Mcf and therms, delivered at each point of receipt during the preceding billing period for the customer's account. If the shipper does not make such an allocation, the customer agrees to accept the quality and quantity as determined by the Utility. All quality and measurement calculations are subject to subsequent adjustment as provided in the Utility's tariff schedules or applicable CPUC rules and regulations. Any other billing correction or adjustment made by the customer or third party for any prior period shall be based on the rates or costs in effect when the event occurred and accounted for in the period they are reconciled.
3. The Utility shall render to the customer an invoice for the services hereunder showing the quantities of gas, expressed in therms, delivered to the Utility for the customer's account, at each point of receipt and the quantities of gas, expressed in therms, redelivered by Utility for the customer's account at each point of delivery during the preceding billing period. The Customer shall pay such amounts due hereunder within nineteen (19) calendar days following the date such bill is mailed.
4. Both the Utility and the customer shall have the right at all reasonable times to examine, at its expense, the books and records of the other to the extent necessary to verify the accuracy of any statement, charge, computation, or demand made under or pursuant to service hereunder. The Utility and the customer agree to keep records and books of account in accordance with generally accepted accounting principles and practices in the industry.

I. Gas Delivery Specifications

1. The natural gas stream delivered into the Utility's system shall conform to the gas quality specifications as provided in any applicable agreements and contracts currently in place between the entity delivering such natural gas and the Utility at the time of the delivery. If no such agreement is in place, the natural gas shall conform to the gas specifications as defined below.

(Continued)

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TRANSPORTATION OF CUSTOMER-OWNED GAS

(Continued)

I. Gas Delivery Specifications (Continued)

2. Gas delivered into the Utility's system for the account of a customer for which there is no existing contract between the delivering pipeline and the Utility shall be at a pressure such that the gas can be integrated into the Utility's system at the point(s) of receipt.
3. Gas delivered, except as defined in I.1 above, shall conform to the following quality specifications at the time of delivery:
 - a. Heating Value: The minimum heating value is nine hundred and ninety (990) Btu (gross) per standard cubic foot on a dry basis. The maximum heating value is one thousand one hundred fifty (1150) Btu (gross) per standard cubic foot on a dry basis.
 - b. Moisture Content or Water Content: For gas delivered at or below a pressure of eight hundred (800) psig, the gas shall have a water content not in excess of seven (7) pounds per million standard cubic feet. For gas delivered at a pressure exceeding of eight hundred (800) psig, the gas shall have a water dew point not exceeding 20 degrees F at delivery pressure.
 - c. Hydrogen Sulfide: The gas shall not contain more than twenty-five hundredths (0.25) of one (1) grain of hydrogen sulfide, measured as hydrogen sulfide, per one hundred (100) standard cubic feet (4 ppm). The gas shall not contain any entrained hydrogen sulfide treatment chemical (solvent) or its by-products in the gas stream.
 - d. Mercaptan Sulfur: The gas shall not contain more than three tenths (0.3) grains of mercaptan sulfur, measured as sulfur, per hundred standard cubic feet (5 ppm).
 - e. Total Sulfur: The gas shall not contain more than seventy-five hundredths (0.75) of a grain of total sulfur compounds, measured as sulfur, per one hundred (100) standard cubic feet (12.6 ppm). This includes COS and CS₂, hydrogen sulfide, mercaptans and mono, di and poly sulfides.
 - f. Carbon Dioxide: The gas shall not have a total carbon dioxide content in excess of three percent (3%) by volume.
 - g. Oxygen: The gas shall not have an oxygen content in excess of two-tenths of one percent (0.2%) by volume, and customer will make every reasonable effort to keep the gas free of oxygen.
 - h. Inerts: The gas shall not contain in excess of four percent (4%) total inerts (the total combined carbon dioxide, nitrogen, oxygen and any other inert compound) by volume.
 - i. Hydrocarbons: For gas delivered at a pressure of 800 psig or less, the gas hydrocarbon dew point is not to exceed 45 degrees F at 400 psig or at the delivery pressure if the delivery pressure is below 400 psig. For gas delivered at a pressure higher than 800 psig, the gas hydrocarbon dew point is not to exceed 20 degrees F measured at a pressure of 400 psig.

(Continued)

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TRANSPORTATION OF CUSTOMER-OWNED GAS

(Continued)

I. Gas Delivery Specifications (Continued)

3. (Continued)

- j. Merchantability: The gas shall not contain dust, sand, dirt, gums, oils and other substances injurious to Utility facilities or that would cause gas to be unmarketable.
- k. Hazardous Substances: The gas must not contain hazardous substances (including but not limited to toxic and/or carcinogenic substances and/or reproductive toxins) concentrations which would prevent or restrict the normal marketing of gas, be injurious to pipeline facilities, or which would present a health and/or safety hazard to Utility employees and/or the general public.
- l. Delivery Temperature: The gas delivery temperature is not to be below 50 degrees F or above 105 degrees F.
- m. Interchangeability: The gas shall have a minimum Wobbe Number of 1279 and shall not have a maximum Wobbe Number greater than 1385. The gas shall meet American Gas Association's Lifting Index, Flashback Index and Yellow Tip Index interchangeability indices for high methane gas relative to a typical composition of gas in the Utility system serving the area.

Acceptable specification ranges are:

- * Lifting Index (IL)
IL \leq 1.06
- * Flashback Index (IF)
IF \leq 1.2
- * Yellow Tip Index (IY)
IY \geq 0.8

- n. Liquids: The gas shall contain no liquids at or immediately downstream of the receipt point.
- o. Landfill Gas: Gas from landfills will not be accepted or transported.
- p. Biogas: Biogas refers to a gas made from anaerobic digestion of agriculture and/or animal waste. The gas is primarily a mixture of methane and carbon dioxide. Biogas must be free from bacteria, pathogens and any other substances injurious to utility facilities or that would cause the gas to be unmarketable and it shall conform to all gas quality specifications identified in this Rule.

(Continued)

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TRANSPORTATION OF CUSTOMER-OWNED GAS

(Continued)

I. Gas Delivery Specifications (Continued)

4. The Utility, at its option, may refuse to accept any gas tendered for transportation by the customer or on his behalf if such gas does not meet the specifications at the time of delivery as set out in I. 2 and I. 3 above, as applicable.
5. A generic deviation from the minimum gas quality specifications set forth in Paragraph I.3 is granted for "Historical California Production." Quality specifications for Historical California Production will be governed by SoCalGas Rule No. 30 in effect as of September 21, 2006, or, to the extent that production had a deviation in place at that time, pursuant to the agreement governing that deviation. "Historical California Production" is defined as follows: Onshore or offshore California-produced natural gas delivered at points of interconnection existing as of January 1, 2006, up to the maximum historical deliveries or Maximum Daily Volume effective on that date as specified in any agreement permitting supply delivery at those points. If a producer moves its deliveries of Historical California Production from a point of interconnection existing as of January 1, 2006, to another existing or a new point on the system, or if one or more producers consolidate two or more existing points of interconnection existing as of January 1, 2006, to another existing or a new point on the system, the deviation granted under this provision will follow the Historical California Production provided that (a) the Utility has required or approved the change in receipt point location and (b) the continuing deviation shall not exceed the Maximum Daily Volume stated in the access agreement(s) governing deliveries at the producer's original point of interconnection and (c) specifically, the quality of the gas should not lessen to the point that it falls outside the grandfathered Rule No. 30 specifications.
6. In addition to the generic deviation provided in paragraph 5, the Utility will grant other specific deviations to California production from the gas quality specifications defined in Paragraph I.3 above, if such gas will not have a negative impact on system operations. Any such deviation will be required to be filed through Advice Letter for approval prior to gas actually flowing in the Utility system.
7. The Utility will grant a deviation to existing interstate supplies consistent with prior gas quality specifications if requested by the interconnecting interstate pipeline for a period of not more than 12 months from the date of D.06-09-039.
8. The Utility will post on its EBB and/or general website information regarding the available real-time Wobbe Number of gas at identified operational locations on its system.

(Continued)

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TRANSPORTATION OF CUSTOMER-OWNED GAS

(Continued)

J. Termination or Modification

1. If the customer breaches any terms and conditions of service of the customer's service agreement or the applicable tariff schedules and does not correct the situation within thirty (30) days of notice, the Utility shall have the right to cease service and immediately terminate the customer's applicable service agreement.
2. If the contract is terminated, either party has the right to collect any quantities of gas or money due them for transportation service provided prior to the termination.

K. Regulatory Requirements

1. Any gas transported by the Utility for the customer which was first transported outside the State of California shall have first been authorized under Federal Energy Regulatory Commission (FERC) regulations, as amended. Both parties recognize that such regulations only apply to pipelines subject to FERC jurisdiction, and do not apply to the Utility. The customer shall not take any action which would subject the Utility to the jurisdiction of the FERC, the Economic Regulatory Administration or any succeeding agency. Any such action shall be cause for immediate termination of the service arrangement between the customer and the Utility.
2. Transportation service shall not begin until both parties have received and accepted any and all regulatory authorizations necessary for such service.

L. Warranty and Indemnification

1. The customer warrants to the Utility that the customer has the right to deliver gas hereunder and that such gas is free from all liens and adverse claims of every kind. Customer will indemnify, defend and save Utility harmless against all loss, damage, injury, liability and expense of any character where such loss, damage, injury, liability or expense arises directly or indirectly out of any demand, claim, action, cause of action or suit brought by any person, association or entity asserting ownership of or any interest in the gas tendered for transportation hereunder, or on account of royalties, payments or other charges applicable before or upon delivery of gas hereunder.
2. The customer shall indemnify, defend and save harmless Utility, its officers, agents, and employees from and against any and all loss, costs (including reasonable attorneys' fees), damage, injury, liability, and claims for injury or death of persons (including any employee of the customer or the Utility), or for loss or damage to property (including the property of the customer or the Utility), which occurs or is based upon an act or acts which occur while the gas is deemed to be in the customer's control and possession or which results directly or indirectly from the customer's performance of its obligations arising pursuant to the provisions of its service agreement and the Utility's applicable tariff schedules, or occurs based on the customer-owned gas not meeting the specifications of Section I of this rule.

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CORE AGGREGATION TRANSPORTATION

(Continued)

D. INTERSTATE PIPELINE CAPACITY FOR PROCUREMENT AND TRANSPORTATION SERVICES (Continued)

3. Receipt Point Access Service

ESPs may receive receipt point access service by utilizing Schedule No. G-RPA. ESPs will have the set-aside option, under Schedule No. G-RPA, to acquire firm receipt point access rights during the open season process.

4. Adding and Deleting Customers

When ESPs add customers, firm interstate pipeline capacity will be assigned for the incremental load for such additional customers computed in the manner described above. When ESPs release customers, ESPs will have the right to release associated assigned interstate pipeline capacity to SoCalGas, at the ESP's discretion. However, SoCalGas will have the option to recall any such interstate pipeline capacity, at SoCalGas' discretion, if, in SoCalGas' sole judgment, such capacity is necessary to serve the returning customer[s].

ESPs will be reimbursed pursuant to the provisions of Section E.2 below, up to the ESP's DCQ, for interstate pipeline capacity assignments which have been made by SoCalGas. To avoid the administrative burden of minor monthly changes, such assignment or release of firm interstate pipeline capacity will not be made unless and until the aggregated net change exceeds ten percent (10%) of the prior effective DCQ or 1,000 therms per day, whichever is lower.

5. Rebrokering

ESPs may rebroker their allocated capacity pursuant to applicable FERC regulations. If the ESP rebrokers the capacity in whole or in part to another party, the ESP shall remain financially responsible to SoCalGas for the rebrokered capacity and any associated charges.

ESPs may participate under the provisions of Rule No. 36, Interstate Capacity Brokering, for any capacity that is additional to their reserved capacity amount.

E. BILLING FOR INTERSTATE PIPELINE CAPACITY

1. Interstate Pipeline Charges

All core customers, including Core Transportation Service Customers and Core Procurement Customers, will be billed at a rate equivalent to the fully bundled core transmission charge, including, but not limited to the allocated interstate demand charges or a surcharge therefore, transition cost surcharges established under the authority of Section 785.1 of the Public Utilities Code, and associated franchise fees and taxes, by SoCalGas. ESPs will remit payment for interstate pipeline demand charges for all assigned firm interstate pipeline capacity directly to the appropriate interstate pipeline.

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Rule No. 33
Electronic Bulletin Board (EBB)

Sheet 1

A. GENERAL

Utility will provide end-use customers, authorized marketers, and aggregators (hereinafter "User") access to its electronic transaction information and communication system known as Electronic Bulletin Board (EBB), as defined in Rule No. 1, contingent upon User meeting all conditions of Utility for authorization to use the EBB system. The general terms and conditions applicable to the provision and use of EBB are set forth herein. Utility may terminate all or any part of the EBB program at any time, but will provide as much prior notice of any such termination as reasonably possible. Use of the EBB is not mandatory. Utility reserves the right at any time to deny EBB access to any requesting party that has not completed the necessary qualification procedures, or that Utility reasonably believes is not financially or technically qualified to use the EBB.

B. EBB SERVICES

Utility has implemented the EBB to facilitate certain Utility-to-User and User-to-User interactions through the use of the Internet. The EBB is intended to be accessible for the following services or functions (hereinafter "Services"):

1. nominating with Utility for transportation or storage capacity on Utility's intrastate system, including the ability for User to verify receipt and allocation by Utility of such nominations;
2. obtaining gas usage information by account or group of accounts for User with electronic gas measurement;
3. providing imbalance quantities and serving as a mechanism for submitting transportation imbalance and storage trade requests to Utility for validation during the imbalance trading periods;
4. providing a mechanism for submitting receipt point access capacity trade requests to Utility for validation and posting of firm receipt point access secondary market transactions and approving all transactions;
5. obtaining information regarding such things as Utility tariff rate changes, curtailments, regulatory notices and other general information items;
6. acting as an electronic mail system between User and Utility; and,
7. obtaining Utility operational data as required in D.98-03-073, Remedial Measures.
8. other electronic bidding, trading and contracting for gas transactions and information sharing in connection with such other tariff services or programs as may be available from Utility from time to time or in connection with Utility's pipeline systems or related services offered by Utility or third parties.

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Rule No. 33
Electronic Bulletin Board (EBB)

Sheet 2

(Continued)

C. USER HARDWARE REQUIREMENTS

To access and use the EBB system, authorized User must have access to the Internet. EBB technical requirements are posted on the EBB website.

D. ACCESS AND RESTRICTIONS

1. Once User has satisfactorily met all of Utility's requirements for authorization to access the EBB, including the execution of an Electronic Bulletin Board Agreement (Form 6800) and all necessary Exhibits thereto, Utility will provide such User access to and the capability to enter electronically into the EBB applications selected by User.
2. Use of the EBB shall at all times be subject to Utility's posted EBB "Legal" and "Privacy" policies, which may be changed by Utility without prior notice.
3. All data submitted to the EBB by User and all information related to transactions entered into by User through the system shall be available on a non-exclusive basis by Utility, and both Utility and User shall have the right to use, for normal business operations such information subject to the confidentiality provisions in Section H.2 of this Rule.
4. User shall not modify, duplicate, revise or otherwise manipulate the EBB website, any content posted thereon by Utility, or based on or derived therefrom, or any software programs used in connection with the EBB in any manner. Such prohibited actions shall include without limitation reverse assembling or reverse compiling, translating or converting software programs or any portion thereof to human readable form, or transferring, assigning, distributing or otherwise making available copies of software programs without the express prior written consent of Utility.
5. User shall not in any way infringe upon the proprietary rights of Utility or any other party with said rights or in any way violate the applicable laws, tariffs or regulations of any governmental entity. User's use of the EBB system and any and all software programs and documentation provided therewith is at all times subject to all applicable legal, regulatory, and tariff restrictions, including without limitation trademark and copyright laws, and User shall use the EBB in compliance with all said restrictions.
6. Utility may terminate or suspend User's rights to access the EBB Services and to conduct some or all transactions in accordance with the applicable Tariff Rules and contracts in the event User defaults or breaches its obligations in connection therewith. If User is delinquent in its payments to Utility for a particular type of service transaction, Utility may suspend User's rights to enter into such transactions using the EBB until User cures the default in full.
7. At all times during the term hereof, Utility reserves the right to modify or alter the EBB access and content, add new Services and any software and/or documentation or other materials used in connection with the EBB. Subject to any necessary approvals, all such modifications or alterations shall become subject to this Rule.

(Continued)

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Rule No. 33
Electronic Bulletin Board (EBB)

Sheet 3

(Continued)

E. AUTHORIZED INDIVIDUAL USERS

Authorized User shall allow only its specifically authorized employees and/or agents access to and use of EBB and all Software Programs. Authorized User shall identify each and every such individual to Utility in writing, through the use of the Exhibit A EBB Logon ID Request Form, (Form 6800-A), prior to their use of the EBB system.

Authorization is limited strictly to such designated individuals until such time as User requests otherwise. In the event such individual's authorization to use system is terminated for whatever reason, including but not limited to a change in employment and/or the necessity to change authorization to another person or persons, authorized User must provide Utility immediate notice thereof and must request any new authorizations required as a consequence. User shall be solely responsible for the actions of any individuals it designates in connection with the EBB system.

If User desires to change or add a type of EBB Service or to change the individuals authorized on its behalf to conduct electronic transactions, User shall fax to Utility a new Logon ID Request Form. Such authorized representative shall be the individual named in a Delegation of Authority Form (Exhibit B to Form 6800) or the sole proprietor, or an authorized officer or partner with authority to bind User. The changes or additions shall be effective as soon as reasonably possible after Utility receives the new Logon ID Request Form, and in any event, not later than the close of Utility's business day if the fax is received at least one hour prior to closing and shall be effective within the first hour of the next business day if received thereafter. Utility may, but is not required to, send written confirmation to User of Utility's receipt of the changes or additions. To revoke the authority of an individual to enter into electronic transactions on behalf of User, User may e-mail Utility with such revocation, which shall be effective upon User's receipt of an e-mail confirmation from Utility.

F. ELECTRONIC TRANSACTIONS

1. By using the EBB, User agrees to enter into and obtain the Services electronically and agrees to all terms and conditions of this Rule and other applicable Tariff Rules and Schedules and applicable contracts. User will be bound by all the applicable terms and conditions of Utility's Tariff Schedules and Rules as in effect from time to time, including the Electronic Bulletin Board Agreement and all Exhibits thereto, which are made available by Utility and selected by User for electronic transactions. User is responsible for any and all costs or expenses associated with its accessing and utilizing the EBB.
2. The Services to be transacted through the EBB and designation of the individuals authorized by User to perform those applications shall be as set forth in the Electronic Bulletin Board Agreement Exhibit A, EBB Logon ID Request Form (Form 6800-A).

(Continued)

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ACCESS TO THE SOCALGAS PIPELINE SYSTEM

The Utility shall provide nondiscriminatory open access to its system to any party (hereinafter "Interconnector") for the purpose of physically interconnecting with the Utility and effectuating the delivery of natural gas, subject to the terms and conditions set forth in this Rule and the applicable provisions of the Utility's other tariff schedules including, but not limited to, the gas quality requirements set forth in Rule No. 30, Section I. None of the provisions in this Rule shall be interpreted so as to unduly discriminate against or in favor of gas supplies coming from any source.

A. Terms of Access

1. The interconnection and physical flows shall not jeopardize the integrity of, or interfere with, normal operation of the Utility's system and provision of service to its customers.
2. The Interconnector and the Utility must execute Form No. 6450, Interconnection Agreement (IA) and Form No. 6435, Operational Balancing Agreement (OBA). T
3. The Interconnector shall pay for all equipment necessary to effectuate deliveries at point of interconnection, including, but not limited to, valves, separators, meters, quality measurement, odorant and other equipment necessary to regulate and deliver gas at the interconnection point. The Interconnector shall also pay for computer programming changes to the Utility's Electronic Bulletin Board (EBB) scheduling system, if any, required to add the Interconnector's new interconnection point. The Interconnector and the Utility must execute Form No. 6430, Exhibit D, Interconnect Collectible System Upgrade Agreement. T
4. The point of interconnection shall be established as a transportation scheduling point, pursuant to the provisions of Rule No. 30, if the Interconnector abides by the standards of the North American Energy Standards Board.
5. The maximum physical capacity of the interconnection will be determined by the sizing of the point of receipt, including the metering and odorization capacities, but is not the capacity of the Utility's pipeline system to transport gas away from the interconnection point and is not, nor is it intended to be, any commitment by the Utility of takeaway capacity. T
6. The available receipt capacity for any particular day may be affected by physical flows from other points of receipt, physical pipeline and storage conditions for that day, and end-use demand on the Utility's system.
7. The Utility will expand its receipt point capacity at the request and expense of a supply source or an interconnecting pipeline. The Interconnector and the Utility must execute a Collectible System Upgrade Agreement (Form 6420) prior to any work being completed. T,D
8. As defined in the IA, the Interconnector shall pay all costs associated with the odorant of the delivered natural gas less the historical costs, on a per unit basis; the Utility has paid for odorant required for existing interstate supplies being delivered as of the date of D.06-09-039. The historical cost is \$0.0003 per Dth.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3706-A
 DECISION NO. 06-12-031, 07-06-003

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Sep 17, 2007
 EFFECTIVE Nov 16, 2007
 RESOLUTION NO. G-3407

ACCESS TO THE SOCALGAS PIPELINE SYSTEM

(Continued)

B. Interconnection Capacity Studies

1. Any party, including an interconnecting pipeline or a supply source, may request an Interconnection Capacity Study to determine the Utility's downstream capability to take natural gas away from the interconnection point and the associated Utility facility enhancement costs. Upon the request of an entity to establish or increase takeaway capacity from a receipt point, the Utility will make a timely determination of the facilities (and facility modifications) and associated costs that are required to add the requested takeaway capacity on both a Displacement Receipt Point Capacity basis and Expansion Receipt Point Capacity basis. The Utility shall make this determination on a nondiscriminatory and transparent basis, without favoring any region of its territory and without favoring any entity.

2. All analyses shall take into consideration new supplies and facilities that have been or will be installed pursuant to a previously executed Collectible System Upgrade Agreements (CSUA) in effect. Priority for purposes of determining facility costs will be established on the basis of the date a party executes a CSUA. The CSUA shall include the activities from initial study through construction under terms mutually agreeable to the Utility and the party in Appendix "B" to the CSUA. In order to keep its place in the priority established by D.06-12-031 for determining facilities costs, an Appendix "B" must be completed within 90 days of the Commission Resolution approving Advice Letter 3706-A. The Utility shall maintain a queue of executed CSUAs with completed Appendix "B", including project milestones and completion dates. Any CSUA party will be subject to replacement in the queue if any date for performance within its CSUA has expired. The Utility will be provided a 30-day notice of cancellation and allow for a subsequent 60-day period to cure any non-performance. The Utility will file an Advice Letter for Commission approval to re-order the queue due to the non-performance of a CSUA holder.

3. Any party interested in funding an Interconnection Capacity Study must submit a written request for access, which includes where and when the new supply will be delivered to the Utility and the volume required to be received. Within 30 business days, the Utility will provide a written proposal to the party to evaluate the system impact of the new supplies including the estimated time and cost to perform this analysis.

4. The party and the Utility must execute a Consulting Services Agreement (Form 6440) or Collectible System Upgrade Agreement (Form 6420) and Confidentiality Agreement (Form 6410) prior to any work being completed and provide payment equal to the estimated cost of the Interconnection Capacity Study prior to the Utility proceeding with the Interconnection Capacity Study. The party will be responsible for the actual costs of the analysis; to this end, an invoice or refund will be issued to the supplier at the completion of the analysis for any difference between the actual costs and the estimate.

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(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3706-A
DECISION NO. 06-12-031, 07-06-003

ISSUED BY
Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Sep 17, 2007
EFFECTIVE Nov 16, 2007
RESOLUTION NO. G-3407

ACCESS TO THE SOCALGAS PIPELINE SYSTEM

(Continued)

B. Interconnection Capacity Studies (Continued)

- 5. The cost estimate provided in the Interconnection Capacity Study will not include cost estimates for land acquisition, site development, right-of-way, metering, gas quality, permitting, regulatory, environmental, unusual construction costs, and operating and maintenance costs. Upon completion of the Interconnection Capacity Study and for an additional charge, the Utility will perform a more detailed Preliminary Engineering Study that will include such cost estimates associated with these elements, if requested by the party in writing. As with the Interconnection Capacity Study, the party will be responsible for the actual costs to perform the Preliminary Engineering Study. T,L
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- 6. In addition, upon formal written request by any party, the Utility will prepare a Detailed Engineering Study, which will: (1) describe all costs of construction, (2) develop complete engineering construction drawings, and (3) prepare all construction and environmental permit applications and right-of-way acquisition requirements. The party shall pay an estimated charge before the Utility will begin the Detailed Engineering Study. As with the Interconnection Capacity Study, the party will be responsible for the actual costs to perform the Detailed Engineering Study. T,L
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- 7. Customers will have three funding options for increasing receipt point capacity. First, a customer may elect to pay 100% of the costs, including applicable CIAC taxes, to the Utility to complete the installation of the necessary facility without any refund of the advanced funds and not be charged an incremental reservation rate on a going forward basis. Second, a customer may elect to pay 100% of the costs to the Utility to complete the installation of the necessary facility, receive a refund of those advanced funds after gas first flows through the receipt point, and be charged an incremental reservation rate on a going forward basis. Third, a customer may elect to install the necessary facility themselves under the direction of the Utility, transfer ownership of the necessary facilities, along with any payment of applicable CIAC taxes, and not be charged incremental reservation rate on a going forward basis. N
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(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3706-A
 DECISION NO. 06-12-031, 07-06-003

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Sep 17, 2007
 EFFECTIVE Nov 16, 2007
 RESOLUTION NO. G-3407

MASTER SERVICES CONTRACT - SCHEDULE K
POOLING SERVICE AGREEMENT
Form No. 6597-13

N
N
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(See Attached Form)

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 3706-A
DECISION NO. 06-12-031, 07-06-003

1H12

ISSUED BY

Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Sep 17, 2007
EFFECTIVE Nov 16, 2007
RESOLUTION NO. G-3407

MASTER SERVICES CONTRACT
SCHEDULE K
POOLING SERVICE AGREEMENT

Pool ID No. _____
Account No. _____

This Pooling Service Agreement (“Agreement”) is entered into as of the ____ day of **Month**, **Year**, by and between Southern California Gas Company (“Utility”) and **Customer Name** (“Customer”), and is an independent Agreement incorporating by reference all of the terms and conditions of that certain Master Services Contract (“MSC”) executed by the Parties.

NOW THEREFORE, in consideration of the promises and mutual undertakings set forth below, the parties agree as follows:

Section 1 – Services

This Agreement sets forth the terms and conditions under which Utility will provide end-use customers, customer agents, contracted marketers, core aggregators, SoCalGas Gas Acquisition, and any other legal entity seeking to conduct business on the SoCalGas system, pooling service on the SoCalGas system.

Section 2 – Effective Date/Term

- (A) **Effective Date** - This Agreement shall be effective at 6:00 a.m. on the 1st day of **Month**, **Year** and shall continue month to month thereafter until terminated by either party on 30 days prior written notice.
- (B) **Early Termination** - This Agreement may be terminated by Utility immediately under the following circumstances:
 - (1) In the event of a failure by Customer to pay on a timely basis all amounts billed by Utility, as provided in Section 7 of this Agreement.
 - (2) In the event that Customer fails to establish Customer’s continued creditworthiness in accordance with SoCalGas’ then applicable credit rules.

Section 3 - Rates

This Agreement shall be subject to Utility's Tariff Rate Schedule **G-POOL** and other applicable Tariff Schedules, as in effect from time to time, including without limitation Utility's Tariff Schedule G-RPA.

Section 4 – Operations

All nominations, confirmations, and other operating procedures for transportation services shall be subject to Utility's Tariff Rate Schedule **G-POOL** and Tariff Rules, as in effect from time to time.

Section 5 – Notices

All notices and requests under this Agreement shall be deemed to have been duly given if sent by first-class postage prepaid U. S. mail, by courier service, or if sent on a business day by facsimile (fax) properly addressed, and with confirming original copy thereof being sent (the same business day) by first-class postage prepaid mail, properly addressed, as follows:

CUSTOMER:
Company
Street Address
City, State, Zip
Attn: _____

UTILITY:
Southern California Gas Company
555 W. 5th Street
Los Angeles, CA 90013
Attn: Capacity Products, M.L. 22E1

Section 6 – Billing and Payment

(A) Billing/Payment - During the term hereof, all charges billed by Utility to Customer for pooling service charges and/or any other applicable charges shall be billed by Utility and paid by Customer in accordance with the MSC and Rule No. 9. If full payment has not been so received, Utility may terminate this Agreement as provided in Section 9 of this Agreement.

(B) Disputes - In the event of a billing dispute, the Customer may use the dispute resolution provision available and deposit the amount of the bill with the Public Utilities Commission in accordance with Rule No. 11.

Section 7 – Establishment of Credit

Credit requirements to participate in pooling services are described in Tariff Rate Schedule G-POOL and SoCalGas' applicable credit rules.

Section 8 – Termination

Service may be terminated as provided in Tariff Rate Schedule G-POOL and Rule No. 9.

Section 9 – Regulatory

Tariff Schedules - This Agreement shall be subject to Utility's Tariff Rate Schedule G-POOL and other applicable Tariff Schedules and Rules as in effect from time to time, including without limitation Tariff Rule No. 1, No. 4 and No. 30.

Section 10 – Miscellaneous Legal Provisions

All of the terms and conditions of the MSC are incorporated herein by reference.

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

**“CUSTOMER”
Company**

By: _____

Title: _____

**“UTILITY”
Southern California Gas Company**

By: _____

Title: _____

MASTER SERVICES CONTRACT - SCHEDULE L
RECEIPT POINT ACCESS CONTRACT - EXHIBIT A
Form No. 6597-17

N
N
N

(See Attached Form)

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 3706-A
DECISION NO. 06-12-031, 07-06-003

1H12

ISSUED BY

Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Sep 17, 2007
EFFECTIVE Nov 16, 2007
RESOLUTION NO. G-3407

MASTER SERVICES CONTRACT
 SCHEDULE L
 RECEIPT POINT ACCESS CONTRACT (RPAC)
 RPAC No. _____

This Agreement, also referred to as Exhibit A, is entered into as of the ____ day of _____, by and between Southern California Gas Company (“Utility”) and _____ (“Customer”) and is subject to the terms and conditions of the Customer’s Receipt Point Master Agreement (RPMA) No. _____. The terms of this RPAC are binding unless disputed in writing as provided in the RPMA.

TERM:

The Effective Date of this Agreement shall be on _____ and extend through _____.

RATE:

Rate Schedule	Applicable Rate Tariff or Negotiated \$/Dth)	(Secondary Market Only) Recallable Y or N	(Secondary Market Only) Releasing RPAC No.
_____	_____	_____	_____

RECEIPT POINT AND DAILY CONTRACT QUANTITIES:

<u>RECEIPT POINT</u>	<u>START DATE</u>	<u>END DATE</u>	<u>DAILY CONTRACT QUANTITY (Dths/Day)</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

IN WITNESS WHEREOF, the authorized representatives of the parties have executed this Receipt Point Access Contract.

Southern California Gas Company “Utility”	_____
By _____	By _____ May be electronically executed
Title _____	Title _____

MASTER SERVICES CONTRACT - SCHEDULE M
RECEIPT POINT MASTER AGREEMENT
Form No. 6597-18

N
N
N

(See Attached Form)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3706-A
DECISION NO. 06-12-031, 07-06-003

ISSUED BY
Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Sep 17, 2007
EFFECTIVE _____
RESOLUTION NO. G-3407

**RECEIPT POINT MASTER AGREEMENT
SCHEDULE M**

Account Number: _____

This Receipt Point Master Agreement (RPMA) is entered into as of the following date: _____.

The parties to this RPMA are the following:

Southern California Gas Company and _____
555 West Fifth Street _____
Los Angeles, California 90013-1011 _____
Attn: **Capacity Products** _____

Phone: _____ Fax: _____

Federal Taxpayer ID: _____
Duns # _____
Master Services Contract # _____
Attn: _____
Phone: _____ Fax: _____
E-mail address _____

This RPMA incorporates by reference for all purposes all of the terms and conditions for the Master Services Contract dated _____ between Southern California Gas Company ("Utility") and _____ ("Customer"). The parties hereby agree to the following additional General Terms and Conditions:

GENERAL TERMS AND CONDITIONS

SECTION 1. PURPOSE AND PROCEDURES

- 1.1. These General Terms and Conditions to the RPMA are intended to facilitate the purchase of Receipt Point Access rights and the transportation of natural gas onto the Utility system or Off-System Delivery Services to transport natural gas off the Utility system. "Customer" refers to the party purchasing Receipt Point Access rights to transport gas onto the Utility system or Off-System Delivery Services to transport gas off the Utility system and "Utility" refers to the party selling those rights.
- 1.2. The parties will use the following Receipt Point Access Contract (RPAC) or Off-System Delivery Contract (OSD) procedure. Should the parties come to an agreement regarding a receipt point access or off-system delivery service transaction for a particular Receipt Period, the Utility shall, and Customer may, record that agreement on an RPAC form or an OSD form and communicate such RPAC or OSD form by facsimile, EDI or mutually agreeable electronic means, to the other party by the close of the Business Day following the date of agreement. The parties acknowledge that their agreement will not be binding until the exchange of non-conflicting RPAC or OSD forms or the passage of the Confirm Deadline without objection from the receiving party, as provided in Section 1.3.
- 1.3. If a sending party's RPAC or OSD form is materially different from the receiving party's understanding of the agreement referred to in Section 1.2., such receiving party shall notify the sending party via facsimile by the Confirm Deadline, unless such receiving party has previously sent a RPAC or OSD form to the sending party. The failure of the receiving party to so notify the sending party in writing by the Confirm Deadline constitutes the receiving party's agreement to the terms of the transaction described in the sending party's RPAC or OSD form. If there are any material differences between timely sent RPAC or OSD forms governing the same transaction, then neither RPAC or OSD form shall be binding until or unless such differences are resolved including the use of any evidence that clearly resolves the differences in the RPAC or OSD forms. The entire agreement between the parties shall be those provisions contained in both the RPMA and any effective RPAC or OSD form. In the event of a conflict among the terms of (i) an RPAC or OSD form, (ii) the RPMA, and (iii) these General Terms and Conditions, the terms of the documents shall govern in the priority listed in this sentence.

SECTION 2. DEFINITIONS

- 2.1. "Receipt Point Contract" shall mean the document, substantially in the form of Exhibit A, Schedule L, setting forth the terms of a purchase and sale receipt point transaction formed pursuant to Section 1 for a particular Receipt Period.
- 2.2. "Off-System Delivery Service Contract" shall mean the document, substantially in the form of Exhibit B, Schedule N, setting forth the terms of a purchase and sale receipt point transaction formed pursuant to Section 1 for a particular Receipt Period.
- 2.3. "Receipt Point Master Agreement" shall mean a contract executed by the parties that incorporates these General Terms and Conditions by reference; that specifies the agreed selections of provisions contained herein; and that sets forth other information required herein.
- 2.4. "Business Day" shall mean any day except Saturday, Sunday or Federal Reserve Bank holidays.
- 2.5. "Confirm Deadline" shall mean 5:00 p.m. in the receiving party's time zone on the second Business Day following the Day a

Confirmation is received; provided, if the RPAC form or OSD form is time stamped after 5:00 p.m. in the receiving party's time zone, it shall be deemed received at the opening of the next Business Day.

- 2.6. "Confirming Party" shall mean the party that prepares and forwards an RPAC or OSD form to the other party.
- 2.7. "Contract" shall mean the legally-binding relationship established by: (i) the RPMA (ii) the provisions contained in any effective RPAC or OSD form; (iii) the provisions in any effective amendment to an RPAC or OSD form; and (iv) the Master Services Contract.
- 2.8. "Contract Price" shall mean the amount expressed in U.S. Dollars per Dth or % of Tariff Rate, as evidenced by the Contract Price on the RPAC or OSD form.
- 2.9. "Contract Quantity" shall mean the quantity of Gas to be delivered and taken as set forth in the RPAC or OSD form.
- 2.10. "Day" shall mean a period of 24 consecutive hours, coextensive with a "day" as defined by the Utility in its Rule No. 1.
- 2.11. "Firm" shall mean that either party may interrupt its performance without liability only to the extent that such performance is prevented for reasons of Force Majeure.
- 2.12. "Gas" shall mean any mixture of hydrocarbons and non-combustible gases in a gaseous state consisting primarily of methane.
- 2.13. "Interruptible" shall mean that either party may interrupt its performance at any time for any reason, whether or not caused by an event of Force Majeure, with no liability.
- 2.14. "Month" shall mean the period beginning on the first Day of the calendar month and ending immediately prior to the commencement of the first Day of the next calendar month.
- 2.15. "Receipt Period" shall be the period during which deliveries are to be made to the Receipt Point(s) as set forth in the RPAC or OSD form.
- 2.16. "Receipt Point" shall mean such point as are mutually agreed upon between Utility and Customer as set forth in the RPAC or OSD form.
- 2.17. "Scheduled Gas" shall mean the quantity of Gas scheduled for delivery by the upstream interconnect to Utility for movement.
- 2.18. "Transporter(s)" shall mean all Gas gathering or pipeline companies or entities, or local distribution companies, acting in the capacity of a transporter(s), transporting Gas for Utility or Customer upstream or downstream, respectively, of the Receipt Point pursuant to a particular RPAC or OSD form.

SECTION 3. PERFORMANCE OBLIGATION

- 3.1. Utility agrees to sell and Customer agrees to purchase, the Daily Contract Quantity (DCQ) for a particular transaction in accordance with the terms of the Contract. Sales and purchases will be on a Firm or Interruptible basis, as specified in the RPAC or OSD form.
- 3.2. EXCEPT AS OTHERWISE SPECIFICALLY PROVIDED HEREIN, IN NO EVENT WILL EITHER PARTY BE LIABLE UNDER THIS CONTRACT, WHETHER IN CONTRACT, IN TORT (INCLUDING NEGLIGENCE AND STRICT LIABILITY), OR OTHERWISE, FOR INCIDENTAL, CONSEQUENTIAL, SPECIAL, OR PUNITIVE DAMAGES.

SECTION 4. TRANSPORTATION AND NOMINATIONS

- 4.1. Customer shall have the sole responsibility for transporting the Gas to the Receipt Point in association with Receipt Point Access rights.
- 4.2. The parties shall coordinate their nomination activities as provided for in SoCalGas' Rule No. 30 or its legal successor. Each party shall give the other party timely prior notice, sufficient to meet the requirements of all Transporter(s) involved in the transaction, of the quantities of Gas to be delivered each Day.
- 4.3. Customer shall conform to the operating procedures set forth in all applicable Utility tariffs and rules in effect during the term of this RPMA.

SECTION 5. QUALITY AND MEASUREMENT

- 5.1. All Gas delivered by Customer shall meet the quality and heat content requirements as provided for in SoCalGas' Rule No. 30 or its legal successor.
- 5.2. The unit of quantity measurement for purposes of this Contract shall be one Dth dry.

SECTION 6. BILLING, PAYMENT AND AUDIT

- 6.1. Utility shall invoice Customer in accordance with the rate selected by Customer in the RPAC or OSD form and for any other applicable charges, providing supporting documentation acceptable in industry practice to support the amount charged. If the actual quantity delivered is not known by the billing date, billing will be prepared based on the quantity of Scheduled Gas.

- 6.2. Customer shall remit the amount due in accordance with the provisions set forth in the Master Services Contract between Utility and Customer and Utility's Rule No. 9, Discontinuance of Service. If a Customer disputes a Utility bill, the disputed amount will be deposited with the CPUC pending resolution of the dispute under existing Commission procedures. No termination of participation will occur for this dispute while the Commission is hearing the matter.
- 6.3. In the event any payments are due Customer hereunder, payment to Customer shall be made in accordance with Section 6.2. above.

SECTION 7. INDEMNITY

- 7.1. Customer agrees to indemnify Utility in accordance with the provisions of SoCalGas' Rule No. 30, Section A.2 or its legal successor.
- 7.2. Notwithstanding the other provisions of this Section 7, as between Utility and Customer, Customer will be liable for all Claims to the extent that such arise from the failure of Gas delivered by Customer to meet the quality requirements of Section 5.

SECTION 8. NOTICES

- 8.1. All RPAC or OSD forms, invoices, payments and other communications made pursuant to the RPMA ("Notices") shall be made to the addresses specified in writing by the respective parties from time to time.
- 8.2. All Notices required hereunder may be sent by facsimile or mutually acceptable electronic means, a nationally recognized overnight courier service, first class mail or hand delivered.
- 8.3. Notice shall be given when received on a Business Day by the addressee. In the absence of proof of the actual receipt date, the following presumptions will apply. Notices sent by facsimile shall be deemed to have been received upon the sending party's receipt of its facsimile machine's confirmation of successful transmission, if the day on which such facsimile is received is not a Business Day or is after five p.m. on a Business Day, then such facsimile shall be deemed to have been received on the next following Business Day. Notice by overnight mail or courier shall be deemed to have been received on the next Business Day after it was sent or such earlier time as is confirmed by the receiving party. Notice via first class mail shall be considered delivered two Business Days after mailing.
- 8.4. Customer shall provide prior written notice to Utility of those persons authorized by Customer to submit binding open season bids, make nominations on behalf of Customer, and execute secondary market transactions for RPAC or OSD forms. Customer shall notify Utility at the earliest time practicable when such persons are no longer authorized to conduct these transactions on behalf of Customer. Customer shall further notify SoCalGas at the earliest time practicable whenever any person who has been given a secure log-in ID by SoCalGas for purposes of making nominations on behalf of Customer is no longer authorized by Customer to use such secure log-in ID.

SECTION 9. FINANCIAL RESPONSIBILITY

- 9.1. In order to receive service from Utility, Customer must meet the credit requirements as determined from time to time by the Utility.
- 9.2. Each party reserves to itself all rights, set-offs, counterclaims, and other defenses which it is or may be entitled to arising from the Contract.

SECTION 10. FORCE MAJEURE

- 10.1. Except with regard to a party's obligation to make payment due under Section 6, neither party shall be liable to the other for failure to perform a Firm or other, obligation hereunder, to the extent such failure was caused by Force Majeure. The term "Force Majeure" as employed herein is defined in SoCalGas' Rule No. 1, as further defined in Section 10.2.
- 10.2. Force Majeure shall include but not be limited to the following: (i) physical events such as acts of God, landslides, lightning, earthquakes, fires, storms or storm warnings, such as hurricanes, which result in evacuation of the affected area, floods, washouts, explosions, breakage or accident or necessity of repairs to machinery or equipment or lines of pipe; (ii) weather related events affecting an entire geographic region, such as low temperatures which cause freezing or failure of wells or lines of pipe; (iii) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars; and (iv) governmental actions such as necessity for compliance with any court order, law, statute, ordinance, or regulation promulgated by a governmental authority having jurisdiction. Utility and Customer shall make reasonable efforts to avoid the adverse impacts of a Force Majeure and to resolve the event or occurrence once it has occurred in order to resume performance.
- 10.3. Neither party shall be entitled to the benefit of the provisions of Force Majeure to the extent performance is affected by any or all of the following circumstances: (i) the party claiming excuse failed to remedy the condition and to resume the performance of such covenants or obligations with reasonable dispatch; or (ii) economic hardship.
- 10.4. Notwithstanding anything to the contrary herein, the parties agree that the settlement of strikes, lockouts or other industrial disturbances shall be entirely within the sole discretion of the party experiencing such disturbance.
- 10.5. The party whose performance is prevented by Force Majeure must provide notice to the other party. Initial notice may be given

orally; however, written notification with reasonably full particulars of the event or occurrence is required as soon as reasonably possible. Upon providing written notification of Force Majeure to the other party, the affected party will be relieved of its obligation to make or accept delivery of Gas as applicable to the extent and for the duration of Force Majeure, and neither party shall be deemed to have failed in such obligations to the other during such occurrence or event.

SECTION 11. TERM

11.1. This RPMA may be terminated on 30 days' written notice, but shall remain in effect until the expiration of the latest Receipt Period of any RPAC or OSD form. The rights of either party pursuant to Section 6, the obligations to make payment hereunder, and the obligation of either party to indemnify the other, pursuant hereto shall survive the termination of the RPMA or any RPAC or OSD.

SECTION 12. MISCELLANEOUS

12.1. If any provision in this RPMA is determined to be invalid, void or unenforceable by any court having jurisdiction, such determination shall not invalidate, void, or make unenforceable any other provision, agreement or covenant of this RPMA.

12.2. There is no third party beneficiary to this RPMA.

12.3. Each party hereby confirms that it shall comply with all applicable requirements set forth in the Federal Acquisition Regulations (or successor thereto) in effect on the date of this agreement, including but not limited to the following: 48 C.F.R. Section 52 et seq.; Affirmative Action for Workers with Disabilities; Affirmative Action Compliance; Prohibition of Segregated Facilities; Affirmative Action for Disabled Veterans and Veterans of the Vietnam Era; Utilization of Small Business Concerns; Equal Opportunity; Affirmative Action Programs; Small, Small Disadvantaged and Women-Owned Small Business Subcontracting Plan and any applicable sections contained in 41 C.F.R. Chapter 60. The terms and conditions thereof shall be controlling over any conflicting terms and conditions set forth in this Contract or any written Amendment hereto.

IN WITNESS WHEREOF, the authorized representatives of the parties have executed this RPMA in two (2) duplicate original copies.

Southern California Gas Company

(Customer)

By _____

By _____

Title _____

Title _____

MASTER SERVICES CONTRACT - SCHEDULE N
OFF-SYSTEM DELIVERY SERVICE CONTRACT - EXHIBIT B
Form No. 6597-19

N
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(See Attached Form)

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 3706-A
DECISION NO. 06-12-031, 07-06-003

1H14

ISSUED BY

Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Sep 17, 2007
EFFECTIVE Nov 16, 2007
RESOLUTION NO. G-3407

MASTER SERVICES CONTRACT
SCHEDULE N
OFF-SYSTEM DELIVERY SERVICE (OSD)
OSD No. _____

This Agreement, also referred to as Exhibit B, is entered into as of the ____ day of _____, by and between Southern California Gas Company (“Utility”) and _____ (“Customer”) and is subject to the terms and conditions of the Customer’s Receipt Point Master Agreement (RPMA) No. _____. The terms of this OSD are binding unless disputed in writing as provided in the RPMA.

TERM:

The Effective Date of this Agreement shall be on _____ and extend through _____.

RATE AND CONTRACT QUANTITY:

The applicable rate and quantity are specified as follows:

Rate Schedule	Daily Contract Quantity (Dths/Day)
<u>G-OSDI</u>	_____

IN WITNESS WHEREOF, the authorized representatives of the parties have executed this Off-System Delivery Service Contract.

Southern California Gas Company
“Utility”

“Customer”

By _____

By May be electronically executed

Title _____

Title _____

AMENDMENT TO SCHEDULE L
RECEIPT POINT ACCESS CONTRACT
Form No. 6597-20

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N
N

(See Attached Form)

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 3706-A
DECISION NO. 06-12-031, 07-06-003

1H12

ISSUED BY

Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Sep 17, 2007
EFFECTIVE Nov 16, 2007
RESOLUTION NO. G-3407

MASTER SERVICES CONTRACT
 AMENDMENT
 RECEIPT POINT ACCESS CONTRACT
 AMENDED RPAC No. _____

This Amendment is entered into as of the ____ day of _____, by and between Southern California Gas Company (“Utility”) and _____ (“Customer”). This Amendment is subject to the terms and conditions of the Customer’s Receipt Point Master Agreement (RPMA) No. _____ and amends Customer’s RPAC No. _____.

TERM:

The Effective Date of this Agreement shall be on _____ and extend through _____.

BROKERED RATE:

Rate Schedule	Rate (\$/Dth)	Recallable {Y or N}
_____	_____	_____

RECEIPT POINT AND DAILY CONTRACT QUANTITIES:

Customer hereby elects to reduce the Daily Contract Quantities specified in the Customer’s Receipt Point Access Contract by the Daily Contract Quantities and for the specified timeframes for each Receipt Point as shown below.

RECEIPT POINT	START DATE	END DATE	DAILY CONTRACT QUANTITY (Dths/Day)
_____	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
	_____	_____	_____

WAIVER OF CREDITWORTHINESS

Pursuant to Special Condition 15, Rate Schedule No. G-RPA, Customer (Releasing Shipper) elects to waive the creditworthiness requirements applicable to the Acquiring Shipper, in which case Customer shall remain secondarily liable for non-performance by the Acquiring Shipper.

Yes No

IN WITNESS WHEREOF, the authorized representatives of the parties have executed this Receipt Point Access Contract.

Southern California Gas Company
 “Utility”

 “Customer”

By _____

By _____ May be electronically executed _____

Title _____

Title _____

NOMINATION AND TRADING AUTHORIZATION
FOR RECEIPT POINT MASTER AGREEMENT
Form No. 9924

N
N
N

(See Attached Form)

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 3706-A
DECISION NO. 06-12-031, 07-06-003

1H12

ISSUED BY

Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Sep 17, 2007
EFFECTIVE Nov 16, 2007
RESOLUTION NO. G-3407



Nomination and Trading Authorization Form

Designation of a Nominating or Trading Agent for Receipt Point Master Agreement



(Instructions): Use this form to officially notify the Southern California Gas Company of your intent to add a designated nominating or trading agent on your Receipt Point Master Agreement (RPMA). Type or print the information requested in the appropriate boxes, sign it, and fax it to: Capacity Products, fax # (213) 244-3897.)

CUSTOMER INFORMATION

Customer Name:

RPMA #:

NOMINATION AUTHORIZATION (if applicable)

Customer hereby designates the following agent, with full authority to act on behalf of Customer, to make nominations, pursuant to SoCalGas' Rule No. 30, utilizing Customer's RPACs under the aforementioned RPMA. A Customer is allowed no more than one nominating agent at any one time, thus this authorization supersedes all previous authorizations.

Authorized Nominating Agent:

Effective Date: (Month/Day/Year) **through** *(end date is optional)*

Nominations placed by Customer and authorized nominating agent in total shall not exceed the Daily Contract Quantity (DCQ) of Customer's RPAC on any day this authorization is in effect.

TRADING AUTHORIZATION (if applicable)

Customer hereby designates the following agent, with full authority to act on behalf of Customer, to make trades (buy or sell) of Receipt Point Access rights for secondary market trading only, pursuant to SoCalGas' Rate Schedule No.G-RPA, utilizing any of Customer's RPACs under the aforementioned RPMA. A Customer is allowed no more than one trading agent at any one time, thus this authorization supersedes all previous authorizations.

Authorized Trading Agent:
(for secondary market trading)

Effective Date: (Month/Day/Year) **through** *(end date is optional)*

Acts made by the agent and/or trading agent shall be deemed acts of the Customer for all purposes, and Customer shall remain responsible for payment for all services contracted for under the referenced RPMA, and for compliance with all terms, conditions and obligations of the RPMA, applicable rate schedules, and SoCalGas Rules. Customer expressly agrees to indemnify and hold SoCalGas harmless for any damages, losses, judgments or expenses to SoCalGas, or claims against SoCalGas asserted by others, including expenses and attorney's fees in defending or settling such claims, arising out of any acts or omissions by the authorized agent and arising out of this Authorization, directly or indirectly, which violate or are not in compliance with SoCalGas' Rules, applicable rate schedules and contracts, or sound gas industry standards and practices.

Customer: _____

Signature of Authorized Official: _____

Date: _____

Type or Print Name: _____

Title: _____

(AUTHORIZATION TO BE SIGNED BY AN OFFICER OR PRINCIPAL OF THE COMPANY)

TERMINATION OF NOMINATING OR TRADING AGENT
FOR RECEIPT POINT MASTER AGREEMENT
Form No. 9926

N
N
N

(See Attached Form)

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 3706-A
DECISION NO. 06-12-031, 07-06-003

1H12

ISSUED BY

Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Sep 17, 2007
EFFECTIVE Nov 16, 2007
RESOLUTION NO. G-3407



Form to Terminate Nominating or Trading Agent for Receipt Point Master Agreement

(Instructions: *Customers*, use this form to officially notify Southern California Gas Company (“SoCalGas”) of your intent to terminate a nominating or trading agent on your Receipt Point Master Agreement (RPMA). Type or print the information requested in the appropriate boxes, sign it, and fax it to: Capacity Products, fax # (213) 244-3897.) SoCalGas may give notice of its receipt of this Form to Customer and/or to the Authorized Agent.

CUSTOMER INFORMATION

Customer Name:

RPMA #:

TERMINATE AUTHORIZED AGENT

This form serves as the notice to terminate the relationship between Customer and Authorized Agent named below. (Check one or both boxes.)

Nominating Agent

Trading Agent

Effective Date: (Month/Day/Year)

Customer: _____

Signature of Authorized Official: _____

Date: _____

Name (Type or Print): _____

Title: _____

(AUTHORIZATION TO BE SIGNED BY AN OFFICER OR PRINCIPAL OF THE COMPANY)

FIRM RECEIPT POINT LOCATION
CHANGE REQUEST
Form No. 2900

N
N
N

(See Attached Form)

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 3706-A
DECISION NO. 06-12-031, 07-06-003

1C11

ISSUED BY

Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Sep 17, 2007
EFFECTIVE Nov 16, 2007
RESOLUTION NO. G-3407



A Sempra Energy[™] company

Firm Receipt Point Location Change Request

[Type or print the information requested in the appropriate boxes, sign and fax to: Capacity Products, fax # (213) 244-3897 no later than 5.p.m. on

1. Requestor Information:

Customer	
RPMA #	
RPAC#	
Name:	
Email:	
Title:	
Signature:	
Date:	

2. Firm Receipt Point Change Designation Request: (choose receipt point location code from table below)

Effective the first day of: _____ (month/year)

	Loc Code	Jan (Dth/day)	Feb (Dth/day)	Mar (Dth/day)	Apr (Dth/day)	May (Dth/day)	Jun (Dth/day)	Jul (Dth/day)	Aug (Dth/day)	Sep (Dth/day)	Oct (Dth/day)	Nov (Dth/day)	Dec (Dth/day)
FROM													
TO													

3. Receipt Point Selection

Location Code	Receipt Point
101	El Paso Pipeline Blythe
202	El Paso Pipeline Topock
303	Southern Trails Pipeline North Needles
404	Transwestern Topock
505	Transwestern North Needles
606	Kern River Pipeline and Mojave Pipeline Wheeler Ridge
707	Kern River Pipeline Kramer Junction
808	PG&E Kern River Station
909	OEHI Gosford
1010	North Baja Pipeline Blythe
1212	California Supply (North Coastal)
1313	California Supply (Line 85)
1414	TGN Otay Mesa

For Use by SoCalGas Only

Approved: _____ (Y/N)

Reason Not Approved:

Name: _____

Title: _____

Signature: _____

Date: _____

REQUEST FOR POOLING SERVICE CONTRACT
Form No. 9928

N
N

(See Attached Form)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3706-A
DECISION NO. 06-12-031, 07-06-003

ISSUED BY
Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Sep 17, 2007
EFFECTIVE Nov 16, 2007
RESOLUTION NO. G-3407



A  Sempra Energy company

SOUTHERN CALIFORNIA GAS COMPANY
Request for Pooling Service Contract

LEGAL INFORMATION

Legal Company Name: _____

Duns Number: _____

Pooler ID Number: _____ (Leave Blank)

Federal Taxpayer ID: _____

State of Incorporation: _____

CONTACT INFORMATION

Name: _____

Address: _____

City: _____

State & Zip Code: _____

Phone: _____

Fax: _____

BILLING INFORMATION

Name: _____

Address: _____

City: _____

State & Zip Code: _____

When complete, fax to Capacity Products at (213) 244-3897

SAMPLE FORMS - CONTRACTS
Electronic Bulletin Board (EBB) Agreement Form 6800 (01/07)

Sheet 1

T

(See Attached Form)

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 3706-A
DECISION NO. 06-12-031, 07-06-003

1H12

ISSUED BY

Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

SUBMITTED Sep 17, 2007
EFFECTIVE Nov 16, 2007
RESOLUTION NO. G-3407

ELECTRONIC BULLETIN BOARD AGREEMENT

This Agreement is entered into this day of , 2005 ("Effective Date"), by and between Southern California Gas Company, at _____ [address] _____ ATTN: _____ [title] _____ ("Utility") and _____, at _____ [address] _____ ATTN: _____ [title] _____ ("Customer").

NOW THEREFORE, in consideration of the promises and mutual undertakings set forth herein, the parties agree as follows:

Section 1 - Scope

This Agreement, and its related Exhibits, sets forth the terms and conditions under which Utility will make available on-line gas services and information on a non-exclusive basis under its proprietary Electronic Bulletin Board "EBB" system. In acting hereunder each party shall be an independent contractor. During the term hereof, Utility reserves the right to alter EBB access, including without limitation applying additional restrictions on access and use, as well as to replace, modify or eliminate any software and/or documentation or other materials provided to Customer in connection with EBB usage (collectively, "Licensed Materials"). Nothing in this Agreement shall be considered to have transferred any ownership, title or other interest in the EBB system or any Licensed Materials, or materials derived from or based thereon, and SoCalGas shall remain the sole owner thereof. The services offered by Utility in connection with EBB will be as specified in this Agreement, on EBB, or in Utility's Tariff Rate Schedules and Tariff Rules, including Rule No. 33, (collectively, "Tariff Rules"), as each may be in effect from time to time. In the event of any conflict, the materials posted on the EBB shall take precedence over this Agreement, and the Tariff Rules shall take precedence over the EBB posted materials.

Section 2 - Term

This Agreement shall become effective on the Effective Date, and continue to the first day of the next following calendar month, and thereafter from calendar month to calendar month until terminated by not less than ten (10) days prior written notice from one party to the other, sent at least ten (10) days prior to the end of any calendar month; however, Utility may terminate this Agreement at any time as provided in the Tariff Rules. Termination shall eliminate any right of use to EBB or the Licensed Materials by Customer. No termination shall, however, relieve either party from discharging obligations arising prior to termination, including without limitation obligations to pay monies due or to adjust prior billings and/or payments to reflect actual transactions.

Section 3 - LIMITED WARRANTY – DISCLAIMER

(a) LIMITED WARRANTY - Utility provides the limited warranty that it has the exclusive right to provide Customer the right to utilize EBB and the Licensed Materials as set forth herein; EXCEPT AS SET FORTH IMMEDIATELY ABOVE, UTILITY MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, REGARDING EBB OR ANY RELATED SERVICE BY UTILITY. SPECIFICALLY, UTILITY MAKES NO WARRANTY OR REPRESENTATION REGARDING THE FITNESS FOR ANY PARTICULAR PURPOSE OR USE OF EBB OR THE LICENSED MATERIALS BY CUSTOMER.

(b) Responsibility - Customer shall be solely responsible for the selection of services it utilizes, and the transactions and products it selects. Utility disclaims any responsibility for any loss or injury attributable in whole or in part to its actions or inactions in connection herewith (but any separate contract entered into by Utility and Customer through EBB shall be governed by the terms

thereof), including without limitation the operation of EBB and Customer utilization of the Licensed Materials provided in connection therewith, or any error or malfunction related thereto.

(c) Indemnity - Customer shall indemnify and hold harmless Utility from and against any actions, claims, liabilities, damages, costs and expenses (including reasonable attorneys' fees, costs and disbursements) arising in connection with its utilization of EBB or the Licensed Materials; provided, however, Utility shall be responsible and indemnify and hold harmless Customer from and against any actions, claims, liabilities, damages, costs and expenses (including reasonable attorneys' fees, costs and disbursements) related to Utility's ownership of EBB and the Licensed Materials, and Utility's right to enter into this Agreement.

Section 4 - Notices

For purposes of notice, all notices and transmittals shall be sent by prepaid U.S. certified mail or courier service to the addresses and contacts listed above, which may be changed at any time on seven (7) days prior written notice.

Section 4 - Miscellaneous

- (a) Governmental Jurisdiction - This Agreement shall be subject to the continuing jurisdiction of the Public Utilities Commission of the State of California and all rules, regulations, orders or decisions of any governmental entity (including a court) having jurisdiction.
- (b) Entire Agreement - This Agreement sets forth the entire understanding of the parties on the subject matter herein, and supersedes and replaces any prior writings, discussions, or communications, whether oral or written. This Agreement shall only be amended or modified by an instrument in writing executed by both parties. To be effective, any waiver of the terms hereof must be in writing.
- (c) Choice of Law - This Agreement shall be interpreted under the laws of the state of California, without reference to its principles on conflicts of laws.
- (d) Special Conditions - The following special conditions shall apply to this Agreement:

_____.

IN WITNESS WHEREOF the authorized representatives of Utility and Customer have executed two (2) duplicate original copies as of the Effective Date.

CUSTOMER

UTILITY

SOUTHERN CALIFORNIA GAS COMPANY

By: _____

By: _____

Title: _____

Title: _____

ELECTRONIC BULLETIN BOARD AGREEMENT
EXHIBIT A - LOGON ID REQUEST
Form No. 6800-A

N
N
N

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3706-A
DECISION NO. 06-12-031, 07-06-003

ISSUED BY
Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Sep 17, 2007
EFFECTIVE Nov 16, 2007
RESOLUTION NO. G-3407

**ELECTRONIC BULLETIN BOARD AGREEMENT
EXHIBIT A**

EBB Logon ID Request Form

Contact Information

Company Name	
Street Address	
City ST ZIP Code	
Work Phone No.	
Fax Phone No.	
E-Mail Address	
Customer's Authorized Employee (Full Name)	

EBB Service Selections

Service	Select Access Privilege's		
Transactions/Nominations	Execute/Update ()	View Only ()	No Access ()
Capacity Trading	Execute/Update ()	View Only ()	No Access ()
Imbalance Trading	Execute/Update ()	View Only ()	No Access ()
Meter Usage	Not Applicable	View Only ()	No Access ()
Storage Administration	Not Applicable	View Only ()	No Access ()
EBB Operational Info	View Only Access to Informational Postings and Pipeline Operations is included in the Basic EBB Service.		

Customer agrees that changes or additions to this Logon ID Request form may be made by Customer faxing the Form executed by an authorized representative of Customer to Utility, who may rely on the fax signature as if it were an original. Such authorized representative shall be the person(s) executing the applicable contract for the particular service or, if Customer wishes to enable other representatives to execute subsequent Forms on behalf of Customer, Customer shall provide a Delegation of Authority Exhibit B to this Agreement (Form 6800-B).

Terminations of authority may be e-mailed to Utility at: envoy@semprautilities.com

This Logon ID Request Form is subject to Utility's Tariff Rule No. 33 and is executed by Customer pursuant to Rule No. 33.

CUSTOMER

Signature: _____ Date: _____

Name: _____ Title: _____

(please print or type)

This form must signed by an officer or principal of the company or the person authorized in Form 6800-B (Delegation of Authority to Execute Logon Id Request Form)

EBB - EXHIBIT B
Delegation of Authority to Execute Logon ID Request Form
Changes/Additions on Behalf of Customers (Form No. 6800-B)

N
N
N

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3706-A
DECISION NO. 06-12-031, 07-06-003

ISSUED BY
Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
SUBMITTED Sep 17, 2007
EFFECTIVE Nov 16, 2007
RESOLUTION NO. G-3407

**ELECTRONIC BULLETIN BOARD AGREEMENT
EXHIBIT B**

**Delegation of Authority
To
Execute Logon ID Request Form Changes/Additions
On Behalf of Customer**

Customer hereby delegates to and authorizes the individual(s) ("Representative") named below to execute and deliver to Utility EBB Logon ID Request Form 6800-A on behalf of Customer, and agrees to be bound by any such action, including without limitation by Representative adding to or changing the service applications which Customer may enter into electronically and/or adding to or changing the individuals authorized to use Utility's EBB on Customer's behalf:

Name of Authorized Employee for Customer: _____

Title: _____

Name of Authorized Employee for Customer: _____

Title: _____

Our Policy

Utility may rely on this Delegation of Authority until Utility receives notice of its termination in the manner provided in Rule No. 33. The individual(s) signing this Delegation on behalf of Customer represent and warrant to Utility that they are authorized to execute and deliver it on behalf of Customer.

This Form is subject to Rule No. 33, as in effect from time to time.

CUSTOMER

By: _____

Title: _____

Printed Name: _____

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(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3706-A
 DECISION NO. 06-12-031, 07-06-003

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Sep 17, 2007
 EFFECTIVE Nov 16, 2007
 RESOLUTION NO. G-3407

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(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3706-A
 DECISION NO. 06-12-031, 07-06-003

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Sep 17, 2007
 EFFECTIVE Oct 1, 2008
 RESOLUTION NO. G-3407

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(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3706-A
 DECISION NO. 06-12-031, 07-06-003

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Sep 17, 2007
 EFFECTIVE Nov 16, 2007
 RESOLUTION NO. G-3407

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 ADVICE LETTER NO. 3706-A
 DECISION NO. 06-12-031, 07-06-003

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

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ATTACHMENT C

Advice No. 3706-A

Red-lines of SoCalGas' FAR Tariffs

Filed by AL3706 on January 29, 2007

Note: Red-line changes only reflect compliance with Resolution G-3407. All other Commission approved changes that have occurred to these tariffs since AL3706 was filed are reflected in the tariffs shown in Attachment B.

PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS
INTEGRATED TRANSMISSION BALANCING ACCOUNT (ITBA)

The ITBA is an interest-bearing balancing account that is recorded on the Utility's financial statements pursuant to D.06-04-033, ~~and~~ D.06-12-031 and Resolution G-3407. The ITBA consists of two subaccounts: System Integration (SI) Subaccount and the Firm Access Rights (FAR) Subaccount. The purpose of the SI Subaccount is to record the difference between the authorized transmission system revenue requirements and the corresponding transmission revenues. The FAR Subaccount will record the difference between the authorized FAR revenue requirement and the actual FAR revenues received from firm and authorized and recorded firm and interruptible access charges, revenues from interruptible off-system delivery service to the Pacific Gas and Electric Company (PG&E) system, ~~and revenues from pooling services.~~ The authorized FAR revenue requirements will be determined after completion of the Open Season for firm access rights using the higher of contracting results of the open season or SoCalGas' cold-year throughput multiplied by the initial rate of \$0.05 per Dth.

The Utility shall record entries at the end of the month as follows:

SI Subaccount

- a. A debit entry equal to one-twelfth of the authorized transmission revenue requirement;
- b. A credit entry equal to the actual transmission revenues;
- c. An entry to amortize the balance in the SI Subaccount; and
- d. An entry equal to interest on the average of the balance in the SI Subaccount during the month, calculated in the manner described in Preliminary Statement, Part I, J.

FAR Subaccount

- a. A debit entry equal to one-twelfth of the FAR revenue requirement~~authorized Firm Access Charge (FAC) and Interruptible Access Charge (IAC);~~
- b. A credit entry equal to the actual FAR revenues received~~firm access reservation charges (i.e., Firm Access Charge);~~
- c. A credit entry equal to 100% of interruptible access charges, and revenues from interruptible off-system delivery service to the PG&E system, ~~and revenues from pooling service;~~ and
- d. An entry equal to interest on the average of the balance in the FAR Subaccount during the month, calculated in the manner described in Preliminary Statement, Part I, J.

Upon System Integration, the balance in the ITBA – SI Subaccount shall be combined with the balance in SDG&E's ITBA – SI Subaccount and re-allocated between the utilities based on cold year throughput. ~~In addition, SoCalGas shall allocate the year end balance in its FAR Subaccount to SDG&E based on average year throughput. SoCalGas' allocation of the combined ITBA, SI Subaccount and the FAR Subaccount balances shall then be amortized in the following year's end-use customer rates and FAR reservation charges, respectively, as proposed in SoCalGas' annual October regulatory account balance update filing. If the balance in the FAR Subaccount is associated with activity recorded prior to the implementation of System Integration, the balance will not be allocated to SDG&E but passed through to SDG&E customers through a reduction of the wholesale transportation rate charged to SDG&E.~~

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3706
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DATE FILED Jan 29, 2007
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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.
- 29. Customers under CPUC approved long-term bundled discounted contracts as of the date of D.06-12-031 shall have their contracted rate reduced by the ~~applicable unbundled average unit rate reduction to the GT-F rate associated with the unbundled Receipt Point Access revenues. interruptible receipt point access rate as defined in Schedule No. G RPA, Receipt Point Access.~~ Long-term discounted contracts after the date of D.06-12-031 shall be deemed to be unbundled and shall not receive a reduction to the rate negotiated to account for receipt point access service.

PEAKING SERVICE

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

(Continued)

(TO BE INSERTED BY UTILITY)
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Schedule No. GT-I
INTERRUPTIBLE INTRASTATE TRANSMISSION SERVICE

Sheet 5

(Continued)

SPECIAL CONDITIONS (Continued)

NEGOTIABLE TRANSMISSION CHARGES (Continued)

- 13. Customers under CPUC approved long-term bundled discounted contracts as of the date of D.06-12-031 shall have their contracted rate reduced by the ~~applicable unbundled average unit rate reduction to the GT-F rate associated with the unbundled Receipt Point Access revenues. interruptible receipt point access rate as defined in Schedule No. G RPA, Receipt Point Access.~~ Long-term discounted contracts after the date of D.06-12-031 shall be deemed to be unbundled and shall not receive a reduction to the rate negotiated to account for receipt point access service.

ELECTRIC GENERATION

- 14. Subject to Special Condition 16, the amount of gas to be billed at the electric generation rate for customers having both electric generation and non-electric generation end use on a single meter will be the lesser of:
 - a. Total metered throughput; or
 - b. An amount of gas equal to the customer's recorded power production in kilowatt-hours (KWH) times the average heat rate for their electric generation facilities. The difference between total meter throughput and the volume limitation specified herein will be charged the rate applicable to the other end use served off the meter.
- 15. When required, as a condition of service under the electric generation rate, electric generation customers will provide the utility with the average heat rate for electric generation equipment as supported by documentation from the manufacturer. If not available, operating data shall be used to determine customer's average heat rate.
- 16. Electric generation customers receiving electric generation service will make available upon request any measurement devices required to directly or indirectly determine the kilowatt-hours generated or the average heat rate for the electric generation equipment. The Utility shall have the right to read, inspect and/or test all such measurement devices during normal business hours. Additional gas and/or steam metering facilities required to separately determine gas usage to which the electric generation rate is applicable may be installed, owned and operated by the Utility in accordance with Rule No. 21; however, the Utility may, at its sole discretion, utilize estimated data to determine such gas usage.
- 17. All electric generation customers receiving service at the electric generation transmission rate shall be separately metered unless it can be demonstrated that a separate meter is not economically feasible.

(Continued)

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Schedule No. G-OSD
OFF-SYSTEM DELIVERY SERVICE

Sheet 1

APPLICABILITY

Applicable to transportation of natural gas on the Utility's Transmission System off-system to the Pacific Gas & Electric Company (PG&E) system. Service under this Schedule is available to any creditworthy party. All eligible participants are collectively referred to herein as "Customers" unless otherwise specified.

TERRITORY

Applicable throughout the service territory.

RECEIPT POINTS

The Receipt Points available for service under this schedule ~~is~~ are a Receipt Point Access Contract, a City Gate Pool agreement as defined in Schedule No. G-POOL₂ or a SoCalGas storage account.

OFF-SYSTEM DELIVERY POINTS

The Delivery Point available for service under this schedule is the Kern River Station delivery point for PG&E or other PG&E interconnection points that may be added in the future.

RATES

<u>Rate</u>	<u>Description of Service</u>	<u>Rate Structure</u>	<u>Rate (per Dth)</u>
G-OSDI	Interruptible	100% Volumetric	\$0.05
G-OSDF	Firm	To be determined in open season	To be determined in open season

BILLING CALCULATION

Monthly Volumetric Charge:

The Volumetric Charge for each billing period shall be calculated using the applicable volumetric rate multiplied by the scheduled quantities during the billing period.

$$\text{Monthly Volumetric Charge} = \text{Volumetric Rate} * \text{Quantities of Gas scheduled during billing period}$$

(Continued)

(TO BE INSERTED BY UTILITY)
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 DECISION NO. 06-12-031

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Schedule No. G-OSD
OFF-SYSTEM DELIVERY SERVICE

Sheet 2

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(Continued)

SPECIAL CONDITIONS

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GENERAL

1. The definitions of the principal terms used in this schedule are found either herein or in Rule No. 1, Definitions.
2. Any disputed bill will be treated in accordance with Rule No. 11, Disputed Bills.
3. As a condition precedent to service under this schedule, an executed Receipt Point Master Agreement (RPMA) and an Off-System Delivery Service Contract (OSD) (Form Nos. 6597-18 and 6597-19) are required. All contracts, rates and conditions are subject to revision and modification as a result of CPUC order or rules.
4. Customer must meet the Utility's applicable credit requirements.
5. The term of service shall be for a minimum of one day.

NOMINATIONS AND BALANCING

6. Nominations are required for gas transported under this rate schedule. See Rule No. 30, Transportation of Customer-Owned Gas, for details.
7. A customer may opt to designate one and only one nominating agent in addition to itself at any one time to nominate on all OSD service under a customer's RPMA. The nominating agent shall be specified in the customer's RPMA and shall apply to all OSD service under that customer's RPMA. Customer must provide appropriate written authorization to the Utility of its intent to add or change a designated nominating agent via the Nomination and Trading Authorization Form (Form No. 9924). Such designation shall be subject to that nominating agent complying with applicable tariff and contractual provisions. Customer shall provide appropriate written notice to the Utility of its intent to terminate a nominating agent via the Termination of Nominating or Trading Agent Form (Form No. 9926).
8. The Utility will make available physical displacement capability at the receipt points on an interruptible basis at the applicable G-OSDI rate as shown above.

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(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3706
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Schedule No. G-OSD
OFF-SYSTEM DELIVERY SERVICE

Sheet 3

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(Continued)

SPECIAL CONDITIONS (Continued)

N

FIRM OFF-SYSTEM SERVICE OPEN SEASON

9. The Utility will hold an open season for firm off-system delivery service to the PG&E system that would require new facilities at either the Adelanto/Kramer Junction area or Kern River Station. Firm off-system delivery service will be sold to customers willing to commit to long-term contracts with use-or-pay provisions or reservation charges priced at the utilities' rolled-in system average transmission rates. Utility will work with PG&E to inform potential customers of the cost impacts to the PG&E system at each of the delivery locations. If the demand for facilities exceeds the availability of these facilities, Utility will increase the use-or-pay commitment associated with the facilities (up to 100%) or prorate bid quantities depending on rate structure, in order to equate demand with supply. Utility will seek CPUC approval of these contracts before any construction of the facilities begins.

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Schedule No. G-RPA
RECEIPT POINT ACCESS

Sheet 1

APPLICABILITY

Applicable to firm and interruptible receipt point access rights to Utility's transmission system. Service under this Schedule is available to any creditworthy party. All eligible participants are collectively referred to herein as "customers" unless otherwise specified.

Firm receipt point access rights to Utility's transmission system do not guarantee nor imply firm service on Utility's local transmission/distribution system; such service is defined by the end-use customers' applicable Utility transportation service agreement.

TERRITORY

Applicable throughout the service territory.

RECEIPT POINTS

Receipt Points available for service under this schedule are as follows:

<u>Transmission Zone</u>	<u>Total Transmission Zone Firm Access (MMcfd)</u>	<u>Specific Points of Access (MMcfd)*</u>
Southern	1210	EPN Ehrenberg - 1210 TGN Otay Mesa - 8400 NBP Blythe - 1200
Northern	1590	TW North Needles - 800 TW Topock - 190 EPN Topock - 540 QST North Needles - 120 KR Kramer Junction - 500
Wheeler	765	KR/MP Wheeler Ridge - 765 PG&E Kern River Station - 520 OEHI Gosford - 150
Line 85	160	California Supply
Coastal	150	California Supply
Other	<u>N/A</u>	California Supply
Total	3875	

* Any ~~new~~ interstate pipelines, ~~or~~ LNG Suppliers, or PG&E that interconnect through a new receipt point may be added to that Transmission Zone.

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(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3706
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Schedule No. G-RPA
RECEIPT POINT ACCESS

Sheet 2

(Continued)

RECEIPT POINTS (Continued)

EPN – El Paso Natural Gas Pipeline
TGN – Transportadora de Gas Natural de Baja California
NBP – North Baja Pipeline
TW – Transwestern Pipeline
MP – Mojave Pipeline
QST – Questar Southern Trails Pipeline
KR – Kern River Pipeline
PG&E – Pacific Gas and Electric
OEHI – Occidental of Elk Hills

Transmission Zone Contract Limitations:

Southern Zone – In total EPN Ehrenberg and NBP Blythe cannot exceed 1210 MMcfd.
Southern Zone – In total EPN Ehrenberg, NBP Blythe and TGN Otay Mesa cannot exceed 1210 MMcfd.
Northern Zone – In total TW at Topock and EPN at Topock cannot exceed 540 MMcfd.
Northern Zone – In total TW at North Needles and QST at North Needles cannot exceed 800 MMcfd.
Northern Zone – In total TW North Needles, TW Topock, EPN Topock, QST North Needles, and KR Kramer Junction cannot exceed 1590 MMcfd
Wheeler Ridge Zone – In total PG&E at Kern River Station and OEHI at Gosford cannot exceed 520 MMcfd.
Wheeler Ridge Zone - In total PG&E Kern River Station, OEHI Gosford, and KR/MP Wheeler Ridge cannot exceed 765 MMcfd.

DELIVERY POINTS

Delivery Points available for service under this schedule are:

1. End-User's Local Transportation Agreement
2. Citygate Pool Account
3. Storage Account
- ~~4.~~ 4. Contracted Marketer or Core Aggregator Transportation Account
5. Off-System Delivery Service Agreement

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3706
DECISION NO. 06-12-031

ISSUED BY
Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Jan 29, 2007
EFFECTIVE _____
RESOLUTION NO. _____

Schedule No. G-RPA
RECEIPT POINT ACCESS

Sheet 3

(Continued)

RATES

RECEIPT POINT ACCESS RIGHTS

This Schedule provides for both firm and interruptible receipt point access rights. This Schedule is applicable at all Receipt Points available under the following rate schedules:

<u>Rate- Schedule-Rate</u>	<u>Description of Service</u>	<u>Term</u>	<u>Rate Structure</u>	<u>Reservation Rate (per Dth per day)</u>	<u>Volumetric Rate (per Dth)</u>
G-RPA1	Firm	Three Years*	100% Reservation	\$0.05	\$0.0
G-RPA2**	Firm	Three to Twenty Years	100% Reservation	Cost Based	\$0.0
G-RPAN	Short Term Firm	Up to Three Years	100% Reservation	Market Based up to \$0.05	\$0.0
G-RPAI	Interruptible	Up to Three Years	100% Volumetric	\$0.0	Market Based up to \$0.05

* Terms are available for up to twenty years during Steps 3A and 3B open seasons.

** Customers taking service under G-RPA2 will also pay the G-RPA1 rate.

BILLING CALCULATION

Monthly Reservation Charge:

The Monthly Reservation Charge is payable each month regardless of the quantity of gas scheduled during the billing period. The Reservation Charge for each billing period shall be calculated using the applicable reservation rate and the DCQ as specified in Customer's RPAC.

$$\text{Monthly Reservation Charge} = \text{Reservation Rate} * \text{DCQ} * \text{number of days in the billing period} \\ \text{(or if less than one month, number of days in term of contract)}$$

(Continued)

(TO BE INSERTED BY UTILITY)

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Schedule No. G-RPA
RECEIPT POINT ACCESS

Sheet 5

(Continued)

SPECIAL CONDITIONS (Continued)

NOMINATIONS AND BALANCING

8. Service under this rate schedule shall be subject to all applicable terms, conditions and obligations of Rule No. 23, Continuity of Service and Interruption of Delivery, Rule No. 30, Transportation of Customer-Owned Gas, and Rate Schedule No. G-IMB, Transportation Imbalance Service.
9. The Utility will schedule interruptible nominations up to all available receipt point access capacity at each of its Receipt Points subject to Rule No. 30, Transportation of Customer-Owned Gas.
10. Customers holding firm receipt point access capacity will be able to nominate natural gas for delivery on an alternate "within-the-zone" firm basis from any specific Receipt Point within an applicable transmission zone. Customers will also be able to nominate natural gas for delivery on an alternate "outside-the-zone" firm basis from any receipt point on the system. All such nominations will be scheduled in accordance with Rule No. 30, Transportation of Customer-Owned Gas.
11. A customer may opt to designate one and only one nominating agent in addition to itself at any one time to nominate on all RPACs under a customer's RPMA. Customer must provide appropriate written authorization to the Utility of its intent to add or change a designated nominating agent via the Nomination and Trading Authorization Form (Form No. 9924). Such designation shall be subject to that nominating agent complying with applicable tariff and contractual provisions. Customer shall provide appropriate written notice to the Utility of its intent to terminate a nominating agent via the Termination of Nominating or Trading Agent Form (Form No. 9926).

SECONDARY MARKET ASSIGNMENTS

12. Customers who hold firm receipt point access rights may release all or a portion of those rights to any creditworthy party in the secondary market through SoCalGas' EBB (see Special Condition 15 below for exception) at a rate up to 125% of the G-RPA1 rate ~~or, if applicable, 125% of the G-RPA1 rate plus the customer's G-RPA2 rate~~. Any creditworthy party may purchase firm receipt point access rights in the secondary market. Any party releasing firm rights will be referred to as "Releasing Shipper" and the party purchasing firm rights through the secondary market will be referred to as "Acquiring Shipper." Rights may be re-released any number of times under the same rules applicable to releases by customers who originally obtained the rights directly from the Utility. Releases may consist of all or part of the receipt point access rights of a customer's DCQ and all or part of the remaining contract term with a minimum term of one day. The Utility will bill the Acquiring Shipper and credit the Releasing Shipper subject to the provisions in Special Condition 15. If the Acquiring Shipper's rate is less than the Releasing Shippers rate, the Releasing Shipper will continue to be responsible for payment of the difference. In the event that the Utility realizes revenues from an Acquiring Shipper that exceed the amount due from a Releasing Shipper for any month, the Utility shall credit any excess amount to the account of the Releasing Shipper, or return excess revenues directly to the Releasing Shipper, as may be requested.

(Continued)

(TO BE INSERTED BY UTILITY)
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DECISION NO. 06-12-031

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Schedule No. G-RPA
RECEIPT POINT ACCESS

Sheet 7

(Continued)

SPECIAL CONDITIONS (Continued)

SET-ASIDES: Pre-Open Season - Step 1

18. The Utility Gas Acquisition Department and SDG&E Gas Acquisition Department are assigned firm receipt point access rights prior to the open season process to match qualifying upstream pipeline contracts for their core loads. Other Wholesale Customers, Core Transportation Aggregators (CTAs), California producers and certain long-term contract (LTK) holders shall have the option to acquire firm receipt point access rights prior to the initial open season. The set-aside rights will be taken under ~~the Rate Schedule~~ G-RPA1 rate.
19. The Utility Gas Acquisition Department set-aside is equal to the average daily capacity of the qualifying upstream pipeline contracts (those exceeding 18 months during the applicable three-year period). The set-aside is established based on actual commitments in place three months before any three-year open season.
20. The SDG&E Gas Acquisition Department set-aside is equal to the average daily capacity of the qualifying upstream pipeline contracts (those exceeding 18 months during the applicable three-year period). The set-aside is established based on actual commitments in place three months before any three-year open season.
21. California Producers including Exxon Mobil's production at Santa Ynez whose facilities are connected directly to the (i) Utility's Line 85, (ii) North Coastal system or (iii) another system without other systems where there is not a single identified receipt point or transmission zone a specific receipt point identified will receive a set-aside option for a quantity ~~equal up~~ to the producer's peak month's daily average production over the most recent three-year period. Peak month is defined as the month with the highest average daily volume. The set-aside quantity shall be increased if the specific production is likely to increase and such forecasted increase can be justified by the producer. California Producers may elect all or a portion of the set-aside quantity. This set-aside applies to any SoCalGas "native gas" production. Occidental of Elk Hills, Inc. will be provided a similar set-aside option for 90 MMcf/d at the OEHI Gosford receipt point. The set-aside rights will be taken under ~~Rate Schedule the~~ G-RPA1 rate.
22. An end-use customer under a Commission-approved long-term firm transportation contract in effect on December 14, 2006 at the time of implementation which specifies firm deliveries at a particular Utility receipt point shall have a set-aside option, equal to the higher of the customer's Tier 1 contract quantities or the most recent average daily usage, for access capacity at those specified receipt points. Customers with these long-term contracts will have the ability to increase the set-aside quantity based on a justified increase in consumption under the long-term transportation agreement based on Special Condition No. 33 (4). ~~However, if the customer selects the option, it must be selected for all eligible contract quantities, not just a portion.~~ The set-aside rights will be taken under ~~the Rate Schedule~~ G-RPA1 rate.

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Schedule No. G-RPA
RECEIPT POINT ACCESS

Sheet 8

(Continued)

SPECIAL CONDITIONS (Continued)

SET-ASIDE OPTIONS – Pre-Open Season Step 1 (Continued)

23. PG&E customers (City of Glendale, City of Pasadena, Ulster Petroleum LTD, Talisman (Rigel), and U.S. Gypsum) with effective Commission-approved contracts for delivery at PG&E Kern River Station under PG&E G-XF Rate Schedule in effect at the time of implementation, shall have a set-aside option for access rights at PG&E Kern River Station. ~~However, if the customer selects the option, it must be selected for all eligible contract quantities, not just a portion.~~ The set-aside rights will be taken under the Rate Schedule G-RPA1 rate.
24. Parties who have provided incremental cost based funding under Utility Rule No. 39, Access to the SoCalGas Pipeline System, for increased receipt point capacity on a Displacement Receipt Point Capacity ~~and/or~~ Expansion Receipt Point Capacity, or a combination of the two, basis shall receive a set-aside option prior to the first open season following completion of the facilities and each open season thereafter. Such set-aside option shall equal the quantity of the increase in receipt point capacity funded. ~~However, if the customer selects the option, it must be selected for all eligible contract quantities, not just a portion.~~ The set-aside quantity at Otay Mesa shall be limited to 700 MMcf of Displacement Receipt Point Capacity. The set-aside rights will be taken under the Rate Schedule G-RPA1 rate.
25. CTAs set-aside is equal to the average daily capacity of the qualifying upstream pipeline contracts (those exceeding 18 months during the applicable three-year period) to serve their core loads. These set-asides options are established based on actual commitments in place three months before any three-year open season. CTAs are not required to select the set-aside option, ~~but if the CTA selects the option, it must be selected for all eligible quantities, not just a portion.~~ The set-aside rights will be taken under the Rate Schedule G-RPA1 rate.
26. Other wholesale customers' set-aside for only their core load is equal to the average daily capacity of the qualifying upstream pipeline contracts (those exceeding 18 months during the applicable three-year period). These set-asides options are established based on actual commitments in place three months before any three-year open season. The other wholesale customer is not required to select the set-aside option. ~~However, if the customer selects the set-aside option, it must be selected for all eligible quantities, not just a portion.~~ The set-aside rights will be taken under the Rate Schedule G-RPA1 rate.
27. If the total amount of set-asides exceed the available capacity at a particular receipt point or the available capacity of the applicable Transmission Zone, set-asides for core customers, including the core loads of wholesale customers provided set-asides options, will be provided first and all other set-asides are subject to being pro-rated to the extent the total amount of set-asides selected exceed the available capacity of the applicable Transmission Zone or a particular receipt point.

(Continued)

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Schedule No. G-RPA
RECEIPT POINT ACCESS

Sheet 9

(Continued)

SPECIAL CONDITIONS (Continued)

OPEN SEASON: Preferential Bidding – Step 2
SET ASIDE OPTIONS – Pre-Open Season Step 1 (Continued)

- 28. An open season – Step 2 will be conducted through the Utility’s on-line bid system prior to service commencing under this schedule, and every three years thereafter, whereby all existing firm receipt point capacity available after Step 1 ~~the five year historical average utilization by month of a particular receipt point, less rights awarded as set asides,~~ shall be made available through an open season process consisting of three rounds of bidding. ~~During the first open season, the five year period shall be for the period of January 1, 2001 to December 31, 2005 with the five year period for subsequent open season being advanced by three years to create a rolling five year average.~~
- 29. Only end-use customers, including noncore customers, the eligible end-use customers of wholesale customers, Utility Gas Acquisition Department, SDG&E Gas Acquisition Department, and CTAs are entitled to participate in Step 2.
- 30. SDG&E’s noncore transportation customers are eligible to participate directly in the Utility’s open season steps. SDG&E will provide the Utility with a list of its applicable noncore customers that will be participating, along with those customers’ historical annual average usage needed to establish maximum bidding rights.
- 31. Other wholesale customers may elect to have the Utility allow all of their noncore customers to participate directly in the Utility’s open season steps. Under this scenario, the wholesale customer’s noncore customers will be treated like the rest of the Utility’s noncore customers. Each other wholesale customer electing this provision will be required to provide the Utility with a listing of its applicable noncore customers that will be participating, along with those customers’ historical annual average usage needed to establish the maximum bidding rights.
- 32. Other wholesale customers not electing to have their noncore customers participate directly in the Utility’s open season will be provided maximum bidding rights for their noncore loads. The wholesale customer can then participate in the open season process, along with the Utility’s other noncore customers, on behalf of its noncore customers’ requirements.

(Continued)

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Schedule No. G-RPA
RECEIPT POINT ACCESS

Sheet 10

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(Continued)

SPECIAL CONDITIONS (Continued)

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OPEN SEASON: Preferential Bidding – Step 2

33. A customer's maximum bidding rights will include a base load maximum plus for certain customers a monthly peaking maximum over a Base Period. Base Period will be defined as the 36 consecutive months of consumption data ending four months prior to the start of the process to assign/award Receipt Point rights. These rights will be calculated as follows:

- 1) Customer's base load maximum bidding rights will be determined based on that customer's average daily historical consumption during the Base Period less any set-aside elected by that customer under an end-use transportation agreement. In the case of a customer that has tolling agreements with a third party for its plants operations, the third party will be afforded maximum bidding rights based on the historical usage under the tolling agreements and subsequently the plant operator's maximum bidding rights will be reduced accordingly. Each wholesale customer will have to attest to the portion of its Utility metered consumption used for core customers to the extent it is only participating on behalf of its core customers.
- 2) For the Utility Acquisition Department and SDG&E Gas Acquisition Department, core loads of other wholesale customers, and CTAs, will only be provided base load maximum bidding rights. These maximum bidding rights will equal the respective customer's average daily usage during the Base Period less any set-aside elected. For CTAs, the average daily usage will be their currently "contracted for" load.
- 3) For other customers, the months the customer uses more than its average base load, the customer's monthly maximum bidding rights will be set equal to its historical usage in those particular months during the Base Period less any set-aside elected.

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(Continued)

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Schedule No. G-RPA
RECEIPT POINT ACCESS

Sheet 13

(Continued)

SPECIAL CONDITIONS (Continued)

OPEN SEASON: Long Term Open Season – Step 3(A&B) (Continued)

- 489. All bids for Steps 3A and 3B must be submitted through the Utility’s internet-based bid system platform. Prior to submitting a bid, a bidder must have an executed RPMA in place and must also have satisfied the Utility’s applicable credit requirements.
- 5049. All bids for Steps 3A and 3B must be submitted as annual base load quantities.
- 540. The term of the contracts awarded in Steps 3A and 3B will be for three to 20 years.
- 512. The applicable ~~R~~rate ~~Schedule~~ for firm access rights awarded in Step 3B will be the G-RPA1 plus any applicable G-RPA2 as specifically determined for a Receipt Point.
- 523. The Utility will provide estimated costs and reservation charges applicable to various new receipt points and terms of service prior to the commencement of the Open Season for Step 3B.
- 534. The maximum total bid for any party is established by its creditworthiness.
- 545. A customer may submit multiple bids for each individual Receipt Point, but all submitted bids are binding and cannot be withdrawn.
- 556. Any bid submitted may be prorated based on the other bids submitted in order to meet the available receipt point access capacity available. Customers may signify that any of their specific receipt point bids is an all-or-nothing bid so that it will be rejected if any prorating is required.
- 567. In accordance with ~~the~~ Rule No. 39, Access to the SoCalGas Pipeline System, once capacity is awarded for new receipt point capacity in Step 3B, the Utility will request an upfront payment of the estimated costs prior to commencing construction of the required facility enhancements, with this payment charged to all Step 3B contract holders on a pro rata basis.
- 578. Once the actual construction costs of the completed facilities are finalized and placed in service, awarded capacity holders winning bidders in Step 3B will have their estimated reservation charges adjusted to account for the actual costs of construction as specified through a SoCalGas Advice Letter. Prior to approval of the Utility’s Advice Letter determining actual cost of construction, customer will be charged the estimated reservation charge.

(Continued)

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Schedule No. G-RPA
RECEIPT POINT ACCESS

Sheet 14

(Continued)

SPECIAL CONDITIONS (Continued)

OPEN SEASON: Long Term Open Season – Step 3 (A& B) (Continued)

589. Customers will have three funding options for increasing receipt point capacity under Step 3B. First, a customer may elect to pay 100% of the costs, including applicable CIAC taxes, to the Utility in accordance with Rule No. 39 to complete the installation of the necessary facility without any refund of the advanced funds and not be charged a G-RPA2 rate on a going forward basis. Second, a customer may elect to pay 100% of the costs to the Utility in accordance with Rule No. 39 to complete the installation of the necessary facility, receive a refund of those advanced funds after gas first flows through the receipt point, and be charged a G-RPA2 rate on a going forward basis. Third, a customer may elect to install the necessary facility themselves under the direction of the Utility, transfer ownership of the necessary facilities, along with any payment of applicable CIAC taxes, and not be charged a G-RPA2 rate on a going forward basis.

6059. Customers that are awarded new receipt point capacity shall be able to continue their capacity rights ownership after the initial contract term by exercising a Right of First Refusal (ROFR) for a like contract term.

640. In order to minimize the amount of Utility facilities that are actually required to meet the Step 3B awarded bids, the Utility will first ask all existing capacity rights holders if they are willing to turn-back their awarded capacity at the ~~rate set forth in the G-RPA1 r~~Rate Schedule.

612. If bidders in Step 3B secure capacity that later is accorded rolled-in ratemaking treatment, they would be permitted to relinquish the capacity before the end of their contract term (and be relieved of the associated reservation charges). This relinquishment would be timed to correspond to the allocation of existing capacity to customers in succeeding Step 1 and Step 2 open seasons.

CONTRACT INTERCHANGEABILITY

623. After receipt point capacity is awarded in all steps described, capacity holders will also be allowed to “re-contract” any part of their capacity from any Receipt Point on the system to a different point, even in a different zone, to the extent capacity is available at the requested Receipt Point.

634. After all of the steps have taken place, the Utility will post any available receipt point capacity on its EBB and accept requests from capacity holders to move their specific receipt point capacities during a two-week re-contracting period. At the end of this period, the Utility will evaluate all requests for changes on a non-discriminatory basis and grant requests where receipt point capacity is available. To the extent more quantities are requested to be moved to a particular Receipt Point or Transmission Zone than the available capacity, the requests will be prorated among the requesting customers. Customers may signify that their specific receipt point move request is an all-or-nothing request so that it will be rejected if any prorating is required.

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Schedule No. G-RPA
RECEIPT POINT ACCESS

Sheet 15

(Continued)

SPECIAL CONDITIONS (Continued)

CONTRACT INTERCHANGEABILITY (Continued)

645. After the re-contracting period for receipt point access capacity, all remaining available capacities will be available to customers on a "first-come, first-served" basis.

656. At any time, should sufficient customer demand exist for expansion of a receipt point or take-away capacity from a receipt point or transmission zone, the Utility will conduct an open season consistent with the initial Step 3 Open Season Process to award firm rights where applicable.

REMAINING FIRM RECEIPT POINT ACCESS CAPACITY

667. Any creditworthy market participants may acquire available receipt point capacity for a minimum term of one month and a maximum term up to the period remaining in the three-year cycle at the ~~Schedule~~ G-RPAN rate.

678. All unsubscribed firm receipt point capacity will be available to customers on a "first-come, first-served" basis.

689. The Utility may also make available any operationally available capacity in excess of the above stated firm capacity quantities on a short-term firm basis under G-RPA1.

6970. The Utility may also post the availability of monthly receipt point capacity at a negotiated level below the ~~Schedule~~ G-RPA1 rate and will hold an open season for that capacity. Participants may submit a bid for receipt point capacity at the negotiated rate. Should the Utility receive bids in excess of the posted receipt point access capacity at a particular Receipt Point or within a particular Transmission Zone, participant awards will be awarded such that the awarded receipt point access capacity does not exceed the available capacities. Awards will be allocated first to the highest price bids; among equal price bids awards will be allocated from the longest term to the shortest term. If necessary, awards will be prorated among like price and like term bids. Customers may signify that any of their specific receipt point bids is an all-or-nothing bid so that it will be rejected if any prorating is required.

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Schedule No. G-RPA
RECEIPT POINT ACCESS

Sheet 16

(Continued)

SPECIAL CONDITIONS (Continued)

INTERUPPTIBLE RECEIPT POINT ACCESS

740. The Utility will make available all unutilized firm receipt point access capacity or operationally available capacity on an interruptible basis at the G-RPAI rate ~~schedule~~ and will schedule that capacity in accordance with the Utility' Rule No. 30 for scheduling of interruptible capacity.

712. Customers taking interruptible service under ~~Schedule the~~ G-RPAI ~~rate~~ will only be required to execute one contract, which will provide service from all Receipt Points.

723. The Utility will contract with any creditworthy party for interruptible receipt point service under the G-RPAI ~~R~~rate ~~Schedule~~.

734. The Utility may also post daily interruptible volumetric charges at a level below the ~~Schedule~~ G-RPAI rate for all interruptible receipt point service or just for a particular Receipt Point. On any day in which the Utility posts a daily interruptible charge at a level below ~~the~~ ~~Schedule~~ G-RPAI rate, all interruptible service used by customers at the applicable particular Receipt Points during that day will be charged the reduced volumetric charge. No interruptible service shall be charged at a level below ~~the~~ ~~Schedule~~ G-RPAI ~~rate~~ without the rate first being posted.

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Schedule No. GLT

Sheet 3

(Enhanced Oil Recovery)

LONG-TERM TRANSPORTATION OF CUSTOMER-OWNED NATURAL GAS

(Continued)

SPECIAL CONDITIONS (Continued)

7. Any line extensions, reinforcements and enhancements in addition to standard metering and pressure regulating equipment necessary for service as determined by the Utility will be paid for by the customer to the Utility in advance of construction under a separate facility agreement in accordance with Utility's main extension rule.
8. Unless otherwise ordered by the Commission, gas shall be transported under this schedule for use only by the customer, and not for delivery resale to a third party.
9. Customers having existing gas exchange arrangements with the Utility must exchange the maximum amount of gas allowable under those arrangements prior to the delivery of customer-owned natural gas to the Utility for transmission, unless otherwise agreed to by the Utility.
10. Landfill gas or gas from other biomass processes or natural gas that has impurities in excess of minimum levels as specified in the Service Contract will not be accepted by the Utility for transmission.
11. In the event there is at any time a demand for the firmest levels of transportation service which exceeds the Utility's capacity to provide such service, the available service to new customers shall be allocated to the highest priority customers first.
12. In accordance with Decision 86-12-009, Contracts approved by the Commission will not be required to state that the contract remains subject to the continuing jurisdiction of the Commission.
13. If the actual delivery by the customer's shipper is less than the shipper's minimum delivery obligation, which is equal to 95% of the shipper's requested capacity, then when Utility schedules the next deliveries, it may limit the shipper's available capacity to the quantity of the last recorded actual delivery. If shipper's actual delivery meets the allocated available capacity, the previously agreed capacity level will be reinstated for future deliveries.
14. In accordance with decisions issued in OII 86-06-005 and OIR 86-06-006, this schedule is suspended and closed for new service as of July 26, 1988.
15. Customers under CPUC approved long-term bundled discounted contracts as of the date of D.06-12-031 shall have their contracted rate reduced by the ~~applicable unbundled average rate reduction to the GT-F rate associated with the unbundled Receipt Point Access revenues~~ ~~interruptible receipt point access rate as defined in Schedule No. G RPA, Receipt Point Access~~. Long-term discounted contracts after the date of D.06-12-031 shall be deemed to be unbundled and shall not receive a reduction to the rate negotiated to account for receipt point access service.

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(TO BE INSERTED BY UTILITY)
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 Senior Vice President
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Rule No. 01
DEFINITIONS

Sheet 10

(Continued)

Multi-family Accommodation: Apartment building, duplex, mobile home park, or any other group of permanent residential single-family dwellings located upon a single premises, provided that the residential dwellings therein meet the requirements for a single-family dwelling or accommodation. Multi-family accommodation does not include hotels, motels, residential hotels, guest or resort ranches, marinas, tourist camps, recreational vehicle parks, campgrounds, halfway houses, rooming houses, boarding houses, institutions, dormitories, rest or nursing homes, convalescent or care facilities, military barracks, or any enterprise that includes or rents to either transient tenants or transient accommodations.

Net Usage: Customer's uncorrected billing period usage plus any adjustments from previous billing periods.

Noncore Service: Service to customers who are not assigned to end-use priority 1 or 2A as defined in Rule 23. Customers receiving noncore service must have Automated Meter Reading (AMR) equipment installed at customer's expense as a condition of noncore service.

Non-Profit Group Living Facility: Non-profit homeless shelter that may be government subsidized with six (6) or more beds that provides lodging day or night for a minimum of 180 days of the year; other non-profit residential-type facilities (excluding government-owned and privately-owned, "for profit" government-subsidized housing) that provide a service in addition to lodging and which may be licensed by the appropriate state agency to care for residents who temporarily or permanently cannot function normally outside of the group home environment; and non-licensed, separately metered affiliated facilities where the primary facility is eligible for CARE and is the customer of record for the affiliate, and at least 70% of the energy consumed by the affiliate is used for residential purposes. All residents must meet the CARE income eligibility standards; however, a caregiver who lives in the group facility is not a resident for purposes of determining the facility's eligibility. Non-profit group living facilities that are not licensed or certified must provide any other documentation the Utility may reasonably require.

Off-System Customer: Marketer, broker, supplier or other entity contracting for off-system delivery services within California or bidding for storage service on ~~their~~ its own behalf for ultimate consumption outside the Utility's service territory within California.

Open Season: Designated time period in which a service election must be submitted to the Utility. Customers who do not submit their service election during the Open Season will receive default service, or will continue receiving current service election, if tariffs contain evergreen provisions.

Paid or Payment: Funds received by Utility through postal service, Utility payment office, Utility authorized agent, or deposited in Utility bank account by electronic transfer.

Parking Transaction: Utility-received natural gas for service user's account for short-term interruptible storage.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3706
DECISION NO. 06-12-031

ISSUED BY
Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Jan 29, 2007
EFFECTIVE _____
RESOLUTION NO. _____

Rule No. 30

Sheet 3

TRANSPORTATION OF CUSTOMER-OWNED GAS

(Continued)

D. Operational Requirements (Continued)

2. Receipt Points

Utility accepts nominations from transportation customers or their representatives at the following Receipt Points into the SoCalGas system, as referenced in Schedule No. G-RPA*:

- El Paso Pipeline at Blythe (Southern Transmission Zone)
- North Baja Pipeline at Blythe (Southern Transmission Zone)
- Transportadora de Gas Natural de Baja California at Otay Mesa (Southern Transmission Zone)
- Kern River Pipeline and Mojave Pipeline (Wheeler Transmission Zone)
- PG&E at Kern River Station (Wheeler Transmission Zone)
- Occidental of Elk Hills at Gosford (Wheeler Transmission Zone)
- Transwestern Pipeline at North Needles (Northern Transmission Zone)
- Transwestern Pipeline at Topock (Northern Transmission Zone)
- El Paso Pipeline at Topock (Northern Transmission Zone)
- Questar Southern Trails Pipeline at North Needles (Northern Transmission Zone)
- Kern River Pipeline at Kramer Junction (Northern Transmission Zone)
- Line 85 (California Supply)
- North Coastal (California Supply)
- Other CA Producers (California Supply)
- Storage

* Additional Receipt Points will be added as they are established in the future.

3. Receipt Point Capacity

Each day, Receipt Point and Transmission Zone capacities will be set at their physical operating maximums under the operating conditions for that day. ~~The Utility will use the following rules to limit the nominations to the Receipt Point maximums and the Transmission Zone maximums.~~ The Utility will schedule nominations for each Receipt Point and Transmission Zone to the maximum operating capacity of that individual Receipt Point or Transmission Zone. The maximum operating capacity is defined as the facility design or contractual limitation to deliver gas into the Utility's system adjusted for operational constraints (i.e. maintenance, localized restrictions, and upstream delivery pressures) as determined each day.

The Utility will use the following rules to schedule nominations to the Receipt Point and Transmission Zone maximum operating capacities.

- Nominations using Firm Primary receipt point access rights will have first priority; pro-rated if over-nominated*.

(Continued)

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ACCESS TO THE SOCALGAS PIPELINE SYSTEM

The Utility shall provide nondiscriminatory open access to its system to any party (hereinafter "Interconnector") for the purpose of physically interconnecting with the Utility and effectuating the delivery of natural gas, subject to the terms and conditions set forth in this Rule and the applicable provisions of the Utility's other tariff schedules including, but not limited to, the gas quality requirements set forth in Rule No. 30, Section I. None of the provisions in this Rule shall be interpreted so as to unduly discriminate against or in favor of gas supplies coming from any source.

A. Terms of Access

1. The interconnection and physical flows shall not jeopardize the integrity of, or interfere with, normal operation of the Utility's system and provision of service to its customers.
2. The Interconnector and the Utility must execute an Interconnection and Operational Balancing Agreement (IOBA). T
3. The Interconnector shall pay for all equipment necessary to effectuate deliveries at point of interconnection, including, but not limited to, valves, separators, meters, quality measurement, odorant and other equipment necessary to regulate and deliver gas at the interconnection point. The Interconnector shall also pay for computer programming changes to the Utility's Electronic Bulletin Board (EBB) scheduling system, if any, required to add the Interconnector's new interconnection point. The Interconnector and the Utility must execute an Interconnect Collectible System Upgrade Agreement Exhibit to the IOBA (Form 6430). T
4. The point of interconnection shall be established as a transportation scheduling point, pursuant to the provisions of Rule No. 30, if the Interconnector abides by the standards of the North American Energy Standards Board.
5. The maximum physical capacity of the interconnection will be determined by the sizing of the point of receipt, including the metering and odorization capacities, but is not the capacity of the Utility's pipeline system to transport gas away from the interconnection point and is not, nor is it intended to be, any commitment by the Utility of takeaway capacity. T
6. The available receipt capacity for any particular day may be affected by physical flows from other points of receipt, physical pipeline and storage conditions for that day, and end-use demand on the Utility's system.
7. The Utility will expand its receipt point capacity at the request and expense of any party, as detailed in part B of this tariff. T
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- ~~8.~~ The Interconnector and the Utility must execute a Collectible System Upgrade Agreement (Form 6420) prior to any work being completed. T

(Continued)

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ACCESS TO THE SOCALGAS PIPELINE SYSTEM

(Continued)

B. Interconnection Capacity Studies

1. Any party, including an interconnecting pipeline or a supply source, may request an Interconnection Capacity Study to determine the Utility's downstream capability to take natural gas away from the interconnection point and the associated Utility facility enhancement costs. Upon the request of an entity to establish or increase takeaway capacity from a receipt point, the Utility will make a timely determination of the facilities (and facility modifications) and associated costs that are required to add the requested takeaway capacity on both a Displacement Receipt Point Capacity basis and Expansion Receipt Point Capacity basis. The Utility shall make this determination on a nondiscriminatory and transparent basis, without favoring any region of its territory and without favoring any entity.

2. All analyses shall take into consideration new supplies and facilities that have been or will be installed pursuant to a previously executed Collectible System Upgrade Agreements (CSUA) in effect. ~~Priority for purposes of determining facility costs will be established on the basis of the date a party executes a CSUA. The CSUA shall include the activities from initial study through construction under terms mutually agreeable to the Utility and the party in Appendix "B" to the CSUA. In order to keep its place in the priority established by D.06-12-031 for determining facilities costs, an Appendix "B" must be completed within 90 days of the Commission Resolution approving Advice Letter 3706-A. The Utility shall maintain a queue of executed CSUAs with completed Appendix "B", including project milestones and completion dates. Any CSUA party will be subject to replacement in the queue if any date for performance within its CSUA has expired. The Utility will be provided a 30-day notice of cancellation and allow for a subsequent 60-day period to cure any non-performance. The Utility will file an Advice Letter for Commission approval to re-order the queue due to the non-performance of a CSUA holder, subject to satisfactory progress by the prior CSUA parties to complete their supply project and fund any necessary Utility facilities. If, in the judgment of the Utility, such progress is not being made by a prior CSUA party, then that CSUA party will lose its first come, first served priority for determination of facility costs to be funded by that party. The Utility will provide written notice, fifteen days prior to effectiveness, to any party that is deemed to have lost its first come, first served priority because of unsatisfactory progress in constructing the supply project or funding necessary Utility facilities so that the party can raise any dispute with the Commission's Energy Division.~~

3. Any party interested in funding an Interconnection Capacity Study must submit a written request for access, which includes where and when the new supply will be delivered to the Utility and the volume required to be received. Within 30 business days, the Utility will provide a written proposal to the party to evaluate the system impact of the new supplies including the estimated time and cost to perform this analysis.

4. The party and the Utility must execute a Consulting Services Agreement (Form 6400) or Collectible System Upgrade Agreement (Form 6420) and Confidentiality Agreement (Form 6410) prior to any work being completed and provide payment equal to the estimated cost of the Interconnection Capacity Study prior to the Utility proceeding with the Interconnection Capacity Study. The party will be responsible for the actual costs of the analysis; to this end, an invoice or refund will be issued to the supplier at the completion of the analysis for any difference between the actual costs and the estimate.

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(Continued)

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