

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE

SAN FRANCISCO, CA 94102-3298



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  
Tariffs & Regulatory Accounts

8330 Century Park Court CP32C  
San Diego, CA 92123-1548  
Tel: 858.654.1756  
Fax: 858.654.1788  
KDeremer@SempraUtilities.com

November 7, 2007

Advice No. 3706-B  
(U 904 G)

Public Utilities Commission of the State of California

**Subject: PARTIAL 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**

**Purpose**

Southern California Gas Company (SoCalGas) hereby submits for filing revisions to its tariffs as shown on Attachment B, and one red-line revision as provided in Attachment C in response to protests received to Advice No. (AL) 3706-A, dated September 17, 2007.

**Background**

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 Decision (D.)06-12-031. On September 6, 2007, the California Public Utilities Commission (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.

SoCalGas filed supplemental AL 3706-A on September 17, 2007 to replace in its entirety AL 3706. Protests to AL 3706-A were received from Southern California Generation Coalition (SCGC) and Indicated Producers (IP). SoCalGas timely responded to both protests on October 15, 2007. In its response, SoCalGas agreed to make revisions to certain tariffs filed in AL 3706-A as requested by the protesting parties.

**Proposed Tariff Revisions**

In its protest, IP proposes specific modifications to the language submitted by SoCalGas in Rule No. 30 and in the receipt point master agreement to give effect to Resolution G-3407 and D.06-12-031. SoCalGas agrees with IP on these points and proposes the following modifications as shown herein in Attachment B:

- The Rule 30 language in question is contained in CPUC Sheet No. 42293-G (Sheet 1) as filed in AL 3706-A, and is shown herein as WITHDRAWN. The Table of Contents – Rules and the Attachment B listing of sheets are revised herein to so indicate.
- The Receipt Point Master Agreement as filed in AL 3706-A by CPUC Sheet No. 42318-G is revised in Section 5.1 to add the words “unless otherwise specified by Commission decision, order or resolution” as requested by IP.

SCGC objects to language that would credit off-system interruptible revenues to FAR holders rather than to end-use customers. SCGC specifically requests that the tariffs be revised to provide that there will be a credit entry to the SI Subaccount “equal to 100% of revenues from interruptible off-system delivery service to the PG&E system” and that the description of the FAR Subaccount in the Integrated Transmission Balancing Account be revised to delete any reference to a credit entry for revenues from interruptible off-system delivery service.

- The Integrated Transmission Balancing Account (ITBA) as filed in AL 3706-A by CPUC Sheet No. 42245-G\* is revised as shown in Attachment B to remove “and revenues from interruptible off-system delivery service to the PG&E system” from Section c. of the FAR Subaccount and to add “A credit equal to 100% of the revenues from interruptible off-system delivery service to the PG&E system” to the SI Subaccount as a revised Section d.
- The red-line of changes to the ITBA as contained in Attachment C is revised to show the above mentioned revision.

### **Protest**

Anyone may protest this Advice Letter to the Commission. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. The protest must be made in writing and must be received within 20 days of the date this Advice Letter. There is no restriction on who may file a protest. The address for mailing or delivering a protest to the Commission is:

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](mailto:mas@cpuc.ca.gov)) and to Honesto Gatchalian ([jnj@cpuc.ca.gov](mailto: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](mailto:snewsom@SempraUtilities.com)

**Effective Date**

AL 3706-A was filed in compliance with Ordering Paragraph 4 of Resolution G-3407 which 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 also 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 partial supplemental advice letter be approved in the same manner as previously requested for AL 3706-A.

**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.

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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-B

Subject of AL: Partial Supplemental: Establishment and Modification of Tariffs and Reg. 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 AL<sup>1</sup>: 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 (same as 3706-A)

No. of tariff sheets: 6 + 1 withdrawn

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, Sample Forms & TOCs

Service affected and changes proposed<sup>1</sup>: 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**

<sup>1</sup> Discuss in AL if more space is needed.

**ATTACHMENT A**  
**Advice No. 3706-B**

**(See Attached Service Lists)**

Aglet Consumer Alliance  
James Weil  
jweil@aglet.org

Alcantar & Kahl  
Elizabeth Westby  
egw@a-klaw.com

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

Ancillary Services Coalition  
Jo Maxwell  
jomaxwell@ascoalition.com

Ancillary Services Coalition  
Nick Planson  
nplanson@ascoalition.com

Ancillary Services Coalition  
Terry Rich  
TRich@ascoalition.com

BP Amoco, Reg. Affairs  
Marianne Jones  
501 West Lake Park Blvd.  
Houston, TX 77079

Barkovich & Yap  
Catherine E. Yap  
ceyap@earthlink.net

Beta Consulting  
John Burkholder  
burkee@cts.com

CPUC  
Consumer Affairs Branch  
505 Van Ness Ave., #2003  
San Francisco, CA 94102

CPUC  
Pearlie Sabino  
pzs@cpuc.ca.gov

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

CPUC - DRA  
Galen Dunham  
gsd@cpuc.ca.gov

CPUC - DRA  
R. Mark Pocta  
rmp@cpuc.ca.gov

CPUC - DRA  
Jacqueline Greig  
jnm@cpuc.ca.gov

California Energy Market  
Lulu Weinzimer  
luluw@newsdata.com

Calpine Corp  
Avis Clark  
aclark@calpine.com

City of Anaheim  
Ben Nakayama  
Public Utilities Dept.  
P. O. Box 3222  
Anaheim, CA 92803

City of Azusa  
Light & Power Dept.  
215 E. Foothill Blvd.  
Azusa, CA 91702

City of Banning  
Paul Toor  
P. O. Box 998  
Banning, CA 92220

City of Burbank  
Fred Fletcher/Ronald Davis  
164 West Magnolia Blvd., Box 631  
Burbank, CA 91503-0631

City of Colton  
Thomas K. Clarke  
650 N. La Cadena Drive  
Colton, CA 92324

City of Long Beach, Gas & Oil Dept.  
Chris Garner  
2400 East Spring Street  
Long Beach, CA 90806

City of Los Angeles  
City Attorney  
200 North Main Street, 800  
Los Angeles, CA 90012

City of Pasadena - Water and Power  
Dept.  
G Bawa  
GBawa@cityofpasadena.net

City of Riverside  
Joanne Snowden  
jsnowden@riversideca.gov

City of Vernon  
Daniel Garcia  
dgarcia@ci.vernon.ca.us

Commerce Energy  
Brian Patrick  
BPatrick@commerceenergy.com

Commerce Energy  
Tony Cusati  
TCusati@commerceenergy.com

Commerce Energy  
Glenn Kinser  
gkinser@commerceenergy.com

Commerce Energy  
Lynelle Lund  
llund@commerceenergy.com

County of Los Angeles  
Stephen Crouch  
1100 N. Eastern Ave., Room 300  
Los Angeles, CA 90063

Crossborder Energy  
Tom Beach  
tomb@crossborderenergy.com

Culver City Utilities  
Heustace Lewis  
Heustace.Lewis@culvercity.org

DGS  
Henry Nanjo  
Henry.Nanjo@dgs.ca.gov

Davis Wright Tremaine, LLP  
Edward W. O'Neill  
One Embarcadero Center, #600  
San Francisco, CA 94111-3834

Davis, Wright, Tremaine  
Judy Pau  
judypau@dwt.com

Dept. of General Services  
Celia Torres  
celia.torres@dgs.ca.gov

Douglass & Liddell  
Dan Douglass  
douglass@energyattorney.com

Douglass & Liddell  
Donald C. Liddell  
liddell@energyattorney.com

Downey, Brand, Seymour & Rohwer  
Ann Trowbridge  
atrowbridge@downeybrand.com

Downey, Brand, Seymour & Rohwer  
Dan Carroll  
dcarroll@downeybrand.com

Dynegy  
Joseph M. Paul  
jmpa@dynegy.com

Gas Purchasing  
BC Gas Utility Ltd.  
16705 Fraser Highway  
Surrey, British Columbia, V3S 2X7

Gas Transmission Northwest  
Corporation  
Bevin Hong  
Bevin\_Hong@transcanada.com

General Services Administration  
Facilities Management (9PM-FT)  
450 Golden Gate Ave.  
San Francisco, CA 94102-3611

Goodin, MacBride, Squeri, Ritchie &  
Day, LLP  
J. H. Patrick  
hpatrick@gmssr.com

Goodin, MacBride, Squeri, Ritchie &  
Day, LLP  
James D. Squeri  
jsqueri@gmssr.com

Hanna & Morton  
Norman A. Pedersen, Esq.  
npedersen@hanmor.com

Imperial Irrigation District  
K. S. Noller  
P. O. Box 937  
Imperial, CA 92251

JBS Energy  
Jeff Nahigian  
jeff@jbsenergy.com

Jeffer, Mangels, Butler & Marmaro  
2 Embarcadero Center, 5th Floor  
San Francisco, CA 94111

Kern River Gas Transmission Company  
Janie Nielsen  
Janie.Nielsen@KernRiverGas.com

LADWP  
Nevenka Ubavich  
nevenka.ubavich@ladwp.com

LADWP  
Randy Howard  
P. O. Box 51111, Rm. 956  
Los Angeles, CA 90051-0100

Law Offices of Diane I. Fellman  
Diane Fellman  
diane\_fellman@fpl.com

Law Offices of William H. Booth  
William Booth  
wbooth@booth-law.com

Luce, Forward, Hamilton & Scripps  
John Leslie  
jleslie@luce.com

MRW & Associates  
Robert Weisenmiller  
mrw@mrwassoc.com

Manatt Phelps Phillips  
Randy Keen  
rkeen@manatt.com



Manatt, Phelps & Phillips, LLP  
David Huard  
dhuard@manatt.com

March Joint Powers Authority  
Lori Stone  
PO Box 7480,  
Moreno Valley, CA 92552

Matthew Brady & Associates  
Matthew Brady  
matt@bradylawus.com

Julie Morris  
Julie.Morris@PPMEnergy.com

National Utility Service, Inc.  
Jim Boyle  
One Maynard Drive, P. O. Box 712  
Park Ridge, NJ 07656-0712

PG&E Tariffs  
Pacific Gas and Electric  
PGETariffs@pge.com

Pacific Gas & Electric Co.  
John Clarke  
jpc2@pge.com

Praxair Inc  
Rick Noger  
rick\_noger@praxair.com

Questar Southern Trails  
Lenard Wright  
Lenard.Wright@Questar.com

R. W. Beck, Inc.  
Catherine Elder  
celder@rwbeck.com

Regulatory & Cogen Services, Inc.  
Donald W. Schoenbeck  
900 Washington Street, #780  
Vancouver, WA 98660

Richard Hairston & Co.  
Richard Hairston  
hairstonco@aol.com

Sempra Global  
William Tobin  
wtobin@sempraglobal.com

Sierra Pacific Company  
Christopher A. Hilén  
chilen@sppc.com

Southern California Edison Co  
Fileroom Supervisor  
2244 Walnut Grove Ave., Rm 290, GO1  
Rosemead, CA 91770

Southern California Edison Co  
Karyn Gansecki  
601 Van Ness Ave., #2040  
San Francisco, CA 94102

Southern California Edison Co.  
Colin E. Cushnie  
Colin.Cushnie@SCE.com

Southern California Edison Co.  
Kevin Cini  
Kevin.Cini@SCE.com

Southern California Edison Co.  
John Quinlan  
john.quinlan@sce.com

Southern California Edison Company  
Michael Alexander  
Michael.Alexander@sce.com

Southwest Gas Corp.  
John Hester  
P. O. Box 98510  
Las Vegas, NV 89193-8510

Suburban Water System  
Bob Kelly  
1211 E. Center Court Drive  
Covina, CA 91724

Sutherland, Asbill & Brennan  
Keith McCrea  
kmccrea@sablaw.com

TURN  
Marcel Hawiger  
marcel@turn.org

TURN  
Mike Florio  
mflorio@turn.org

The Mehle Law Firm PLLC  
Colette B. Mehle  
cmehle@mehlelaw.com

Western Manufactured Housing  
Communities Assoc.  
Sheila Day  
sheila@wma.org

SOUTHERN CALIFORNIA EDISON  
COMPANY  
CASE ADMINISTRATION  
case.admin@sce.com

CALIF PUBLIC UTILITIES COMMISSION  
Joyce Alfton  
alf@cpuc.ca.gov

CROSSBORDER ENERGY  
R. THOMAS BEACH  
tomb@crossborderenergy.com

SOUTHWEST GAS CORPORATION  
ANDREW W. BETTWY  
andy.bettwy@swgas.com

LAW OFFICES OF WILLIAM H. BOOTH  
WILLIAM H. BOOTH  
wbooth@booth-law.com

MATTHEW V. BRADY  
matt@bradylawus.com

CALIF PUBLIC UTILITIES COMMISSION  
Jonathan Bromson  
jab@cpuc.ca.gov

GOODIN MACBRIDE SQUERI RITCHIE  
& DAY  
BRIAN T. CRAGG  
bcragg@goodinmacbride.com

CALIF PUBLIC UTILITIES COMMISSION  
Andrew Campbell  
agc@cpuc.ca.gov

CALIF PUBLIC UTILITIES COMMISSION  
Lynn T. Carew  
ltc@cpuc.ca.gov

GOODIN MACBRIDE SQUERI DAY &  
LAMPREY LLP  
MICHAEL B. DAY  
mday@goodinmacbride.com

DOUGLASS & LIDDELL  
DANIEL W. DOUGLASS  
douglass@energyattorney.com

CRESTED BUTTE CATALYSTS  
PETER E. ESPOSITO  
pesposito@cbcatalysts.com

THE UTILITY REFORM NETWORK  
(TURN)  
MICHEL PETER FLORIO  
mflorio@turn.org

PPM ENERGY  
ROBERT FOSS  
Robert.Foss@PPMEnergy.com

SOUTHWEST GAS CORPORATION  
RANDALL P. GABE  
randy.gabe@swgas.com

SEMPRA ENERGY  
DAVID J. GILMORE  
dgilmore@sempra.com

QUESTAR SOUTHERN TRAILS  
PIPELINE  
NED GREENWOOD  
Ned.Greenwood@questar.com

CALIF PUBLIC UTILITIES COMMISSION  
Belinda Gatti  
beg@cpuc.ca.gov

CALIF PUBLIC UTILITIES COMMISSION  
Jacqueline Greig  
jnm@cpuc.ca.gov

ELLISON, SCHNEIDER & HARRIS, LLP  
JEFFREY D. HARRIS  
jdh@eslawfirm.com

THE UTILITY REFORM NETWORK  
MARCEL HAWIGER  
marcel@turn.org

DAVIS WRIGHT TREMAINE, LLP  
CHRISTOPHER HILEN  
chrishilen@dwt.com

STOEL RIVES  
SETH HILTON  
sdhilton@stoel.com

MANATT, PHELPS & PHILLIPS, LLP  
DAVID L. HUARD  
dhuard@manatt.com

SOUTHERN CALIFORNIA EDISON  
COMPANY  
GLORIA M. ING  
gloria.ing@sce.com

ALCANTAR & KAHL, LLP  
EVELYN KAHL  
ek@a-klaw.com

WINSTON & STRAWN, LLP  
JOSEPH M. KARP  
jkarp@winston.com

MANATT, PHELPS & PHILLIPS, LLP  
RANDALL W. KEEN  
rkeen@manatt.com

ELLISON, SCHNEIDER & HARRIS, LLP  
DOUGLAS K. KERNER  
dkk@eslawfirm.com

DOUGLASS & LIDDELL  
GREGORY KLATT  
klatt@energyattorney.com

EL PASO CORPORATION  
STEPHEN G. KOERNER  
steve.koerner@elpaso.com

PACIFIC GAS AND ELECTRIC  
COMPANY  
ALYSSA T. KOO  
kts1@pge.com

**KERN OIL & REFINING CO.**  
**ALAN KORNICKS**  
 akornicks@kernoil.com

**LUCE, FORWARD, HAMILTON & SCRIPPS, LLP**  
**JOHN W. LESLIE, ESQ.**  
 jleslie@luce.com

**DOUGLASS & LIDDELL**  
**DONALD C. LIDDELL**  
 liddell@energyattorney.com

**PACIFIC GAS AND ELECTRIC COMPANY**  
**FRANK R. LINDH**  
 FRL3@pge.com

**CALIF PUBLIC UTILITIES COMMISSION**  
 Diana L. Lee  
 dil@cpuc.ca.gov

**CALIF PUBLIC UTILITIES COMMISSION**  
 Kelly C. Lee  
 kcl@cpuc.ca.gov

**SOUTHERN CALIFORNIA EDISON COMPANY**  
**WALKER A. MATTHEWS, III**  
 walker.matthews@sce.com

**SUTHERLAND, ASBILL & BRENNAN**  
**KEITH MCCREA**  
 kmccrea@sablaw.com

**CROSSBORDER ENERGY**  
**PATRICK G. MCGUIRE**  
 patrickm@crossborderenergy.com

**CALIF PUBLIC UTILITIES COMMISSION**  
 Richard A. Myers  
 ram@cpuc.ca.gov

**DEPARTMENT OF GENERAL SERVICES**  
**HENRY NANJO**  
 Henry.Nanjo@dgs.ca.gov

**SEMPRA ENERGY**  
**STEVEN C. NELSON**  
 snelson@sempra.com

**PACIFIC GAS AND ELECTRIC COMPANY**  
**MARK D. PATRIZIO**  
 mdp5@pge.com

**HANNA AND MORTON, LLP**  
**NORMAN A. PEDERSEN**  
 npedersen@hanmor.com

**SOUTHERN CALIFORNIA EDISON COMPANY**  
**DOUGLAS PORTER**  
 douglas.porter@sce.com

**CALIF PUBLIC UTILITIES COMMISSION**  
 Robert M. Pocta  
 rmp@cpuc.ca.gov

**SEMPRA LNG**  
**WILLIAM D, RAPP**  
 wrapp@sempra.com

**EXXON MOBIL CORPORATION**  
**DOUGLAS W. RASCH**  
 douglas.w.rasch@exxonmobil.com

**EL PASO CORPORATION - WESTERN PIPELINES**  
**CRAIG V. RICHARDSON**  
 2 NORTH NEVADA AVE.  
 COLORADO SPRINGS, CO 80903

**CALIF PUBLIC UTILITIES COMMISSION**  
 Ramesh Ramchandani  
 rxr@cpuc.ca.gov

**PACIFIC GAS AND ELECTRIC COMPANY**  
**KEITH T. SAMPSON**  
 kts1@pge.com

**RCS, INC.**  
**DONALD SCHOENBECK**  
 dws@r-c-s-inc.com

**SEMPRA ENERGY**  
**AIMEE M. SMITH**  
 amsmith@sempra.com

**ALCANTAR & KAHL, LLP**  
**SEEMA SRINIVASAN**  
 sls@a-klaw.com

**HANNA AND MORTON, LLP**  
**T. ALANA STEELE**  
 asteele@hanmor.com

**DORSEY AND WHITNEY LLP**  
**ALISA N. STEIN**  
 astein@whitecase.com

**CALIF PUBLIC UTILITIES COMMISSION**  
 Pearlie Sabino  
 pzs@cpuc.ca.gov

**OCCIDENTAL OF ELK HILLS, INC.**  
**THADDEUS THOMSON**  
 thaddeus\_thomson@oxy.com

**SEMPRA GLOBAL**  
**WILLIAM TOBIN**  
 wtobin@sempraglobal.com

**MUNGER, TOLLES & OLSON, LLP**  
**HENRY WEISSMANN**  
 henry.weissmann@mto.com

**ALCANTAR & KAHL, LLP**  
**ELIZABETH WESTBY**  
egw@a-klaw.com

**MANATT, PHELPS & PHILLIPS, LLP**  
**S. NANCY WHANG**  
nwchang@manatt.com

**ELLISON, SCHNEIDER & HARRIS, LLP**  
**GREGGORY L. WHEATLAND**  
glw@eslawfirm.com

**CALIFORNIA ENERGY COMMISSION**  
**BILL WOOD**  
bwood@energy.state.ca.us

**CALIF PUBLIC UTILITIES COMMISSION**  
**John S. Wong**  
jsw@cpuc.ca.gov

**SOUTHERN CALIFORNIA GAS**  
**COMPANY/SDG&E**  
**MARZIA ZAFAR**  
mzafar@semprautilities.com

**PPM ENERGY**  
**1125 NW COUCH STREET, SUITE 700**  
**PORTLAND, OR 97209**

ATTACHMENT B  
Advice No. 3706-B

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Original 42487-G	PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS, INTEGRATED TRANSMISSION BALANCING ACCOUNT (ITBA)	Original 41505-G Original 42245-G*
Original 42488-G	MASTER SERVICES CONTRACT - SCHEDULE M, RECEIPT POINT MASTER AGREEMENT, Form No. 6597-18	Original 41573-G Original 42318-G
Revised 42489-G	TABLE OF CONTENTS	Revised 42331-G Revised 41996-G
Revised 42490-G	TABLE OF CONTENTS	Revised 42333-G Revised 41266-G
Revised 42491-G	TABLE OF CONTENTS	Revised 42334-G Revised 42230-G
Revised 42492-G	TABLE OF CONTENTS	Revised 42335-G Revised 42008-G
<b>WITHDRAWN</b>	Rule No. 30, TRANSPORTATION OF CUSTOMER-OWNED GAS, Sheet 1	Revised 42293-G

**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, 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 interruptible access charges and revenues from interruptible off-system delivery service to the Pacific Gas and Electric Company (PG&E) system. 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;
- d. A credit equal to 100% of the revenues from interruptible off-system delivery service to the PG&E system; and
- e. 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;
- b. A credit entry equal to the actual FAR revenues received;
- c. A credit entry equal to 100% of interruptible access charges; 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. SoCalGas' allocation of the 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, in SoCalGas' annual October regulatory account balance update filing.

(TO BE INSERTED BY UTILITY)  
ADVICE LETTER NO. 3706-B  
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 Nov 7, 2007  
EFFECTIVE Nov 16, 2007  
RESOLUTION NO. G-3407

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-B  
DECISION NO. 06-12-031, 07-06-003

ISSUED BY  
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Senior Vice President  
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(TO BE INSERTED BY CAL. PUC)  
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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** \_\_\_\_\_

Federal Taxpayer ID: \_\_\_\_\_

Duns # \_\_\_\_\_

Master Services Contract # \_\_\_\_\_

Attn: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

E-mail address \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

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, unless otherwise specified by Commission decision, order or resolution.
- 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 \_\_\_\_\_

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(TO BE INSERTED BY UTILITY)

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

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ISSUED BY

**Lee Schavrien**  
 Senior Vice President  
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Nov 7, 2007  
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Rule No. 30

Sheet 1

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  
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

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**ATTACHMENT C**

**Advice No. 3706-B**

**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;
- d. A credit equal to 100% of the revenues from interruptible off-system delivery service to the PG&E system; and
- e. 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, ~~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  
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. \_\_\_\_\_