

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



April 7, 2008

Advice Letter 3838

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

Subject: Amendment III to the California Wholesale Gas  
Transportation and Storage Service Agreement  
Between SoCalGas and Southwest Gas Corporation

Dear Mr. Newsom:

Advice Letter 3838 is effective April 1, 2008.

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

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February 29, 2008

Advice No. 3838  
(U 904 G)

Public Utilities Commission of the State of California

**Subject: Amendment III to the California Wholesale Gas Transportation and Storage Service Agreement between SoCalGas and Southwest Gas Corporation**

Southern California Gas Company (SoCalGas) hereby submits for the California Public Utilities Commission (Commission) approval Amendment III to the California Wholesale Gas Transportation and Storage Service Agreement (Agreement) between SoCalGas and Southwest Gas Corporation (Southwest).

**Purpose**

The purpose of this Advice Letter is to terminate, in particular, Exhibit C, Storage Services, to the Agreement dated March 4, 1993. Exhibit C specifies the terms and conditions under which SoCalGas provides storage service to Southwest.

**Background**

The Agreement was approved by Commission Decision (D.) 93-07-052 dated July 21, 1993. Pursuant to the Agreement, SoCalGas provides wholesale gas service to Southwest's service territory in Southern California, excluding Needles, California. The Agreement, including Exhibit C, expires on August 1, 2008.

In Ordering Paragraph 34 of D.07-12-019, dated December 6, 2007, the Commission ordered SoCalGas to offer initial reservations of storage capacity on an annual basis for wholesale core customer requirements at the same time as core storage reservations are made for San Diego Gas & Electric Company and prior to the release of storage capacity for Schedule G-TBS (Transaction Based Storage) service to noncore customers. On January 17, 2008, in compliance with D.07-12-019, SoCalGas offered storage capacity to Southwest for its core requirements. SoCalGas also offered to relieve Southwest of obligations under the Agreement by providing for early termination of Exhibit C, in particular, effective April 1, 2008. Southwest accepted SoCalGas' offer on January 22, 2008.

The duly executed Amendment III to the Agreement is attached hereto as Attachment B.

**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**

SoCalGas believes this Advice Letter is subject to Energy Division disposition and should be classified as Tier 2 (effective after staff approval) pursuant to GO 96-B and respectfully requests that it become effective April 1, 2008 which is more than 30 calendar days after the date filed.

**Notice**

A copy of this advice letter is being sent to the parties listed on Attachment A, which includes parties in the Omnibus Proceeding, A.06-08-026.

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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) #: 3838

Subject of AL: Amendment III to the California Wholesale Gas Transportation and Storage Agreement between SoCalGas and Southwest Gas Corp.

Keywords (choose from CPUC listing): Contracts; Storage

AL filing type:  Monthly  Quarterly  Annual  One-Time  Other \_\_\_\_\_

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

D07-12-019

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: 4/1/08

No. of tariff sheets: 0

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: None

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. 3838**

**(See Attached Service Lists)**

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**ATTACHMENT B**

**Advice No. 3838**

**Amendment III of California Wholesale Gas  
Transportation and Storage Service Agreement  
Between Southern California Gas Company and  
Southwest Gas Corporation**

AMENDMENT III OF CALIFORNIA WHOLESAL GAS  
TRANSPORTATION AND STORAGE SERVICE AGREEMENT

WHEREAS, Southern California Gas Company ("SoCalGas") and Southwest Gas Corporation ("Southwest") are parties to that certain California Wholesale Gas Transportation and Storage Service Agreement dated March 4, 1993;

WHEREAS, SoCalGas and Southwest have entered into a Transaction Based Storage Service Agreement effective April 1, 2008;

WHEREAS, SoCalGas and Southwest desire to amend the terms of Exhibit C, Storage Services, to the Wholesale Gas Transportation and Storage Service Agreement dated March 4, 1993 so as to terminate that Exhibit C effective April 1, 2008; and,

THEREFORE, in consideration of the mutual covenants and agreements herein, SoCalGas and Southwest agree as follows:

1. Exhibit C to the California Wholesale Gas Transportation and Storage Service Agreement dated March 4, 1993, is hereby amended by adding an additional Section 4. stating:

"4. Irrespective of Section 2.1 of the Agreement, Exhibit F to the Agreement, and/or the May 17, 1993 Letter of Understanding, this Exhibit C shall terminate upon the April 1, 2008 effective date of the Transaction Based Storage Service Agreement executed between the Parties."

2. This Amendment becomes effective upon approval by the California Public Utilities Commission ("CPUC").

3. Notwithstanding the Amendment's Section 2., above, should CPUC's approval occur after April 1, 2008, SoCalGas shall refund to Southwest all fees, services charges, and other associated payments made by Southwest to SoCalGas pursuant to Exhibit C to the California Wholesale Gas Transportation and Storage Service Agreement dated March 4, 1993, for storage service on or after April 1, 2008. In recognition that SoCalGas will refund all fees incurred on or after April 1, 2008, Southwest authorizes SoCalGas to modify its systems to prevent Southwest from using, (and Southwest shall not use) the storage capacity, withdrawal, and injection rights pertaining to those fees and such Exhibit C on or after April 1, 2008.

Accepted and agreed to by the duly authorized representatives of the Parties.

Date: February 28, 2008

Southern California Gas Company

By: *Rodger R. Schwecke* POB

Name: Rodger R. Schwecke

Title: Director, Energy Markets &  
Capacity Products

Date: February 27, 2008

Southwest Gas Corporation

By: *William N. Moody* JLB

Name: William N. Moody

Title: Vice President/Gas Resources

