

PUBLIC UTILITIES COMMISSION

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January 19, 2010

Advice Letters 4047 and 4047-A

Ronald van der Leeden, Director
Rates, Revenues and Tariffs
555 W. Fifth Street, GT14D6
Los Angeles, CA 90013-1011

**Subject: D.09-11-006 – Biennial Cost Allocation Proceeding (BCAP) Phase 2
Settlement Implementation and Partial Supplement**

Dear Mr. van der Leeden:

Advice Letters 4047 and 4047-A are effective February 1, 2010.

Sincerely,

A handwritten signature in blue ink, appearing to read "Julie A. Fitch".

Julie A. Fitch, Director
Energy Division



Ronald van der Leeden
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December 8, 2009

Advice No. 4047
(U 904 G)

Public Utilities Commission of the State of California

**Subject: D.09-11-006 - Biennial Cost Allocation Proceeding (BCAP) Phase 2
Settlement Implementation**

Southern California Gas Company (SoCalGas) hereby submits for filing revisions to its tariffs, applicable throughout its service territory, as shown on Attachment B.

Purpose

This filing complies with Ordering Paragraph 4 of Decision (D.) 09-11-006, Opinion Regarding the Settlement of the Phase Two Issues, ordering San Diego Gas & Electric Company (SDG&E) and SoCalGas to file a Tier 2 advice letter to implement and carry out the terms and conditions of the Settlement Agreement, and to present the necessary tariff revisions. The tariff revisions included in this filing present the language changes necessary to implement the Commission's decision. As discussed later, rate changes and tariffs that only reflect rate changes will be updated prior to February 1, 2010. In addition, this filing outlines SoCalGas' proposed TLS Implementation Plan and requests approval of the associated tariff revisions as presented below. SDG&E is concurrently making a related filing for changes in its tariffs associated with D.09-11-006.

In addition, this filing also shows for illustrative purposes the proposed rate impacts resulting from D.09-11-006. Per Ordering Paragraph 4, the effective date of the BCAP rates will be February 1, 2010. To allow customers more accurate insight into the rates that will be effective on February 1, 2010, SoCalGas has presented illustrative rates in this filing that reflect the Revenue Requirement changes already authorized by the Commission for January 1, 2010. Specifically, SoCalGas has used the rates approved in Advice Letter 4025-A (the Regulatory Account Update Filing), including the changes to Authorized Margin reflected in Attachment J of that Advice Filing. As discussed later in this filing, February 1, 2010 rates will be updated to reflect any additional rate changes authorized by the Commission for January 1, 2010.

Consistent with the Settlement Agreement approved by D.09-11-006, the effective date for the modifications to the storage-related tariffs (Schedule Nos. G-BSS, G-LTS, G-TBS, G-PAL, and G-SMT) will be April 1, 2010 – the beginning of the 2010 storage year.¹

Background

D.09-11-006 grants the joint motion to adopt the Settlement Agreement filed on June 2, 2009 by SDG&E, SoCalGas and 12 other parties. D.09-11-006 adopted all the terms and conditions of the Settlement Agreement² except for two issues: 1) the second, third, and fourth sentences in Section II.B.3.A of the Settlement Agreement, calling for briefs on whether the Commission should adopt a future formal policy of whether SDG&E and SoCalGas should be at risk for gas throughput, are not adopted³; and 2) SoCalGas must revise its tariff to clarify its Rule No. 30(D)(4) to allow a firm storage capacity holder to bump interruptible storage capacity through all five nomination cycles.⁴

D.09-11-006 Tariff Revisions

The following section summarizes the proposed tariff changes included in Attachment B, as included in the exemplary tariffs filed with the Settlement Agreement.

Preliminary Statements

Preliminary Statement Part XI

Preliminary Statement Part XI is being modified to add the NGV class as a core customer class consistent with Attachment 2, Section 8 of the Settlement Agreement and to recognize that consistent with Section 3.M of the Settlement Agreement that SoCalGas will file future cost allocation applications triennially instead of biennially.⁵

Regulatory Accounts

The Regulatory Account balances being used are those which were submitted in the Regulatory Account Update (AL 4025-A) filed in October, 2009 with modifications as follows:

Core Fixed Cost Account (CFCA)

The CFCA is modified to reflect the applicability and accounting procedures consistent with D.09-11-006 and to clarify that the disposition of this account will occur in SoCalGas' annual October regulatory account balance update filing and be allocated on an Equal Cents Per Therm (ECPT) basis.⁶

¹ Settlement Agreement, Section 2.G.

² A Joint Motion to adopt the Settlement Agreement was filed on June 2, 2009 by SDG&E, SoCalGas, Bridge Housing, Inc. (Bridge Housing), California Cogeneration Council, California Manufacturers and Technology Association, City of Long Beach (Long Beach), Division of Ratepayer Advocates (DRA), Electric Generator Alliance, Indicated Producers, Southern California Edison Company (SCE), Southern California Generation Coalition (SCGC), Southwest Gas Corporation, The Utility Reform Network (TURN), and Watson Cogeneration Company.

³ D.09-11-006, OP3.

⁴ D.09-11-006, OP4b.

⁵ Settlement Agreement, Section 2.M.

⁶ Settlement Agreement, Section 2.R.

Firm Access and Storage Rights Memorandum Account (FASRMA)

The FASRMA is modified to reflect that the account will be amortized in each annual October regulatory account balance update filing and allocated on an ECPT basis.⁷

Integrated Transmission Balancing Account (ITBA)

The ITBA is modified to clarify the applicability and accounting procedures consistent with D.09-11-006⁸ and to delete the System Integration (SI) and Firm Access Rights (FAR) subaccounts.⁹

Blythe Operational Flow Requirement Memorandum Account (BOFRMA)

The BOFRMA is modified to add a section to note that costs associated with future minimum flow requirements are the responsibility of the Utility System Operator effective April 1, 2009 and that those costs are now tracked in the System Reliability Memorandum Account (SRMA). The account is also modified to clarify in the Accounting Procedures and Disposition section, that the BOFRMA will be amortized in each annual October regulatory account balance update filing and allocated on an ECPT basis.¹⁰

Noncore Fixed Cost Account (NFCA)

The NFCA is modified to clarify the applicability and accounting procedures consistent with D.09-11-006 to authorize 100% balancing account treatment for 100% of noncore costs and revenues. The modifications also divide the account into two subaccounts, one for authorized base margin and another for non-base margin and describe that the account will be amortized in each annual October regulatory account balance update filing and allocated on an ECPT basis for the first year. Starting in the second year, the base margin subaccount will be allocated on an Equal Percent of Authorized Margin (EPAM) methodology with the non-margin subaccount continuing to be allocated on an ECPT basis.

Enhanced Oil Recovery Account (EORA)

The EORA is modified to clarify the applicability and accounting procedures consistent with D.09-11-006 and clarify that account will be amortized in each annual October regulatory account balance update filing and allocated on an Equal Percent of Authorized Margin (EPAM) basis excluding EOR.¹¹

Company Use Fuel For Load Balancing Account (CUFLBA)

SoCalGas establishes a new balancing account to balance the difference between actual costs for company-use fuel for load balancing purposes with the corresponding revenues intended to recover these costs.¹²

Firm Access Rights Balancing Account (FARBA)

SoCalGas establishes a separate balancing account to record the difference between the authorized FAR revenue requirement and the actual FAR revenues received from firm and interruptible access to SoCalGas' transmission system. Such activity was originally recorded in the FAR subaccount of the ITBA.

⁷ Settlement Agreement, Section 2.Q.

⁸ Settlement Agreement, Attachment 2, Section 24.

⁹ Settlement Agreement, Attachment 2, Section 4.

¹⁰ Settlement Agreement, Section 2.Q.

¹¹ Settlement Agreement, Attachment 2, Section 24.

¹² Settlement Agreement, Attachment 2, Section 12.

System Reliability Memorandum Account (SRMA)

Modified to clarify that disposition of SRMA will be amortized effective January 1 of the following year and allocated on an ECPT basis.¹³

Rules

Rule No. 01

Modified to add definitions for the following terms; Bypass, Noncore Distribution Level Service, and Transmission Level Service. Deleted definition of following term: Interstate Transition Cost Surcharge (ITCS). Modified definition of Full Requirements Service.

Rule No. 23

Modified description of Noncore Service consistent with Attachment 2, Section 28 of the Settlement Agreement.

Rule No. 30

Modified the current winter balancing rules to provide for a waiver of the minimum daily flow requirements on days that an OFO is in effect during the 70% and 90% balancing regimes. Also included interruptible withdrawal (in addition to flowing supplies and firm withdrawal) in calculation of customer deliveries during the 50% and 70% balancing regimes during the winter. In addition, revised Section D.4 consistent with Ordering Paragraph 4(b) of D.09-11-006.

Rule No. 33

Modified Section E to reflect additional operational and information postings on SoCalGas' Electronic Bulletin Board (EBB) consistent with the BCAP Settlement Agreement approved in D.09-11-006.

Rule No. 41

Established a new tariff to describe structure, procedures, and operation protocols for Utility System Operator consistent with Section B.1 of the Settlement Agreement.

Rate Schedules¹⁴

Schedule No. G-10

Modified to provide that accounts with residential common area usage are provided the option to choose a commercial rate for which they are eligible consistent with Section 2.L of the Settlement Agreement. Modified to adopt the SDG&E/SoCalGas proposal for C/I customer charge and rate tiers: Core C/I customers will be charged a single customer charge for all customers (\$10 for SDG&E customers; \$15 for SoCalGas customers) and seasonality shall be removed from core C/I rates; consistent with Section II.B.2.J of the Settlement

¹³ Settlement Agreement, Section 2.Q.

¹⁴ The BCAP Settlement Agreement proposed tariff changes to Schedule No. G-EN and Schedule No. GT-AC to be consistent with the proposed change of GT-I and GT-F to GT-ID and GT-FD. As discussed below, since SoCalGas is not proposing to change GT-I and GT-F to GT-ID and GT-FD in the attached Advice Letter the changes to Schedule No. G-EN and Schedule No. GT-AC are no longer necessary.

Agreement. Also modified to delete reference to transmission charge for CARE eligible procurement customers adopted in D.05-11-027.

Schedule No. GT-TLS

Establishes new GT-TLS rate schedule consistent with Section 2.P of the Settlement Agreement.

Schedule No. GT-I¹⁵

Modified to reflect service as transportation service for distribution level customers as defined in Rule No. 01 and to change reference to GT-PS to GT-TLS consistent with Section 2.P of the Settlement Agreement.

Schedule No. GT-F¹⁶

Modified to reflect service as transportation service for distribution level customers as defined in Rule No. 01 and to change reference to GT-PS to GT-TLS consistent with Section 2.P of the Settlement Agreement.

Schedule No. G-AC

Modified to delete reference to transmission charge for CARE eligible procurement customers adopted in D.05-11-027.

Schedule No. G-BSS

Modified to reflect changes in In-Kind Fuel Charges consistent with Section 2.G of the Settlement Agreement, eliminated variable O&M charges, and deleted references to storage seasonal periods. These modifications will be effective on April 1, 2010.

Schedule No. G-IMB

Modified to: 1) describe the Utility Gas Control Department's criteria for triggering Buy-Back service and 2) clarify that interruptible withdrawal can be used to offset minimum delivery requirements during the 50% and 70% balancing regimes during winter.

Schedule No. G-LTS

Modified to reflect changes in In-Kind Fuel Charges consistent with Section 2.G of the Settlement Agreement, eliminated variable O&M charges, and deleted references to storage seasonal periods. These modifications will be effective on April 1, 2010.

Schedule No. GM

Modified to provide a G-10 rate option consistent with the G-10 tariff changes proposed above and Section 2.L of the Settlement Agreement.

¹⁵ SoCalGas had proposed in the Settlement Agreement to rename Schedule No. GT-I as GT-ID, however, after further review and in order to ensure consistency with existing contracts, SoCalGas is proposing to retain Schedule No. GT-I. The additional changes proposed to Schedule No. GT-I in the BCAP Settlement remain the same.

¹⁶ SoCalGas had proposed in the Settlement Agreement to rename Schedule No. GT-F as GT-FD, however, after further review and in order to ensure consistency with existing contracts, SoCalGas is proposing to retain Schedule No. GT-F. The additional changes proposed to Schedule No. GT-F in the BCAP Settlement remain the same.

Schedule No. GML

Modified to delete reference to transmission charge for CARE eligible procurement customers adopted in D.05-11-027.

Schedule No. G-NGVR

Modified to delete reference to transmission charge for CARE eligible procurement customers adopted in D.05-11-027.

Schedule No. G-PAL

Modified to clarify reference to In-Kind Fuel Charges and to delete Posting Requirement section which was moved to Section E of Rule No. 33. These modifications will be effective on April 1, 2010.

Schedule No. GR

Modified to delete reference to transmission charge for CARE eligible procurement customers adopted in D.05-11-027.

Schedule No. GS

Modified to delete reference to transmission charge for CARE eligible procurement customers adopted in D.05-11-027.

Schedule No. G-SMT

Deleted sections addressing EBB posting requirements which were moved to Section E of Rule No. 33. These modifications will be effective on April 1, 2010.

Schedule No. G-TBS¹⁷

Modified to reflect changes in In-Kind Fuel Charges consistent with Section 2.G of the Settlement Agreement, eliminated variable O&M charges, deleted references to storage seasonal periods, and deleted references to posting requirements which were moved to Section E of Rule No. 33. These modifications will be effective on April 1, 2010.

Schedule No. G-SRF

Modified Special Condition 1.A consistent with Schedule No. GT-TLS proposed above to exempt from the G-SRF surcharge the transportation services provided to electric generators that relate directly to wholesale sales by such electric generators to electric, gas, or steam heat public utilities, or the California Independent System Operator.¹⁸

FormsForm 6597-1

Modified to include option for Daily Scheduled Quantities.

¹⁷ Pursuant to Advice Letter 4009, effective September 6, 2009, Special Condition 18 of Schedule No. G-TBS was modified from the version of Schedule No. G-TBS provided in Attachment to the BCAP Settlement Agreement.

¹⁸ Settlement Agreement, Section 2.B.3.I

D.09-11-006 Tariff Eliminations

Pursuant to the Settlement Agreement adopted in D.09-11-006 the following groups of tariffs will be eliminated.

1. GT-PS, GW-LB, GW-SD, GW-SWG, GW-VRN, GW-ECO will be eliminated since these customers will now be served under GT-TLS.¹⁹
2. Regulatory accounts; BMA, BFA, CITCSA, COSRRMA, EPTCBA, GIRMA, LPCMA, NGVA, NGV-RDD, NFCTA, NITCSA, RDDEA (1997-2003 program cycle only), WRFACMA, and OMSRMA.²⁰

Customer Rate Impact – Regulatory Account Balances

For the regulatory accounts that will be eliminated, any remaining balance will be transferred to the CFCA and/or the NFCA based on the allocation methodology consistent with the applicable regulatory account and amortized in transportation rates effective February 1, 2010 as authorized in D.09-11-006.

The BCAP decision also authorizes the allocation methodology for amortizing the BOFRMA and FASRMA. In addition, the BCAP decision authorizes the refunding in rates for the supplier refunds received from the Transwestern Pipeline Company and the El Paso Natural Gas Company. A portion of the supplier refunds will be returned to transportation customers through amortization of the CFCA and NFCA with the remaining portion returned to procurement customers through amortization of the Purchase Gas Account.

The BCAP rates presented in this table reflect the projected year-end 2009 balances for the BOFRMA, FASRMA and the supplier refunds in the CFCA and NFCA as described in the table below.

Regulatory Account	Change in BCAP \$ millions
BOFRMA	\$10.7
FARSMA	(\$3.2)
CFCA	(\$8.2)
NFCA	(\$4.0)

Rate Impact by Class of Service

The Commission Decision adopts a new allocation of costs between the customer classes, as well as new billing determinants used to develop rates. In addition, the Decision adopts

¹⁹ Settlement Agreement, p.18, Section 2.P.

²⁰ Settlement Agreement, Attachment 2, Section 7. Section 7 of Attachment 2 of the Settlement Agreement also proposed to eliminate the GPMA, SDGESMA, LBSMA, and SGSMA, but those accounts are not included herein as they have already been eliminated pursuant to Advice Letter 3933.

the allocation of certain existing and new regulatory accounts, as well as updates to other operating costs, such as Company Use Fuel costs.

The BCAP rates will become effective on February 1, 2010, to reflect these new allocations and updates to costs. Prior to implementing the BCAP rates, SoCalGas will be updating its costs for rates effective January 1, 2010. SoCalGas has already received approval from the Commission for some of the expected rate changes through the approval of the Regulatory Account Update AL 4025-A.²¹ However, there are still some outstanding Revenue Requirement changes that are pending Commission approval and will be reflected in SoCalGas' January 1, 2010 Consolidated Rate Update, which will be filed December 29, 2009.²²

Prior to the requested effective date of February 1, 2010; yet, subsequent to the filing of the Consolidated Rate Update, SoCalGas shall file an additional advice letter no later than 10 days prior to February 1, 2010 to reflect the Consolidated Rate Update Filing.

For presentation purposes, rate tables are shown in Attachment C for (1) current rates; (2) January 1, 2010 rates presented in Attachment J of Regulatory Account Update AL 4025-A; and, (3) BCAP Rates. In Attachment C, the Revenue and Rate changes are presented relative to the rates for January 1, 2010 presented in columns D and E of the table.

The table below summarizes the impact on revenue requirement by class due to the BCAP updates only.

Class of Service	Applicable Rate Schedules	Change due to BCAP \$millions
Core	GR, G10, G-AC, G-NGV, G-EN	\$30
Noncore	GT-F, GT-I, GT-TLS	\$0
Wholesale & International (excl SDGE)	GT-TLS	\$4
SDG&E	GT-SD	\$6
Transfer to Fixed Cost Account		(\$14)
Unbundled Storage	G-BSS, G-LTS, G-AUC, G-TBS	\$0
Firm Access Rights	G-RPA	<u>\$0</u>
System Total		\$26

The Settlement Agreement adopted in Decision D 09-11-006 also adopted provisions related to the surcharge on CARE customers for the recovery of Well Work Project Costs

²¹ The rates presented also include changes to storage capacities per D.08-12-020.

²² The revenue requirement changes pending Commission approval are related to On-Bill Financing (approximately \$1.5 million) and the energy efficiency award recovered through the Reward Penalty Balance Account (in the range of \$1.2 to \$9.0 million).

and the Public Purpose Program (PPP) Surcharge. The surcharge on CARE customers was updated for January 2010 through AL 4036. With the implementation of D 09-11-006 on February 1, 2010, this surcharge on CARE customers will be eliminated.

SoCalGas filed to update the PPP Surcharge effective January 1, 2010, through AL 4032. The PPP Surcharge rate is used by the State Board of Equalization for customers within SoCalGas' service territory that have bypassed the utility and must be updated on January 1, 2010. Since the PPP surcharge update was filed prior to the Commission authorized Decision 09-11-006, and will be implemented prior to the BCAP implementation date of February 1, 2010, the PPP surcharge does not reflect the limited changes approved through the Settlement Agreement. The changes authorized by D 09-11-006 will be reflected when SoCalGas files its next update to the PPP Surcharge, which will be for rates effective January 1, 2011.

TLS Implementation Plan

SoCalGas²³ plans to serve customers under its new tariff Schedule No. GT-TLS effective February 1, 2010 in accordance with the terms of the Settlement Agreement.²⁴ To facilitate the transition, SoCalGas will provide complete information to the approximately 115 affected customers so they can choose from their GT-TLS rate options. SoCalGas will provide information through letters, the SoCalGas website, customer webcasts and one-on-one meetings between our customers and utility account representatives. SoCalGas has already initiated this process in anticipation of the adoption of GT-TLS.

In accordance with standard practice, SoCalGas requires that customers execute new Schedule A, Intrastate Transmission Service ("Schedule A") contracts by January 31, 2010 to initiate GT-TLS service effective February 1, 2010. However, to facilitate customers' contract administration for achieving a February 1, 2010 implementation, and given the narrow time interval between final CPUC approval and the GT-TLS effective date for customers to execute new contracts, SoCalGas proposes the following implementation procedure.

Customers may elect their preferred GT-TLS rate option any time up to February 28, 2010 for service starting effective February 1, 2010. Because customer bills for February usage are not administered until March, postdating the contract is administratively effective and provides an additional 28 days under this tight time schedule for customers to consider their rate options and to execute new Schedule A contracts.

In the event that a customer does not execute a new Schedule A by February 28, 2010, then SoCalGas would implement the customer's default service election, as described below, by adjusting the customer's currently in-effect Schedule A to reflect GT-TLS service on February 1, 2010. Specifically, SoCalGas will replace the currently in-effect Schedule A's rate, term, effective date and renewal term (which reflect terms from rate schedules that will be changed or terminated by this Settlement) with terms from the superseding GT-TLS. All other terms of the Schedule A would remain in effect, including, but not limited to, firm service quantities awarded in a potentially constrained

²³ Since SDG&E will also be proposing a G-TLS tariff, they will also be proposing a TLS Implementation Plan and associated tariff changes in their concurrent Advice Letter filing.

²⁴ Settlement Agreement, Section 2.P.

area open season. This limited action ensures that a customer will receive TLS service on February 1, 2010 and most importantly, that there are no interruptions of other services provided by the Schedule A, such as marketer relationships or open season firm service awards, which would occur if the contract were terminated.

If a customer qualifying for GT-CA, Class Average Volumetric Rate Option, does not execute a new TLS Schedule A by February 28, 2010, then SoCalGas would implement the customer's default service election by adjusting the customer's then in-effect Schedule A to serve the customer at the GT-CA option for a 3-year term with auto-renewal starting effective February 1, 2010. If a customer qualifying only for GT-RS, Reservation Rate Option, does not execute a new Schedule A by February 28, 2010, then SoCalGas would implement its default service election by adjusting its then in-effect Schedule A to serve the customer at either GT-NV Volumetric Transportation Charges for Non-Bypass Customers or GT-BV Volumetric Transportation Charges for Bypass Customers, as applicable. The GT-NV or GT-BV service will be for a rolling monthly term starting effective February 1, 2010.

TLS Implementation Plan Tariff Revisions

Consistent with the TLS Implementation Plan discussed above, SoCalGas proposes the following tariff revisions as proposed in Attachment B. These tariff revisions are consistent with D.09-11-006 and have been discussed and reviewed with the Settlement Parties.

GT-TLS

Add the following Special Conditions 50-52:

50. Customer must execute a new Master Services Contract, Schedule A Intrastate Transmission Service contract ("Schedule A") by 11:59 p.m. Pacific Clock Time (PCT) on February 28, 2010 to elect its GT-TLS rate options starting effective February 1, 2010.

51. If Customer executes a new Schedule A by 11:59 p.m. Pacific Clock Time (PCT) on February 28, 2010 specifying Customer's GT-TLS rate elections, then that contract shall supersede Customer's then in-effect Schedule A, which shall terminate on February 1, 2010.

52. If Customer does not execute a new Schedule A by 11:59 p.m. Pacific Clock Time (PCT) on February 28, 2010, then the Utility shall implement the Customer's elected default service by adjusting Customer's then in-effect Schedule A rate, term, effective date and renewal, as detailed below.

- a. If Customer qualifies for GT-CA service, then the Utility shall adjust Customer's then in-effect Schedule A to reflect GT-CA service for a three-year, auto-renewal term starting effective February 1, 2010. Other terms of the in-effect Schedule A, including but not limited to, firm service quantities and firm service awards, shall remain unchanged.
- b. If Customer does not qualify for GT-CA service, then the Utility shall adjust Customer's then in-effect Schedule A to reflect GT-NV or GT-BV service,

as applicable, for a month-to-month term starting effective February 1, 2010. Other terms of the in-effect Schedule A, including but not limited to, firm service quantities and firm service awards, shall remain unchanged.

Additional Tariff Revisions

The following additional proposed tariff modifications represent changes to the tariffs as they were submitted with the Settlement Agreement. These proposed changes are consistent with D.09-11-006 and have been discussed and reviewed with the Settlement Parties.

Preliminary Statement XI

Additional changes are also being made to Sheets 9 and 10 to delete references to the Interstate Transition Cost Surcharge (ITCS), which is being deleted as discussed in Rule No. 01 above.

Core Fixed Cost Account (CFCA)

Additional changes are also made to incorporate references to the Gas Assistance Fund (GAF) subaccount adopted in Advice Letter 3963²⁵ after the BCAP Settlement Agreement was filed with the Commission.

Rule No. 01

Sheet 2: Bypass - For clarification purpose, add the word "gas" between "alternate" and "supply" as shown in the following excerpt: "Bypass: Any situation where a customer of the Utility is already connected to, or becomes connected to, an alternate gas supply source or an Alternate Gas Transportation Service Provider..."

Sheet 11: Percentage of Default – eliminate reference to Intrastate Transition Cost Surcharge since such surcharge no longer exists.

Sheet 16: Standby - Add the following sentence, "Includes gas service provided to an existing transmission level customer that takes service from an Alternate Gas Transportation Service Provider and either specifically requests standby service or uses no transportation service from the Utility for any consecutive 24-month period." This revision incorporates provisions provided for in the Settlement Agreement, Attachment 2, Section 31.

Sheet 17: Transmission Level Service - Add "noncore" to beginning of section (3) to read: "noncore customers who were previously classified by California Public Utilities Commission (CPUC) decision as transmission service level customers." This addition is to clarify that the tariff applies to noncore customers only.

²⁵ Advice Letter 3963 was approved in Resolution E-4251 issued on September 10, 2009.

Rule No. 02

Consistent with Attachment 2, Section 31 and 33 of the Settlement Agreement, add a new Section N to Rule No. 02 and re-name the current Section N to Section O.

N. Standby Service to Bypass Customers.

1. A Bypass customer will be put on standby service if it meets the conditions specified in Rule No. 01 for Standby Service.
2. To the extent a Bypass customer requests a new service line or meter from the Utility for standby service as defined in Rule No. 01, the Utility will install the service line or meter at the customer's expense. The customer will be subject to a usage evaluation if it uses no transportation service from the Utility for any consecutive 24-month period.

Rule No.41

Sheet 8: CPUC REPORTING REQUIREMENTS, Item 23: Delete the phrase, "beginning with 2009." This phrase is being deleted since D.09-11-006 will not be effective until February 1, 2010. The Annual Compliance Report described in Item 23 will be due October 1 of each year beginning in 2010.

Schedule No. GT-TLS

Sheet 1: APPLICABILITY – Add "noncore" at the beginning of condition (3). The revised condition (3) should read "noncore customers who were previously classified...." This addition is to clarify that the tariff applies to noncore customers only.

Sheet 2: Contract Quantity - Modify first sentence from, "Customer will reserve a specified uniform Daily Reservation Quantity (DRQ) for service under this rate option subject to the Utility's capacity availability" to "Customer will specify a uniform Daily Reservation Quantity (DRQ) for service under this rate option, subject to the Utility's approval, which will not be unreasonably withheld. For Bypass customers, the DRQ is subject to Utility's capacity availability." The exemplary tariff language incorrectly links firm service (or capacity) availability to a customer's DRQ. However, in Schedule No. GT-TLS, firm service quantities are not related to customer's DRQ except in the case of Bypass.

Sheets 2, 3, and 4: Add "wholesale" term to references to rates for the City of Long Beach, San Diego Gas & Electric Company, Southwest Gas Corporation, City of Vernon, and ECOGAS, as applicable.

Special Condition 3: Bypass Customers – Add "gas" between "alternate" and "supply" in part (a) and (b).

Special Condition 7: Utility Service Agreement - Add the following paragraph, "Except as provided for in Special Conditions 50-52, in the event customers are unable to execute the necessary contracts by the time service is required, and no alternate schedule is available, they may temporarily receive GT-NV (non-Bypass) or GT-BV (Bypass) transmission service under this schedule. Customers receiving temporary service without executed contracts will

not be able to: (a) take advantage of Contracted Marketer services, (b) designate Agents to nominate on their behalf, (c) avail themselves of other services which require executed contracts, or (d) group separate facilities for nomination purposes, and instead must nominate separately for the non-contracted facility. All other tariffs and Rules, including, but not limited to, Schedule No. G-IMB, will apply to customers without executed contracts.”

This standard tariff language carries over from the current GT-I tariff, as revised herein. It is required to advise customers about the level of service available if the Utility has no executed transportation agreement (applicable after initial implementation of the Settlement Agreement).

Special Condition 8: Term - Add language to Section 8 (c) to recognize customer's option, “to auto-renew”.

Special Condition 14: Transportation and Balancing Rules - Add the following phrase to the end of the sentence, “...except for wholesale service to SDG&E.”

Pursuant to AL 3818-A implementing the Omnibus decision D.07-12-019, the current language in Special Condition 14 was removed from the GW-SD tariff on July 18, 2008 and therefore should not apply to SDG&E. This language, which is in GT-TLS to apply to all other GT-TLS customers would incorrectly apply to SDG&E but for the inclusion of this exemption.

Special Condition 45: AFFILIATE SERVICE - Add to reflect treatment of affiliates of the Utility shipping gas on the Utility system.

45. Any affiliate of the Utility, including SDG&E, shipping gas on the Utility's system for use in electric generation shall use the Electronic Bulletin Board (EBB), as defined in Rule No. 01, to nominate and schedule such volumes separately from any other volumes that it ships on the Utility's system. Such gas will be transported under rates and terms (including rate design) no more favorable than the rates and terms available to similarly situated non-affiliated shippers for the transportation of gas used in electric generation.

Special Condition 47: Add to reflect that the CPUC Affiliate Transaction Rules apply to relationships between affiliates SoCalGas, SDG&E and ECOGAS.

47. ECOGAS is an affiliate of Sempra Energy and as such, the CPUC Affiliate Transaction Rules apply regarding the relationships and activities occurring between SoCalGas, SDG&E, and ECOGAS.

Special Condition 48-49: Add to reflect the applicable contract terms with Southwest Gas consistent with the new long-term transportation contract adopted in D.09-10-036. The contract adopted in D.09-10-036 will be effective November 1, 2009, subject to Schedule No. GW-SWG until January 31, 2010. Effective February 1, 2010, the Southwest Gas contract will be subject to Schedule No. GT-TLS as provided for in Special Condition 48-49.

48. Transportation charges for Southwest under this schedule are applicable only to gas quantities delivered through Points of Delivery served by Utility. The Points of Delivery are specified in the executed Master Services Contract, Schedule A, Intrastate Transmission, dated December 10, 2008 (Contract).

49. The term of service for Southwest under this Schedule is specified in the Contract. During this term, Southwest may elect either of the rate options offered in this Schedule for the time period associated with that option and which is consistent with the Contract.

Schedule No. GT-SWGX

This new tariff is added to reflect the applicable contract terms with Southwest Gas Corporation consistent with the new long-term transportation contract adopted in D.09-10-036. The contract adopted in this decision will be effective November 1, 2009, subject to Schedule No. GW-SWG until January 31, 2009. GW-SWG specifies rates, charges and special conditions applicable to either SoCalGas delivered gas quantities or PG&E delivered quantities. Effective February 1, 2010, the Southwest Gas contract will be subject to Schedule No. GT-TLS as provided for in Special Condition 48-49 for gas quantities delivered by SoCalGas, and GT-SWGX for quantities delivered to Southwest Gas by PG&E.

Schedule No. GT-F

Sheet 1 – APPLICABILITY: Modify to clarify that service is applicable to customers receiving Noncore Distribution Service.

Sheet 7 – Special Condition 28: Remove Special Condition 28 since it is no longer necessary as customers' rate options are already addressed in Rule No. 01 and Schedule No. GT-TLS. Also, added new title of "Switch from Distribution to Transmission:" to the new Special Condition 28 and clarified reference to "noncore" as "Noncore Distribution Service".

Sheet 8- Special Condition 30: Added title of "Negotiated Long-Term Contracts:".

Sheet 8- Special Condition 31: Added title of "Effect of Receipt Point Access on Rates:".

Sheet 12 – Special Condition 52: Add a section relative to the Implementation of D.09-11-006 to address that effective February 1, 2010 Transmission Level Service customers served under GT-F shall receive service under Schedule No. GT-TLS.

Schedule No. GT-I

Sheet 1 – Modify to clarify that service is applicable to customers receiving Noncore Distribution Service.

Sheet 5 – Special Condition 13: Added title of "Negotiated Short-Term Contract:".

Sheet 6 – Special Condition 22: Remove Special Condition 22 since it is no longer necessary as customers' rate options are already addressed in Rule No. 01 and Schedule No. GT-TLS. Also, clarified reference to "noncore" as "Noncore Distribution Service" to the new Special Condition 28.

Sheet 7 – Special Condition 25: Add section relative to Implementation of D.09-11-006 to address that effective February 1, 2010 Transmission Level Service customers served under GT-I shall receive service under Schedule No. GT-TLS.

Schedule No. G-SRF

Sheet 1 – Special Condition 1(a): Modified to provide the option for the Utility and Customer to agree on an alternate receipt date for the Report of Exemption for Surcharge to Fund CA Public Utilities Commission (G-SRF, Form No. 3090).

Form 3090

In addition to the proposed tariff changes to G-SRF in the Settlement Agreement, SoCalGas includes a tariff sample form named Report of Exemption from Surcharge to Fund Public Utilities Commission (Schedule G-SRF), Form No. 3090. Schedule No. G-SRF requires customers to provide a written report of the exempt gas quantities to the Utility.

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 of 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
Attention: 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 Honesto Gatchalian (inj@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

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 respectfully requests that this filing be approved on January 7, 2010, which is 30 calendar days from the date filed. With the exception of storage-related tariffs (Schedule Nos. G-BSS, G-LTS, G-TBS, G-PAL, and G-SMT), the Effective Date of all the attached tariffs will be February 1, 2010 consistent with D.09-11-006 and the Settlement Agreement which state that the rates shall go into effect the later of (i) January 1, 2010 or (ii) the first day of the month that is at least 60 days from the date of Commission approval of the Settlement Agreement. However, consistent with the Settlement Agreement approved by D.09-11-006,

the effective date for the modifications to the storage-related tariffs will be April 1, 2010 – the beginning of the 2010 storage year.

Notice

A copy of this advice letter is being sent to the parties listed on Attachment A, which includes the service list for A.08-02-001.

Ronald van der Leeden
Director
Rates, Revenues & Tariffs

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 904G)**

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) #: 4047

Subject of AL: D.09-11-006 - Biennial Cost Allocation Proceeding (BCAP) Phase 2 Settlement Implementation

Keywords (choose from CPUC listing): Preliminary Statement, Core, Compliance

AL filing type: Monthly Quarterly Annual One-Time Other

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

D.09-11-006

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: January 7, 2010

No. of tariff sheets: 152

Estimated system annual revenue effect (%): 1.4

Estimated system average rate effect (%): 1.9

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 III, V, VI, VIII, XI, Schedule GR, GS, GM, GML, G-NGVR, G-10, G-AC, GT-F, GT-I, GT-TLS, GT-SWGX, G-IMB, G-BSS, G-LTS, G-TBS, G-SMT, G-SRF, G-PAL, Rule 01, 02, 23, 30, 33, 41, and TOCs

Service affected and changes proposed¹: N/A

Pending advice letters that revise the same tariff sheets: _____

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 5th Street, GT14D6

Los Angeles, CA 90013-1011

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¹ Discuss in AL if more space is needed.

ATTACHMENT A

Advice No. 4047

(See Attached Service Lists)

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ATTACHMENT B
Advice No. 4047

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 45267-G	PRELIMINARY STATEMENT, PART III, COST ALLOCATION AND REVENUE REQUIREMENT, Sheet 1	Revised 37920-G Revised 27024-G
Revised 45268-G	PRELIMINARY STATEMENT, PART III, COST ALLOCATION AND REVENUE REQUIREMENT, Sheet 2	Revised 37920-G Revised 27026-G
Revised 45269-G	PRELIMINARY STATEMENT, PART III, COST ALLOCATION AND REVENUE REQUIREMENT, Sheet 3	Revised 27026-G Revised 27027-G
Revised 45270-G	PRELIMINARY STATEMENT, PART III, COST ALLOCATION AND REVENUE REQUIREMENT, Sheet 4	Revised 44226-G Revised 27027-G
Revised 45271-G	PRELIMINARY STATEMENT, PART III, COST ALLOCATION AND REVENUE REQUIREMENT, Sheet 5	Revised 44226-G
Revised 45272-G	PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS, DESCRIPTION AND LISTING OF BALANCING ACCOUNTS, Sheet 1	Revised 43687-G
Revised 45273-G	PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS, CORE FIXED COST ACCOUNT (CFCA), Sheet 1	Revised 44450-G
Original 45274-G	PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS, CORE FIXED COST ACCOUNT (CFCA), Sheet 2	
Revised 45275-G	PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS, NONCORE FIXED COST ACCOUNT (NFCA), Sheet 1	Revised 44461-G
Original 45276-G	PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS, NONCORE FIXED COST ACCOUNT (NFCA), Sheet 2	
Revised 45277-G	PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS, ENHANCED OIL RECOVERY ACCOUNT (EORA), Sheet 1	Revised 42244-G
Revised 45278-G	PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS, INTEGRATED TRANSMISSION BALANCING ACCOUNT (ITBA)	Original 42487-G
Original 45279-G	PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS, COMPANY USE FUEL FOR LOAD BALANCING ACCOUNT (CUFLBA), Sheet 1	

ATTACHMENT B
Advice No. 4047

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Original 45280-G	PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS, FIRM ACCESS RIGHTS BALANCING ACCOUNT (FARBA), Sheet 1	
Revised 45281-G	PRELIMINARY STATEMENT - PART VI - MEMORANDUM ACCOUNTS, DESCRIPTION AND LISTING OF MEMORANDUM ACCOUNTS, Sheet 1	Revised 44983-G
Revised 45282-G	PRELIMINARY STATEMENT - PART VI - MEMORANDUM ACCOUNTS, BLYTHE OPERATIONAL FLOW REQUIREMENT MEMORANDUM ACCOUNT (BOFRMA), Sheet 1	Revised 43410-G
Original 45283-G	PRELIMINARY STATEMENT - PART VI - MEMORANDUM ACCOUNTS, BLYTHE OPERATIONAL FLOW REQUIREMENT MEMORANDUM ACCOUNT (BOFRMA), Sheet 2	Revised 43410-G
Revised 45284-G	PRELIMINARY STATEMENT - PART VI - MEMORANDUM ACCOUNT, FIRM ACCESS AND STORAGE RIGHTS MEMORANDUM ACCOUNT (FASRMA), Sheet 1	Revised 43308-G
Revised 45285-G	PRELIMINARY STATEMENT - PART VI - MEMORANDUM ACCOUNTS, SYSTEM RELIABILITY MEMORANDUM ACCOUNT (SRMA), Sheet 1	Original 43310-G
Revised 45286-G	PRELIMINARY STATEMENT - PART VII - TRACKING ACCOUNTS, DESCRIPTION AND LISTING OF TRACKING ACCOUNTS, Sheet 1	Revised 42597-G
Revised 45287-G	PRELIMINARY STATEMENT, PART XI, PERFORMANCE BASED REGULATION, Sheet 9	Revised 43906-G
Revised 45288-G	PRELIMINARY STATEMENT, PART XI, PERFORMANCE BASED REGULATION, Sheet 10	Revised 44227-G
Revised 45289-G	PRELIMINARY STATEMENT, PART XI, PERFORMANCE BASED REGULATION, Sheet 15	Revised 43912-G
Revised 45290-G	PRELIMINARY STATEMENT, PART XI, PERFORMANCE BASED REGULATION, Sheet 16	Revised 43913-G

ATTACHMENT B
Advice No. 4047

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 45291-G	PRELIMINARY STATEMENT, PART XI, PERFORMANCE BASED REGULATION, Sheet 17	Revised 43914-G
Revised 45292-G	PRELIMINARY STATEMENT, PART XI, PERFORMANCE BASED REGULATION, Sheet 18	Revised 43915-G
Revised 45293-G	Schedule No. GR, RESIDENTIAL SERVICE, (Includes GR, GR-C, GT-R, GRL and GT-RL Rates), Sheet 2	Revised 45111-G
Revised 45294-G	Schedule No. GS, SUBMETERED MULTI- FAMILY SERVICE, (Includes GS, GS-C, GT-S, GSL, GSL-C and GT-SL Rates), Sheet 2	Revised 45112-G
Revised 45295-G	Schedule No. GM, MULTI-FAMILY SERVICE, (Includes GM-E, GM-C, GM-EC, GM-CC, GT- ME, GT-MC and all GMB Rates), Sheet 8	Original 41018-G
Revised 45296-G	Schedule No. GML, MULTI-FAMILY SERVICE, INCOME QUALIFIED, (Includes GML-E, GML-C, GML-EC, GML-CC, GT-MLE, GT-MLC and all GMBL Rates), Sheet 2	Revised 45115-G
Revised 45297-G	Schedule No. G-NGVR, NATURAL GAS SERVICE FOR HOME REFUELING OF MOTOR VEHICLES, (Includes G-NGVR, G- NGVRC, GT-NGVR, G-NGVRL and GT- NGVRL Rates), Sheet 2	Revised 45119-G
Revised 45298-G	Schedule No. G-10, CORE COMMERCIAL AND INDUSTRIAL SERVICE, (Includes GN- 10, 10C, 10V, 10VC, 10L, GT-10, 10V, and 10L Rates), Sheet 1	Revised 41070-G
Revised 45299-G	Schedule No. G-10, CORE COMMERCIAL AND INDUSTRIAL SERVICE, (Includes GN- 10, 10C, 10V, 10VC, 10L, GT-10, 10V, and 10L Rates), Sheet 2	Revised 45121-G
Revised 45300-G	Schedule No. G-10, CORE COMMERCIAL AND INDUSTRIAL SERVICE, (Includes GN- 10, 10C, 10V, 10VC, 10L, GT-10, 10V, and 10L Rates), Sheet 4	Revised 45123-G
Revised 45301-G	Schedule No. G-AC, CORE AIR CONDITIONING SERVICE, FOR COMMERCIAL AND INDUSTRIAL, Sheet 3	Revised 45125-G
Original 45302-G	Schedule No. GT-F, FIRM INTRASTATE	Revised 44248-G

ATTACHMENT B
Advice No. 4047

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Original 45303-G	TRANSPORTATION SERVICE, FOR DISTRIBUTION LEVEL CUSTOMERS, Sheet 1 Schedule No. GT-F, FIRM INTRASTATE	Revised 44249-G Revised 44095-G
Original 45304-G	TRANSPORTATION SERVICE, FOR DISTRIBUTION LEVEL CUSTOMERS, Sheet 2 Schedule No. GT-F, FIRM INTRASTATE	Revised 44095-G
Original 45305-G	TRANSPORTATION SERVICE, FOR DISTRIBUTION LEVEL CUSTOMERS, Sheet 3 Schedule No. GT-F, FIRM INTRASTATE	Revised 44096-G
Original 45306-G	TRANSPORTATION SERVICE, FOR DISTRIBUTION LEVEL CUSTOMERS, Sheet 4 Schedule No. GT-F, FIRM INTRASTATE	Revised 44097-G
Original 45307-G	TRANSPORTATION SERVICE, FOR DISTRIBUTION LEVEL CUSTOMERS, Sheet 5 Schedule No. GT-F, FIRM INTRASTATE	Revised 44098-G Revised 44099-G
Original 45308-G	TRANSPORTATION SERVICE, FOR DISTRIBUTION LEVEL CUSTOMERS, Sheet 6 Schedule No. GT-F, FIRM INTRASTATE	Revised 44099-G Revised 44100-G
Original 45309-G	TRANSPORTATION SERVICE, FOR DISTRIBUTION LEVEL CUSTOMERS, Sheet 7 Schedule No. GT-F, FIRM INTRASTATE	Revised 44100-G
Original 45310-G	TRANSPORTATION SERVICE, FOR DISTRIBUTION LEVEL CUSTOMERS, Sheet 8 Schedule No. GT-F, FIRM INTRASTATE	Revised 44101-G
Original 45311-G	TRANSPORTATION SERVICE, FOR DISTRIBUTION LEVEL CUSTOMERS, Sheet 9 Schedule No. GT-F, FIRM INTRASTATE	Revised 44102-G
Original 45312-G	TRANSPORTATION SERVICE, FOR DISTRIBUTION LEVEL CUSTOMERS, Sheet 10 Schedule No. GT-F, FIRM INTRASTATE	Revised 44103-G
Original 45313-G	TRANSPORTATION SERVICE, FOR DISTRIBUTION LEVEL CUSTOMERS, Sheet 11 Schedule No. GT-F, FIRM INTRASTATE	Revised 44104-G
Original 45314-G	TRANSPORTATION SERVICE, FOR DISTRIBUTION LEVEL CUSTOMERS, Sheet 12 Schedule No. GT-F, FIRM INTRASTATE	Revised 44104-G
Original 45314-G	Schedule No. GT-I, INTERRUPTIBLE INTRASTATE TRANSPORTATION SERVICE, FOR DISTRIBUTION LEVEL CUSTOMERS, Sheet 1	Revised 44250-G
Original 45315-G	Schedule No. GT-I, INTERRUPTIBLE INTRASTATE TRANSPORTATION SERVICE, FOR DISTRIBUTION LEVEL CUSTOMERS, Sheet 2	Revised 44251-G Revised 42902-G
Original 45316-G	Schedule No. GT-I, INTERRUPTIBLE	Revised 42902-G

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Original 45317-G	INTRASTATE TRANSPORTATION SERVICE, FOR DISTRIBUTION LEVEL CUSTOMERS, Sheet 3 Schedule No. GT-I, INTERRUPTIBLE	Revised 42903-G
Original 45318-G	INTRASTATE TRANSPORTATION SERVICE, FOR DISTRIBUTION LEVEL CUSTOMERS, Sheet 4 Schedule No. GT-I, INTERRUPTIBLE	Revised 42903-G Revised 42255-G*
Original 45319-G	INTRASTATE TRANSPORTATION SERVICE, FOR DISTRIBUTION LEVEL CUSTOMERS, Sheet 5 Schedule No. GT-I, INTERRUPTIBLE	Revised 42255-G* Revised 42256-G*
Original 45320-G	INTRASTATE TRANSPORTATION SERVICE, FOR DISTRIBUTION LEVEL CUSTOMERS, Sheet 6 Schedule No. GT-I, INTERRUPTIBLE	Revised 42256-G*
Original 45321-G	INTRASTATE TRANSPORTATION SERVICE, FOR TRANSMISSION LEVEL CUSTOMERS, Sheet 1 Schedule No. GT-TLS, INTRASTATE	
Original 45322-G	INTRASTATE TRANSPORTATION SERVICE, FOR TRANSMISSION LEVEL CUSTOMERS, Sheet 2 Schedule No. GT-TLS, INTRASTATE	
Original 45323-G	INTRASTATE TRANSPORTATION SERVICE, FOR TRANSMISSION LEVEL CUSTOMERS, Sheet 3 Schedule No. GT-TLS, INTRASTATE	
Original 45324-G	INTRASTATE TRANSPORTATION SERVICE, FOR TRANSMISSION LEVEL CUSTOMERS, Sheet 4 Schedule No. GT-TLS, INTRASTATE	
Original 45325-G	INTRASTATE TRANSPORTATION SERVICE, FOR TRANSMISSION LEVEL CUSTOMERS, Sheet 5 Schedule No. GT-TLS, INTRASTATE	
Original 45326-G	INTRASTATE TRANSPORTATION SERVICE, FOR TRANSMISSION LEVEL CUSTOMERS, Sheet 6 Schedule No. GT-TLS, INTRASTATE	
Original 45327-G	INTRASTATE TRANSPORTATION SERVICE, FOR TRANSMISSION LEVEL CUSTOMERS, Sheet 7 Schedule No. GT-TLS, INTRASTATE	

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Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Original 45328-G	Schedule No. GT-TLS, INTRASTATE TRANSPORTATION SERVICE, FOR TRANSMISSION LEVEL CUSTOMERS, Sheet 8	
Original 45329-G	Schedule No. GT-TLS, INTRASTATE TRANSPORTATION SERVICE, FOR TRANSMISSION LEVEL CUSTOMERS, Sheet 9	
Original 45330-G	Schedule No. GT-TLS, INTRASTATE TRANSPORTATION SERVICE, FOR TRANSMISSION LEVEL CUSTOMERS, Sheet 10	
Original 45331-G	Schedule No. GT-TLS, INTRASTATE TRANSPORTATION SERVICE, FOR TRANSMISSION LEVEL CUSTOMERS, Sheet 11	
Original 45332-G	Schedule No. GT-TLS, INTRASTATE TRANSPORTATION SERVICE, FOR TRANSMISSION LEVEL CUSTOMERS, Sheet 12	
Original 45333-G	Schedule No. GT-TLS, INTRASTATE TRANSPORTATION SERVICE, FOR TRANSMISSION LEVEL CUSTOMERS, Sheet 13	
Original 45334-G	Schedule No. GT-TLS, INTRASTATE TRANSPORTATION SERVICE, FOR TRANSMISSION LEVEL CUSTOMERS, Sheet 14	
Original 45335-G	Schedule No. GT-TLS, INTRASTATE TRANSPORTATION SERVICE, FOR TRANSMISSION LEVEL CUSTOMERS, Sheet 15	
Original 45336-G	Schedule No. GT-TLS, INTRASTATE TRANSPORTATION SERVICE, FOR TRANSMISSION LEVEL CUSTOMERS, Sheet 16	
Original 45337-G	Schedule No. GT-TLS, INTRASTATE TRANSPORTATION SERVICE, FOR TRANSMISSION LEVEL CUSTOMERS, Sheet 17	
Original 45338-G	Schedule No. GT-TLS, INTRASTATE TRANSPORTATION SERVICE, FOR TRANSMISSION LEVEL CUSTOMERS, Sheet 18	
Original 45339-G	Schedule No. GT-TLS, INTRASTATE TRANSPORTATION SERVICE, FOR TRANSMISSION LEVEL CUSTOMERS, Sheet 19	

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Original 45340-G	SCHEDULE NO. GT-SWGX, EXCHANGE WHOLESALE NATURAL GAS SERVICE, Sheet 1	
Original 45341-G	SCHEDULE NO. GT-SWGX, EXCHANGE WHOLESALE NATURAL GAS SERVICE, Sheet 2	
Revised 45342-G	Schedule No. G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 1	Revised 43318-G
Revised 45343-G	Schedule No. G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 3	Revised 45100-G
Revised 45344-G	Schedule No. G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 7	Revised 43324-G
Revised 45345-G	Schedule No. G-IMB, TRANSPORTATION IMBALANCE SERVICE, Sheet 9	Revised 43326-G
Revised 45346-G	Schedule No. G-BSS, BASIC STORAGE SERVICE, Sheet 2	Revised 43047-G Revised 32701-G
Revised 45347-G	Schedule No. G-BSS, BASIC STORAGE SERVICE, Sheet 3	Revised 43048-G
Revised 45348-G	Schedule No. G-BSS, BASIC STORAGE SERVICE, Sheet 4	Revised 43049-G
Revised 45349-G	Schedule No. G-BSS, BASIC STORAGE SERVICE, Sheet 5	Revised 43050-G
Revised 45350-G	Schedule No. G-BSS, BASIC STORAGE SERVICE, Sheet 6	Revised 43051-G
Revised 45351-G	Schedule No. G-LTS, LONG-TERM STORAGE SERVICE, Sheet 3	Revised 43052-G Revised 32718-G
Revised 45352-G	Schedule No. G-LTS, LONG-TERM STORAGE SERVICE, Sheet 4	Revised 43053-G
Revised 45353-G	Schedule No. G-LTS, LONG-TERM STORAGE SERVICE, Sheet 5	Revised 43054-G
Revised 45354-G	Schedule No. G-LTS, LONG-TERM STORAGE SERVICE, Sheet 6	Revised 43055-G
Revised 45355-G	Schedule No. G-TBS, TRANSACTION BASED STORAGE SERVICE, Sheet 1	Revised 43339-G
Revised 45356-G	Schedule No. G-TBS, TRANSACTION BASED STORAGE SERVICE, Sheet 3	Revised 43341-G Revised 43342-G
Revised 45357-G	Schedule No. G-TBS, TRANSACTION BASED STORAGE SERVICE, Sheet 4	Revised 43342-G Revised 43343-G
Revised 45358-G	Schedule No. G-TBS, TRANSACTION BASED STORAGE SERVICE, Sheet 5	Revised 44933-G Revised 43343-G
Revised 45359-G	Schedule No. G-SMT, SECONDARY MARKET TRANSACTIONS OF STORAGE RIGHTS,	Original 43345-G Original 43346-G

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Revised 45360-G	Sheet 1 Schedule No. G-SMT, SECONDARY MARKET TRANSACTIONS OF STORAGE RIGHTS, Sheet 2	Original 43346-G Original 43347-G
Revised 45361-G	Schedule No. G-SMT, SECONDARY MARKET TRANSACTIONS OF STORAGE RIGHTS, Sheet 3	Original 43347-G
Revised 45362-G	Schedule No. G-SRF, SURCHARGE TO FUND PUBLIC UTILITIES COMMISSION UTILITIES, REIMBURSEMENT ACCOUNT, Sheet 1	Revised 42000-G
Revised 45363-G	Schedule No. G-PAL, OPERATIONAL HUB SERVICES, Sheet 1	Original 43348-G
Revised 45364-G	Schedule No. G-PAL, OPERATIONAL HUB SERVICES, Sheet 2	Original 43349-G
Revised 45365-G	Schedule No. G-PAL, OPERATIONAL HUB SERVICES, Sheet 3	Original 43350-G
Revised 45366-G	Rule No. 01, DEFINITIONS, Sheet 2	Revised 39810-G
Revised 45367-G	Rule No. 01, DEFINITIONS, Sheet 3	Revised 39584-G
Revised 45368-G	Rule No. 01, DEFINITIONS, Sheet 6	Revised 43353-G
Revised 45369-G	Rule No. 01, DEFINITIONS, Sheet 7	Revised 43354-G
Revised 45370-G	Rule No. 01, DEFINITIONS, Sheet 8	Revised 43355-G
Revised 45371-G	Rule No. 01, DEFINITIONS, Sheet 9	Revised 43356-G
Revised 45372-G	Rule No. 01, DEFINITIONS, Sheet 10	Revised 43357-G
Revised 45373-G	Rule No. 01, DEFINITIONS, Sheet 11	Revised 43358-G
Revised 45374-G	Rule No. 01, DEFINITIONS, Sheet 12	Revised 43359-G
Revised 45375-G	Rule No. 01, DEFINITIONS, Sheet 13	Revised 43360-G
Revised 45376-G	Rule No. 01, DEFINITIONS, Sheet 14	Revised 43361-G
Revised 45377-G	Rule No. 01, DEFINITIONS, Sheet 15	Revised 43362-G
Revised 45378-G	Rule No. 01, DEFINITIONS, Sheet 16	Revised 43363-G
Revised 45379-G	Rule No. 01, DEFINITIONS, Sheet 17	Revised 43364-G
Original 45380-G	Rule No. 01, DEFINITIONS, Sheet 18	Revised 43365-G

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Revised 45381-G	Rule No. 02, DESCRIPTION OF SERVICE, Sheet 5	Revised 42762-G
Revised 45382-G	Rule No. 02, DESCRIPTION OF SERVICE, Sheet 6	Revised 42762-G Revised 42763-G
Revised 45383-G	Rule No. 02, DESCRIPTION OF SERVICE, Sheet 7	Revised 42763-G Revised 42764-G
Revised 45384-G	Rule No. 02, DESCRIPTION OF SERVICE, Sheet 8	Revised 42764-G
Revised 45385-G	Rule No. 23, CONTINUITY OF SERVICE AND INTERRUPTION OF DELIVERY, Sheet 1	Revised 40460-G
Revised 45386-G	Rule No. 30, TRANSPORTATION OF CUSTOMER-OWNED GAS, Sheet 4	Revised 43371-G
Revised 45387-G	Rule No. 30, TRANSPORTATION OF CUSTOMER-OWNED GAS, Sheet 5	Revised 43372-G
Revised 45388-G	Rule No. 30, TRANSPORTATION OF CUSTOMER-OWNED GAS, Sheet 9	Revised 43376-G
Revised 45389-G	Rule No. 30, TRANSPORTATION OF CUSTOMER-OWNED GAS, Sheet 10	Revised 43377-G
Revised 45390-G	Rule No. 30, TRANSPORTATION OF CUSTOMER-OWNED GAS, Sheet 11	Revised 43378-G
Revised 45391-G	Rule No. 30, TRANSPORTATION OF CUSTOMER-OWNED GAS, Sheet 12	Revised 43379-G
Revised 45392-G	Rule No. 33, Electronic Bulletin Board (EBB), Sheet 3	Revised 43390-G
Revised 45393-G	Rule No. 33, Electronic Bulletin Board (EBB), Sheet 4	Revised 43390-G Revised 43391-G
Original 45394-G	Rule No. 33, Electronic Bulletin Board (EBB), Sheet 5	
Revised 45395-G	Rule No. 33, Electronic Bulletin Board (EBB), Sheet 6	Revised 43391-G
Revised 45396-G	Rule No. 33, Electronic Bulletin Board (EBB), Sheet 7	Revised 43392-G
Revised 45397-G	Rule No. 33, Electronic Bulletin Board (EBB), Sheet 8	Revised 43393-G
Original 45398-G	Rule No. 33, Electronic Bulletin Board (EBB), Sheet 9	Original 43394-G
Original 45399-G	RULE NO. 41, UTILITY SYSTEM OPERATION, Sheet 1	
Original 45400-G	RULE NO. 41, UTILITY SYSTEM OPERATION, Sheet 2	
Original 45401-G	RULE NO. 41, UTILITY SYSTEM OPERATION, Sheet 3	
Original 45402-G	RULE NO. 41, UTILITY SYSTEM OPERATION, Sheet 4	

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Original 45403-G	RULE NO. 41, UTILITY SYSTEM OPERATION, Sheet 5	
Original 45404-G	RULE NO. 41, UTILITY SYSTEM OPERATION, Sheet 6	
Original 45405-G	RULE NO. 41, UTILITY SYSTEM OPERATION, Sheet 7	
Original 45406-G	RULE NO. 41, UTILITY SYSTEM OPERATION, Sheet 8	
Revised 45407-G	MASTER SERVICES CONTRACT - SCHEDULE A, INTRASTATE TRANSMISSION SERVICE, (Form 6597-1, Revised 11/2009)	Revised 44114-G
Original 45408-G	CONTRACTS, REPORT OF EXEMPTION FROM SURCHARGE TO FUND, CA PUBLIC UTILITIES COMMISSION (G-SRF), Form No. 3090	
Revised 45409-G	TABLE OF CONTENTS	Revised 45258-G
Revised 45410-G	TABLE OF CONTENTS	Revised 45259-G
Revised 45411-G	TABLE OF CONTENTS	Revised 45263-G
Revised 45412-G	TABLE OF CONTENTS	Revised 45067-G*
Revised 45413-G	TABLE OF CONTENTS	Revised 45011-G
Revised 45414-G	TABLE OF CONTENTS	Revised 44339-G*
Revised 45415-G	TABLE OF CONTENTS	Revised 44441-G
Revised 45416-G	TABLE OF CONTENTS	Revised 45264-G
Revised 45417-G	TABLE OF CONTENTS	Revised 45197-G
Revised 45418-G	TABLE OF CONTENTS	Revised 45070-G

PRELIMINARY STATEMENT
PART III
COST ALLOCATION AND REVENUE REQUIREMENT

Sheet 1

A. TRIENNIAL COST ALLOCATION PROCEEDING:

1. In a Triennial Cost Allocation Proceeding (TCAP), the Utility shall file and the Commission shall authorize an allocation of the Utility's revenue requirement and reallocation of balancing account balances among customer classes, the rates for core customers and the rates for noncore customers.
2. Other decisions by the Commission may require rate revisions at times other than those specified herein.

B. REVENUE REQUIREMENT:

The Utility's revenue requirement consists of the sum total of all estimated costs to provide service for the forecast period. Rates will be established to recover all items in the Revenue Requirement. The components of the revenue requirement are as follows:

1. TRANSITION COSTS

Transition costs are those actual or estimated costs remaining from the past structure and practices of the gas industry resulting from a gas purchase contract, tariff or arrangement that must have taken effect before the division of the Utility's gas supply portfolio pursuant to Decision Nos. 86-12-009 and 86-12-010, dated December 3, 1986. These costs have been initiated for the benefit of all ratepayers, have been intended to be recouped from all ratepayers, and now result in costs in excess of a currently reasonable level.

Transition costs allocated to the core market shall be recovered through the CFCA. Transition costs allocated to the noncore market shall be recovered through the Noncore Cost Revenue Memorandum Account (NCRMA). See Preliminary Statement, Part V and VI for a description of the CFCA and NCRMA, respectively.

Transition Cost Categories:

- a. Take-or-Pay Costs: These are the costs that may be passed on to the Utility by pipelines for the buy-out or buy-down of pipelines' obligations with their producer-suppliers to take a given amount of gas or pre-pay the costs of such gas not taken.
- b. Minimum Purchase Obligation (MPO) Excess Gas Costs: These are the gas costs in excess of a reasonable amount that would be paid in a competitive market.

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(TO BE INSERTED BY UTILITY)
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ISSUED BY
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 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
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 RESOLUTION NO. _____

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PRELIMINARY STATEMENT

Sheet 2

PART III
COST ALLOCATION AND REVENUE REQUIREMENT

(Continued)

B. REVENUE REQUIREMENT: (Continued)

1. TRANSITION COSTS (Continued)

c. PITCO/POPCO Transition Costs (PPTC): These are the buydown costs to reduce PITCO and POPCO gas costs to market levels and excess costs above market levels thereafter.

d. Interstate Pipeline Capacity Costs: Excess El Paso interstate pipeline capacity costs are allocable to noncore customers.

2. PIPELINE DEMAND CHARGES

Pipeline Demand Charges include Transwestern, El Paso, PITCO and POPCO fixed costs allocable to core customers.

3. CARRYING COST OF GAS IN STORAGE

The Carrying Cost of Gas in Storage shall be determined based on the forecasted value of gas in storage and the interest rate described in the Preliminary Statement, Part I, J.

4. PURCHASED GAS ACCOUNT (PGA) BALANCE

The revenue requirement shall include an amortization of the forecasted revision-date balance in the PGA based on the latest data available. (See Preliminary Statement, Part V for a description of the PGA.)

5. CORE FIXED COST ACCOUNT (CFCA) BALANCE

The revenue requirement shall include an amortization of the forecasted revision-date balance in the CFCA based on the latest data available. This amortization will be reflected in rates for core customers only. (See Preliminary Statement, Part V for a description of the CFCA.)

6. NONCORE FIXED COST ACCOUNT (NFCA) BALANCE

The revenue requirement is the amortization of the forecasted revision-date balance in the NFCA based on the latest data available. This amortization will be reflected in rates for noncore customers only. (See Preliminary Statement, Part V for a description of the NFCA.)

(Continued)

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PRELIMINARY STATEMENT
PART III
COST ALLOCATION AND REVENUE REQUIREMENT

Sheet 3

(Continued)

B. REVENUE REQUIREMENT: (Continued)

7. ENHANCED OIL RECOVERY ACCOUNT (EORA) BALANCE

The revenue requirement shall include an amortization of the forecasted revision-date balance in the EORA based on the latest data available. (See Preliminary Statement, Part V for a description of the EORA.)

8. NONCORE STORAGE BALANCING ACCOUNT (NSBA) BALANCE

The revenue requirement shall include an amortization of the forecasted revision-date balance in the NSBA based on the latest data available. (See Preliminary Statement, Part V for a description of the NSBA.)

9. NONCORE COST REVENUE MEMORANDUM ACCOUNT (NCRMA)

The revenue requirement shall include an amortization of the forecasted revision-date balance in the NCRMA based on the latest data available. This amortization will be reflected in rates for noncore customers only (see Preliminary Statement, Part VI for a description of the NCRMA).

10. PITAS POINT FRANCHISE & UNCOLLECTIBLES ACCOUNT (PPF&UA) BALANCE

The revenue requirement shall include an amortization of the forecasted revision-date balance in the PPF&UA based on the latest data available. (See Preliminary Statement, Part V for a description of the PPF&UA.)

11. CALIFORNIA ALTERNATE RATES FOR ENERGY ACCOUNT (CAREA) BALANCE

The revenue requirement shall include an amortization of the forecasted revision-date balance in the CAREA based on the latest data available. (See Preliminary Statement, Part V for a description of the CAREA.)

12. LOST AND UNACCOUNTED FOR (LUAF) & COMPANY USE (CU)

This cost-of-gas component shall be determined by multiplying the LUAF quantities times the system average cost of gas.

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PRELIMINARY STATEMENT
PART III
COST ALLOCATION AND REVENUE REQUIREMENT

Sheet 4

(Continued)

B. REVENUE REQUIREMENT: (Continued)

13. PURCHASED COST OF GAS (SALES ONLY)

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This amount is determined by multiplying the forecasted sales by the weighted average costs of gas (WACOG) in the Utility Portfolio.

14. FRANCHISE FEES AND UNCOLLECTIBLE ACCOUNTS EXPENSES (F&U)

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The amount to be added for F&U shall be determined by multiplying the sum of items B.11 through B.13 times the most recently authorized F&U factor (Uncollectible accounts expenses do not apply to wholesale customers.)

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15. GAS MARGIN

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This amount shall be the total annual base revenues authorized by the Commission. The authorized gas margin pursuant to SoCalGas Advice No. xxxx, effective January 1, xxxx, is \$x,xxx,xxx,xxx. Of the total revenues \$x,xxx,xxx,xxx is allocated to the core market and \$xxx,xxx,xxx is allocated to the noncore market. The allocated noncore margin includes EOR revenues of \$xx,xxx,xxx, and an unbundled storage cost of \$xx,xxx,xxx. Unallocated costs are \$xx,xxx,xxx.

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16. COST AND REVENUE ALLOCATION FACTORS

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These factors were determined pursuant to D.xx-xx-xxx, D.xx-xx-xxx, and SoCalGas Advice No. xxxx, effective January 1, xxxx and are used to allocate costs and revenues to the core and noncore customer classes.

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PRELIMINARY STATEMENT

Sheet 5

PART III
COST ALLOCATION AND REVENUE REQUIREMENT

(Continued)

B. REVENUE REQUIREMENT: (Continued)

16. COST AND REVENUE ALLOCATION FACTORS (Continued)

	<u>Factor</u>	
<u>Cost Categories:</u>	<u>Core</u>	<u>Noncore</u> <u>(including wholesale)</u>
Transition Costs	x.xxx	x.xxx
Unaccounted-for Gas	x.xxx	x.xxx
Company Use Gas: Storage	x.xxx	x.xxx
NGV Balancing Account	x.xxx	x.xxx
Storage Transition and Bypass Account	x.xxx	x.xxx
Core Fixed Cost Account	x.xxx	x.xxx
Enhanced Oil Recovery Account	x.xxx	x.xxx
<u>Revenue Categories:</u>		
Exchange and Interutility Transactions	x.xxx	x.xxx
Core Brokerage Fee Adjustment	x.xxx	x.xxx
Noncore Brokerage Fee Adjustment	x.xxx	x.xxx
Fuel Cell Equipment Revenues	x.xxx	x.xxx

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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)
- Hazardous Substance Cost Recovery Account (HSCRA)
- 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)
- Compressor Station Fuel and Power Balancing Account (CFPBA)
- Distribution Integrity Management Program Balancing Account (DIMPBA)
- Rewards and Penalties Balancing Account (RPBA)
- On-Bill Financing Balancing Account (OBFBA)
- Company Use Fuel for Load Balancing Account (CUFLBA)
- Firm Access Rights Balancing Account (FARBA)

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PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS
CORE FIXED COST ACCOUNT (CFCA)

Sheet 1

1. Purpose

The CFCA is an interest bearing balancing account recorded on SoCalGas' financial statements. The purpose of this account is to balance the difference between the authorized margin, (excluding the transmission revenue requirements and firm access rights (FAR) revenue requirement) and other non-gas costs as detailed below, 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. Pursuant to Advice No. 3963, SoCalGas establishes a separate subaccount in the CFCA to track authorized funding by the CPUC and related funds actually used in providing eligible customers with assistance in paying their bills in connection with SoCalGas' Gas Assistance Fund (GAF) program.

2. Applicability

The CFCA shall apply to all core gas customers.

3. Rates

The projected year-end CFCA balance will be applied to core gas transportation rates.

4. Accounting Procedures

SoCalGas shall maintain the CFCA by recording entries at the end of each month, net of FF&U, as follows:

- a. A debit entry equal to one-twelfth of the authorized margin;
- b. A debit entry equal to the recorded cost of the core portion of company-use fuel (excluding transmission and load balancing company-use fuel);
- c. A debit entry equal to the recorded cost for the core portion of unaccounted for gas;
- d. A debit entry equal to the recorded cost for the core portion of well incidents and surface leaks;
- e. A debit entry equal to incremental administrative costs and any amounts written off as uncollectible associated with the payment deferral plan related to core customers;
- f. A credit entry equal to the core portion of the following recorded 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;
- g. An entry to amortize the previous year's balance; and
- h. An entry equal to interest on the average balance in the account during the month, calculated in the manner described in Preliminary Statement, Part I, J.

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

Sheet 1

1. Purpose

The EORA is an interest bearing balancing account recorded on SoCalGas' financial statements. The purpose of this account is to balance the difference between the authorized revenue requirement (excluding the transmission revenue requirement and firm access rights (FAR) revenue requirement) and other non-gas costs as detailed below allocated to the Enhanced Oil Recovery (EOR) market with revenue intended to recover these costs.

2. Applicability

The EORA shall apply to all EOR gas customers.

3. Rates

The projected year-end EORA balance will be applied to gas transportation rates.

4. Accounting Procedures

SoCalGas shall maintain the EORA by recording entries at the end of each month, net of FF&U, as follows:

- a. A debit entry equal to one-twelfth of the authorized EOR revenue requirement;
- b. A debit entry equal to the recorded cost for the EOR portion of company-use fuel (excluding transmission company-use fuel);
- c. A debit entry equal to the recorded cost for the EOR portion of unaccounted for gas;
- d. A credit entry equal to the recorded EOR revenues;
- e. An entry to amortize the previous year's balance; and
- f. An entry equal to interest on the average balance in the account during the month, calculated in the manner described in Preliminary Statement, Part I, J.

1. Disposition

In each annual October regulatory account balance update filing, SoCalGas will amortize the projected year-end balance effective January 1 of the following. The projected year-end balance will be allocated on an Equal Percent of Authorized Margin (EPAM) basis excluding EOR.

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PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS
COMPANY USE FUEL FOR LOAD BALANCING ACCOUNT (CUFLBA)

Sheet 1

1. Purpose

The CUFLBA is an interest bearing balancing account recorded on SoCalGas' financial statements. Pursuant to the BCAP Decision 09-11-006, the purpose of this account is to balance the difference between actual costs for company-use fuel for load balancing purposes with the revenues intended to recover these costs.

2. Applicability

This account shall apply to all gas customers.

3. Rates

The projected year-end CUFLBA balance will be applied to gas transportation rates.

4. Accounting Procedures

SoCalGas shall maintain the CUFLBA by recording entries at the end of each month, net of FF&U, as follows:

- a) A debit entry equal to the recorded cost for company-use fuel for load balancing purposes;
- b) A credit entry equal to the recorded revenues to recover these costs;
- c) An entry to amortize the previous year's balance; and
- d) An entry equal to the interest on the average of the balance in the account during the month, calculated in the manner described in Preliminary Statement, Part I, J.

5. Disposition

In each annual October regulatory account balance update filing, SoCalGas will amortize the projected year-end balance effective January 1 of the following year. The projected year-end balance will be allocated on an Equal Cents Per Therm (ECPT) basis.

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 4047
DECISION NO. 09-11-006

1C19

ISSUED BY

Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

SUBMITTED Dec 8, 2009
EFFECTIVE Feb 1, 2010

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PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS
FIRM ACCESS RIGHTS BALANCING ACCOUNT (FARBA)

Sheet 1

1. Purpose

The FARBA 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 purpose of the FARBA is to record the difference between the authorized FAR revenue requirement and the actual FAR revenues received from firm and interruptible access to SoCalGas' transmission system.

2. Applicability

The FARBA shall apply to all customers with firm or interruptible receipt point access rights.

3. Rates

The projected year-end FARBA balance will be applied as described in item 5 below.

4. Accounting Procedures

SoCalGas shall maintain the FARBA by recording entries at the end of each month, net of FF&U, as follows:

- a. A debit entry equal to one-twelfth of the FAR revenue requirement;
- b. A credit entry equal to the recorded FAR revenues received;
- c. A credit entry equal to 100% of the recorded interruptible access charges;
- d. An entry to amortize the previous year's balance; and
- e. An entry equal to interest on the average of the balance in the FARBA during the month, calculated in the manner described in Preliminary Statement, Part I, J.

5. Disposition

The revenue requirement associated with firm and interruptible receipt point access rights is excluded from the revenue requirement underlying the Utility's gas transportation rates and is recovered separately through FAR charges under Schedule No. G-RPA, Receipt Point Access. In each annual October regulatory account balance update filing, SoCalGas will amortize the projected year-end FARBA balance in all FAR rates effective January 1 of the following year.

(TO BE INSERTED BY UTILITY)

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Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

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PRELIMINARY STATEMENT - PART VI - MEMORANDUM ACCOUNTS
DESCRIPTION AND LISTING OF MEMORANDUM ACCOUNTS

Sheet 1

A. GENERAL

Memorandum accounts are special accounts authorized by the Commission for the purpose of tracking certain costs and revenues. Please refer to each individual memorandum account description for the specific accounting treatment applicable to each account.

B. LISTING OF MEMORANDUM ACCOUNTS

- PCB Expense Account (PCBEA)
- Research Development and Demonstration Expense Account (RDDEA)
- Curtailed Violation Penalty Account (CVPA)
- Economic Practicality Shortfall Memorandum Account (EPSMA)
- Catastrophic Event Memorandum Account (CEMA)
- Vernon Avoided Distribution Cost Memorandum Account (VADCMA)
- Vernon Rate Savings Memorandum Account (VRSMA)
- Vernon Negotiated Core Contract Memorandum Account (VNCCMA)
- Research Royalty Memorandum Account (RRMA)
- Intervenor Award Memorandum Account (IAMA)
- Z Factor Account (ZFA)
- Self-Generation Program Memorandum Account (SGPMA)
- Blythe Operational Flow Requirement Memorandum Account (BOFRMA)
- FERC Settlement Proceeds Memorandum Account (FSPMA)
- Gain/Loss On Sale Memorandum Account (GLOSMA)
- Affiliate Transfer Fee Account (ATFA)
- Firm Access and Storage Rights Memorandum Account (FASRMA)
- General Rate Case Revenue Requirements Memorandum Account (GRCRRMA)
- System Reliability Memorandum Account (SRMA)
- Fire Hazard Prevention Memorandum Account (FHPMA)

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(TO BE INSERTED BY UTILITY)

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PRELIMINARY STATEMENT - PART VI - MEMORANDUM ACCOUNT Sheet 1
FIRM ACCESS AND STORAGE RIGHTS MEMORANDUM ACCOUNT (FASRMA)

The FASRMA is an interest bearing memorandum account that is recorded on SoCalGas' financial statements. The FASRMA shall record costs incurred by SoCalGas to implement a firm, tradable access and storage rights structure to provide customers with an opportunity to obtain firm access into the utility system at a specific receipt point and storage capacity throughout the year and off-system and pooling services. In addition, the FASRMA shall record the reasonable costs of establishing and maintaining new postings on the Electronic Bulletin Board (EBB), a new fifth nomination cycle, new optional enhanced balancing services, and system expansion studies (plus any related third-party review).

The Utility shall maintain the FASRMA by making entries to the account at the end of each month, as follows:

- a. A debit entry to record incremental O&M (Operating and Maintenance) and capital-related costs (i.e., depreciation, return on investment and related taxes) associated with expenditures incurred that are directly related to implementing new or enhanced computer systems to comply with D.06-12-031 and D. 07-12-019.
- b. An entry to amortize the previous year's balance, and
- c. An entry equal to the interest on the average balance in the account during the month, calculated in the manner described in the Preliminary Statement, Part I,J.

The costs for implementing a citygate pooling service is limited to a maximum \$0.5 million, to the extent the costs of pooling services are not included in SoCalGas' \$3.5 million estimate of the FAR system implementation costs.

In each annual October regulatory account balance update filing, SoCalGas will amortize the projected year-end balance effective January 1 of the following year. The projected year-end balance will be allocated on an Equal Cents Per Therm (ECPT) basis.

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 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
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PRELIMINARY STATEMENT - PART VI - MEMORANDUM ACCOUNTS
SYSTEM RELIABILITY MEMORANDUM ACCOUNT (SRMA)

Sheet 1

The SRMA is an interest bearing account that is recorded on the Utility's financial statements. The purpose of this account is to record certain costs associated with the Utility System Operator's purchase and delivery of gas to sustain operational flows on the SoCalGas/SDG&E system. Costs include the costs that are associated with the following:

- 1) Purchases and sales of gas on a spot basis;
- 2) Contracts related to Requests for Offers (RFO) or open season process consistent with System Operator needs and approved through the Expedited Advice Letter Process;
- 3) Other System Operator tools approved by the Commission through the regular advice letter process.

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

- a. A debit entry for the cost of gas delivered to various receipt points on the SoCalGas/SDG&E system, including any other O&M and incremental capital-related costs (e.g., depreciation, return on investment and related taxes) associated with any other tools approved by the Commission through a regular or expedited advice letter process as described above that were incurred for maintaining system reliability.
- b. A credit entry equal to the revenues from the sale of gas that was originally purchased for system reliability purposes as described in entry "a." which is no longer necessary and therefore made available for sale in the marketplace.
- c. An entry equal to amortization as authorized by the Commission.
- d. An entry equal to the interest on the average balance in the account during the month, calculated in the manner described in the Preliminary Statement, Part I, J.

Upon approval by the Commission of transactions recorded in the SRMA, SoCalGas will amortize the approved transactions in transportation rates effective January 1 of the following year. The transactions will be allocated on an Equal Cents Per Therm (ECPT) basis.

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PRELIMINARY STATEMENT - PART VI - MEMORANDUM ACCOUNTS Sheet 2
BLYTHE OPERATIONAL FLOW REQUIREMENT MEMORANDUM ACCOUNT (BOFRMA)

(Continued)

4. Accounting Procedures (Continued)

- c. An entry equal to the interest on the average balance in the account during the month, calculated in the manner described in the Preliminary Statement, Part I, J.

5. Disposition

In each annual October regulatory account balance update filing, SoCalGas will amortize the projected year-end balance effective January 1 of the following year. The projected year-end balance will be allocated on an Equal Cents Per Therm (ECPT) basis.

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Lee Schavrien
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PRELIMINARY STATEMENT - PART VII - TRACKING ACCOUNTS
DESCRIPTION AND LISTING OF TRACKING ACCOUNTS

Sheet 1

A. GENERAL

Tracking accounts reconcile the difference between Commission-authorized forecasted costs and SoCalGas' recorded costs. Balances in the tracking accounts shall be reconciled in revenue requirement in SoCalGas' next BCAP or other appropriate rate proceeding.

B. LISTING OF TRACKING ACCOUNTS

Other Hazardous Substance Tracking Account (OHSTA)
Vernon Revenue Tracking Account (VRTA)
Montebello True-Up Tracking Account (MTTA)
Native Gas Tracking Account (NGTA)

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PRELIMINARY STATEMENT
PART XI
PERFORMANCE BASED REGULATION

Sheet 9

(Continued)

I. CORE PRICING FLEXIBILITY

1. Overview

- a. D.97-07-054 and D.98-01-040 authorize SoCalGas, at its option, to serve core customers with rates that may be discounted as low as the Commission-authorized floor rates detailed in section K.2 below. Under this arrangement, SoCalGas shareholders are responsible for any reduction in core revenues that may occur under discounting, while any revenue gains are shared between ratepayers and shareholders as described below. SoCalGas may use the following two methods to offer alternative rates to core customers:
- 1) Optional Tariffs - Optional tariff rate schedules apply to all similarly situated customers who meet a certain set of qualifications. At least 10 customers should be potentially eligible.
 - 2) Negotiated Rates - Negotiated rates apply to individual customers, and are established through individually negotiated contracts that may vary from customer to customer.
- b. The entire discounting program is subject to review by the Commission if new customer participation approaches 5% of the total core volume adopted in SoCalGas' 1996 BCAP (D.97-04-082).
- c. Customers eligible for service under optional tariffs or negotiated rates retain the right to be served under their Otherwise Applicable Tariff rate schedule.
- d. To ensure that ratepayers are isolated from any risk of revenue shortfall that may result from SoCalGas offering discounted core rates, the Commission has authorized a Core Fixed Cost Account (CFCA) adjustment mechanism. This mechanism credits the CFCA with revenues equal to those expected absent any optional tariffs or negotiated rates.
- e. SoCalGas will submit documentation on the results of its core pricing flexibility program activity in its annual PBR Report filing.
- f. Optional tariffs and negotiated rates are subject to change by the Commission as authorized by General Order 96-B, Industry Rule 7.1.

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PRELIMINARY STATEMENT
 PART XI
PERFORMANCE BASED REGULATION

(Continued)

I. CORE PRICING FLEXIBILITY (Continued)

2. Class Average Long Run Marginal Cost (LRMC) Floor Rates

- a. D.98-01-040, Finding of Fact No. 5, allows SoCalGas the option to discount core transportation rates down to a LRMC floor rate; however, SoCalGas may not discount the cost of gas. For this program, the LRMC floor rate includes the following components: customer related, medium-pressure distribution, high-pressure distribution, transmission, seasonal storage, load balancing, company use transmission, unaccounted for gas, and interstate pipeline demand charges. In addition to these components, the full transportation rate includes the following components: non-marginal costs in base margin, PITCO/POPCO transition costs, core averaging costs, and other exclusion costs.
- b. The following table lists the full LRMC transportation rates authorized by D.97-04-082, and the class average LRMC floor rates authorized by D.98-01-040. LRMC Floor Rates were updated with new values established in D.00-04-060, D.01-12-018, and SoCalGas Advice No. 3940, effective January 1, 2009. Full Transportation Rates are updated with new values established in D.00-04-060, Resolution G-3303, D.01-12-018, D.06-12-031, Resolution G-3407 and SoCalGas Advice No. 3940, effective January 1, 2009. The floor rates represent the lowest possible average annual rate by class under which SoCalGas can serve gas. These rates represent a starting point for the program and, pursuant to Commission order, may be modified in future rate proceedings.

<u>Class</u>	<u>Full Transportation Rate</u>	<u>LRMC Floor Rate</u>
Residential	45.5 cents/therm	23.3 cents/therm
G-10, 0 to 3 Mth	76.0 cents/therm	36.2 cents/therm
G-10, 3-50 Mth	27.8 cents/therm	10.8 cents/therm
G-10, 50-250 Mth	19.4 cents/therm	6.5 cents/therm
G-10, >250Mth	10.3 cents/therm	4.2 cents/therm
Gas A/C	14.0 cents/therm	5.7 cents/therm
Gas Engines	11.6 cents/therm	4.4 cents/therm
NGV	xx.x cents/therm	x.x cents/therm

- c. Optional tariffs or negotiated rate contracts that would result in average annual rates below class average LRMC will be subject to Commission approval through the Expedited Application Docket (EAD) process.
- d. With prior Commission approval under the EAD process, SoCalGas may discount average annual rates to a floor of customer-specific LRMC that includes the full interstate pipeline reservation charges allocated to core customers.

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PRELIMINARY STATEMENT
PART XI
PERFORMANCE BASED REGULATION

Sheet 15

(Continued)

J. TRIENNIAL COST ALLOCATION PROCEEDING (TCAP)

1. The TCAP is the proceeding by which the Commission authorizes the level and allocation of SoCalGas' revenue requirement including regulatory account balances among customer classes for those items not included in the PBR Mechanism. SoCalGas filed its 1999 Biennial Cost Allocation Proceeding (BCAP) application in October of 1998. Pursuant to D.00-04-060, the 1999 BCAP rates are effective June 1, 2000.

2. Noncore Competitive Load Growth Opportunities - Revenue Treatment

a. Overview

1) D.00-04-060 (Finding of Fact Number 9.q.) authorizes SoCalGas, at its option, to exclude from future cost allocations the expanded load that results from two situations:

a) New negotiated rate contracts that are part of a California Red Team economic development effort.

b) Contracts where Rule 38 shareholder funding has been used.

Under this arrangement, the volumes and revenues from these situations will not be included in determining noncore commercial and industrial revenue requirements.

2) The total volume that can qualify for treatment under this program is capped at 5% of the most recently adopted volume adopted for noncore commercial and industrial throughput in the most recent cost allocation proceeding.

3) Customers with contracts qualifying for this treatment are still eligible for service under their otherwise applicable tariff rate schedule.

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PRELIMINARY STATEMENT
PART XI
PERFORMANCE BASED REGULATION

Sheet 16

(Continued)

J. TRIENNIAL COST ALLOCATION PROCEEDING (TCAP) (Continued)

2. Noncore Competitive Load Growth Opportunities - Revenue Treatment (Continued)

a. Overview (continued)

- 4) To ensure that ratepayers are isolated from any risk of revenue shortfall that may result from SoCalGas excluding these noncore volumes from other noncore volumes, SoCalGas has instituted a Noncore Fixed Cost Account (NFCA) adjustment mechanism. This mechanism ensures that the NFCA records the revenues equal to those expected absent any special treatment under this program.
- 5) SoCalGas will submit documentation on the results of its competitive Load Growth revenue program activity in its annual PBR Report filing.
- 6) Contracts qualifying under this program are subject to change by the Commission as authorized by General Order 96-B, Industry Rule 7.1.

b. Contract Terms

- 1) Contract terms will be as negotiated between SoCalGas and the customer. Negotiated rates cannot be less than adopted short run marginal costs.
- 2) Contracts involving Rule 38 incentives will be assumed to run for five years, unless stated otherwise in the Contract. Contracts involving California Red Team will be as negotiated. If no term is set, the contract will be assumed to run for five years.
- 3) SoCalGas may, at its option, file an application with the Commission requesting that a contract receive treatment under this program for a period beyond five years.

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Lee Schavrien
Senior Vice President
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PRELIMINARY STATEMENT
PART XI
PERFORMANCE BASED REGULATION

Sheet 17

J. TRIENNIAL COST ALLOCATION PROCEEDING (TCAP) (Continued)

2. Noncore Competitive Load Growth Opportunities - Revenue Treatment (Continued)

c. Customers

- 1) Any load associated with a noncore commercial and industrial customer is eligible under this program.
- 2) Contracts not qualifying for this regulatory treatment are:
 - a) An existing customer that could economically connect to a bypass pipeline.
 - b) A new customer (no recorded usage in the previous 12 months) in close proximity to a bypass pipeline.
 - c) A customer who previously received discounts to prevent fuel switching to a petroleum distillate fuel.
- 3) SoCalGas shall determine which contracts to include in this program, subject to review by the Commission.
- 4) A new customer will have a baseload volume of zero.
- 5) If new equipment is installed at a customer site under a contract qualifying for this program, and the equipment is separately metered, then only the metered volumes and revenues will receive treatment under this program.
- 6) If the new load is not separately metered, then base load volumes will be calculated as the average annual volume over the previous 24 months. If there are unusual characteristics that would cause the customer's 24 month history to be unrepresentative of average annual expected throughput, SoCalGas will select a different period of time that is more representative.

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PRELIMINARY STATEMENT
PART XI
PERFORMANCE BASED REGULATION

Sheet 18

(Continued)

J. TRIENNIAL COST ALLOCATION PROCEEDING (TCAP) (Continued)

2. Noncore Competitive Load Growth Opportunities - Revenue Treatment (Continued)

d) Regulatory Requirements

- 1) At the end of every calendar year, SoCalGas shall file with the Commission a confidential report showing a summary of activity under this program. The report will show the number of qualifying contracts, qualifying volumes, revenues received for qualifying volumes, and amounts credited to ratepayers for baseload volumes.
- 2) Customers must sign an affidavit attesting that the contract structure (in case of Red Team contracts) or the incentives (in case of Rule 38) were a material factor in the customer's decision to participate.
- 3) SoCalGas shall track all volumes that qualify under this program. These volumes will be excluded from forecasts adopted for cost allocation purposes for a period of five years after the start of each contract.
- 4) Revenues from customers and contracts qualifying under this are separated into two components:
 - a) Baseload revenues, calculated as the applicable baseload volumes times the otherwise applicable tariff.
 - b) Load growth related revenues, calculated as total revenues received from the customer minus baseload revenues.

Base load revenues will be credited to the Noncore Fixed Cost Account. Load Growth Related Revenues will be credited to the shareholder.
- 5) SoCalGas will track any contract specific costs incurred to support volumes qualifying under this program. Any costs incurred for separate metering, service lines, regulators, main extensions, etc. to serve specific locations that qualify under this program would be tracked. As long as the contract volumes are exempt from inclusion in cost allocation proceedings, these costs will not be included in the authorized utility revenue requirement.

(TO BE INSERTED BY UTILITY)

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Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

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Schedule No. GR Sheet 2
RESIDENTIAL SERVICE
 (Includes GR, GR-C, GT-R, GRL and GT-RL Rates)
 (Continued)

RATES (Continued)

Rates for CARE-Eligible Customers (Continued)

	<u>GRL</u>	<u>GT-RL</u> ^{3/}	
<u>Baseline Rate</u> , per therm (baseline usage defined in Special Conditions 3 and 4):			
Procurement Charge: ^{2/}	xx.xxx¢	N/A	T
<u>Transmission Charge</u> :	<u>xx.xxx¢</u>	<u>xx.xxx¢</u>	T,T
Total Baseline Charge:	xx.xxx¢	xx.xxx¢	T,T

<u>Non-Baseline Rate</u> , per therm (usage in excess of baseline usage):			
Procurement Charge: ^{2/}	xx.xxx¢	N/A	T
<u>Transmission Charge</u> :	<u>xx.xxx¢</u>	<u>xx.xxx¢</u>	T,T
Total Non-Baseline Charge:	xx.xxx¢	xx.xxx¢	T,T

Minimum Charge

The Minimum Charge shall be the applicable monthly Customer Charge.

Additional Charges

Rates may be adjusted to reflect any applicable taxes, franchise fees or other fees, regulatory surcharges, and interstate or intrastate pipeline charges that may occur.

(Footnotes continued from previous page)

^{2/} This charge is applicable to Utility Procurement Customers and includes the G-CPR Procurement Charge as shown in Schedule No. G-CP, which is subject to change monthly, as set forth in Special Condition 7.

^{3/} CAT Transmission Charges include a 0.075 cents per therm charge to amortize an undercollection in the FERC Settlement Proceeds Memorandum Account during 2009 as authorized in Advice No. 3910 approved on November 21, 2008.

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Schedule No. GS Sheet 2
SUBMETERED MULTI-FAMILY SERVICE
 (Includes GS, GS-C, GT-S, GSL, GSL-C and GT-SL Rates)
 (Continued)

RATES (Continued)

	<u>GS</u>	<u>GS-C</u>	<u>GT-S</u> ^{3/}	
<u>Baseline Rate</u> , per therm (baseline usage defined in Special Conditions 3 and 4):				
Procurement Charge: ^{2/}	xx.xxx¢	xx.xxx¢	N/A	T,T
<u>Transmission Charge</u> :	<u>xx.xxx¢</u>	<u>xx.xxx¢</u>	<u>xx.xxx¢</u>	T,T,T
Total Baseline Charge:	xx.xxx¢	xx.xxx¢	xx.xxx¢	T,T,T
 <u>Non-Baseline Rate</u> , per therm (usage in excess of baseline usage):				
Procurement Charge: ^{2/}	xx.xxx¢	xx.xxx¢	N/A	T,T
<u>Transmission Charge</u> :	<u>xx.xxx¢</u>	<u>xx.xxx¢</u>	<u>xx.xxx¢</u>	T,T,T
Total Non-Baseline Charge:	xx.xxx¢	xx.xxx¢	xx.xxx¢	T,T,T
 <u>Rates for CARE-Eligible Customers</u>				
	<u>GSL</u>	<u>GSL-C</u>	<u>GT-SL</u> ^{3/}	
<u>Customer Charge</u> , per meter per day: ^{1/}	xx.xxx¢	xx.xxx¢	xx.xxx¢	D
 <u>Baseline Rate</u> , per therm (baseline usage defined per Special Conditions 3 and 4):				
Procurement Charge: ^{2/}	xx.xxx¢	xx.xxx¢	N/A	T,T
<u>Transmission Charge</u> :	<u>xx.xxx¢</u>	<u>xx.xxx¢</u>	<u>xx.xxx¢</u>	T,T,T
Total Baseline Charge:	xx.xxx¢	xx.xxx¢	xx.xxx¢	T,T,T
 <u>Non-Baseline Rate</u> , per therm (usage in excess of baseline usage):				
Procurement Charge: ^{2/}	xx.xxx¢	xx.xxx¢	N/A	T,T
<u>Transmission Charge</u> :	<u>xx.xxx¢</u>	<u>xx.xxx¢</u>	<u>xx.xxx¢</u>	T,T,T
Total Non-Baseline Charge:	xx.xxx¢	xx.xxx¢	xx.xxx¢	T,T,T

(Footnotes continued from previous page)

^{2/} This charge is applicable to Utility Procurement Customers and includes the G-CPR Procurement Charge as shown in Schedule No. G-CP, which is subject to change monthly, as set forth in Special Condition 8.

^{3/} CAT Transmission Charges include a 0.075 cents per therm charge to amortize an undercollection in the FERC Settlement Proceeds Memorandum Account during 2009 as authorized in Advice No. 3910 approved on November 21, 2008.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 4047
 DECISION NO. 09-11-006

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Dec 8, 2009
 EFFECTIVE Feb 1, 2010
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Schedule No. GM

Sheet 8

MULTI-FAMILY SERVICE

(Includes GM-E, GM-C, GM-EC, GM-CC, GT-ME, GT-MC and all GMB Rates)

(Continued)

SPECIAL CONDITIONS (Continued)

17. Itemized Billing to Submetered Tenants: Master metered customers shall provide an itemized billing of charges to each individual submetered tenant. Such billing shall generally conform to the structure and content of the Utility's billings to its customers. Master metered customers shall also post, in a conspicuous place, the rate schedule which would be applicable to the submetered tenant if the tenant were a customer of the Utility.

18. Maximum Rate to Submetered Tenants: Master metered customers who aggregate their gas supplies and purchase gas from a third party may only charge their submetered tenants the maximum rate equal to the Utility's applicable prevailing rates, as if the tenant was purchasing gas directly from Utility. If the price negotiated with the third party was less than the Utility's rates, the master metered customer may choose to share the profit with the submetered tenants. However, the master metered customer shall not charge more than the Utility's prevailing rates even if the negotiated price is higher than the Utility's rates.

19. GMB Rates Effective Date: The GMB rates under this schedule, which include the GM-BE, GM-BC, GM-BEC, GM-BCC, GT-MBE and GT-MBC rates, will become effective for eligible customers on the first day of the customers' next billing cycle following the effective annual date of the rate, June 1, and will remain in effect for 12 monthly billing cycles, regardless of usage. Customers will be evaluated once a year to qualify for the rate. Customers will qualify for the rate if the applicability criteria of this tariff are satisfied. Customers who are on the rate will be dropped off the rate if they do not meet the criteria during the annual evaluation period.

20. G-10 Rate Option: In accordance with Rule No. 19, residential customers with separately metered service to common facilities (swimming pools, recreation rooms, saunas, spas, etc) only and otherwise eligible to be billed under GM-C, GM-CC, GM-BC, GM-BCC, GT-MC or GT-MBC, as appropriate may elect to take service under Schedule No. G-10.

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(TO BE INSERTED BY UTILITY)

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DECISION NO. 09-11-006

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Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Dec 8, 2009
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Schedule No. G-NGVR

Sheet 2

NATURAL GAS SERVICE FOR HOME REFUELING OF MOTOR VEHICLES
 (Includes G-NGVR, G-NGVRC, GT-NGVR, G-NGVRL and GT-NGVRL Rates)

(Continued)

RATES (Continued)

	<u>Rates for CARE-Eligible Customers</u>	
	<u>G-NGVRL</u>	<u>GT-NGVRL</u> ^{2/}
<u>Customer Charge</u> , per meter per day	xx.xxx¢	xx.xxx¢
<u>Rate</u> , per therm		
<u>Procurement Charge</u>	xx.xxx¢	N/A
<u>Transmission Charge</u>	xx.xxx¢	xx.xxx¢
<u>Commodity Charge</u>	xx.xxx¢	xx.xxx¢

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Minimum Charge

The Minimum Charge shall be the applicable monthly Customer Charge.

Additional Charges

Rates may be adjusted to reflect any applicable taxes, franchise fees or other fees, regulatory surcharges, and interstate or intrastate pipeline charges that may occur.

SPECIAL CONDITIONS

1. Definitions: The definitions of principal terms used in this schedule are found either herein or in Rule No. 1, Definitions.
2. Number of Therms: The number of therms to be billed shall be determined in accordance with Rule No. 2.
3. Required Contract: As a condition precedent to service under this schedule, an executed NGV Home Refueling Authorization Agreement (Form 6150) shall be required. As part of the Agreement, the customer certifies that he qualifies under the terms and conditions of this schedule.
4. CPUC Oversight: All contracts, rates, and conditions are subject to revision and modification as a result of CPUC order.

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(TO BE INSERTED BY UTILITY)
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Lee Schavrien
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Schedule No. G-10

Sheet 1

CORE COMMERCIAL AND INDUSTRIAL SERVICE
 (Includes GN-10, 10C, 10V, 10VC, 10L, GT-10, 10V, and 10L Rates)

APPLICABILITY

Applicable to core non-residential natural gas service, including both procurement service (GN rates) and transportation-only service (GT rates) including Core Aggregation Transportation (CAT). This schedule is also available to residential customers with separately metered service to common facilities (swimming pools, recreation rooms, saunas, spas, etc.) only and otherwise eligible for service under rates designated for GM-C, GM-CC, GM-BC, GM-BCC, GT-MC or GT-MBC, as appropriate, if so elected by the customer. Also applicable to service not provided under any other rate schedule. Pursuant to D.02-08-065, this schedule is not available to those electric generation, refinery, and enhanced oil recovery customers that are defined as ineligible for core service in Rule No. 23.B.

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TERRITORY

Applicable throughout the service territory.

RATES

Customer Charge

Per meter, per day:

	<u>Non-CARE Eligible</u>	<u>CARE Eligible</u>
All customers except "Space Heating Only"	xx.xxx¢	xx.xxx¢
"Space Heating Only" customers:		
Beginning Dec. 1 through Mar. 31	\$x.xxxxx	\$x.xxxxx
Beginning Apr. 1 through Nov. 30	None	None

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Lee Schavrien
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Schedule No. G-10

Sheet 2

CORE COMMERCIAL AND INDUSTRIAL SERVICE
 (Includes GN-10, 10C, 10V, 10VC, 10L, GT-10, 10V, and 10L Rates)

(Continued)

RATES (Continued)

All Procurement, Transmission, and Commodity Charges are billed per therm.

		<u>Tier I</u> ^{2/}	<u>Tier II</u> ^{2/}	<u>Tier III</u> ^{2/}	
<u>GN-10:</u>	Applicable to natural gas procurement service to non-residential core customers, including service not provided under any other rate schedule.				
	Procurement Charge: ^{3/} G-CPNR	xx.xxx¢	xx.xxx¢	xx.xxx¢	T,T,T
	<u>Transmission Charge:</u> GPT-10	xx.xxx¢	xx.xxx¢	xx.xxx¢	T,T,T
	Commodity Charge: GN-10	xx.xxx¢	xx.xxx¢	xx.xxx¢	T,T,T
<u>GN-10C:</u>	Core procurement service for previous non-residential transportation-only customers returning to core procurement service, including CAT customers with annual consumption over 50,000 therms, as further defined in Schedule No. G-CP.				
	Procurement Charge: ^{3/} G-CPNRC	xx.xxx¢	xx.xxx¢	xx.xxx¢	T,T,T
	<u>Transmission Charge:</u> GPT-10	xx.xxx¢	xx.xxx¢	xx.xxx¢	T,T,T
	Commodity Charge: GN-10C	xx.xxx¢	xx.xxx¢	xx.xxx¢	T,T,T
<u>GT-10</u> ^{6/} :	Applicable to non-residential transportation-only service including CAT service, as set forth in Special Condition 13.				
	Transmission Charge: GT-10	xx.xxx¢ ^{4/}	xx.xxx¢ ^{4/}	xx.xxx¢ ^{4/}	T,T,T

^{2/} Tier I rates are applicable for the first 250 therms used per month. Tier II rates are applicable for usage above Tier I quantities and up through 4,167 therms per month. Tier III rates are applicable for all usage above 4,167 therms per month. Under this schedule, the winter season shall be defined as December 1 through March 31 and the summer season as April 1 through November 30.

^{3/} This charge is applicable for service to Utility Procurement Customers as shown in Schedule No. G-CP, in the manner approved by D.96-08-037, and subject to change monthly, as set forth in Special Condition 5.

^{4/} These charges are equal to the core commodity rate less the following two components as approved in D.97-04-082: (1) the weighted average cost of gas; and (2) the core brokerage fee.

(Footnotes continue next page.)

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Schedule No. G-10

Sheet 4

CORE COMMERCIAL AND INDUSTRIAL SERVICE
 (Includes GN-10, 10C, 10V, 10VC, 10L, GT-10, 10V, and 10L Rates)

(Continued)

RATES (Continued)

CARE Eligible Customers

The GN-10L procurement rate and GT-10L transportation-only and CAT rates are applicable to Nonprofit Group Living Facilities and Qualified Agricultural Employee Housing Facilities (migrant farmworker housing centers, privately owned employee housing, and agricultural employee housing operated by nonprofit entities) that meet the requirements for California Alternate Rates for Energy (CARE) as set forth in Schedule G-CARE. The CARE discount of 20% is reflected in the GN-10L and GT-10L rates shown below.

			<u>Tier I^{2/}</u>	<u>Tier II^{2/}</u>	<u>Tier III^{2/}</u>	
<u>GN-10L</u>	Procurement Charge: ^{3/}	G-CPNRL	xx.xxx¢	xx.xxx¢	xx.xxx¢	T,T,T
	<u>Transmission Charge:</u>	GPT-10L	<u>xx.xxx¢</u>	<u>xx.xxx¢</u>	<u>xx.xxx¢</u>	T,T,T
	Commodity Charge:	GN-10L	xx.xxx¢	xx.xxx¢	xx.xxx¢	T,T,T
<u>GT-10L^{6/}</u>	Transmission Charge:	GT-10L	xx.xxx¢ ^{7/}	xx.xxx¢ ^{7/}	xx.xxx ¢ ^{7/}	T,T,T

Minimum Charge

The Minimum Charge shall be the applicable monthly Customer Charge.

Late Payment Charge

A late payment charge may be added to a customer's bill whenever a customer fails to pay for services under this schedule as set forth in Rule No. 12, Payment of Bills, and for CAT customers, as set forth in Rule No. 32.

Additional Charges

Rates may be adjusted to reflect any applicable taxes, franchise fees or other fees, regulatory surcharges, and interstate or intrastate pipeline charges that may occur.

^{7/} These charges are equal to the discounted core commodity rate less the following two components as approved in D.97-04-082: (1) the discounted weighted average cost of gas; and (2) the discounted core brokerage fee.

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Schedule No. G-AC

Sheet 3

CORE AIR CONDITIONING SERVICE
FOR COMMERCIAL AND INDUSTRIAL

(Continued)

RATES (Continued)

Commodity Charges (Continued)

G-ACL

This charge is for service as defined above and consists of: (1) the discounted monthly non-residential procurement charge, as described below; and (2) the GT-ACL transmission charge, as set forth in Schedule No. GT-AC.

The non-residential procurement charge is determined as set forth in Schedule No. G-CP, in the manner approved by D.96-08-037, and subject to change monthly as described in Special Condition 10.

Rate, per therm.

Procurement Charge:	G-CPNRL	xx.xxx¢
<u>Transmission Charge:</u>	<u>GPT-ACL</u>	<u>xx.xxx¢</u>
Commodity Charge:	G-ACL	xx.xxx¢

Rate Limiter Provision

The cumulative percentage rate of change in the customer charge and transmission-charge portion of the commodity charge will not exceed the national rate of inflation as measured by the Consumer Price Index as defined in Rule No. 1. This provision expires October 31, 1998.

Minimum Charge

The minimum monthly charge shall consist of the Monthly Customer Charge.

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

(Continued)

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Schedule No. GT-TLS

Sheet 6

INTRASTATE TRANSPORTATION SERVICE
FOR TRANSMISSION LEVEL CUSTOMERS

(Continued)

SPECIAL CONDITIONS (Continued)

GENERAL (Continued)

4. Eligibility for Rate Options:

a. Non-Bypass Customers:

- i. Class-Average Volumetric Rate Option; or
- ii. Reservation Rate Option with RS and NV Charges

b. Bypass Customers:

- i. Reservation Rate Option with RS and BV Charges.

5. Level of Service

a. Unconstrained Areas

- i. Class Average Volumetric Rate service is firm up to the quantities specified for firm priority CA service as designated in Schedule A of the Master Services Contract. Firm quantities are established by the Utility based on Customer's historic peak usage or Customer's Utility-approved forecasted load, and on the Utility's operating capabilities. Usage above the designated firm quantities is considered interruptible service for curtailment purposes.
- ii. Reservation Rate Option service is firm up to the quantities specified for firm priority RS and NV services as designated in Schedule A of the Master Services Contract for non-Bypass customers. Firm quantities are established by the Utility based on Customer's historic peak usage or Customer's Utility-approved forecasted load, and on the Utility's operating capabilities. Usage above the designated firm priority RS and NV quantities is considered interruptible for curtailment purposes.
- iii. Reservation Rate Option service is firm up to the DRQ for Bypass customers. Daily metered usage above the DRQ is considered interruptible for curtailment purposes.

(Continued)

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Schedule No. GT-TLS
INTRASTATE TRANSPORTATION SERVICE
FOR TRANSMISSION LEVEL CUSTOMERS

Sheet 9

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(Continued)

SPECIAL CONDITIONS (Continued)

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GENERAL (Continued)

11. Conditional Reclassification: Customers who do not meet historical usage criteria for noncore rate classification under this schedule may conditionally qualify for noncore rate status by submitting a written request to the Utility and providing therein certified evidence documenting the customer's load increases which will meet the minimum consumption requirement on a permanent basis. The customer's written request must further acknowledge that if usage following conditional reclassification is less than the required minimum, the customer shall be rebilled in accordance with the rate schedule otherwise applicable to its usage. The Utility reserves the right to accept or reject any such request.
12. Electronic Meter Reading: Customers electing noncore service status must have electronic meter reading equipment installed at Customer's expense as a condition of noncore service.
13. Core Eligibility for GT-TLS: Core customers who are eligible to elect noncore service may be placed on this schedule if they meet the requirements for transmission level service as defined in Rule No. 1.
14. Transportation and Balancing Rules: All terms and conditions of Rule No. 30 and Schedule No. G-IMB shall apply to the transportation of customer-owned gas under this schedule except for wholesale service to SDG&E.
15. Additional Balancing Requirements for Bypass Customers:
 - a. As required to implement the special balancing provisions for a Bypass customer, Customer must contract for, and nominate, transportation services separately for any Bypass facility.
 - b. Bypass customers are not subject to Schedule No. G-IMB daily balancing provisions in effect during the months of November through March, but they are subject to year-round daily balancing rules as described below.

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(Continued)

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Schedule No. GT-TLS

Sheet 16

INTRASTATE TRANSPORTATION SERVICE
FOR TRANSMISSION LEVEL CUSTOMERS

(Continued)

SPECIAL CONDITIONS (Continued)

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

39. 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.
40. 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.
41. Firm Quantities Bid but Not Awarded: Such quantities shall be added to the customer's interruptible sequence.
42. 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.
43. Non-Bidding Customers: 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.

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Schedule No. GT-SWGX
EXCHANGE WHOLESALE NATURAL GAS SERVICE

Sheet 1

APPLICABILITY

Applicable for exchange transportation service exchange with Pacific Gas and Electric Company ("PG&E") in order to serve Southwest Gas Corporation's ("Customer") PG&E Points of Delivery located in Customer's service territory in southern California.

TERRITORY

Delivery points shall be as specified in the executed Master Services Contract, Schedule A, Intrastate Transmission Service, dated December 10, 2008 ("Contract").

RATES

Exchange Fee Charges

Exchange Rate, per thermx.xxx¢ est.

As specified in the Contract, the Exchange Rate recovers certain exchange fees charged by PG&E to Utility plus Utility's system balancing costs, and applies only to gas quantities delivered through Points of Delivery served by PG&E. Pursuant to the Contract, the Exchange Rate shall automatically change if the Commission approves modification to any of the tariffed components of the formula used to determine the exchange fee.

Pisgah Meter Station Charges

Pisgah Meter Station Charge, per month \$x.xx

As specified in the Contract, Pisgah Meter Station Charges are monthly charges associated with the Pisgah Meter Station Upgrade.

Billing Adjustments

Billing adjustments may be necessary to reflect changes in quantities used in developing prior periods' exchange charges.

Rates may be adjusted to reflect any applicable taxes, franchise or other fees, regulatory surcharges, and interstate or intrastate pipeline charges that may occur.

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(TO BE INSERTED BY UTILITY)
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Schedule No. GT-SWGX
EXCHANGE WHOLESALE NATURAL GAS SERVICE

Sheet 2

(Continued)

SPECIAL CONDITIONS

GENERAL

1. Definitions: The definitions of principal terms used in this schedule are found either herein or in Rule No. 1, Definitions.
2. Number of Therms: The number of therms to be billed shall be determined in accordance with Rule No. 2.
3. Term of Service: The term of service under this Schedule is specified in the Contract. All Contract revisions and related rates and conditions of service are subject to revision and modification as a result of Commission order.
4. Gas Transportation Rules and Imbalance Service: 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.

EMERGENCY FLOW ORDER AND DIVERSION CHARGES AND CREDITS

5. Subject to the conditions in Section 7.E.5, PG&E Local Curtailment, EFO and EFO/Diversion Charges, of the Contract, Customer shall reimburse Utility for all applicable Emergency Flow Order or Diversion charges charged by PG&E to Utility. In the event Customer's supply is involuntarily diverted by PG&E and PG&E pays a diversion credit to Utility, Utility shall provide Customer with a bill credit equal to the diversion credit received by the Utility from PG&E.

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 4047
DECISION NO. 09-11-006

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Lee Schavrien
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Schedule No. G-IMB
TRANSPORTATION IMBALANCE SERVICE

Sheet 1

DESCRIPTION OF SERVICE

The Utility System Operator will provide a Monthly Imbalance Service for individual customers including the Utility Gas Procurement Department, end-use customers, wholesale customers, marketers and aggregators (referred to herein as "customers") when their usage differs from their transportation deliveries to the Utility's system or their targeted sales gas quantities purchased and delivered by the Utility. In case of the Utility Gas Procurement Department, the Daily Forecast Quantity will be used as a proxy for daily usage and the calculation of imbalances.

The Monthly Imbalance Service provided hereunder has four components: Imbalance Trading, a no-charge Balancing Service, Standby Procurement, and Buy-Back. Under the Imbalance Trading Service, customers may locate other customers with offsetting imbalances and trade these quantities to avoid imbalance charges (Standby Procurement or Buy-Back). Imbalance Trading Service shall be facilitated either through Electronic Bulletin Board (EBB), as defined in Rule No. 1, or through the Imbalance Trading Form as described in Special Conditions 2 and 4 of this Schedule and in Rule No. 33. Balancing Service will be provided without charge if the cumulative imbalance at the end of the monthly imbalance trading period is within 10 percent of the customer's usage, in case of core aggregators their applicable Daily Contract Quantity, or in the case of the Utility Gas Procurement Department the applicable Daily Forecast Quantity, (Tolerance Band) for the billing period. Any remaining cumulative imbalance within the tolerance band will be carried forward. Remaining imbalance quantities outside the tolerance band at the end of the imbalance trading period will be subject to a Standby Procurement Charge or Buy-Back as described under Rates.

The Utility System Operator will require daily balancing during the winter operating period. From November through March, customers will be required to deliver (using a combination of flowing supply and storage withdrawal) at least 50% of their usage over a five-day period. As the Utility's total inventory in storage declines to the peak day minimum + 20 Bcf, customers will be required to deliver 70% of their usage daily. As the Utility's total inventory in storage declines to the peak day minimum + 5 Bcf, customers will be required to deliver 90% of their usage daily. Volumes not in compliance with the minimum delivery requirements will be purchased at the daily balancing standby rates described below. Imbalance trading may not be used to offset the minimum delivery requirements. A complete description of the winter minimum delivery requirements is specified in Rule No. 30.

APPLICABILITY

Applicable to core and noncore transportation service to customers.

TERRITORY

Applicable throughout the service territory.

(Continued)

(TO BE INSERTED BY UTILITY)
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Schedule No. G-IMB
TRANSPORTATION IMBALANCE SERVICE

Sheet 3

(Continued)

RATES (Continued)

Buy-Back Rate

This rate is applied to customer's cumulative positive transportation imbalance (confirmed transportation deliveries less actual usage) exceeding the 10 percent tolerance band. The Buy-Back Rate is established effective the last day of each month and will be the lower of 1) the lowest incremental cost of gas purchased by the Utility during the month the excess imbalance was incurred; or 2) 50% of the applicable Adjusted Core Procurement Charge, G-CPA, set forth in Schedule No. G-CP, during the month such excess imbalance was incurred.

Retail Service:

BR-R Buy-Back Rate, per therm

August 2009	19.583¢
September 2009	14.810¢
October 2009	19.732¢

Wholesale Service:

BR-W Buy-Back Rate, per therm

August 2009	19.536¢
September 2009	14.774¢
October 2009	19.685¢

If the incremental cost of gas is the basis for the Standby or Buy-Back Rates, the Utility will provide CPUC the necessary work papers for such cost. Such documentation will be provided under confidentiality pursuant to General Order 66-C and Section 583 of the Public Utilities Code.

Daily Balancing Standby Rates

During November through March customers are required to deliver (flowing supply and storage withdrawal) at a minimum of 50% of burn during a five-day period. Volumes not in compliance with the 50% five-day minimum delivery requirement are purchased at the daily standby rate. The daily balancing standby rate is calculated as 150% of the highest Southern California Border price during the five-day period as published in "NGI's Daily Gas Price Index" including authorized franchise fees and, for retail customers, uncollectible expenses (F&U), and an authorized brokerage fee. Authorized F&U will not be added to any daily stand-by balancing charge for the Utility Gas Procurement Department to the extent it is collected elsewhere.

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Schedule No. G-IMB
TRANSPORTATION IMBALANCE SERVICE

Sheet 7

(Continued)

SPECIAL CONDITIONS (Continued)

3. Immediately each month when actual meter usage information becomes available, an adjustment to the Utility Gas Procurement Department's imbalance account will be made to account for any differences between actual consumption of the core customers and the Daily Forecast Quantity, company use and LUAF.
4. Immediately each month when actual meter usage information becomes available, an adjustment to the ESP's imbalance account will be made to account for any differences between actual consumption of the core customers and the DCQ.
5. Customers may not use imbalance trading during the period November 1- March 31 to offset minimum daily delivery requirements.
6. Customers may trade their monthly imbalances with other customers. Customer's cumulative imbalances will be stated on the customer's monthly bill. The customer's bill will serve as notice of current imbalances. Beginning at 7:00 a.m., Pacific Clock Time (PCT), on the 25th calendar day in the month of notification, customers may enter EBB to trade imbalances with other customers. Customers within the tolerance band may trade any quantities so long as the 10% tolerance band is not exceeded. Customers outside the tolerance band may trade quantities up to a maximum of their excess imbalance (quantities outside of tolerance) plus the 10% tolerance band. The Utility will notify participants through EBB or other notice once the trade is validated. The trading period will end at 11:59 p.m. PCT on the last calendar day of the same month. During the month of February, the trading period begins at 7:00 a.m. PCT on the 23rd of the month and ends at 11:59 p.m. PCT on the last calendar day of the month. The trading periods are as follows:

January 25-31	May 25-31	September 25-30
February 23-28 (or 29)	June 25-30	October 25-31
March 25-31	July 25-31	November 25-31
April 25-30	August 25-31	December 25-31

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 4047
 DECISION NO. 09-11-006

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Dec 8, 2009
 EFFECTIVE Feb 1, 2010
 RESOLUTION NO. _____

Schedule No. G-IMB
TRANSPORTATION IMBALANCE SERVICE

Sheet 9

(Continued)

SPECIAL CONDITIONS (Continued)

10. After the imbalance trading period, the Standby Procurement Charge or Buy-Back will be applied to all imbalance quantities in excess of the tolerance band.
11. Standby Procurement service provided hereunder will be curtailed in accordance with the provisions of Rule 23. Penalties for violations of curtailment shall apply as set forth in Rule No. 23. Customers will not be allowed to trade negative imbalances incurred during periods of curtailment.
12. When in the judgment of the Utility Gas Control Department the latest scheduled quantities (confirmed nominations from the Timely Cycle for the Evening Cycle) are in excess of system capacity, Buy-Back service hereunder shall be applied to daily periods as designated by the Utility in accordance with the provisions of Rule No. 30, Section F. Customers shall not be allowed to trade positive imbalances incurred during such daily periods. The Buy-Back Rate shall apply to all positive imbalances in excess of the 10% tolerance band for each such period. Standby service shall be provided for the regular monthly balancing period and shall not be restricted to the excess nominations periods.
13. Under this schedule, the responsible customer will reimburse the Utility for any penalties or charges incurred by the Utility under an interstate or intrastate supplier arrangement when such penalties or charges occur as a direct result of the Utility's providing this imbalance service to customer.
14. If as the result of billing error, metering error, or transportation adjustments, customer trades an incorrect amount of imbalance quantities based on notification by the Utility, the Utility will not be liable for any financial losses or damages incurred by customer nor will the Utility be financially liable to any of the customer's imbalance trading partners. If as a result of such error, the Utility overbills customer, the Utility shall refund the difference. If the Utility underbills customer, the customer shall be liable for the undercharge including any associated penalty. The customer shall not be relieved of imbalance penalties when a subsequent billing adjustment is made by the Utility. For the purpose of determining imbalances and any applicable charges hereunder, the Utility will include subsequent billing adjustments for prior periods as part of the usage deemed to occur during the subsequent period unless the customer reimburses the Utility for the actual cost of gas incurred. Trades occurring in prior periods will not be affected by such billing adjustments. The Utility may issue a bill for Daily Balancing Standby Rate charges on a weekly or fortnightly basis upon customer or marketer request or if a customer or marketer delivers into the system less than 50 percent of its usage. Otherwise, Daily Balancing Standby Rate charges shall be included in the regular monthly bill.
15. The Utility Gas Procurement Department will be not be assessed any charges under this schedule that are a result of its obligation to maintain system reliability when called upon by the Utility System Operator to increase flowing supply when supply is insufficient to meet expected end-use demand or decrease scheduled deliveries when deliveries are expected to exceed end-use demand plus storage injection capacity.

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(TO BE INSERTED BY UTILITY)
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Lee Schavrien
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RESOLUTION NO. _____

Schedule No. G-BSS
BASIC STORAGE SERVICE

Sheet 2

(Continued)

RATES (Continued)

Reservation Charges (Continued)

Annual Firm Withdrawal

Reservation Charge for withdrawal capacity reserved for year

Rate, per decatherm/day \$11.584

The above reservation charge shall apply to the customer's reserved basic storage annual withdrawal capacity and shall be billed in twelve equal monthly installments during the storage year.

All reservation charges for firm basic storage service are applicable whether the storage service is used or not and shall not be prorated under any circumstances.

In-Kind Energy Charges

In-Kind Energy Charge for quantity delivered for injection during the year

Rate, percent reduction 2.400%

The In-Kind Energy Charge shall be adjusted as necessary on the basis of a three-year rolling average of actual fuel use.

Billing Adjustments

Billing adjustments may be necessary to reflect changes in quantities applicable under this schedule or changes in costs used in prior period's storage charges.

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(TO BE INSERTED BY UTILITY)
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ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

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 DATE FILED Dec 8, 2009
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Schedule No. G-BSS
BASIC STORAGE SERVICE

Sheet 3

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(Continued)

SPECIAL CONDITIONS

General

1. The definitions of the principal terms used in the Utility's tariff schedules are contained in Rule No. 1.
2. Storage service under this schedule shall be curtailed in accordance with the provisions of Rule No. 23.
3. All terms and conditions of Rule No. 30 and Schedule No. G-IMB shall apply to the transportation of customer-owned gas in conjunction with the storage services provided under this schedule.
4. As a condition precedent to service under this schedule, an executed Master Services Contract, Schedule D, Basic Storage Service (Form Nos. 6597 and 6597-4) is required. All contracts, rates and conditions are subject to revision and modification as a result of Commission order.
5. The contract term for service hereunder shall be one year and shall begin on either April 1 or October 1 and continue thereafter for a twelve month period. The twelve month period beginning April 1 shall be termed the Spring storage year, and the twelve month period beginning October 1 shall be termed the Fall storage year with the term "storage year" referring to either a Spring or Fall storage year as appropriate.
6. For transportation customers served hereunder, any storage gas remaining in inventory at the conclusion of the customer's storage contract term shall be considered an imbalance subject to the provisions of Schedule No. G-IMB, unless such inventory is rolled-over by the customer into the next storage year under the provisions of Special Condition 19 herein.
7. In the event any customer's storage contract is terminated, for whatever reason, prior to the completion of the term of such contract, the Utility may at its option immediately purchase any remaining inventory quantities from such customer at the applicable Buy-Back Rate stated in Schedule No. G-IMB. The Buy-Back purchase amount paid to the customer may be reduced by any outstanding amounts owed by the customer for any other services provided by the Utility.

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(Continued)

(TO BE INSERTED BY UTILITY)
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DECISION NO. 09-11-006

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Lee Schavrien
Senior Vice President
Regulatory Affairs

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Schedule No. G-BSS
BASIC STORAGE SERVICE

Sheet 4

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(Continued)

SPECIAL CONDITIONS (Continued)

Storage Nominations

8. Storage customers must provide the Utility with their monthly nominations for storage injections and/or withdrawals concurrently with their monthly nominations for transportation service made pursuant to Rule No. 30. During the month, storage customers may request changes to their storage nominations upon two days notice to the Utility. At its discretion and subject to its operational feasibility, the Utility may accept nominations for storage service withdrawals on less notice than set forth above. T
9. Basic storage service customers may designate an agent to act on their behalf for the purpose of making storage nominations for their service under this schedule. Such agents may not aggregate the storage rights of the basic storage customer with the rights of any other storage customer. T

Storage Imbalance Trading

10. Except during any period of system curtailment of transportation service, as described in Rule No. 23, storage customers may use their available storage inventory capacity and quantities to (1) offset the customer's own transportation imbalances, or (2) trade with other customers for their transportation imbalances, under the imbalance trading provisions set forth in Schedule No. G-IMB. T
11. For storage injections and withdrawals performed through imbalance trading, the customer shall not be required to have storage injection or withdrawal rights but shall be assessed the In-Kind Energy charges set forth herein for such storage operations. For such storage trading activity, the storage transaction will be considered as occurring at the time the imbalance trade is completed by the Utility. T
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12. If gas is to be injected by the storage customer as a result of an imbalance trade, the customer must have sufficient available inventory space at the time the trade is completed by the Utility. If storage gas is to be withdrawn through an imbalance trade, the storage customer must have sufficient gas in inventory at the time the trade is completed. T

Storage Inventory Transfers

13. Storage customers may mutually request to transfer gas in inventory from one customer's storage account to another. Such requests must be made by both parties to the inventory transfer and are limited to the inventory quantity available for transfer and the available inventory capacity of the receiving customer at the time the transfer is completed by the Utility. All transfers may be accepted or rejected, in whole or in part, by the Utility and shall not be deemed accepted until such time as the Utility notifies both customers of the completion of the transfer. T

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(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 4047
DECISION NO. 09-11-006

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Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
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Schedule No. G-BSS
BASIC STORAGE SERVICE

Sheet 5

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(Continued)

SPECIAL CONDITIONS (Continued)

Basic Service Storage Rights

14. The Utility shall offer a basic storage service package to all of its retail noncore customers. The basic service package shall provide such customers with a limited amount of firm storage inventory, injection and withdrawal capacity. The maximum amount of capacity available for an individual customer under basic storage service shall be based on the customer's average winter daily usage. The average winter daily usage shall be equal to the higher amount of the customer's noncore usage from December 1 through March 31, divided by the average number of operating days of the customer's facility during this time period, for the prior two calendar years. T
15. Under basic storage service, noncore customers may contract for firm storage withdrawal capacity. The awarded withdrawal capacity shall be stated as a daily capacity rate and shall be available to the customer throughout the storage year. T
16. In addition to withdrawal capacity, the basic storage service customer may contract for storage inventory capacity up to seven times the customer's awarded basic service withdrawal capacity. This inventory capacity shall be available to the customer throughout the storage year. T
17. The basic storage service customer must also contract for one month of firm storage injection capacity. The customer must contract for that amount of injection capacity necessary to fill the customer's awarded inventory capacity over a one month period. T
18. Basic service injection capacity shall be limited to the months April through November when the Utility is able to make such service available. Prior to the start of the storage year, customers shall be required to designate their order of preference for the available injection months. If a customer's primary choice month is oversubscribed, the customer's awarded injection capacity for that month shall be prorated downward to a level consistent with the injection capacity available. The customer's remaining injection capacity shall be allocated to the customer's second and then third designated choice of injection month and awarded in the same manner as for the primary month. Once established, the customer's awarded injection capacity shall be stated in the customer's contract as a daily capacity rate by month and shall only be available for the designated month or months. T

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 4047
DECISION NO. 09-11-006

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Lee Schavrien
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Regulatory Affairs

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Schedule No. G-BSS
BASIC STORAGE SERVICE

Sheet 6

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(Continued)

SPECIAL CONDITIONS (Continued)

Year-to-Year Participation

19. At the end of each storage year, current basic storage customers will automatically have their contracted basic storage service rights rolled over to the following storage year, including any quantities in inventory at the end of the storage year. The amount of the customer's basic storage rights eligible to be rolled over to the next storage year shall be restricted to the limitations on capacity rights described above. T
20. Also on or before March 1 of each year for the Spring storage year and September 1 of each year for the Fall storage year, customers not currently receiving basic storage service may request to receive such service for the following storage year. For such customers, service availability shall be limited to that reserved basic service capacity remaining after the requirements of current basic storage customers are met. T
21. Once the Utility has initially established the basic storage service capacity to be awarded to both new and current basic service customers for the upcoming storage year, any unsubscribed annual firm withdrawal capacity, and the corresponding inventory and injection capacity rights, shall then be offered on a pro rata basis to all customers who were initially awarded withdrawal capacity in an amount less than their average winter daily usage. If accepted, the additional capacity award shall be reflected in the customer's storage contract. T

Secondary Market

22. Basic storage customers may assign their contract storage rights in full to another noncore customer upon 90 days written notice to the Utility. T

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 4047
DECISION NO. 09-11-006

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ISSUED BY

Lee Schavrien
Senior Vice President
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(TO BE INSERTED BY CAL. PUC)

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RESOLUTION NO. _____

Schedule No. G-LTS
LONG-TERM STORAGE SERVICE

Sheet 4

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(Continued)

SPECIAL CONDITIONS (Continued)

General (Continued)

7. For customers served under this schedule, any storage gas remaining in inventory at the conclusion of the customer's storage contract term shall be considered an imbalance subject to the provisions of Schedule No. G-IMB, unless the customer has obtained sufficient inventory capacity rights for the following storage year.
8. In the event the customer's storage contract is terminated, for whatever reason, prior to the completion of the term of such contract, the Utility may at its option immediately purchase any remaining inventory quantities from such customer at the applicable Buy-Back Rate stated in Schedule No. G-IMB. The Buy-Back purchase amount paid to the customer may be reduced by any outstanding amounts owed by the customer for any other services provided by the Utility.

Storage Nominations

9. Storage customers must provide the Utility with their monthly nominations for storage injections and/or withdrawals concurrently with their monthly nominations for transportation service made pursuant to Rule No. 30, or their targeted sales nominations made pursuant to Schedule No. G-TARG. During the month, storage customer may request changes to their storage nominations upon two days notice to the Utility.
10. Long-term storage service customers may designate an agent to act on their behalf for the purpose of making storage nominations for their service under this schedule.

Storage Imbalance Trading

11. Except during any period of system curtailment of transportation service, as described in Rule No. 23, storage customers may use their available storage inventory capacity and quantities to (1) offset the customer's own transportation imbalances, or (2) trade with other customers for their transportation imbalances, under the imbalance trading provisions set forth in Schedule No. G-IMB.
12. For storage injections and withdrawals performed through imbalance trading, the customer shall not be required to have storage injection or withdrawal rights but shall be assessed the In-Kind Energy charges set forth herein for such storage operations. For such storage trading activity, the storage transaction will be considered as occurring at the time the imbalance trade is completed by the Utility.

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(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 4047
DECISION NO. 09-11-006

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Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Dec 8, 2009
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RESOLUTION NO. _____

Schedule No. G-LTS
LONG-TERM STORAGE SERVICE

Sheet 5

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(Continued)

SPECIAL CONDITIONS (Continued)

Storage Imbalance Trading (Continued)

13. If gas is to be injected by the storage customer as a result on an imbalance trade, the customer must have sufficient available inventory space at the time the trade is completed by the Utility. If storage gas is to be withdrawn through an imbalance trade, the storage customer must have sufficient gas in inventory at the time the trade is completed.

Storage Inventory Transfers

14. Storage customers may mutually request to transfer gas in inventory from one customer's storage account to another. Such requests must be made by both parties to the inventory transfer and are limited to the inventory quantity available for transfer and the available inventory capacity of the receiving customer at the time the transfer is completed by the Utility. All transfers may be accepted or rejected, in whole or in part, by the Utility and shall not be deemed accepted until such time as the Utility notifies both customers of the completion of the transfer.

Contract Approval

15. All contracts for service under this schedule shall be filed by advice letter for CPUC approval. The Utility and the customer may negotiate special provisions for long-term storage service. Such provisions may include reservation charges other than those stated in this schedule. Any such special provisions or reservation charges shall be set forth in the customer's long-term storage contract filed with the CPUC.

Service Availability

16. Service under this schedule shall be subject to the availability of the Utility's existing unsubscribed firm storage capacity. The Utility shall not be obligated to provide firm long-term storage service in the event the Utility would have to expand its storage capacity in order to provide such service.
17. Customers may request the Utility to expand its firm storage capacity and thereby provide long-term firm storage service under this schedule. Any such expansion of the Utility's storage capacity shall be subject to the requesting customer providing sufficient financial guarantees, to the sole satisfaction of the Utility, for the recovery of any and all costs associated with the expansion of the Utility's storage facilities.

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(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 4047
DECISION NO. 09-11-006

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Lee Schavrien
Senior Vice President
Regulatory Affairs

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Schedule No. G-LTS
LONG-TERM STORAGE SERVICE

Sheet 6

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(Continued)

SPECIAL CONDITIONS (Continued)

Advance Reservation Charges

18. Customers, other than end-use customers of the Utility, awarded service under this schedule shall be required to pay one-quarter (25%) of their total annual reservation charge in the first month of the storage year. The balance of the total annual reservation charge shall be billed in equal monthly installments over the remaining storage year.

Creditworthiness

19. For service under this schedule, the customer shall be required to undergo a creditworthiness check whereby the Utility shall establish the customer's credit limit. Customers shall be required to pay the Utility \$500 per year for an annual credit check to be performed by an agency of the Utility's choice. The credit review will establish a credit limit for the customer based upon the customer's expected annual participation for long-term storage service. If the customer's credit limit is less than the customer's obligations for service under this schedule, the Utility shall require the customer to advance a larger portion of the reservation charges hereunder to compensate for such credit deficiency.

Secondary Market

20. Long-term storage customers may assign their contract storage rights in full to another customer upon 90 days notice to the Utility. Such assignment shall be subject to the storage assignee meeting all of the Utility's creditworthiness requirements.

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 4047
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Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

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RESOLUTION NO. _____

Schedule No. G-TBS
TRANSACTION BASED STORAGE SERVICE

Sheet 1

APPLICABILITY

Applicable for unbundled firm or interruptible storage service, comprised of inventory, injection and withdrawal components, to any creditworthy party, including the Utility's Gas Procurement Department for any storage capacity that is additional to their Commission-allocated core storage rights. This schedule will be used for unbundled storage contracts executed from the effective date of this schedule. All eligible participants, including the Utility's Gas Procurement Department, are collectively referred to herein as "customers" unless otherwise specified.

Under this storage service rate schedule, the Utility shall provide unbundled storage services for a term of no more than three years (and no more than five years for wholesale core customer requirements) without CPUC approval. For terms more than three years, the Utility will seek CPUC approval. The storage service and associated charges shall be negotiated between the customer and the Utility, provided that the reservation charges do not exceed the applicable Component Rate Caps for this schedule.

All unsubscribed storage capacity will be available for customer subscription under this schedule. Customers may seek bundled or individual component services. The Utility may, however, impose limits pursuant to this schedule on the amount of unbundled storage services that a customer may acquire (e.g., the Utility may establish minimum or maximum levels of bundled services in conjunction with unbundled storage services). For example, the Utility may require customers to purchase a certain level of injection and withdrawal services in combination with inventory, or visa-versa.

The Utility may discount its storage services on a nondiscriminatory basis, and in compliance with all affiliate requirements. Nothing in this schedule is intended to affect the terms/conditions of customer contracts in effect prior to the effective date of this schedule.

TERRITORY

Applicable for gas stored by the Utility within its service territory.

RATES

Storage service rates under Schedule No. G-TBS consist of Reservation Charges, Volumetric Charges, and In-Kind Energy Charges.

Firm Storage Service

The reservation charge, or price, for G-TBS storage service will be established between the customer and the Utility on a transactional basis dependent upon market conditions and the specific storage service to be provided to the customer. The price shall be set forth in the Contract and shall, unless otherwise specified in the Contract, be billed in equal monthly installments over the term of the Contract. The price under this schedule is applicable whether the service is used or not.

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(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 4047
DECISION NO. 09-11-006

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Lee Schavrien
Senior Vice President
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SUBMITTED Dec 8, 2009
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Schedule No. G-TBS
TRANSACTION BASED STORAGE SERVICE

Sheet 5

(Continued)

SPECIAL CONDITIONS (Continued)

Storage Inventory Transfers

14. Storage customers may mutually request to transfer gas in inventory from one customer's storage account to another. Such requests must be made by both parties to the inventory transfer and are limited to the inventory quantity available for transfer and the available inventory capacity of the receiving customer at the time the transfer is completed by the Utility. All transfers may be accepted or rejected, in whole or in part, by the Utility and shall not be deemed accepted until such time as the Utility notifies both customers of the completion of the transfer.

Storage Open Season

15. The Utility may also sell G-TBS storage using various forms of storage open seasons, including auctions and individual negotiations.

Rules Concerning Posted Transactions

16. Given that the value of storage services are highly dynamic, and can change not only daily, but even hourly, the Utility is not required to offer posted prices or contract terms to any other customers. The Utility will meet and confer with any market participant regarding why it did not offer them the same prices and contract terms as other posted transactions. If, after such a meet and confer session, any market participant is not satisfied with the Utility's explanation, they may petition the CPUC, pursuant to Section I of Rule No. 4, to require the Utility to offer them the same prices and contract terms as other posted transactions, and the Utility may oppose such petition.

Firm Inventory

17. Zero-priced, lowest-priority, interruptible injection and withdrawal service shall be included with all sales of inventory, whether that inventory is sold on a stand-alone or package basis.

Allocations for Wholesale Customers

18. The Utility will allocate unbundled storage capacities to the City of Long Beach and Southwest Gas in a manner consistent with D.08-12-020 and any applicable CPUC decisions relating to storage allocations to these customers.

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(TO BE INSERTED BY UTILITY)
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Schedule No. G-SMT

Sheet 1

SECONDARY MARKET TRANSACTIONS OF STORAGE RIGHTS

APPLICABILITY

Applicable to firm capacity rights to the Utility’s storage system. Any creditworthy party can participate in the secondary market transactions under this schedule, including the Utility Gas Procurement Department and core aggregators. All eligible participants are collectively referred to herein as “Customers” unless otherwise specified.

TERRITORY

Applicable throughout the service territory.

SPECIAL CONDITIONS

GENERAL

1. Definitions of the principal terms used in this schedule are contained 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 Master Services Contract (Form No. 6597) and 1) an executed Master Services Contract, Schedule I, Transaction Based Storage Service Contract (Form No. 6597-11) or 2) an executed Master Services Contract, Schedule F, Long-Term Storage Service Contract (Form No. 6597-6) or 3) an executed Master Services Contract, Schedule D, Basic Storage Service Contract (Form No. 6597-4) are required (referred to in this schedule collectively as the “Contract”). Contracts for CPUC-allocated storage packages for the Utility Gas Procurement Department (and core aggregators) will have a maximum term of one storage year. All contracts, rates and conditions are subject to revision and modification as a result of CPUC order.
4. Customer must meet the Utility’s applicable credit requirements.

NOMINATIONS AND BALANCING

5. 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.

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(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 4047
 DECISION NO. 09-11-006

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Lee Schavrien
 Senior Vice President
 Regulatory Affairs

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 DATE FILED Dec 8, 2009
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Schedule No. G-SMT

Sheet 2

SECONDARY MARKET TRANSACTIONS OF STORAGE RIGHTS

(Continued)

SPECIAL CONDITIONS (Continued)

SECONDARY MARKET ASSIGNMENTS

- 6. The Utility will schedule interruptible nominations up to available storage capacity subject to Rule No. 30, Transportation of Customer-Owned Gas. L
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- 7. Customers who hold firm storage rights may release (i.e., transfer) all or a portion of those rights to any creditworthy party in the secondary market through the Utility's EBB. (See Special Condition 12 below for exception.) The minimum duration for the released storage rights shall be one day. The maximum duration for the released storage rights shall be equal to the remaining duration of the storage rights being released. The transfer of any storage rights must be completed no later than 24 hours prior to the nomination cycle in which the released storage rights are to be used. Any creditworthy party may purchase firm storage rights in the secondary market. Any party releasing firm storage rights will be referred to as "Releasing Customer" and those purchasing firm storage rights through the secondary market will be referred to as "Acquiring Customer." 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 customer's storage rights and all or part of the remaining contract term. The Utility will bill the Acquiring Customer and credit the Releasing Customer subject to the provisions in Special Condition 12. If the Acquiring Customer's reservation rate is less than the Releasing Customer's reservation rate, the Releasing Customer will continue to be responsible for payment of the difference. T

- 8. A customer may opt to designate one trading agent in addition to itself at any one time to buy or sell firm storage rights in the secondary market. The trading agent shall be specified in the customer's Contract or in the Nomination and Trading Authorization Form (Form 9924) and shall apply to all of the customer's Contracts. Such designation shall be subject to that trading agent complying with applicable tariff and contractual provisions. Customer shall provide appropriate written notice to the Utility of its intent to terminate a trading agent via the Form to Terminate a Nominating or Trading Agent (Form 9926). T

- 9. Contract releases of firm storage rights must be completed electronically using the Utility's EBB. T,L

(Continued)

(TO BE INSERTED BY UTILITY)
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 Senior Vice President
 Regulatory Affairs

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Schedule No. G-SMT

Sheet 3

SECONDARY MARKET TRANSACTIONS OF STORAGE RIGHTS

(Continued)

SPECIAL CONDITIONS (Continued)

SECONDARY MARKET ASSIGNMENTS (Continued)

10. The Acquiring Customer must satisfy the Utility's applicable credit requirements. If the Utility's creditworthiness requirements are satisfied, the Utility shall notify the Releasing Customer that it is conditionally* relieved of all liability for performance by the Acquiring Customer for the term of the release. Alternatively, the Releasing Customer may, at its option, waive the creditworthiness requirements applicable to the Acquiring Customer, in which case the Releasing Customer shall remain secondarily liable for non-performance by the Acquiring Customer. If a Releasing Customer exercises this option, it must continue to meet the Utility's applicable credit requirements for the duration of the Contract.

*The Releasing Customer shall continue to be liable and responsible for all reservation charges associated with the released firm storage rights up to the maximum reservation rate specified in the Releasing Customer's firm storage rights contract except for those releases, which are at the Releasing Customer's full contract price for the full remaining duration of the Releasing Customer's firm storage rights contract. If the Acquiring Customer does not make payment to the Utility of all applicable charges, the Utility shall notify the Releasing Customer of the amount due, including all applicable late charges, and such amount shall be paid by the Releasing Customer. Re-releases by an Acquiring Customer shall not relieve the original or any subsequent Releasing Customer of its obligations. In addition, the Releasing Customer may terminate the release of firm storage rights to an Acquiring Customer if such Customer fails to pay the entire amount of any bill for service under the release when such amount is due. Once terminated, firm storage rights and all applicable charges shall revert to the Releasing Customer.

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(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 4047
DECISION NO. 09-11-006

3C16

ISSUED BY

Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Dec 8, 2009
EFFECTIVE Apr 1, 2010
RESOLUTION NO. _____

Schedule No. G-PAL
OPERATIONAL HUB SERVICES

Sheet 1

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APPLICABILITY

This rate schedule applies to interruptible gas parking and gas loaning services (“Operations Park and Loan Services”) to any qualified creditworthy party, referred herein as “Customer”, as provided by the Utility System Operator using its system capacity. Gas parking is the temporary storage of gas on the Utility’s system and gas loaning is the temporary lending of gas from the Utility’s system. For purposes of this tariff, the Utility Gas Procurement Department is a Customer.

TERRITORY

The receipt and delivery points of service are entirely within the state of California, and are specified in the Operations Park and Loan Services Agreement (Schedule O of the Master Services Contract).

RATES

Rates for service will be negotiated on an individual transaction basis and shall depend on current market conditions. The rates shall fall within the following range:

Minimum Rate (per transaction)	\$50 minimum
Maximum Rate (per Dth)	
Operations Parking	\$1.63 *
Operations Loaning	\$1.63 *

The minimum rate reflects the incremental administrative and overhead costs necessary to carry out an Operations Parking or Operations Loaning Transaction.

The maximum rates are set equivalent to the maximum rate for inventory-only service in the Utility’s G-TBS schedule.

- * An additional fuel charge may be levied if the requested service will cause an incremental fuel cost for storage compression. Customer will be notified of the need for incremental fuel in advance of any service being provided, in which case Customer shall pay the In-Kind Energy charge specified in Schedule No. G-TBS.

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(Continued)

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ISSUED BY
Lee Schavrien
 Senior Vice President
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Schedule No. G-PAL
OPERATIONAL HUB SERVICES

Sheet 2

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(Continued)

SPECIAL CONDITIONS

General

1. As a pre-requisite to the service under this schedule, an executed Master Services Contract and Schedule O, Operations Park and Loan Services Agreement (Form Nos. 6597 and 6597-22) are required (referred to in this schedule as the "Agreement"). All agreements, rates and conditions are subject to revision and modification as a result of Commission order.
2. The definitions of principal terms used in this rate schedule are contained in Rule No. 1 and in the Agreement.
3. The Utility System Operator is under no obligation to accept any bids or make any offers for Park or Loan services.
4. Service under this schedule shall be restricted in accordance with the provisions of Rule No. 23.
5. All terms and conditions of Rule No. 30 and Schedule No. G-IMB shall apply to the services provided under this schedule.
6. The length of term for service under this schedule shall be set forth in the Agreement.
7. In the event the Agreement is terminated, for whatever reason, prior to the completion of the term of such Agreement, Utility may, at its option, immediately purchase any remaining inventory quantities from Customer at the applicable Buy-Back Rate stated in Schedule No. G-IMB. The Buy-Back purchase amount paid to Customer may be reduced by any outstanding amounts owed by Customer for any other services provided by the Utility.
8. Prior to and while taking service under this tariff, Customer must meet the Utility's creditworthiness requirements.
9. Any bids or offers discussed by the parties and Agreement terms shall remain confidential except as required for reporting or disclosure by governmental agencies acting within their scope of authority.

Transaction Imbalances

10. An Under-Performance Imbalance is created when Customer uses less service than specified in the Agreement. In the event of an Under-Performance Imbalance, Customer is responsible for any charges applicable for unused capacity, unless otherwise specified in the Agreement or agreed to between the Utility and Customer.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 4047
DECISION NO. 09-11-006

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Schedule No. G-PAL
OPERATIONAL HUB SERVICES

Sheet 3

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(Continued)

SPECIAL CONDITIONS (Continued)

Transaction Imbalances (Continued)

11. An Unauthorized-Use Imbalance occurs when Customer uses more service than specified in the Agreement. In the event of an Unauthorized-Use Imbalance, Customer shall be charged the maximum rate applicable to the services used, unless otherwise specified in the Agreement or agreed to between the Utility and Customer.
12. A Park Imbalance occurs when Customer leaves gas in Utility System beyond the date specified in the Agreement. In the event of a Park Imbalance, the Utility may, at its option, purchase, at any time, any remaining inventory quantities from Customer at the applicable Buy-Back Rate stated in Schedule No. G-IMB or charge Customer for Unauthorized Use, unless otherwise specified in the Agreement or agreed to between the Utility and Customer.
13. A Loan Imbalance occurs when Customer returns less gas to the Utility than specified in the Agreement. In the event of a Loan Imbalance, the Utility may replace the gas at a price reasonable for the Agreement's Point of Receipt consistent with the amount of notice provided by Customer, or, at the Utility's sole option, choose not to replace the gas. Where the Utility has replaced the gas, Customer shall be charged the Utility's cost for gas and transport to the Agreement's Point of Receipt, unless otherwise specified in the Agreement or agreed to between the Utility and Customer. Where the Utility has chosen not to replace the gas, Customer shall be charged the daily price, as determined by the method specified in the Agreement, applicable to the days for which an imbalance exists, multiplied by the daily imbalance amount, unless otherwise specified in the Agreement or agreed to between the Utility and Customer.

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Schedule No. GML

Sheet 2

MULTI-FAMILY SERVICE, INCOME QUALIFIED
 (Includes GML-E, GML-C, GML-EC, GML-CC, GT-MLE, GT-MLC and all GMBL Rates)

(Continued)

RATES

The individual unit Baseline therm allocation shall be multiplied by the number of qualified residential units.

	<u>GML/GT-ML</u>	<u>GMBL/GT-MBL</u>
<u>Customer Charge</u> , per meter, per day:	xx.xxx¢ ^{1/}	\$x.xxx

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GML

	<u>GML-E</u>	<u>GML-EC</u>	<u>GT-MLE</u> ^{3/}
<u>Baseline Rate</u> , per therm (baseline usage defined per Special Conditions 3 and 4):			
Procurement Charge: ^{2/}	xx.xxx¢	xx.xxx¢	N/A
<u>Transmission Charge</u> :	xx.xxx¢	xx.xxx¢	xx.xxx¢
Total Baseline Charge (all usage):	xx.xxx¢	xx.xxx¢	xx.xxx¢

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Non-Baseline Rate, per therm (usage in excess of baseline usage):

Procurement Charge: ^{2/}	xx.xxx¢	xx.xxx¢	N/A
<u>Transmission Charge</u> :	xx.xxx¢	xx.xxx¢	xx.xxx¢
Total Non Baseline Charge (all usage):.....	xx.xxx¢	xx.xxx¢	xx.xxx¢

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	<u>GML-C</u>	<u>GML-CC</u>	<u>GT-MLC</u> ^{3/}
<u>Non-Baseline Rate</u> , per therm (usage in excess of baseline usage):			
Procurement Charge: ^{2/}	xx.xxx¢	xx.xxx¢	N/A
<u>Transmission Charge</u> :	xx.xxx¢	xx.xxx¢	xx.xxx¢
Total Non Baseline Charge (all usage):.....	xx.xxx¢	xx.xxx¢	xx.xxx¢

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^{1/} For "Space Heating Only" customers, a daily Customer Charge of 26.519¢ per day applies during the winter period beginning November 1 through April 30. For the summer period beginning May 1 through October 31, with some exceptions, usage will be accumulated to at least 20 one hundred cubic feet (Ccf) before billing.

(Continued)

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Schedule No. GT-F

Sheet 1

FIRM INTRASTATE TRANSPORTATION SERVICE
FOR DISTRIBUTION LEVEL CUSTOMERS

APPLICABILITY

Applicable to firm intrastate transportation-only service for the following customers receiving Noncore Distribution Level Service as defined in Rule No. 1: (1) commercial and industrial, and enhanced oil recovery use at each facility classified as noncore, as defined in Rule No. 1, and (2) electric generation plants.

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TERRITORY

Applicable throughout the service territory.

RATES

Customer Charges

GT-F3D, Commercial/Industrial, per month	\$350
GT-F4D, Enhanced Oil Recovery, per month	\$500
GT-F5D, Electric Generation using less than 3 million therms per year Per month	\$50

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The applicable GT-F5D monthly customer charge shall be determined on the basis of the customer's GT-F5D usage (combined with GT-I5D usage, if applicable) for the most recent twelve-month period. For customers with less than twelve months of historical usage, the customer charge shall be determined on a pro rata basis using the months for which usage is available.

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If the applicable customer charge is collected under Schedule No. GT-I, no duplicative charge shall be collected hereunder.

Transportation Charges

GT-F3D, Commercial/Industrial
Rate, per therm

Tier I	0 - 20,833 Therms	xx.xxx¢
Tier II	20,834 - 83,333 Therms	x.xxx¢
Tier III	83,334 - 166,667 Therms	x.xxx¢
Tier IV	Over 166,667 Therms	x.xxx¢

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Schedule No. GT-F
FIRM INTRASTATE TRANSPORTATION SERVICE
FOR DISTRIBUTION LEVEL CUSTOMERS

Sheet 2

(Continued)

RATES (Continued)

Transportation Charges (Continued)

GT-F4D, Enhanced Oil Recovery
 Rate, per therm x.xxx¢

GT-F5D, Electric Generation*

For customers using less than 3 million therms per year
 Rate, per therm x.xxx¢

For customers using 3 million therms or more per year
 Rate, per therm x.xxx¢

The applicable GT-F5D transportation charge shall be determined on the basis of the customer's GT-F5D usage (combined with GT-I5D usage, if applicable) for the most recent twelve-month period. For customers with less than twelve months of historical usage, the transportation charge shall be determined on a pro rata basis using the months for which usage is available.

* The amount of gas applicable under the electric generation rate is determined in accordance with the provisions stated in Special Condition 22 herein.

Minimum Charge

For commercial/industrial, enhanced oil recovery and electric generation using less than 3 million therms per year service, the minimum monthly charge shall be the applicable monthly customer charge. For electric generation customers using 3 million therms or more per year, the minimum monthly charge shall be the applicable GTF3D customer charge.

Additional Charges

Rates may be adjusted to reflect any applicable taxes, franchise or other fees, regulatory surcharges, and interstate or intrastate pipeline charges that may occur.

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Schedule No. GT-F

Sheet 3

FIRM INTRASTATE TRANSPORTATION SERVICE
FOR DISTRIBUTION LEVEL CUSTOMERS

(Continued)

SPECIAL CONDITIONS

GENERAL

1. Definitions: The definitions of the principal terms used in this schedule are found either herein or in Rule No. 1.
2. Number of Therms: The number of therms to be billed shall be determined in accordance with Rule No. 2.
3. Multiple Use Customer: Customers may receive service under this schedule (a) separately, or (b) in combination with another rate schedule(s). Where service is rendered under (b), a separate monthly customer charge will be applicable for service under each schedule with a customer charge unless otherwise stated.
4. Utility Service Agreement: As a condition precedent to service under this schedule, an executed Master Services Contract, Schedule A, Intrastate Transmission Service (Form Nos. 6597 and 6597-1) is required. All contracts, rates and conditions are subject to revision and modification as a result of Commission order.
5. Term: The contract term for service under this schedule shall be a minimum of two years. In the event the Customer does not subsequently have a new executed agreement for an additional term or an automatic renewal pursuant to Special Condition 15, service will continue to be provided month to month under Schedule No. GT-I.
6. Curtailment: In the event of curtailment, customers served hereunder will be curtailed in accordance with Rule No. 23. Penalties for violation of curtailment shall apply as set forth in Rule No. 23.
7. Change of Consumer's Apparatus or Equipment: In the event customers make a material change, either in the amount or character of their gas appliances or equipment, written notice thereof must be made to the Utility in accordance with Rule No. 29, Change of Consumer's Apparatus or Equipment.
8. Conditional Reclassification: Customers who do not meet historical usage criteria for noncore rate classification under this schedule may conditionally qualify for noncore rate status by submitting a written request to the Utility and providing therein certified evidence documenting the customer's load increases which will meet the minimum consumption requirement on a permanent basis. The customer's written request must further acknowledge that if usage following conditional reclassification is less than the required minimum, the customer shall be rebilled in accordance with the rate schedule otherwise applicable to its usage. The Utility reserves the right to accept or reject any such request.

(Continued)

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Schedule No. GT-F

Sheet 4

FIRM INTRASTATE TRANSPORTATION SERVICE
FOR DISTRIBUTION LEVEL CUSTOMERS

(Continued)

SPECIAL CONDITIONS (Continued)

GENERAL (Continued)

- 9. Service Election: Electric generation, refinery and enhanced oil recovery customers are eligible to receive service under this schedule unless qualified to receive Transmission Level Service, regardless of size. Commercial and non-refinery industrial customers currently meeting the size requirements set forth for Priority 2A customers under Rule No. 23 may elect service under this schedule unless qualified to receive Transmission Level Service. Commercial and non-refinery industrial customers who either (a) elect core service or (b) close their facilities for a period of a year or more (excluding changes in name or ownership) will no longer be eligible for service under this schedule unless they meet the size requirements set forth for Priority 2A customers under Rule No. 23. T
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- 10. Transportation and Balancing Rules: All terms and conditions of Rule No. 30 and Schedule No. G-IMB all apply to the transportation of customer-owned gas under this schedule. T
- 11. Gas Exchange Arrangements: Customers having existing gas exchange agreements with the Utility must exchange the maximum amount of gas allowable under those agreements prior to the delivery of customer-owned gas for transportation under other service agreements, unless otherwise agreed to by the Utility. T

FULL REQUIREMENTS SERVICE

- 12. No Stated Annual Quantity: Customers may elect full requirements service under this schedule. Full requirements customers are not required to contract for a stated annual quantity. T
- 13. No Alternate Fuels or Bypass: Full requirements customers are prohibited from using alternate fuels or bypass pipeline service, except as specified for Full Requirements in Rule No. 1. T
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- 14. Notice of Unauthorized Alternate Fuel or Bypass: In the event of any unauthorized alternate fuel use or bypass, customers must provide the Utility written notice thereof quantifying the extent to which alternate fuel or bypass use occurred. Such notice must be provided prior to the end of the month in which the usage took place. Any unauthorized alternate fuel or bypass use will be subject to a use-or-pay charge equal to 80% of the applicable transportation charge. No other use-or-pay charges are applicable to full requirements service. T
- 15. Renewal: For contracts with an effective date on or after August 1, 2009, full requirements service will automatically be renewed for an additional two-year term following the initial term or any subsequent two-year term unless either party provides a minimum of twenty (20) days prior written notice that the contract or full requirements service is terminated or replaced by a new contract at the end of such term. For contracts with an earlier effective date, in the event the Customer does not subsequently execute an agreement electing an additional term, service will continue to be provided month to month under Schedule No. GT-I. T

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Schedule No. GT-F

Sheet 5

FIRM INTRASTATE TRANSPORTATION SERVICE
FOR DISTRIBUTION LEVEL CUSTOMERS

(Continued)

SPECIAL CONDITIONS (Continued)

PARTIAL REQUIREMENTS SERVICE

- 16. Annual Contract Quantity: A customer not electing full requirements service must contract for an annual quantity of gas applicable each contract year during the term of the customer's contract. The annual contract quantity may not be changed during the term of the customer's contract. The annual contract quantity must be broken down by month into fixed service quantities for each contract year during the term of the contract. The customer may request changes to the monthly quantities on a month-to-month basis, however, the total of the monthly contract quantities for the contract year must equal the annual contract quantity. The monthly contract quantity breakdown may be established on the basis of seasonal variations in the customer's usage in accordance with the customer's historic usage pattern. The Utility reserves the right to accept or reject such requested quantities after considering the customer's historic usage pattern and other evidence provided by the customer regarding operational changes affecting the customer's consumption. T
- 17. Use-or-Pay Charge: If at the end of a contract year, the partial requirements customer's annual usage is less than 75% of the customer's annual contract quantity, the customer will pay a use-or-pay charge equal to 80% of the transportation charge for the last billing month of the contract year times the difference between the customer's actual usage and the 75% threshold. T
- 18. Forgiving Use-or-Pay Charge: Use-or-pay charges applicable to partial requirements service shall only be forgiven to the extent the customer's reduced consumption is specifically due to intrastate curtailment or an event of force majeure, as defined in Rule No. 1, on either the interstate or intrastate systems. T
- 19. Renewal: The contract must be renewed by an amendment or a new contract to continue partial requirements service for another term. In the event the contract is not renewed or extended by the end of the current contract term, partial requirements service will be replaced with month-to-month service under Schedule No. GT-I. T

ELECTRONIC METER READING

- 20. Customers electing noncore service status must have electronic meter-reading equipment installed at Customer's expense as a condition of noncore service. T

(Continued)

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Schedule No. GT-F

Sheet 6

FIRM INTRASTATE TRANSPORTATION SERVICE
FOR DISTRIBUTION LEVEL CUSTOMERS

(Continued)

SPECIAL CONDITIONS (Continued)

USE-OR-PAY AGGREGATION

21. Individual customers served under this schedule may aggregate their firm intrastate transportation service at their facilities for the purpose of use-or-pay penalty determination. In the event a customer aggregates firm intrastate transportation service provided at different transportation rates, any applicable use-or-pay penalty shall be assessed at a weighted average transportation charge based on the proportion of the customer's annual contract quantities for such rates. For use-or-pay aggregation, firm intrastate transportation service may only be aggregated under contracts with concurrent contract year periods. As a condition of service aggregation, customers shall be required to designate in their contracts the applicable facilities and services to be aggregated.

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ELECTRIC GENERATION

22. Amount of Gas Billed: Subject to Special Condition 25, 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:

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- 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.

23. Average Heat Rate: 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.

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24. Measurement Devices: 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.

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Schedule No. GT-F

Sheet 8

FIRM INTRASTATE TRANSPORTATION SERVICE
FOR DISTRIBUTION LEVEL CUSTOMERS

(Continued)

SPECIAL CONDITIONS (Continued)

ELECTRIC GENERATION (Continued)

- 25. Separate Metering: All electric generation customers receiving service at the electric generation transportation rate shall be separately metered unless it can be demonstrated that a separate meter is not economically feasible. L
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- 26. Cogeneration Contract Addendum: 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. T
- 27. Standby Boiler System: 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. T

COMMERCIAL/INDUSTRIAL

- 28. Switch from Distribution to Transmission: 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 Noncore Distribution Service 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 estimated amount of stranded costs associated with customer's request. D
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- 29. Multiple Meters. 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. 14B. T,L
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Lee Schavrien
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Schedule No. GT-F

Sheet 8

FIRM INTRASTATE TRANSPORTATION SERVICE
 FOR DISTRIBUTION LEVEL CUSTOMERS

(Continued)

SPECIAL CONDITIONS (Continued)

LONG-TERM DISCOUNTED CONTRACTS

- 30. Negotiated Long-Term Contracts: 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.
- 31. Effect of Receipt Point Access on Rates: 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.

SERVICE TO CUSTOMERS TAKING SERVICE FROM AN ALTERNATE GAS
 TRANSPORTATION SERVICE PROVIDER

- 32. Customers who receive gas transportation service from an alternate service provider may be subject to the provisions of Rate Schedule GT-TLS, Intrastate Transportation Service for Transmission Level Customers to the extent such alternate service is included in the definition of Bypass as defined in Rule No. 1.

FIRM NONCORE SERVICE IN POTENTIALLY CAPACITY-CONSTRAINED AREAS

- 33. 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.
- 34. Partial Requirements Service: All firm noncore deliveries will be under partial requirements service. Full requirements service is not available.
- 35. 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.

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Schedule No. GT-F

Sheet 10

FIRM INTRASTATE TRANSPORTATION SERVICE
FOR DISTRIBUTION LEVEL CUSTOMERS

(Continued)

SPECIAL CONDITIONS (Continued)

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

- 36. 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). D
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- 37. 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
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- 38. 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.
- 39. 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.
- 40. 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 transportation 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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- 41. Use-or-Pay Aggregation: Individual customers may aggregate their firm intrastate transportation 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 transportation charge. Customers wishing to aggregate their firm intrastate transportation service shall execute the Master Services Contract, Schedule B, Marketer/Core Aggregator Use or Pay Aggregator Agreement (Form 6597-2). T,L
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- 42. 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,L
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(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 4047
 DECISION NO. 09-11-006

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

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 RESOLUTION NO. _____

Schedule No. GT-F

Sheet 11

FIRM INTRASTATE TRANSPORTATION SERVICE
FOR DISTRIBUTION LEVEL CUSTOMERS

(Continued)

SPECIAL CONDITIONS (Continued)

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

43. 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
44. 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
45. Curtailment Violation Charges: Charges will apply hourly for any quantities consumed that exceed those authorized by hour at the following charges:
 \$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. T
46. 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,L
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 Regulatory Affairs

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Schedule No. GT-F

Sheet 12

FIRM INTRASTATE TRANSPORTATION SERVICE
 FOR DISTRIBUTION LEVEL CUSTOMERS

(Continued)

SPECIAL CONDITIONS (Continued)

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

- 47. 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

- 48. Firm Quantities Bid but Not Awarded: Such quantities shall be added to the customer’s interruptible sequence. T

- 49. 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

- 50. 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

- 51. 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: T,L
 - a. Trades must be within the same constrained service area. L
 - 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. L

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 4047
 DECISION NO. 09-11-006

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Schedule No. GT-F

Sheet 13

FIRM INTRASTATE TRANSPORTATION SERVICE
FOR DISTRIBUTION LEVEL CUSTOMERS

(Continued)

SPECIAL CONDITIONS (Continued)

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

51. Intrastate Capacity Trading (Continued)

- 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.
- 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.

IMPLEMENTATION OF D.09-11-006

- 52. Effective February 1, 2010 Transmission Level Service customers served under this schedule shall receive service under Schedule No. GT-TLS,

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 4047
DECISION NO. 09-11-006

13H36

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Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

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Schedule No. GT-I

Sheet 1

INTERRUPTIBLE INTRASTATE TRANSPORTATION SERVICE
FOR DISTRIBUTION LEVEL CUSTOMERS

APPLICABILITY

Applicable for interruptible intrastate transportation-only service for the following customers receiving Noncore Distribution Level Service as defined in Rule No. 1: (1) commercial and industrial, and enhanced oil recovery use at each facility classified as noncore, as defined in Rule No. 1, and (2) electric generation plants. All such noncore customers shall be eligible to receive interruptible intrastate transportation service under this schedule.

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TERRITORY

Applicable throughout the service territory.

RATES

Customer Charges

GT-I3D, Commercial/Industrial, per month	\$350
GT-I4D, Enhanced Oil Recovery, per month	\$500
GT-I5D, Electric Generation using less than 3 million therms per year Per month	\$50

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The applicable GT-I5D monthly customer charge shall be determined on the basis of the customer's GT-I5D usage (combined with GT-F5D usage, if applicable) for the most recent twelve-month period. For customers with less than twelve months of historical usage, the customer charge shall be determined on a pro rata basis using the months for which usage is available.

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If the applicable customer charge is collected under Schedule No. GT-F, no duplicative charge shall be collected hereunder.

Transportation Charges

GT-I3D, Commercial/Industrial
Rate, per therm

Tier I	0 - 20,833 Therms	xx.xxx¢
Tier II	20,834 - 83,333 Therms	x.xxx¢
Tier III	83,334 - 166,667 Therms	x.xxx¢
Tier IV	Over 166,667 Therms	x.xxx¢

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Schedule No. GT-I
INTERRUPTIBLE INTRASTATE TRANSPORTATION SERVICE
FOR DISTRIBUTION LEVEL CUSTOMERS

Sheet 2

(Continued)

RATES (Continued)

Transportation Charges (Continued)

GT-I4D, Enhanced Oil Recovery
 Rate, per therm x.xxx¢

GT-I5D, Electric Generation*

For customers using less than 3 million therms per year
 Rate, per therm x.xxx¢

For customers using 3 million therms or more per year
 Rate, per therm x.xxx¢

The applicable GT-I5D transportation charge shall be determined on the basis of the customer's GT-I5D usage (combined with GT-F5D usage, if applicable) for the most recent twelve-month period. For customers with less than twelve months of historical usage, the transportation charge shall be determined on a pro rata basis using the months for which usage is available.

* The amount of gas applicable under the electric generation rate is determined in accordance with the provisions stated in Special Condition 16 herein.

Minimum Charge

For commercial/industrial, enhanced oil recovery and electric generation using less than 3 million therms per year service, the minimum monthly charge shall be the applicable monthly customer charge. For electric generation customers using 3 million therms or more per year, the minimum monthly charge shall be GT-I3D customer charge.

Additional Charges

Rates may be adjusted to reflect any applicable taxes, franchise or other fees, regulatory surcharges, and interstate or intrastate pipeline charges that may occur.

(Continued)

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Schedule No. GT-I

Sheet 3

INTERRUPTIBLE INTRASTATE TRANSPORTATION SERVICE
FOR DISTRIBUTION LEVEL CUSTOMERS

(Continued)

SPECIAL CONDITIONS

GENERAL

1. Definitions: The definitions of the principal terms used in this schedule are found either herein or in Rule No. 1, Definitions. T
2. Number of Therms: The number of therms to be billed shall be determined in accordance with Rule No. 2. T
3. Multiple Use Customers: Customers may receive service under this schedule (a) separately, or (b) in combination with another rate schedule(s). Where service is rendered under (b), a separate monthly customer charge will be applicable for service under each schedule with a customer charge unless otherwise stated. T
4. Utility Service Agreement: As a condition precedent to service under this schedule, an executed Master Services Contract, Schedule A, Intrastate Transmission Service (Form Nos. 6597 and 6597-1) is required. All contracts, rates and conditions are subject to revision and modification as a result of Commission order. T

In the event customers are unable to execute the necessary contracts by the time service is required, and no alternate schedule is available, they may temporarily receive transportation service under this schedule. Customers receiving temporary service without executed contracts will not be able to: (a) take advantage of Contracted Marketer services, (b) designate Agents to nominate on their behalf, (c) avail themselves of other services which require executed contracts, or (d) group separate facilities for nomination purposes, and instead must nominate separately for the non-contracted facility. All other tariffs and Rules, including, but not limited to, Schedule No. G-IMB, will apply to customers without executed contracts.

5. Term: The minimum contract term for service hereunder shall be one month. T
6. Curtailement: In the event of curtailement, customers served hereunder will be curtailed in accordance with Rule No. 23. Penalties for violation of curtailement shall apply as set forth in Rule No. 23. T

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Schedule No. GT-I

Sheet 4

INTERRUPTIBLE INTRASTATE TRANSPORTATION SERVICE
FOR DISTRIBUTION LEVEL CUSTOMERS

(Continued)

SPECIAL CONDITIONS (Continued)

GENERAL (Continued)

- 7. Change of Consumer's Apparatus or Equipment: In the event customers make a material change, either in the amount or character of their gas appliances or equipment, written notice thereof must be made to the Utility in accordance with Rule No. 29, Change of Consumer's Apparatus or Equipment. T

- 8. Conditional Reclassification: Customers who do not meet historical usage criteria for noncore rate classification under this schedule may conditionally qualify for noncore rate status by submitting a written request to the Utility and providing therein certified evidence documenting the customer's load increases which will meet the minimum consumption requirement on a permanent basis. The customer's written request must further acknowledge that if usage following conditional reclassification is less than the required minimum, the customer shall be rebilled in accordance with the rate schedule otherwise applicable to its usage. The Utility reserves the right to accept or reject any such request. T

- 9. Service Election: Electric generation, refinery and enhanced oil recovery customers may elect service under this schedule unless qualified to receive Transmission Level Service. Commercial and non-refinery industrial customers currently meeting the size requirements set forth for Priority 2A customers under Rule No. 23 may elect service under this schedule unless qualified to receive Transmission Level Service. Commercial and non-refinery industrial customers who either (1) elect core service or (2) close their facilities for a period of a year or more (excluding changes in name or ownership) will no longer be eligible for service under this schedule unless they meet the size requirements set forth for Priority 2A customers under Rule No. 23. T
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- 10. Transportation and Balancing Rules: All terms and conditions of Rule No. 30 and Schedule No. G-IMB shall apply to the transportation of customer-owned gas under this schedule. T

- 11. Gas Exchange Arrangements: Customers having existing gas exchange agreements with the Utility must exchange the maximum amount of gas allowable under those agreements prior to the delivery of customer-owned gas for transportation under other service agreements, unless otherwise agreed to by the Utility. T

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Schedule No. GT-I

Sheet 5

INTERRUPTIBLE INTRASTATE TRANSPORTATION SERVICE
FOR DISTRIBUTION LEVEL CUSTOMERS

(Continued)

SPECIAL CONDITIONS (Continued)

ELECTRONIC METER-READING

12. Customers electing noncore service status must have electronic meter-reading equipment installed at Customer's expense as a condition of noncore service.

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NEGOTIABLE TRANSPORTATION CHARGES

13. Negotiated Short-Term Contracts: By mutual agreement, the Utility and the customer may negotiate interruptible intrastate transportation charges for a term of service of less than five years without CPUC approval. Any such negotiated transportation charges shall be set forth in the customer's service contract. All such service contracts must be submitted by letter to the CPUC and made available for public inspection. No other charges under this schedule shall be negotiable unless CPUC approval is first obtained.
14. CPUC Approval of Long Term Contracts: 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.
15. Contracted Rates: 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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ELECTRIC GENERATION

16. Amount of Gas Billed: Subject to Special Condition 19, 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.

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Schedule No. GT-I

Sheet 6

INTERRUPTIBLE INTRASTATE TRANSPORTATION SERVICE
FOR DISTRIBUTION LEVEL CUSTOMERS

(Continued)

SPECIAL CONDITIONS (Continued)

ELECTRIC GENERATION (Continued)

- 17. Average Heat Rate: 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. L
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- 18. Measurement Devices: 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. T,L
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- 19. Separate Metering: All electric generation customers receiving service at the electric generation transportation rate shall be separately metered unless it can be demonstrated that a separate meter is not economically feasible. T,L
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- 20. Cogeneration Contract Addendum: 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. T
- 21. Standby Boiler System: 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. T

COMMERCIAL AND INDUSTRIAL

- 22. Switch from Distribution to Transmission: 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 Noncore Distribution Level Service 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. D
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Schedule No. GT-I

Sheet 7

INTERRUPTIBLE INTRASTATE TRANSPORTATION SERVICE
 FOR DISTRIBUTION LEVEL CUSTOMERS

(Continued)

SPECIAL CONDITIONS (Continued)

COMMERCIAL AND INDUSTRIAL (Continued)

23. Multiple Meters: 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. 14B.

SERVICE TO CUSTOMERS TAKING SERVICE FROM AN ALTERNATE GAS
 TRANSPORTATION SERVICE PROVIDER

24. Customers who receive gas transportation service from an alternate service provider may be subject to the provisions of Rate Schedule GT-TLS, Intrastate Transportation Service for Transmission Level Customers.

IMPLEMENTATION OF D.09-11-006

25. Effective February 1, 2010 Transmission Level Service customers served under this schedule shall receive service under Schedule No. GT-TLS.

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Rule No. 01
DEFINITIONS

Sheet 2

(Continued)

Billing Cycle: The regular periodic interval for reading a Customer's meter for billing purposes. Usually meters are scheduled to be read monthly.

Branch Service: Service that is not connected to a natural gas main and has another service as its source of supply.

British Thermal Unit (Btu): The standard unit for measuring a quantity of thermal energy. One Btu equals the amount of thermal energy required to raise the temperature of one pound of water one degree Fahrenheit and is exactly defined as equal to 1,055.05585262 joule, rounded to 1,055.056 joule. (A joule is equal to one watt-second.)

Brokerage Fee: Fee charged to customers who procure supply directly from the Utility to cover gas purchasing expenses.

Burn: Natural gas usage as measured by electronic metering or an estimated quantity such as Minimum Daily Quantity (MinDQ) for purposes of compliance with winter delivery requirements as specified in Rule No. 30.

Buyback Rate: Rate applicable to excess imbalance volumes of gas as specified in the Utility's rate schedules. Rate shall generally be the lower of either 1) the Utility's lowest incremental cost of gas; or 2) 50% of the weighted average cost of gas of the applicable gas supply portfolio.

Bypass: Any situation where a customer of the Utility is already connected to, or becomes connected to, an alternate gas supply source or an Alternate Gas Transportation Service Provider. Customers whose only Bypass fuel is one or more of the following shall not be considered a Bypass customer: a) Gas received by Customer that does not meet typical interstate pipeline gas quality specifications or those set forth in the Utility's Rule No. 30, b) Gas that is a product of the oil refining process, c) Gas that is produced and consumed within the service territory of a wholesale customer, or d) digester/landfill gas.

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California Alternate Rates for Energy (CARE) Program: CPUC program that offers reduced rates to qualified low-income customers. Household income of customers qualifying for CARE assistance shall not exceed 200% of the Federal poverty level as established by the CPUC and set forth in the applicable Utility rate schedules. CARE Program was previously known as the Low-Income Ratepayer Assistance (LIRA) Program.

Cogeneration: Sequential use of energy for the production of electrical and useful thermal energy. Sequence can be thermal use followed by power production or the reverse, subject to the following standards: (a) At least 5 percent of the facility's total annual energy output shall be in the form of useful thermal energy. (b) Where useful thermal energy follows power production, the useful annual power output plus one-half the useful annual thermal energy output equals not less than 42.5 percent of any natural gas and oil energy input.

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Rule No. 01
DEFINITIONS

Sheet 3

(Continued)

Commission: Public Utilities Commission of the State of California, sometimes referred to as the Public Utilities Commission (PUC) or the California Public Utilities Commission (CPUC).

Company: See Utility.

Company's Operating Convenience: Use, under certain circumstances, of facilities or practices not ordinarily employed which contribute to the overall efficiency of the Utility's operations; term does not refer to customer convenience nor to the use of facilities or adoption of practices required to comply with applicable laws, ordinances, rules, regulations, or similar requirements of public authorities.

Conservation Meter: Meter to identify conservation applications to calibrate process equipment; to account for fuel and energy invested in a process, a production run, or the like. Not to be used for billing purposes.

Consumer Price Index (CPI): Index as published in the Bureau of Labor Statistics, "Los Angeles--Long Beach--Anaheim Metropolitan Area Consumer Price Indexes".

Contract Quantity, Annual: Annual natural gas quantity contracted for delivery during each contract year. Quantity is based on the customer's historical usage or negotiated on the basis of the customer's operational forecast.

Contract Quantity, Daily (DCQ): Annual average natural gas quantity contracted for delivery, stated on a daily basis. The DCQ is based on historical consumption or forecasted consumption and is set forth in the applicable service agreement. For a Marketer's or Aggregator's end-users, this quantity is the basis for establishing credit with the Utility. The DCQ calculation for Aggregators participating in the Core Aggregation Transportation Program is defined in Rule No. 32.

Contract Quantity, Monthly: Monthly natural gas quantity contracted for delivery during each contract month as set forth in the customer's applicable service agreement. Quantity is based on the customer's historical usage or negotiated on the basis of the customer's operational forecast.

Contracted Marketer: Contracted Marketers are individuals, companies or consortiums that arrange for natural gas procurement-related activities on behalf of noncore customers. Contracted Marketers must enter into a contract with SoCalGas and meet certain credit requirements. They must comply with Rules 30 and 35 and all other tariffs which address the transportation and management of customer-owned gas.

Core Service: Service to end-use Priority 1 or Priority 2A as set forth in Rule No. 23.

Core Subscription Service: Utility natural gas procurement service available to noncore customers. Core subscription service is subject to special conditions as identified in the customer's applicable rate schedule. Core subscription service has been discontinued pursuant to Decision 01-12-018 effective December 1, 2003.

Core Transportation Aggregator (CTA): See Energy Service Provider (ESP).

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Rule No. 01
DEFINITIONS

Sheet 6

(Continued)

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.

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. 14. 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.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 4047
DECISION NO. 09-11-006

ISSUED BY
Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Dec 8, 2009
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Rule No. 01
DEFINITIONS

Sheet 7

(Continued)

Full Requirements Service: Full requirements service is an option for core subscription customers and firm intrastate transportation 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, (3) where the Utility has provided prior written authorization for the use of alternate fuels or bypass, (4) if using gas that is produced and consumed within the service territory of a wholesale customer, or (5) if using digester/landfill gas. Any fuel produced on-site by the customer can be used by the producer without penalty.

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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.

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.

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(TO BE INSERTED BY UTILITY)
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DEFINITIONS

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(Continued)

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.

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.

Interruptible Storage Service: Injection or withdrawal storage service which is provided at times when firm storage capacity is not fully utilized.

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

(Continued)

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

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(Continued)

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 location(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.

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.

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DEFINITIONS

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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.

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 Distribution Level Service: Service to noncore customers not eligible for Transmission Level Service.

Noncore Service: Service to customers who are not assigned to end-use priority 1 or 2A as defined in Rule No. 23. Customers receiving noncore service must have Automated Meter Reading (AMR) equipment installed at customer's expense as a condition of noncore service.

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DEFINITIONS

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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.

Operational Hub Services: Interruptible park and loan Hub transactions provided by the Utility System Operator through the Utility's Rate Schedule G-PAL.

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.

Peak Day Minimum: Volume of gas in Utility storage inventory that provides deliverability for the core 1-in-35 year peak day event, firm withdrawal commitments and noncore balancing requirement. Peak day minimums are calculated annually as part of normal winter operations planning. Peak day minimums are specified in billion cubic feet (Bcf).

Peak Day Minimum + 5 Bcf Trigger: Volume of gas in Utility storage inventory at which customers are required to deliver on a daily basis 90% of burn as specified in Rule No. 30.

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DEFINITIONS

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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.

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.

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DEFINITIONS

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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.

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.

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DEFINITIONS

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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.

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.

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Rule No. 01
DEFINITIONS

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(Continued)

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.

Standby: Gas service used as an alternate energy source, typically for emergency or backup purposes. Includes gas service provided to an existing transmission level customer that takes service from an Alternate Gas Transportation Service Provider and either specifically requests standby service or uses no transportation service from the Utility for any consecutive 24-month period.

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.

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DEFINITIONS

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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.

Transmission Level Service: Service to (1) noncore customers (noncore commercial/industrial, electric generation, enhanced oil recovery and international), as currently defined in the Utility's tariffs, that are served directly from the Utility's transmission system as established by the Utility's capital accounting records, (2) noncore electric generation customers who are served directly from the Utility's high pressure distribution system, are located within five miles of the nearest Utility transmission line, and whose average annual usage is equal to or greater than 50 million therms, (3) noncore customers who were previously classified by California Public Utilities Commission (CPUC) decision as transmission service level customers; (4) noncore customers served from a combination of the Utility's transmission and distribution systems on a single premises, (5) wholesale customers, and (6) customers who Bypass Utility service.

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Rule No. 01
DEFINITIONS

Sheet 18

(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 Gas Procurement Department: The applicable department within Southern California Gas Company and San Diego Gas & Electric Company responsible for the purchase of natural gas for core customers.

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

Utility System Operator: The applicable departments within Southern California Gas Company and San Diego Gas & Electric Company that are responsible for the physical and commercial operation of the pipeline and storage systems specifically excluding the Utility Gas Procurement Department.

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.

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DESCRIPTION OF SERVICE

(Continued)

K. Conversion of Metered Volumes to Therms for Billing Other Than Utility Electric Generation and Wholesale Customers (Continued)

The Btu factor for each Btu district will be determined monthly by dividing the average heating value of deliveries to that Btu district by 1,000. The average heating value in the Btu district is based upon the 4-week period ending on the second Tuesday of a 4-Tuesday month, or the 5-week period ending on the third Tuesday of a 5-Tuesday month. This Btu factor shall be used for all billing cycles of the next revenue month.

Where the Utility has a meter device that automatically gathers and records daily consumption information, the Utility may apply appropriate district daily heating values in determining the customer's bill, rather than a monthly average heating value.

L. Conversion of Metered Volumes for Billing of Utility Electric Generation and Wholesale Customers

The number of therms to be billed shall be the product of the metered volume in Mcf delivered during each billing period for each service location times the conversion factor. The conversion factor will be determined monthly by dividing the average heating value in Btu per cubic foot (dry basis) for each service location by 100. The metered Mcf of gas delivered during each billing period is determined in accordance with other provisions of Rule 2.

M. The Utility reserves the right to refuse gas service to:

1. Any customer whose fuel requirements impose demands only at times which are coincidental with the period of extreme seasonal peak demands on the Utility's system.
2. Any premises for standby purposes. Utility will notify the Commission whenever a denial of service is contemplated.

N. Standby Service to Bypass Customers

1. A Bypass customer will be put on standby service if it meets the conditions specified in Rule No. 1 for standby service.
2. To the extent a Bypass customer requests a new service line or meter from the Utility for standby service as defined in Rule No. 1, the Utility will install the service line or meter at the customer's expense. The customer will be subject to a usage evaluation if it uses no transportation service from the Utility for any consecutive 24-month period.

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Rule No. 02

Sheet 6

DESCRIPTION OF SERVICE

(Continued)

O. Special Facilities

1. Request for Special Facilities. Utility will normally install only those permanent facilities needed to provide standard service pursuant to Rule No. 20, Gas Main Extensions and/or Rule No. 21, Gas Service Extensions. An Applicant for new permanent service or a customer receiving permanent service may request Utility to install special facilities that result in additional cost to Utility over normally installed permanent facilities. If Utility agrees to such installation, Applicant will pay to Utility all costs above Utility's estimated site-specific cost to install, own, maintain, operate and replace permanent, standard facilities, in addition to any other applicable charges pursuant to Utility's tariffs.
2. Special Facilities. Special facilities may be provided to an Applicant for permanent natural gas service or existing customer for permanent natural gas service, and include:
 - a. augmented or new facilities which are in addition to, or substitution for, permanent facilities Utility normally installs to provide standard service under its tariffs; or,
 - b. existing facilities dedicated in whole or part for the sole use of Applicant. Utility will install, own and maintain special facilities, or dedicate existing facilities as an accommodation to the Applicant, only when acceptable to Utility such that Utility retains operational control and can assure reliability of service to Utility's other customers.
3. Costs Charged to Applicant for Special Facilities.
 - a. New Facilities. New facilities that the Utility agrees to install for Applicant's use as special facilities will be installed at Applicant's expense. Applicant will advance to Utility the additional estimated installed cost of the special facilities above Utility's standard facilities. Utility, at its option, may provide Applicant with alternate payment arrangement for installation of new facilities.
 - b. Existing Facilities. Utility's agreement to dedicate existing facilities for Applicant's use as special facilities will be at Applicant's expense. Applicant will pay Utility the applicable portion of the estimated installed cost of the existing facilities dedicated to Applicant.

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(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 4047
 DECISION NO. 09-11-006

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Dec 8, 2009
 EFFECTIVE Feb 1, 2010
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DESCRIPTION OF SERVICE

(Continued)

O. Special Facilities (Continued)

3. Costs Charged to Applicant for Special Facilities. (Continued)

c. Ownership Charge. In addition to providing for the payment of charges under any other applicable tariff, the Applicant will pay ownership charge or charges for either Utility-financed or Customer-financed facilities. The monthly ownership charge for Utility-financed facilities includes depreciation, authorized return, income taxes, property taxes, Operation and Maintenance (O&M) expense Administrative and General (A&G) expense, Franchise Fees and Uncollectibles (FF&U), property insurance and replacement, if needed, for 60 years at no additional cost to the customer. The monthly ownership charge for Customer-financed facilities includes property taxes, Operation and Maintenance (O&M) expense, Administrative and General (A&G) expense, Franchise Fees and Uncollectibles (FF&U), property insurance and replacement, if needed, for 60 years at no additional cost to the customer. At Utility's discretion, dependent on such factors as the Applicant's creditworthiness, longevity of the project, practicality of collecting periodic payments, administration of the contract and other factors, Utility may require Applicant to pay the monthly Utility-financed or Customer-financed charge, or a lump sum payment, or Utility may agree to other payment arrangements.

(1) Monthly Ownership Charge. At the Utility's option, the Applicant will be required to pay monthly Utility-financed or Customer-financed ownership charges, as follows:

<u>Type of Facility</u>	<u>Financing</u>	<u>Monthly Charge</u>
Distribution	Customer	0.51% of the amount advanced
	Utility	1.39% of the additional cost

These monthly ownership charges will commence when the special facilities are first ready to serve, as determined by Utility. Utility will notify Customer of this date, through its first invoice. The monthly ownership charges to Customer will automatically change in the event the rates set forth in this Rule 2 change.

(2) Lump-Sum Payment. At Utility's option, the Applicant may be required to make an equivalent one-time payment in lieu of the monthly charge. The one-time payment will equal the estimated cost of the special facilities, plus the estimated cost of removal or abandonment less the estimated net salvage value of removed or abandoned materials. This payment will be required in the event that the Applicant terminates the use of the special facilities at any time within five (5) years immediately following the date the special facilities are first ready to serve.

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(TO BE INSERTED BY UTILITY)
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Rule No. 02

Sheet 8

DESCRIPTION OF SERVICE

(Continued)

O. Special Facilities (Continued)

3. Costs Charged to Applicant for Special Facilities. (Continued)

c. Ownership Charge. (Continued)

(3) Periodic Review. Utility will periodically review the factors it uses to determine the monthly ownership charges stated in this section of this rule. If such review results in a change of more than five percent (5%), the Utility will submit a tariff revision proposal to the Commission for review and approval. Such proposed changes will be submitted no sooner than six (6) months after the last revision.

4. Contracts for Special Facilities. Applicant requesting special facilities will be required to execute a written contract prior to Utility performing its work to install or dedicate special facilities. The general form of such contract shall be on file with the Commission.

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(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 4047
DECISION NO. 09-11-006

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ISSUED BY

Lee Schavrien
Senior Vice President
Regulatory Affairs

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Rule No. 23

Sheet 1

CONTINUITY OF SERVICE AND INTERRUPTION OF DELIVERY

A. General

The Utility will exercise reasonable diligence and care to furnish and deliver service to its customers, and to avoid any interruption of same. The Utility shall not be liable for damages or otherwise for any failure to deliver gas or provide service to its customers, which failure in any way or manner results from breakage of its facilities, however caused, war, riots, acts of God, strikes, failure of or interruption in service, operating limitations or other conditions beyond its reasonable control.

B. Priority of Service

In the event of a curtailment, as defined in Rule No. 1, the Utility shall curtail gas service to customers as described in Section C, Curtailment of Service, herein. Customer usage will be assigned to appropriate end-use priority or service classifications as set forth below.

Core Service

Priority 1 All residential usage regardless of size. All nonresidential usage less than 20,800 therms per active month*, excluding usage reclassified to noncore service pursuant to customer request. All electric generation, refinery and enhanced oil recovery (EOR) usage less than 20,800 therms per active month* electing core service.

Priority 2A All nonresidential usage of 20,800 therms or greater per active month* eligible for core service, not electing noncore service.

Noncore Service

Noncore Service includes: (1) commercial and industrial usage electing noncore service, (2) electric generation, EOR, and refinery usage less than 20,800 therms per active month* electing noncore service, and (3) all usage ineligible for core service, including (a) refinery and EOR usage of 20,800 therms or greater per active month* and (b) all electric generation usage from generators greater than 1 megawatt (MW) system rated generating capacity, based on net continuous power output with usage of 20,800 therms or greater per active month*.

Firm Service All usage served through firm intrastate transmission service.

Interruptible All usage served through interruptible intrastate transmission service. Interutility deliveries shall be considered interruptible intrastate service.

* A customer shall be considered to meet the size criteria of 20,800 therms or greater per active month when on an annualized basis, for any period of 12 contiguous months within the most recent 24-month period, the customer's active month consumption averages 20,800 therms or greater. An active month is one in which consumption exceeds 1,000 therms.

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(TO BE INSERTED BY UTILITY)
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Rule No. 30

Sheet 4

TRANSPORTATION OF CUSTOMER-OWNED GAS

(Continued)

D. Operational Requirements (Continued)

3. Receipt Point Capacity (Continued)

- Nominations using Firm Primary receipt point access rights will have first priority; pro-rated if over-nominated*.
- Nominations using Firm Alternate receipt point access rights within the associated transmission zone will have second priority (“Firm Alternate Within-the-Zone”); pro-rated if over-nominated.
- Nominations using Firm Alternate receipt point access rights outside the associated transmission zone will have third priority (“Firm Alternate Outside-the-Zone”); pro-rated if over-nominated.
- Nominations using Interruptible receipt point access right will have fourth priority, pro-rated if over-nominated.
- Firm Primary rights can “bump” any Firm Alternate scheduled quantities through the Evening Cycle.
- Firm Alternate Within-the-Zone rights can “bump” Firm Alternate Outside-the-Zone scheduled quantities through the Evening Cycle.
- Firm Primary and any Firm Alternate can “bump” interruptible scheduled quantities through the Intraday 1 Cycle.
- Bumping will not be allowed in the Intraday 2 Cycle.

* If the available firm receipt point capacity at a particular receipt point or within a particular transmission zone is less the firm capacity figures stated in Schedule No. G-RPA, scheduling of firm receipt point capacity nominations will be pro rata within each scheduling cycle. Any nominations of firm receipt point rights acquired through the addition of Displacement Receipt Point Capacity facilities will be reduced pro rata to zero at the applicable receipt point or within the applicable transmission zone prior to other firm receipt point rights nominations being reduced.

Notice to bumped parties will be provided via the Transactions module in EBB. Bumping in Intraday 1 is subject to the NAESB elapsed pro rata rules.

4. Storage Service Capacity

Each day, storage injection and withdrawal capacities will be set at their physical operating maximums under the operating conditions for that day and posted on the Utility’s EBB. The Utility will use the following rules to limit the nominations to the storage maximums.

- Nominations using Firm rights will have first priority, pro-rated to the available firm capacity.

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(TO BE INSERTED BY UTILITY)
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TRANSPORTATION OF CUSTOMER-OWNED GAS

(Continued)

D. Operational Requirements (Continued)

4. Storage Service Capacity (Continued)

- All other nominations using Interruptible rights will have second priority, pro-rated if over-nominated based on the daily volumetric price paid.
- Firm rights can “bump” interruptible scheduled quantities through the Intraday 2 cycle.
- Firm rights can “bump” interruptible scheduled quantities in Intraday 3 cycle to accommodate confirmations of customers’ unused pro rata shares of the available firm capacity.

Notice to bumped parties will be provided via the Transactions module in EBB. Bumping is subject to the NAESB elapsed prorata rules.

5. Off-System Delivery (OSD) Service

For each flow date, the Utility will determine the quantity of capacity available for off-system deliveries. The quantity will include that available via physical redelivery from the Utility system along with displacement of forward haul flowing supplies. For each nomination cycle, the Utility customers who have contracted with the Utility for off-system delivery service may submit a nomination for such service pursuant to Schedule No. G-OSD, for deliveries to the PG&E system.

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.

6. Nominations

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

(Continued)

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TRANSPORTATION OF CUSTOMER-OWNED GAS

(Continued)

D. Operational Requirements (Continued)

10. 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.
11. 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.

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

1. The Utility System Operator's protocol for declaring an Operational Flow Order (OFO) is described in Rule No. 41. Any OFO shall apply to all customers, including wholesale customers and the Utility Gas Procurement Department. D
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2. The OFO period shall begin on the flow date(s) indicated by the Utility Gas Control Department. Customers shall be allowed to reduce their nominations or adjust their supply ranking in response to the OFO. N
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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.

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TRANSPORTATION OF CUSTOMER-OWNED GAS

(Continued)

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

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. For the Utility Gas Procurement Department, the Daily Forecast Quantity will be used as a proxy for daily usage. For core aggregators, their Daily Contract Quantity will be used as a proxy for daily usage.

G. Winter Deliveries

The Utility requires that customers deliver (using a combination of flowing supply and 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 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. Authorized F&U will not be added to any daily stand-by balancing charge for the Utility Gas Procurement Department to the extent it is collected elsewhere. Imbalance trading may not be used to offset the delivery minimums.

- 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, the Daily Contract Quantity for core aggregators, or the Daily Forecast Quantity for the Utility Gas Procurement Department.
- 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 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).

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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.

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 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. Authorized F&U will not be added to any daily stand-by balancing charge for the Utility Gas Procurement Department to the extent it is collected elsewhere. In this regime interruptible storage withdrawal is cut in half subject to the scheduling priorities established in Section D.8. All Operational Hub Services contributing to the underdelivery situation (i.e., Operational Hub deliveries greater than Operational Hub receipts) are suspended. All of the requirements in this paragraph are waived for the days that an OFO is in effect.

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 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.

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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 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). Authorized F&U will not be added to any daily stand-by balancing charge for the Utility Gas Procurement Department to the extent it is collected elsewhere. In this regime there are no interruptible storage withdrawals. All Operational Hub Services contributing to the underdelivery situation (i.e., Operational Hub Service deliveries greater than Operational Hub Service receipts) is suspended. All of the requirements in this paragraph are waived for the days that an OFO is in effect.
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. Noncore daily balancing and monthly balancing charges go to the Purchased Gas Account (PGA). Net revenues from core daily balancing and monthly balancing charges go to the Noncore Fixed Cost Account (NFCA). 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:

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Rule No. 33

Sheet 3

ELECTRONIC BULLETIN BOARD (EBB)

(Continued)

D. ACCESS AND RESTRICTIONS (Continued)

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.

E. OPERATIONAL AND INFORMATION POSTINGS

1. Operational Postings

- Transmission Zone and Receipt Point Capacities on a cycle-by-cycle basis;
- Storage capacities (injection and withdrawal) on a cycle-by-cycle basis;
- Derivation of system capacities;
- Estimated daily (and hourly if available) pipeline operational and scheduling information, e.g., system sendout, off-system deliveries and scheduled quantities at all receipt points*;
- Actual daily (and hourly if available) pipeline operational and scheduling information, e.g., system sendout, off-system deliveries and scheduled quantities at all receipt points;
- Estimated daily storage operational and scheduling information, e.g., injection capacity and scheduled injections, withdrawal capacity and scheduled withdrawals*;
- Actual daily storage operational and scheduling information, e.g., injection capacity and scheduled injections, withdrawal capacity and scheduled withdrawals;
- Daily total physical storage inventory levels**;
- Weekly physical core storage inventory levels;
- Daily operational information depicted in graphical form to show storage inventory levels;
- Status of system balancing rules (daily, winter, monthly);

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Rule No. 33
ELECTRONIC BULLETIN BOARD (EBB)

Sheet 6

(Continued)

F. 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 and Software Documentation. 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 Log On 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.

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Rule No. 33

Sheet 7

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ELECTRONIC BULLETIN BOARD (EBB)

(Continued)

G. 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).
3. Any Services or actions taken through the use of a User's Logon ID, regardless of the person initiating such action using User's Logon ID, will be binding on User and all transactions entered into with the User's Logon ID will be legally binding on User in accordance with the Tariff Rules, Schedules and any contract applicable to such transaction, whether or not such applications including transactions or actions were, in fact, authorized by User.
4. All Services which are transactions entered into through the EBB shall be deemed to be "in writing" and to have been "signed" for all purposes and that any record of any such transaction will be deemed to be "in writing". Utility and User will not contest the legally binding nature, validity or enforceability of any transaction executed through the EBB based on the fact that it was entered into and executed electronically, and expressly waive any and all rights either may have to assert any such claim. Accordingly, an electronic signature by a party transmitted to the other party may be relied upon, and is enforceable for all purposes in connection herewith and no manual signature shall be required in lieu thereof. However, additional terms or conditions proposed by User in any transmission involving Utility's services shall be deemed rejected unless accepted by Utility in writing.
5. Customer shall indemnify and hold harmless Utility from and against any actions, claims, liabilities, damages, costs and expenses (including reasonable attorneys' fees and disbursements) arising in connection with its utilization of Utility's EBB or the licensed materials or resulting from or arising out of any act or omission by any person obtaining access to the EBB through User's Logon ID; provided, however, Utility shall be responsible and indemnify and hold harmless User from and against any actions, claims, liabilities, damages, costs and expenses (including reasonable attorneys' fees and disbursements) related to Utility's ownership of the EBB and the licensed materials.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 4047
DECISION NO. 09-11-006

ISSUED BY
Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
SUBMITTED Dec 8, 2009
EFFECTIVE Feb 1, 2010
RESOLUTION NO. _____

Rule No. 33

Sheet 8

T

ELECTRONIC BULLETIN BOARD (EBB)

(Continued)

H. UTILITY REPRESENTATION

1. Utility's provision of access to the EBB and any and all use thereof is strictly on an informational basis only.
2. Utility does not represent or warrant that the EBB will meet authorized User's requirements or that their operation will be uninterrupted or error-free, and specifically disclaims any representation of fitness for any particular purpose or use.
3. Utility's provision of access to the EBB and its maintenance thereof shall in no way be construed as to imply or provide any warranty, sponsorship, or approval by Utility as to the efficacy of the EBB nor of any of the arrangements or relationships made by or based on the use of the EBB by authorized User or any representatives acting on User's behalf.
4. Utility expressly disclaims any warranty, representation or opinion, whether expressed or implied, as to the legal enforceability of any relationship which authorized User may enter into associated in any way with information obtained from the EBB.
5. The establishment, maintenance or termination of any commercial or legal relationship(s) between authorized User and any other party or parties ("Third Parties") based in whole or in part on information obtained from the EBB are the sole responsibility of the authorized User and such Third Parties.
6. Authorized User shall indemnify, hold harmless and defend Utility, its officers, agents and employees, from and against any and all loss, damage, expense, cost (including reasonable attorneys' fees, costs and disbursements) and/or liability arising out of or in any way connected with the performance or non-performance of the EBB, however caused, except to the extent caused by active negligence or willful misconduct of Utility, its officers, agents and employees.
7. User is solely responsible for the selection of Services, particular transactions and products to achieve User's intended results. Utility disclaims any warranty, and makes no opinion, express or implied, as to the advisability or enforceability of any arrangement or relationship User may enter into with any third party based upon the EBB or information obtained from or through the EBB, or the suitability or fitness of such third party. Utility also disclaims any responsibility for any loss or injury attributable in whole or in part to its actions or inactions in connection with the EBB (but any separate contract entered into by Utility and User through the EBB shall be governed by the terms thereof). Such disclaimer by Utility includes without limitation any actions or inactions of Utility related to the design and operation of the EBB, User utilization of the EBB for any purpose or any error or malfunction related thereto, including its availability at times desired by User.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 4047
DECISION NO. 09-11-006

ISSUED BY
Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
SUBMITTED Dec 8, 2009
EFFECTIVE Feb 1, 2010
RESOLUTION NO. _____

Rule No. 33

Sheet 9

T

ELECTRONIC BULLETIN BOARD (EBB)

(Continued)

H. UTILITY REPRESENTATION (Continued)

6. If any transmission/communication is received in an unintelligible, electronically unreadable, or garbled form, the receiving party shall promptly notify the originating party (if identifiable from the received transmission) in a reasonable manner. The sending party shall make reasonable efforts to promptly transmit a corrected, non-garbled communication in lieu of the original message.
7. In the event of a dispute, Utility's electronic records (or a "hard copy" downloaded therefrom) are conclusive evidence of any transaction or data applicable thereto.

I. GENERAL CONDITIONS

1. Access to and utilization of the EBB by User may be monitored by Utility for purposes of monitoring levels of activity in categories of transactions, for purposes of maintaining the functional and operational integrity of the EBB and for purposes of determining compliance with applicable laws and regulations.
2. The information obtained by Utility from monitoring the transactions of Users shall remain confidential and shall not be disclosed by Utility to third parties except as may be required to comply with regulatory reporting requirements or otherwise required by law. Information submitted by a User regarding bids, offers, or transactions may be displayed by Utility on the EBB provided such displays will not identify User by any identifying information prohibited by the Commission.
3. In no event will Utility or User be liable for any special, indirect, incidental, punitive, or consequential damages in connection herewith as provided in Rule No. 04, even if one party has advised the other of the possibility of such damages.

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 4047
DECISION NO. 09-11-006

9H18

ISSUED BY

Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

SUBMITTED Dec 8, 2009
EFFECTIVE Feb 1, 2010

RESOLUTION NO. _____

Rule No. 41
UTILITY SYSTEM OPERATION

Sheet 1

The Utility's operational organization, procedures, and reporting requirements are described herein.

STRUCTURE, PROCEDURES, AND PROTOCOLS

1. The mission of the Utility System Operator is to maintain system reliability and integrity while minimizing costs at all times.
2. The term "Utility System Operator" as defined in Rule No.1 denotes all of the applicable departments within Southern California Gas Company and San Diego Gas & Electric Company responsible for the physical and commercial operation of the pipeline and storage systems specifically excluding the Utility Gas Procurement Department. The Utility System Operator's organizational structure is described below.

The daily overall physical transmission and storage system reliability operations within the Utility System Operator are conducted by the Gas System Operations Department, which is located in the Gas Operations organization. The Gas System Operations Department contains the Gas Control Department and the Gas Scheduling Department. The activities involved in meeting any physical flowing gas supply requirements as determined by the Gas Control Department are conducted by the Operational Hub, which is located in the Storage and Hub Products Department within the Energy Markets and Capacity Products Department. The Energy Markets and Capacity Products Department is located in the Customer Services organization. The Gas Operations and Customer Services organizations report to different Vice Presidents.

3. The Gas Control Department is the sole authority for: operating the pipeline and storage system, developing the system sendout (i.e., demand) forecasts to be used for purposes of determining on a daily basis Southern System minimum flow requirements, and for issuing Operational Flow Orders ("OFOs").
4. The Gas Control Department will fully utilize storage injection capacity prior to issuing an OFO. The Gas Control Department is responsible for calculating forecasted sendout and physical storage injection capacity. For every nomination cycle, the Gas Scheduling Department shall calculate the system capacity as the sum of forecasted sendout, physical storage injection capacity, and available off-system nominations. "Available" off-system nominations are the nominations that have been made by customers and in the SoCalGas scheduling system. The forecasted system capacity shall then be compared to the latest scheduled quantities, with the exception of the Evening Cycle when the forecasted system capacity shall be compared to confirmed nominations from the Timely Cycle. The following table summarizes which quantities are used in each cycle for the OFO calculation:

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 4047
DECISION NO. 09-11-006

ISSUED BY
Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Dec 8, 2009
EFFECTIVE Feb 1, 2010
RESOLUTION NO. _____

Rule No. 41
UTILITY SYSTEM OPERATION

Sheet 2

(Continued)

STRUCTURE, PROCEDURES, AND PROTOCOLS (Continued)

4. (Continued)

<u>Cycle</u>	<u>Quantity Used for OFO Calculation</u>
1) Timely	Prior Flow Day - Evening Cycle Scheduled Quantity
2) Evening	Current Flow Day - Timely Cycle Confirmed Quantity
3) Intraday 1	Current Flow Day - Evening Cycle Scheduled Quantity
4) Intraday 2	Current Flow Day - Intraday 1 Cycle Scheduled Quantity

An OFO may be issued only if the level of quantities, from the table above, exceeds the forecasted system capacity. System linepack will not be part of the formula used to determine when an OFO shall be issued. The conditions for issuing an OFO are summarized below.

An OFO is issued if Forecasted System Capacity < Scheduled Quantities*

* *Confirmed Nominations from the Timely Cycle shall be used for the Evening Cycle*

Where,

Forecasted System Capacity = Forecasted Sendout
+ Physical Storage Injection Capacity
+ Available Off-System Nominations

5. The minimum flowing supply for the Southern System is a function of the forecasted gas demand for the Southern System, including SDG&E demand, less the capability to provide additional supplies to the Southern System from the Northern System or storage via the Chino and Prado crossovers, and other factors, such as but not limited to: the state of the Southern System, demand and supply available on the remainder of the Utility system, and expectations of changing demand patterns. The Gas Control Department estimates the level of demand and the Chino/Prado crossover capability each day. The Utility System Operator will use all of its available transmission facilities to move gas from the Northern System to the Southern System.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 4047
DECISION NO. 09-11-006

ISSUED BY
Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Dec 8, 2009
EFFECTIVE Feb 1, 2010
RESOLUTION NO. _____

N
N

Rule No. 41

Sheet 4

UTILITY SYSTEM OPERATION

(Continued)

STRUCTURE, PROCEDURES, AND PROTOCOLS (Continued)

8. The Gas Control Department shall be physically separated from those departments engaging in marketing/sales activities, shall have no knowledge of or involvement in any marketing/sales activities, and shall be strictly concerned with the operation, safety, and integrity of the pipeline and storage system. The Operational Hub shall have no access to non-public customer-specific information other than the information it obtains through its own contracts, negotiations, and discussions with customers. The Gas Control Department may communicate with the Operational Hub to discuss changes to the Southern System minimum flow requirements, circumstances that might require the Operational Hub to obtain supplies, and options to ensure minimum flowing supplies requirements are met. Discussions may also take place with regard to short-term operational needs for flowing supplies to support system reliability elsewhere on the system that may arise to support operations and maintenance (O&M) activities, related pipeline integrity work, or to address a force majeure event such as a line breakage or failure.

PURCHASES AND SALES TO MANAGE MINIMUM FLOW SUPPLIES

9. The Utility shall issue an RFO at least annually for proposals enabling the Utility to manage its minimum flow requirements to the Southern System delivery points for system reliability. The Utility, at its sole discretion, may enter into transactions with one or more RFO respondents to provide the best value to the Utility's customers based upon the Utility's evaluation criteria. The RFO shall not be a binding offer by the Utility to enter into a contract for any product(s) or service(s). The Utility shall reserve the right to reject any or all offers submitted in response to the RFO.
10. Any contract with an RFO respondent will be conditioned on the Utility obtaining the prior approval of the California Public Utilities Commission (CPUC) acceptable to the Utility. Respondent offers will be considered non-binding until a definitive agreement is reached between the respondent and the Utility, and the CPUC issues an order approving the definitive agreement memorializing the terms and conditions of the transaction between the respondent and the Utility.
11. Except for transactions related to the Utility Gas Procurement Department's role as "provider of last resort" (addressed below in Section 12), any gas commodity purchases and sales between the Operational Hub and the Utility Gas Procurement Department or an affiliate of Sempra Energy will occur through an Independent Party, where the counterparties are not known until after the transaction is completed. "Independent Party" refers to gas trading exchanges such as the Intercontinental Exchange (ICE), gas brokers who have been instructed to provide no preference to Sempra affiliates or to the Utility Gas Procurement Department, or open auctions available to all qualified parties conducted by the Operational Hub, in which gas purchases or sales are made with counter-parties that are not known until after the transaction is completed.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 4047
DECISION NO. 09-11-006

ISSUED BY
Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Dec 8, 2009
EFFECTIVE Feb 1, 2010
RESOLUTION NO. _____

Rule No. 41

Sheet 5

UTILITY SYSTEM OPERATION

(Continued)

PURCHASES AND SALES TO MANAGE MINIMUM FLOW SUPPLIES (Continued)

12. The Utility Gas Procurement Department will act on a best-efforts basis to provide gas supplies based on the Operational Hub's request if called upon as a provider of last resort. "Provider of last resort" relates to the circumstance in which the Operational Hub has attempted to use all other available tools, has entered the open market for gas commodity purchases, has been unsuccessful in meeting its need to receive a required volume of flowing supplies at a specific location, and system reliability is therefore jeopardized. If the Operational Hub has exhausted its other options available to acquire the required flowing supplies, it will contact the Utility Gas Procurement Department and request that it provide gas to meet the remaining minimum flow requirement. Such requests will occur as soon as possible during the actual flow day. The Utility Gas Procurement Department will charge the Operational Hub the actual incremental costs incurred to provide the specific supplies. Verification that the Utility has followed this procedure will be included in the annual compliance report provided to the CPUC in conjunction with the Advice Letter addressed in Section 23 below.
13. Standards and criteria for spot purchases or sales of gas commodity for which standards and criteria are not specified in CPUC-approved contracts shall be as follows:
- a. Should it be necessary for the Operational Hub to purchase or sell spot supplies of gas in the day-ahead market, the Operational Hub shall be deemed to have made reasonable (1) spot purchases if the purchase price is less than or equal to 110% of the Platt's Gas Daily Midpoint for the flow date for the relevant trading point and (2) spot sales if the sale price is greater than or equal to 90% of the Platt's Gas Daily Midpoint for the flow date for the relevant trading point.
 - b. Should it be necessary for the Operational Hub to purchase or sell spot supplies of gas in the intraday market, the Operational Hub shall be deemed to have made reasonable (1) spot purchases if the purchase price is less than or equal to 110% of the Platt's Gas Daily high of the Common range for the current flow date for the relevant trading point and (2) spot sales if the sale price is greater than or equal to 90% of the Platt's Gas Daily low of the Common range for the current flow date for the relevant trading point.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 4047
DECISION NO. 09-11-006

ISSUED BY
Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Dec 8, 2009
EFFECTIVE Feb 1, 2010
RESOLUTION NO. _____

Rule No. 41

Sheet 6

UTILITY SYSTEM OPERATION

(Continued)

PURCHASES AND SALES TO MANAGE MINIMUM FLOW SUPPLIES (Continued)

14. Purchases or sales at prices that are outside the ranges specified in Section 13 (a) and (b) above shall nevertheless be deemed reasonable if the Operational Hub abides by the following procedure: When the Gas Control Department determines that spot purchases are necessary to meet minimum flow requirements, the Operational Hub shall monitor ICE and record the relevant price information, if available, for deliveries of gas at all relevant trading points. If volumes available on ICE meet or exceed the minimum flow requirements, transactions for the volumes offered through ICE shall be deemed reasonable. The Operational Hub may also post an offer/bid on ICE for volumes. When less than the required volumes are available on ICE, the Operational Hub shall contact gas suppliers (other than the Utility Gas Procurement Department or affiliates), request offers for the necessary supplies, and record their offers for gas delivered to the relevant trading points to ensure at least three offers from three different suppliers are available for comparison. The Operational Hub shall compare prices posted on ICE and, if applicable, prices quoted by its supplier contacts, and select the best prices available to meet the quantities required to meet minimum flow requirements. Verification that the Operational Hub has followed this procedure shall be provided to the CPUC in the Annual Compliance Report described in Section 23 below.
15. Purchases and sales other than those described in Section 14 above will not be deemed unreasonable but shall be subject to review and any requests for explanation by the CPUC Energy Division in conjunction with the Annual Compliance Report described in Section 23 below.
16. Standards, criteria and procedures set forth in Sections 13, 14 and 15 apply to Operational Hub's purchases and sales as of April 1, 2009.
17. The Utility shall seek CPUC authority for any additional tools (other than system modifications that can be completed without an application under current rules) necessary to meet the Southern System minimum flow requirement through an application. Any contracts that are not obtained through an RFO process relating to already-approved tools (i.e., gas purchases, gas exchanges) will be submitted to the CPUC for approval by Advice Letter. Advice Letters seeking approval of the Operational Hub contractual arrangements shall identify the order in which contracts will be implemented to ensure system reliability and integrity at least cost.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 4047
DECISION NO. 09-11-006

ISSUED BY
Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Dec 8, 2009
EFFECTIVE Feb 1, 2010
RESOLUTION NO. _____

MASTER SERVICES CONTRACT - SCHEDULE A
INTRASTATE TRANSMISSION SERVICE
(Form 6597-1, Revised 11/2009)

T

(See Attached Form)

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 4047
DECISION NO. 09-11-006

1H15

ISSUED BY

Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Dec 8, 2009
EFFECTIVE Feb 1, 2010
RESOLUTION NO. _____

MASTER SERVICES CONTRACT

SCHEDULE A

INTRASTATE TRANSMISSION SERVICE

This Agreement is entered into by and between Southern California Gas Company ("Utility") and _____ ("Customer") as of the ____ day of _____ . This Agreement shall be deemed attached to and incorporated as a Schedule in the Master Services Contract ("MSC") executed by the Parties.

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

Section 1 - Scope

A. Intent

This Agreement sets forth the general terms and conditions under which Utility will transport gas, or transport and procure gas, for Customer in California pursuant to Utility's applicable Tariff Rate Schedules and Tariff Rules ("Tariffs") on file with the Public Utilities Commission of the State of California ("CPUC"), as are in effect from time to time.

To the extent not inconsistent herewith, the provisions of the MSC are incorporated by reference in this Agreement. All tariffed transmission services by Utility shall be paid for by Customer at the rates specified in the applicable Tariffs, except as otherwise specified herein. Nothing in this Agreement shall be construed as preventing Utility and Customer from mutually agreeing to conditions which are more stringent than set forth in the Tariffs.

B. Effective Date/Term

- (1) The Effective Date of this Agreement shall be as of 12:00 AM on _____.
- (2) The Initial Term of this Agreement shall extend from the Effective Date and end on _____.

C. Renewals/Amendments

- (1) Upon the expiration of any Billing Schedule Sequence term in Section 2, such Sequence shall automatically continue at the Otherwise Applicable Rate for the renewal period shown, unless that Sequence or this Agreement is amended or terminated by written notice from one party to the other given not less than twenty (20) days prior to the last day of the initial Sequence/Agreement term or any subsequent term thereafter.
- (2) The Otherwise Applicable Rates and renewal periods shown in Section 2 are subject to change pursuant to Utility's applicable Tariffs.

Section 2 - Services Provided and Redelivery Locations

Customer has requested and agreed to pay for, and Utility has determined that Customer is qualified for transmission services to the following locations (the data provided will be utilized by Utility in determinations regarding curtailment):

Facility A

Facility Name: _____
 Account Number: _____
 Address: _____

Mail copy of Bill to this Facility: _____

Facility Mailing Address: _____

Measurement Location(s):

Full Requirements _____ (Noncore only)

Facility Customer Contacts

Operations

Name: _____
 Title: _____
 Address: _____

 Tel. No: _____
 Fax No: _____
 Wireless Phone: _____
 E-mail: _____

Emergency

Name: _____
 Title: _____
 Address: _____

 Tel No: _____
 Fax No: _____
 Wireless Phone: _____
 E-mail: _____

Customer shall notify Utility in the event of any change in the gas requirements or notification designations for this facility.

BILLING SCHEDULE SEQUENCE <u>01</u>				
Rate Schedule	Priority	Net Billed	Transmission Rates Tariff/Negotiated	Otherwise Applicable Rate
The term of this sequence is for _____ (months or years), and shall automatically continue thereafter on the Otherwise Applicable Rate Schedule specified with automatic renewal periods of _____ (months or years).				

DAILY SCHEDULED QUANTITY (THERMS) _____, or

MONTHLY SCHEDULED QUANTITY (THERMS)			
January	_____	July	_____
February	_____	August	_____
March	_____	September	_____
April	_____	October	_____
May	_____	November	_____
June	_____	December	_____

Annual Quantity _____

Use or Pay Aggregator (Yes/No) _____

Customer's regular days for operations under this sequence are:

M _____ T _____ W _____ Th _____ F _____ Sat _____ Sun _____

BILLING SCHEDULE SEQUENCE 02				
Rate Schedule	Priority	Net Billed	Transmission Rates Tariff/Negotiated	Otherwise Applicable Rate
The term of this sequence is for _____ (months or years), and shall automatically continue thereafter on the Otherwise Applicable Rate Schedule specified with automatic renewal periods of _____ (months or years).				

DAILY SCHEDULED QUANTITY (THERMS) _____, or

MONTHLY SCHEDULED QUANTITY (THERMS)			
January	_____	July	_____
February	_____	August	_____
March	_____	September	_____
April	_____	October	_____
May	_____	November	_____
June	_____	December	_____

Annual Quantity _____

Use or Pay Aggregator (Yes/No) _____

Customer's regular days for operations under this sequence are:

M _____ T _____ W _____ Th _____ F _____ Sat _____ Sun _____

Section 3 - Other Existing Transportation/Exchange Arrangements

- (1) Customer has existing intrastate transportation/exchange arrangements with Utility: _____
- (2) Date of Arrangement: _____
- (3) Term of Arrangement: _____
- (4) This Agreement shall have no impact on such existing arrangement except: _____

Section 4 - Transportation Services

Customers "Order Control Code" (OCC) for gas transportation by Utility is: _____

In the event Customer has elected Transportation Services herein, a Transportation Services Addendum must be completed to indicate the specific account to which any applicable imbalance charges pursuant to imbalance service provided under Tariff Schedule G-IMB shall be applied. Additional elections may be made by Customer, including but not limited to the use of Agent or Contracted Marketer services. Any elections, or changes thereto, made on the Transportation Services Addendum shall be applicable to all Customer Agreements and facilities utilizing the same Order Control Code.

Section 5 - Billing and Payment

Billing and Payment for services hereunder shall be as provided in Utility's Tariff Rule No. 9. Any special billing instructions should be noted in Section 7(E).

Section 6 - Transfer of Rights

Subject to Section 7(A), this Agreement and the rights and obligations hereunder shall only be transferred or assigned with the prior written consent of Utility which shall not be withheld unreasonably, provided that any successor first establishes its "creditworthiness" and assumes such contractual rights and obligations in writing.

Section 7 - Miscellaneous

A. Use or Pay Aggregator: _____

Use or Pay Aggregators will automatically be authorized to access Customer's meter usage. Customer must have completed and executed MSC Schedule B, Form No. 6597-2 (including the terms and conditions thereof) and such Form is incorporated by reference (as supplemented from time to time) into this Agreement.

B. Contacts/Notices:

Any written notices from one party to the other affecting this Agreement shall be sent to the following locations (unless changed by seven days prior written notice):

Customer	Utility
_____	<u>Southern California Gas Company</u>
_____	_____
_____	_____
Attn: _____	Attn: _____
Title: _____	Title: _____
E-mail: _____	E-mail: _____

C. Definitions:

All definitions set forth in the Tariffs, including without limitation Utility Rule No. 1, are incorporated herein by reference as if set forth in full.

D. Miscellaneous Legal Provisions:

This Agreement incorporates by reference all terms and conditions of the MSC.

E. **Special Conditions:** The following special conditions of service are applicable hereto:

IN WITNESS WHEREOF, the authorized representatives of the parties have executed two duplicate original copies hereof.

Customer

Utility

Southern California Gas Company _____

Signature: _____

Signature: _____

Name: _____

Name: _____

Title: _____

Title: _____

CONTRACTS
REPORT OF EXEMPTION FROM SURCHARGE TO FUND
CA PUBLIC UTILITIES COMMISSION (G-SRF), Form No. 3090

N
N
N

(See Attached Form)

N

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 4047
DECISION NO. 09-11-006

ISSUED BY
Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Dec 8, 2009
EFFECTIVE Feb 1, 2010
RESOLUTION NO. _____

**Report of Exemption from Surcharge to Fund CA Public Utilities Commission
(Schedule G-SRF)**

Instructions:

To request an exemption from charges under Schedule G-SRF, a completed and signed version of this form must be received by Southern California Gas no later than the third (3rd) business day of the month immediately following the month during which the exempt gas quantities were consumed (e.g. to claim an exemption for quantities consumed in February, this form must be received no later than the third (3rd) business day of March).

If applying for the G-SRF exemption for eligible gas quantities consumed during the previous month, complete Section 1.

Section 1: Monthly G-SRF Exempt Quantities

Month _____

Amount of gas usage exempt from G-SRF _____ (therms) or _____% of total gas usage billed to the Account specified below during such month.

If all (100%) gas usage for that Account will be for electric generation for wholesale sale to an electric, gas, or steam public utility or the California Independent System Operator and all will be exempt on a continuous basis, complete Section 2. Indicate the beginning and end of the period to be covered by the exemption, which shall not exceed twelve (12) consecutive calendar months.

Section 2: Prospective G-SRF Exempt Quantities (complete if 100% of gas usage will be for qualifying electric generation at your facility and is eligible for an exemption.).

First day of exemption period (e.g. March 1, 2010) _____

Last day of exemption period (e.g. February 28, 2011) _____

Certification:

Customer Name: _____

Account Number: _____

Service Address: _____

I hereby certify that the gas quantities identified in this form meet the requirements to receive an exemption from G-SRF charges and request the exemption from associated G-SRF charges.

Authorized Signature on Behalf of Customer: _____

Date of Signature: _____

Type/Print Name _____

Title _____

Contact Phone Number _____

Contact E-mail: _____

Please fax or mail a completed and signed form(s) to:

Major Markets Billing Department
Mail Location 22C1
Southern California Gas Company
P. O. Box 3249, Terminal Annex
Los Angeles, CA 90051
Or FAX (213) 244-8449

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(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 4047
 DECISION NO. 09-11-006

ISSUED BY
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ATTACHMENT C

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2009 BIENNIAL COST ALLOCATION PROCEEDING (BCAP), PHASE II

Natural Gas Transportation Rate Tables

(2009 rates; 2010 Regulatory Account Update AL 1896-G; and, BCAP Implementation AL)

Tables 1 through 5

Table 1: Natural Gas Transportation Rate Revenues

Table 2: Core Transportation Rates

Table 3: Other Core Transportation Rates

Table 4: Noncore Commercial & Industrial and Electric Generation Rates

Table 5: Transmission Level Service Transportation Rates

TABLE 1
Natural Gas Transportation Rate Revenues
Southern California Gas Company
2009 BIENNIAL COST ALLOCATION PROCEEDING

2009 Rates Vs 2010 Reg Acct Update AL4025 Vs BCAP Implementation AL

	2009 Rates			2010 Reg Acct Update		BCAP AL Rates			Changes (2010 reg Acct Update to BCAP)			
	Volumes	Revenues	Rate	Revenues	Rate	Volumes	Revenues	Rate	Volumes	Revenues	Rate	% Rate
	Mth	\$000's	\$/therm	\$000's	\$/therm	Mth	\$000's	\$/therm	Mth	\$000's	\$/therm	change
	A	B	C	D	E	F	G	H	I	J	K	L
1 CORE												
2 Residential	2,546,852	\$1,158,440	\$0.45485	\$1,275,268	\$0.50072	2,483,989	\$1,261,377	\$0.50780	(62,863)	(\$13,891)	\$0.00708	1.4%
3 Commercial & Industrial	834,635	\$245,489	\$0.29413	\$262,043	\$0.31396	970,519	\$296,430	\$0.30543	135,884	\$34,387	(\$0.00853)	-2.7%
4												
5 NGV - Pre SempraWide (1)						117,231	\$9,284	\$0.07919				
6 SempraWide Adjustment						117,231	\$366	\$0.00312				
7 NGV - Post SempraWide (1)	24,350	\$2,558	\$0.10503	\$2,030	\$0.08338	117,231	\$9,650	\$0.08231	92,881	\$7,619	(\$0.00106)	-1.3%
8												
9 Gas A/C	1,200	\$168	\$0.14019	\$160	\$0.13350	1,210	\$87	\$0.07186	10	(\$73)	(\$0.06164)	-46.2%
10 Gas Engine	16,040	\$1,866	\$0.11636	\$1,866	\$0.11636	18,080	\$1,660	\$0.09179	2,040	(\$207)	(\$0.02456)	-21.1%
11 Total Core	3,398,727	\$1,405,964	\$0.41367	\$1,539,337	\$0.45292	3,591,030	\$1,569,203	\$0.43698	192,303	\$29,866	(\$0.01594)	-3.5%
12												
13 NONCORE COMMERCIAL & INDUSTRIAL												
14 Distribution Level Service	1,156,023	\$68,136	\$0.05894	\$72,983	\$0.06313	982,465	\$66,895	\$0.06809	(173,558)	(\$6,088)	\$0.00496	7.9%
15 Transmission Level Service (2)	300,734	\$4,247	\$0.01412	\$4,910	\$0.01633	457,697	\$10,049	\$0.02196	156,964	\$5,139	\$0.00563	34.5%
16 Total Noncore C&I	1,456,757	\$72,382	\$0.04969	\$77,893	\$0.05347	1,440,163	\$76,944	\$0.05343	(16,595)	(\$949)	(\$0.00004)	-0.1%
17												
18 NONCORE ELECTRIC GENERATION												
19 Distribution Level Service												
20 Pre Sempra Wide	2,944,257	\$65,689	\$0.02231	\$62,950	\$0.02138	353,995	\$11,761	\$0.03322				
21 Sempra Wide Adjustment	2,944,257	\$2,457	\$0.00083	\$2,240	\$0.00076	353,995	\$172	\$0.00049				
22 Post Sempra Wide	2,944,257	\$68,146	\$0.02315	\$65,190	\$0.02214	353,995	\$11,933	\$0.03371				
23 Transmission Level Service (2)						2,472,969	\$54,297	\$0.02196				
24 Total Electric Generation	2,944,257	\$68,146	\$0.02315	\$65,190	\$0.02214	2,826,964	\$66,231	\$0.02343	(117,293)	\$1,041	\$0.00129	5.8%
25												
26 TOTAL RETAIL NONCORE	4,401,014	\$140,528	\$0.03193	\$143,083	\$0.03251	4,267,127	\$143,175	\$0.03355	(133,887)	\$92	\$0.00104	3.2%
27												
28 WHOLESALE & INTERNATIONAL												
29 Wholesale Long Beach (2)	77,821	\$1,652	\$0.02123	\$1,549	\$0.01991	117,093	\$2,571	\$0.02196	39,272	\$1,022	\$0.00205	10.3%
30 SDGE Wholesale	1,445,680	\$5,110	\$0.00353	\$1,353	\$0.00094	1,230,285	\$7,047	\$0.00573	(215,395)	\$5,694	\$0.00479	511.9%
31 Wholesale SWG (2)	91,672	\$1,748	\$0.01906	\$1,595	\$0.01740	81,737	\$1,795	\$0.02196	(9,935)	\$200	\$0.00456	26.2%
32 Wholesale Vernon (2)	51,620	\$824	\$0.01596	\$721	\$0.01397	116,135	\$2,550	\$0.02196	64,515	\$1,829	\$0.00799	57.2%
33 International (2)	36,419	\$652	\$0.01790	\$588	\$0.01614	53,990	\$1,185	\$0.02196	17,570	\$597	\$0.00581	36.0%
34 Total Wholesale & International	1,703,212	\$9,985	\$0.00586	\$5,806	\$0.00341	1,599,240	\$15,148	\$0.00947	(103,973)	\$9,342	\$0.00606	177.9%
35												
36 TOTAL NONCORE	6,104,226	\$150,513	\$0.02466	\$148,889	\$0.02439	5,866,366	\$158,322	\$0.02699	(237,860)	\$9,433	\$0.00260	10.6%
37 Transfer to Fixed Cost Accounts (formerly to NSBA)		\$13,059		\$13,768						(\$13,768)		
38 Unbundled Storage		\$24,575		\$25,618			\$25,618			\$0		
39												
40 Total (excluding FAR)	9,502,953	\$1,594,112	\$0.16775	\$1,727,612	\$0.18180	9,457,396	\$1,753,143	\$0.18537	(45,557)	\$25,531	\$0.00358	2.0%
41												
42 FAR Amount (3)	2,866	\$52,307	\$0.05000	\$44,819	\$0.04284	2,866	\$44,819	\$0.04284	0	(\$0)	(\$0.00000)	0.0%
43 SYSTEM TOTALw/SLFAR,TL,SW	9,502,953	\$1,646,419	\$0.17325	\$1,772,431	\$0.18651	9,457,396	\$1,797,961	\$0.19011	(45,557)	\$25,531	\$0.00360	1.9%
44												
45 EOR Revenues	482,707	\$22,779		\$22,779		156,187	\$4,380	\$0.02804	(326,521)	(\$18,399)		
46 Total Throughput w/EOR Mth/yr	9,985,660					9,613,583						

- Under present rates, NGV is not directly allocated costs and is not calculated on Sempra-Wide basis. Amounts for NGV under present rates are not included in total. See Table 3 for Present NGV Rate detail.
- These proposed costs and rates for Transmission Level Service customers represents the average transmission rate. See Table 5 for actual transmission level service rates.
- FAR charge is proposed as a separate rate. Core will pay through procurement rate, noncore as a separate charge. See Table 5 for actual FAR charge.
- Composite rate changed in 2009BCAP to include gas costs.

Whole Sale & International (excl SDGE)	257,533	\$4,875	\$0.01893	\$4,453	\$0.01729	368,955	\$8,101	\$0.02196		\$3,648	\$0.00467	27.0%
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TABLE 2
Core Transportation Rates
Southern California Gas Company
2009 BIENNIAL COST ALLOCATION PROCEEDING

2009 Rates Vs 2010 Reg Acct Update AL4025 Vs BCAP Implementation AL

	2009 Rates			2010 Reg Acct Update		BCAP AL Rates			Changes (2010 reg Acct Update to BCAP)			
	Volumes Mth A	Rate \$/therm B	Revenues \$000's C	Rate \$/therm D	Revenues \$000's E	Volumes Mth F	Rate \$/therm G	Revenues \$000's H	Volumes Mth I	Revenues \$000's J	Rate \$/therm K	% Rate change L
1 <u>RESIDENTIAL SERVICE</u>												
2 <u>Customer Charge</u>												
3 Single Family	3,091,427	\$5.00	\$185,486	\$5.00	\$185,486	3,676,464	\$5.00	\$220,588	585,037	\$35,102	\$0.00000	0.0%
4 Multi-Family	1,485,811	\$5.00	\$89,149	\$5.00	\$89,149	1,685,965	\$5.00	\$101,158	200,154	\$12,009	\$0.00000	0.0%
5 Small Master Meter	118,240	\$5.00	\$7,094	\$5.00	\$7,094	92,860	\$5.00	\$5,572	(25,380)	(\$1,523)	\$0.00000	0.0%
6 Submeter Credit-\$/unit/day	146,025	(\$0.30805)	(\$16,419)	(\$0.30805)	(\$16,419)	149,095	(\$0.30805)	(\$16,764)	3,070	(\$345)	\$0.00000	0.0%
7 Volumetric Transportation Rate												
8 Baseline Rate	1,664,422	\$0.29056	\$483,614	\$0.33583	\$558,961	1,703,882	\$0.30938	\$527,148	39,461	(\$31,813)	(\$0.02645)	-7.9%
9 Non-Baseline Rate	844,693	\$0.47413	\$400,496	\$0.52166	\$440,647	768,363	\$0.54938	\$422,124	(76,330)	(\$18,523)	\$0.02772	5.3%
10	2,509,115	\$0.45810	\$1,149,421	\$0.50413	\$1,264,917	2,472,246	\$0.50959	\$1,259,825	(36,869)	(\$5,093)	\$0.00546	1.1%
11 NBL/BL Ratio:												
12 Composite Rate \$/th		\$0.44996		\$0.49523			\$0.99964					
13 Gas Rate \$/th		n/a		n/a			\$0.50800					
14 NBL/Composite rate ratio (4) =		1.05		1.05			1.06					
15												
16 <u>Large Master Meter</u>												
17 Customer Charge	183	\$321.13	\$705	\$336.12	\$738	61	\$339.80	\$249	(122)	(\$489)	\$3.69	1.1%
18 Baseline Rate	27,925	\$0.19892	\$5,555	\$0.23093	\$6,449	9,017	\$0.09469	\$854	(18,908)	(\$5,595)	(\$0.13624)	-59.0%
19 Non-Baseline Rate	9,812	\$0.28025	\$2,750	\$0.32347	\$3,174	2,726	\$0.16814	\$458	(7,085)	(\$2,715)	(\$0.15533)	-48.0%
20	37,737	\$0.23875	\$9,010	\$0.27455	\$10,360	11,743	\$0.13294	\$1,561	(25,993)	(\$8,799)	(\$0.14160)	-51.6%
21 Core Aggregation Transport (CAT):												
22 CAT Adder to Volumetric Rate	13,656	\$0.00075	\$10	(\$0.00073)	(\$10)	13,319	(\$0.00069)	(\$9)	(337)	\$1	\$0.00004	-5%
23 Residential:												
24 BaseLine Rate		\$0.29131		\$0.33510			\$0.30869				(\$0.02641)	-7.9%
25 NonBaseLine Rate		\$0.47488		\$0.52093			\$0.54869				\$0.02775	5.3%
26 Large Master Meter:												
27 BaseLine Rate		\$0.19967		\$0.23020			\$0.09399				(\$0.13620)	-59.2%
28 NonBaseLine Rate		\$0.28100		\$0.32274			\$0.16745				(\$0.15529)	-48.1%
29												
30 TOTAL RESIDENTIAL	2,546,852	\$0.45485	\$1,158,440	\$0.50072	\$1,275,268	2,483,989	\$0.50780	\$1,261,377	(62,863)	(\$13,891)	\$0.00708	1.4%
31												
32 <u>CORE COMMERCIAL & INDUSTRIAL</u>												
33 Customer Charge 1	82,094	\$10.00	\$9,851	\$10.00	\$9,851	127,666	\$15.00	\$22,980	45,572	\$13,129	\$5.00	50.0%
34 Customer Charge 2	118,386	\$15.00	\$21,310	\$15.00	\$21,310	87,620	\$15.00	\$15,772	(30,766)	(\$5,538)	\$0.00	0.0%
35 Volumetric Transportation Rate												
36 Tier 1 = 250th/mo	161,001	\$0.49751	\$80,100	\$0.53754	\$86,545	215,926	\$0.51419	\$111,027	54,925	\$24,482	(\$0.02335)	-4.3%
37 Tier 2 = next 4167 th/mo	510,030	\$0.24101	\$122,924	\$0.26472	\$135,015	488,341	\$0.25555	\$124,796	(21,689)	(\$10,220)	(\$0.00917)	-3.5%
38 Tier 3 = over 4167 th/mo	163,604	\$0.06903	\$11,294	\$0.05705	\$9,333	266,252	\$0.08213	\$21,868	102,648	\$12,535	\$0.02509	44.0%
39	834,635	\$0.29411	\$245,478	\$0.31397	\$262,054	970,519	\$0.30545	\$296,442	135,884	\$34,388	(\$0.00853)	-2.7%
40 Core Aggregation Transport (CAT):												
41 CAT Adder to Volumetric Rate	15,040	\$0.00075	\$11	(\$0.00073)	(\$11)	17,488	(\$0.00069)	(\$12)	2,449	(\$1)	\$0.00004	-5%
42 Tier 1 = 250th/mo		\$0.49826		\$0.53681			\$0.51350				(\$0.02332)	-4.3%
43 Tier 2 = next 4167 th/mo		\$0.24176		\$0.26399			\$0.25486				(\$0.00913)	-3.5%
44 Tier 3 = over 4167 th/mo		\$0.06978		\$0.05632			\$0.08144				\$0.02512	44.6%
45												
46 TOTAL CORE C&I	834,635	\$0.29413	\$245,489	\$0.31396	\$262,043	970,519	\$0.30543	\$296,430	135,884	\$34,387	(\$0.00853)	-2.7%

See footnotes Table 1

TABLE 3
Other Core Transportation Rates
Southern California Gas Company
2009 BIENNIAL COST ALLOCATION PROCEEDING

2009 Rates Vs 2010 Reg Acct Update AL4025 Vs BCAP Implementation AL

	2009 Rates			2010 Reg Acct Update		BCAP AL Rates			Changes (2010 reg Acct Update to BCAP)			
	Volumes Mth A	Rate \$/therm B	Revenues \$000's C	Rate \$/therm D	Revenues \$000's E	Volumes Mth F	Rate \$/therm G	Revenues \$000's H	Volumes Mth I	Revenues \$000's J	Rate \$/therm K	% Rate change L
NATURAL GAS VEHICLES (Proposed Rate is a Sempra-Wide rate)												
Customer Charge, P-1		\$13.00		\$13.00		229	\$13.00	\$36	229	\$36	\$0.00000	0.0%
Customer Charge, P-2A		\$65.00		\$65.00		44	\$65.00	\$34	44	\$34	\$0.00000	0.0%
Uncompressed Rate	24,350	\$0.10503	\$2,558	\$0.08338	\$2,030	117,231	\$0.07049	\$8,264	92,881	\$6,234	(\$0.01289)	-15.5%
Total Uncompressed NGV	24,350	\$0.10503	\$2,558	\$0.08338	\$2,030	117,231	\$0.07109	\$8,334	92,881	\$6,304	(\$0.01229)	-14.7%
Compressed Rate Adder		\$0.74624		\$0.74624		1,484	\$0.88646	\$1,316	1,484	\$1,316	\$0.14022	18.8%
TOTAL NGV SERVICE	24,350	\$0.10503	\$2,558	\$0.08338	\$2,030	117,231	\$0.08231	\$9,650	92,881	\$7,619	(\$0.00106)	-1.3%
RESIDENTIAL NATURAL GAS VEHICLES (optional rate)												
Customer Charge						5,455	\$10.00	\$655	5,455			
Uncompressed Rate						3,416	\$0.15942	\$544	3,416			
						3,416	\$0.35108	\$1,199	3,416			
NON-RESIDENTIAL GAS A/C												
Customer Charge	18	\$150.00	\$32	\$150.00	\$32	22	\$150	\$40	4	\$7	\$0.00000	0.0%
Volumetric Rate	1,200	\$0.11319	\$136	\$0.10650	\$128	1,210	\$0.03914	\$47	10	(\$80)	(\$0.06736)	-63.2%
	1,200	\$0.13978	\$168	\$0.13350	\$160	1,210	\$0.07186	\$87	10	(\$73)	(\$0.06164)	-46.2%
Core Aggregation Transport (CAT):												
CAT Adder to Volumetric Rate	0	\$0.00075	\$0.5	(\$0.00073)	\$0.0				0			
Gas A/C Rate		\$0.11394		\$0.10577			\$0.03914		0	\$0	(\$0.06663)	-63.0%
TOTAL A/C SERVICE	1,200	\$0.14019	\$168	\$0.13350	\$160	1,210	\$0.07186	\$87	10	(\$73)	(\$0.06164)	-46.2%
GAS ENGINES												
Customer Charge	698	\$50.00	\$419	\$50.00	\$419	1,094	\$50	\$656	396	\$238	\$0.00000	0.0%
Volumetric	16,040	\$0.09025	\$1,448	\$0.09025	\$1,448	18,080	\$0.05549	\$1,003	2,040	(\$444)	(\$0.03476)	-38.5%
	16,040	\$0.11636	\$1,866	\$0.11636	\$1,866	18,080	\$0.09179	\$1,660	2,040	(\$207)	(\$0.02456)	-21.1%
Core Aggregation Transport (CAT):												
CAT Adder to Volumetric Rate	0	\$0.00075	\$0.0	(\$0.00073)	\$0.0				0			
Gas Engine Rate		\$0.09100		\$0.08952			\$0.05549		0			
TOTAL GAS ENGINES	16,040	\$0.11636	\$1,866	\$0.11636	\$1,866	18,080	\$0.09179	\$1,660	2,040	(\$207)	(\$0.02456)	-21.1%
VERNON CORE COMMERCIAL & INDUSTRIAL												
Customer Charge 1		\$10.00		\$10.00			\$15.00			\$5.00000	50.0%	
Customer Charge 2		\$15.00		\$15.00			\$15.00			\$0.00000	0.0%	
Volumetric Transportation Rate												
Tier 1 = 250th/mo		\$0.49751		\$0.53754			\$0.51419			(\$0.02335)	-4.3%	
Tier 2 = next 4167 th/mo		\$0.20908		\$0.22651			\$0.20708			(\$0.01943)	-8.6%	
Tier 3 = over 4167 th/mo		\$0.06903		\$0.05705			\$0.08213			\$0.02509	44.0%	
Core Aggregation Transport (CAT):												
CAT Adder to Volumetric Rate		\$0.00075		(\$0.00073)			(\$0.00069)			\$0.00004	-5%	
Tier 1 = 250th/mo		\$0.49826		\$0.53681			\$0.51350			(\$0.02332)	-4.3%	
Tier 2 = next 4167 th/mo		\$0.24176		\$0.22578			\$0.20638			(\$0.01940)	-8.6%	
Tier 3 = over 4167 th/mo		\$0.06978		\$0.05632			\$0.08144			\$0.02512	44.6%	
STREET & OUTDOOR LIGHTING (equals average Non-CAT CCI Rate)												
Street & Outdoor Lighting Base Rate		\$0.29411		\$0.31397			\$0.30545			(\$0.00853)	-2.7%	

TABLE 4
Noncore Commercial & Industrial and Electric Generation Rates
Southern California Gas Company
2009 BIENNIAL COST ALLOCATION PROCEEDING

2009 Rates Vs 2010 Reg Acct Update AL4025 Vs BCAP Implementation AL													
2009 Rates				2010 Reg Acct Update		BCAP AL Rates			Changes (2010 reg Acct Update to BCAP)				
Volumes	Rate	Revenues	Rate	Revenues	Volumes	Rate	Revenues	Volumes	Revenues	Rate	% Rate	change	
Mth	\$/therm	\$000's	\$/therm	\$000's	Mth	\$/therm	\$000's	Mth	\$000's	\$/therm	change		
A	B	C	D	E	F	G	H	I	J	K	L		
<u>NonCore Commercial & Industrial Distribution Level</u>													
1	Customer Charge												
2	1,140	\$350.00	\$4,788	\$350.00	\$4,788	670	\$350.00	\$2,816	(469)	(\$1,972)	\$0.00000	0.0%	
3	<u>Volumetric Rates</u>												
4	Tier 1 = 250kth/yr												
5	236,030	\$0.11956	\$28,221	\$0.12798	\$30,206	147,174	\$0.15521	\$22,843	(88,855)	(\$7,363)	\$0.02723	21.3%	
6	Tier 2 = 250k to 1000k												
7	312,418	\$0.07025	\$21,947	\$0.07545	\$23,572	244,409	\$0.09168	\$22,408	(68,010)	(\$1,164)	\$0.01623	21.5%	
8	Tier 3 = 1 to 2 million th/yr												
9	149,105	\$0.03870	\$5,771	\$0.04185	\$6,240	130,163	\$0.05036	\$6,555	(18,942)	\$315	\$0.00851	20.3%	
10	Tier 4 = over 2 million th/yr												
11	458,470	\$0.01616	\$7,409	\$0.01784	\$8,178	460,719	\$0.02664	\$12,273	2,249	\$4,095	\$0.00880	49.3%	
12	Volumetric totals (excl itcs)												
13	1,156,023	\$0.05480	\$63,348	\$0.05899	\$68,195	982,465	\$0.06522	\$64,079	(173,558)	(\$4,116)	\$0.00623	10.6%	
14	ITCS												
15	1,156,023	\$0.00000	\$0	\$0.00000	\$0								
16	NCCI - DISTRIBUTION LEVEL												
17	1,156,023	\$0.05894	\$68,136	\$0.06313	\$72,983	982,465	\$0.06809	\$66,895	(173,558)	(\$6,088)	\$0.00496	7.9%	
18	<u>NonCore Commercial & Industrial Transmission Level (2)</u>												
19	Customer Charge												
20	22	\$700.00	\$189	\$700.00	\$189								
21	<u>Volumetric Rates</u>												
22	Tier 1 0-2,000,000 th/yr												
23	24,319	\$0.07118	\$1,731	\$0.07891	\$1,919								
24	Tier 2 over 2,000,000 th/yr												
25	276,414	\$0.00842	\$2,327	\$0.01014	\$2,803								
26	Volumetric totals (excl itcs)												
27	300,733	\$0.01349	\$4,058	\$0.01570	\$4,722								
28	ITCS												
29	300,733	\$0.00000	\$0	\$0.00000	\$0								
30	NCCI-TRANSMISSION LEVEL (2)												
31	300,733	\$0.01412	\$4,247	\$0.01633	\$4,911	457,697	\$0.02196	\$10,049	156,964	\$5,139	\$0.00563	34.5%	
32	TOTAL NONCORE C&I												
33	1,456,756	\$0.04969	\$72,383	\$0.05347	\$77,893	1,440,163	\$0.05343	\$76,944	(16,594)	(\$949)	(\$0.00004)	-0.1%	
34	<u>ELECTRIC GENERATION</u>												
35	<u>Small EG (proposed rates are for Distribution Level only)</u>												
36	Customer Charge												
37	172	\$50.00	\$103	\$50.00	\$103	134	\$50.00	\$80	(38)	(\$23)	\$0.00000	0.0%	
38	Volumetric Rate (excl ITCS)												
39	48,406	\$0.04565	\$2,210	\$0.04579	\$2,217	60,420	\$0.05577	\$3,370	12,014	\$1,153	\$0.00998	21.8%	
40	ITCS												
41	48,406	\$0.00000	\$0	\$0.00000	\$0								
42	Total Volumetric Rate Tier 1												
43	48,406	\$0.04565	\$2,210	\$0.04579	\$2,217	60,420	\$0.05577	\$3,370	12,014	\$1,153	\$0.00998	21.8%	
44	EG Distribution Level Tier 1												
45	48,406	\$0.04779	\$2,313	\$0.04793	\$2,320	60,420	\$0.05710	\$3,450	12,014	\$1,130	\$0.00918	19.1%	
46	<u>Large EG (proposed rates are for Distribution Level only)</u>												
47	Customer Charge												
48	66	\$0.00	\$0	\$0.00	\$0	32	\$0.00	\$0	(34)	\$0	\$0.00000		
49	Volumetric Rate (excl ITCS)												
50	2,895,851	\$0.02273	\$65,833	\$0.02199	\$63,680	293,575	\$0.02890	\$8,483	(2,602,276)	(\$55,197)	\$0.00691	31.4%	
51	ITCS												
52	2,895,851	\$0.00000	\$0	\$0.00000	\$0								
53	Total Volumetric Rate Tier 2												
54	2,895,851	\$0.02273	\$65,833	\$0.02199	\$63,680	293,575	\$0.02890	\$8,483	(2,602,276)	(\$55,197)	\$0.00691	31.4%	
55	EG Distribution Level Tier 2												
56	2,895,851	\$0.02273	\$65,833	\$0.02199	\$63,680	293,575	\$0.02890	\$8,483	(2,602,276)	(\$55,197)	\$0.00691	31.4%	
57	EG Distribution Level												
58	2,944,257	\$0.02315	\$68,146	\$0.02242	\$66,000	353,995	\$0.03371	\$11,933	(2,590,262)	(\$54,067)	\$0.01129	50.4%	
59	EG Transmission Level (2)												
60						2,472,969	\$0.02196	\$54,297					
61	TOTAL ELECTRIC GENERATION												
62	2,944,257	\$0.02315	\$68,146	\$0.02242	\$66,000	2,826,964	\$0.02343	\$66,231	(117,293)	\$230	\$0.00101	4.5%	
63	<u>EOR Rates & revenue:</u>												
64	Distribution Level EOR:												
65	Customer Charge												
66						14	\$500.00	\$84					
67	Volumetric Rate												
68						80,880	\$0.03267	\$2,643					
69	Distribution Level EOR												
70						80,880	\$0.03371	\$2,727					
71	Transmission Level EOR												
72						75,307	\$0.02196	\$1,653					
73	Total EOR												
74						156,187	\$0.02804	\$4,380					

See footnotes Table 1

TABLE 5
Transmission Level Service Transportation Rates
Southern California Gas Company
2009 BIENNIAL COST ALLOCATION PROCEEDING

2009 Rates Vs 2010 Reg Acct Update AL4025 Vs BCAP Implementation AL

	2009 Rates			2010 Reg Acct Update		BCAP AL Rates			
	Volumes	Rate	Revenues	Rate	Revenues	Volumes	Rate	Revenues	
	Mth	\$/therm	\$000's	\$/therm	\$000's	Mth	\$/therm	\$000's	
	A	B	C	D	E	F	G	H	
1	Rate applicable to NonCore C&I, EOR & EG customer Classes:								
2	Reservation Service Option (RS):								
3	Daily Reservation rate \$/th/day						\$0.01318		
4	Usage Charge for RS \$/th						\$0.00293		
5									
6	Class Average Volumetric Rate (CA)								
7	Volumetric Rate \$/th						\$0.01900		
8	Usage Charge for CA \$/th						\$0.00293		
9	Class Average Volumetric Rate (CA) \$/th						\$0.02194		
10									
11	120% CA (for NonBypass Volumetric NV) \$/th						\$0.02633		
12	135% CA (for Bypass Volumetric BV) \$/th						\$0.02962		
13									
14	Total Transmission Level Service (NCCI, EOR, EG)						2,930,667	\$0.02196	\$64,346
15									
16	Rate applicable to Wholesale & International customer Classes:								
17	Reservation Service Option (RS):								
18	Daily Reservation rate \$/th/day						\$0.01315		
19	Usage Charge for RS \$/th						\$0.00293		
20									
21									
22	Class Average Volumetric Rate (CA)								
23	Volumetric Rate \$/th						\$0.01896		
24	Usage Charge for CA \$/th						\$0.00293		
25	Class Average Volumetric Rate (CA) \$/th						\$0.02189		
26									
27	120% CA (for NonBypass Volumetric NV) \$/th						\$0.02626		
28	135% CA (for Bypass Volumetric BV) \$/th						\$0.02955		
29									
30	Total Transmission Level Service (WS & Int'l)						368,955	\$0.02196	\$8,101
31									
32	Average Transmission Level Service						3,299,622	\$0.02196	\$72,447
33									
34									
35									
36									
37	Firm Access Rights								
38	FAR Reservation Charge \$/dth/day	2,866	\$0.05000	\$52,307	\$0.04284	\$44,819	2,866	\$0.04284	\$44,819
39									
40									
41	Storage Rates:								
42	Inventory BCF; rate = \$/dth					133	\$0.224	\$30,731	
43	Injection mmcf/d; rate = \$/dth/day					850	\$28.755	\$25,180	
44	Withdrawl mmcf/d; rate = \$/dth/day					3,195	\$9.470	\$31,170	
45									\$87,081
46									

See footnotes Table 1