

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



November 3, 2010

Advice Letter 4148

Rasha Prince, Director
Regulatory Affairs
Southern California Gas
555 W. Fifth Street, GT14D6
Los Angeles, CA 90013-1011

Subject: Revision to Rule No. 41, Utility System Operation

Dear Ms. Prince:

Advice Letter 4148 is effective October 15, 2010.

Sincerely,

A handwritten signature in blue ink that reads "Julie A. Fitch".

Julie A. Fitch, Director
Energy Division



Rasha Prince
Director
Regulatory Affairs

555 W. Fifth Street, GT14D6
Los Angeles, CA 90013-1011
Tel: 213.244.5141
Fax: 213.244.4957
RPrince@semprautilities.com

September 15, 2010

Advice No. 4148
(U 904 G)

Public Utilities Commission of the State of California

Subject: Revision to Rule No. 41, Utility System Operation

Southern California Gas Company (SoCalGas) hereby submits for filing with the California Public Utilities Commission (Commission) revisions to its tariff Rule No. 41, applicable throughout its service territory, as shown on Attachment B.

Proposed Revision to Rule No. 41

This filing requests Commission approval to revise: 1) Section 2 of Rule No. 41 to reflect departmental name changes resulting from a recent reorganization; and 2) Section 13 of Rule No. 41 by changing certain references used in describing standards and criteria for spot purchases or sales of gas commodity for which standards and criteria are not specified in CPUC-approved contracts. Specifically, SoCalGas requests that the references to: 1) "Platt's Gas Daily Midpoint" be changed to the "ICE (Intercontinental Exchange) Wtd Avg Index," 2) "Platt's Gas Daily high of the Common range" be changed to "ICE High," and 3) "Platt's Gas Daily low of the Common range" be changed to "ICE Low." The red-lined version of the proposed changes is shown in Attachment C.

This proposed revision to Section 13 is to use publicly available data that does not require customers to obtain data licenses from any individual publisher. SoCalGas proposes to switch from the existing Platts references to substantially similar gas pricing references published by the ICE.

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, which is October 5, 2010. There is no restriction on who may file a protest. The address for mailing or delivering a protest to the Commission is given below.

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 (jnj@cpuc.ca.gov) of the Energy Division. A copy of the protest should also be sent via both e-mail and facsimile to the address shown below on the same date it is mailed or delivered to the Commission.

Attn: Sid Newsom
Tariff Manager - GT14D6
555 West Fifth Street
Los Angeles, CA 90013-1011
Facsimile No. (213) 244-4957
E-mail: snewsom@SempraUtilities.com

Effective Date

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 October 15, 2010, which is 30 calendar days from the date filed.

Notice

A copy of this advice letter is being sent to the parties listed on Attachment A, which includes parties to A.08-02-001, 2009 BCAP.

Rasha Prince
Director- Regulatory Affairs

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) #: 4148

Subject of AL: Revision to Rule No. 41. Utility System Operation

Keywords (choose from CPUC listing): Rules

AL filing type: Monthly Quarterly Annual One-Time Other _____

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

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

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

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

Resolution Required? Yes No

Tier Designation: 1 2 3

Requested effective date: 10/15/10

No. of tariff sheets: 4

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

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: Rule No. 41, TOCs

Service affected and changes proposed¹: _____

Pending advice letters that revise the same tariff sheets: None

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

CPUC, Energy Division

Attention: Tariff Unit

505 Van Ness Ave.,

San Francisco, CA 94102

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

Southern California Gas Company

Attention: Sid Newsom

555 West 5th Street, GT14D6

Los Angeles, CA 90013-1011

SNewsom@semprautilities.com

¹ Discuss in AL if more space is needed.

ATTACHMENT A

Advice No. 4148

(See Attached Service Lists)

Alcantar & Kahl
Seema Srinivasan
sls@a-klaw.com

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

Alcantar & Kahl LLP
Annie Stange
sas@a-klaw.com

Alcantar & Kahl, LLP
Mike Cade
wmc@a-klaw.com

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

Beta Consulting
John Burkholder
burkee@cts.com

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

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

CPUC
Pearlie Sabino
pzs@cpuc.ca.gov

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

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

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

California Energy Commission
Randy Roesser
rroesser@energy.state.ca.us

California Energy Market
Lulu Weinzimer
luluw@newsdata.com

Calpine Corp
Avis Clark
aclark@calpine.com

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

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

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

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

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

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

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

City of Riverside
Joanne Snowden
jsnowden@riversideca.gov

City of Vernon
Dan Bergmann
dan@igservice.com

Commerce Energy
Catherine Sullivan
csullivan@commerceenergy.com

Commerce Energy
Blake Lazusso
blasuzzo@commerceenergy.com

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

Crossborder Energy
Tom Beach
tomb@crossborderenergy.com

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

Davis Wright Tremaine, LLP
Edward W. O'Neill
505 Montgomery Street, Ste 800
San Francisco, CA 94111

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

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

Douglass & Liddell
Dan Douglass
douglass@energyattorney.com

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

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

Dynergy
Mark Mickelson
Mark.Mickelson@dynergy.com

Dynergy - West Generation
Joseph M. Paul
Joe.Paul@dynergy.com

Gas Transmission Northwest
Corporation
Bevin Hong
Bevin_Hong@transcanada.com

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

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

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

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

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

JBS Energy
Jeff Nahigian
jeff@jbsenergy.com

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

LA County Metro
Julie Close
closeJ@metro.net

LADWP
Nevenka Ubavich
nevenka.ubavich@ladwp.com

LADWP
Robert Pettinato
Robert.Pettinato@ladwp.com

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

Megan Lawson
MEHR@PGE.COM

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

MRW & Associates
Robert Weisenmiller
mrw@mrwassoc.com

Manatt Phelps Phillips
Randy Keen
rkeen@manatt.com

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

March Joint Powers Authority
Lori Stone
23555 Meyer Drive,
March Air Reserve Base, CA 92518-
2038

Julie Morris
Julie.Morris@PPMEnergy.com

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

Navigant Consulting, Inc.
Ray Welch
ray.welch@navigantconsulting.com

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

Praxair Inc
Rick Noger
rick_noger@praxair.com

RRI Energy
John Rohrbach
JRohrbach@rrienergy.com

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

SCE
Karyn Gansecki
karyn.gansecki@sce.com

Safeway, Inc
Cathy Ikeuchi
cathy.ikeuchi@safeway.com

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

Southern California Edison Co
Fileroom Supervisor
2244 Walnut Grove Av, 290, GO1
Rosemead, CA 91770

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

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

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

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

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

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

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

TURN
Mike Florio
mflorio@turn.org

TURN
Marcel Hawiger
marcel@turn.org

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

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

GOODIN MACBRIDE SQUERI DAY & RITCHIE
JEANNE B. ARMSTRONG
 jarmstrong@goodinmacbride.com

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

CROSBORDER ENERGY
R. THOMAS BEACH
 tomb@crossborderenergy.com

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

ELLISON SCHNEIDER & HARRIS, LLP
 (1359)
ANDREW B. BROWN
 abb@eslawfirm.com

COGENERATION CONTRACT SERVICES
MARSHALL D. CLARK
 Marshall.Clark@dgs.ca.gov

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

CALIF PUBLIC UTILITIES COMMISSION
 Franz Cheng
 fcc@cpuc.ca.gov

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

FEDERAL EXECUTIVE AGENCIES
NORMAN J. FURUTA
 norman.furuta@navy.mil

SOUTHERN CALIFORNIA GAS COMPANY
DAVID J. GILMORE
 DGilmore@SempraUtilities.com

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

THE UTILITY REFORM NETWORK
MARCEL HAWIGER
 marcel@turn.org

SOUTHERN CALIFORNIA EDISON COMPANY
GLORIA M. ING
 Gloria.Ing@sce.com

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

UTILITY COST MANAGEMENT LLC
DARA KERKORIAN
 dk@utilitycostmanagement.com

PACIFIC GAS & ELECTRIC COMPANY
ANN KIM
 ahk4@pge.com

SOUTHWEST GAS CORPORATION
KEITH A. LAYTON
 keith.layton@swgas.com

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

JBS ENERGY, INC.
WILLIAM MARCUS
 bill@jbsenergy.com

SUTHERLAND ASBILL & BRENNAN LLP
KEITH R. MCCREA
 keith.mccrea@sutherland.com

EL PASO CORPORATION-WESTERN PIPELINES
MARK A. MINICH
 mark.minich@elpaso.com

CALIF PUBLIC UTILITIES COMMISSION
 Harvey Y. Morris
 hym@cpuc.ca.gov

CALIF PUBLIC UTILITIES COMMISSION
 Scott Mosbaugh
 rsm@cpuc.ca.gov

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

CALIFORNIA LEAGUE OF FOOD PROCESSORS
ROB NEENAN
 rob@clfp.com

DAVIS WRIGHT TREMAINE LLP
EDWARD W. O'NEILL
 edwardoneill@dwt.com

HANNA & MORTON LLP
NORMAN A. PEDERSEN, ESQ.
 npedersen@hanmor.com

SEMPRA ENERGY
CARLOS F. PENA
 CFPena@SempraUtilities.com

ANDERSON, DONOVAN & POOLE
EDWARD G. POOLE
 epoole@adplaw.com

CALIF PUBLIC UTILITIES COMMISSION
Marion Peleo
map@cpuc.ca.gov

CALIF PUBLIC UTILITIES COMMISSION
Paul S. Phillips
psp@cpuc.ca.gov

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

SEMPRA LNG
WILLIAM D. RAPP
WRapp@Sempraglobal.com

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

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

CALIF PUBLIC UTILITIES COMMISSION
Rashid A. Rashid
rhd@cpuc.ca.gov

UCAN
MICHAEL SHAMES
mshames@ucan.org

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

**CALIFORNIA COGENERATION
COUNCIL**
BETH VAUGHAN
beth@beth411.com

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

CALIF PUBLIC UTILITIES COMMISSION
Marzia Zafar
zaf@cpuc.ca.gov

ATTACHMENT B
Advice No. 4148

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 46410-G	RULE NO. 41, UTILITY SYSTEM OPERATION, Sheet 1	Original 45399-G
Revised 46411-G	RULE NO. 41, UTILITY SYSTEM OPERATION, Sheet 5	Original 45403-G
Revised 46412-G	TABLE OF CONTENTS	Revised 46273-G
Revised 46413-G	TABLE OF CONTENTS	Revised 46409-G

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 Transmission & System Operations Department, which is located in the Field Services organization. The Transmission & 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 Engineering & Operations Staff organization. The Field Services and Engineering & Operations Staff 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. The following table summarizes which quantities are used in each cycle for the OFO calculation:

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 4148
 DECISION NO.

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Sep 15, 2010
 EFFECTIVE Oct 15, 2010
 RESOLUTION NO. _____

T
T
T
T

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 ICE Wtd Avg Index 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 ICE Wtd Avg Index 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 ICE High 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 ICE Low for the current flow date for the relevant trading point.

T
T
T
T

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 4148
 DECISION NO.

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Sep 15, 2010
 EFFECTIVE Oct 15, 2010
 RESOLUTION NO. _____

TABLE OF CONTENTS

(Continued)

RULES (continued)

26	Consumer Responsible for Equipment for Receiving and Utilizing Gas	45843-G
27	Service Connections Made by Company's Employees	24657-G
28	Compensation to Company's Employees	24658-G
29	Change of Consumer's Apparatus or Equipment	24659-G
30	Transportation of Customer-Owned Gas	43369-G,43370-G,46255-G,46256-G 46257-G,46258-G,46259-G,46260-G,46261-G 46262-G,46263-G,46264-G,46265-G,46266-G 46267-G,46268-G,46269-G,46270-G
31	Automated Meter Reading	46062-G,46063-G
32	Core Aggregation Transportation	30018-G,31199-G,36722-G,30021-G 30022-G,36723-G,36724-G,39585-G,39586-G,30027-G 30028-G,30029-G,30030-G,30031-G,30032-G,30033-G 43385-G,43386-G,45777-G,39589-G,36623-G,30039-G
33	Electronic Bulletin Board (EBB)	43388-G,43389-G,45392-G,45393-G 45394-G,45395-G,45396-G,45397-G,45398-G
34	Provision of Utility Right-of-Way Information	33298-G,33299-G,33300-G 33301-G,33302-G,33303-G
35	Contracted Marketer Transportation	27068-G,27069-G,27070-G,27071-G 36325-G,27073-G,36326-G,27075-G
36	Interstate Capacity Brokering	39590-G,39591-G
38	Commercial/Industrial Equipment Incentive Program	32745-G,32746-G,32747-G,32748-G,32749-G
39	Access to the SoCalGas Pipeline System	43395-G,43396-G,43397-G
40	On-Bill Financing Program	44205-G,41155-G
41	Utility System Operation	46410-G,46272-G,45401-G,45402-G 46411-G,45404-G,45405-G,45406-G

T
T

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 4148
 DECISION NO.

2H7

ISSUED BY

Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Sep 15, 2010
 EFFECTIVE Oct 15, 2010
 RESOLUTION NO. _____

TABLE OF CONTENTS

The following listed sheets contain all effective Schedules of Rates and Rules affecting service and information relating thereto in effect on the date indicated thereon.

GENERAL

Cal. P.U.C. Sheet No.

Title Page	40864-G	
Table of Contents--General and Preliminary Statement	46413-G,46224-G,46339-G	T
Table of Contents--Service Area Maps and Descriptions	41970-G	
Table of Contents--Rate Schedules	46407-G, 46408-G,46351-G	
Table of Contents--List of Cities and Communities Served	45168-G	
Table of Contents--List of Contracts and Deviations	45168-G	
Table of Contents--Rules	46345-G,46412-G	T
Table of Contents--Sample Forms	46083-G,45414-G,45144-G,45415-G,45145-G	

PRELIMINARY STATEMENT

Part I General Service Information	45597-G,24332-G,24333-G,24334-G,24749-G
Part II Summary of Rates and Charges	46388-G,46389-G,46390-G,46391-G,45701-G,45702-G 46392-G,46348-G,45606-G,45607-G,45608-G,46358-G,46359-G,46360-G,45612-G
Part III Cost Allocation and Revenue Requirement	45267-G,45268-G,45269-G,45613-G,45614-G
Part IV Income Tax Component of Contributions and Advances	45265-G,24354-G
Part V Balancing Accounts	
Description and Listing of Balancing Accounts	46057-G
Purchased Gas Account (PGA)	45754-G,45755-G
Core Fixed Cost Account (CFCA)	45273-G,45274-G
Noncore Fixed Cost Account (NFCA)	45275-G,45276-G
Enhanced Oil Recovery Account (EORA)	45277-G
Noncore Storage Balancing Account (NSBA)	44191-G,44192-G
California Alternate Rates for Energy Account (CAREA)	45882-G,45883-G
Hazardous Substance Cost Recovery Account (HSCRA)	40875-G, 40876-G,40877-G
Gas Cost Rewards and Penalties Account (GCRPA)	40881-G
Pension Balancing Account (PBA)	45013-G,45014-G
Post-Retirement Benefits Other Than Pensions Balancing Account (PBOPBA) .	45015-G,45016-G
Conservation Expense Account (CEA)	40886-G,40887-G

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 4148
 DECISION NO.

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Sep 15, 2010
 EFFECTIVE Oct 15, 2010
 RESOLUTION NO. _____

ATTACHMENT C

Advice No. 4148

Redline Version of Rule No. 41

RULE NO. 41 [9-14-10 DRAFT]
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-Transmission &~~ System Operations Department, which is located in the ~~Gas Operations~~Field Services organization. The ~~Gas-Transmission &~~ 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~~Engineering & Operations Staff organization. The ~~Gas Operations~~Field Services and ~~Customer Services~~Engineering & Operations Staff 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. The following table summarizes which quantities are used in each cycle for the OFO calculation:

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 4139
DECISION NO. 09-11-006

ISSUED BY
Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Jul 28, 2010
EFFECTIVE Sep 1, 2010
RESOLUTION NO. _____

RULE NO. 41 [9-14-10 DRAFT]
UTILITY SYSTEM OPERATION

Sheet 5

(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~~ICE Wtd Avg Index 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~~ICE Wtd Avg Index 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~~ICE 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~~ICE 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. _____