

PUBLIC UTILITIES COMMISSION

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July 1, 2011

Advice Letter 4240

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

**Subject: Modification of Tariffs Updating Firm Access Rights
Service and Rates**

Dear Ms. Prince:

The Energy Division has approved Southern California Gas Company (SoCalGas) Advice Letter (AL) 4240. SoCalGas requested various effective dates for tariff Sheets submitted with AL 4240. Tariff sheets with requested effective dates of April 14, 2011 and June 5, 2011 are effective on those dates, respectively. Approved tariff sheets with requested future effective dates shall be submitted by SoCalGas to the Energy Division shortly before those sheets are to become effective, with the effective date inserted on the tariff pages.

Sincerely,

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

Julie A. Fitch, Director
Energy Division



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May 6, 2011

Advice No. 4240
(U 904 G)

Public Utilities Commission of the State of California

Subject: Modification of Tariffs Updating Firm Access Rights Service and Rates

In compliance with Ordering Paragraph (OP) 42 of Decision (D.) 11-04-032, dated April 14, 2011, Southern California Gas Company (SoCalGas) hereby submits for filing revisions to its tariffs as shown on Attachment B.

Purpose

This filing modifies existing tariffs to implement the changes required to update Firm Access Rights (FAR) service and rates as ordered by D.11-04-032.

Background

On April 14, 2011, the Commission issued D.11-04-032 adopting operational modifications unanimously recommended by the Joint Parties¹ to the FAR Update Proceeding (A.10-03-028) to reduce scheduling uncertainty and improve operation of the FAR system, including renaming the FAR service tariff from the current G-RPA (Receipt Point Access) to G-BTS (Backbone Transportation Service); and adopting the rate design for G-BTS.

Preliminary Statement Revisions

Modification of Existing Regulatory Accounts

Consistent with D.11-04-032, SoCalGas revises its existing regulatory accounts as detailed below to reflect changes to BTS service and rates.

¹ San Diego Gas & Electric Company (SDG&E), Southern California Gas Company (SoCalGas), Division of Ratepayer Advocates (DRA), The Utility Reform Network (TURN), Southern California Edison Company (SCE), Southern California Generation Coalition (SCGC), Shell Energy North America (US), L.P. (Shell Energy), City of Long Beach (Long Beach), Southwest Gas Corporation (SWG), Indicated Producers/Watson Cogeneration Company (IP/Watson) and RRI Energy Services (RES)

- Firm Access Rights Balancing Account (FARBA) – Pursuant to OP 2 and OP 3, FARBA will be renamed the Backbone Transmission Balancing Account (BTBA) and will balance the difference between the authorized revenue requirement for Backbone Transportation Service and the corresponding revenues. Pursuant to OP 32, the BTBA will record the costs to implement receipt point pools. Pursuant to OP 37, the BTBA instead of the Firm Access and Storage Rights Memorandum Account (FASRMA) will be used to record the information technology costs required by D.11-04-032 to enhance Backbone Transmission Service. Pursuant to OP 38, the BTBA instead of the Integrated Transmission Balancing Account will record Off-System Delivery (OSD) revenues.
- Integrated Transmission Balancing Account (ITBA) – Pursuant to OP 39, the ITBA will be revised to no longer record transmission fuel costs effective October 1, 2011. In addition, the ITBA will balance the difference between the authorized transmission system revenue requirement and the corresponding revenues that are not reflected in the BTBA. Per OP 38, the ITBA will not record OSD revenues from PG&E as such revenues will be balanced in the BTBA.
- CFCA, EORA, and NFCA - Pursuant to OP 1, these regulatory accounts are being modified to remove references to Receipt Point Access and replace them with Backbone Transportation Service.

Modification of PS –XI – Performance Based Regulation

Consistent with OP 40, SoCalGas revises PS-XI to state that the revenue calculations remain unaffected by the implementation of D.11-04-032.

Modification of PS –XIII – Native Gas Program Mechanism

Consistent with OP 1, SoCalGas revises PS-XIII to remove references to Receipt Point Access and replace them with Backbone Transportation Service

Rate Schedule Revisions

Existing rate schedules also must be modified to comply with D.11-04-032 and they are described below:

Rate Schedule G-RPA

- New Name – Pursuant to OP 1, Schedule No. G-RPA is renamed Backbone Transportation Service (Schedule No. G-BTS). Pursuant to OP 35, G-RPA is modified to state existing contracts that refer to the G-RPA rates will rely on rates in G-BTS as a result of the renaming of Schedule No. G-RPA to Schedule No. G-BTS.
- Firm Service Rate Design – Pursuant to OP 6 and 7, Schedule No. G-BTS is being revised to include both a one-part straight fixed-variable (SFV) reservation charge rate and a two-part modified fixed-variable (MFV) rate consisting of a fixed reservation charge and a volumetric usage charge.

- In-Kind Fuel Factor – Pursuant to OP 12, SoCalGas revises Schedule No. G-BTS to apply an in-kind fuel factor to the total volume that a customer delivers to a system receipt point.
- Illustrative Rates – Pursuant to OP 13, Schedule No. G-BTS is filed herein using the illustrative rates posted in OP 13. An advice letter will be filed in August 2011 with the actual rates charged effective October 1, 2011, which will reflect the amortization of the balance in the BTBA as of July 31, 2011, as directed in OP 6. All of the rate changes to the illustrative rates resulting from the updated G-BTS charges will be filed at least 20 days prior to October 1, 2011.
- Step 1 Set Aside Requirements – Pursuant to OP 15, the Step 1 set-aside eligibility criteria for customers with qualifying interstate contracts has been revised to require those contracts to have a minimum term of 12 months and to be in effect at least two months prior to the Open Season beginning date.
- Wholesale Step 1 Set Aside Requirements – Pursuant to OP 16, G-BTS is also revised to allow a wholesale customer a set-aside based on a supplier's upstream pipeline contracts associated with the wholesale customer's long-term firm gas supply agreement with the supplier to serve its core load.
- Notice of Set-Aside Quantities and Selections – G-BTS is revised to require notice of the potential for set-aside quantities immediately after the deadline for qualifying contracts to be in place and to provide a minimum two-month notice of available capacity after set-asides are selected pursuant to OP 17.
- Set-Aside Selection Flexibility – Pursuant to OP 18, G-BTS is modified to allow all customer set-asides, including the Utility Gas Procurement Department, to be any quantity of the customer's choosing up to the maximum qualifying amount.
- Utility Gas Procurement Department's Step 2 Bidding Rights – Pursuant to OP 19, G-BTS is modified to provide the Utility Gas Procurement Department monthly bidding rights in the Step 2 Open Season so that quantities bid during the summer months that are less than the annual average will be provided as monthly bidding rights during the winter months such that the total yearly bidding rights do not exceed the average historical core usage.
- Tolling Entity Rights – Pursuant to JRO 1.F, Customer bidding rights in Step 2 of the Open Season will be modified per D.09-01-015. Tolling entities will be allocated bidding rights based on the historical usage under tolling agreements in effect during the base period.
- Elimination of Step 3B – Pursuant to OP 20, G-BTS is modified to eliminate Step 3B from the Open Season process. G-BTS is clarified to state that all capacity expansion requests must be addressed pursuant to Rule No. 39.
- Re-contracting Period – Pursuant to OP 21, G-BTS is modified to shorten the two-week re-contracting period following the Open Season process to three days. G-BTS is clarified to state that re-contracting may be conducted on a continuous basis through SoCalGas' electronic bulletin board (EBB).

- Limitations on Sale and Exchange of Firm Capacity – Pursuant to OP 22, G-BTS is modified to (1) limit, to the reduced capacity, the sale by SoCalGas and exchange of firm receipt point capacity when SoCalGas posts any notice that identifies a reduced receipt point or transmission zone capacity; and (2) require SoCalGas not to sell incremental firm receipt point capacity following the announcement of an operational flow order (OFO) for the flow day on which the OFO was called.
- Firm Capacity Aggregation – Pursuant to OP 34, G-BTS is modified to allow customers to aggregate their firm capacity into one contract number for each receipt point for the purposes of nominations and scheduling.

Modification of Other Existing Rate Schedules

- Schedule No. G-Pool, Pooling Service – Pursuant to OP 30, Schedule G-Pool is being modified to establish receipt point pools for the purpose of aggregating in-coming supplies at a particular receipt point, and to allow pool-to-pool transfers at the same receipt point between customers.
- Schedule Nos. GLT, GT-F, GT-I, GT-TLS, and G-OSD – Pursuant to OP 1, these rate schedules are being modified to remove references to Receipt Point Access and replace them with Backbone Transportation Service.

Rule Revisions

Certain Rules necessarily affected by the changes approved in D.11-04-032 are modified as summarized below:

- Rule No. 1, Definitions – SoCalGas revises this rule to add the following terms: Pooling Service, Tolling Entity.
- Rule No. 30, Transportation of Customer-Owned Gas – SoCalGas revises this rule consistent with the scheduling rules adopted in D.11-04-032 pursuant to OP 23 and OP 24. In addition, pursuant to OP 1, this rule is being modified to remove references to Receipt Point Access and replace them with Backbone Transportation Service.
- Rule No. 33, Electronic Bulletin Board – Pursuant to OP 1, this rule is being modified to remove references to Receipt Point Access and replace them with Backbone Transportation Service.
- Rule No. 41, Utility System Operation – Pursuant to OP 25, SoCalGas revises this rule to allow the scheduling priorities adopted in D.11-04-032 (and reflected in Section D.3 of Rule No. 30) to be re-examined in the 2012 Customer Forum to be convened in the Second Quarter of 2012.

Sample Forms – Contracts

Sample Forms necessarily affected by the changes approved in D.11-04-032 are modified as summarized below:

- Receipt Point Access Contract (RPAC), Form 6597-17 and RPAC Amendment, Form 6597-20 – Consistent with OP 1, the RPAC and the RPAC Amendment are being renamed, respectively, as the Backbone Transportation Service Contract (BTSC) and the BTSC Amendment. All references to Receipt Point Access are being replaced with Backbone Transportation Service.
- Firm Access Rights Assignment Form, Form 6825 and Nomination and/or Trading Authorization, Form 9924 – Consistent with OP 1, the Firm Access Rights Assignment Form and the Nomination and/or Trading Authorization are being modified to remove all references to Receipt Point Access and replace them with Backbone Transportation Service.

Implementation Timeline

SoCalGas estimates that it will be able to fully implement all of the provisions of D.11-04-032 within a four-month schedule beginning on June 6, 2011. The only exceptions will be the implementation of receipt point pools and the aggregation of firm capacity agreements for the purpose of nominations and scheduling. These changes are expected to be implemented by March 2012. SoCalGas will provide 20 days advance notice to the Commission as to when these provisions of the G-Pool and G-BTS tariffs will be available.

These changes are further reflected in the Effective Date section below.

Protest

Anyone may protest this Advice Letter to the California Public Utilities Commission. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. The protest must be made in writing and must be received within 20 days of the date this Advice Letter, which is May 26, 2011. There is no restriction on who may file a protest. The address for mailing or delivering a protest to the Commission is:

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

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

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

Effective Date

Given this timeline to fully implement all proposed tariff changes included herein, SoCalGas requests that the attached tariffs be made effective according to the three timelines presented below.

1. The proposed changes to Rule Nos. 1, 30, 33 and 41, and Schedule Nos. G-BTS, with the exception of Special Condition 11, Sheet 6 concerning contract aggregation, GLT, GT-F, GT-I, and G-OSD will be made effective 30 days after the filing of this AL with the rates and operational changes to take effect October 1, 2011 with the exceptions noted below.
2. The remaining tariff changes related to the implementation of firm contract aggregation and receipt point pools that cannot be implemented on October 1, 2011 due to extensive system programming changes be approved but subject to a later notification date. SoCalGas will notify the Commission no later than 20 days prior to the future implementation dates of these tariff changes as to the exact effective date. These specific modifications are: 1) Schedule No. G-BTS, Special Condition 11, Sheet 6; 2) references to receipt point pools in Schedule No. G-Pool; and 3) references to receipt point pools in Section D.6 (Sheet 7) of Rule No. 30.
3. The proposed changes to the Preliminary Statements for the BTBA to establish the IT Cost Subaccount to record costs incurred to enhance Backbone Transportation Service and for the recording of OSD revenues in the BTBA and no longer in the ITBA will be made effective April 14, 2011, the date of D.11-04-032. All other changes to the Preliminary Statements for the regulatory accounts and Parts XI and XIII will be made effective 30 days after the filing of this advice letter with exception to the recording of transmission fuel costs in the ITBA which will end effective October 1, 2011.

Notice

A copy of this Advice Letter is being sent to all parties listed on Attachment A, which includes the interested parties in A.10-03-028. Current redlined tariffs are available upon request.

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) #: 4240

Subject of AL: Modification of Tariffs Updating Firm Access Rights Service and Rates

Keywords (choose from CPUC listing): _____

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

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

D.11-04-032

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: Various

No. of tariff sheets: 61

Estimated system annual revenue effect (%): _____

Estimated system average rate effect (%): _____

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

Tariff schedules affected: PS V, CFCA, NFCA, EORA, ITBA, BTBA, PS VI, PS XI, PS XIII, GT-F, GT-I, GT-TLS, G-OSD, G-RPA, G-POOL, GLT, Rules 1, 30, 32, 33, 41, Sample Forms and TOCs

Service affected and changes proposed¹: N/A

Pending advice letters that revise the same tariff sheets: None

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

CPUC, Energy Division

Attention: Tariff Unit

505 Van Ness Ave.,

San Francisco, CA 94102

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

Southern California Gas Company

Attention: Sid Newsom

555 West 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. 4240

(See Attached Service Lists)

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ATTACHMENT B
Advice No. 4240

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 47157-G	PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS, DESCRIPTION AND LISTING OF BALANCING ACCOUNTS, Sheet 1	Revised 45980-G*
Revised 47158-G	PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS, CORE FIXED COST ACCOUNT (CFCA), Sheet 1	Revised 46960-G
Revised 47159-G	PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS, NONCORE FIXED COST ACCOUNT (NFCA), Sheet 1	Revised 46679-G*
Revised 47160-G	PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS, ENHANCED OIL RECOVERY ACCOUNT (EORA), Sheet 1	Revised 45277-G
Revised 47161-G	PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS, INTEGRATED TRANSMISSION BALANCING ACCOUNT (ITBA)	Revised 45278-G
Revised 47162-G	PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS, BACKBONE TRANSMISSION BALANCING ACCOUNT (BTBA), Sheet 1	Original 45280-G
Original 47163-G	PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS, BACKBONE TRANSMISSION BALANCING ACCOUNT (BTBA), Sheet 2	
Revised 47164-G	PRELIMINARY STATEMENT, PART XI, PERFORMANCE BASED REGULATION, Sheet 13	Revised 43910-G
Revised 47165-G	PRELIMINARY STATEMENT, PART XI, PERFORMANCE BASED REGULATION, Sheet 16	Revised 45290-G
Revised 47166-G	PRELIMINARY STATEMENT, PART XIII, NATIVE GAS PROGRAM MECHANISM, Sheet 5	Original 42603-G
Revised 47167-G	Schedule No. GT-F, FIRM INTRASTATE TRANSPORTATION SERVICE, FOR DISTRIBUTION LEVEL CUSTOMERS, Sheet 8	Revised 45309-G
Revised 47168-G	Schedule No. GT-I, INTERRUPTIBLE INTRASTATE TRANSPORTATION SERVICE,	Revised 45318-G

ATTACHMENT B
Advice No. 4240

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
	FOR DISTRIBUTION LEVEL CUSTOMERS, Sheet 5	
Revised 47169-G	Schedule No. GT-TLS, INTRASTATE TRANSPORTATION SERVICE, FOR TRANSMISSION LEVEL CUSTOMERS, Sheet 8	Original 45328-G
Revised 47170-G	Schedule No. GT-TLS, INTRASTATE TRANSPORTATION SERVICE, FOR TRANSMISSION LEVEL CUSTOMERS, Sheet 13	Original 45333-G
Revised 47171-G	Schedule No. G-OSD, OFF-SYSTEM DELIVERY SERVICE, Sheet 1	Original 42257-G
Revised 47172-G	Schedule No. G-BTS, BACKBONE TRANSPORTATION SERVICE, Sheet 1	Revised 45973-G
Revised 47173-G	Schedule No. G-BTS, BACKBONE TRANSPORTATION SERVICE, Sheet 2	Original 42261-G
Revised 47174-G	Schedule No. G-BTS, BACKBONE TRANSPORTATION SERVICE, Sheet 3	Revised 46754-G
Revised 47175-G	Schedule No. G-BTS, BACKBONE TRANSPORTATION SERVICE, Sheet 4	Original 42263-G
Revised 47176-G	Schedule No. G-BTS, BACKBONE TRANSPORTATION SERVICE, Sheet 5	Original 42264-G
Revised 47177-G	Schedule No. G-BTS, BACKBONE TRANSPORTATION SERVICE, Sheet 6	Original 42265-G*
Revised 47178-G	Schedule No. G-BTS, BACKBONE TRANSPORTATION SERVICE, Sheet 7	Revised 43327-G
Revised 47179-G	Schedule No. G-BTS, BACKBONE TRANSPORTATION SERVICE, Sheet 8	Revised 43328-G
Revised 47180-G	Schedule No. G-BTS, BACKBONE TRANSPORTATION SERVICE, Sheet 9	Revised 43329-G
Revised 47181-G	Schedule No. G-BTS, BACKBONE TRANSPORTATION SERVICE, Sheet 10	Revised 43330-G
Revised 47182-G	Schedule No. G-BTS, BACKBONE TRANSPORTATION SERVICE, Sheet 11	Revised 43331-G
Revised 47183-G	Schedule No. G-BTS, BACKBONE TRANSPORTATION SERVICE, Sheet 12	Revised 43332-G
Revised 47184-G	Schedule No. G-BTS, BACKBONE TRANSPORTATION SERVICE, Sheet 13	Revised 43333-G
Revised 47185-G	Schedule No. G-BTS, BACKBONE TRANSPORTATION SERVICE, Sheet 14	Revised 43334-G
Revised 47186-G	Schedule No. G-BTS, BACKBONE TRANSPORTATION SERVICE, Sheet 15	Revised 43335-G
Revised 47187-G	Schedule No. G-BTS, BACKBONE TRANSPORTATION SERVICE, Sheet 16	Revised 43336-G

ATTACHMENT B
Advice No. 4240

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 47188-G	Schedule No. G-POOL, POOLING SERVICE, Sheet 1	Original 42276-G
Revised 47189-G	Schedule No. G-POOL, POOLING SERVICE, Sheet 2	Original 42277-G
Revised 47190-G	Schedule No. GLT, (Enhanced Oil Recovery), LONG-TERM TRANSPORTATION OF CUSTOMER-OWNED NATURAL GAS, Sheet 3	Revised 42279-G
Revised 47191-G	Rule No. 01, DEFINITIONS, Sheet 13	Revised 45825-G
Revised 47192-G	Rule No. 01, DEFINITIONS, Sheet 18	Revised 45830-G
Revised 47193-G	Rule No. 30, TRANSPORTATION OF CUSTOMER-OWNED GAS, Sheet 1	Revised 43369-G
Revised 47194-G	Rule No. 30, TRANSPORTATION OF CUSTOMER-OWNED GAS, Sheet 3	Revised 46255-G
Revised 47195-G	Rule No. 30, TRANSPORTATION OF CUSTOMER-OWNED GAS, Sheet 4	Revised 46256-G
Revised 47196-G	Rule No. 30, TRANSPORTATION OF CUSTOMER-OWNED GAS, Sheet 5	Original 46257-G
Revised 47197-G	Rule No. 30, TRANSPORTATION OF CUSTOMER-OWNED GAS, Sheet 6	Revised 46258-G
Revised 47198-G	Rule No. 30, TRANSPORTATION OF CUSTOMER-OWNED GAS, Sheet 7	Revised 46259-G
Revised 47199-G	Rule No. 30, TRANSPORTATION OF CUSTOMER-OWNED GAS, Sheet 10	Revised 46262-G
Revised 47200-G	Rule No. 30, TRANSPORTATION OF CUSTOMER-OWNED GAS, Sheet 14	Revised 46266-G
Revised 47201-G	Rule No. 32, CORE AGGREGATION TRANSPORTATION, Sheet 17	Revised 43385-G
Revised 47202-G	Rule No. 33, ELECTRONIC BULLETIN BOARD (EBB), Sheet 1	Revised 43388-G
Revised 47203-G	Rule No. 33, ELECTRONIC BULLETIN BOARD (EBB), Sheet 4	Revised 45393-G
Revised 47204-G	RULE NO. 41, UTILITY SYSTEM OPERATION, Sheet 7	Original 45405-G
Revised 47205-G	MASTER SERVICES CONTRACT - SCHEDULE L, BACKBONE TRANSPORTATION SERVICE CONTRACT - EXHIBIT A, Form No. 6597-17 (5/2011)	Original 42317-G
Revised 47206-G	AMENDMENT TO SCHEDULE L, BACKBONE TRANSPORTATION SERVICE CONTRACT, Form No. 6597-20 (5/2011)	Original 42320-G

ATTACHMENT B
Advice No. 4240

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 47207-G	NOMINATION AND/OR TRADING AUTHORIZATION, FOR RECEIPT POINT MASTER AGREEMENT AND/OR STORAGE CONTRACT, Form No. 9924 (5/2011)	Revised 44336-G
Revised 47208-G	SAMPLE FORMS - CONTRACTS, BACKBONE TRANSPORTATION SERVICE (BTS) RIGHTS ASSIGNMENT FORM, Form No. 6825 (5/2011)	Original 43042-G
Revised 47209-G Revised 47210-G	TABLE OF CONTENTS TABLE OF CONTENTS	Revised 47101-G Revised 46683-G
Revised 47211-G Revised 47212-G	TABLE OF CONTENTS TABLE OF CONTENTS	Revised 46915-G Revised 46412-G
Revised 47213-G Revised 47214-G	TABLE OF CONTENTS TABLE OF CONTENTS	Revised 45144-G Revised 46717-G
Revised 47215-G Revised 47216-G Revised 47217-G	TABLE OF CONTENTS TABLE OF CONTENTS TABLE OF CONTENTS	Revised 47102-G Revised 45982-G Revised 46829-G

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)
- 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)
- Backbone Transmission Balancing Account (BTBA)
- Advanced Metering Infrastructure Balancing Account (AMIBA)

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(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 4240
 DECISION NO. 11-04-032

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED May 6, 2011
 EFFECTIVE Apr 14, 2011
 RESOLUTION NO. _____

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 Backbone Transportation Service (BTS) revenue requirement) and other non-gas costs as detailed below, including funding of SoCalGas' Gas Assistance Fund (GAF) program pursuant to Advice No. 4168, and storage costs associated with the allocation of storage adopted in D.08-12-020 that are not currently reflected in current rates, allocated to the core market with revenues intended to recover these costs. Pursuant to Resolution G-3452, the CFCA will be credited for the increased revenues from the 1% surcharge in franchise fees charged to core customers in the City of Huntington Beach until the system-wide franchise fee factor is updated in SoCalGas' next General Rate Case. 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 the actual funds used, up to amounts authorized by the Commission, in providing eligible customers with assistance in paying their bills in connection with SoCalGas' Gas Assistance Fund (GAF) program;
- f. An adjustment to reflect storage costs consistent with the allocation of storage adopted in D.08-12-020 that are not currently reflected in current transportation rates;

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(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 4240
 DECISION NO. 11-04-032

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED May 6, 2011
 EFFECTIVE Jun 5, 2011
 RESOLUTION NO. _____

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PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS
NONCORE FIXED COST ACCOUNT (NFCA)

Sheet 1

1. Purpose

The NFCA 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 requirement and Backbone Transportation Service (BTS) revenue requirement) and other non-gas costs as detailed below associated with the noncore market, including funding of SoCalGas' Gas Assistance Fund (GAF) program pursuant to Advice No. 4168 with noncore revenues intended to recover these costs. Pursuant to Resolution G-3452, the NFCA will be credited for the increased revenues from the 1% surcharge in franchise fees charged to noncore customers in the City of Huntington Beach until the system-wide franchise fee factor is updated in SoCalGas' next General Rate Case. The noncore market excludes the Unbundled Storage Program. Pursuant to the BCAP Decision 09-11-006, the Commission authorized the NFCA 100% balancing account treatment (i.e., balancing of 100% of noncore costs and revenues).

The NFCA shall be divided into two subaccounts: a) authorized base margin and b) non-base margin costs and revenues.

2. Applicability

The NFCA shall apply to all noncore gas customers excluding EOR.

3. Rates

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

4. Accounting Procedures – Authorized Base Margin Subaccount

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

- a. A debit entry equal to the seasonalized monthly amount of the authorized margin;
- b. A credit entry equal to the noncore revenues to recover the authorized margin excluding revenues from (1) future non-tariff contracts with Sempra Energy affiliates not subject to competitive bidding and (2) Competitive Load Growth Opportunities for noncore Rule No. 38 and Red Team incentive revenues;
- c. An entry to amortize the previous year's balance; and
- d. An entry equal to interest on the average balance in the subaccount during the month, calculated in the manner described in Preliminary Statement, Part I, J.

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(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 4240
 DECISION NO. 11-04-032

ISSUED BY
Lee Schavrien
 Senior Vice President
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(TO BE INSERTED BY CAL. PUC)
 DATE FILED May 6, 2011
 EFFECTIVE Jun 5, 2011
 RESOLUTION NO. _____

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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 Backbone Transportation Service (BTS) 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.

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 4240
DECISION NO. 11-04-032

ISSUED BY
Lee Schavrien
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(TO BE INSERTED BY CAL. PUC)
DATE FILED May 6, 2011
EFFECTIVE Jun 5, 2011
RESOLUTION NO. _____

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

1. Purpose

The ITBA is an interest-bearing balancing account that is recorded on the Utility's financial statements pursuant to D.06-04-033, D.06-12-031, Resolution G-3407, and D.11-04-032. The purpose of the ITBA is to record the difference between the authorized transmission system revenue requirements and the corresponding transmission revenues that are not reflected in the Backbone Transmission Balancing Account (BTBA).

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2. Applicability

The ITBA shall apply to all gas customers.

3. Rates

The projected year-end ITBA balance will be applied to gas rates as described in item 5 below.

4. Accounting Procedures

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

- a. A debit entry equal to the seasonalized monthly amount of the authorized transmission revenue requirement which excludes the BTS revenue requirement;
- b. A credit entry equal to the recorded transmission revenues;
- c. An entry to amortize the previous year's balance; and
- d. An entry equal to interest on the average of the balance in the account during the month, calculated in the manner described in Preliminary Statement, Part I, J.

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5. Disposition

Under System Integration, the projected year-end balance in the ITBA shall be combined with the projected year-end balance in SDG&E's ITBA and re-allocated between the utilities based on cold year throughput. SoCalGas' allocation of the ITBA balances shall be amortized in the following year's rates as proposed in SoCalGas' annual October regulatory account balance update filing.

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 4240
 DECISION NO. 11-04-032

ISSUED BY

Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED May 6, 2011
 EFFECTIVE Oct 1, 2011
 RESOLUTION NO. _____

PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS
BACKBONE TRANSMISSION BALANCING ACCOUNT (BTBA)

Sheet 1

1. Purpose

The BTBA 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, Resolution G-3407, and D.11-04-032. The purpose of the BTBA is to record the difference between the authorized Backbone Transportation Service (BTS) revenue requirement and the actual BTS revenues from firm and interruptible access to SoCalGas' transmission system. The BTBA will also record revenues from interruptible off-system delivery service to the Pacific Gas and Electric Company (PG&E) system. Pursuant to D.11-04-032, SoCalGas establishes the IT Cost Subaccount to record and recover information technology costs incurred to enhance Backbone Transportation Service.

2. Applicability

The BTBA shall apply to all customers with firm or interruptible Backbone Transportation Service rights.

3. Rates

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

4. Accounting Procedures

SoCalGas shall maintain the BTBA 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 BTS revenue requirement;
- b. A credit entry equal to the recorded BTS revenues;
- c. A credit entry equal to 100% of the recorded interruptible backbone transportation charges;
- d. An entry to amortize the previous year's balance;
- e. A credit entry equal to 100% of the recorded revenues from interruptible off-system delivery services; and
- f. An entry equal to interest on the average of the balance in the BTBA during the month, calculated in the manner described in Preliminary Statement, Part I, J.

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(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 4240
 DECISION NO. 11-04-032

ISSUED BY
Lee Schavrien
 Senior Vice President
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(TO BE INSERTED BY CAL. PUC)
 DATE FILED May 6, 2011
 EFFECTIVE Apr 14, 2011
 RESOLUTION NO. _____

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PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS
BACKBONE TRANSMISSION BALANCING ACCOUNT (BTBA)

Sheet 2

(Continued)

4. Accounting Procedures (Continued)

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

- a. A debit entry equal to the capital-related costs (such as depreciation, return on investment, and related taxes) associated with information technology costs;
- b. A debit entry equal to incremental O&M expenses associated with information technology enhancements;
- c. An entry to amortize the previous year's balance; and
- d. An entry equal to interest on the average of the balance in the subaccount during the month, calculated in the manner described in Preliminary Statement, Part I, J.

5. Disposition

The revenue requirement associated with firm and interruptible Backbone Transportation Service is excluded from the revenue requirement underlying the Utility's gas transportation rates and is recovered separately through BTS charges under Schedule No. G-BTS, Backbone Transportation Service. In each annual October regulatory account balance update filing, SoCalGas will amortize the projected year-end BTBA balance in all BTS rates effective January 1 of the following year.

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 ADVICE LETTER NO. 4240
 DECISION NO. 11-04-032
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ISSUED BY
Lee Schavrien
 Senior Vice President
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(TO BE INSERTED BY CAL. PUC)
 DATE FILED May 6, 2011
 EFFECTIVE Apr 14, 2011
 RESOLUTION NO. _____

PRELIMINARY STATEMENT
PART XI
PERFORMANCE BASED REGULATION

Sheet 13

(Continued)

I. CORE PRICING FLEXIBILITY (Continued)

5. CFCA Adjustment Mechanism (Continued)

d. CFCA Credits

1) New Customers

For a new customer who provides an affidavit stating they would not have become a customer absent the discounted rate, base volume equals zero, and there is no credit to the CFCA. For a new customer who does not provide an affidavit, the base volume equals the actual volume, and the CFCA credit is equal to 100% of the expected revenue under the Otherwise Applicable Tariff [i.e., 100% *(total metered actual volumes * Otherwise Applicable Tariff rate + customer charge)].

2) Existing Customers - Load Retention

The CFCA credit is equal to 95 % of actual revenue [i.e., 95% * (total metered actual volumes * optional tariff rate + customer charge)]; the remaining 5% of actual revenues goes to SoCalGas shareholders.

3) Existing Customers - Load Gain

a) Not Temperature Sensitive

Since customers with an annual load of less than 3,000 therms per year are treated as temperature sensitive, this category applies only to core commercial and industrial customers who use more than 3,000 therms in the base year, and have a seasonal factor less than 2.3. For these customers, base volumes equal the volume for the 12 months preceding the customer's participation in the optional tariff program.

b) Temperature Sensitive

For customers to whom the TAM applies, SoCalGas will use temperature-adjusted base volumes, as described in section I.6.

e. In the event proposed optional tariffs present special circumstances that may cause the CFCA adjustment mechanism to be clearly inappropriate or inaccurate, SoCalGas will propose, by advice letter filing, an alternative CFCA adjustment mechanism. Under such special circumstances, other parties may also propose alternate CFCA adjustment mechanisms.

f. The revenue calculation for the CFCA adjustment mechanism shall remain unaffected by Backbone Transportation Service (BTS) implementation per D.11-04-032.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 4240
DECISION NO. 11-04-032

ISSUED BY
Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED May 6, 2011
EFFECTIVE Jun 5, 2011
RESOLUTION NO. _____

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.
- 7) The revenue calculation for the NFCA adjustment mechanism shall remain unaffected by BTS implementation per D.11-04-032.

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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(TO BE INSERTED BY UTILITY)
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ISSUED BY
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DATE FILED May 6, 2011
EFFECTIVE Jun 5, 2011
RESOLUTION NO. _____

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PRELIMINARY STATEMENT
PART XIII
NATIVE GAS PROGRAM MECHANISM

Sheet 5

(Continued)

B. NATIVE GAS PROGRAM PROCEDURES (Continued)

5. Native Gas Tracking Account (NGTA) (Continued)

Under the NGPM, the shareholders' allocation of net revenues from the sale of gas, gas condensates and/or oil, including their allocation of A&E costs for unsuccessful prospects and de-commissioning costs in excess of amounts initially reserved for a producing well, will be an exclusion under SoCalGas' Performance Based Ratemaking (PBR) Sharing Mechanism.

C. SPECIAL CONDITIONS

Storage Field Integrity - SoCalGas will actively monitor native gas production and storage reservoir data to ensure that none of the native gas produced from any field is storage gas. If SoCalGas should find that any storage gas in a given field has been produced by the Native Gas Program, SoCalGas will take the following actions:

- a. Immediately suspend native gas production at all relevant wells in such field,
- b. Submit a report, served on all parties of record in A.04-01-034, to the Commission within 30 days detailing this occurrence and the remedial measures taken or proposed to be taken to restore storage field integrity, and
- c. Compensate customers for gas produced from storage facilities on a basis to be determined by the Commission.

D. CONVERSION TO STORAGE SERVICE

1. Conversion to Storage Service (La Goleta) – Subject to permitting requirements, SoCalGas plans to develop the known gas reservoir for storage service and sell as a storage product:

- a. Design and construct the wells and other facilities for storage service.
- b. Sell at least 2 Bcf of this gas as a package of gas commodity in place with associated inventory and withdrawal rights, until it is determined that SoCalGas has sold all of the gas except that necessary to maintain the cushion. Prior to the capacity created by withdrawal of the native gas being offered for tariffed storage services, this gas will be subject to the same charges and access rules as other new California gas production including, without limitation, rules requiring the execution of an access agreement or operational balancing agreement, as adopted in D.07-08-029, and all rules affecting Backbone Transportation Service, balancing, gas quality standards and monitoring protocols, meter aggregation, split metering and other operational requirements.

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(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 4240
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ISSUED BY
Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED May 6, 2011
EFFECTIVE Jun 5, 2011
RESOLUTION NO. _____

Schedule No. GT-TLS

Sheet 8

INTRASTATE TRANSPORTATION SERVICE
FOR TRANSMISSION LEVEL CUSTOMERS

(Continued)

SPECIAL CONDITIONS (Continued)

GENERAL (Continued)

8. Term (Continued)

- c. For contracts with an effective date on or after August 1, 2009, Class-Average Volumetric Rate Option service and Reservation Rate Option service will have an option to auto-renew for an additional three-year term following the initial term or any subsequent three-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.
- d. In the event a Customer does not subsequently execute an agreement for an additional term or an automatic renewal pursuant to Special Condition 8.c, service will continue to be provided monthly under the a) NV charge for non-Bypass customers or b) BV charge for Bypass customers.
- e. A customer may elect to terminate an existing contract and enter into a new contract at the same or greater DRQ in order to align its term with the triennial Backbone Transportation Service Rights period.

9. Curtailment/Force Majeure:

- a. 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. If service to wholesale customers' Priority 1 and 2A customers is in jeopardy, such customers shall be served in parity with the Utility's Priority 1 and 2A customers as set forth in Rule No. 23.
- b. Applicable use-or-pay charges and RS reservation charges 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.

10. Change of Customer'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.

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(TO BE INSERTED BY UTILITY)
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Senior Vice President
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(TO BE INSERTED BY CAL. PUC)
DATE FILED May 6, 2011
EFFECTIVE Jun 5, 2011
RESOLUTION NO. _____

Schedule No. GT-TLS

Sheet 13

INTRASTATE TRANSPORTATION SERVICE
FOR TRANSMISSION LEVEL CUSTOMERS

(Continued)

SPECIAL CONDITIONS (Continued)

NEGOTIABLE TRANSPORTATION CHARGES (Continued)

26. 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.
27. 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-TLS Class Average Volumetric rate associated with the unbundled Backbone Transportation Service 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 Backbone Transportation Service.

FIRM NONCORE SERVICE IN POTENTIALLY CAPACITY-CONSTRAINED AREAS

28. Open Season: The 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.
29. 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.
30. 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).

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 4240
DECISION NO. 11-04-032

ISSUED BY
Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED May 6, 2011
EFFECTIVE Oct 1, 2011
RESOLUTION NO. _____

Schedule No. G-OSD
OFF-SYSTEM DELIVERY SERVICE

Sheet 1

APPLICABILITY

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

TERRITORY

Applicable throughout the service territory.

RECEIPT POINTS

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

OFF-SYSTEM DELIVERY POINTS

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

RATES

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

BILLING CALCULATION

Monthly Volumetric Charge:

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

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

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 4240
 DECISION NO. 11-04-032

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED May 6, 2011
 EFFECTIVE Oct 1, 2011
 RESOLUTION NO. _____

Schedule No. G-BTS
BACKBONE TRANSPORTATION SERVICE

Sheet 1

APPLICABILITY

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

Backbone Transportation Service rights to Utility's transmission system neither guarantee nor imply firm service on Utility's local transmission/distribution system; such service is defined by the end-use customers' applicable Utility transportation service agreement.

TERRITORY

Applicable throughout the service territory.

RECEIPT POINTS

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

<u>Transmission Zone</u>	<u>Total Transmission Zone Firm Access (MMcfd)</u>	<u>Specific Points of Access (MMcfd)*</u>
Southern	1210	EPN Ehrenberg - 1210 TGN Otay Mesa - 400 NBP Blythe - 600
Northern	1590	TW North Needles - 800 TW Topock - 190 EPN Topock - 540 QST North Needles - 120 KR/MP Kramer Junction - 550
Wheeler	765	KR/MP Wheeler Ridge - 765 PG&E Kern River Station - 520 OEHI Gosford - 150
Line 85	160	California Supply
Coastal	150	California Supply
Other	<u>N/A</u>	California Supply
Total	3875	

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

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 4240
 DECISION NO. 11-04-032

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED May 6, 2011
 EFFECTIVE Jun 5, 2011
 RESOLUTION NO. _____

Schedule No. G-BTS
BACKBONE TRANSPORTATION SERVICE

Sheet 2

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(Continued)

RECEIPT POINTS (Continued)

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

Transmission Zone Contract Limitations:

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

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DELIVERY POINTS

Delivery Points available for service under this schedule are:

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

(Continued)

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(TO BE INSERTED BY CAL. PUC)
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EFFECTIVE Jun 5, 2011
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Schedule No. G-BTS
BACKBONE TRANSPORTATION SERVICE

Sheet 3

(Continued)

RATES

BACKBONE TRANSPORTATION RIGHTS

This Schedule provides for both firm and interruptible backbone transportation service rights. This Schedule is applicable at all Receipt Points available under the following rates:

<u>Rate</u>	<u>Description of Service</u>	<u>Term</u>	<u>Rate Structure</u>	<u>Reservation Rate (per Dth per day)</u>	<u>Volumetric Rate (per Dth)</u>
G-BTS1	Firm	Three Years*	100% Reservation	\$0.11269	\$0.0
G-BTS2	Firm	Three Years	Modified Fixed Variable	\$0.09015	\$0.02653
G-BTS3	Firm	Three to Twenty Years**	100% Reservation	Cost Based	\$0.0
G-BTSN1	Short Term Firm	Up to Three Years	100% Reservation	Market Based up to \$0.11269	\$0.0
G-BTSN2	Short Term Firm	Up to Three Years	Modified Fixed Variable	\$0.09015	\$0.02653
G-BTS4	Interruptible	Up to Three Years	100% Volumetric	\$0.0	Market Based up to \$0.11269

* Terms are available for up to twenty years during Step 3 of the open season.

** Customers taking service under G-BTS3 and Rule No. 39 will also pay the G-BTS1 rate.

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(TO BE INSERTED BY CAL. PUC)
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 EFFECTIVE Oct 1, 2011
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Schedule No. G-BTS
BACKBONE TRANSPORTATION SERVICE

Sheet 4

(Continued)

RATES (Continued)

BILLING CALCULATION

Monthly Reservation Charge:

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

Monthly Reservation Charge = Applicable Reservation Rate * DCQ * number of days in the billing period (or, if less than one month, number of days in term of contract).

Monthly Volumetric Charge:

The Monthly Volumetric Charge for each billing period shall be calculated using the applicable volumetric rate multiplied by the scheduled quantities on the Customer's BTSC.

Monthly Volumetric Charge = Applicable Volumetric Rate * Quantities of Gas Scheduled during the billing period.

In-Kind Energy Charges:

Customers transporting gas over the backbone transmission system shall deliver each day for each billing period at the receipt point an additional in-kind quantity of natural gas equal to a percent of the total quantity delivered at the receipt point. The quantity received by the Utility at the receipt point shall equal the quantity delivered by the Utility to the delivery point divided by (1 - x) where x is the decimal equivalent of the backbone transmission system in-kind fuel factor percentage.

Rate, percent reduction 0.22%

Any applicable volumetric charges shall be charged on scheduled volumes net of shrinkage.

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 EFFECTIVE Oct 1, 2011
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Schedule No. G-BTS
BACKBONE TRANSPORTATION SERVICE

Sheet 5

(Continued)

SPECIAL CONDITIONS

GENERAL

1. The definitions of the principal terms used in this schedule are found either herein or in Rule No. 1, Definitions.
2. Any disputed bill will be treated in accordance with Rule No. 11, Disputed Bills.
3. As a condition precedent to service under this schedule, an executed Receipt Point Master Agreement (RPMA) and a Backbone Transportation Service Contract (BTSC) (Form Nos. 6597-18 and 6597-17) are required. All contracts, rates and conditions are subject to revision and modification as a result of CPUC order or rules.
4. Customer must meet the Utility's applicable credit requirements.
5. The Utility will display on its Electronic Bulletin Board (EBB) total available backbone transportation service capacity at each point along with the firm and interruptible scheduled volumes at the respective points during each nomination cycle.
6. The Utility will file quarterly reports to the Commission stating the Backbone Transportation Service rights held by Customers. Such reports will provide the name of the entity holding firm Backbone Transportation Service rights, the quantity held, usage of the rights, and the terms of those rights. Such information, excluding usage, will also be posted on the Utility's EBB and will be updated daily.
7. The Utility will post on its EBB, by Receipt Point, all contracted Backbone Transportation Service capacity and the available unsubscribed Backbone Transportation Service capacity for sale. This information will be updated on a daily basis.
8. This rate schedule is the successor to rate Schedule No. G-RPA. Effective October 1, 2011, all references to rate Schedule No. G-RPA shall be deemed references to rate Schedule No. G-BTS.
9. Once any notice is posted on the EBB that identifies a reduced receipt point or transmission zone capacity, the Utility will limit the sale and exchange of firm Backbone Transportation Service capacity to the reduced capacity quantity for that receipt point and transmission zone for the duration of the posted event.

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 EFFECTIVE Oct 1, 2011
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Schedule No. G-BTS
BACKBONE TRANSPORTATION SERVICE

Sheet 6

(Continued)

SPECIAL CONDITIONS (Continued)

GENERAL (Continued)

10. The Utility will not sell incremental firm receipt point capacity following the announcement of an OFO for the flow day on which the OFO is called. Once an OFO has been called, the Utility will be limited to sales of incremental interruptible Backbone Transportation Service capacity for the flow day on which the OFO is called.
11. Customers may aggregate their firm Backbone Transportation Service capacity into one contract number for each receipt point for the purposes of nominations and scheduling. Only firm Backbone Transportation Service contracts under identical rate schedules may be aggregated. Aggregation of contracts must be done using the EBB.

NOMINATIONS AND BALANCING

1. 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.
2. The Utility will schedule interruptible nominations up to all available Backbone Transportation Service capacity at each of its Receipt Points subject to Rule No. 30, Transportation of Customer-Owned Gas.
3. Customers holding firm Backbone Transportation Service capacity will be able to nominate natural gas for delivery on an alternate "within-the-zone" firm basis from any specific Receipt Point within an applicable transmission zone. Customers will also be able to nominate natural gas for delivery on an alternate "outside-the-zone" firm basis from any receipt point on the system. All such nominations will be scheduled in accordance with Rule No. 30, Transportation of Customer-Owned Gas.
4. A customer may opt to designate one and only one nominating agent in addition to itself at any one time to nominate on all BTSCs under a customer's RPMA. Customer must provide appropriate written authorization to the Utility of its intent to add or change a designated nominating agent via the Nomination and Trading Authorization Form (Form No. 9924). Such designation shall be subject to that nominating agent complying with applicable tariff and contractual provisions. Customer shall provide appropriate written notice to the Utility of its intent to terminate a nominating agent via the Termination of Nominating or Trading Agent Form (Form No. 9926).

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(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 4240
 DECISION NO. 11-04-032

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED May 6, 2011
 EFFECTIVE Apr 1, 2012
 RESOLUTION NO. _____

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Schedule No. G-BTS
BACKBONE TRANSPORTATION SERVICE

Sheet 6

(Continued)

SPECIAL CONDITIONS (Continued)

GENERAL (Continued)

- 10. The Utility will not sell incremental firm receipt point capacity following the announcement of an OFO for the flow day on which the OFO is called. Once an OFO has been called, the Utility will be limited to sales of incremental interruptible Backbone Transportation Service capacity for the flow day on which the OFO is called.

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NOMINATIONS AND BALANCING

- 1. 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.
- 2. The Utility will schedule interruptible nominations up to all available Backbone Transportation Service capacity at each of its Receipt Points subject to Rule No. 30, Transportation of Customer-Owned Gas.
- 3. Customers holding firm Backbone Transportation Service capacity will be able to nominate natural gas for delivery on an alternate "within-the-zone" firm basis from any specific Receipt Point within an applicable transmission zone. Customers will also be able to nominate natural gas for delivery on an alternate "outside-the-zone" firm basis from any receipt point on the system. All such nominations will be scheduled in accordance with Rule No. 30, Transportation of Customer-Owned Gas.
- 4. A customer may opt to designate one and only one nominating agent in addition to itself at any one time to nominate on all BTSCs under a customer's RPMA. Customer must provide appropriate written authorization to the Utility of its intent to add or change a designated nominating agent via the Nomination and Trading Authorization Form (Form No. 9924). Such designation shall be subject to that nominating agent complying with applicable tariff and contractual provisions. Customer shall provide appropriate written notice to the Utility of its intent to terminate a nominating agent via the Termination of Nominating or Trading Agent Form (Form No. 9926).

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Lee Schavrien
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Schedule No. G-BTS
BACKBONE TRANSPORTATION SERVICE

Sheet 7

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(Continued)

SPECIAL CONDITIONS (Continued)

SECONDARY MARKET ASSIGNMENTS

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1. Customers who hold Backbone Transportation Service rights may release all or a portion of those rights to any creditworthy party in the secondary market through SoCalGas' EBB (see Special Condition 4 under this section for exception) at a rate up to 125% of the G-BTS1 rate. Any creditworthy party may purchase firm Backbone Transportation Service rights in the secondary market. Any party releasing firm rights will be referred to as "Releasing Shipper" and the party purchasing firm rights through the secondary market will be referred to as "Acquiring Shipper." Rights may be re-released any number of times under the same rules applicable to releases by customers who originally obtained the rights directly from the Utility. Releases may consist of all or part of the Backbone Transportation Service rights of a customer's DCQ and all or part of the remaining contract term with a minimum term of one day. The Utility will bill the Acquiring Shipper and credit the Releasing Shipper subject to the provisions in Special Condition 4 under this section. If the Acquiring Shipper's Reservation Rate is less than the Releasing Shippers Reservation Rate, the Releasing Shipper will continue to be responsible for payment of the difference. In the event that the Utility realizes revenues from an Acquiring Shipper that exceed the amount due from a Releasing Shipper for any month, the Utility shall credit any excess amount to the account of the Releasing Shipper, or return excess revenues directly to the Releasing Shipper, as may be requested.

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2. A customer may opt to designate one and only one trading agent in addition to itself at any one time to buy or sell firm Backbone Transportation Service capacity rights in the secondary market. The trading agent shall be specified on the Nomination and Trading Authorization Form (Form No. 9924) and shall apply to all BTSCs under that customer's RPMA. 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 No. 9926).

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3. Contract releases of firm rights must be done electronically using the Utility's EBB.

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 SUBMITTED May 6, 2011
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Schedule No. G-BTS
BACKBONE TRANSPORTATION SERVICE

Sheet 8

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(Continued)

SPECIAL CONDITIONS (Continued)

SECONDARY MARKET ASSIGNMENTS (Continued)

4. The Acquiring Shipper must satisfy the Utility's applicable credit requirements. If the Utility's creditworthiness requirements are satisfied, the Utility shall notify the Releasing Shipper that it is conditionally* relieved of all liability for performance by the Acquiring Shipper for the term of the release. Alternatively, the Releasing Shipper may, at its option, waive the creditworthiness requirements applicable to the Acquiring Shipper, in which case the Releasing Shipper shall remain secondarily liable for non-performance by the Acquiring Shipper. If a Releasing Shipper exercises this option, it must continue to meet the Utility's applicable credit requirements for the duration of the contract.
5. The Utility will post on its EBB a summary of the completed secondary market transactions, listing releasing party, acquiring party, amount of capacity, receipt point, awarded reservation rate, and term of the release. The summary information regarding secondary market transactions will be posted the next business day.
6. Market participants can voluntarily post secondary Backbone Transportation Service rights capacity transaction offers on the Utility's EBB.

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

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(TO BE INSERTED BY CAL. PUC)
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Schedule No. G-BTS
BACKBONE TRANSPORTATION SERVICE

Sheet 9

(Continued)

SPECIAL CONDITIONS (Continued)

SET-ASIDES: Pre-Open Season - Step 1

1. The Utility Gas Procurement Department, Wholesale Customers other than SDG&E and Core Transportation Aggregators (CTAs) set-asides will be based on qualifying interstate contracts with a minimum term of 12 months that are in effect two months prior to the open season beginning date. In no event shall the total set-aside provided to the Utility Gas Procurement Department or any other core customer exceed its average daily usage during the Base Period, as defined in Special Condition 6 under OPEN SEASON: Preferential Bidding – Step 2. Customers must provide verification of qualifying contracts one week prior to the commencement of the set-aside Step 1 Pre-Open Season.
2. The Utility Gas Procurement Department, Wholesale Customers other than SDG&E, Core Transportation Aggregators (CTAs), California producers and certain long-term contract (LTK) holders shall have the option to acquire Backbone Transportation Service rights prior to the initial open season.
3. All Step 1 set-asides can be taken in any amount from zero up to the maximum qualifying amount.
4. California Producers including Exxon Mobil’s production at Santa Ynez whose facilities are connected directly to the (i) Utility’s Line 85, (ii) North Coastal system or (iii) another system without a single identified receipt point or transmission zone will receive a set-aside option for a quantity equal to the producer’s peak month’s daily average production over the most recent three-year period. Peak month is defined as the month with the highest average daily volume. The set-aside quantity shall be increased if the specific production is likely to increase and such forecasted increase can be justified by the producer. California Producers may elect all or a portion of the set-aside quantity. This set-aside applies to any SoCalGas “native gas” production. Occidental of Elk Hills, Inc. will be provided a similar set-aside option for 90 MMcfd at the OEHI Gosford receipt point.
5. An end-use customer under a Commission-approved long-term firm transportation contract in effect on December 14, 2006 which specifies firm deliveries at a particular Utility receipt point shall have a set-aside option, equal to the higher of the customer’s Tier 1 contract quantities or the most recent average daily usage, for access capacity at those specified receipt points. Customers with these long-term contracts will have the ability to increase the set-aside quantity based on a justified increase in consumption under the long-term transportation agreement based on Special Condition 6 under OPEN SEASON: Preferential Bidding – Step 2.

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(TO BE INSERTED BY UTILITY)
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ISSUED BY
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 Senior Vice President
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(TO BE INSERTED BY CAL. PUC)
 DATE FILED May 6, 2011
 EFFECTIVE Jun 5, 2011
 RESOLUTION NO. _____

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Schedule No. G-BTS
BACKBONE TRANSPORTATION SERVICE

Sheet 10

(Continued)

SPECIAL CONDITIONS (Continued)

SET-ASIDES: Pre-Open Season - Step 1 (Continued)

6. PG&E customers (City of Glendale, City of Pasadena, Ulster Petroleum LTD, Talisman (Rigel), and U.S. Gypsum) with effective Commission-approved contracts for delivery at PG&E Kern River Station under PG&E G-XF Rate Schedule in effect at the time of implementation, shall have a set-aside option for access rights at PG&E Kern River Station.
7. Parties who have provided incremental cost based funding under Rule No. 39, Access to the SoCalGas Pipeline System, for increased receipt point capacity on a Displacement Receipt Point Capacity and Expansion Receipt Point Capacity, or a combination of the two, basis shall receive a set-aside option prior to the first open season following completion of the facilities and each open season thereafter. Such set-aside option shall equal the quantity of the increase in receipt point capacity funded. The set-aside quantity at Otay Mesa shall be limited to 700 MMcf of Displacement Receipt Point Capacity.
8. CTAs set-aside is equal to the average daily capacity of the qualifying upstream pipeline contracts to serve their core loads. These set-asides options are established based on qualifying interstate contracts with a minimum term of 12 months that are in effect two months before any three-year open season. CTAs are not required to select the set-aside option.
9. For wholesale customers other than SDG&E, the set-aside up to their average daily core usage as defined Special Condition 6 under OPEN SEASON: Preferential Bidding – Step 2 is equal to the (1) average daily capacity of the qualifying upstream pipeline contracts (those with a minimum term of 12 months during the applicable three-year period) and/or (2) a supplier’s upstream pipeline contracts associated with the average daily contract quantity set forth in the wholesale customer’s long-term firm gas supply agreement with that supplier to serve its core load. If the set-aside is based on the second option, customer must identify to SoCalGas the firm upstream capacity rights held by its supplier that are in place at least two months prior to the Step 1 assignment process for a minimum term of 12 months or longer during the applicable FAR period. These set-asides options are established based on actual commitments in place two months before any three-year open season. SDG&E is not required to select the set-aside option.

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

(TO BE INSERTED BY CAL. PUC)
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 EFFECTIVE Jun 5, 2011
 RESOLUTION NO. _____

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Schedule No. G-BTS
BACKBONE TRANSPORTATION SERVICE

Sheet 11

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(Continued)

SPECIAL CONDITIONS (Continued)

SET-ASIDES: Pre-Open Season - Step 1 (Continued)

- 10. The Utility shall provide a minimum notice of two months prior to the start of Step 2 – Preferential Bidding to inform customers about the amount of capacity that remains available after set-asides are selected.
- 11. If the total amount of set-asides exceed the available capacity at a particular receipt point or the available capacity of the applicable Transmission Zone, set-asides for core customers, including the core loads of wholesale customers provided set-asides options, will be provided first and all other set-asides are subject to being pro-rated to the extent the total amount of set-asides selected exceed the available capacity of the applicable Transmission Zone or a particular receipt point.

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OPEN SEASON: Preferential Bidding – Step 2

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- 1. An open season – Step 2 will be conducted through the Utility’s on-line bid system prior to service commencing under this schedule, and every three years thereafter, whereby all existing firm Backbone Transportation Service capacity available after Step 1 shall be made available through an open season process consisting of three rounds of bidding.
- 2. Only end-use customers, including noncore customers, the eligible end-use customers of wholesale customers, the Utility Gas Procurement Department, suppliers who have been assigned end-use customer bidding rights and CTAs are entitled to participate in Step 2.
- 3. SDG&E’s noncore transportation customers are eligible to participate directly in the Utility’s open season steps. SDG&E will provide the Utility with a list of its applicable noncore customers that will be participating, along with those customers’ historical annual average usage needed to establish maximum bidding rights.
- 4. Other wholesale customers may elect to have the Utility allow all of their noncore customers to participate directly in the Utility’s open season steps. Under this scenario, the wholesale customer’s noncore customers will be treated like the rest of the Utility’s noncore customers. Each other wholesale customer electing this provision will be required to provide the Utility with a listing of its applicable noncore customers that will be participating, along with those customers’ historical annual average usage needed to establish the maximum bidding rights.

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(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 4240
 DECISION NO. 11-04-032

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED May 6, 2011
 EFFECTIVE Jun 5, 2011
 RESOLUTION NO. _____

Schedule No. G-BTS
BACKBONE TRANSPORTATION SERVICE

Sheet 12

(Continued)

SPECIAL CONDITIONS (Continued)

OPEN SEASON: Preferential Bidding – Step 2 (Continued)

5. Other wholesale customers not electing to have their noncore customers participate directly in the Utility’s open season will be provided maximum bidding rights for their noncore loads. The wholesale customer can then participate in the open season process, along with the Utility’s other noncore customers, on behalf of its noncore customers’ requirements.
6. A customer’s maximum bidding rights will include a base load maximum plus for certain customers a monthly peaking maximum over a Base Period. Base Period will be defined as the 36 consecutive months of consumption data ending four months prior to the start of the process to assign/award Receipt Point rights. These rights will be calculated as follows:
 - 1) Customer’s base load maximum bidding rights will be determined based on that customer’s average daily historical consumption during the Base Period less any set-aside elected by that customer under an end-use transportation agreement. In the case of a customer that has tolling agreements with a third party for its plants operations, the third party will be afforded maximum bidding rights based on the historical usage under the tolling agreements and subsequently the plant operator’s maximum bidding rights will be reduced accordingly. Each wholesale customer will have to attest to the portion of its Utility metered consumption used for core customers to the extent it is only participating on behalf of its core customers.
 - 2) All core customers including the Utility Gas Procurement Department, core loads of wholesale customers other than SDG&E and CTAs will be provided base load maximum bidding rights. These maximum bidding rights will equal the respective customer’s average daily usage during the Base Period less any set-aside elected. For CTAs, the average daily usage will be their currently “contracted for” load. A seasonal differentiation of the bidding rights shall be given to match their bidding rights with their required seasonal interstate capacity requirements. The actual bidding capability of the Utility Gas Procurement Department will be no different nor provided any preference to those provided to noncore customers.
 - 3) For other customers, the months the customer uses more than its average base load, the customer’s monthly maximum bidding rights will be set equal to its historical usage in those particular months during the Base Period less any set-aside elected.
 - 4) To the extent a customer’s historical load is not expected to represent its future consumption, documented to the Utility’s satisfaction, due to additional equipment being added, new facilities being built, or a new customer taking transportation service for an existing facility, maximum bidding rights will be adjusted to account for these exceptions. Following are the general guidelines to permit such an exception:

(Continued)

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Schedule No. G-BTS
BACKBONE TRANSPORTATION SERVICE

Sheet 13

(Continued)

SPECIAL CONDITIONS (Continued)

OPEN SEASON: Preferential Bidding – Step 2 (Continued)

6. 4) Continued

- a) New customer’s bidding rights may be established by providing copies of documentation submitted to public entities (state or local) describing expected equipment use for regulatory or permitting requirements.
- b) For an existing customer’s plant adding new equipment capacity, new equipment must have been ordered and an increase in bidding rights will be based on a projection of use: (Existing plant + new equipment capacity)/(existing plant capacity times the historical 12-month load profile).
- c) A new customer may establish bidding rights by agreeing to minimum use-or-pay obligations in a new Utility transportation contract to replace or substitute for historical load.

7. Tolling Entities will be allocated bidding rights based on the historical usage under tolling agreements in effect during the Base Period, even if the Tolling Agreement expired before the BTS period commences or will expire during the BTS period. Bidding rights for tolled customers will be reduced by an equivalent amount.

8. Customers may submit an annual base load receipt point access bid up to the average daily quantity established as their maximum bidding rights. Additionally, customers may bid monthly bids up to the monthly quantity recorded for that customer in a particular month as established in their maximum bidding rights. The sum of the monthly bid plus any base load bid covering a particular month may not exceed the maximum bidding rights established for the particular month.

9. A customer may not bid in aggregate more than its annual total of maximum bidding rights. Any capacity awarded in Round 1 of the Step 2 Open Season will reduce the amount of bidding rights, both for base loaded bids and monthly bids for Rounds 2 and 3. Customers may submit bids in the Step 2 rounds for an amount of receipt point access rights up to 100% of their bidding rights, and may bid to acquire such rights at any Receipt Points or combination of Receipt Points. The sum of all of a customer’s awards for Rounds 1, 2, and 3 may not exceed its maximum bidding rights.

10. Bids will be submitted for Step 2 on a Receipt Point, Rate Schedule and Quantity basis only. Bidders for Backbone Transportation Service rights in Step 2 shall choose service under either the G-BTS1 or G-BTS2 rate.

(Continued)

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Schedule No. G-BTS
BACKBONE TRANSPORTATION SERVICE

Sheet 14

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(Continued)

SPECIAL CONDITIONS (Continued)

OPEN SEASON: Preferential Bidding – Step 2 (Continued)

- 11. End-use customers entitled to participate in Rounds 1, 2 and 3 may (1) bid on their own behalf, or (2) allow a third party (such as a marketer) to bid on their behalf. T,L
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- 12. The applicable rate for firm Backbone Transportation Service rights awarded in Step 2 will be the G-BTS1 or BTS2. T,L
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- 13. All bids must be submitted through the Utility’s internet-based bid system platform. Prior to submitting a bid, a bidder must have an executed RPMA in place and must also have satisfied the Utility’s applicable credit requirements. T,L
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- 14. An end-use customer who is already in good standing for credit with the Utility prior to Step 2 will be deemed creditworthy up to their specified maximum bidding rights. T,L
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- 15. All bids, once submitted, cannot be withdrawn. The Utility will provide a confirmation to the bidding party that the submitted bid was received. T,L
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- 16. Bids for monthly capacity will be given a lower priority relative to bids for base load capacity in awarding receipt point access rights for over-subscribed Receipt Points. T,L
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- 17. If more quantity is bid for at a particular Receipt Point or Transmission Zone than the available capacity at the Receipt Point or Transmission Zone, all such bidders will be awarded rights on a basis pro rata to the amounts they bid for that point. Bids will be prorated first at a particular receipt points and then at the Transmission Zone if needed. T,L
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- 18. Successful bidders are contractually liable for all Backbone Transportation Service capacity rights awarded to them in Step 2 and will be assigned a unique contract number for each successful bid. T,L
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OPEN SEASON: Long Term Open Season – Step 3

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- 1. An open season –Step 3 will be conducted through the Utility’s on-line bid system prior to service commencing under this schedule whereby all existing firm Backbone Transportation Service capacity available after Step 2 shall be made available through an open season process consisting of one round of bidding.
- 2. Bidders for Backbone Transportation Service capacity rights awarded in Step 3 shall choose service under either G-BTS1 or G-BTS2 rate.

(Continued)

(TO BE INSERTED BY UTILITY)
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Lee Schavrien
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(TO BE INSERTED BY CAL. PUC)
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Schedule No. G-BTS
BACKBONE TRANSPORTATION SERVICE

Sheet 15

(Continued)

SPECIAL CONDITIONS (Continued)

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

3. All bids for Step 3 must be submitted through the Utility’s internet-based bid system platform. Prior to submitting a bid, a bidder must have an executed RPMA in place and must also have satisfied the Utility’s applicable credit requirements.
4. All bids for Step 3 must be submitted as annual base load quantities.
5. The term of the contracts awarded in Step 3 will be for three to 20 years.
6. The maximum total bid for any party is established by its creditworthiness.
7. A customer may submit multiple bids for each individual Receipt Point, but all submitted bids are binding and cannot be withdrawn.
8. Any bid submitted may be prorated based on the other bids submitted in order to meet the available receipt point access capacity available. Customers may signify that any of their specific receipt point bids is an all-or-nothing bid so that it will be rejected if any prorating is required.

CONTRACT INTERCHANGEABILITY

1. After receipt point capacity is awarded in all steps described, capacity holders will also be allowed to “re-contract” any part of their capacity from any Receipt Point on the system to a different point, even in a different zone, to the extent capacity is available at the requested Receipt Point.
2. After all of the steps have taken place, the Utility will post any available receipt point capacity on its EBB and accept requests from capacity holders to move their specific receipt point capacities during a three-day re-contracting period. At the end of this period, the Utility will evaluate all requests for changes on a non-discriminatory basis and grant requests where receipt point capacity is available. To the extent more quantities are requested to be moved to a particular Receipt Point or Transmission Zone than the available capacity, the requests will be prorated among the requesting customers. Customers may signify that their specific receipt point move request is an all-or-nothing request so that it will be rejected if any prorating is required.
3. After the re-contracting period for receipt point access capacity, all remaining available capacities will be available to customers on a “first-come, first-served” basis.
4. At any time, should sufficient customer demand exist for expansion of a receipt point or take-away capacity from a receipt point or transmission zone, the Utility will conduct an open season consistent with Rule No. 39.

(Continued)

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Schedule No. G-BTS
BACKBONE TRANSPORTATION SERVICE

Sheet 16

(Continued)

SPECIAL CONDITIONS (Continued)

REMAINING FIRM BACKBONE TRANSPORTATION SERVICE CAPACITY

1. Any creditworthy market participants may acquire available Backbone Transportation Service capacity for a minimum term of one day and a maximum term up to the period remaining in the three-year cycle at the G-BTSN1 or G-BTSN2 rate.
2. All unsubscribed firm receipt point capacity will be available to customers on a "first-come, first-served" basis.
3. The Utility may also make available any operationally available capacity in excess of the above stated firm capacity quantities on a short-term firm basis under G-BTS1.
4. The Utility may also post the availability of monthly Backbone Transportation Service capacity at a negotiated level below the G-BTS1 Reservation Rate and will hold an open season for that capacity on its EBB. Participants may submit a bid for receipt point capacity at the negotiated rate. Should the Utility receive bids in excess of the posted receipt point access capacity at a particular Receipt Point or within a particular Transmission Zone, participant awards will be awarded such that the awarded receipt point access capacity does not exceed the available capacities. Awards will be allocated first to the highest price bids; among equal price bids awards will be allocated from the longest term to the shortest term. If necessary, awards will be prorated among like price and like term bids. Customers may signify that any of their specific receipt point bids is an all-or-nothing bid so that it will be rejected if any prorating is required.

INTERRUPTIBLE BACKBONE TRANSPORTATION SERVICE

1. The Utility will make available all unutilized firm Backbone Transportation Service capacity or operationally available capacity on an interruptible basis at the G-BTS4 rate and will schedule that capacity in accordance with Rule No. 30 for scheduling of interruptible capacity.
2. Customers taking interruptible service under the G-BTS4 rate will be required to execute at least one contract, which will provide service from all Receipt Points.
3. The Utility will contract with any creditworthy party for interruptible receipt point service under the G-BTS4 rate.
4. The Utility may also post daily interruptible volumetric charges at a level below the maximum G-BTS4 rate for all interruptible receipt point service or just for a particular Receipt Point. On any day in which the Utility posts a daily interruptible charge at a level below the maximum G-BTS4 rate, all interruptible service used by customers at the applicable particular Receipt Points during that day will be charged the reduced volumetric charge. No interruptible service shall be charged at a level below the maximum G-BTS4 rate without the rate first being posted.

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 DATE FILED May 6, 2011
 EFFECTIVE Jun 5, 2011
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Schedule No. G-POOL
POOLING SERVICE

Sheet 1

APPLICABILITY

The Utility will provide Pooling Services on the SoCalGas system to parties meeting the qualifications set forth herein (hereinafter "Pooler").

TERRITORY

Applicable throughout the service territory.

SPECIAL CONDITIONS

GENERAL

1. The definitions of the principal terms used in this schedule are found either herein or in Rule No. 1, Definitions. Pooling Services are the administrative aggregation or disaggregation of natural gas supplies at the Citygate and receipt points.
2. As a condition precedent to service under this schedule, Poolers are required to meet the requirements for and execute both the Master Services Contract (hereinafter "MSC") and MSC Schedule K, Pooling Services Agreement (Form No. 6597-13). All contracts, rates and conditions are subject to revision and modification as a result of CPUC order or rules.
3. Only one pool contract for the Citygate and one for each receipt point will be allowed for each Pooler conducting business on the SoCalGas system. Pooling Services cannot be assigned to another party.
4. Locations for Pooling Services will be at the Citygate and receipt points listed in Schedule No. G-BTS. Receipt point pools will allow pool-to-pool transfers at the same receipt point without the payment of BTS charges. No pool-to-pool transfers between different receipt points will be allowed.
5. Pools will be required to balance during each scheduling cycle, each day. Pool balancing will be conducted during the Utility's confirmation process using the "lesser of" rule and a pool ranking mechanism as described in Rule No. 30, Transportation of Customer-Owned Gas.
6. There shall be no Transfer Charges applicable to the party receiving the transferred pool gas.

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ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED May 6, 2011
 EFFECTIVE Dec 1, 2012
 RESOLUTION NO. _____

Schedule No. G-POOL
POOLING SERVICE

Sheet 2

(Continued)

SPECIAL CONDITIONS (Continued)

GENERAL (Continued)

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

ESTABLISHMENT OF CREDIT

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

NOMINATIONS

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

<u>FROM</u>	<u>TO</u>
Citygate Pool Account	Off-System Delivery Contract
Citygate Pool Account	End User, Contracted Marketer, ESP Account
Citygate Pool Account	Storage Account
Citygate Pool Account	Citygate Pool Account
Backbone Transportation Service Contract	Citygate Pool Account
Storage Account	Citygate Pool Account
Receipt Point Pool Account	Receipt Point Pool Account
Receipt Point Pool Account	Backbone Transportation Service Contract

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(TO BE INSERTED BY CAL. PUC)
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Schedule No. G-POOL
POOLING SERVICE

Sheet 2

(Continued)

SPECIAL CONDITIONS (Continued)

GENERAL (Continued)

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

ESTABLISHMENT OF CREDIT

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

NOMINATIONS

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

<u>FROM</u>	<u>TO</u>
Citygate Pool Account	Off-System Delivery Contract
Citygate Pool Account	End User, Contracted Marketer, ESP Account
Citygate Pool Account	Storage Account
Citygate Pool Account	Citygate Pool Account
Backbone Transportation Service Contract	Citygate Pool Account
Storage Account	Citygate Pool Account

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Lee Schavrien
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(TO BE INSERTED BY CAL. PUC)
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Schedule No. GLT
(Enhanced Oil Recovery)

Sheet 3

LONG-TERM TRANSPORTATION OF CUSTOMER-OWNED NATURAL GAS

(Continued)

SPECIAL CONDITIONS (Continued)

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

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 4240
DECISION NO. 11-04-032

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ISSUED BY

Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED May 6, 2011
EFFECTIVE Dec 1, 2012

RESOLUTION NO. _____

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Schedule No. GT-F

Sheet 9

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 Backbone Transportation Service 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 Backbone Transportation Service 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 Backbone Transportation Service.

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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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ISSUED BY
Lee Schavrien
 Senior Vice President
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(TO BE INSERTED BY CAL. PUC)
 DATE FILED May 6, 2011
 EFFECTIVE Oct 1, 2011
 RESOLUTION NO. _____

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.

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 Backbone Transportation Service 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 Backbone Transportation Service.

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

Sheet 13

(Continued)

Permanent Service: Service which, in opinion of the Utility, is of a permanent and established character. Customer's use of gas may be continuous, intermittent, or seasonal in nature.

Point(s) of Delivery: Place(s) where Utility delivers customer-owned natural gas to customer at its Facility.

Point(s) of Receipt: Place(s) where customer delivers, or has delivered on its behalf, natural gas into the Utility System.

Pooling Service: The administrative aggregation or disaggregation of natural gas supplies at the Citygate and Receipt Points.

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.

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

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

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

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

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

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Rule No. 01
DEFINITIONS

Sheet 17

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(Continued)

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.

Tolling Entity: An electric utility or State agency that contracts with an electric generator to convert natural gas into electricity.

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.

(Continued)

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(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 4240
DECISION NO. 11-04-032

ISSUED BY
Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
SUBMITTED May 6, 2011
EFFECTIVE Jun 5, 2011
RESOLUTION NO. _____

TRANSPORTATION OF CUSTOMER-OWNED GAS

The general terms and conditions applicable whenever the Utility System Operator transports customer-owned gas, including wholesale customers, the Utility Gas Procurement Department, other end-use customers, aggregators, marketers and storage customers (referred to herein as "customers") over its system are described herein.

A. General

1. Subject to the terms, limitations and conditions of this rule and any applicable CPUC authorized tariff schedule, directive, or rule, the customer will deliver or cause to be delivered to the Utility and accept on redelivery quantities of gas which shall not exceed the Utility's capability to receive or redeliver such quantities. The Utility will accept such quantities of gas from the customer or its designee and redeliver to the customer on a reasonably concurrent basis an equivalent quantity, on a term basis, to the quantity accepted.
2. The customer warrants to the Utility that the customer has the right to deliver the gas provided for in the customer's applicable service agreement or contract (hereinafter "service agreement") and that the gas is free from all liens and adverse claims of every kind. The customer will indemnify, defend and hold the Utility harmless against any costs and expenses on account of royalties, payments or other charges applicable before or upon delivery to the Utility of the gas under such service agreement.
3. The point(s) where the Utility will receive the gas into its intrastate system (point(s) of receipt, as defined in Rule No. 1) and the point(s) where the Utility will deliver the gas from its intrastate system to the customer (point(s) of delivery, as defined in Rule No. 1) will be set forth in the customer's applicable service agreement. Other points of receipt and delivery may be added by written amendment thereof by mutual agreement. The appropriate delivery pressure at the point(s) of delivery to the customer shall be that existing at such point(s) within the Utility's system or as specified in the service agreement.

B. Quantities

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

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 4240
DECISION NO. 11-04-032

ISSUED BY
Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED May 6, 2011
EFFECTIVE Jun 5, 2011
RESOLUTION NO. _____

Rule No. 30

Sheet 3

TRANSPORTATION OF CUSTOMER-OWNED GAS

(Continued)

D. Operational Requirements (Continued)

2. Receipt Points

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

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

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

3. Backbone Transmission Capacity

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

The NAESB elapsed pro rata rules require that the portion of the scheduled quantity that would have theoretically flowed up to the effective time of the intraday nomination be confirmed, based upon a cumulative uniform hourly quantity for each nomination period affected. As such, the scheduled quantities for each shipper are subject to change in the Intraday 1 Cycle and the Intraday 2 Cycle. However, each shipper's resulting scheduled quantity for the Gas Day will be no less than the elapsed prorated scheduled quantity for that shipper.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 4240
DECISION NO. 11-04-032

ISSUED BY
Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED May 6, 2011
EFFECTIVE Oct 1, 2011
RESOLUTION NO. _____

TRANSPORTATION OF CUSTOMER-OWNED GAS

(Continued)

D. Operational Requirements (Continued)

3. Backbone Transmission Capacity (Continued)

Each day, the Utility will use the following rules to confirm nominations to the Receipt Point and Backbone Transmission Zone maximum operating capacities. The Utility will also use the following rules to confirm nominations to the system capacity limitation as defined in Section F for OFO events during the Intraday 1 cycle.

Confirmation Order:

- Nominations using Firm Primary backbone transportation rights will be first; pro-rated if over-nominated*.
- Nominations using Firm Alternate backbone transportation rights within the associated transmission zone will be second (“Firm Alternate Within-the-Zone”); pro-rated if over-nominated.
- Nominations using Firm Alternate backbone transportation rights outside the associated transmission zone will be third (“Firm Alternate Outside-the-Zone”); pro-rated if over-nominated.
- Nominations using Interruptible backbone transportation rights will be fourth, pro-rated if over-nominated.

Bumping Rules:

- 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 subject to the NAESB elapsed pro-rata rules.
- Bumping will not be allowed in the Intraday 2 Cycle.

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

(Continued)

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 4240
 DECISION NO. 11-04-032

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ISSUED BY

Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED May 6, 2011
 EFFECTIVE Oct 1, 2011
 RESOLUTION NO. _____

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TRANSPORTATION OF CUSTOMER-OWNED GAS

(Continued)

D. Operational Requirements (Continued)

3. Backbone Transmission Capacity (Continued)

Priority Rules:

- a. Firm primary scheduled quantities in the Evening Cycle will have priority over a new firm primary nomination made in the Intraday 1 Cycle.
- b. Firm Alternate Inside-the-Zone scheduled quantities in the Evening Cycle will have priority over a new Firm Alternate Inside-the-Zone nomination made in the Intraday 1 Cycle.
- c. Firm Alternate Outside-the-Zone scheduled quantities in the Evening Cycle will have priority over a new Firm Alternate Outside-the-Zone nomination made in the Intraday 1 Cycle.
- d. Interruptible scheduled quantities in the Evening Cycle will have priority over a new Interruptible nomination made in the Intraday 1 Cycle.
- e. This same structure will be applied in going from Intraday 1 Cycle (Cycle 3) to Intraday 2 Cycle (Cycle 4). However, this hierarchy will not affect Intraday 3 (Cycle 5) nominations or the elapsed pro rata rule.

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 storage rights will have first priority, pro-rated to the available firm storage capacity.
- All other nominations using Interruptible storage rights will have second priority, pro-rated if over-nominated based on the daily volumetric price paid.
- Firm storage rights can "bump" interruptible scheduled storage quantities through the Intraday 3 cycle.

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

(Continued)

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 4240
 DECISION NO. 11-04-032

5H17

ISSUED BY

Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED May 6, 2011
 EFFECTIVE Oct 1, 2011
 RESOLUTION NO. _____

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Rule No. 30

Sheet 6

TRANSPORTATION OF CUSTOMER-OWNED GAS

(Continued)

D. Operational Requirements (Continued)

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.

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

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

Intraday nominations do not roll from day to day.

(Continued)

(TO BE INSERTED BY UTILITY)
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Rule No. 30

Sheet 7

TRANSPORTATION OF CUSTOMER-OWNED GAS

(Continued)

D. Operational Requirements (Continued)

6. Nominations (Continued)

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

Nominations may be made in the following manner:

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

(Continued)

(TO BE INSERTED BY UTILITY)
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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.
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.
3. In the event customers fail to adequately reduce their transportation nominations, the Utility shall reduce the confirmed Backbone Transportation nominations as defined in Section D.

(Continued)

(TO BE INSERTED BY UTILITY)
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DATE FILED May 6, 2011
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TRANSPORTATION OF CUSTOMER-OWNED GAS

(Continued)

H. Accounting and Billing (Continued)

1. (Continued)

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

I. Gas Delivery Specifications

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

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 4240
DECISION NO. 11-04-032

ISSUED BY
Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED May 6, 2011
EFFECTIVE Jun 5, 2011
RESOLUTION NO. _____

CORE AGGREGATION TRANSPORTATION

(Continued)

D. DELIVERY OF GAS

1. Transportation of Customer Owned Gas

ESPs participating in the Program will perform gas deliveries pursuant to the provisions and conditions set forth in Rule No. 30, Transportation of Customer Owned Gas.

2. Imbalance Service

The ESP is responsible for balancing transportation services with the customer's end-use consumption. The ESP is responsible for managing the imbalances of the end-users through means which include participation in the Utility's Imbalance Trading Program pursuant to the provisions of Schedule No. G-IMB. Imbalances will be calculated on an aggregated customer basis, not by individual account or delivery point. Imbalances will be determined by comparing the amount of gas delivered to the Utility and the amount of gas actually consumed by the customers.

The ESP's DCQ will be used as a proxy for gas actually consumed by their customers. 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 its customers and the DCQ.

The ESP shall be responsible for all imbalance charges, including any Utility Users Tax. The ESP may pool the positive and negative imbalances of its customers in order to avoid or minimize imbalance charges

3. Backbone Transportation Service

ESPs may receive Backbone Transportation Service by utilizing Schedule No. G-BTS. ESPs will have the set-aside option, under Schedule No. G-BTS, to acquire firm Backbone Transportation Service during the open season process.

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E. STORAGE RIGHTS AND OBLIGATIONS

1. Allocation of Storage Rights

Storage rights and costs will be allocated to each ESP by SoCalGas in the same proportion as storage costs are allocated to the customer classes represented by each ESP in SoCalGas' core transportation rates based on the prorata share of the Utility Gas Procurement Department allocated rights.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 4240
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ISSUED BY
Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
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Rule No. 33

Sheet 1

ELECTRONIC BULLETIN BOARD (EBB)

A. GENERAL

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

B. EBB SERVICES

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

1. nominating with Utility for transportation or storage service on Utility's intrastate system, including the ability for User to verify receipt and allocation by Utility of such nominations;
2. obtaining gas usage information by account or group of accounts for User with electronic gas measurement;
3. providing imbalance quantities and serving as an interactive mechanism for offering for sale or purchase of imbalance quantities and submitting transportation imbalance and storage trade requests to Utility for validation during the imbalance trading periods;
4. providing an interactive mechanism for submitting Backbone Transportation Service (BTS) capacity trade requests to Utility for validation and posting of BTS secondary market transactions and approving all transactions;
5. providing an interactive mechanism for submitting storage rights trade requests to Utility for validation and posting of BTS secondary market transactions and approving all transactions;
6. obtaining information regarding such things as Utility tariff rate changes, curtailments, regulatory notices and other general information items;

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(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 4240
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ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 SUBMITTED May 6, 2011
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Rule No. 33

Sheet 4

ELECTRONIC BULLETIN BOARD (EBB)

(Continued)

E. OPERATIONAL AND INFORMATION POSTINGS (Continued)

1. Operational Postings (Continued)

- OFO status*;
- Composite weighted average temperature*;
- Transmission fuel use*;
- Storage injections and withdrawals for customer balancing*;
- Total daily customer imbalance*; and
- Unsubscribed unbundled firm storage injection and withdrawal capacity*.

* This information posted on the current day and next three-day forecast basis with the forecasted information being updated for each nomination cycle.

** This information posted on the current-day and next three-day forecast basis.

2. G-PAL Postings

- Weekly net G-PAL position, weekly G-PAL volumes loaned, and weekly G-PAL volumes parked by its Operations Hub.
- Withdrawal schedules for all G-PAL volumes parked and repayment schedules for all G-PAL volumes loaned.
- Any Operations Park and Loan Services transactions with Sempra affiliates or the Utility Gas Procurement Department, if discounted below the maximum tariff rate, will be posted consistent with the Utility's rules governing the posting of discounted transportation services for affiliates but no later than the next business day on the Utility's Electronic Bulletin Board (EBB).

3. Contractual Maintenance and Regulatory Postings

- An index of firm rights holders for backbone transportation and storage contracts;
- Planned and actual service pipeline and storage outages through its Maintenance Schedules;
- Terms and conditions regarding secondary market transactions;
- Customers posted information for the marketplace;
- Tariffs and other regulatory filing information; and
- Affiliate transaction information.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 4240
DECISION NO. 11-04-032

ISSUED BY
Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
SUBMITTED May 6, 2011
EFFECTIVE Jun 5, 2011
RESOLUTION NO. _____

Rule No. 41

Sheet 7

UTILITY SYSTEM OPERATION

(Continued)

ACCOUNTING TREATMENT

18. The cost and revenues of Operational Hub transactions (e.g., natural gas purchases, sales, or exchanges resulting from approved contracts) that are necessary to meet minimum flow requirements shall be recorded in the System Reliability Memorandum Account (SRMA). Prospective changes to the types of the Operational Hub natural gas transactions (“tools”) to meet minimum flow requirements shall be considered in conjunction with the annual Utility Customer Forum described below.

UTILITY CUSTOMER FORUM

19. The Utility shall hold an annual Utility Customer Forum (the “Forum”), which shall be held around April - May. The Forum will provide an opportunity for the Utility to provide information on, and to address, the following matters with interested parties:
- i. Review of the timing, method, formulas, and all inputs to formulas by which OFO events are triggered;
 - ii. Review of requests for the Operational Hub to acquire additional supplies to meet minimum flow requirements;
 - iii. Review of Operational Hub purchases/actions to meet minimum flow requirements and plans for the coming year by providing information regarding the individual transactions, including transactions executed pursuant to the Operational Hub contractual arrangements. Transaction-specific information shall identify price, volume, date, delivery/receipt points, and any special terms;
 - iv. Review the need for any additional minimum flow requirements on the Utility system beyond then-current defined requirements;
 - v. Review potential additional tools to support system operations and potential system improvements to reduce or eliminate the need for any minimum flowing supply requirements.
 - vi. Review of the priority rules set forth in Rule No. 30, Section D.3. in the 2012 Forum only.
20. To facilitate an informed discussion of the issues identified in Section 19 above, the Utility shall prepare an annual report (Report) of system reliability issues. The Report shall: (a) identify the need for new minimum flow requirements, (b) identify potential tools and/or infrastructure improvements that can be used to mitigate new or existing reliability problems (e.g. minimum flow requirements and OFOs), and (c) provide information on the matters identified in Section 19 (i) through (v) above.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 4240
DECISION NO. 11-04-032

ISSUED BY
Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED May 6, 2011
EFFECTIVE Jun 5, 2011
RESOLUTION NO. _____

MASTER SERVICES CONTRACT - SCHEDULE L
BACKBONE TRANSPORTATION SERVICE CONTRACT - EXHIBIT A
Form No. 6597-17 (5/2011)

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(See Attached Form)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 4240
DECISION NO. 11-04-032

ISSUED BY
Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED May 6, 2011
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MASTER SERVICES CONTRACT
 SCHEDULE L
 BACKBONE TRANSPORTATION SERVICE CONTRACT (BTSC)
 BTSC No. _____

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

TERM:

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

RATE:

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

RECEIPT POINT AND DAILY CONTRACT QUANTITIES:

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

IN WITNESS WHEREOF, the authorized representatives of the parties have executed this Backbone Transportation Service Contract.

Southern California Gas Company	_____
“Utility”	“Customer”
By _____	By _____ <u>May be electronically executed</u>
Title _____	Title _____

AMENDMENT TO SCHEDULE L
BACKBONE TRANSPORTATION SERVICE CONTRACT
Form No. 6597-20 (5/2011)

T
T

(See Attached Form)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 4240
DECISION NO. 11-04-032

ISSUED BY
Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED May 6, 2011
EFFECTIVE Jun 5, 2011
RESOLUTION NO. _____

MASTER SERVICES CONTRACT
 AMENDMENT
 BACKBONE TRANSPORTATION SERVICE CONTRACT
 AMENDED BTSC No. _____

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

TERM:

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

BROKERED RATE:

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

RECEIPT POINT AND DAILY CONTRACT QUANTITIES:

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

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

WAIVER OF CREDITWORTHINESS

Pursuant to Special Condition 1 under Secondary Market Assignment in Rate Schedule No. G-BTS, Customer (Releasing Shipper) elects to waive the creditworthiness requirements applicable to the Acquiring Shipper, in which case Customer shall remain secondarily liable for non-performance by the Acquiring Shipper.

Yes No

IN WITNESS WHEREOF, the authorized representatives of the parties have executed this Backbone Transportation Service Contract.

Southern California Gas Company
 “Utility”

 “Customer”

By _____

By May be electronically executed

Title _____

Title _____

NOMINATION AND/OR TRADING AUTHORIZATION
FOR RECEIPT POINT MASTER AGREEMENT AND/OR STORAGE CONTRACT
Form No. 9924 (5/2011)

T

(See Attached Form)

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 4240
DECISION NO. 11-04-032

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ISSUED BY

Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED May 6, 2011
EFFECTIVE Jun 5, 2011
RESOLUTION NO. _____



Nomination and/or Trading Authorization

Designation of a Nominating or Trading Agent for Receipt Point Master Agreement and/or Storage Contract



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

CUSTOMER INFORMATION

Customer Name:

RPMA #: (SPECIFY ONE OR BOTH) Storage OCC #

NOMINATION AUTHORIZATION (if applicable)

Customer hereby designates the following agent, with full authority to act on behalf of Customer, to make nominations, pursuant to SoCalGas' Rule No. 30, utilizing any of Customer's BTSCs under the aforementioned RPMA and/or Customer's Storage Contract.

Backbone Transportation Rights:

Authorized Nominating Agent:

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

Storage Rights:

Authorized Nominating Agent:

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

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

TRADING AUTHORIZATION (if applicable)

Customer hereby designates the following agent, with full authority to act on behalf of Customer, to make trades (buy or sell) of Backbone Transportation and/or storage rights for secondary market trading only, pursuant to SoCalGas' Rate Schedule No. G-BTS and/or G-SMT, utilizing any of Customer's BTSCs under the aforementioned RPMA and/or Customer's Storage Contract, respectively.

Backbone Transportation Rights:

Authorized Trading Agent:
(for Secondary Market Trading)

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

Storage Rights:

Authorized Trading Agent:
(for Secondary Market Trading)

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

A Customer is allowed no more than one nominating agent at any one time for RPMAs and/or for Storage Contracts, thus this authorization terminates and supersedes as of Effective Date all previous authorizations with respect to each. Customer is solely responsible for keeping its logon and password information confidential. Acts made by any person logging on to www.SocalGasEnvoy.com as a nominating or trading agent authorized hereunder shall be deemed acts of Customer for all purposes, and Customer shall remain responsible for payment for all services contracted for under the referenced RPMA and/or Storage Contract, and for compliance with all terms, conditions and obligations of the RPMA and/or Storage Contract, applicable rate schedules, and SoCalGas Rules. All terms and conditions referenced on www.SocalGasEnvoy.com, whether posted thereon or referenced by web link, shall apply hereunder. Customer expressly agrees, without limiting any other obligation of Customer to SoCalGas, to indemnify and hold SoCalGas harmless for any damages, losses, judgments or expenses incurred by SoCalGas, or claims against SoCalGas asserted by others, including, without limitation, expenses and attorney's fees in defending or settling such claims, arising out of any acts or omissions by the authorized agent and arising out of this Authorization, directly or indirectly, which violate or are not in compliance with SoCalGas' Rules, applicable rate schedules and contracts, or gas industry standards and practices.

Signature of

Authorized Official: _____

Date: _____

Type or Print Name: _____

Title: _____

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

SAMPLE FORMS - CONTRACTS
BACKBONE TRANSPORTATION SERVICE (BTS) RIGHTS ASSIGNMENT FORM
Form No. 6825 (5/2011)

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T

(See Attached Form)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 4240
DECISION NO. 11-04-032

ISSUED BY
Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED May 6, 2011
EFFECTIVE Jun 5, 2011
RESOLUTION NO. _____



Backbone Transportation Service (BTS) Rights Assignment Form

Customer Name:
(Assignor) _____
(Company name)

SoCalGas BAID Account Numbers:
(if available)

I, Assignor, hereby assign my bidding rights and any resulting Backbone Transportation Service rights (“BTS”) to the third party identified below (“Assignee”) as described below.
(Applicable only to Step 2 eligible end-use customers.)

I agree to assign all of my BTS Bidding Rights (“BTS Rights”) for the Open Season Step 2 Bidding process for allocation of firm Backbone Transportation Capacity rights that will begin on October 1, 2011 to the Assignee. This assignment is for this Open Season and for the rights conveyed in the Open Season for its stated three-year period. By assigning my bidding rights, I understand that I am giving up my rights to participate in the Open Season Step 2 rounds of bidding and to any BTS resulting from the bidding. Any BTS obtained through the use of my assigned bidding rights will belong solely to, and be under the control of, the Assignee. This assignment contains no obligation for Assignee to use these rights for my benefit. However, it is my intent that the assignment and any subsequent BTS will be used by the entity designated to supply gas on my behalf. I will clarify with the Assignee the use for my benefit, if any, of the BTS in a separate agreement or understanding. SoCalGas provides no right or remedy for me to re-acquire any rights awarded during the Step 2 process to Assignee. I understand that Assignee must meet all of the terms and conditions for acquiring BTS including contractual and credit obligations to obtain BTS through the Step 2 process.

This assignment may be revoked by Assignor at any time upon written notice to SoCalGas provided it is received by SoCalGas no later than 10 days prior to the beginning of Step 2 of the Open Season by contacting:

Southern California Gas Company
555 West 5th Street
Los Angeles, CA 90013
Attn: Capacity Products, M.L 22E1
FAX No. (213) 244-3897

Assignee (Company Name): _____
By its Authorized Representative: _____
Contact: _____
Phone Number: _____

Assignor (Customer Name): _____
Signature of Authorized Official: _____
Type or Print Name: _____
Title: _____
Date: _____

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(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 4240
 DECISION NO. 11-04-032

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED May 6, 2011
 EFFECTIVE Oct 1, 2011
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(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 4240
 DECISION NO. 11-04-032

ISSUED BY

Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED May 6, 2011
 EFFECTIVE Dec 1, 2012
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(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 4240
 DECISION NO. 11-04-032

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED May 6, 2011
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(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 4240
 DECISION NO. 11-04-032
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ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED May 6, 2011
 EFFECTIVE Dec 1, 2012
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(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 4240
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Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED May 6, 2011
 EFFECTIVE Jun 5, 2011
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(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 4240
 DECISION NO. 11-04-032

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED May 6, 2011
 EFFECTIVE Jun 5, 2011
 RESOLUTION NO. _____

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(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 4240
 DECISION NO. 11-04-032

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED May 6, 2011
 EFFECTIVE Apr 14, 2011
 RESOLUTION NO. _____

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ADVICE LETTER NO. 4240
 DECISION NO. 11-04-032

3H13

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

DATE FILED May 6, 2011
 EFFECTIVE Jun 5, 2011
 RESOLUTION NO. _____