

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



June 6, 2012

Advice Letter 4282

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

**Subject: Annual Compliance Report on Utility System Operator's
Southern System Reliability Purchases and Sales**

Dear Ms. Prince:

Advice Letter 4282 is effective April 19, 2012 per Resolution G-3467.

Sincerely,

A handwritten signature in cursive script that reads "Edward F. Randolph".

Edward F. Randolph, Director
Energy Division



Rasha Prince
Director
Regulatory Affairs

555 W. Fifth Street, GT14D6
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RPrince@semprautilities.com

September 30, 2011

Advice No. 4282
(U 904 G)

Public Utilities Commission of the State of California

Subject: Annual Compliance Report on Utility System Operator's Southern System Reliability Purchases and Sales

Southern California Gas Company (SoCalGas) hereby submits for filing with the California Public Utilities Commission (Commission) the Annual Compliance Report (ACR) demonstrating that activities to maintain Southern System reliability from September 1, 2010 through August 31, 2011 were in compliance with the standards, criteria and procedures described in Sections 9 through 17 of SoCalGas Rule No. 41.

Purpose

The purpose of this Advice Letter (AL) is to comply with certain provisions of SoCalGas' 2009 BCAP Phase Two Settlement Agreement (see below); and to allow SoCalGas to recover all the transaction costs described herein in its customer transportation rates during year 2012.

Background

In Decision (D.) 09-11-006, the Commission adopted SoCalGas' 2009 BCAP Phase Two Settlement Agreement.¹ Pursuant to Section II(B)(1) of the Settlement Agreement and as described in Section 23 of SoCalGas Rule No. 41², on October 1 of each year SoCalGas is required to provide the ACR demonstrating that the Operational Hub's gas procurement activities during the preceding twelve months ending August 31 were in compliance with the standards, criteria and procedures described in Sections 9 through 17 of Rule No. 41. The ACR must be submitted to the Energy Division by an AL, which will be subject to comment or protest. Upon Energy Division's review and verification of the ACR and the Commission Resolution approving the ACR, all the transactions found reasonable by the Energy Division will be amortized in customer transportation rates over the following year.

¹ Appendix A of the June 2, 2009 Joint Motion of the Settlement Parties for Adoption of Settlement Agreement and Suspension of Hearing Schedule for Phase Two Issues.

² For details, please go to: <http://www.socalgas.com/regulatory/tariffs/tm2/pdf/41.pdf>.

Discussion

As shown in (Attachment B) from September 1, 2010 through August 31, 2011, SoCalGas spent \$3,789,043 to meet the Southern System minimum flow requirements. Over January 31, 2011 through February 4, 2011 SoCalGas purchased just over 1 Bcf of spot gas at Ehrenberg and Otay Mesa for \$8,314,055 (included in this amount was an incremental \$442,780 from Southern California Gas Company's Utility Gas Procurement Department as provider of last resort). This gas was then resold at the SoCal Citygate for \$4,525,012. All purchases and sales in Attachment B were made in accordance with Rule 41, either Section 13 or Section 14 (Attachment C).

These purchases were in response to System Operator requests for supply as documented in AL 4257, Appendix 2, Attachment 2, 3 (attached for reference as Attachment D).

As shown in AL 4257, Appendix 3, pages 16-23 (attached for reference as Attachment E), severe weather conditions prevented half of the requested supplies from being delivered. This in turn, required SoCalGas' Gas Control Department to call a curtailment on February 3, 2011. This curtailment of about 200 MMcf lasted 21 hours.

Company names, counterparty names, and details of purchases and sales deemed confidential are included in Attachments F, G, and H and are submitted under the confidentiality provisions of General Order 66-C and Section 583 of the Public Utilities Code and provided only to the Energy Division.

Protest

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

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

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

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

Effective Date

The Settlement Agreement in A.08-02-001 approved by D.09-11-006 directed that this filing be classified as Tier 3 pursuant to GO 96-B. SoCalGas respectfully requests that this filing be approved on or before the Commission meeting of December 1, 2011.

Notice

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

Rasha Prince
Director- Regulatory Affairs

Attachments

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No. **SOUTHERN CALIFORNIA GAS COMPANY (U 904G)**

Utility type:

ELC GAS
 PLC HEAT WATER

Contact Person: Sid Newsom

Phone #: (213) 244-2846

E-mail: SNewsom@semprautilities.com

EXPLANATION OF UTILITY TYPE

ELC = Electric GAS = Gas
PLC = Pipeline HEAT = Heat WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: 4282

Subject of AL: Annual Compliance Report on Utility System Operator's Southern System Reliability Purchases and Sales

Keywords (choose from CPUC listing): Procurement

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

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

D.09-11-006

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

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

Does AL request confidential treatment? If so, provide explanation: Yes, Attachments F, G, and H are confidential

Resolution Required? Yes No

Tier Designation: 1 2 3

Requested effective date: December 1, 2011

No. of tariff sheets: 0

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

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

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

Tariff schedules affected: None

Service affected and changes proposed¹: _____

Pending advice letters that revise the same tariff sheets: None

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

CPUC, Energy Division

Attention: Tariff Unit

505 Van Ness Ave.,

San Francisco, CA 94102

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

Southern California Gas Company

Attention: Sid Newsom

555 West 5th Street, GT14D6

Los Angeles, CA 90013-1011

SNewsom@semprautilities.com

¹ Discuss in AL if more space is needed.

ATTACHMENT A

Advice No. 4282

(See Attached Service List)

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ATTACHMENT B

Advice No. 4282

**Southern Systems Minimum Flow Purchases/Sales
in Accordance with Rule No. 41, Sections 13 or 14**

Southern Systems Minimum Flow Purchase/Sale

Notification Minimum Flow			PURCHASE				SALE					Net \$ \$Purchase minus \$Sale
Date notified	Flow Date	Amt needed (Dths)	Amt (Dths)	Purchase Price \$/dth	Rule 41 Limit \$/dth	\$Amt	Amt (Dths)	Flow Date	Sale Price \$/dth	Rule 41 Limit \$/dth	\$Amt	
February Activity:												
A (1)	1/31/11	2/1/11	130,000	35,000	\$4.70	within Sec 13	\$164,500	10,000	2/2/11	\$4.38	within Sec 13	\$43,800
				95,000	\$4.68	within Sec 13	\$444,600	6,700	2/2/11	\$4.37	within Sec 13	\$29,279
				-1,039	\$4.68	shortfall	-\$4,863	54,000	2/2/11	\$4.37	within Sec 13	\$235,980
								59,300	2/2/11	\$4.38	within Sec 13	\$259,734
B (1)	2/1/11	2/2/11	150,000	10,000	\$4.61	within Sec 13	\$46,100	5,000	2/2/11	\$4.38	within Sec 13	\$21,900
				15,000	\$4.67	within Sec 13	\$70,050	10,000	2/2/11	\$4.38	within Sec 13	\$43,800
				6,100	\$4.61	within Sec 13	\$28,121	30,000	2/2/11	\$4.39	within Sec 13	\$131,700
				10,000	\$4.65	within Sec 13	\$46,500	45,000	2/3/11	\$4.4825	within Sec 13	\$201,713
				-847	\$4.61	shortfall	-\$3,905	20,000	2/3/11	\$4.4850	within Sec 13	\$89,700
				30,000	\$4.88	within Sec 13	\$146,400	37,500	2/3/11	\$4.4850	within Sec 13	\$168,188
				78,900	\$4.88	within Sec 13	\$385,032	2,500	2/3/11	\$4.4850	within Sec 13	\$11,213
				-8,312	\$4.88	shortfall	-\$40,563					
B (2)	2/1/11	2/2/11	40,000	23,900	\$5.10	within Sec 14	\$121,890	90,000	2/4/11	\$4.4600	within Sec 13	\$401,400
B (3)	2/2/11	2/2/11	60,000	25,000	\$4.9950	within Sec 13	\$124,875	20,000	2/4/11	\$4.52	within Sec 13	\$90,400
				-4,473	\$4.995	shortfall	-\$22,343	10,000	2/4/11	\$4.50	within Sec 13	\$45,000
				2,029	\$6.00	within Sec 14	\$12,174	9,300	2/4/11	\$4.48	within Sec 13	\$41,664
B (4)	2/2/11	2/2/11	110,000	80,000	\$8.50	within Sec 14	\$680,000	85,000	2/4/11	\$4.46	within Sec 13	\$379,100
B (5)	2/2/11	2/2/11	100,000	100,000	\$15.00	within Sec 14	\$1,500,000	10,000	2/4/11	\$4.4600	within Sec 13	\$44,600
C (1)	2/2/11	2/3/11	200,000	20,000	\$6.10	within Sec 13	\$122,000	35,000	2/4/11	\$4.46	within Sec 13	\$156,100
				-9,999	\$6.10	shortfall	-\$60,994	12,300	2/4/11	\$4.465	within Sec 13	\$54,920
				30,000	\$6.00	within Sec 13	\$180,000	180,000	2/5/11	\$4.2925	within Sec 13	\$772,650
				-12,267	\$6.00	shortfall	-\$73,602	15,000	2/5/11	\$4.2925	within Sec 13	\$64,388
				100,000	\$5.99	within Sec 13	\$599,000					
				-7,144	\$5.99	shortfall	-\$42,793	10,000	2/8/11	\$4.1925	within Sec 13	\$41,925
				50,000	\$5.681	within Sec 13	\$284,050	5,000	2/8/11	\$4.1925	within Sec 13	\$20,963
				-17,567	\$5.681	shortfall	-\$99,798	15,000	2/8/11	\$4.1925	within Sec 13	\$62,888
C (2)	2/2/11	2/3/11	50,000	25,000	\$4.9950	within Sec 13	\$124,875	80,000	2/8/11	\$4.1900	within Sec 13	\$335,200
				-22,834	\$4.995	shortfall	-\$114,056	20,000	2/8/11	\$4.20	within Sec 13	\$84,000
C (3)	2/2/11	2/3/11	100,000	20,000	\$12.50	within Sec 14	\$250,000	20,000	2/8/11	\$4.1900	within Sec 13	\$83,800
C (4)	2/3/11	2/3/11	100,000	-4,741	\$12.50	shortfall	-\$59,263	10,000	2/8/11	\$4.20	within Sec 13	\$42,000
C (5)	2/3/11	2/3/11	120,000	100,000	\$12.75	within Sec 14	\$1,275,000	20,000	2/8/11	\$4.20	within Sec 13	\$84,000

Date notified	Flow Date	Amt needed (Dths)	Amt (Dths)	Purchase Price \$/dth	Rule 41 Limit \$/dth	\$Amt	Amt (Dths)	Flow Date	Sale Price \$/dth	Rule 41 Limit \$/dth	\$Amt	Net \$ \$Purchase minus \$Sale
			-6,962	\$12.75	shortfall	-\$88,766	10,000	2/8/11	\$4.18	within Sec 13	\$41,800	
C (6)	2/3/11	2/3/11	160,000	24,200	\$11.75	within Sec 14	\$284,350	9,992	2/8/11	\$4.19	within Sec 13	\$41,866
			-6,999	\$11.75	shortfall	-\$82,238	10,000	2/8/11	\$4.21	within Sec 13	\$42,100	
C (7)	2/3/11	2/3/11	200,000	34,264	\$12.95	within Sec 14	\$443,719					
			-25,860	\$12.95	shortfall	-\$334,887						
			9,435	\$13.00	within Sec 14	\$122,655						
			-3,916	\$13.00	shortfall	-\$50,908						
			25,000	\$13.00	within Sec 14	\$325,000						
			-24,192	\$13.00	shortfall	-\$314,496						
		70,000	70,472	\$6.2831	n/a	\$442,780						
D (1)	2/2/11	2/4/11	175,000	50,000	\$6.8993	within Sec 13	\$344,965	20,000	2/10/11	\$4.06	within Sec 13	\$81,200
			-8,938	\$6.8993	shortfall	-\$61,666	22,000	2/10/11	\$4.07	within Sec 13	\$89,540	
			65,000	\$7.4866	within Sec 13	\$486,629	38,587	2/10/11	\$4.07	within Sec 13	\$157,049	
			-12,518	\$7.4866	shortfall	-\$93,717						
			10,000	\$7.20	within Sec 13	\$72,000	6,224	2/24/11	\$3.930	within Sec 13	\$24,460	
			-4,644	\$7.20	shortfall	-\$33,437						
			50,000	\$7.00	within Sec 13	\$350,000	792	3/3/11	\$3.815	within Sec 13	\$3,021	
			-20,750	\$7.00	shortfall	-\$145,250						
			13,000	\$7.50	within Sec 13	\$97,500	472	4/1/11	\$4.18	within Sec 13	\$1,973	
			-8,900	\$7.50	shortfall	-\$66,750						
D (2)	2/3/11	2/4/11	175,000	20,000	\$9.00	within Sec 14	\$180,000					
D (3)	2/4/11	2/4/11	100,000	15,000	\$9.25	within Sec 14	\$138,750					
			-13,658	\$9.25	shortfall	-\$126,337						
			20,000	\$9.25	within Sec 14	\$185,000						
			-20,000	\$9.25	shortfall	-\$185,000						
			5,000	\$9.00	within Sec 14	\$45,000						
			-3,035	\$9.00	shortfall	-\$27,315						
			5,000	\$9.00	within Sec 14	\$45,000						
			6,962	\$12.75	within Sec 14	\$88,766						
			15,000	\$10.00	within Sec 14	\$150,000						

Subtotal February Activity 2,040,000 1,044,667 **\$8,274,337** 1,044,667 **\$4,525,012** **\$3,749,325**

shortfall on delivered ==> 995,333 0 <== shortfall (Purchase - Sales)

Total February Activity **1,044,667** **\$8,274,337** 1,044,667 **\$4,525,012** **\$3,749,325**

FAR Charges: Spot purchases = G-RPA \$0.03802 \$39,718

Total February 2011 Activity including FAR charges ==>>> **\$8,314,055** **\$4,525,012** **\$3,789,043**

ATTACHMENT C

Advice No. 4282

Transactions within Rule No. 41, Section 14

Attachment C

Transactions within Section 14

* - no available price or supplies offered by contacted supplier

** Supplies purchased **bolded**

	Time of Request	Flow Date	Qty (Dth)	Counterparties Requested	Offer Price \$/Dth	Qty Offered** (Dth)	Notes
B (2)	10:20 a.m. 2/1/11	2/2/2011	23900	Counterparty 1	5.10	23900	
				Counterparty 2	5.25	*	
				Counterparty 3	5.40	*	
				Counterparty 4	*	*	
				Counterparty 5	*	*	
				Counterparty 6	*	*	
B (3)	7:20 p.m. 2/1/11	2/2/2011	2029	Counterparty 6	6.00	2029	
				Counterparty 1	*	*	
				Counterparty 3	*	*	
				Counterparty 5	*	*	
B (4)	10:30 a.m. 2/2/11	2/2/2011	80000^	Counterparty 7	8.5	80000	^ Gas Control requested specifically for delivery to Otay Mesa
				Counterparty 2	*	*	
				Counterparty 5	*	*	
B (5)	12:30 p.m. 2/2/11	2/2/2011	100000	Counterparty 7	15.00	100000	
				Counterparty 3	*	*	
				Counterparty 2	*	*	
				Counterparty 5	*	*	
C (3)	2:40 p.m. 2/2/11	2/3/2011	100000^	Counterparty 7	12.75	100000	^ All 3 requests were effectively for 2/3/11 Cy 3
C (4)	8:00 p.m. 2/2/11	2/3/2011	100000^	Counterparty 8	12.50	20000	

	Time of Request	Flow Date	Qty (Dth)	Counterparties Requested	Offer Price \$/Dth	Qty Offered** (Dth)	Notes
C (5)	6:20 a.m. 2/3/11	2/3/2011	120000^	Counterparty 3	*	*	
				Counterparty 5	*	*	
C (6)	8:00 a.m. 2/3/11	2/3/2011	24200	Counterparty 9	11.75	24200	^ Gas Control specified delivery to Otay Mesa after initial request
				Counterparty 12	*	*	
				Counterparty 3	15.00	30000	
				Counterparty 7	*	*	
C (7)	1:30 p.m. 2/3/11	2/3/2011	68699	Counterparty 3	12.95	34264	
				Counterparty 8	13.00	9435	
				Counterparty 10	13.00	25000	
				Counterparty 1	*	*	
				Counterparty 7	*	*	
				Counterparty 6	*	*	
				Counterparty 2	*	*	
				Counterparty 4	*	*	
D (2)	2:05 p.m. 2/3/11	2/4/2011	175000^	Counterparty 3	9.00	20000	^ Both requests were effectively for 2/4/11 Cy 1
D (3)	5:15 a.m. 2/4/11	2/4/2011	86962^	Counterparty 7	10.00	15000	
				Counterparty 7	12.75	6962	
				Counterparty 8	9.25	15000	
				Counterparty 9	9.00	5000	
				Counterparty 5	9.00	5000	
				Counterparty 10	9.25	20000	
				Counterparty 1	*	*	
				Counterparty 4	*	*	
				Counterparty 11	*	*	

ATTACHMENT D

Advice No. 4282

Annual Report of System Reliability Issues

**(Southern System Reliability Requests and Southern
System Reliability Transaction Postings)**

A. Southern System Reliability Request for Gas Day February 1, 2011

Purpose: SoCalGas' Gas Control Department requested the Operational Hub acquire gas supplies to ensure system reliability.

Location: Southern System

Quantity Requested: 130,000 Dth

Flow Date(s) Requested: Feb. 1, 2011

Time of Request: 10:15 a.m. Jan. 31, 2011

Reason for Request: Southern System scheduled quantities were below the southern system minimum flowing supply requirement.

B. Southern System Reliability Requests for Gas Day February 2, 2011

First Request

Purpose: SoCalGas' Gas Control Department requested the Operational Hub acquire gas supplies to ensure system reliability.

Location: Southern System

Quantity Requested: 150,000 Dth

Flow Date(s) Requested: Feb. 2, 2011

Time of Request: 7:00 a.m. Feb. 1, 2011

Reason for Request: Southern System scheduled quantities were below the southern system minimum flowing supply requirement.

Second Request

Purpose: SoCalGas' Gas Control Department requested the Operational Hub acquire gas supplies to ensure system reliability.

Location: Southern System

Quantity Requested: 40,000 Dth

Flow Date(s) Requested: Feb. 2, 2011

Time of Request: 10:20 a.m. Feb. 1, 2011

Reason for Request: Southern System scheduled quantities were below the southern system minimum flowing supply requirement.

Third Request

Purpose: SoCalGas' Gas Control Department requested the Operational Hub acquire gas supplies to ensure system reliability.

Location: Southern System

Quantity Requested: 60,000 Dth

Flow Date(s) Requested: Feb. 2, 2011

Time of Request: 7:20 p.m. Feb 1, 2011

Reason for Request: Southern System scheduled quantities were below the southern system minimum flowing supply requirement.

B. (cont'd) Southern System Reliability Requests for Gas Day February 2, 2011

Fourth Request

Purpose: SoCalGas' Gas Control Department requested the Operational Hub acquire gas supplies to ensure system reliability.

Location: Southern System

Quantity Requested: 110,000 Dth

Flow Date(s) Requested: Feb. 2, 2011

Time of Request: 10:30 a.m. Feb 2, 2011

Reason for Request: Southern System scheduled quantities were below the southern system minimum flowing supply requirement.

Fifth Request

Purpose: SoCalGas' Gas Control Department requested the Operational Hub acquire gas supplies to ensure system reliability.

Location: Southern System

Quantity Requested: 100,000 Dth

Flow Date(s) Requested: Feb. 2, 2011

Time of Request: 12:30 a.m. Feb 2, 2011

Reason for Request: Southern System scheduled quantities were below the southern system minimum flowing supply requirement.

C. Southern System Reliability Requests for Gas Day February 3, 2011

First Request

Purpose: SoCalGas' Gas Control Department requested the Operational Hub acquire gas supplies to ensure system reliability.

Location: Blythe Receipt Point, Southern System

Quantity Requested: 200,000 Dth

Flow Date(s) Requested: Feb. 3, 2011

Time of Request: 5:20 a.m. Feb. 2, 2011

Reason for Request: Southern System scheduled quantities were below the southern system minimum flowing supply requirement.

Second Request

Purpose: SoCalGas' Gas Control Department requested the Operational Hub acquire gas supplies to ensure system reliability.

Location: Blythe Receipt Point, Southern System

Quantity Requested: 50,000 Dth

Flow Date(s) Requested: Feb. 3, 2011

Time of Request: 10:20 a.m. Feb. 2, 2011

Reason for Request: Southern System scheduled quantities were below the southern system minimum flowing supply requirement.

Third Request

Purpose: SoCalGas' Gas Control Department requested the Operational Hub acquire gas supplies to ensure system reliability.

Location: Southern System

Quantity Requested: 100,000 Dth

Flow Date(s) Requested: Feb. 3, 2011

Time of Request: 2:40 p.m. Feb. 2, 2011

Reason for Request: Southern System scheduled quantities were below the southern system minimum flowing supply requirement.

C. (cont'd) Southern System Reliability Requests for Gas Day February 3, 2011

Fourth Request

Purpose: SoCalGas' Gas Control Department requested the Operational Hub acquire gas supplies to ensure system reliability.

Location: Southern System

Quantity Requested: 100,000 Dth

Flow Date(s) Requested: Feb. 3, 2011

Time of Request: 8:00 p.m. Feb. 2, 2011

Reason for Request: Southern System scheduled quantities were below the southern system minimum flowing supply requirement

Fifth Request

Purpose: SoCalGas' Gas Control Department requested the Operational Hub acquire gas supplies to ensure system reliability.

Location: Southern System

Quantity Requested: 120,000 Dth

Flow Date(s) Requested: Feb. 3, 2011

Time of Request: 6:20 a.m. Feb. 3, 2011

Reason for Request: Southern System scheduled quantities were below the southern system minimum flowing supply requirement

Sixth Request

Purpose: SoCalGas' Gas Control Department requested the Operational Hub acquire gas supplies to ensure system reliability.

Location: Southern System

Quantity Requested: 160,000 Dth

Flow Date(s) Requested: Feb. 3, 2011

Time of Request: 8:00 a.m. Feb. 3, 2011

Reason for Request: Southern System scheduled quantities were below the southern system minimum flowing supply requirement

C. (cont'd) Southern System Reliability Requests for Gas Day February 3, 2011

Seventh Request

Purpose: SoCalGas' Gas Control Department requested the Operational Hub acquire gas supplies to ensure system reliability.

Location: Southern System

Quantity Requested: 200,000 Dth

Flow Date(s) Requested: Feb. 3, 2011

Time of Request: 1:30 p.m. Feb. 3, 2011

Reason for Request: Southern System scheduled quantities were below the southern system minimum flowing supply requirement

D. Southern System Reliability Requests for Gas Day February 4, 2011

First Request

Purpose: SoCalGas' Gas Control Department requested the Operational Hub acquire gas supplies to ensure system reliability.

Location: Southern System

Quantity Requested: 175,000 Dth

Flow Date(s) Requested: Feb. 4, 2011

Time of Request: 8:00 p.m. Feb. 2, 2011

Reason for Request: Southern System scheduled quantities were below the southern system minimum flowing supply requirement.

Second Request

Purpose: SoCalGas' Gas Control Department requested the Operational Hub acquire gas supplies to ensure system reliability.

Location: Southern System

Quantity Requested: 175,000 Dth

Flow Date(s) Requested: Feb. 4, 2011

Time of Request: 2:05 a.m. Feb. 3, 2011

Reason for Request: Southern System scheduled quantities were below the southern system minimum flowing supply requirement.

Third Request

Purpose: SoCalGas' Gas Control Department requested the Operational Hub acquire gas supplies to ensure system reliability.

Location: Southern System

Quantity Requested: 100,000 Dth

Flow Date(s) Requested: Feb. 4, 2011

Time of Request: 5:15 a.m. Feb. 4, 2011

Reason for Request: Southern System scheduled quantities were below the southern system minimum flowing supply requirement.

A. FEBRUARY 2, 2011 TRANSACTIONS

Southern System Reliability Transaction Posting for February 2, 2011

Purpose: SoCalGas' Operational Hub requested Gas Acquisition to acquire gas supplies as the "provider of last resort" per SoCalGas Tariff Rule No. 41, paragraph 12 to ensure system reliability.

Transaction 1

Price: \$5.20 per Dth plus 3% fuel

Quantity: 10,000 Dth

Flow Date: Feb. 2, 2011

Delivery Receipt Point: Blythe Delivery Receipt Point

Special Terms: None

Transaction 2

Price: \$5.60 per Dth plus 3% fuel

Quantity: 20,000 Dth

Flow Date: Feb. 2, 2011

Delivery Receipt Point: Blythe Delivery Receipt Point

Special Terms: None

B. FEBRUARY 3, 2011 TRANSACTIONS

Southern System Reliability Transaction Posting for February 3, 2011

Purpose: SoCalGas' Operational Hub requested Gas Acquisition to acquire gas supplies as the "provider of last resort" per SoCalGas Tariff Rule No. 41, paragraph 12 to ensure system reliability.

Price: \$7.12 per Dth

Quantity: 22,972 Dth

Flow Date: Feb. 3, 2011

Delivery Receipt Point: Blythe Delivery Receipt Point

Special Terms: None

Revised February 9, 2011

Southern System Reliability Transaction Posting for February 3, 2011

Purpose: SoCalGas' Operational Hub requested Gas Acquisition to acquire gas supplies as the "provider of last resort" per SoCalGas Tariff Rule No. 41, paragraph 12 to ensure system reliability.

Transaction 1

Price: \$6.54 per Dth plus transportation and fuel

Quantity: Approximately 67,000 Dth of aggregate deliveries, which included approximately 42,000 Dth of net incremental supply purchased by Gas Acquisition on behalf of the Operational Hub, and approximately 25,000 Dth of core supplies redirected to Blythe through matching sales and purchase transactions.

Flow Date: Feb. 3, 2011

Delivery Receipt Point: Blythe Delivery Receipt Point

Special Terms: Under this transaction an aggregate quantity of approximately 67,000 Dth less fuel was delivered to the SoCalGas system at Blythe. To facilitate a portion of these deliveries, Gas Acquisition sold approximately 25,000 Dth of core supplies with delivery locations other than Blythe and acquired a matching amount of gas supplies with delivery to the Blythe receipt point. Gas Acquisition retained approximately 25,000 Dth for the core portfolio with the remainder being transferred to the Operational Hub.

Transaction 2

Price: Transportation and fuel

Quantity: Approximately 52,000 Dth

Flow Date: Feb. 3, 2011

Delivery Receipt Point: Blythe Delivery Receipt Point

Special Terms: Under this transaction Gas Acquisition redirected the delivery of core portfolio supply to Blythe from other system receipt points. The Operational Hub will be charged the incremental transportation and fuel costs incurred by Gas Acquisition to redirect the deliveries. Delivered quantities will be retained by Gas Acquisition in the core portfolio.

Second Revision - Revised May 2, 2011

Southern System Reliability Transaction Posting for February 3, 2011

Purpose: SoCalGas' Operational Hub requested Gas Acquisition to acquire gas supplies as the "provider of last resort" per SoCalGas Tariff Rule No. 41, paragraph 12 to ensure system reliability. Revised due to reallocations done during March 2011.

Transaction 1

Price: \$6.56 per Dth plus transportation and fuel

Quantity: Approximately 41,000 Dth of net incremental supply purchased by Gas Acquisition on behalf of the Operational Hub, in order to flow 67,000 Dth to Blythe through matching sales and purchase transactions.

Flow Date: Feb. 3, 2011

Delivery Receipt Point: Blythe Delivery Receipt Point

Special Terms: Under this transaction an aggregate quantity of approximately 67,000 Dth less fuel was nominated for delivery to the SoCalGas system at Blythe. To facilitate a portion of these deliveries, Gas Acquisition sold approximately 26,000 Dth of core supplies with delivery locations other than Blythe and acquired a matching amount of gas supplies with delivery to the Blythe receipt point.

Transaction 2

Price: Transportation and fuel

Quantity: Approximately 28,000 Dth

Flow Date: Feb. 3, 2011

Delivery Receipt Point: Blythe Delivery Receipt Point

Special Terms: Under this transaction Gas Acquisition redirected the delivery of core portfolio supply to Blythe from other system receipt points. The Operational Hub will be charged the incremental transportation and fuel costs incurred by Gas Acquisition to redirect the deliveries. Delivered quantities will be retained by Gas Acquisition in the core portfolio.

ATTACHMENT E

Advice No. 4282

**PowerPoint Presentation for SoCalGas Utility Customer Forum
May 17, 2011**

January 31, 2011 – 1st request for southern system support

- East of California experienced severe weather, causing high demand and well freeze offs
- Weather in Southern CA was cold, but not extreme
- Southern System Receipts were below the forecasted Southern System Minimum
- First request was made to the Hub for Southern System Reliability (SSR) supplies for 130,000 Dth for February 1 flow date

February 1, 2011 – conditions deteriorate

- El Paso posted that they were experiencing low operating pressures as a result of significant supply shortfalls and high market demand
- Scheduled receipts dropped to a historical low
- Gas Control utilized line pack to maintain the southern system and storage to hold up the rest of the system

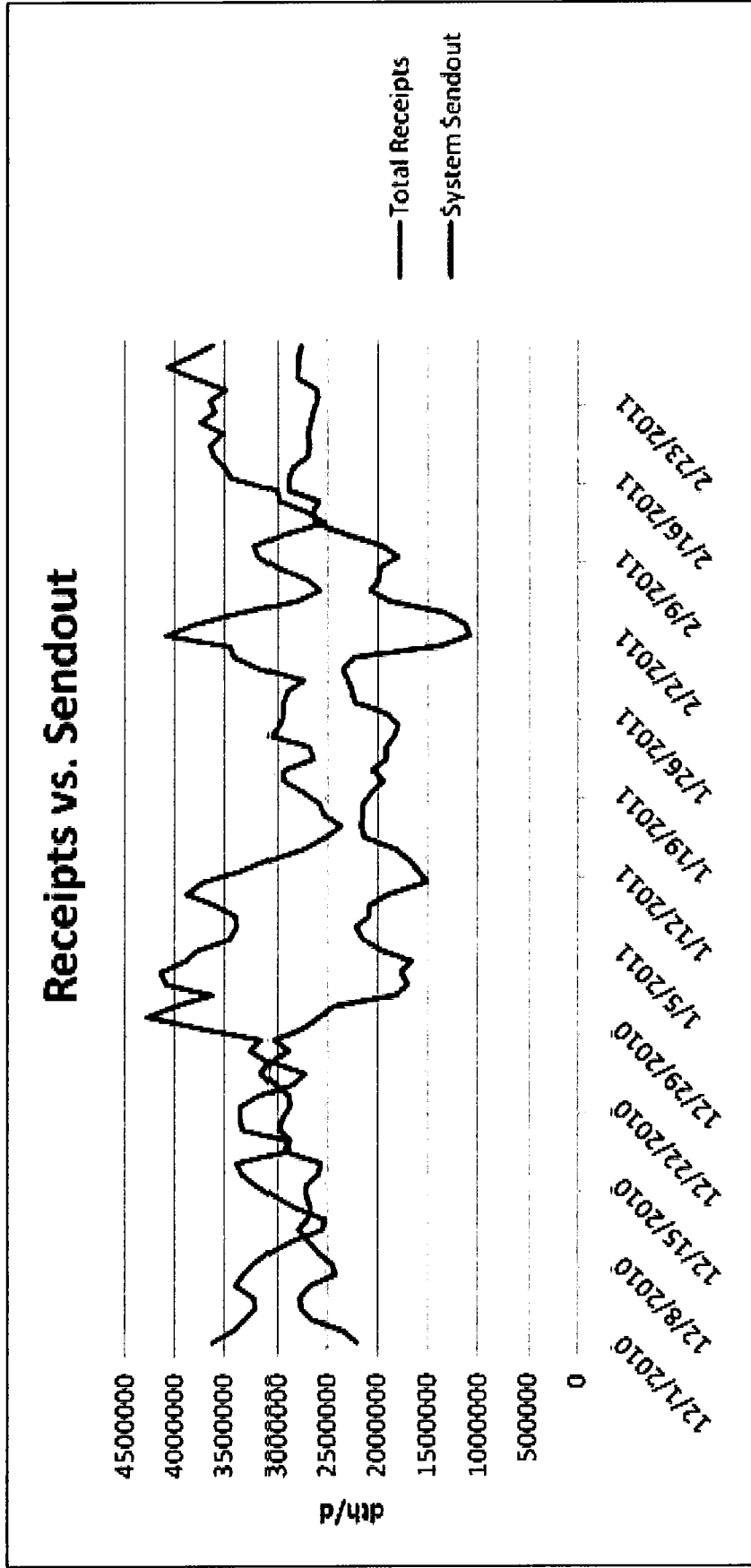
February 2, 2011 – depletion of linepack continues

- Cold weather east of California continued
- El Paso issued a System Operating Constraint (SOC) and then a Critical Operating Condition (COC)
- Line pack continued to fall
- Scheduled receipts continued to be very low
- SSR requests were made for a total of 460,000 Dth but only 367,297 arrived

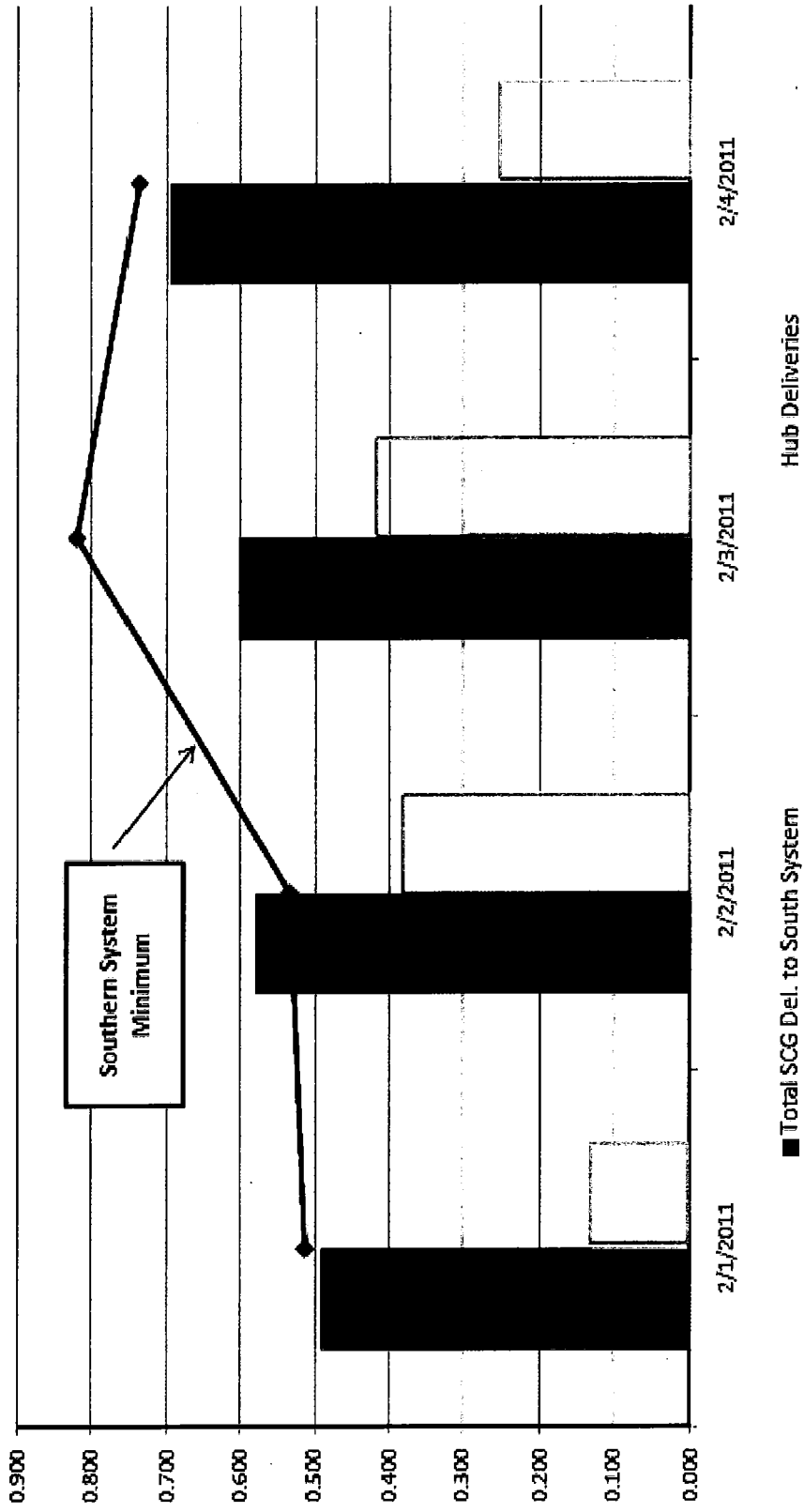
February 3, 2011 - Curtailment

- Gas Control was unable to recover any line pack overnight
- Scheduled receipts were low
- SSR requests were made for a total of 930,000 Dth but only 295,418 Dth arrived
- The Hub requested Gas Acquisition attempt to purchase supplies as the “Supplier of Last Resort”, which resulted in an additional 70,000 Dth delivered
- Curtailment is called for 3 PM

Receipts were low and
sendout was high



Southern System Deliveries Bcf/d (Solid Bars - Deliveries after cuts)



Curtailment Summary

- Curtailment lasted 21 hours
~200 MMCFD curtailed
- SoCalGas curtailed a total of 19 interruptible and 40 firm customers
- SDG&E curtailed a total of 118 interruptible and 3 firm customers
- The Hub paid a net total of \$3.79 MM for SSR purchases for the event (1/31 to 2/4)

February 4, 2011 –
curtailment is lifted

- SSR requests were made for a total of 450,000 Dth but only 182,519 Dth was received
- Gas Control was able to improve linepack
- Conditions east of California improved
- More supplies were sent to California
- Weather improved in California
- Weekend loads were anticipated to be lower
- Curtailment was ended at noon

ATTACHMENT F

Advice No. 4282

**Southern Systems Minimum Flow Purchases/Sales
in Accordance with Rule No. 41, Sections 13 or 14**

CONFIDENTIAL

**This Attachment is being provided only to the
Energy Division under the confidentiality provisions of
General Order 66-C and Section 583 of the Public Utilities Code.**

ATTACHMENT G

Advice No. 4282

Transactions within Rule No. 41, Section 14

CONFIDENTIAL

**This Attachment is being provided only to the
Energy Division under the confidentiality provisions of
General Order 66-C and Section 583 of the Public Utilities Code.**

ATTACHMENT H

Advice No. 4282

ICE Price Backup

CONFIDENTIAL

**This Attachment is being provided only to the
Energy Division under the confidentiality provisions of
General Order 66-C and Section 583 of the Public Utilities Code.**