

Rule No. 36
INTERSTATE CAPACITY RELEASE

Sheet 1

The terms and conditions of this rule shall apply to the Utility's releasing of its firm interstate transportation rights (capacity) on interstate pipelines.

A. Releasing Capacity

1. Whenever capacity not required to serve the Utility's core load becomes available, Utility may release this unused capacity to any party who meets the creditworthiness requirements of the applicable interstate pipeline. Contracting with parties for released capacity will occur pursuant to the capacity release rules of the Federal Energy Regulatory Commission (FERC). In accordance with those rules, Utility may release capacity through prearranged deals with customers or an open season.
2. Information about Utility's capacity release through an open season will be posted on Utility's EBB.
3. Utility will establish and post criteria for each capacity release, including price, contract term, and, if applicable, recall rights, via the interstate pipeline's electronic bulletin board (EBB). The criteria will be used in determining the winning bids for interstate pipeline capacity, in accordance with the FERC's rules for capacity release.
4. Utility shall, in its sole discretion, determine the minimum acceptable bid price for any capacity it offers. The Utility shall not be obligated to accept any capacity bids, which are less than the full as-billed rate.
5. Once awarded, all billing and payments by the acquiring shipper for the released capacity will be conducted directly between the acquiring shipper and the interstate pipeline, subject to such pipeline's tariffs. Interstate pipelines may also require contracts with the acquiring shippers for capacity. Nominations for transporting gas using this capacity will occur directly between the acquiring shipper and the interstate pipeline.

B. Assignment of Capacity for Core Aggregation Transportation Service

From the total interstate capacity reserved by the Utility for its core market and included in core transportation rates, capacity shall be reserved and subsequently assigned to qualified core aggregators via prearranged capacity releases at the full as-billed rate pursuant to the provisions of SoCalGas' Tariff Rule No. 32. Core aggregators may also participate in the Utility's releasing program pursuant to this rule for any capacity, in addition to their assigned amount under Rule No. 32.

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(TO BE INSERTED BY UTILITY)
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DECISION NO. D.04-09-022

ISSUED BY
Lee Schavrien
Vice President
Regulatory Affairs

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Sheet 2

(Continued)

C. Assignment of Capacity for Other Core Transportation Service

From the total interstate capacity reserved by the Utility for its core market and included in core transportation rates, capacity shall be reserved and subsequently assigned to core transportation customers via prearranged releases at the full as-billed rate. Such capacity shall be reserved and assigned for such customers in accordance with Rule No. 32.

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207

ISSUED BY

Lee Schavrien
Vice President
Regulatory Affairs

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