

Schedule No. G-AUC
AUCTION STORAGE SERVICE

Sheet 1

APPLICABILITY

This tariff is closed to new subscription until further notice.

Applicable for unbundled as-available storage service to noncore customers, contracted marketers, marketer/agents, and core transportation customers; and to wholesale customers, core aggregators, and the Utility's gas supply department for any storage capacity that is additional to their allocated core storage rights. All eligible participants are collectively referred to herein as "customers" unless otherwise specified.

TERRITORY

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

RATES

Reservation Charges

Firm Inventory

Reservation Charge for inventory capacity reserved

The inventory reservation charge shall be equal to the customer's actual price and capacity bid for inventory, as set forth in the customer's storage contract, and shall be billed in twelve equal monthly installments during the storage year, unless Special Condition 25 applies.

As-Available Injection

Reservation Charge for as-available injection capacity bid

The injection reservation charge shall be based on the customer's actual price and capacity rate bid for as-available injection service, as set forth in the customer's storage contract, and shall be billed in twelve equal monthly installments during the storage year, unless Special Condition 25 applies.

As-Available Withdrawal

Reservation Charge for as-available withdrawal capacity bid

The withdrawal reservation charge shall be based on the customer's actual price and capacity rate bid for as-available withdrawal service, as set forth in the customer's storage contract, and shall be billed in twelve equal monthly installments during the storage year, unless Special Condition 25 applies.

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ISSUED BY
Lee Schavrien
Senior Vice President
Regulatory Affairs

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AUCTION STORAGE SERVICE

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(Continued)

RATES (Continued)

Reservation Charges (Continued)

The reservation charges for firm inventory and as-available injection and withdrawal capacity under auction storage service shall be set annually by customer bid through an open season to be conducted by the Utility prior to the start of the storage year, as described in Special Condition 15 herein. The reservation charge for inventory capacity under this schedule is applicable whether the service is used or not. The reservation charges for as-available injection and withdrawal service under this schedule are applicable whether the services are made available by the Utility or not. Reservation charges shall not be prorated under any circumstances.

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Variable Charges

Injection Service

Peak Season, April through November

In-Kind Energy Charge for quantity delivered for injection

Rate, percent reduction 2.440%

O&M Injection Charge for quantity injected (less In-Kind Charge)

Retail, per therm 0.127¢

R

Wholesale, per therm 0.127¢

R

Off-Peak Season, December through March

Variable storage charges shall not be applied for off-peak storage injection service provided under this schedule.

Withdrawal Service

Peak Season, November through March

O&M Withdrawal Charge for quantity withdrawn

Retail, per therm 0.177¢

R

Wholesale, per therm 0.177¢

R

(Continued)

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William L. Reed
Vice President
Chief Regulatory Officer

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DATE FILED May 19, 2000
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Schedule No. G-AUC
AUCTION STORAGE SERVICE

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(Continued)

RATES (Continued)

Variable Charges (Continued)

Off-Peak Season, April through October

Variable storage charges shall not be applied for off-peak storage withdrawal service provided under this schedule.

For the storage year beginning April 1, 1993, the variable storage charges shown herein shall be based on the Utility's embedded costs. Effective April 1, 1994, all variable storage charges shall be based on the Utility's long-run marginal costs. Variable storage charges shall be established in the Utility's cost allocation proceedings.

Billing Adjustments

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

Transmission Charges

Transmission Charge for all quantities injected (less In-Kind Charge)

Rate, per therm 5.670¢

All gas delivered by the Utility for injection into storage under this schedule shall be assessed a transmission charge as shown above. This charge shall also be applied to all storage customers who (1) inject gas by imbalance trade under the provisions of Schedule No.G-IMB, or (2) receive a storage inventory transfer from another storage customer.

Transmission Credit for all quantities withdrawn

Credit, per therm 5.670¢

For all gas withdrawn by the Utility for storage service under this schedule, the customer shall receive a credit as shown above. This credit shall also be applied to all storage service customers who (1) withdraw gas by imbalance trade, or (2) who transfer inventory to another storage customer.

All other charges for transmission service shall be applied by the Utility in accordance with the provisions of the applicable tariff schedules.

(Continued)

(TO BE INSERTED BY UTILITY)
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Schedule No. G-AUC
AUCTION STORAGE SERVICE

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SPECIAL CONDITIONS

General

1. The definitions of the principal terms used in the Utility's tariff schedules are contained in Rule No. 1.
2. Service under this schedule shall be curtailed in accordance with the provisions of Rule No. 23.
3. All terms and conditions of Rule No. 30 and Schedule No. G-IMB shall apply to the transportation of customer-owned gas in conjunction with the storage services provided under this schedule.
4. As a condition precedent to service under this schedule, an executed Master Services Contract, Schedule E, Auction Storage Service (Form Nos. 6597 and 6597-5) is required. All contracts, rates and conditions are subject to revision and modification as a result of Commission order.
5. The contract term for service under this schedule shall be one year and shall begin on April 1 and continue thereafter for a twelve month period. This twelve month period shall be termed the storage year.
6. The storage year shall be comprised of seasonal periods as follows:

	<u>Peak Season</u>	<u>Off-Peak Season</u>
Injection:	April - November	December - March
Withdrawal	November - March	April - October

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

(Continued)

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Schedule No. G-AUC
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Sheet 5

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(Continued)

SPECIAL CONDITIONS (Continued)

Storage Nominations

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

Storage Imbalance Trading

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

Storage Inventory Transfers

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

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Schedule No. G-AUC
AUCTION STORAGE SERVICE

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(Continued)

SPECIAL CONDITIONS (Continued)

Auction Service Open Seasons

15. The Utility shall announce its auction service availability and solicit bids for firm storage inventory, as-available injection capacity and as-available withdrawal capacity during an annual open season to be held each February. The annual open season shall be conducted in accordance with the provisions of the Utility's Annual Auction Storage Service Bid Package. The Utility must receive all bids for auction storage service by the announced end of the open season. All submitted bids must include an executed Auction Storage Service contract.
16. For auction inventory service, the bid must indicate a reservation price and the corresponding inventory quantity, in decatherms, requested by the customer at such bid price. There shall be no minimum quantity limit on inventory capacity bids and customers may make multiple bids at varying reservation bid prices. The Utility shall notify all successful bidders of their awarded storage inventory capacity no later than one week after the announced end of the open season.
17. For as-available injection and withdrawal service, all bids must indicate a reservation price and the corresponding capacity rate, in decatherms per day, requested by the customer at such bid price. There shall be no minimum capacity rate limit for injection and withdrawal capacity bids and customers may make multiple bids at varying reservation bid prices. All bids for as-available injection and withdrawal capacity shall be awarded and the price bid by customers shall establish the priority queue for each service. Customers bidding for as-available injection and/or withdrawal service may, however, designate as part of their bid that the Utility reject the bid in the event that their bid for auction inventory is not awarded. The Utility shall notify all successful bidders of their awarded as-available injection and/or withdrawal priority queue positions no later than one week after the announced close of the open season.
18. From time to time, the Utility may announce special auction service availability. The open seasons for such special auction service shall be conducted in accordance with the provisions of the Utility's Special Auction Storage Service Bid Package. The applicable service term and any service restrictions shall be set forth in the Bid Package. All other provisions of this Schedule No. G-AUC shall apply unless otherwise provided for in the Bid Package.

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As-Available Priority Queue

19. For as-available injection and withdrawal capacity, the Utility shall maintain a queue for each service establishing the order of priority for all such auction storage customers. The as-available priority queue shall list all as-available service customers in order of their reservation bid price, from highest to lowest, for the particular type of as-available capacity.

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Schedule No. G-AUC
AUCTION STORAGE SERVICE

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(Continued)

SPECIAL CONDITIONS (Continued)

As-Available Priority Queue (Continued)

20. The Utility shall post the priority queue for as-available injection and withdrawal service on its Electronic Bulletin Board (EBB), as defined in Rule No. 1, system. The order of such auction service customers shall be indicated by an identifier code with the applicable storage capacity rate, in decatherms per day, shown for each such code. The corresponding customer name and reservation bid price for each code shall not be indicated.
21. Prior to the start of each month, the Utility shall notify all auction storage customers of the amount of as-available injection or withdrawal capacity expected to be made available beginning on the first day of the month. Such notice shall be made at least nine (9) business days prior to the start of the month. Auction storage customers must provide the Utility with their nominations for as-available injections or withdrawals concurrently with their nominations for transportation service. The Utility shall accept such storage nominations in the order of the as-available priority queue up to the amount of capacity expected to be available. If necessary, customer storage nominations for the last queue position accepted shall be prorated.
22. At any time during the month, the Utility may reduce or eliminate the amount of injection or withdrawal capacity made available under this schedule. In such an event, the Utility shall reduce customer storage nominations accepted for such capacity in reverse order of the applicable as-available priority queue.
23. Customers may revise their storage nominations for as-available service upon two days notice subject to service availability and their position on the priority queue. In the event new or revised storage nominations reduce the availability of injection or withdrawal storage capacity to other auction service customers, the Utility shall adjust the storage nominations of such affected customers downward and provide notice thereof accordingly.
24. In the event additional injection or withdrawal capacity becomes available during the month for service under this schedule, the Utility shall provide notice of such additional service availability to those auction storage customers whose most recent storage nominations were not accepted in full.

Advance Reservation Charges

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

(Continued)

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Lee Schavrien
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Schedule No. G-AUC
AUCTION STORAGE SERVICE

Sheet 8

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(Continued)

SPECIAL CONDITIONS (Continued)

Secondary Market

26. Auction storage customers may assign their contract storage rights in full to another customer upon 90 days notice to the Utility.

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