



Omnibus Changes for the Core Aggregation Transportation (CATs)

**Webinar
March 10, 11, 17, & 18,
2009**

Core Aggregation Transportation (CAT)

Topics

- Storage Rights
 - Storage Changes
 - Envoy Management
 - Sale of Rights
 - Storage Targets
- ESP Balancing, Statements and Imbalance Notifications
- SoCalGas Transitions
- SDG&E Changes and Transitions
- Contact Info

Core Aggregation Transportation (CAT) ~ Storage Rights (cont.)

Storage Changes

- Each Energy Service Provider (ESP) will be assigned a prorata share of the total core firm storage inventory, injection and withdrawal rights (storage rights).
- Storage rights will be calculated by March 16, 2009 for the period April 1, 2009 through March 31, 2010. These rights will change only if the customer load changes by a ratio of 10% (plus or minus).
- ESPs may use their rights to inject or withdraw gas for their CAT storage throughout the year.
- ESPs may inject/withdraw on a daily basis through the nomination process or through imbalance trading.

Core Aggregation Transportation (CAT) ~ Storage Rights (cont.)

Envoy Management

- ESPs will manage and trade their CAT storage rights through the Envoy Electronic Bulletin Board (EBB).
- ESPs will have one storage account in Envoy for each utility they serve.
- March Imbalance Trading will conclude on March 30th at 8 PM (PCT) to allow for new storage rights.
- 5th Cycle Nominations are available for CAT firm storage.

Core Aggregation Transportation (CAT) ~ Storage Rights (cont.)

Sale of Storage Rights*

- ESPs may use the Secondary Market to sell unused rights.
- CAT storage rights are recallable by the Utilities and any CAT offers placed on the secondary trading platform will be identified as recallable.

*Sale of storage rights will be a manual process and is estimated to be available in Envoy by 3rd Quarter 2009.

Core Aggregation Transportation (CAT) ~ Storage Rights (cont.)

Storage Targets

- ESPs will continue to have month-end storage minimums for the months of November through March to meet Utilities' storage requirements.
- If an ESP does not meet minimum winter storage targets, the Utilities will divert flowing supplies from the ESP's deliveries and recall any necessary injection rights that may have been sold.
- If the ESPs current storage balance exceeds their new inventory rights, the ESP will be required to withdraw any excess storage during the March imbalance trading period.

Core Aggregation Transportation (CAT) ~ Balancing

ESP Balancing, Statements and Imbalance Notifications

- ESPs will balance against their Daily Contracted Quantity (DCQ).
- ESPs will follow the same winter balancing rules as noncore.
- Beginning May 2009, ESP statements and imbalance notifications will show customer usage for the **prior** month.
- SoCalGas ESPs will continue to receive a monthly statement.
- SDG&E ESPs will continue to receive a monthly Imbalance notification.

Transition Period for SoCalGas ESPs

March 2009

- During the March imbalance trading period for January, ESPs can trade their storage inventory by 8:00 p.m. (PCT) 3/30/2009.
- ESPs with storage inventory above their inventory rights must withdraw the difference during the March trading period.

April 2009

- ESPs will receive February invoice excluding storage.
- ESPs will begin using Envoy on April 1st to storage rights.

May 2009

- ESPs will receive a both a March and April invoice. The March invoice will exclude storage information. The April invoice will include storage.

Changes for SDG&E ESPs

Changes for SDG&E ESPs

- The Daily Contract Quantity (DCQ) will replace the Minimum Daily Quantity (MinDQ) and Maximum Daily Quantity (MDQ).
- Projected usage will be replaced by prior months usage and SDG&E will no longer calculate customers usage to fit within a calendar month, we will now provide billed consumption for the prior month.
- ESPs usage for the prior month will be balanced against their DCQ.
- Effective April 2009, ESPs will be required to manage their storage inventory, injection and withdrawal rights.

Transition Period for SDG&E ESPs

March 2009

- SDG&E will continue to manage storage for ESPs.
- SDG&E will provide the ESPs their storage rights.
- SDG&E will provide DCQ for April 2009.
- ESPs should notify SDG&E of any storage withdrawals before the close of the trading period (03/30/09 8:00 p.m. PCT). Any storage inventory remaining will be transferred to the new storage OCC code for each ESP. Any excess storage above storage rights will be added to flowing supplies on the March Imbalance Notification.

April 2009

- ESPs will begin using Envoy on April 1st to manage storage rights.

Transition Period for SDG&E ESPs (cont.)

May 2009

- For April balancing, March will be trued-up as billed consumption and April's prior usage will be balanced against DCQ.
- Storage Inventory Balance will be included on the April Imbalance Notification.

June 2009

- ESPs usage will be reconciled and adjustments made on the May Imbalance Notification.

Utility Contacts

SoCalGas

Carol Wade

213-244-5073

cwade@semprautilities.com

SDG&E

Donna Fleming

858-636-5777

dfleming@semprautilities.com