

Schedule No. G-CP
CORE PROCUREMENT SERVICE

Sheet 1

APPLICABILITY

Applicable for natural gas procurement service provided to core customers from the Utility's core portfolio, as defined in Rule No. 1. Service hereunder will be rendered in accordance with the provisions of the customer's otherwise-applicable rate schedule, as defined in Special Condition 2.

TERRITORY

Applicable throughout the service territory.

RATES

The residential and non-residential procurement charges will be subject to change monthly, as set forth in D.98-07-068. The adjusted procurement charge is subject to change monthly, as set forth in Resolution G-3357. The procurement charges will be based upon the estimated average price of flowing gas supplies during the injection season, and a blend of the weighted average estimated monthly price of flowing gas supplies and the estimated price of gas withdrawn from storage, when applicable. The Cross-Over Rate, as set forth in D.02-08-065, will be the higher of the procurement charge described above or the Adjusted Border Price, as described below. The Utility will file the core procurement charges and affected core service rate schedules on the last business day of the previous month, to be effective the first day of the following month; except the Cross-Over Rate. The Cross-Over Rate will be filed on or before the 9th calendar day of each month, to be effective the 10th calendar day of each month.

G-CPNR

This charge is for non-residential core service. Pursuant to D.96-08-037, Utility was authorized to change its non-residential procurement charge monthly beginning in January 1997.

The non-residential monthly gas procurement charge is comprised of: (1) the weighted average estimated cost of gas (WACOG) for the current month, derived in the manner set forth in D.98-07-068, including reservation charges associated with interstate pipeline capacity contracts entered into by the Utility pursuant to D.04-09-022 and D.02-06-023; (2) authorized franchise fees and uncollectible expenses; (3) authorized core brokerage fee; (4) any adjustments for over- or under-collection imbalance in the Core Purchased Gas Account (CPGA) imbalance band as defined and approved in D.98-07-068; (5) in-kind fuel for intrastate transmission and access charges as described in D.XX-XX-XXX; and (6) an adjustment for the Gas Cost Incentive Mechanism (GCIM) reward/penalty pursuant to D.02-06-023. The CPGA component is an adder in the case of an under-collection and a subtracter in the case of an over-collection.

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(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. EXEMPLARY
 DECISION NO.

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED _____
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Schedule No. G-CP
CORE PROCUREMENT SERVICE

Sheet 2

(Continued)

RATES (Continued)

G-CPNR (Continued)

Cost of Gas, per therm	60.949¢
Brokerage Fee, per therm	<u>0.201¢</u>
Total Core Procurement Charge, per therm	61.150¢

G-CPNRC

This is the non-residential Cross-Over Rate authorized in D.02-08-065. This charge will be applicable for the first 12 months of service for: (1) customers who transfer from noncore service to core procurement service, except noncore customers who have been disqualified from noncore service and are required to return to core service; (2) non-residential core transportation customers who consumed over 50,000 therms in the last 12 months, unless such customer was returned to utility procurement because their gas supplier is no longer doing any business in California, or (3) non-residential core transportation customers with annual consumption over 50,000 therms who return to core procurement service and switch back to transportation only service within 90 days.

The monthly gas procurement charge is comprised of: (1) the higher of the Cost of Gas in the G-CPNR rate above, less authorized franchise fees and uncollectible expenses, or the Adjusted Border Price; (2) authorized franchise fees and uncollectible expenses; and (3) authorized core brokerage fee.

The Border Price is equal to the average of the first of the month "Southern Cal Border Avg." index from Natural Gas Intelligence and the "Bid Week, California-South, Delivered to Pipeline" index from Natural Gas Week. The Adjusted Border Price is equal to the Border Price less the currently authorized core interstate capacity costs included in core transportation rates, plus in-kind fuel for intrastate transmission and access charges as described in D.XX-XX-XXX.

Cost of Gas, (1) and (2) above, per therm	60.949¢
Brokerage Fee, per therm	<u>0.201¢</u>
Total Core Procurement Charge, per therm	61.150¢

G-CPR

This charge is for residential service. Pursuant to D.96-08-037, Utility was authorized to change the residential gas procurement charge monthly concurrent with its implementation of the 1996 BCAP Decision (D.97-04-082).

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Schedule No. G-CP
CORE PROCUREMENT SERVICE

Sheet 3

(Continued)

RATES (Continued)

G-CPR (Continued)

The monthly residential gas procurement charge is comprised of: (1) the weighted average cost of gas (WACOG) for the current month, derived in the manner set forth in D.98-07-068, including reservation charges associated with interstate pipeline capacity contracts entered into by the Utility pursuant to D.04-09-022 and D.02-06-023; (2) authorized franchise fees and uncollectible expenses; (3) authorized core brokerage fee; (4) any adjustments for over- or under-collection imbalance in the Core Purchased Gas Account (CPGA) imbalance band as defined and approved in D.98-07-068; (5) in-kind fuel for intrastate transmission and access charges as described in D.XX-XX-XXX; and (6) an adjustment for the Gas Cost Incentive Mechanism (GCIM) reward/penalty pursuant to D.02-06-023. The CPGA component is an adder in the case of an under-collection and a subtracter in the case of an over-collection.

Cost of Gas, per therm	60.949¢
Brokerage Fee, per therm	<u>0.201¢</u>
Total Core Procurement Charge, per therm	61.150¢

G-CPRC

This is the residential Cross-Over Rate authorized in D.02-08-065. This charge will be applicable for the first 12 months for: (1) residential core transportation customers who consumed over 50,000 therms in the last 12 months and who transfer to utility procurement, or (2) residential core transportation customers with annual consumption over 50,000 therms who return to core procurement service and switch back to transportation only service within 90 days.

The monthly gas procurement charge is comprised of: (1) the higher of the Cost of Gas in the G-CPR rate above, less authorized franchise fees and uncollectible expenses, or the Adjusted Border Price; (2) authorized franchise fees and uncollectible expenses; and (3) authorized core brokerage fee.

The Border Price is equal to the average of the first of the month "Southern Cal Border Avg." index from Natural Gas Intelligence and the "Bid Week, California-South, Delivered to Pipeline" index from Natural Gas Week. The Adjusted Border Price is equal to the Border Price less the currently authorized core interstate capacity costs included in core transportation rates, plus in-kind fuel for intrastate transmission and access charges as described in D.XX-XX-XXX.

Cost of Gas, (1) and (2) above, per therm	60.949¢
Brokerage Fee, per therm	<u>0.201¢</u>
Total Core Procurement Charge, per therm	61.150¢

The Border Price will be posted on the Utility's Internet web site at <http://www.socalgas.com>.

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Schedule No. G-CP
CORE PROCUREMENT SERVICE

Sheet 4

(Continued)

RATES (Continued)

G-CPA

This rate is for the purposes of calculating the municipal surcharge as defined in Schedule No. G-MSUR; the Buy-Back Rates as defined in Schedule No. G-IMB; involuntary diversions; and VCPPA deliveries as defined in Rule No. 23 and purchases of storage gas as defined in Rule No. 32. This rate is equivalent to the Core Subscription Procurement Charge, previously reported in Schedule No. G-CS, that was eliminated pursuant to Decision 01-12-018 and Resolution G-3357, effective December 1, 2003.

The monthly adjusted gas procurement charge is comprised of: (1) the weighted average cost of gas (WACOG) for the current month, derived in the manner set forth in D.98-07-068, including reservation charges associated with interstate pipeline capacity contracts entered into by the Utility pursuant to D.04-09-022 and D.02-06-023; (2) authorized franchise fees and uncollectible expenses; (3) any adjustments for over- or under-collection imbalance in the Core Purchased Gas Account (CPGA) imbalance band as defined and approved in D.98-07-068; (4) in-kind fuel for intrastate transmission and access charges as described in D.XX-XX-XXX; and (5) an adjustment for the Gas Cost Incentive Mechanism (GCIM) reward/penalty pursuant to D.02-06-023. The charge is exclusive of (1) core storage gas withdrawals and (2) authorized core brokerage fee. The CPGA component is an adder in the case of an under-collection and a subtracter in the case of an over-collection.

Adjusted Core Procurement Charge, per therm 60.949¢

The current procurement charge will be posted on the Utility's Electronic Bulletin Board (EBB), as defined in Rule No. 1, and Internet web site at <http://www.socalgas.com/regulatory>.

The Utility will reflect all applicable taxes, fees, and surcharges and/or credits imposed as a result of providing service hereunder.

The number of therms to be billed will be determined in accordance with Rule No. 2.

SPECIAL CONDITIONS

1. Definitions of the principal terms used in this rate schedule and the Utility's other tariffs are provided in Rule No. 1.
2. Service provided hereunder is subject to the terms and conditions of the Utility's tariff schedules on file with the Commission. Charges for transmission service will be in accordance with the Utility's core transportation rate schedules. The terms and conditions in the customer's otherwise-applicable core procurement schedule apply.

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Schedule No. G-OSD
OFF-SYSTEM DELIVERY SERVICE

Sheet 1

APPLICABILITY

Applicable to transportation of natural gas on Utility's Transmission System off-system to Pacific Gas & Electric Company (PG&E). 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 Utility service territory.

RECEIPT POINTS

The Receipt Point available for service under this schedule is a City Gate Pool account 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.

RATES

<u>G-OFF Rate</u>	<u>Description of Service</u>	<u>Rate Structure</u>	<u>Maximum Rate (per Dth)</u>
G-OFFI	Interruptible	100% Volumetric	\$0.16*

* Rates under this schedule are negotiable subject to Special Condition 6.

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)

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Schedule No. G-OSD
OFF-SYSTEM DELIVERY SERVICE

Sheet 2

(Continued)

SPECIAL CONDITIONS

GENERAL

1. Definitions of the principal terms used in this schedule are contained 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 an Off-System Delivery Service Contract (OFF) (Form Nos. 6597-18 and 6597-19) are required. All contracts, rates and conditions are subject to revision and modification as a result of CPUC order.
4. Customer must meet the Utility's applicable credit requirements.
5. The term of service shall be for a minimum of one day.
6. Utility may post daily off-system interruptible volumetric charges at a level below the G-OFFI rates shown above for interruptible Off-System Delivery Service. On any day in which Utility posts a daily interruptible off-system charge, all interruptible off-system service used by customers at the applicable point during that day will be charged the reduced volumetric charge.

NOMINATIONS AND BALANCING

7. Nominations are required for gas transported under this rate schedule. See Rule No. 30, Transportation of Customer-Owned Gas, for details.
8. A customer may opt to designate one and only one nominating agent in addition to itself at any one time to nominate on all OFFs under a customer's RPMA. The nominating agent shall be specified in the customer's RPMA and shall apply to all OFFs under that customer's RPMA. Customer must provide appropriate written authorization to Utility of its intent to add or change a designated nominating agent via the Nomination and Trading Authorization Form (Form 9924). Such designation shall be subject to that nominating agent complying with applicable tariff and contractual provisions. Customer shall provide appropriate written notice to Utility of its intent to terminate a nominating agent via the Termination of Nominating or Trading Agent Form (Form 9926).
9. Utility will make available physical displacement capability at the receipt points on an interruptible basis at the applicable G-OFFI rate as shown above.

(Continued)

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Schedule No. G-POOL
POOLING SERVICE

Sheet 1

APPLICABILITY

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.

RATES

Transfer Charges

Rate, per pool-to-pool transfer *..... \$0.00

* SoCalGas reserves the right to review the status of Transfer Charges no earlier than six months following the effective date of this tariff.

SPECIAL CONDITIONS

GENERAL

1. Pooling Services, as defined in Rule No. 1, allows for the aggregation and disaggregation of natural gas.
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. All contracts, rates and conditions are subject to revision and modification as a result of California Public Utilities Commission Order or rules.
3. Only one pool contract 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 only.
5. Pools will be required to balance during each scheduling cycle, each day. Pool balancing will be conducted during Utility's confirmation process using the "lesser of" rule and a pool ranking mechanism as described in Rule 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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Schedule No. G-RPA
RECEIPT POINT ACCESS

Sheet 1

APPLICABILITY

Applicable to firm and interruptible receipt point access rights 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.

Firm receipt point access rights to Utility’s transmission system do not 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 Utility service territory.

RECEIPT POINTS

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

<u>Transmission Zone</u>	Total Transmission Zone Firm Access (MMcfd)	Specific Points of Access (MMcfd)*
Southern	1210	EPN Ehrenberg - 1210
Northern	1590	TW North Needles - 800 TW Topock - 190 EPN Topock - 540 QST North Needles - 120 KR Kramer Junction – 500
Wheeler	765	KR/MP Wheeler Ridge – 765 PG&E Kern River Station - 520 Oxy Gosford – 150
Line 85	160	California Supply
Coastal	150	California Supply
Other	N/A	California Supply
Total	3875	

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Schedule No. G-RPA
RECEIPT POINT ACCESS

Sheet 2

(Continued)

RECEIPT POINTS (Continued)

EPN – El Paso Natural Gas Pipeline
TW – Transwestern Pipeline
MP – Mojave Pipeline
QST – Questar Southern Trails Pipeline
KR – Kern River Pipeline
PG&E – Pacific Gas and Electric
Oxy – Occidental Petroleum

* Any new interstate pipelines or LNG Suppliers that interconnect through a new receipt point may be added to that Transmission Zone.

Transmission Zone Contract Limitations:

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.

Wheeler Ridge Capacity – In total PG&E at Kern River Station and Oxy at Gosford cannot exceed 520 MMcfd.

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

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Schedule No. G-RPA
RECEIPT POINT ACCESS

Sheet 3

(Continued)

RATES

I. RECEIPT POINT ACCESS RIGHTS

This Schedule provides for both firm and interruptible receipt point access rights. This Schedule is applicable at all Receipt Points available under the following rate schedules:

<u>Rate Schedule</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-RPA1	Firm	Three Years	100% Reservation	\$0.05	\$0.0
G-RPA2*	Firm	Fifteen Years	100% Reservation	Cost Based	\$0.0
G-RPAN	Short Term Firm	Up to Three Years	100% Reservation	Market Based up to \$0.05	\$0.0
G-RPAI	Interruptible	Three Years	100% Volumetric	\$0.0	Market Based up to \$0.05

* Customers taking service under G-RPA2 will also pay the G-RPA1 rate.

II. FUEL CHARGE

Transmission fuel of 0.28% will be assessed on all scheduled quantities of gas to a Receipt Point Access Contract (RPAC). For scheduling purposes, a customer will be allowed to nominate at a receipt point 0.28% more than its desired scheduled quantities (up to its DCQ) to account for in-kind fuel.

Example: Customer ABC has a RPAC with a DCQ of 15,000 decatherms. In order to actually flow 15,000 decatherms on their RPAC, Customer ABC's gross scheduled quantity should be calculated by dividing their DCQ by 0.9972. In this example, gross scheduled quantity = 15,042 (15,000/0.9972).

The level of in-kind fuel charge will be adjusted by recorded actual fuel use on a monthly basis.

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Schedule No. G-RPA
RECEIPT POINT ACCESS

Sheet 4

(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 RPAC.

$$\text{Monthly Reservation Charge} = \text{Reservation Rate} * \text{DCQ} * \text{number of days in the billing period (or if less than one month, number of days in term of contract)}$$

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 RPAC net of in-kind fuel quantity.

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

SPECIAL CONDITIONS

GENERAL

1. Definitions of the principal terms used in this schedule are contained 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 Receipt Point Access Contract (RPAC) (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.
4. Customer must meet the Utility's applicable credit requirements.
5. Utility will display on its Electronic Bulletin Board (EBB) total available receipt point access capacity at each point along with the firm and interruptible scheduled volumes at the respective points during each nomination cycle.

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Schedule No. G-RPA
RECEIPT POINT ACCESS

(Continued)

SPECIAL CONDITIONS (Continued)

GENERAL (Continued)

- 6. Utility will file quarterly reports to the Commission stating the receipt point access rights held by Customers. Such reports will provide the name of the entity holding firm receipt point access rights, the volume 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. Utility will post on its EBB, by Receipt Point, all contracted firm receipt point access capacity and the available unsubscribed receipt point access capacity for sale. This information will be updated on a daily basis.

NOMINATIONS AND BALANCING

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

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Schedule No. G-RPA
RECEIPT POINT ACCESS

(Continued)

SPECIAL CONDITIONS (Continued)

SECONDARY MARKET ASSIGNMENTS

- 12. Customers who hold firm receipt point access rights may release all or a portion of those rights to any creditworthy party in the secondary market through SoCalGas' EBB (see Special Condition 15 below for exception). Any creditworthy party may purchase firm receipt point access rights in the secondary market. Any party releasing firm rights will be referred to as "Releasing Shipper" and those 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 Utility. Releases may consist of all or part of the receipt point access rights of a customer's DCQ and all or part of the remaining contract term with a minimum term of one day. Utility will bill the Acquiring Shipper and credit the Releasing Shipper subject to the provisions in Special Condition 15. If the Acquiring Shipper's rate is less than the a Releasing Shippers rate, the Releasing Shipper will continue to be responsible for payment of the difference.
- 13. 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 receipt point access rights in the secondary market. The trading agent shall be specified in the customer's RPMA or in the Nomination and Trading Authorization Form (Form 9924) and shall apply to all RPACs 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 Utility of its intent to terminate a trading agent via the Form to Terminate a Nominating or Trading Agent (Form 9926).
- 14. Contract releases of firm rights must be done electronically using Utility's EBB.
- 15. The Acquiring Shipper must satisfy Utility's applicable credit requirements. If Utility's creditworthiness requirements are satisfied, 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 Utility's applicable credit requirements for the duration of the contract.

*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. If Acquiring Shipper does not make payment to SoCalGas of all applicable charges, SoCalGas 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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Schedule No. G-RPA
RECEIPT POINT ACCESS

(Continued)

SPECIAL CONDITIONS (Continued)

SECONDARY MARKET ASSIGNMENTS (Continued)

- 16. Utility will post on its EBB a summary of the completed secondary market transactions, listing releasing party, acquiring party, amount of capacity, receipt point, transaction price, and term of the release. Information regarding secondary market transactions will be posted the next business day.
- 17. Market participants can voluntarily post secondary receipt point capacity transaction offers on Utility's EBB.

SET-ASIDES: Pre-Open Season - Step 1

- 18. SoCalGas Gas Acquisition Department and SDG&E Gas Acquisition Department are assigned firm receipt point access rights prior to the open season process to match qualifying upstream pipeline contracts for their core loads. Other Wholesale Customers, Core Transportation Aggregators (CTAs), California producers and certain long-term contract (LTK) holders shall have the option to acquire firm receipt point access rights prior to the initial open season. The set-aside rights will be taken under Rate Schedule G-RPA1.
- 19. The SoCalGas Gas Acquisition Department set-aside is equal to the annual average of the qualifying upstream pipeline contracts exceeding 18-months during the applicable 3-year period. The set-aside is established based on actual commitments in place 3 months before any three-year open season.
- 20. The SDG&E set-aside is equal to the annual average of the qualifying upstream pipeline contracts exceeding 18-months during the applicable 3-year period. The set-aside is established based on actual commitments in place 3 months before any three-year open season.
- 21. SDG&E's noncore transportation customers will participate directly in Utility's open season steps. SDG&E will provide 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.
- 22. California Producers with current access agreements and whose facilities are connected directly to Utility's Line 85, North Coastal system or other systems where there is not a specific receipt point identified will receive a set-aside option for a quantity up to the peak month of deliveries during the Base Period. California Producers may elect a portion of their peak month's deliveries as a set-aside quantity. This set-aside applies to any SoCalGas "native gas" production.
- 23. An end-use customer under a Commission-approved long-term firm transportation contract in effect at the time of implementation which specifies firm deliveries at a particular Utility receipt point shall have a set-aside option for access capacity at those specified receipt points. However, if the customer selects the option, it must be selected for all eligible contract quantities, not just a portion.

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ISSUED BY
Lee Schavrien
Vice President
Regulatory Affairs

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Schedule No. G-RPA
RECEIPT POINT ACCESS

Sheet 8

(Continued)

SPECIAL CONDITIONS (Continued)

SET-ASIDE OPTIONS – Pre-Open Season Step 1 (Continued)

24. Customers under Commission-approved, long-term firm transportation contracts that do not specify firm deliveries at particular Utility receipt points (Non-Receipt-Specific LTK) may participate in the open season steps like other noncore customers.
25. Commission-approved, long-term firm transportation contract holders will receive a monthly credit equal to their monthly consumption under their long-term contract multiplied by the G-RPA1 rate.
26. Customers with Commission-approved, interruptible long-term contracts have the opportunity to purchase interruptible receipt point access capacity to match their needs. Utility will provide a monthly credit equal to their monthly consumption under their long-term contract multiplied by the G-RPA1 rate when using interruptible receipt point access.
27. CTAs set-aside is equal to the annual average of the qualifying upstream pipeline contracts exceeding 18-months during the applicable 3-year period. These set-asides are established based on actual commitments in place 3 months before any three-year open season. CTAs are not required to select the set-aside option, but if the CTA selects the option, it must be selected for all eligible volumes, not just a portion.
28. CTAs that do not select the set-aside, may participate in the open season steps like other noncore customers.
29. Other wholesale customers' set-aside for only their core load is equal to the annual average of the qualifying upstream pipeline contracts exceeding 18-months during the applicable 3-year period. These set-asides are established based on actual commitments in place 3 months before any three-year open season. The other wholesale customer is not required to select the set-aside option. However, if the customer selects the set-aside option, it must be selected for all eligible volumes, not just a portion. Other wholesale customers that do not select the set-aside option may participate in the open season steps like other noncore customers.
30. Other wholesale customers may elect to have Utility allow all of their noncore customers to participate directly in Utility's open season steps. Under this scenario, the wholesale customer's noncore customers will be treated like the rest of Utility's noncore customers. Each other wholesale customer electing this provision will be required to provide 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.
31. Other wholesale customers not electing to have their noncore customers participate directly in 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 Utility's other noncore customers, on behalf of its noncore customers' requirements.

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Sheet 9

(Continued)

SPECIAL CONDITIONS (Continued)

OPEN SEASON: Preferential Bidding – Step 2

32. An open season –Step 2 will be conducted through Utility’s on-line bid system prior to service commencing under this schedule, and every three years thereafter, whereby 75% of firm receipt point access capacities stated in the Receipt Point section of this tariff, less rights awarded as set-asides shall be made available through an open season process consisting of three rounds of bidding.
33. Only end-use customers, including the eligible end-use customers of wholesale customers, and CTAs are entitled to participate in Step 2.
34. A customer’s maximum bidding rights will include a base load maximum plus a monthly peaking maximum over a Base Period. Base Period will be defined as the twelve 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. Each wholesale customer will have to attest to the portion of its SoCalGas metered consumption used for core customers to the extent it is only participating on behalf of its core customers.
 - 2) For SoCalGas Gas Acquisition Department and SDG&E Gas Acquisition Department, core loads of other wholesale customers, and CTAs, will only be provided base load maximum bidding rights. These maximum bidding rights will equal the respective customer’s annual average usage during the Base Period less any set-aside elected. For CTAs, the annual average usage will be their currently “contracted for” load.
 - 3) For 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.
 - 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:
 - 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.

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(Continued)

SPECIAL CONDITIONS (Continued)

OPEN SEASON: Preferential Bidding – Step 2 (Continued)

- 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 right by agreeing to minimum use-or-pay obligations in a new Utility transportation contract to replace or substitute for historical load.
35. 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.
36. 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.
37. Bids will be submitted for Step 2 on a Receipt point and Quantity basis only.
38. End-use customers entitled to participate in Round 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.
39. The applicable Rate Schedule for firm access rights awarded in Step 3 will be G-RPA1.
40. All bids must be submitted through 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.
41. An end-use customer who is already in good standing for credit with Utility prior to Step 2 will be deemed creditworthy up to their specified maximum bidding rights.

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RECEIPT POINT ACCESS

(Continued)

SPECIAL CONDITIONS (Continued)

OPEN SEASON: Preferential Bidding – Step 2 (Continued)

- 42. All bids once submitted cannot be withdrawn. Utility will provide a confirmation to the bidding party that the submitted bid was received.
- 43. Bids for monthly capacity will be given a lower priority over bids for base load capacity in awarding receipt point access rights for over-subscribed Receipt Points.
- 44. 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.
- 45. Successful bidders are contractually liable for all firm receipt point access rights awarded to them in Step 2 and will be assigned a unique contract number for each successful bid.

OPEN SEASON: Long Term Open Season – Step 3

- 46. An open season –Step 3 will be conducted through Utility’s on-line bid system prior to service commencing under this schedule whereby up to a maximum aggregated total of 900 MMcfd of remaining base-load existing capacity, expansions at existing receipt points, and new receipt capacity shall be made available through an open season process consisting of one round of bidding.
- 47. All bids must be submitted through 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.
- 48. All bids must be submitted as annual base load quantities.
- 49. The term of the contracts awarded in Step 3 will be for 15 years.
- 50. The applicable Rate Schedule for firm access rights awarded in Step 3 will be the G-RPA1 plus any applicable G-RPA2 as specifically determined for a Receipt Point.
- 51. Utility will provide estimated costs and reservation charges applicable to various new receipt points prior to the commencement of the Open Season.
- 52. The maximum total bid for any party is established by its creditworthiness.

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RECEIPT POINT ACCESS

Sheet 12

(Continued)

SPECIAL CONDITIONS (Continued)

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

53. A Customer may submit multiple bids for each individual Receipt Point, but all submitted bids are binding and cannot be withdrawn.
54. 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 prorationing is required.
55. In accordance with the Utility's Rule No. 39, Access to the SoCalGas Pipeline System, once capacity is awarded for new receipt point capacity, Utility will request an upfront payment of the estimated costs prior to commencing construction of the required facility enhancements, with this payment charged to all 15-year contract holders on a pro rata basis.
56. Once the actual construction costs of the completed facilities are finalized and placed in service, awarded capacity holders winning bidders will have their estimated reservation charges adjusted to account for the actual costs of construction as specific through a SoCalGas Advice Letter. Prior to approval of the Utility's Advice Letter determining actual cost of construction, customer will be charged the estimated reservation charge
57. Customers that are awarded capacity shall be able to continue their capacity rights ownership after the 15-year term by exercising a Right of First Refusal (ROFR).
58. In order to minimize the amount of Utility facilities that are actually required to meet the 15-year awarded bids, Utility will first ask all existing capacity rights holders if they are willing to turn-back their awarded capacity at the rate set forth in the G-RPA1 Rate Schedule.
59. If bidders in this Step secure capacity that later is accorded rolled-in ratemaking treatment, they would be permitted to relinquish the capacity before the end of their contract term (and be relieved of the associated reservation charges). This relinquishment would be timed to correspond to the allocation of existing capacity to customers in succeeding Step 1 and Step 2 open seasons.

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RECEIPT POINT ACCESS

Sheet 13

(Continued)

SPECIAL CONDITIONS (Continued)

CONTRACT INTERCHANGEABILITY

- 60. After receipt point access 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.
- 61. Immediately after all of the steps have taken place, Utility will post any available receipt point access capacity on its EBB and accept requests from capacity holders to move their specific receipt point access capacities during a two-week re-contracting period. At the end of this period, 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.
- 62. 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.
- 63. 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, Utility will conduct an open season consistent with the initial Step 3 Open Season Process to award firm rights where applicable.

REMAINING FIRM RECEIPT POINT ACCESS CAPACITY

- 64. Any creditworthy market participants may acquire available receipt point capacity for a minimum term of one month and a maximum term up to the period remaining in the three-year cycle at the Schedule G-RPAN rate.
- 65. All unsubscribed firm receipt point capacity will be available to customers on a “first-come, first served” basis.
- 66. Utility may also post the availability of monthly receipt point capacity at a negotiated level below the Schedule G-RPA1 rate and will hold an open season for that capacity. Participants may submit a bid for receipt point capacity at the negotiated rate. Should 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.

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RECEIPT POINT ACCESS

Sheet 14

(Continued)

SPECIAL CONDITIONS (Continued)

INTERUPPTIBLE RECEIPT POINT ACCESS

67. Utility will make available all unutilized firm receipt point access capacity on an interruptible basis at the G-RPAI rate schedule and will schedule that capacity in accordance with Utility' Rule 30 for scheduling of interruptible capacity.
68. Customers taking interruptible service under Schedule G-RPAI will only be required to execute one contract, which will provide service from all Receipt Points.
69. Utility will contract with any creditworthy party for interruptible receipt point service under the G-RPAI Rate Schedule.
70. Utility may also post daily interruptible volumetric charges at a level below the Schedule G-RPAI rate for all interruptible receipt point service or just for a particular Receipt Point. On any day in which Utility posts a daily interruptible charge, all interruptible service used by customers at the applicable particular Receipt Points during that day will be charged the reduced volumetric charge.

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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 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 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 Utility's 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>
Customer Pool Account	Off-System Delivery Agreement
Customer Pool Account	End User, Contracted Marketer, ESP Account
Customer Pool Account	Storage Account
Customer Pool Account	Customer Pool Account
Receipt Point Access Contract	Customer Pool Account
Storage Account	Customer Pool Account

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Schedule No. G-POOL
POOLING SERVICE

Sheet 3

(Continued)

SPECIAL CONDITIONS (Continued)

BILLINGS

12. The Pooler's bill is due and payable in accordance with Rule No. 9 and the MSC.

TERMINATION OF SERVICE

13. If a payment is not received in accordance with Rule No. 9, the Pooler's participation in the program may be subject to immediate termination. In addition, if the Utility receives any information that the Pooler has filed, is contemplating filing, or has been served with or may be served with papers in bankruptcy, or an assignment for the benefit of creditors, or is closing, changing or ceasing the operation of its business, the Pooler's participation may be terminated immediately.

Upon termination of a Pooler's participation:

- (a) Termination notices will be sent to the Pooler;
- (b) All fees, charges and other obligations of Pooler in favor of Utility shall be immediately payable without further notice of demand; and,
- (c) The Pooler may be suspended from the Utility's electronic communication network, the Utility's Electronic Bulletin Board (EBB) service, as defined in Rule No. 33.

At the time of termination, if the Pooler has not paid Utility billings, any deposits held on any of the Pooler's accounts with Utility may be applied to unpaid bills and any security held pursuant to the Utility's applicable credit rules may be applied.

After termination, a Pooler will not be allowed to participate in the Pooling Services again until the Pooler has 1) reimbursed the Utility for all outstanding charges and all operating, maintenance, legal, and uncollectible expenses incurred by the Utility as a result of the Pooler's participation in the program being terminated and 2) met and demonstrated the ability to maintain all current credit requirements.

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