



Southern
California
Gas Company®



Sempra Energy® utilities



Backbone Transportation Service

California Producer
Set-Aside Rights

Overview

- Firm Access Rights (FAR) service has been renamed Backbone Transportation Service (BTS)
- The new term for BTS begins October 1, 2011
- California Producers qualify to receive BTS capacity in Step 1 of the allocation process

Overview of BTS Allocation

Step 1	Jun 13 -Jun 16	3 Yr Term	SET-ASIDES: Pre-Open Season
Step 2	Aug 19 – Sep 7	3 Yr Term	OPEN SEASON: Preferential Bidding
Step 3	Sep 9 – Sep 14	3 to 20 Yr Term	OPEN SEASON: Long Term existing capacity
Recontracting	Sep 19 – Sep 21		



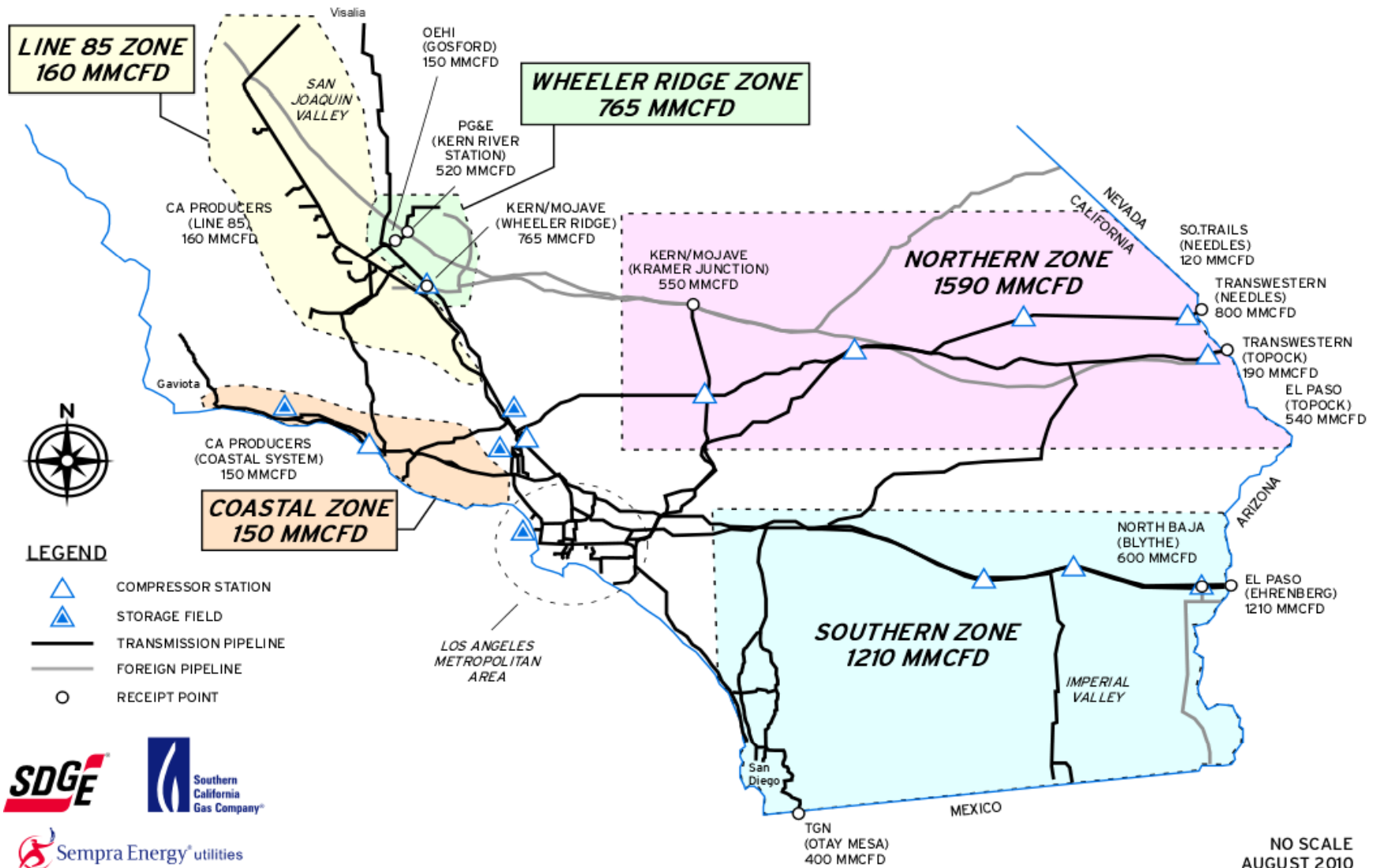
Producer Overview

Producer assignments in Step 1 are limited to the transmission zone in which the producer is located.

These three (3) zones are identified as:

1. Line 85 (San Joaquin Valley)
2. Coastal
3. Other (mostly LA Basin)

RECEIPT POINT & TRANSMISSION ZONE FIRM CAPACITIES



Transmission Zones and Receipt Points

Transmission Zone (MMcfd)	Specific Points of Access (MMcfd)
Southern (1210)	EPN Ehrenberg – 1210 TGN Otay Mesa – 400 NBP Blythe - 1200
Northern (1590)	TW North Needles – 800 TW Topock – 190 EPN Topock – 540 QST North Needles – 120 KR Kramer Junction - 550
Wheeler (765)	KR/MP Wheeler Ridge – 765 PG&E Kern River Station – 520 OEHI Gosford - 150
Line 85 (160)	California Supply
Coastal (150)	California Supply
Other (79)	California Supply



Other BTS Options for California Producers

- Bid for firm capacity in Step 3
- Contract for interruptible rights after open season
- Contract for firm capacity after open season from SoCalGas or other parties in the secondary market
- Contract with a third party to use their BTS rights to schedule your gas

Step 1 Set-Aside Process

- The Step 1 Set-Aside Process is scheduled to be conducted June 13-16
- Other participants in the Set-Aside process include SoCalGas Gas Acquisition, Wholesale core customers and certain noncore customers and suppliers holding long term contracts and PGEXF contracts

Step 1 Set-Aside Process (cont.)

- California Producers qualify to receive BTS capacity set-asides in Step 1
- Applies to all native gas production
- Set-aside quantities are based on producer's peak month's daily average over a three (3) year historical period from April 1, 2008 – March 31, 2011
- Peak month is defined as the month with the highest average daily quantity

Step 1 Set-Aside Process (cont.)

- Producers may bid for set-aside quantity from zero (0) up to 100% of their peak month's daily average
- Set-aside rights may be increased if your production is forecast to increase
- Documentation supporting your forecast must be provided prior to Step 1 start date to validate the increase

Step 1 Set-Aside Process (cont.)

- Rates: Producer can choose firm BTS at either the G-BTS1(SFV) or G-BTS2 (MFV) rate for a 3-year term during Step 1
- Creditworthiness: California producers are deemed creditworthy for BTS quantities up to their pool contract maximum daily volume (MDV)

Bid Evaluation for Set-Asides

- Set-asides for core customers, including the core loads of wholesale customers provided set-aside options, will be provided first
- All other set-asides are subject to being pro-rated to the extent that the total amount of set-asides selected exceed the available capacity of the applicable transmission zone or a particular receipt point.

Exemplary Rates for BTS Service

Rate	Priority	Term	Rate Structure	Reservation Rate Cents/ Dth/Day)	Volumetric Rate (Cents/ Dth)
G-BTS1*	Firm	Up to 3 years	100% Reservation (SFV)	11.269	N/A
G-BTS2*	Firm	Up to 3 years	Modified Fixed Variable (MFV)	9.015	2.653
G-BTS3**	Firm	3 to 20 years	100% Reservation (SFV)	Cost Based	N/A
G-BTSN1	Firm	Short term up to 3 years	100% Reservation (SFV)	Market based up to 11.269	N/A
G-BTSN2	Firm	Short term up to 3 years	Modified Fixed Variable (MFV)	Market based up to 9.015	2.653
G-BTS4	Interruptible	Up to 3 years	100% Volumetric	N/A	Market based up to 11.269



BTS Rates

- Significantly higher than current G-RPA Rates
- Further unbundling effective October 1 will result in lower local transmission and distribution rates
- October 1 rates will not be available until August 15
- Rates will be adjusted again on January 1, 2012 and thereafter on an annual basis.

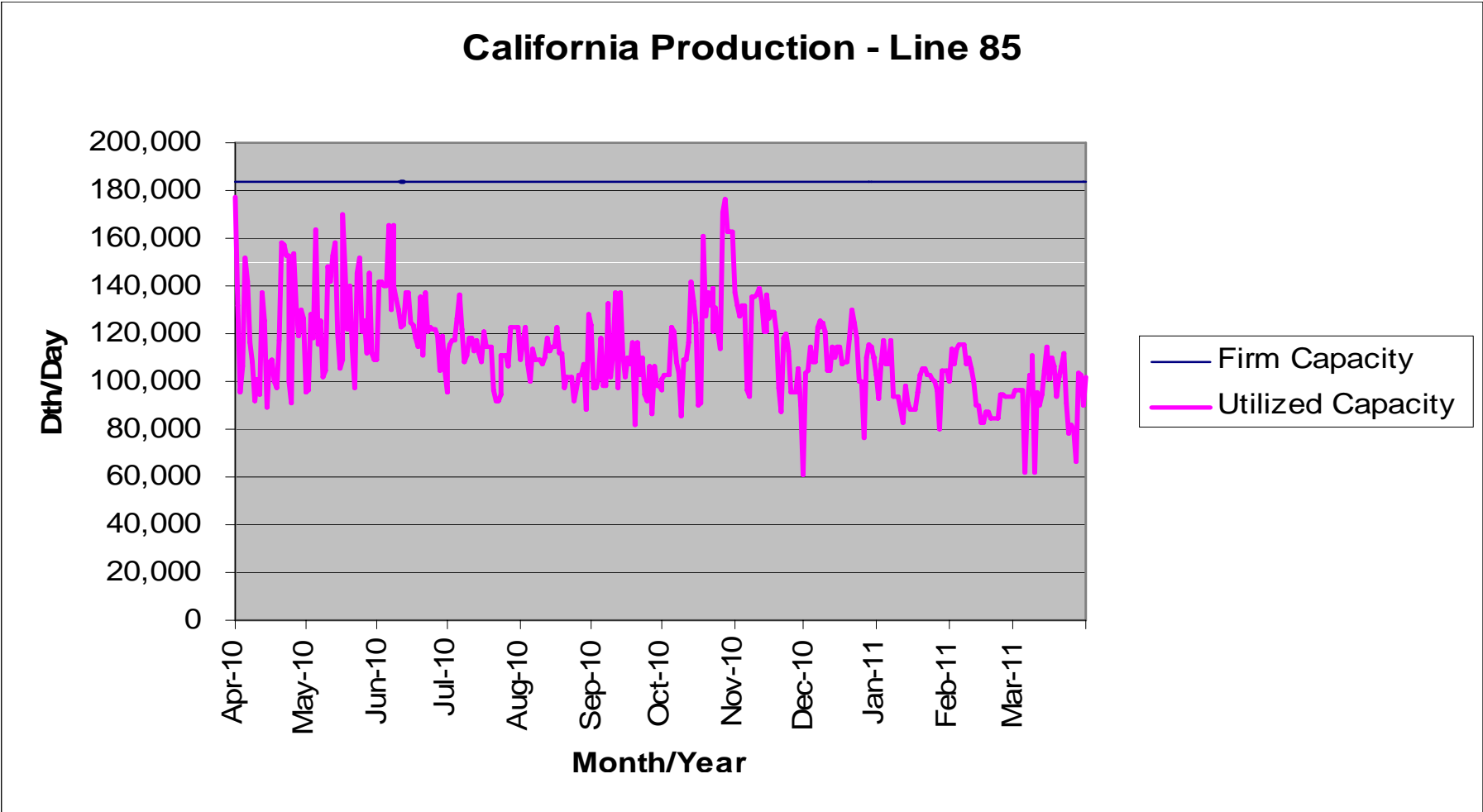
BTS Contracts and Forms

- **RPMA** - (Receipt Point Master Agreement) – Master umbrella agreement between the customer and Utility for receipt point access service.
- **BTSC** - (Backbone Transportation Service Contract) – defines the terms of purchase and sale of receipt point transaction including points, quantity and price.
- **Pooling Services Contract** – agreement to provide pooling services.
- **Nomination and Trading Authorization Form** –Allows a customer to designate an agent to nominate or trade on customer's behalf.
- **Master Services Contract (MSC)** and **EBB** contract if you don't already have one.

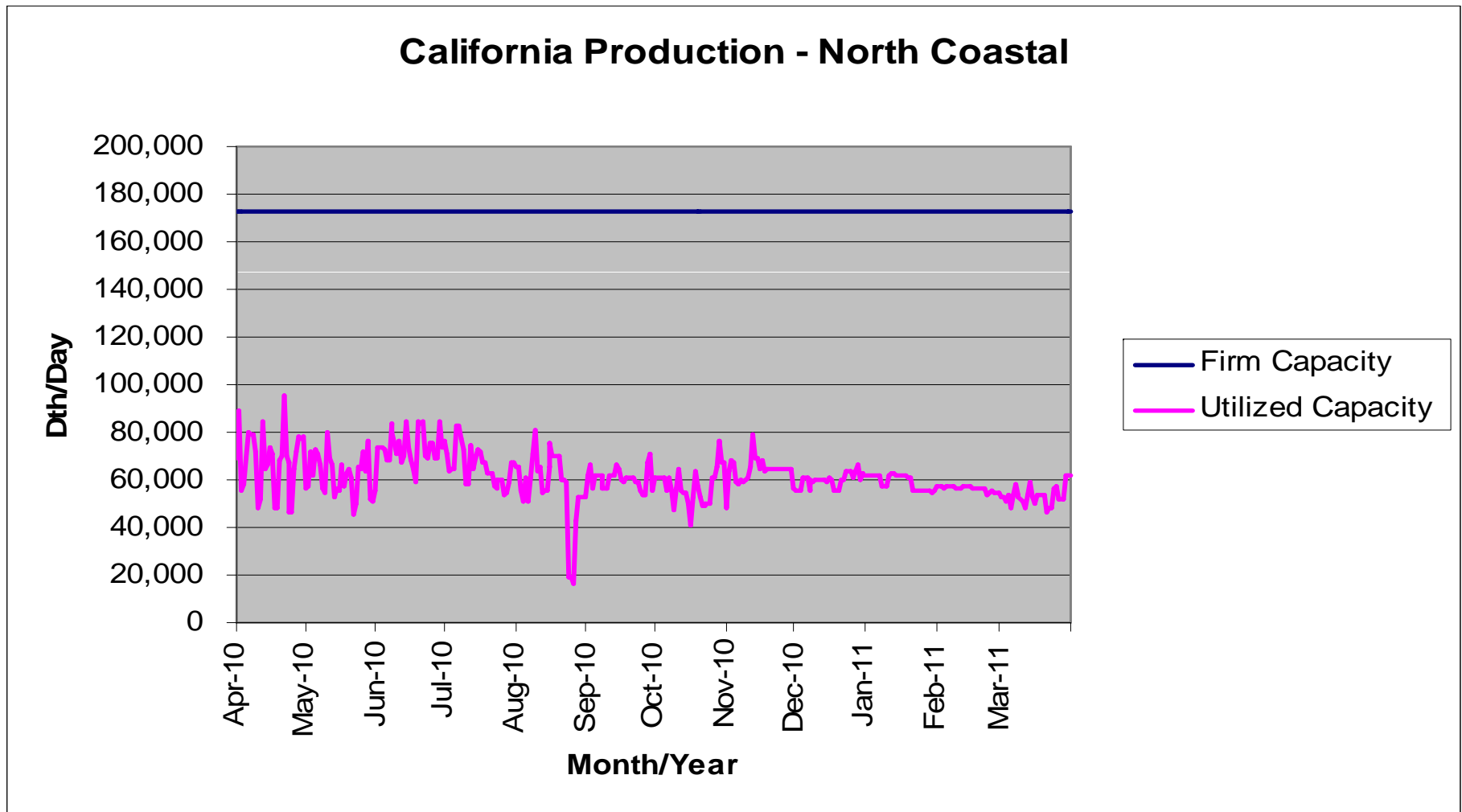
Producer Zone Capacity Utilization Ranges April 2010-Mar 2011

Line 85 Zone – 50%
Coastal Zone – 35%
Other Zone -- 28%

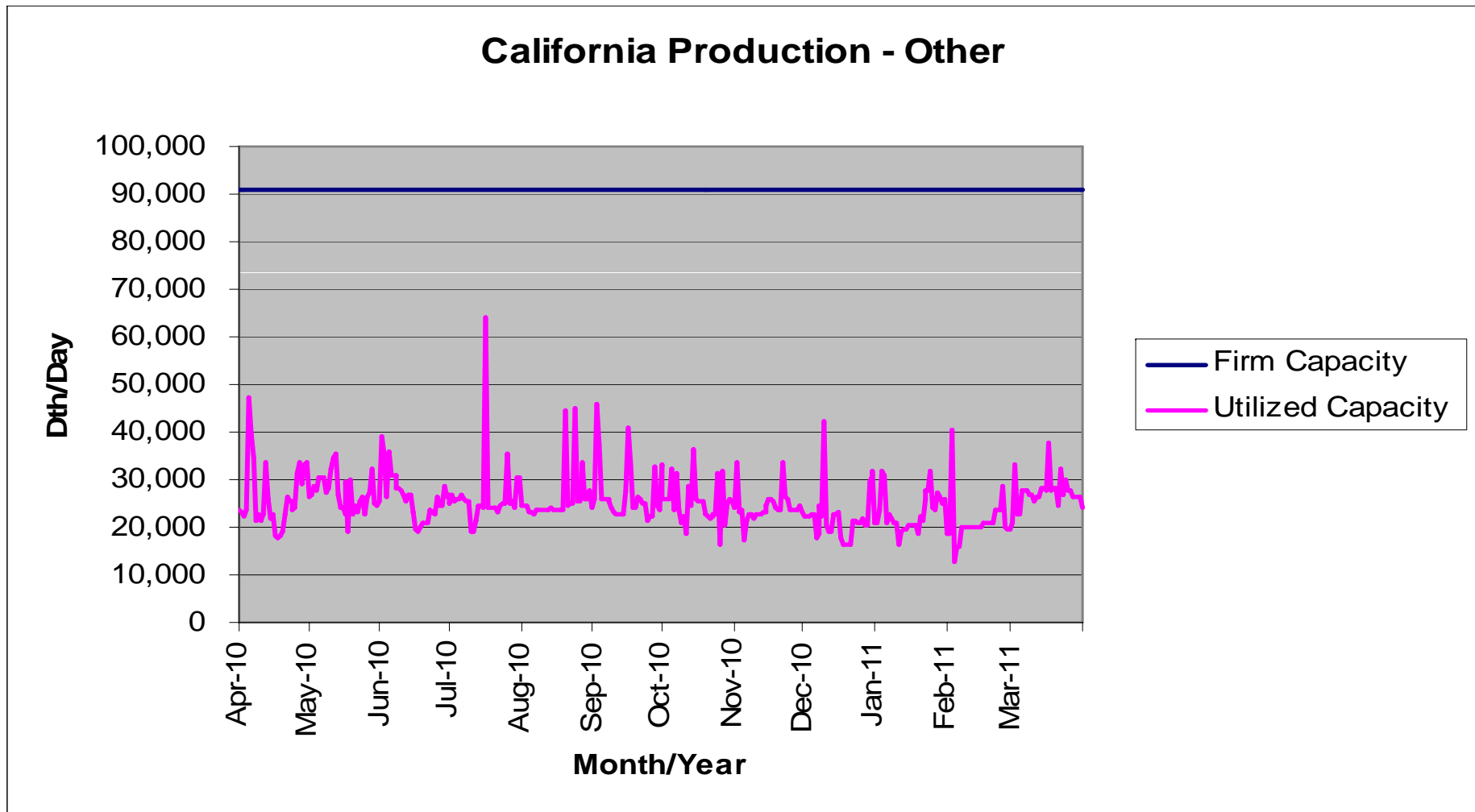
Producer Zone Capacity Utilization



Producer Zone Capacity Utilization



Other Zone Capacity Utilization



Exchange Of BTS Rights

- 3 day recontracting period after Step 3
- Consolidation of Receipt Point Awards
- Post Open Season recontracting and exchanges are available on a “first-come, first-served” basis on the EBB

Interruptible Receipt Point Rights

- One Backbone Transportation Service Contract (BTSC) can provide interruptible service from all receipt points
- Applicable rate is G-BTS4
- Service is discountable on a daily basis. If offered, discounted rate will be posted on the EBB.

Trading BTS Rights

- Firm BTS rights may be traded on the EBB
- Buyers must be creditworthy unless seller agrees to waive buyer's credit requirements and assume the risk
- Maximum rate remains at 125% of the reservation charge
- Trading agent is an available tool for BTS buyers and sellers

Online Bidding System

Will be Available at www.capacity.socalgas.com/bts

Online Bidding System


- Used for entire open season process, including set-asides
- Customer registers (executed RPMA, logon ID required)
- View bidding rights
- Submit bids
- Check bid status
- E-mail confirmation of submitted bids and awards
- Electronic awards for bids
- Initial Exchange of Receipt Points

Bidding System Registration Screen

Bidder Registration

Gas Company*



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Enter registration information and click the Register Button:

RPMA #	<input type="text"/>		
Verification Code	<input type="text"/>		
First Name:	<input type="text"/>		
Last Name:	<input type="text"/>		
Email:	<input type="text"/>	Confirm:	<input type="text"/>
Phone:	<input type="text"/>		
Fax:	<input type="text"/>		
LogonID	<input type="text"/>		
Password:	<input type="password"/>	Confirm:	<input type="password"/>
Security Question:	Select a Question <input type="button" value="v"/>		
Security Answer:	<input type="text"/>		

Bidding System


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Choose a Receipt Point:

Dth/d

EPN Ehrenberg

Point	Period	Year	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
1001	2008		0	0	0	0	0	0	0	1,185,000	1,185,000	1,185,000	1,185,000	1,185,000
1001	2009		1,185,000	1,185,000	1,185,000	1,185,000	1,185,000	1,185,000	1,185,000	1,185,000	1,185,000	1,185,000	1,185,000	1,185,000
1001	2010		1,185,000	1,185,000	1,185,000	1,185,000	1,185,000	1,185,000	1,185,000	1,185,000	1,185,000	1,185,000	1,185,000	1,185,000
1001	2011		1,185,000	1,185,000	1,185,000	1,185,000	1,185,000	1,185,000	1,185,000	0	0	0	0	0

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Backbone Transportation Service Website

BTS website is available that provides detailed information at:

<http://www.socalgas.com/business/backbone/>

Questions?