



March 22, 2002

Advice No. 3136
(U 904 G)

Public Utilities Commission of the State of California

Subject: Request to Provide Praxair-Ontario High Pressure Transmission Service.

Southern California Gas Company (SoCalGas) hereby submits for approval by the California Public Utilities Commission (Commission) deviations from SoCalGas' tariff schedules for service to Praxair Corporation's hydrogen plant located in Ontario, California (Customer).

Purpose

The purpose of this Advice Letter is to request Commission approval to allow a deviation from Tariff Schedule No. GT-I, Interruptible Intrastate Transmission Service; and Rule No. 2, Description of Service. Approval of these deviations will allow SoCalGas to provide higher delivery pressure as requested by the Customer while maintaining Customer's classification as a distribution customer.

Background

The Customer requested delivery pressure in excess of pressure available from the distribution system currently serving Customer's facility. The Customer asserts that higher delivery pressure will allow Customer to reduce electricity consumption through removal of compression currently used in Customer's production process, and that the resulting process will be significantly less energy intensive. Capacity is sufficient in the existing distribution system to serve the Customer's volumetric requirements. In order to provide higher delivery pressure SoCalGas must tap a transmission pipeline and install approximately 4800 feet of pipeline to the Customer's facility. Customer is willing to pay the cost to construct and maintain this new pipeline, which would be classified by SoCalGas as transmission facilities.

The Customer is currently classified as distribution service customer and receives service at the applicable Distribution Level charges (GT-I3D) under Rate Schedule No. GT-I.

Per Rule No. 2.C., SoCalGas will provide a customer requesting higher than standard delivery pressure with a delivery pressure which is no higher than available District Pressure in the distribution system immediately proximate to the customer. Delivery pressure in excess of District Pressure is only provided if (1) volume is not sufficient in

the distribution system to serve the customer which means the closest volume source may be from a transmission-related facility operating at a higher pressure; or (2) the customer is a cogeneration customer electing service through a dedicated main facility per Special Condition 17 of Rate Schedule GT-I.

Section N of Rule No. 2 allows SoCalGas to provide to a customer Special Facilities that include augmented or new facilities that are in addition to facilities normally installed to provide standard service. New facilities are installed at the customer's expense.

Per Special Condition No. 19 of Rate Schedule No. GT-I, customers served from SoCalGas' distribution facilities shall be classified as distribution (GT-I3D), and customers served from transmission-related facilities shall be classified as transmission (GT-I3T).

Requested Tariff Deviations

SoCalGas requests Commission authority to deviate from Rule No. 2.C. in order to provide a delivery pressure to the Customer in excess of District Pressure. Customer will pay the cost to install and maintain the Special Facilities required per Rule No. 2.N.

SoCalGas also requests Commission authority to deviate from Special Condition 19 of Rate Schedule GT-I in order that Customer's current status as a distribution customer will continue after Customer begins receiving service from the new transmission-related Special Facilities.

Approval of these deviations is in the Customer's interest because it accommodates Customer's desire for higher gas delivery pressure. Approval of these deviations is in the public interest because such approval will prevent setting precedent whereby a distribution service customer could convert to transmission-level status simply because SoCalGas is willing to accommodate the customer's request for higher delivery pressure regardless of existing service capacity.

Protest

Anyone may protest this Advice Letter to the California Public Utilities Commission. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. The protest must be made in writing and received within 20 days of the date of this Advice Letter. There is no restriction on who may file a protest. The address for mailing or delivering a protest to the Commission is:

Energy Division - IMC Branch
California Public Utilities Commission
505 Van Ness Avenue, 4th Floor
San Francisco, CA 94102

Copies of the protest should also be sent via e-mail to the attention of both Jerry Royer (jir@cpuc.ca.gov) and Honesto Gatchalian (jnj@cpuc.ca.gov) of the Energy Division. A copy of the protest shall also be sent via both e-mail and facsimile to the address shown below on the same date it is mailed or delivered to the Commission.

Attn: Sid Newsom
Regulatory Tariff Administration - GT14D6
555 West Fifth Street
Los Angeles, CA 90013-1011
Facsimile No. (213) 244-4957
E-Mail: snewsom@sempra.com

Attn: C. Richard Swanson
Regulatory Tariff Manager – CP22D
8315 Century Park Court
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If there are questions regarding the content of this filing, please contact Deanna Stuart, Sr. Market Advisor, at 213-244-5305.

Effective Date

SoCalGas respectfully requests that this advice filing be made effective May 1, 2002, which is not less than forty (40) days regular statutory notice.

Notice

In accordance with Section III.G of General Order No. 96-A, a copy of this advice letter is being sent to the parties listed on Attachment A, which includes the interested parties in A.01-09-024, SoCalGas' 2003 Biennial Cost Allocation Proceeding (BCAP).

LEE SCHAVRIEN
Vice President
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Attachments

ATTACHMENT A

Advice No. 3136

(See Attached Service Lists)

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