

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



January 7, 2009

Advice Letter 3924

Herb Emmrich, Director
Tariffs & Regulatory Accounts
8330 Century Park Court CP32C
San Diego, CA 92123-1548

**Subject: Revisions to Schedule Nos. GT-F, GW-LB, GW-VRN, GW-SWG
and to Master Services Contract Schedule A, Intrastate
Transmission Service**

Dear Mr. Emmrich:

Advice Letter 3924 is effective December 20, 2008.

Sincerely,

A handwritten signature in blue ink that reads "Julie A. Fitch".

Julie A. Fitch, Director
Energy Division



Ken Deremer
Director
Tariffs & Regulatory Accounts

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November 20, 2008

Advice No. 3924

Public Utilities Commission of the State of California

**Subject: Revisions to Schedule Nos. GT-F, GW-LB, GW-VRN, GW-SWG
and to Master Services Contract Schedule A, Intrastate
Transmission Service**

Southern California Gas Company (SoCalGas) hereby submits for approval by the California Public Utilities Commission (Commission) revisions to its Schedule Nos. GT-F, Firm Intrastate Transmission Service, and three of the schedules for Wholesale Natural Gas Service, GW-LB, GW-VRN and GW-SWG and to Master Services Contract Schedule A, Intrastate Transmission Service (Form 6597-1) applicable throughout its service territory, as shown on Attachment B.

Purpose

The term of service for the GT-F, GW-LB, and GW-VRN tariffs is amended to allow new two-year contracts for Firm Full Requirements service to automatically renew for additional two-year terms, unless terminated by either party. This change will decrease administrative burden for both SoCalGas and its customers.

A second minor purpose is to clean up obsolete language from the Special Conditions of the affected schedules.

Background

The current two-year term for applicable Firm Full Requirements service requires that the customer and SoCalGas execute a new Schedule A contract every two years, or else service continues under Schedule No. GT-I, Interruptible Intrastate Transmission Service, until a new contract is executed. The vast majority of customers do choose to renew and maintain Firm Full Requirements service. The processing of these approximately 700 contracts requires significant administrative time and burden for both SoCalGas and its customers. This renewal process typically begins three months before the expiration date of the existing contract and requires certified letters and time consuming follow-up simply for the affected customer to maintain the current service conditions and rate. The revision herein proposed will allow customers to have an initial two-year term of Firm Full Requirements service, followed by additional two-year terms thereafter until one of the parties cancels before the

next renewal. Should either the customer or SoCalGas request a change in rate schedule or level of service at renewal time, a new or revised Schedule A contract can be developed upon 20 days written notice by either party.

Proposed Tariff Revisions: GT-F, GW-LB, GW-VRN and GW-SWG Rate Schedules

The revisions to the GT-F, GW-LB, and GW-VRN rate schedules will allow customers to contract for an initial two-year term of Firm Full Requirements service, followed by an automatic renewal of this service for additional two-year terms thereafter until terminated by either the customer or SoCalGas.

GT-F, Special Condition 4 is revised to be consistent with automatic renewal, and to remove an out-dated reference to a 2002 decision that was only effective for three months.

4. Term: The contract term for service under this schedule shall be a minimum of two years. In the event the Customer does not subsequently have a new executed agreement for an additional term or an automatic renewal pursuant to Special Condition 13, service will continue to be provided month to month under Schedule No. GT-I.

GT-F: Add Special Condition 13 under Full Requirements Service:

13. Renewal: For contracts with an effective date on or after August 1, 2009, full requirements service will automatically be renewed for an additional two-year term following the initial term or any subsequent two-year term unless either party provides a minimum of twenty (20) days prior written notice that the contract or full requirements service is terminated or replaced by a new contract at the end of such term. For contracts with an earlier effective date, in the event the Customer does not subsequently execute an agreement electing an additional term, service will continue to be provided month to month under Schedule No. GT-I.

An example of when SoCalGas would not allow automatic renewal to occur would be if transmission capacity for firm full requirements service is no longer available in an area. Such is the case when a previously unconstrained transmission capacity area transitions to a potentially constrained area. Non-core firm service in such areas will be available only through a separate open season process.

Additionally, the following language is added to clarify that the automatic renewal of Full Requirements Service does not apply to Partial Requirements Service, which will continue to default to month-to-month GT-I service in the event the service is not otherwise renewed, extended or terminated:

GT-F: Add Special Condition 17 under Partial Requirements Service:

17. Renewal: The contract must be renewed by an amendment or a new contract to continue partial requirements service for another term. In the event the contract is not renewed or extended by the end of the current contract term, partial requirements service will be replaced with month-to-month service under Schedule No. GT-I.

Similar changes are made to the GW-LB and GW-VRN wholesale rate schedules, except that the effective date for initiating automatic renewal of full requirements service for GW-LB will be November 1, 2009 and for GW-VRN will be April 1, 2009 when those existing Schedule A contracts expire. Language to describe contract renewals occurring prior to these dates is not necessary since it does not apply to these two wholesale customers. Additionally, Special Condition 16 under Firm Intrastate Transmission in Schedule No. GT-F as well as similar language in Special Condition 6 in both Schedule Nos. GW-LB and GW-VRN, and Special Condition 9 in GW-SWG have been deleted and the succeeding Special Conditions renumbered. This language is obsolete and no longer applicable with the implementation of the Firm Access Rights as the Utility may offer firm intrastate transportation service to customers who deliver gas to the SoCalGas Citygate. Furthermore, all references to Storage Services in GW-SWG have been removed to reflect the Commission's approval of Advice No. (AL) 3838, Amendment III to the California Wholesale Gas Transportation and Storage Service Agreement between SoCalGas and Southwest Gas Corporation. AL 3838 was filed on February 29, 2008 and approved on April 7, 2008, authorizing SoCalGas to terminate the storage services provided under Section C – Storage Services, of the Agreement. The removed sections include: a) the Storage Services Reservation Charges section, b) Special Condition 2 reference to Storage Service Agreement, c) all of Special Conditions 5, 6 and 7 under and including the title "Storage Services". Moreover, Special Conditions 17 and 18 in Schedule No. GW-LB have also been deleted because SoCalGas' firm capacity contracts with El Paso and Transwestern have expired.

It is not appropriate to add automatic renewal of Firm Full Requirements to Schedule No. GW-SD, Wholesale Natural Gas Service for SDG&E, at this time since the entire service territory of SDG&E is considered capacity constrained; therefore, Firm Full Requirements service currently is not available. Except for the clean-up change mentioned above, Schedule No. GW-SWG is not being revised because Southwest Gas is in negotiations with SoCalGas for a custom long-term gas transportation contract, subject to Commission approval, and automatic renewal of Firm Full Requirements service is not a feature of this contract.

Proposed Revisions to Master Services Contract Schedule A, Intrastate Transmission Service, Form 6597-1

Revisions are proposed to the existing Schedule A to be consistent with the tariff revisions. This enables this general contract to work both for rate schedules that automatically renew, and for those that transition to a month-to-month schedule in the event the contract is not renewed or terminated.

Add a new subsection C to Section 1. to address Renewals/Amendments as follows:

C. Renewals/Amendments

- (1) Upon the expiration of any Billing Schedule Sequence term in Section 2, such Sequence shall automatically continue at the Otherwise Applicable Rate for the renewal period shown, unless that Sequence or this Agreement is amended or terminated by written notice from one party to the other given not less than twenty (20) days prior to the last day of the initial Sequence/Agreement term or any subsequent term thereafter.

- (2) The Otherwise Applicable Rates and renewal periods shown in Section 2 are subject to change pursuant to Utility's applicable Tariffs, potentially requiring Agreement to be amended.

Additionally, Section 1.B, Paragraph (3) and the last unnumbered paragraph under Section 1.B are deleted in their entirety.

At the Billing Schedule Sequence level in Section 2, the description of the Sequence term is revised as follows to identify the appropriate rate and term in effect after the end of the initial sequence term:

The term of this sequence is for _____ (months or years), and shall automatically continue thereafter on the Otherwise Applicable Rate Schedule specified with automatic renewal periods of _____ (months or years).

For ease of review, redline versions of Schedule Nos. GT-F, GW-LB, GW-SWG, GW-VRN, and Master Services Contract Schedule A, Intrastate Transmission Service (Form 6597-1) are included herein as Attachment C.

Initiating Auto-Renewal of Firm Full Requirements

Per the revised rate schedules (GT-F, GW-LB, GW-VRN), SoCalGas will use the new Schedule A for contracts effective on or after August 1, 2009, with the exception of GW-LB which will be November 1, 2009 and GW-VRN which will be April 1, 2009 when those existing contracts expire. Existing Schedule A contracts will be replaced at normal expiration time, so it could take nearly two additional years, or until July 1, 2011, before all contracts include language that allows for the automatic renewal of GT-F firm full requirements service.

Maintaining Contract Accuracy

The current process of verifying customer information and rate preference will be enhanced to ensure that, prior to contract renewal, customer information is accurate and customers are aware of available rate options. As is currently the process, new or amended contracts will be issued when most ownership changes occur, or when a substantive change is made at the end of a contract term, such as a change in rate schedule or firm capacity.

This filing does not conflict with any rate schedules or rules, or cause the withdrawal of service.

Protest

Anyone may protest this advice letter to the 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 this advice letter was filed with the Commission. There is no restriction on who may file a protest. The address for mailing or delivering a protest to the Commission is:

CPUC Energy Division
Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, CA 94102

Copies of the protest should also be sent via e-mail to the attention of both Maria Salinas (mas@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
Tariff Manager - GT14D6
555 West Fifth Street
Los Angeles, CA 90013-1011
Facsimile No. (213) 244-4957
E-Mail: snewsom@semprautilities.com

Effective Date

SoCalGas believes that this filing is subject to Energy Division disposition and should be classified as Tier 2 (effective after staff approval) pursuant to GO 96-B. Therefore, SoCalGas respectfully requests that this advice letter become effective December 20, 2008, which is 30 calendar days after the date filed.

Notice

A copy of this advice letter is being sent to the parties listed on Attachment A.

KEN DEREMER
Director
Tariffs and Regulatory Accounts

Attachments

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No. **SOUTHERN CALIFORNIA GAS COMPANY (U 904-G)**

Utility type:

ELC

GAS

PLC

HEAT

WATER

Contact Person: Sid Newsom

Phone #: (213) 244-2846

E-mail: snewsom@semprautilities.com

EXPLANATION OF UTILITY TYPE

ELC = Electric

GAS = Gas

PLC = Pipeline

HEAT = Heat

WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: 3924

Subject of AL: Revisions to Schedule GT-F, GW-LB, GW-VRN, GW-SWG and MSC Schedule A
Re Automatic Two-Year Term

Keywords (choose from CPUC listing): Contracts, Forms

AL filing type: Monthly Quarterly Annual One-Time Other _____

AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #:

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL No

Summarize differences between the AL and the prior withdrawn or rejected AL¹: N/A

Does AL request confidential treatment? If so, provide explanation: No

Resolution Required? Yes No

Tier Designation: 1 2 3

Requested effective date: 12/20/08

No. of tariff sheets: 23

Estimated system annual revenue effect (%): _____

Estimated system average rate effect (%): _____

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: Schedule GT-F, GW-LB, GW-VRN, GW-SWG, Sample Forms and TOCs

Service affected and changes proposed¹: N/A

Pending advice letters that revise the same tariff sheets: N/A

Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division

Attention: Tariff Unit

505 Van Ness Ave.

San Francisco, CA 94102

mas@cpuc.ca.gov and jnj@cpuc.ca.gov

Southern California Gas Company

Attention: Sid Newsom

555 West Fifth Street, GT14D6

Los Angeles, CA 90013-1011

snewsom@semprautilities.com

¹ Discuss in AL if more space is needed.

ATTACHMENT A

Advice No. 3924

(See Attached Service List)

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ATTACHMENT B
Advice No. 3924

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 44095-G	Schedule No. GT-F, FIRM INTRASTATE TRANSMISSION SERVICE, Sheet 3	Revised 36705-G*
Revised 44096-G	Schedule No. GT-F, FIRM INTRASTATE TRANSMISSION SERVICE, Sheet 4	Revised 40458-G
Revised 44097-G	Schedule No. GT-F, FIRM INTRASTATE TRANSMISSION SERVICE, Sheet 5	Revised 32664-G
Revised 44098-G	Schedule No. GT-F, FIRM INTRASTATE TRANSMISSION SERVICE, Sheet 6	Revised 32665-G
Revised 44099-G	Schedule No. GT-F, FIRM INTRASTATE TRANSMISSION SERVICE, Sheet 7	Revised 34838-G
Revised 44100-G	Schedule No. GT-F, FIRM INTRASTATE TRANSMISSION SERVICE, Sheet 8	Revised 32665-G
Revised 44101-G	Schedule No. GT-F, FIRM INTRASTATE TRANSMISSION SERVICE, Sheet 9	Revised 42249-G*
Revised 44102-G	Schedule No. GT-F, FIRM INTRASTATE TRANSMISSION SERVICE, Sheet 10	Revised 34838-G
Revised 44103-G	Schedule No. GT-F, FIRM INTRASTATE TRANSMISSION SERVICE, Sheet 11	Revised 42249-G*
Revised 44104-G	Schedule No. GT-F, FIRM INTRASTATE TRANSMISSION SERVICE, Sheet 12	Revised 42250-G
Revised 44105-G	Schedule No. GT-F, FIRM INTRASTATE TRANSMISSION SERVICE, Sheet 13	Revised 42251-G
Revised 44106-G	Schedule No. GW-LB, WHOLESALE NATURAL GAS SERVICE, Sheet 2	Revised 42252-G
Revised 44107-G	Schedule No. GW-LB, WHOLESALE NATURAL GAS SERVICE, Sheet 3	Revised 42253-G
Revised 44108-G	Schedule No. GW-LB, WHOLESALE NATURAL GAS SERVICE, Sheet 4	Revised 42254-G
Revised 44109-G	Schedule No. GW-SWG, WHOLESALE NATURAL GAS SERVICE, Sheet 1	Revised 38061-G
Revised 44110-G	Schedule No. GW-SWG, WHOLESALE NATURAL GAS SERVICE, Sheet 2	Revised 38062-G
Revised 44111-G	Schedule No. GW-VRN, WHOLESALE NATURAL GAS SERVICE, Sheet 2	Revised 38062-G
Revised 44112-G	Schedule No. GW-VRN, WHOLESALE NATURAL GAS SERVICE, Sheet 3	Revised 38063-G
Revised 44113-G	Schedule No. GW-VRN, WHOLESALE NATURAL GAS SERVICE, Sheet 4	Revised 38063-G
Revised 44114-G	MASTER SERVICES CONTRACT - SCHEDULE A, INTRASTATE TRANSMISSION SERVICE, (Form 6597-1, Revised 11/2008)	Revised 38064-G
		Revised 43833-G
		Revised 37953-G
		Revised 37953-G
		Revised 37954-G, 37955-G
		Revised 37957-G
		Revised 37958-G
		Revised 37958-G
		Revised 37959-G
		Revised 37959-G
		Revised 37960-G
		Revised 35931-G*

ATTACHMENT B
Advice No. 3924

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 44115-G	TABLE OF CONTENTS	Revised 44066-G
Revised 44116-G	TABLE OF CONTENTS	Revised 42332-G
Revised 44117-G	TABLE OF CONTENTS	Revised 44086-G

Schedule No. GT-F
FIRM INTRASTATE TRANSMISSION SERVICE

Sheet 3

(Continued)

RATES (Continued)

Rates may be adjusted to reflect any applicable taxes, franchise or other fees, regulatory surcharges, and interstate or intrastate pipeline charges that may occur.

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

SPECIAL CONDITIONS

GENERAL

1. Definitions of the principal terms used in this schedule are contained in Rule No. 1.
2. Customers may receive service under this schedule (a) separately, or (b) in combination with another rate schedule(s). Where service is rendered under (b), a separate monthly customer charge will be applicable for service under each schedule with a customer charge unless otherwise stated.
3. As a condition precedent to service under this schedule, an executed Master Services Contract, Schedule A, Intrastate Transmission Service (Form Nos. 6597 and 6597-1) is required. All contracts, rates and conditions are subject to revision and modification as a result of Commission order.
4. Term: The contract term for service under this schedule shall be a minimum of two years. In the event the Customer does not subsequently have a new executed agreement for an additional term or an automatic renewal pursuant to Special Condition 13, service will continue to be provided month to month under Schedule No. GT-I.
5. In the event of curtailment, customers served hereunder will be curtailed in accordance with Rule No. 23. Penalties for violation of curtailment shall apply as set forth in Rule No. 23.
6. In the event customers make a material change, either in the amount or character of their gas appliances or equipment, written notice thereof must be made to the Utility in accordance with Rule No. 29, Change of Consumer's Apparatus or Equipment. Customers who do not meet historical usage criteria for noncore rate classification under this schedule may conditionally qualify for noncore rate status by submitting a written request to the Utility and providing therein certified evidence documenting the customer's load increases which will meet the minimum consumption requirement on a permanent basis. The customer's written request must further acknowledge that if usage following conditional reclassification is less than the required minimum, the customer shall be rebilled in accordance with the rate schedule otherwise applicable to its usage. The Utility reserves the right to accept or reject any such request.

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(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3924
 DECISION NO.

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Nov 20, 2008
 EFFECTIVE Dec 20, 2008
 RESOLUTION NO. _____

Schedule No. GT-F
FIRM INTRASTATE TRANSMISSION SERVICE

Sheet 4

(Continued)

SPECIAL CONDITIONS (Continued)

SERVICE ELECTIONS

7. Electric generation, refinery and enhanced oil recovery customers may elect service under this schedule regardless of size. Commercial and non-refinery industrial customers currently meeting the size requirements set forth for Priority 2A customers under Rule No. 23 may elect service under this schedule. Commercial and non-refinery industrial customers who either (1) elect core service or (2) close their facilities for a period of a year or more (excluding changes in name or ownership) will no longer be eligible for service under this schedule unless they meet the size requirements set forth for Priority 2A customers under Rule No. 23.
8. All terms and conditions of Rule No. 30 and Schedule No. G-IMB shall apply to the transportation of customer-owned gas under this schedule.
9. Customers having existing gas exchange agreements with the Utility must exchange the maximum amount of gas allowable under those agreements prior to the delivery of customer-owned gas for transportation under other service agreements, unless otherwise agreed to by the Utility.

FULL REQUIREMENTS SERVICE

10. Customers may elect full requirements service under this schedule. Full requirements customers are not required to contract for a stated annual quantity.
11. Full requirements customers are prohibited from using alternate fuels or bypass pipeline service (1) except in the event of curtailment, (2) to test alternate fuel capability, or (3) where the Utility has provided prior written authorization for the use of alternate fuels or bypass for temporary periods.
12. In the event of any unauthorized alternate fuel use or bypass, customers must provide the Utility written notice thereof quantifying the extent to which alternate fuel or bypass use occurred. Such notice must be provided prior to the end of the month in which the usage took place. Any unauthorized alternate fuel or bypass use will be subject to a use-or-pay charge equal to 80% of the applicable transmission charge. No other use-or-pay charges are applicable to full requirements service.
13. Renewal: For contracts with an effective date on or after August 1, 2009, full requirements service will automatically be renewed for an additional two-year term following the initial term or any subsequent two-year term unless either party provides a minimum of twenty (20) days prior written notice that the contract or full requirements service is terminated or replaced by a new contract at the end of such term. For contracts with an earlier effective date, in the event the Customer does not subsequently execute an agreement electing an additional term, service will continue to be provided month to month under Schedule No. GT-I.

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(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3924
DECISION NO.

ISSUED BY
Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Nov 20, 2008
EFFECTIVE Dec 20, 2008
RESOLUTION NO. _____

Schedule No. GT-F
FIRM INTRASTATE TRANSMISSION SERVICE

Sheet 5

(Continued)

SPECIAL CONDITIONS (Continued)

PARTIAL REQUIREMENTS SERVICE

- 14. A customer not electing full requirements service must contract for an annual quantity of gas applicable each contract year during the term of the customer's contract. The annual contract quantity may not be changed during the term of the customer's contract. The annual contract quantity must be broken down by month into fixed service quantities for each contract year during the term of the contract. The customer may request changes to the monthly quantities on a month-to-month basis, however, the total of the monthly contract quantities for the contract year must equal the annual contract quantity. The monthly contract quantity breakdown may be established on the basis of seasonal variations in the customer's usage in accordance with the customer's historic usage pattern. The Utility reserves the right to accept or reject such requested quantities after considering the customer's historic usage pattern and other evidence provided by the customer regarding operational changes affecting the customer's consumption. T
- 15. If at the end of a contract year, the partial requirements customer's annual usage is less than 75% of the customer's annual contract quantity, the customer will pay a use-or-pay charge equal to 80% of the transmission charge for the last billing month of the contract year times the difference between the customer's actual usage and the 75% threshold. T
- 16. Use-or-pay charges applicable to partial requirements service shall only be forgiven to the extent the customer's reduced consumption is specifically due to intrastate curtailment or an event of force majeure, as defined in Rule No. 1, on either the interstate or intrastate systems. T
- 17. Renewal: The contract must be renewed by an amendment or a new contract to continue partial requirements service for another term. In the event the contract is not renewed or extended by the end of the current contract term, partial requirements service will be replaced with month-to-month service under Schedule No. GT-I. D
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ELECTRONIC METER-READING

- 18. Customers electing noncore service status must have electronic meter-reading equipment installed at Customer's expense as a condition of noncore service. L,T
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(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3924
 DECISION NO.

ISSUED BY
Lee Schavrien
 Senior Vice President
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(TO BE INSERTED BY CAL. PUC)
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Schedule No. GT-F
FIRM INTRASTATE TRANSMISSION SERVICE

Sheet 6

(Continued)

SPECIAL CONDITIONS (Continued)

USE-OR-PAY AGGREGATION

19. Individual customers served under this schedule may aggregate their firm intrastate transmission service at their facilities for the purpose of use-or-pay penalty determination. In the event a customer aggregates firm intrastate transmission service provided at different transmission rates, any applicable use-or-pay penalty shall be assessed at a weighted average transmission charge based on the proportion of the customer's annual contract quantities for such rates. For use-or-pay aggregation, firm intrastate transmission service may only be aggregated under contracts with concurrent contract year periods. As a condition of service aggregation, customers shall be required to designate in their contracts the applicable facilities and services to be aggregated.

ELECTRIC GENERATION

20. Subject to Special Condition 23, the amount of gas to be billed at the electric generation rate for customers having both electric generation and non-electric generation end use on a single meter will be the lesser of:

- a. Total metered throughput; or
- b. An amount of gas equal to the customer's recorded power production in kilowatt-hours (KWH) times the average heat rate for their electric generation facilities. The difference between total meter throughput and the volume limitation specified herein will be charged the rate applicable to the other end use served off the meter.

21. When required, as a condition of service under the electric generation rate, electric generation customers will provide the utility with the average heat rate for electric generation equipment as supported by documentation from the manufacturer. If not available, operating data shall be used to determine customer's average heat rate.

(Continued)

(TO BE INSERTED BY UTILITY)
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ISSUED BY
Lee Schavrien
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Schedule No. GT-F
FIRM INTRASTATE TRANSMISSION SERVICE

Sheet 7

(Continued)

SPECIAL CONDITIONS (Continued)

ELECTRIC GENERATION (Continued)

- 22. Electric generation customers receiving electric generation service will make available upon request any measurement devices required to directly or indirectly determine the kilowatt-hours generated or the average heat rate for the electric generation equipment. The Utility shall have the right to read, inspect and/or test all such measurement devices during normal business hours. Additional gas and/or steam metering facilities required to separately determine gas usage to which the electric generation rate is applicable may be installed, owned and operated by the Utility in accordance with Rule No. 21; however, the Utility may, at its sole discretion, utilize estimated data to determine such gas usage. T
- 23. All electric generation customers receiving service at the electric generation transmission rate shall be separately metered unless it can be demonstrated that a separate meter is not economically feasible. T
- 24. A Cogeneration Contract Addendum (Form No. 5058) will be required as a condition of electric generation service for cogeneration customers under this schedule in those cases where dedicated main facilities are necessary to serve the customer. T
- 25. Cogeneration facilities with standby boilers will be treated as one customer for purposes of assessing customer charges, providing the customer has signed an affidavit (Form No. 6419) to the effect that its boiler system only operates when the cogeneration system is not operating. T

COMMERCIAL/INDUSTRIAL

- 26. Commercial and industrial customers served under this schedule shall be assigned a rate classification based on the type of facilities from which the customer receives service. Customers served from the Utility's distribution-related facilities shall be classified as distribution (GT-F3D). Customers served from the Utility's transmission-related facilities, as established by the Utility's capital accounting records, shall be classified as transmission (GT-F3T). Customers served from transmission facilities or a combination of transmission and distribution facilities may, at their option, elect transmission or distribution rate status. L, T
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(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3924
 DECISION NO.

ISSUED BY
Lee Schavrien
 Senior Vice President
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(TO BE INSERTED BY CAL. PUC)
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Schedule No. GT-F
FIRM INTRASTATE TRANSMISSION SERVICE

Sheet 8

(Continued)

SPECIAL CONDITIONS (Continued)

COMMERCIAL/INDUSTRIAL (Continued)

27. When the Utility uses its discretion, as defined in Rule 20 H.4, to accommodate a current commercial and industrial customer's request to switch from distribution to transmission level service, the Utility shall file an advice letter to notify the Commission before accommodating such a request. The advice letter filing should include an estimate amount of stranded costs associated with the customers' request.
28. For commercial and industrial customers served under this schedule through multiple meters on a single premises, as defined in Rule No. 1, the Utility shall combine all such meters, excluding meters serving electric generation equipment, for billing purposes in accordance with the provisions of Rule No. 14.B.

LONG-TERM DISCOUNTED CONTRACTS

29. Pursuant to the provisions of Decision No. 92-11-052, the Utility may negotiate discounted contracts for a service term of five years or longer with customers served under this schedule. Such contracts must be filed for prior CPUC approval under the CPUC's Expedited Application Docket (EAD) procedure as adopted in Decision No. 92-11-052.
30. Customers under CPUC approved long-term bundled discounted contracts as of the date of D.06-12-031 shall have their contracted rate reduced by the average rate reduction to the GT-F rate associated with the unbundled Receipt Point Access revenues. Long-term discounted contracts after the date of D.06-12-031 shall be deemed to be unbundled and shall not receive a reduction to the rate negotiated to account for receipt point access service.

PEAKING SERVICE

31. Customers who receive gas transportation service from an alternate service provider may be subject to the provisions of the Peaking Service Tariff, GT-PS.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3924
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ISSUED BY
Lee Schavrien
Senior Vice President
Regulatory Affairs

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DATE FILED Nov 20, 2008
EFFECTIVE Dec 20, 2008
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Schedule No. GT-F

Sheet 9

FIRM INTRASTATE TRANSMISSION SERVICE

(Continued)

SPECIAL CONDITIONS (Continued)

FIRM NONCORE SERVICE IN POTENTIALLY CAPACITY-CONSTRAINED AREAS

- 32. Open Season: Utility will conduct an open season to solicit contractually binding bids from noncore eligible customers for firm service in potentially capacity-constrained areas, as defined in Rule No. 1. T
- 33. Partial Requirements Service: All firm noncore deliveries will be under partial requirements service. Full requirements service is not available. T
- 34. Customer Size: For the purposes of bidding for firm capacity in potentially capacity-constrained areas, large noncore customers are defined as (1) commercial/industrial and enhanced oil recovery (EOR) customers with historical peak day usage of 20 million cubic feet per day (MMcfd) or more and (2) electric generation customers using three (3) million therms or more per year. Small noncore customers are defined as (1) commercial/industrial and EOR customers with historical peak day usage of less than 20 MMcfd and (2) electric generation customers using fewer than (3) million therms per year.
- 35. Scheduled Quantity Addendum: The Master Services Contract Schedule A Intrastate Transmission Service Scheduled Quantity Addendum (Form No. 6900) (Addendum) shall be used to specify monthly or hourly scheduled quantities in conjunction with the standard Master Services Contract Schedule A, Intrastate Transmission Service (Form No. 6597-1). T
- 36. Term: For large noncore customers, the term for firm service shall be the earlier of (a) two (2) years beyond the in-service date of facilities associated with the expansion of local transmission service, or the commencement of service on interstate and/or foreign pipelines or other arrangements that alleviate the need for expanding local transmission facilities, limited to the contractual commitments approved in D.07-05-022; or (b) five (5) years. For small noncore customers, the term is two years. In the event all requests for firm noncore capacity can be awarded without proration and the Utility does not plan to expand the local transmission system within the five-year contract period, the Utility will inform the Commission. Upon Commission agreement that there is no need to construct additional facilities within the five-year contract period, the Utility shall amend the five-year contracts to expire after two-years, consistent with the term for small customers. T
- 37. Hourly Scheduled Quantity (HSQ): HSQ is the quantity awarded in an open season and to be delivered each hour as firm noncore service as specified in the Addendum under this rate schedule. T
- 38. Monthly Scheduled Quantity (MSQ): MSQ is the quantity awarded in an open season and to be delivered each month as firm noncore service as specified in the Addendum under this rate schedule. For customers bidding hourly, the MSQ under this rate schedule is equivalent to the summation of HSQs for the month. T

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3924
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Lee Schavrien
 Senior Vice President
 Regulatory Affairs

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Schedule No. GT-F

Sheet 10

FIRM INTRASTATE TRANSMISSION SERVICE

(Continued)

SPECIAL CONDITIONS (Continued)

FIRM NONCORE SERVICE IN POTENTIALLY CAPACITY-CONSTRAINED AREAS (Continued)

39. Use-or-Pay: If during any billing period, the customer's firm noncore usage is less than 75% of customer's firm noncore MSQ, the customer will be assessed use-or-pay charges equal to 80% of the transmission charges multiplied by the difference between 75% of the customer's firm noncore MSQ and the customer's firm noncore usage for that month. T
40. Use-or-Pay Aggregation: Individual customers may aggregate their firm intrastate transmission service only at their facilities located within the same constrained area for purposes of use-or-pay charge determination. If the customer aggregates facilities with different rates, use-or-pay charges shall be based on the highest transmission charge. Customers wishing to aggregate their firm intrastate transmission service shall execute the Master Services Contract, Schedule B, Marketer/Core Aggregator Use or Pay Aggregator Agreement (Form 6597-2). T
41. Early Termination: In the event of early termination of the contract, the customer will pay the Utility an amount equal to the outstanding use-or-pay charges for the contracted period. T
42. Authorized Curtailment Quantity: The maximum hourly quantity (in therms) the customer is entitled to use during an interruptible service curtailment is equal to any core MSQs for the month *divided by* operating days specified for that sequence in the contract *divided by* 24 hours. In addition, the customer is authorized to use either: (a) the firm noncore MSQs for the month *divided by* operating days specified for that sequence in the contract *divided by* 24 hours for customers who bid monthly MSQs; or (b) the stated HSQ for the specific hour, day, month and year awarded for customers who bid hourly HSQ. In the event interruptible service is only partially curtailed, the customer shall also be entitled to use the non-curtailed portion of their interruptible MSQ, *divided by* operating days, as specified for that sequence, *divided by* 24 hours. T
43. Availability of Daily and Hourly Data: In the event that daily usage data is not available, the recorded monthly volumes delivered to the customer shall be assumed to be delivered at a constant rate over the number of calendar days during the month. In the event that hourly usage data is not available, the recorded daily volumes delivered to the customer shall be assumed to be delivered at a constant rate over a 24-hour period. T
44. Curtailment Violation Charges: Charges will apply hourly for any quantities consumed that exceed those authorized by hour at the following charges: T
 \$1 per therm for hours 1 through 5 of the curtailment event;
 \$3 per therm for hours 6 through 8 of the curtailment event; and
 \$10 per therm for each hour after hour 8 through end of the curtailment event.

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ISSUED BY

Lee Schavrien

Senior Vice President

Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Nov 20, 2008

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Schedule No. GT-F

Sheet 11

FIRM INTRASTATE TRANSMISSION SERVICE

(Continued)

SPECIAL CONDITIONS (Continued)

FIRM NONCORE SERVICE IN POTENTIALLY CAPACITY-CONSTRAINED AREAS (Continued)

- 45. Awarding of Firm Noncore Capacity: For any period where the firm bids exceed firm capacity, all bids that exceed a customer's historic usage will be reduced to historic usage. The historic usage will be equal to the customer's peak day usage for that month within the most recent 12 months. Peak day usage will be divided by 24 to determine historic hourly usage. If firm capacity remains over-subscribed after customers' bids have been reduced to historic usage, the Utility shall first award available firm capacity pro-rata based on historic usage. If firm capacity is not over-subscribed after customers' bids have been awarded based on historic usage, quantities bid in excess of each customer's historic usage and quantities submitted by new customers will be awarded on a pro-rata basis. The Utility will use small customers' Year 2 bids as a factor in determining the firm service capacity awards for Years 3, 4, and 5 for large customers within the same constrained area. After, and to the extent, the Utility places into service facilities that can provide higher levels of firm service, all customers' awards will be increased by a pro-rated amount, up to their bid amounts, for the duration of their contracts. During the term of its contract, a large customer may not change its bids for firm service for any of the time periods in the Addendum. T
- 46. Hourly Allocation of Bids when Oversubscribed: In the event that only certain hours are oversubscribed, then monthly bids will be converted to an hourly basis by dividing by the number of operating days in the month and then by 24 hours; the "converted hourly bid" will be pro-rated along with hourly bids for the oversubscribed hour(s); and then converted back into a monthly award by multiplying the pro-rated hour amount by 24 hours and then multiplying by the number of operating days in the month. T
- 47. Firm Quantities Bid but Not Awarded: Such quantities shall be added to the customer's interruptible sequence. T
- 48. Right of Refusal: The Utility reserves the right to reject any bid. Once a bid is rejected, the Utility shall notify the customer as to the reason for such rejection. The customer may re-submit a bid, provided that firm quantities have not yet been awarded to participants in the open season. T
- 49. Non-Bidding Customers: Noncore customers eligible to participate in the open season that do not submit a bid shall be placed on an interruptible noncore rate schedule. Any potential noncore eligible customer, offered an opportunity to bid for firm noncore service, who declines to bid, or was not awarded sufficient firm capacity, may not elect core service during the period covered by the open season. Noncore-eligible customers taking core service as of the open season start date that do not submit a bid for service may remain core. T

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Schedule No. GT-F

Sheet 12

FIRM INTRASTATE TRANSMISSION SERVICE

(Continued)

SPECIAL CONDITIONS (Continued)

FIRM NONCORE SERVICE IN POTENTIALLY CAPACITY-CONSTRAINED AREAS (Continued)

50. Intrastate Capacity Trading: A customer taking firm noncore service within a capacity-constrained service area (Capacity Holder) may request to transfer all or a portion of its awarded firm noncore intrastate capacity and the associated obligations, including monthly use-or-pay obligations (Trade), to another noncore customer (Recipient) that desires the capacity in the same capacity-constrained area during the periods designated in the Constrained Area Firm Capacity Trading Agreement (Form 6910) (Trading Agreement) (see the trading section of <http://www.socalgas.com/>). The following process shall apply to all proposed Trades of intrastate firm capacity in constrained areas:

- a. Trades must be within the same constrained service area.
- b. No less than thirty (30) calendar days prior to the first proposed Trading Day, defined as a calendar day on which a Trade occurs, Capacity Holder and Recipient shall submit to the Utility an original Trading Agreement signed by Capacity Holder and Recipient.
- c. Any trade requests must be approved by the Utility before the Trade may commence.
- d. The Utility shall determine, in its sole reasonable discretion, whether the trade request is accepted or rejected based on operational feasibility and/or Recipient's creditworthiness as set forth in the Utility's Rule No. 6.
- e. Within twenty-five (25) Calendar Days after receiving the trade request, the Utility shall notify Capacity Holder and Recipient as to whether the proposed Trade is approved or rejected.
 - 1) If the Utility approves the proposed Trade, Utility shall execute the Trading Agreement and return a copy of the fully executed original to Capacity Holder and Recipient. The Trade is approved as of the date on which the Utility executes the Trading Agreement.
 - 2) If the Utility rejects the proposed Trade, the Utility shall notify Capacity Holder and Recipient that the trade request has been rejected and the reason for rejection.
- f. Capacity Holder and Recipient may trade only the capacity amounts for the operating days or hours set forth in the Trading Agreement.

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ADVICE LETTER NO. 3924
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Senior Vice President
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Schedule No. GT-F
FIRM INTRASTATE TRANSMISSION SERVICE

Sheet 13

(Continued)

SPECIAL CONDITIONS (Continued)

FIRM NONCORE SERVICE IN POTENTIALLY CAPACITY-CONSTRAINED AREAS (Continued)

50. Intrastate Capacity Trading (Continued)

- g. Customers desiring a Trade may use a Utility-hosted platform or other lawful means to solicit a Trade.
- h. As of the first Trading Day and throughout the period subject to the Trade, all of Capacity Holder's obligations with regard to the traded capacity, including use-or-pay obligations, shall become Recipient's sole responsibility. Capacity Holder's use-or-pay obligations will decrease and Recipient's use-or-pay obligations will increase by the quantities set forth in the Trading Agreement.

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(TO BE INSERTED BY UTILITY)
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Schedule No. GW-LB
WHOLESALE NATURAL GAS SERVICE

Sheet 2

(Continued)

SPECIAL CONDITIONS (Continued)

GENERAL (Continued)

- 3. In the event of curtailment, Customer will be curtailed in accordance with Rule No. 23. Penalties for violation of curtailment shall apply as set forth in Rule No. 23. If service to Customer's Priority 1 and 2A customers is in jeopardy, such customers shall be served in parity with Utility's Priority 1 and 2A customers as set forth in Rule No. 23.
- 4. All terms and conditions of Rule No. 30 and Schedule No. G-IMB shall apply to the transportation of customer-owned gas under this schedule.

FIRM INTRASTATE TRANSMISSION

- 5. Term: The contract term for firm intrastate transmission service shall be a minimum of two years and may be subject to automatic renewals per Special Condition 10. In the event the Customer does not have an automatic extension or a new executed contract for an additional term, service will continue to be provided on an interruptible basis month to month under this schedule.
- 6. Pursuant to the provisions and guidelines of Decision No. 92-11-052, the Utility may negotiate a discounted contract with Customer for a service term of five years or more. Such a contract must be filed for prior CPUC approval under the CPUC's Expedited Application Docket (EAD) procedure as adopted in Decision No. 92-11-052.

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FULL REQUIREMENTS SERVICE

- 7. For its firm intrastate transmission service, Customer may elect full requirements service only for that portion of such usage serving (1) its own core customers' requirements, on an aggregate basis, and/or (2) the requirements, on an individual basis, of those noncore customers designated by Customer as requesting such service; as set forth in the Customer's Contract. Customer must provide Utility sufficient information to establish the usage requirements of its designated full requirements load.
- 8. Customer's full requirements service loads are prohibited from being displaced through use of alternate fuels or bypass pipeline service except (1) in the event of curtailment, (2) to test alternate fuel capability, (3) or where the Utility has provided prior written authorization for the use of alternate fuels or bypass for temporary periods. The Utility shall have the right to review the Customer's records in order to determine compliance hereunder.

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(TO BE INSERTED BY UTILITY)
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Lee Schavrien
 Senior Vice President
 Regulatory Affairs

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Schedule No. GW-LB
WHOLESALE NATURAL GAS SERVICE

Sheet 4

(Continued)

SPECIAL CONDITIONS (Continued)

PARTIAL REQUIREMENTS SERVICE (Continued)

14. Renewal: The contract must be renewed by an amendment or a new contract to continue partial requirements service for another term. In the event the contract is not renewed or extended by the end of the current contract term, service will continue to be provided month to month on an interruptible basis under this schedule.

INTERRUPTIBLE INTRASTATE TRANSMISSION

15. Customer may elect interruptible intrastate transmission service for all or part of its requirements. The minimum contract term for such service shall be one month.
16. By mutual agreement, the Utility and Customer may negotiate interruptible intrastate transmission charges for a term of service of less than five years without CPUC approval. Any such negotiated transmission charges shall be set forth in the Customer's Contract. Any such contract must be submitted by letter to the CPUC and made available for public inspection. No other charges for service under this schedule shall be negotiable unless CPUC approval is first obtained.
17. All contracts for a term of service of five years or longer ("long-term") meeting the guidelines set forth in Decision No. 92-11-052 must be filed for prior CPUC approval under the CPUC's Expedited Application Docket (EAD) procedure adopted in Decision No. 92-11-052. All other long-term contracts must be filed by advice letter for prior CPUC approval.

PEAKING SERVICE

18. Customers who receive gas transportation service from an alternate service provider may be subject to the provisions of the Peaking Service Tariff, GT-PS.

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(TO BE INSERTED BY UTILITY)
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Lee Schavrien
 Senior Vice President
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Schedule No. GW-SWG
WHOLESALE NATURAL GAS SERVICE

Sheet 1

APPLICABILITY

Applicable for firm intrastate transmission and interruptible intrastate transmission service, and long-term storage service for Southwest Gas Corporation ("Customer") to Customer's service territory in southern California.

TERRITORY

Delivery points shall be as specified in the California Wholesale Gas Transportation and Storage Service Agreement ("Contract").

RATES

Transmission Charges

GT-F9, GT-I9, Firm & Interruptible Intrastate Transmission
 Rate, per therm 2.584¢

Interstate Transition Cost Surcharge (ITCS)

ITCS-SWG, per therm (0.005¢)

The ITCS, as defined in Rule No. 1, recovers certain interstate capacity costs and applies to all service under this schedule except for that service identified in Rule No. 1 as being exempt.

Billing Adjustments

Billing adjustments may be necessary to reflect changes in quantities used in developing prior periods' transportation charges.

Rates may be adjusted to reflect any applicable taxes, franchise or other fees, regulatory surcharges, and interstate or intrastate pipeline charges that may occur.

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

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ISSUED BY

Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Nov 20, 2008
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Schedule No. GW-SWG
WHOLESALE NATURAL GAS SERVICE

Sheet 2

(Continued)

SPECIAL CONDITIONS

GENERAL

1. Definitions of the principal terms used in this schedule are contained in Rule No. 1.
2. As a condition precedent to service under this schedule, an executed California Wholesale Gas Transportation Agreement is required. The minimum term of such Contract shall be fifteen (15) years. All contracts, rates and conditions of service are subject to revision and modification as a result of Commission order.
3. In the event of curtailment, Customer will be curtailed in accordance with Rule No. 23. Penalties for violation of curtailment shall apply as set forth in Rule No. 23. If service to Customer's Priority 1 and 2A customers is in jeopardy, such customers shall be served in parity with Utility's Priority 1 and 2A customers as set forth in Rule No. 23.
4. All terms and conditions of Rule No. 30 and Schedule No. G-IMB shall apply to the transportation of customer-owned gas under this schedule.

FIRM INTRASTATE TRANSMISSION

5. The minimum service period for firm intrastate transmission service under the Customer's Contract shall be two years.

PEAKING SERVICE

6. Customer may be subject to the provisions of the Peaking Service Tariff, GT-PS, if it receives gas transportation service from an alternate service provider.

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(TO BE INSERTED BY UTILITY)
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Lee Schavrien
 Senior Vice President
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Schedule No. GW-VRN
WHOLESALE NATURAL GAS SERVICE

Sheet 2

(Continued)

SPECIAL CONDITIONS (Continued)

GENERAL (Continued)

2. As a condition precedent to service under this schedule, an executed Master Services Contract, Schedule A, Intrastate Transmission Service (Form Nos. 6597 and 6597-1) is required. All contracts, rates and conditions are subject to revision and modification as a result of Commission order.
3. In the event of curtailment, Customer will be curtailed in accordance with Rule No. 23. Penalties for violation of curtailment shall apply as set forth in Rule No. 23.
4. All terms and conditions of Rule No. 30 and Schedule No. G-IMB shall apply to the transportation of customer-owned gas under this schedule.

FIRM INTRASTATE TRANSMISSION

5. Term: The contract term for firm intrastate transmission service shall be a minimum of two years and may be subject to automatic renewals per Special Condition 10. In the event the Customer does not have an automatic renewal or a new executed contract for an additional term, service will continue to be provided on an interruptible basis month to month under this schedule.
6. Pursuant to the provisions and guidelines of Decision No. 92-11-052, the Utility may negotiate a discounted contract with Customer for a service term of five years or more. Such a contract must be filed for prior CPUC approval under the CPUC's Expedited Application Docket (EAD) procedure as adopted in Decision No. 92-11-052.

FULL REQUIREMENTS SERVICE

7. For its firm intrastate transmission service, Customer may elect full requirements service only for that portion of such usage serving (1) its own core customers' requirements, on an aggregate basis, and/or (2) the requirements, on an individual basis, of those noncore customers designated by Customer as requesting such service; as set forth in the Customer's Contract. Customer must provide Utility sufficient information to establish the usage requirements of its designated full requirements load.
8. Customer's full requirements service loads are prohibited from being displaced through use of alternate fuels or bypass pipeline service except (1) in the event of curtailment, (2) to test alternate fuel capability, (3) or where the Utility has provided prior written authorization for the use of alternate fuels or bypass for temporary periods. The Utility shall have the right to review the Customer's records in order to determine compliance hereunder.

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(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3924
 DECISION NO.

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Nov 20, 2008
 EFFECTIVE Dec 20, 2008
 RESOLUTION NO. _____

Schedule No. GW-VRN
WHOLESALE NATURAL GAS SERVICE

Sheet 3

(Continued)

SPECIAL CONDITIONS (Continued)

FULL REQUIREMENTS SERVICE (Continued)

- 9. In the event of any unauthorized alternate fuel use or bypass which displaces Customer's full requirement load, Customer must provide the Utility written notice thereof quantifying the extent to which alternate fuel or bypass use occurred. Such notice must be provided prior to the end of the month in which the usage took place. Any unauthorized alternate fuel or bypass use will be subject to a use-or-pay charge equal to 80% of the applicable transmission charge. No other use-or-pay charges are applicable to full requirements service.
- 10. Renewal: For contracts with an effective date on or after April 1, 2009, full requirements service will automatically be renewed for an additional two-year term following the initial term or any subsequent two-year term unless either party provides a minimum of twenty (20) days prior written notice that the contract or full requirements service is terminated or replaced by a new contract by the end of such term.

PARTIAL REQUIREMENTS SERVICE

- 11. For its firm intrastate transmission service (excluding Customer's full requirements load, if applicable), Customer must contract for a separate annual quantity of gas applicable for each contract year during the term of the Contract. The annual contract quantity may not be changed during the term of the Contract and must be broken down by month into fixed service quantities for each contract year during the Contract term. Customer may request changes to the monthly contract quantities on a month-to-month basis, however, the total of the monthly contract quantities for a contract year must equal the annual contract quantity. The monthly quantity breakdown may be established on the basis of seasonal variations in accordance with Customer's historic usage pattern. The Utility reserves the right to accept or reject any requested contract quantities after considering Customer's historic requirements and other evidence provided by Customer regarding operational changes affecting its consumption.
- 12. If at the end of a contract year, Customer's partial requirements firm intrastate transmission usage is less than 75% of the firm intrastate transmission contract quantity, Customer will pay use-or-pay charges equal to 80% of the transmission charge for the last billing month of the contract year times the difference between the Customer's actual usage and the 75% threshold.
- 13. Use-or-pay charges applicable to partial requirements firm intrastate transmission service shall only be forgiven to the extent Customer's reduced consumption is specifically due to intrastate curtailment or a Force Majeure event on either the interstate or intrastate systems.

(Continued)

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 3924
 DECISION NO.

3C19

ISSUED BY

Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Nov 20, 2008
 EFFECTIVE Dec 20, 2008
 RESOLUTION NO. _____

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Schedule No. GW-VRN
WHOLESALE NATURAL GAS SERVICE

Sheet 4

(Continued)

SPECIAL CONDITIONS (continued)

PARTIAL REQUIREMENTS SERVICE (Continued)

- 14. Renewal: The contract must be renewed by an amendment or a new contract to continue partial requirements service for another term. In the event the contract is not renewed or extended by the end of the current contract term, service will continue to be provided month to month on an interruptible basis under this schedule.

INTERRUPTIBLE INTRASTATE TRANSMISSION

- 15. Customer may elect interruptible intrastate transmission service for all or part of its requirements. The minimum contract term for such service shall be one month.
- 16. By mutual agreement, the Utility and Customer may negotiate interruptible intrastate transmission charges for a term of service of less than five years without CPUC approval. Any such negotiated transmission charges shall be set forth in the Customer's Contract. Any such contract must be submitted by letter to the CPUC and made available for public inspection. No other charges for service under this schedule shall be negotiable unless CPUC approval is first obtained.
- 17. All contracts for a term of service of five years or longer ("long-term") meeting the guidelines set forth in Decision No. 92-11-052 must be filed for prior CPUC approval under the CPUC's Expedited Application Docket (EAD) procedure adopted in Decision No. 92-11-052. All other long-term contracts must be filed by advice letter for prior CPUC approval.

PEAKING SERVICE

- 18. Customers who receive gas transportation service from an alternate service provider may be subject to the provisions of the Peaking Service Tariff, GT-PS.

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MASTER SERVICES CONTRACT - SCHEDULE A
INTRASTATE TRANSMISSION SERVICE
(Form 6597-1, Revised 11/2008)

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(See Attached Form)

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 3924
DECISION NO.

1H12

ISSUED BY

Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Nov 20, 2008
EFFECTIVE Dec 20, 2008
RESOLUTION NO. _____

MASTER SERVICES CONTRACT

SCHEDULE A

INTRASTATE TRANSMISSION SERVICE

This Agreement is entered into by and between Southern California Gas Company ("Utility") and _____ ("Customer") as of the ____ day of _____ . This Agreement shall be deemed attached to and incorporated as a Schedule in the Master Services Contract ("MSC") executed by the Parties.

NOW THEREFORE, in consideration of the promises and mutual undertakings set forth herein, the parties agree as follows:

Section 1 - Scope

A. Intent

This Agreement sets forth the general terms and conditions under which Utility will transport gas, or transport and procure gas, for Customer in California pursuant to Utility's applicable Tariff Rate Schedules and Tariff Rules ("Tariffs") on file with the Public Utilities Commission of the State of California ("CPUC"), as are in effect from time to time .

To the extent not inconsistent herewith, the provisions of the MSC are incorporated by reference in this Agreement. All tariffed transmission services by Utility shall be paid for by Customer at the rates specified in the applicable Tariffs, except as otherwise specified herein. Nothing in this Agreement shall be construed as preventing Utility and Customer from mutually agreeing to conditions which are more stringent than set forth in the Tariffs.

B. Effective Date/Term

- (1) The Effective Date of this Agreement shall be as of 12:00 AM on _____.
- (2) The Initial Term of this Agreement shall extend from the Effective Date and end on _____.

C. Renewals/Amendments

- (1) Upon the expiration of any Billing Schedule Sequence term in Section 2, such Sequence shall automatically continue at the Otherwise Applicable Rate for the renewal period shown, unless that Sequence or this Agreement is amended or terminated by written notice from one party to the other given not less than twenty (20) days prior to the last day of the initial Sequence/Agreement term or any subsequent term thereafter.
- (2) The Otherwise Applicable Rates and renewal periods shown in Section 2 are subject to change pursuant to Utility's applicable Tariffs.

Section 2 - Services Provided and Redelivery Locations

Customer has requested and agreed to pay for, and Utility has determined that Customer is qualified for transmission services to the following locations (the data provided will be utilized by Utility in determinations regarding curtailment):

Facility A

Facility Name: _____
 Account Number: _____
 Address: _____

Mail copy of Bill to this Facility: _____

Facility Mailing Address: _____

Measurement Location(s):

Full Requirements _____ (Noncore only)

Facility Customer Contacts

Operations

Name: _____
 Title: _____
 Address: _____

 Tel. No: _____
 Fax No: _____
 Wireless Phone: _____
 E-mail: _____

Emergency

Name: _____
 Title: _____
 Address: _____

 Tel No: _____
 Fax No: _____
 Wireless Phone: _____
 E-mail: _____

Customer shall notify Utility in the event of any change in the gas requirements or notification designations for this facility.

BILLING SCHEDULE SEQUENCE <u>01</u>				
Rate Schedule	Priority	Net Billed	Transmission Rates Tariff/Negotiated	Otherwise Applicable Rate
The term of this sequence is for _____ (months or years), and shall automatically continue thereafter on the Otherwise Applicable Rate Schedule specified with automatic renewal periods of _____ (months or years).				

MONTHLY SCHEDULED QUANTITY (THERMS)			
January	_____	July	_____
February	_____	August	_____
March	_____	September	_____
April	_____	October	_____
May	_____	November	_____
June	_____	December	_____

Annual Quantity _____ Use or Pay Aggregator (Yes/No) _____

Customer's regular days for operations under this sequence are:

M _____ T _____ W _____ Th _____ F _____ Sat _____ Sun _____

BILLING SCHEDULE SEQUENCE 02				
Rate Schedule	Priority	Net Billed	Transmission Rates Tariff/Negotiated	Otherwise Applicable Rate
The term of this sequence is for _____ (months or years), and shall automatically continue thereafter on the Otherwise Applicable Rate Schedule specified with automatic renewal periods of _____ (months or years).				

MONTHLY SCHEDULED QUANTITY (THERMS)			
January	_____	July	_____
February	_____	August	_____
March	_____	September	_____
April	_____	October	_____
May	_____	November	_____
June	_____	December	_____

Annual Quantity _____ Use or Pay Aggregator (Yes/No) _____

Customer's regular days for operations under this sequence are:

M _____ T _____ W _____ Th _____ F _____ Sat _____ Sun _____

Section 3 - Other Existing Transportation/Exchange Arrangements

- (1) Customer has existing intrastate transportation/exchange arrangements with Utility: _____
- (2) Date of Arrangement: _____
- (3) Term of Arrangement: _____
- (4) This Agreement shall have no impact on such existing arrangement except: _____

Section 4 - Transportation Services

Customers "Order Control Code" (OCC) for gas transportation by Utility is: _____

In the event Customer has elected Transportation Services herein, a Transportation Services Addendum must be completed to indicate the specific account to which any applicable imbalance charges pursuant to imbalance service provided under Tariff Schedule G-IMB shall be applied. Additional

elections may be made by Customer, including but not limited to the use of Agent or Contracted Marketer services. Any elections, or changes thereto, made on the Transportation Services Addendum shall be applicable to all Customer Agreements and facilities utilizing the same Order Control Code.

Section 5 - Billing and Payment

Billing and Payment for services hereunder shall be as provided in Utility's Tariff Rule No. 9. Any special billing instructions should be noted in Section 7(E).

Section 6 - Transfer of Rights

Subject to Section 7(A), this Agreement and the rights and obligations hereunder shall only be transferred or assigned with the prior written consent of Utility which shall not be withheld unreasonably, provided that any successor first establishes its "creditworthiness" and assumes such contractual rights and obligations in writing.

Section 7 - Miscellaneous

A. Use or Pay Aggregator: _____

Use or Pay Aggregators will automatically be authorized to access Customer's meter usage. Customer must have completed and executed MSC Schedule B, Form No. 6597-2 (including the terms and conditions thereof) and such Form is incorporated by reference (as supplemented from time to time) into this Agreement.

B. Contacts/Notices:

Any written notices from one party to the other affecting this Agreement shall be sent to the following locations (unless changed by seven days prior written notice):

Customer	Utility
_____	_____
_____	_____
_____	_____
Attn: _____	Attn: _____
Title: _____	Title: _____
E-mail: _____	E-mail: _____

C. Definitions:

All definitions set forth in the Tariffs, including without limitation Utility Rule No. 1, are incorporated herein by reference as if set forth in full.

D. Miscellaneous Legal Provisions:

This Agreement incorporates by reference all terms and conditions of the MSC.

E. **Special Conditions:** The following special conditions of service are applicable hereto:

IN WITNESS WHEREOF, the authorized representatives of the parties have executed two duplicate original copies hereof.

Customer

Utility

Southern California Gas Company _____

Signature: _____

Signature: _____

Name: _____

Name: _____

Title: _____

Title: _____

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(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3924
 DECISION NO.
 2H9

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Nov 20, 2008
 EFFECTIVE Dec 20, 2008
 RESOLUTION NO. _____

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(Continued)

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(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3924
 DECISION NO.

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Nov 20, 2008
 EFFECTIVE Dec 20, 2008
 RESOLUTION NO. _____

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(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3924
 DECISION NO.

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Nov 20, 2008
 EFFECTIVE Dec 20, 2008
 RESOLUTION NO. _____

ATTACHMENT C

Advice No. 3924

**Redline Versions of Schedule Nos. GT-F, GW-LB, GW-SWG, GW-VRN,
and Master Services Contract - Schedule A (Form 6597-1)**

Schedule No. GT-F
FIRM INTRASTATE TRANSMISSION SERVICE

Sheet 3

(Continued)

RATES (Continued)

Rates may be adjusted to reflect any applicable taxes, franchise or other fees, regulatory surcharges, and interstate or intrastate pipeline charges that may occur.

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

SPECIAL CONDITIONS

GENERAL

1. Definitions of the principal terms used in this schedule are contained in Rule No. 1.
2. Customers may receive service under this schedule (a) separately, or (b) in combination with another rate schedule(s). Where service is rendered under (b), a separate monthly customer charge will be applicable for service under each schedule with a customer charge unless otherwise stated.
3. As a condition precedent to service under this schedule, an executed Master Services Contract, Schedule A, Intrastate Transmission Service (Form Nos. 6597 and 6597-1) is required. All contracts, rates and conditions are subject to revision and modification as a result of Commission order.
4. Term: The contract term for service under this schedule shall be a minimum of two years. In the event the Customer does not subsequently have a new executed ~~an~~ agreement electing for an additional term or an automatic renewal pursuant to Special Condition 13, service may will continue to be provided month to month under Schedule No. GT-I.

~~Customers served under this schedule shall have a one time option to cancel their contract and elect core service provided the election occurs within three months of the effective date of D.02-08-065, except the following customers: 1) those customers with negotiated long term or short term contracts, or 2) electric generation, refinery, and enhanced oil recovery customers who consume over 250,000 therms per year.~~

5. In the event of curtailment, customers served hereunder will be curtailed in accordance with Rule No. 23. Penalties for violation of curtailment shall apply as set forth in Rule No. 23.
6. In the event customers make a material change, either in the amount or character of their gas appliances or equipment, written notice thereof must be made to the Utility in accordance with Rule No. 29, Change of Consumer's Apparatus or Equipment. Customers who do not meet historical usage criteria for noncore rate classification under this schedule may conditionally qualify for noncore rate status by submitting a written request to the Utility and providing therein certified evidence documenting the customer's load increases which will meet the minimum consumption requirement on a permanent basis. The customer's written request must further acknowledge that if usage following conditional reclassification is less than the required minimum, the customer shall be rebilled in accordance with the rate schedule otherwise applicable to its usage. The Utility reserves the right to accept or reject any such request.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3188-A
DECISION NO. 02-08-065

ISSUED BY
Lee Schavrien
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Jun 13, 2003
EFFECTIVE Oct 1, 2003
RESOLUTION NO. _____

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Schedule No. GT-F
FIRM INTRASTATE TRANSMISSION SERVICE

Sheet 4

(Continued)

SPECIAL CONDITIONS (Continued)

SERVICE ELECTIONS

- 7. Electric generation, refinery and enhanced oil recovery customers may elect service under this schedule regardless of size. Commercial and non-refinery industrial customers currently meeting the size requirements set forth for Priority 2A customers under Rule No. 23 may elect service under this schedule. Commercial and non-refinery industrial customers who either (1) elect core service or (2) close their facilities for a period of a year or more (excluding changes in name or ownership) will no longer be eligible for service under this schedule unless they meet the size requirements set forth for Priority 2A customers under Rule No. 23.
- 8. All terms and conditions of Rule No. 30 and Schedule No. G-IMB shall apply to the transportation of customer-owned gas under this schedule.
- 9. Customers having existing gas exchange agreements with the Utility must exchange the maximum amount of gas allowable under those agreements prior to the delivery of customer-owned gas for transportation under other service agreements, unless otherwise agreed to by the Utility.

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FULL REQUIREMENTS SERVICE

- 10. Customers may elect full requirements service under this schedule. Full requirements customers are not required to contract for a stated annual quantity.
- 11. Full requirements customers are prohibited from using alternate fuels or bypass pipeline service (1) except in the event of curtailment, (2) to test alternate fuel capability, or (3) where the Utility has provided prior written authorization for the use of alternate fuels or bypass for temporary periods.
- 12. ~~12.~~—In the event of any unauthorized alternate fuel use or bypass, customers must provide the Utility written notice thereof quantifying the extent to which alternate fuel or bypass use occurred. Such notice must be provided prior to the end of the month in which the usage took place. Any unauthorized alternate fuel or bypass use will be subject to a use-or-pay charge equal to 80% of the applicable transmission charge. No other use-or-pay charges are applicable to full requirements service.
- 13. Renewal: For contracts with an effective date on or after August 1, 2009, full requirements service will automatically be renewed for an additional two-year term following the initial term or any subsequent two-year term unless either party provides a minimum of twenty (20) days prior written notice that the contract or full requirements service is terminated or replaced by a new contract at the end of such term. For contracts with an earlier effective date, in the event the Customer does not subsequently execute an agreement electing an additional term, service will continue to be provided month to month under Schedule No. GT-I.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3622
DECISION NO.
400

ISSUED BY
Lee Schavrien
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Apr 7, 2006
EFFECTIVE May 7, 2006
RESOLUTION NO. _____

Schedule No. GT-F

Sheet 5

T

FIRM INTRASTATE TRANSMISSION SERVICE

(Continued)

SPECIAL CONDITIONS (Continued)

PARTIAL REQUIREMENTS SERVICE

- 143. A customer not electing full requirements service must contract for an annual quantity of gas applicable each contract year during the term of the customer's contract. The annual contract quantity may not be changed during the term of the customer's contract. The annual contract quantity must be broken down by month into fixed service quantities for each contract year during the term of the contract. The customer may request changes to the monthly quantities on a month-to-month basis, however, the total of the monthly contract quantities for the contract year must equal the annual contract quantity. The monthly contract quantity breakdown may be established on the basis of seasonal variations in the customer's usage in accordance with the customer's historic usage pattern. The Utility reserves the right to accept or reject such requested quantities after considering the customer's historic usage pattern and other evidence provided by the customer regarding operational changes affecting the customer's consumption.
- 154. If at the end of a contract year, the partial requirements customer's annual usage is less than 75% of the customer's annual contract quantity, the customer will pay a use-or-pay charge equal to 80% of the transmission charge for the last billing month of the contract year times the difference between the customer's actual usage and the 75% threshold.
- 165. Use-or-pay charges applicable to partial requirements service shall only be forgiven to the extent the customer's reduced consumption is specifically due to intrastate curtailment or an event of force majeure, as defined in Rule No. 1, on either the interstate or intrastate systems.

17. Renewal: The contract must be renewed by an amendment or a new contract to continue partial requirements service for another term. In the event the contract is not renewed or extended by the end of the current contract term, partial requirements service will be replaced with month to month service under Schedule No. GT-I.

FIRM INTRASTATE TRANSMISSION

- ~~16. Utility shall offer firm intrastate transmission service to customers whose volumes qualify as follows:~~
 - ~~a. Firm Interstate Customers: Firm intrastate transmission shall be available for customers' volumes delivered through firm interstate capacity rights or where customers purchase or receive (1) gas delivered to Utility interconnection with an interstate pipeline on a firm basis, (2) intrastate California supplies delivered directly into the Utility's system, or (3) supplies which are delivered from the Utility's storage facilities, provided that the Utility has sufficient capacity to receive and redeliver all such volumes on a firm basis.~~
 - ~~b. Interruptible Interstate, Existing Capacity: Firm intrastate transmission shall be available for volumes delivered by customers or customers of shippers to the Utility on an interruptible basis through interstate pipeline capacity in existence as of November 6, 1991 to the extent and so long as (1) the capacity of the interstate pipeline is not expanded so as to create a mismatch of interstate~~

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 2917
DECISION NO. 00-04-060

ISSUED BY
William L. Reed
Vice President
Chief Regulatory Officer

(TO BE INSERTED BY CAL. PUC)
DATE FILED May 19, 2000
EFFECTIVE Jun 1, 2000
RESOLUTION NO. _____

Schedule No. GT-F
FIRM INTRASTATE TRANSMISSION SERVICE

Sheet 5

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(Continued)

~~and intrastate capacity, and (2) the Utility has adequate intrastate system capacity to receive and redeliver all such volumes on a firm basis.~~

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 2917
DECISION NO. 00-04-060

ISSUED BY
William L. Reed
Vice President
Chief Regulatory Officer

(TO BE INSERTED BY CAL. PUC)
DATE FILED May 19, 2000
EFFECTIVE Jun 1, 2000
RESOLUTION NO. _____

Schedule No. GT-F
FIRM INTRASTATE TRANSMISSION SERVICE

Sheet 6

T

(Continued)

SPECIAL CONDITIONS (Continued)

~~FIRM INTRASTATE TRANSMISSION (Continued)~~

~~16. (Continued)~~

~~The Utility shall have no obligation to build new facilities to provide firm intrastate service for customers' volumes delivered to the Utility on an interruptible basis through interstate pipeline capacity in existence as of November 6, 1991.~~

~~c. Interruptible Interstate, New Capacity: Firm intrastate transmission service shall be available for customers' volumes delivered to the Utility on an interruptible basis across a new interstate pipeline or an expansion of an existing pipeline (as of November 6, 1991) provided that (1) the customer has given assurances acceptable to the Utility that any costs associated with enhancements of the Utility's intrastate system which are necessary to provide firm intrastate service will be recovered by the Utility, (2) required enhancements are approved by the CPUC and are constructed and placed in service, and (3) the Utility has determined that it can physically provide firm intrastate service for all such volumes.~~

ELECTRONIC METER-READING

187. Customers electing noncore service status must have electronic meter-reading equipment installed at Customer's expense as a condition of noncore service.

USE-OR-PAY AGGREGATION

198. Individual customers served under this schedule may aggregate their firm intrastate transmission service at their facilities for the purpose of use-or-pay penalty determination. In the event a customer aggregates firm intrastate transmission service provided at different transmission rates, any applicable use-or-pay penalty shall be assessed at a weighted average transmission charge based on the proportion of the customer's annual contract quantities for such rates. For use-or-pay aggregation, firm intrastate transmission service may only be aggregated under contracts with concurrent contract year periods. As a condition of service aggregation, customers shall be required to designate in their contracts the applicable facilities and services to be aggregated.

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(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 2917
DECISION NO. 00-04-060

ISSUED BY
William L. Reed
Vice President
Chief Regulatory Officer

(TO BE INSERTED BY CAL. PUC)
DATE FILED May 19, 2000
EFFECTIVE Jun 1, 2000
RESOLUTION NO. _____

Schedule No. GT-F
FIRM INTRASTATE TRANSMISSION SERVICE

Sheet 7

(Continued)

SPECIAL CONDITIONS (Continued)

ELECTRIC GENERATION

- ~~2019~~. Subject to Special Condition ~~232~~, the amount of gas to be billed at the electric generation rate for customers having both electric generation and non-electric generation end use on a single meter will be the lesser of:
- a. Total metered throughput; or
 - b. An amount of gas equal to the customer's recorded power production in kilowatt-hours (KWH) times the average heat rate for their electric generation facilities. The difference between total meter throughput and the volume limitation specified herein will be charged the rate applicable to the other end use served off the meter.
- ~~210~~. When required, as a condition of service under the electric generation rate, electric generation customers will provide the utility with the average heat rate for electric generation equipment as supported by documentation from the manufacturer. If not available, operating data shall be used to determine customer's average heat rate.
- ~~224~~. Electric generation customers receiving electric generation service will make available upon request any measurement devices required to directly or indirectly determine the kilowatt-hours generated or the average heat rate for the electric generation equipment. The Utility shall have the right to read, inspect and/or test all such measurement devices during normal business hours. Additional gas and/or steam metering facilities required to separately determine gas usage to which the electric generation rate is applicable may be installed, owned and operated by the Utility in accordance with Rule No. 21; however, the Utility may, at its sole discretion, utilize estimated data to determine such gas usage.
- ~~232~~. All electric generation customers receiving service at the electric generation transmission rate shall be separately metered unless it can be demonstrated that a separate meter is not economically feasible.
- ~~243~~. A Cogeneration Contract Addendum (Form No. 5058) will be required as a condition of electric generation service for cogeneration customers under this schedule in those cases where dedicated main facilities are necessary to serve the customer.
- ~~254~~. Cogeneration facilities with standby boilers will be treated as one customer for purposes of assessing customer charges, providing the customer has signed an affidavit (Form No. 6419) to the effect that its boiler system only operates when the cogeneration system is not operating.

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(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3132
DECISION NO.
700

ISSUED BY
Lee Schavrien
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Mar 12, 2002
EFFECTIVE Apr 21, 2002
RESOLUTION NO. _____

Schedule No. GT-F
FIRM INTRASTATE TRANSMISSION SERVICE

Sheet 8

(Continued)

SPECIAL CONDITIONS (Continued)

COMMERCIAL/INDUSTRIAL

- 265. Commercial and industrial customers served under this schedule shall be assigned a rate classification based on the type of facilities from which the customer receives service. Customers served from the Utility's distribution-related facilities shall be classified as distribution (GT-F3D). Customers served from the Utility's transmission-related facilities, as established by the Utility's capital accounting records, shall be classified as transmission (GT-F3T). Customers served from transmission facilities or a combination of transmission and distribution facilities may, at their option, elect transmission or distribution rate status.
- 276. When the Utility uses its discretion, as defined in Rule 20 H.4, to accommodate a current commercial and industrial customer's request to switch from distribution to transmission level service, the Utility shall file an advice letter to notify the Commission before accommodating such a request. The advice letter filing should include an estimate amount of stranded costs associated with the customers' request.
- 287. For commercial and industrial customers served under this schedule through multiple meters on a single premises, as defined in Rule No. 1, the Utility shall combine all such meters, excluding meters serving electric generation equipment, for billing purposes in accordance with the provisions of Rule No. 17.

LONG-TERM DISCOUNTED CONTRACTS

- 298. Pursuant to the provisions of Decision No. 92-11-052, the Utility may negotiate discounted contracts for a service term of five years or longer with customers served under this schedule. Such contracts must be filed for prior CPUC approval under the CPUC's Expedited Application Docket (EAD) procedure as adopted in Decision No. 92-11-052.
- 30. Customers under CPUC approved long-term bundled discounted contracts as of the date of D.06-12-031 shall have their contracted rate reduced by the average rate reduction to the GT-F rate associated with the unbundled Receipt Point Access revenues. Long-term discounted contracts after the date of D.06-12-031 shall be deemed to be unbundled and shall not receive a reduction to the rate negotiated to account for receipt point access service.

PEAKING SERVICE

- 2931. Customers who receive gas transportation service from an alternate service provider may be subject to the provisions of the Peaking Service Tariff, GT-PS.

FIRM NONCORE SERVICE IN POTENTIALLY CAPACITY-CONSTRAINED AREAS

- 320. Open Season: Utility will conduct an open season to solicit contractually binding bids from noncore eligible customers for firm service in potentially capacity-constrained areas, as defined in Rule No. 1.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3684
 DECISION NO. 06-09-039
 800

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Nov 22, 2006
 EFFECTIVE Mar 1, 2007
 RESOLUTION NO. _____

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FIRM INTRASTATE TRANSMISSION SERVICE

(Continued)

SPECIAL CONDITIONS (Continued)

FIRM NONCORE SERVICE IN POTENTIALLY CAPACITY-CONSTRAINED AREAS (Continued)

- 334. Partial Requirements Service: All firm noncore deliveries will be under partial requirements service. Full requirements service is not available.
- 342. Customer Size: For the purposes of bidding for firm capacity in potentially capacity-constrained areas, large noncore customers are defined as (1) commercial/industrial and enhanced oil recovery (EOR) customers with historical peak day usage of 20 million cubic feet per day (MMcfd) or more and (2) electric generation customers using three (3) million therms or more per year. Small noncore customers are defined as (1) commercial/industrial and EOR customers with historical peak day usage of less than 20 MMcfd and (2) electric generation customers using fewer than (3) million therms per year.
- 353. Scheduled Quantity Addendum: The Master Services Contract Schedule A Intrastate Transmission Service Scheduled Quantity Addendum (Form No. 6900) (Addendum) shall be used to specify monthly or hourly scheduled quantities in conjunction with the standard Master Services Contract Schedule A, Intrastate Transmission Service (Form No. 6597-1).
- 364. Term: For large noncore customers, the term for firm service shall be the earlier of (a) two (2) years beyond the in-service date of facilities associated with the expansion of local transmission service, or the commencement of service on interstate and/or foreign pipelines or other arrangements that alleviate the need for expanding local transmission facilities, limited to the contractual commitments approved in D.07-05-022; or (b) five (5) years. For small noncore customers, the term is two years. In the event all requests for firm noncore capacity can be awarded without proration and the Utility does not plan to expand the local transmission system within the five-year contract period, the Utility will inform the Commission. Upon Commission agreement that there is no need to construct additional facilities within the five-year contract period, the Utility shall amend the five-year contracts to expire after two-years, consistent with the term for small customers.
- 375. Hourly Scheduled Quantity (HSQ): HSQ is the quantity awarded in an open season and to be delivered each hour as firm noncore service as specified in the Addendum under this rate schedule.
- 386. Monthly Scheduled Quantity (MSQ): MSQ is the quantity awarded in an open season and to be delivered each month as firm noncore service as specified in the Addendum under this rate schedule. For customers bidding hourly, the MSQ under this rate schedule is equivalent to the summation of HSQs for the month.
- 397. Use-or-Pay: If during any billing period, the customer's firm noncore usage is less than 75% of customer's firm noncore MSQ, the customer will be assessed use-or-pay charges equal to 80% of the transmission charges multiplied by the difference between 75% of the customer's firm noncore MSQ and the customer's firm noncore usage for that month.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3748-A
 DECISION NO. 07-05-022

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Jun 13, 2007
 EFFECTIVE Jul 13, 2007
 RESOLUTION NO. _____

Schedule No. GT-F
FIRM INTRASTATE TRANSMISSION SERVICE

Sheet 10

(Continued)

SPECIAL CONDITIONS (Continued)

FIRM NONCORE SERVICE IN POTENTIALLY CAPACITY-CONSTRAINED AREAS (Continued)

4038. Use-or-Pay Aggregation: Individual customers may aggregate their firm intrastate transmission service only at their facilities located within the same constrained area for purposes of use-or-pay charge determination. If the customer aggregates facilities with different rates, use-or-pay charges shall be based on the highest transmission charge. Customers wishing to aggregate their firm intrastate transmission service shall execute the Master Services Contract, Schedule B, Marketer/Core Aggregator Use or Pay Aggregator Agreement (Form 6597-2).

4139. Early Termination: In the event of early termination of the contract, the customer will pay the Utility an amount equal to the outstanding use-or-pay charges for the contracted period.

420. Authorized Curtailment Quantity: The maximum hourly quantity (in therms) the customer is entitled to use during an interruptible service curtailment is equal to any core MSQs for the month *divided by* operating days specified for that sequence in the contract *divided by* 24 hours. In addition, the customer is authorized to use either: (a) the firm noncore MSQs for the month *divided by* operating days specified for that sequence in the contract *divided by* 24 hours for customers who bid monthly MSQs; or (b) the stated HSQ for the specific hour, day, month and year awarded for customers who bid hourly HSQ. In the event interruptible service is only partially curtailed, the customer shall also be entitled to use the non-curtailed portion of their interruptible MSQ, *divided by* operating days, as specified for that sequence, *divided by* 24 hours.

431. Availability of Daily and Hourly Data: In the event that daily usage data is not available, the recorded monthly volumes delivered to the customer shall be assumed to be delivered at a constant rate over the number of calendar days during the month. In the event that hourly usage data is not available, the recorded daily volumes delivered to the customer shall be assumed to be delivered at a constant rate over a 24-hour period.

442. Curtailment Violation Charges: Charges will apply hourly for any quantities consumed that exceed those authorized by hour at the following charges:
 \$1 per therm for hours 1 through 5 of the curtailment event;
 \$3 per therm for hours 6 through 8 of the curtailment event; and
 \$10 per therm for each hour after hour 8 through end of the curtailment event.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3684
 DECISION NO. 06-09-039

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Nov 22, 2006
 EFFECTIVE Mar 1, 2007
 RESOLUTION NO. _____

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Schedule No. GT-F

Sheet 11

FIRM INTRASTATE TRANSMISSION SERVICE

(Continued)

SPECIAL CONDITIONS (Continued)

FIRM NONCORE SERVICE IN POTENTIALLY CAPACITY-CONSTRAINED AREAS (Continued)

453. Awarding of Firm Noncore Capacity: For any period where the firm bids exceed firm capacity, all bids that exceed a customer's historic usage will be reduced to historic usage. The historic usage will be equal to the customer's peak day usage for that month within the most recent 12 months. Peak day usage will be divided by 24 to determine historic hourly usage. If firm capacity remains over-subscribed after customers' bids have been reduced to historic usage, the Utility shall first award available firm capacity pro-rata based on historic usage. If firm capacity is not over-subscribed after customers' bids have been awarded based on historic usage, quantities bid in excess of each customer's historic usage and quantities submitted by new customers will be awarded on a pro-rata basis. The Utility will use small customers' Year 2 bids as a factor in determining the firm service capacity awards for Years 3, 4, and 5 for large customers within the same constrained area. After, and to the extent, the Utility places into service facilities that can provide higher levels of firm service, all customers' awards will be increased by a pro-rated amount, up to their bid amounts, for the duration of their contracts. During the term of its contract, a large customer may not change its bids for firm service for any of the time periods in the Addendum.

464. Hourly Allocation of Bids when Oversubscribed: In the event that only certain hours are oversubscribed, then monthly bids will be converted to an hourly basis by dividing by the number of operating days in the month and then by 24 hours; the "converted hourly bid" will be pro-rated along with hourly bids for the oversubscribed hour(s); and then converted back into a monthly award by multiplying the pro-rated hour amount by 24 hours and then multiplying by the number of operating days in the month.

475. Firm Quantities Bid but Not Awarded: Such quantities shall be added to the customer's interruptible sequence.

486. Right of Refusal: The Utility reserves the right to reject any bid. Once a bid is rejected, the Utility shall notify the customer as to the reason for such rejection. The customer may re-submit a bid, provided that firm quantities have not yet been awarded to participants in the open season.

497. Non-Bidding Customers: Noncore customers eligible to participate in the open season that do not submit a bid shall be placed on an interruptible noncore rate schedule. Any potential noncore eligible customer, offered an opportunity to bid for firm noncore service, who declines to bid, or was not awarded sufficient firm capacity, may not elect core service during the period covered by the open season. Noncore-eligible customers taking core service as of the open season start date that do not submit a bid for service may remain core.

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(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 3684
DECISION NO. 06-09-039

ISSUED BY
Lee Schavrien
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Nov 22, 2006
EFFECTIVE Mar 1, 2007
RESOLUTION NO. _____

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Schedule No. GW-LB
WHOLESALE NATURAL GAS SERVICE

Sheet 3

(Continued)

SPECIAL CONDITIONS (Continued)

FIRM INTRASTATE TRANSMISSION (Continued)

~~e. Interruptible Interstate, New Capacity: Firm intrastate transmission service shall be available for customers' volumes delivered to Utility on an interruptible basis across a new interstate pipeline or an expansion of an existing pipeline (as of November 6, 1991) provided that (1) the customer has given assurances acceptable to the Utility that any costs associated with enhancements of the Utility's intrastate system which are necessary to provide firm intrastate service will be recovered by the Utility, (2) required enhancements are approved by the CPUC and are constructed and placed in service, and (3) the Utility has determined that it can physically provide firm intrastate service for all such volumes.~~

76. Pursuant to the provisions and guidelines of Decision No. 92-11-052, the Utility may negotiate a discounted contract with Customer for a service term of five years or more. Such a contract must be filed for prior CPUC approval under the CPUC's Expedited Application Docket (EAD) procedure as adopted in Decision No. 92-11-052.

FULL REQUIREMENTS SERVICE

87. For its firm intrastate transmission service, Customer may elect full requirements service only for that portion of such usage serving (1) its own core customers' requirements, on an aggregate basis, and/or (2) the requirements, on an individual basis, of those noncore customers designated by Customer as requesting such service; as set forth in the Customer's Contract. Customer must provide Utility sufficient information to establish the usage requirements of its designated full requirements load.

98. Customer's full requirements service loads are prohibited from being displaced through use of alternate fuels or bypass pipeline service except (1) in the event of curtailment, (2) to test alternate fuel capability, (3) or where the Utility has provided prior written authorization for the use of alternate fuels or bypass for temporary periods. The Utility shall have the right to review the Customer's records in order to determine compliance hereunder.

~~109.~~ In the event of any unauthorized alternate fuel use or bypass which displaces Customer's full requirement load, Customer must provide the Utility written notice thereof quantifying the extent to which alternate fuel or bypass use occurred. Such notice must be provided prior to the end of the month in which the usage took place. Any unauthorized alternate fuel or bypass use will be subject to a use-or-pay charge equal to 80% of the applicable transmission charge. No other use-or-pay charges are applicable to full requirements service. -

10. **Renewal:** For contracts with an effective date on or after November 1, 2009, full requirements service will automatically be renewed for an additional two-year term following the initial term or any subsequent two-year term unless either party provides a minimum of twenty (20) days prior written notice that the contract or full requirements service is terminated or replaced by a new contract by the end of such term.

(Continued)

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 3391
 DECISION NO.

3C0

ISSUED BY

Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Jun 30, 2004
 EFFECTIVE Aug 9, 2004

RESOLUTION NO. _____

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Schedule No. GW-LB
WHOLESALE NATURAL GAS SERVICE

Sheet 4

(Continued)

SPECIAL CONDITIONS (Continued)

PARTIAL REQUIREMENTS SERVICE

- 11. For its firm intrastate transmission service (excluding Customer's full requirements load, if applicable), Customer must contract for a separate annual quantity of gas applicable for each contract year during the term of the Contract. The annual contract quantity may not be changed during the term of the Contract and must be broken down by month into fixed service quantities for each contract year during the Contract term. Customer may request changes to the monthly contract quantities on a month-to-month basis, however, the total of the monthly contract quantities for a contract year must equal the annual contract quantity. The monthly quantity breakdown may be established on the basis of seasonal variations in accordance with Customer's historic usage pattern. The Utility reserves the right to accept or reject any requested contract quantities after considering Customer's historic requirements and other evidence provided by Customer regarding operational changes affecting its consumption.
- 12. If at the end of a contract year, Customer's partial requirements firm intrastate transmission usage is less than 75% of the firm intrastate transmission contract quantity, Customer will pay use-or-pay charges equal to 80% of the transmission charge for the last billing month of the contract year times the difference between the Customer's actual usage and the 75% threshold.
- 13. Use-or-pay charges applicable to partial requirements firm intrastate transmission service shall only be forgiven to the extent Customer's reduced consumption is specifically due to intrastate curtailment or a Force Majeure event on either the interstate or intrastate systems.
- 14. Renewal: The contract must be renewed by an amendment or a new contract to continue partial requirements service for another term. In the event the contract is not renewed or extended by the end of the current contract term, service will continue to be provided month to month on an interruptible basis under this schedule.

INTERRUPTIBLE INTRASTATE TRANSMISSION

- 154. Customer may elect interruptible intrastate transmission service for all or part of its requirements. The minimum contract term for such service shall be one month.
- 165. By mutual agreement, the Utility and Customer may negotiate interruptible intrastate transmission charges for a term of service of less than five years without CPUC approval. Any such negotiated transmission charges shall be set forth in the Customer's Contract. Any such contract must be submitted by letter to the CPUC and made available for public inspection. No other charges for service under this schedule shall be negotiable unless CPUC approval is first obtained.
- 176. All contracts for a term of service of five years or longer ("long-term") meeting the guidelines set forth in Decision No. 92-11-052 must be filed for prior CPUC approval under the CPUC's Expedited Application Docket (EAD) procedure adopted in Decision No. 92-11-052. All other long-term contracts must be filed by advice letter for prior CPUC approval.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3391
 DECISION NO.

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Jun 30, 2004
 EFFECTIVE Aug 9, 2004
 RESOLUTION NO. _____

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Schedule No. GW-LB
WHOLESALE NATURAL GAS SERVICE

Sheet 5

(Continued)

SPECIAL CONDITIONS (Continued)

~~FIRM INTERSTATE PIPELINE CAPACITY~~

- ~~17. At any time prior to five (5) business days before commencement of the Utility's initial open season for the brokering of firm interstate pipeline capacity conducted pursuant to the provisions of Rule No. 36, Customer may request an assignment of such capacity for Customer's core requirements. Capacity shall be provided to Customer on a pro rata basis between the El Paso and Transwestern pipeline systems and charged at the full as billed interstate rate. Such capacity shall be assigned to Customer for a term from the implementation date of the CPUC's Capacity Brokering Rules until the expiration of the Utility's firm capacity contracts with El Paso and Transwestern. If Customer does not provide such a request prior to the 5 day deadline, Utility will reserve sufficient firm interstate pipeline capacity, split 70% on El Paso and 30% on Transwestern, to meet Customer's core load requirements. Interstate capacity allocated to Customer for its core requirements shall be at the full as billed rate for pipeline demand charges.~~
- ~~18. In the event Customer relinquishes all or a part of its reserved firm interstate capacity, or the capacity reserved by Utility on Customer's behalf, Customer shall be solely responsible for any shortfall between the as billed interstate pipeline demand charges and the actual revenue the Utility obtains from its subsequent brokering of the relinquished capacity.~~

PEAKING SERVICE

189. Customers who receive gas transportation service from an alternate service provider may be subject to the provisions of the Peaking Service Tariff, GT-PS.

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 3391
DECISION NO.

500

ISSUED BY

Lee Schavrien
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Jun 30, 2004
EFFECTIVE Aug 9, 2004

RESOLUTION NO. _____

Schedule No. GW-SWG
WHOLESALE NATURAL GAS SERVICE

Sheet 1

APPLICABILITY

Applicable for firm intrastate transmission and interruptible intrastate transmission service, and long-term storage service for Southwest Gas Corporation ("Customer") to Customer's service territory in southern California.

TERRITORY

Delivery points shall be as specified in the California Wholesale Gas Transportation and Storage Service Agreement ("Contract").

RATES

Transmission Charges

GT-F9, GT-I9, Firm & Interruptible Intrastate Transmission
 Rate, per therm 2.584¢

Interstate Transition Cost Surcharge (ITCS)

ITCS-SWG, per therm (0.005¢)

The ITCS, as defined in Rule No. 1, recovers certain interstate capacity costs and applies to all service under this schedule except for that service identified in Rule No. 1 as being exempt.

~~Storage Reservation Charges~~

~~Rate, per year \$1,192,118~~

~~The annual storage reservation charge set forth above shall be escalated annually as of each January 1 during the Contract term in accordance with the storage reservation charge escalation provisions set forth in the Contract. The annual reservation charge shall be billed in twelve equal monthly installments.~~

~~The above storage reservation charge shall be in lieu of the reservation charges set forth in Schedule No. G-LTS. The variable charges set forth in Schedule No. G-LTS shall be applicable to storage service hereunder.~~

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3895
 DECISION NO. 06-12-031

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Aug 29, 2008
 EFFECTIVE Oct 1, 2008
 RESOLUTION NO. G-3407

Schedule No. GW-SWG
WHOLESALE NATURAL GAS SERVICE

Sheet 2

(Continued)

RATES (Continued)

Billing Adjustments

Billing adjustments may be necessary to reflect changes in quantities used in developing prior periods' transportation charges.

Rates may be adjusted to reflect any applicable taxes, franchise or other fees, regulatory surcharges, and interstate or intrastate pipeline charges that may occur.

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

SPECIAL CONDITIONS

GENERAL

1. Definitions of the principal terms used in this schedule are contained in Rule No. 1.
2. As a condition precedent to service under this schedule, an executed California Wholesale Gas Transportation ~~and Storage Service~~ Agreement is required. The minimum term of such Contract shall be fifteen (15) years. All contracts, rates and conditions of service are subject to revision and modification as a result of Commission order.
3. In the event of curtailment, Customer will be curtailed in accordance with Rule No. 23. Penalties for violation of curtailment shall apply as set forth in Rule No. 23. If service to Customer's Priority 1 and 2A customers is in jeopardy, such customers shall be served in parity with Utility's Priority 1 and 2A customers as set forth in Rule No. 23.
4. All terms and conditions of Rule No. 30 and Schedule No. G-IMB shall apply to the transportation of customer-owned gas under this schedule.

~~STORAGE SERVICES~~

~~5. The Utility shall provide the Customer with storage service rights in the following capacities:-~~

~~Annual firm withdrawal: 60 MMcfd~~

~~Annual firm inventory: 1.5 Bcf~~

~~Monthly firm injection: 12.5 MMcfd (April through September only)~~

(Continued)

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 3385
DECISION NO. 01-12-018

200

ISSUED BY
Lee Schavrien
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Jun 9, 2004
EFFECTIVE Jul 19, 2004

RESOLUTION NO. _____

Schedule No. GW-SWG
WHOLESALE NATURAL GAS SERVICE

Sheet 3

(Continued)

SPECIAL CONDITIONS (Continued)

- ~~6. On a daily or monthly basis, the Customer's storage service injections or withdrawals may exceed the capacities set forth above by up to ten percent (10%) so long as the Customer's scheduled injections plus total storage quantity in inventory does not exceed 1.5 Bcf at any time.~~
- ~~7. All terms and conditions of Schedule No. G-LTS, Long Term Storage Service, shall apply to the storage services provided under this schedule except where such provisions would conflict with the charges and conditions set forth in this schedule or in the Customer's Contract.~~

FIRM INTRASTATE TRANSMISSION

85. The minimum service period for firm intrastate transmission service under the Customer's Contract shall be two years.
- ~~9. Utility shall offer firm intrastate transmission service only to customers whose volumes qualify as follows:~~
- ~~a. Firm Interstate Customers: Firm intrastate transmission shall be available for customers' volumes delivered through firm interstate capacity rights or where customers purchase or receive (1) gas delivered to Utility interconnection with an interstate pipeline on a firm basis, (2) intrastate California supplies delivered directly into the Utility's system, or (3) supplies which are delivered from the Utility's storage facilities, provided that the Utility has sufficient capacity to receive and redeliver all such volumes on a firm basis.~~
- ~~b. Interruptible Interstate, Existing Capacity: Firm intrastate transmission shall be available for volumes delivered by customers or customers of shippers to the Utility on an interruptible basis through interstate pipeline capacity in existence as of November 6, 1991 to the extent and so long as (1) the capacity of the interstate pipeline is not expanded so as to create a mismatch of interstate and intrastate capacity, and (2) the Utility has adequate intrastate system capacity to receive and redeliver all such volumes on a firm basis.~~
- ~~The Utility shall have no obligation to build new facilities to provide firm intrastate service for customers' volumes delivered to the Utility on an interruptible basis through interstate capacity in existence as of November 6, 1991.~~

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(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3385
DECISION NO. 01-12-018

ISSUED BY
Lee Schavrien
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Jun 9, 2004
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RESOLUTION NO. _____

Schedule No. GW-SWG
WHOLESALE NATURAL GAS SERVICE

Sheet 4

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(Continued)

SPECIAL CONDITIONS (Continued)

~~FIRM INTRASTATE TRANSMISSION~~

~~9. (Continued)~~

~~c. Interruptible Interstate, New Capacity: Firm intrastate transmission service shall be available for customers' volumes delivered to Utility on an interruptible basis across a new interstate pipeline or an expansion of an existing pipeline (as of November 6, 1991) provided that (1) the customer has given assurances acceptable to the Utility that any costs associated with enhancements of the Utility's intrastate system which are necessary to provide firm intrastate service will be recovered by the Utility, (2) required enhancements are approved by the CPUC and are constructed and placed in service, and (3) the Utility has determined that it can physically provide firm intrastate service for all such volumes.~~

PEAKING SERVICE

~~106.~~ Customer may be subject to the provisions of the Peaking Service Tariff, GT-PS, if it receives gas transportation service from an alternate service provider.

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 3385
DECISION NO. 01-12-018

400

ISSUED BY

Lee Schavrien
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Jun 9, 2004
EFFECTIVE Jul 19, 2004

RESOLUTION NO. _____

Schedule No. GW-VRN
WHOLESALE NATURAL GAS SERVICE

Sheet 2

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(Continued)

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SPECIAL CONDITIONS (Continued)

GENERAL (Continued)

- 2. As a condition precedent to service under this schedule, an executed Master Services Contract, Schedule A, Intrastate Transmission Service (Form Nos. 6597 and 6597-1) is required. All contracts, rates and conditions are subject to revision and modification as a result of Commission order.
- 3. In the event of curtailment, Customer will be curtailed in accordance with Rule No. 23. Penalties for violation of curtailment shall apply as set forth in Rule No. 23.
- 4. All terms and conditions of Rule No. 30 and Schedule No. G-IMB shall apply to the transportation of customer-owned gas under this schedule.

FIRM INTRASTATE TRANSMISSION

5. Term: The contract term for firm intrastate transmission service shall be a minimum of two years and may be subject to automatic renewals per Special Condition 10. In the event the Customer does not subsequently have an automatic renewal or a new ~~executed an agreement~~ contract electing for an additional term, service may will continue to be provided on an interruptible basis month to month under this schedule.

~~6. Utility shall offer firm intrastate transmission service only to customers whose volumes qualify as follows:~~

~~a. Firm Interstate Customers: Firm intrastate transmission shall be available for customers' volumes delivered through firm interstate capacity rights or where customers purchase or receive (1) gas delivered to Utility interconnection with an interstate pipeline on a firm basis, (2) intrastate California supplies delivered directly into the Utility's system, or (3) supplies which are delivered from the Utility's storage facilities, provided that the Utility has sufficient capacity to receive and redeliver all such volumes on a firm basis.~~

~~b. Interruptible Interstate Existing Capacity: Firm intrastate transmission shall be available for volumes delivered by customers or customers of shippers to the Utility on an interruptible basis through interstate pipeline capacity in existence as of November 6, 1991 to the extent and so long as (1) the capacity of the interstate pipeline is not expanded so as to create a mismatch of interstate and intrastate capacity, and (2) the Utility has adequate intrastate system capacity to receive and redeliver all such volumes on a firm basis.~~

~~The Utility shall have no obligation to build new facilities to provide firm intrastate service for customers' volumes delivered to the Utility on an interruptible basis through interstate capacity in existence as of November 6, 1991.~~

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3385
 DECISION NO. 01-12-018
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ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Jun 9, 2004
 EFFECTIVE Jul 19, 2004
 RESOLUTION NO. _____

Schedule No. GW-VRN
WHOLESALE NATURAL GAS SERVICE

Sheet 3

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(Continued)

SPECIAL CONDITIONS (Continued)

FIRM INTRASTATE CUSTOMERS (continued)

~~6. (continued)~~

~~c. Interruptible Interstate, New Capacity: Firm intrastate transmission service shall be available for customers' volumes delivered to Utility on an interruptible basis across a new interstate pipeline or an expansion of an existing pipeline (as of November 6, 1991) provided that (1) the customer has given assurances acceptable to the Utility that any costs associated with enhancements of the Utility's intrastate system which are necessary to provide firm intrastate service will be recovered by the Utility, (2) required enhancements are approved by the CPUC and are constructed and placed in service, and (3) the Utility has determined that it can physically provide firm intrastate service for all such volumes.~~

67. Pursuant to the provisions and guidelines of Decision No. 92-11-052, the Utility may negotiate a discounted contract with Customer for a service term of five years or more. Such a contract must be filed for prior CPUC approval under the CPUC's Expedited Application Docket (EAD) procedure as adopted in Decision No. 92-11-052.

FULL REQUIREMENTS SERVICE

78. For its firm intrastate transmission service, Customer may elect full requirements service only for that portion of such usage serving (1) its own core customers' requirements, on an aggregate basis, and/or (2) the requirements, on an individual basis, of those noncore customers designated by Customer as requesting such service; as set forth in the Customer's Contract. Customer must provide Utility sufficient information to establish the usage requirements of its designated full requirements load.

89. Customer's full requirements service loads are prohibited from being displaced through use of alternate fuels or bypass pipeline service except (1) in the event of curtailment, (2) to test alternate fuel capability, (3) or where the Utility has provided prior written authorization for the use of alternate fuels or bypass for temporary periods. The Utility shall have the right to review the Customer's records in order to determine compliance hereunder.

~~9.10.~~ In the event of any unauthorized alternate fuel use or bypass which displaces Customer's full requirement load, Customer must provide the Utility written notice thereof quantifying the extent to which alternate fuel or bypass use occurred. Such notice must be provided prior to the end of the month in which the usage took place. Any unauthorized alternate fuel or bypass use will be subject to a use-or-pay charge equal to 80% of the applicable transmission charge. No other use-or-pay charges are applicable to full requirements service.

10. Renewal: For contracts with an effective date on or after April 1, 2009, full requirements service will automatically be renewed for an additional two-year term following the initial term or any subsequent two-year term unless either party provides a minimum of twenty (20) days prior written notice that the contract or full requirements service is terminated or replaced by a new contract by the end of such term.

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(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3385
DECISION NO. 01-12-018

ISSUED BY
Lee Schavrien
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Jun 9, 2004
EFFECTIVE Jul 19, 2004
RESOLUTION NO. _____

Schedule No. GW-VRN
WHOLESALE NATURAL GAS SERVICE

(Continued)

SPECIAL CONDITIONS (continued)

PARTIAL REQUIREMENTS SERVICE

- 11. For its firm intrastate transmission service (excluding Customer's full requirements load, if applicable), Customer must contract for a separate annual quantity of gas applicable for each contract year during the term of the Contract. The annual contract quantity may not be changed during the term of the Contract and must be broken down by month into fixed service quantities for each contract year during the Contract term. Customer may request changes to the monthly contract quantities on a month-to-month basis, however, the total of the monthly contract quantities for a contract year must equal the annual contract quantity. The monthly quantity breakdown may be established on the basis of seasonal variations in accordance with Customer's historic usage pattern. The Utility reserves the right to accept or reject any requested contract quantities after considering Customer's historic requirements and other evidence provided by Customer regarding operational changes affecting its consumption.
- 12. If at the end of a contract year, Customer's partial requirements firm intrastate transmission usage is less than 75% of the firm intrastate transmission contract quantity, Customer will pay use-or-pay charges equal to 80% of the transmission charge for the last billing month of the contract year times the difference between the Customer's actual usage and the 75% threshold.
- 13. Use-or-pay charges applicable to partial requirements firm intrastate transmission service shall only be forgiven to the extent Customer's reduced consumption is specifically due to intrastate curtailment or a Force Majeure event on either the interstate or intrastate systems.
- 14. Renewal: The contract must be renewed by an amendment or a new contract to continue partial requirements service for another term. In the event the contract is not renewed or extended by the end of the current contract term, service will continue to be provided month to month on an interruptible basis under this schedule.

INTERRUPTIBLE INTRASTATE TRANSMISSION

- 154. Customer may elect interruptible intrastate transmission service for all or part of its requirements. The minimum contract term for such service shall be one month.
- 165. By mutual agreement, the Utility and Customer may negotiate interruptible intrastate transmission charges for a term of service of less than five years without CPUC approval. Any such negotiated transmission charges shall be set forth in the Customer's Contract. Any such contract must be submitted by letter to the CPUC and made available for public inspection. No other charges for service under this schedule shall be negotiable unless CPUC approval is first obtained.
- 176. All contracts for a term of service of five years or longer ("long-term") meeting the guidelines set forth in Decision No. 92-11-052 must be filed for prior CPUC approval under the CPUC's Expedited Application Docket (EAD) procedure adopted in Decision No. 92-11-052. All other long-term contracts must be filed by advice letter for prior CPUC approval.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3385
DECISION NO. 01-12-018

ISSUED BY
Lee Schavrien
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Jun 9, 2004
EFFECTIVE Jul 19, 2004
RESOLUTION NO. _____

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Schedule No. GW-VRN
WHOLESALE NATURAL GAS SERVICE

Sheet 5

(Continued)

SPECIAL CONDITIONS (continued)

PEAKING SERVICE

187. Customer who receive gas transportation service from an alternate service provider may be subject to the provisions of the Peaking Service Tariff, GT-PS.

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 3385
DECISION NO. 01-12-018

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ISSUED BY

Lee Schavrien
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Jun 9, 2004
EFFECTIVE Jul 19, 2004

RESOLUTION NO. _____

MASTER SERVICES CONTRACT

SCHEDULE A

INTRASTATE TRANSMISSION SERVICE

This Agreement is entered into by and between Southern California Gas Company ("Utility") and _____ ("Customer") as of the ____ day of _____ . This Agreement shall be deemed attached to and incorporated as a Schedule in the Master Services Contract ("MSC") executed by the Parties.

NOW THEREFORE, in consideration of the promises and mutual undertakings set forth herein, the parties agree as follows:

Section 1 - Scope

A. Intent

This Agreement sets forth the general terms and conditions under which Utility will transport gas, or transport and procure gas, for Customer in California pursuant to Utility's applicable Tariff Rate Schedules and Tariff Rules ("Tariffs") on file with the Public Utilities Commission of the State of California ("CPUC"), as are in effect from time to time .

To the extent not inconsistent herewith, the provisions of the MSC are incorporated by reference in this Agreement. All tariffed transmission services by Utility shall be paid for by Customer at the rates specified in the applicable Tariffs, except as otherwise specified herein. Nothing in this Agreement shall be construed as preventing Utility and Customer from mutually agreeing to conditions which are more stringent than set forth in the Tariffs.

B. Effective Date/Term

- (1) The Effective Date of this Agreement shall be as of 12:00 AM on _____.
- (2) The ~~Initial~~ ~~Term~~ of this Agreement shall extend from the Effective Date and end on _____.

~~(3) Billing Schedule Sequences for terms less than the initial term of this Agreement may be amended or renewed upon expiration as permitted or required in the applicable Tariffs on file with the CPUC. In the event any such Billing Schedule Sequences are not amended or renewed by the Customer, an available Tariff Service that allows a month term may be provided.~~

~~At the end of the initial term, this Agreement shall continue thereafter on a month to month basis unless terminated by written notice from one party to the other given not less than twenty (20) days prior to the last day of the initial term or any month thereafter.~~

C. Renewals/Amendments

- (1) Upon the expiration of any Billing Schedule Sequence term in Section 2, such Sequence shall automatically continue at the Otherwise Applicable Rate for the renewal period shown, unless that Sequence or this Agreement is amended or terminated by written notice from one party to the other given not less than twenty (20) days prior to the last day of the initial

Sequence/Agreement term or any subsequent term thereafter.

(2) The Otherwise Applicable Rates and renewal periods shown in Section 2 are subject to change pursuant to Utility's applicable Tariffs.

Section 2 - Services Provided and Redelivery Locations

Customer has requested and agreed to pay for, and Utility has determined that Customer is qualified for transmission services to the following locations (the data provided will be utilized by Utility in determinations regarding curtailment):

Facility A

Facility Name: _____
 Account Number: _____
 Address: _____

Mail copy of Bill to this Facility: _____

Facility Mailing Address: _____

~~Supplemental Facility Account Number(s) Measurement Location(s):~~

Full Requirements _____ (Noncore only)

Facility Customer Contacts

Operations

Emergency

Name: _____	Name: _____
Title: _____	Title: _____
Address: _____	Address: ÷ _____
_____	_____
Tel. No: _____	Tel No: _____
Fax No: _____	Fax No: _____
Wireless Phone: _____	Wireless Phone: _____
E-mail: _____	E-mail: _____

Customer shall notify Utility in the event of any change in the gas requirements or notification designations for this facility.

BILLING SCHEDULE SEQUENCE 01				
Rate Schedule	Priority	Net Billed	Transmission Rates Tariff/Negotiated	Otherwise Applicable Rate
The term of this sequence is for _____ (months or years), and shall automatically continue thereafter on the Otherwise Applicable Rate Schedule specified with automatic renewal periods of _____ (months or years).				

MONTHLY SCHEDULED QUANTITY (THERMS)			
January	_____	July	_____
February	_____	August	_____
March	_____	September	_____
April	_____	October	_____
May	_____	November	_____
June	_____	December	_____

Annual Quantity _____

Use or Pay Aggregator (Yes/No) _____

Customer's regular days for operations under this sequence are:

M _____ T _____ W _____ Th _____ F _____ Sat _____ Sun _____

BILLING SCHEDULE SEQUENCE 02				
Rate Schedule	Priority	Net Billed	Transmission Rates Tariff/Negotiated	Otherwise Applicable Rate
The term of this sequence is for _____ (months or years), and shall automatically continue thereafter on the <u>Otherwise Applicable Rate Schedule specified with automatic renewal periods of _____ (months or years).</u>				

MONTHLY SCHEDULED QUANTITY (THERMS)			
January	_____	July	_____
February	_____	August	_____
March	_____	September	_____
April	_____	October	_____
May	_____	November	_____
June	_____	December	_____

Annual Quantity _____

Use or Pay Aggregator (Yes/No) _____

Customer's regular days for operations under this sequence are:

M _____ T _____ W _____ Th _____ F _____ Sat _____ Sun _____

Section 3 - Other Existing Transportation/Exchange Arrangements

- (1) Customer has existing intrastate transportation/exchange arrangements with Utility: _____
- (2) Date of Arrangement: _____
- (3) Term of Arrangement: _____
- (4) This Agreement shall have no impact on such existing arrangement except: _____

Section 4 - Transportation Services

Customers "Order Control Code" (OCC) for gas transportation by Utility is: _____

In the event Customer has elected Transportation Services herein, a Transportation Services Addendum must be completed to indicate the specific account to which any applicable imbalance charges pursuant to imbalance service provided under Tariff Schedule G-IMB shall be applied. Additional elections may be made by ~~the e~~Customer, including but not limited to the use of Agent or Contracted Marketer services. Any elections, or changes thereto, made on the Transportation Services Addendum shall be applicable to all Customer Agreements and facilities utilizing the same Order Control Code.

Section 5 - Billing and Payment

Billing and Payment for services hereunder shall be as provided in Utility's Tariff Rule No. 9. Any special billing instructions should be noted in Section 7(E).

Section 6 - Transfer of Rights

Subject to Section 7(A), this Agreement and the rights and obligations hereunder shall only be transferred or assigned with the prior written consent of Utility which shall not be withheld unreasonably, provided that any successor first establishes its "creditworthiness" and assumes such contractual rights and obligations in writing.

Section 7 - Miscellaneous

A. Use or Pay Aggregator: _____

Use or Pay Aggregators will automatically be authorized to access Customer's meter usage. ~~To the extent applicable, appropriate authorization by~~ Customer must have completed and executed MSC Schedule B, Form No. 6597-2 (including the ~~the~~ terms and conditions thereof) ~~has been executed~~ and such Form is incorporated by reference (as supplemented from time to time) into this Agreement.

B. Contacts/Notices:

Any written notices from one party to the other affecting this Agreement shall be sent to the following locations (unless changed by seven days prior written notice):

Customer	Utility
_____	_____
_____	_____
_____	_____
Attn: _____	Attn: _____
Title: _____	Title: _____
<u>E-mail: _____</u>	<u>E-mail: _____</u>

C. Definitions:

All definitions set forth in the Tariffs, including without limitation Utility Rule No. 1, are incorporated herein by reference as if set forth in full.

D. Miscellaneous Legal Provisions:

This Agreement incorporates by reference all terms and conditions of the MSC.

E. Special Conditions: The following special conditions of service are applicable hereto:

IN WITNESS WHEREOF, the authorized representatives of the parties have executed two duplicate original copies hereof.

Customer	Utility
_____	<u>Southern California Gas Company</u>
Signature: _____	Signature: _____

Name: _____

Name: _____

Title: _____

Title: _____