

Schedule No. G-TBS

Sheet 1

TRANSACTION BASED STORAGE SERVICE  
 (Experimental)

APPLICABILITY

Applicable for unbundled firm inventory and firm or as-available injection and withdrawal storage services to noncore transportation customers, wholesale customers, contracted marketers, and marketers/agents; and to core transportation customers; core aggregators, and the Utility's gas supply department for any storage capacity that is additional to their allocated core storage rights. All eligible participants are collectively referred to herein as "customers" unless otherwise specified.

Under this storage service rate schedule, the Utility shall provide unbundled storage services for a minimum term of one month and not more than three years. The storage service package and associated charges shall be negotiated on a transactional basis between the customer and the Utility dependent on market conditions and customer needs (Special Conditions 8 through 12 of this schedule provide a description of this process).

This is an experimental rate schedule under which the Utility may offer service until such time as a new storage program is implemented by the Commission in OII 99-07-003. On this date, the Utility will discontinue offering any future service under this schedule and will only provide service to those customers with Contracts executed prior to this date and only until the expiration date of such Contracts.

TERRITORY

Applicable for gas stored by the Utility within its service territory.

RATES

Storage service rates under Schedule G-TBS consist of Reservation Charges, Variable Charges and Transmission Charges/Credits.

Reservation Charges

Firm Storage Service

The reservation charge, or price, for G-TBS storage service will be established between the customer and the Utility on a transactional basis dependent upon market conditions and the specific storage service to be provided to the customer. The price established for such service shall be no more than 120% of the sum of the individual charges set forth in Schedule No. G-LTS for firm inventory, injection and withdrawal services and no less than \$0.01 per decatherm of inventory capacity reserved. Based on the current reservation charges in Schedule No. G-LTS the maximum reservation charge under G-TBS shall be no more than \$14.271 per decatherm of inventory capacity reserved. The price shall be set forth in the Contract and shall be billed in equal monthly installments over the term of the Contract, unless Special Condition 13 applies. The price under this schedule is applicable whether the service is used or not.

(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. \_\_\_\_\_

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TRANSACTION BASED STORAGE SERVICE  
 (Experimental)  
 (Continued)

Sheet 2

RATES (Continued)

Reservation Charges (Continued)

As-Available Injection and Withdrawal

Reservation charges for as-available injection and withdrawal capacity provided under this schedule shall not be applicable unless otherwise established in the Contract.

Variable Storage Charges

Injection Service

Peak Season (April through November)

In-Kind Energy Charge, applied to all quantities delivered for injection	
Rate, percent reduction .....	2.440%
O&M Injection Charge, applied to all quantities injected (less In-Kind Charge)	
Retail, per therm .....	0.127¢
Wholesale, per therm .....	0.127¢

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Off-peak Season (December through March)

Variable charges shall not be applied for off-peak storage injection service provided under this schedule unless otherwise set forth in the Contract.

Withdrawal Service

Peak Season (November through March)

O&M Withdrawal Charge, applied to all quantities withdrawn	
Retail, per therm .....	0.177¢
Wholesale, per therm .....	0.177¢

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Off-peak Season (April through October)

Variable charges shall not be applied for off-peak storage withdrawal service provided under this schedule unless otherwise specified in the Contract.

(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  
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TRANSACTION BASED STORAGE SERVICE

(Experimental)

(Continued)

RATES (Continued)

Billing Adjustments

Billing adjustments may be necessary to reflect changes in service quantities applicable under this schedule or changes in costs used in prior period's storage charges.

Transmission Charges/Credits

Unless otherwise specified in the Contract, all gas delivered for injection for Schedule G-TBS storage account shall be assessed a transmission charge as shown below. This transmission charge shall also be applied to all gas injected through imbalance trading or transferred from another storage account.

For all gas withdrawn by the Utility under this schedule, the customer shall receive a credit as shown below. This credit shall also be applied to all gas withdrawn through imbalance trading and gas transferred to another storage account.

Transmission Charge, applied to all quantities injected (less In-Kind Charge): 5.670¢ per therm  
Transmission Credit, applied to all quantities withdrawn: 5.670¢ per therm

All other charges for transmission service shall be applied by the Utility in accordance with the provisions of the Utility's other applicable tariff schedules.

SPECIAL CONDITIONS

General

1. The definitions of the principal terms used in this rate schedule and the Utility's other tariff schedules are contained in Rule No. 1.
2. Service under this schedule shall be curtailed in accordance with the provisions of Rule No. 23.
3. All terms and conditions of Rule No. 30 and Schedule No. G-IMB shall apply to the transportation of customer-owned gas in conjunction with the storage services provided under this schedule.
4. As a condition precedent to service under this schedule, an executed Master Services Contract, Schedule J, Transaction Based Storage Service (Form Nos. 6597 and 6597-11) is required (referred to in this schedule as the "Contract"). All contracts, rates and conditions are subject to revision and modification as a result of Commission order.
5. The contract term for service under this schedule shall be set forth in the customer's Contract and shall be no less than one month and no longer than three years.

(Continued)

(TO BE INSERTED BY UTILITY)  
ADVICE LETTER NO. 2446  
DECISION NO.

ISSUED BY  
**Paul J. Cardenas**  
Vice President

(TO BE INSERTED BY CAL. PUC)  
DATE FILED Sep 28, 1995  
EFFECTIVE Nov 7, 1995  
RESOLUTION NO. \_\_\_\_\_

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Sheet 4

TRANSACTION BASED STORAGE SERVICE

(Experimental)

(Continued)

SPECIAL CONDITIONS (Continued)

General (Continued)

6. For customers under this schedule, any storage gas remaining in inventory at the conclusion of the customer's storage Contract term shall be considered an imbalance subject to the provisions of Schedule No. G-IMB, unless the customer obtains sufficient inventory capacity rights for the period immediately following the expiration of the Contract.
7. In the event the customer's storage contract is terminated, for whatever reason, prior to the completion of the term of such contract, the Utility may at its option immediately purchase any remaining inventory quantities from such customer at the applicable Buy-Back Rate stated in Schedule No. G-IMB. The Buy-Back purchase amount paid to the customer may be reduced by any outstanding amounts owed by the customer for any other services provided by the Utility.

Transactional Process

8. Any prospective customer meeting the applicability requirements of this schedule may submit a written offer for storage services to the Utility. The offer must designate the following: (1) the amount of storage inventory desired; (2) the term for which the inventory is desired; (3) the period of time the customer request to deliver gas for injection and the period during which such gas would be withdrawn; (4) the firmness of the injection and withdrawal services; (5) the reservation charges proposed to be paid to the Utility for the requested storage service package; and (6) the date and time by which the Utility must respond to the customer's offer.
9. The customer's offer shall be binding on the customer until the earlier of the indicated response deadline or unless and until the Utility provides a counter-offer to the customer, as set forth below.
10. The Utility may accept or reject the customer's offer or provide a counter-offer ("counter") to the customer proposing one or more modifications to the request. In its counter, the Utility will also indicate the time by which the customer must accept the counter.
11. In the event the customer's offer or the Utility's counter-offer is accepted by the other party, the customer shall be required to execute a Contract and the Utility shall provide the agreed upon storage services. If either the customer's offer or the Utility's counter are not accepted by the other party within the specified time, the offer and counter shall be considered null and void.
12. Any offer submitted by a customer to the Utility shall be kept confidential by the Utility. As a condition of submitting an offer, the customer shall agree to keep the submitted offer and the Utility's response thereto strictly confidential.

(Continued)

(TO BE INSERTED BY UTILITY)  
ADVICE LETTER NO. 2446  
DECISION NO.

ISSUED BY  
**Paul J. Cardenas**  
Vice President

(TO BE INSERTED BY CAL. PUC)  
DATE FILED Sep 28, 1995  
EFFECTIVE Nov 7, 1995  
RESOLUTION NO. \_\_\_\_\_

Schedule No. G-TBS

Sheet 5

TRANSACTION BASED STORAGE SERVICE

(Experimental)

(Continued)

SPECIAL CONDITIONS (Continued)

Advance Reservation Charges

13. Customers, other than end-use customers of the Utility, awarded service under this schedule shall be required to pay one-quarter (25%) of their total annual reservation charge in the first month of each contract year. The balance of the total annual reservation charge shall be billed in equal monthly installments over the remaining contract year. For contract periods less than one year, one-quarter (25%) of the total reservation charge is billed in the first month with the balance billed in equal monthly installments over the remaining contract period.

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Assignment of Rights

14. Customers served under this schedule may assign their contract storage rights in full to another customer upon 90 days notice to the Utility.

Storage Nominations

15. Storage customers must provide the Utility with their monthly nominations for storage injections and/or withdrawals concurrently with their monthly nominations for transportation service made pursuant to Rule No. 30. During the month, storage customers may request changes to their nominations upon two days notice to the Utility.
16. G-TBS customers may designate an agent to act on their behalf for the purpose of making storage nominations for their service under this schedule.

Storage Imbalance Trading

17. Except during any period of system curtailment, as described in Rule No. 23, G-TBS customers may use their available storage inventory capacity and quantities to (1) offset the customer's own transportation imbalances, or (2) trade with other customers for their transportation imbalances, under the imbalance trading provisions set forth in Schedule No. G-IMB.
18. For injections and withdrawals performed through imbalance trading, the customer shall not be required to have storage injection or withdrawal rights but shall be assessed the variable charges set forth herein for such storage operations. For such imbalance trading, the storage transaction shall be considered as occurring at the time the imbalance trade is completed by the Utility.
19. If gas is to be injected by the storage customer as a result of an imbalance trade, the customer must have sufficient available inventory space at the time the trade is completed by the Utility. If storage gas is to be withdrawn through an imbalance trade, the storage customer must have sufficient gas in inventory at the time the trade is completed.

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(TO BE INSERTED BY UTILITY)  
ADVICE LETTER NO. 2852  
DECISION NO.

ISSUED BY  
**William L. Reed**  
Vice President  
Chief Regulatory Officer

(TO BE INSERTED BY CAL. PUC)  
DATE FILED Sep 24, 1999  
EFFECTIVE Nov 3, 1999  
RESOLUTION NO. \_\_\_\_\_

Schedule No. G-TBS

Sheet 6

TRANSACTION BASED STORAGE SERVICE

(Experimental)

(Continued)

SPECIAL CONDITIONS (Continued)

Storage Inventory Transfers

20. Storage customers may mutually request to transfer gas in inventory from one customer's storage account to another. Such requests must be made by both parties to the inventory transfer and are limited to the inventory quantity available for transfer and the available inventory capacity of the receiving customer at the time the transfer is completed by the Utility. All transfers may be accepted or rejected, in whole or in part, by the Utility and shall not be deemed accepted until such time as the Utility notifies both customers of the completion of the transfer.

As-Available Injection and Withdrawal Service

21. Customers served under this schedule may utilize the Utility's as-available injection and withdrawal service to the extent permitted under their G-TBS contract.
22. For as-available injection and withdrawal service provided under this schedule and Schedule No. G-AUC, the Utility shall maintain a queue for each service establishing the order of priority for all such customers. The priority queue shall list all as-available service customers in order of their reservation charge, from highest to lowest, for the particular type of as-available service.
23. The Utility shall post the priority queue for as-available injection and withdrawal service on its Electronic Bulletin Board (EBB) as defined in Rule No. 1. The order of such auction service customers shall be indicated by an identifier code with the applicable storage capacity rate, in decatherms per day, shown for each such code. The corresponding customer name and reservation bid price for each code shall not be indicated.
24. Prior to the start of each month, the Utility shall notify all auction storage customers of the amount of as-available injection or withdrawal capacity expected to be made available beginning on the first day of the month. Such notice shall be made at least nine (9) business days prior to the start of the month. Auction storage customers must provide the Utility with their nominations for as-available injections or withdrawals concurrently with their nominations for transportation service. The Utility shall accept such storage nominations in the order of the as-available priority queue up to the amount of capacity expected to be available. If necessary, customer storage nominations for the last queue position accepted shall be prorated.
25. At any time during the month, the Utility may reduce or eliminate the amount of injection or withdrawal capacity made available under this schedule. In such an event, the Utility shall reduce customer storage nominations accepted for such capacity in reverse order of the applicable as-available priority queue.

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(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 3235  
DECISION NO.

6C13

ISSUED BY

**Lee Schavrien**  
Vice President  
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Feb 7, 2003  
EFFECTIVE Mar 30, 2003

RESOLUTION NO. \_\_\_\_\_

Schedule No. G-TBS

Sheet 7

TRANSACTION BASED STORAGE SERVICE

(Experimental)

(Continued)

SPECIAL CONDITIONS (Continued)

As-Available Injection and Withdrawal Service (Continued)

26. Customers may revise their storage nominations for as-available service upon two days notice subject to service availability and their position on the priority queue. In the event new or revised storage nominations reduce the availability of injection or withdrawal storage capacity to other auction service customers, the Utility shall adjust the storage nominations of such affected customers downward and provide notice thereof accordingly.
27. In the event additional injection or withdrawal capacity becomes available during the month for service under this schedule, the Utility shall provide notice of such additional service availability to those auction storage customers whose most recent storage nominations were not accepted in full.

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 2446  
DECISION NO.

ISSUED BY

**Paul J. Cardenas**  
Vice President

(TO BE INSERTED BY CAL. PUC)

DATE FILED Sep 28, 1995  
EFFECTIVE Nov 7, 1995

RESOLUTION NO. \_\_\_\_\_