

Schedule No. G-PAL
OPERATIONAL HUB SERVICES

Sheet 1

APPLICABILITY

This rate schedule applies to interruptible gas parking and gas loaning services (“Operations Park and Loan Services”) to any qualified creditworthy party, referred herein as “Customer”, as provided by the Utility System Operator using its system capacity. Gas parking is the temporary storage of gas on the Utility’s system and gas loaning is the temporary lending of gas from the Utility’s system. For purposes of this tariff, the Utility Gas Procurement Department is a Customer.

TERRITORY

The receipt and delivery points of service are entirely within the state of California, and are specified in the Operations Park and Loan Services Agreement (Schedule O of the Master Services Contract).

RATES

Rates for service will be negotiated on an individual transaction basis and shall depend on current market conditions.

Minimum Rate (per transaction) \$50 minimum

The minimum rate reflects the incremental administrative and overhead costs necessary to carry out an Operations Parking or Operations Loaning Transaction.

- * An additional fuel charge may be levied if the requested service will cause an incremental fuel cost for storage compression. Customer will be notified of the need for incremental fuel in advance of any service being provided, in which case Customer shall pay the In-Kind Energy charge specified in Schedule No. G-TBS.

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Sheet 2

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(Continued)

SPECIAL CONDITIONS

General

1. As a pre-requisite to the service under this schedule, an executed Master Services Contract and Schedule O, Operations Park and Loan Services Agreement (Form Nos. 6597 and 6597-22) are required (referred to in this schedule as the "Agreement"). All agreements, rates and conditions are subject to revision and modification as a result of Commission order.
2. The definitions of principal terms used in this rate schedule are contained in Rule No. 1 and in the Agreement.
3. The Utility System Operator is under no obligation to accept any bids or make any offers for Park or Loan services.
4. Service under this schedule shall be restricted in accordance with the provisions of Rule No. 23.
5. All terms and conditions of Rule No. 30 and Schedule No. G-IMB shall apply to the services provided under this schedule.
6. The length of term for service under this schedule shall be set forth in the Agreement.
7. In the event the Agreement is terminated, for whatever reason, prior to the completion of the term of such Agreement, Utility may, at its option, immediately purchase any remaining inventory quantities from Customer at the applicable Buy-Back Rate stated in Schedule No. G-IMB. The Buy-Back purchase amount paid to Customer may be reduced by any outstanding amounts owed by Customer for any other services provided by the Utility.
8. Prior to and while taking service under this tariff, Customer must meet the Utility's creditworthiness requirements.
9. Any bids or offers discussed by the parties and Agreement terms shall remain confidential except as required for reporting or disclosure by governmental agencies acting within their scope of authority.

Transaction Imbalances

10. An Under-Performance Imbalance is created when Customer uses less service than specified in the Agreement. In the event of an Under-Performance Imbalance, Customer is responsible for any charges applicable for unused capacity, unless otherwise specified in the Agreement or agreed to between the Utility and Customer.

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(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 4047
DECISION NO. 09-11-006

ISSUED BY
Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Dec 8, 2009
EFFECTIVE Apr 1, 2010
RESOLUTION NO. _____

Schedule No. G-PAL
OPERATIONAL HUB SERVICES

Sheet 3

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(Continued)

SPECIAL CONDITIONS (Continued)

Transaction Imbalances (Continued)

11. An Unauthorized-Use Imbalance occurs when Customer uses more service than specified in the Agreement. In the event of an Unauthorized-Use Imbalance, Customer shall be charged the maximum rate applicable to the services used, unless otherwise specified in the Agreement or agreed to between the Utility and Customer.
12. A Park Imbalance occurs when Customer leaves gas in Utility System beyond the date specified in the Agreement. In the event of a Park Imbalance, the Utility may, at its option, purchase, at any time, any remaining inventory quantities from Customer at the applicable Buy-Back Rate stated in Schedule No. G-IMB or charge Customer for Unauthorized Use, unless otherwise specified in the Agreement or agreed to between the Utility and Customer.
13. A Loan Imbalance occurs when Customer returns less gas to the Utility than specified in the Agreement. In the event of a Loan Imbalance, the Utility may replace the gas at a price reasonable for the Agreement's Point of Receipt consistent with the amount of notice provided by Customer, or, at the Utility's sole option, choose not to replace the gas. Where the Utility has replaced the gas, Customer shall be charged the Utility's cost for gas and transport to the Agreement's Point of Receipt, unless otherwise specified in the Agreement or agreed to between the Utility and Customer. Where the Utility has chosen not to replace the gas, Customer shall be charged the daily price, as determined by the method specified in the Agreement, applicable to the days for which an imbalance exists, multiplied by the daily imbalance amount, unless otherwise specified in the Agreement or agreed to between the Utility and Customer.

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 4047
DECISION NO. 09-11-006

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ISSUED BY

Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

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