

Schedule No. G-TBS  
TRANSACTION BASED STORAGE SERVICE  
(Experimental)

Sheet 1

APPLICABILITY

Applicable for unbundled firm or interruptible storage service, comprised of inventory, and firm or as available injection and withdrawal components, to any creditworthy party, including storage services to noncore transportation customers, wholesale customers, contracted marketers, and marketers/agents; and to core transportation customers; core aggregators, and the Utility's Gasgas Procurement supply Department for any storage capacity that is additional to their Commission-allocated core storage rights. This schedule will be used for all unbundled storage contracts executed from April 2007 through March 2012. All eligible participants, including the Utility's Gas Procurement Department, 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 no more than three years without CPUC approval. For terms more than three years, the Utility will seek CPUC approval. The storage service and associated charges shall be negotiated between the customer and the Utility, provided that the reservation charges do not exceed the applicable Component Rate Caps for this schedule. ~~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).~~

All unsubscribed storage capacity will be available for customer subscription under this schedule. Customers may seek bundled or individual component services. SoCalGas may, however, impose limits pursuant to this schedule on the amount of unbundled storage services that a customer may acquire (e.g., SoCalGas may establish minimum or maximum levels of bundled services in conjunction with unbundled storage services). For example, the Utility may require customers to purchase a certain level of injection and withdrawal services in combination with inventory, or visa-versa.

SoCalGas may discount its storage services on a nondiscriminatory basis, and in compliance with all affiliate requirements. Nothing in this schedule is intended to affect the terms/conditions of customer contracts in effect prior to April 2007.

~~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, Volumetric Charges, and Variable Charges. ~~Transmission Charges/Credits.~~

(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. G-TBS  
TRANSACTION BASED STORAGE SERVICE  
(Experimental)

Sheet 1

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, unless otherwise specified in the Contract, 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. \_\_\_\_\_

Schedule No. G-TBS

Sheet 2

TRANSACTION BASED STORAGE SERVICE

(Experimental)

(Continued)

RATES (Continued)

Component Rate Caps

SoCalGas' per-unit reservation charges for a storage transaction may not exceed the following annual amounts for each component (i.e., inventory, injection, or withdrawal) of the package for packages with terms of one year or less. Customer preferences for annual packages in lieu of shorter-term packages will be honored to the extent annual capacity is available.

Inventory

Rate, per decatherm \$1.63

Injection Capacity

Rate, per decatherm per day \$60.00

Withdrawal Capacity

Rate, per decatherm per day \$30.00

For example, inventory-only could be sold for \$1.63/dth for any term up to one year. The maximum price for a package of 1,000,000 dth inventory with 5,000 dth/day of firm injection, and 10,000 dth/day of firm withdrawal will be \$2,230,000 for any term of up to and including one year, \$4,460,000 for any term more than one year but not more than two years, and \$6,690,000 for any term more than two years but not more than three years, subject to the yearly escalation provisions described below. Similarly, the maximum price for a package of 1,000,000 dth inventory with 10,000 dth/day of firm injection, and 20,000 dth/day of firm withdrawal will be \$2,830,000 for any term of up to and including one year, \$5,660,000 for any term more than one year but not more than two years, and \$8,490,000 for any term more than two years but not more than three years, subject to the yearly escalation provisions described below.

Escalation of Component Rate Caps

The component rate caps above shall go into effect on April 1, 2007. They shall change at the beginning of each storage year by the following formulas:

1. Inflation, The Higher Of:

(Most recent annual U.S. All-Urban CPI / Prior year's annual U.S. All-Urban CPI for same month) times rate caps, or

(1 + (Annual percentage change in overall utility margin)) times rate caps.

2. Storage Expansion Investment

(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. G-TBS

Sheet 2

TRANSACTION BASED STORAGE SERVICE

(Experimental)

(Continued)

(1 + (Annual revenue requirement of unbundled storage expansion facility cost ÷ Annual at-risk revenue requirement of existing unbundled storage)) times rate caps.

Interruptible Storage Service

Interruptible storage services for injection and withdrawal may be sold on a negotiated volumetric basis. The maximum rates for these services for each day of the service shall be \$2.00/dth for withdrawal and \$2.00/dth for injection. These interruptible service rate caps are subject to the yearly escalation provisions described above. Interruptible services will be prioritized on the basis of price each day. Zero-priced, lowest-priority, interruptible injection and withdrawal service shall be included with all sales of inventory, whether that inventory is sold on a stand-alone or bundled basis.

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)

~~Rate~~retail, per ~~decatherm~~ ..... ~~0.1271~~.27¢  
~~Wholesale, per therm~~ ..... ~~0.127~~¢

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

(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. G-TBS

Sheet 2

TRANSACTION BASED STORAGE SERVICE

(Experimental)

(Continued)

Peak Season (November through March)

O&M Withdrawal Charge, applied to all quantities withdrawn

~~Rate, retail, per decatherm~~ ..... ~~0.1771.77¢~~

~~Wholesale, per therm~~ ..... ~~0.177¢~~

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

200

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. G-TBS

Sheet 3

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 (Form No. 6597) and an executed Master Services Contract, Schedule I, Transaction Based Storage Service (Form No. 6597-11) ~~are, Schedule J, Transaction Based Storage Service (Form Nos. 6597 and 6597-11)~~ is required (referred to in this schedule collectively 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. \_\_\_\_\_

Schedule No. G-TBS

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.~~

Secondary Market Assignment of Rights

~~148. Customers served under this schedule may assign their contract storage rights in full to another customer upon written notice to Utility and approval by the Utility, and such approval shall not be unreasonably withheld by the Utility. Customers shall also have the same secondary market rights as established for all other storage customers, or as otherwise provided by Commission order 90 days notice to the Utility.~~

Storage Nominations

~~915. 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.~~

~~106. 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

~~117. 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.~~

~~128. 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.~~

~~139. 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.~~

(Continued)

(TO BE INSERTED BY UTILITY)  
ADVICE LETTER NO. 2852  
DECISION NO.  
500

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 5

TRANSACTION BASED STORAGE SERVICE

(Experimental)

(Continued)

(Continued)

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 2852  
DECISION NO.

500

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

~~1420.~~ 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.

Storage Open Season

(Continued)

(TO BE INSERTED BY UTILITY)  
ADVICE LETTER NO. 3235  
DECISION NO.

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  
TRANSACTION BASED STORAGE SERVICE

Sheet 6

(Experimental)

(Continued)

15. SoCalGas may also sell G-TBS storage using various forms of storage open seasons. If SoCalGas conducts a storage open season and receives bids at the maximum price caps in excess of available capacity, it will prorate awards. If participants' bids for inventory at the maximum inventory price cap exceed available inventory capacity, then SoCalGas will prorate inventory-only bids first as required to not exceed the maximum inventory available in the Open Season. If participants' bids for injection rights at the maximum injection price cap exceed available injection capacity, then SoCalGas will prorate highest injection ratio packages completely first, and then the next highest injection ratio packages completely second, and so on. If participants' bids for withdrawal rights at the maximum withdrawal price cap exceed available withdrawal capacity, it will prorate highest ratio withdrawal packages completely first, and then the next highest withdrawal ratio packages completely second, and so on. If participants' bids for two products at their respective maximum prices exceed the maximum available capacities of those two products, the most-oversubscribed (in percentage terms relative to the constrained product) product packages will be prorated first just as described earlier in this paragraph. Once that first product constraint has been eliminated, then the other oversubscribed product packages will be prorated as necessary. After these potential prorations, SoCalGas will, consistent with the open season terms, award longer-term packages ahead of shorter-term packages.

Posting Requirements

16. SoCalGas will post all G-TBS storage transactions on its EBB within one business day of execution, including the counterparty name, quantity of storage services contracted on an unbundled basis, contract prices, and contract term.
17. Given that the value of storage services are highly dynamic, and can change not only daily, but even hourly, SoCalGas is not required to offer posted prices or contract terms to any other customers. SoCalGas will meet and confer with any market participant regarding why it did not offer them the same prices and contract terms as other posted transactions. If, after such a meet and confer session, any market participant is not satisfied with SoCalGas' explanation, they may petition the CPUC, pursuant to Section I of Rule No. 4, to require SoCalGas to offer them the same prices and contract terms as other posted transactions, and SoCalGas may oppose such petition.
18. The Utility shall post on its EBB as soon as practicable prior to each nomination cycle the injection and withdrawal capacity of its storage system. The Utility shall post on its EBB the aggregate scheduled injection and withdrawal amounts for the completed gas flow day.

Firm Inventory

(Continued)

(TO BE INSERTED BY UTILITY)  
ADVICE LETTER NO. 3235  
DECISION NO.

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 6

TRANSACTION BASED STORAGE SERVICE

(Experimental)

(Continued)

19. Zero-priced, lowest-priority, interruptible injection and withdrawal service shall be included with all sales of inventory, whether that inventory is sold on a stand-alone or package basis.

(Continued)

(TO BE INSERTED BY UTILITY)  
ADVICE LETTER NO. 3235  
DECISION NO.

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 6

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.

700

ISSUED BY

**Paul J. Cardenas**  
Vice President

(TO BE INSERTED BY CAL. PUC)

DATE FILED Sep 28, 1995  
EFFECTIVE Nov 7, 1995

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