APPENDIX B

SCHEDULES AND RULES

SCHEDULE NO. G-BR

Schedule No. G-BR Sheet 1

BACKBONE TRANSMISSION RECEIPT ACCESS

APPLICABILITY

Applicable to firm and interruptible receipt point rights to SoCalGas' backbone transmission system. Service under this Schedule is available to any creditworthy party. All eligible participants are collectively referred to herein as "Customers" unless otherwise specified.

Service under this rate schedule begins on April 1, 2004 and remains in effect through August 31, 2006. Firm receipt point rights to SoCalGas' backbone transmission system does not guarantee nor imply firm service on SoCalGas' local transmission/distribution system.

TERRITORY

Applicable throughout the SoCalGas service territory.

RECEIPT POINTS

Receipt Points available for service under this schedule are as follows:

Receipt Point	Primary Rights	Secondary Rights*	Maximum Firm Rights (MMcfd)
Topock	El Paso	Transwestern at Topock	540
Blythe	El Paso	None	1,210
North Needles	Transwestern	Questar at North Needles Mojave at Hector Road	750
North Needles (expansion)	Transwestern/ Southern Trails	Mojave at Hector Road	50
Hector Road	Mojave	Transwestern/Questar at North Needles	50
Kramer Junction	Kern River/Mojave	None	200
Wheeler Ridge (North)	Kern River/Mojave/ PG&E/Occidental	None	520
Wheeler Ridge (South)	Kern River/Mojave	PG&E/ Occidental	245
Line 85	California Producers	None	190
North Coastal	California Producers	None	120
Other	California Producers	None	N/A

* Priority over interruptible service

(Continued)

Schedule No. G-BR
BACKBONE TRANSMISSION RECEIPT ACCESS

(Continued)

DELIVERY POINTS

Delivery Points available for service under this schedule are:

1. End-User's Local Transportation Agreement
2. Citygate Pool
3. Storage Account
4. Contracted Marketer or Core Aggregator Transportation Account

RATES

I. OPEN SEASON (Rate options available at all receipt points, except Other)

G-BRF1, G-BRF2 and G-BRFS rate schedules provide firm service and are the only rate schedule options available during the initial and annual open seasons. The term of service under these rate schedules shall be consistent with the term options outlined in the open seasons.

Rate Schedule	Description of Service	Rate Structure	Reservation Rate (per Dth)	Volumetric Rate (per Dth)
G-BRF1	Firm	100% Reservation	$0.07609	$0.00000
G-BRF2	Firm	50% Res/50% Vol.	$0.04016	$0.04016
G-BRFS	Firm Seasonal	100% Reservation	$0.09131	$0.00000

II. NON-OPEN SEASON (Rate options available at all receipt points)

Backbone receipt point rights not awarded in the open seasons can be obtained through individually negotiated contracts under the G-BRFN or G-BRI rate schedules. The G-BRFN rate schedule provides firm service and the G-BRI rate schedule provides interruptible service. The term of service under the following rate schedules shall be from a minimum of one day to a term with a term end date no greater than August 31, 2006.

Rate Schedule	Description of Service	Rate Structure	Maximum Rate (per Dth)
G-BRFN	Firm	Negotiable	$0.09131
G-BRI	Interruptible	100% Volumetric	$0.09131

(Continued)

Schedule No. G-BR Sheet 3
BACKBONE TRANSMISSION RECEIPT ACCESS

(Continued)

RATES (Continued)

III. FUEL CHARGE

Transmission fuel of 0.39% will be assessed on all scheduled quantities of gas to a backbone receipt contract (BRC). For scheduling purposes, a customer will be allowed to nominate at a receipt point 0.39% more than their desired scheduled quantities (up to their DCQ) to account for in-kind fuel.

Example: Customer ABC has a BRC with a DCQ of 15,000 dekatherms. In order to actually flow 15,000 dekatherms on their BRC, Customer ABC's gross scheduled quantity should be calculated by dividing their DCQ by 0.9961. In this example, gross scheduled quantity = 15,059 (15,000/0.9961).

BILLING CALCULATION

Monthly Reservation Charge:

The Reservation Charge is payable each month regardless of the quantity of gas scheduled during the billing period. The Reservation Charge for each billing period shall be calculated using the applicable reservation rate and the DCQ as specified in Customer's BRC.

Monthly Reservation Charge = Reservation Rate * DCQ * number of days in the billing period (or if less than one month, number of days in term of contract)

Monthly Volumetric Charge:

The Volumetric Charge for each billing period shall be calculated using the applicable volumetric rate multiplied by the scheduled quantities on the Customer's BRC.

Monthly Volumetric Charge = Volumetric Rate * Quantities of Gas Scheduled during billing period

SPECIAL CONDITIONS

GENERAL

1. Definitions of the principal terms used in this schedule are contained in Rule No. 1, Definitions.

2. Any disputed bill will be treated in accordance with Rule No. 11, Disputed Bills.

(Continued)

Schedule No. G-BR Sheet 4
BACKBONE TRANSMISSION RECEIPT ACCESS

(Continued)

SPECIAL CONDITIONS (Continued)

GENERAL (Continued)

3. As a condition precedent to service under this schedule, an executed Backbone Receipt Master Agreement (BRMA) and a Backbone Receipt Contract (BRC) (Form Nos. 6597-17 and 6597-18) are required. All contracts, rates and conditions are subject to revision and modification as a result of CPUC order.

4. Customer must meet the Utility's applicable credit requirements.

5. Gas scheduled under this service may be subject to diversion as outlined in Rule No. 23, Continuity of Service and Interruption of Delivery.

6. The tariff rates shall escalate by whatever CPUC-adopted PBR or attrition formula is generally applicable to SoCalGas' base rates in effect at the time.

7. SoCalGas will display on its Electronic Bulletin Board (EBB) total available receipt capacity at each point along with the firm and interruptible scheduled volumes at the respective points during each nomination cycle.

8. SoCalGas will file with the Commission and post on its EBB a monthly negotiated backbone transmission contract report. This report will list the details, but not customer names, of all negotiated capacity transactions for firm transportation, and interruptible backbone transportation.

9. SoCalGas will post in total, by receipt point, all contracted firm capacity and the available unsubscribed backbone capacity. This information will be updated on a cycle-by-cycle basis.

10. Customers taking interruptible service under G-BRI will only be required to execute one contract, which will provide service from all receipt points.

NOMINATIONS AND BALANCING

11. Nominations are required for gas transported under this rate schedule. See Rule No. 30, Transportation of Customer-Owned Gas, for details.

12. In accordance with NAESB standards for scheduling, SoCalGas will schedule any interruptible nominations in any available backbone capacity at each of its receipt points.

(Continued)

Schedule No. G-BR Sheet 5
BACKBONE TRANSMISSION RECEIPT ACCESS

(Continued)

SPECIAL CONDITIONS (Continued)

NOMINATIONS AND BALANCING (Continued)

13. A customer may opt to designate one and only one nominating agent in addition to itself at any one time to nominate on all BRCs under a customer's BRMA. The nominating agent shall be specified in the customer's BRMA and shall apply to all BRCs under that customer's BRMA. Customer must provide appropriate written authorization to SoCalGas of its intent to add or change a designated nominating agent via the Nomination and Trading Agent Authorization Form (Form 9924). Such designation shall be subject to that nominating agent complying with applicable tariff and contractual provisions. Customer shall provide appropriate written notice to SoCalGas of its intent to terminate a nominating agent via the Termination of Nominating or Trading Agent Form (Form 9927).

14. Service under this rate schedule shall be subject to all applicable terms, conditions and obligations of Rule No. 30, Transportation of Customer-Owned Gas, Rule No. 40, Operational Flow Orders (OFO) and Rate Schedule G-IMB, Transportation Imbalance Service.

15. Any party holding firm backbone receipt point rights at the Blythe receipt point shall be subject to a minimum flow order (MFO), which can occur on any cycle and will require that party to deliver up to 50% of their DCQ at Blythe on the next scheduling cycle. A Blythe MFO will be declared when scheduled deliveries are less than minimum flow requirements specifically at the Blythe receipt point. Utility will endeavor to provide a two-hour notice prior to the next nomination deadline. Failure to deliver the requested volume at Blythe will result in a Noncompliance Charge to the capacity holder, equal to either the Stage 1 or Stage 2 OFO specified in Schedule G-IMB, applied to the deficit from the requested delivery. Stage 2 OFO charges will be applied if volumes scheduled for delivery at Blythe are less than 75% of the minimum required supply posted on Utility's EBB, or if shippers fail to respond to the initial Flow Order. If compliance with a Blythe MFO causes a balancing entity receiving gas supplies directly from a BRC (and not a citygate pool) to exceed its positive balancing tolerance, then any resulting imbalance charges will be waived. In addition, to the extent that the Blythe MFO causes that balancing entity to incur a monthly imbalance, that balancing entity will be allowed to carry the positive imbalance forward one month without incurring charges.

MARKET CONCENTRATION

16. No party in combination with either its parent company, its subsidiary(ies) or its affiliate(s) shall be entitled to acquire more than 30% of the firm backbone receipt point rights at a receipt point that have not been awarded in the set-aside stage prior to the initial open season (See Special Condition 17). The 30% limit applies to the initial open season, any subsequent open seasons and any individually negotiated contracts for firm backbone receipt point rights.

17. Backbone receipt point rights acquired in the secondary market are not subject to the 30% limitation.

(Continued)

Schedule No. G-BR Sheet 6
BACKBONE TRANSMISSION RECEIPT ACCESS

(Continued)

SPECIAL CONDITIONS (Continued)

SECONDARY MARKET ASSIGNMENTS

18. The 30% limitation will apply differently at the two Wheeler Ridge receipt points and the two North Needles points. The two Wheeler Ridge points (South and North) will be treated as one receipt point in evaluating the 30% market concentration limit. Likewise, the two North Needles points (North Needles and North Needles expansion) will be treated as one receipt point in evaluating the 30% market concentration limit.

19. All firm backbone receipt point rights on SoCalGas are assignable to any creditworthy party (see paragraph 22 below for exception). Rights may be re-assigned any number of times under the same rules applicable to assignments by persons who originally obtained the rights directly from SoCalGas. Assignments may consist of all or part of the backbone receipt point rights customer's DCQ and all or part of the remaining contract term with a minimum term of one day. SoCalGas will bill the assignee and credit the assignor subject to the provisions in paragraph 22. If the assignee's rate is less than the assignor's rate, the assignor will continue to be responsible for payment of the difference.

20. A customer may opt to designate one and only one trading agent in addition to itself at any one time to buy or sell firm backbone receipt point in the secondary market only. The trading agent shall be specified in the customer's BRMA or in the Nomination and Trading Authorization Form (Form 9924) and shall apply to all BRCs under that customer's BRMA. Such designation shall be subject to that trading agent complying with applicable tariff and contractual provisions. Customer shall provide appropriate written notice to SoCalGas of its intent to terminate a trading agent via the Termination of Nominating or Trading Agent Form (Form 9927).

21. SoCalGas' Gas Acquisition Department may acquire additional backbone receipt point rights in the secondary market and/or through individually negotiated contracts.

22. Contract assignments are subject to the following requirements: (1) assignment of contracts must be done electronically using SoCalGas' EBB by no later than two hours prior to the effective nominations cycle, (2) assignor may broker only the reservation component of their rate, (3) the total brokered rate, which is the sum of the reservation and volumetric rate, shall not exceed 120% of the G-BRF1 rate schedule, and (4) the volumetric rate component must remain the same as the assignor's.

23. The assignee must satisfy SoCalGas' applicable credit requirements. If SoCalGas' creditworthiness requirements are satisfied, SoCalGas shall notify the assignor and the assignor will then be relieved of all liability for performance by the assignee for the remainder of the term of the contract. Alternatively, the assignor may, at its option, waive the creditworthiness requirements applicable to the assignee, in which case the assignor shall remain secondarily liable for non-performance by the assignee. If an assignor exercises this option, it must continue to meet SoCalGas' applicable credit requirements for the duration of this alternative plan.

(Continued)

Schedule No. G-BR Sheet 7
BACKBONE TRANSMISSION RECEIPT ACCESS

(Continued)

24. SoCalGas' Capacity Products Department will offer to sell all its available, unutilized backbone receipt capacity on an interruptible basis at the best available market price not to exceed 120% of the G-BRF1 rate schedule.

25. Backbone receipt capacity available for sale will be displayed on SoCalGas' EBB and updated for each nominations cycle. Ask prices for backbone receipt capacity will also be posted on SoCalGas' EBB.

26. SoCalGas will post on its electronic bulletin board a summary of the completed secondary market transactions, listing the amount of capacity, the receipt point, transaction price and the term of the assignment. Information regarding secondary market transactions will be posted the next business day. Customer names will not be provided.

27. Market participants can voluntarily post secondary receipt point capacity transactions on SoCalGas' EBB.

28. SoCalGas will post on its EBB the primary holders of all backbone receipt points if authorized to do so by the primary capacity holder.

(Continued)

Schedule No. G-BR Sheet 8
BACKBONE TRANSMISSION RECEIPT ACCESS

(Continued)

SPECIAL CONDITIONS (Continued)

SET-ASIDE PRIOR TO INITIAL OPEN SEASON

29. SoCalGas Gas Acquisition and SDG&E are assigned firm backbone receipt point rights prior to the initial open season. Other Wholesale Customers, CTAs, California producers and certain long-term contract holders shall have the option to acquire firm backbone receipt point rights prior to the initial open season. The set-aside rights and available rate and term options are as follows:

SoCalGas Gas Acquisition:

Set-Aside Rights:

Receipt Point	Quantity (MMcfd)
Topock	303
North Needles	313
Blythe	355
North Coastal	73

Term: Full-term (April 1, 2004 through August 31, 2006)
Rate Options: Any combination of G-BRF1 and G-BRF2 at each receipt point.
Special Provisions: SoCalGas' Gas Acquisition Department may opt to reduce its firm receipt point rights, after the initial open season and beginning with each subsequent annual open season, based on the amount by which its market share of core procurement service has declined below 90% of total core throughput. Such a reduction of firm rights among receipt points will be subject to CPUC approval.

San Diego Gas & Electric (SDG&E):

Set-Aside Rights:

Receipt Point	Quantity (MMcfd)
Wheeler Ridge (North)	50
Blythe	10

Term: Full-term (April 1, 2004 through August 31, 2006)
Rate Options: Any combination of G-BRF1 and G-BRF2 at each receipt point.

(Continued)

Schedule No. G-BR Sheet 9
BACKBONE TRANSMISSION RECEIPT ACCESS

(Continued)

SPECIAL CONDITIONS (Continued)

SET-ASIDE PRIOR TO INITIAL OPEN SEASON (Continued)

CTAs on the SoCalGas and SDG&E System: Each CTA will have the option for initial set-aside rights, and shall have options for set-aside rights each year thereafter through August 31, 2006. If a CTA opts for set-aside rights, it must take rights for all eligible volumes, not just a portion.

Set-Aside Rights:

Receipt Point	Quantity
Topock North Needles Blythe	The quantity for a term of one year at each of Topock, North Needles and Blythe equal to the then-existing interstate capacity rights reserved for SoCalGas' Gas Acquisition, times the share of the total core market served by that CTA.

Term: One-Year
Rate Options: Any combination of G-BRF1 and G-BRF2 at each receipt point.

Other Wholesale Customers: Each wholesale customer other than SDG&E will have the following two options during the initial set-aside, and may have options for set-asides each year thereafter through August 31, 2006. Only one option may be selected at a time. If one is selected, it must be selected for all eligible volumes, not just a portion. These options, if exercised, must be exercised in full and not in part. Neither option has to be selected. To the extent the wholesale customer's load increases from the prior year's set-aside quantities, Utility is not obligated to have available the receipt point capacity to meet the incremental load. If in any one year, a wholesale customer waives its option for set-aside rights, Utility is not obligated to have available the receipt point capacity to provide those set-aside rights in subsequent years.

OPTION 1

Set-Aside Rights:

Receipt Point	Quantity
Any	Rights may be reserved to match the customer's contractual commitments upstream of each receipt point. Only upstream commitments in existence as of April 17, 2000, and with a remaining term on April 17, 2000, of at least 5 years will qualify. Also, the quantities will be limited to the core requirements of California customers of the wholesale customer (if contractual commitments for upstream capacity exceed the wholesale customers' core requirements, the customer's matching rights will be prorated to the customer's upstream commitments upstream of each receipt point); or

(Continued)

Schedule No. G-BR Sheet 10
BACKBONE TRANSMISSION RECEIPT ACCESS

(Continued)

SPECIAL CONDITIONS (Continued)

SET-ASIDE PRIOR TO INITIAL OPEN SEASON (Continued)

Term: One-Year
Rate: Any combination of G-BRF1 and G-BRF2 at each receipt point.

OPTION 2

Set-Aside Rights:

Receipt Point	Quantity
Topock North Needles Blythe	Rights may be reserved for a term of one year at each of Topock, North Needles and Blythe equal to the then-existing interstate capacity rights reserved for SoCalGas' Gas Acquisition Department, times the ratio of the wholesale customer's core throughput as a percentage of the total SoCalGas core market.

Term: One-Year
Rate: Any combination of G-BRF1 and G-BRF2 at each receipt point.

California Producers connected directly to Line 85, North Coastal (excluding ExxonMobil Corp.) or Other:

Set-Aside Rights:

Receipt Point	Quantity (MMcfd)
Line 85 North Coastal Other	A quantity up to the historical deliveries during the period June 1, 2001 through May 31, 2002.

Term: Full-term (April 1, 2004 through August 31, 2006)
Rate Options: Any combination of G-BRF1 and G-BRF2 at each receipt point.

(Continued)

Schedule No. G-BR Sheet 11
BACKBONE TRANSMISSION RECEIPT ACCESS

(Continued)

Long-Term Contract Holders: A customer under a long-term transportation contract having provisions that provide specific treatment for deliveries at particular SoCalGas receipt points shall have set-aside rights for backbone receipt point rights at those receipt points.

Set-Aside Rights:

Receipt Point	Quantity (MMcfd)
Same as that specified in long-term transportation contract as having specific treatment	The applicable daily quantities specified in customer's long-term transportation contract

Term: April 1, 2004 through August 31, 2006 (or long-term transportation contract term end date, whichever is sooner).
Rate Options: G-BRF1 only

INITIAL OPEN SEASON

30. An initial open season will be conducted through SoCalGas' on-line bid system prior to April 1, 2004 whereby firm backbone receipt point rights not awarded in the set-aside shall be made available through an open season process consisting of three stages. All three stages of the open season shall be conducted prior to April 1, 2004, and the results thereof shall be effective on that date.

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Schedule No. G-BR Sheet 12
BACKBONE TRANSMISSION RECEIPT ACCESS

(Continued)

SPECIAL CONDITIONS (Continued)

INITIAL OPEN SEASON (Continued)

I. BIDDING RIGHTS FOR NONCORE END-USE CUSTOMERS, INCLUDING WHOLESALE CUSTOMERS AND CTAs

Only existing noncore end-use customers, including wholesale customers, to the extent of their historical load and CTAs to the extent of their currently "contracted-for" load are entitled to participate in the 1st and 2nd stages. Wholesale and CTAs may participate in the 1st and 2nd stages only if they have not opted for their set-aside rights. An end-use customer's maximum bidding rights will include a base load maximum plus a monthly peaking maximum. These rights will be calculated as follows:

1) Customer's base load maximum bidding rights will be determined based on that customer's average daily historical consumption during the specified period.

2) For the months the customer uses more than their average base load, customer's monthly maximum bidding rights will be set equal to their historical usage in those particular months during the specified period.

Customers may submit an annual base load backbone bid up to the average daily quantity observed for that customer over the most recent 12 months prior to the open season. Additionally, customers may bid seasonal bids (for one or more months, not necessarily contiguous with one another) up to the seasonal quantity observed for that customer in that season over the same most recent 12-month period. However, a customer may submit a seasonal/monthly bid as long as the monthly bid does not bring the sum of the monthly plus base load capacity for the month over the projected end-use requirements of the customer (determined by historical use or other means acceptable to the utility) in that month.

A customer may not bid in aggregate more than their historical annual usage. Any capacity awarded in Round One of the open season will reduce the amount of bidding rights, both for base loaded bids and seasonal monthly bids. Customers entitled to participate may submit bids in the first stage and second stage for an amount of backbone rights up to 100% of their bidding rights, and may bid to acquire such rights at any receipt points or combination of receipt points. The sum of all of a customer's awards for Stage 1 and Stage 2 may not exceed their specified bidding rights.

End-use customers entitled to participate in the first and second stages may (1) bid on their own behalf, (2) allow a third party (such as a marketer) to bid on their behalf, or (3) assign their bidding rights to a third party (such as a marketer).

(Continued)

Schedule No. G-BR Sheet 13

BACKBONE TRANSMISSION RECEIPT ACCESS

(Continued)

II. TERM OPTIONS

Customers will have three term options to bid:

1	One-Year	April 1, 2004 through March 31, 2005
2	Two-Year	April 1, 2004 through March 31, 2006
3	Full-Term	April 1, 2004 through August 31, 2006
	Seasonal*	Specified Months in Term Options 1 through 4

* A bid for seasonal service would consist of one daily contract quantity (DCQ) specified for a certain month of the year for a specified term option. If a bid were submitted for seasonal service for multiple years, then the same DCQ would apply to the same months in each year. Example: A company that dehydrates fruit has a seasonal load of 150 dekatherms a day for the months of August, September and October every year and would like to acquire backbone receipt point rights for the next two years. This company would submit a bid for seasonal service under the G-BRFS for a DCQ of 150 for the specified months of August, September and October for Term Option 2. If this company's bid were awarded, the company would hold backbone receipt point rights for six months: August 2004, September 2004, October 2004, August 2005, September 2005 and October 2005.

III. AVAILABLE BACKBONE RECEIPT POINT RIGHTS, RATE OPTIONS, TERM OPTIONS, ELIGIBLE PARTICIPANTS, AND AVAILABLE RECEIPT POINTS

The following table summarizes for each stage the available backbone receipt point rights, rate options, term options, eligible participants and receipt point:

Stage	Available Backbone Receipt Point Rights	Rate Options	Term Options	Eligible Participants	Receipt Points
1	50% of the firm rights remaining at each receipt point after the "set-aside" rights	G-BRF1 G-BRF2 G-BRFS	1,2,3	Existing noncore customers including wholesale customers, CTAs	All, except Other
2	All firm rights not awarded from Stage 1	G-BRF1 G-BRF2 G-BRFS	1,2,3	Existing noncore customers including wholesale customers, CTAs	All, except Other

(Continued)

Schedule No. G-BR Sheet 14
BACKBONE TRANSMISSION RECEIPT ACCESS

(Continued)

SPECIAL CONDITIONS (Continued)

INITIAL OPEN SEASON (Continued)

3	All firm rights not awarded through set-asides and the first two stages; A minimum of 20% of the firm rights at each receipt point remaining available for the third stage shall be offered for a term of one year only.	G-BRF1 G-BRF2 G-BRFS	1,2,3	Any creditworthy party, except SoCalGas Gas Acquisition	All, except Other

IV. BID PROCESS AND EVALUATION

Submit Bid: All bids must be submitted through SoCalGas' internet-based bid system platform. Prior to submitting a bid, a bidder must have an executed BRMA in place and must also have satisfied the Utility's applicable credit requirements.

An end-use customer who is already in good standing for credit with SoCalGas prior to Stage 1 would be deemed creditworthy enough (only up to their specified maximum bidding rights) to participate in all three stages.

A bid must specify the specific rate schedule, quantity of firm backbone receipt point rights expressed as DCQ, specific receipt point, and the term option. A bid for seasonal service under G-BRFS must also specify the particular months in addition to the term option. A party may make multiple bids for firm backbone receipt point rights at a particular receipt point, each with different rate schedules, and may, conversely, bid different rate schedules for different receipt points. All bids once submitted cannot be withdrawn. SoCalGas will provide a confirmation to the bidding party that the submitted bid was received.

Bid Evaluation and Awards: Bids at the two rate schedules, G-BRF1 and G-BRF2, will be treated equally for purposes of awarding capacity. Bids for seasonal capacity under G-BRFS will be given a lower priority over bids for G-BRF1 and G-BRF2 in the awarding of backbone receipt point rights for over-subscribed receipt points. Only the term bid will be used to determine which bids are awarded in which quantity, if more quantity is bid than is available for a particular receipt point. Firm backbone receipt point rights will be awarded to those bidders who bid for the longest term if more quantity is bid than is available for a particular receipt point. If more quantity is bid for at the same term than is available for a particular receipt point, all such bidders will be awarded rights on a basis pro rata to the amounts they bid at that term for that point with the condition that the bidding parties are creditworthy and that they have not exceeded the 30% market concentration limit at the receipt point. The per-stage priority order for analyzing and awarding the bids will be as follows:

(Continued)

Schedule No. G-BR Sheet 15
BACKBONE TRANSMISSION RECEIPT ACCESS

(Continued)

First priority: Full term BRF 1 and BRF 2 bids
Second priority: 2-year BRF 1 and BRF 2 bids
Third priority: 1-year BRF 1 and BRF 2 bids
Fourth priority: Seasonal bids from highest number of net contract months to lowest

If during the course of a bid evaluation, a bid either exceeds the available credit of the bidder or the bid quantity would put the bidder in excess of the 30% market concentration limit, then the bid quantity will be reduced to the extent that the bid would then meet the credit and/or market concentration limit criteria. Successful bidders are contractually liable for all firm backbone receipt point rights awarded to them in the open season process and will be assigned a unique contract number for each successful bid.

SUBSEQUENT ANNUAL OPEN SEASONS

31. An annual open season will be conducted prior to April 1 of each year and the results thereof shall be effective on that date. The open season will consist of one stage only and shall not provide any preferential rights for existing end-use customers. SoCalGas shall offer all firm backbone receipt point rights that were not contracted for in the previous open season and any returned firm backbone receipt point rights under contracts expiring at or during the period for which the current open season is being held. SoCalGas must offer on a one-year term basis as much backbone receipt point rights as it had offered on a one-year term basis in the third stage of the initial open season. The open season bid process and evaluation will take place though SoCalGas' internet-based bid system platform. SoCalGas' Gas Acquisition Department may not participate in any open seasons on behalf of SoCalGas core customers.

32. The bid process and evaluation will be the same as for the initial open season.

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SCHEDULE NO. G-BSS

Schedule No. G-BSS Sheet 1
BASIC STORAGE SERVICE

APPLICABILITY

Schedule No. G-BSS is closed to new customers as of the effective date of the Comprehensive Gas OII Settlement Agreement (the "CS") (in accordance with D.01-12-018, CPUC Docket No. I-99-07-003). It is only applicable to customers with existing BSS contracts as of the effective date of the CS. T

TERRITORY

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

RATES

Reservation Charges

The Utility has pricing flexibility to charge different rates than those stated below provided the reservation charge is no higher than the maximum reservation charge allowed in the G-TBS tariff.

Annual Firm Inventory

Reservation Charge for annual inventory capacity reserved

Rate, per decatherm ..... 21.741¢

The above reservation charge shall apply to the customer's annual amount of reserved basic storage inventory and shall be billed in 12 equal monthly installments during the storage year.

One-Month Firm Injection

Reservation Charge for injection capacity reserved for one month

Rate, per decatherm ..... 19.283¢

The above reservation charge shall apply to the customer's reserved basic storage monthly injection capacity rate for the month reserved multiplied by the number of days in that month and shall be billed in 12 equal monthly installments during the storage year.

(Continued)

Schedule No. G-BSS Sheet 2
BASIC STORAGE SERVICE

(Continued)

RATES (Continued)

Reservation Charges (Continued)

Annual Firm Withdrawal

Reservation Charge for withdrawal capacity reserved for year

Rate, per decatherm/day $5.909

The above reservation charge shall apply to the customer's reserved basic storage annual withdrawal capacity and shall be billed in 12 equal monthly installments during the storage year.

All reservation charges for firm basic storage service are applicable whether the storage service is used or not and shall not be prorated under any circumstances.

Variable Charges

Variable charges are specified below, and are effective year-round, except as noted below. Variable injection charges will be assessed when a customer's net scheduled storage activity results in the customer's injection and the total system is in the injection mode on a gas flow day. Variable withdrawal charges will be assessed when a customer's net scheduled storage activity results in the customer's withdrawal and the total system is in the withdrawal mode on a gas flow day. For storage capacity obtained outside of the open season, variable charges will not apply to storage activity in the off-peak. D,N N | N D,N

For Injection T

In-Kind Energy Charge (applied to injection quantity)

Rate, percent reduction ..... 2.440% T

O&M Injection Charge (applied to injection quantity less In-Kind Charge)

Rate, per therm ..... 0.123¢ D N

For Withdrawal L,T

O&M Withdrawal Charge (applied to withdrawal quantity) L

Rate, per therm ..... 0.172¢

(Continued)

Schedule No. G-BSS
BASIC STORAGE SERVICE

(Continued)

RATES (Continued)

Billing Adjustments

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

SPECIAL CONDITIONS

General

1. The definitions of the principal terms used in the Utility's tariff schedules are contained in Rule No. 1.

2. Storage service under this schedule shall be restricted in accordance with the provisions of Rule No. 23.

3. All terms and conditions of Rule No. 30, Rule No. 40, and Schedule No. G-IMB shall apply to the storage services provided under this schedule.

4. As a condition precedent to service under this schedule, an executed Master Services Contract, Schedule D, Basic Storage Service (Form Nos. 6597 and 6597-4) is required. All contracts, rates and conditions are subject to revision and modification as a result of Commission order.

5. The contract term for service hereunder shall be one year and shall begin on either April 1 or October 1 and continue thereafter for a 12-month period. The 12-month period beginning April 1 shall be termed the Spring storage year, and the 12-month period beginning October 1 shall be termed the Fall storage year with the term "storage year" referring to either a Spring or Fall storage year as appropriate.

6. The storage year shall be comprised of seasonal periods as follows:

	Peak Season	Off-Peak Season
Injection:	April - November	December - March
Withdrawal:	November - March	April - October

(Continued)

Schedule No. G-BSS
BASIC STORAGE SERVICE

(Continued)

SPECIAL CONDITIONS (Continued)

General (Continued)

7. For transportation customers served hereunder, 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 such inventory is rolled-over by the customer into the next storage year under the provisions of Special Condition 19 herein. For 100% core subscription customers served under this schedule, the Utility shall credit the customer at the applicable core subscription procurement charge, plus brokerage fee, then in effect for any such excess storage gas in inventory, unless such inventory is rolled-over by the customer under the provisions of Special Condition 19. L

8. In the event any 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.

9. Prior to and while taking service under this tariff, a customer must meet the Utility's applicable creditworthiness requirements.

10. SoCalGas will display on its Electronic Bulletin Board (EBB) on at least a quarterly basis information about quantity, price and term for contracts subject to this schedule.

Storage Nominations

11. Basic storage service customers may designate an agent to act on their behalf for the purpose of making storage nominations for their service under this schedule. Such agents may not aggregate the storage rights of the basic storage customer with the rights of any other storage customer. L,T

Monthly Imbalance Trading L,T | L,T

12. Customers may use their available storage inventory capacity and quantities to (1) offset the customer's own monthly transportation imbalances, or (2) trade with other customers for their monthly transportation imbalances. L | L

13. For storage 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 (including In-Kind Energy and O&M charges) set forth herein for such storage operations. For such imbalance trading activity, the storage transaction shall be considered as occurring at the time the imbalance trade is completed by the Utility. L,T L

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3146
DECISION NO. 01-12-018
4P0

ISSUED BY
Lee Schavrien
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED May 1, 2002
EFFECTIVE
RESOLUTION NO.

Schedule No. G-BSS Sheet 5
BASIC STORAGE SERVICE

(Continued)

SPECIAL CONDITIONS (Continued)

Storage Inventory Transfers

14. 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. Variable storage charges are not applicable to storage inventory transfers. 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.

Basic Service Storage Rights

15. Under basic storage service, noncore customers may contract for firm storage withdrawal capacity. The awarded withdrawal capacity shall be stated as a daily capacity rate and shall be available to the customer throughout the storage year.

16. In addition to withdrawal capacity, the basic storage service customer may contract for storage inventory capacity up to seven times the customer's awarded basic service withdrawal capacity. This inventory capacity shall be available to the customer throughout the storage year.

17. The basic storage service customer must also contract for one month of firm storage injection capacity. The customer must contract for that amount of injection capacity necessary to fill the customer's awarded inventory capacity over a one-month period.

18. Basic service injection capacity shall be limited to those peak season injection months the Utility is able to make such service available. Prior to the start of the storage year, customers shall be required to designate their order of preference for the available injection months. If a customer's primary choice month is oversubscribed, the customer's awarded injection capacity for that month shall be prorated downward to a level consistent with the injection capacity available. The customer's remaining injection capacity shall be allocated to the customer's second and then third designated choice of injection month and awarded in the same manner as for the primary month. Once established, the customer's awarded injection capacity shall be stated in the customer's contract as a daily capacity rate by month and shall only be available for the designated month or months.

(Continued)

Schedule No. G-BSS Sheet 6
BASIC STORAGE SERVICE

(Continued)

SPECIAL CONDITIONS (Continued)

Year-to-Year Participation

19. At the end of each storage year, current basic storage customers will automatically have their contracted basic storage service rights rolled over to the following storage year, including any quantities in inventory at the end of the storage year. The amount of the customer's basic storage rights eligible to be rolled over to the next storage year shall be restricted to the limitations on capacity rights described above.

Core Subscription Storage

20. Core subscription customers may receive basic storage service under this schedule. The Utility shall inject such customer's core subscription storage quantities in the month or months designated in the customer's contract.

21. For the customer's contracted core subscription injection quantities, the customer shall be charged the core subscription procurement rate, plus brokerage fee, in effect during the month such quantities are injected. For core subscription withdrawal quantities, the customer shall be charged the full cost of core subscription service and shall receive a credit based on the core subscription procurement charge, plus brokerage fee, in effect during the period such quantities are withdrawn.

22. For basic storage service customers who are 100% core subscription, storage inventory may only be withdrawn during periods of curtailment of the customer's transmission service.

23. For basic storage service customers who split their requirements between core subscription service and transportation service, the customer's core subscription storage gas shall be treated as customer-owned gas and may be (1) used together with the customer's transportation deliveries to storage, or (2) traded under the imbalance trading provisions set forth in Schedule No. G-IMB.

Interruptible Injection and Withdrawal Service

24. Customers served under this schedule may utilize the Utility's as-available injection and withdrawal service to the extent customer's inventory space exists for injections and customer's inventory gas remains for withdrawals. As-available service is considered the lowest priority of interruptible service.

(Continued)

Schedule No. G-BSS
BASIC STORAGE SERVICE

(Continued)

SPECIAL CONDITIONS (Continued)

Secondary Market Transactions L

25. Subject to the conditions below, through the remainder of the term of the CS, storage customers will be allowed to transfer to any qualified person, whether or not an end-user or wholesale customer of Utility, all or any portions of their storage contract rights (inventory, injection, and withdrawal rights may be transferred independently) for any period of time up to the remaining term of their contracts. Storage contract rights may be re-transferred any number of times under the same rules applicable to transfers by persons who originally obtained the rights directly from Utility. L,T L L

26. Until the Utility is able to implement its electronic trading system, all transfers will be performed manually, and therefore, certain transfer restrictions will be in effect. Transferors must provide Utility with written notice two hours in advance of the first nomination cycle for the effective flow date of the rights transferred. Written notice must be on Form 1790. Notices received by Utility on a non-business day or after 2:30 p.m. Pacific time on a business day will be processed on the next business day. Utility holidays are considered non-business days and will be posted on Utility's EBB. These transfer restrictions will be abolished as soon as Utility's electronic trading system is implemented. During the period of manual trading, SoCalGas agrees to sell its own storage only over the same period and under the same conditions as allowed for other parties reselling their own storage. T T T

27. Prior to any notice of transfer for specific storage rights being submitted, potential transferees must have a valid executed Master Services Contract with the Utility and must have approved credit per Utility's applicable creditworthiness requirements. Until the complete implementation of the CS: (i) Utility will bill the reservation charges to the transferee only if the transfer of storage rights is a complete assignment of the entire storage contract for the remaining term of the contract; (ii) if the transfer is a partial assignment of the storage rights under the contract, or a transfer of the entire contract for a period of time less than the remaining term of the contract, Utility will continue to bill the reservation charges to the transferor and will bill the variable and transmission charges to the transferee under its existing storage agreement. If the transferee has no existing storage agreement, then a G-TBS agreement will be established for the transferred capacity. N

28. Information regarding secondary market transfer transactions (currently, the price, term of transfer, and amount of capacity transferred; and the name of parties only if the transferor and transferee authorize the Utility to divulge it) will be posted by Utility on its EBB on a periodic basis as required in the CPUC's decision approving with modifications the Comprehensive Gas OII Settlement Agreement (the "CS") (D.01-12-018) or as may be required by subsequent CPUC action. N

SCHEDULE NO. G-CGS

Schedule No. G-CGS Sheet 1
CORE GAS STORAGE

APPLICABILITY

Applicable for firm core storage service to Utility Gas Acquisition Department and core transport agents (CTAs), who are also called Energy Service Providers (ESPs).

TERRITORY

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

RATES

Reservation Charges

Annual Firm Inventory

Reservation Charge for annual firm inventory capacity reserved

Rate, per decatherm ..... 21.741¢

Annual Firm Injection

Reservation Charge for daily firm injection capacity reserved

Rate, per decatherm per day $41.265

Annual Firm Withdrawal

Reservation Charge for daily firm withdrawal capacity reserved

Rate, per decatherm per day $5.909

Reservation charges for G-CGS services shall be billed in equal monthly installments over the term of the contract. The reservation charges under this schedule are applicable whether the service is used or not.

Variable Charges

Variable charges are specified below, and are effective year-round. Variable injection charges will be assessed when a customer's net scheduled storage activity results in the customer's injection and the total system is in the injection mode on a gas flow day. Variable withdrawal charges will be assessed when a customer's net scheduled storage activity results in the customer's withdrawal and the total system is in the withdrawal mode on a gas flow day.

(Continued)

Schedule No. G-CGS
CORE GAS STORAGE

(Continued)

RATES (Continued)

Variable Charges (Continued)

For Injection

In-Kind Energy Charge (applied to injection quantity)

Rate, percent reduction 2.440%

O&M Injection Charge (applied to injection quantity less In-Kind Charge)

Rate, per therm ..... 0.123¢

For Withdrawal

O&M Withdrawal Charge (applied to withdrawal quantity)

Rate, per therm ..... 0.172¢

Billing Adjustments

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

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. Storage service under this schedule shall be restricted in accordance with Rule No. 23.

3. All terms and conditions of Rule No. 30, Rule No. 40, 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. Prior to and while taking service under this tariff, a customer must meet the Utility's applicable creditworthiness requirements.

5. Storage injection and withdrawal services offered hereunder as "firm" are subject to pro rata reductions based on the total system capacity available on a daily basis as defined in Rule No. 30.

(Continued)

Schedule No. G-CGS
CORE GAS STORAGE

(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.

8. Each February, the CTA's storage allocation for reliability/balancing and non-reliability purposes will be calculated for the following injection and withdrawal season (subject to revision in August). Reliability/balancing and non-reliability storage capacities for the total core market are:

	Reliability/Balancing	Non-Reliability	Total
Inventory (BCF)	35	35	70
Injection (MMcfd)	234	93	327
Withdrawal (MMcfd)	1,935	0	1,935

CTA's storage allocation will be based upon the ratio of the volume of winter throughput of core customers who have contracted for procurement service from the CTA to the total core market winter throughput using the actual throughput during the previous winter.

Rejection of Storage Allocations

9. CTAs do not have the option to reject allocated reliability storage, but a CTA may reject its storage allocation for non-reliability purposes by submitting Form 6536-AB.

10. Between February 15th and March 1st each year, a CTA will be given the option to accept or reject all of their annual reservation of storage for non-reliability purposes for the storage year commencing April 1st. Acceptance or rejection must be for the full non-reliability storage reservation.

Intra-Year Adjustments

11. Each August, Utility will recalculate the CTA storage reservations of reliability/balancing and non-reliability storage, and compare this new calculation with the annual reservations calculated at the beginning of the current storage season.

(Continued)

Schedule No. G-CGS
CORE GAS STORAGE

(Continued)

SPECIAL CONDITIONS (Continued)

Intra-Year Adjustments (Continued)

12. If, as a result of the intra-year calculation, the CTA's share of total (reliability plus non-reliability) storage inventory increases by more than 100,000 therms, between August 15 and September 1, the CTA must accept the increased amount of reliability storage rights effective November 1. However, the CTA has an option to accept or reject the entire amount of increased non-reliability reservation. The election to accept or reject the intra-year incremental change in non-reliability storage shall be made using Form 6536-AB between August 15 and September 1.

13. For the increased amounts of the CTA's reliability storage rights, a quantity of gas associated with those rights in the Utility Gas Acquisition Department's storage account on November 1 will be transferred to the CTA's account at a price that reflects the weighted average core procurement price for the months of April through October. However, the CTA will not receive any gas corresponding to the increased non-reliability storage it accepts. The CTA will also pay Utility the total cost of the reliability and non-reliability storage rights it receives and associated variable O&M and in-kind fuel costs for April through October of that storage year in payments over the remainder of the storage year. The Utility will provide its Gas Acquisition Department an appropriate amount of credit reflecting these costs.

14. If, as a result of the intra-year calculation, the CTA's reserved share of total (reliability plus non-reliability) storage inventory decreases by more than 100,000 therms, between August 15 and September 1, the CTA must accept the decreased amount of reliability storage inventory rights effective November 1. However, the CTA will retain its non-reliability storage rights originally accepted regardless of the reduction resulting from the intra-year calculation. The CTA must transfer to the Utility Gas Acquisition Department its reduced reliability storage rights. The reliability gas in storage on November 1 associated with those reduced reliability storage rights will also be transferred from the CTA's account to the Utility Gas Acquisition Department, which will pay the Utility for the transferred reliability storage capacity, variable O&M and in-kind fuel costs, and gas on the terms same as those described in Special Condition 13. The Utility will provide the CTA an appropriate amount of credit reflecting these costs.

(Continued)

Schedule No. G-CGS Sheet 5
CORE GAS STORAGE

(Continued)

SPECIAL CONDITIONS (Continued)

New CTA Signing-up During the Storage Year

15. Any new CTA that begins service after August 1st will not be allocated any storage rights for the remainder of that storage year. However, if a new CTA wants to begin service between March 1st and August 1st, its storage inventory, injection, and withdrawal rights will be calculated based on the same methodology as that for an intra-year adjustment for allocating storage inventory, injection, and withdrawal rights. For the amount of reservation that the new CTA needs for reliability, a quantity of gas associated with those rights in the Utility Gas Acquisition Department's storage account will be transferred to the new CTA's account at a price that reflects the weighted average core procurement price for the months of April through October. The new CTA will also pay the Utility total cost of the reliability and non-reliability storage rights it receives and associated variable O&M and in-kind fuel costs for April through October of that storage year in payments over the remainder of the storage year. The Utility will provide its Gas Acquisition Department an appropriate amount of credit reflecting these costs.

Storage Nominations

16. The Utility Gas Acquisition Department and CTA must provide the Utility with its daily nominations for storage injections and/or withdrawals concurrently with its daily nominations for transportation service made pursuant to Rule No. 30.

Storage Requirements

17. The core class -- Utility's Gas Acquisition Department and all CTAs combined – drive gas obligation will be met by the following preliminary storage targets for the winter of 2004-2005:

Month	Required Gas in Storage
November 1, 2004	35 BCF*
January 31, 2005	25 BCF
February 28, 2005	15 BCF
March 31, 2005	5 BCF**

* Utility's Gas Acquisition Department is required to hold additional gas in storage as specified in its GCIM.

** CTA's share of the March 31, 2005 storage inventory level may go to zero only if it is exiting the program as of March 31, 2005.

Required gas in storage, listed above, shall be adjusted, by no later than September 15, based upon storage field operating conditions and, including but not limited to, the drive-gas requirements.

(Continued)

Schedule No. G-CGS
CORE GAS STORAGE

(Continued)

SPECIAL CONDITIONS (Continued)

Storage Requirements (Continued)

17. (Continued)

CTA's required gas in storage will be based upon the ratio of the CTA's reliability inventory allocation to the 35 BCF total core market reliability inventory. If the CTA fails to nominate and inject gas into storage to meet its required gas in storage, described above, the gas necessary to meet the requirement will be considered to be part of the CTA's imbalance for that month.

Monthly Imbalance Trading

18. Customers may use their available storage inventory capacity and quantities to (1) offset the customer's own monthly transportation imbalances, or (2) trade with other customers for their monthly transportation imbalances.

19. For injections and withdrawals performed through monthly imbalance trading, the customer shall not be required to have storage injection or withdrawal rights but shall be assessed the variable charges (including in-Kind Energy and O&M charges) set forth herein for such storage operations based on the net imbalance trading activity each month. For such monthly imbalance trading, the storage transaction shall be considered as occurring at the time the imbalance trade is completed by the Utility.

20. *This Special Condition number is reserved.*

Storage Inventory Transfers

21. 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. Variable storage charges are not applicable to storage inventory transfers. 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.

(Continued)

Schedule No. G-CGS
CORE GAS STORAGE

(Continued)

SPECIAL CONDITIONS (Continued)

Secondary Market Transactions

22. CTAs can assign any of their storage rights (inventory, injection and withdrawal) allocated to reliability storage to a party assuming the role of the CTA, subject to Utility consent and the applicable creditworthiness requirements. This assignment would not invoke the transfer of reliability gas between Utility Gas Acquisition and these CTAs.

23. Subject to the conditions below, through the remainder of the term of the Comprehensive Gas OII Settlement Agreement (the "CS") (D.01-12-018), Core Gas Storage customers will be allowed to transfer to any qualified person, whether or not an end-user or wholesale customer of Utility, all or any portions of their reliability and non-reliability storage contract rights (inventory, injection, and withdrawal rights may be transferred independently) for any period of time up to the remaining term of their contracts. Storage contract rights may be re-transferred any number of times under the same rules applicable to transfers by persons who originally obtained the rights directly from Utility.

24. Until the Utility is able to implement its electronic trading system, all transfers will be performed manually, and therefore, certain transfer restrictions will be in effect. Transferors must provide Utility with written notice two hours in advance of the first nomination cycle for the effective flow date of the rights transferred. Written notice must be on Form 1790. Notices received by Utility on a non-business day or after 2:30 p.m. Pacific time on a business day will be processed on the next business day. Utility holidays are considered non-business days and will be posted on Utility's EBB. These transfer restrictions will be abolished as soon as Utility's electronic trading system is implemented. During the period of manual trading, SoCalGas agrees to sell its own storage only over the same period and under the same conditions as allowed for other parties reselling their own storage.

25. Prior to any notice of transfer for specific storage rights being submitted, potential transferees must have a valid executed Master Services Contract with the Utility and must have approved credit per Utility's applicable creditworthiness requirements. Until the complete implementation of the CS: (i) Utility will bill the reservation charges to the transferee only if the transfer of storage rights is a complete assignment of the entire storage contract for the remaining term of the contract; (ii) if the transfer is a partial assignment of the storage rights under the contract, or a transfer of the entire contract for a period of time less than the remaining term of the contract, Utility will continue to bill the reservation charges to the transferor and will bill the variable and transmission charges to the transferee under its existing storage agreement. If the transferee has no existing storage agreement, then a G-TBS agreement will be established for the transferred capacity.

26. Information regarding secondary market transfer transactions (currently, the price, term of transfer, and amount of capacity transferred; and the names of parties only if the transferor and transferee authorize the Utility to divulge it) will be posted by Utility on its EBB on a periodic basis as required in the CPUC's decision approving with modifications the CS or as may be required by subsequent CPUC action.

SCHEDULE NO. G-IMB

Schedule No. G-IMB Sheet 1
TRANSPORTATION IMBALANCE SERVICE

APPLICABILITY

This schedule and Rule No. 40 together stipulate the terms and conditions under which the Utility will provide imbalance services for individual customers, marketers, core transport agents (CTAs), and the Utility's Gas Acquisition Department (referred to herein as "Customers") when their usage differs from their transportation deliveries to the Utility's local transmission system. Under this schedule, the Utility will calculate and inform customers of imbalances, provide opportunities for Customers to avoid and minimize imbalances, and charge for or cash out imbalances exceeding tolerances.

The Utility offers two default balancing services: Core Default Balancing and Noncore Default Balancing. These services are described in Rule No. 40.

TERRITORY

Applicable throughout the service territory.

RATES

Monthly Charges

Balancing charges will incur for all cumulative imbalance quantities remaining at the end of the designated imbalance trading period and which are outside of the applicable Tolerance Band as described in Rule No. 40. Cumulative imbalance quantities remaining after the designated trading period and within the applicable Tolerance Band will not be subject to imbalance charges excluding the in-kind fuel charges, but will be carried forward.

Standby Charge

This charge is applied to the Customer's cumulative negative transportation imbalance (confirmed transportation deliveries less actual or core forecast usage) exceeding the Tolerance Band, and is equal to 150% of the current market price of gas during the imbalance period which will be based on an average of the following indices including authorized franchise fees, uncollectible expenses (F&U), and authorized brokerage fees:

- ICE - the daily Intercontinental Exchange Firm Physical Natural Gas Price Bulletin under the heading "West" "SoCal Border" Weighted Average Index;
- Platts Gas Daily – Daily Price Survey under the heading "Others" "SoCalGas" Midpoint; and
- Natural Gas Intelligence published price data.

The Utility will perform an annual status check to determine that the index or indices used continue to be reflective of the physical trades. If an index is no longer representative of trades, the Utility may recommend modifications so that the index used is reflective of the cash market. Any changes would be subject to CPUC approval.

Core Retail Standby Charge (SP-CR), per therm

(Continued)

Schedule No. G-IMB
TRANSPORTATION IMBALANCE SERVICE

November, 2002	$0.xxxxx
December, 2002	$0.xxxxx
January, 2003	$0.xxxxx

(Continued)

Schedule No. G-IMB
TRANSPORTATION IMBALANCE SERVICE

(Continued)

RATES (Continued)

Monthly Charges (Continued)

Standby Charge (Continued)

Noncore Retail and Wholesale Standby Charge (SP-NRW), per therm

November, 2002	$0.xxxxx
December, 2002	$0.xxxxx
January, 2003	$0.xxxxx

Buy-Back Rate

This rate is applied to the Customer's cumulative positive transportation imbalance (confirmed transportation deliveries less actual or core forecast usage) exceeding the Tolerance Band, and is equal to 50% of the current market price of gas during the imbalance period which will be based on an average of the following indices including authorized franchise fees and uncollectible expenses (F&U):

- ICE - the daily Intercontinental Exchange Firm Physical Natural Gas Price Bulletin under the heading "West" "SoCal Border" Weighted Average Index;
- Platts Gas Daily – Daily Price Survey under the heading "Others" "SoCalGas" Midpoint; and
- Natural Gas Intelligence published price data.

The Utility will perform an annual status check to determine that the index or indices used continue to be reflective of the physical trades. If an index is no longer representative of trades, the Utility may recommend modifications so that the index used is reflective of the cash market. Any changes would be subject to CPUC approval.

Core and Noncore Retail and Wholesale Buy-Back Rate (BR-RW), per therm

November, 2002	$0.xxxxx
December, 2002	$0.xxxxx
January, 2003	$0.xxxxx

Revision of the Monthly Charges / Rates

The Standby Charges and the Buy-Back Rate for an imbalance month shall be filed with the Commission and posted on or before the fifth business day of the following month, to be effective on date filed.

(Continued)

Schedule No. G-IMB Sheet 4
TRANSPORTATION IMBALANCE SERVICE

(Continued)

RATES (Continued)

Daily Charges, OFO Noncompliance

During a Stage 1 or Stage 2 OFO as described in Rule No. 40, a charge will be applied to all the red Chips remaining at the end of the designated Chip trading period as specified in Rule No. 40.

OFO Noncompliance Charges

Stage 1, per decatherm (i.e., per red Chip)	$1.00
Stage 2, per decatherm (i.e., per red Chip)	$25.00

SPECIAL CONDITIONS

1. Definitions of the principal terms used in this rate schedule are contained in Rule No. 1.

2. Imbalances will be calculated by combining all of a customer's usage for each gas measurement Day (as defined in Rule No. 1) under the same order control code, not by account or individual delivery point, compared to gas deliveries for each gas-flow date (as set forth in Rule No. 30). The order control code is used by Utility to group those facilities identified by the customer for determining the customer's imbalances.

3. Imbalance trades may be submitted through Utility's Electronic Bulletin Board (EBB) or by facsimile using the Imbalance Trading Agreement Form (Form No. 6544) and must be received by the Utility by the close of the trading period.

   To submit an imbalance trade by facsimile, both parties must complete and send by facsimile a copy of the Imbalance Trading Agreement Form to the Utility. The Utility will then confirm the trade and adjust the participants' imbalance accounts. A processing charge of $13.73 will be charged by the Utility for each imbalance trade submitted by facsimile using the Imbalance Trading Agreement Form. No processing charge will apply to an EBB subscriber for imbalance trades that are submitted by facsimile at a time the EBB system is unavailable for use by the subscriber.

4. A storage customer may trade positive imbalances, i.e., overdeliveries, into its storage account only if its storage inventory capacity is available during the month that the imbalance occurred and at the time the imbalance trade takes place. Similarly, a storage customer may trade negative imbalances, i.e., underdeliveries, using its storage account only if there is sufficient gas in storage in the account during the month that the imbalance occurred and at the time the imbalance trade takes place.

5. Customers may trade OFO day Imbalance Rights (i.e., Chips) as specified in Rule No. 40.

6. All trades are subject to meeting the Utility's applicable creditworthiness standards. The Utility will notify participants through EBB or other notice once the trade is validated.

Schedule No. G-IMB Sheet 5
TRANSPORTATION IMBALANCE SERVICE

(Continued)

SPECIAL CONDITIONS (continued)

7. To the extent Utility does not exercise its option under the applicable storage tariff, quantities remaining in a Customer's storage account, either upon completion of the Customer's storage contract term or in the event the storage contract is terminated for whatever reason prior to the completion of the term, shall be considered an imbalance subject to the provisions herein unless the customer obtains sufficient inventory capacity rights for the period immediately following the expiration of the contract.

8. If as the result of billing error, metering error, or transportation adjustments, customer trades an incorrect amount of imbalance quantities based on notification by Utility, Utility will not be liable for any financial losses or damages incurred by customer nor will Utility be financially liable to any of the customer's imbalance trading partners. If as a result of such error, Utility overbills customer, Utility shall refund the difference. If Utility underbills customer, the customer shall be liable for the undercharge including any associated penalty. The customer shall not be relieved of imbalance penalties when a subsequent billing adjustment is made by Utility. Trades occurring in prior periods will not be affected by such billing adjustments.

9. If a billing error, metering error, or transportation adjustment is made that affects a customer's monthly imbalance, the customer is informed of the change and a new bill is prepared. If the adjustment is identified and corrected substantially before the trading period, then the bill is just corrected. If it is determined that the customer may not have time to react for the trading period, the customer is given the choice whether to have the adjustment included in the quantities for the current trading period or deferred until the following month's trading period. Any adjustments that affect imbalances and are found within the month may not be deferred for imbalance trading, but applied in the month they would have been due absent the adjustment. To the extent there is an adjustment in a period where there was a daily calculation of imbalances, the adjustment will not cause any additional charges to be applied.

10. Utility may issue a bill for daily charges on a weekly or fortnightly basis upon customer or marketer request or if a customer or marketer delivers into the system less than 50% of its usage. Otherwise, daily charges shall be included in the regular monthly bill.

11. Customers with CPUC-approved bundled transportation contracts and take backbone transmission service through a bundled option shall be responsible for backbone transmission charges applicable to scheduled transportation quantities in excess of their metered consumption.

SCHEDULE NO. G-LTS

Schedule No. G-LTS
LONG-TERM STORAGE SERVICE

APPLICABILITY

Schedule No. G-LTS is closed to new customers as of the effective date of the Comprehensive Gas OII Settlement Agreement (the "CS") (in accordance with D.01-12-018, CPUC Docket No. I-99-07-003). It is only applicable to customers with existing LTS contracts as of the effective date of the CS. All eligible participants are collectively referred to herein as "customers" unless otherwise specified. T

TERRITORY

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

RATES

Reservation Charges

The Utility has pricing flexibility to charge different rates than those stated below provided the reservation charge is no higher than the maximum reservation charge allowed in the G-TBS tariff.

Annual Firm Inventory

Reservation Charge for annual firm inventory capacity reserved

Rate, per decatherm ..... 21.741¢

The above reservation charge shall apply to the customer's reserved annual firm inventory and shall be billed in 12 equal monthly installments for each storage year during the long-term contract, unless Special Condition 22 applies.

Monthly Firm Injection

Reservation Charge for monthly firm injection capacity reserved

Rate, per decatherm per day ..... 19.283¢

The above reservation charge shall apply to the customer's reserved monthly injection capacity for the contracted month multiplied by the number of days in that month and shall be billed in 12 equal monthly installments for each storage year during the long-term contract, unless Special Condition 22 applies.

(Continued)

Schedule No. G-LTS
LONG-TERM STORAGE SERVICE

(Continued)

RATES (Continued)

Reservation Charges (Continued)

Annual Firm Withdrawal

Reservation Charge for annual firm withdrawal capacity reserved

Rate, per decatherm per day $5.909

The above reservation charge shall apply to the customer's reserved annual firm withdrawal capacity and shall be billed in 12 equal monthly installments for each storage year during the long-term contract, unless Special Condition 22 applies.

All reservation charges for firm long-term storage service are applicable each storage year for the entire term of the customer's long-term contract, whether the contracted storage services are used or not.

Variable Charges

Variable charges are specified below, and are effective year-round, except as noted below. Variable injection charges will be assessed when a customer's net scheduled storage activity results in the customer's injection and the total system is in the injection mode on a gas flow day. Variable withdrawal charges will be assessed when a customer's net scheduled storage activity results in the customer's withdrawal and the total system is in the withdrawal mode on a gas flow day. For storage capacity obtained outside of the open season, variable charges will not apply to storage activity in the off-peak. D,N N | N D,N T

For Injection

In-Kind Energy Charge (applied to injection quantity) T

Rate, percent reduction ..... 2.440% D N

O&M Injection Charge (applied to injection quantity less In-Kind Charge)

Rate, per therm ..... 0.123¢ L,T

For Withdrawal L

O&M Withdrawal Charge (applied to withdrawal quantity)

Rate, per therm ..... 0.172¢

(Continued)

Schedule No. G-LTS Sheet 3
LONG-TERM STORAGE SERVICE

(Continued)

RATES (Continued)

Billing Adjustments

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

SPECIAL CONDITIONS

General

1. The definitions of the principal terms used in the Utility's tariff schedules are contained in Rule No. 1.
2. Storage service under this schedule shall be restricted in accordance with the provisions of Rule No. 23.
3. All terms and conditions of Rule No. 30, Rule No. 40, and Schedule No. G-IMB shall apply to the storage services provided under this schedule.
4. As a condition precedent to service under this schedule, an executed Master Services Contract, Schedule F, Long-Term Storage Service (Form Nos. 6597 and 6597-6) is required. All contracts, rates and conditions are subject to revision and modification as a result of Commission order.
5. The minimum contract term for service under this schedule shall be three years and the maximum contract term shall be 15 years.
6. The storage year for long-term contract service shall begin on April 1 and continue thereafter for a 12-month period. Eligible customers may contract for long-term storage service anytime during this period but the annual reservation charges applicable for the initial storage year shall not be prorated unless otherwise agreed to by the Utility. The storage year shall be comprised of seasonal periods as follows:

	Peak Season	Off-Peak Season
Injection:	April - November	December - March
Withdrawal:	November - March	April - October

7. For customers served 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 has obtained sufficient inventory capacity rights for the following storage year.

(Continued)

Schedule No. G-LTS
LONG-TERM STORAGE SERVICE

(Continued)

SPECIAL CONDITIONS (Continued)

General (Continued)

8. 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.

9. Prior to and while taking service under this tariff, a customer must meet the Utility's applicable creditworthiness requirements.

10. SoCalGas will display on its Electronic Bulletin Board (EBB) on at least a quarterly basis information about quantity, price and term for contracts subject to this schedule.

Storage Nominations

11. Long-term storage service customers may designate an agent to act on their behalf for the purpose of making storage nominations for their service under this schedule.

Monthly Imbalance Trading

12. Customers may use their available storage inventory capacity and quantities to (1) offset the customer's own monthly transportation imbalances, or (2) trade with other customers for their monthly transportation imbalances.

13. For storage 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 (including In-Kind Energy and O&M charges) set forth herein for such storage operations. For such imbalance trading activity, the storage transaction shall be considered as occurring at the time the imbalance trade is completed by the Utility.

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Schedule No. G-LTS
LONG-TERM STORAGE SERVICE

(Continued)

SPECIAL CONDITIONS (Continued)

Storage Inventory Transfers

14. 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. Variable storage charges are not applicable to storage inventory transfers. 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.

Contract Approval

15. All contracts for service under this schedule shall be filed by advice letter for CPUC approval. The Utility and the customer may negotiate special provisions for long-term storage service. Such provisions may include reservation charges other than those stated in this schedule. Any such special provisions or reservation charges shall be set forth in the customer's long-term storage contract filed with the CPUC.

Service Availability

16. Service under this schedule shall be subject to the availability of the Utility's existing unsubscribed firm storage capacity. The Utility shall not be obligated to provide firm long-term storage service in the event the Utility would have to expand its storage capacity in order to provide such service.

17. Customers may request the Utility to expand its firm storage capacity and thereby provide long-term firm storage service under this schedule. Any such expansion of the Utility's storage capacity shall be subject to the requesting customer providing sufficient financial guarantees, to the sole satisfaction of the Utility, for the recovery of any and all costs associated with the expansion of the Utility's storage facilities.

Core Subscription Storage

18. Core subscription customers may receive long-term storage service under this schedule. The Utility shall inject such customer's core subscription storage quantities in the month or months designated in the customer's long-term storage service agreement.

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Schedule No. G-LTS
LONG-TERM STORAGE SERVICE

(Continued)

SPECIAL CONDITIONS (Continued)

Core Subscription Storage (Continued)

19. For the customer's contracted core subscription injection quantities, the customer shall be charged the core subscription procurement rate, plus brokerage fee, in effect during the month such quantities are injected. For core subscription withdrawal quantities, the customer shall be charged the full cost of core subscription service and shall receive a credit based on the core subscription procurement charge, plus brokerage fee, in effect during the period such quantities are withdrawn.

20. For long-term storage service customers who are 100% core subscription, storage inventory may only be withdrawn during periods of curtailment of the customer's transmission service.

21. For long-term storage service customers who split their requirements between core subscription service and transportation-only service, the customer's core subscription storage gas shall be treated as customer-owned gas and may be (1) used together with the customer's transportation deliveries to storage, or (2) traded under the imbalance trading provisions set forth in Schedule No. G-IMB.

Advance Reservation Charges

22. 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 the storage year. The balance of the total annual reservation charge shall be billed in equal monthly installments over the remaining storage year.

Interruptible Injection and Withdrawal Service

23. Customers served under this schedule may utilize the Utility's as-available injection and withdrawal service to the extent customer's inventory space exists for injections and customer's inventory gas remains for withdrawals. As-available service is considered the lowest priority of interruptible service.

Secondary Market Transactions

24. Subject to the conditions below, through the remainder of the term of the CS, storage customers will be allowed to transfer to any qualified person, whether or not an end-user or wholesale customer of Utility, all or any portions of their storage contract rights (inventory, injection, and withdrawal rights may be transferred independently) for any period of time up to the remaining term of their contracts. Storage contract rights may be re-transferred any number of times under the same rules applicable to transfers by persons who originally obtained the rights directly from Utility.

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Schedule No. G-LTS
LONG-TERM STORAGE SERVICE

(Continued)

SPECIAL CONDITIONS (Continued)

Secondary Market Transactions (Continued)

25. Until the Utility is able to implement its electronic trading system, all transfers will be performed manually, and therefore, certain transfer restrictions will be in effect. Transferors must provide Utility with written notice two hours in advance of the first nomination cycle for the effective flow date of the rights transferred. Written notice must be on Form 1790. Notices received by Utility on a non-business day or after 2:30 p.m. Pacific time on a business day will be processed on the next business day. Utility holidays are considered non-business days and will be posted on Utility's EBB. These transfer restrictions will be abolished as soon as Utility's electronic trading system is implemented. During the period of manual trading, SoCalGas agrees to sell its own storage only over the same period and under the same conditions as allowed for other parties reselling their own storage. L T

26. Prior to any notice of transfer for specific storage rights being submitted, potential transferees must have a valid executed Master Services Contract with the Utility and must have approved credit per Utility's applicable creditworthiness requirements. Until the complete implementation of the CS: (i) Utility will bill the reservation charges to the transferee only if the transfer of storage rights is a complete assignment of the entire storage contract for the remaining term of the contract; (ii) if the transfer is a partial assignment of the storage rights under the contract, or a transfer of the entire contract for a period of time less than the remaining term of the contract, Utility will continue to bill the reservation charges to the transferor and will bill the variable and transmission charges to the transferee under its existing storage agreement. If the transferee has no existing storage agreement, then a G-TBS agreement will be established for the transferred capacity. N

27. Information regarding secondary market transfer transactions (currently, the price, term of transfer, and amount of capacity transferred; and the names of parties only if the transferor and transferee authorize the Utility to divulge it) will be posted by Utility on its EBB on a periodic basis as required in the CPUC's decision approving with modifications the Comprehensive Gas OII Settlement Agreement (the "CS") (D.01-12-018) or as may be required by subsequent CPUC action. N