

ATTACHMENT A

North Desert Transmission Zone (NDTZ) Receipt Point Capacity Allocation Methodology

- Provide for additional Rocky Mountain gas to flow into the SoCalGas system through the Kern River Pipeline (Kramer Junction) and for additional supplies to flow through Questar (North Needles)
- Provide for the allocation of receipt point capacity based on the physical capacities and expected flows of SoCalGas NDTZ
- Ensure SoCalGas' core supplies are not jeopardized by the allocation of additional capacity to these other points in the NDTZ
- Allow customers to nominate, and the respective pipelines to schedule, in all four of the nomination cycles
- Set all receipt points in the NDTZ to maximum physical capacity in Cycles 1 and 2 (subject to maintenance, operational and force majeure limitations)
 - Kern River @ Kramer Junction – 500 MMcfd
 - El Paso @ Topock – 540 MMcfd
 - TW @ North Needles – 800 MMcfd
 - Questar @ North Needles – 80 MMcfd
 - Mojave @ Hector Road – 190 MMcfd
- Receipt Point capacity at Hector Road will be set at zero until it is established as a scheduling point
- Reduce the allocated receipt point capacities at the Kramer Junction, Hector Road and Questar receipt points on a prorata basis for Cycle 3, only if expected physical flows (Cycle 2 scheduled quantities) would exceed the NDTZ capacity (expected to be 1590 MMcfd)
 - In the event there is a required receipt point capacity reduction at Kramer Junction, Hector Road and Questar, the receipt point capacities for the El Paso – Topock and TW – North Needles will be set at the Cycle 2 scheduled quantities.
- Reduce the allocated receipt point capacities at the Questar receipt point for Cycle 3 only if expected physical flows (Cycle 2 scheduled quantities) would exceed the physical limitation of the North Needles receipt point (expected to be 800 MMcfd)
 - In the event there is a required receipt point capacity reduction at Kramer Junction, Hector Road and Questar, the receipt point capacities for TW – North Needles will be set at the Cycle 2 scheduled quantities.
- Questar @ North Needles will not be reduced below 25 MMcfd and Kern River @ Kramer Junction will not be reduced below 200 MMcfd.
- If the Cycle 2 scheduled numbers for the NDTZ are less than the 1590 MMcfd of capacity, two thirds of the available space will be allocated on a prorata basis to all the pipelines in Cycle 3, not to exceed the individual pipelines' maximum or the maximum at the North Needles point
- SoCalGas makes the adjustments to the receipt point capacities using the Cycle 2 scheduled numbers, and not an earlier Cycle, to allow for nomination corrections in Cycle 2 to the account for mistakes or errors made in Cycle 1. Additionally, the scheduled numbers from Cycle 2 are more reflective of the expected flows for the coming day.
- Receipt point capacities set in Cycle 3 will remain for Cycle 4

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Examples:

Cycle 2 Scheduled Quantities above 1590

	Cycle 1	Cycle 2	Cycle 2 - Scheduled Quantities	Reduction Amount	Cycle 3	Cycle 4
EP - Top	540	540	450	0	450	450
TW - NN	800	800	675	0	675	675
KR - KJ	500	500	450	-40	410	410
Moj - HR*	0	0	0	0	0	0
QST - NN	80	80	60	-5	55	55
Totals:	1,920	1,920	1,635	-45	1,590	1,590

Cycle 2 Scheduled Quantities below 1590

	Cycle 1	Cycle 2	Cycle 2 – Scheduled Quantities	Increase Amount (Only 2/3 of Available Capacity)	Cycle 3	Cycle 4
EP - Top	540	540	420	16	436	436
TW - NN	800	800	600	23	623	623
KR - KJ	500	500	425	16	441	441
Moj - HR*	0	0	0	0	0	0
QST - NN	80	80	60	2	62	62
Totals:	1,920	1,920	1,505	57	1,562	1,562

**Cycle 2 Schedule Quantities at North Needles exceeds 800
only**

	Cycle 1	Cycle 2	Cycle 2 – Scheduled Quantities	Reduction/ Increase Amount	Cycle 3	Cycle 4
EP - Top	540	540	400	0	400	400
TW - NN	800	800	730	0	730	730
KR - KJ	500	500	380	0	380	380
Moj - HR*	0	0	0	0	0	0
QST - NN	80	80	80	-10	70	70
Totals:	1,920	1,920	1,590	-10	1,580	1,580