

APPENDIX A
Page 1

APPENDIX A TO DECISION GRANTING APPLICATION 07-07-025

Condition 1:

BGH GP Holdings, LLC, MainLine Management LLC, Buckeye GP Holdings L.P., Buckeye GP LLC, Buckeye Partners, L.P. and Buckeye Gas Storage LLC, and any successors of any of them, as well as any other intermediary entity, shall take all steps reasonably necessary to ensure that Lodi Gas Storage, L.L.C. has capital sufficient to provide safe and reliable service.

Condition 2(a):

Lodi Gas Storage, L.L.C. shall maintain its corporate records at the utility level, make such records available to the Commission pursuant to California Public Utilities Code Section 314, and shall make available utility officers, employees and agents as required by California Public Utilities Code Section 314(a).

Condition 2(b):

The books and records of BGH GP Holdings, LLC, MainLine Management LLC, Buckeye GP Holdings L.P., Buckeye GP LLC, Buckeye Partners, L.P., and Buckeye Gas Storage LLC (and any successors thereto), and any other intermediate entity, shall be made available to the Commission upon request by the Commission, its employees or its agents. Requests for production made by the Commission's employees or agents shall be deemed presumptively valid, material and relevant. Any objections to such requests shall be timely raised before the administrative law judge or assigned commissioner to the proceeding in which such objections arise or before another administrative law judge or commissioner if the request is made outside of any pending proceeding. The party making such an objection shall demonstrate that the

APPENDIX A

Page 2

request is neither reasonably related to any issue within the Commission's jurisdiction nor reasonably calculated to result in the discovery of such material. The officers and employees of the abovementioned entities shall be available to appear and testify in Commission proceedings concerning Lodi Gas Storage, L.L.C., as necessary or required.

Condition 3:

Semi-annually, on April 30 and on October 31, Lodi Gas Storage, L.L.C. shall report to the Director of the Commission's Energy Division, with a copy to the Division of Ratepayer Advocates, the following information about transactions which are not already subject to Sections 852 and 854 of the Public Utilities Code: (a) the identity of any affiliate that directly or indirectly has acquired or has made an investment resulting in a controlling interest or effective control, whether direct or indirect, in an entity in California or elsewhere in Western North America that produces natural gas or provides natural gas storage, transportation or distribution services; and (b) the identity of any affiliate that directly or indirectly has acquired or has made an investment resulting in a controlling interest or effective control, whether direct or indirect, in an entity in California or elsewhere in Western North America that generates electricity, or provides electric transmission or distribution services. Information reported pursuant to subsections (a) and (b) shall include the nature (including name and location) of the asset acquired or in which the investment was made, and the amount of the acquisition or investment. For the purposes of this Condition, the following definitions apply: "affiliate" means any direct or indirect parent entity of Lodi Gas Storage, L.L.C., any entity controlled by Lodi Gas Storage, L.L.C. whether directly or indirectly, any entity under common control with Lodi Gas Storage, L.L.C. by a direct or indirect parent entity (e.g. any subsidiary of any Lodi Gas Storage, L.L.C.

APPENDIX A
Page 3

parent entity); and “Western North America” is defined to mean, in addition to California, the states of Oregon, Washington, Arizona, New Mexico, Texas, Nevada, Colorado, Wyoming and Utah, as well as the provinces of British Columbia and Alberta in Canada and the State of Baja California Norte in Mexico.

The reporting requirement in the previous paragraph shall take effect on the April 30th or October 31st following, by at least one month, the issuance of a Commission Decision granting a modification in D.03-02-071 by the deletion of Ordering Paragraph 3(c) and in D.05-12-007 by the deletion of Ordering Paragraph 3(b). Lodi Gas Storage, L.L.C. shall file such Petition for Modification within 30 days of the effective date of any Commission decision in which the previous paragraph is imposed on Lodi Gas Storage, L.L.C. and shall be limited to the deletion of the above-referenced provisions.

Condition 4:

For purposes of Condition 4:

“Sensitive Market Information” means: Any information which would customarily be considered by a natural gas storage customer to be sensitive or proprietary, which is not available to the public, or which, if disclosed, would subject a natural gas storage customer to risk of competitive disadvantage or other business injury. This includes, but is not limited to: contractual capacity rights, actual customer injection and/or withdrawal data (including forecast/future price, historical price, contractual valuation data, costs, when injection and/or withdrawal occurs and how much natural gas is involved), both as to individual customers and in aggregate.

APPENDIX A

Page 4

Lodi Gas Storage, L.L.C., and any entity related to Lodi Gas Storage, L.L.C.: (a) shall not share Sensitive Market Information regarding Lodi Gas Storage, L.L.C. with any entity exercising direct or indirect control over Wild Goose Storage, LLC or with any other entity in which such sharing could reasonably result in the direct or indirect disclosure of Sensitive Market Information regarding Lodi Gas Storage, L.L.C. to Wild Goose Storage, LLC; (b) shall not share external providers of financial planning services, regulatory affairs, lobbying, legal, and/or risk management personnel with Wild Goose Storage, LLC or any entity exercising direct or indirect control over Wild Goose Storage, LLC, except in situations in which the sharing of external resources would not result in the direct or indirect disclosure of Sensitive Market Information regarding Lodi Gas Storage, L.L.C. to Wild Goose Storage, LLC; and (c) to the extent that any sharing of Sensitive Market Information prohibited by (a) and (b) of this Condition nevertheless occurs, shall promptly report to the Commission the nature of any such sharing.

Condition 5:

For purposes of Condition 5:

“Lodi Gas et. al.” means BGH GP Holdings, LLC., MainLine Management LLC, Buckeye GP Holdings L.P., Buckeye GP LLC, Buckeye Partners, L.P., Buckeye Gas Storage LLC, Lodi Gas Storage, L.L.C. (and any successors thereto), any entity controlled by Lodi Gas Storage, L.L.C. whether directly or indirectly, or entity under the direct or indirect control of BGH GP Holdings, LLC., MainLine Management LLC, Buckeye GP Holdings L.P., Buckeye GP LLC, Buckeye Partners, L.P., and Buckeye Gas Storage LLC (and any successors thereto).

APPENDIX A

Page 5

“Commonality of Interest” means the existence of: (a) any individual(s) or entity/entities having direct or indirect control over Lodi Gas et. al. while at the same time having direct or indirect control over Wild Goose Storage, LLC; (b) any individual(s) employed by Lodi Gas et. al. while at the same time employed by Wild Goose Storage LLC or any entity exercising direct or indirect control over Wild Goose Storage, LLC; or (c) any individual(s) on a board within Lodi Gas et. al. while at the same time serving on the board of any entity exercising direct or indirect control over Wild Goose Storage, LLC.

Lodi Gas et. al. assert that approval of this transaction shall not result in a Commonality of Interest. Lodi Gas et. al. shall not permit, without prior Commission approval, any Commonality of Interest to occur subsequent to approval of this transaction and shall promptly report to the Commission the nature of such interest if such Commonality of Interest nevertheless occurs.

(END OF APPENDIX A)