

Schedule No. GW-SD
WHOLESALE NATURAL GAS SERVICE

Sheet 1

APPLICABILITY

Applicable for intrastate transmission service for San Diego Gas & Electric Company ("Customer").

TERRITORY

Delivery points shall be as specified in the Customer's Master Services Contract, Schedule A, Wholesale Intrastate Transmission Service.

RATES

Interstate Transition Cost Surcharge (ITCS)

ITCS-SD, per therm 0.395¢

The ITCS, as defined in Rule No. 1, recovers certain interstate capacity costs and applies to all service under this schedule except for that service identified in Rule No. 1 as being exempt.

Transmission Charges

The transmission charges below are applicable for firm intrastate transmission service (GT-F8) and interruptible intrastate transmission service (GT-I8).

GT-F8 Rate/Therm 2.734¢
 GT-I8 Rate/Therm 2.734¢

Rates may be adjusted to reflect any applicable taxes, franchise or other fees, regulatory surcharges, and interstate or intrastate pipeline charges or penalties that may occur.

The number of therms to be billed shall be the number of therms determined in accordance with Rule No. 2 less the number of therms billed to customers under Schedule No. GT-SD for the same applicable billing period.

SPECIAL CONDITIONS

1. Definitions of the principal terms used in this schedule are contained in Rule No. 1.
2. As a condition precedent to service under this schedule, an executed Master Services Contract, Schedule A, Intrastate Transmission Service (Form Nos. 6597 and 6597-1) is required. All contracts, rates and conditions are subject to revision and modification as a result of Commission order.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3570
 DECISION NO. 00-04-060 & 05-12-044

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Dec 28, 2005
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Schedule No. GW-SD
WHOLESALE NATURAL GAS SERVICE

Sheet 2

(Continued)

SPECIAL CONDITIONS (Continued)

3. In the event of curtailment, the Utility shall provide service to Customer in accordance with the provisions of Rule No. 23.

~~4. The transportation imbalance will be calculated by aggregating the confirmed transportation deliveries for the customer with the confirmed transportation deliveries for customers taking service under Schedule No. GT-SD less the actual usage recorded by the Utility at the SDG&E system receipt points. All other terms and conditions of Rule No. 30 and Schedule No. G-IMB shall apply to the transportation of customer-owned gas under this schedule.~~

~~54.~~ The contract term for firm intrastate transmission service shall be two years. In the event the Customer does not subsequently execute an agreement electing an additional term, service may continue to be provided on an interruptible basis under this schedule.

~~6. Utility shall offer firm intrastate transmission service only to customers whose volumes qualify as follows:~~

~~a. Firm Interstate Customers: Firm intrastate transmission shall be available for volumes delivered through firm interstate capacity rights or where Customer purchases or receives (1) gas delivered to Utility interconnection with an interstate pipeline on a firm basis, (2) intrastate California supplies delivered directly into the Utility's system, or (3) supplies that are delivered from the Utility's storage facilities, provided that the Utility has sufficient capacity to receive and redeliver all such volumes on a firm basis.~~

~~b. Interruptible Interstate, Existing Capacity: Firm intrastate transmission shall be available for volumes delivered by Customer or Customer's shipper to the Utility on an interruptible basis through interstate pipeline capacity in existence as of November 6, 1991 to the extent and so long as (1) the capacity of the interstate pipeline is not expanded so as to create a mismatch of interstate and intrastate capacity, and (2) the Utility has adequate intrastate system capacity to receive and redeliver all such volumes on a firm basis.~~

~~The Utility shall have no obligation to build new facilities to provide firm intrastate service for Customer's volumes delivered to the Utility on an interruptible basis through interstate pipeline capacity in existence as of November 6, 1991.~~

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(TO BE INSERTED BY UTILITY)
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Lee Schavrien
Vice President
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Schedule No. GW-SD
WHOLESALE NATURAL GAS SERVICE

Sheet 3

(Continued)

SPECIAL CONDITIONS (Continued)

~~e. Interruptible Interstate, New Capacity: Firm intrastate transmission service shall be available for Customer's volumes delivered to the Utility on an interruptible basis across a new interstate pipeline or an expansion of an existing pipeline (as of November 6, 1991) provided that (1) Customer has given assurances acceptable to the Utility that any costs associated with enhancements of the Utility's intrastate system which are necessary to provide firm intrastate transmission service will be recovered by the Utility, (2) required enhancements are approved by the CPUC and are constructed and placed in service, and (3) the Utility has determined that it can physically provide firm intrastate service for all volumes.~~

57. For its firm intrastate transmission service, Customer may elect full requirements service only for that portion of such usage serving (1) its own core customers' requirements, on an aggregate basis, and/or (2) the requirements, on an individual basis, of those noncore customers designated by the Customer as requesting such service; as set forth in the Customer's Contract. The Customer must provide the Utility sufficient information to establish the usage requirements of its designated full requirements load.

68. Customer's full requirements service loads are prohibited from being displaced through use of alternate fuels or bypass pipeline service except (1) in the event of curtailment, (2) to test alternate fuel capability, or (3) where the Utility has provided prior written authorization for the use of alternate fuels or bypass for temporary periods. The Utility shall have the right to review the Customer's records in order to determine compliance hereunder.

79. In the event of any unauthorized alternate fuel use or bypass which displaces Customer's full requirements load, Customer must provide the Utility written notice thereof quantifying the extent to which alternate fuel or bypass use occurred. Such notice must be provided prior to the end of the month in which the usage took place. Any such unauthorized use will be subject to a use-or-pay charge equal to 80% of the applicable transmission charge. No other use-or-pay charges are applicable to full requirements service.

810. For its firm intrastate transmission service (excluding Customer's full requirements load, if applicable), Customer must contract for a separate annual quantity of gas applicable for each contract year during the term of the Contract ("partial requirements"). The annual contract quantity may not be changed during the term of the Contract and must be broken down by month into fixed service quantities for each contract year during the Contract term. Customer may request changes to the monthly contract quantities on a month-to-month basis, however, the total of the monthly contract quantities for a contract year must equal the annual contract quantity. The monthly quantity breakdown may be established on the basis of seasonal variations in accordance with Customer's historic usage pattern. The Utility reserves the right to accept or reject any requested contract quantities after considering Customer's historic requirements and other evidence provided by Customer regarding operational changes affecting its consumption.

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Schedule No. GW-SD
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Sheet 4

(Continued)

SPECIAL CONDITIONS (Continued)

- 944. If at the end of a contract year, Customer's partial requirements firm intrastate transmission usage is less than 75% of the Customer's firm intrastate transmission contract quantity, Customer will pay use-or-pay charges equal to 80% of the average transmission charge for the last billing month of the contract year times the difference between the Customer's actual usage and the 75% threshold. T
- 1042. Use-or-pay charges applicable to partial requirements firm intrastate transmission service shall only be forgiven to the extent Customer's reduced consumption is specifically due to intrastate curtailment or a Force Majeure event on either the interstate or intrastate systems. T
- 113. Customer may elect interruptible intrastate transmission service for all or part of its requirements. The minimum contract term for such service shall be one month. T
- 124. By mutual agreement, the Utility and Customer may negotiate interruptible intrastate transmission charges for a term of service of less than five years without CPUC approval. Any such negotiated transmission charges shall be set forth in the Customer's Contract. Any such contract must be submitted by letter to the CPUC and made available for public inspection. No other charges for service under this schedule shall be negotiable unless CPUC approval is first obtained. T
- 135. All contracts for a term of service of five years or longer ("long-term") meeting the guidelines set forth in Decision No. 92-11-052 must be filed for prior CPUC approval under the CPUC's Expedited Application Docket (EAD) procedure adopted in Decision No. 92-11-052. All other long-term contracts must be filed by advice letter for prior CPUC approval. T
- 146. Customer may be subject to the provisions of the Peaking Service Tariff, GT-PS, if it receives gas transportation service from an alternate service provider. T
- 15. Any affiliate of the Utility, including SDG&E, shipping gas on the Utility's system for use in electric generation shall use the Electronic Bulletin Board (EBB), as defined in Rule 1, to nominate and schedule such volumes separately from any other volumes that it ships on the Utility's system. Such gas will be transported under rates and terms (including rate design) no more favorable than the rates and terms available to similarly situated non-affiliated shippers for the transportation of gas used in electric generation.

(TO BE INSERTED BY UTILITY)

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Lee Schavrien
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