



RULE 25

Sheet 1

GAS TRANSPORTATION RULES FOR NONCORE CUSTOMERS

The general terms and conditions that apply whenever the utility transports either utility-procured or customer-procured gas volumes for noncore customers are described below. This rule will be part of any contract to provide such service.

A. Definitions. The definitions of principal terms used in this rule are found either herein or in Rule 1, Definitions.

B. Customer Responsibility for Interstate Transportation. Customers who qualify for either core or noncore transportation-only services are responsible for acquiring interstate transportation services to deliver customer gas to a point of interconnection with the Utility System Operator' pipeline system ~~SoCalGas~~.

C. Customer Procured Gas. Customers who procure their own gas supplies must satisfy the terms and conditions stated hereunder as well as the terms and conditions stated in Rule 30.

D. Noncore Service Elections. Customers who qualify for noncore transportation services may choose among the following service options from the utility:

~~1. Core Subscription and Noncore Procurement (Closed Service to New Customers).~~

- ~~21.~~ Firm Intrastate Transportation.
- ~~23.~~ Firm SDG&E-Only Intrastate Transportation.
- ~~34.~~ Interruptible Intrastate Transportation.
- ~~45.~~ Interruptible SDG&E-Only Intrastate Transportation.

E.I. Noncore Service Election Open Season. Once annually, in February, the utility shall send by separate mail (not combined with billing) a notice to all customers receiving and/or eligible for noncore gas service. The notice shall clearly explain the options and levels of service available to the customer. If, during any given year, the utility is holding an Open Season the notice shall identify the deadline for making changes to current gas service elections.

The utility shall make all reasonable efforts to solicit the customer's response for noncore service elections during an Open Season. If the customer fails to inform the utility of their intent during the Open Season period, they will receive default service. If their current tariff has an automatic renewal provision, the default will be continuation of their current service election(s).

Customers who elect firm noncore intrastate transportation service will only be able to change this election at the end of the two-year term of their Firm Service Level commitment, unless otherwise authorized by the CPUC. Customers who elect interruptible intrastate transportation service may only change to firm noncore intrastate transportation service during an Open Season for firm intrastate transportation.

Customers new to the utility's system and existing utility customers that become qualified for noncore service between Open Seasons shall receive interruptible service.

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F. Firm Intrastate Transportation Service. Customers who qualify for this service will be responsible for satisfying the following terms and conditions:

1. Firm intrastate transportation service.
2. Minimum two-year contract term with hourly or monthly gas nominations.
3. A 75% use-or-pay volume obligation.
4. An 80% use-or-pay rate charge.
5. Gas curtailed pursuant to Rule 14.

Service under this option will be provided under a single service schedule: Schedule EG for electric generation and cogeneration customers, and Schedule GTNC for all other noncore customers.

Service under this option provides for the transportation of gas supplies across both the SoCalGas and SDG&E pipeline systems to the customer's end-use meter.

~~G. Firm SDG&E-Only Intrastate Transportation Service. Customers who qualify for this service will be responsible for satisfying the same terms and conditions as those listed above for firm intrastate transportation service.~~

~~Service under this option will be provided under SoCalGas Schedule GT-SD in conjunction with the applicable transportation service schedule for San Diego County: Schedule EG-SD for electric generation and cogeneration customers, and Schedule GTNC-SD for all other noncore customers.~~

~~Service under SoCalGas Schedule GT-SD provides for the transportation of gas across the SoCalGas pipeline system, excluding receipt point access service. Service under the applicable transportation service schedule for San Diego County provides for the transportation of gas across the SDG&E pipeline system to the customer's end-use meter.~~

GH. Interruptible Intrastate Transportation Service. Customers who qualify for this service will be responsible for satisfying the following terms and conditions:

1. Interruptible intrastate transportation service.
2. One-month contract term, with monthly gas nominations.
3. No use-or-pay volume obligations or rate charges.
4. Gas curtailed pursuant to Rule 14.

Service under this option will be provided under a single service schedule: Schedule EG for electric generation and cogeneration customers, and Schedule GTNC for all other noncore customers.

Service under this option provides for the transportation of gas supplies across the SoCalGas, excluding receipt point access service and SDG&E pipeline systems to the customer's end-use meter.

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~~I. Interruptible SDG&E-Only Intrastate Transportation Service. Customers who qualify for unbundled interruptible end-use transportation service will be responsible for satisfying the same terms and conditions as those listed above for bundled interruptible intrastate transportation service.~~

~~Service under this option will be provided under SoCalGas Schedule GT-SD in conjunction with the applicable transportation service schedule for San Diego County: Schedule EG-SD for electric generation and cogeneration customers, and Schedule GTNC-SD for all other noncore customers.~~

~~Service under SoCalGas Schedule GT-SD provides for the transportation of gas across the SoCalGas pipeline system, excluding receipt point access service. Service under the applicable transportation service schedule for San Diego County provides for the transportation of gas across the SDG&E pipeline system and delivery to the customer's end-use meter.~~

JH. Customer Obligations. Customers electing any of the noncore service options available to them will be required to sign a Request for Retail Noncore Gas Services, Form 142-1259, specifying the customer's service elections, gas nominations, and other relevant data that the utility requires to provide such service to the customer. In addition, the customer will be obligated to the following provisions:

1. Interpretation. The interpretation and performance of any contracts for gas service shall be in accordance with the laws of the State of California, and the orders, rules and regulations of the Public Utilities Commission of the State of California, in effect from time to time.
2. Amendment or Modification. Except as required to conform with California Law and the orders, rules and regulations of the Public Utilities Commission of the State of California (which retains continuing jurisdiction over this Contract and the Schedules attached hereto), no amendment or modification shall be made to this Contract except by an instrument in writing executed by all parties thereto, and no amendment or modification shall be made by course of performance, course of dealing or usage of trade.
3. Waiver. No waiver by any party of one or more defaults under this Contract shall operate or be construed as a waiver of any other default or defaults, whether of a like or different character.
4. Damages. No party under this Contract shall be assessed any special, punitive, consequential, incidental, or indirect damages, whether in contract or tort, for any actions or inactions arising from or related to this Contract.
5. Assignment. This contract (or any rights or obligations related thereto) shall not be assigned without the prior written consent of utility, which consent shall not be withheld unreasonably (but utility may require than any assignee confirm in writing its assumption of the rights and obligations of its predecessor).

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J.I. Customer Obligations (Continued)

- 6. Hinshaw Exemption. In the event that any governmental entity (including a court) issues an order or rule which would result in the loss of utility's Hinshaw Exemption from federal regulations if this Contract entered into by utility remains in effect, utility may terminate this Contract.
- 7. CPUC Jurisdiction. This contract shall at all times be subject to such changes or modification by the Public Utilities Commission of the State of California as said Commission may, from time to time, direct in the exercise of its jurisdiction.
- 8. Payment. All bills rendered by utility shall be paid by customer within fifteen (15) days after the billing date to utility's depository (which may be changed by utility on ten (10) days prior written notice). One master billing may be made by utility for all services provided under this contract as mutually agreed. Such billing shall be sent to customer at the designated addressed provided on the customer's signed service agreement.
- 9. Request for Multiple Service. Although the customer may request several service under one service agreement, each service provided by utility to customer is separate and independent from all other services. Thus, the breach of the agreement for one service under the customer's service agreement shall not result in the breach of, or excuse performance under, another service for which the customer has contracted. Likewise, there shall be no offset between any amounts claimed to be payable or due under one schedule against amounts claimed to be payable or due under another schedule.

JK. Firm Transportation Service Elections. No change in firm transportation quantities shall be made during the two-year term of a contract.

KL. Service Termination. Customers who elect to terminate service will continue to be subject to the use-or-pay obligations and charges stated for firm transportation service, and such charges will be due and payable on the effective date of service termination.

LM. Partial Requirements Service. Customers may split their transportation requirements among the noncore service options available to them. The customer is obligated to inform the utility how the customer wishes to allocate their gas load requirements among the noncore services available to them. The customer will be responsible for satisfying the terms and conditions under each rate schedule the customer receives service.

MN. Hourly Contract Quantity (HCQ). This section shall be effective on and after May 1, 2003. Customers choosing firm noncore services may bid for transmission capacity by hour. The HCQ shall be the quantity awarded each hour as set forth in the customer's applicable service agreement.

NO. Monthly Contract Quantity. This section is effective on and after May 1, 2003. Customers receiving firm noncore services may bid on a monthly basis. The Monthly Contract Quantity (MCQ) shall be the quantity awarded each month as set forth in the customer's applicable service agreement. For customer's bidding hourly, the MCQ shall be equivalent to the summation of the HCQs for the month.

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U. Negotiation Rights (continued). The utility is not obligated to negotiate any terms which may differ from the default charges. All transportation charges for firm services provided hereunder are not subject to negotiation except as set forth under the Expedited Application Docket (EAD) procedure which the Commission established in D.92-11-052. Under the EAD procedure, the utility may negotiate a discounted firm contract with a customer in order to prevent uneconomic bypass by that customer. The Commission must approve all such discounted contracts.

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V. Service Seasons and Billing Prorations. The winter season begins December 1 and ends March 31. The summer season begins April 1 and ends November 30. In the event that the current billing period usage includes both summer and winter usage, a proration of the billing period throughput applicable to each season shall be employed. This proration shall be in proportion to the number of days gas is delivered for each season during the billing period.

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W. Alternate Fuel Requirement for Non-Cogeneration Service. Commission Decision 93-09-082, effective September 29, 1993, adopted the existing size requirement of 20,800 therms monthly average usage for determining noncore status for new customers and grandfathered those customers below the 20,800 therms per month size limit who were receiving noncore service as of September 17, 1993.

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In the event that the customer does not curtail their noncore gas load when ordered to by the utility, the following charges would apply hourly:

- (1) A charge of \$1 per therm will apply to all metered noncore gas during the initial five hours of the curtailment episode;
- (2) A charge of \$3 per therm for all metered noncore gas during the next three hours; and
- (3) A charge of \$10 per therm for all metered noncore gas during the remainder of the curtailment episode.

Any customer failing to make a reasonable effort to curtail after 48 hours will be reassigned to a core rate schedule for a minimum one-year period, effective on their next regular meter read date following the end of the curtailment episode.

Noncore non-cogeneration customers with core load through the same gas meter and/or cogeneration customers with metered gas in excess of the heat rate allowance which is core, will be able to continue use of the core gas during a curtailment without a charge, so long as the core gas has been contractually identified in advance of the curtailment, and, as such, has been billed on the customer's otherwise applicable core rate schedule.

X. Alternate Fuel Requirement for Cogeneration Service. In accordance with Section 277.3 of the Public Utilities Code, customers will not be required to maintain alternate fuel capability with respect to equipment which uses gas for purposes of cogeneration. However, in the event of curtailment, customers under this schedule will be curtailed in accordance with Rule 14, Shortage of Gas Supply, Interruption of Delivery, and Priority of Service.

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Y. Standby Boiler Customer Classification for Cogeneration Service. Cogeneration facilities with standby boilers on a given premises will be treated as one customer for purposes of assessing customer and charges, if applicable, provided the cogeneration customer has signed an affidavit (Form 143-1659) to the effect that its boiler system only operates when the cogeneration system is not operating.

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- Z. Additional Metering for EG Services. Pursuant to anti-gaming provisions adopted in Decision 00-04-060, an electric generation customer receiving electric generation services must make available upon request any measurement devices required to directly or indirectly determine the kilowatt-hours generated, or the average heat rate for the electric generation equipment. The utility shall have the right to read, inspect and/or test all such measurement devices during normal business hours. Additional gas and/or steam metering facilities required to separately determine gas usage to which the electric generation rate(s) are applicable may be installed, owned, and operated by the utility at its expense, however, the utility may, in accordance with the other anti-gaming provision, utilize estimated data to determine such gas usage. The full text of the anti-gaming provisions are provided under the Special Conditions of Schedules EG and EG-SD. T

- AA. Gas Balancing Services and Standby Service Charges. Customers are subject to the provisions specified in Schedule G-IMB. T

- BB. Retail Gas Service. Customer owned gas will be transported for use only by the customer, and, with the exception of UEG gas, will not be for delivery or resale to any other entity except in cases where over deliveries may be exchanged for trading of imbalances or as the result of authorized gas diversion. T

- CC. Interruptibility by the Utility. Service is subject to discontinuance in whole or in part without notice in case of an actual or anticipated system capacity or supply shortage. The utility will not be liable for damages resulting from service interruption or service discontinuance. Use-or-pay charges for firm transportation services will be forgiven to the extent the customer's usage falls below the use-or-pay level due to service interruptions imposed by the utility, or upstream pipeline or Force Majeure conditions, excluding required maintenance of customer's facilities, plant closures, economic conditions, or variations in agricultural crop production. T

Under force majeure conditions, a proration of customer charges will be made only if the utility has received written notice from the customer within 60 days of Force Majeure occurrence. Use-or-pay charges will be prorated in proportion to the number of days gas is offered during the billing period. Interruption or discontinuance of service will be made in accordance with Rule 14.

- DD. Interruptibility by the Customer. Written notice to the utility will be required at least 30 days prior to any customer shut-down for maintenance or routine repair of a duration anticipated to exceed one day or any other action that would significantly impact the delivery of contracted volumes of gas into the utility's pipeline distribution system. T

- EE. Gas Distribution Extensions. All extensions of gas distribution mains necessary to furnish permanent gas service to applicants will be made by the utility in accordance with Rule 15, Gas Main Extensions. T

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