



RULE 30

TRANSPORTATION OF CUSTOMER-PROCURED GAS

D. Operational Requirements (Continued)

- 10. Any penalties or charges incurred by the Utility System Operator under an interstate or intrastate supplier contract as a result of accommodating transportation services shall be paid by the responsible customer.
- 11. Customers receiving service from the Utility System Operator for the transportation of customer-owned gas shall pay any costs incurred by the Utility System Operator because of any failure by third parties to perform their obligations related to providing such service.

E. Interruption of Service

- 1. The customer's transportation service priority shall be in accordance with the definitions of Core and Noncore service, as set forth in Rule 1 and the provisions of Rule 14. If the customer's gas use is classified in more than one service priority and/or service level, it is the customer's responsibility to inform the Utility System Operator of the priority or priorities and service levels applicable to transportation service. Once established, such priorities cannot be changed during a curtailment period or more often than monthly except that service level 5 rates, which affect their curtailment status, may be changed as often as once per month.
- 2. The Utility System Operator shall have the right, without liability, to interrupt the acceptance or redelivery of gas whenever it becomes necessary to test, alter, modify, enlarge or repair any facility or property comprising a part of, or appurtenant to, the utility's system or otherwise related to its operation. The Utility System Operator will try to cause a minimum of inconvenience to the customer. Except in cases of unforeseen emergency, the utility shall give a minimum of ten (10) days advance written notice of such activity.

F. Nomination in Excess of System Capacity ~~(OFO)~~

- 1. ~~The Utility Gas Control Department's protocol for issuing an Operational Flow Order (OFO) is described in Rule No. 41. In the event that Utility System Operator determines that the transportation nominations received for a specific date of gas flow ("flow date") exceeds its expected system capacity (including storage) on such flow date, the Utility System Operator shall call an OFO and apply Buy-Back service under Schedule G-IMB separately for each flow date under an OFO. In such event, the Utility System Operator shall follow the procedure set forth below. This procedure and the resulting~~Any OFO shall apply to all customers, including wholesale customers and Utility Gas Procurement Department.
- 2. The OFO period shall begin on the flow date(s) indicated by the Utility ~~System Operator~~Gas Control Department. Customers shall be allowed to reduce their nominations or adjust their supply ranking in response to the ~~Utility System Operator's notification~~OFO.
- 3. In the event customers fail to adequately reduce their transportation nominations, the Utility System Operator shall reduce the confirmed receipt point access nominations on a pro rata basis across the system consistent with the scheduling priorities of receipt point access.
- 4. In accordance with the provisions of Schedule G-IMB, Buy-Back service shall be applied separately to each OFO day. Customer meters subject to maximum daily quantity limitations will use the maximum daily quantity as a proxy for daily usage, For Utility Gas Procurement Department, the Daily Forecast Quantity will be used as proxy for daily usage. For Core aggregators, their Daily Contract Quantity will be used as proxy for daily usage.

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RULE 30

TRANSPORTATION OF CUSTOMER-PROCURED GAS

G. Winter Deliveries

The Utility System Operator requires that customers deliver (using a combination of flowing supply and ~~firm~~-storage withdrawal) at least 50% of burn over a five day period from November through March. As the Utility System Operator's total storage inventory declines through the winter, the delivery requirement becomes daily and increases to 70% or 90% depending on the level of inventory relative to peak day minimums.

1. From November 1 through March 31 customers are required to deliver (flowing supply and ~~firm~~-storage withdrawal) at a minimum of 50% of burn over a 5-day period. In other words, for each 5-day period, the Utility System Operator will calculate the total burn and the total delivery. If the total delivery is less than 50% of the total burn, a daily balancing standby charge is applied. The daily balancing standby rate is 150% of the highest Southern California Border price during the five day period as published by Natural Gas Intelligence in "NGI's *Daily Gas Price Index*," including authorized franchise fees and uncollectible expenses (F&U) and brokerage fees. Imbalance trading ~~and interruptible withdrawals~~ may not be used to offset the delivery minimums.

a. "Burn" means usage and is defined as metered throughput or an estimated quantity such as Minimum Daily Quantity (MinDQ), as defined in Rule 1, for customers without automated meters, the Daily Contract Quantity for core aggregators, or the Daily Forecast Quantity for Utility Gas Procurement Department.

b. Example five-day periods are: Nov. 1 through Nov. 5, Nov. 6 through Nov. 10, Nov. 11 through Nov. 15 and so on. November with 30 days has six 5-day periods. December, January and March with 31 days have a 6-day period at the end of the month. February has a shortened 3 or 4-day period at the end of the month. The current 5-day period will run its course fully before the implementation of the 70% daily requirement. In the event that inventories rise above the 70% daily trigger levels by 1 Bcf, then a new, 5-day period will be implemented on the following day.

c. Example calculations for determining volumes subject to the daily balancing standby rate are: if over 5 days, total burn is 500,000 therms and total deliveries (including ~~firm~~-withdrawal) are 240,000 therms, then 10,000 therms is subject to daily balancing standby rate. (50% times 500,000 minus 240,000 equals 10,000).

d. Example calculations in using NGI's Daily Gas Price Index for determining the daily balancing standby rates are: If for Jan. 6 through Jan. 10 the NGI Southern California Border quoted price ranges are \$2.36- 2.39, \$2.36-2.44, \$2.38-2.47, \$2.36-2.42, and \$2.37- 2.45, respectively, then the daily balancing standby rate becomes \$3.71 (\$2.47 times 150%).

e. With the exception of weekends and holidays, the Utility System Operator will use quotes from the NGI publication dated on the same day as the flow date. Weekend or holiday flow dates will use the first available publication date after the weekend or holiday.

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RULE 30

Sheet 10

TRANSPORTATION OF CUSTOMER-PROCURED GAS

G. Winter Deliveries (Continued)

2. When the total inventory declines to the "peak day minimum + 20 Bcf trigger," the minimum daily delivery requirement increases to 70%. Customers are then required to be balanced (flowing supply plus ~~firm~~-storage withdrawal) at a minimum of 70% of burn on a daily basis. The 5-day period no longer applies since the system can no longer provide added flexibility. The daily balancing standby rate is 150% of the highest Southern California Border price per NGI's *Daily Gas Price Index* for the day (including authorized F&U and brokerage fees) and is applied to each day's deliveries which are less than the 70% requirement. Authorized F&U will not be added to any daily standby-by balancing charge for the Utility Gas Procurement Department to the extent it is collected elsewhere. In this regime interruptible storage withdrawal is cut in half subject to the scheduling priorities established in section D. All Operational Hub Services contributing to the underdelivery situation (i.e., Operational Hub deliveries greater than Operational Hub receipts) are suspended. All of the requirements in this paragraph are waived for the days that an OFO is in effect.
 - a. Peak day minimums are calculated annually before November 1 as part of normal winter operations planning. The peak day minimum is that level of total inventory that must be in storage to provide deliverability for the core 1-in-35 year peak day event, firm withdrawal commitments and noncore balancing requirement.
 - b. Example calculations in this regime for determining volumes subject to the daily balancing standby rates are: If on January 6 total burn is 500,000 therms, and total deliveries (including ~~firm~~-withdrawal) are 300,000 therms then 50,000 therms is subject to the daily balancing standby charge (70% times 500,000 minus 300,000 equals 50,000).
 - c. Example calculations in using NGI's *Daily Gas Price Index* for daily balancing standby rates in this regime are: if for January 6 and January 7, the NGI Southern California Border quoted price ranges are \$2.36-2.39 and \$2.36-2.44, then the daily balancing standby rates become \$3.59 (150% of 2.39) for January 6, and \$3.66 (150% times 2.44) for January 7, respectively.
3. When the total inventory declines to the "peak day minimum + 5 Bcf trigger," the minimum daily delivery requirement increases to 90%. Customers are required to be balanced (flowing supply plus ~~firm~~-storage withdrawal) at a minimum of 90% of burn on a daily basis. Similar to the 70% regime the 5 day period no longer applies. The daily balancing standby rate is charged daily and is 150% of the highest Southern California Border price per NGI's *Daily Gas Price Index* for the day (including authorized F&U and brokerage fees). Authorized F&U will not be added to any daily stand-by balancing charge for the Utility Gas Procurement Department to the extent it is collected elsewhere. In this regime there are no interruptible storage withdrawals. All Operational Hub Services contributing to the underdelivery situation (i.e., Operational Hub deliveries greater than Operational Hub receipts) is suspended. All of the requirements in this paragraph are waived for the days that an OFO is in effect.
4. Information regarding the established peak day minimums, daily balancing trigger levels and total storage inventory levels will be made available to customers on a daily basis via the EBB and other customer notification media.

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