

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY
AND COMPLIANCE DIVISION
Energy Branch

RESOLUTION G-2776
May 11, 1988.

R E S O L U T I O N

RESOLUTION G-2776; SOUTHERN CALIFORNIA GAS COMPANY
REQUESTING TO MODIFY SPECIAL SERVICE CONDITIONS OF GAS
TRANSPORTATION TARIFF SCHEDULES AND CONTRACTS; BY ADVICE
LETTER 1761, FILED JANUARY 8, 1988.

SUMMARY

1. Southern California Gas Company (SoCal) filed Advice Letter 1761 on January 8, 1988, requesting the addition of six service conditions to the tariffs, rules and service agreements for gas transportation. SoCal requested changes in the nomination procedures for shipping gas, a capping procedure for over nominations and under deliveries, an allocation procedure, a requirement that customers provide agent information, and a quarterly balancing/billing procedure.
2. SoCal responded to protests received to Advice Letter 1761 on February 19, 1988 and adopted a counter proposal to the proposed nomination procedure offered by Southern California Edison Company (Edison), but otherwise maintained the other proposals. On March 8, 1988 SoCal filed Rule 30 with Advice Letter 1767-A (Supplemental), which contained the modifications also proposed by Advice Letter 1761.
3. On March 24, 1988, a meeting was held with interested parties and SoCal to discuss and resolve the proposals contained in Advice Letter 1761.
4. On March 30, 1988 SoCal submitted substitute tariff sheets to Advice Letter 1761, which included the Edison counter proposal for the nomination procedure, changed the capping procedure volumes, and withdrew the billing procedure.

BACKGROUND

1. In Advice Letter 1761, SoCal proposed six changes to each of the tariff schedules and contracts covering gas transportation. These changes would apply to both intrautility and interutility, customer-owned transport gas. They were:

- (1) to change the special conditions in the transportation tariffs and service agreements, requiring the customer to notify SoCal by 9 AM, three working days prior to initial deliveries or any change in deliveries of gas, instead of two days notice. The counter proposal changed this to 3 PM, three working days in advance;
- (2) to add to the special conditions of the transportation tariffs and service agreements a provision for temporarily limiting capacity allocations the next nomination day to 95% of the shippers requested capacity or 50,000 therms, whichever is greater when an under delivery occurs. SoCal increased the therm allowance to 75,000 therms;
- (3) to add definitions for the terms "Minimum Delivery Obligation" and "Shipper" to the definition section of the transportation service agreements and to modify the requirements for minimum delivery obligations;
- (4) to add a provision to the transportation service agreements requiring that any Shipper or Agent with multiple contracts must allocate gas quantities among the contracts. If no allocation is made by such Shipper or Agent, SoCal will divide the capacity available on a pro-rata basis with Shipper's or Agent's other contracts;
- (5) to add a provision to transportation service agreements requiring the customer to provide SoCal with the names of its Shippers(s) and any brokers or agents used for delivery of gas to SoCal and, their authority to represent the customer; and
- (6) to modify the accounting and billing provision of Forms 6351 and 6400 to allow adjustments for over deliveries during previous months to be accounted for by allocating them to the current month's balancing account and, in the event less gas is transported than was originally reported, to allow the additional gas used by the customer to be purchased in the current month at the current applicable sales rate.

This proposed change has been withdrawn.

2. SoCal states that these proposed changes will relieve its increasing administrative and computer burdens with the extra handling of daily transactions; will allow for a more efficient utilization of capacity; and, will clarify allocation responsibilities.

3. SoCal had requested this advice letter filing become effective 40 days beyond the filing date of January 8, 1988. When it became clear that this date would not be met, SoCal verbally requested that the matter be resolved by the gas implementation date of May 1, 1988.

PROTESTS

1. Protests to Advice Letter 1761 were received from Southern California Edison Company (SCE), San Diego Gas and Electric Company, (SDG&E), City of Long Beach, Gas Department (Long Beach) and the California Industrial Group (CIG), an ad hoc association of industrial users with manufacturing facilities located in California. Protests regarding the same information in Rule 30 of the Gas Implementation Advice Letter 1767 were also received from the above parties and from Mock Resources, Inc. (MOCK).

2. Three Day Nomination Procedure - SoCal states that two days notice is insufficient to allow for rescheduling deliveries from other shippers and suppliers to avoid excess capacity. It states that the greatest problem caused by this two day notice period is "the bottleneck created in entering transactions into a gas control computer program." All protestors oppose the notification change from a two day to a three working day minimum.

Long Beach states that such a change would be inconsistent and confusing given the existing industry standard of one and two day notification periods required by the major pipelines. In addition, Long Beach states that there is a current difficulty nominating gas over the weekend. A change to three days would severely impact their ability to handle weekend nominations. Edison adds that that this change will complicate the coordination of nominations between the purchaser, supplier and SoCal. Mock adds that this will also aggravate interstate coordination with Pacific Gas and Electric Company (PG&E).

SDG&E states that this change would take away substantial flexibility in allowing it, as well as other transportation customers, the right to manage their own gas portfolios in today's changing marketplace. SDG&E argues that many of

their suppliers may not be able to confirm nominations five days in advance (counting a weekend), especially at the beginning of each month when suppliers are trying to obtain gas at the highest bids. Also, SDG&E argues that such a change could impede its ability to purchase enough transportation gas at the lowest price to meet the needs of its customers, as compared to PG&E or other shippers and utilities east of California.

SDG&E further argues that since SoCal is held only to a two day notice required by the interstate pipelines and holds a high shipping priority, it could effectively block SDG&E's nominations confirmed one to three days earlier under their proposal and they would not know about it in sufficient time to make other arrangements.

Mock objects to this change because of its impact on shippers and customer's abilities to make market responsive decisions. In particular, any firm assurances of their gas deliveries become weakened with an earlier nomination time, interstate capacity could diminish, supplies could be interrupted or variable supply needs might not be met.

Long Beach requests that nominations continue on the basis of two days, but that they also be accepted over the weekend. SDG&E also suggests that SoCal move to a seven day a week operation. This would increase the time available for transportation administration.

In response to SDG&E's and Long Beach's appeal for a seven day a week operation, SoCal argues that this is impractical, for the industry operates largely on a weekly schedule. Furthermore, SoCal argues that the transportation service they provide "is intended to accomodate reasonably constant transportation volumes, and is not designed to accommodate daily variations in transportation nominations."

Although it supports a two day notice, Edison suggests that if the Commission believes the three day notice is required for the nominating process, that the nomination time deadline should be changed from 9 AM to 3 PM to allow for work to be processed within normal business hours. SoCal agreed to this counter proposal in its response to the protests.

SoCal responds that they currently must nominate all El Paso transportation volumes by noon, two days in advance, and, with allowing customers to continue to nominate up to 10 am, SoCal has just two hours to adjust its own transport nominations before the El Paso deadline. SoCal argues that this proposed change be made to meet the expected increase in transportation customers under the new gas structure and

the administrative problems of handling the greater number of nomination quantities before the noon deadline.

3. Capacity Capping Procedure - SoCal proposes that each shipper be required to transport a minimum shipment obligation of 95% or the shipper's nominations for that day, or the nominated amount less 50,000 therms, whichever is greater. Failure to ship the minimum amount would result in the penalty of limiting the following day's capacity to the amount actually shipped on the preceding day. The therm amount was increased to 75,000 therms following the March 24th meeting.

SoCal states that the proposed capping procedure "is designed to minimize unused capacity on the SoCalGas system. When a customer nominates a certain quantity of transportation gas, SoCal Gas schedules its nominations on the interstate pipeline systems as though all of the capacity nominated will be used. When actual deliveries are less than nominated, it is too late for SoCal Gas to increase its nominations to utilize the unused capacity."

SoCal continues with "substantial capacity was lost during 1987 due to the failure of transportation customers to utilize their nominated capacity. Moreover, when customers fail to use their nominated capacity, they purchase sales volumes from SoCal Gas. Therefore, the over nomination of capacity reduces SoCalGas' ability to obtain transportation capacity for its spot market program, while at the same time, increasing demand by noncore customers for sales volumes. This situation leads to less spot supply being available for the core portfolio, the the detriment of SoCalGas' customers."

SDG&E objects to this proposal, citing operational problems. "Based on 1986-1987 records, SoCal would not know from day to day if a shipper is receiving 95% or more of its gas. Adjustments are frequently confirmed months after the date in question.

SoCal replies that they receive a daily report of each shipper's actual deliveries. "While the initial delivery data is subject to relatively minor revision, it is reasonably accurate and clearly sufficient for the purposes of implementing SoCal Gas' proposed capacity cap."

In addition, by asking for a three working day nomination cycle, the chances for a transportation customer to correct any supply shortages are diminished. El Paso has recently notified SDG&E of delivery point constraints with a 48 hour notification. SDG&E would have nominated the gas one to

three days earlier under SoCal's new proposal and would then be penalized further with this capacity constraint continued by SoCal for the next day, or longer, depending on the three working days required for changing nominations and the occurrence of weekends."

SDG&E states that the "50,000 therm limitation on variation from nominations could hold a shipper, such as SDG&E, to a margin of only 2%. Edison would be held to an even smaller margin while most of SoCal's industrial customers would have a 5% leeway." SoCal has since increased the therm allowance to 75,000 therms.

Edison argues against this proposal, calling the change from the existing ten percent allowance to five percent too arbitrary and restrictive. "Consideration should be given, for customers such as Edison whose loads are highly variable, to at least make allowance for variation in transportation volumes because such variation is required to track the customers' (electric) loads."

CIG calls the 95% criterion "an impractical level of precision" and further, quotes SoCal's current service agreement language recognizing that deliveries may not balance on a day to day basis, and that fluctuations of a least 10 percent are contemplated (Sections 2.02, 2.05)."

CIG asserts that "these proposed changes would impose substantially different conditions from those envisioned when many customers executed contracts with their suppliers. Adding new and more restrictive conditions at this time will disrupt existing supply arrangements."

CIG further questions the need for "such stringent capacity conditions on an ongoing basis. There are no current capacity shortages. Even during the extremely high demand period in December, 1987, interruption of transportation volumes was not necessary. Further, even if precise scheduling of volumes became necessary during peak demand periods, there is no reason to give SoCal the authority to impose such provisions 365 days a year. If there was indeed some clear need for these provisions, SoCal should be authorized to apply them only for a period of real or threatened capacity shortages."

Long Beach objects to this proposal, "in particular, the clause that would allow such limitation to remain in place for the entire period, which we assume to be the remainder of the month. Under such a procedure, a shipper's transport volume could be significantly reduced for a considerable amount of time, even if subsequent efforts are made by the

supplier in restoring delivery volumes to the previously agreed nomination level."

Long Beach also objects to SoCal reserving the right to "reasonably reduce" contract and daily quantities to the customer's historical demand level, evidenced at the time the initial transportation service agreement is signed and/or the customer's actual use of transportation. It states that "transportation may very well be a cost effective means of providing a customer with a gas supply to meet increased usage, or an alternative energy usage previously not based on historical purchases."

Edison adds that "it is unreasonable to reduce a transporter's available capacity if, for reasons beyond the customer's control, its supplies decline by five percent, especially if the customer is able to adjust or substitute new sources of supply that may be available."

Mock objects to the capping procedure, arguing that "the capacity limitations fail to draw any distinction between those shippers who experience inevitable interruptions of supply and are unable to meet nominated amounts, and those shippers who constantly and intentionally overnominate their anticipated volumes." Mock cites that this capping procedure could impair the contract rights of the shipper, the interstate carrier, and the end user with other obligations on subsequent days.

SoCal remarks that currently, "these customers have the best of both worlds. There is every incentive for these customers to nominate their maximum planned use whether or not it is probable that all their supplies will be delivered. There is no disadvantage to overestimating transportation nominations."

4. Definitions - SoCal proposes to include new definitions of "shipper" and "minimum delivery obligation" in order to facilitate implementation of the capacity capping procedure outlined above. Each of the protestors object to these definitions under their application of their use under the capping procedure. SoCal responds that these definitions are a necessary condition to implementation of the capping procedure.

5. Gas Allocation Among Multiple Contracts - SoCal requests authority to add a provision to its transportation service agreements that requires any shipper or agent with multiple contracts to allocate gas quantities among the contracts by 3 PM on the third working day following delivery and, if no allocation is made, that allows SoCal to divide the capacity

available on a pro rata basis with the shipper's or agent's other contracts.

SDG&E questions this provision as vague and ambiguous. It asks "how is SoCal going to know how much gas it received from a shipper only three days after the day of delivery? Even El Paso does not know what is flowing through its system on such short notice. What will happen in the event that El Paso's invoice shows that SoCal had received less gas from a shipper that SoCal thought it had been receiving at the time it got the allocation from the shipper? In such a case, what does it mean to allocate on a "pro rata basis"?

SoCal replies that its proposal is for the convenience of SoCal and its customers who have asked for such a procedure so that gas under deliveries for several customers by a single shipper are not allocated automatically on a pro rata basis. SoCal states that often the shipper and the customer would like the option of making specific allocations among its customers rather than have the allocation made pro rata.

Mock argues "the information available to the shippers on a daily basis...is simply insufficient to permit a final allocation of volumes among contracts on a daily basis. An appropriate procedure would provide for an estimated allocation followed by a reallocation based upon actual deliveries when that information is available."

SoCal agreed to MOCK's modification of this proposal in the March 24th meeting.

6. Accounting and Billing Provisions - SoCal requested authority to modify the accounting and billing provision of Forms 6451 and 6400 to allow adjustments for over deliveries during previous months to be accounted for by allocating them to the current month's balancing account and, in the event less gas is transported than was originally reported, to allow the additional gas used by the customer to be purchased in the current month at the current applicable sales rate.

In the March 24th meeting and subsequent filing of substitute sheets, SoCal withdrew this proposal based on an April 1, 1988 change in El Paso's billing and accounting.

DISCUSSION

Utility transportation of customer-owned gas is a new program for California. In its gas restructuring decisions, the Commission has designed a broad program for gas transportation, but has declined to address many of the operational and contractual gas transportation details, leaving these to negotiations between the utilities and the customers.

The Commission generally limits its involvement in daily utility operations, but recognizes that sometimes it must monitor and change the utilities' day to day operations to ensure that the intent of its decisions are met. In consideration of Southern California Gas Company's Advice Letter 1761, such operational details are important because they can affect the success of the new gas transportation program. Such details include include gas nomination procedures.

Gas nomination is a reservation procedure where the customer requests the transporting utility to accept delivery of a specified volume of gas at a specified time and place, and to deliver that volume to the customer at a specified time and place. The utility is naturally concerned with nomination procedures, because it could incur additional costs if the customer's request does not give it time to plan deliveries or if the customer actually takes a substantially different volume of gas than he nominates. The customer also has vital interests in the nomination procedures for they can be complex, inconvenient, and costly. If the nomination procedure is onerous, customers may decide that gas transportation is impractical.

Through its decision to provide California gas utility customers the competitive option to purchase their own gas and to transport it on the utilities' systems, the Commission has an interest in ensuring nomination and operational procedures that are fair to both the utilities and their transportation customers.

1. **Nomination Procedure - SoCal's current procedure** requires transportation nominations be made by 9 AM two days prior to delivery. SoCal proposes moving the nomination deadline six hours earlier to relieve its current and future nomination transactions with El Paso and other pipelines and to accommodate the increased interaction with transportation customers. In the March 24th meeting, SoCal outlined its current procedure and the increasing problems it is experiencing adjusting the sequence of its own transportation and spot gas final nominations after the deadline of customer-owned gas nominations.

The Division of Ratepayer Advocates (DRA) joins the protestors opposing the nomination time change, commenting that this procedure would be unfair and discriminatory to transportation customers. DRA argues that SoCal retain its current nomination procedure and recommends that the Commission provide SoCal the option to change the sequence of its nominations as an alternative to any time change.

"Longer notice for customer gas transportation customers increases the potential cost to customers, who might have to nominate gas they are uncertain they will need. When the time between nominations and delivery is short, the customer can more accurately forecast its gas needs. SoCal's proposal decreases a customer's forecasting accuracy."

DRA argues that if the current nomination procedure is changed as proposed, SoCal would be receiving easier access to interstate pipelines than it would be granting to transportation customers. They state that "it is unfair for SoCal to have the ability to serve its own non-core procurement customers with gas SoCal nominates two days before delivery, but to refuse to serve non-core transportation customers on the same basis. This is discrimination against transportation customers and the marketers which sell to them, in favor of non-core procurement customers."

DRA argues that "SoCal would possess an unfair competitive advantage over other suppliers selling to non-core customers....[and] would give the utility superior access to limited interstate pipeline capacity than the access given to transportation customers and their procurement suppliers. The result would not be the level playing field and freedom of customer choice the Commission intended when it developed the gas transportation program."

DRA suggests that the Commission should require the same time for transportation gas nominations as for utility non-core sales gas nominations. In this way, all customers would receive equal transportation benefits. DRA recommends

that the Commission adopt the following alternative to SoCal's nomination proposal:

1. Maintain the current two-day nomination for all non-core customers.
2. Permit changes in nominations on a 7 day a week basis, rather than excluding weekends (SoCal agrees and El Paso does operate over the weekend.)

In response to the DRA comments, SoCal argues that DRA confuses the time deadlines with the priority for transmission. SoCal asserts that "the priority for capacity available on a particular day is different from and independent of the deadline for various parties to submit their nominations. Requiring transportation customers to nominate at a somewhat earlier time in no way prevents the adoption or implementation of a system of nondiscriminatory priority for interstate capacity."

In conjunction with their comments, DRA suggests the Commission give SoCal the option to sequence its daily nominations differently so that daily core elections are nominated before non-core procurement and transportation customers, such as:

- Step 1: SoCal Commodity Nominations
- Step 2: SoCal Core (storage, intermediate, and spot requirements)
- Step 3: Transportation requests and SoCal non-core sales requirements

Within Step 3, transport requests and SoCal sales requirements would be equal in priority and could be sequenced by SoCal on a pro rata basis or on a SoCal last basis as SoCal now uses to meet its spot needs.

DRA states "the above alternative treats all non-core nominations and requirements equally and would allow SoCal to meet its core service obligation. Compared to current procedures, SoCal could reduce its transportation and spot nomination logistical problems because SoCal could begin to secure core supplies earlier in the day. Earlier confirmation of core non-commodity gas supplies would allow SoCal to be more certain of transportation or non-core purchase pipeline space availability."

DRA cautions that "SoCal must be prevented from abusing the system by allocating excess volumes of spot gas to the core market. If this occurred, and the excess gas was later sold to non-core customers at an artificially high price, SoCal

would have successfully stifled competition through its monopoly position. Further, SoCal's actions within Step 3 must be subject to Commission review to ensure that SoCal's nomination procedure does not unjustly exclude or discriminate in practice against transportation customers and their suppliers."

In response to the sequencing proposal, SoCal confirms that they currently nominate the spot gas purchases last for transmission after the transmission of noncore customer-owned gas. SoCal responds that DRA's proposal is similar to its own proposals made in the procurement investigation I. 87-03-036 and that SoCal "would welcome clarification from the Commission that it should give the highest interstate pipeline capacity priority to all supplies intended for the core." And, further, "SoCal Gas strongly supports Commission action that would make the interstate transmission priority among noncore customers independent of the procurement option they have selected."

The nominations are a dynamic process which depend on the elements of:

1. Available gas supply, the ability to ship, and contracts.
2. Available pipe capacity downstream.
3. Available delivery from a particular basin junction meter into the main pipelines.
4. Pipeline priority held by each shipper, including SoCal
5. Available redelivery capacity to the customer
6. Physical movement of the gas requiring one to two days' time to the California border.

Each of these elements compete to provide daily deliveries. Under perfect conditions, all parties can get gas and can be satisfied.

Under the gas transportation program, SoCal must be able to plan and adjust for the use of its system in order to ensure successful deliveries. As gas transportation operations become more complex with customers transporting their own gas, SoCal must consider each additional demand beyond their own usage. Some of the new transport customers replace SoCal's existing demand, but others add new demand (the EOR market for example). SoCal has attempted to respond to these changed conditions but fears with an increasing group of transport customers it will be unable to successfully accommodate all the demands and still provide the same level of service.

However, in consideration of all the discussions over this procedure, SoCal did not list what steps they had taken to relieve their dispatchers of the increasing transaction burdens they seemed to be facing, nor did they list any sequencing alternatives taken to thwart the problem. No mention was made of computer reprogramming, earlier work hours, extended work hours, or other remedial solutions to resolve the problem.

The Commission Advisory and Compliance Division (CACD) recommends retention of the current nomination procedure for the time being and its extension over the weekend to fully accommodate gas transportation. CACD also recommends that the Commission provide SoCal with the option to resequence the order in which it nominates gas. In addition, CACD recommends that the Commission monitor SoCal's nomination operations and review its computer programs, reporting observations to the Commission after six months.

2. Capping Procedure - On September 15, 1987 SoCal instituted its 95% capping procedure within its operations. As a consequence, SoCal currently limits third party transportation gas to the actual volume of gas delivered if those delivered volumes are less than the lower of 95% of the customer's gas nomination or, now, 75,000 therms less than the nomination. If a gas shipper does not deliver enough gas to meet these requirements, the utility reduces the customer's transportation nomination received on the deficiency day to the day's actual delivery level. (For example, a transportation customer may nominate ten million cubic feet of gas on day one. The delivery is made on day three, but the interstate pipeline or the producer only delivers half the nominated volume. If the customer nominates another ten million cubic feet on day three for delivery on day five, SoCal would reduce the nomination so that the customer could receive no more than five million cubic feet on day five.)

SoCal presented data in the March 24 meeting illustrating the before and after implementation of the 95% capping procedure. (See Appendix A and B). The results show a much closer alignment of nominations with capacity and deliveries. The procedure has been effective.

However, it is not clear whether it is the threat of any penalty or the 95% that has enabled SoCal success with its procedure. No data was offered outlining what would occur if the cap were at 90% or 92%. All the protestors argue that 95% is an unrealistic performance factor to meet and that, if enforced, will cause the end of the transportation program.

One issue raised by SDG&E merits particular consideration. If the capping procedure were applied to its nominations during the peaking summer month, the calculation would reduce their margin of error for an underdelivery to within 96%. Edison's margin would be even less.

When the cap involved 50,000 therms this margin for underdelivery was even more severe. When asked how the amount was determined, SoCal replied, "because some shippers were transporting hundreds of MMcf per day, SoCalGas also limited non-performance to 5000 MMBtu (approximately 5 MMcf per day), so that shippers requesting transportation capacity in excess of 100 MMcf per day would not be allowed more than 5 MMcf per day of non-performance. Otherwise, SoCalGas could possibly end up with unacceptable, but allowed levels of non-performance."

In the March 24 meeting, SoCal modified the 50,000 therm amount to 75,000 therms, which creates a 4% margin of error for SDG&E during the peaking summer month, instead of 3%. The modification submitted shows an improvement, but still causes SDG&E and Edison to meet unusually high delivery performances, while other transportation customers enjoy a 95% level. This procedure, if rigidly enforced, could cause many more complaints from these utilities' customers experiencing service reductions.

In consideration of all the protests and responses, CACD recommends continuance of the 95% cap since it has produced positive results for SoCal's pipe utilization. However, CACD recommends the removal of the therm cap from the capping procedure for reasons of discrimination to the UEG and wholesale customers.

On a related item, SoCal requests that the capping procedure be placed in the rules. DRA opposes conversion of this procedure into a rule. They state that capping should be flexible and argue that "if a shipper consistently delivers the nominated volumes, but cannot do so for one day during the year, SoCal might reasonably decide not to cap deliveries because the shipper's inability to deliver the full nomination was an aberration."

SoCal argues that they proposed to state the procedure in its tariffs so that it would not be subject to claims that the procedure was unauthorized or that SoCal was enforcing it in a discriminatory way.

The capping procedure is an effort by SoCal to maximize pipeline efficiencies and minimize system abuses. In oil pipelines, which function as common carriers for transport,

such a procedure has precedence as a tariffed procedure with the Federal Energy Regulatory Commission (FERC) and with the California Public Utilities Commission tariffs. SoCal's capping procedure is very similar. Since SoCal has used this procedure for a while and it has produced a positive result, CACD recommends that the procedure become a rule. If it is in the tariffs, SoCal can assure consistency in its enforcement among the shippers.

3. Allocation of Transportation Volumes - SoCal also requests that if a shipper's transportation volumes are less than 100% of the nominated volumes, SoCal be allowed to allocate a shipper's quantities among a shipper's contracts pro rata, unless the shipper allocates the deliveries before 3 PM on the third business day following delivery. The parties in the March 24 meeting agreed that this could be a fair proposal, provided the tariff language states that this is only used as an estimate and will be subject to adjustments as more information becomes available.

CACD supports SoCal's request, provided the final tariff language reflects that the allocation is only an estimate and will be adjusted when better information becomes available.

4. Names of Shippers - The parties supported SoCal's provision to require customers to provide SoCal with the names of its supplier(s) or any brokers or agents used for delivery of gas to SoCal and their authority to represent the customer. CACD recommends that this customary practice be formalized into the tariffs to resolve disputes and assist SoCal in knowing whether records containing proprietary information are to be allowed to a broker or not.

FINDINGS

1. Southern California Gas Company should retain its current nomination procedure at 9 AM, two days in advance of delivery and expand its coverage to include weekends.
2. Southern California Gas Company should attempt to resequence its nominations in order to improve its ability to meet its core service obligations and to provide equal service to the noncore market.
3. Southern California Gas Company should continue its capping procedure as a rule, but limit it to only 95% of the nominated amount, deleting the 75,000 therm cap.
4. Southern California Gas Company should be allowed to allocate estimated delivered amounts of gas among shipper's multiple contracts if the shipper has not done so by the specific time, as long as a final, true-up allocation is made.
5. It is reasonable to require customers to provide Southern California Gas Company with the names of their brokers or agents and their authority to represent the customer.

THEREFORE IT IS ORDERED THAT:

1. Southern California Gas Company shall file revised tariff sheets in accord with each of the findings listed above.
2. Advice Letter No. 1761 and the accompanying, revised tariff sheets shall be marked to show that they were adopted by Resolution No. G-2776, effective May 11, 1988.
3. This order is effective today.

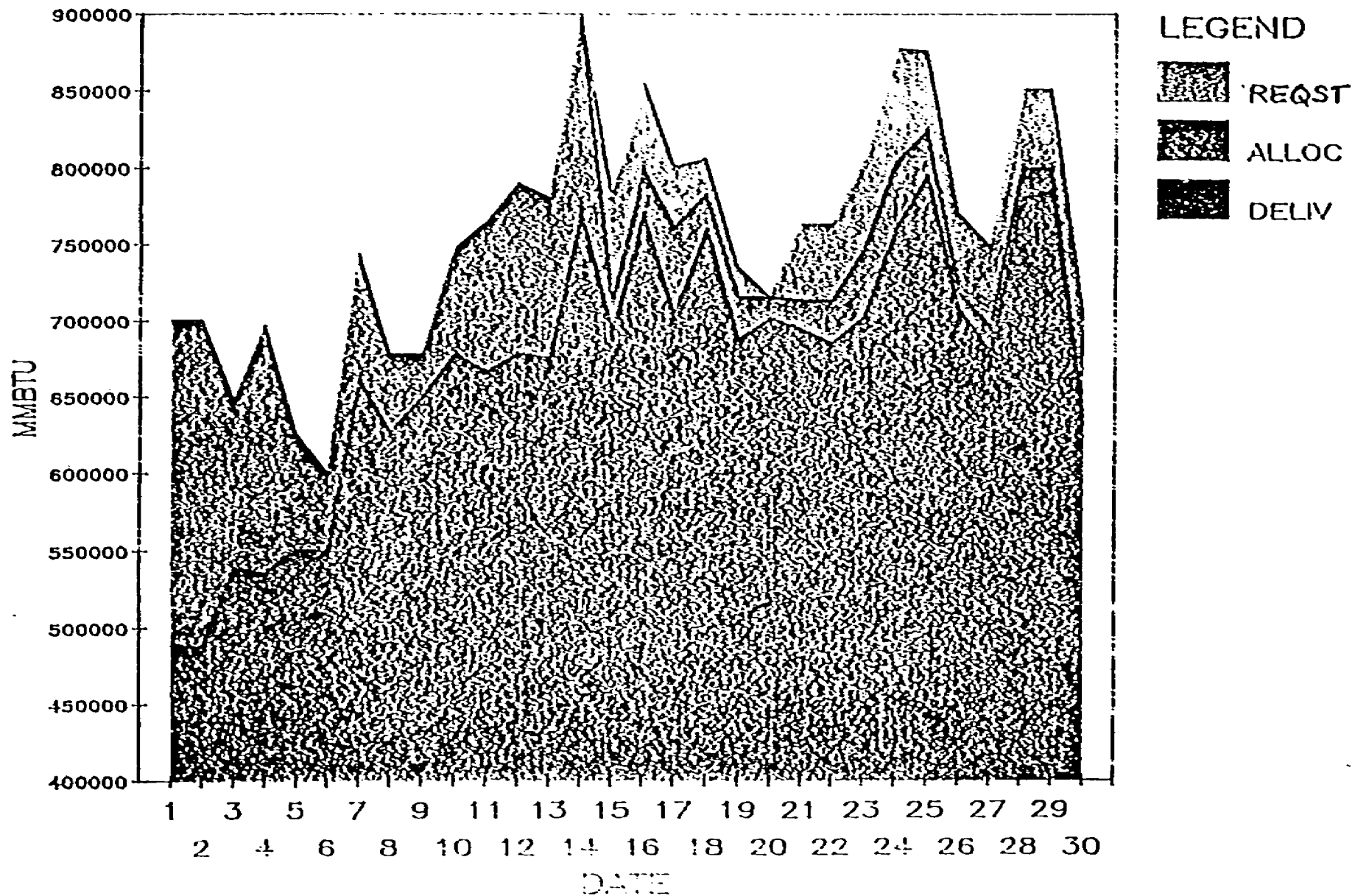
I certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on May 11, 1988. The following Commissioners approved it:

STANLEY W. HULETT
President
DONALD VIAL
FREDERICK R. DUDA
G. MITCHELL WILK
JOHN B. OHANIAN
Commissioners



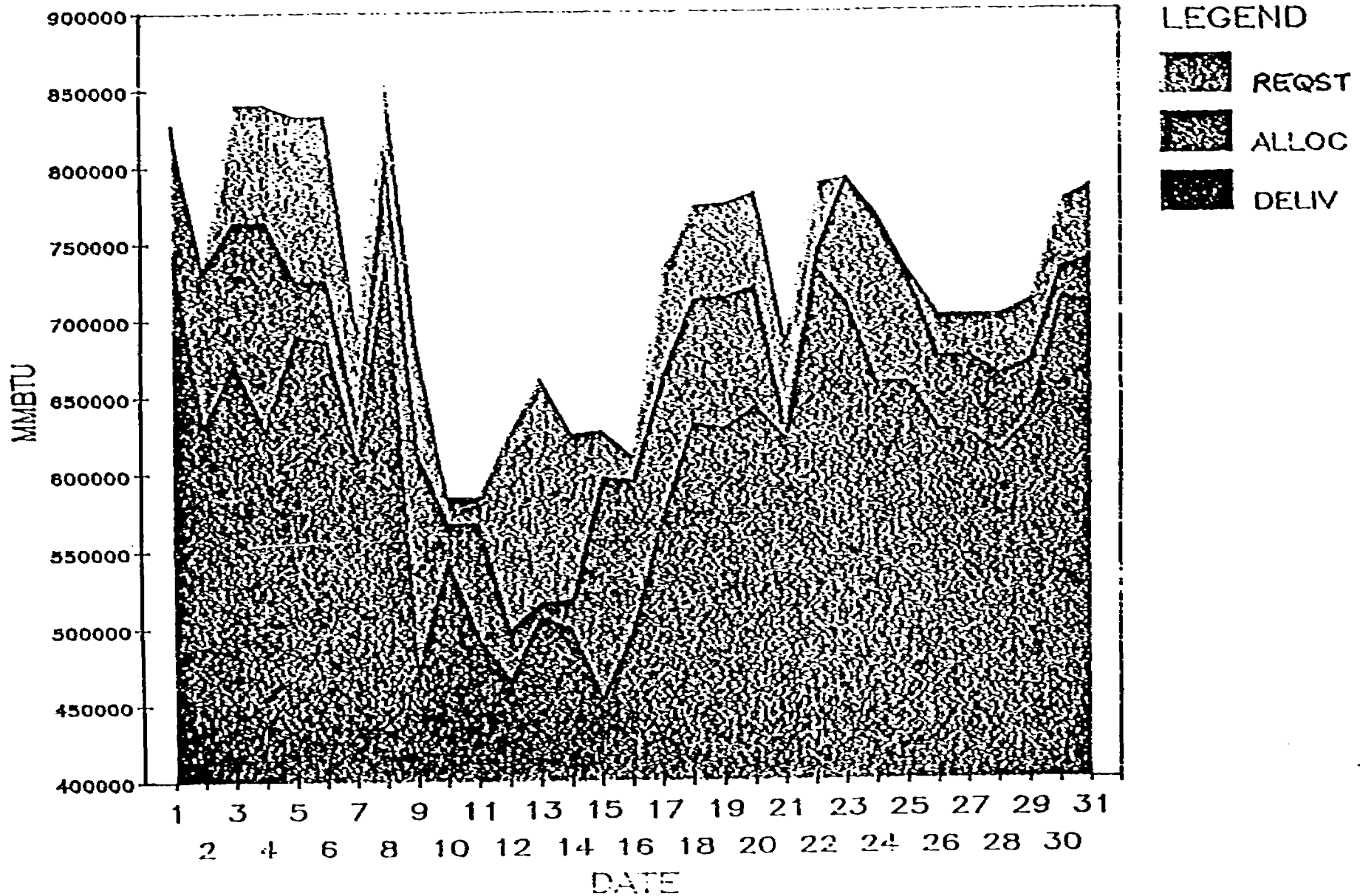
Executive Director

SEPTEMBER PERFORMANCE DATA



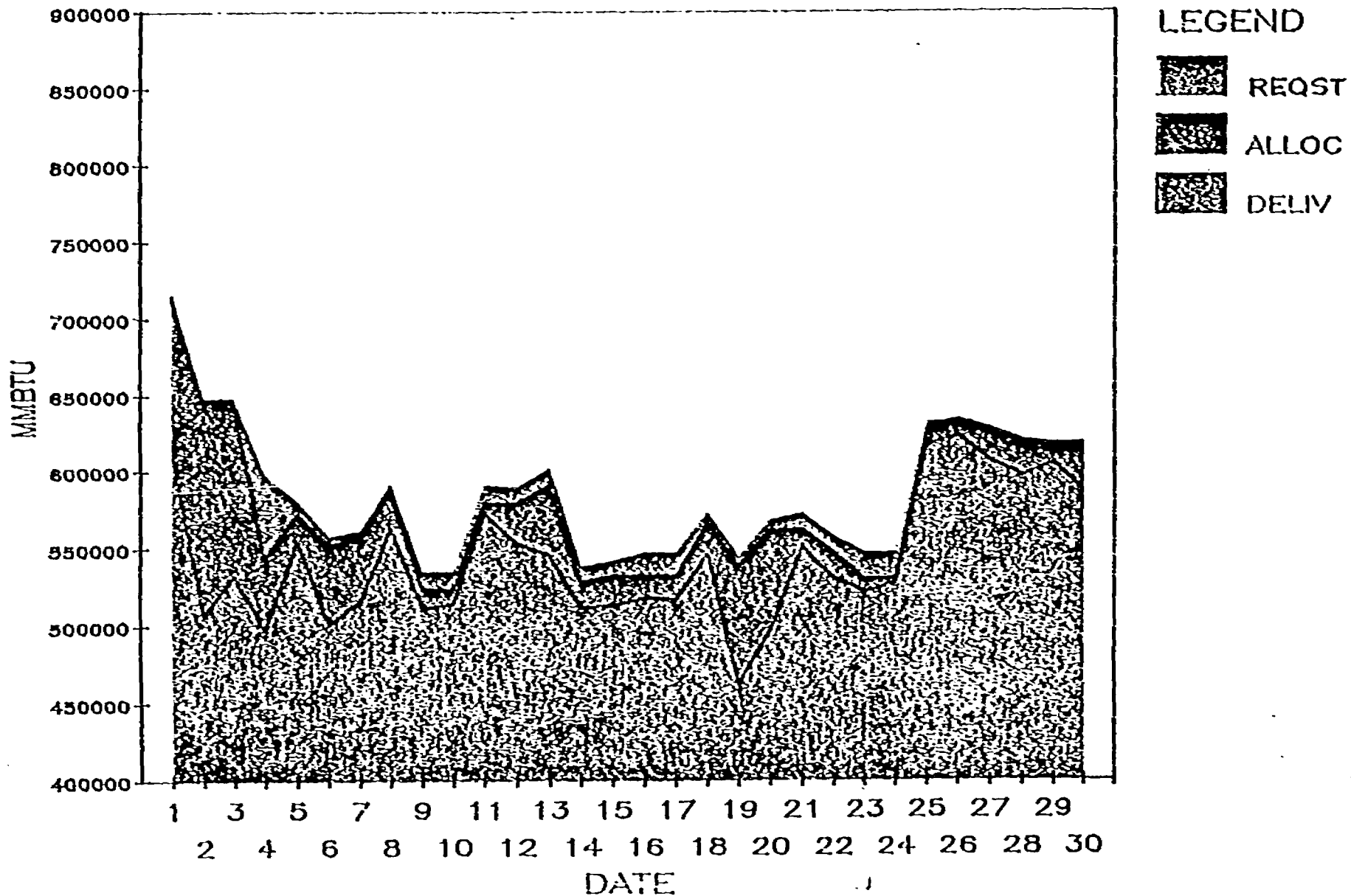
ATTACHMENT A

OCTOBER PERFORMANCE DATA



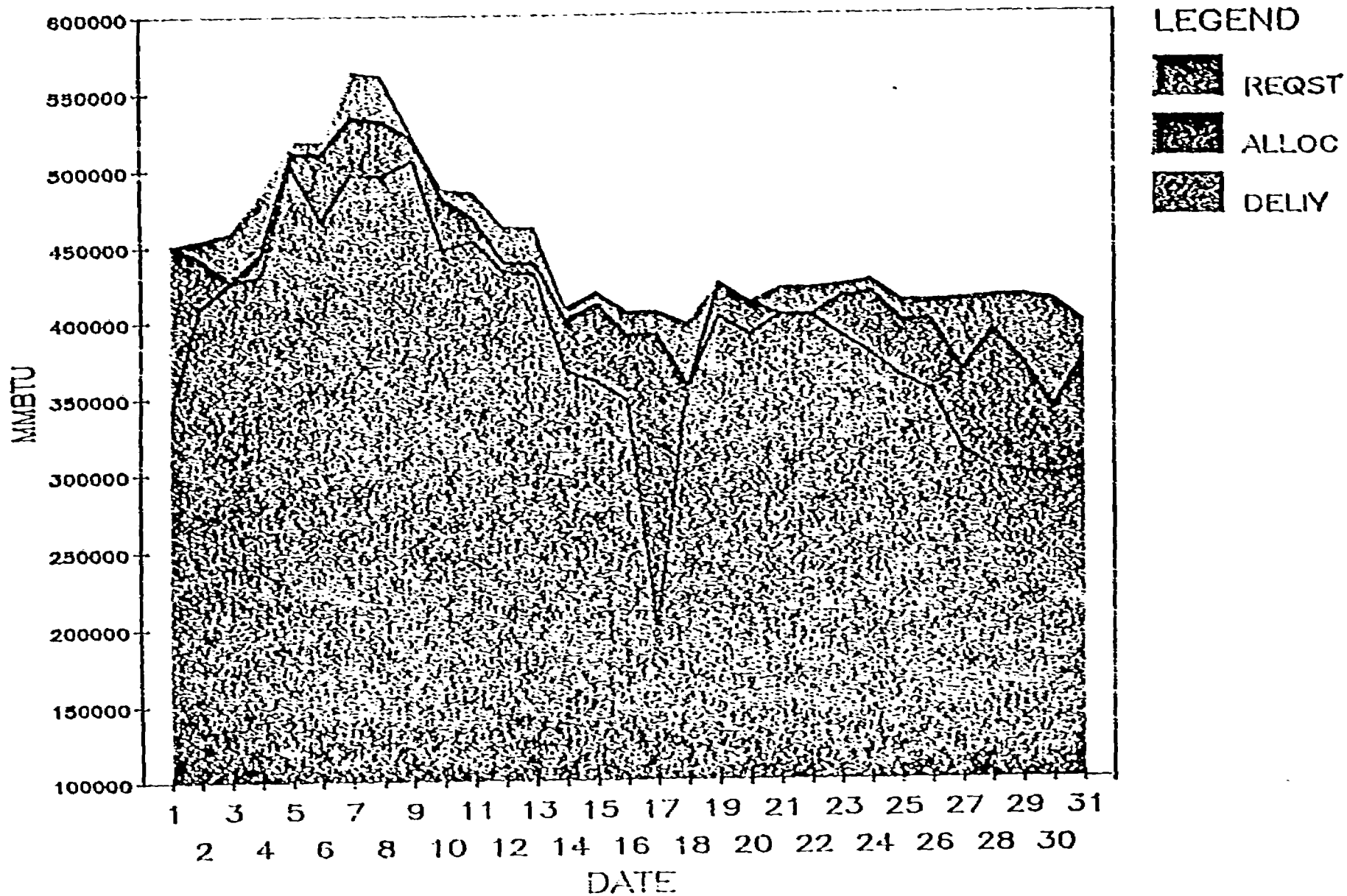
ATTACHMENT A

NOVEMBER PERFORMANCE DATA



ATTACHMENT A

DECEMBER PERFORMANCE DATA

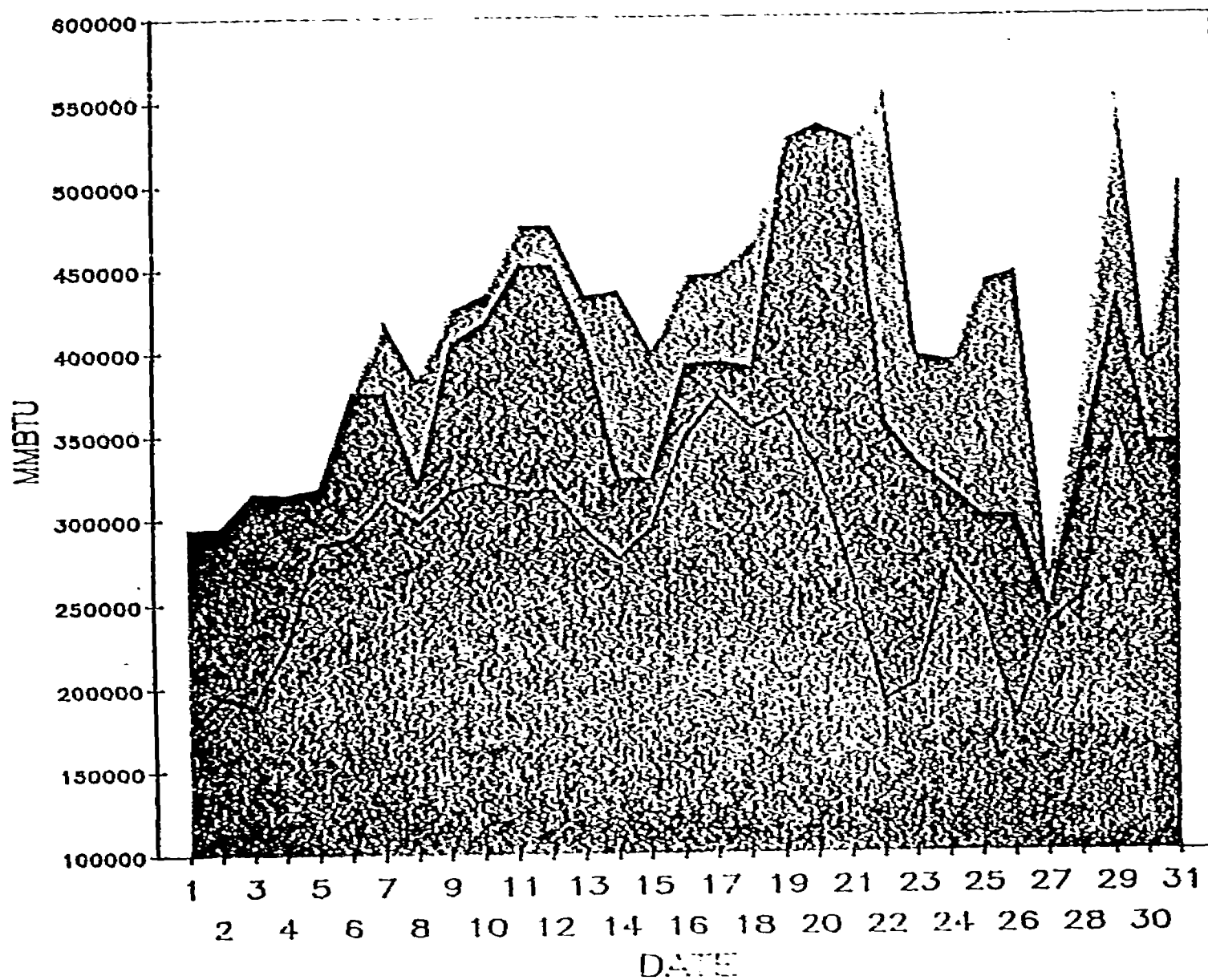


ATTACHMENT A

THE NEXT 1
DOCUMENTS ARE
POOR ORIGINALS

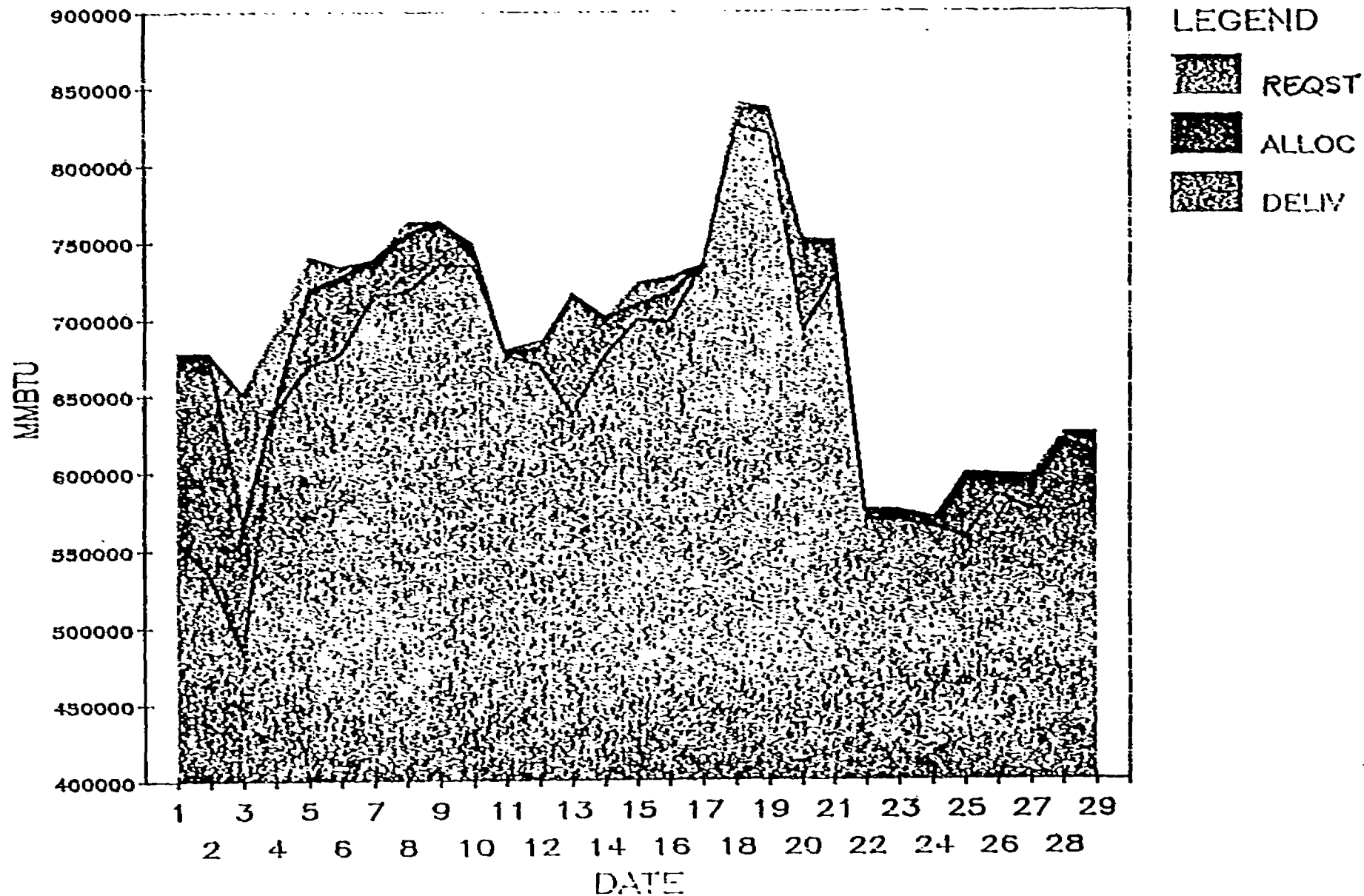
MICROFILMING SERVICES
will not assume responsibility
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JANUARY PERFORMANCE DATA



ATTACHMENT A

FEBRUARY PERFORMANCE DATA



ATTACHMENT A

ATTACHMENT B

(All figures in MMBtu)
(0.1 MMBtu = 1 therm)

DATE	SEPTEMBER RECAP OF ALLOCATIONS(A-B)				(B-C)	(D+E)
	A CUSTOMER REQUEST	B SOCAL ALLOC	C EL PASO DELIVERY	D CAP REDUCTION	E UNDERDELV	F POTENTIAL NONPERF
1	700504	700504	488525	0	211979	211979
2	700504	700504	487019	0	213485	213485
3	648008	648008	538163	0	109845	109845
4	697434	697434	534594	0	162840	162840
5	625295	625295	550293	0	75002	75002
6	600293	600293	549371	0	50922	50922
7	744969	744969	661640	0	83329	83329
8	677969	677969	626745	0	51224	51224
9	677969	677969	649152	0	28817	28817
10	747804	747804	677764	0	70040	70040
11	764656	764656	665609	0	99047	99047
12	789987	789987	677701	0	112286	112286
13	780143	780143	675055	0	105088	105088
14	899514	899514	771632	0	127882	127882
15	783815	714104	694713	69711	19391	89102
16	858092	799003	770289	59089	28714	87803
17	801639	760811	704207	40828	56604	97432
18	806174	782428	760113	23746	22315	46061
19	735174	715335	687778	19839	27557	47396
20	715335	715335	701063	0	14272	14272
21	763214	713045	694068	50169	18977	69146
22	763214	713045	684856	50169	28189	78358
23	805042	745908	701672	59134	44236	103370
24	878032	802867	759002	75165	43865	119030
25	876339	823715	795317	52624	28398	81022
26	769918	717357	706771	52561	10586	63147
27	748418	695857	679640	52561	16217	68778
28	851247	799118	778835	52129	20283	72412
29	851247	799118	784469	52129	14649	66778
30	705672	638219	634915	67453	3304	70757
Monthly Total	22767621	21990314	20090971	777307	1899343	2676650
Daily Average	1897302	1832526	1674248	64776	158279	223054

ATTACHMENT B

(All figures in MMBtu)
(0.1 MMBtu = 1 therms)

OCTOBER RECAP OF ALLOCATIONS

DATE	A	B	C	(A-B)	(B-C)	(D+E)
	CUSTOMER REQUEST	SOCAL ALLOC	EL PASO DELIVERY	D CAP REDUCTION	E UNDERDELV	F POTENTIAL NONPERF
1	826605	826605	741599	0	85006	85006
2	732209	732071	629199	138	102872	103010
3	840175	762865	670054	77310	92811	170121
4	840175	762865	627414	77310	135451	212761
5	832733	724290	688965	108443	35325	143768
6	832733	724290	684437	108443	39853	148296
7	694839	632884	607628	61955	25256	87211
8	860574	806691	739957	53883	66734	120617
9	683288	611500	471257	71788	140243	212031
10	584302	566590	542447	17712	24143	41855
11	584302	566590	492306	17712	74284	91996
12	626335	497155	464091	129180	33064	162244
13	660869	515055	506346	145814	8709	154523
14	624767	517318	498061	107449	19257	126706
15	626870	596185	452688	30685	143497	174182
16	610034	593814	494994	16220	98820	115040
17	731925	660950	570398	70975	90552	161527
18	772911	711142	630406	61769	80736	142505
19	774811	713042	627507	61769	85535	147304
20	781611	719842	641069	61769	78773	140542
21	686405	627711	620725	58694	6986	65680
22	787493	741177	731038	46316	10139	56455
23	791288	796784	708306	-5496	88478	82982
24	767239	763241	657062	3998	106179	110177
25	730384	726266	657062	4118	69204	73322
26	701305	673657	627323	27648	46334	73982
27	701305	673657	623611	27648	50046	77694
28	701282	661742	611144	39540	50598	90138
29	710922	670772	631745	40150	39027	79177
30	775457	730472	711309	44985	19163	64148
31	785457	736924	708062	48533	28862	77395
Monthly Total	22660605	21044147	19068210	1616458	1975937	3592395
Daily Average	730987	678843	615104	52144	63740	115884

ATTACHMENT B

NOVEMBER RECAP OF ALLOCATIONS

(All figures in MMBtu)
(0.1 MMBtu = 1 therm)

	A	B	C	(A-B) D	(B-C) E	(D+E) F
	CUSTOMER DATE REQUESTS	SOCAL ALLOC	EL PASO DELIVERY	CAP REDUCTION	UNDER DELIVERY	POTENTIAL NONPERF
1	714875	714875	611587	0	103288	103288
2	647392	647392	506623	0	140769	140769
3	647392	647392	531997	0	115395	115395
4	597341	544139	497291	53202	46848	100050
5	580141	571917	554244	8224	17673	25897
6	557199	551496	500720	5703	50776	56479
7	561264	558106	515308	3158	42798	45956
8	590453	590453	562962	0	27491	27491
9	534802	523585	510848	11217	12737	23954
10	534802	523585	514167	11217	9418	20635
11	590164	578341	572223	11823	6118	17941
12	588961	578562	552604	10399	25958	36357
13	601150	590751	545372	10399	45379	55778
14	538042	528107	511005	9935	17102	27037
15	541745	531810	512627	9935	19183	29118
16	547021	531776	517287	15245	14489	29734
17	547021	531776	516838	15245	14938	30183
18	572257	566166	545823	6091	20343	26434
19	544204	538651	462208	5553	76443	81996
20	567997	561366	496137	6631	65229	71860
21	572236	561853	550223	10383	11630	22013
22	557195	546812	530340	10383	16472	26855
23	546955	529824	521419	17131	8405	25536
24	546955	529824	527351	17131	2473	19604
25	630868	628316	616413	2552	11903	14455
26	633545	633480	622523	65	10957	11022
27	627444	627379	605649	65	21730	21795
28	619499	619434	596269	65	23165	23230
29	617499	617434	604368	65	13066	13131
30	617499	617434	585590	65	31844	31909
Monthly Total	17573918	17322036	16298016	251882	1024020	1275902
Daily Average	585797	577401	543267	8396	34134	42530

ATTACHMENT B

(All figures in MMBtu)
(0.1 MMBtu = 1 therms)

DATE	DECEMBER RECAP OF ALLOCATIONS (A-B)				(B-C)	(D+E)
	A CUSTOMER REQUEST	B SOCAL ALLOC	C EL PASO DELIVERY	D CAP REDUCTION	E UNDERDELV*	F POTENTIAL NONPERF
1	450780	450780	341284	0	109496	109496
2	454580	442119	409373	12461	32746	45207
3	459513	403749	426155	55764	-22406	33358
4	483675	444706	429335	38969	15371	54340
5	518579	510976	502180	7603	8796	16399
6	518184	510581	466058	7603	44523	52126
7	563790	533752	496031	30038	37721	67759
8	561106	531068	495423	30038	35645	65683
9	522540	520617	504970	1923	15647	17570
10	486501	480204	447236	6297	32968	39265
11	484561	467827	452524	16734	15303	32037
12	462174	438595	431971	23579	6624	30203
13	461404	437825	431072	23579	6753	30332
14	408397	399891	366749	8506	33142	41648
15	418746	410240	359614	8506	50626	59132
16	405566	390044	347163	15522	42881	58403
17	405566	390044	199726	15522	190318	205840
18	397755	352854	356438	44901	-3584	41317
19	424804	424804	401828	0	22976	22976
20	411596	411596	390276	0	21320	21320
21	421121	349952	402602	71169	-52650	18519
22	421121	349952	402602	71169	-52650	18519
23	423174	414466	389320	8708	25146	33854
24	426078	417370	376794	8708	40576	49284
25	412321	398812	361493	13509	37319	50828
26	412132	398623	352637	13509	45986	59495
27	413277	366711	313586	46566	53125	99691
28	415077	392861	301331	22216	91530	113746
29	415427	371461	298650	43966	72811	116777
30	412274	341839	296846	70435	44993	115428
31	397672	374958	301001	22714	73957	96671
Monthly Total	13869491	13129277	12052268	740214	1077009	1817223
Daily Average	447403	423525	388783	23878	34742	58620

* Negative numbers are an anomaly resulting from
El Paso delivering in excess of SoCalGas' allocation.

ATTACHMENT B

(All figures in MMBtu)
(0.1 MMBtu = 1 therm)

DATE	JANUARY RECAP OF ALLOCATIONS (A-B)				(B-C)	(D+E)
	A CUSTOMER REQUEST	B SOCAL ALLOC	C EL PASO DELIVERY	D CAP REDUCTION	E UNDERDELV	F POTENTIAL NONPERF
1	293857	293857	173507	0	120350	120350
2	294567	294567	194160	0	100407	100407
3	315149	315149	188842	0	126307	126307
4	314181	314181	223451	0	90730	90730
5	317981	317981	284431	0	33550	33550
6	375461	375461	288234	0	87227	87227
7	418737	374386	310148	44351	64238	108589
8	382671	320510	296733	62161	23777	85938
9	424601	404388	315519	20213	88869	109082
10	434187	416920	321078	17267	95842	113109
11	475624	451531	315288	24093	136243	160336
12	475624	451531	315642	24093	135889	159982
13	433303	407122	292062	26181	115060	141241
14	436133	322634	275503	113499	47131	160630
15	399060	322962	293006	76098	29956	106054
16	444699	391022	347499	53677	43523	97200
17	446275	392477	371549	53798	20928	74726
18	464159	389313	353310	74846	36003	110849
19	526217	526217	362525	0	163692	163692
20	534418	534418	326091	0	208327	208327
21	526217	526217	264457	0	261760	261760
22	555368	355443	190557	199925	164886	364811
23	396506	330412	201630	66094	128782	194876
24	392853	314759	273658	78094	41101	119195
25	440945	299162	245587	141783	53575	195358
26	446645	299162	178273	147483	120889	268372
27	263184	243400	235705	19784	7695	27479
28	375312	335592	251586	39720	84006	123726
29	555652	431791	358082	123861	73709	197570
30	390721	343363	288549	47358	54814	102172
31	503942	343478	241887	160464	101591	262055
Monthly Total	13054249	11439406	8578549	1614843	2860857	4475700
Daily Average	421105	369013	276727	52092	92286	144377

ATTACHMENT B

(All figures in MMBtu)
(0.1 MMBtu = 1 therm)

DATE	FEBRUARY RECAP OF ALLOCATIONS (A-B)				(B-C)	(D+E)
	A CUSTOMER REQUEST	B SOCAL ALLOC	C EL PASO DELIVERY	D CAP REDUCTION	E UNDERDELV*	F POTENTIAL NONPERF
1	677808	677808	556749	0	121059	121059
2	677808	677808	533686	0	144122	144122
3	651876	567594	483951	84282	83643	167925
4	692011	644522	639020	47489	5502	52991
5	740769	719029	668403	21740	50626	72366
6	734275	727625	676359	6650	51266	57916
7	738769	738769	715407	0	23362	23362
8	762604	754904	717013	7700	37891	45591
9	763354	763354	735093	0	28261	28261
10	749093	745692	734826	3401	10866	14267
11	679859	676748	675149	3111	1599	4710
12	685574	680637	669907	4937	10730	15667
13	716645	715981	637087	664	78894	79558
14	701320	700656	675191	664	25465	26129
15	723369	709333	698948	14036	10385	24421
16	726872	716411	697294	10461	19117	29578
17	726872	703836	735405	23036	-31569	-8533
18	840005	836012	825314	3993	10698	14691
19	836712	835624	819598	1088	16026	17114
20	751199	751199	690923	0	60276	60276
21	750049	747199	726248	2850	20951	23801
22	575649	574985	569108	664	5877	6541
23	575649	574985	569107	664	5878	6542
24	570849	566702	564686	4147	2016	6163
25	599483	598394	558056	1089	40338	41427
26	598633	597882	584979	751	12903	13654
27	597458	592350	575234	5108	17116	22224
28	624958	619851	573904	5107	45947	51054
29	624958	611272	581850	13686	29422	43108

Monthly Total
Daily Average

20094480	19827162	18888495	267318	938667	1205985
692913	683695	651327	9218	32368	41586

* Negative numbers are an anomaly resulting from
El Paso delivering in excess of SoCalGas' allocation.