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February 16, 2005

Advice No. 3467
(U 904 G)

Public Utilities Commission of the State of California

**Subject: Correction to NGV Public Purpose Program Surcharge Rate
effective April 1, 2005**

Southern California Gas Company (SoCalGas) hereby submits for approval by the California Public Utilities Commission (Commission) revisions to its tariff schedules, applicable throughout its service territory, as shown on Attachment B.

Purpose

This Advice Letter submits a corrected Natural Gas Vehicle (NGV) Public Purpose Program (PPP) surcharge rate to be effective April 1, 2005.

Background

Advice No. (AL) 3423, filed November 1, 2004, updated SoCalGas' surcharge rates to fund PPP programs, as authorized by Assembly Bill (AB) 1002, in compliance with Ordering Paragraph 22 of Decision No. 04-08-010, in Rulemaking 02-10-001, and was approved effective January 1, 2005. AB 1002 directs the Commission to establish a gas surcharge annually to fund certain natural gas related public purpose programs such as low-income customer assistance, energy efficiency, and research and development. Revenues collected from the surcharge are remitted to the State Board of Equalization, and are ultimately appropriated back to utilities or other entities designated by the Commission to administer public purpose programs.

Requested Correction

The surcharge rate for the NGV customer class, as filed and approved by AL 3423, was incorrectly shown as 1.779 cents per therm on Schedule No. G-PPPS, but was correctly shown as 1.799 cents per therm on the workpaper, Attachment C to AL 3423, which is also included herein for reference. This filing corrects the typographical error. The net result of the NGV surcharge rate being 0.020 cents per therm lower than was intended is approximately \$1100 per month from about 160 accounts. The undercollection is being recorded into the California Alternate Rates for Energy Account, as set forth in Preliminary Statement Part V, Description of Regulatory Accounts - Balancing.

Protests

Anyone may protest this advice letter to the California Public Utilities Commission. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. The protest must be made in writing and received within 20 days of the date this advice letter was filed with the Commission. There is no restriction on who may file a protest. The address for mailing or delivering a protest to the Commission is:

Energy Division - IMC Branch
California Public Utilities Commission
505 Van Ness Avenue, 4th Floor
San Francisco, CA 94102

Copies of the protest should also be sent via e-mail to the attention of both Jerry Royer (jjr@cpuc.ca.gov) and Honesto Gatchalian (jnj@cpuc.ca.gov) of the Energy Division. A copy of the protest shall also be sent via both e-mail and facsimile to the address shown below on the same date it is mailed or delivered to the Commission.

Attn: Sid Newsom
Tariff Manager - GT14D6
555 West Fifth Street
Los Angeles, CA 90013-1011
Facsimile No. (213) 244-4957
E-Mail: snewsom@semprautilities.com

Effective Date

SoCalGas respectfully requests that the revised tariffs proposed herein be approved effective April 1, 2005, which is more than forty (40) days regular statutory notice.

Notice

In accordance with Section III.G of General Order No. 96-A, a copy of this advice letter is being sent to the parties listed on Attachment A to this advice letter, which includes the interested parties in R.02-10-001.

J. STEVE RAHON
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Attachments

ATTACHMENT A

Advice No. 3467

(See Attached Service Lists)

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ATTACHMENT B
Advice No. 3467

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 38848-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 9	Revised 38517-G*
Revised 38849-G	Schedule No. G-PPPS, PUBLIC PURPOSE PROGRAMS SURCHARGE, Sheet 1	Revised 38386-G
Revised 38850-G	TABLE OF CONTENTS	Revised 38846-G
Revised 38851-G	TABLE OF CONTENTS	Revised 38847-G

PRELIMINARY STATEMENT
 PART II
 SUMMARY OF RATES AND CHARGES

Sheet 9

(Continued)

TAX SURCHARGE TO FUND PUBLIC PURPOSE PROGRAMS

Schedule G-PPPS

<u>Customer Class</u>	<u>Tax Surcharge</u>	
	<u>For all service, per meter, per month</u>	
	<u>CARE Customer</u>	<u>Non-CARE Customer</u>
	(¢/therm)	(¢/therm)
Core		
Residential	2.003	3.802
Commercial/Industrial	1.642	3.440
Gas Air Conditioning	0.085	1.884
Gas Engine	N/A	2.115
Natural Gas Vehicle	N/A	1.799
Noncore		
Commercial/Industrial	N/A	1.828

SURCHARGE TO FUND PUC UTILITIES REIMBURSEMENT ACCOUNT

Schedule G-SRF

Surcharge, per therm 0.000¢

TRANSPORTED GAS MUNICIPAL SURCHARGE

Schedule G-MSUR

Outside the City of Los Angeles 1.5534%
 Within the City of Los Angeles 2.0000%

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3467
 DECISION NO. 04-08-010

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Feb 16, 2005
 EFFECTIVE Apr 1, 2005
 RESOLUTION NO. _____

Schedule No. G-PPPS
PUBLIC PURPOSE PROGRAMS SURCHARGE

Sheet 1

APPLICABILITY

Applicable to all gas sales and transportation services rendered under all tariff rate schedules authorized by the Commission. Customers will have a gas public purpose program (PPP) surcharge as a separate line item on their bills unless they are exempt* (e.g. Electric Generation including cogeneration, Enhanced Oil Recovery, Wholesale service, and consumption of natural gas which California is prohibited from taxing under the United States Constitution or the California Constitution, as referenced in Section 896 of the Public Utilities Code. (See also the California Energy Resources Surcharge Regulation Sections 2315 and 2316 as identifying exempt customers.) California Alternate Rates for Energy (CARE) customers will receive the surcharge excluding CARE program costs along with applicable customers receiving sales for street lighting.

TERRITORY

This schedule is applicable within the entire territory served by Utility.

RATES

<u>Customer Class</u>	<u>PPP Surcharge**</u>	
	<u>For all service, per meter, per month</u>	
	<u>CARE Customer***</u> (¢/therm)	<u>Non-CARE Customer</u> (¢/therm)
Core		
Residential	2.003	3.802
Commercial/Industrial	1.642	3.440
Gas Air Conditioning	0.085	1.884
Gas Engine	N/A	2.115
Natural Gas Vehicle	N/A	1.799
Noncore		
Commercial/Industrial	N/A	1.828

* Commission Resolution G-3303, dated December 21, 2000, references Sections 896, 897, and 898 of Assembly Bill (AB) 1002 regarding consumers of natural gas who are exempt from the tax surcharge. Section 896 states "Consumption means the use or employment of natural gas. Consumption does not include the use or employment of natural gas to generate power for sale or use of gas for enhanced oil recovery, natural gas utilized in cogeneration technology projects to produce electricity, or natural gas that is produced in California and transported on a proprietary pipeline. Consumption does not include the consumption of natural gas which this state is prohibited from taxing under the United States Constitution or the California Constitution." Section 897 states "Nothing in this article impairs the rights and obligations of parties to contracts approved by the Commission, as the rights and obligations were interpreted as of January 1, 1998." Section 898 is in reference to a municipality, district, or

(Continued)

(TO BE INSERTED BY UTILITY)
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GW-SWG	Wholesale Natural Gas Service	38759-G,37953-G,37954-G,37955-G
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G-TBS	Transaction Based Storage Service	32724-G,32725-G,27374-G,27375-G 31929-G,36315-G,27378-G
G-CBS	UDC Consolidated Billing Service	34071-G,34072-G,34073-G,33095-G
G-PPPS	Tax Surcharge to Fund Public Purpose Programs	38849-G,34262-G
G-SRF	Surcharge to Fund Public Utilities Commission Utilities Reimbursement Account	38518-G
G-MHPS	Surcharge to Fund Public Utilities Commission Master Metered Mobile Home Park Gas Safety Inspection and Enforcement Program	32828-G
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G-PRK	Hub Parking	38763-G
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(Continued)

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The following listed sheets contain all effective Schedules of Rates and Rules affecting service and information relating thereto in effect on the date indicated thereon.

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Table of Contents--Service Area Maps and Descriptions	28516-G
Table of Contents--Rate Schedules	38817-G,38818-G,38850-G
Table of Contents--List of Cities and Communities Served	37398-G
Table of Contents--List of Contracts and Deviations	37894-G
Table of Contents--Rules	38511-G,38771-G
Table of Contents--Sample Forms	37851-G,37017-G,38167-G,37486-G,36796-G

PRELIMINARY STATEMENT

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Part II Summary of Rates and Charges	38789-G,38790-G,38791-G,38694-G,38792-G,38784-G 32491-G,32492-G,38848-G,38793-G,38794-G,38698-G,38699-G
Part III Cost Allocation and Revenue Requirement	27024-G,37920-G,27026-G,27027-G,38700-G
Part IV Income Tax Component of Contributions and Advances	36614-G,24354-G
Part V Description of Regulatory Accounts-Balancing	35874-G,34820-G,37156-G 37004-G,34822-G,36082-G,36083-G,36084-G,36085-G,36086-G,34682-G,35770-G,35874-G
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Part VII Description of Regulatory Accounts-Tracking	38017-G,38018-G,38019-G 38020-G,38021-G,38022-G,38023-G
Part VIII Gas Cost Incentive Mechanism (GCIM)	37921-G,35877-G,37922-G,36869-G 36870-G,35881-G
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Part X Global Settlement	32530-G,32531-G,32532-G,32533-G

(Continued)

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ATTACHMENT C

Advice No. 3467

**Summary of Present and Proposed
Public Purpose Program Surcharge Rates**

As filed by Advice No. 3423

Attachment C
SUMMARY OF PPP SURCHARGE RATES
SOUTHERN CALIFORNIA GAS COMPANY
PPP Surcharge Update for 1/1/2005

Customer Class	CARE Customers			Non-CARE Customers		
	2004 ¹ ¢/th (b)	2005 ¢/th (c)	% Change % (d)	2004 ¹ ¢/th (e)	2005 ¢/th (f)	% Change % (g)
Core						
1. Residential	1.881	2.003	6%	3.700	3.802	3%
2. Commercial/Industrial	1.812	1.642	-9%	3.631	3.440	-5%
3. Gas Air Conditioning	0.073	0.085	18%	1.892	1.884	0%
4. Gas Engine	N/A	N/A	N/A	2.245	2.115	-6%
5. Natural Gas Vehicle	N/A	N/A	N/A	1.819	1.799	-1%
Noncore						
6. Commercial/Industrial	N/A	N/A	N/A	1.828	1.828	0%
	2004	2005	Rev Change	% Change		
	M\$	M\$	M\$	%		
7. System Total Revenue ²	144,947	152,111	7,164	4.9%		

¹ Present Rates reflect gas rates filed in AL 3304 and approved pursuant to PUC Resolution G-3361, effective January 1, 2004.

² Includes RD&D Funds Allocated To But Not Collected From PPP-Exempt Electric Generation, EOR and Wholesale Customer Classes. Unallocated "Common Good" RD&D for 2004 = \$31,987. Unallocated "Common Good" RD&D for 2005 = \$376,872.