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December 30, 2005

Advice No. 3575 (U 904 G)

Public Utilities Commission of the State of California

Subject: Reclassification of Affiliates from Non-Covered to Covered

Purpose

Southern California Gas Company (SoCalGas) hereby notifies the California Public Utilities Commission (Commission) of the reclassification of affiliates from non-covered to covered as defined in the Commission's Affiliate Transaction Rules (the Rules).

Background

In accordance with Commission Decision No. (D.) 97-12-088, in OIR 97-04-011/OII 97-04-012, Appendix A, Rule VI.B, as modified by D.98-08-035, SoCalGas is required to notify the Commission of the creation of any new affiliate addressed by these Rules. Accordingly, SoCalGas is hereby notifying the Commission of the reclassification of nine entities from non-covered to covered affiliates as shown on the enclosed Attachment B.

NorthStar Consulting Group conducted the 2004 Affiliate Transactions Audit of SoCalGas to provide an independent analysis of SoCalGas' compliance with the Affiliate Transaction Rules. Although the auditors did not find evidence of any improper transactions with noncovered affiliates, the auditors disagreed with some of SoCalGas' classifications of affiliates and recommended that SoCalGas perform a comprehensive analysis of utility affiliates. SoCalGas has completed the review, which resulted in the identification of nine affiliates that should have been classified as covered under the Rules. Most of them are inactive entities which were previously classified non-covered precisely because they were inactive; however, SoCalGas is now taking a more conservative approach by reclassifying them as covered in the event they become active. Pacific Lighting Gas Development Company was previously inactive and now is active. Port Arthur LNG LP was a proposed project when it was created in 2004 and is now a viable and active project. SoCalGas will undertake this type of review on an annual basis in order to confirm proper classification of affiliates.

No unusual or unique circumstances exist that would require affiliate transaction rule implementation measures for the new affiliates beyond those already identified by the utility. Therefore, SoCalGas will apply the provisions of its 2005 Compliance Plan Advice

No. 3571 to all transactions with the new affiliate included herein. If the Commission modifies or requires the modification of Advice No. 3571, SoCalGas will apply all such changes, or the provisions of such amended plans, to the newly covered affiliate included herein.

This filing will not increase or decrease any rate or charge, conflict with any schedules or rules, or cause the withdrawal of service.

Protest

Anyone may protest this Advice Letter to the 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 must be received within 20 days of the date this Advice Letter. There is no restriction on who may file a protest. The address for mailing or delivering a protest to the Commission is:

CPUC Energy Division Attention: Tariff Unit 505 Van Ness Avenue San Francisco, CA 94102

Copies of the protest should also be sent via e-mail to the attention of both Jerry Royer (jir@cpuc.ca.gov) and to Honesto Gatchalian (jin@cpuc.ca.gov) of the Energy Division. A copy of the protest should 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 believes that this filing is subject to Energy Division disposition and since this filing is being made in compliance with D.97-12-088, SoCalGas therefore respectfully requests that it become effective on December 30, 2005, which is the date filed.

Notice

A copy of this advice letter is being sent to the parties listed on Attachment A, which includes the interested parties in R.97-04-011 and I.97-04-012.

J. STEVE RAHON
Director
Tariffs and Regulatory Accounts

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)						
Company name/CPUC Utility No. S 0	OUTHERN CALIFO	RNIA GAS COMPANY/ U 904 G				
Utility type:	Contact Person: <u>Sid Newsom</u>					
☐ ELC ☐ GAS	Phone #: (213) 244-2822					
☐ PLC ☐ HEAT ☐ WATER	E-mail: <u>nmaralit@</u>	semprautilities.com				
EXPLANATION OF UTILITY T	TYPE (Date Filed/ Received Stamp by CPUC)					
ELC = Electric GAS = Gas PLC = Pipeline HEAT = Heat	WATER = Water					
Advice Letter (AL) #: 3575						
Subject of AL: Reclassification of Aff	iliates from Non-Co	overed to Covered				
Keywords (choose from CPUC listing	g): <u>Affiliates</u>					
AL filing type: Monthly Quarte	erly 🗌 Annual 🔲 C	One-Time 🛛 Other				
If AL filed in compliance with a Com	mission order, indi	cate relevant Decision/Resolution #:				
D97-12-088						
Does AL replace a withdrawn or reje	ected AL? If so, idea	ntify the prior AL				
		ithdrawn or rejected AL¹:				
	•	•				
Resolution Required? Yes No						
Requested effective date: 12/30/05 No. of tariff sheets:						
Estimated system annual revenue e	ffect: (%):					
Estimated system average rate effec	t (%):					
		L showing average rate effects on customer				
classes (residential, small commercial, large C/I, agricultural, lighting).						
Tariff schedules affected:						
Service affected and changes proposed ¹ :						
Pending advice letters that revise the same tariff sheets:						
Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:						
CPUC, Energy Division		outhern California Gas Company				
Attention: Tariff Unit		ttention: Sid Newsom				
505 Van Ness Avenue San Francisco, CA 94102		55 West Fifth Street, ML GT14D6 os Angeles, CA 90013-4957				
		newsom@semprautilities.com				

 $^{^{\}mbox{\tiny 1}}$ Discuss in AL if more space is needed.

ATTACHMENT A

Advice No. 3575

(See Attached Service Lists)

Aglet Consumer Alliance James Weil jweil@aglet.org

BP Amoco, Reg. Affairs Marianne Jones 501 West Lake Park Blvd. Houston, TX 77079

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San Francisco, CA 94102

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City of Long Beach, Gas Dept. Chris Garner 2400 East Spring Street Long Beach, CA 90806-2385

City of Riverside Joanne Snowden jsnowden@riversideca.gov

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SoCalGas Advice No. 3575 Attachment B Reclassification of Affiliates from Non-Covered to Covered

New Affiliate Name	Address of Headquarters	Primary Officers	Contact Person	Type of Business Activity	ATR Rule II.B. Affiliate?
Atlantic Electric and Gas Limited	No Change	No Change	Norma G. Jasso Affiliate Compliance Manager Affiliate Compliance Department 8330 Century Park Court San Diego, CA 92123	Inactive- Retail business supplying energy to the deregulated industrial, commercial and residential energy markets in England and Wales.	Yes
Canadian Choice Energy, Corp.	No Change	No Change	Norma G. Jasso Affiliate Compliance Manager Affiliate Compliance Department 8330 Century Park Court San Diego, CA 92123	Inactive - Selling natural gas to residential and small commercial customers in the Province of Ontario.	Yes
Luz del Sur International A.V.V.	No Change	No Change	Norma G. Jasso Affiliate Compliance Manager Affiliate Compliance Department 8330 Century Park Court San Diego, CA 92123	Inactive - Aruba investment company related to electricity business. Owned 100% by Luz del Sur S.A.A.	Yes
NGV Ecotrans Group, LLC	No Change	No Change	Norma G. Jasso Affiliate Compliance Manager Affiliate Compliance Department 8330 Century Park Court San Diego, CA 92123	Inactive - CNG Vehicle Development	Yes
Pacific Enerchange	No Change	No Change	Norma G. Jasso Affiliate Compliance Manager Affiliate Compliance Department 8330 Century Park Court San Diego, CA 92123	Inactive - Operation and administration of gas energy hubs.	Yes
Pacific Enterprises LNG Company	No Change	No Change	Norma G. Jasso Affiliate Compliance Manager Affiliate Compliance Department 8330 Century Park Court San Diego, CA 92123	Inactive - Liquefied natural gas business.	Yes

SoCalGas Advice No. 3575 Attachment B Reclassification of Affiliates from Non-Covered to Covered

Pacific Interstate Transmission Company	No Change	No Change	Norma G. Jasso Affiliate Compliance Manager Affiliate Compliance Department 8330 Century Park Court San Diego, CA 92123	Inactive - Transportation of gas, petroleum, and petroleum products. Operation of Power Plants.	Yes
Pacific Lighting Gas Development Company	No Change	No Change	Norma G. Jasso Affiliate Compliance Manager Affiliate Compliance Department 8330 Century Park Court San Diego, CA 92123	Oil & Gas working interest in Point Thompson, AK	Yes
Port Arthur LNG, LP	No Change	No Change	Norma G. Jasso Affiliate Compliance Manager Affiliate Compliance Department 8330 Century Park Court San Diego, CA 92123	Development, construction, and operation of a liquefied natural gas storage project in Texas.	Yes