

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



June 11, 2007

Advice Letter 3742

Mr. Sid Newsom  
Regulatory Tariff Administration  
Southern California Gas Company – GT14D6  
555 West Fifth Street  
Los Angeles, CA 90013-4957



Subject: May 2007 Cross-Over Rate

Dear Mr. Newsom:

Advice Letter 3742 is effective May 10, 2007. A copy of the advice letter is returned herewith for your records.

Sincerely,

A handwritten signature in black ink, appearing to read "Sean H. Gallagher".

Sean H. Gallagher, Director  
Energy Division



Ken Deremer  
Director  
Tariffs & Regulatory Accounts

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Tel: 858.654.1756  
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KDeremer@SempraUtilities.com

May 9, 2007

Advice No. 3742  
(U 904 G)

Public Utilities Commission of the State of California

**Subject: Cross-Over Rate for May 2007**

Southern California Gas Company (SoCalGas) hereby submits for filing revisions to its tariff schedules, applicable throughout its service territory, as shown on Attachment B.

**Purpose**

This routine monthly filing revises the listed tariff rate schedules showing the Cross-Over Rate for applicable residential and core commercial and industrial customers for May 2007, as authorized by the California Public Utilities Commission's (Commission) approval of SoCalGas' Advice No. (AL) 3188-A on September 4, 2003, by Resolution G-3351. AL 3188-A was filed pursuant to Commission Decision (D.) 02-08-065 issued on August 22, 2002, authorizing SoCalGas to implement revised uniform rules for noncore customers requesting core service, and core customers with an annual consumption over 50,000 therms who elect to switch from a Core Aggregation Transportation (CAT) marketer to utility procurement service.

**Background**

The Cross-Over Rate, as set forth in Schedule No. G-CP will be the higher of 1) the posted monthly core procurement rate or 2) an Adjusted California Border Price. The Border Price adjustment will reflect the fact that interstate transportation costs are included in the core transportation rate, as opposed to the core procurement rate, and therefore must be removed from the Border Price in order to make for a proper comparison (and to avoid charging cross-over customers twice for interstate transportation). Similarly, the core procurement rate does not include intrastate backbone costs which are also a component of the core transportation rate.

The Border Price is equal to the average of the first of the month "Southern Cal Border Avg." index from Natural Gas Intelligence and the "Bid Week, California-South, Delivered to Pipeline" index from Natural Gas Week. The Adjusted Border Price is equal to the Border Price less the currently authorized core interstate capacity costs included in core transportation rates.

This Cross-Over Rate will be applicable for the first 12 months of service for: (1) customers who transfer from noncore service to core procurement service, except the following customers: a) noncore customers who have been served under Schedule No. G-CS since January 1, 2001, or b) noncore customers who have been disqualified from noncore service and are required to return to core service; (2) non-residential core transportation customers who consumed over 50,000 therms in the last 12 months, unless such customer was returned to utility procurement because their gas supplier is no longer doing any business in California, or (3) non-residential core transportation customers with annual consumption over 50,000 therms who return to core procurement service and switch back to transportation only service within 90 days.

The Cross-Over Rate will be filed on or before the 9<sup>th</sup> calendar day of each month, to be effective the 10<sup>th</sup> calendar day of each month.

### **Requested Rate Revision**

The Cross-Over Rate for May 2007 is 72.564 cents per therm, which is the same as the Core Procurement rate as filed by AL 3739 on April 30, 2007. The workpaper showing the calculation of the Cross-Over Rate is incorporated herein as Attachment C.

### **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 of 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 Maria Salinas ([mas@cpuc.ca.gov](mailto:mas@cpuc.ca.gov)) and Honesto Gatchalian ([jnj@cpuc.ca.gov](mailto:jnj@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](mailto:snewsom@SempraUtilities.com)

**Effective Date**

In compliance with Advice No. 3188-A, approved on September 4, 2003 by Resolution G-3351, the tariff sheets filed herein are to be effective for service on and after May 10, 2007.

**Notice**

A copy of this advice letter is being sent to the parties listed on Attachment A.

---

Ken Deremer  
Director  
Tariffs and Regulatory Accounts

Attachments

# 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. **SOUTHERN CALIFORNIA GAS COMPANY/ U 904 G**

Utility type: \_\_\_\_\_

Contact Person: Connie Christensen

ELC

GAS

Phone #: (213) 244-3837

PLC

HEAT

WATER

E-mail: cchristensen@semprautilities.com

### EXPLANATION OF UTILITY TYPE

ELC = Electric

GAS = Gas

PLC = Pipeline

HEAT = Heat

WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: 3742

Subject of AL: May 2007 Cross-Over Rate

Keywords (choose from CPUC listing): Preliminary Statement; Procurement

AL filing type:  Monthly  Quarterly  Annual  One-Time  Other

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #:

G-3351

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL

Summarize differences between the AL and the prior withdrawn or rejected AL<sup>1</sup>:

Resolution Required?  Yes  No

Requested effective date: May 10, 2007

No. of tariff sheets: 22

Estimated system annual revenue effect: (%): \_\_\_\_\_

Estimated system average rate effect (%): \_\_\_\_\_

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: PS II, GR, GS, GM, GML, G-NGVR, G-10, G-AC, G-EN, G-NGV, G-CP & TOCs

Service affected and changes proposed<sup>1</sup>:

Pending advice letters that revise the same tariff sheets: 3729, 3732, 3739

**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**

**Attention: Tariff Unit**

**505 Van Ness Avenue**

**San Francisco, CA 94102**

**jjr@cpuc.ca.gov and jnj@cpuc.ca.gov**

**Southern California Gas Company**

**Attention: Sid Newsom**

**555 West Fifth Street, ML GT14D6**

**Los Angeles, CA 90013-4957**

**snewsom@semprautilities.com**

<sup>1</sup> Discuss in AL if more space is needed.

**ATTACHMENT A**

**Advice No. 3742**

**(See Attached Service List)**

Aglet Consumer Alliance  
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jweil@aglet.org

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ATTACHMENT B  
Advice No. 3742

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 41875-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 1	Revised 41842-G
Revised 41876-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 2	Revised 41843-G
Revised 41877-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 3	Revised 41844-G
Revised 41878-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 4	Revised 41845-G
Revised 41879-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 7	Revised 41846-G
Revised 41880-G	Schedule No. GR, RESIDENTIAL SERVICE, (Includes GR, GR-C, GT-R, GRL and GT-RL Rates), Sheet 1	Revised 41849-G
Revised 41881-G	Schedule No. GS, SUBMETERED MULTI- FAMILY SERVICE, (Includes GS, GS-C, GT-S, GSL, GSL-C and GT-SL Rates), Sheet 2	Revised 41851-G
Revised 41882-G	Schedule No. GM, MULTI-FAMILY SERVICE, (Includes GM-E, GM-C, GM-EC, GM-CC, GT- ME, GT-MC and all GMB Rates), Sheet 2	Revised 41852-G
Revised 41883-G	Schedule No. GM, MULTI-FAMILY SERVICE, (Includes GM-E, GM-C, GM-EC, GM-CC, GT- ME, GT-MC and all GMB Rates), Sheet 3	Revised 41853-G
Revised 41884-G	Schedule No. GML, MULTI-FAMILY SERVICE, INCOME QUALIFIED, (Includes GML-E, GML-C, GML-EC, GML-CC, GT-MLE, GT-MLC and all GMBL Rates), Sheet 2	Revised 41854-G
Revised 41885-G	Schedule No. GML, MULTI-FAMILY SERVICE, INCOME QUALIFIED, (Includes GML-E, GML-C, GML-EC, GML-CC, GT-MLE, GT-MLC and all GMBL Rates), Sheet 3	Revised 41855-G
Revised 41886-G	Schedule No. G-NGVR, NATURAL GAS SERVICE FOR HOME REFUELING OF MOTOR VEHICLES, (Includes G-NGVR, G- NGVRC, GT-NGVR, G-NGVRL and GT- NGVRL Rates), Sheet 1	Revised 41859-G
Revised 41887-G	Schedule No. G-10, CORE COMMERCIAL AND INDUSTRIAL SERVICE, (Includes GN-	Revised 41862-G

ATTACHMENT B  
Advice No. 3742

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 41888-G	10, 10C, 10V, 10VC, 10L, GT-10, 10V, and 10L Rates), Sheet 2 Schedule No. G-10, CORE COMMERCIAL AND INDUSTRIAL SERVICE, (Includes GN-10, 10C, 10V, 10VC, 10L, GT-10, 10V, and 10L Rates), Sheet 3	Revised 41863-G
Revised 41889-G	Schedule No. G-AC, CORE AIR CONDITIONING SERVICE, FOR COMMERCIAL AND INDUSTRIAL, Sheet 2	Revised 41865-G
Revised 41890-G	Schedule No. G-EN, CORE GAS ENGINE SERVICE, FOR WATER PUMPING, Sheet 2	Revised 41867-G
Revised 41891-G	Schedule No. G-NGV, NATURAL GAS SERVICE FOR MOTOR VEHICLES, Sheet 2	Revised 41868-G
Revised 41892-G	Schedule No. G-CP, CORE PROCUREMENT SERVICE, Sheet 2	Revised 41869-G
Revised 41893-G	Schedule No. G-CP, CORE PROCUREMENT SERVICE, Sheet 3	Revised 41870-G
Revised 41894-G	TABLE OF CONTENTS	Revised 41872-G
Revised 41895-G	TABLE OF CONTENTS	Revised 41873-G
Revised 41896-G	TABLE OF CONTENTS	Revised 41874-G

PRELIMINARY STATEMENT  
 PART II  
SUMMARY OF RATES AND CHARGES

Sheet 1

RESIDENTIAL CORE SERVICE

Schedule GR (Includes GR, GR-C, GT-R, GRL and GT-RL Rates)

	Baseline Usage	Non-Baseline Usage	Customer Charge per meter, per day	
GR <sup>1/</sup> .....	101.033¢	119.321¢	16.438¢	
GR-C <sup>2/</sup> .....	101.033¢	119.321¢	16.438¢	I,I
GT-R .....	28.418¢	46.706¢	16.438¢	
GRL <sup>3/</sup> .....	81.778¢	96.409¢	13.151¢	
GT-RL <sup>3/</sup> .....	22.734¢	37.365¢	13.151¢	

Schedule GS (Includes GS, GS-C, GT-S, GSL,GSL-C and GT-SL Rates)

GS <sup>1/</sup> .....	101.033¢	119.321¢	16.438¢	
GS-C <sup>2/</sup> .....	101.033¢	119.321¢	16.438¢	I,I
GT-S .....	28.418¢	46.706¢	16.438¢	
GSL <sup>3/</sup> .....	81.778¢	96.409¢	13.151¢	
GSL-C <sup>3/</sup> .....	81.778¢	96.409¢	13.151¢	I,I
GT-SL <sup>3/</sup> .....	22.734¢	37.365¢	13.151¢	

Schedule GM (Includes GM-E, GM-C, GM-EC, GM-CC, GT-ME, GT-MC, and all GMB Rates)

GM-E <sup>1/</sup> .....	101.033¢	119.321¢	16.438¢	
GM-C <sup>1/</sup> .....	N/A	119.321¢	16.438¢	
GM-EC <sup>2/</sup> .....	101.033¢	119.321¢	16.438¢	I,I
GM-CC <sup>2/</sup> .....	N/A	119.321¢	16.438¢	I
GT-ME .....	28.418¢	46.706¢	16.438¢	
GT-MC .....	N/A	46.706¢	16.438¢	
GM-BE <sup>1/</sup> .....	92.909¢	100.899¢	\$10.102	
GM-BC <sup>1/</sup> .....	N/A	100.899¢	\$10.102	
GM-BEC <sup>2/</sup> .....	92.909¢	100.899¢	\$10.102	I,I
GM-BCC <sup>2/</sup> .....	N/A	100.899¢	\$10.102	I
GT-MBE .....	20.294¢	28.284¢	\$10.102	
GT-MBC .....	N/A	28.284¢	\$10.102	

<sup>1/</sup> The residential core procurement charge as set forth in Schedule No. G-CP is 72.564¢/therm which includes the core brokerage fee.  
<sup>2/</sup> The residential cross-over rate as set forth in Schedule No. G-CP is 72.564¢/therm which includes the core brokerage fee.  
<sup>3/</sup> The CARE rate reflects a 20% discount on all customer, commodity, and transportation charges.

(Continued)

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 3742  
 DECISION NO.

1H7

ISSUED BY

**Lee Schavrien**  
 Senior Vice President  
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED May 9, 2007  
 EFFECTIVE May 10, 2007  
 RESOLUTION NO. G-3351

PRELIMINARY STATEMENT  
 PART II  
 SUMMARY OF RATES AND CHARGES

Sheet 2

(Continued)

RESIDENTIAL CORE SERVICE (Continued)

Schedule GML (Includes GML-E, GML-C, GML-EC, GML-CC, GT-MLE, GT-MLC and all GMBL Rates)

	Baseline Usage	Non-Baseline Usage	Customer Charge per meter, per day
GML-E <sup>3/</sup> .....	81.778¢	96.409¢	13.151¢
GML-C <sup>3/</sup> .....	N/A	96.409¢	13.151¢
GML-EC <sup>3/</sup> .....	81.778¢	96.409¢	13.151¢
GML-CC <sup>3/</sup> .....	N/A	96.409¢	13.151¢
GT-MLE <sup>3/</sup> .....	22.734¢	37.365¢	13.151¢
GT-MLC <sup>3/</sup> .....	N/A	37.365¢	13.151¢
GMBL-E <sup>3/</sup> .....	75.279¢	81.671¢	\$8.082
GMBL-C <sup>3/</sup> .....	N/A	81.671¢	\$8.082
GMBL-EC <sup>3/</sup> .....	75.279¢	81.671¢	\$8.082
GMBL-CC <sup>3/</sup> .....	N/A	81.671¢	\$8.082
GT-MBLE <sup>3/</sup> .....	16.235¢	22.627¢	\$8.082
GT-MBLC <sup>3/</sup> .....	N/A	22.627¢	\$8.082

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Schedule G-NGVR (Includes G-NGVR, G-NGVRC, GT-NGVR, G-NGVRL and GT-NGVRL Rates)

	All Usage	Customer Charge per meter, per day
G-NGVR <sup>1/</sup> .....	88.121¢	32.877¢
G-NGVRC <sup>2/</sup> .....	88.121¢	32.877¢
GT-NGVR .....	15.506¢	32.877¢
G-NGVRL <sup>3/</sup> .....	71.449¢	26.301¢
GT-NGVRL <sup>3/</sup> .....	12.405¢	26.301¢

I

<sup>1/</sup> The residential core procurement charge as set forth in Schedule No. G-CP is 72.564¢/therm which includes the core brokerage fee.  
<sup>2/</sup> The residential cross-over rate as set forth in Schedule No. G-CP is 72.564¢/therm which includes the core brokerage fee.  
<sup>3/</sup> The CARE rate reflects a 20% discount on all customer, commodity, and transportation charges.

I

(Continued)

(TO BE INSERTED BY UTILITY)  
 ADVICE LETTER NO. 3742  
 DECISION NO.  
 2H7

ISSUED BY  
**Lee Schavrien**  
 Senior Vice President  
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)  
 DATE FILED May 9, 2007  
 EFFECTIVE May 10, 2007  
 RESOLUTION NO. G-3351

PRELIMINARY STATEMENT  
 PART II  
 SUMMARY OF RATES AND CHARGES

Sheet 3

(Continued)

NON-RESIDENTIAL CORE SERVICE <sup>1/ 2/</sup>

Schedule G-10 <sup>3/</sup> (Includes GN-10, GN-10C, GT-10, GN-10V, GN-10VC, GT-10V, and all 10L Rates)

	<u>Tier I</u>	<u>Tier II</u>	<u>Tier III</u>	
GN-10 .....	118.495¢	96.374¢	78.769¢	
GN-10C .....	118.495¢	96.374¢	78.769¢	I,I,I
GT-10 .....	45.880¢	23.759¢	6.154¢	
GN-10V .....	118.495¢	92.925¢	78.769¢	
GN-10VC .....	118.495¢	92.925¢	78.769¢	I,I,I
GT-10V .....	45.880¢	20.310¢	6.154¢	
GN-10L .....	95.748¢	78.051¢	63.967¢	
GT-10L .....	36.704¢	19.007¢	4.923¢	

Customer Charge  
 Per meter, per day:

	<u>Customer's Annual Usage</u>		<u>CARE Eligible</u> <u>Customer's Annual Usage</u>	
	<1,000 th/yr	≥1,000 th/yr	<1,000 th/yr	≥1,000 th/yr
All customers except "Space Heating Only"	32.877¢	49.315¢	26.301¢	39.452¢
"Space Heating Only" customers:				
Beginning Dec. 1 through Mar. 31	\$0.99174	\$1.48760	\$0.79339	\$1.19008
Beginning Apr. 1 through Nov. 30	None	None	None	None

<sup>1/</sup> The non-residential core procurement charge as set forth in Schedule No. G-CP is 72.564¢/therm which includes the core brokerage fee.  
<sup>2/</sup> The non-residential cross over rate as set forth in Schedule No. G-CP is 72.564¢/therm which includes the core brokerage fee.  
<sup>3/</sup> Schedule GL rates are set commensurate with GN-10 rate in Schedule G-10.

(Continued)

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 3742  
 DECISION NO.

3H7

ISSUED BY

**Lee Schavrien**  
 Senior Vice President  
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED May 9, 2007  
 EFFECTIVE May 10, 2007  
 RESOLUTION NO. G-3351

PRELIMINARY STATEMENT  
PART II  
SUMMARY OF RATES AND CHARGES

Sheet 4

(Continued)

NON-RESIDENTIAL CORE SERVICE (Continued) <sup>1/ 2/</sup>

Commodity Charge  
 (per therm)

Schedule G-AC

G-AC: rate per therm .....	82.329¢	
G-ACC: rate per therm .....	82.329¢	I
G-ACL: rate per therm .....	66.815¢	
Customer Charge: \$150/month		

Schedule G-EN

G-EN: rate per therm .....	82.965¢	
G-ENC: rate per therm .....	82.965¢	I
Customer Charge: \$50/month		

Schedule G-NGV

G-NGU: rate per therm .....	80.498¢	
G-NGUC: rate per therm .....	80.498¢	I
G-NGU plus G-NGC Compression Surcharge .....	155.122¢	
G-NGUC plus G-NGC Compression Surcharge .....	155.122¢	I
P-1 Customer Charge: \$13/month		
P-2A Customer Charge: \$65/month		

(Continued)

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 ADVICE LETTER NO. 3742  
 DECISION NO.

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PRELIMINARY STATEMENT  
 PART II  
SUMMARY OF RATES AND CHARGES

Sheet 7

(Continued)

WHOLESALE SERVICE (Continued)

Schedule GW-VRN (City of Vernon, GT-F10 & GT-I10)

Transmission Charge .....	2.756¢
ITCS-VRN .....	(0.033¢)

PROCUREMENT CHARGE

Schedule G-CP

Non-Residential Core Procurement Charge, per therm .....	72.564¢
Non-Residential Cross-Over Rate, per therm .....	72.564¢
Residential Core Procurement Charge, per therm .....	72.564¢
Residential Cross-Over Rate, per therm .....	72.564¢
Adjusted Core Procurement Charge, per therm .....	72.363¢

IMBALANCE SERVICE

Standby Procurement Charge

Core Retail Standby (SP-CR)

February 2007 .....	114.576¢
March 2007 .....	112.851¢
April 2007 .....	TBD*

Noncore Retail Standby (SP-NR)

February 2007 .....	114.641¢
March 2007 .....	112.916¢
April 2007 .....	TBD*

Wholesale Standby (SP-W)

February 2007 .....	114.641¢
March 2007 .....	112.916¢
April 2007 .....	TBD*

\*To be determined (TBD). Pursuant to Resolution G-3316, the April Standby Procurement Charge will be filed by separate advice letter at least one day prior to May 25.

Buy-Back Rate

Core and Noncore Retail (BR-R)

February 2007 .....	34.581¢
March 2007 .....	36.440¢
April 2007 .....	32.435¢

Wholesale (BR-W)

February 2007 .....	34.465¢
March 2007 .....	36.318¢
April 2007 .....	32.327¢

(Continued)

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(TO BE INSERTED BY CAL. PUC)

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 RESOLUTION NO. G-3351



Schedule No. GR  
RESIDENTIAL SERVICE

Sheet 1

(Includes GR, GR-C, GT-R, GRL and GT-RL Rates)

APPLICABILITY

The GR rate is applicable to natural gas procurement service to individually metered residential customers.

The GR-C, cross-over rate, is a core procurement option for individually metered residential core transportation customers with annual consumption over 50,000 therms, as set forth in Special Condition 10.

The GT-R rate is applicable to Core Aggregation Transportation (CAT) service to individually metered residential customers, as set forth in Special Condition 11.

The GRL procurement rate and GT-RL (CAT) rates are applicable to income-qualified households that meet the requirements for the California Alternate Rates for Energy (CARE) as set forth in Schedule G-CARE. The CARE discount of 20% is reflected in the GRL and GT-RL rates shown below. Pursuant to D.05-11-027, as modified by D.06-02-034, benefits from cushion gas withdrawal may be applied in order to keep the CARE commodity rate in any winter month from exceeding 80 cents per therm, provided that all benefits have been applied by March 31, 2008.

TERRITORY

Applicable throughout the service territory.

RATES

	<u>GR</u>	<u>GR-C</u>	<u>GT-R</u>
<u>Customer Charge</u> , per meter per day: <sup>1/</sup> .....	16.438¢	16.438¢	16.438¢

Baseline Rate, per therm (baseline usage defined in Special Conditions 3 and 4):

<u>Procurement Charge</u> : <sup>2/</sup> .....	72.564¢	72.564¢	N/A
<u>Transmission Charge</u> : <sup>3/</sup> .....	28.469¢	28.469¢	28.418¢
<u>Total Baseline Charge</u> : .....	101.033¢	101.033¢	28.418¢

Non-Baseline Rate, per therm (usage in excess of baseline usage):

<u>Procurement Charge</u> : <sup>2/</sup> .....	72.564¢	72.564¢	N/A
<u>Transmission Charge</u> : <sup>3/</sup> .....	46.757¢	46.757¢	46.706¢
<u>Total Non-Baseline Charge</u> : .....	119.321¢	119.321¢	46.706¢

Rates for CARE-Eligible Customers

	<u>GRL</u>	<u>GT-RL</u>
<u>Customer Charge</u> , per meter per day: <sup>1/</sup> .....	13.151¢	13.151¢

<sup>1/</sup> For "Space Heating Only" customers, a daily Customer Charge of 33.149¢ per day for GR, GR-C and GT-R and 26.519¢ per day for GRL and GT-RL applies during the winter period beginning November 1 through April 30. For the summer period beginning May 1 through October 31, with some exceptions, usage will be accumulated to at least 20 one hundred cubic feet (Ccf) before billing. (Footnotes continue next page.)

(Continued)

(TO BE INSERTED BY UTILITY)

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DATE FILED May 9, 2007  
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Schedule No. GS Sheet 2  
SUBMETERED MULTI-FAMILY SERVICE  
 (Includes GS, GS-C, GT-S, GSL, GSL-C and GT-SL Rates)  
 (Continued)

RATES (Continued)

	<u>GS</u>	<u>GS-C</u>	<u>GT-S</u>
<u>Baseline Rate, per therm (baseline usage defined in Special Conditions 3 and 4):</u>			
Procurement Charge: <sup>2/</sup> .....	72.564¢	72.564¢	N/A
<u>Transmission Charge:</u> <sup>3/</sup> .....	<u>28.469¢</u>	<u>28.469¢</u>	<u>28.418¢</u>
Total Baseline Charge: .....	101.033¢	101.033¢	28.418¢

<u>Non-Baseline Rate, per therm (usage in excess of baseline usage):</u>			
Procurement Charge: <sup>2/</sup> .....	72.564¢	72.564¢	N/A
<u>Transmission Charge:</u> <sup>3/</sup> .....	<u>46.757¢</u>	<u>46.757¢</u>	<u>46.706¢</u>
Total Non-Baseline Charge: .....	119.321¢	119.321¢	46.706¢

	<u>Rates for CARE-Eligible Customers</u>		
	<u>GSL</u>	<u>GSL-C</u>	<u>GT-SL</u>
<u>Customer Charge, per meter per day:</u> <sup>1/</sup> .....	13.151¢	13.151¢	13.151¢

The Transmission Charges for CARE-eligible procurement customers shown below include an additional charge of 0.952 cents per therm to recover the well work costs associated with maintaining the deliverability capability at the Aliso and Goleta storage fields as a result of releasing the cushion gas to CARE procurement customers pursuant to D.05-11-027.

<u>Baseline Rate, per therm (baseline usage defined per Special Conditions 3 and 4):</u>			
Procurement Charge: <sup>2/</sup> .....	58.051¢	58.051¢	N/A
<u>Transmission Charge:</u> <sup>3/</sup> .....	<u>23.727¢</u>	<u>23.727¢</u>	<u>22.734¢</u>
Total Baseline Charge: .....	81.778¢	81.778¢	22.734¢

<u>Non-Baseline Rate, per therm (usage in excess of baseline usage):</u>			
Procurement Charge: <sup>2/</sup> .....	58.051¢	58.051¢	N/A
<u>Transmission Charge:</u> <sup>3/</sup> .....	<u>38.358¢</u>	<u>38.358¢</u>	<u>37.365¢</u>
Total Non-Baseline Charge: .....	96.409¢	96.409¢	37.365¢

<sup>2/</sup> This charge is applicable to Utility Procurement Customers and includes the G-CPR Procurement Charge as shown in Schedule No. G-CP, which is subject to change monthly, as set forth in Special Condition 8.

<sup>3/</sup> This charge for GS and GS-C customers is equal to the GT-S Transmission Charge and the procurement carrying cost of storage inventory charge.

(Continued)

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 3742  
 DECISION NO.

2H7

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**Lee Schavrien**  
 Senior Vice President  
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED May 9, 2007  
 EFFECTIVE May 10, 2007  
 RESOLUTION NO. G-3351

Schedule No. GM  
MULTI-FAMILY SERVICE

Sheet 2

(Includes GM-E, GM-C, GM-EC, GM-CC, GT-ME, GT-MC and all GMB Rates)

(Continued)

RATES

	<u>GM/GT-M</u>	<u>GMB/GT-MB</u>
Customer Charge, per meter, per day: .....	16.438¢ <sup>1/</sup>	\$10.102

GM

	<u>GM-E</u>	<u>GM-EC</u> <sup>4/</sup>	<u>GT-ME</u>
<u>Baseline Rate</u> , per therm (baseline usage defined per Special Conditions 3 and 4):			
Procurement Charge: <sup>2/</sup> .....	72.564¢	72.564¢	N/A
<u>Transmission Charge</u> : <sup>3/</sup> .....	28.469¢	28.469¢	28.418¢
Total Baseline Charge (all usage): .....	101.033¢	101.033¢	28.418¢

<u>Non-Baseline Rate</u> , per therm (usage in excess of baseline usage):			
Procurement Charge: <sup>2/</sup> .....	72.564¢	72.564¢	N/A
<u>Transmission Charge</u> : <sup>3/</sup> .....	46.757¢	46.757¢	46.706¢
Total Non Baseline Charge (all usage):.....	119.321¢	119.321¢	46.706¢

	<u>GM-C</u>	<u>GM-CC</u> <sup>4/</sup>	<u>GT-MC</u>
<u>Non-Baseline Rate</u> , per therm (usage in excess of baseline usage):			
Procurement Charge: <sup>2/</sup> .....	72.564¢	72.564¢	N/A
<u>Transmission Charge</u> : <sup>3/</sup> .....	46.757¢	46.757¢	46.706¢
Total Non Baseline Charge (all usage):.....	119.321¢	119.321¢	46.706¢

<sup>1/</sup> For "Space Heating Only" customers, a daily Customer Charge of 33.149¢ per day for GM and GT-M applies during the winter period beginning November 1 through April 30. For the summer period beginning May 1 through October 31, with some exceptions, usage will be accumulated to at least 20 one hundred cubic feet (Ccf) before billing.

<sup>2/</sup> This charge is applicable to Utility Procurement Customers and includes the G-CPR Procurement Charge as shown in Schedule No. G-CP, which is subject to change monthly, as set forth in Special Condition 7.

<sup>3/</sup> This charge for GM-E, GM-EC, GM-BE, GM-BEC, GM-C, GM-CC, GM-BC and GM-BCC customers is equal to the GT-R Transmission Charge and the procurement carrying cost of storage inventory charge.

<sup>4/</sup> These Cross-Over Rate charges will be applicable for only the first 12 months of service for residential core transportation customers who consumed over 50,000 therms: (1) in the last 12 months and who have transferred from procuring their gas commodity from an Energy Service Provider (ESP) to utility procurement unless such customer was returned to utility procurement because their gas supplier is no longer doing any business in California; and (2) who return to core procurement service for up to 90 days while deciding whether to switch to a different ESP.

(Continued)

(TO BE INSERTED BY UTILITY)  
 ADVICE LETTER NO. 3742  
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 RESOLUTION NO. G-3351

Schedule No. GM

Sheet 3

MULTI-FAMILY SERVICE

(Includes GM-E, GM-C, GM-EC, GM-CC, GT-ME, GT-MC and all GMB Rates)

(Continued)

RATES (Continued)

GMB

	<u>GM-BE</u>	<u>GM-BEC</u> <sup>4/</sup>	<u>GT-MBE</u>
<u>Baseline Rate</u> , per therm (baseline usage defined per Special Conditions 3 and 4):			
Procurement Charge: <sup>2/</sup> .....	72.564¢	72.564¢	N/A
<u>Transmission Charge</u> : <sup>3/</sup> .....	<u>20.345¢</u>	<u>20.345¢</u>	<u>20.294¢</u>
Total Baseline Charge (all usage):.....	92.909¢	92.909¢	20.294¢

<u>Non-Baseline Rate</u> , per therm (usage in excess of baseline usage):			
Procurement Charge: <sup>2/</sup> .....	72.564¢	72.564¢	N/A
<u>Transmission Charge</u> : <sup>3/</sup> .....	<u>28.335¢</u>	<u>28.335¢</u>	<u>28.284¢</u>
Total Non-Baseline Charge (all usage): .....	100.899¢	100.899¢	28.284¢

	<u>GM-BC</u>	<u>GM-BCC</u> <sup>4/</sup>	<u>GT-MBC</u>
<u>Non-Baseline Rate</u> , per therm (usage in excess of baseline usage):			
Procurement Charge: <sup>2/</sup> .....	72.564¢	72.564¢	N/A
<u>Transmission Charge</u> : <sup>3/</sup> .....	<u>28.335¢</u>	<u>28.335¢</u>	<u>28.284¢</u>
Total Non Baseline Charge (all usage):.....	100.899¢	100.899¢	28.284¢

Minimum Charge

The Minimum Charge shall be the applicable monthly Customer Charge.

Additional Charges

Rates may be adjusted to reflect any applicable taxes, franchise fees or other fees, regulatory surcharges, and interstate or intrastate pipeline charges that may occur.

(Continued)

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ADVICE LETTER NO. 3742  
 DECISION NO.

347

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 Senior Vice President  
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DATE FILED May 9, 2007  
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 RESOLUTION NO. G-3351

Schedule No. G-NGVR

Sheet 1

NATURAL GAS SERVICE FOR HOME REFUELING OF MOTOR VEHICLES  
 (Includes G-NGVR, G-NGVRC, GT-NGVR, G-NGVRL and GT-NGVRL Rates)

APPLICABILITY

The G-NGVR rate is applicable to natural gas procurement service to individually metered residential customers who have an installed natural gas vehicle (NGV) home refueling appliance, as set forth in Special Conditions 3 and 5.

The G-NGVRC, cross-over rate, is a core procurement option for individually metered residential core transportation customers with annual consumption over 50,000 therms, as set forth in Special Condition 10.

The GT-NGVR rate is applicable to Core Aggregation Transportation (CAT) service to individually metered residential customers, as set forth in Special Condition 11.

The G-NGVRL procurement rate and GT-NGVRL (CAT) rates are applicable to income-qualified households that meet the requirements for the California Alternate Rates for Energy (CARE) Program as set forth in Schedule No. G-CARE. The CARE discount of 20% is reflected in the G-NGVRL and GT-NGVRL rates shown below. Pursuant to D.05-11-027, as modified by D.06-02-034, benefits from cushion gas withdrawal may be applied in order to keep the CARE commodity rate in any winter month from exceeding 80 cents per therm, provided that all benefits have been applied by March 31, 2008.

TERRITORY

Applicable throughout the service territory.

RATES

	<u>G-NGVR</u>	<u>G-NGVRC</u>	<u>GT-NGVR</u>
<u>Customer Charge</u> , per meter per day .....	32.877¢	32.877¢	32.877¢
<u>Rate</u> , per therm			
Procurement Charge <sup>1/</sup> .....	72.564¢	72.564¢	N/A
<u>Transmission Charge</u> <sup>2/</sup> .....	<u>15.557¢</u>	<u>15.557¢</u>	<u>15.506¢</u>
Commodity Charge .....	88.121¢	88.121¢	15.506¢

<sup>1/</sup> This charge is applicable to Utility Procurement Customers and includes the G-CPR Procurement Charge as shown in Schedule No. G-CP, which is subject to change monthly, as set forth in Special Condition 7.

<sup>2/</sup> This charge for G-NGVR and G-NGVRC customers is equal to the GT-NGVR Transmission Charge plus the procurement carrying cost of storage inventory charge.

(Continued)

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**Lee Schavrien**  
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Schedule No. G-10

Sheet 2

CORE COMMERCIAL AND INDUSTRIAL SERVICE  
 (Includes GN-10, 10C, 10V, 10VC, 10L, GT-10, 10V, and 10L Rates)

(Continued)

RATES (Continued)

All Procurement, Transmission, and Commodity Charges are billed per therm.

		<u>Tier I</u> <sup>2/</sup>	<u>Tier II</u> <sup>2/</sup>	<u>Tier III</u> <sup>2/</sup>	
<u>GN-10:</u>	Applicable to natural gas procurement service to non-residential core customers, including service not provided under any other rate schedule.				
	Procurement Charge: <sup>3/</sup> G-CPNR .....	72.564¢	72.564¢	72.564¢	
	<u>Transmission Charge:</u> <sup>4/</sup> GPT-10 .....	45.931¢	23.810¢	6.205¢	
	Commodity Charge: GN-10 .....	118.495¢	96.374¢	78.769¢	
<u>GN-10C:</u>	Core procurement service for previous non-residential transportation-only customers returning to core procurement service, including CAT customers with annual consumption over 50,000 therms, as further defined in Schedule No. G-CP.				
	Procurement Charge: <sup>3/</sup> G-CPNRC .....	72.564¢	72.564¢	72.564¢	I,I,I
	<u>Transmission Charge:</u> <sup>4/</sup> GPT-10 .....	45.931¢	23.810¢	6.205¢	
	Commodity Charge: GN-10C .....	118.495¢	96.374¢	78.769¢	I,I,I
<u>GT-10:</u>	Applicable to non-residential transportation-only service including CAT service, as set forth in Special Condition 13.				
	Transmission Charge: GT-10 .....	45.880¢ <sup>5/</sup>	23.759¢ <sup>5/</sup>	6.154¢ <sup>5/</sup>	

<sup>2/</sup> Tier I rates are applicable for the first 100 therms used during summer months and the first 250 therms used during winter months. Tier II rates are applicable for usage above Tier I quantities and up through 4,167 therms per month. Tier III rates are applicable for all usage above 4,167 therms per month. Under this schedule, the winter season shall be defined as December 1 through March 31 and the summer season as April 1 through November 30.

<sup>3/</sup> This charge is applicable for service to Utility Procurement Customers as shown in Schedule No. G-CP, in the manner approved by D.96-08-037, and subject to change monthly, as set forth in Special Condition 5.

<sup>4/</sup> This charge for GN-10, GN-10C, GN-10V, GN-10VC and GN-10L customers is equal to the GT-10 Transmission Charge and the procurement carrying cost of storage inventory charge.

(Footnotes continue next page.)

(Continued)

Schedule No. G-10

Sheet 3

CORE COMMERCIAL AND INDUSTRIAL SERVICE  
 (Includes GN-10, 10C, 10V, 10VC, 10L, GT-10, 10V, and 10L Rates)

(Continued)

RATES (Continued)

City of Vernon

		<u>Tier I<sup>2/</sup></u>	<u>Tier II<sup>2/</sup></u>	<u>Tier III<sup>2/</sup></u>	
<u>GN-10V:</u>	Applicable to natural gas procurement service to non-residential core customers located in the City of Vernon, as defined in Special Condition 11.				
Procurement Charge: <sup>3/</sup>	G-CPNR .....	72.564¢	72.564¢	72.564¢	
<u>Transmission Charge:</u> <sup>4/</sup>	GPT-10V .....	45.931¢	20.361¢	6.205¢	
Commodity Charge:	GN-10V .....	118.495¢	92.925¢	78.769¢	
<u>GN-10VC:</u>	Core procurement service for previous non-residential transportation-only customers returning to utility procurement service located in the City of Vernon, including CAT customers with annual consumption over 50,000 therms, as further defined in Schedule No. G-CP.				
Procurement Charge: <sup>3/</sup>	G-CPNRC .....	72.564¢	72.564¢	72.564¢	I,I,I
<u>Transmission Charge:</u> <sup>4/</sup>	GPT-10V .....	45.931¢	20.361¢	6.205¢	
Commodity Charge:	GN-10VC .....	118.495¢	92.925¢	78.769¢	I,I,I
<u>GT-10V:</u>	Applicable to non-residential transportation-only and CAT customers located in the City of Vernon as set forth in Special Conditions 11 and 13.				
Transmission Charge:	GT-10V .....	45.880¢ <sup>6/</sup>	20.310¢ <sup>6/</sup>	6.154¢ <sup>6/</sup>	

(Footnotes continued from previous page.)

<sup>5/</sup> These charges are equal to the core commodity rate less the following three components as approved in D.97-04-082: (1) the weighted average cost of gas; (2) the core brokerage fee; and (3) the procurement carrying cost of storage inventory.

<sup>6/</sup> These charges are equal to the core commodity rate less the following four components as approved in D.97-04-082: (1) the weighted average cost of gas; (2) the core brokerage fee; (3) the procurement carrying cost of storage inventory; and (4) an amount to implement the SoCalGas-Vernon Stipulation and Settlement Agreement approved by D.96-09-104. This charge includes the El Paso Settlement proceeds refund pursuant to D.03-10-087 and approved by Advice No. 3416.

(Continued)

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**Lee Schavrien**  
 Senior Vice President  
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Schedule No. G-AC  
CORE AIR CONDITIONING SERVICE  
FOR COMMERCIAL AND INDUSTRIAL

Sheet 2

(Continued)

RATES (Continued)

Commodity Charges

G-AC

This charge is for service as defined above and consists of: (1) the monthly non-residential procurement charge as set forth in Schedule No. G-CP; (2) the GT-AC transmission charge, as set forth in Schedule No. GT-AC; and (3) the procurement carrying cost of storage inventory charge.

The non-residential procurement charge is determined as set forth in Schedule No. G-CP, in the manner approved by D.96-08-037, and subject to change monthly as described in Special Condition 10.

Rate, per therm.

Procurement Charge:	G-CPNR .....	72.564¢
<u>Transmission Charge:</u>	<u>GPT-AC</u> .....	<u>9.765¢</u>
Commodity Charge:	G-AC .....	82.329¢

G-ACC

This charge will be applicable for the first 12 months of service for: (1) customers who transfer from noncore service to core procurement service, except noncore customers who have been disqualified from noncore service and are required to return to core service; (2) non-residential core transportation customers who consumed over 50,000 therms in the last 12 months, unless such customer was returned to utility procurement because their gas supplier is no longer doing any business in California, or (3) non-residential core transportation customers with annual consumption over 50,000 therms who return to core procurement service and switch back to transportation only service within 90 days.

This charge consists of: (1) the monthly procurement charge as set forth in Schedule No. G-CPNRC; (2) the GT-AC transmission charge, as set forth in Schedule No. GT-AC; and (3) the procurement carrying cost of storage inventory charge.

Rate, per therm.

Procurement Charge:	G-CPNRC .....	72.564¢
<u>Transmission Charge:</u>	<u>GPT-AC</u> .....	<u>9.765¢</u>
Commodity Charge:	G-ACC .....	82.329¢

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(Continued)

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 3742  
 DECISION NO.

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**Lee Schavrien**  
 Senior Vice President  
 Regulatory Affairs

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 RESOLUTION NO. G-3351



Schedule No. G-EN  
CORE GAS ENGINE SERVICE  
FOR WATER PUMPING

Sheet 2

(Continued)

RATES (Continued)

Commodity Charges (Continued)

G-EN (Continued)

The non-residential procurement charge is determined as set forth in Schedule No. G-CP, in the manner approved by D.96-08-037, and subject to change monthly as described in Special Condition 6.

Rate, per therm

Procurement Charge:	G-CPNR .....	72.564¢
<u>Transmission Charge:</u>	<u>GPT-EN</u> .....	<u>10.401¢</u>
Commodity Charge:	G-EN .....	82.965¢

G-ENC

This charge will be applicable for the first 12 months of service for: (1) customers who transfer from noncore service to core procurement service, except noncore customers who have been disqualified from noncore service and are required to return to core service; (2) non-residential core transportation customers who consumed over 50,000 therms in the last 12 months, unless such customer was returned to utility procurement because their gas supplier is no longer doing any business in California, or (3) non-residential core transportation customers with annual consumption over 50,000 therms who return to core procurement service and switch back to transportation only service within 90 days.

This charge consists of: (1) the monthly procurement charge as set forth in Schedule No. G-CPNRC; (2) the GT-EN transmission charge, as set forth in Schedule No. GT-EN; and (3) the procurement carrying cost of storage inventory charge.

Procurement Charge:	G-CPNRC .....	72.564¢
<u>Transmission Charge:</u>	<u>GPT-EN</u> .....	<u>10.401¢</u>
Commodity Charge:	G-ENC .....	82.965¢

Minimum Charge

The minimum monthly charge shall consist of the Monthly Customer Charge.

The number of therms to be billed shall be determined in accordance with Rule No. 2.

(Continued)

Schedule No. G-NGV  
NATURAL GAS SERVICE FOR MOTOR VEHICLES

Sheet 2

(Continued)

RATES (Continued)

Commodity Charges (Continued)

Customer-Funded Fueling Station (Continued)

G-NGU (Continued)

Rate, uncompressed per therm.

Procurement Charge:	G-CPNR .....	72.564¢
<u>Transmission Charge:</u>	<u>GPT-NGU</u> .....	<u>7.934¢</u>
Commodity Charge:	G-NGU .....	80.498¢

G-NGUC

This charge will be applicable for the first 12 months of service for core transportation customers with qualifying load who consumed over 50,000 therms in the last 12 months, unless such customer was returned to utility procurement because their gas supplier is no longer doing any business in California. This charge consists of: (1) the monthly procurement charge as set forth in Schedule No. G-CPNRC; (2) the GT-NGU transmission charge, as set forth in Schedule No. GT-NGV; and (3) the procurement carrying cost of storage inventory charge.

Rate, uncompressed per therm.

Procurement Charge:	G-CPNRC .....	72.564¢
<u>Transmission Charge:</u>	<u>GPT-NGU</u> .....	<u>7.934¢</u>
Commodity Charge:	G-NGUC .....	80.498¢

Utility-Funded Fueling Station

G-NGC Compression Surcharge per therm ..... 74.624¢

The G-NGC Compression Surcharge will be added to the G-NGU Uncompressed rate per therm, or the G-NGUC Uncompressed rate per therm as applicable, as indicated in the Customer-Funded Fueling Station section above. The resultant total compressed rate is:

G-NGU plus G-NGC, compressed per therm .....	155.122¢
G-NGUC plus G-NGC, compressed per therm .....	155.122¢

(Continued)

(TO BE INSERTED BY UTILITY)  
 ADVICE LETTER NO. 3742  
 DECISION NO.  
 2H7

ISSUED BY  
**Lee Schavrien**  
 Senior Vice President  
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)  
 DATE FILED May 9, 2007  
 EFFECTIVE May 10, 2007  
 RESOLUTION NO. G-3351

Schedule No. G-CP  
CORE PROCUREMENT SERVICE

Sheet 2

(Continued)

RATES (Continued)

G-CPNR (Continued)

Cost of Gas, per therm .....	72.363¢
Brokerage Fee, per therm .....	<u>0.201¢</u>
Total Core Procurement Charge, per therm .....	72.564¢

G-CPNRC

This is the non-residential Cross-Over Rate authorized in D.02-08-065. This charge will be applicable for the first 12 months of service for: (1) customers who transfer from noncore service to core procurement service, except noncore customers who have been disqualified from noncore service and are required to return to core service; (2) non-residential core transportation customers who consumed over 50,000 therms in the last 12 months, unless such customer was returned to utility procurement because their gas supplier is no longer doing any business in California, or (3) non-residential core transportation customers with annual consumption over 50,000 therms who return to core procurement service and switch back to transportation only service within 90 days.

The monthly gas procurement charge is comprised of: (1) the higher of the Cost of Gas in the G-CPNR rate above, less authorized franchise fees and uncollectible expenses, or the Adjusted Border Price; (2) authorized franchise fees and uncollectible expenses; and (3) authorized core brokerage fee.

The Border Price is equal to the average of the first of the month "Southern Cal Border Avg." index from Natural Gas Intelligence and the "Bid Week, California-South, Delivered to Pipeline" index from Natural Gas Week. The Adjusted Border Price is equal to the Border Price less the currently authorized core interstate capacity costs included in core transportation rates.

Cost of Gas, (1) and (2) above, per therm .....	72.363¢	I
Brokerage Fee, per therm .....	<u>0.201¢</u>	
Total Core Procurement Charge, per therm .....	72.564¢	I

G-CPR

This charge is for residential service. Pursuant to D.96-08-037, Utility was authorized to change the residential gas procurement charge monthly concurrent with its implementation of the 1996 BCAP Decision (D.97-04-082).

(Continued)

(TO BE INSERTED BY UTILITY)  
 ADVICE LETTER NO. 3742  
 DECISION NO.

ISSUED BY  
**Lee Schavrien**  
 Senior Vice President  
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)  
 DATE FILED May 9, 2007  
 EFFECTIVE May 10, 2007  
 RESOLUTION NO. G-3351

Schedule No. G-CP  
CORE PROCUREMENT SERVICE

Sheet 3

(Continued)

RATES (Continued)

G-CPR (Continued)

The monthly residential gas procurement charge is comprised of: (1) the weighted average cost of gas (WACOG) for the current month, derived in the manner set forth in D.98-07-068, including reservation charges associated with interstate pipeline capacity contracts entered into by the Utility pursuant to D.04-09-022 and D.02-06-023; (2) authorized franchise fees and uncollectible expenses; (3) authorized core brokerage fee; (4) any adjustments for over- or under- collection imbalance in the Core Purchased Gas Account (CPGA) imbalance band as defined and approved in D.98-07-068; and (5) an adjustment for the Gas Cost Incentive Mechanism (GCIM) reward/penalty pursuant to D.02-06-023. The CPGA component is an adder in the case of an under-collection and a subtracter in the case of an over-collection.

Cost of Gas, per therm .....	72.363¢
Brokerage Fee, per therm .....	<u>0.201¢</u>
Total Core Procurement Charge, per therm .....	72.564¢

G-CPRC

This is the residential Cross-Over Rate authorized in D.02-08-065. This charge will be applicable for the first 12 months for: (1) residential core transportation customers who consumed over 50,000 therms in the last 12 months and who transfer to utility procurement, or (2) residential core transportation customers with annual consumption over 50,000 therms who return to core procurement service and switch back to transportation only service within 90 days.

The monthly gas procurement charge is comprised of: (1) the higher of the Cost of Gas in the G-CPR rate above, less authorized franchise fees and uncollectible expenses, or the Adjusted Border Price; (2) authorized franchise fees and uncollectible expenses; and (3) authorized core brokerage fee.

The Border Price is equal to the average of the first of the month "Southern Cal Border Avg." index from Natural Gas Intelligence and the "Bid Week, California-South, Delivered to Pipeline" index from Natural Gas Week. The Adjusted Border Price is equal to the Border Price less the currently authorized core interstate capacity costs included in core transportation rates.

Cost of Gas, (1) and (2) above, per therm .....	72.363¢
Brokerage Fee, per therm .....	<u>0.201¢</u>
Total Core Procurement Charge, per therm .....	72.564¢

The Border Price will be posted on the Utility's Internet web site at <http://www.socalgas.com>.

(Continued)

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 ADVICE LETTER NO. 3742  
 DECISION NO.  
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**Lee Schavrien**  
 Senior Vice President  
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)  
 DATE FILED May 9, 2007  
 EFFECTIVE May 10, 2007  
 RESOLUTION NO. G-3351

Schedule No. GML

Sheet 2

MULTI-FAMILY SERVICE, INCOME QUALIFIED  
 (Includes GML-E, GML-C, GML-EC, GML-CC, GT-MLE, GT-MLC and all GMBL Rates)

(Continued)

RATES

The individual unit Baseline therm allocation shall be multiplied by the number of qualified residential units.

	<u>GML/GT-ML</u>	<u>GMBL/GT-MBL</u>
<u>Customer Charge</u> , per meter, per day: .....	13.151¢ <sup>1/</sup>	\$8.082

The Transmission Charges for CARE-eligible procurement customers shown below include an additional charge of 0.952 cents per therm to recover the well work costs associated with maintaining the deliverability capability at the Aliso and Goleta storage fields as a result of releasing the cushion gas to CARE procurement customers pursuant to D.05-11-027.

GML

	<u>GML-E</u>	<u>GML-EC</u>	<u>GT-MLE</u>
<u>Baseline Rate</u> , per therm (baseline usage defined per Special Conditions 3 and 4):			
Procurement Charge: <sup>2/</sup> .....	58.051¢	58.051¢	N/A
<u>Transmission Charge</u> : <sup>3/</sup> .....	<u>23.727¢</u>	<u>23.727¢</u>	<u>22.734¢</u>
Total Baseline Charge (all usage): .....	81.778¢	81.778¢	22.734¢

Non-Baseline Rate, per therm (usage in excess of baseline usage):

Procurement Charge: <sup>2/</sup> .....	58.051¢	58.051¢	N/A
<u>Transmission Charge</u> : <sup>3/</sup> .....	<u>38.358¢</u>	<u>38.358¢</u>	<u>37.365¢</u>
Total Non Baseline Charge (all usage):.....	96.409¢	96.409¢	37.365¢

	<u>GML-C</u>	<u>GML-CC</u>	<u>GT-MLC</u>
--	--------------	---------------	---------------

Non-Baseline Rate, per therm (usage in excess of baseline usage):

Procurement Charge: <sup>2/</sup> .....	58.051¢	58.051¢	N/A
<u>Transmission Charge</u> : <sup>3/</sup> .....	<u>38.358¢</u>	<u>38.358¢</u>	<u>37.365¢</u>
Total Non Baseline Charge (all usage):.....	96.409¢	96.409¢	37.365¢

<sup>1/</sup> For "Space Heating Only" customers, a daily Customer Charge of 26.519¢ per day applies during the winter period beginning November 1 through April 30. For the summer period beginning May 1 through October 31, with some exceptions, usage will be accumulated to at least 20 one hundred cubic feet (Ccf) before billing.

<sup>2/</sup> This charge is applicable to Utility Procurement Customers and includes the G-CPR Procurement Charge as shown in Schedule No. G-CP, which is subject to change monthly, as set forth in Special Condition 7. (Footnotes continued on next page.)

(Continued)

(TO BE INSERTED BY UTILITY)  
 ADVICE LETTER NO. 3742  
 DECISION NO.

ISSUED BY  
**Lee Schavrien**  
 Senior Vice President  
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)  
 DATE FILED May 9, 2007  
 EFFECTIVE May 10, 2007  
 RESOLUTION NO. G-3351

Schedule No. GML

Sheet 3

MULTI-FAMILY SERVICE, INCOME QUALIFIED  
 (Includes GML-E, GML-C, GML-EC, GML-CC, GT-MLE, GT-MLC and all GMBL Rates)

(Continued)

RATES (Continued)

GMBL

	<u>GMBL-E</u>	<u>GMBL-EC</u>	<u>GT-MBLE</u>
<u>Baseline Rate</u> , per therm (baseline usage defined per Special Conditions 3 and 4):			
Procurement Charge: <sup>2/</sup> .....	58.051¢	58.051¢	N/A
<u>Transmission Charge</u> : <sup>3/</sup> .....	<u>17.228¢</u>	<u>17.228¢</u>	<u>16.235¢</u>
Total Baseline Charge (all usage):.....	75.279¢	75.279¢	16.235¢

Non-Baseline Rate, per therm (usage in excess of baseline usage):

Procurement Charge: <sup>2/</sup> .....	58.051¢	58.051¢	N/A
<u>Transmission Charge</u> : <sup>3/</sup> .....	<u>23.620¢</u>	<u>23.620¢</u>	<u>22.627¢</u>
Total Non-Baseline Charge (all usage): .....	81.671¢	81.671¢	22.627¢

	<u>GMBL-C</u>	<u>GMBL-CC</u>	<u>GT-MBLC</u>
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Non-Baseline Rate, per therm (usage in excess of baseline usage):

Procurement Charge: <sup>2/</sup> .....	58.051¢	58.051¢	N/A
<u>Transmission Charge</u> : <sup>3/</sup> .....	<u>23.620¢</u>	<u>23.620¢</u>	<u>22.627¢</u>
Total Non Baseline Charge (all usage):.....	81.671¢	81.671¢	22.627¢

Minimum Charge

The Minimum Charge shall be the applicable monthly Customer Charge.

Additional Charges

Rates may be adjusted to reflect any applicable taxes, Franchise Fees or other fees, regulatory surcharges, and interstate or intrastate pipeline charges that may occur.

(Footnotes continued from previous page.)

<sup>3/</sup> This charge for GML-E, GML-EC, GMBL-E, GMBL-EC, GML-C, GML-CC, GMBL-C and GMBL-CC customers is equal to the GT-ML Transmission Charge and the procurement carrying cost of storage inventory charge.

(Continued)

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ADVICE LETTER NO. 3742  
 DECISION NO.

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DATE FILED May 9, 2007  
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**G-CPNRC & G-CPRC RATE CALCULATION WORKPAPER  
SCHEDULE NO. G-CP CROSS-OVER RATE FILING  
EFFECTIVE MAY 10, 2007**

**Border Price Index (BPI)**

The Border Price is equal to the average of the first of the month "Southern Cal Border Avg." index from Natural Gas Intelligence (NGI) and the "Bid Week, California-South, Delivered to Pipeline" index from Natural Gas Week (NGW)

**May 2007 NGI's Price Index (NGIPI) = \$0.69800 per therm**

**May 2007 NGW's Price Index (NGWPI) = \$0.70000 per therm**

**Border Price Index (BPI) = (NGIPI + NGWPI) / 2  
BPI = \$0.69900 per therm**

**Adjusted Border Price Index (ABPI)**

**Remove Core Pipeline Demand Costs from BPI  
ABPI = \$0.69900 - \$0.00013 = \$0.69887 per therm**

**Core Procurement Cost of Gas (CPC)**

**5/1/07 G-CPNR & G-CPR Cost of Gas (without Brokerage Fee) = \$0.72363**

**Adjusted Core Procurement Cost of Gas (ACPC)**

**Remove 1.9187% Franchise Fee and Uncollectibles (FF&U)  
ACPC = \$0.72363 / 1.019187 = \$0.71001 per therm**

**G-CPNRC & G-CPRC Cross-Over Rate Calculation:**

**Higher of ACPC or ABPI = ACPC = \$0.71001**

**Include 1.9187% Franchise Fee and Uncollectibles (FF&U)  
G-CPNRC & G-CPRC Cost of Gas = \$0.71001 \* 1.019187 = \$0.72363 per therm**