

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



July 17, 2007

Advice Letter 3753

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

Subject: Revisions to the On-Bill Financing (OBF) Program and Related
Forms

Dear Mr. Newsom:

Advice Letter 3753 is effective July 13, 2007.

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

8330 Century Park Court CP32C
San Diego, CA 92123-1548
Tel: 858.654.1756
Fax: 858.654.1788
KDeremer@SempraUtilities.com

June 13, 2007

Advice No. 3753
(U 904 G)

Public Utilities Commission of the State of California

Subject: Revisions to the On-Bill Financing (OBF) Program and Related Forms

Southern California Gas Company (SoCalGas) hereby submits for filing revisions to the sample forms used in connection with its OBF Program, applicable throughout its service territory, as shown on Attachment B.

Purpose

The purpose of this Advice Letter is to: 1) request an extension of Phase I of the OBF Program to the end of 2008 thereby defer the planning and submission of the Phase II of the program to the 2008 filing that will be done by SoCalGas requesting approval of its 2009-2011 program portfolio; and 2) update the sample loan contract forms "OBF Loan Agreement" (Form No. 7150) and "OBF Loan Agreement for Self-Installers" (Form No. 7150-A).

Background

Phase I of the OBF Program was originally planned for a two-year time period, from 2006 to 2007. A Phase II Advice Letter was planned to be filed in late 2007 summarizing the status of Phase I and include a request for the next generation program that would be implemented in 2008¹. However, due to a long beta testing period for this new program, SoCalGas now believes that additional program implementation time will be needed to gather necessary information for Phase I evaluation. Therefore, SoCalGas requests extension of Phase I of the OBF Program to the end of 2008 to allow adequate time for program implementation and assessment, and proposes that in lieu of an OBF Phase II Advice Letter, the request for the next generation OBF program be included in the 2009-2011 program filing.

¹ Page 6 of Frank Spasaro's testimony in A.05-06-011.

Sample Form Changes

The OBF program is designed to fund, in conjunction with the Utility's rebate/incentive programs, the total installed project cost. The OBF Loan Agreement or the OBF Loan Agreement for the Self Installers is prepared and signed prior to equipment purchase and installation. However, often times the total installed project costs differ from the initial cost estimates due to a variety of reasons such as revisions in project scope or unexpected delays in project completion. The existing loan contract forms "OBF Loan Agreement" (Form No. 7150) and the "OBF Loan Agreement for Self-Installers" (Form No. 7150-A) do not provide flexibility to adjust loan information based on total installed project cost. The revised loan forms contain additional language to allow the Utility the ability to make such adjustment after project completion.

Protest

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 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
Attn: 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) and to Honesto Gatchalian (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

Effective Date

SoCalGas believes that this filing is subject to Energy Division disposition and therefore respectfully requests that this advice letter become effective July 13, 2007, which is 30 calendar days after the date filed.

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

ATTACHMENT A

Advice No. 3753

(See Attached Service Lists)

Aglet Consumer Alliance
James Weil
jweil@aglet.org

Alcantar & Kahl
Elizabeth Westby
egw@a-klaw.com

Alcantar & Kahl
Kari Harteloo
klc@a-klaw.com

Ancillary Services Coalition
Jo Maxwell
jomaxwell@ascoalition.com

Ancillary Services Coalition
Terry Rich
TRich@ascoalition.com

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

Barkovich & Yap
Catherine E. Yap
ceyap@earthlink.net

Beta Consulting
John Burkholder
burkee@cts.com

CPUC
Consumer Affairs Branch
505 Van Ness Ave., #2003
San Francisco, CA 94102

CPUC
Energy Rate Design & Econ.
505 Van Ness Ave., Rm. 4002
San Francisco, CA 94102

CPUC
Pearlie Sabino
pzs@cpuc.ca.gov

CPUC - DRA
Galen Dunham
gsd@cpuc.ca.gov

CPUC - DRA
Jacqueline Greig
jnm@cpuc.ca.gov

CPUC - DRA
R. Mark Pocta
rmp@cpuc.ca.gov

California Energy Market
Lulu Weinzimer
luluw@newsdata.com

Calpine Corp
Avis Clark
aclark@calpine.com

City of Anaheim
Ben Nakayama
Public Utilities Dept.
P. O. Box 3222
Anaheim, CA 92803

City of Azusa
Light & Power Dept.
215 E. Foothill Blvd.
Azusa, CA 91702

City of Banning
Paul Toor
P. O. Box 998
Banning, CA 92220

City of Burbank
Fred Fletcher/Ronald Davis
164 West Magnolia Blvd., Box 631
Burbank, CA 91503-0631

City of Colton
Thomas K. Clarke
650 N. La Cadena Drive
Colton, CA 92324

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

City of Los Angeles
City Attorney
200 North Main Street, 800
Los Angeles, CA 90012

City of Pasadena - Water and Power
Dept.
G Bawa
GBawa@cityofpasadena.net

City of Riverside
Joanne Snowden
jsnowden@riversideca.gov

City of Vernon
Daniel Garcia
dgarcia@ci.vernon.ca.us

Commerce Energy
Brian Patrick
BPatrick@commerceenergy.com

Commerce Energy
Lynelle Lund
llund@commerceenergy.com

Commerce Energy
Tony Cusati
TCusati@commerceenergy.com

Commerce Energy
Glenn Kinser
gkinser@commerceenergy.com

County of Los Angeles
 Stephen Crouch
 1100 N. Eastern Ave., Room 300
 Los Angeles, CA 90063

Crossborder Energy
 Tom Beach
 tomb@crossborderenergy.com

Culver City Utilities
 Heustace Lewis
 Heustace.Lewis@culvercity.org

DGS
 Henry Nanjo
 Henry.Nanjo@dgs.ca.gov

Davis Wright Tremaine, LLP
 Edward W. O'Neill
 One Embarcadero Center, #600
 San Francisco, CA 94111-3834

Davis, Wright, Tremaine
 Judy Pau
 judypau@dwt.com

Dept. of General Services
 Celia Torres
 celia.torres@dgs.ca.gov

Douglass & Liddell
 Dan Douglass
 douglass@energyattorney.com

Douglass & Liddell
 Donald C. Liddell
 liddell@energyattorney.com

Downey, Brand, Seymour & Rohwer
 Ann Trowbridge
 atrowbridge@downeybrand.com

Downey, Brand, Seymour & Rohwer
 Dan Carroll
 dcarroll@downeybrand.com

Dynegy
 Joseph M. Paul
 jmpa@dynegy.com

Gas Purchasing
 BC Gas Utility Ltd.
 16705 Fraser Highway
 Surrey, British Columbia, V3S 2X7

Gas Transmission Northwest
 Corporation
 Bevin Hong
 Bevin_Hong@transcanada.com

General Services Administration
 Facilities Management (9PM-FT)
 450 Golden Gate Ave.
 San Francisco, CA 94102-3611

Goodin, MacBride, Squeri, Ritchie &
 Day, LLP
 J. H. Patrick
 hpatrick@gmssr.com

Goodin, MacBride, Squeri, Ritchie &
 Day, LLP
 James D. Squeri
 jsqueri@gmssr.com

Hanna & Morton
 Norman A. Pedersen, Esq.
 npedersen@hanmor.com

Imperial Irrigation District
 K. S. Noller
 P. O. Box 937
 Imperial, CA 92251

JBS Energy
 Jeff Nahigian
 jeff@jbsenergy.com

Jeffer, Mangels, Butler & Marmaro
 2 Embarcadero Center, 5th Floor
 San Francisco, CA 94111

Kern River Gas Transmission Company
 Janie Nielsen
 Janie.Nielsen@KernRiverGas.com

LADWP
 Nevenka Ubavich
 nevenka.ubavich@ladwp.com

LADWP
 Randy Howard
 P. O. Box 51111, Rm. 956
 Los Angeles, CA 90051-0100

LS Power (took over Duke Energy)
 A Hartmann
 AHartmann@LSPower.com

Law Offices of Diane I. Fellman
 Diane Fellman
 diane_fellman@fpl.com

Law Offices of William H. Booth
 William Booth
 wbooth@booth-law.com

Luce, Forward, Hamilton & Scripps
 John Leslie
 jleslie@luce.com

MRW & Associates
 Robert Weisenmiller
 mrw@mrwassoc.com

Manatt Phelps Phillips
 Randy Keen
 rkeen@manatt.com

Manatt, Phelps & Phillips, LLP
 David Huard
 dhuard@manatt.com

March Joint Powers Authority
 Lori Stone
 PO Box 7480,
 Moreno Valley, CA 92552

Matthew Brady & Associates
 Matthew Brady
 matt@bradylawus.com

Julie Morris
 Julie.Morris@PPMEnergy.com

National Utility Service, Inc.
 Jim Boyle
 One Maynard Drive, P. O. Box 712
 Park Ridge, NJ 07656-0712

PG&E Tariffs
 Pacific Gas and Electric
 PGETariffs@pge.com

Pacific Gas & Electric Co.
 John Clarke
 jpc2@pge.com

Praxair Inc
 Rick Noger
 rick_noger@praxair.com

Questar Southern Trails
 Lenard Wright
 Lenard.Wright@Questar.com

R. W. Beck, Inc.
 Catherine Elder
 celder@rwbeck.com

Regulatory & Cogen Services, Inc.
 Donald W. Schoenbeck
 900 Washington Street, #780
 Vancouver, WA 98660

Richard Hairston & Co.
 Richard Hairston
 hairstonco@aol.com

Sierra Pacific Company
 Christopher A. Hilten
 chilen@sppc.com

Southern California Edison Co
 Fileroom Supervisor
 2244 Walnut Grove Ave., Rm 290, GO1
 Rosemead, CA 91770

Southern California Edison Co
 Karyn Gansecki
 601 Van Ness Ave., #2040
 San Francisco, CA 94102

Southern California Edison Co.
 Colin E. Cushnie
 Colin.Cushnie@SCE.com

Southern California Edison Co.
 Kevin Cini
 Kevin.Cini@SCE.com

Southern California Edison Co.
 John Quinlan
 john.quinlan@sce.com

Southern California Edison Company
 Michael Alexander
 Michael.Alexander@sce.com

Southwest Gas Corp.
 John Hester
 P. O. Box 98510
 Las Vegas, NV 89193-8510

Suburban Water System
 Bob Kelly
 1211 E. Center Court Drive
 Covina, CA 91724

Sutherland, Asbill & Brennan
 Keith McCrea
 kmccrea@sablaw.com

TURN
 Marcel Hawiger
 marcel@turn.org

TURN
 Mike Florio
 mflorio@turn.org

The Mehle Law Firm PLLC
 Colette B. Mehle
 cmehle@mehlelaw.com

Western Manufactured Housing
 Communities Assoc.
 Sheila Day
 sheila@wma.org

ECOLOGY ACTION, INC.
MAHLON ALDRIDGE
 emahlon@ecoact.org

PROCTOR ENGINEERING GROUP
PATTY AVERY
 patty@proctoreng.com

CALIFORNIA ENERGY COMMISSION
SYLVIA L. BENDER
 sbender@energy.state.ca.us

CALIFORNIANS FOR RENEWABLE ENERGY, INC.
MICHAEL E. BOYD
 michaelboyd@sbcglobal.net

CALIFORNIANS FOR RENEWABLE ENERGY, INC.
LYNNE BROWN
 l_brown369@yahoo.com

CALIFORNIA CENTER FOR SUSTAINABLE ENERGY
JACK BURKE
 jack.burke@energycenter.org

NATURAL RESOURCES DEFENSE COUNCIL
AUDREY CHANG
 achang@nrdc.org

NAESCO
DAVE CLARK
 davidclarkfamily@yahoo.com

SOUTHERN CALIFORNIA EDISON COMPANY
JANET S. COMBS
 janet.combs@sce.com

SOUTHERN CALIFORNIA EDISON
LARRY R. COPE
 larry.cope@sce.com

ENERNOC, INC.
RICHARD H. COUNIHAN
 rcounihan@enernoc.com

CALIF PUBLIC UTILITIES COMMISSION
Cheryl Cox
 cxc@cpuc.ca.gov

PACIFIC GAS AND ELECTRIC COMPANY
FRANK DIAZ
 fdd3@pge.com

CALIF PUBLIC UTILITIES COMMISSION
Tim G. Drew
 zap@cpuc.ca.gov

CAL - UCONS, INC.
TOM ECKHART
 tom@ucons.com

SESCO, INC.
RICHARD M. ESTEVES
 sesco@optonline.net

GABRIELLI LAW OFFICE
JOHN C. GABRIELLI
 gabriellilaw@sbcglobal.net

WOMEN'S ENERGY MATTERS
BARBARA GEORGE
 wem@igc.org

ICF CONSULTING
MICHAEL J. GIBBS
 mgibbs@icfconsulting.com

NATIONAL ASSOCIATION OF ENERGY SERVICE
DONALD GILLIGAN
 donaldgilligan@comcast.net

THE UTILITY REFORM NETWORK
HAYLEY GOODSON
 hayley@turn.org

MEG GOTTSTEIN
 gottstein@volcano.net

JOHN GOULD
 johnwgould@comcast.net

CALIF PUBLIC UTILITIES COMMISSION
David M. Gamson
 dmg@cpuc.ca.gov

CALIF PUBLIC UTILITIES COMMISSION
Nora Y. Gatchalian
 nyg@cpuc.ca.gov

CALIF PUBLIC UTILITIES COMMISSION
Meg Gottstein
 meg@cpuc.ca.gov

STEPHEN F. HALL AND ASSOCIATES
STEPHEN F. HALL
 stephenhall@telus.net

LAW OFFICES OF STEPHAN C. VOLKER
JOSHUA HARRIS
 jharris@volkerlaw.com

CONSOL
MIKE HODGSON
 mhodgson@consol.ws

VALLEY ENERGY EFFICIENCY CORP
MARSHALL B. HUNT
 mhunt@cityofdavis.org

MANATT PHELPS & PHILLIPS, LLP
RANDALL W. KEEN
 rkeen@manatt.com

CALIFORNIA ENERGY COMMISSION
GARY KLEIN
 gklein@energy.state.ca.us

BEVILACQUA-KNIGHT INC
ROBERT L. KNIGHT
 rknight@bki.com

ABAG
GERALD L. LAHR
 JerryL@abag.ca.gov

DOUGLAS & LIDDELL
DONALD C. LIDDELL, PC
 liddell@energyattorney.com

JODY LONDON CONSULTING
JODY S. LONDON
 jody_london_consulting@earthlink.net

CALIF PUBLIC UTILITIES COMMISSION
Peter Lai
 ppl@cpuc.ca.gov

CALIF PUBLIC UTILITIES COMMISSION
Diana L. Lee
 dil@cpuc.ca.gov

EFFICIENCY PARTNERSHIP
WALTER MCGUIRE
 wmcguire@efficiencypartnership.org

CALIFORNIA ENERGY COMMISSION
MICHAEL MESSENGER
 Mmesseng@energy.state.ca.us

ENERGY ECONOMICS, INC.
CYNTHIA MITCHELL
 ckmitchell1@sbcglobal.net

CALIF PUBLIC UTILITIES COMMISSION
Ariana Merlino
 ru4@cpuc.ca.gov

PACIFIC GAS AND ELECTRIC COMPANY
CHONDA J. NWAMU
 cjn3@pge.com

SOUTHERN CALIFORNIA GAS COMPANY
CARLOS PENA
 cfpena@sempra.com

POWERS ENGINEERING
WILLIAM E. POWERS
 bpowers@powersengineering.com

SMALL BUSINESS CALIFORNIA
HANK RYAN
 hryan@smallbusinesscalifornia.org

CALIF PUBLIC UTILITIES COMMISSION
Thomas Roberts
 tcr@cpuc.ca.gov

ROBERT SARVEY
 sarveybob@aol.com

SYNERGY COMPANIES
STEVEN R. SHALLENBERGER
 shallenbgr@aol.com

SHAWN SMALLWOOD, PH.D.
 puma@davis.com

CITY AND COUNTY OF SAN FRANCISCO
JEANNE M. SOLE
 jeanne.sole@sfgov.org

CALIF PUBLIC UTILITIES COMMISSION
Andrew Schwartz
 as2@cpuc.ca.gov

CALIF PUBLIC UTILITIES COMMISSION
George S. Tagnipes
 jst@cpuc.ca.gov

CALIF PUBLIC UTILITIES COMMISSION
Christine S. Tam
 tam@cpuc.ca.gov

CALIF PUBLIC UTILITIES COMMISSION
Zenaida G. Tapawan-Conway
 ztc@cpuc.ca.gov

CALIF PUBLIC UTILITIES COMMISSION
Laura J. Tudisco
 ljt@cpuc.ca.gov

CALIF PUBLIC UTILITIES COMMISSION
Christopher R Villarreal
 crv@cpuc.ca.gov

CALIFORNIA ENERGY COMMISSION
LORRAINE WHITE
 lwhite@energy.state.ca.us

PACIFIC GAS AND ELECTRIC COMPANY
JOSEPHINE WU
 jwwd@pge.com

CALIF PUBLIC UTILITIES COMMISSION
Michael Wheeler
 mmw@cpuc.ca.gov

SAN DIEGO GAS & ELECTRIC/SOCALGAS
JOY C. YAMAGATA
 jyamagata@semprautilities.com

SOUTHERN CALIFORNIA GAS COMPANY/SDG&E
MARZIA ZAFAR
 mzafar@semprautilities.com

CALIFORNIA FOR RENEWABLE ENERGY, INC.
RESIDENT, BAYVIEW HUNTERS POINT
24 HARBOR ROAD
SAN FRANCISCO, CA 94124

ATTACHMENT B
Advice No. 3753

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 42009-G	SAMPLE FORMS: CONTRACTS, On-Bill Financing Loan Agreement, Form No. 7150 (6/2007)	Original 39864-G*
Revised 42010-G	SAMPLE FORMS: CONTRACTS, On-Bill Financing Loan Agreement for Self Installers, Form No. 7150-A (6/2007)	Original 41156-G
Revised 42011-G	TABLE OF CONTENTS	Revised 41806-G*
Revised 42012-G	TABLE OF CONTENTS	Revised 41993-G

SAMPLE FORMS: CONTRACTS
On-Bill Financing Loan Agreement
Form No. 7150 (6/2007)

T

(See Attached Form)

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 3753
DECISION NO.

1H10

ISSUED BY

Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Jun 13, 2007
EFFECTIVE Jul 13, 2007
RESOLUTION NO. _____



ON-BILL FINANCING LOAN AGREEMENT

The undersigned customer ("Customer") and the undersigned contractor ("Contractor") have contracted for the provision by Contractor to Customer of energy efficiency equipment and services (the "Work"). Subject to the conditions (including the process for Adjustment) set forth in the next paragraph, Southern California Gas Company ("SCG") shall extend a loan (the "Loan") to Customer in the amount of the loan balance (the "Loan Balance") pursuant to the terms of this On-Bill Financing Loan Agreement ("Loan Agreement") and Rule No. 40 (the "Rule"). Contractor shall provide the Work as described in the On-Bill Financing Application ("Application") and any contract between Customer and Contractor, which shall be attached to the Application.

The estimated Loan Balance is set forth below. However, the total cost of the Work as installed, Incentive, Loan Balance, monthly payment, and loan term specified in this Loan Agreement may be adjusted, if necessary, after the Work and the post-installation inspection described in the Application and/or herein are completed (the "Adjustment"). The Adjustment will be calculated using the actual total cost of the Work, as installed, and estimated energy savings (as described in the Application) of such Work. In no event will the Loan Balance be increased without Customer's written consent, even if Customer is eligible for such increased Loan Balance. Moreover, in no event will the Loan Balance exceed the maximum loan amount stipulated in the Application. Customer understands that in order to be eligible for an on-bill financing loan, the initial Loan Balance for Work may not fall below the minimum loan amount, nor may the payback period exceed the maximum payback period. **Accordingly, if after the Adjustment, the Loan Balance falls below the minimum loan amount or if the simple payback period exceeds the program maximum payback period, each as described in the Application, SCG shall have no obligation to extend the Loan, as the Work would not meet program requirements.** The Adjustment described in this paragraph will be communicated to the Customer and Contractor in writing and will automatically become part of this Loan Agreement, except that any proposed increase in the Loan Balance will only become part of this Loan Agreement upon Customer's written consent to such increase. Collectively the Application, this Loan Agreement (including any Adjustment hereunder) and the Rule comprise the "Agreement". In the event of any conflict among the foregoing components of the Agreement, the following order of priority shall apply: 1. the Rule; 2. this Loan Agreement; 3. the Application.

SCG shall have no liability in connection with, and makes no warranties, expressed or implied, regarding the Work. Customer and Contractor agree that the Customer and Contractor shall jointly and severally indemnify and hold harmless SCG, its affiliates, and their respective owners, officers, directors, employees and agents thereof, from and against all claims, demands, liabilities, damages, fines, settlements or judgments which directly arise from or are caused by (a) any breach of the Agreement (subject to the proviso regarding Contractor at the end of this sentence regarding obligations to repay the Loan Balance) or (b) the wrongful or negligent acts or omissions of any party in the conduct or performance of the Work or Contractor's or Customer's duties under the terms of this Agreement; provided, however, that in no event shall Contractor be deemed a co-obligor, surety or guarantor of Customer's obligations to repay the Loan Balance under this Agreement.

Customer represents and warrants that (a) Customer is receiving this Loan for Work obtained in connection with Customer's business, and not for personal, family or household purposes; (b) Customer, if not an individual, is duly organized, validly existing and in good standing under the laws of its state of formation, and has full power and authority

to enter into this Agreement and to carry out the provisions of this Agreement. Customer is duly qualified and in good standing to do business in all jurisdictions where such qualification is required; (c) this Loan Agreement has been duly authorized by all necessary proceedings, has been duly executed and delivered by Customer and is a valid and legally binding agreement of Customer duly enforceable in accordance with its terms; (d) no consent, approval, authorization, order, registration or qualification of or with any court or regulatory authority or other governmental body having jurisdiction over Customer is required for, and the absence of which would adversely affect, the legal and valid execution and delivery of this Loan Agreement, and the performance of the transactions contemplated by this Loan Agreement; (e) the execution and delivery of this Loan Agreement by Customer hereunder and the compliance by Customer with all provisions of this Loan Agreement: (i) will not conflict with or violate any Applicable Law; and (ii) will not conflict with or result in a breach of or default under any of the terms or provisions of any loan agreement or other contract or agreement under which Customer is an obligor or by which its property is bound; (f) all factual information furnished by Customer to SCG is true and accurate; and (g) the On-Bill Financing Program ("Program") was a determining factor in its decision to have the Work performed.

The Application must include the Federal Tax Identification Number or Social Security Number of the party who will be the recipient of the check for the reduced rebate/incentive and the loan amount. Checks may be issued directly to the Customer or the Contractor or both, for the benefit of the Customer, as specified below. Customer and Contractor each understand that SCG will not be responsible for any tax liability imposed on the Customer or Contractor in connection with the transactions contemplated under the Agreement, whether by virtue of the Loan contemplated under the Agreement, or otherwise, and Customer and Contractor shall jointly and severally indemnify SCG for any tax liability imposed upon SCG as a result of the transactions contemplated under the Agreement.

Within sixty (60) days of Customer's and Contractor's written confirmation sent to SCG On-Bill Financing Program Administrator at address listed below of completion of the Work, SCG will (a) conduct a post installation inspection and project verification; (b) adjust, if necessary, the total cost, Incentive, Loan Balance, monthly payment, and loan term as stated above; and (c) issue a check (the "Check") for all amounts SCG approves for payment in accordance with the Agreement. The date of such issuance is the "Issuance Date". The Check shall be issued if the Work conforms to all requirements of the Agreement including, without limitation, the Application. If the Check is made payable to Customer, Customer shall be responsible to pay the amount thereof to Contractor. If the Check is less than the amount due from Customer to Contractor, Customer shall be responsible for the excess. Customer shall repay the Loan Balance to SCG as provided in this Loan Agreement irrespective of whether or when the Work is completed, or whether the Work is in any way defective or deficient.

The Customer agrees to repay to SCG the Loan Balance, in the number of payments listed below and in equal installments (with the final installment adjusted to account for rounding), by the due date set forth in each SCG utility bill rendered in connection with Customer's account (identified by the number set forth below) ("Account"), commencing with the bill which has a due date falling at least 30 days after the Issuance Date. Amounts due under this Loan Agreement shall be deemed to be amounts due under each bill to the Account, and a default under this Loan Agreement shall be treated as a default under the Account. Although a late payment fee may be assessed for delinquent payment of a utility bill, however, no late payment fee will be assessed for delinquent Loan repayment. If the Customer is unable to make a full utility bill payment in a given month, payment arrangements may be made at SCG's discretion. Any partial utility bill payments will be applied to energy charges before payment of the Loan Balance. Further payment details are set forth below. Any notice from SCG to Customer regarding the Program or the transactions contemplated under the Loan Agreement may be provided within any such bill, and any such notices may also be provided to Customer or Contractor at the addresses below or as elsewhere specified in the Loan Agreement, and shall be effective five (5) days after they have been mailed. The monthly payments will be included by SCG on the Account's regular energy service bills. The Loan Balance shall not bear interest. There are no pre-payment penalties; however, Customer agrees to notify the On-Bill Financing Program Staff of pre-payment amounts at the time of payment by telephoning the toll free phone number listed on the bill and by sending

written notice to SCG On-Bill Financing Program Administrator at the address listed below. In the event the Account is closed or terminated for any reason, or Customer defaults under the Agreement, the Customer will be required to repay the entire then-unpaid Loan Balance within 30 days. Customer understands that without limiting any other remedy available to SCG against Contractor or Customer, failure to repay the Loan Balance in accordance with the terms of the Agreement could result in shut-off of utility energy service, adverse credit reporting, and collection procedures, including, without limitation, legal action.

\$ _____	\$ _____	\$ _____	\$ _____	_____ Months	_____
Total Cost	Incentive	Loan Balance	Monthly Payment	Term	Number of Payments

Check Made Payable to Contractor \$ _____

Customer \$ _____

Federal Tax ID or Social Security #, Customer

Federal Tax ID or Social Security #, Contractor

Southern California Company Account #

Account Name, Customer

Name, Contractor

Service Address, Customer

Address, Contractor

Name and Title of Authorized Representative of Customer

Name and Title of Authorized Representative of Contractor

Signature of Authorized Representative of Customer

Signature of Authorized Representative of Contractor

Date

Date

ACCEPTED: Southern California Gas Company

By _____
SCG On-Bill Financing Program Administrator

Date

Address: PO Box 513249, Los Angeles, CA 90051-1249

SAMPLE FORMS: CONTRACTS
On-Bill Financing Loan Agreement for Self Installers
Form No. 7150-A (6/2007)

T

(See Attached Form)

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 3753
DECISION NO.

1H10

ISSUED BY

Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Jun 13, 2007
EFFECTIVE Jul 13, 2007
RESOLUTION NO. _____



ON-BILL FINANCING LOAN AGREEMENT FOR SELF INSTALLER

The undersigned customer ("Customer") will obtain and perform energy efficiency equipment and services (the "Work"). Subject to the conditions (including the process for Adjustment) set forth in the next paragraph, Southern California Gas Company ("SCG") shall extend a loan (the "Loan") to Customer in the amount of the loan balance (the "Loan Balance") pursuant to the terms of this On-Bill Financing Loan Agreement ("Loan Agreement") and Rule No. 40 (the "Rule"). Customer shall provide the Work as described in the On-Bill Financing Application ("Application").

The estimated Loan Balance is set forth below. However, the total cost of the Work as installed, Incentive, Loan Balance, monthly payment, and loan term specified in this Loan Agreement may be adjusted, if necessary, after the Work and the post-installation inspection described in the Application and/or herein are completed (the "Adjustment"). The Adjustment will be calculated using the actual total cost of the Work, as installed, and estimated energy savings (as described in the Application) of such Work. In no event will the Loan Balance be increased without Customer's written consent, even if Customer is eligible for such increased Loan Balance. Moreover, in no event will the Loan Balance exceed the maximum loan amount stipulated in the Application. Customer understands that in order to be eligible for an on-bill financing loan, the initial Loan Balance for Work may not fall below the minimum loan amount, nor may the payback period exceed the maximum payback period. **Accordingly, if after the Adjustment, the Loan Balance falls below the minimum loan amount or if the simple payback period exceeds the program maximum payback period, each as described in the Application, SCG shall have no obligation to extend the Loan, as the Work would not meet program requirements.** The Adjustment described in this paragraph will be communicated to the Customer in writing and will automatically become part of this Loan Agreement, except that any proposed increase in the Loan Balance will only become part of this Loan Agreement upon Customer's written consent to such increase. Collectively the Application, this Loan Agreement (including any Adjustment hereunder) and the Rule comprise the "Agreement". In the event of any conflict among the foregoing components of the Agreement, the following order of priority shall apply: 1. the Rule; 2. this Loan Agreement; 3. the Application.

SCG shall have no liability in connection with, and makes no warranties, expressed or implied, regarding the Work. Customer shall indemnify and hold harmless SCG, its affiliates, and their respective owners, officers, directors, employees and agents thereof, from and against all claims, demands, liabilities, damages, fines, settlements or judgments which directly arise from or are caused by (a) any breach of the Agreement or (b) the wrongful or negligent acts of omissions of any party in the conduct or performance of the Work or Customer's duties under the terms of this Agreement.

Customer represents and warrants that (a) Customer is receiving this Loan for Work obtained in connection with Customer's business, and not for personal, family or household purposes; (b) Customer, if not an individual, is duly organized, validly existing and in good standing under the laws of its state of formation, and has full power and authority to enter into this Agreement and to carry out the provisions of this Agreement. Customer is duly qualified and in good standing to do business in all jurisdictions where such qualification is required; (c) this Loan Agreement has been duly authorized by all necessary proceedings, has been duly executed and delivered by Customer and is a valid and legally binding agreement of Customer duly enforceable in accordance with its terms; (d) no consent, approval, authorization, order, registration or qualification of or with any court or regulatory authority or other

governmental body having jurisdiction over Customer is required for, and the absence of which would adversely affect, the legal and valid execution and delivery of this Loan Agreement, and the performance of the transactions contemplated by this Loan Agreement; (e) the execution and delivery of this Loan Agreement by Customer hereunder and the compliance by Customer with all provisions of this Loan Agreement: (i) will not conflict with or violate any Applicable Law; and (ii) will not conflict with or result in a breach of or default under any of the terms or provisions of any loan agreement or other contract or agreement under which Customer is an obligor or by which its property is bound; (f) all factual information furnished by Customer to SCG is true and accurate; and (g) the On-Bill Financing Program ("Program") was a determining factor in its decision to have the Work performed.

The Application must include the Federal Tax Identification Number or Social Security Number of the party who will be the recipient of the check for the reduced rebate/incentive and the loan amount. Checks will be issued directly to the Customer. Customer understands that SCG will not be responsible for any tax liability imposed on the Customer or any third party in connection with the transactions contemplated under the Agreement, whether by virtue of the Loan contemplated under the Agreement, or otherwise, and Customer shall indemnify SCG for any tax liability imposed upon SCG as a result of the transactions contemplated under the Agreement.

Within sixty (60) days of Customer's written confirmation sent to SCG On-Bill Financing Program Administrator at address listed below of completion of the Work, SCG will (a) conduct a post installation inspection and project verification; (b) adjust, if necessary, the total cost, Incentive, Loan Balance, monthly payment, and loan term as stated above; and (c) issue a check (the "Check") for all amounts SCG approves for payment in accordance with the Agreement. The date of such issuance is the "Issuance Date". The Check shall be issued if the Work conforms to all requirements of the Agreement including, without limitation, the Application. If the Check is less than the amount due from Customer to any third party in respect of the Work, Customer shall be responsible for the excess. Customer shall repay the Loan Balance to SCG as provided in this Loan Agreement irrespective of whether or when the Work is completed, or whether the Work is in any way defective or deficient.

The Customer agrees to repay to SCG the Loan Balance, in the number of payments listed below and in equal installments (with the final installment adjusted to account for rounding), by the due date set forth in each SCG utility bill rendered in connection with Customer's account (identified by the number set forth below) ("Account"), commencing with the bill which has a due date falling at least 30 days after the Issuance Date. Amounts due under this Loan Agreement shall be deemed to be amounts due under each bill to the Account, and a default under this Loan Agreement shall be treated as a default under the Account. Although a late payment fee may be assessed for delinquent payment of a utility bill, however, no late payment fee will be assessed for delinquent Loan repayment. If the Customer is unable to make a full utility bill payment in a given month, payment arrangements may be made at SCG's discretion. Any partial utility bill payments will be applied to energy charges before payment of the Loan Balance. Further payment details are set forth below. Any notice from SCG to Customer regarding the Program or the transactions contemplated under the Loan Agreement may be provided within any such bill, and any such notices may also be provided to Customer at the addresses below or as elsewhere specified in the Loan Agreement, and shall be effective five (5) days after they have been mailed. The monthly payments will be included by SCG on the Account's regular energy service bills. The Loan Balance shall not bear interest. There are no pre-payment penalties; however, Customer agrees to notify the On-Bill Financing Program Staff of pre-payment amounts at the time of payment by telephoning the toll free phone number listed on the bill and by sending written notice to SCG On-Bill Financing Program Administrator at the address listed below. In the event the Account is closed or terminated for any reason, or Customer defaults under the Agreement, the Customer will be required to repay the entire then-unpaid Loan Balance within 30 days. Customer understands that without limiting any other remedy available to SCG against Customer, failure to repay the Loan Balance in accordance with the terms of the Agreement could result in shut-off of utility energy service, adverse credit reporting, and collection procedures, including, without limitation, legal action.

\$ _____ \$ _____ \$ _____ \$ _____ _____ Months _____
Total Cost Incentive Loan Balance Monthly Payment Term Number of Payments

Federal Tax ID or Social Security #, Customer

Southern California Company Account #

Account Name, Customer

Service Address, Customer

Name and Title of Authorized Representative of Customer

Signature of Authorized Representative of Customer

Date

ACCEPTED: Southern California Gas Company

By

SCG On-Bill Financing Program Administrator

Date

Address: PO Box 513249, Los Angeles, CA 90051-1249

TABLE OF CONTENTS

(Continued)

SAMPLE FORMS (continued)

Contracts (continued)

Special Facilities Contract (Form 6633, 6/05)	39322-G
Proposal and Agreement for Transfer of Ownership of Distribution Systems (Form 6660, 03/98)	29947-G
Optional Rate Agreement and Affidavit (Form 6662, 2/06)	40138-G
Continuous Service Agreement (Form 6558-D, 03/00)	39715-G
Consulting Services Agreement (Form 6440, 11/05)	39741-G
Confidentiality Agreement (Form 6410, 11/05)	39742-G
Collectible System Upgrade Agreement (Form 6420, 11/05)	39743-G
Interconnection Agreement (Form 6450, 06/2007)	41995-G
Exhibit D - Interconnect Collectible System Upgrade Agreement (Form 6430, 11/2006)	41173-G
Operational Balancing Agreement (Form 6435, 11/2006)	41174-G
On-Bill Financing Loan Agreement (Form 7150, 6/2007)	42009-G
On-Bill Financing Loan Agreement for Self Installer (Form 7150-A, 6/2007)	42010-G
Authorization to Change Residential Rate – NGV Home Refueling (Form 6150)	40099-G
CM Form 2 - Notice by Contracted Marketer to Add or Drop Customers (Form 6597-23, 06/06)	40575-G

Bill Forms

Residential Sales Order (Form 5327-G, 03/00)	35710-G
General Service (Form 41-R, 04/07)	41805-G
Commercial/Industrial Service (Form 77-2, 06/05)	39326-G

Collection Notices

Past Due Payment Notice (Form 41.6, 08/02).....	36786-G
Meter Closed for Nonpayment (Form 5101, 06/99)	36787-G
Unsatisfactory Remittance (Form 1512-H, 04/00)	36788-G
Urgent Notice Inaccessible Meter (Form 4515-C, 08/92)	36789-G
Notice to Tenants, Termination of Gas Service (Form 4636-D, 10/92)	36790-G
Important Notice (Form 5100-F, 05/96)	30083-G
Third Party Notification (Form 437.1C, 06/02)	36791-G
Consequences of Non-Payment (Form 9406-528)	26383-G
Disputed Account Declaration (Form 6619)	26529-G
Proof of Claim (Form 6620)	26530-G

(Continued)

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 3753
 DECISION NO.

4H12

ISSUED BY

Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Jun 13, 2007
 EFFECTIVE Jul 13, 2007
 RESOLUTION NO. _____

T
 T

TABLE OF CONTENTS

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.

<u>GENERAL</u>	<u>Cal. P.U.C. Sheet No.</u>
Title Page	40864-G
Table of Contents--General and Preliminary Statement	42012-G,41495-G,41416-G
Table of Contents--Service Area Maps and Descriptions	40434-G
Table of Contents--Rate Schedules	41991-G,41992-G,41918-G
Table of Contents--List of Cities and Communities Served	40149.1-G
Table of Contents--List of Contracts and Deviations	40149.1-G
Table of Contents--Rules	41758-G,41157-G
Table of Contents--Sample Forms	41914-G,39748-G,41266-G,42011-G,40128-G

PRELIMINARY STATEMENT

Part I General Service Information	37917-G,24332-G,24333-G,24334-G,24749-G
Part II Summary of Rates and Charges	41972-G,41973-G,41974-G,41975-G,41354-G,41355-G 41976-G,40232-G,40233-G,41161-G,41930-G,41931-G,41359-G,41360-G
Part III Cost Allocation and Revenue Requirement	27024-G,37920-G,27026-G,27027-G,41361-G
Part IV Income Tax Component of Contributions and Advances	36614-G,24354-G
Part V Balancing Accounts	
Description and Listing of Balancing Accounts	40865-G
Purchased Gas Account (PGA)	40866-G,40867-G
Core Fixed Cost Account (CFCA)	41658-G
Noncore Fixed Cost Account (NFCA)	41659-G
Enhanced Oil Recovery Account (EORA)	40870-G
Noncore Storage Balancing Account (NSBA)	40871-G
California Alternate Rates for Energy Account (CAREA)	40872-G,40873-G
Brokerage Fee Account (BFA)	40874-G
Hazardous Substance Cost Recovery Account (HSCRA)	40875-G, 40876-G,40877-G
Natural Gas Vehicle Account (NGVA)	40878-G,40879-G
El Paso Turned-Back Capacity Balancing Account (EPTCBA)	40880-G
Gas Cost Rewards and Penalties Account (GCRPA)	40881-G
Pension Balancing Account (PBA)	40882-G,40883-G

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3753
 DECISION NO.

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Jun 13, 2007
 EFFECTIVE Jul 13, 2007
 RESOLUTION NO. _____