

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
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February 21, 2008

Advice Letter 3790-A

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

Subject: Supplemental – Revision of Residential Gas Line Extension
Allowances and Ownership Charges in Compliance with
D.07-07-019

Dear Mr. Newsom:

Advice Letter 3790-A is effective February 17, 2008.

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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January 18, 2008

Advice No. 3790-A
(U 904 G)

Public Utilities Commission of the State of California

Subject: Supplemental - Revision of Residential Gas Line Extension Allowances and Ownership Charges in Compliance with Decision 07-07-019

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

In response to the Energy Division's request, SoCalGas supplements in its entirety Advice No. (AL) 3790, dated November 9, 2007 updating the residential gas line extension allowances and ownership charges referenced in SoCalGas' Rule Nos. 2, Description of Service and 20, Gas Main Extensions pursuant to California Public Utilities Commission (Commission) Decision (D.) 07-07-019. In addition, it also updates SoCalGas' tariffs to comport with the Commission's refinement of SoCalGas' line extension allowance calculation.

Background

D.07-07-019, dated July 12, 2007, refines the calculation of line extension allowances and the cost of ownership (COO) charges applicable to refundable costs in excess of the line extension allowance. As directed by D.07-07-019, these refinements include:

- excluding the revenues of distribution rate discount from the calculation of the average distribution rate per customer if the discount is recovered separately from residential customers through a surcharge;
- using the results of the most recent California Residential Appliance Saturation Survey (RASS), under the direction of the California Energy Commission (CEC), to determine average household appliance usage for each type of gas use; and

- including the cost of facility replacement for 60 years in the calculations of the cost of service factor used to determine the allowance and applicable COO charges.

Discussion

SoCalGas hereby adopts the above described adjustments to its calculation methodology used to determine line extension allowances and applicable COO charges, resulting in the following:

Allowances		
	Current	Revised
Gas Residential Allowance		
Water Heating	\$514	\$467
Space Heating	586	432
Cook Top & Oven	75	59
Dryer Stub	107	103
Space Cooling	333	516
Total	\$1,615	\$1,577

Ownership Charges		
	Current	Revised
Gas Ownership Charge/Month		
Customer Financed	0.946% of amount advanced	0.51% of amount advanced
Utility Financed	1.921% of additional costs	1.39% of additional costs

These updated allowances and ownership charges have been incorporated into SoCalGas' Rule Nos. 2 and Rule 20. Attachment C illustrates the methodology underlying the calculations of both the updated residential allowances and monthly ownership charges.

In compliance with the Energy Division's request, the following additional changes are being made to Rule Nos. 2 and 20:

Rule No. 2:

Sheet 5, N.1. The word "additional" and the phrase ",including income tax component of contributions and advances (ITCCA) and applicable ownership charges," are deleted from the last sentence.

Sheet 6, N.3.c. The phrase "plus any applicable ITCCA" has been deleted from the first sentence and is replaced by: "for either Utility-financed or Customer-financed facilities. The monthly ownership charge for Utility-financed facilities includes depreciation, authorized return, income taxes, property taxes, Operation and Maintenance (O&M) expense Administrative and General (A&G) expense, Franchise

Fees and Uncollectibles (FF&U), property insurance and replacement, if needed, for 60 years at no additional cost to the customer. The monthly ownership charge for Customer-financed facilities includes property taxes, Operation and Maintenance (O&M) expense, Administrative and General (A&G) expense, Franchise Fees and Uncollectibles (FF&U), property insurance and replacement, if needed, for 60 years at no additional cost to the customer. At Utility's discretion, dependent on such factors as the Applicant's creditworthiness, longevity of the project, practicality of collecting periodic payments, administration of the contract and other factors, Utility may require Applicant to pay the monthly Utility-financed or Customer-financed charge, or a lump sum payment, or Utility may agree to other payment arrangements."

Sheet 7.N.3.c.(2). The phrase "and the ownership charge, plus any applicable ITCCA and" has been deleted from the second sentence and is replaced by "plus".

Rule No. 20:

Sheet 7, E.6. The phrase "as defined in Section I)" is inserted after "Ownership charge" in the first sentence. The phrase "Ownership charges are in addition to the refundable amount" has been deleted from the second sentence and is replaced by "Monthly ownership charges are intended to offset the refundable balance,"

Sheet 10, H.1. The following has been added after the first sentence: "If the existing facilities relocation or rearrangement is designated as a special facility, refer to Rule No. 2, Section N for the appropriate ownership charge rate."

Sheet 12. The definition of Cost-of-Service Factor has been expanded as follows: The Cost-of-Service (COS) factor is divided into the Net Revenue to determine the Utility's line extension allowance. The COS factor includes depreciation, authorized return, income taxes, property taxes, Operation and Maintenance (O&M) expense, Administrative and General (A&G) expense, Franchise Fees and Uncollectibles (FF&U), property insurance, and replacement of facilities, if needed, for 60 years at no additional cost to customer. For the purpose of calculating residential allowances, a COS factor of 16.64% will be used.

In addition, the definition of Distribution Mains has been updated to reflect the recent change in the Department of Transportation Service's definition which reduced supply from three to two services.

Sheet 13. The first two sentences of the definition of Ownership Charge are slightly revised for clarity, and a third sentence has been added: "The Ownership Charge includes property taxes, Operation and Maintenance (O&M), Administrative and General (A&G), Franchise Fees and Uncollectibles (FF&U), property insurance, and replacement for 60 years at no additional cost. For the purpose of calculating Ownership Charge, a 0.51% per month factor will be used."

This filing will not create any deviations from SoCalGas' tariffs, cause withdrawal of service from any present customers, or impose any more restrictive conditions than currently exist.

Protest

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

CPUC Energy Division
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 this filing is subject to Energy Division disposition and should be classified as Tier 2 (effective after staff approval) pursuant to GO-96B. SoCalGas respectfully requests that this filing be approved on February 17, 2008, 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, which includes parties to A.05-09-019.

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:

ELC GAS
 PLC HEAT WATER

Contact Person: Sid Newsom

Phone #: (213) 244-2846

E-mail: snewsom@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) #: 3790-A

Subject of AL: Supplemental - Revision of Residential Gas Line Extension Allowances and Ownership Charges in compliance with D07-07-019

Keywords (choose from CPUC listing): Rules; Line Extensions

AL filing type: Monthly Quarterly Annual One-Time Other _____

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #:
D07-07-019

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL No

Summarize differences between the AL and the prior withdrawn or rejected AL¹: N/A

Does AL request confidential treatment? If so, provide explanation: No

Resolution Required? Yes No

Tier Designation: 1 2 3

Requested effective date: 2/17/08

No. of tariff sheets: 10

Estimated system annual revenue effect (%): None

Estimated system average rate effect (%): None

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: Rule 2, Rule 20 and TOCs

Service affected and changes proposed¹: N/A

Pending advice letters that revise the same tariff sheets: None

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 Ave.

San Francisco, CA 94102

mas@cpuc.ca.gov and jnj@cpuc.ca.gov

Southern California Gas Company

Attention: Sid Newsom

555 West Fifth Street, GT14D6

Los Angeles, CA 90013-1011

snewsom@semprautilities.com

¹ Discuss in AL if more space is needed.

ATTACHMENT A
Advice No. 3790-A

(See Attached Service Lists)

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ATTACHMENT B
Advice No. 3790-A

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 42762-G	Rule No. 02, DESCRIPTION OF SERVICE, Sheet 5	Revised 35726-G
Revised 42763-G	Rule No. 02, DESCRIPTION OF SERVICE, Sheet 6	Revised 35727-G
Revised 42764-G	Rule No. 02, DESCRIPTION OF SERVICE, Sheet 7	Revised 42497-G Revised 35728-G
Revised 42765-G	Rule No. 20, GAS MAIN EXTENSIONS, Sheet 4	Revised 42498-G
Revised 42766-G	Rule No. 20, GAS MAIN EXTENSIONS, Sheet 7	Revised 38507-G
Revised 42767-G	Rule No. 20, GAS MAIN EXTENSIONS, Sheet 10	Revised 31806-G Revised 37768-G
Revised 42768-G	Rule No. 20, GAS MAIN EXTENSIONS, Sheet 12	Revised 37770-G
Revised 42769-G	Rule No. 20, GAS MAIN EXTENSIONS, Sheet 13	Revised 37771-G
Revised 42770-G	TABLE OF CONTENTS	Revised 42169-G*
Revised 42771-G	TABLE OF CONTENTS	Revised 42761-G

Rule No. 02

Sheet 5

DESCRIPTION OF SERVICE

(Continued)

K. Conversion of Metered Volumes to Therms for Billing Other Than Utility Electric Generation and Wholesale Customers (Continued)

The Btu factor for each Btu district will be determined monthly by dividing the average heating value of deliveries to that Btu district by 1,000. The average heating value in the Btu district is based upon the 4-week period ending on the second Tuesday of a 4-Tuesday month, or the 5-week period ending on the third Tuesday of a 5-Tuesday month. This Btu factor shall be used for all billing cycles of the next revenue month.

Where the Utility has a meter device that automatically gathers and records daily consumption information, the Utility may apply appropriate district daily heating values in determining the customer's bill, rather than a monthly average heating value.

L. Conversion of Metered Volumes for Billing of Utility Electric Generation and Wholesale Customers

The number of therms to be billed shall be the product of the metered volume in Mcf delivered during each billing period for each service location times the conversion factor. The conversion factor will be determined monthly by dividing the average heating value in Btu per cubic foot (dry basis) for each service location by 100. The metered Mcf of gas delivered during each billing period is determined in accordance with other provisions of Rule 2.

M. The Utility reserves the right to refuse gas service to:

1. Any customer whose fuel requirements impose demands only at times which are coincidental with the period of extreme seasonal peak demands on the Utility's system.
2. Any premises for standby purposes. Utility will notify the Commission whenever a denial of service is contemplated.

N. Special Facilities

1. Request for Special Facilities. Utility will normally install only those permanent facilities needed to provide standard service pursuant to Rule No. 20, Gas Main Extensions and/or Rule No. 21, Gas Service Extensions. An Applicant for new permanent service or a customer receiving permanent service may request Utility to install special facilities that result in additional cost to Utility over normally installed permanent facilities. If Utility agrees to such installation, Applicant will pay to Utility all costs above Utility's estimated site-specific cost to install, own, maintain, operate and replace permanent, standard facilities, in addition to any other applicable charges pursuant to Utility's tariffs.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3790-A
DECISION NO. 07-07-019

ISSUED BY
Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Jan 18, 2008
EFFECTIVE Feb 17, 2008
RESOLUTION NO. _____

Rule No. 02

DESCRIPTION OF SERVICE

(Continued)

N. Special Facilities (Continued)

2. Special Facilities. Special facilities may be provided to an Applicant for permanent natural gas service or existing customer for permanent natural gas service, and include:

- a. augmented or new facilities which are in addition to, or substitution for, permanent facilities Utility normally installs to provide standard service under its tariffs; or,
- b. existing facilities dedicated in whole or part for the sole use of Applicant. Utility will install, own and maintain special facilities, or dedicate existing facilities as an accommodation to the Applicant, only when acceptable to Utility such that Utility retains operational control and can assure reliability of service to Utility's other customers.

3. Costs Charged to Applicant for Special Facilities.

- a. New Facilities. New facilities that the Utility agrees to install for Applicant's use as special facilities will be installed at Applicant's expense. Applicant will advance to Utility the additional estimated installed cost of the special facilities above Utility's standard facilities. Utility, at its option, may provide Applicant with alternate payment arrangement for installation of new facilities.
- b. Existing Facilities. Utility's agreement to dedicate existing facilities for Applicant's use as special facilities will be at Applicant's expense. Applicant will pay Utility the applicable portion of the estimated installed cost of the existing facilities dedicated to Applicant.
- c. Ownership Charge. In addition to providing for the payment of charges under any other applicable tariff, the Applicant will pay ownership charge or charges for either Utility-financed or Customer-financed facilities. The monthly ownership charge for Utility-financed facilities includes depreciation, authorized return, income taxes, property taxes, Operation and Maintenance (O&M) expense Administrative and General (A&G) expense, Franchise Fees and Uncollectibles (FF&U), property insurance and replacement, if needed, for 60 years at no additional cost to the customer. The monthly ownership charge for Customer-financed facilities includes property taxes, Operation and Maintenance (O&M) expense, Administrative and General (A&G) expense, Franchise Fees and Uncollectibles (FF&U), property insurance and replacement, if needed, for 60 years at no additional cost to the customer. At Utility's discretion, dependent on such factors as the Applicant's creditworthiness, longevity of the project, practicality of collecting periodic payments, administration of the contract and other factors, Utility may require Applicant to pay the monthly Utility-financed or Customer-financed charge, or a lump sum payment, or Utility may agree to other payment arrangements.

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(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3790-A
 DECISION NO. 07-07-019

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Jan 18, 2008
 EFFECTIVE Feb 17, 2008
 RESOLUTION NO. _____

Rule No. 02

Sheet 7

DESCRIPTION OF SERVICE

(Continued)

N. Special Facilities (Continued)

3. Costs Charged to Applicant for Special Facilities. (Continued)

c. Ownership Charge. (Continued)

- (1) Monthly Ownership Charge. At the Utility's option, the Applicant will be required to pay monthly Utility-financed or Customer-financed ownership charges, as follows:

<u>Type of Facility</u>	<u>Financing</u>	<u>Monthly Charge</u>
Distribution	Customer	0.51% of the amount advanced
	Utility	1.39% of the additional cost

These monthly ownership charges will commence when the special facilities are first ready to serve, as determined by Utility. Utility will notify Customer of this date, through its first invoice. The monthly ownership charges to Customer will automatically change in the event the rates set forth in this Rule 2 change.

- (2) Lump-Sum Payment. At Utility's option, the Applicant may be required to make an equivalent one-time payment in lieu of the monthly charge. The one-time payment will equal the estimated cost of the special facilities, plus the estimated cost of removal or abandonment less the estimated net salvage value of removed or abandoned materials. This payment will be required in the event that the Applicant terminates the use of the special facilities at any time within five (5) years immediately following the date the special facilities are first ready to serve.

- (3) Periodic Review. Utility will periodically review the factors it uses to determine the monthly ownership charges stated in this section of this rule. If such review results in a change of more than five percent (5%), the Utility will submit a tariff revision proposal to the Commission for review and approval. Such proposed changes will be submitted no sooner than six (6) months after the last revision.

4. Contracts for Special Facilities. Applicant requesting special facilities will be required to execute a written contract prior to Utility performing its work to install or dedicate special facilities. The general form of such contract shall be on file with the Commission.

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 3790-A
 DECISION NO. 07-07-019

7H14

ISSUED BY

Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Jan 18, 2008
 EFFECTIVE Feb 17, 2008

RESOLUTION NO. _____

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Rule No. 20
GAS MAIN EXTENSIONS

Sheet 4

(Continued)

C. EXTENSION ALLOWANCES (Continued)

3. RESIDENTIAL ALLOWANCES. The allowance for Distribution Main Extensions, Service Extensions, or a combination thereof for Permanent Residential Service on a per-unit basis is as follows:

WATER HEATING	\$467
SPACE HEATING	\$432
COOKTOP & OVEN	\$ 59
DRYER STUB	\$103
SPACE COOLING	\$516

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4. NON-RESIDENTIAL ALLOWANCES. The total allowance for both gas Main and Service extensions for Permanent Non-Residential service is determined by the Utility using the formula in Section C.2. Utility, at its election, may apply a Non-Residential Allowance Net Revenue Multiplier of three point three one (3.31) as defined in Section I, when it serves as a reasonable proxy for the formula in section C.2.

Where the extension will serve a combination of residential and non-residential meters, residential allowances will be added to the non-residential allowances.

5. SEASONAL, INTERMITTENT, INSIGNIFICANT, AND EMERGENCY LOADS. When Applicant requests service that requires an extension to serve loads that are seasonal or intermittent, the allowance for such loads shall be determined using the formula in Section C.2. No allowance will be provided where service is used only for emergency purposes, or for Insignificant Loads.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3790-A
 DECISION NO. 07-07-019

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Lee Schavrien
 Senior Vice President
 Regulatory Affairs

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Rule No. 20
GAS MAIN EXTENSIONS

Sheet 7

(Continued)

E. REFUND BASIS (Continued)

4. RESIDENTIAL. Refunds will be made on the basis of a new customer's Permanent Load which produces additional revenues to the Utility. The refund will be deducted from the total refundable amount, and the remaining amount subject to refund represents that portion of the extension cost not supported by revenues. (See Section E.11 for series refund provisions.)
5. NON-RESIDENTIAL. Utility shall be responsible for reviewing Applicant's actual base annual revenue for the first three (3) years from the date the Utility is first ready to serve. Applicant shall be responsible for notifying the Utility if new, permanent load is added from the fourth (4th) through the tenth (10th) year from the date first ready to serve. Such review shall determine if the additional revenue supports any refunds to the Applicant. (See Section E.11 for series refund provisions.)
6. UNSUPPORTED EXTENSION COST. When any portion of a refundable amount has not qualified for a refund at the end of thirty-six (36) months from the date the Utility is first ready to serve, Applicant will pay to the Utility an Ownership Charge, as defined in Section I, on the remaining refundable balance. Monthly ownership charges are intended to offset the refundable amount, and will normally be accumulated and deducted from refunds due Applicant. This provision does not apply to individual residential Applicants.
7. REFUND TIMING. Refunds will be made without interest within ninety (90) days after the date of first service to new permanent loads, except that refunds may be accumulated to a fifty dollar (\$50) minimum, or the total refundable balance, if less than fifty dollars (\$50).
8. MAXIMUM REFUND. No refund shall be made in excess of the refundable amount nor after a period of ten (10) years from the date the Utility is first ready to serve. Any unrefunded amount remaining at the end of the ten (10) year period shall become the property of the Utility.
9. PREVIOUS RULES. Refundable amounts paid, contributed, or advanced under conditions of a rule previously in effect will be refunded in accordance with the provisions of such earlier rule.
10. JOINT APPLICANTS. When two (2) or more parties make joint Contributions or Advances on the same extension, refunds will be distributed to these parties in the same proportion as their individual Contributions or Advances bear to the total refundable amount, or as they may mutually agree.

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(Continued)

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GAS MAIN EXTENSIONS

Sheet 10

(Continued)

G. APPLICANT INSTALLATION OPTION (Continued)

- 2. MINIMUM CONTRACTOR QUALIFICATIONS. Applicant's contractor or subcontractor (QC/S) shall:
 - a. Be licensed in California for the appropriate type of work, such as, but not limited to, gas and general.
 - b. Employ workmen properly qualified for the specific skills required (plastic fusion, welding, etc.).
 - c. Comply with applicable laws (Equal Opportunity regulations, OSHA, EPA, etc.).
- 3. OTHER CONTRACTOR QUALIFICATIONS. An Applicant for service who intends to employ a QC/S also should consider whether the QC/S:
 - a. Is technically competent.
 - b. Has access to proper equipment.
 - c. Demonstrates financial responsibility commensurate with the scope of the contract.
 - d. Has adequate insurance coverage (worker's compensation, liability, property damage, etc.).
 - e. Is able to furnish a surety bond for performance of the contract, if required.

H. SPECIAL CONDITIONS

- 1. FACILITY RELOCATION OR REARRANGEMENT. Any relocation or rearrangement of the Utility's existing facilities, at the request of or to meet the convenience of an Applicant or customer, and agreed upon by the Utility, normally shall be performed by the Utility at Applicant's expense. If the existing facilities relocation or rearrangement is designated as a special facility, refer to Rule No. 2, Section N for the appropriate ownership charge rate. Where new facilities can be constructed in a separate location, before abandonment or removal of any existing facilities, and Applicant requests to perform the new construction work, it can be performed under the applicable provisions of Section G, Applicant Installation Options.

In all instances, the Utility shall abandon or remove its existing facilities at the option of the Utility. Applicant or customer shall be responsible for the costs of all related relocation, rearrangement, and removal work.

(Continued)

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Rule No. 20
GAS MAIN EXTENSIONS

(Continued)

I. DEFINITIONS (Continued)

COST-OF-SERVICE FACTOR. The Cost-of-Service (COS) factor is divided into the Net Revenue to determine the Utility's line extension allowance. The COS factor includes depreciation, authorized return, income taxes, property taxes, Operation and Maintenance (O&M) expense, Administrative and General (A&G) expense, Franchise Fees and Uncollectibles (FF&U), property insurance, and replacement of facilities, if needed, for 60 years at no additional cost to customer. For the purpose of calculating residential allowances, a COS factor of 16.64% will be used.

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DISTRIBUTION MAINS. Mains which are operated at distribution pressure, and supply two (2) or more services or run parallel to the property line in a public right-of-way.

EXCAVATION. All necessary trenching, backfilling, and other digging to install extension facilities, including furnishing of any imported backfill material and disposal of spoil as required, surface repair and replacement, and landscape repair and replacement.

FRANCHISE AREA. Public streets, roads, highways, and other public ways and places where Utility has a legal right to occupy under franchise agreements with governmental bodies having jurisdiction.

INSIGNIFICANT LOADS. Small operating loads such as log lighters, barbecues, outdoor lighting, etc.

INTERMITTENT LOADS. Loads which, in the opinion of the Utility, are subject to discontinuance for a time or at intervals.

JOINT TRENCH. Excavation that intentionally provides for more than one service, such as gas, electricity, cable television, or telephone, etc.

MAIN EXTENSION. The length of main and its related facilities required to transport gas from the existing distribution facilities to the point of connection with the service pipe.

A Main Extension consists of new distribution facilities of the Utility that are required to extend service into an open area not previously supplied to serve an Applicant. It is a continuation of, or branch from, the nearest available existing permanent Distribution Main, to the point of connection of the last service. The Utility's Main Extension includes any required Substructures and facilities for transmission taps but excludes service connections, services, and meters.

METER SET ASSEMBLY. Meter, service pressure regulator, and associated fittings.

NET REVENUE. That portion of the total rate that supports Utility's extension costs and excludes such items as fuel costs, transmission, storage, public purpose programs, and other energy adjustment costs that do not support the extension costs.

(Continued)

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GAS MAIN EXTENSIONS

Sheet 13

(Continued)

I. DEFINITIONS (Continued)

NON RESIDENTIAL ALLOWANCES NET REVENUE MULTIPLIER. This is a revenue-supported factor determined by Utility that is applied to the net revenues expected from non-residential loads to determine non-residential allowances.

OWNERSHIP CHARGE. The monthly ownership charge is a percentage rate applied against the remaining refundable balance after thirty-six (36) months from the date the Utility is first ready to serve. This charge recovers the cost of operating and maintaining customer-financed facilities that are not fully utilized. The Ownership Charge includes property taxes, Operation and Maintenance (O&M), Administrative and General (A&G), Franchise Fees and Uncollectibles (FF&U), property insurance, and replacement for 60 years at no additional cost. For the purpose of calculating Ownership Charge, a 0.51% per month factor will be used.

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PERMANENT SERVICE. Service which, in the opinion of the Utility, is of a permanent and established character. This may be continuous, intermittent, or seasonal in nature.

PROTECTIVE STRUCTURES. Fences, retaining walls (in lieu of grading), barriers, posts, barricades, and other structures as required by the Utility.

RESIDENTIAL DEVELOPMENT. Five (5) or more dwelling units in two (2) or more buildings located on a single parcel of land.

RESIDENTIAL SUBDIVISION. An area of five (5) or more lots for residential dwelling units which may be identified by filed subdivision plans or an area in which a group of dwellings may be constructed about the same time, either by a builder or several builders working on a coordinated basis.

SEASONAL SERVICE. Gas service to establishments which are occupied seasonally or intermittently, such as seasonal resorts, cottages, or other part-time establishments.

SUBSTRUCTURES. The surface and subsurface structures which are necessary to contain or support the Utility's gas facilities. This includes, but is not limited to, equipment vaults and boxes, required sleeves for street crossings, and enclosures, foundations, or pads for surface-mounted equipment.

TRENCHING. See Excavation.

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Attachment C. SoCalGas Residential Allowance per End Use

Line				
1	Residential Base Margin Revenue			\$1,146,877,000
	Source: 2004 COS Settlement. D. 04-12-015 adjusted for Rates Approved 1/1/07			
2	Allocated Transmission & Storage cost			\$105,836,000
	Source: 1999 BCAP D.00-04-060.			
3	Remaining Margin	Residential Base Margin Revenue - Allocated Transm & Storage		\$1,041,041,000
4	Average Year Deliveries Therms			2,546,852,000
	Source: 1999 BCAP Decision D.00-04-060.			
5	Average Distribution Rate per Therm	Remaining Margin / Average Year Deliveries		\$0.4088
6	Annual UEC per End-Use in Therms			
	Source: SoCalGas and SDG&E Analysis of the 2003 Residential Appliance Saturation Study			
		Water Heat Therms		190
		Space Heat Therms		176
		Cooking Therms		24
		Clothes Drying Therms		42
		Gas A/C Therms		210
7	Net Revenue per End-Use	Average Distribution Rate * Avg UEC		
		Water Heat Revenue		\$77.66
		Space Heat Revenue		\$71.94
		Cooking Revenue		\$9.81
		Clothes Drying Revenue		\$17.17
		Gas A/C Revenue		\$85.84
8	Cost of Service Factor	=(LACC + O&M + A&G + FFU) * 60-Yr replacement multiplier		16.64% per year
	Source Sheets C.1, C.2, and C.3.			
		LACC factor	11.31%	
		O&M factor	2.83%	
		A&G factor	1.72%	
		FFU factor	0.14%	
		60-year replacement multiplier	1.04	
9	Allowance per End-Use	Net Revenue / Cost of Service Factor		
		Water Heat Allowance		\$467
		Space Heat Allowance		\$432
		Cooking Allowance		\$59
		Clothes Drying Allowance		\$103
		Gas A/C Allowance		\$516
10	Cost of Ownership Charge	=(Prop Tax + O&M + A&G + FFU) * 60-Yr replacement multiplier		6.10% per year
	Source Sheets C.1,C.2, and C.3.			
		Property Tax Factor	1.18%	
		O&M factor	2.83%	
		A&G factor	1.72%	
		FFU factor	0.14%	
		60-year replacement multiplier	1.04	