

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



October 6, 2008

Advice Letter 3899

Ken Deremer
Director
Tariffs & Regulatory Accounts
8330 Century Park Court CP32C
San Diego, CA 92123-1548

Subject: Cross-Over Rate for September 2008

Dear Mr. Deremer:

Advice Letter 3899 is effective September 10, 2008.

Sincerely,

A handwritten signature in black ink, appearing to read "Ken Lewis".

Kenneth Lewis, Acting 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

September 5, 2008

Advice No. 3899
(U 904 G)

Public Utilities Commission of the State of California

Subject: Cross-Over Rate for September 2008

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 September 2008, 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 9th calendar day of each month, to be effective the 10th calendar day of each month.

Requested Rate Revision

The Cross-Over Rate for September 2008 is 73.163 cents per therm, which is higher than the Core Procurement rate as filed by AL 3898 on August 29, 2008. 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) and 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 Advice Letter is subject to Energy Division disposition and should be classified as Tier 1 (effective pending disposition) pursuant to GO 96-B.

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 September 10, 2008.

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:

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) #: 3899

Subject of AL: September 2008 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 AL¹:

Does AL request confidential treatment? If so, provide explanation:

Resolution Required? Yes No

Tier Designation: 1 2 3

Requested effective date: September 10, 2008

No. of tariff sheets: 23

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 proposed¹:

Pending advice letters that revise the same tariff sheets: 3888, 3889, and 3898

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, ML GT14D6

Los Angeles, CA 90013-1011

snewsom@semprautilities.com

¹ Discuss in AL if more space is needed.

ATTACHMENT A

Advice No. 3899

(See Attached Service List)

Aglet Consumer Alliance
James Weil
jweil@aglet.org

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

Alcantar & Kahl
Seema Srinivasan
sls@a-klaw.com

Alcantar & Kahl LLP
Annie Stange
sas@a-klaw.com

Ancillary Services Coalition
Jo Maxwell
jomaxwell@ascoalition.com

Ancillary Services Coalition
Nick Planson
nplanson@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
R. Mark Pocta
rmp@cpuc.ca.gov

CPUC - DRA
Jacqueline Greig
jnm@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
Blake Lazusso
blasuzzo@commerceenergy.com

Commerce Energy
Brian Patrick
BPatrick@commerceenergy.com

Commerce Energy
Catherine Sullivan
csullivan@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
505 Montgomery Street, Ste 800
San Francisco, CA 94111

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 Embarcaero 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

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

Navigant Consulting, Inc.
Ray Welch
ray.welch@navigantconsulting.com

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

Safeway, Inc
Cathy Ikeuchi
cathy.ikeuchi@safeway.com

Sempra Global
William Tobin
wtobin@sempraglobal.com

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

Southern California Edison Co
Fileroom Supervisor
2244 Walnut Grove Ave., Rm 290, G01
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

ATTACHMENT B
Advice No. 3899

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 43878-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 1	Revised 43846-G
Revised 43879-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 2	Revised 43847-G
Revised 43880-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 3	Revised 43848-G
Revised 43881-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 4	Revised 43849-G
Revised 43882-G	PRELIMINARY STATEMENT, PART II, SUMMARY OF RATES AND CHARGES, Sheet 7	Revised 43850-G
Revised 43883-G	Schedule No. GR, RESIDENTIAL SERVICE, (Includes GR, GR-C, GT-R, GRL and GT-RL Rates), Sheet 1	Revised 43853-G
Revised 43884-G	Schedule No. GS, SUBMETERED MULTI- FAMILY SERVICE, (Includes GS, GS-C, GT-S, GSL, GSL-C and GT-SL Rates), Sheet 2	Revised 43855-G
Revised 43885-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 43856-G
Revised 43886-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 43857-G
Revised 43887-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 43858-G
Revised 43888-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 43859-G
Revised 43889-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 43861-G
Revised 43890-G	Schedule No. G-10, CORE COMMERCIAL AND INDUSTRIAL SERVICE, (Includes GN-	Revised 43864-G

ATTACHMENT B
Advice No. 3899

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 43891-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 43865-G
Revised 43892-G	Schedule No. G-AC, CORE AIR CONDITIONING SERVICE, FOR COMMERCIAL AND INDUSTRIAL, Sheet 2	Revised 43867-G
Revised 43893-G	Schedule No. G-EN, CORE GAS ENGINE SERVICE, FOR WATER PUMPING, Sheet 2	Revised 43869-G
Revised 43894-G	Schedule No. G-NGV, NATURAL GAS SERVICE FOR MOTOR VEHICLES, (Includes G-NGU, G-NGUC, G-NGC and GT-NGU Rates), Sheet 1	Revised 43870-G
Revised 43895-G	Schedule No. G-NGV, NATURAL GAS SERVICE FOR MOTOR VEHICLES, (Includes G-NGU, G-NGUC, G-NGC and GT-NGU Rates), Sheet 2	Revised 43871-G
Revised 43896-G	Schedule No. G-CP, CORE PROCUREMENT SERVICE, Sheet 2	Revised 43872-G
Revised 43897-G	Schedule No. G-CP, CORE PROCUREMENT SERVICE, Sheet 3	Revised 43873-G
Revised 43898-G	TABLE OF CONTENTS	Revised 43875-G
Revised 43899-G	TABLE OF CONTENTS	Revised 43876-G
Revised 43900-G	TABLE OF CONTENTS	Revised 43877-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 ^{1/}	97.111¢	115.400¢	16.438¢	
GR-C ^{2/}	101.400¢	119.689¢	16.438¢	R,R
GT-R	28.237¢	46.526¢	16.438¢	
GRL ^{3/}	78.291¢	92.922¢	13.151¢	
GT-RL ^{3/}	22.590¢	37.221¢	13.151¢	

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

	Baseline Usage	Non-Baseline Usage	Customer Charge per meter, per day	
GS ^{1/}	97.111¢	115.400¢	16.438¢	
GS-C ^{2/}	101.400¢	119.689¢	16.438¢	R,R
GT-S	28.237¢	46.526¢	16.438¢	
GSL ^{3/}	78.291¢	92.922¢	13.151¢	
GSL-C ^{3/}	81.722¢	96.353¢	13.151¢	R,R
GT-SL ^{3/}	22.590¢	37.221¢	13.151¢	

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

	Baseline Usage	Non-Baseline Usage	Customer Charge per meter, per day	
GM-E ^{1/}	97.111¢	115.400¢	16.438¢	
GM-C ^{1/}	N/A	115.400¢	16.438¢	
GM-EC ^{2/}	101.400¢	119.689¢	16.438¢	R,R
GM-CC ^{2/}	N/A	119.689¢	16.438¢	R
GT-ME	28.237¢	46.526¢	16.438¢	
GT-MC	N/A	46.526¢	16.438¢	
GM-BE ^{1/}	88.769¢	96.714¢	\$10.205	
GM-BC ^{1/}	N/A	96.714¢	\$10.205	
GM-BEC ^{2/}	93.058¢	101.003¢	\$10.205	R,R
GM-BCC ^{2/}	N/A	101.003¢	\$10.205	R
GT-MBE	19.895¢	27.840¢	\$10.205	
GT-MBC	N/A	27.840¢	\$10.205	

^{1/} The residential core procurement charge as set forth in Schedule No. G-CP is 68.874¢/therm which includes the core brokerage fee.
^{2/} The residential cross-over rate as set forth in Schedule No. G-CP is 73.163¢/therm which includes the core brokerage fee.
^{3/} The CARE rate reflects a 20% discount on all customer, commodity, and transportation charges.

(Continued)

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 3899
 DECISION NO.

1H7

ISSUED BY

Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Sep 5, 2008
 EFFECTIVE Sep 10, 2008
 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 <u>Usage</u>	Non-Baseline <u>Usage</u>	Customer Charge <u>per meter, per day</u>
GML-E ^{3/}	78.291¢	92.922¢	13.151¢
GML-C ^{3/}	N/A	92.922¢	13.151¢
GML-EC ^{3/}	81.722¢	96.353¢	13.151¢
GML-CC ^{3/}	N/A	96.353¢	13.151¢
GT-MLE ^{3/}	22.590¢	37.221¢	13.151¢
GT-MLC ^{3/}	N/A	37.221¢	13.151¢
GMBL-E ^{3/}	71.617¢	77.973¢	\$8.164
GMBL-C ^{3/}	N/A	77.973¢	\$8.164
GMBL-EC ^{3/}	75.048¢	81.404¢	\$8.164
GMBL-CC ^{3/}	N/A	81.404¢	\$8.164
GT-MBLE ^{3/}	15.916¢	22.272¢	\$8.164
GT-MBLC ^{3/}	N/A	22.272¢	\$8.164

R,R
R

R,R
R

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

	All <u>Usage</u>	Customer Charge <u>per meter, per day</u>
G-NGVR ^{1/}	84.781¢	32.877¢
G-NGVRC ^{2/}	89.070¢	32.877¢
GT-NGVR	15.907¢	32.877¢
G-NGVRL ^{3/}	68.427¢	26.301¢
GT-NGVRL ^{3/}	12.726¢	26.301¢

R

^{1/} The residential core procurement charge as set forth in Schedule No. G-CP is 68.874¢/therm which includes the core brokerage fee.
^{2/} The residential cross-over rate as set forth in Schedule No. G-CP is 73.163¢/therm which includes the core brokerage fee.
^{3/} The CARE rate reflects a 20% discount on all customer, commodity, and transportation charges.

R

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3899
 DECISION NO.
 2H7

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Sep 5, 2008
 EFFECTIVE Sep 10, 2008
 RESOLUTION NO. G-3351

PRELIMINARY STATEMENT
 PART II
 SUMMARY OF RATES AND CHARGES

Sheet 3

(Continued)

NON-RESIDENTIAL CORE SERVICE ^{1/ 2/}

Schedule G-10 ^{3/} (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	115.690¢	92.756¢	74.581¢
GN-10C	119.979¢	97.045¢	78.870¢
GT-10	46.816¢	23.882¢	5.707¢
GN-10V	115.690¢	89.539¢	74.581¢
GN-10VC	119.979¢	93.828¢	78.870¢
GT-10V	46.816¢	20.665¢	5.707¢
GN-10L	93.154¢	74.807¢	60.267¢
GT-10L	37.453¢	19.106¢	4.566¢

R,R,R

R,R,R

Customer Charge
 Per meter, per day:

	<u>Customer's Annual Usage</u>		<u>CARE Eligible 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

^{1/} The non-residential core procurement charge as set forth in Schedule No. G-CP is 68.874¢/therm which includes the core brokerage fee.

^{2/} The non-residential cross over rate as set forth in Schedule No. G-CP is 73.163¢/therm which includes the core brokerage fee.

^{3/} Schedule GL rates are set commensurate with GN-10 rate in Schedule G-10.

R

(Continued)

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 3899
 DECISION NO.

3H7

ISSUED BY

Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Sep 5, 2008
 EFFECTIVE Sep 10, 2008
 RESOLUTION NO. G-3351

PRELIMINARY STATEMENT
 PART II
 SUMMARY OF RATES AND CHARGES

Sheet 4

(Continued)

NON-RESIDENTIAL CORE SERVICE (Continued) ^{1/ 2/}

Commodity Charge
 (per therm)

Schedule G-AC

G-AC: rate per therm	79.161¢	
G-ACC: rate per therm	83.450¢	R
G-ACL: rate per therm	63.931¢	
Customer Charge: \$150/month		

Schedule G-EN

G-EN: rate per therm	78.426¢	
G-ENC: rate per therm	82.715¢	R
Customer Charge: \$50/month		

Schedule G-NGV

G-NGU: rate per therm	77.685¢	
G-NGUC: rate per therm	81.974¢	R
G-NGU plus G-NGC Compression Surcharge	152.309¢	
G-NGUC plus G-NGC Compression Surcharge	156.598¢	R
GT-NGU	8.811¢	
P-1 Customer Charge: \$13/month		
P-2A Customer Charge: \$65/month		

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3899
 DECISION NO.

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Sep 5, 2008
 EFFECTIVE Sep 10, 2008
 RESOLUTION NO. G-3351

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	2.817¢
ITCS-VRN	(0.005¢)

PROCUREMENT CHARGE

Schedule G-CP

Non-Residential Core Procurement Charge, per therm	68.874¢
Non-Residential Cross-Over Rate, per therm	73.163¢
Residential Core Procurement Charge, per therm	68.874¢
Residential Cross-Over Rate, per therm	73.163¢
Adjusted Core Procurement Charge, per therm	68.686¢

IMBALANCE SERVICE

Standby Procurement Charge

Core Retail Standby (SP-CR)

June 2008	190.388¢
July 2008	190.201¢
August 2008	TBD*

Noncore Retail Standby (SP-NR)

June 2008	190.466¢
July 2008	190.279¢
August 2008	TBD*

Wholesale Standby (SP-W)

June 2008	190.466¢
July 2008	190.279¢
August 2008	TBD*

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

Buy-Back Rate

Core and Noncore Retail (BR-R)

June 2008	54.648¢
July 2008	61.238¢
August 2008	43.782¢

Wholesale (BR-W)

June 2008	54.465¢
July 2008	61.033¢
August 2008	43.636¢

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3899
 DECISION NO.

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Sep 5, 2008
 EFFECTIVE Sep 10, 2008
 RESOLUTION NO. G-3351

R
 R

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.

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: ^{1/}	16.438¢	16.438¢	16.438¢

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

<u>Procurement Charge</u> : ^{2/}	68.874¢	73.163¢	N/A	R
<u>Transmission Charge</u> :	<u>28.237¢</u>	<u>28.237¢</u>	<u>28.237¢</u>	
<u>Total Baseline Charge</u> :	97.111¢	101.400¢	28.237¢	R

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

<u>Procurement Charge</u> : ^{2/}	68.874¢	73.163¢	N/A	R
<u>Transmission Charge</u> :	<u>46.526¢</u>	<u>46.526¢</u>	<u>46.526¢</u>	
<u>Total Non-Baseline Charge</u> :	115.400¢	119.689¢	46.526¢	R

Rates for CARE-Eligible Customers

	<u>GRL</u>	<u>GT-RL</u>
<u>Customer Charge</u> , per meter per day: ^{1/}	13.151¢	13.151¢

^{1/} 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)

ADVICE LETTER NO. 3899
 DECISION NO.

1H7

ISSUED BY

Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Sep 5, 2008
 EFFECTIVE Sep 10, 2008
 RESOLUTION NO. G-3351

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</u> , per therm (baseline usage defined in Special Conditions 3 and 4):				
Procurement Charge: ^{2/}	68.874¢	73.163¢	N/A	R
<u>Transmission Charge</u> :	<u>28.237¢</u>	<u>28.237¢</u>	<u>28.237¢</u>	
Total Baseline Charge:	97.111¢	101.400¢	28.237¢	R

<u>Non-Baseline Rate</u> , per therm (usage in excess of baseline usage):				
Procurement Charge: ^{2/}	68.874¢	73.163¢	N/A	R
<u>Transmission Charge</u> :	<u>46.526¢</u>	<u>46.526¢</u>	<u>46.526¢</u>	
Total Non-Baseline Charge:	115.400¢	119.689¢	46.526¢	R

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

The Transmission Charges for CARE-eligible procurement customers shown below include an additional charge of 0.602 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</u> , per therm (baseline usage defined per Special Conditions 3 and 4):				
Procurement Charge: ^{2/}	55.099¢	58.530¢	N/A	R
<u>Transmission Charge</u> :	<u>23.192¢</u>	<u>23.192¢</u>	<u>22.590¢</u>	
Total Baseline Charge:	78.291¢	81.722¢	22.590¢	R

<u>Non-Baseline Rate</u> , per therm (usage in excess of baseline usage):				
Procurement Charge: ^{2/}	55.099¢	58.530¢	N/A	R
<u>Transmission Charge</u> :	<u>37.823¢</u>	<u>37.823¢</u>	<u>37.221¢</u>	
Total Non-Baseline Charge:	92.922¢	96.353¢	37.221¢	R

^{2/} 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.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3899
 DECISION NO.

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Sep 5, 2008
 EFFECTIVE Sep 10, 2008
 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¢ ^{1/}	\$10.205

GM

	<u>GM-E</u>	<u>GM-EC</u> ^{3/}	<u>GT-ME</u>	
<u>Baseline Rate</u> , per therm (baseline usage defined per Special Conditions 3 and 4):				
Procurement Charge: ^{2/}	68.874¢	73.163¢	N/A	R
<u>Transmission Charge</u> :	<u>28.237¢</u>	<u>28.237¢</u>	<u>28.237¢</u>	
Total Baseline Charge (all usage):	97.111¢	101.400¢	28.237¢	R
 <u>Non-Baseline Rate</u> , per therm (usage in excess of baseline usage):				
Procurement Charge: ^{2/}	68.874¢	73.163¢	N/A	R
<u>Transmission Charge</u> :	<u>46.526¢</u>	<u>46.526¢</u>	<u>46.526¢</u>	
Total Non Baseline Charge (all usage):.....	115.400¢	119.689¢	46.526¢	R
	<u>GM-C</u>	<u>GM-CC</u> ^{3/}	<u>GT-MC</u>	
<u>Non-Baseline Rate</u> , per therm (usage in excess of baseline usage):				
Procurement Charge: ^{2/}	68.874¢	73.163¢	N/A	R
<u>Transmission Charge</u> :	<u>46.526¢</u>	<u>46.526¢</u>	<u>46.526¢</u>	
Total Non Baseline Charge (all usage):.....	115.400¢	119.689¢	46.526¢	R

^{1/} 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.

^{2/} 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.

^{3/} 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. 3899
 DECISION NO.

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Sep 5, 2008
 EFFECTIVE Sep 10, 2008
 RESOLUTION NO. G-3351

Schedule No. GM
MULTI-FAMILY SERVICE

Sheet 3

(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> ^{3/}	<u>GT-MBE</u>	
<u>Baseline Rate</u> , per therm (baseline usage defined per Special Conditions 3 and 4):				
Procurement Charge: ^{2/}	68.874¢	73.163¢	N/A	R
<u>Transmission Charge</u> :	<u>19.895¢</u>	<u>19.895¢</u>	<u>19.895¢</u>	
Total Baseline Charge (all usage):.....	88.769¢	93.058¢	19.895¢	R
 <u>Non-Baseline Rate</u> , per therm (usage in excess of baseline usage):				
Procurement Charge: ^{2/}	68.874¢	73.163¢	N/A	R
<u>Transmission Charge</u> :	<u>27.840¢</u>	<u>27.840¢</u>	<u>27.840¢</u>	
Total Non-Baseline Charge (all usage):	96.714¢	101.003¢	27.840¢	R
	<u>GM-BC</u>	<u>GM-BCC</u> ^{3/}	<u>GT-MBC</u>	
<u>Non-Baseline Rate</u> , per therm (usage in excess of baseline usage):				
Procurement Charge: ^{2/}	68.874¢	73.163¢	N/A	R
<u>Transmission Charge</u> :	<u>27.840¢</u>	<u>27.840¢</u>	<u>27.840¢</u>	
Total Non Baseline Charge (all usage):.....	96.714¢	101.003¢	27.840¢	R

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)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3899
 DECISION NO.

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Sep 5, 2008
 EFFECTIVE Sep 10, 2008
 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.

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			
<u>Procurement Charge</u> ^{1/}	68.874¢	73.163¢	N/A
<u>Transmission Charge</u>	<u>15.907¢</u>	<u>15.907¢</u>	<u>15.907¢</u>
<u>Commodity Charge</u>	84.781¢	89.070¢	15.907¢

R
R

^{1/} 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.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3899
 DECISION NO.
 1H7

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Sep 5, 2008
 EFFECTIVE Sep 10, 2008
 RESOLUTION NO. G-3351

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> ^{2/}	<u>Tier II</u> ^{2/}	<u>Tier III</u> ^{2/}
<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: ^{3/} G-CPNR	68.874¢	68.874¢	68.874¢
	<u>Transmission Charge:</u> GPT-10	<u>46.816¢</u>	<u>23.882¢</u>	<u>5.707¢</u>
	Commodity Charge: GN-10	115.690¢	92.756¢	74.581¢

GN-10C: 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: ^{3/} G-CPNRC	73.163¢	73.163¢	73.163¢
	<u>Transmission Charge:</u> GPT-10	<u>46.816¢</u>	<u>23.882¢</u>	<u>5.707¢</u>
	Commodity Charge: GN-10C	119.979¢	97.045¢	78.870¢

R,R,R

R,R,R

GT-10: Applicable to non-residential transportation-only service including CAT service, as set forth in Special Condition 13.

	Transmission Charge: GT-10	46.816¢ ^{4/}	23.882¢ ^{4/}	5.707¢ ^{4/}
--	----------------------------------	-----------------------	-----------------------	----------------------

^{2/} 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.

^{3/} 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.

^{4/} These charges are equal to the core commodity rate less the following two components as approved in D.97-04-082: (1) the weighted average cost of gas; and (2) the core brokerage fee.

(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^{2/}</u>	<u>Tier II^{2/}</u>	<u>Tier III^{2/}</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: ^{3/}	G-CPNR	68.874¢	68.874¢	68.874¢	
<u>Transmission Charge:</u>	GPT-10V	<u>46.816¢</u>	<u>20.665¢</u>	<u>5.707¢</u>	
Commodity Charge:	GN-10V	115.690¢	89.539¢	74.581¢	
<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: ^{3/}	G-CPNRC	73.163¢	73.163¢	73.163¢	R,R,R
<u>Transmission Charge:</u>	GPT-10V	<u>46.816¢</u>	<u>20.665¢</u>	<u>5.707¢</u>	
Commodity Charge:	GN-10VC	119.979¢	93.828¢	78.870¢	R,R,R
<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	46.816¢ ^{5/}	20.665¢ ^{5/}	5.707¢ ^{5/}	

(Footnotes continued from previous page.)

^{5/} 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) an amount to implement the SoCalGas-Vernon Stipulation and Settlement Agreement approved by D.96-09-104.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3899
 DECISION NO.
 3H7

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Sep 5, 2008
 EFFECTIVE Sep 10, 2008
 RESOLUTION NO. G-3351

Schedule No. G-AC

Sheet 2

CORE AIR CONDITIONING SERVICE
 FOR COMMERCIAL AND INDUSTRIAL

(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; and (2) the GT-AC transmission charge, as set forth in Schedule No. GT-AC.

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	68.874¢
<u>Transmission Charge:</u>	<u>GPT-AC</u>	<u>10.287¢</u>
Commodity Charge:	G-AC	79.161¢

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; and (2) the GT-AC transmission charge, as set forth in Schedule No. GT-AC.

Rate, per therm.

Procurement Charge:	G-CPNRC	73.163¢
<u>Transmission Charge:</u>	<u>GPT-AC</u>	<u>10.287¢</u>
Commodity Charge:	G-ACC	83.450¢

R
R

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3899
 DECISION NO.

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Sep 5, 2008
 EFFECTIVE Sep 10, 2008
 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	68.874¢
<u>Transmission Charge:</u>	<u>GPT-EN</u>	<u>9.552¢</u>
Commodity Charge:	G-EN	78.426¢

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; and (2) the GT-EN transmission charge, as set forth in Schedule No. GT-EN.

Procurement Charge:	G-CPNRC	73.163¢
<u>Transmission Charge:</u>	<u>GPT-EN</u>	<u>9.552¢</u>
Commodity Charge:	G-ENC	82.715¢

R
R

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

Sheet 1

NATURAL GAS SERVICE FOR MOTOR VEHICLES
 (Includes G-NGU, G-NGUC, G-NGC and GT-NGU Rates)

APPLICABILITY

Applicable to the sale of natural gas at the customer's premises (G-NGU, G-NGC and G-NGUC rates) and to the transportation of customer-owned gas (GT-NGU rate) for use in motor vehicles. Service under this schedule shall be classified as end-use priority 1 or 2A in accordance with Rule No. 23.

TERRITORY

Applicable throughout the service territory.

RATES

	<u>P-1 Service</u>	<u>P-2A Service</u>
<u>Customer Charge</u> , per month	\$13.00	\$65.00

Commodity and Transmission Charges

Customer-Funded Fueling Station

Compression of natural gas to the pressure required for its use as motor vehicle fuel will be performed by the customer using customer's equipment at the customer's designated premises.

Rate, uncompressed per therm

	<u>G-NGU</u>	<u>G-NGUC</u> ^{1/}	<u>GT-NGU</u> ^{2/}
<u>Procurement Charge</u> : ^{3/}	68.874¢	73.163¢	N/A
<u>Transmission Charge</u> :	8.811¢	8.811¢	8.811¢
<u>Uncompressed Commodity Charge</u> :	77.685¢	81.974¢	8.811¢

R
R

^{1/} Applicable only the first 12 months of service for non-residential 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.

^{2/} Applicable to transportation-only service, including Core Aggregation Transportation service.

^{3/} This charge is applicable for service to Utility Procurement Customers and include the G-CPNR Procurement Charge as shown in Schedule No. G-CP, which is subject to change monthly, as set forth in Special Condition 4.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3899
 DECISION NO.

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Sep 5, 2008
 EFFECTIVE Sep 10, 2008
 RESOLUTION NO. G-3351

Schedule No. G-NGV

Sheet 2

NATURAL GAS SERVICE FOR MOTOR VEHICLES
 (Includes G-NGU, G-NGUC, G-NGC and GT-NGU Rates)

(Continued)

RATES (Continued)

Commodity and Transmission Charges (Continued)

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 152.309¢

G-NGUC plus G-NGC, compressed per therm 156.598¢

Compression of natural gas to the pressure required for its use as motor vehicle fuel will be performed by the Utility from a Utility-funded fueling station.

For billing purposes, the number of therms compressed at a Utility-funded station, will be expressed in gasoline gallon equivalents at the dispenser.

Minimum Charge

The Minimum Charge shall be the applicable monthly Customer Charge.

Late Payment Charge

A late payment charge may be added to a customer's bill whenever a customer fails to pay for services under this schedule as set forth in Rule No. 12, Payment of Bills, and for CAT customers, as set forth in Rule No. 32.

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)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3899
 DECISION NO.

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Sep 5, 2008
 EFFECTIVE Sep 10, 2008
 RESOLUTION NO. G-3351

R

Schedule No. G-CP
CORE PROCUREMENT SERVICE

Sheet 2

(Continued)

RATES (Continued)

G-CPNR (Continued)

Cost of Gas, per therm	68.686¢
Brokerage Fee, per therm	<u>0.188¢</u>
Total Core Procurement Charge, per therm	68.874¢

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	72.975¢
Brokerage Fee, per therm	<u>0.188¢</u>
Total Core Procurement Charge, per therm	73.163¢

R
R

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. 3899
 DECISION NO.

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Sep 5, 2008
 EFFECTIVE Sep 10, 2008
 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 estimated 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, and the carrying cost of storage inventory pursuant to D.07-12-019; (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	68.686¢
Brokerage Fee, per therm	<u>0.188¢</u>
Total Core Procurement Charge, per therm	68.874¢

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	72.975¢
Brokerage Fee, per therm	<u>0.188¢</u>
Total Core Procurement Charge, per therm	73.163¢

R

R

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

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3899
 DECISION NO.

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Sep 5, 2008
 EFFECTIVE Sep 10, 2008
 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¢ ^{1/}	\$8.164

The Transmission Charges for CARE-eligible procurement customers shown below include an additional charge of 0.602 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: ^{2/}	55.099¢	58.530¢	N/A	R
<u>Transmission Charge</u> :	<u>23.192¢</u>	<u>23.192¢</u>	<u>22.590¢</u>	R
Total Baseline Charge (all usage):	78.291¢	81.722¢	22.590¢	R

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

Procurement Charge: ^{2/}	55.099¢	58.530¢	N/A	R
<u>Transmission Charge</u> :	<u>37.823¢</u>	<u>37.823¢</u>	<u>37.221¢</u>	R
Total Non Baseline Charge (all usage):.....	92.922¢	96.353¢	37.221¢	R

	<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: ^{2/}	55.099¢	58.530¢	N/A	R
<u>Transmission Charge</u> :	<u>37.823¢</u>	<u>37.823¢</u>	<u>37.221¢</u>	R
Total Non Baseline Charge (all usage):.....	92.922¢	96.353¢	37.221¢	R

^{1/} 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.

^{2/} 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.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3899
 DECISION NO.

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Sep 5, 2008
 EFFECTIVE Sep 10, 2008
 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: ^{2/}	55.099¢	58.530¢	N/A	R
<u>Transmission Charge</u> :	<u>16.518¢</u>	<u>16.518¢</u>	<u>15.916¢</u>	
Total Baseline Charge (all usage):.....	71.617¢	75.048¢	15.916¢	R

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

Procurement Charge: ^{2/}	55.099¢	58.530¢	N/A	R
<u>Transmission Charge</u> :	<u>22.874¢</u>	<u>22.874¢</u>	<u>22.272¢</u>	
Total Non-Baseline Charge (all usage):	77.973¢	81.404¢	22.272¢	R

	<u>GMBL-C</u>	<u>GMBL-CC</u>	<u>GT-MBLC</u>	
<u>Non-Baseline Rate</u> , per therm (usage in excess of baseline usage):				
Procurement Charge: ^{2/}	55.099¢	58.530¢	N/A	R
<u>Transmission Charge</u> :	<u>22.874¢</u>	<u>22.874¢</u>	<u>22.272¢</u>	
Total Non Baseline Charge (all usage):.....	77.973¢	81.404¢	22.272¢	R

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)

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 3899
 DECISION NO.

3H7

ISSUED BY

Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Sep 5, 2008
 EFFECTIVE Sep 10, 2008
 RESOLUTION NO. G-3351

TABLE OF CONTENTS

(Continued)

<u>Schedule Number</u>	<u>Title of Sheet</u>	<u>Cal. P.U.C. Sheet No.</u>	
GR	Residential Service (Includes GR, GR-C, GRL, GT-R and GT-RL Rates)	43883-G,43854-G,41209-G,39255-G,39144-G	T
GS	Submetered Multi-Family Service (Includes GS, GS-C, GT-S, GSL, GSL-C and GT-SL Rates)	43198-G,43884-G,41211-G,41212-G 41213-G,41214-G	T
GM	Multi-Family Service (Includes GM-E, GM-C, GM-EC, GM-CC, GT-ME, GT-MC and all GMB Rates)	41011-G,43885-G,43886-G,41014-G 41015-G,41016-G,41017-G,41018-G	T
GML	Multi-Family Service, Income Qualified.....	43202-G,43887-G,43888-G 41217-G,41218-G,40244-G,40245-G	T
G-CARE	California Alternate Rates for Energy (CARE) Program	39257-G,43436-G 42341-G,43437-G,42343-G,41899-G	
GO-AC	Optional Rate for Customers Purchasing New Gas Air Conditioning Equipment (Includes GO-AC and GTO-AC Rates)	43860-G,43154-G 40644-G,40645-G,40646-G	
G-NGVR	Natural Gas Service for Home Refueling of Motor Vehicles (Includes G-NGVR, G-NGVRC, GT-NGVR, G-NGVRL and GT-NGVRL Rates)	43889-G,43862-G,41220-G,41221-G	T
GL G-10	Street and Outdoor Lighting Natural Gas Service Core Commercial and Industrial Service (Includes GN-10, 10C, 10V, 10VC, 10L, GT-10, 10V, and 10L Rates)	43863-G,31022-G 41070-G,43890-G,43891-G,43866-G 41074-G,41075-G,41076-G,41246-G	T
G-AC	Core Air Conditioning Service for Commercial and Industrial	36674-G,43892-G,43868-G,41224-G,41225-G,36679-G 43438-G,41247-G	T
GT-AC	Core Transportation-only Air Conditioning Service for Commercial and Industrial	36682-G,43758-G,36683-G,36684-G 43439-G,41902-G,37929-G,41248-G	

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3899
 DECISION NO.

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Sep 5, 2008
 EFFECTIVE Sep 10, 2008
 RESOLUTION NO. G-3351

TABLE OF CONTENTS

(Continued)

G-EN	Core Gas Engine Service for Agricultural Water Pumping	43164-G,43893-G,37931-G,41249-G	T
GT-EN	Core Transportation-only Gas Engine Service for Agricultural Water Pumping	43760-G,36694-G,41250-G	
G-NGV	Natural Gas Service for Motor Vehicles	43894-G,43895-G,42521-G 42522-G,42523-G	T
GO-ET	Emerging Technologies Optional Rate for Core Commercial and Industrial	30200-G,43168-G,30202-G	
GTO-ET	Transportation-Only Emerging Technologies Optional Rate for Core Commercial and Industrial	30203-G,43169-G,30205-G	
GO-IR	Incremental Rate for Existing Equipment for Core Commercial and Industrial	30206-G,43170-G,30208-G	
GTO-IR	Transportation-Only Incremental Rate for Existing Equipment for Core Commercial and Industrial	30209-G,43171-G,30211-G	
G-CP	Core Procurement Service	43172-G,43896-G,43897-G,43874-G,37933-G	T
GT-F	Firm Intrastate Transmission Service	43763-G,43764-G,36705-G,40458-G 32664-G,32665-G,34838-G,41251-G 42005-G,41253-G,41254-G,41255-G,41256-G	
GT-I	Interruptible Intrastate Transmission Service	43765-G,43766-G,42902-G 42903-G,42904-G,42905-G	
GT-PS	Peaking Service	43767-G,43768-G,43769-G,43770-G 43771-G,43772-G,35955-G,35956-G,37942-G	
GW-LB	Wholesale Natural Gas Service	43773-G,38061-G,38062-G 38063-G,38064-G	
GW-SD	Wholesale Natural Gas Service	43774-G,43313-G,43314-G 43315-G,43316-G,43317-G	
GW-SWG	Wholesale Natural Gas Service	43775-G,37953-G,37954-G,37955-G	
GW-VRN	Wholesale Natural Gas Service	43776-G,37957-G,37958-G 37959-G,37960-G	

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3899
 DECISION NO.
 2H7

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Sep 5, 2008
 EFFECTIVE Sep 10, 2008
 RESOLUTION NO. G-3351

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	43900-G,43726-G,43782-G
Table of Contents--Service Area Maps and Descriptions	41970-G
Table of Contents--Rate Schedules	43898-G,43899-G,43844-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	43724-G,43403-G
Table of Contents--Sample Forms	42354-G,42332-G,43404-G,43405-G,43406-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	43878-G,43879-G,43880-G,43881-G,43732-G,43733-G 43882-G,43301-G,43302-G,43735-G,43851-G,43852-G,43738-G,43739-G
Part III Cost Allocation and Revenue Requirement	27024-G,37920-G,27026-G,27027-G,43740-G
Part IV Income Tax Component of Contributions and Advances	43036-G,24354-G
Part V Balancing Accounts	
Description and Listing of Balancing Accounts	43687-G
Purchased Gas Account (PGA)	42612-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)	43306-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)	43688-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)	43689-G,43690-G

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3899
 DECISION NO.

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Sep 5, 2008
 EFFECTIVE Sep 10, 2008
 RESOLUTION NO. G-3351

ATTACHMENT C

ADVICE NO. 3899

**G-CPNRC & G-CPRC RATE CALCULATION WORKPAPER
SCHEDULE NO. G-CP CROSS-OVER RATE FILING
EFFECTIVE SEPTEMBER 10, 2008**

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)

September 2008 NGI's Price Index (NGIPI) = \$0.71600 per therm

September 2008 NGW's Price Index (NGWPI) = \$0.71900 per therm

$$\begin{aligned}\text{Border Price Index (BPI)} &= (\text{NGIPI} + \text{NGWPI}) / 2 \\ \text{BPI} &= \$0.71750 \text{ per therm}\end{aligned}$$

Adjusted Border Price Index (ABPI)

Remove Core Pipeline Demand Costs from BPI

$$\text{ABPI} = \$0.71750 - \$0.00013 = \$0.71737 \text{ per therm}$$

Core Procurement Cost of Gas (CPC)

9/1/08 G-CPNR & G-CPR Cost of Gas (without Brokerage Fee) = \$0.68686

Adjusted Core Procurement Cost of Gas (ACPC)

Remove 1.7262% Franchise Fee and Uncollectibles (FF&U)

$$\text{ACPC} = \$0.68686 / 1.017262 = \$0.67520 \text{ per therm}$$

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

Higher of ACPC or ABPI = ABPI = \$0.71737

Include 1.7262% Franchise Fee and Uncollectibles (FF&U)

$$\text{G-CPNRC \& G-CPRC Cost of Gas} = \$0.71737 * 1.017262 = \$0.72975 \text{ per therm}$$