

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



April 1, 2010

Advice Letter 3977-B

Ronald van der Leeden, Director
Rates, Revenues and Tariffs
555 W. Fifth Street, GT14D6
Los Angeles, CA 90013-1011

Subject: Second Supplement – Revision to Rules No. 1, 2, 13 and 26

Dear Mr. van der Leeden:

Advice Letter 3977-B is effective March 28, 2010.

Sincerely,

A handwritten signature in blue ink that reads "Julie A. Fitch".

Julie A. Fitch, Director
Energy Division



Ronald van der Leeden
Director
Rates, Revenues & Tariffs

555 W. Fifth Street, GT14D6
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February 26, 2010

Advice No. 3977-B
(U 904 G)

Public Utilities Commission of the State of California

Subject: Second Supplement - Revision to Rules No. 1, No. 2, No. 13, and No. 26

Southern California Gas Company (SoCalGas) hereby submits for filing with the Public Utilities Commission (Commission) revisions to its tariff rules, applicable throughout its service territory, as shown on Attachment B.

Purpose

This second supplemental advice letter replaces in their entirety AL 3977 and AL 3977-A, filed respectively on March 30, 2009, and April 14, 2009, and seeks approval from the Commission to make the changes described below to Rule No. 1, Definitions; Rule No. 2, Description of Service; Rule No. 13, Meters and Appliances; and Rule No. 26, Consumer Responsible for Equipment for Receiving Gas. San Diego Gas & Electric Company (SDG&E) is concurrently filing an advice letter to make similar changes to certain SDG&E rules.¹

Discussion

A review of SoCalGas' rules revealed the need to update and clarify certain portions of Rule No. 1, Rule No. 2, Rule No. 13, and Rule No. 26 in the manner described below. SoCalGas filed the original Advice No. (AL 3977) on March 30, 2009.² On April 14, 2009, SoCalGas filed a partial supplement (AL 3977-A) which was limited to correcting an unintended omission of certain words in the version of Rule No. 2 submitted with AL 3977.³ On April 20, 2009, the Commission's Consumer Protection and Safety Division (CPSD) filed a protest to AL 3977. On April 27, 2009, SoCalGas and SDG&E filed a joint reply to CPSD's protest of their advice filings. Over the last several months, there have been a number of productive discussions between CPSD, SoCalGas, and SDG&E to address CPSD's concerns regarding the Utilities' proposed rule changes. This supplement is the result of such discussions, and it is SoCalGas' understanding that CPSD does not oppose the proposed tariff revisions set forth in Attachment B to this second supplemental advice filing.

¹ SDG&E does not have a rule equivalent to SoCalGas Rule No. 13, and therefore SDG&E is not proposing changes similar to SoCalGas' Rule No. 13 changes.

² SDG&E filed a similar advice letter at the same time, AL 1851-G, to revise its gas Rule 1, Rule 2, and to add a new gas Rule 26.

³ SDG&E submitted a similar supplement, AL 1851-G-A.

Requested Rule Revisions

Rule No. 1, Definitions

SoCalGas proposes new definitions for Rule No. 1. The first new definition is the term “Consumer Equipment.” This term is used in SoCalGas’ proposed revisions to Rule No. 2 and Rule No. 26, and helps to clarify the respective responsibilities of customers and SoCalGas in plain language. In particular, this change facilitates the elimination of a long and potentially confusing list of equipment (“regulators, service pipes, gas mains, appliances, fixtures or apparatus”) from Rule No. 26. The second new definition proposed by SoCalGas for Rule No. 1 is the term “Odorant.” This short description ties to the new term “Odorant Fade” in Rule No. 1 and a proposed change to Rule No. 2. The third new definition proposed by SoCalGas is the term “Odorant Fade.” This new term provides a helpful description of the phenomenon of Odorant Fade, and it ties to changes to Rule No. 2 and Rule No. 26.

Rule No. 2, Description of Service

SoCalGas ties the existing term “odorant” in Rule No. 2 to the new definition of Odorant in Rule No. 1, and clarifies that the term “gas supplied” in Rule No. 2 refers to both natural gas and Odorant. In addition, SoCalGas proposes to clarify that the existing disclaimer of warranties in Rule No. 2 applies to warnings, including warnings relating to Odorant Fade in Consumer Equipment. This clarification makes it clear that SoCalGas may provide such warnings without thereby creating a new warranty or liability.

Rule No. 13, Meters and Equipment

To eliminate potential confusion that might be created by using the term “appliances” when referring to equipment installed by SoCalGas on the customer’s premises for the purpose of delivering gas to the customer, SoCalGas proposes changing the term “appliances” to “equipment” each time it is used in this sense in Rule No. 13.⁴

Rule No. 26, Consumer Responsible for Equipment for Receiving and Utilizing Gas

SoCalGas replaces a long and potentially confusing list of equipment (“regulators, service pipes, gas mains, appliances, fixtures or apparatus”) with the new defined term “Consumer Equipment.” Continuing a concept that exists in the existing Rule No. 26, with minor rewording for clarity, the revisions proposed by SoCalGas provide that SoCalGas is not responsible for the selection, installation, operation, maintenance, or condition of any Consumer Equipment. Rule No. 26 would also provide that SoCalGas is not responsible for the consequences of Odorant Fade occurring in Consumer Equipment, with the clarification that this limitation does not apply to Odorant Fade occurring upstream of Consumer Equipment. SoCalGas believes that these changes help clarify the respective division of responsibilities between SoCalGas and customers with respect to both Consumer Equipment and Odorant Fade. Finally, SoCalGas proposes to add the phrase, “and utilizing” to the title of Rule No. 26 in order to make the title better reflect the content of the rule.

⁴ The term “appliances” is used in the last paragraph of Rule No. 13 to refer to gas-burning appliances downstream of the Service Delivery Point. These particular references are accurate, and therefore SoCalGas is not changing them.

This filing will not increase any rate or charge, cause the withdrawal of service, or conflict with any rate schedule or rule.

For ease of review, redlined versions of these rule changes are included in 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
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 (inj@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 2 (effective after staff approval) pursuant to GO 96-B. SoCalGas respectfully requests that it be made effective on March 28, 2010, 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.

Ronald van der Leeden
Director
Rates, Revenues & Tariffs

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 904G)**

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) #: 3977-B

Subject of AL: Supplemental: Revision to Rules No. 1, No. 2, No. 13, and No. 26

Keywords (choose from CPUC listing): Rules, Text Changes

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

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

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: Mar. 28, 2010

No. of tariff sheets: 27

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

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: Rules 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 5th Street, GT14D6

Los Angeles, CA 90013-1011

SNewsom@semprautilities.com

¹ Discuss in AL if more space is needed.

ATTACHMENT A
Advice No. 3977-B

(See Attached Service List)

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ATTACHMENT B
Advice No. 3977-B

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 45820-G	Rule No. 01, DEFINITIONS, Sheet 3	Revised 44544-G
Revised 45821-G	Rule No. 01, DEFINITIONS, Sheet 4	Revised 45367-G
Revised 45822-G	Rule No. 01, DEFINITIONS, Sheet 5	Revised 44545-G
Revised 45823-G	Rule No. 01, DEFINITIONS, Sheet 11	Revised 43352-G
Revised 45824-G	Rule No. 01, DEFINITIONS, Sheet 12	Revised 44546-G
Revised 45825-G	Rule No. 01, DEFINITIONS, Sheet 13	Revised 43353-G
Revised 45826-G	Rule No. 01, DEFINITIONS, Sheet 14	Revised 44553-G
Revised 45827-G	Rule No. 01, DEFINITIONS, Sheet 15	Revised 45373-G
Revised 45828-G	Rule No. 01, DEFINITIONS, Sheet 16	Revised 45373-G
Revised 45829-G	Rule No. 01, DEFINITIONS, Sheet 17	Revised 45374-G
Revised 45830-G	Rule No. 01, DEFINITIONS, Sheet 18	Revised 45374-G
Revised 45831-G	Rule No. 01, DEFINITIONS, Sheet 19	Revised 45375-G
Revised 45832-G	Rule No. 02, DESCRIPTION OF SERVICE, Sheet 1	Revised 45375-G
Revised 45833-G	Rule No. 02, DESCRIPTION OF SERVICE, Sheet 2	Revised 45376-G
Revised 45834-G	Rule No. 02, DESCRIPTION OF SERVICE, Sheet 3	Revised 45377-G
Revised 45835-G	Rule No. 02, DESCRIPTION OF SERVICE, Sheet 4	Revised 45378-G
Revised 45836-G	Rule No. 02, DESCRIPTION OF SERVICE, Sheet 5	Revised 45379-G
Revised 45837-G	Rule No. 02, DESCRIPTION OF SERVICE, Sheet 6	Revised 45380-G
Revised 45838-G	Rule No. 02, DESCRIPTION OF SERVICE, Sheet 7	Original 45380-G
Revised 45839-G	Rule No. 02, DESCRIPTION OF SERVICE, Sheet 8	Revised 44562-G
Revised 45840-G	Rule No. 02, DESCRIPTION OF SERVICE, Sheet 9	Revised 44639-G, 35722-G
Revised 45841-G	Rule No. 13, METERS AND EQUIPMENT, Sheet 1	Revised 44563-G
Revised 45842-G	Rule No. 13, METERS AND EQUIPMENT, Sheet 2	Revised 36011-G, 35722-G
		Revised 44564-G
		Revised 36011-G, 36012-G
		Revised 44565-G
		Revised 36012-G
		Revised 44566-G
		Revised 36013-G
		Revised 44567-G
		Revised 45381-G
		Revised 44567-G
		Revised 44568-G, 45382-G
		Revised 44568-G
		Revised 44569-G, 45383-G
		Revised 44569-G
		Revised 45384-G
		Revised 44570-G
		Revised 24618-G
		Revised 44571-G
		Revised 38338-G

ATTACHMENT B
Advice No. 3977-B

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 45843-G	Rule No. 26, CONSUMER RESPONSIBLE FOR EQUIPMENT FOR RECEIVING AND UTILIZING GAS, Sheet 1	Revised 44572-G Revised 24656-G
Revised 45844-G Revised 45845-G	TABLE OF CONTENTS TABLE OF CONTENTS	Revised 45412-G Revised 45413-G
Revised 45846-G	TABLE OF CONTENTS	Revised 45819-G

Rule No. 01
DEFINITIONS

Sheet 3

(Continued)

Commission: Public Utilities Commission of the State of California, sometimes referred to as the Public Utilities Commission (PUC) or the California Public Utilities Commission (CPUC).

Company: See Utility.

Company's Operating Convenience: Use, under certain circumstances, of facilities or practices not ordinarily employed which contribute to the overall efficiency of the Utility's operations; term does not refer to customer convenience nor to the use of facilities or adoption of practices required to comply with applicable laws, ordinances, rules, regulations, or similar requirements of public authorities.

Conservation Meter: Meter to identify conservation applications to calibrate process equipment; to account for fuel and energy invested in a process, a production run, or the like. Not to be used for billing purposes.

Consumer Equipment: All equipment for receiving and utilizing gas from the Company, including, but not limited to, any and all pipes, gas related fixtures, and gas-burning appliances downstream of the Service Delivery Point.

Consumer Price Index (CPI): Index as published in the Bureau of Labor Statistics, "Los Angeles--Long Beach--Anaheim Metropolitan Area Consumer Price Indexes".

Contract Quantity, Annual: Annual natural gas quantity contracted for delivery during each contract year. Quantity is based on the customer's historical usage or negotiated on the basis of the customer's operational forecast.

Contract Quantity, Daily (DCQ): Annual average natural gas quantity contracted for delivery, stated on a daily basis. The DCQ is based on historical consumption or forecasted consumption and is set forth in the applicable service agreement. For a Marketer's or Aggregator's end-users, this quantity is the basis for establishing credit with the Utility. The DCQ calculation for Aggregators participating in the Core Aggregation Transportation Program is defined in Rule No. 32.

Contract Quantity, Monthly: Monthly natural gas quantity contracted for delivery during each contract month as set forth in the customer's applicable service agreement. Quantity is based on the customer's historical usage or negotiated on the basis of the customer's operational forecast.

Contracted Marketer: Contracted Marketers are individuals, companies or consortiums that arrange for natural gas procurement-related activities on behalf of noncore customers. Contracted Marketers must enter into a contract with SoCalGas and meet certain credit requirements. They must comply with Rules 30 and 35 and all other tariffs which address the transportation and management of customer-owned gas.

Core Service: Service to end-use Priority 1 or Priority 2A as set forth in Rule No. 23.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3977-B
DECISION NO.

ISSUED BY
Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Feb 26, 2010
EFFECTIVE Mar 28, 2010
RESOLUTION NO. _____

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Rule No. 01
DEFINITIONS

Sheet 4

(Continued)

Core Subscription Service: Utility natural gas procurement service available to noncore customers. Core subscription service is subject to special conditions as identified in the customer's applicable rate schedule. Core subscription service has been discontinued pursuant to Decision 01-12-018 effective December 1, 2003.

Core Transportation Aggregator (CTA): See Energy Service Provider (ESP).

Critical Customer: Customer facility where the interruption of natural gas service would cause a danger to human life, health or safety, and includes customers such as hospitals, other state-licensed health care facilities, medical research facilities, medical facilities at military installations and detention facilities, municipal water pumping plants and sanitation facilities.

Cross-Over Rate: Procurement rate authorized in D.02-08-065 that is comprised of: (1) the higher of the weighted average estimated cost of gas (WACOG) for the current month, derived in the manner set forth in D.98-07-068, plus any adjustments for over- or under-collection balance in the Core Purchased Gas Account (CPGA) as defined and approved in D.98-07-068, 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.

Cubic Foot of Gas: The quantity of gas that, at a temperature of sixty (60) degrees Fahrenheit and a pressure of 14.73 pounds per square inch absolute, occupies one cubic foot.

Curtailement: Utility initiated suspension of natural gas service. Utility may temporarily reduce the quantity of gas it will transport or deliver or may terminate service entirely for certain service categories as needed for operational requirements.

Customer: Person or entity in whose name service is rendered as evidenced by the signature on the application, contract, or agreement for that service, or in the absence of a signed instrument, by the receipt and payment of bills regularly issued in their name.

Customer-Owned Gas: Natural gas transported by the Utility for customer's own use where title to such natural gas is held by the Utility customer or third party and is not a part of the Utility-owned system supplies.

Daily Forecast Quantity: A forecast of core customer daily usage as provided by the Utility's Demand Forecasting Group (in the Regulatory Affairs department) using a consistent daily load forecast equation, and will be developed no sooner than two hours before the start of flow day. Weather forecasts input into the equation will be from an independent third party and the most current available as of 5:00 a.m. of flow day.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3977-B
 DECISION NO.

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Feb 26, 2010
 EFFECTIVE Mar 28, 2010
 RESOLUTION NO. _____

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Rule No. 01
DEFINITIONS

Sheet 5

(Continued)

Day: Period commencing at 12:00 midnight (Pacific time) on any calendar day and ending at 12:00 midnight (Pacific time) on the next succeeding calendar day.

DCQ: See Contract Quantity, Daily.

Decatherm: Ten therms or 1,000,000 British thermal units (MMBtu).

Direct Access (DA): Any end-use Utility customer electing to procure its natural gas, and any other CPUC-authorized energy services, directly from energy service providers (ESP).

Direct Access Service Request (DASR): Request for enrollment, termination, or other change under the Core Aggregation Transportation (CAT) program. The DASR transaction outlined in Rule No. 32 was implemented pursuant to CPUC D.98-02-108.

Displacement Receipt Point Capacity: Utility pipeline system improvements which increase the take-away capacity from a receipt point but do not increase the overall downstream capacity of the Utility's backbone transmission system. The addition of Displacement Receipt Point Capacity increases the ability of the Utility to receive gas from a particular receipt point or zone in competition with other gas supplies delivered into the system.

Electric Generation: Use of natural gas to generate electricity, either directly or indirectly, including natural gas used for cogeneration or solar electric generation projects.

Electric Generation Startup and Igniter Fuel: Electric generation natural gas use where no alternate fuel capability exists for: (1) heating the boiler system adequately during start-up to enable efficient oil burning to meet pollution standards; and (2) insuring continuous-ignition and flame-stabilization within the boiler.

Electronic Billing: An option that customers can elect whereby the Utility provides billing information to the customer by means of a computer network such as the Internet or in a form to be used by a computer or similar electronic device to destinations mutually agreed upon between Utility and the customer, such as the Utility's web page, or a home banking, bill aggregator or financial institution website.

Electronic Bulletin Board (EBB): Southern California Gas' Internet based electronic gas transactions and information management computer system. Current trademarked name is SoCalGas' Envoy.

Electronic Bulletin Board (EBB) User: The customer's employee, agent or contractor who has been authorized to access the Utility's EBB on Form 6800 and is authorized to perform transactions and obtain information on behalf of the customer.

Electronic Data Interchange (EDI): The sending and receiving of data and/or funds in a structured electronic format, commonly involving information technology and telecommunications technology.

Energy Service Provider (ESP): Individuals, companies or consortiums that arrange for natural gas procurement related activities (procurement, interstate transportation and balancing) on behalf of core customers. See Rule No. 32.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3977-B
DECISION NO.

ISSUED BY
Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Feb 26, 2010
EFFECTIVE Mar 28, 2010
RESOLUTION NO. _____

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Rule No. 01
DEFINITIONS

Sheet 12

(Continued)

Off-System Customer: Marketer, broker, supplier or other entity contracting for off-system delivery services within California or bidding for storage on its own behalf for ultimate consumption outside the Utility's service territory within California.

Open Season: Designated time period in which a service election must be submitted to the Utility. Customers who do not submit their service election during the Open Season will receive default service, or will continue receiving current service election, if tariffs contain evergreen provisions.

Operational Hub Services: Interruptible park and loan Hub transactions provided by the Utility System Operator through the Utility's Rate Schedule G-PAL.

Paid or Payment: Funds received by Utility through postal service, Utility payment office, Utility authorized agent, or deposited in Utility bank account by electronic transfer.

Parking Transaction: Utility-received natural gas for service user's account for short-term interruptible storage.

Peak Day Minimum: Volume of gas in Utility storage inventory that provides deliverability for the core 1-in-35 year peak day event, firm withdrawal commitments and noncore balancing requirement. Peak day minimums are calculated annually as part of normal winter operations planning. Peak day minimums are specified in billion cubic feet (Bcf).

Peak Day Minimum + 5 Bcf Trigger: Volume of gas in Utility storage inventory at which customers are required to deliver on a daily basis 90% of burn as specified in Rule No. 30.

Peak Day Minimum + 20 Bcf Trigger: Volume of gas in Utility storage inventory at which customers are required to deliver on a daily basis 70% of burn as specified in Rule No. 30.

Peak-Day Volume: Customer's highest one-day usage over the specified time period.

Percentage of Default: Ratio that shall be determined on a monthly basis and shall be equal to:

- A. Customer's total (1) volumetric transportation charges, (2) demand charges or other non-volumetric transportation charges, (3) customer or facilities charges, and (4) CPUC Reimbursement Fee (Schedule No. G-SRF), under the applicable noncore service schedule for the immediate prior twelve-month period, divided by:
- B. Total of the above charges that would have applied if the customer were paying full-tariff rates for the same 12-month period.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3977-B
DECISION NO.

ISSUED BY
Lee Schavrien
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DEFINITIONS

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(Continued)

Permanent Service: Service which, in opinion of the Utility, is of a permanent and established character. Customer's use of gas may be continuous, intermittent, or seasonal in nature.

Point(s) of Delivery: Place(s) where Utility delivers customer-owned natural gas to customer at its Facility.

Point(s) of Receipt: Place(s) where customer delivers, or has delivered on its behalf, natural gas into the Utility System.

Post-Bypass Load Factor: Used to calculate the ceiling rate for Residual Load Service customers subject to one of the following applicable customer classes:

- A. Non-UEG Customers and Non-Jurisdictional UEG Customers: The post-bypass load factor shall be calculated by dividing the average daily volume by the Peak-Day Volume on the Utility System on a cumulative basis from the first day after bypass begins, or over the previous twelve months, whichever is less, to the 20th day of the calendar month prior to the month service is provided.
- B. UEG customers subject to CPUC jurisdiction: The post-bypass load factor shall be calculated using the customer's average daily volume divided by the Peak-Day Volume on the SoCalGas system on a cumulative basis over the relevant time period as follows:
 - 1) For the first three billing months following the date of bypass, the relevant time period will be the three months prior to the month service is provided, up to the 20th day of the month prior to the month service is provided.
 - 2) After the first three billing months following the date of bypass, the relevant time period will be all days since the first day after bypass begins, or over the previous twelve months, whichever is less, to the 20th day of the month prior to the month service is provided.

Potentially Capacity-Constrained Area: Segments of the local transmission system in which customer requests for firm transportation service currently exceed, or within the next five years may exceed, available capacity. Such requests must be based on historical usage or evidence which substantiates expected incremental load.

(Continued)

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Pre-Bypass Load Factor: Used to calculate the ceiling rate for Residual Load Service customers subject to one of the following applicable customer classes:

- A. Non-UEG customers: The customer's average daily volume divided by the customer's Peak-Day Volume recorded on the SoCalGas system over the 12 month period prior to the installation and operation of bypass facilities.
- B. UEG customers subject to CPUC jurisdiction: The customer's average daily combined volume divided by the combined Peak-Day Volume on the Utility system and the bypass pipeline(s) on a cumulative basis over the relevant time period as follows:
 - 1) For the first three billing months following the date of bypass, the relevant time period will be the three months prior to the month service is provided, up to the 20th day of the month prior to the month service is provided.
 - 2) After the first three billing months following the date of bypass, the relevant time period will be all days since the first day after bypass begins, or over the previous twelve months, whichever is less, to the 20th day of the month prior to the month service is provided.
- C. UEG customers not subject to CPUC jurisdiction: The customer's aggregate forecasted average daily volume divided by the customer's Peak-Day Volume based on the most recently adopted forecast in SoCalGas' BCAP proceeding.

If daily measurement load data is not available for the specified time periods, then monthly load data will be pro-rated on a daily basis to calculate the appropriate Pre-Bypass Load Factor.

Premises: All of the real property and apparatus employed in a single enterprise on an integral parcel of land undivided, excepting in the case of industrial, agricultural, oil field, resort enterprises and public or quasi-public institutions, by a dedicated street, highway or other public thoroughfare or a railway. Automobile parking lots constituting a part of and adjacent to a single enterprise may be separated by an alley from the remainder of the premises served.

Prime Mover: Machine which converts heat energy supplied by fuel into mechanical energy.

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Priority: Classification assigned to all customers to be used in the event of curtailment as provided for in Rule 23.

Procurement Customer: Customer who receives both natural gas procurement and transportation services from the Utility.

Procurement Management Charge: Charges billed to ESPs participating in the Core Aggregation Transportation program that may arise from ESPs' management of procurement portfolios on behalf of customers served by the ESPs.

Qualified Agricultural Employee Housing Facility: Migrant farmworker housing center provided pursuant to Section 50710.1(e) of the Health and Safety Code currently under contract to the Office of Migrant Services; privately-owned employee housing as defined by Section 17008 of the Health and Safety Code, that is licensed and inspected by state and/or local agencies pursuant to Part I (commencing with Section 17000) of Division 13 of the Health and Safety Code; or agricultural employee housing operated by nonprofit entities as defined by Subdivision (b) of Section 1140.4 of the Labor Code exempted from local property taxes pursuant to subdivision (g) of Section 214 of the Revenue and Taxation Code. All usage (100%) must be residential except for master-metered non-migrant agricultural employee housing operated by a nonprofit entity where at least 70% of the energy consumed must be used for residential purposes. Each resident household in the facility (except migrant and non-profit farm worker housing centers pursuant to AB 868) must meet the CARE income-eligibility standards; however, an employee operating and/or managing the facility who lives in it is not considered a resident household for purposes of determining eligibility.

Qualified Contractor/Subcontractor (QC/S): Applicant's contractor or subcontractor who: 1) Is licensed in California for the appropriate type of work such as, but not limited to, gas and general; 2) Employs workmen properly certified for specific required skills such as, but not limited to, plastic fusion and welding. Workmen shall be properly qualified; and 3) Complies with applicable laws such as, but not limited to, Equal Opportunity Regulations, OSHA and EPA.

Recreational Vehicle: Motor home, travel trailer, camper or camping trailer, with or without motive power, designed for recreational or emergency occupancy. Travel trailer or camping trailer may be moved on a public highway without a special permit or chauffeur's license. Recreational Vehicles are licensed by the Department of Motor Vehicles, and must comply with traffic laws.

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Recreational Vehicle Park: Area or tract of land within an area zoned for recreational use; or a separate designated section within a mobilehome park. Lots are customarily occupied for temporary purposes (less than 30 days), and there is displayed in plain view a sign indicating that the recreational vehicle may be removed from the premises, for the reason specified in the Civil Code "Recreational Vehicle Park Occupancy Law". Sign must also contain the number of the local traffic law enforcement agency.

Red Team: Term referring to a California State-sponsored economic development effort whose principal goal is the creation and/or retention of business within the State of California. Red Teams typically consists of State and local governments, utilities and businesses who mobilize individuals and resources to negotiate, streamline and expedite the business retention, expansion or development process; identify and propose incentives; and recommend resolution of regulatory issues and requirements. Separate Red Teams are usually created for each project under the leadership or coordination efforts of the California Trade and Commerce Agency.

Refinery: (1) Establishments primarily engaged in producing gasoline, kerosene, distillate fuel oils, residual fuel oils, and lubricants, through fractionation or straight distillation of crude oil, redistillation of unfinished petroleum derivatives, cracking or other processes. Establishments of this industry also produce aliphatic and aromatic chemicals as byproducts; and (2) Establishments primarily engaged in hydrogen manufacturing for sale in compressed, liquid, and solid forms.

Residential Dwelling Unit: Group of rooms, such as a house, a flat, an apartment, or a mobilehome which provides complete single-family living facilities in which the occupant normally cooks meals, eats, sleeps, and carries on the household operations incident to domestic life.

Residential Hotel: Hotel establishment which provides lodging as a primary or permanent residence and has at least 50% of the units or rooms leased for a minimum period of one month and said units are occupied for nine months of the year. Residential hotels do not include establishments such as guest or resort hotels, resort motels or resort ranches, tourist camps, recreational vehicle parks, half-way houses, rooming houses, boarding houses, dormitories, rest homes, convalescent or care facilities, military barracks, or a house, apartment, flat or any residential unit which is used as a residence by a single family or group of persons.

Residential Use: Gas service for use at dwelling units, which includes service to residential units and mobile home units but does not include enterprises such a rooming houses, boarding houses, dormitories, rest homes, convalescent or care facilities, military barracks, stores, restaurants, service stations and other similar establishments. Also excluded are central heating plants serving a combination of residential and commercial uses where the commercial portion of the use is in excess of 100 Mcf per day or is more than 15% of the total natural gas requirements.

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Rules: Tariff sheets which set forth the application of all rates, charges and service when such applicability is not set forth in and as a part of the rate schedules.

Seasonal Service: Permanent natural gas service to a facility which is utilized seasonally or intermittently, such as a seasonal resort, cottage or other part-time establishment.

Service: All pipe, valves and fittings from and including the connection at the main up to the service delivery point.

Service Delivery Point: Point where the utility's pipe connects to the customer's house line, usually the meter location.

Service Extension: Consists of the service as above defined when provided for a new customer at a premises not heretofore served in accordance with the service extension rule.

Shipper: See Marketer.

Short-Run Marginal Cost: Variable per-unit cost of providing additional throughput to the average customer in a customer class. Short-Run Marginal Cost (SRMC) is determined for a given customer class by dividing the sum of Company Use and Unaccounted for (UAF) costs allocated to that customer class in the most recent BCAP by the cost allocation throughput for that customer class.

SoCalGas: Southern California Gas Company (also referred to as "Utility").

Solar Electric Generation Project: Project which utilizes solar energy as the primary fuel in the generation of electricity, uses natural gas as a secondary fuel constituting 25% or less of the total fuel utilized on an equivalent basis, has a natural gas efficiency utilization rate of more than 60%, and qualifies as a small power production facility under the Public Utility Regulatory Policies Act of 1978.

Space Heating Only: Term applied to customers who are using gas primarily for space heating for human comfort as determined by survey or under the presumption that customers who use less than 11 therms per month during each of the regular billing periods ending in August and September are using gas primarily for space heating for human comfort.

Standby: Gas service used as an alternate energy source, typically for emergency or backup purposes. Includes gas service provided to an existing transmission level customer that takes service from an Alternate Gas Transportation Service Provider and either specifically requests standby service or uses no transportation service from the Utility for any consecutive 24-month period.

Stub Service: Lateral pipe, including valves and fittings, from and including the connection at the main to a dead end near the curb or property line of the street in which the main is located.

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Submetered Service: Service from metering furnished, owned, installed, maintained, read and tested by the customer who is served through a master meter.

Summary Bill: Billing statement that includes charges for multiple service accounts.

Surface Repair: Replacement to the satisfaction of the Utility, appropriate governmental agency, or property owner, of existing asphalt, concrete, decorative surfaces, landscaping, etc., removed for trenching and/or construction purposes.

Tariff Schedules: Entire body of effective rates, rentals, charges, and rules collectively, of the Utility, as set forth herein, and including title page, preliminary statement, rate schedules, rules and sample forms.

Tariff Sheet: Individual sheet of the tariff schedules.

Temporary Service: Service for enterprises or activities which are temporary in character or where it is known in advance that service will be of limited duration. Service which, in the opinion of the Utility, is for operations of a speculative character or the permanence of which has not been established, also is considered temporary service.

Tenant: One who holds or possesses real estate (as a condominium) or sometimes personal property by any kind of right; one who has the occupation or temporary possession of lands or tenements of another; one who rents or leases (as a house or apartment) from a landlord.

Therm: Unit of measurement for billing purposes, nominally 100,000 Btu.

Third Party Gas: See Customer-Owned Gas.

Tracking Account: Account which reconciles the difference between Commission-authorized forecasted costs and the Utility's recorded costs. Balances in the tracking accounts shall be reconciled in the revenue requirement in the Utility's next Biennial Cost Allocation Proceeding (BCAP) or other appropriate rate proceeding.

Transmission Level Service: Service to (1) noncore customers (noncore commercial/industrial, electric generation, enhanced oil recovery and international), as currently defined in the Utility's tariffs, that are served directly from the Utility's transmission system as established by the Utility's capital accounting records, (2) noncore electric generation customers who are served directly from the Utility's high pressure distribution system, are located within five miles of the nearest Utility transmission line, and whose average annual usage is equal to or greater than 50 million therms, (3) noncore customers who were previously classified by California Public Utilities Commission (CPUC) decision as transmission service level customers; (4) noncore customers served from a combination of the Utility's transmission and distribution systems on a single premises, (5) wholesale customers, and (6) customers who Bypass Utility service.

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Transportation: Receipt of gas purchased and owned by a customer into the Utility System at one or more points of receipt and the subsequent delivery of an equivalent quantity of natural gas to the customer at a mutually acceptable location (points of delivery) on the system.

Transportation Deliveries: Volume of gas delivered to the Utility to be transported for customer use.

UEG: Utility Electric Generation. Consumption of gas for the generation of electricity by a utility's power plants.

Utility: Southern California Gas Company (also referred to as "SoCalGas").

Utility Distribution Company (UDC): Entity which provides regulated services for the distribution of natural gas to all customers and provides natural gas procurement services to customers who do not choose direct access. See Utility.

Utility Gas Procurement Department: The applicable department within Southern California Gas Company and San Diego Gas & Electric Company responsible for the purchase of natural gas for core customers.

Utility System: Pipeline transmission and distribution system and related facilities located in California and operated by Utility.

Utility System Operator: The applicable departments within Southern California Gas Company and San Diego Gas & Electric Company that are responsible for the physical and commercial operation of the pipeline and storage systems specifically excluding the Utility Gas Procurement Department.

Utility Users Tax: Tax imposed by local governments on the Utility's customers. Utility is required to bill customers within the city or county for the taxes due, collect the taxes from customers, and then pay the taxes to the city or county.

Utility's Metered Service: See Individually Metered Service.

Wheeling Transaction: Interruptible receipt of natural gas at a point of interconnection on SoCalGas' pipeline system and the interruptible redelivery of such natural gas to the initial or other service user either at a point of interconnection on or with SoCalGas' pipeline system, or at a point off such system. All Hub Transactions which require more than one day to complete are Parking or Loaning Transactions, even though Wheeling may be involved.

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Rule No. 02

Sheet 1

DESCRIPTION OF SERVICE

A. Natural Gas Served

The gas supplied by this Utility is natural gas that is obtained from various sources, primarily oil and gas fields, but also includes landfills and other biomass processes. The gas may consist of any combustible gas or gases so produced. The gas is processed to remove condensible constituents, to minimize the concentration of certain impurities as specified by orders of the California Public Utilities Commission and to add a warning Odorant as defined in Rule No. 1 (gas and Odorant referred to as "gas supplied"). Customers using gas supplied by this Utility for processes which are affected by impurities in excess of specified minimum levels are responsible for testing gas supplied and for rendering the gas suitable for their intended uses. Customers using gas supplied by this Utility should also take reasonable steps to prevent Odorant Fade, as defined in Rule No. 1, that may result in Consumer Equipment, as defined in Rule No. 1. This requirement does not apply to Odorant Fade occurring upstream of Consumer Equipment.

EXCEPT AS PROVIDED IN THIS RULE, THE UTILITY MAKES NO WARRANTIES AS TO THE NATURE, COMPOSITION OR PROPERTIES OF THE NATURAL GAS SUPPLIED AND THE OBLIGATIONS SET FORTH IN THIS RULE ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, GUARANTIES OR LIABILITIES, EXPRESS OR IMPLIED, ARISING BY LAW OR OTHERWISE (INCLUDING WITHOUT LIMITATION ANY OBLIGATIONS OF THE UTILITY WITH RESPECT TO FITNESS, MERCHANTABILITY, CONSEQUENTIAL DAMAGES, AND WARNINGS INCLUDING THOSE RELATED TO ODORANT FADE IN CONSUMER EQUIPMENT).

B. Heating Value of Gas Served

The heating value of the natural gas served will vary from time to time and from place to place depending upon the supplies being drawn and the relative quantities being taken therefrom. The monthly average heating values (in Btu per cubic foot, dry basis, at normal atmospheric pressure of 30" mercury and a temperature of 60 degrees Fahrenheit) of the gas served in the major portion of the Utility's service area are within the range of 1000-1060 Btu, and the maximum variation will rarely exceed 100 Btu above or below this range. The following table shows the typical range of monthly average heating values in each area:

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Rule No. 02

Sheet 2

DESCRIPTION OF SERVICE

(Continued)

B. Heating Value of Gas Served (Continued)

<u>Area</u>	<u>Range of Monthly Average Btu</u>
Los Angeles Basin	1000-1060
Antelope Valley	1000-1040
Eastern and Inland Area	1000-1040
San Joaquin Valley Area	1000-1180
Ventura County	1010-1130
San Luis Obispo County and Western Santa Barbara County	1030-1130
Santa Barbara County (excluding western portion)	1070-1200
Orange County	1000-1020

C. Pressure

The standard delivery pressure at the point of delivery is eight inches of water column.

For connected loads of one million Btu/hour or greater, the following delivery pressures can be provided upon request and acceptance by the Utility:

1. Two Pounds.
2. Five Pounds.
3. Service at as-available fluctuating pressures from the point of service.
4. Such other pressure as the Utility and the Customer agree to.

D. Continuity of Service

Service is continuous, subject to the limitations specifically set forth in the various tariff schedules.

(Continued)

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Rule No. 02

Sheet 3

DESCRIPTION OF SERVICE

(Continued)

E. Determination of Cubic Foot with Displacement Meters

In cases where gas is metered to customers at the standard delivery pressure described in Section C hereof, a cubic foot of gas shall be construed to be that quantity of gas which, at the temperature and pressure existing in the meter, occupies one cubic foot. Where gas is metered to customers through displacement meters at a pressure higher than that in Section C hereof, a cubic foot of gas shall be construed to be that quantity of gas which, at the temperature existing in the meter and an absolute pressure of 14.73 pounds per square inch, occupies one cubic foot.

F. Determination of Cubic Foot with Other Than Displacement Meters

In cases where gas is metered to customers through other than displacement meters, a cubic foot of gas shall be construed to be that quantity of gas which, at a temperature of 60 degrees Fahrenheit and an absolute pressure of 14.73 pounds per square inch, occupies one cubic foot.

G. Orifice Meter Standards

Utility shall own, operate and maintain devices and related instrumentation to measure gas-flow at each point of receipt and each point of delivery. Utility may elect not to install redundant measurement facilities at interstate pipeline and utility receipt points as long as the supplying pipeline or utility complies with the following measurement standards. Orifice meters shall be installed in compliance with the American National Standards Institute Report ANSI/API 2350. Other types of measuring devices shall be installed in compliance with the manufacturers' recommended specifications and all applicable American Gas Association and American National Standards Institute standards.

H. Statement to Customers

The Utility shall periodically render a statement to all customers of the calculated amount of gas delivered and measured as hereinbefore provided. It is agreed that such statement shall be accepted (subject to correction for any error in reading meters, charts, gauges or other accessories, or in computation) by both parties as a correct measurement and statement of the amount of gas delivered and to be paid for unless objected to by one party or the other within 15 days from the time of the rendering of such statement.

See Rule No. 16 for information on billing corrections due to meter error.

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Rule No. 02

Sheet 4

DESCRIPTION OF SERVICE

(Continued)

I. Adjustment for Altitude for Standard Delivery Pressure

In cases where gas is metered at standard delivery pressure, the metered volume shall be adjusted by the appropriate altitude factor from the following table which corrects for standard delivery pressure and altitude:

<u>Altitude Zone</u>	<u>Altitude Range (Ft.)</u>	<u>Altitude Factor</u>
0	Below 1,000	1.000
1	1,000-1,999	.968
2	2,000-2,999	.935
3	3,000-3,999	.903
4	4,000-4,999	.871
5	5,000-5,999	.841
6	6,000-6,999	.812
7	7,000-7,999	.782
8	8,000-8,999	.755

J. Adjustment for Elevation for Pressure Higher Than Standard Delivery Pressure

In cases where gas is metered to customers through positive displacement meters at a pressure higher than the standard delivery pressure (8 inch), the metered volume shall be corrected, at the temperature existing in the meter, to a standard pressure of 14.73 pounds per square inch absolute. The Utility shall, as appropriate, correct for deviation from Boyle's Law. In correcting the metered gas volume to the standard pressure, the barometric pressure assumed to exist at the meter for various elevation zones shall be taken from the following table:

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Rule No. 02

Sheet 5

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DESCRIPTION OF SERVICE

(Continued)

J. Adjustment for Elevation for Pressure Higher Than Standard Delivery Pressure (Continued)

Standard Average Barometric Pressures of Various Elevation Zones
 for Use with High Pressure Gas Displacement Meters

<u>Elevation Zone</u>	<u>Elevation Limits Between Which Standard Barometric Pressure Is to be Used (Feet)</u>	<u>Standard Barometric Pressure (Lbs. per Sq. Inch Absol.)</u>
1	-200-199	14.73
2	200-599	14.53
3	600-999	14.32
4	1,000-1,399	14.12
5	1,400-1,799	13.92
6	1,800-2,199	13.72
7	2,200-2,599	13.53
8	2,600-2,999	13.33
9	3,000-3,399	13.14
10	3,400-3,799	12.96
11	3,800-4,199	12.77
12	4,200-4,599	12.59
13	4,600-4,999	12.41
14	5,000-5,399	12.23
15	5,400-5,799	12.06
16	5,800-6,199	11.89
17	6,200-6,599	11.72
18	6,600-6,999	11.55
19	7,000-7,399	11.39
20	7,400-7,799	11.22
21	7,800-8,199	11.06

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

The number of therms to be billed shall be the product of the metered volume in Ccf times the billing factor. The billing factor is equal to the applicable Btu factor for the Btu district times the factors for altitude and metering pressure, as appropriate.

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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 or more frequent consumption information, the Utility may apply appropriate district daily or more frequent 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. Standby Service to Bypass Customers

1. A Bypass customer will be put on standby service if it meets the conditions specified in Rule No. 1 for standby service.
2. To the extent a Bypass customer requests a new service line or meter from the Utility for standby service as defined in Rule No. 1, the Utility will install the service line or meter at the customer's expense. The customer will be subject to a usage evaluation if it uses no transportation service from the Utility for any consecutive 24-month period.

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 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 SUBMITTED Feb 26, 2010
 EFFECTIVE Mar 28, 2010
 RESOLUTION NO. _____

Rule No. 02

Sheet 7

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DESCRIPTION OF SERVICE

(Continued)

O. 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.
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.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3977-B
DECISION NO.

ISSUED BY
Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
SUBMITTED Feb 26, 2010
EFFECTIVE Mar 28, 2010
RESOLUTION NO. _____

DESCRIPTION OF SERVICE

(Continued)

O. Special Facilities (Continued)

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

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.

(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.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3977-B
 DECISION NO.

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Feb 26, 2010
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 RESOLUTION NO. _____

Rule No. 02
DESCRIPTION OF SERVICE

Sheet 9

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(Continued)

O. Special Facilities (Continued)

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

c. Ownership Charge. (Continued)

(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. 3977-B
DECISION NO.

9H11

ISSUED BY

Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

SUBMITTED Feb 26, 2010
EFFECTIVE Mar 28, 2010

RESOLUTION NO. _____

Rule No. 13
METERS AND EQUIPMENT

Sheet 1

A METERS AND EQUIPMENT

All meters, regulators, service pipe, equipment, fixtures, etc., installed by the Utility on the customer's premises for the purpose of delivering gas to the customer, with the exception of pipe installed by the Utility beyond the meter, shall continue to be the property of the Utility and may be repaired or replaced by the Utility at any time.

No rent or other charge whatsoever will be made by the customer against the Utility for placing or maintaining said meters, regulators, service pipe, equipment, fixtures, etc., upon the customer's premises. The customer shall exercise reasonable care to prevent the meters, regulators, service pipe, equipment, fixtures, etc., of the Utility upon said premises from being injured or destroyed, and shall refrain from interfering with the same, and, in case of any defect therein shall be discovered, shall notify the Utility thereof.

The Utility shall have the right to remove any and all of its facilities installed on the customer's premises at the termination of service.

B. METER INSTALLATION

All service meters hereafter installed on customer's premises shall normally be located either at a point near where the service pipe enters the building, or at a point adjacent to the front or rear property line and so placed as to be at all times accessible for inspecting, reading and testing. If the customer's building or consuming equipment is located at a considerable distance from the street or road, or if the service traverses cultivated land and is hence subject to injurious action by the soil, or if the customer is supplied with gas from a high pressure transmission line, the meter may be located at or near the property line, as close as possible to the main and in line with the point of service as closely as good construction will permit.

The Utility shall install service lines and meters of adequate capacity to provide satisfactory service and to assure accurate meter registration under the load conditions imposed.

In all buildings, in which separate meters are hereafter required to be installed, for various floors or groups of rooms in order to measure the gas supply to each tenant, the Utility may require that all meters be located at a central point, or if necessarily installed in separate locations, that they be placed so as to be accessible without entering private rooms. Each such meter and the leads from it shall be clearly marked to indicate the particular location supplied by it.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3977-B
 DECISION NO.

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Feb 26, 2010
 EFFECTIVE Mar 28, 2010
 RESOLUTION NO. _____

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Rule No. 13
METERS AND EQUIPMENT

Sheet 2

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(Continued)

B. METER INSTALLATION (Continued)

Upon application by the owner, lessee or tenant, and as may otherwise be permitted by this Rule, a single meter and/or regulator will be furnished and installed in some convenient place approved by the Utility in accordance with Utility practice, upon the customer's premises, when it is the desire of the owner, lessee or tenant to install sub-meters and/or sub-regulators to meter and/or regulate the gas supply to various units, buildings, or equipment; provided, however, that the Utility shall not be required to supply sub-meters or sub-regulators. In such cases, the subsidiary meters and regulators installed for the segregation of gas deliveries beyond the outlet connection of the Utility's meter shall be furnished, installed, maintained, and tested by the owner, lessee or tenant at his own expense.

When the owner of a premises served through a single meter desires to convert his service so that tenants will be individually metered and thereby become applicants for gas service of the Utility, it will be the owner's responsibility to post and give written notice of such proposed change to each tenant affected thereby, at least 30 days in advance.

Individual metering is required for new multi-unit residential structures where such multi-unit tenants use gas directly in gas appliances that individually serve each occupancy and which require venting. Exception: Effective January 1, 2005, pursuant to Senate Bill 1891, if the only vented appliances serving the dwelling unit are decorative appliances the unit is not required to be separately metered and may receive its gas supply through a master meter. Such individual metering will be provided by the Utility.

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 3977-B
DECISION NO.

2H7

ISSUED BY

Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

SUBMITTED Feb 26, 2010
EFFECTIVE Mar 28, 2010
RESOLUTION NO. _____

Rule No. 26

Sheet 1

CONSUMER RESPONSIBLE FOR EQUIPMENT FOR RECEIVING AND UTILIZING GAS

A. The Consumer shall, at the Consumer's own risk and expense, furnish, install and keep in good and safe condition all Consumer's Equipment, as defined in Rule No. 1. The Company shall not be responsible for the selection, installation, operation, maintenance or condition of any Consumer Equipment or for any injuries or damages resulting therefrom including, without limitation, any injuries or damages resulting from Odorant Fade, as defined in Rule No. 1, occurring in the Consumer Equipment, as defined in Rule No. 1. This limitation does not apply to Odorant Fade occurring upstream of Consumer Equipment.

B. In those cases where the gas meter is so set as to require use by the Utility of all or a portion of the house line and/or yard pipe belonging to some party other than the Utility, then and in any such event such party shall be responsible, and the Utility shall not be responsible, for the installation, operation, or maintenance of such house line and/or yard pipe so used by the Company or for any injuries or damages resulting therefrom.

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(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 3977-B
DECISION NO.

1C12

ISSUED BY

Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Feb 26, 2010
EFFECTIVE Mar 28, 2010
RESOLUTION NO. _____

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(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3977-B
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 DATE FILED Feb 26, 2010
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(TO BE INSERTED BY UTILITY)

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 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Feb 26, 2010
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 RESOLUTION NO. _____

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(Continued)

(TO BE INSERTED BY UTILITY)
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Lee Schavrien
 Senior Vice President
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ATTACHMENT C

Advice No. 3977-B

Redlines of Rule No. 1, No. 2, No. 13, and No. 26

Rule No. 01
DEFINITIONS

Sheet 3

(Continued)

Commission: Public Utilities Commission of the State of California, sometimes referred to as the Public Utilities Commission (PUC) or the California Public Utilities Commission (CPUC).

Company: See Utility.

Company's Operating Convenience: Use, under certain circumstances, of facilities or practices not ordinarily employed which contribute to the overall efficiency of the Utility's operations; term does not refer to customer convenience nor to the use of facilities or adoption of practices required to comply with applicable laws, ordinances, rules, regulations, or similar requirements of public authorities.

Conservation Meter: Meter to identify conservation applications to calibrate process equipment; to account for fuel and energy invested in a process, a production run, or the like. Not to be used for billing purposes.

Consumer Equipment: All equipment for receiving and utilizing gas from the Company, including, but not limited to, any and all pipes, gas related fixtures, and gas-burning appliances downstream of the Service Delivery Point.

Consumer Price Index (CPI): Index as published in the Bureau of Labor Statistics, "Los Angeles--Long Beach--Anaheim Metropolitan Area Consumer Price Indexes".

Contract Quantity, Annual: Annual natural gas quantity contracted for delivery during each contract year. Quantity is based on the customer's historical usage or negotiated on the basis of the customer's operational forecast.

Contract Quantity, Daily (DCQ): Annual average natural gas quantity contracted for delivery, stated on a daily basis. The DCQ is based on historical consumption or forecasted consumption and is set forth in the applicable service agreement. For a Marketer's or Aggregator's end-users, this quantity is the basis for establishing credit with the Utility. The DCQ calculation for Aggregators participating in the Core Aggregation Transportation Program is defined in Rule No. 32.

Contract Quantity, Monthly: Monthly natural gas quantity contracted for delivery during each contract month as set forth in the customer's applicable service agreement. Quantity is based on the customer's historical usage or negotiated on the basis of the customer's operational forecast.

Contracted Marketer: Contracted Marketers are individuals, companies or consortiums that arrange for natural gas procurement-related activities on behalf of noncore customers. Contracted Marketers must enter into a contract with SoCalGas and meet certain credit requirements. They must comply with Rules 30 and 35 and all other tariffs which address the transportation and management of customer-owned gas.

Core Service: Service to end-use Priority 1 or Priority 2A as set forth in Rule No. 23.

Core Subscription Service: Utility natural gas procurement service available to noncore customers. Core subscription service is subject to special conditions as identified in the customer's applicable rate schedule. Core subscription service has been discontinued pursuant to Decision 01-12-018 effective December 1, 2003.

Core Transportation Aggregator (CTA): See Energy Service Provider (ESP).

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 4047
DECISION NO. 09-11-006

ISSUED BY
Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Dec 8, 2009
EFFECTIVE Feb 1, 2010
RESOLUTION NO. _____

Rule No. 01
DEFINITIONS

Sheet 11

(Continued)

Non-Profit Group Living Facility: Non-profit homeless shelter that may be government subsidized with six (6) or more beds that provides lodging day or night for a minimum of 180 days of the year; other non-profit residential-type facilities (excluding government-owned and privately-owned, "for profit" government-subsidized housing) that provide a service in addition to lodging and which may be licensed by the appropriate state agency to care for residents who temporarily or permanently cannot function normally outside of the group home environment; and non-licensed, separately metered affiliated facilities where the primary facility is eligible for CARE and is the customer of record for the affiliate, and at least 70% of the energy consumed by the affiliate is used for residential purposes. All residents must meet the CARE income eligibility standards; however, a caregiver who lives in the group facility is not a resident for purposes of determining the facility's eligibility. Non-profit group living facilities that are not licensed or certified must provide any other documentation the Utility may reasonably require.

Odorant: Natural gas is usually odorless in its natural state, and a distinctive warning odorant is added that aids in the detection of the gas.

Odorant Fade: Odorant Fade occurs when the odorant in the gas is diminished due to physical and chemical processes such as adsorption, absorption, and oxidation. For example, if a natural gas leak occurs underground, the surrounding soil may cause Odorant Fade. In gas pipe, Odorant Fade occurs predominantly in new pipe and is more pronounced in new steel pipe, and in pipe of larger diameter and longer length. However, Odorant Fade may occur in plastic pipe, and in smaller and shorter pipe. To prevent Odorant Fade, new gas pipe may need to be conditioned by purging or by adding additional odorant to the gas before the pipe is placed into service. Other factors that may cause Odorant Fade include the construction and configuration of gas facilities; the presence of rust, moisture, liquids, or other substances in the pipe; and gas composition, pressure and/or flow. Intermittent, little, or no gas flow over an extended period of time may also result in the loss of Odorant until gas flow increases or becomes more frequent.

Off-System Customer: Marketer, broker, supplier or other entity contracting for off-system delivery services within California or bidding for storage on its own behalf for ultimate consumption outside the Utility's service territory within California.

Open Season: Designated time period in which a service election must be submitted to the Utility. Customers who do not submit their service election during the Open Season will receive default service, or will continue receiving current service election, if tariffs contain evergreen provisions.

Operational Hub Services: Interruptible park and loan Hub transactions provided by the Utility System Operator through the Utility's Rate Schedule G-PAL.

Paid or Payment: Funds received by Utility through postal service, Utility payment office, Utility authorized agent, or deposited in Utility bank account by electronic transfer.

Parking Transaction: Utility-received natural gas for service user's account for short-term interruptible storage.

(Continued)

(TO BE INSERTED BY UTILITY)
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DECISION NO. 09-11-006

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(TO BE INSERTED BY CAL. PUC)
DATE FILED Dec 8, 2009
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RESOLUTION NO. _____

Rule No. 02

Sheet 1

DESCRIPTION OF SERVICE

A. Natural Gas Served

The gas supplied by this Utility is natural gas that is obtained from various sources, primarily oil and gas fields, but also includes landfills and other biomass processes. The gas may consist of any combustible gas or gases so produced. The gas is processed to remove condensible constituents, to minimize the concentration of certain impurities as specified by orders of the California Public Utilities Commission and to add a warning ~~o~~Odorant as defined in Rule No. 1 (gas and Odorant referred to as "gas supplied"). Customers using gas supplied by this Utility for processes which are affected by impurities in excess of specified minimum levels are responsible for testing gas supplied and for rendering the gas suitable for their intended uses. Customers using gas supplied by this Utility should also take reasonable steps to prevent Odorant Fade, as defined in Rule No. 1, that may result in Consumer Equipment, as defined in Rule No. 1. This requirement does not apply to Odorant Fade occurring upstream of Consumer Equipment.

EXCEPT AS PROVIDED IN THIS RULE, THE UTILITY MAKES NO WARRANTIES AS TO THE NATURE, COMPOSITION OR PROPERTIES OF THE NATURAL GAS SUPPLIED AND THE OBLIGATIONS SET FORTH IN THIS RULE ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, GUARANTIES OR LIABILITIES, EXPRESS OR IMPLIED, ARISING BY LAW OR OTHERWISE (INCLUDING WITHOUT LIMITATION ANY OBLIGATIONS OF THE UTILITY WITH RESPECT TO FITNESS, MERCHANTABILITY, ~~AND~~ CONSEQUENTIAL DAMAGES, AND WARNINGS INCLUDING THOSE RELATED TO ODORANT FADE IN CONSUMER EQUIPMENT).

B. Heating Value of Gas Served

The heating value of the natural gas served will vary from time to time and from place to place depending upon the supplies being drawn and the relative quantities being taken therefrom. The monthly average heating values (in Btu per cubic foot, dry basis, at normal atmospheric pressure of 30" mercury and a temperature of 60 degrees Fahrenheit) of the gas served in the major portion of the Utility's service area are within the range of 1000-1060 Btu, and the maximum variation will rarely exceed 100 Btu above or below this range. The following table shows the typical range of monthly average heating values in each area:

<u>Area</u>	<u>Range of Monthly Average Btu</u>
Los Angeles Basin	1000-1060
Antelope Valley	1000-1040
Eastern and Inland Area	1000-1040
San Joaquin Valley Area	1000-1180
Ventura County	1010-1130
San Luis Obispo County and Western Santa Barbara County	1030-1130
Santa Barbara County (excluding western portion)	1070-1200

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3184
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ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Aug 28, 2002
 EFFECTIVE Oct 7, 2002
 RESOLUTION NO. _____

METERS AND ~~EQUIPMENT~~APPLIANCES

A METERS AND ~~EQUIPMENT~~APPLIANCES

All meters, regulators, service pipe, ~~appliance~~equipment, fixtures, etc., installed by the Utility on the customer's premises for the purpose of delivering gas to the customer, with the exception of pipe installed by the Utility beyond the meter, shall continue to be the property of the Utility and may be repaired or replaced by the Utility at any time.

No rent or other charge whatsoever will be made by the customer against the Utility for placing or maintaining said meters, regulators, service pipe, ~~appliance~~equipment, fixtures, etc., upon the customer's premises. The customer shall exercise reasonable care to prevent the meters, regulators, service pipe, ~~appliance~~equipment, fixtures, etc., of the Utility upon said premises from being injured or destroyed, and shall refrain from interfering with the same, and, in case of any defect therein shall be discovered, shall notify the Utility thereof.

The Utility shall have the right to remove any and all of its facilities installed on the customer's premises at the termination of service.

B. METER INSTALLATION

All service meters hereafter installed on customer's premises shall normally be located either at a point near where the service pipe enters the building, or at a point adjacent to the front or rear property line and so placed as to be at all times accessible for inspecting, reading and testing. If the customer's building or consuming equipment is located at a considerable distance from the street or road, or if the service traverses cultivated land and is hence subject to injurious action by the soil, or if the customer is supplied with gas from a high pressure transmission line, the meter may be located at or near the property line, as close as possible to the main and in line with the point of service as closely as good construction will permit.

The Utility shall install service lines and meters of adequate capacity to provide satisfactory service and to assure accurate meter registration under the load conditions imposed.

In all buildings, in which separate meters are hereafter required to be installed, for various floors or groups of rooms in order to measure the gas supply to each tenant, the Utility may require that all meters be located at a central point, or if necessarily installed in separate locations, that they be placed so as to be accessible without entering private rooms. Each such meter and the leads from it shall be clearly marked to indicate the particular location supplied by it.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 2209
DECISION NO.

ISSUED BY
Nancy I. Day
Vice President

(TO BE INSERTED BY CAL. PUC)
DATE FILED Sep 7, 1993
EFFECTIVE Oct 18, 1993
RESOLUTION NO. _____

Rule No. 26

Sheet 1

CONSUMER RESPONSIBLE FOR EQUIPMENT FOR RECEIVING AND UTILIZING GAS

- A. The consumer shall, at the consumer's his own risk and expense, furnish, install and keep in good and safe condition all Consumer Equipment as defined in Rule No. 1. The Company shall not be responsible for the selection, installation, operation, maintenance, or condition of any Consumer Equipment or for any injuries or damages resulting therefrom, including, without limitation, any injuries or damages resulting from Odorant Fade, as defined in Rule No. 1, occurring in the Consumer Equipment, as defined in Rule No. 1. This limitation does not apply to Odorant Fade occurring upstream of Consumer Equipment, regulators, gas mains, appliances, fixtures and apparatus, which may be required for receiving gas from the Company, and for applying and utilizing such gas, including all necessary protective appliances and suitable building therefor, and the Company shall not be responsible for any loss or damage occasioned or caused by the negligence, want of proper care, or wrongful act of the consumer or of any of his agents, employees or licensees on the part of consumer in stalling, maintaining, using, operating, or interfering with any such regulators, service pipes, gas mains, appliances, fixtures or apparatus.
- B. In those cases where the gas meter is so set as to require use by the Company of all or a portion of the house line and/or yard pipe belonging to some party other than the Company, then and in any such event such party shall be responsible, and the Company shall not be responsible, for the installation, operation, and or maintenance of such house line and/or yard pipe so used by the Company and or for any and all injuries or and damages resulting from the escape of gas therefrom.

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 2209
DECISION NO.

ISSUED BY

Nancy I. Day
Vice President

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