

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



January 7, 2014

Advice Letter: 4569-G

Rasha Prince, Director
Regulatory Affairs
Southern California Gas
555 W. Fifth Street, GT14D6
Los Angeles, CA 90013-1011

SUBJECT: 1% Franchise Surcharge for Gas Customers within the City of Bakersfield

Dear Ms. Prince:

Advice Letter 4569-G is effective as of December 26, 2013.

Sincerely,

A handwritten signature in cursive script that reads "Edward F. Randolph".

Edward F. Randolph, Director
Energy Division



Rasha Prince
Director
Regulatory Affairs

555 W. Fifth Street, GT14D6
Los Angeles, CA 90013-1011
Tel: 213.244.5141
Fax: 213.244.4957
RPrince@semprautilities.com

November 26, 2013

Advice No. 4569
(U 904 G)

Public Utilities Commission of the State of California

Subject: 1% Franchise Surcharge for Gas Customers within the City of Bakersfield

Purpose

Southern California Gas Company (SoCalGas) hereby requests approval to add a 1% surcharge on the bills of customers in the City of Bakersfield, (Bakersfield or City), a charter city, pursuant to a new franchise agreement ("Franchise Agreement") that specifies the terms and conditions of the franchise approved by the City Council of Bakersfield on November 20, 2013 by Ordinance No, 4760 (Attachment B). Under the terms of the Franchise Agreement, in order for SoCalGas to bill and collect the franchise surcharge, SoCalGas must obtain the Commission's approval. SoCalGas believes that a surcharge on Bakersfield customers is the most objective way to cover the franchise fee differential imposed by the City without unduly burdening other ratepayers in the SoCalGas system.

A sample of the revised bill format is attached as Attachment C to this advice letter.

Commission Decision (D.) 89-05-063, issued May 26, 1989,¹ established the procedure for filing an advice letter where the local governmental entity requires the public utility to collect franchise fees exceeding the average franchise fees within the utility's service territory. SoCalGas makes this filing pursuant to D.89-05-063.

Background

In 1937, the California State Legislature passed "The Franchise Act of 1937" (the Act). Among other subjects, the Act established a formula whereby a utility would pay a fee to a general law municipality for the right to use the public streets and rights-of-way in the municipality. The Act sets out that, for gas franchises, the utility will pay to the municipality two percent (2%) of its total system gross annual receipts arising from the use, operation or possession of the franchise (also known as the Broughton Act formula), or a minimum of one percent (1%) of the utility's gross annual receipts derived from the sale, transmission, or distribution of gas within the limits of the municipality (collectively referred to as the "2%/1%" formula).

¹ Investigation 84-05-002, Guidelines for the Equitable Treatment of Revenue-Producing Mechanisms Imposed by Local Governmental Entities on Public Utilities.

The compensation options applicable to general law municipalities under state law (California Public Utilities Code Section 6231) are either the 2%/1% formula or the Broughton Act formula. Of the 237 cities and counties with which SoCalGas has franchise agreements, 175 are general law municipalities and, barring a change in state law, will be paid under the 2%/1% formula or Broughton Act formula. Charter cities such as Bakersfield are not limited to this statutory formula.

In its previous franchise agreement with SoCalGas, the City received the 2%/1% formula described above. In negotiations for a new franchise, Bakersfield officials proposed a 1% franchise fee surcharge in addition to the 2%/1% formula.

In order to mitigate the rate impact on other customers, SoCalGas accepted a grant of franchise offered by Bakersfield that contained a franchise calculation whereby, if authorized by the Commission, SoCalGas would pay the higher franchise fees to Bakersfield but would collect the 1% franchise fee surcharge by placing a separate line-item on bills to customers located within Bakersfield.

In D.89-05-063, the Commission addressed the issue of costs imposed on public utilities by local government's revenue-producing mechanisms and the appropriate ratemaking treatment for increases in franchise fees. The Commission recognized that where franchise fees attributable to one city were substantially above the average franchise fees within the service territory of the utility, requiring all customers to pay the city's higher-than-average costs in rates would mean that some customers would be subsidizing other customers, but not themselves receiving any benefits from increased taxes and fees. The Commission stated:

It is not just or reasonable that the significantly higher levels derived from some entities only should be buried in basic rates applicable to all ratepayers of the utility. Averaging such costs among all ratepayers creates inequities between classes of ratepayers. It is appropriate and reasonable that these significantly higher costs should be identified and borne only by the ratepayers in the local governmental area that originated them. (D.89-05-063 at 24.)

The Commission has recently approved, pursuant to D.89-05-063, gas and electric franchise fee surcharges for other utilities. In particular, Bakersfield currently receives a franchise fee surcharge from Pacific Gas & Electric (PG&E) customers via AL 2980-G/3380-E filed on December 18, 2008, effective January 21, 2009, authorizing PG&E to bill and collect a 1% gas & electric franchise fee surcharge on its Bakersfield customers, with the exemption of its California Alternate Rates for Energy (CARE) customers.² See also SoCalGas' AL 4418 filed October 31, 2012, effective November 30, 2012, authorizing SoCalGas to bill and collect a 1% gas franchise fee surcharge on customers in the City of Visalia; and SoCalGas' AL 4134 filed July 7, 2010, effective December 2, 2010, authorizing SoCalGas a similar request for the City of Huntington Beach.

In accordance with D.89-05-063 and Section 4 of the Franchise Agreement with the City of Bakersfield, which provides for the surcharge, SoCalGas shall collect, with the

² Gas service in the City of Bakersfield is split between PG&E and SoCalGas. As of November 2012, SoCalGas served 38,144 gas meters in the City of Bakersfield (approximately 1/3 of the City).

Commission's approval, an additional one percent (1%) as a surcharge on customers in Bakersfield. Such franchise fee surcharge shall be so indicated and added as a separate line item to bills rendered to Bakersfield customers. The percentage will be the same for all classes of gas customers located within the City – with the exception of customers participating in SoCalGas' CARE Program or successor low-income assistance program, who will not be subject to the surcharge per the agreement with the city.

The average monthly bill estimates are based on gas revenues for calendar year 2012 by SoCalGas customers located in Bakersfield. The proposed fee would result in an average increase of \$0.37 per month for residential customers and an average of \$0.45 per month across all customer classes. This will result in an estimated \$160,000 being collected during the full year of application, using 2012's usage and 2013 rates. Column C, in the table below, shows the monthly bill impact, by customer class, resulting from this Advice Letter (see Attachment C for an example of a bill).

Upon approval of this Advice Letter, the G-MSUR rate for Bakersfield shall be updated in a separate advice letter to be filed.

Customer Class	# Customers	Class Average Bill Impact \$/month	Estimated Revenue \$/year
A	B	C	D
Residential	28,488	\$0.37	\$126,000
Commercial & Industrial - Small	913	\$0.32	\$4,000
Commercial & Industrial - Large	461	\$5.40	\$30,000
	29,862	\$0.45	\$160,000

Notes:

Bill Impact based on actual volumes in 2012 for customers located in the City of Bakersfield. Transportation and PPPs rates based on billing periods between Aug. – Sept. 2013. The Customer Class "Commercial & Industrial – Large" includes noncore service for which the impact of the update to the municipal surcharge, tariff schedule G-MSUR, is not shown. This may double the impact to noncore customers when the G-MSUR tariff is updated.

SoCalGas shall implement the gas franchise surcharge as soon as possible after Commission approval. The City of Bakersfield supports this advice filing.

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 which is December 16, 2013. 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 the Energy Division Tariff Unit (EDTariffUnit@cpuc.ca.gov). A copy of the protest should also be sent via both e-mail and facsimile to the address shown below on the same date it is mailed or delivered to the Commission.

Attn: Sid Newsom
Tariff Manager - GT14D6
555 West Fifth Street
Los Angeles, CA 90013-1011
Facsimile No. (213) 244-4957
E-mail: snewsom@SempraUtilities.com

Effective Date

SoCalGas believes that this filing is subject to Energy Division disposition and should be classified as Tier 2 (effective after staff approval) pursuant to GO 96-B. SoCalGas respectfully requests that this filing be approved on December 26, 2013, which is 30 calendar days from the date filed.

Notice

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

Rasha Prince
Director, Regulatory Affairs

Attachments:

Attachment A – Service List

Attachment B – City of Bakersfield Gas Franchise Agreement

Attachment C – Representative SoCalGas Bills

cc: Alan Tandy, atandy@bakersfieldcity.us City of Bakersfield Manager
Nelson Smith, nsmith@bakersfieldcity.us City of Bakersfield Finance Director

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) #: 4569

Subject of AL: 1% Franchise Surcharge for Gas Customers within the City of Bakersfield

Keywords (choose from CPUC listing): Franchise Fee/User Tax

AL filing type: Monthly Quarterly Annual One-Time Other

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

D.89-05-063

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

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

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

Resolution Required? Yes No

Tier Designation: 1 2 3

Requested effective date: 2/1/14

No. of tariff sheets: 0

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: None

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
EDTariffUnit@cpuc.ca.gov

Southern California Gas Company
Attention: Sid Newsom
555 West 5th Street, GT14D6
Los Angeles, CA 90013-1011
SNewsom@semprautilities.com
Tariffs@socalgas.com

¹ Discuss in AL if more space is needed.

ATTACHMENT A

Advice No. 4569

(See Attached Service List)

ATTACHMENT B

Advice No. 4569

City of Bakersfield Gas Franchise Agreement

ORDINANCE NO. 4760

ORDINANCE GRANTING TO SOUTHERN CALIFORNIA GAS COMPANY AND ITS SUCCESSORS AND ASSIGNS A FRANCHISE TO CONSTRUCT, MAINTAIN, AND USE PIPES AND APPURTENANCES FOR TRANSMITTING AND DISTRIBUTING GAS WITHIN THE CITY OF BAKERSFIELD FOR ANY AND ALL PURPOSES.

BE IT ORDAINED by the Council of the City of Bakersfield as follows:

SECTION 1

The words or phrases below have the following definitions unless they are otherwise defined:

A. **"Grantee"** means Southern California Gas Company and its lawful successors or assigns;

B. **"City"** means the City of Bakersfield, a municipal corporation of the State of California, in its present incorporated form or in any later reorganized, consolidated, enlarged, or reincorporated form;

C. **"CPUC"** means the California Public Utilities Commission;

D. **"Streets"** means the public streets, ways, alleys, and places within City, as they now or may hereafter exist including, but not limited to, state highways, now or hereafter established within City, and freeways, now or hereafter owned by City;

E. **"Gas"** means natural gas meeting the specifications required by the CPUC or other state or federal agency having jurisdiction over Grantee;

F. **"Franchise"** means and includes any authorization granted hereunder in terms of a non-exclusive franchise, privilege, permit, license, or otherwise to Lay and Use Pipes and Appurtenances for transmitting and distributing Gas for all purposes under, along, across, or upon the Streets and will include and be in lieu of any existing or future City requirement to obtain a business license for the privilege of transacting and carrying on its business within the City;

G. **"Gross Annual Receipts"** means all gross operating receipts received by Grantee from the sale of Gas to Grantee's customers within its service territory less uncollectible amounts and less any refunds or rebates made by Grantee to its customers pursuant to CPUC orders or decisions;

H. **"Pipes and Appurtenances"** means pipes, pipelines, mains, services, traps, vents, vaults, manholes, meters, gauges, regulators, valves, conduits, appliances, attachments, appurtenances, wired and wireless communication equipment, and other property located or to be located in, upon, along, across, under, or over the Streets and used or useful in the transmitting and/or distributing of Gas;

I. **"Lay and Use"** means to lay, construct, erect, install, operate, maintain, use, repair, or replace; and

J. **"Public Property"** means Streets, rights-of-way, and improvements including, but not limited to, all public improvements associated with the Streets that may be affected by Grantee's activities including, but not limited to, landscaping, irrigation systems, street lights, street furniture, sidewalks, sewer systems, storm drain collectors, water mains, traffic signals, traffic stops, and bus shelters.

SECTION 2

City hereby grants the Franchise to Grantee subject to the terms, conditions, reservations, exceptions, and provisions set forth in City's Charter and California Public Utilities Code Sections 6201, et. seq., commonly known and designated as the "Franchise Act of 1937."

SECTION 3

Subject to the terms of this Ordinance, the Franchise will be indeterminate and will continue in full force until, with the consent of the CPUC, or other lawful authority having jurisdiction, the following occurs: (1) Grantee voluntarily surrenders or abandons it; (2) City purchases or, under eminent domain, condemns and acquires the Pipe and Appurtenances used or useful in the exercise of Grantee's Franchise rights that are situated within City's territorial limits; or (3) Grantee forfeits the Franchise by failing to comply with its terms.

SECTION 4

A. **Franchise Fee.** During the life of the Franchise, Grantee must pay to City the greater of (1) two percent of the Gross Annual Receipts received by Grantee from the use, operation, or possession of the Franchise or (2) one

percent of the Gross Annual Receipts derived by Grantee from the sale of Gas within City's limits under the Franchise ("Annual Payment"). If the compensation formula to be paid to a general law city as currently set forth in Public Utilities Code section 6231(c) is modified, which, if applied to the formula in this section would result in a higher annual fee to be imposed on Grantee than provided for in this section, then Grantee must pay City the higher annual fee as of the effective date of the act modifying the compensation formula.

B. Surcharges.

1. City and Grantee have negotiated the following consideration terms as compensation for Grantee's use of the Streets, contingent on CPUC approval as outlined in Section 5 below: Grantee will pay to City one per cent of the Gross Annual Receipts derived by Grantee from the sale of Gas within City's limits under the Franchise ("Recovery Portion"). Grantee will begin collecting the Recovery Portion as soon as is practicable following CPUC approval. The Recovery Portion will be applied to all Grantee's gas utility customers, including residential, commercial, industrial, government, and wholesale customers, except for those customers participating in Grantee's California Alternative Rates for Energy ("CARE") Program or successor low-income assistance program.

2. During the life of the Franchise, Grantee must pay to City all applicable Municipal Public Lands Use Surcharge payments due to City pursuant to California Public Utilities Code Section 6350 et. seq.

SECTION 5

A. Prior to Grantee's payment to City of the Recovery Portion, Grantee must receive approval from the CPUC to collect the Recovery Portion in accordance with CPUC Decision 89-05-063, *Guidelines for the Equitable Treatment of Revenue Producing Mechanisms Imposed by Local Government Entities on Public Utilities*, 32 CPUC2d 60, May 29, 1989.

B. The City will cooperate with Grantee in the preparation of any filings, data request responses, and other submittals required for review for the approval.

C. If the Recovery Portion is not approved by CPUC, (1) the term of this Franchise set forth in Section 3 shall be fifty years from the effective date of this Ordinance; and (2) the payments required in Section 4 will remain due and owing to City for each annual period (or portion thereof) during which the Franchise remains in effect.

D. If the Recovery Portion is approved by CPUC, Grantee must implement customer collections of the Recovery Portion, as required in Section 4 above, as soon as possible following CPUC approval.

E. If CPUC issues any modification or repeal of the Recovery Portion, or if CPUC issues any order or decision that conflicts with Grantee's collection of the Recovery Portion, or if any changes in law or ruling in accordance with law negates the imposition or collection of the Recovery Portion, then Grantee will reduce or eliminate collection of the Recovery Portion in an amount that corresponds to the change resulting from CPUC's orders, actions, or decisions, or resulting from the ruling or change in law. Grantee will make a corresponding reduction in the Recovery Portion paid to the City in each annual period thereafter.

SECTION 6

If CPUC or any court of competent jurisdiction orders the return to Gas utility ratepayer(s) of any amount represented by the payments required by this Ordinance, which have been collected by Grantee and paid to City, or if the parties agree, as a result of a challenge and settlement thereof, that a refunding will occur, then City will be solely responsible for that payment. Grantee must assist and cooperate with City in processing any refunds.

SECTION 7

Grantee must file with the City Clerk, within three months after the expiration of the calendar year following the date of the granting of the Franchise, and within three months after the expiration of each and every calendar year thereafter, a duly verified statement ("Gross Annual Receipts Statement") showing in detail the total Gross Annual Receipts received by Grantee during the preceding calendar year, or fractional calendar year, from the sale of Gas within City.

Grantee must pay to City the payments required in this Ordinance within fifteen days after filing its Gross Annual Receipts Statement for that calendar year, or fractional calendar year. If Grantee fails to file a Gross Annual Receipts Statement or make the payments required by this Ordinance at the time and in the manner required, City may declare that Grantee forfeited the Franchise and all of its related rights.

SECTION 8

If Grantee fails, neglects, or refuses to comply with any of the provisions or conditions prescribed in this Ordinance, and does not, within ten days after

written demand for compliance, begin the work of compliance, or after such beginning does not prosecute the same with due diligence to completion, then City may declare that Grantee forfeited the Franchise and all of its related rights. City may sue in its own name for the forfeiture of this Franchise in the event of non-compliance by Grantee with any of the conditions hereof.

SECTION 9

City has the right, at reasonable times and upon reasonable notice, to have the City Clerk, City-designated accountant, or other appropriately qualified agent examine all of Grantee's books, vouchers, records, and other papers pertinent to the exercise of the Franchise. If Grantee refuses to produce its books, vouchers, records, or other papers pertinent to the exercise of the Franchise at any reasonable time for examination by City as required by this Section, City may declare that Grantee forfeited the Franchise and all of its related rights.

SECTION 10

The Franchise does not in any way or to any extent impair City's right to acquire Grantee's property, either by purchase or through the exercise of the right of eminent domain, and nothing in this Ordinance may be construed to contract away, modify, or abridge City's right to exercise the power of eminent domain. The Franchise must never be given any value before any Court or other public authority in any proceeding of any character in excess of the cost to Grantee of the necessary publication.

SECTION 11

By acceptance of the Franchise, Grantee covenants and agrees to perform and be bound by each and all of the terms and conditions imposed in this Ordinance and further agrees to:

A. Comply with all lawful ordinances, rules, and regulations adopted by the City Council now in place or hereafter adopted governing the construction, maintenance, and operation of its plants, works, or equipment.

B. Pay City on demand the cost of all repairs to Public Property made necessary by any of Grantee's operations under the Franchise.

C. Indemnify, defend, and hold harmless City and City's officers, agents, and employees against any and all liability, claims, actions, causes of action, or demands whatsoever against them, or any of them, before

administrative or judicial tribunals of any kind whatsoever, arising out of, connected with, or caused by Grantee or Grantee's employees, agents, independent contractors, companies, or subcontractors in the performance of, or in any way arising from, the terms and provisions of this Ordinance and the Franchise whether or not caused in part by a party indemnified hereunder, except for City's sole active negligence or willful misconduct. Grantee must, on City's request, defend any suit asserting a claim covered by this indemnity.

D. Remove and relocate in a timely manner and without expense to City, any facilities or equipment installed, used, and maintained under the Franchise if and when made necessary by any lawful change of grade, alignment, or width of any Streets by City or its agents including, but not limited to, the construction of any subway or viaduct, public sewer system, canal, sump, or fiber optic or other public communication transmission lines or devices. Grantee's obligation to remove or relocate its facilities or equipment without expense to City also includes relocations made necessary by all public improvements described in the preceding sentence that were previously within the ownership or control of the State of California or the County of Kern but which have subsequently been accepted and maintained by City.

SECTION 12

Compliance with Local Laws.

A. Grantee must construct, maintain, and use all Pipes and Appurtenances in a good and workmanlike manner and in compliance with all lawful and applicable Federal, State, and City laws, ordinances, resolutions, regulations, policies, rules, orders, plans, and specifications now in effect or as amended or added from time to time during the term of the Franchise, except to the extent State or Federal law or regulation preempts those City laws or regulations.

B. Upon constructing, maintaining, or using any Pipes and Appurtenances, or any part thereof, Grantee must expeditiously, at its own cost and expense, restore to applicable, lawful City standards all Public Property disturbed or altered as a result of Grantee's actions to a condition that is the same or substantially similar to their condition immediately prior to the start of that construction or maintenance. Grantee must comply with City's terms and conditions concerning the location within the public right of way of the proposed facilities, except to the extent State or Federal law or regulation preempts those terms and conditions.

C. Grantee's activities and each restoration of Public Property under the Franchise must be performed in a good and workmanlike manner, and in

accordance with the lawful standard plans, specifications, orders, rules, and regulations of City and each of its applicable departments, and subject to all lawful fees and exactions, except to the extent State or Federal law or regulation preempts those plans, specifications, orders, rules, and regulations.

SECTION 13

This Ordinance will become effective thirty days after its passage, subject to Section 15.

SECTION 14

Grantee must reimburse City for all publication expenses incurred by City in connection with the granting of the Franchise within thirty days after City provides Grantee with a written statement of those expenses.

SECTION 15

The Franchise will be in lieu of all other franchises, rights, or privileges owned by Grantee, or Grantee's successor to any right under the Franchise, for the rendering of utility service within City limits as such limits at any time exist. Grantee's acceptance of the Franchise operates as an abandonment of those franchises, rights, and privileges within City limits as such limits at any time exist, in lieu of which the Franchise is granted.

The Franchise will not become effective until Grantee files written acceptance of the Franchise with the City Clerk; provided however that Grantee must accept the Franchise within thirty days after the adoption of this Ordinance by the City Council unless the timing for acceptance of the Franchise is otherwise extended by the City Council. When filed, Grantee's acceptance will constitute Grantee's continuing agreement that if and when City annexes property, or consolidates additional territory, into City limits, all other franchises, rights, and privileges owned by Grantee will be deemed to be abandoned within the limits of that annexation or consolidation.

SECTION 16

Grantee may not transfer or assign the Franchise without prior written consent of the City Council evidenced by a duly adopted resolution approving the assignment or transfer and unless the transferee or assignees thereof covenant and agree to perform and be bound by each and all of the terms and conditions imposed in this Ordinance and by the City Charter.

SECTION 17

If Grantee ceases to carry on its operations under the Franchise for a period of sixty days, the City Council may, by resolution, declare the Franchise to be forfeited. The resolution may further provide, at the option of the City Council, that all works, installations, and equipment that have been placed in, on, or over the Streets will become City property and all right, title, and interest to those works, installations, and equipment will vest in City.

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ATTACHMENT C

Advice No. 4569

Representative SoCalGas Bills



ACCOUNT NUMBER XXX XXX XXXX X
 SERVICE FOR
 JANE Q PUBLIC
 6200 W SAMPLE AVE
 BAKERSFIELD CA 93312-0000

DATE MAILED Oct 2, 2013
 24 Hour Service
 1-800-427-2200 English
 1-800-342-4545 Español
 1-800-252-0259 TTY

www.socalgas.com

H

Account Summary

Amount of Last Bill			\$36.54
Payment Received	09/11/13	THANK YOU	- 36.54
Current Charges			+ 41.16
Total Amount Due			\$41.16

This bill reflects modified gas charges due to a rate change.

Current Charges

Rate: GR - Residential Climate Zone: 2 Baseline Allowance: 15 Therms
 Meter Number: XXXXXXXX (Next scheduled read date Oct 28 2013) Cycle: 21

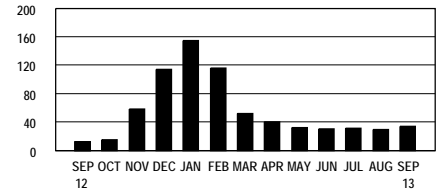
Billing Period	Days	Current Reading	Previous Reading	= Difference	x Billing Factor	= Total Therms
08/29/13 - 09/30/13	32	4495	4462	33	1.048	35

GAS CHARGES		Amount(\$)
Customer Charge	32 Days x \$.16438	5.26
Gas Service (Details below)	35 Therms	
	<u>Baseline</u>	<u>Over Baseline</u>
Therms used	15	20
Rate/Therm	\$.76800	\$1.02850
Charge	\$11.52	+ \$20.57 = 32.09
Total Gas Charges		\$37.35

TAXES & FEES ON GAS CHARGES		Amount(\$)
State Regulatory Fee	35 Therms x \$.00068	.02
Public Purpose Surcharge	35 Therms x \$.09777	3.42
Local Franchise Fee Surcharge	\$37.37 x 1.00%	.37
Total Taxes and Fees on Gas Charges		\$3.81
Total Current Charges		\$41.16

DATE DUE	Oct 22, 2013
AMOUNT DUE	\$41.16

Gas Usage History (Total Therms used)



	Sep 12	Aug 13	Sep 13
Total Therms used	13	30	35
Daily average Therms	.4	1.0	1.1
Days in billing cycle	30	29	32

Make payments, schedule service appointments, view account history, go paperless. Register for My Account at socalgas.com today!

If you'll need us to relight your pilot this fall, you can now schedule this service online at socalgas.com/service or by calling 1-800-772-5050.

The Gas Company's gas commodity cost per therm for your billing period:
 Sep. \$.38198 Aug. \$.42800

PLEASE KEEP THIS PORTION FOR YOUR RECORDS. (FAVOR DE GUARDAR ESTA PARTE PARA SUS REGISTROS.)
 PLEASE RETURN THIS PORTION WITH YOUR PAYMENT. (FAVOR DE DEVOLVER ESTA PARTE CON SU PAGO.)



Save Paper & Postage
 PAY ONLINE
www.socalgas.com

ACCOUNT NUMBER
 XXX XXX XXXX X

DATE DUE	Oct 22, 2013
AMOUNT DUE	\$41.16

Please enter amount enclosed.

\$

Write account number on check and make payable to The Gas Company.

JANE Q PUBLIC
 6200 W SAMPLE AVE
 BAKERSFIELD CA 93312-0000

THE GAS COMPANY
 PO BOX C
 MONTEREY PARK CA 91756-5111

80 0XX0XXX4XX 0XX0XXX4XX 00

XXXXXXXXXX 00000XXXXX

CV 21 5176 0298



DATE DUE AMOUNT DUE

Oct 22, 2013 \$41.16

1-800-427-2200 English

1-800-342-4545 Español

1-800-252-0259 TTY

www.socalgas.com

The Gas Company Policies and Notices

Electronic Check Processing - When you pay your bill by check, you authorize us to electronically process your payment...

Closing your Gas Service - We require two (2) working days and access to the meter to close your gas service.

Information about Deposits

Amount of Deposit - The amount of deposit required to establish or re-establish service credit is twice the estimated average periodic bill.

Return of Deposit/Interest on Deposit - This deposit, together with any interest due, less the amount of any unpaid bills, will normally be returned either on discontinuance of service...

Public Utilities Commission Notice - Should you question the amount of this bill, please request an explanation by calling the telephone number at the top of your bill...

appears that the dispute is over matters such as quality of service, level of rates, pending applications for rate increase, etc., which do not relate directly to the question of the accuracy of the bill.

If you do not make such a deposit with the commission within 15 days after The Gas Company notifies you of your right to do so, The Gas Company may discontinue your service for non-payment.

Billing Term Definitions

Baseline - Amount of gas billed at the lowest residential rate.

Billing Factor - Adjusts for differences in elevation, delivery pressure and the heating content of gas.

Climate Zone - Weather zone in which a customer lives. Colder zones receive more baseline allowance.

Customer Charge - Charge to recover costs of gas delivery including reading meters, preparing bills, and processing payments.

Gas Commodity Charge - Cost of gas purchased by The Gas Company on behalf of its customers.

Payment Due Date - Payment due date shown on the front bottom portion of the bill is for current charges only; it does not stop collection activity on an unpaid previous balance.

Public Purpose Surcharge - Charge to fund Public Purpose Programs such as California Alternate Rates for Energy (CARE), Direct Assistance program (DAP), energy efficiency and research and development.

Rate - Identifies the rate schedule used to calculate your bill. You may review these rate schedules at a local office of The Gas Company or at www.socalgas.com

State Regulatory Fee - A fee used to fund the California Public Utilities Commission. Each customer's fee is determined by the number of therms used.

Therms - Standard unit of measuring heat energy.

Utility Users' Tax - Tax charged by some cities and counties based on the amount of the current monthly gas bill. These cities and counties require The Gas Company to collect this Utilities Users' Tax for them.

Other Important Phone Numbers

For the following, call Monday - Friday, 8am-5pm:

粵語電話 Cantonese 1-800-427-1420

한국어 전화 Korean 1-800-427-0471

國語電話 Mandarin 1-800-427-1429

NOI TIENG VIET Vietnamese 1-800-427-0478

Self Service Options available 24

hours a day, 7 days a week 1-800-772-5050 For information regarding payment arrangements, office locations, account balance, billing recap, duplicate bill and CARE applications for income qualified customers.

To locate underground cables & gas pipes, please call DigAlert, Monday-Friday, 6am-7pm 8-1-1

Payment Options \$

Online: It's fast, easy and free. Just register or sign into My Account at https://myaccount.socalgas.com

Home banking: If you pay bills online through your bank, check with them, to see if you can receive your bill online.

Direct Debit: Have your payment automatically deducted from your account. For more information, call 1-800-427-2200 or visit www.socalgas.com

Pay by Phone: Call 1-800-427-2700 to enroll or, if already enrolled, call to authorize a payment from your checking account.

By Mail: Mail your check or money order, along with the payment stub at the bottom of your bill, in the enclosed envelope to The Gas Company, PO Box C, Monterey Park, CA 91756

ATM/Debit/Credit Card or Electronic Check: You can use most major ATM/debit cards, VISA and MasterCard credit cards, or the Electronic Check thru BillMatrix. A convenience fee is charged. Contact BillMatrix at 1-800-232-6629 or visit www.socalgas.com.

In Person: Pay in person at one of our conveniently located payment locations. To find the nearest location and hours of operation, call 1-800-427-2200 or visit www.socalgas.com.

The Gas Company Payment Locations

Authorize Payment Agencies - Call the Self Service Options number 1-800-772-5050 for the addresses of payment agencies in your area.

Company Offices

- Alhambra, 333 E. Main St. Suite J
Anaheim, 131 W. Center St. Promenade
Banning, 60 E. Ramsey St. #A
Bellflower, 16901 S. Bellflower Blvd.
Commerce, 5708 E. Whittier Blvd.
Compton, 700 N. Long Beach Blvd.
Corona, 341 S. Lincoln Ave. #A
Covina, 932 N. Citrus Ave.
Delano, 1227 Jefferson St.
Dinuba, 239 E. Tulare St.
El Centro, 1111 W. Main St.
El Monte, 11912 Valley Blvd., Suite B
Fontana, 9781 Sierra Ave. #C
Glendale, 919 S. Central Ave. #B
Hanford, 321 N. Dooty St., Suite B
Hemet, 527 N. San Jacinto St.
Hollywood, 1811 N. Hillhurst St.
Huntington Park, 5916 Pacific Blvd.
Indio, 45123 Towne Ave.
Inglewood, 3530 W. Century Blvd. Ste. 102
Lancaster, 2065 W. Avenue K
Lompoc, 128 S. "H" St.
Los Angeles, 3739 Crenshaw Blvd. #C
Los Angeles, 4619 S. Central Ave.
Los Angeles, 2522 N. Daly St.
Monrovia, 141 S. Myrtle Ave.
Ontario, 962 N. Mountain Ave.
Oxnard, 1640 E. Gonzales Rd.
Palm Springs, 211 N. Sunrise Way
Pasadena, 1214 E. Green St. #102
Pomona, 196 E. 3rd St.
Porterville, 59 W. Thurman Ave.
Riverside, 7000 Indiana Ave. #105
San Bernardino, 1136 N. Mount Vernon Ave. #305
San Fernando, 444 S. Brand Blvd. Ste.101
San Luis Obispo, 1314 Broad St.
San Pedro, 605 S. Pacific Ave. #101
Santa Ana, 738 S. Harbor Blvd.
Santa Barbara, 134 E. Victoria St.
Santa Fe Spring, 11516 Telegraph Rd.
Santa Maria, 1954 S. Broadway, Suite J
Santa Monica, 1300 6th St.
South Gate, 3530 Tweedy Blvd.
Van Nuys, 6550 Van Nuys Blvd.
Visalia, 1305 E. Noble Ave.
Watts, 1665 E. 103rd St.
Wilmington, 929 N. Avalon Blvd.

Drop Box Location

Burbank, Public Service Department, 164 W. Magnolia