

Rule No. 43
ON-BILL REPAYMENT

Sheet 1

A. APPLICABILITY

This Rule is applicable to natural gas service to non-residential End-Use Customers, and to residential multi-family End-Use Customers, who meet the criteria specified in Section E (CUSTOMER ELIGIBILITY), below, and receive service under SoCalGas Utility gas rate schedule.

On-Bill Repayment (OBR) is designed to facilitate billing for an Eligible Agreement on the Customer's Bill to finance Qualified Measures and their installation at the Customer's Premises.

OBR is available for Eligible Agreements funded by Participating Finance Companies as directed by the California Public Utilities Commission (CPUC).

B. DEFINITIONS

The definitions of capitalized terms used in this Rule are defined below. If a capitalized term used in this Rule is not defined below, it is defined in Rule No. 01, Definitions.

Bill: The Customer's utility bill.

California Hub for Energy Efficiency Financing (CHEEF): A central enabling entity through which energy users, finance and/or service companies, energy efficiency providers, and Participating Utilities can participate in a program to help finance the installation of Qualified Measures. The CHEEF may act through agents or third-party service providers.

Customer: The individual or entity that takes service from SoCalGas.

Eligible Agreement: An agreement between the Customer and Participating Finance Company that satisfies the requirement for participation in OBR pursuant to OBR Rules.

Financing Charge(s): Amounts due to a Participating Finance Company during a repayment period for an Eligible Agreement, including any late fees, late payments, or any other fees as calculated by the Participating Finance Company pursuant to the Eligible Agreement.

On-Bill Repayment: A process whereby OBR Charges are billed through the Customer's Bill, and collected OBR Charges are forwarded to the Participating Finance Company.

OBR Charge(s): Finance Charge relating to an Eligible Agreement for the financing of Qualified Measures and their installation at the premises associated with the Customer's account and included on a Bill pursuant to the Eligible Agreement and OBR Rules.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 5766
 DECISION NO. D.15-06-008

ISSUED BY
Dan Skopec
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 SUBMITTED Feb 19, 2021
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B. DEFINITIONS (Continued)

OBR Rules: Rules and requirements for participation in OBR established by the CHEEF in Title 4, Division 13, Articles 6 and 7 of the California Code of Regulations.

Participating Finance Company: A finance or service company approved for participation in OBR by the CHEEF, pursuant to OBR Rules.

Participating Utility: Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and/or Southern California Gas Company (SoCalGas).

Qualified Measures: Measures approved as eligible for inclusion in OBR pursuant to OBR Rules.

Utility Charge(s): Charge(s) rendered by SoCalGas for gas service, deposits, and related charges approved by the CPUC. OBR Charges are not Utility Charges.

C. TERRITORY

OBR is available throughout SoCalGas's service area, subject to the availability of Participating Finance Companies.

D. RATES

All charges and provisions of the Customer's otherwise applicable rate schedule shall continue to apply. Each OBR Charge will appear as a separate line item (or multiple line items) on the Bill, as determined by the CPUC in coordination with the CHEEF.

E. CUSTOMER ELIGIBILITY

1. A Customer, or its authorized agent or representative must authorize SoCalGas to include the OBR Charge on the Bill. The Customer must be current on their Utility Charges at the time the OBR Charge is first added to the Bill (i.e., not in default, arrears or an active payment arrangement).

2. A Customer must meet the eligibility requirements described in the OBR Rules.

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F. BILLING AND PAYMENT OF OBR CHARGES

1. SoCalGas is authorized to include OBR Charges on the Bill until otherwise instructed by the CHEEF or as provided herein. Upon the Customer's, or its authorized agent or representative's authorization, SoCalGas will include the OBR Charges as a line item or items on the Customer's Bill as calculated and transmitted by the Participating Finance Company and communicated to SoCalGas by the CHEEF. SoCalGas may rely on instructions received from the CHEEF and its agents and is not required to verify the amount of the OBR Charges or undertake any other verification or inquiry with respect to the transactions giving rise to the OBR Charges. OBR Charges may increase or decrease from month to month based on the terms of the Eligible Agreement.
2. SoCalGas will include or remove OBR Charges on the Bill only pursuant to instructions from the CHEEF or as otherwise required by law. The CHEEF may instruct SoCalGas to remove OBR Charges from the Bill pursuant to OBR rules. If SoCalGas receives instructions from the CHEEF, or a court of competent jurisdiction, to remove OBR Charges, SoCalGas will remove such charges from the Bill no later than the second billing cycle after such instructions are received. All collection and enforcement action with respect to an Eligible Agreement shall be and will remain the responsibility of the Participating Finance Company.
3. In the event a Customer uses an Eligible Agreement to finance the installation of Qualified Measures consisting of both gas and electric measures, and is a customer of more than one Participating Utility, then the OBR Charges attributable to such Eligible Agreement will be placed on the Bill of the Participating Utility for which the greatest Qualified Measure installed costs are expected to accrue, as determined by the CHEEF.
4. A Customer shall pay OBR Charges along with all other charges on the Bill in accordance with the payment terms applicable to the Bill. All payments shall be made to SoCalGas. SoCalGas will forward the OBR Charge payments received to the CHEEF.
5. Unless otherwise instructed by CHEEF, SoCalGas shall keep OBR Charges on the Bill unless it is determined that the Customer's account with SoCalGas for all service at the site will be closed. On or after such account closure, SoCalGas will have no further responsibility for collecting and remitting OBR Charges unless the responsibility to pay such OBR Charges is assumed by its subsequent customer at the Premises, pursuant to Section I. (TRANSFERABILITY OF OBLIGATION TO PAY OBR CHARGES), below.

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F. BILLING AND PAYMENT OF OBR CHARGES (Continued)

6. Partial Payment: SoCalGas billing system applies partial payment to the components of the Bill in accordance with existing tariff rules. Because non-payment of non-residential OBR Charges subjects a Customer's account with SoCalGas to service disconnection, payments will be applied to past due OBR Charges prior to any current charges. A Customer's failure to pay any of the components of the Bill (other than for residential properties) will subject the Customer to service termination as set forth in Rule No. 09, Discontinuance of Service. Residential service is not subject to disconnection.

If a Customer makes only partial payment on a Bill, the partial payment will be applied to the following components of the Bill according to the order listed below:

- A. Utility Charges, which include utility service and credit establishment charges.
- B. Energy-related charges, which include charges based on energy consumption and tariff schedules.
- C. Other applicable products and services charges, which include all other services billed by SoCalGas such as OBR Charges.

7. Termination of Utility Service for Non-Payment of OBR Charges: Unless otherwise prohibited by law, non-payment of OBR Charges by a Customer, other than for residential properties, shall subject the Customer to utility service disconnection, consistent with the provisions of Rule No. 09, Discontinuance of Service, on the same terms and conditions under which SoCalGas will disconnect the Customer for failure to pay Utility Charges. SoCalGas will reconnect service for a CPUC-authorized service fee when the criteria for reconnection, as specified in Rule No. 10, Service Charges, have been met and delinquent OBR Charges and Utility Charges have been paid. In order to be reconnected, the Customer must pay delinquent OBR Charges but is not required to pay any accelerated balance of the Eligible Agreement. Upon remedy of delinquent OBR Charges, a Customer that has been terminated will also be required to meet the criteria of Rule No. 06, Establishment and Re-Establishment of Credit.

8. Utility Provision of Data on Collection Events: SoCalGas shall provide the CHEEF at the request of the CPUC, and in consultation with the CHEEF, accurate and timely data on Customers-specific collection events that SoCalGas initiates in keeping with Rule No. 09 and procedures cited above.

9. Past-Due and Liability for Disconnection Notice: SoCalGas shall issue notice to non-residential Customers with past due OBR Charges reminding them of the liability of disconnection and a possible timeline for disconnection. Such notice shall use the existing processes and protocols SoCalGas has in place for past-due notification.

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Sheet 5

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F. BILLING AND PAYMENT OF OBR CHARGES (Continued)

- 10. Declaration of Event of Default Under Eligible Agreement: If the Participating Finance Company elects to declare an event of default under the terms of the Eligible Agreement, it may demand immediate repayment of the entire principal and interest amounts outstanding (acceleration of Eligible Agreement repayment). If the Finance Company chooses to accelerate the Eligible Agreement repayment, the Finance Company must instruct the CHEEF to request that SoCalGas remove all related OBR Charges from the Bill. No accelerated repayments shall be eligible to be serviced as an OBR Charge. The Participating Finance Company shall be fully responsible for collecting all further amounts due under the Eligible Agreement from the Customer.

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- 11. Customer Bankruptcy: If a Customer enters into bankruptcy protection under the United States Bankruptcy Code, SoCalGas, upon notice, shall remove all OBR Charges from the Bill. If service was disconnected due to non-payment of Utility Charges or OBR Charges, service shall be reconnected if required to comply with Bankruptcy Law provided the Customer complies with Rule No. 10. Once OBR Charges have been removed from the Bill due to the Customer's bankruptcy, Financing Charges shall only be placed back on the Bill pursuant to OBR Rules.

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- 12. Security Deposit: If a Customer has or is required to provide a security deposit to establish or re-establish credit with SoCalGas in order to connect or reconnect service, the OBR Charges will not be included in the calculation of the security deposit pursuant to Rule No. 07, Deposits. The security deposit and interest earned on the deposit, if any, will not apply to delinquent or current OBR Charges and the Participating Finance Company will have no claim on or interest in the security deposit and interest earned on the deposit, if any.

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- 13. Prepayment of OBR Charges: SoCalGas is not responsible for collecting, receiving or remitting any amounts attributable to prepayment of an Eligible Agreement. If, in accordance with the Eligible Agreement, the Customer elects to pay some or all of the outstanding Eligible Agreement balance independent of the OBR Charges, the Customer must send such payment directly to the Participating Finance Company, rather than to SoCalGas. If SoCalGas receives payment from the Customer in excess of their current charges, such excess payment will first be applied to the Customer's overdue charges, if any, and will then be applied to future charges on the Customer's account. If the Customer desires to be returned to them any excess amounts remaining on their account after all overdue charges are paid, Customer must notify SoCalGas and SoCalGas will then refund such funds.

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F. BILLING AND PAYMENT OF OBR CHARGES (Continued)

14. Bill Impacts: OBR Charges may increase the amount of the Bill. OBR Charges may or may not be offset in whole or in part by a reduction in a Customer's energy usage resulting from the installation of Qualified Measures and the Customer shall not be entitled to claim any reduction in OBR Charges based on the extent to which Qualified Measures achieve their anticipated benefits. OBR Charges must be paid by the Customer whether or not the Qualified Measures result in a reduction in the Customer's energy usage or savings on the Bill. SoCalGas disclaims any warranty including warranty of merchantability or fitness for a particular purpose regarding any Qualified Measures.

15. Eligible Agreement Disclosures: Nothing in this Rule shall relieve Participating Finance Companies from any legal obligation to make disclosures or to provide periodic statements or other information to its customers with respect to Eligible Agreements. SoCalGas assumes no responsibility with respect to such disclosures and reporting by virtue of providing OBR services pursuant to this Rule.

16. Payment Arrangements: SoCalGas may extend payment arrangements for Utility Charges as defined by Rule No. 09 to a customer with OBR Charges on its Bill. Any payment arrangements for OBR charges will be according to agreements between the Participating Finance Company and its Customer, and will not include involvement by SoCalGas.

G. REQUIRED AGREEMENTS

1. Eligible Agreement: A Customer participating in OBR must be named on an Eligible Agreement with a Participating Finance Company which specifies the repayment obligations in accordance with the OBR Rules and any other associated agreements required by the Participating Finance Company.

2. Authorization Form: A Customer participating in OBR, or its authorized agent or representative, must execute an "*Authorization to Add Charges to Utility Bill*" (Form No. 7200) with SoCalGas that specifies the terms and conditions under which SoCalGas will include the OBR Charges, along with confirmation of SoCalGas disconnect provisions.

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H. OTHER FORMS

1. To receive bill payment history directly from SoCalGas, a Customer or its authorized agent or representative, must sign Form No. 8206 “*Authorization to Receive Customer Information or Act Upon a Customer’s Behalf*” to provide the CHEEF and a Participating Finance Company authorization to access the Customer’s billing information and any other relevant Customer-specific data.

I. TRANSFERABILITY OF OBLIGATION TO PAY OBR CHARGES

1. Responsibility to pay OBR Charges may be voluntarily assumed by SoCalGas’s subsequent customer at the same Premises. In order to assume OBR Charges, the subsequent customer at the same Premises must consent to assume the obligation to pay the balance due on the Eligible Agreement in writing as deemed appropriate by the Participating Finance Company and must fully execute an “*Authorization to Add Charges to Utility Bill*” (Form No. 7200) whereby the subsequent customer, or its authorized agent or representative, authorizes OBR Charges to be placed on the Bill. SoCalGas will include OBR Charges on the Bill of the subsequent customer only pursuant to instructions received from the CHEEF.
2. In the event a Customer ceases to be SoCalGas’s customer at the Premises where the Qualified Measures from the Eligible Agreement are installed and the subsequent customer at the same Premise does not authorize OBR Charges to be placed on the Bill, OBR Charges will no longer appear on the Bill for that Premise and SoCalGas will have no further obligation to collect OBR Charges on that Bill.

J. BILLING INQUIRIES OR DISPUTES

1. A Customer’s inquiries concerning Utility Charges should be directed to SoCalGas.
2. A Customer’s inquiries concerning OBR Charges should be directed to the Participating Finance Company.
3. Where a Customer disputes its obligations to pay OBR Charge(s), the dispute shall be resolved between the Customer and the Participating Finance Company and SoCalGas shall not be a party to the dispute. SoCalGas will continue to include OBR Charges on the Bill pending dispute resolution unless otherwise instructed by the CHEEF or a court of competent jurisdiction as set forth in Section F (BILLING AND PAYMENT OF OBR CHARGES), paragraph 2, above. Where a Customer disputes its obligation to pay Utility charges, and impounds any disputed amount with the Commission in accordance with Rule No. 11, Disputed Bills, the Customer’s payments will be allocated in accordance with SoCalGas’s existing rules, tariffs, and procedures.

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J. BILLING INQUIRIES OR DISPUTES (Continued)

4. If a Customer subsequently contacts the CHEEF regarding SoCalGas's billing service, rather than a dispute with the Participating Finance Company, the Customer will be referred to the CPUC's Consumer Affairs Branch (CAB) for assistance through its dispute resolution process. Disputes with the Participating Finance Company regarding any terms of the Eligible Agreement must be resolved directly with the Participating Finance Company and cannot be resolved by the CAB.

K. LIABILITY IN CONNECTION WITH OBR CHARGES AND CONDUCT BY PARTICIPATING FINANCE COMPANIES, CONTRACTORS, AND SERVICE PROVIDERS

SoCalGas shall not be liable to a Customer for any damages caused by or resulting from any acts, omissions or representations (i) made by a Participating Financing Company or a contractor or service provider in connection with soliciting customers for Qualified Measures or for an Eligible Agreement or (ii) a Participating Finance Company's failure to perform any commitment to the Customer or misrepresentation to the Customer. The amount of the OBR Charges shall be provided to SoCalGas by the CHEEF. SoCalGas shall not be liable to the Customer if the amount of such charges is inaccurate in any way or contains charges that are in violation of the Eligible Agreement or any state or federal laws. The Participating Finance Company is not SoCalGas's agent for any purpose by virtue of the OBR billing procedures set forth in this Rule.

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