

Para más detalles llame al Martha Cendejas, 1-858-654-1766,
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NOTIFICATION OF SOUTHERN CALIFORNIA GAS COMPANY'S 2012 GENERAL RATE CASE (GRC) APPLICATION FILING A.10-12-006

WHAT IS A GRC?

GRC stands for General Rate Case. Every three or four years, investor-owned utilities such as Southern California Gas Company (SoCalGas®) are required to file a GRC in which the California Public Utilities Commission (CPUC) sets annual revenue requirement levels. The annual revenue requirement is the total amount of money a utility collects through rates in a given year for specific purposes.

On December 15, 2010, SoCalGas filed an application asking the CPUC to increase the revenue that SoCalGas uses to distribute gas. While the CPUC will determine the total amount of money SoCalGas can collect in rates in the GRC decision, the design of the actual rates themselves (that is, the level of prices charged to customers) will be determined in separate proceedings to be filed in the future with the CPUC.

SOCALGAS REQUESTS A TOTAL INCREASE OF \$308 MILLION FOR GAS SERVICE EFFECTIVE JANUARY 1, 2012

SoCalGas is requesting a total revenue increase of \$308 million over the currently authorized revenues for gas distribution for 2010, with the increase to be effective on January 1, 2012. This increase does not include the cost of gas procured for SoCalGas' core customers, as such costs are authorized to be recovered in a separate proceeding.

SoCalGas is also requesting approval for additional revenues in 2013, 2014 and 2015 to cover increasing costs due to plant investment and inflation. The proposed ratemaking mechanism utilizes a starting point set by the CPUC in SoCalGas' 2012 GRC outcome, and would be used to set rates beginning January 1, 2013. Rates in the subsequent years will be adjusted annually using separate update formulas for capital-related and operations and maintenance ("O&M") expenses.

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KEY REASONS WHY SOCALGAS IS ASKING FOR INCREASES ARE:

- To continue to invest in and maintain the system of pipes and equipment needed to deliver gas to SoCalGas' customers; and
- To maintain the support structure necessary to keep SoCalGas operating and to provide SoCalGas' customers with safe, reliable and responsive customer service.

During the proceedings, updated information may be introduced that could change the amounts SoCalGas has requested. What the CPUC adopts may differ from what SoCalGas has requested.

ESTIMATED IMPACT OF THIS REQUEST ON GAS RATES

SoCalGas estimates that, initially, the requested \$308 million increase in gas revenues would be distributed in the manner shown in the table below. The actual distribution of the increase to each customer class depends on how the CPUC ultimately decides all issues in the GRC, as well as in the separate gas rate design proceeding expected to be filed with the CPUC sometime in the future.

Illustrative Revenue Allocation By Customer Class: Gas

	Revenues at Present Rates (\$000)	Revenues at Proposed Rates (\$000)	Revenue Change (\$000)	Percentage Change (%)
Residential	\$2,879,821	\$3,098,193	\$218,373	7.6%
Core Commercial & Industrial	\$922,908	\$974,604	\$51,696	5.6%
Other	\$93,130	\$95,048	\$1,918	2.1%
Total Core	\$3,895,858	\$4,167,845	\$271,986	7.0%
Non-Core Commercial & Industrial	\$121,525	\$136,362	\$14,837	12.2%
Electric Generation	\$66,574	\$80,069	\$13,495	20.3%
Non-Core Retail	\$188,099	\$216,431	\$28,333	15.1%
Wholesale	\$15,202	\$18,484	\$3,282	21.6%
Other (storage & Firm Access)	\$70,434	\$75,031	\$4,597	6.5%
Total System	\$4,169,593	\$4,477,791	\$308,198	7.4%

If the CPUC approves SoCalGas' request for a gas rate increase, the bill for a typical bundled residential customer using 38 therms per month would increase \$3.35, or 7.7 percent, from \$43.39 to \$46.74. Individual customer bills may differ. Rates would become effective in 2012.

FOR FURTHER INFORMATION

You may request additional information by writing to: Ronald van der Leeden, 2012 GRC Director, Southern California Gas Company, 555 W. Fifth St., GT14D6, Los Angeles, CA 90013-1011. SoCalGas' application and attachments may also be inspected at the CPUC office located at 505 Van Ness Ave., San Francisco, CA 94102.

Copies of this application will be available for viewing and printing on the SoCalGas website at: socalgas.com/regulatory/cpuc.shtml.

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PUBLIC PARTICIPATION HEARINGS (PPHs)

The CPUC welcomes the public's participation. Before acting on SoCalGas' application, the CPUC will hold PPHs to provide customers with an opportunity to express their views before a CPUC Administrative Law Judge (ALJ). Notification of these hearings will be sent to you either by a separate mailing, or included as a bill insert. The notice will identify all of the locations that the PPHs are being held for your convenience and planning.

Those customers who cannot attend a hearing may submit written comments to the CPUC at the address listed below. All such correspondence to the CPUC should include a reference to SoCalGas' 2012 GRC application (A.10-12-006).

THE CPUC PROCESS

The CPUC's Division of Ratepayer Advocates (DRA) will review this Application. DRA is an independent arm of the CPUC, created by the Legislature to represent the interests of all utility customers throughout the state and obtain the lowest possible rate for service consistent with reliable and safe service levels. DRA has a multi-disciplinary staff with expertise in economics, finance, accounting and engineering. DRA's views do not necessarily reflect those of the CPUC. Other parties of record will also participate.

The CPUC will hold evidentiary hearings for the GRC application in 2011 where parties of record present their proposals in testimony and are subject to cross-examination before an ALJ. These hearings are open to the public, but only those who are parties of record can present evidence or cross-examine witnesses during evidentiary hearings. Members of the public may attend, but not participate in, these hearings.

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After considering all proposals and evidence presented during the hearing process, the ALJ will issue a draft decision. When the CPUC acts on this application, it may adopt all or part of SoCalGas' request, amend or modify it or deny the application. The CPUC's final decision may be different from SoCalGas' application.

If you would like to participate in the evidentiary hearings as a party of record, please contact the CPUC's Public Advisor at the address below.

The Public Advisor
California Public Utilities Commission
505 Van Ness Ave., Room 2103
San Francisco, CA 94102
415-703-2074
1-866-849-8390 (toll free)
TTY 415-703-5282
TTY 866-836-7825 (toll free)
Email to: public.advisor@cpuc.ca.gov

If you are writing a letter to the Public Advisor's Office, please include the number of the Application (A.10-12-006) to which you are referring. All comments will be circulated to the Commissioners, the assigned ALJ and the Energy Division staff.

For more details call Martha Cendejas at SoCalGas,
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