



*Information on Services and Programs*

❖ **Introduction**

Southern California Gas Company (SoCalGas®) is required to mail this Annual Notice of the programs and services available to its customers. This Notice is intended to provide you with information about the programs and services available to you as a large core or noncore customer.<sup>1</sup>

The information presented in this notice for your review includes:

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<sup>1</sup> SoCalGas provides service in accordance with its approved tariffs under the regulation of the California Public Utilities Commission (CPUC). Those tariffs and regulations can change from time to time. Your account representative is ready to assist you in understanding the tariffs and CPUC regulations. This Notice is provided strictly for informational purposes only. SoCalGas has made reasonable efforts to ensure all information is correct and consistent with its authorized tariffs. In the event of any conflict, the tariffs shall govern in all cases. In addition, neither SoCalGas' publication nor verbal representations thereof constitutes any statements, recommendation, endorsement, approval or guaranty (either express or implied) of any product or service. Moreover, SoCalGas shall not be responsible for errors or omissions in this publication or for claims or damages relating to its use thereof, even if SoCalGas has been advised of the possibility of such damages.



## **Service Classifications and Priorities**

SoCalGas delivers natural gas to both residential and non-residential customers. Gas deliveries to single-family, multi-family, and master-metered domestic dwellings are considered residential service. There are several types of non-residential customers: commercial and industrial, electric generation<sup>2</sup> (EG), enhanced oil recovery<sup>3</sup> (EOR), refinery<sup>4</sup>, and natural gas vehicle (NGV). SoCalGas also delivers gas on a wholesale basis to other utilities.

The priority of service, rates, and service options applicable to each of these customer classes vary considerably. The applicable rates and conditions of service are determined by the type of customer and service priority-level.

- All residential customers are classified as core customers. Residential customers are Priority 1 and receive the highest priority of service.
- Gas service to non-residential core customers is divided into three general classifications:
  - 1.) small core commercial/industrial/NGV, 2.) large core commercial/industrial/NGV, and 3.) core EG/EOR/refinery.
  - Small core commercial/industrial/NGV customers are customers whose average consumption does not exceed 20,800 therms<sup>5</sup> per active month during any 12 contiguous months within the most recent 24-month period. Small core commercial/industrial/NGV customers receive Priority 1 service, the highest priority.
  - Large core commercial/industrial/NGV customers are customers with average consumption that equals or exceeds 20,800 therms per active month during any 12 contiguous months within the most recent 24-month period and elect to remain core customers. Large core commercial/industrial/NGV customers receive Priority 2A service, the next highest priority.

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<sup>2</sup> EG is the use of natural gas to generate electricity, either directly or indirectly, including natural gas used for cogeneration or solar electric generation projects. Small electric generation customers have the option to take service under the core classification.

<sup>3</sup> EOR is the use of natural gas to pressure, cycle, or inject a substance into a well for the purpose of increasing oil production from that well, specifically including natural gas used for cogeneration to promote these operations. Small EOR customers have the option to take service under the core classification.

<sup>4</sup> Refinery includes (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 derivative, 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. Small refinery customers have the option to take service under the core classification.

<sup>5</sup> Therm is a unit of measurement for billing purposes, nominally 100,000 Btu.



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- Core EG/EOR/refinery customers are customers electing core service with actual (or projected with verifiable documentation) consumption less than 20,800 therms per active month during any 12 contiguous months within the most recent 24-month period. EOR and refinery customers with usage in excess of these levels are not eligible for core service and must take noncore service. However, a recent CPUC decision, D.09-11-006, expands core eligibility for EG customers with total electric generator capacity less than or equal to 1 megawatt (1,000 kilowatts), regardless of usage. The limit of 1 megawatt is based on verifiable system rated generating capacity at net continuous power output.
- Noncore customers receive lower priority of service compared to core customers.<sup>6</sup> Noncore rates, however, are usually lower than core rates. Noncore commercial/industrial customers are those electing noncore service and have actual (or projected with verifiable documentation) average usage equal to or exceeding 20,800 therms per active month during any 12 contiguous months within the most recent 24-month period. All EG, EOR, and refinery customers are eligible for noncore service, regardless of usage. NGV usage is not eligible for noncore rates.

### ❖ **Rate Schedules and Service Options**

#### Metering Options

SoCalGas bills its customers based on the rates and conditions of service approved by the California Public Utilities Commission (CPUC). For non-residential customers, the rate is applied and billed by facility<sup>7</sup> or on a customer's premises<sup>8</sup>. On a facility or premises where SoCalGas has installed more than one meter for the customer's convenience, each meter is treated separately unless the meters at those single premises are required by regulation to be combined for billing purposes.<sup>9</sup>

Customers served from more than one meter located at a facility or premises who would like to have meter reads combined for billing purposes will typically need to physically modify the configuration of the existing houseline piping at the customer's own expense. In certain situations, however, SoCalGas may elect to combine the meter reads administratively at the customer's request. The installation of an electronic meter-reading device at customer's

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<sup>6</sup> Noncore customers are further categorized as "firm" or "interruptible."

<sup>7</sup> Excludes service to EG and NGV customers. A facility is defined as the individual gas meter on the customer's single premises.

<sup>8</sup> A customer's premises is all of the property 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. See Rules 1, 14, 20, and 21 of SoCalGas' authorized tariffs.

<sup>9</sup> Noncore commercial/industrial meters (excluding EG meters) on the same premises must be combined for billing purposes.



expense may also be required. Requests that deviate from SoCalGas' authorized tariffs require approval by the CPUC.

#### Rate Schedules

A noncore customer is assigned a rate classification based on the type of facility and the conditions under which the customer receives gas service. At the time of application for service, SoCalGas places the customer on the applicable rate schedule approved by the CPUC based upon information provided by the customer. Refer to SoCalGas' authorized tariffs, specifically Rate Schedule GT-F, Firm Intrastate Transportation Service for Distribution Level Customers, Rate Schedule GT-I, Interruptible Transportation Service for Distribution Level Customers and Rate Schedule GT-TLS, Intrastate Transmission Level Service.

#### Customer Responsibilities

- Customers are responsible for notifying SoCalGas of any material change in gas usage. In the event there are changes in the conditions of a customer's operations resulting in permanent changes in gas usage, it is the customer's responsibility to apply for service under a different rate schedule for which the customer may qualify. A customer that changes rate schedules will not avoid any use-or-pay charges that would otherwise apply from the prior rate schedule under which the customer was served. See Rule 19. When there is a material change, either in the amount or character of the energy-related appliances or equipment installed at the customer facility, the customer must immediately notify SoCalGas, in writing, of the change. See Rule 29.
- Customers are also responsible for notifying SoCalGas in writing of any changes in customer name, ownership or business structure. A customer's name shall be recognized by the signature on the application, contract, or agreement for gas service. A customer may also be recognized by the payment of bills issued regularly in the customer's name. In the event there is a change in a customer's business structure, the customer must provide SoCalGas immediate notice, in writing, of such change.

#### **Core Commercial/Industrial and Noncore Eligibility**

*(This section of the notice describes which customers are eligible for core and noncore rates.)*

Core commercial/industrial customers are subject to a customer charge and a declining block rate structure. See Rate GN-10 and Rate GT-10 within Rate Schedule G-10 for details.



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If the average usage of a core commercial/industrial customer is equal to or greater than 20,800 therms per active month<sup>10</sup> during any 12 contiguous months within the most recent 24-month period, the customer is classified as Priority 2A, and the customer is eligible to elect noncore service in whole or in part. Pursuant to Advice Letter No. 3622, approved by the CPUC on May 7, 2006, once classified as a qualified noncore customer, the customer will continue to receive noncore service, regardless of subsequent changes in customer's usage, unless the customer subsequently elects service under the conditions of an authorized core rate schedule.

Customers not meeting the gas usage eligibility-criteria for noncore service may qualify conditionally for noncore rate status by submitting a written request to SoCalGas with verifiable information documenting the expected load increase that would meet the minimum noncore consumption requirement on a permanent basis. The customer's written request must acknowledge that if actual usage following the granting of conditional-eligibility status is less than the required minimum, the customer shall be re-billed in accordance with the otherwise applicable rate schedule. SoCalGas reserves the right to accept or reject any such request. To obtain noncore service, the eligible customer must execute a noncore gas service contract and meet all of the applicable conditions of service as specified in the noncore rate schedule.

Customers with EG, EOR, or refinery services are required to execute a gas service contract with SoCalGas. All EG customers receiving service at the EG transportation rate must be metered separately unless it can be demonstrated that this is not economically feasible.

EG, EOR, and refinery customers whose average monthly usage is less than 20,800 therms per active month during any 12 contiguous months within the most recent 24-month period are eligible to elect core service under Rate GN-10 or Rate GT-10 within Rate Schedule G-10 for 100 percent of their EG, EOR, or refinery load. Customers electing core service for their EG, EOR, or refinery load must continue to meet the core usage criteria at all times or they will be placed on an appropriate noncore service rate schedule. An exception to this is EG customers with total electric generator capacity less than or equal to 1 megawatt (1,000 kilowatts). EG customers with generating capacity up to 1 megawatt, regardless of usage, are eligible to elect core service. The limit of 1 megawatt is based on verifiable system rated generating capacity at net continuous power output. Core EG customers are not required to separately meter EG gas usage, however if EG equipment already is separately metered, such metering will be kept in place unless customers receive permission from SoCalGas to alter the metering configuration. Customers are generally responsible for all metering alteration costs.

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<sup>10</sup> An active month is any month where the customer uses over 1,000 therms. The current noncore eligibility criterion was adopted by the CPUC in its Decision No. 93-09-082. As a result of that decision, commercial and industrial customers that were classified as noncore customers on September 29, 1993 were allowed to retain their noncore status even if they did not meet the newly adopted usage criterion. This eligibility is forfeited if the customer closes its service, or the customer elects service under a core rate schedule.



***Noncore-to-core transfer rules*** – Noncore customers are allowed to transfer to core service upon the expiration of their noncore service commitment. In addition, pursuant to Decision No. 02-08-065, noncore customers electing to transfer to core transportation service or to bundled core service, which includes utility gas procurement, are required to sign a contract for a five-year commitment. Noncore customers on Rate Schedule GT-F or GT-I electing to transfer to bundled core service, such as Rate GN-10 within Rate Schedule G-10, shall be charged a “cross-over” procurement rate for the first year of the required five-year commitment.

### **Core Commercial/Industrial Services**

**(The following sections discuss the types of core service options that are available to customers.)**

**Core Aggregation Transportation** – Customers can choose to participate in SoCalGas’ Core Aggregation Transportation (CAT) program. To enter the CAT program, customers are required to select an Energy Service Provider (ESP) to manage gas procurement, scheduling, transportation and balancing needs. The ESP is responsible for delivering the customer’s gas supplies into the SoCalGas system. SoCalGas will accept gas delivered on the customer’s behalf and transport it to the customer’s facility. See Rate GT-10 within Rate Schedule G-10. For a list of participating ESPs, you may call SoCalGas’ Business Support Services at (800) 427-2000 or visit our website at <http://www.socalgas.com/for-your-business/natural-gas-services/energy-service-providers/customer-core-list-of-esps.shtml>

**Core Sales** – This is a bundled service where SoCalGas performs all of the necessary functions (procurement, scheduling, transportation and balancing) to deliver gas to the customer’s facility. Core customers automatically receive bundled core sales service if the customer selects no other option.

**Core Optional** – Under certain conditions, SoCalGas is able to offer service under an optional pricing tariff to core customers who would not otherwise use natural gas equipment or who would not otherwise increase natural gas use at their existing under-utilized facilities. See Rate Schedules GO-ET, GO-IR, GTO-ET, and GTO-IR.

**Core Transportation** – Under this service, Priority 2A core customers can elect to make independent arrangements to procure gas supplies and to transport those supplies over the interstate pipeline systems for delivery into the SoCalGas’ system. SoCalGas will transport the customer’s gas supplies to the customer’s facility. See Rate GT-10 within Rate Schedule G-10.

**Gas Engine Water Pumping** – Core customers who use natural gas engines for water pumping in agricultural, agricultural-related, or municipal water pumping applications may elect special rates. See Rate Schedules G-EN and GT-EN and Rules 1 and 19.



**Gas Cooling** – Core commercial and industrial customers with high-efficiency gas cooling absorption chillers may elect special rates. See Rate Schedules G-AC and GT-AC and Rule 19. SoCalGas also offers special rates for residential customers who install natural gas air conditioning equipment. See Rate Schedules GO-AC and GTO-AC.

**Natural Gas Vehicles** – Customers who operate natural gas fueled motor vehicles will be served under special core rates, which require separate metering from other gas uses the customer may have<sup>11</sup>. See Rate Schedules G-NGV and GT-NGV and Rules 1 and 23. Usage for NGV is not eligible for noncore rates.

### **Noncore Services**

*(The following sections discuss the types of noncore gas services that are available to customers.)*

**Firm Intrastate Transportation** – This service option provides noncore customers served by Utility’s distribution system with firm intrastate transportation service and binds the customer to a two-year contractual commitment. See Rate Schedule GT-F. . See Rate Schedule GT-TLS for noncore transmission-level service.

**Interruptible Intrastate Transportation** – This service option provides noncore customers served by Utility’s distribution system with interruptible intrastate transportation service and requires the customer to make a one-month contractual commitment. This service has the lowest level of service priority and will be curtailed before service under firm intrastate transportation is curtailed. See Rate Schedule GT-I. See Rate Schedule GT-TLS for noncore transmission-level service.

**Transmission-Level Service (TLS)** –This service is applicable to noncore customers served directly from the Utilities’ transmission system or who otherwise qualify for the new Transmission Level Service<sup>12</sup>. Rate Schedule GT-TLS offers two general rate options to most TLS customers: a) Class Average All-Volumetric rate option, and b) Reservation Rate option. The term for both options is three years. Transportation service for most noncore customers

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<sup>11</sup> Individually metered residences are excluded from this requirement. Residential customers may choose to install a separate meter and take service under the G-NGV or GT-NGV rate schedule or use the existing residential meter and take service under the applicable residential rate schedule.

<sup>12</sup> Transmission Level Service is 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.



served under GT-TLS is firm up to the quantities specified for firm priority service in the customer's intrastate transportation contract and are established by SoCalGas based on the customer's historic peak usage or a SoCalGas-approved forecast made by the customer. Bypass customers as defined in SoCalGas tariff Rule 1 served under GT-TLS, must select the Reservation Rate Option to receive firm transportation service, and must comply with more restrictive daily and cumulative additional gas balancing requirements and imbalance charges than non-Bypass customers. Please see Rate Schedule GT-TLS for more details.

### **Other Important Transportation Rules**

**Gas Procurement by Noncore Customers** - In choosing intrastate transportation services, noncore customers must either manage their own gas procurement, scheduling, transportation, and balancing needs (directly or through the use of an "Agent Marketer"), or arrange to have these needs fully managed by a "Contracted Marketer." In either case, SoCalGas will accept the gas delivered into its system on the customer's behalf and transport it to the customer's facility. If a customer contracts with a Contracted Marketer, the Contracted Marketer is responsible for all imbalance charges. See Rules 30 and 35.

**Transportation Balancing** – SoCalGas will provide a noncore customer with monthly balancing service if the customer takes firm or interruptible intrastate transportation service. A noncore customer must maintain gas usage at its facility and its gas transportation deliveries into SoCalGas' system within a prescribed tolerance band or the customer will be subjected to imbalance charges. This monthly balancing service also applies to Contracted Marketers.

If as a result of a billing error, metering error, or transportation adjustments, a customer (or customer's Agent Marketer or Contracted Marketer) makes a trade based on what turns out to be an incorrect amount of imbalance quantities based on notification by SoCalGas, SoCalGas will not be liable for any financial losses or damages incurred by the customer, nor will SoCalGas be financially liable to any of the customer's imbalance trading partners. In addition, during the months from November through March, customers are required to comply with winter deliveries requirements or customers will be subjected to additional balancing charges. See Rate Schedule G-IMB and Rules 1 and 30. Bypass customers must meet more stringent daily and cumulative balancing requirements described further in Rate Schedule GT-TLS.

**Calculation of Monthly Standby Procurement Charge** – Standby procurement charges are incurred whenever negative monthly transportation imbalances exceed the allowed monthly 10 percent tolerance. In its Resolution G-3316, the CPUC approved SoCalGas' Advice Letter No. 3012, authorizing SoCalGas to revise its Rate Schedule G-IMB affecting the standby procurement charge. Monthly imbalance charges are now based on 150 percent of the highest daily border price index at the Southern California border.

The CPUC also authorized SoCalGas to change the time period for determining the applicable





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standby procurement charge. The rate determination period begins from the first day of the flow month and ends five days prior to the start of each corresponding monthly imbalance trading period. This period is approximately 50 days long. Changes to the way the monthly standby procurement charge is calculated in Rate Schedule G-IMB became effective June 1, 2001.

**Winter Daily Balancing Rules** These rules apply each year from November 1 through March 31st, implementing minimum delivery requirements. See Rate Schedule G-IMB and Rule 30, Section G.

**Optional Weekly or Bi-Weekly Special-Payment Arrangements** – SoCalGas may provide the option of weekly or bi-weekly special-payment arrangements specifically for incurred monthly imbalance charges and winter daily balancing charges. SoCalGas may issue a bill for daily balancing standby rate charges on a weekly or bi-weekly basis if a customer or marketer delivers into the system less than 50 percent of its usage. Otherwise, daily balancing standby rate charges shall be included in the regular monthly bill. See Rate Schedule G-IMB and Rule 9.

**Transfers of Intrastate Curtailment Requirements** – Firm and interruptible noncore customers may make arrangements to transfer curtailment requirements. See Rule 23.

**State Regulatory Fee Exemption** – An electric generator that sells all or only a portion of its electricity production wholesale to an electric, gas, or steam public utility or the California Independent System Operator can apply for an exemption from all or a portion of its applicable charges under Rate Schedule G-SRF, Surcharge To Fund Public Utilities Commission Utilities Reimbursement Account. See Schedule G-SRF for more details.

**Other Services**

*(This section describes other types of services that are available to customers.)*

**Backbone Transportation Service Rights** – SoCalGas implemented a system of firm access rights on October 1, 2008 in compliance with Decision No. 06-12-031. This service, renamed BTS, was modified on October 1, 2011 in compliance with Decision 11-04-032. BTS enables customers and gas suppliers (including California gas producers) to hold firm and/or interruptible BTS rights at receipt points into the SDG&E/SoCalGas integrated gas transmission system and to transport gas to end-users, pooling contracts, SoCalGas' storage fields, and off-system. For more information, go to <http://www.socalgas.com/for-your-business/natural-gas-services/backbone.shtml>.

As a result of the October 1, 2008 implementation, a city-gate gas pricing point (Socal-Citygate) was created, in addition to the existing points such as the SoCal Border, Socal-Needles, Socal-



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Ehrenberg, and Social-WR. Pricing is published publicly with major market indices such as ICE and NGI.

**Unbundled Storage** – Customers may subscribe to SoCalGas’ gas storage capacity rights. Gas storage can be used to increase a customer’s service reliability, take advantage of seasonal fluctuations in gas prices, and provide increased flexibility in balancing a customer’s gas deliveries with the actual usage at its facility. SoCalGas offers varying-term services for gas inventory capacity, storage injection capacity, and storage withdrawal capacity, on a “firm” or “interruptible” basis. More information about our storage services can be found at <http://www.socalgas.com/for-your-business/ceh.shtml>

**Hub Services** – Customer may subscribe to park and loan services through SoCalGas’ Rate Schedule G-PAL. Gas parking is the temporary storage of gas on the Utility’s system and gas loaning is the temporary lending of gas from the Utility’s system. More information about our Hub services can be found at <http://www.socalgas.com/for-your-business/ceh.shtml>

**Off-System Gas Transportation Services** –Off-system delivery service (Rate Schedule G-OSD) became effective October 1, 2008 with the implementation of Decision No. 06-12-031. Off-system delivery service is the capability, on an interruptible basis, to deliver gas off the SoCalGas system to the Pacific Gas & Electric Company system. Such deliveries can be made from a BTS Contract, a city-gate pool agreement, or a SoCalGas unbundled storage account. For more information, go to <http://www.socalgas.com/regulatory/tariffs/tm2/pdf/G-OSD.pdf>.

Sometime in 2012, SoCalGas will 1) expand interruptible OSD to all other interstate and international pipeline interconnections on the SoCalGas and SDG&E systems; and 2) offer firm OSD service to all interstate and international pipeline interconnections under the terms specified in Decision No. 11-03-029. Upon implementation of Decision No. 11-03-029 OSD service deliveries will no longer be allowed from a BTS Contract. SoCalGas will notify the CPUC Energy Division at least 20 days in advance of the requested effective date.

**Electronic Bulletin Board** – Customers may elect to sign up for SoCalGas’ electronic information and gas management system, SoCalGas Envoy®. This system is designed specifically for transportation customers, their agents and contracted marketers to manage their gas supplies and imbalances on the SoCalGas system. With this software, a customer can submit its gas nominations, obtain allocated gas quantities, post its imbalance advertisements, submit its imbalance trades, obtain gas usage information for its facility, and view its storage inventory balances. Accessing the electronic bulletin board requires a software licensing agreement. See Rule 33.

**Gas Equipment Incentive Programs** – Through SoCalGas’ energy efficiency (EE), Optional Pricing Tariff (OPT), and Rule 38 programs, SoCalGas may be able to assist a customer in reducing its operating costs by helping the customer invest in certain high efficiency gas



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technologies and/or process improvements that save natural gas. Core residential, core non-residential, noncore commercial and noncore industrial customers are eligible for our EE programs. The OPT, Rule 38 program and some of the EE programs are incentive programs and require the customer to pre-qualify their project and execute an agreement prior to purchasing their equipment. Please verify the EE specific program requirements at <http://www.socalgas.com/energyefficiency/> before proceeding with your project.

**Self-Generation Incentive Program (SGIP)** – SoCalGas offers rebates to qualified customers who want to install on-site electric generation. In D. 11-09-015, the Commission modified Self-Generation Incentive Program (SGIP) to conform with Senate Bill (SB) 412, and established GHG reduction as the primary SGIP eligibility criteria. The same decision also expanded CHP technologies eligible for SGIP incentive to include internal combustion engine, microturbine, gas turbine, pressure reduction turbine, organic rankine cycle, fuel cell, and wind. Advanced energy storage technologies, either stand alone or paired with eligible CHP system, will also be eligible. In addition, customers may be eligible for additional incentives if they use onsite or in-state directed biogas in their SGIP systems. The SGIP handbook contains eligibility guidelines and can be viewed at <http://www.socalgas.com/business/selfGen/>.

**California Solar Initiative – Thermal (CSI-Thermal)** – SoCalGas is now offering rebates to residential, multi-family and commercial customers who install solar water heating units on their homes or businesses. Some restrictions apply, e.g., pool and spa heaters are excluded. The CSI-Thermal handbook contains eligibility guidelines and can be viewed at <http://www.socalgas.com/rebates/solar/webresources.html>.

**California Economic Development Assistance** – SoCalGas is able to offer enhanced assistance to customers or facilities that are searching for a new site location in California or are considering closing or moving their business or facility from California to another state. New or expanding noncore customers may also qualify for rate incentives if they participate as a member of a “Red Team” or its equivalent. These teams are formed by the California Trade & Commerce Agency in order to attract new business into the State or retain existing business. SoCalGas can assist in forming such teams.

**Access to the SoCalGas Pipeline System (Rule 39)** – SoCalGas provides nondiscriminatory open access to its system to any party for the purpose of physically interconnecting with SoCalGas and effectuating the delivery of natural gas, subject to the terms and conditions set forth in Rule 39 and the applicable provisions of SoCalGas’ other tariff schedules including, but not limited to, the gas quality requirements set forth in Rule 30, Section I. See Rules 30 and 39.



❖ **Safety Information**

**Customer Equipment for Receiving and Utilizing Gas:** Customers are responsible for furnishing, installing and keeping in good and safe condition all equipment, e.g., regulators, gas pipes, appliances, fixtures and apparatus, which may be required for receiving and utilizing gas from SoCalGas. See Rule 26. Customers' gas piping must meet all applicable federal and codes and standards. Customers should be aware of the potential hazards resulting from corrosion leakage of buried gas pipes and are reminded to maintain their gas pipes by having them periodically inspected for corrosion and leaks and by having any unsafe conditions repaired immediately. Qualified professionals such as plumber and heating contractors can assist in finding, inspecting and repairing buried pipes.

**Natural Gas Odorant and Odor Fade:** SoCalGas adheres to Department of Transportation (DOT) and California Public Utilities Commission (CPUC) rules and regulations regarding the odorizing of natural gas. SoCalGas adds an odorant to give natural gas a distinctive odor so leaks can be more readily detected. However, one should not rely on sense of smell alone to be alerted to a natural gas leak. There are a number of reasons why sense of smell might not be enough to alert one to the presence of natural gas. For example, some persons may not be able to detect the odor because they have a diminished sense of smell or are experiencing olfactory fatigue (temporary, normal inability to distinguish odor after a prolonged exposure to it). Some physical conditions, including common colds, sinus conditions, allergies, eating certain foods, inattentiveness, and the use of tobacco, alcohol, drugs and certain medications may also lessen the ability to smell the odor. In addition, the odor may be masked or hidden by other odors that are present, such as cooking, damp, musty or chemical odors. And, certain conditions in pipe and soil may cause "odor fade" - the loss of odorant so that it is not detectable by smell.

Odor fade results from physical and/or chemical processes which cause the loss of odorant in natural gas so that its distinctive odor may no longer be detectable by smell. The processes that cause odor fade include adsorption, absorption, oxidation, or any combination thereof. In gas piping systems, odor fade occurs predominantly in new steel pipe - steel pipe that has either been recently manufactured or which has not been previously used for odorized natural gas. Odor fade can also occur in previously used or existing gas pipe under certain conditions, such as where rust is present or when gas flow is limited or intermittent. Odor fade may also occur in pipe made of other materials. While it is often more pronounced in pipe installations of larger diameter and longer length, odor fade can also occur in smaller and shorter pipe configurations.

Care should be taken in the selection and use of pipe to be utilized in natural gas piping systems. Such systems should be designed and configured to ensure that there is a continuous flow of gas through the entire system. In addition, care should be taken in the



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construction of such systems or when fabricating gas pipe to prevent the introduction of substances, such as rust, moisture, liquids and pipe compounds that may contribute to odor fade. New pipeline installations or additions of new piping segments may require the odor conditioning of the pipe before being placed into service to prevent occurrences of odor fade. Odor conditioning should **ONLY** be performed by qualified gas professionals.

If a gas leak occurs in underground piping, the surrounding soil or fresh concrete can adsorb or oxidize the odorant so that the gas no longer has an odor. As a result, gas leaking from an underground pipe may not be detectable by smell.

**Purges and Other Planned Releases of Natural Gas:** Purging of gas lines, blow-downs and other planned releases of natural gas should **ONLY** be performed by qualified gas professionals. Such gas release operations should only be performed in well-ventilated areas or by safely venting the contents of gas lines and equipment to the outside atmosphere away from people, animals, structures and sources of ignition. All possible ignition sources should be identified and extinguished before and during such operations. Consider using gas detection equipment during all gas release operations to prevent gas from accumulating and creating a combustible or hazardous atmosphere. **DO NOT RELEASE THE CONTENTS OF A GAS LINE INTO A CONFINED SPACE.**

For more safety information, go to [socialgas.com/safety](http://socialgas.com/safety)

❖ **Other Issues of Interest**

**Open Seasons for Firm Gas Transmission Capacity in the Potentially Constrained Areas** – In 2013, open seasons will be held for the San Joaquin Valley and Rainbow Corridor potentially constrained areas. A Potentially Capacity-Constrained Area as defined in SoCalGas Rule No. 01: 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.

**Mandatory Reporting Requirements** - SoCalGas is required by the United States Environmental Protection Agency (EPA), under their greenhouse gas (GHG) mandatory reporting requirements (MRR) regulations, to provide them with customer data for facilities that receive over a certain volume of natural gas deliveries. SoCalGas first reported customer data in fall 2011, and will do so annually going forward. Customer information is considered as Confidential Business Information, pursuant to CPUC policy of maintaining customer information confidentiality. We also report annually to the California Air Resources Board (CARB) GHG emissions from sources owned by SoCalGas under their MRR regulation. Many larger customers are also subject to CARB's MRR regulation, and have been reporting their combustion GHG emissions to CARB. CARB amended the MRR regulation last year such that many smaller customers will have to start reporting their combustion GHG emissions.



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Customers added to the regulation will report in 2013 for their 2012 combustion GHG emissions.

In the event SoCalGas is required to provide customer-specific information by governmental agencies for these or other regulations, efforts shall be undertaken to ensure the confidential nature of that information consistent with law.

**Find out more** – If you would like to obtain more information on any of these programs, please contact your SoCalGas account representative or call 1-800-GAS-2000. You can also visit our website at [socalgas.com](http://socalgas.com) for SoCalGas' approved tariffs and for more safety information.