

SOUTHERN CALIFORNIA GAS COMPANY

NOTICE OF APPLICATION FOR THE REVIEW OF THE FIRM ACCESS RIGHTS SYSTEM AND ANTICIPATED INCREASE IN NATURAL GAS RATES APPLICATION NO. A.10-03-028

On March 29, 2010, Southern California Gas Company (SoCalGas®) filed an application (A.10-03-028) with the California Public Utilities Commission (CPUC) to assess how the Firm Access Rights (FAR) system is working and whether any changes or modifications are needed ("FAR update"). The FAR system enables natural gas market participants (including commercial and industrial customers, wholesale customers, gas suppliers and California gas producers) to hold access rights at receipt points on the SoCalGas natural gas transmission system. Access rights allow the holder priority in delivering their natural gas into the SoCalGas natural gas transmission system. A receipt point is the location where interstate natural gas pipelines deliver natural gas into the SoCalGas natural gas transmission system.

In approving the implementation of the FAR system, the CPUC directed SoCalGas to file its FAR update application 18 months after the initial FAR open season concluded. An open season is a process where natural gas market participants submit interest in obtaining the access rights to deliver their natural gas at a specific receipt point into the SoCalGas transmission system. Access rights are granted at the end of the open season process.

EFFECT ON GAS RATES AND BILLS

If this request is approved, the impact on a residential customer's monthly summer bill for 32 therms of gas will decrease by 9 cents/month, from \$37.71 to \$37.62/month. Based on a 12-month period, a residential customer's average monthly bill will decrease by 13 cents. The impact on each customer and customer class will vary depending on individual usage and the final decision.

If approved, the proposed change in rates for each customer class is as follows:

Customer Class	Increase (decrease)
Residential	(\$0.009)/therm
Core Commercial/Industrial	(\$0.008)/therm
NGV	(\$0.008)/therm
NonCore	(\$0.006)/therm
Access Rights	\$0.050 \$/dth/day

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FOR FURTHER INFORMATION

You may request additional information by writing to: Jeffery Salazar, 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 Web site at: www.socalgas.com/regulatory/cpuc.shtml.

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CPUC PROCESS

The CPUC may hold Evidentiary Hearings (EHs) whereby parties of record provide testimony and are subject to cross-examination before a CPUC Administrative Law Judge (ALJ). These hearings are open to the public, but only those who are formal parties of record can participate. The CPUC has its own court reporters who will record the comments of those formal parties of record participating in the EHs. The Division of Ratepayer Advocates (DRA) is an independent arm of the CPUC, created by the Legislature to represent the interests of all utility customers throughout the state to obtain the lowest possible rates for service consistent with reliable and safe service levels. DRA has a multi-disciplinary staff with expertise in economics, finance, accounting and engineering. After considering all proposals and evidence presented during the formal hearing process, the assigned ALJ will issue a proposed draft decision. When the CPUC issues a final decision on the application, it may adopt, amend or modify all or part of the ALJ's proposed decision as written. The CPUC's decision may be different than SoCalGas' formal request.

If you would like additional information or would like to attend these hearings, you can contact the Public Advisor's Office. You may also send your comments to the Public Advisors' address, 320 West 4th St., Ste. 500, Los Angeles, CA 90013 or send an e-mail to:

public.advisor.la@cpuc.ca.gov.

Any correspondence received will become part of the formal file in this application. Please reference Application No. A.10-03-028 in any correspondence.



Southern
California
Gas Company

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