

SOUTHERN CALIFORNIA GAS COMPANY

NOTICE OF FILING OF LOW-INCOME PROGRAM

APPLICATION NO. A.08-05-025

On May 15, 2008, Southern California Gas Company (SoCalGas®) filed with the California Public Utilities Commission (CPUC or Commission) its request for approval of proposed funding of Program Years 2009-2011 for the Low-Income Energy Efficiency (LIEE) Program and administrative costs associated with the California Alternate Rates for Energy Program (CARE). These programs are directed at assisting qualified low-income customers with their energy bills and helping customers use energy more efficiently. SoCalGas seeks approval to expend up to \$59.886 million, \$72.332 million and \$73.772 million for 2009, 2010 and 2011, respectively. In 2009, SoCalGas is proposing to use \$13.0 million in unspent funds to partially offset the increase in the requested expenditures which has the net effect of reducing the 2009 dollar amount to \$46.886 million for ratemaking purposes.

If the Commission approves the 2009-2011 LIEE and CARE proposed budgets net of the use of the unspent funds for 2009, SoCalGas will adjust rates to reflect authorization of increased costs. Gas rates will increase by \$8.961 million in 2009, by \$34.407 million in 2010 and by \$35.847 million in 2011, compared to present rates to fully fund the 2009-2011 programs authorized by the Commission. SoCalGas requests that the proposed gas rate and revenue requirement increase become effective on January 1, 2009, or as soon thereafter as possible.

The tables below show the 2009-2011 gas rate impacts compared to present rates for only the proposed Public Purpose Program (PPP) surcharge portion of the total bill.

(Continued inside)

SoCalGas
Low-Income Programs - Gas
PPP Surcharge Class Average Rate Changes
2009

Customer Class	CARE Customers			Non-CARE Customers		
	2008	2009	% Change	2008	2009	% Change
(a)	¢/th (b)	¢/th (c)	% (d)	¢/th (e)	¢/th (f)	% (g)
<u>Core</u>						
Residential	2.695	3.050	13%	5.074	5.762	14%
Commercial/Industrial	4.001	3.825	-4%	6.380	6.537	2%
Natural Gas Vehicle	N/A	N/A	N/A	2.379	2.712	14%
<u>Noncore</u>						
Commercial/Industrial	N/A	N/A	N/A	2.807	3.121	11%

SoCalGas
Low-Income Programs - Gas
PPP Surcharge Class Average Rate Changes
2010

Customer Class	CARE Customers			Non-CARE Customers		
	2008	2010	% Change	2008	2010	% Change
(a)	¢/th (b)	¢/th (c)	% (d)	¢/th (e)	¢/th (f)	% (g)
<u>Core</u>						
Residential	2.695	4.040	50%	5.074	6.756	33%
Commercial/Industrial	4.001	3.825	-4%	6.380	6.541	3%
Natural Gas Vehicle	N/A	N/A	N/A	2.379	2.716	14%
<u>Noncore</u>						
Commercial/Industrial	N/A	N/A	N/A	2.807	3.125	11%

**SoCalGas
Low-Income Programs - Gas
PPP Surcharge Class Average Rate Changes
2011**

Customer Class	CARE Customers			Non-CARE Customers		
	2008	2011	% Change	2008	2011	% Change
(a)	¢/th (b)	¢/th (c)	% (d)	¢/th (e)	¢/th (f)	% (g)
<u>Core</u>						
Residential	2.695	4.092	52%	5.074	6.811	34%
Commercial/Industrial	4.001	3.825	-4%	6.380	6.544	3%
Natural Gas Vehicle	N/A	N/A	N/A	2.379	2.718	14%
<u>Noncore</u>						
Commercial/Industrial	N/A	N/A	N/A	2.807	3.127	11%

The average monthly residential bill of 46 therms will change from \$27.21 at present rates to \$27.50 in 2009, \$27.95 in 2010 and \$27.98 in 2011, respectively. This represents a 3% increase over the three-year program period.

THE CPUC WILL HOLD EVIDENTIARY HEARINGS

The CPUC may hold evidentiary hearings at which the parties of record present their proposals in testimony and are subject to cross-examination before an Administrative Law Judge. These hearings are open to the public, but only those who are parties of record can present evidence or cross-examine witnesses during the evidentiary hearings. After considering all evidence presented, the Commission will issue a decision. The Commission may approve expenditures that differ from those we request. The actual rates may result in changes greater or less than those described in this notice.

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If you would like to participate in the hearings and need assistance, or if you would like to send comments to the Commission, you may write to the Commission's Public Advisor's Office, 320 West Fourth St., Suite 500, Los Angeles, CA 90013 or send an e-mail to: public.advisor.la@cpuc.ca.gov. Any letters received from you will be circulated to each Commissioner and will become part of the formal correspondence file in this application. In your letter, state that your comments are regarding Application No. A.08-05-025.

FOR FURTHER INFORMATION

You may request additional information or obtain a copy of the application and related exhibits by writing to: J. Yamagata, Southern California Gas Company, 8330 Century Park Court, CP32D, San Diego, CA 92123. This application may be inspected at the SoCalGas business office, 555 West 5th St., Los Angeles, CA 90013.

SoCalGas' application and attachments may also be inspected at the CPUC office located at 320 West Fourth St., Suite 500, Los Angeles, CA 90013.

Copies of this application and of this insert are available on the SoCalGas Web site at www.socalgas.com/regulatory/cpuc.shtml.

Copies of this insert will be available for viewing and printing on the SoCalGas Web site at www.socalgas.com/regulatory.

