

# SOUTHERN CALIFORNIA GAS COMPANY

## NOTICE OF PROPOSED GAS RATE INCREASE

### APPLICATION NO. A.04-05-008

On May 3, 2004, Southern California Gas Company (SoCalGas) filed an application with the California Public Utilities Commission (CPUC) requesting an increase in gas rates to pay for shareholder incentives related to performance of SoCalGas' Demand-Side Management (DSM) programs in 1994 and 1999, and Low-Income Energy Efficiency (LIEE) programs in 2002 and 2003. These programs are CPUC-authorized activities directed at helping customers to use energy more efficiently.

The shareholder incentive award is based upon CPUC-approved formulas that determine shareholder awards and penalties that reflect SoCalGas' performance of these programs in promoting energy savings. If approved, the total incentive award SoCalGas is now requesting will result in an overall increase in gas rates of \$1,321,302 beginning January 1, 2005.

### WHAT THESE CHANGES WILL MEAN TO CUSTOMERS

If the gas rate increase requested is approved by the CPUC, as of January 1, 2005, the average monthly summer bill of a residential customer consuming 32 therms of gas per month will increase by approximately \$0.01 and the average monthly winter bill of a residential customer consuming 70 therms of gas per month will increase by approximately \$0.03. This is an increase of 0.04% in the average monthly gas bill. The percentage shown does not necessarily reflect the changes that you may see in your bill. Changes in individual bills vary with how much gas each customer uses. The change in gas rates will be spread across customer classes as follows:

#### Proposed Gas Rate Increase

<u>Customer Class</u>	<u>Proposed Rate Increase (Cents/Therm)</u>	<u>Percentage Rate Increase</u>	<u>Proposed Revenue Increase (\$000)</u>	<u>Percentage Revenue Increase</u>
<b>CORE<sup>1</sup></b>				
Residential	0.039	0.088%	\$995	0.088%
Commercial/Industrial	0.039	0.133	326	0.133
<b>NONCORE<sup>2</sup></b>				
Commercial/Industrial	0	0	0	0
Electric Generation	0	0	0	0
Wholesale	0	0	0	0
International	0	0	0	0
<b>PPP Surcharge</b>	N/A	N/A	N/A	N/A

<sup>1</sup> Core Customers are customers that generally use less than 20,800 therms of gas per month.

<sup>2</sup> Noncore Customers are customers that generally use more than 20,800 therms of gas per month.

SoCalGas requests that the proposed gas rate and revenue requirement increase become effective on January 1, 2005, or as soon thereafter as possible.

*(Continued on back)*

## THE CPUC MAY HOLD EVIDENTIARY HEARINGS

The CPUC may hold evidentiary hearings on this application. At the hearings, SoCalGas, the CPUC's independent Office of Ratepayer Advocates (ORA) and other interested parties give testimony. Parties may offer proposals to the CPUC that differ from those that SoCalGas presents. After considering all evidence presented, the CPUC will issue a decision on this application. The actual rates approved by the CPUC may be different from those originally requested by SoCalGas.

## EVIDENTIARY HEARINGS ARE OPEN TO THE PUBLIC

If you wish to participate in the evidentiary hearings and need advice on how to do so, if you would like to receive information on the location and schedule of the evidentiary hearings or if you would like to submit written comments, please write to the CPUC's Public Advisor at the following address:

Public Advisor, California Public Utilities Commission  
320 West 4th Street, Suite 500, Los Angeles, CA 90013

E-mail: [public.advisor.la@cpuc.ca.gov](mailto:public.advisor.la@cpuc.ca.gov)

Mention that you are writing about Application No. A.04-05-008. The Public Advisor will give your letter to the Commissioners, ORA staff and the Administrative Law Judge assigned to the case. Your letter will become part of the formal correspondence file. If you have a question or need further information, please state in your letter that you would like a response. Otherwise, no reply will be sent.

## FOR FURTHER INFORMATION

For further information about this application, or to request a copy of the application and attachments, you may write to: J. Yamagata, Regulatory Manager for Southern California Gas Company, 8330 Century Park Court, San Diego, CA 92123-1550.

You may also view a copy of the application at SoCalGas' headquarters, located at: 555 West Fifth Street, Los Angeles, CA 90013-1011. The application may also be inspected at the CPUC offices located as follows:

### In San Diego at:

1350 Front Street  
Room 4006  
San Diego, CA 92101

### In Los Angeles at:

320 West 4th Street  
Suite 500  
Los Angeles, CA 90013

### In San Francisco at:

505 Van Ness Avenue  
San Francisco, CA 94102

Copies of this insert will be available for viewing and printing on the SoCalGas Web site at [www.socalgas.com/regulatory](http://www.socalgas.com/regulatory).



The  
Gas  
Company