

SOUTHERN CALIFORNIA GAS COMPANY

NOTICE OF FILING ENERGY-EFFICIENCY

APPLICATION NO. A.08-07-022

On July 21, 2008, Southern California Gas Company (SoCalGas®) filed with the California Public Utilities Commission (CPUC or Commission) a request for approval of its 2009-2011 energy efficiency programs and budgets. The proposed energy efficiency program portfolio is designed to provide energy efficiency programs and services to SoCalGas customers, help reduce their gas usage and achieve the utility's energy savings and demand reduction goals established in Decision 04-09-060. SoCalGas seeks approval of funding in the amounts of \$75.964 million, \$78.914 million and \$81.745 million for 2009, 2010 and 2011, respectively. The current funding level for these programs is \$73.781 million.

If the Commission approves the 2009-2011 energy efficiency program budgets, SoCalGas will adjust the Public Purpose Program (PPP) surcharge on customer bills to reflect authorization of increased costs. Only the surcharge will be affected because energy efficiency costs are collected in the surcharge and not in transportation or procurement rates.

The tables below show the 2009 through 2011 PPP surcharge rate impacts compared to present rates.

Southern California Gas Company Energy Efficiency - 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)
Core						
Residential	2.695	2.677	-1%	5.074	5.056	0%
Commercial/Industrial	4.001	3.944	-1%	6.380	6.324	-1%
Gas Air Conditioning	4.173	4.113	-1%	6.553	6.492	-1%
Gas Engine	N/A	N/A	N/A	6.505	6.446	-1%
Natural Gas Vehicle	N/A	N/A	N/A	2.379	2.379	0%
Noncore						
Commercial/Industrial	N/A	N/A	N/A	2.807	2.802	0%

Southern California Gas Company Energy Efficiency - 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)
Core						
Residential	2.695	2.723	1%	5.074	5.102	1%
Commercial/Industrial	4.001	4.092	2%	6.380	6.471	1%
Gas Air Conditioning	4.173	4.269	2%	6.553	6.649	1%
Gas Engine	N/A	N/A	N/A	6.505	6.600	1%
Natural Gas Vehicle	N/A	N/A	N/A	2.379	2.379	0%
Noncore						
Commercial/Industrial	N/A	N/A	N/A	2.807	2.816	0%

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Southern California Gas Company

Energy Efficiency - 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)
Core						
Residential	2.695	2.767	3%	5.074	5.146	1%
Commercial/Industrial	4.001	4.233	6%	6.380	6.612	4%
Gas Air Conditioning	4.173	4.420	6%	6.553	6.799	4%
Gas Engine	N/A	N/A	N/A	6.505	6.748	4%
Natural Gas Vehicle	N/A	N/A	N/A	2.379	2.379	0%
Noncore						
Commercial/Industrial	N/A	N/A	N/A	2.807	2.831	1%

The average monthly residential bill (including the surcharge, transportation and core procurement charges) of 46 therms will change from \$62.22 at present rates to \$62.21 in 2009, \$62.23 in 2010 and \$62.25 in 2011. This represents a 0.1% increase over the three-year program period.

THE CPUC MAY 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 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.

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, 320 West 4th St., Suite 500, Los Angeles CA 90013, or by 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.08-07-022.

FOR FURTHER INFORMATION

You may request additional information or obtain a copy of the application and related exhibits by writing to: Joy Yamagata, Regulatory Manager for SoCalGas, 8330 Century Park Court, San Diego, CA 92123. SoCalGas will provide a copy of the application, including testimony, upon request. A copy of the application and any amendments 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 505 Van Ness Ave., San Francisco, CA 94102.

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 <http://www.socalgas.com/myaccount/regulatory.html>.

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