

**AMENDED APPLICATION OF
SOUTHERN CALIFORNIA GAS COMPANY
NOTIFICATION OF FILING OF ENERGY EFFICIENCY PROGRAM
APPLICATION NO. A. 08-07-022
REPLACES ORIGINAL FILED APPLICATION 08-07-022 FILED
JULY 21, 2008 IN ITS ENTIRETY**

On March 2, 2009, Southern California Gas Company (SoCalGas[®]) filed an amended request for approval of its 2009-2011 energy efficiency (EE) programs and budgets. The proposed filing 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 by the CPUC. SoCalGas in its amended filing presents a CPUC mandated program scenario that incorporates revisions in response to various CPUC directives. The amended filing also presents for CPUC review a program portfolio that incorporates the utility's preferred scenario. The presentation of a preferred scenario is permitted by CPUC ruling dated October 30, 2008, in Application 08-07-021 et al. The 3-year funding levels proposed by SoCalGas for the mandated and preferred scenarios is \$541.927 million and \$273.265 million, respectively.

SoCalGas will adjust the Public Purpose Program (PPP) surcharge on customer bills to reflect authorization of increased costs. The increased costs for 2010 will also include a true-up of the authorized 2009 bridge funding revenue requirement adopted in Decision 08-10-027 offset by a portion of any available overcollections recorded in its balancing accounts for program years prior to 2009. The remaining balancing account overcollections will be used to reduce the increased costs for 2011. Only the surcharge will be affected because energy efficiency costs are collected in the surcharge and not in transportation or procurement rates. Under the mandated scenario, gas rates will increase by \$143.211 million in 2010 and increase by \$94.206 million in 2011, as compared to present rates. Gas rates will decrease by \$13.297 million in 2010 and decrease by \$17.948 million in 2011 as compared to present rates under the preferred scenario. The tables on the next page show the 2010 through 2011 mandated and preferred gas PPP surcharge rate impacts compared to present rates.

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**Southern California Gas Company
Energy Efficiency
PPP Surcharge Class Average Rate Changes
2010**

Customer Class (a)	CARE Customers			Non-CARE Customers		
	2009 ¢/th (b)	2010 ¢/th (c)	% Change % (d)	2009 ¢/th (e)	2010 ¢/th (f)	% Change % (g)
Core						
Residential						
Mandated	3.706	5.949	60.5%	6.384	8.626	35.1%
Preferred	3.706	3.498	-5.6%	6.384	6.176	-3.3%
Commercial/Industrial						
Mandated	4.455	11.550	159.3%	7.132	14.227	99.5%
Preferred	4.455	3.796	-14.8%	7.132	6.474	-9.2%
Gas Air Conditioning						
Mandated	5.429	14.243	162.4%	8.107	16.921	108.7%
Preferred	5.429	4.611	-15.1%	8.107	7.288	-10.1%
Gas Engine						
Mandated	N/A	N/A	N/A	7.096	14.236	100.6%
Preferred	N/A	N/A	N/A	7.096	6.434	-9.3%
Natural Gas Vehicle						
Mandated	N/A	N/A	N/A	2.678	2.678	0.0%
Preferred	N/A	N/A	N/A	2.678	2.678	0.0%
Noncore						
Commercial/Industrial						
Mandated	N/A	N/A	N/A	3.162	3.888	23.0%
Preferred	N/A	N/A	N/A	3.162	3.094	-2.1%

**Southern California Gas Company
Energy Efficiency
PPP Surcharge Class Average Rate Changes
2011**

Customer Class (a)	CARE Customers			Non-CARE Customers		
	2009 ¢/th (b)	2011 ¢/th (c)	% Change % (d)	2009 ¢/th (e)	2011 ¢/th (f)	% Change % (g)
Core						
Residential						
Mandated	3.706	5.181	39.8%	6.384	7.859	23.1%
Preferred	3.706	3.425	-7.6%	6.384	6.103	-4.4%
Commercial/Industrial						
Mandated	4.455	9.122	104.8%	7.132	11.799	65.4%
Preferred	4.455	3.566	-20.0%	7.132	6.243	-12.5%
Gas Air Conditioning						
Mandated	5.429	11.227	106.8%	8.107	13.905	71.5%
Preferred	5.429	4.324	-20.3%	8.107	7.002	-13.6%
Gas Engine						
Mandated	N/A	N/A	N/A	7.096	11.793	66.2%
Preferred	N/A	N/A	N/A	7.096	6.202	-12.6%
Natural Gas Vehicle						
Mandated	N/A	N/A	N/A	2.678	2.678	0.0%
Preferred	N/A	N/A	N/A	2.678	2.678	0.0%
Noncore						
Commercial/Industrial						
Mandated	N/A	N/A	N/A	3.162	3.640	15.1%
Preferred	N/A	N/A	N/A	3.162	3.071	-2.9%

The average monthly residential bill (including the surcharge, transportation and core procurement charges) of 46 therms will change from \$55.81 at present rates to \$56.84 in 2010 and \$56.49 in 2011 under the mandated scenario. Under the preferred scenario, the monthly residential bill will change from \$55.81 at present rates to \$55.72 in 2010 and \$55.68 in 2011.

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

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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 CPUC will issue a decision. The CPUC 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 CPUC, you may write to the CPUC'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: J. 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 www.socalgas.com/myaccount/regulatory.html.

