

Rule No. 01
DEFINITIONS

Sheet 1

The following are definitions of the principal terms used in these tariff schedules.

Agent Marketer (Agent): Agents are individuals, companies or consortiums that are appointed by noncore customers to act on their behalf in activities such as the purchasing, nominating and balancing of gas supplies. As an example, however, Agents bear no financial responsibility for the transportation imbalances incurred by the customers they represent.

Aggregator: See Energy Service Provider (ESP).

Alternate Fuel: Any fuel, gaseous, liquid, or solid, that may be used in lieu of natural gas. Electricity shall not be considered as an alternate fuel for purposes of conversion.

Alternate Fuel Capability: Alternate fuel facilities installed, permitted and capable of use on a sustained basis, excluding those uses exempted by Section 2773.5 of the California Public Utilities Code.

Alternate Gas Transportation Service Provider: Entity other than the Utility that transports natural gas to the customer's facility.

Annual Firm Withdrawal: Storage withdrawal service that is available every day of the storage year except for core emergencies, force majeure, or scheduled maintenance outages.

Appliance: Approved (e.g. AGA listed) and essential gas fired equipment.

Applicant: Person, agency, or entity requesting the Utility to supply natural gas service.

Application: Request to the Utility for natural gas service; not an inquiry as to the availability or charges for such services.

Balancing Account: Account in which expenses are compared with actual revenues derived from rates designed to recover those expenses. Any resulting over- or undercollection, plus interest, is due to or owed from ratepayers, respectively. Account balances are amortized in future rates, as approved by the Commission.

Balancing Service: Best-efforts service to accommodate imbalances between actual Customer usage and Customer-owned gas delivered to the Utility.

Baseline: A rate structure mandated by the California Legislature that ensures all residential customers are provided a minimum necessary quantity of gas at the lowest possible cost.

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(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3818-A
DECISION NO. 07-12-019

ISSUED BY
Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED May 12, 2008
EFFECTIVE Jul 18, 2008
RESOLUTION NO. _____

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(Continued)

Billing Cycle: The regular periodic interval for reading a Customer's meter for billing purposes. Usually meters are scheduled to be read monthly.

Branch Service: Service that is not connected to a natural gas main and has another service as its source of supply.

British Thermal Unit (Btu): The standard unit for measuring a quantity of thermal energy. One Btu equals the amount of thermal energy required to raise the temperature of one pound of water one degree Fahrenheit and is exactly defined as equal to 1,055.05585262 joule, rounded to 1,055.056 joule. (A joule is equal to one watt-second.)

Brokerage Fee: Fee charged to customers who procure supply directly from the Utility to cover gas purchasing expenses.

Burn: Natural gas usage as measured by electronic metering or an estimated quantity such as Minimum Daily Quantity (MinDQ) for purposes of compliance with winter delivery requirements as specified in Rule No. 30.

Buyback Rate: Rate applicable to excess imbalance volumes of gas as specified in the Utility's rate schedules. Rate shall generally be the lower of either 1) the Utility's lowest incremental cost of gas; or 2) 50% of the weighted average cost of gas of the applicable gas supply portfolio.

Bypass: Any situation where a customer of the Utility is already connected to, or becomes connected to, an alternate gas supply source or an Alternate Gas Transportation Service Provider. Customers whose only Bypass fuel is one or more of the following shall not be considered a Bypass customer: a) Gas received by Customer that does not meet typical interstate pipeline gas quality specifications or those set forth in the Utility's Rule No. 30, b) Gas that is a product of the oil refining process, c) Gas that is produced and consumed within the service territory of a wholesale customer, or d) digester/landfill gas.

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California Alternate Rates for Energy (CARE) Program: CPUC program that offers reduced rates to qualified low-income customers. Household income of customers qualifying for CARE assistance shall not exceed 200% of the Federal poverty level as established by the CPUC and set forth in the applicable Utility rate schedules. CARE Program was previously known as the Low-Income Ratepayer Assistance (LIRA) Program.

Cogeneration: Sequential use of energy for the production of electrical and useful thermal energy. Sequence can be thermal use followed by power production or the reverse, subject to the following standards: (a) At least 5 percent of the facility's total annual energy output shall be in the form of useful thermal energy. (b) Where useful thermal energy follows power production, the useful annual power output plus one-half the useful annual thermal energy output equals not less than 42.5 percent of any natural gas and oil energy input.

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(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 4047
 DECISION NO. 09-11-006
 2C17

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Dec 8, 2009
 EFFECTIVE Feb 1, 2010
 RESOLUTION NO. _____

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Commission: Public Utilities Commission of the State of California, sometimes referred to as the Public Utilities Commission (PUC) or the California Public Utilities Commission (CPUC).

Company: See Utility.

Company's Operating Convenience: Use, under certain circumstances, of facilities or practices not ordinarily employed which contribute to the overall efficiency of the Utility's operations; term does not refer to customer convenience nor to the use of facilities or adoption of practices required to comply with applicable laws, ordinances, rules, regulations, or similar requirements of public authorities.

Conservation Meter: Meter to identify conservation applications to calibrate process equipment; to account for fuel and energy invested in a process, a production run, or the like. Not to be used for billing purposes.

Consumer Equipment: All equipment for receiving and utilizing gas from the Company, including, but not limited to, any and all pipes, gas related fixtures, and gas-burning appliances downstream of the Service Delivery Point.

Consumer Price Index (CPI): Index as published in the Bureau of Labor Statistics, "Los Angeles--Long Beach--Anaheim Metropolitan Area Consumer Price Indexes".

Contract Quantity, Annual: Annual natural gas quantity contracted for delivery during each contract year. Quantity is based on the customer's historical usage or negotiated on the basis of the customer's operational forecast.

Contract Quantity, Daily (DCQ): Annual average natural gas quantity contracted for delivery, stated on a daily basis. The DCQ is based on historical consumption or forecasted consumption and is set forth in the applicable service agreement. For a Marketer's or Aggregator's end-users, this quantity is the basis for establishing credit with the Utility. The DCQ calculation for Aggregators participating in the Core Aggregation Transportation Program is defined in Rule No. 32.

Contract Quantity, Monthly: Monthly natural gas quantity contracted for delivery during each contract month as set forth in the customer's applicable service agreement. Quantity is based on the customer's historical usage or negotiated on the basis of the customer's operational forecast.

Contracted Marketer: Contracted Marketers are individuals, companies or consortiums that arrange for natural gas procurement-related activities on behalf of noncore customers. Contracted Marketers must enter into a contract with SoCalGas and meet certain credit requirements. They must comply with Rules 30 and 35 and all other tariffs which address the transportation and management of customer-owned gas.

Core Service: Service to end-use Priority 1 or Priority 2A as set forth in Rule No. 23.

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(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3977-B
 DECISION NO.

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Feb 26, 2010
 EFFECTIVE Mar 28, 2010
 RESOLUTION NO. _____

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Core Subscription Service: Utility natural gas procurement service available to noncore customers. Core subscription service is subject to special conditions as identified in the customer's applicable rate schedule. Core subscription service has been discontinued pursuant to Decision 01-12-018 effective December 1, 2003.

Core Transportation Aggregator (CTA): See Energy Service Provider (ESP).

Critical Customer: Customer facility where the interruption of natural gas service would cause a danger to human life, health or safety, and includes customers such as hospitals, other state-licensed health care facilities, medical research facilities, medical facilities at military installations and detention facilities, municipal water pumping plants and sanitation facilities.

Cross-Over Rate: Procurement rate authorized in D.02-08-065 that is comprised of: (1) the higher of the weighted average estimated cost of gas (WACOG) for the current month, derived in the manner set forth in D.98-07-068, plus any adjustments for over- or under-collection balance in the Core Purchased Gas Account (CPGA) as defined and approved in D.98-07-068, or the Adjusted Border Price; (2) authorized franchise fees and uncollectible expenses; and (3) authorized core brokerage fee. The Border Price is equal to the average of the first of the month "Southern Cal Border Avg." index from Natural Gas Intelligence and the "Bid Week, California-South, Delivered to Pipeline" index from Natural Gas Week. The Adjusted Border Price is equal to the Border Price, plus access charges as described in D.06-12-031.

Cubic Foot of Gas: The quantity of gas that, at a temperature of sixty (60) degrees Fahrenheit and a pressure of 14.73 pounds per square inch absolute, occupies one cubic foot.

Curtailement: Utility initiated suspension of natural gas service. Utility may temporarily reduce the quantity of gas it will transport or deliver or may terminate service entirely for certain service categories as needed for operational requirements.

Customer: Person or entity in whose name service is rendered as evidenced by the signature on the application, contract, or agreement for that service, or in the absence of a signed instrument, by the receipt and payment of bills regularly issued in their name.

Customer-Owned Gas: Natural gas transported by the Utility for customer's own use where title to such natural gas is held by the Utility customer or third party and is not a part of the Utility-owned system supplies.

Daily Forecast Quantity: A forecast of core customer daily usage as provided by the Utility's Demand Forecasting Group (in the Regulatory Affairs department) using a consistent daily load forecast equation, and will be developed no sooner than two hours before the start of flow day. Weather forecasts input into the equation will be from an independent third party and the most current available as of 5:00 a.m. of flow day.

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(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 4238
DECISION NO.

4C10

ISSUED BY

Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED May 4, 2011
EFFECTIVE Jun 3, 2011

RESOLUTION NO. _____

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DEFINITIONS

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Day: Period commencing at 12:00 midnight (Pacific time) on any calendar day and ending at 12:00 midnight (Pacific time) on the next succeeding calendar day.

DCQ: See Contract Quantity, Daily.

Decatherm: Ten therms or 1,000,000 British thermal units (MMBtu).

Direct Access (DA): Any end-use Utility customer electing to procure its natural gas, and any other CPUC-authorized energy services, directly from energy service providers (ESP).

Direct Access Service Request (DASR): Request for enrollment, termination, or other change under the Core Aggregation Transportation (CAT) program. The DASR transaction outlined in Rule No. 32 was implemented pursuant to CPUC D.98-02-108.

Displacement Receipt Point Capacity: Utility pipeline system improvements which increase the take-away capacity from a receipt point but do not increase the overall downstream capacity of the Utility's backbone transmission system. The addition of Displacement Receipt Point Capacity increases the ability of the Utility to receive gas from a particular receipt point or zone in competition with other gas supplies delivered into the system.

Electric Generation: Use of natural gas to generate electricity, either directly or indirectly, including natural gas used for cogeneration or solar electric generation projects.

Electric Generation Startup and Igniter Fuel: Electric generation natural gas use where no alternate fuel capability exists for: (1) heating the boiler system adequately during start-up to enable efficient oil burning to meet pollution standards; and (2) insuring continuous-ignition and flame-stabilization within the boiler.

Electronic Billing: An option that customers can elect whereby the Utility provides billing information to the customer by means of a computer network such as the Internet or in a form to be used by a computer or similar electronic device to destinations mutually agreed upon between Utility and the customer, such as the Utility's web page, or a home banking, bill aggregator or financial institution website.

Electronic Bulletin Board (EBB): Southern California Gas' Internet based electronic gas transactions and information management computer system. Current trademarked name is SoCalGas' Envoy.

Electronic Bulletin Board (EBB) User: The customer's employee, agent or contractor who has been authorized to access the Utility's EBB on Form 6800 and is authorized to perform transactions and obtain information on behalf of the customer.

Electronic Data Interchange (EDI): The sending and receiving of data and/or funds in a structured electronic format, commonly involving information technology and telecommunications technology.

Energy Service Provider (ESP): Individuals, companies or consortiums that arrange for natural gas procurement related activities (procurement, interstate transportation and balancing) on behalf of core customers. See Rule No. 32.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3977-B
DECISION NO.

ISSUED BY
Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Feb 26, 2010
EFFECTIVE Mar 28, 2010
RESOLUTION NO. _____

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Enhanced Oil Recovery (EOR): Operation which includes the use of natural gas to pressure, cycle, or inject a substance into a well for the purpose of increasing oil production from that well, specifically including natural gas used for cogeneration to promote these operations.

Enterprise: Business corporation, partnership, or sole ownership established for the purpose of engaging in a single business or commerce.

Equivalent Margin: Margin embedded in the Commission's rate design. Margin is the amount of revenue the Commission allows a utility to recover over a one-year period without consideration of fuel costs, Gas Exploration and Development Adjustments and Conservation Cost Adjustments.

Exchange Gas: Natural gas which is produced by a customer and redelivered under a natural gas exchange agreement by Utility to that same customer at a different location.

Expansion Receipt Point Capacity: Utility pipeline system improvements which increase the take-away capacity from a receipt point and the overall downstream capacity of the Utility's backbone transmission system.

Facility: Individual meter with the exception of meters combined for the Utility's operating convenience in accordance with Rule No. 14. Customers who have had more than one meter installed for their own convenience at their own request shall be treated as a separate facility with respect to each meter.

Feedstock Usage: Natural gas used as raw material for its chemical properties in creating an end product.

Force Majeure: Unanticipated events or conditions beyond the reasonable control of the party claiming Force Majeure which could not have been prevented by the exercise of due diligence. Force Majeure as it applies to the Tariff Rate Schedules specifically does not include required maintenance of customer's facilities, plant closures, economic conditions or variations in agricultural crop production.

Franchise Fees: Financial obligation collected from the customers by the Utility and remitted in whole to a city or a county government for the Utility's nonexclusive right to install and maintain equipment on that government's highway and street property, or public rights of way.

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(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 4047
DECISION NO. 09-11-006

ISSUED BY
Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Dec 8, 2009
EFFECTIVE Feb 1, 2010
RESOLUTION NO. _____

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Full Requirements Service: Full requirements service is an option for core subscription customers and firm intrastate transportation customers. Full requirements customers choose to have all of their fossil fuel requirements satisfied by natural gas. Full requirements customers may choose to procure their supplies from the Utility; transport their own supplies; or any combination of the two. Such customers are not subject to use-or-pay charges except to the extent that unauthorized alternate fuel use or bypass occurs. Full requirements customers are prohibited from using alternate fuels or bypass pipeline service except: (1) in the event of curtailment, (2) to test alternate fuel systems, (3) where the Utility has provided prior written authorization for the use of alternate fuels or bypass, (4) if using gas that is produced and consumed within the service territory of a wholesale customer, or (5) if using digester/landfill gas. Any fuel produced on-site by the customer can be used by the producer without penalty.

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Gas Engine Water Pumping: Natural gas engine used for water pumping in agricultural or agricultural-related operations for the growing of crops or the raising of fowl or animals within SoCalGas' service territory. In addition, any natural gas engine used for municipal water pumping for countercyclical or agricultural use.

Gas Service Provider (GSP): Supplier of natural gas to core or noncore customers including, but not limited to Energy Service Provider (ESP or Aggregator), Contracted Marketer, Agent or its equivalent title for SoCalGas, Pacific Gas & Electric Company, or San Diego Gas & Electric Company.

Gas Service Provider No Longer Offering Gas Service In California: GSP will be considered no longer offering gas service in California if the GSP does not provide natural gas to any customer facility on the system of SoCalGas, Pacific Gas & Electric Company or San Diego Gas & Electric Company, excluding those customers that serve as their own GSP.

Gas Supply: Supply of gas procured by Utility on behalf of its procurement customers and to meet its operational needs.

Heating Value: Number of Btus liberated by the complete combustion at constant pressure of one cubic foot of natural gas at a base temperature of sixty degrees Fahrenheit (60°F) and a pressure base of fourteen and seventy-three hundredths (14.73) psia, with air at the same temperature and pressure as the natural gas, after the products of combustion are cooled to the initial temperature of the natural gas, and after the water vapor of the combustion is condensed to the liquid state. The Heating Value of the natural gas shall be corrected for the water vapor content of the natural gas being delivered except that, if such content is seven (7) pounds or less per one million (1,000,000) cubic feet, the natural gas shall be considered to be dry.

Housing Project: Building or group of buildings located on a single premises and containing more than one family dwelling unit.

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(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 4047
 DECISION NO. 09-11-006

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Dec 8, 2009
 EFFECTIVE Feb 1, 2010
 RESOLUTION NO. _____

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DEFINITIONS

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Hub: Also California Energy Hub, refers to SoCalGas' area natural gas hub. Encompasses the various delivery points in California or at the California border at which some portion of a Hub Transaction may be effectuated by utilizing SoCalGas' facilities or some interconnection therewith.

Hub Delivery Point: Point on the Hub where SoCalGas shall deliver natural gas to any service user or for service user's account. Hub Transaction may require more than one delivery point.

Hub Displacement Delivery: Delivery or redelivery to a service user on an interruptible basis of natural gas received by SoCalGas pursuant to a "Wheeling Transaction" or a "Parking Transaction", when such redelivery occurs at a delivery point where either party has access to an interstate pipeline, but not a delivery point located on or interconnected with the pipeline facilities of SoCalGas as the ultimate delivery point. Displacement delivery is made in the direction contrary to the physical flow of gas in a pipeline facility.

Hub Receipt Point: Point on or off the Hub where SoCalGas shall receive natural gas from service user or for a service user's account in connection with a Hub Transaction. Hub Transaction may require more than one receipt point.

Hub Transaction: Either an interruptible Parking or Loaning-storage type transaction or a Wheeling transmission type transaction or other transactions approved and implemented from time to time.

Individually Metered Service: Service whereby each single family dwelling unit, each dwelling unit within a multi-family structure, or nonresidential occupancy, is separately metered and billed by the utility.

Industrial Use: Service to customers engaged primarily in a process which creates or changes raw or unfinished materials into another form or product.

Interruptible Storage Service: Injection or withdrawal storage service which is provided at times when firm storage capacity is not fully utilized.

Late Payment Charge: Charge that is added to offset the expenses created by late customer payments.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 4047
DECISION NO. 09-11-006

ISSUED BY
Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Dec 8, 2009
EFFECTIVE Feb 1, 2010
RESOLUTION NO. _____

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DEFINITIONS

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(Continued)

Life-Support Device: Medical device using Utility-supplied natural gas for its operation that is regularly required to sustain, restore, or supplant a vital function of a person residing in a residential unit. Term does not include apparatus or appliances used in a hospital or medical clinic, nor does it include therapeutic devices such as pool or tank heaters, saunas, or hot tubs.

Loaning Transaction: Utility advances or loans natural gas which is returned by service user delivering back to Utility an equivalent or greater natural gas quantity at the time(s) and location(s) specified in the Hub Transaction.

Log On ID: Identification code issued to an EBB User and used to authenticate identity, privileges and to establish communication and initiate interaction with the Utility's EBB.

Low-Income Ratepayer Assistance (LIRA) Program: See California Alternate Rates for Energy (CARE) Program above.

Mailed: Notice or other communication to the customer will be considered "mailed" when received into the customer's electronic mail box via electronic data interchange or when it is enclosed in a sealed envelope, properly addressed, and deposited in any authorized United States Postal Service receptacle, postage prepaid.

Main Extension: Length of main and its related facilities required to transport natural gas from the existing facilities to the point of connection with the service piping.

Marketer: Third party which accesses one or more interstate or intrastate pipeline systems for the purpose of transporting natural gas to Utility System on Marketer's own behalf or on the behalf of designated end-use customers.

Master-Metered Service: Service whereby the Utility installs a meter to register the consumption of two or more occupancies.

Maximum Daily Quantity (MDQ): Maximum daily quantity of natural gas that can be nominated for delivery to a customer's premises not served by an automated meter when the Utility institutes an excess nominations period. For noncore customers and core customers not served under core aggregation this is based on the equipment at the customer's facility. For ESP's the maximum daily quantity is equal to their DCQ.

Mcf/d: Thousands of cubic feet per day. Measure quantifies the amount of gas being consumed or transported on a daily basis.

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(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 4047
DECISION NO. 09-11-006

ISSUED BY
Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Dec 8, 2009
EFFECTIVE Feb 1, 2010
RESOLUTION NO. _____

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DEFINITIONS

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Memorandum Account: Account authorized by the Commission for the purpose of tracking certain costs and revenues. Each individual memorandum account may have specific accounting treatment applicable to that account.

Minimum Daily Quantity (MinDQ): Estimate of natural gas usage at a customer's premises not served by an automated meter for purposes of compliance with winter delivery requirements as specified in Rule No. 30.

Mobilehome: Structure designed as a residence, in one or more sections, and of width and length, which when moved over a public highway requires a special permit from the California Department of Transportation. They are located in mobilehome parks and residential lots in California where they comply with the requirements of the local ordinances for permanent housing. Mobilehomes first sold prior to July 1, 1980 are licensed by the California Department of Housing and Community Development. Mobilehomes first sold new on and after July 1, 1980, for installation as a residence, are all automatically subject to local property taxation.

Mobilehome Park: Area of land where two or more mobilehome sites are rented to accommodate mobilehomes used for permanent residency. Homeowner and mobilehome park management are subject to the Civil Code requirements of the "Mobilehome Residency Law". This law only applies to a mobilehome that requires a permit to be moved on a street or highway.

Multi-family Accommodation: Apartment building, duplex, mobile home park, or any other group of permanent residential single-family dwellings located upon a single premises, provided that the residential dwellings therein meet the requirements for a single-family dwelling or accommodation. Multi-family accommodation does not include hotels, motels, residential hotels, guest or resort ranches, marinas, tourist camps, recreational vehicle parks, campgrounds, halfway houses, rooming houses, boarding houses, institutions, dormitories, rest or nursing homes, convalescent or care facilities, military barracks, or any enterprise that includes or rents to either transient tenants or transient accommodations.

Net Usage: Customer's uncorrected billing period usage plus any adjustments from previous billing periods.

Noncore Distribution Level Service: Service to noncore customers not eligible for Transmission Level Service.

Noncore Service: Service to customers who are not assigned to end-use priority 1 or 2A as defined in Rule No. 23. Customers receiving noncore service must have Automated Meter Reading (AMR) equipment installed at customer's expense as a condition of noncore service.

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(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 4047
DECISION NO. 09-11-006

ISSUED BY
Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Dec 8, 2009
EFFECTIVE Feb 1, 2010
RESOLUTION NO. _____

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Off-System Customer: Marketer, broker, supplier or other entity contracting for off-system delivery services within California or bidding for storage on its own behalf for ultimate consumption outside the Utility's service territory within California.

Open Season: Designated time period in which a service election must be submitted to the Utility. Customers who do not submit their service election during the Open Season will receive default service, or will continue receiving current service election, if tariffs contain evergreen provisions.

Operational Hub Services: Interruptible park and loan Hub transactions provided by the Utility System Operator through the Utility's Rate Schedule G-PAL.

Paid or Payment: Funds received by Utility through postal service, Utility payment office, Utility authorized agent, or deposited in Utility bank account by electronic transfer.

Parking Transaction: Utility-received natural gas for service user's account for short-term interruptible storage.

Peak Day Minimum: Volume of gas in Utility storage inventory that provides deliverability for the core 1-in-35 year peak day event, firm withdrawal commitments and noncore balancing requirement. Peak day minimums are calculated annually as part of normal winter operations planning. Peak day minimums are specified in billion cubic feet (Bcf).

Peak Day Minimum + 5 Bcf Trigger: Volume of gas in Utility storage inventory at which customers are required to deliver on a daily basis 90% of burn as specified in Rule No. 30.

Peak Day Minimum + 20 Bcf Trigger: Volume of gas in Utility storage inventory at which customers are required to deliver on a daily basis 70% of burn as specified in Rule No. 30.

Peak-Day Volume: Customer's highest one-day usage over the specified time period.

Percentage of Default: Ratio that shall be determined on a monthly basis and shall be equal to:

- A. Customer's total (1) volumetric transportation charges, (2) demand charges or other non-volumetric transportation charges, (3) customer or facilities charges, and (4) CPUC Reimbursement Fee (Schedule No. G-SRF), under the applicable noncore service schedule for the immediate prior twelve-month period, divided by:
- B. Total of the above charges that would have applied if the customer were paying full-tariff rates for the same 12-month period.

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(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3977-B
DECISION NO.

ISSUED BY
Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Feb 26, 2010
EFFECTIVE Mar 28, 2010
RESOLUTION NO. _____

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Permanent Service: Service which, in opinion of the Utility, is of a permanent and established character. Customer's use of gas may be continuous, intermittent, or seasonal in nature.

Point(s) of Delivery: Place(s) where Utility delivers customer-owned natural gas to customer at its Facility.

Point(s) of Receipt: Place(s) where customer delivers, or has delivered on its behalf, natural gas into the Utility System.

Potentially Capacity-Constrained Area: Segments of the local transmission system in which customer requests for firm transportation service currently exceed, or within the next five years may exceed, available capacity. Such requests must be based on historical usage or evidence which substantiates expected incremental load.

Premises: All of the real property and apparatus employed in a single enterprise on an integral parcel of land undivided, excepting in the case of industrial, agricultural, oil field, resort enterprises and public or quasi-public institutions, by a dedicated street, highway or other public thoroughfare or a railway. Automobile parking lots constituting a part of and adjacent to a single enterprise may be separated by an alley from the remainder of the premises served.

Prime Mover: Machine which converts heat energy supplied by fuel into mechanical energy.

Priority: Classification assigned to all customers to be used in the event of curtailment as provided for in Rule 23.

Procurement Customer: Customer who receives both natural gas procurement and transportation services from the Utility.

Procurement Management Charge: Charges billed to ESPs participating in the Core Aggregation Transportation program that may arise from ESPs' management of procurement portfolios on behalf of customers served by the ESPs.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 4238
DECISION NO.

ISSUED BY
Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED May 4, 2011
EFFECTIVE Jun 3, 2011
RESOLUTION NO. _____

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DEFINITIONS

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Qualified Agricultural Employee Housing Facility: Migrant farmworker housing center provided pursuant to Section 50710.1(e) of the Health and Safety Code currently under contract to the Office of Migrant Services; privately-owned employee housing as defined by Section 17008 of the Health and Safety Code, that is licensed and inspected by state and/or local agencies pursuant to Part I (commencing with Section 17000) of Division 13 of the Health and Safety Code; or agricultural employee housing operated by nonprofit entities as defined by Subdivision (b) of Section 1140.4 of the Labor Code exempted from local property taxes pursuant to subdivision (g) of Section 214 of the Revenue and Taxation Code. All usage (100%) must be residential except for master-metered non-migrant agricultural employee housing operated by a nonprofit entity where at least 70% of the energy consumed must be used for residential purposes. Each resident household in the facility (except migrant and non-profit farm worker housing centers pursuant to AB 868) must meet the CARE income-eligibility standards; however, an employee operating and/or managing the facility who lives in it is not considered a resident household for purposes of determining eligibility.

Qualified Contractor/Subcontractor (QC/S): Applicant's contractor or subcontractor who: 1) Is licensed in California for the appropriate type of work such as, but not limited to, gas and general; 2) Employs workmen properly certified for specific required skills such as, but not limited to, plastic fusion and welding. Workmen shall be properly qualified; and 3) Complies with applicable laws such as, but not limited to, Equal Opportunity Regulations, OSHA and EPA.

Recreational Vehicle: Motor home, travel trailer, camper or camping trailer, with or without motive power, designed for recreational or emergency occupancy. Travel trailer or camping trailer may be moved on a public highway without a special permit or chauffeur's license. Recreational Vehicles are licensed by the Department of Motor Vehicles, and must comply with traffic laws.

Recreational Vehicle Park: Area or tract of land within an area zoned for recreational use; or a separate designated section within a mobilehome park. Lots are customarily occupied for temporary purposes (less than 30 days), and there is displayed in plain view a sign indicating that the recreational vehicle may be removed from the premises, for the reason specified in the Civil Code "Recreational Vehicle Park Occupancy Law". Sign must also contain the number of the local traffic law enforcement agency.

Red Team: Term referring to a California State-sponsored economic development effort whose principal goal is the creation and/or retention of business within the State of California. Red Teams typically consists of State and local governments, utilities and businesses who mobilize individuals and resources to negotiate, streamline and expedite the business retention, expansion or development process; identify and propose incentives; and recommend resolution of regulatory issues and requirements. Separate Red Teams are usually created for each project under the leadership or coordination efforts of the California Trade and Commerce Agency.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 4238
DECISION NO.

ISSUED BY
Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED May 4, 2011
EFFECTIVE Jun 3, 2011
RESOLUTION NO. _____

Rule No. 01
DEFINITIONS

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(Continued)

Refinery: (1) Establishments primarily engaged in producing gasoline, kerosene, distillate fuel oils, residual fuel oils, and lubricants, through fractionation or straight distillation of crude oil, redistillation of unfinished petroleum derivatives, cracking or other processes. Establishments of this industry also produce aliphatic and aromatic chemicals as byproducts; and (2) Establishments primarily engaged in hydrogen manufacturing for sale in compressed, liquid, and solid forms.

Residential Dwelling Unit: Group of rooms, such as a house, a flat, an apartment, or a mobilehome which provides complete single-family living facilities in which the occupant normally cooks meals, eats, sleeps, and carries on the household operations incident to domestic life.

Residential Hotel: Hotel establishment which provides lodging as a primary or permanent residence and has at least 50% of the units or rooms leased for a minimum period of one month and said units are occupied for nine months of the year. Residential hotels do not include establishments such as guest or resort hotels, resort motels or resort ranches, tourist camps, recreational vehicle parks, half-way houses, rooming houses, boarding houses, dormitories, rest homes, convalescent or care facilities, military barracks, or a house, apartment, flat or any residential unit which is used as a residence by a single family or group of persons.

Residential Use: Gas service for use at dwelling units, which includes service to residential units and mobile home units but does not include enterprises such as rooming houses, boarding houses, dormitories, rest homes, convalescent or care facilities, military barracks, stores, restaurants, service stations and other similar establishments. Also excluded are central heating plants serving a combination of residential and commercial uses where the commercial portion of the use is in excess of 100 Mcf per day or is more than 15% of the total natural gas requirements.

Rules: Tariff sheets which set forth the application of all rates, charges and service when such applicability is not set forth in and as a part of the rate schedules.

Seasonal Service: Permanent natural gas service to a facility which is utilized seasonally or intermittently, such as a seasonal resort, cottage or other part-time establishment.

Service: All pipe, valves and fittings from and including the connection at the main up to the service delivery point.

Service Delivery Point: Point where the utility's pipe connects to the customer's house line, usually the meter location.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 4238
DECISION NO.

ISSUED BY
Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED May 4, 2011
EFFECTIVE Jun 3, 2011
RESOLUTION NO. _____

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Sheet 17

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(Continued)

Submetered Service: Service from metering furnished, owned, installed, maintained, read and tested by the customer who is served through a master meter.

Summary Bill: Billing statement that includes charges for multiple service accounts.

Surface Repair: Replacement to the satisfaction of the Utility, appropriate governmental agency, or property owner, of existing asphalt, concrete, decorative surfaces, landscaping, etc., removed for trenching and/or construction purposes.

Tariff Schedules: Entire body of effective rates, rentals, charges, and rules collectively, of the Utility, as set forth herein, and including title page, preliminary statement, rate schedules, rules and sample forms.

Tariff Sheet: Individual sheet of the tariff schedules.

Temporary Service: Service for enterprises or activities which are temporary in character or where it is known in advance that service will be of limited duration. Service which, in the opinion of the Utility, is for operations of a speculative character or the permanence of which has not been established, also is considered temporary service.

Tenant: One who holds or possesses real estate (as a condominium) or sometimes personal property by any kind of right; one who has the occupation or temporary possession of lands or tenements of another; one who rents or leases (as a house or apartment) from a landlord.

Therm: Unit of measurement for billing purposes, nominally 100,000 Btu.

Third Party Gas: See Customer-Owned Gas.

Tolling Entity: An electric utility or State agency that contracts with an electric generator to convert natural gas into electricity.

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Tracking Account: Account which reconciles the difference between Commission-authorized forecasted costs and the Utility's recorded costs. Balances in the tracking accounts shall be reconciled in the revenue requirement in the Utility's next Biennial Cost Allocation Proceeding (BCAP) or other appropriate rate proceeding.

Transmission Level Service: Service to (1) noncore customers (noncore commercial/industrial, electric generation, enhanced oil recovery and international), as currently defined in the Utility's tariffs, that are served directly from the Utility's transmission system as established by the Utility's capital accounting records, (2) noncore electric generation customers who are served directly from the Utility's high pressure distribution system, are located within five miles of the nearest Utility transmission line, and whose average annual usage is equal to or greater than 50 million therms, (3) noncore customers who were previously classified by California Public Utilities Commission (CPUC) decision as transmission service level customers; (4) noncore customers served from a combination of the Utility's transmission and distribution systems on a single premises, (5) wholesale customers, and (6) customers who Bypass Utility service.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 4240
 DECISION NO. 11-04-032

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED May 6, 2011
 EFFECTIVE Jun 5, 2011
 RESOLUTION NO. _____

Rule No. 01
DEFINITIONS

Sheet 18

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(Continued)

Transportation: Receipt of gas purchased and owned by a customer into the Utility System at one or more points of receipt and the subsequent delivery of an equivalent quantity of natural gas to the customer at a mutually acceptable location (points of delivery) on the system.

Transportation Deliveries: Volume of gas delivered to the Utility to be transported for customer use.

UEG: Utility Electric Generation. Consumption of gas for the generation of electricity by a utility's power plants.

Utility: Southern California Gas Company (also referred to as "SoCalGas").

Utility Distribution Company (UDC): Entity which provides regulated services for the distribution of natural gas to all customers and provides natural gas procurement services to customers who do not choose direct access. See Utility.

Utility Gas Procurement Department: The applicable department within Southern California Gas Company and San Diego Gas & Electric Company responsible for the purchase of natural gas for core customers.

Utility System: Pipeline transmission and distribution system and related facilities located in California and operated by Utility.

Utility System Operator: The applicable departments within Southern California Gas Company and San Diego Gas & Electric Company that are responsible for the physical and commercial operation of the pipeline and storage systems specifically excluding the Utility Gas Procurement Department.

Utility Users Tax: Tax imposed by local governments on the Utility's customers. Utility is required to bill customers within the city or county for the taxes due, collect the taxes from customers, and then pay the taxes to the city or county.

Utility's Metered Service: See Individually Metered Service.

Wheeling Transaction: Interruptible receipt of natural gas at a point of interconnection on SoCalGas' pipeline system and the interruptible redelivery of such natural gas to the initial or other service user either at a point of interconnection on or with SoCalGas' pipeline system, or at a point off such system. All Hub Transactions which require more than one day to complete are Parking or Loaning Transactions, even though Wheeling may be involved.

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 4238
DECISION NO.

18C16

ISSUED BY

Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED May 4, 2011
EFFECTIVE Jun 3, 2011

RESOLUTION NO. _____