

Schedule No. G-PPPS
PUBLIC PURPOSE PROGRAMS SURCHARGE

Sheet 1

APPLICABILITY

Applicable to all gas sales and transportation services rendered under all tariff rate schedules authorized by the Commission. Customers will have a gas public purpose program (PPP) surcharge as a separate line item on their bills unless they are exempt* (e.g. Electric Generation including cogeneration, Enhanced Oil Recovery, Wholesale service, and consumption of natural gas which California is prohibited from taxing under the United States Constitution or the California Constitution, as referenced in Section 896 of the Public Utilities Code. (See also the California Energy Resources Surcharge Regulation Sections 2315 and 2316 as identifying exempt customers.) California Alternate Rates for Energy (CARE) customers will receive the surcharge excluding CARE program costs along with applicable customers receiving sales for street lighting.

TERRITORY

This schedule is applicable within the entire territory served by Utility.

RATES

<u>Customer Class</u>	<u>PPP Surcharge**</u>	
	<u>For all service, per meter, per month</u>	
	<u>CARE Customer***</u> (¢/therm)	<u>Non-CARE Customer</u> (¢/therm)
Core		
Residential	3.706	6.384
Commercial/Industrial	4.455	7.132
Gas Air Conditioning	5.429	8.107
Gas Engine	N/A	7.096
Natural Gas Vehicle	N/A	2.678
Noncore		
Commercial/Industrial	N/A	3.162

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* Commission Resolution G-3303, dated December 21, 2000, references Sections 896, 897, and 898 of Assembly Bill (AB) 1002 regarding consumers of natural gas who are exempt from the tax surcharge. Section 896 states "Consumption means the use or employment of natural gas. Consumption does not include the use or employment of natural gas to generate power for sale or use of gas for enhanced oil recovery, natural gas utilized in cogeneration technology projects to produce electricity, or natural gas that is produced in California and transported on a proprietary pipeline. Consumption does not include the consumption of natural gas which this state is prohibited from taxing under the United States Constitution or the California Constitution." Section 897 states "Nothing in this article impairs the rights and obligations of parties to contracts approved by the Commission, as the rights and obligations were interpreted as of January 1, 1998." Section 898 is in reference to a municipality, district, or

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(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3915
 DECISION NO. 04-08-010

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Oct 31, 2008
 EFFECTIVE Jan 1, 2009
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Schedule No. G-PPPS
PUBLIC PURPOSE PROGRAMS SURCHARGE

Sheet 2

(Continued)

SPECIAL CONDITIONS

1. General Description. The gas public purpose program (PPP) surcharge is shown on a customer's bill as a separate line item. The surcharge is authorized to recover the cost of public purpose programs such as low-income assistance, energy efficiency, and public interest research and development. The Utility remits surcharge payments quarterly to the State Board of Equalization (BOE) by the last day of the month following a calendar quarter. The BOE deposits the payments in the Gas Consumption Surcharge Fund (Fund) with the State Treasurer. Utility public purpose programs are financed through monies appropriated to the Utility from the Fund by the Commission.
2. Filing Requirements. Pursuant to Decision 04-08-010, the Utility shall file an annual advice letter, with proposed surcharge rates, by October 31, with a requested effective date of January 1 of the following year. Surcharge rates will be determined by customer class and by CARE participation. Accordingly, non-CARE customers shall be charged the CARE component of the surcharge whereas CARE customers will not be charged for this component.

The Commission will establish the gas PPP surcharge rates annually.

3. Surcharge Formula. The gas PPP surcharge rates will be calculated pursuant to the surcharge formula adopted in D.04-08-010.
4. Treatment of F&U. Franchise Fees and Uncollectibles (F&U) shall not be included in the calculation of the PPP surcharge and the utility shall exclude PPP surcharge amounts in determining franchise payments.

public agency but also references Section 890. Subdivision (e) of Section 890 states in part "The Commission shall determine the total volume of retail natural gas transported within the service territory of a utility gas provider, that is not subject to exemption pursuant to Section 896, for the purpose of establishing the surcharge rate."

** AB 1002 of September 30, 2000 authorized the Commission to establish a gas PPP surcharge. Resolution G-3329 established public purpose program surcharge rates for both CARE and Non-CARE customers and for use in calculating the surcharge payments to the BOE. The surcharge rates were removed from utility energy rates and added as line items to applicable billings effective July 1, 2001.

***Low-income customers who qualify for CARE receive a 20% discount on rates and pay all of the public purpose program costs except CARE.

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(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3408-A
 DECISION NO. 04-08-010

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Aug 29, 2005
 EFFECTIVE Oct 30, 2004
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Schedule No. G-PPPS
PUBLIC PURPOSE PROGRAMS SURCHARGE

Sheet 3

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SPECIAL CONDITIONS (Continued)

5. BOE Remittances. Per PU Code Sections 892 and 892.1, the utility remits revenues collected from the PPP surcharge to the BOE on a quarterly basis.
6. Cost and Volume Assumptions.
 - a. Interstate Pipeline Gas Throughput - The Energy Division shall obtain interstate pipeline customer gas volumes from the BOE and provide these volumes to the appropriate utilities, by September 30, for determining surcharge rates.
 - b. Administrative Costs - The Energy Division will provide the BOE and Commission's administrative costs by September 30 to include in the Utility's October 31 surcharge filings for rates effective January 1 of the following year. The Utility shall identify these administrative cost amounts in their quarterly remittances to the BOE.
 - c. R&D Program Costs - Energy Division shall provide the Utility, by September 30, with its allocation of R&D costs that were approved by the Commission for the following year.
7. PPP Surcharge Refunds. Per D.04-08-010, to prevent the issuance of duplicate refunds of PPP surcharge collection, the utility shall inform the BOE of any PPP surcharge refunds it intends to issue. The refunds will not be issued if previously made by the BOE. The utilities shall inform the BOE of any refunds that they issue. The utility will annually review its customer accounts to determine if any refunds are warranted.
8. Distribution and Treatment of Amounts Received from the Gas Consumption Surcharge Fund. Per D.04-08-010, all funds remitted to the BOE are to be returned to the utility in a timely manner, except for R&D funds (excluding R&D funds to reimburse the utility for R&D activities conducted in 2004), BOE and Commission administration costs, and deductions for any refunds issued by the BOE. Non-exempt interstate pipeline customer remittances to the BOE are to be returned to the public utility in whose service territory the customer resides. All amounts received from the Gas Consumption Surcharge Fund are to be recorded to the appropriate PPP balancing accounts.
9. Interim Rate Changes. The Utility may also request via advice letter to change surcharge rates during the year only if failure to make the rate change would result in a forecasted total rate increase of 10% or more on January 1 of the following year. The Utility shall file the advice letter at least 40 days prior to the beginning of the next quarter with an effective date to be determined by the Energy Division in consultation with the BOE.

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 3408-A
DECISION NO. 04-08-010

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ISSUED BY

Lee Schavrien
Vice President
Regulatory Affairs

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