

The Gas Company*

Lee Schavrien
Director
Regulatory Case Management
and Tariff Administration

101 Ash Street
San Diego, CA 92101-3017

Tel: 619.696.4050
Pager: 800.456.9141
Fax: 619.696.4027



April 12, 2001

Advice No. 3013
(U 904 G)

Public Utilities Commission of the State of California

**Subject: Incorporation of Public Purpose Program Surcharge Rates
into Preliminary Statement, Part I, General Service Information**

Southern California Gas Company (SoCalGas) hereby submits for filing revisions to its tariff schedules, applicable throughout its service territory, as shown on Attachment B.

Purpose

The purpose of this advice letter is to incorporate public purpose program surcharge rates, established by Resolution G-3303, dated December 21, 2000, in SoCalGas' tariffs. These rates collect tax funds to be remitted to the State Board of Equalization (BOE) on a quarterly basis. SoCalGas requests to incorporate the surcharge rates into SoCalGas' Preliminary Statement, Part I, General Service information.

Background

Assembly Bill (AB) 1002, dated September 30, 2000, directed the California Public Utilities Commission (Commission) to establish, effective January 1, 2001, a surcharge to fund public purpose programs such as low-income customer assistance, energy efficiency, and research and development. Resolution G-3303, dated December 21, 2000, established public purpose program surcharge rates by major customer class effective January 1, 2001. SoCalGas requests to incorporate the surcharge rates into a new Subsection O, Public Purpose Program Surcharge, of Part I, General Service Information, of SoCalGas' Preliminary Statement per Attachment B.

Resolution G-3303 notes that the surcharge rates are currently embedded in SoCalGas rates. The Resolution requires, effective July 1, 2001, that the surcharge rates will be removed from SoCalGas rates and be shown as separate line items on customers' bills.

SoCalGas, per Resolution G-3303, will remit surcharge payments to the BOE on the last day of the month following a calendar quarter. The surcharge payment to be calculated as the sum of the product of each customer class surcharge rate times the applicable customer class throughput for the period. The BOE will deposit the payments in the Gas Surcharge Consumption Fund with the State Treasurer. The

monies in the Gas Surcharge Consumption Fund are to be continuously appropriated to the Commission or an entity designated by the Commission to fund the public purpose programs.

AB 1002 exempts certain customers¹ from the surcharge starting January 1, 2001. Some of these customers were not exempt prior to this date. This variation in customers associated with these programs creates the need to differentiate regulatory account expenses and revenues between pre-2001 and post-2000. SoCalGas proposes to make this differentiation by recording expenses and revenues in pre-2001 and post-2000 sub-accounts. Consistent with current tariff language, SoCalGas has the flexibility to implement sub-accounts as needed for the following:

- Research Development and Demonstration Expense Account (RDDEA)
- California Alternate Rates for Energy Account (CAREA)
- Conservation Expense Account (CEA)

Protest

Anyone may protest this advice letter to the California Public Utilities Commission. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. The protest must be made in writing and received within 20 days of the date this advice letter was filed with the Commission. There is no restriction on who may file a protest. The address for mailing or delivering a protest to the Commission is:

Energy Division -- IMC Branch
California Public Utilities Commission
505 Van Ness Avenue, 4th Floor
San Francisco, CA 94102

It is also requested that a copy of the protest be sent via electronic mail and facsimile to SoCalGas at the addresses shown below on the same date it is mailed or delivered to the Commission.

Attn: Sid Newsom
Regulatory Tariff Administration – GT14D6
555 West Fifth Street
Los Angeles, CA 90013-1011
Facsimile No. (213) 244-4957
E-Mail: snewsom@sempra.com

¹ Resolution G-3303, dated December 21, 2000, generally describes exempt customers as those who use natural gas to generate power for sale or for cogeneration or who are customers who use natural gas which California is prohibited from taxing under the United States or California Constitutions.

Attn: C. Richard Swanson
Regulatory Tariff Manager
101 Ash Street, HQ-14D
San Diego, CA 92101-3017
Facsimile No. (619) 696-4027
E-Mail: rswanson@sempra.com

Effective Date

SoCalGas respectfully requests that this advice letter become effective January 1, 2001 to coincide with the effective date of the surcharge rates adopted in Resolution G-3303.

Notice

In accordance with Section III-G of General Order No. 96-A, a copy of this advice letter is being sent to the parties listed on Attachment A which includes the interested parties in R.98-07-037 and A.98-10-012.

LEE SCHAVRIEN
Director -- Regulatory Case Management
and Tariff Administration

Attachments

ATTACHMENT B
Advice No. 3013

<u>Cal. P.U.C. Sheet No.</u>	<u>Title of Sheet</u>	<u>Canceling Cal. P.U.C. Sheet No.</u>
33455-G	Preliminary Statement, General Service Information, Sheet 1 of 6	24331-G*
33456-G	Preliminary Statement, General Service Information, Sheet 2 of 6	24332-G*
33457-G	Preliminary Statement, General Service Information, Sheet 3 of 6	24333-G
33458-G	Preliminary Statement, General Service Information, Sheet 4 of 6	24334-G*
33459-G	Preliminary Statement, General Service Information, Sheet 5 of 6	24749-G*
33460-G	Preliminary Statement, General Service Information, Sheet 6 of 6	
33461-G	Table of Contents, General and Preliminary Statement, Sheet 1 of 2	33448-G

PRELIMINARY STATEMENT
PART I
GENERAL SERVICE INFORMATION

A. SERVICE TERRITORY

Southern California Gas Company (the "Utility") serves gas for residential, commercial, and industrial uses within the following counties: Fresno, Imperial, Kern, Kings, Los Angeles, Orange, Riverside, Santa Barbara, San Bernardino, San Luis Obispo, Tulare, and Ventura. Service is provided in the geographical areas definitively set forth in the Utility's tariff schedules.

B. DESCRIPTION OF SERVICE

Service is provided to two classes of customers -- "core" and "noncore". Core customers are primarily (1) residential and (2) small commercial and industrial customers, without alternate fuel capability. Noncore customers are primarily (1) large commercial and industrial customers with alternate fuel capability, (2) utility electric generation, (3) cogeneration, (4) enhanced oil recovery, and (5) wholesale customers. Noncore customers may choose to purchase gas from an independent supplier or from the Utility. When noncore customers purchase gas from the Utility, it is under "core subscription" service. In addition, large core customers who use 250,000 therms or more per year may choose to purchase gas from an independent supplier or from the Utility. Small core customers using less than 250,000 therms per year on an individual basis must purchase gas from the Utility. However, such customers may aggregate their gas volumes with other core customers in order to meet the 250,000 therms per year requirement and thereby be able to purchase gas from an independent supplier. This alternative is called "core aggregation" and is described in Rule No. 32.

Core service is provided under residential, multi-family, street and outdoor lighting, and commercial and industrial procurement and transportation rate schedules. Noncore service is provided under core subscription, firm transportation, interruptible transportation, and wholesale rate schedules. For a more detailed summary of the rates the Utility offers, please see the Summary of Rates and Charges section herein.

All service shall be provided by the Utility in accordance with the rates, conditions and rules set forth in the following tariff schedules.

The rates specified in these schedules apply only to the use of such gas as is furnished or transported by the Utility in its service territory. The gas supplied is to be of the heating value, quality and pressure set forth in Rule No. 2. Please see Rule No. 2 for a more detailed description of the Utility's service.

(continued)

(TO BE INSERTED BY UTILITY)

ISSUED BY

(TO BE INSERTED BY CAL. P.U.C.)

ADVICE LETTER NO. 3013

William L. Reed

DATE FILED APR 12, 2001

DECISION NO.

VICE PRESIDENT

EFFECTIVE

CHIEF REGULATORY OFFICER

RESOLUTION NO. G-3303

PRELIMINARY STATEMENT
PART I
GENERAL SERVICE INFORMATION

(continued)

C. PROCEDURE TO OBTAIN SERVICE

Application for gas service from the Utility should be made in accordance with the procedure set forth in Rule No. 3. Applicants for service must conform to and comply with the applicable Utility filed tariff schedules. Where an extension of the Utility's main or service piping is necessary or a substantial investment is required to supply service, the applicant will be informed as to the conditions under which service will be supplied.

D. ESTABLISHMENT OF CREDIT

After making application for gas service, the applicant must establish credit with the Utility in accordance with Rule No. 6 before this service can be rendered.

E. MEASUREMENT OF GAS

All gas delivered by the Utility to its customers shall be measured by means of suitable standard gas meters or in the case of street or outdoor lighting through fixed orifices of predetermined capacity served at constant pressure for unvarying loads.

F. DISCOUNTS

All rates hereinafter listed are net rates except as provided in Schedule No. GS and are not subject to discount for prompt payment of bills. No discount on bills is allowed in consideration of customer advancing funds.

G. SERVICE ESTABLISHMENT CHARGE

A service establishment charge may be collected by the Utility under Rule 10 to establish or re-establish service each time an account is opened.

H. RECONNECTION CHARGE

A reconnection charge may be made and collected by the Utility under Rule 10 where service has been discontinued for non-payment of bills or failure to comply with tariff schedules.

I. CONTINGENT REFUNDS AND RATE REDUCTIONS

Supplier refunds are passed through to the appropriate customer classes unless the Commission directs a different disposition.

(continued)

(TO BE INSERTED BY UTILITY)

ISSUED BY

(TO BE INSERTED BY CAL. P.U.C.)

ADVICE LETTER NO. 3013

William L. Reed

DATE FILED APR 12, 2001

DECISION NO.

VICE PRESIDENT
CHIEF REGULATORY OFFICER

EFFECTIVE

RESOLUTION NO. G-3303

PRELIMINARY STATEMENT
PART I
GENERAL SERVICE INFORMATION

(continued)

J. INTEREST

No interest will be paid by the Utility unless it is specifically provided for in the tariff schedules, or ordered by the Public Utilities Commission except as provided by federal Public Law 97-177.

1. Interest Rate on Balancing and Applicable Memorandum Accounts

Interest will accrue monthly to the Balancing and Memorandum Accounts set forth in Preliminary Statement, Part V and VI. The calculation will be based on the average of the beginning and ending balance of such accounts at the rate of 1/12 of the most recent month's interest rate on Commercial Paper (prime, 3-month), published in the Federal Reserve Statistical Release, G.13. Should publication of such interest rate be discontinued, interest will so accrue at the rate of 1/12 of the most recent month's interest rate on Commercial Paper, which most closely approximates the discontinued rate, and which is published in the Federal Reserve Statistical Release, G.13., or its successor publication.

2. Short-Term Debt Interest Rate

The Short-Term Debt Interest Rate, used to calculate the carrying cost of gas in storage, shall be 1/12 of that month's annualized recorded effective yield on the Short-Term Debt including gas in storage financing issue costs dedicated to gas in storage financing. In the absence of Short-Term Debt dedicated to gas in storage financing, the Interest Rate on Balancing Accounts, as set forth in Section J.1., above, shall be used to calculate the carrying cost of gas in storage.

3. Gas in Storage Financing Issuance Costs

Gas In Storage Financing Issuance Costs shall be the commitment fees, warehousing fees and other expenses associated with obtaining and maintaining Short-Term Debt dedicated to financing gas in storage.

(continued)

(TO BE INSERTED BY UTILITY)

ISSUED BY

(TO BE INSERTED BY CAL. P.U.C.)

ADVISE LETTER NO. 3013

William L. Reed

DATE FILED APR 12, 2001

DECISION NO.

VICE PRESIDENT
CHIEF REGULATORY OFFICER

EFFECTIVE

RESOLUTION NO. G-3303

PRELIMINARY STATEMENT
PART I
GENERAL SERVICE INFORMATION

(continued)

K. CLIMATE ZONES

The climate zones are based upon geographic areas and annual heating degree days adopted by the California Department of Housing and Community Development, as shown below. These zones are used to determine the allowable baseline quantities for residential usage during the core billing period from November through April.

<u>Zone</u>	<u>Degree Days</u>
1	2500 or less
2	2501 - 4500
3	4501 - 7000

L. BILLING CODES

Under the "Rate" portion of a residential customer's bill the references in the spaces, from left to right, indicate the following:

- Rate designation
- Climate zone
- Baseline or non-baseline code

M. SYMBOLS USED ON TARIFF SHEETS

In accordance with Section 491 of the Public Utilities Code, the following symbols will be used to direct the Commission's attention to proposed changes in the tariff schedules:

- (C) To signify changed listing, rule, or condition that may affect rates or charges
- (D) To signify discontinued material, including listing, rate, rule or condition
- (I) To signify increase
- (L) To signify material relocated from or to another part of tariff schedules with no change in text, rate, rule or condition
- (N) To signify new material, including listing, rate, rule or condition
- (R) To signify reduction
- (T) To signify change in wording of text but not change in rate, rule or condition

(continued)

(TO BE INSERTED BY UTILITY)

ISSUED BY

(TO BE INSERTED BY CAL. P.U.C.)

ADVICE LETTER NO. 3013

William L. Reed

DATE FILED APR 12, 2001

DECISION NO.

VICE PRESIDENT
 CHIEF REGULATORY OFFICER

EFFECTIVE

RESOLUTION NO. G-3303

PRELIMINARY STATEMENT
PART I
GENERAL SERVICE INFORMATION

(continued)

N. AVAILABILITY OF TARIFF SHEETS AND ADVICE FILINGS

In accordance with Resolution G-3025:

1. Copies of advice letter filings and related tariff sheets shall be provided, free of without, to parties listed in Section III.G. of General Order 96-A, which include the following:
 - a. Competing and adjacent utilities, either publicly or privately owned.
 - b. Other utilities, either publicly or privately owned, and interested parties having requested such notification .
2. A customer's request for any rate schedule or rules applicable to their service shall be granted free of charge.

For parties not meeting the above criteria, copies of each tariff filing, CPUC approved schedule or rule or other tariff material may be obtained at a charge, as indicated below, by writing:

Regulatory Affairs, M.L. 27G0
 Southern California Gas Company
 555 West Fifth Street
 Los Angeles, CA 90013-1011

List of Charges - Tariffs and Advice Letters

Single Tariff Sheet, Each	\$0.20
Complete Tariff Book, Each	\$55.00
Complete Tariff Book, Initial Subscription	\$235.00
Complete Tariff Book, Annual Subscription Renewal	\$180.00
Single Rate, Annual Subscription	\$30.00
Advice Letters, Each	\$6.00
Advice Letters, Annual Subscription	\$325.00

(continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3013
 DECISION NO.

ISSUED BY
William L. Reed
 VICE PRESIDENT
 CHIEF REGULATORY OFFICER

(TO BE INSERTED BY CAL. P.U.C.)
 DATE FILED APR 12,2001
 EFFECTIVE _____
 RESOLUTION NO. G-3303

PRELIMINARY STATEMENT
 PART I
GENERAL SERVICE INFORMATION

(continued)

O. PUBLIC PURPOSE PROGRAM SURCHARGE

Pursuant to Assembly Bill 1002 of September 29, 2000, California Public Utilities Commission (Commission) Resolution G-3303 of December 21, 2000 established the following Public Purpose Program Surcharge Rates effective January 1, 2001. These rates will be used to calculate the quarterly surcharge payment due to the State Board of Equalization on the last day of the month following a calendar quarter. The surcharge payment will be calculated as the sum of the product of each customer class rate times the applicable (excluding exemptions) customer class throughput for the period. The Commission will establish surcharge rates annually.

Public Purpose Program Surcharge Rates

<u>Customer Class</u>	<u>CARE Customer *</u> (¢/therm)	<u>Non-CARE Customer</u> (¢/therm)
Core		
Residential	1.22	1.81
Commercial/Industrial	1.81	2.40
Gas Air Conditioning	0.07	0.66
Gas Engine	N/A	1.02
Noncore		
Commercial/Industrial	N/A	0.60
System-wide	0.94	1.50

The surcharge rates (taxes) will be added as line items to applicable billings effective July 1, 2001. Until then, these taxes will be embedded in SoCalGas energy rates.

* Low-income customers who qualify for California Alternate Rate for Energy (CARE) receive a 15% discount on rates and pay all of the public purpose program costs except CARE.

(TO BE INSERTED BY UTILITY)

ISSUED BY

(TO BE INSERTED BY CAL. P.U.C.)

ADVICE LETTER NO. 3013

William L. Reed

DATE FILED APR 12, 2001

DECISION NO.

VICE PRESIDENT
 CHIEF REGULATORY OFFICER

EFFECTIVE

RESOLUTION NO. G-3303

TABLE OF CONTENT S

The following listed sheets contain all effective Schedules of Rates and Rules affecting service and information relating thereto in effect on the date indicated thereon.

<u>GENERAL</u>	<u>Cal. P.U.C. Sheet No.</u>
Title Page	21888-G
Table of Contents--General and Preliminary Statement	33461-G,33246-G
Table of Contents--Service Area Maps and Descriptions	28516-G
Table of Contents--Rate Schedules	33442-G,33443-G,33447-G
Table of Contents--List of Cities and Communities Served	31694-G
Table of Contents--List of Contracts and Deviations	31694-G
Table of Contents--Rules	33296-G,33306-G
Table of Contents--Sample Forms	32781-G,32782-G,33354-G,32784-G,32785-G

PRELIMINARY STATEMENT

Part I General Service Information	33455-G,33456-G,33457-G,33458-G,33459-G,33460-G
Part II Summary of Rates and Charges	33418-G,33419-G,33179-G,33180-G,33420-G,33404-G 32491-G,32492-G,33182-G,33421-G,33422-G,33185-G,33186-G
Part III Cost Allocation and Revenue Requirement ..	27024-G,27025-G,27026-G,27027-G,33187-G
Part IV Income Tax Component of Contributions and Advances	24353-G,24354-G
Part V Description of Regulatory Accounts-Balancing	32499-G,32500-G,32501-G,32502-G 32503-G,32504-G,32505-G,32506-G,32507-G,32508-G,32509-G
Part VI Description of Regulatory Accounts-Memorandum	32872-G,32511-G,32512-G,32513-G 32514-G,32515-G,32516-G,32517-G,32518-G,32519-G,32520-G,32521-G,32522-G,32873-G
Part VII Description of Regulatory Accounts-Tracking	32524-G,32525-G,32526-G 32527-G,32528-G,32529-G
Part VIII Gas Cost Incentive Mechanism (GCIM)	31776-G,31777-G,31778-G,30523-G,30524-G
Part IX Hazardous Substances Mechanism (HSM)	26199-G,26200-G,26201-G
Part X Global Settlement	32530-G,32531-G,32532-G,32533-G

(continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3013
 DECISION NO.

ISSUED BY
William L. Reed
 VICE PRESIDENT
 CHIEF REGULATORY OFFICER

(TO BE INSERTED BY CAL. P.U.C.)
 DATE FILED APR 12,2001
 EFFECTIVE _____
 RESOLUTION NO. G-3303

