

Schedule No. G-PPPS

SURCHARGE TO FUND PUBLIC PURPOSE PROGRAMS (PPP)

APPLICABILITY

Applicable to all gas sales and transportation service excluding service for: Electric Generation including cogeneration, Enhanced Oil Recovery, Wholesale for resale to end users, natural gas produced in California and transported on a proprietary pipeline, and the consumption of natural gas which California is prohibited for taxing under the United States Constitution or the California Constitution.

TERRITORY

Throughout the Company's certificated gas service areas in its Southern and Northern California Divisions, except as may hereafter be provided.

RATES

<u>Customer Class</u>	<u>PPP SURCHARGE AMOUNT PER THERM</u>			
	<u>Non-CARE Customers</u>		<u>CARE Customers</u>	
	<u>Southern CA</u>	<u>Northern CA</u>	<u>Southern CA</u>	<u>Northern CA</u>
Core *				
Residential	\$.13034	\$.01957	\$.00880	\$.00676
Commercial/Industrial	\$.13034	\$.01957	\$.00880	\$.00676
Gas Engine	\$.13034	\$.01957	N/A	N/A
Natural Gas Vehicle	\$.13034	\$.01957	N/A	N/A
Non-Core**				
Commercial/Industrial	\$.13034	\$.01957	N/A	N/A

* Residential service includes Rate Schedule Nos. GS/GN-10, 12, 15, 20, and 25; and GS-11. Commercial/Industrial service includes Rate Schedule Nos. GS/GN-30, 35, 40, and 60; GS-55 and GSR. Natural Gas Vehicle service includes Rate Schedule No. GS/GN-50.

** Commercial/Industrial service includes Rate Schedule No. GS/GN-70.

The PPP surcharges are set forth in the currently-effective Statement of Rates of this California Gas Tariff and are incorporated herein by reference.

The number of therms shall be determined in accordance with the provisions of Rule No. 2C.

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(Continued)

SPECIAL CONDITIONS

1. The PPP Surcharge is shown as a separate line item on a customer's bill. The PPP Surcharge is to recover the cost of public purpose programs such as low-income assistance, energy efficiency, and public interest research and development. The Company remits PPP Surcharge revenue to the State Board of Equalization. These remittances are to be made quarterly by the last day of the month following a calendar quarter.
2. Commission Decision (D.) 04-08-010 requires the Company to file an Advice Letter with proposed PPP Surcharges by October 31 of each year, with a requested effective date of January 1 of the following year. The Company may file at other times if failure to make the rate change would result in a forecasted total rate increase of 10 percent or more on January 1 of the following year, as provided for in Decision 04-08-010. The PPP Surcharge shall be calculated in accordance to formulas and throughput volumes specified in D.04-08-010.