



**RULE 1**  
**DEFINITIONS**

**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:** Bypass is any situation where a customer of the Utility is already connected to, or becomes connected to, an alternate 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.

**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.

**CAPACITY CURTAILMENT:** Capacity shortage exists when, in the utility's judgment, there exists a restriction or limitation on Utility transmission or distribution pipelines necessary for the acceptance, transmission, or subsequent redelivery of gas resulting in the Utility being unable to meet its operational, contractual, or gas customers' requirements.

**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.

**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.

**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.

**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

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**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.

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**FACILITY:** Individual meter with the exception of meters combined for the Utility's operating convenience in accordance with Rule No. 9. 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.

**FULL REQUIREMENTS SERVICE:** Full requirements service is an option for core subscription customers and firm intrastate ~~transmission-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, ~~or~~ (3) where Utility has provided prior written authorization for the use of alternate fuels or bypass, ~~(4) if using gas that is a product of the oil refining process, or (5) if using digester/landfill gas, that does not meet typical interstate pipeline quality specifications or those set forth in Rule No. 30.~~ Any fuel produced on-site by the customer can be used by the producer without penalty.

**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.

~~**HIGH-PRESSURE SERVICE:** High-pressure service is natural gas service provided from Utility-owned and operated pipelines, with pressures rated at greater than 100 psig. In addition, such pressures must be unregulated from the pipeline to the last point of Utility-owned facilities before interconnecting with the customer's pipeline facilities, where the customer has paid all costs of interconnection to the Utility's facilities. Customer taking high-pressure service is not guaranteed by the Utility any minimum service pressure. Medium-pressure service shall be provided to all customers who do not qualify for high-pressure service as defined above.~~

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

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**IMBALANCE:** The calculation of an Imbalance for a given month will be the difference between the current billing month's usage and confirmed transportation deliveries plus any carryover Imbalance, less the Imbalance Tolerance Band. Any Imbalance in excess of this tolerance will be subject to either the Standby Procurement Rate, for Imbalance Underdeliveries or the Buyback Rate, for Imbalance Overdeliveries. Imbalances will be calculated by combining the net usage for all customer's meters served under the same nomination for the billing period, not by account or individual delivery point.

**IMBALANCE NOTIFICATION:** By the 20th of the month, customers will be provided a notice, separate from the regular monthly billing, that will reflect the current month's Imbalance.

**IMBALANCE OVERDELIVERIES:** If at the end of the Imbalance Trading Period, the customer is overdelivered, where the confirmed transportation deliveries plus the carryover imbalance exceed the net usage by more than the Imbalance Tolerance Band, the overdelivery will be billed at the Buyback Rate.

**IMBALANCE TOLERANCE BAND:** Difference between the customer's net usage and confirmed transportation deliveries during a billing period that is not subject to either the Standby Procurement Rate or the Buyback Rate. Imbalance Tolerance Band is equal to ten percent of the customer's net usage for the billing period. Transportation customers will be allowed to carry an Imbalance into a subsequent billing period of up to the Imbalance Tolerance Band for the current month.

**IMBALANCE TRADE:** Customer may trade its Imbalance with another customer. Customer's cumulative Imbalance will be stated on the customer's Imbalance Notification. Only those imbalances occurring during the same billing period are eligible for an Imbalance Trade during the Imbalance Trading Period. Customers within the Imbalance Tolerance Band may trade any quantities so long as the Imbalance Tolerance Band is not exceeded. Customers outside the Imbalance Tolerance Band may trade quantities up to a maximum of their total Imbalance. Any customer participating in an Imbalance Trade is subject to the conditions contained in Rule 21.

**IMBALANCE TRADING PERIOD:** Customers may trade their monthly imbalances with other customers. Customer's cumulative imbalances will be stated on the customer's monthly bill. The customer's bill will serve as notice of current imbalances. Beginning at 7:00 a.m. Pacific Clock Time (PCT), on the 25<sup>th</sup> calendar day in the month of notification, customers may enter the SoCalGas Electronic Bulletin Board (EBB) to trade imbalances with other customers. Customers within the tolerance band may trade any quantities so long as the 10% tolerance band is not exceeded. Customers outside the tolerance band may trade quantities up to a maximum of their excess imbalance (quantities outside of tolerance) plus the 10% tolerance band. Utility will notify participants through the EBB or other notice once the trade is validated. The trading period will end at 11:59 p.m. PCT on the 30<sup>th</sup> calendar day of the same month. During the month of February, the trading period begins at 7:00 a.m. PCT on the 23<sup>rd</sup> of the month and ends at 11:59 p.m. PCT on the 28<sup>th</sup> calendar day of the month.

**IMBALANCE UNDERDELIVERIES:** If at the end of the Imbalance Trading Period, the customer is underdelivered, where the net usage exceeds the confirmed transportation deliveries plus or minus the carryover Imbalance by more than the Imbalance Tolerance Band, underdelivery will be billed at the Standby Procurement Rate.

**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.

~~**INTERSTATE TRANSITION COST SURCHARGE (ITCS):** Charge reflecting recovery for transition costs resulting from interstate pipeline capacity obligations incurred by SoCalGas and passed through to SDG&E.~~

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**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 14. Customers receiving noncore service must have Automated Meter Reading (AMR) equipment installed at customer's expense as a condition of noncore service.

**NON-PROFIT GROUP LIVING FACILITY:** Non-profit homeless shelter that may be government-subsidized with six (6) or more beds that provides lodging day or night for a minimum of 180 days of the year; other non-profit residential-type facilities (excluding government-owned and privately-owned, "for profit" government-subsidized housing) that provide a service in addition to lodging and which may be licensed by the appropriate state agency to care for residents who temporarily or permanently cannot function normally outside of the group home environment; and non-licensed, separately metered affiliated facilities where the primary facility is eligible for CARE and is the customer of record for the affiliate, and at least 70% of the energy consumed by the affiliate is used for residential purposes. All residents (except migrant and non-profit farm worker housing centers) must meet the CARE income eligibility standards, however a caregiver who lives in the group facility is not a resident for purposes of determining the facility's eligibility. Non-profit group living facilities that are not licensed or certified must provide any other documentation the Utility may reasonably require.

**NONRESIDENTIAL SERVICE:** Service that does not qualify for any of the Domestic Tariff Schedules.

**OFF-SYSTEM CUSTOMER:** Marketer, broker, supplier or other entity contracting for off-system delivery services within California, or bidding for storage service 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 SoCalGas 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.

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**PEAK DAY MINIMUM:** Volume of gas in SoCalGas 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).

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**PEAK DAY MINIMUM + 5 Bcf TRIGGER:** Volume of gas in SoCalGas' storage inventory at which customers are required to deliver on a daily basis 90% of burn as specified in Rule 20.

**PEAK DAY MINIMUM + 20 Bcf TRIGGER:** Volume of gas in SoCalGas' storage inventory at which customers are required to deliver on a daily basis 70% of burn as specified in Rule 20.

**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 ~~transmission-transportation~~ charges, (2) demand charges or other non-volumetric ~~transmissiontransportation~~ charges, (3) customer or facilities charges, (4) CPUC Reimbursement Fee (Schedule No. G-~~PUCSRF~~) and (5) Interstate Transition Cost Surcharge, 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.

**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.

**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.

**PRIORITY:** Classification assigned to all customers to be used in the event of curtailment as provided for in Rule 14.

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**STANDBY PROCUREMENT RATE:** Rate shall be revised each month and it will be calculated at 150% of the highest daily border price index at the Southern California Border beginning on the first day of the month that the imbalance is created to five days prior to the start of each corresponding imbalance trading period, plus the authorized Brokerage Fee of x.xxx¢ per therm for noncore retail service and all wholesale service, and 0.188¢ per therm for core retail service.

**STUB SERVICE:** Lateral pipe, including valves and fittings from and including the connection at the main to a dead end near the curb or property line of the street in which the main is located.

**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.

**SUPPLY CURTAILMENT:** Supply curtailment occurs when the Utility declares a supply shortage. A supply shortage exists when, in the Utility's judgment, the Utility has a deficiency of gas supply available to meet its operational, contractual, or sales customers' requirements.

**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, charges, and rules collectively of the Utility, as set forth herein, and including title page, preliminary statements, 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 a 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.

**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, and enhanced oil recovery and international), as currently defined in Utility's tariffs, that are served directly from Utility's transmission system as established by the Utility's capital accounting records, (2) noncore electric generation customers who are served directly from Utility's high pressure distribution system, are located within 5 miles of the nearest Utility transmission line, and whose average annual usage is equal to or greater than 50 million therms, (3) customers who were previously classified by Commission decision as transmission service level customers, (4) noncore customers served from a

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San Diego Gas & Electric Company  
San Diego, California

Revised Cal. P.U.C. Sheet No. 16954-G

Canceling Revised Cal. P.U.C. Sheet No. 13246-G

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combination of Utility's transmission and distribution systems on a single premises, (5) wholesale and international customers, and (6) customers who Bypass Utility service.

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Advice Ltr. No. 1761-G

Decision No. \_\_\_\_\_

Issued by  
**Lee Schavrien**  
Senior Vice President  
Regulatory Affairs

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Resolution No. \_\_\_\_\_