



Southern
California
Gas Company

A  Sempra Energy utility®



2006 - 2008 C&I Energy Efficiency Program Overview

**Rebates & incentives that could exceed \$2.5 million
per customer, per year**

*This information is provided solely for informational purposes. Although Southern California Gas Company (**The Gas CompanySM**) has used reasonable efforts to assure its accuracy, no representation is made that the contents are free from error or suitable for use for any particular purpose. SoCalGas assumes no responsibility for use of, or reliance on, this information by any party, and specifically advise such parties to discuss any decisions or actions related hereto with their own advisors and experts. Rebate and incentive programs are funded by California utility customers and administered by Southern California Gas Company under the auspices of the California Public Utility Commission. (PPT-IR1/092507)*

Expanded Cash Rebates, Incentives & Services



The Gas Company SM is now offering a package of rebates and incentives that could amount to more than \$2.5 million per customer, per year.

Cash Rebates:

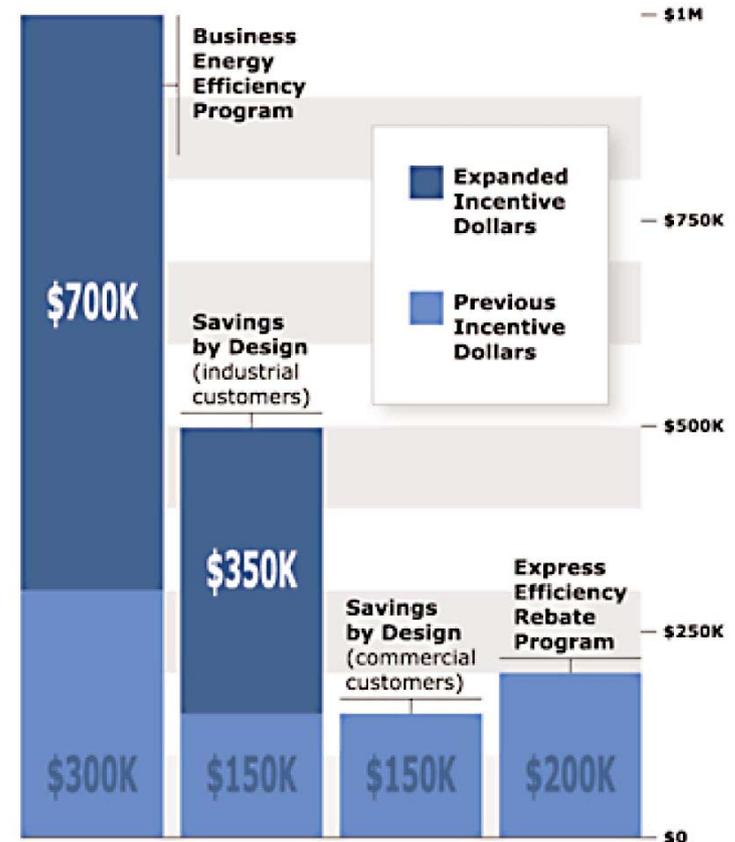
- Express Efficiency
- Food Service

Energy Efficiency Incentives:

- Business Energy Efficiency Program
- Savings By Design
- Design Assistance

Free Services:

- On Site Energy Assessment
- Account Executives & Trained Technicians
- Training, Education & Equipment Seminars



Earlier this year, two programs were expanded by the amounts shaded in dark blue.

Express Efficiency (Cash Rebates)



It's easy, it's fast. Our most popular business rebate program offers cash rebates up to \$200,000 per business customer, per year.

- Steam Traps – up to \$200 per unit
- Pipe Insulation – up to \$3 per linear ft.
- Tank Insulation – up to \$4 per sq. ft.
- Process Boiler - \$.50 per MBtuh
- Direct Contact Water Heater - \$2.00 per MBtuh
- Commercial (Hot Water) Boiler - \$.50 per MBtuh
- Space Heating Boiler - \$.25 per MBtuh
- Instantaneous Water Heater – up to \$2 per MBtuh
- Storage Water Heater - \$2 per MBtuh
- Commercial Pool Heaters - \$2 per MBtuh
- Greenhouse Heat Curtains - \$.20 per sq. ft.
- Greenhouse Infrared Film - \$.03 per sq. ft.



Washer used in a
per unit

Express Efficiency Program Success Stories



Company: County of Orange (multiple facilities)

Location: Santa Ana, CA

Project: Process Improvement, Boiler Replacement, Steam Traps & Pipe Insulation

Incentive/Rebates: \$26,518

Gross Therm Savings: 69,344/yr

Annual Energy Savings: More than \$34,500

Company: Marriott Newport Beach Hotel & Spa

Location: Newport Beach, CA

Project: Replaced boilers, tank/pipe insulation, and more.

Incentive/Rebates: Over \$30,000

Gross Therm Savings: Over 30,000/yr

Annual Energy Savings: More than \$18,000



Business Energy Efficiency Program For All Business Customers



This program is designed to help businesses save money and energy. This incentive program requires involvement of The Gas Company from the beginning of the process, up to \$2 million per premise, per year for the following types of projects:

- Equipment replacement
- Process improvements
- Large industrial projects
- Custom engineering algorithms calculate energy efficiency and determine incentives.
- For larger projects, incentives are based on actual measured savings.

Customer Success Story

Company: All American Asphalt

Location: Irvine

Project: Equipment modernization & replacement

Incentives: \$27,688

Gross therm savings: 440,000/yr

Annual energy savings: More than

\$220,000

Equipment Replacement or Process Improvements



Replace equipment or improve your existing process
Incentives up to \$2 million per customer, per year

- Custom engineering algorithms calculate energy efficiency which determine incentive paid



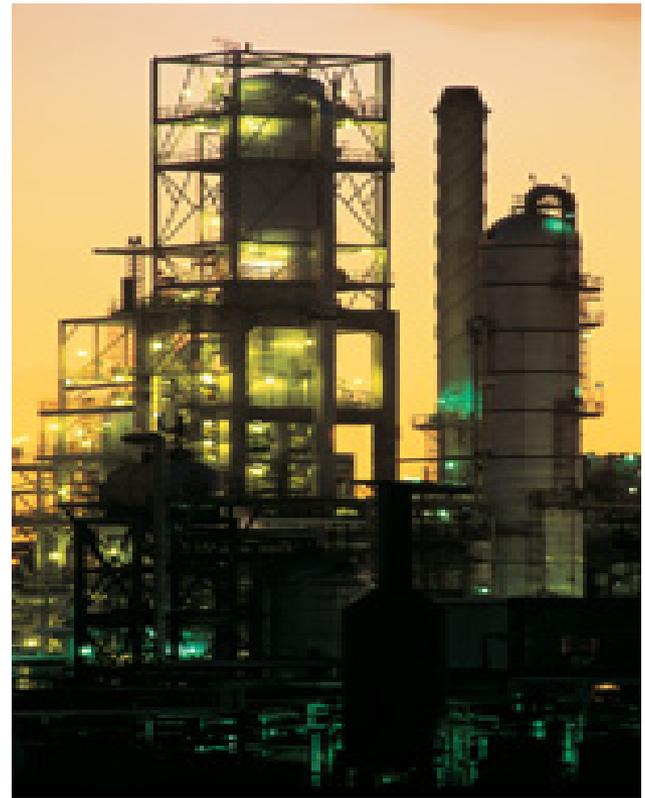
Energy Efficiency Industrial Program for Large Customers



Targets largest non-core customers

Refineries & Industrial Giants

- Maximum \$2 million per premise, per year
- Requirements begin for projects saving at least 200,000 therms
- Certified engineering studies required to participate
- Measurement & validation of savings required



Energy Efficiency Program for Large Customers - Customer Success Stories



Company: Vertis Communications

Location: Glendora, CA

Project: RTO

Incentive: \$165,873

Gross Therm Savings: 331,748/yr

Annual Energy Savings: More than \$160,000

Company: Land O'Lakes

Location: Tulare, CA

Project: Evaporated milk drying unit

Incentive: \$143,340

Gross Therm Savings: 285,000/yr

Annual Energy Savings: More than \$145,000



New Construction & Facility Expansion Incentives



Energy Analysis + Financial Incentives + Energy Savings = Savings By Design

Savings By Design is an energy efficiency program for C&I customers considering:

- Facility Expansion – example: a new process line (non-replacement)
- A new facility
- New equipment (non-replacement)

- Incentives up to \$150k per commercial customer, per year, and up to \$500,000 per industrial customer, per year. Customers may qualify for multiple projects in a year.

- Design assistance and incentives for new construction projects exceeding minimum standards

Benefits:

- Custom energy analysis for your project
- Incentive of \$0.60 per therm saved annually
- Up to \$500,000 or 50% of the incremental cost (whichever is less)



Example: New production line – food processing facility

New Construction/Facility Expansion Success Stories



Company: Performance Powder

Location: Anaheim, CA

Project: Recuperative Waste Heat
Process Duct

Incentive: \$34,477

Therm Savings: 57,000/yr

Annual Energy Savings: More than
\$28,500

Company: Advanced Paper Forming

Location: Corona, CA

Project: Pre-heating combustion air
in paper drying process

Incentive: \$111,160

Therm Savings: 204,412/yr

Annual Energy Savings: More than
\$100,000

Industrial End User Program On Site Inspection & Analysis

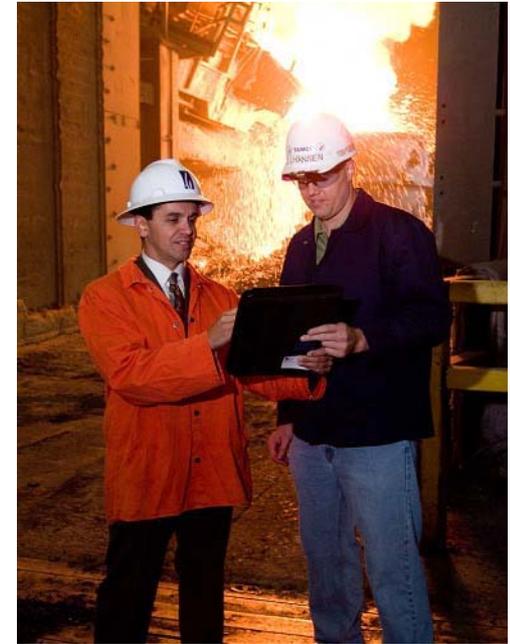


Provides large customers with on-site energy efficiency analysis. Resulting efficiency maximization report provides recommended facility upgrades/improvements in order to achieve therm savings and maximize production efficiency.

Details: Site analysis report provided to customer within

60 days

- Directs customer to appropriate incentive/rebate opportunities
- Resulting analysis can shorten management decision making and speed M&V process

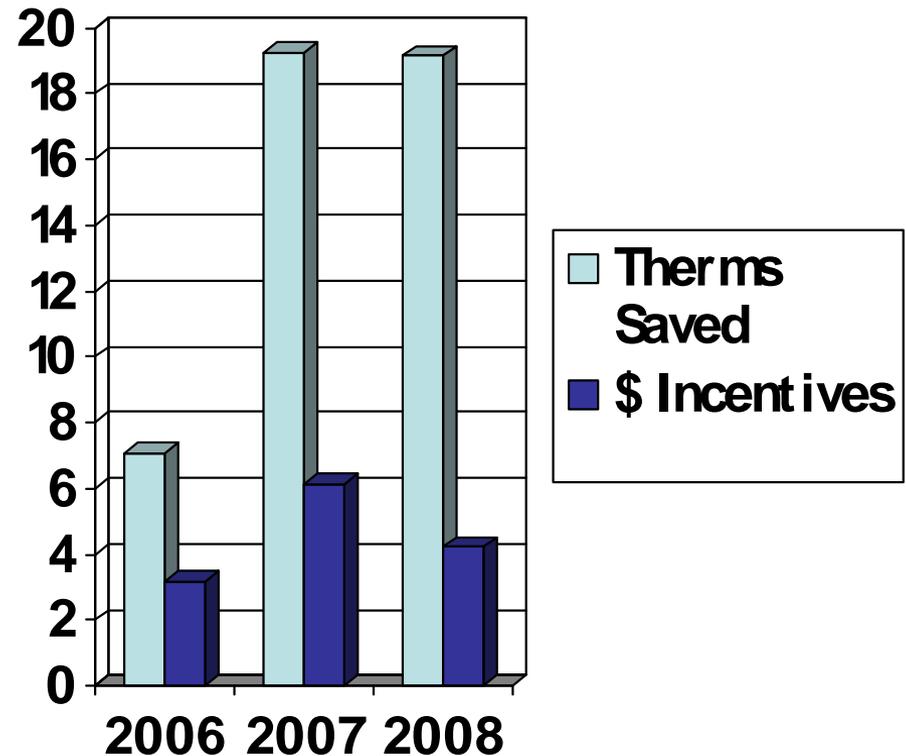


C&I Energy Efficiency Program Summary As of July, 2008



- 2006
 - 7,063,703 Therms Saved
 - \$ 3,167,459 Incentives
- 2007
 - 19,243,314 Therms Saved
 - \$ 6,137,894 Incentives
- 2008
 - 19,130,645 Therms Saved
 - \$ 4,226,455 Incentives

Millions



Would You Like More Information?



Please utilize the following resources:

Account Executives

Gas Service Techs

Public Affairs Manager

www.socalgas.com/energyefficiency/

1-800-GAS-2000

Save Energy. Save money.



Please let us help you improve your bottom line.

Thank you.

Questions?