

SOUTHERN CALIFORNIA GAS CO

Form 424B5

November 18, 2008

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Filed Pursuant to Rule 424(b)(5)

Registration No. 333-134289

**SUBJECT TO COMPLETION. DATED NOVEMBER 18, 2008**

**The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities and we are not soliciting offers to buy these securities in any jurisdiction where the offer or sale is not permitted. These securities may not be sold nor may offers to buy be accepted before the prospectus supplement is delivered in final form.**

**PRELIMINARY PROSPECTUS SUPPLEMENT**

(To Prospectus dated June 7, 2006)

**\$**

**Southern California Gas Company**

**% First Mortgage Bonds, Series LL, Due**

The % First Mortgage Bonds, Series LL, Due will mature on , . Interest on the Series LL bonds will accrue from , 2008 and is payable on and of each year, beginning on , 2009. The Series LL bonds will be redeemable prior to maturity, at our option, at the redemption prices and under the circumstances described in this prospectus supplement.

	Per Series LL Bond	Total
Price to investors <sup>(1)</sup>	%	\$
Underwriting discounts	%	\$
Proceeds to Southern California Gas Company <sup>(1)</sup>	%	\$

<sup>(1)</sup> Plus accrued interest from November , 2008 if settlement occurs after that date.

Neither the United States Securities and Exchange Commission nor any state securities commission has approved or disapproved these securities, or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

It is expected that delivery of the Series LL bonds will be in book entry form through The Depository Trust Company on November , 2008.

*Joint Book-Running Managers*

**BNP PARIBAS**

**CALYON**

**J.P. Morgan**

**Blaylock Robert Van, LLC**

**Cabrera Capital Markets, LLC**

The date of this prospectus supplement is November , 2008.

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You should rely only on the information contained in or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not authorized anyone to provide you with different information. We are offering to sell Series LL bonds and seeking offers to buy Series LL bonds only in jurisdictions where offers and sales are permitted. The information contained in this prospectus supplement and the accompanying prospectus may only be accurate as of their respective dates, regardless of the time of delivery of this prospectus supplement or the accompanying prospectus or any sale of the Series LL bonds.

The distribution of this prospectus supplement and the accompanying prospectus and the offering of the Series LL bonds in certain jurisdictions may be restricted by law. Persons into whose possession this prospectus supplement and the accompanying prospectus come should inform themselves about and observe any such restrictions. This prospectus supplement and the accompanying prospectus do not constitute, and may not be used in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation. See Underwriting.

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**FORWARD-LOOKING STATEMENTS**

This prospectus supplement and the accompanying prospectus and the documents they incorporate by reference may contain statements that are not historical fact and constitute forward-looking statements. When we use words such as believe, expect, anticipate, intend, depend, shall, plan, estimate, could, may, would, project, contemplate, potential, target, goals, or similar expressions, or when we discuss our intentions, we are making forward-looking statements. Forward-looking statements are necessarily based upon assumptions with respect to the future, involve risks and uncertainties and are not guarantees of performance. Factors, among others, that could cause our actual results and future actions to differ materially from those described in forward-looking statements include:

local, regional, national and international economic, competitive, political, legislative and regulatory conditions and developments;

actions by the California Public Utilities Commission, California State Legislature, California Department of Water Resources, Federal Energy Regulatory Commission, Federal Reserve Board, U.K. Financial Services Authority and other regulatory bodies in the United States and other countries;

capital market conditions, inflation rates, interest rates and exchange rates;

energy and trading markets, including the timing and extent of changes in commodity prices;

the availability of electric power, natural gas and liquefied natural gas;

weather conditions and conservation efforts;

war and terrorist attacks;

business, regulatory, environmental, and legal decisions and requirements;

the status of deregulation of retail natural gas and electricity delivery;

the timing and success of business development efforts;

the resolution of litigation; and

other uncertainties, all of which are difficult to predict and many of which are beyond our control.

You are cautioned not to rely unduly on any forward-looking statements. These risks and uncertainties are discussed in more detail under "Risk Factors," "Business and Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere in our reports and other documents on file with the Securities and Exchange Commission. You may obtain copies of these documents as described under "Where You Can Find More Information" in the accompanying prospectus.



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**SOUTHERN CALIFORNIA GAS COMPANY**

We are the nation's largest natural gas distribution utility. We own and operate a natural gas distribution, transmission and storage system supplying natural gas throughout approximately 20,000 square miles of service territory comprising most of southern California and part of central California. We provide natural gas service to approximately 20.3 million residential, commercial, industrial, utility electric generation and wholesale consumers through 5.7 million meters. We are an indirect subsidiary of Sempra Energy, a California-based Fortune 500 energy services holding company.

For additional information concerning us, you should refer to the information described under the caption "Where You Can Find More Information" in the accompanying prospectus.

Our offices are located at 555 West Fifth Street, Los Angeles, California 90013 and our telephone number is (213) 244-1200.

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**Table of Contents****USE OF PROCEEDS**

The net proceeds from the sale of the Series LL bonds will become part of our general treasury funds and will be used to replenish amounts expended and to be expended for the expansion and improvement of our utility plant. We estimate that the expenses for this offering, excluding underwriting discounts, will be approximately \$250,000.

**CAPITALIZATION**

The following table sets forth our consolidated capitalization as of September 30, 2008 on an actual basis and on an as adjusted basis to reflect the sale of the Series LL bonds.

	September 30, 2008	
	Actual	As Adjusted
	(In millions)	
Long-Term Debt:		
First mortgage bonds:		
4.80% First Mortgage Bonds, Series GG, Due 2012	\$ 250	\$ 250
5.45% First Mortgage Bonds, Series HH, Due 2018	250	250
4.375% First Mortgage Bonds, Series II, Due 2011 <sup>(1)</sup>	250	250
Floating Rate First Mortgage Bonds, Series JJ, Due 2009	100	100
5.75% First Mortgage Bonds, Series KK, Due 2035	250	250
% First Mortgage Bonds, Series LL, Due		
Total first mortgage bonds	1,100	
Other long-term debt	13	13
Total long-term debt	1,113	
Shareholders' equity:		
Preferred stock	22	22
Common stock	866	866
Retained earnings <sup>(2)</sup>	726	726
Accumulated other comprehensive income (loss)	(10)	(10)
Total shareholders' equity <sup>(2)</sup>	1,604	1,604
Total capitalization <sup>(2)</sup>	\$ 2,717	\$

<sup>(1)</sup> \$150 million of the First Mortgage Bonds, Series II, Due 2011 has been converted to variable rate debt by a fixed-to-floating rate swap.

<sup>(2)</sup> We expect that after the sale of the Series LL Bonds our Board of Directors will declare a \$175 million common stock dividend resulting in a reduction in like amount in retained earnings, total shareholders' equity and total capitalization.

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**RATIO OF EARNINGS TO FIXED CHARGES AND PREFERRED STOCK DIVIDENDS**

The following table sets forth the ratios of our earnings to fixed charges and the ratio of our earnings to combined fixed charges and preferred dividends for each of the five years in the five-year period ended December 31, 2007 and for each of the nine-month periods ended September 30, 2007 and 2008:

	Years Ended December 31,					Nine Months Ended	
	2007	2006	2005	2004	2003	September 30, 2008	September 30, 2007
Ratio of Earnings to Fixed Charges	6.20	6.21	6.83	10.21	8.20	7.42	6.07
Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends	6.04	6.05	6.58	9.75	7.88	7.12	5.87

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### **SUPPLEMENTAL DESCRIPTION OF FIRST MORTGAGE BONDS**

The Series LL bonds offered by this prospectus supplement are a series of our first mortgage bonds as described below and in the accompanying prospectus. The Series LL bonds will be issued under a supplemental indenture between us, as issuer, and U.S. Bank National Association, as trustee. We have summarized below selected provisions of the supplemental indenture applicable to the Series LL bonds. The summary of the provisions of our first mortgage bonds contained in the accompanying prospectus applies to the provisions of the Series LL bonds, except that the summary of selected provisions of the Series LL bonds and the supplemental indenture set forth below supplements and, to the extent inconsistent, supersedes and replaces the description of the general terms and provisions of our first mortgage bonds and the indenture contained in the accompanying prospectus. This summary is not complete and is qualified by reference to provisions of the Series LL bonds and the indenture. Terms used in this section but not defined have the meanings given to those terms in the accompanying prospectus or, if not defined in the accompanying prospectus, in the supplemental indenture or the indenture.

#### **General**

The Series LL bonds will constitute a series of first mortgage bonds under the indenture, initially limited to \$                      million aggregate principal amount.

The Series LL bonds will mature on                      ,                      . They will bear interest at the rate of                      % per annum, accruing from November                      , 2008. Interest on the Series LL bonds will be payable to the holders thereof semi-annually in arrears on                      and                      of each year, beginning                      , 2009.

The Series LL bonds will be redeemable prior to maturity, at our option, at the prices set forth below under the caption                      Optional Redemption. The Series LL bonds will not be subject to a sinking fund.

At September 30, 2008, we had outstanding \$1,100 million of first mortgage bonds and the net book value of the property subject to the first lien of the indenture was \$3.3 billion. Our earnings applicable to bond interest for the twelve months ended September 30, 2008 (without giving effect to the issuance of the Series LL bonds) were 14 times the annual interest requirements on the bonds then outstanding.

#### **Optional Redemption**

We may redeem all or any part of the Series LL bonds, at our option at any time or from time to time, at the prices set forth below. The redemption price for the Series LL bonds to be redeemed on any redemption date will be equal to the greater of the following amounts:

100% of the principal amount of the Series LL bonds being redeemed on the redemption date; or

the sum of the present values of the remaining scheduled payments of principal and interest on the Series LL bonds being redeemed on that redemption date (not including any portion of any payments of accrued and unpaid interest to the redemption date) discounted to the redemption date on a semiannual basis at the Adjusted Treasury Rate (as defined below) plus                      basis points, as determined by the Independent Investment Banker (as defined below), plus, in each case, accrued and unpaid interest thereon to the redemption date. Notwithstanding the foregoing, installments of interest on Series LL bonds that are due and payable on interest payment dates falling on or prior to a redemption date will be payable on the interest payment date to the registered holders as of the close of business on the relevant record date according to the Series LL bonds and the indenture. The redemption price will be calculated on the basis of a 360-day year consisting of twelve 30-day months.

Notice of any redemption will be mailed at least 30 days but not more than 60 days before the redemption date to each registered holder of the Series LL bonds to be redeemed. Once notice of redemption is mailed, the

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Series LL bonds called for redemption will become due and payable on the redemption date and at the applicable redemption price, plus accrued and unpaid interest to the redemption date. Redemption will not be conditional upon receipt by the trustee of monies sufficient to pay the redemption price.

Unless we default in payment of the redemption price, on and after the redemption date interest will cease to accrue on the Series LL bonds or portions thereof called for redemption. We will pay the redemption price and any accrued interest once the Series LL bonds are surrendered for redemption. If only a portion of the Series LL bonds are redeemed, the trustee will deliver new Series LL bonds for the remaining portion without charge.

*Adjusted Treasury Rate* means, with respect to any redemption date, the rate per annum equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

*Comparable Treasury Issue* means the United States Treasury security selected by the Independent Investment Banker as having a maturity comparable to the remaining term of the Series LL bonds to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such Series LL bonds.

*Comparable Treasury Price* means, with respect to any redemption date, (A) the average of the Reference Treasury Dealer Quotations for such redemption date, or (B) if only one Reference Treasury Dealer Quotation is received, such Quotation.

*Independent Investment Banker* means one of the Reference Treasury Dealers appointed by us to act as the Independent Investment Banker.

*Reference Treasury Dealer* means (A) BNP Paribas Securities Corp. or J.P. Morgan Securities Inc. (or their respective affiliates which are Primary Treasury Dealers) and their respective successors; *provided, however*, that if any of the foregoing shall cease to be a primary U.S. Government securities dealer in New York City (a Primary Treasury Dealer), we will substitute therefor another Primary Treasury Dealer; and (B) any other Primary Treasury Dealer(s) selected by us.

*Reference Treasury Dealer Quotation* means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by us, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to us by such Reference Treasury Dealer at 5:00 p.m. (New York City time) on the third business day preceding such redemption date.

In the event that we elect to redeem only a portion of the Series LL bonds, the bonds to be redeemed shall be selected in accordance with the procedures of The Depository Trust Company, in the case of bonds represented by a global security, or by the trustee by a method the trustee deems to be fair and appropriate, in the case of bonds that are not represented by a global security.

## **Notice Regarding Remedies with Respect to Mortgaged Property**

Any foreclosure on the mortgaged property by the trustee may be limited by applicable California law. Section 726 of the California Code of Civil Procedure provides that any action to recover on a debt or other right secured by a mortgage or a deed of trust on real property or an estate for years therein must comply with the provisions of that section, which provisions relate to and specify the procedures for the sale of encumbered property or an estate for years therein, the application of proceeds, the rendition in certain cases of a deficiency judgment, and other related matters. We advise you that in such an action or proceeding, the debtor may require the creditor to exhaust all of its security before a personal judgment may be obtained against the debtor for a deficiency. We also advise you that failure to comply with the provisions of Section 726 may result in the

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extinguishment of the liens on the mortgaged property and the loss of your right to a deficiency judgment. Section 580d of the California Code of Civil Procedure provides that no deficiency judgment shall be rendered on a note secured by a deed of trust or mortgage on real property after sale of the real property under the power of sale contained in such deed of trust or mortgage.

### **Defeasance**

The defeasance provisions of the indenture will apply to the Series LL bonds. However, with respect to the satisfaction of the indenture following the release of the mortgaged property (but not as a condition to the release of the mortgaged property), in addition to the conditions of defeasance specified in the indenture we will be required to deliver an opinion of counsel to the effect that a holder of Series LL bonds will not recognize income, gain or loss for federal income tax purposes as a result of the defeasance and will be subject to federal income tax on the same amounts, at the same times and in the same manner as if that defeasance had not occurred. The opinion of counsel must be based upon a ruling of the Internal Revenue Service or a change in law after November 1, 2008.

### **Other**

We may, from time to time, without notice to or the consent of the holders of the Series LL bonds, increase the principal amount of this series of first mortgage bonds under the indenture and issue such increased principal amount (or any portion thereof). Any additional Series LL bonds so issued shall have the same form and terms (other than the date of issuance, under certain circumstances, the date from which interest thereon shall begin to accrue and the first interest payment date) as the Series LL bonds previously issued and shall form a single series with the Series LL bonds.

The Series LL bonds initially will be issued in book-entry form and represented by one or more global notes deposited with, or on behalf of, The Depository Trust Company, as Depositary, and registered in the name of Cede & Co., its nominee. This means that you will not be entitled to receive a certificate for the Series LL bonds that you purchase except under the limited circumstances described under the caption "Global Securities" of the accompanying prospectus.

**Table of Contents****UNDERWRITING**

Under the terms and subject to the conditions contained in an underwriting agreement, the underwriters named below have agreed, severally and not jointly, to purchase, and we have agreed to sell to them, severally and not jointly, the respective principal amount of the Series LL bonds set forth opposite their respective names below.

<b>Underwriter</b>	<b>Principal Amount of Series LL Bonds</b>
BNP Paribas Securities Corp.	\$
Calyon Securities (USA) Inc.	
J.P. Morgan Securities Inc.	
Blaylock Robert Van, LLC	
Cabrera Capital Markets, LLC	
Total	\$

The underwriting agreement provides that the obligation of the several underwriters to pay for and accept delivery of the Series LL bonds is subject to the approval of certain legal matters by their counsel and to certain other conditions. The underwriters are obligated to take and pay for all the Series LL bonds if any are taken.

We have been advised by the underwriters that the underwriters propose to offer the Series LL bonds to the public initially at the price to investors set forth on the cover page of this prospectus supplement and to certain dealers at such price less a concession not in excess of % of the principal amount per Series LL bond. The underwriters may allow, and such dealers may reallow, a concession not in excess of % of the principal amount of the Series LL bonds on sales to certain other dealers. After the initial public offering, the price to investors and concessions may be changed.

The Series LL bonds are a new issue of securities with no established trading market. There can be no assurance of a secondary market for the Series LL bonds or the continued liquidity of such market if one develops. The underwriters have informed us that they intend to make a market in the Series LL bonds but are under no obligation to do so and such market making may be terminated at any time without notice.

In order to facilitate the offering of the Series LL bonds, BNP Paribas Securities Corp., Calyon Securities (USA) Inc. or J.P. Morgan Securities Inc., or any of their affiliates, may engage in transactions that stabilize, maintain or otherwise affect the price of the Series LL bonds. Specifically, the underwriters may overallocate in connection with the offering, creating a short position in the Series LL bonds for their own account. In addition, to cover overallocations or to stabilize the price of the Series LL bonds, the underwriters may bid for, and purchase, the Series LL bonds in the open market. The underwriters may reclaim selling concessions allowed to an underwriter or dealer for distributing the Series LL bonds in the offering if the underwriters repurchase previously distributed Series LL bonds in transactions to cover syndicate short positions, in stabilization transactions or otherwise. Any of these activities may stabilize or maintain the market price of the Series LL bonds above independent market levels. The underwriters are not required to engage in these activities, and may end any of these activities at any time.

The underwriters also may impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased Series LL bonds sold by or for the account of such underwriter in stabilizing or short covering transactions.

These activities by the underwriters may stabilize, maintain or otherwise affect the market price of the Series LL bonds. As a result, the price of the Series LL bonds may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued by the underwriters at any time. These transactions may be effected in the over-the-counter market or otherwise.

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Neither we nor any of the underwriters makes any representation or prediction as to the direction or magnitude of any effect that any of the transactions described above may have on the price of the Series LL bonds. In addition, neither we nor any of the underwriters makes any representation that the transactions will be engaged in or that the transactions, once commenced, will not be discontinued without notice.

Certain of the underwriters and/or their affiliates have acted as lenders, and/or performed certain investment banking and advisory and general financing, trustee and commercial banking services for us and/or our affiliates from time to time for which they have received customary fees and expenses.

The underwriters and certain of their affiliates and associates may engage in transactions with us, and/or perform services, including investment banking and general financing and banking services, for us in the ordinary course of business for which they may receive customary fees and expenses.

We have agreed to indemnify the underwriters against certain liabilities, including civil liabilities under the Securities Act of 1933, as amended, or contribute to payments which the underwriters may be required to make in respect thereof.

Expenses payable by us in connection with the offering of the Series LL bonds, excluding underwriting discounts, are estimated at \$250,000.

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**LEGAL MATTERS**

Gary W. Kyle, Chief Corporate Counsel of Sempra Energy, our ultimate parent company, will pass upon the validity of the Series LL bonds and various other legal matters relating to the issuance and sale of the Series LL bonds. Latham & Watkins LLP, Los Angeles, California, will pass upon certain legal matters relating to the issuance and sale of the Series LL bonds on our behalf. Sidley Austin LLP, San Francisco, California, will act as counsel for the underwriters. Paul Pringle is a partner of Sidley Austin LLP and owns 3,594 shares of common stock of Sempra Energy.

**EXPERTS**

The consolidated financial statements as of December 31, 2007 and 2006, and for each of the three years in the period ended December 31, 2007, incorporated by reference in this prospectus supplement from Southern California Gas Company's annual report on Form 10-K for the year ended December 31, 2007, and the effectiveness of Southern California Gas Company's internal control over financial reporting have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their reports incorporated by reference herein (which reports (1) express an unqualified opinion on the consolidated financial statements and include an explanatory paragraph relating to the adoption of new accounting standards, and (2) express an unqualified opinion on the effectiveness of internal control over financial reporting), and have been so incorporated in reliance upon the reports of such firms given upon their authority as experts in accounting and auditing.

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**PROSPECTUS**

**\$1,000,000,000**

**SOUTHERN CALIFORNIA GAS COMPANY**

**Senior Debt Securities**

**First Mortgage Bonds**

**Preferred Stock**

We may offer and sell senior debt securities, first mortgage bonds and preferred stock from time to time in one or more offerings. The senior debt securities, the first mortgage bonds and the preferred stock are collectively referred to in this prospectus as the offered securities. This prospectus provides you with a general description of the offered securities.

Each time we sell offered securities we will provide a supplement to this prospectus that contains specific information about the offering and the terms of the particular offered securities being offered at that time. The supplement may also add, update or change information contained in this prospectus. You should carefully read this prospectus and the accompanying prospectus supplement before you invest in any of the offered securities.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.**

The date of this prospectus is June 7, 2006

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**ABOUT THIS PROSPECTUS**

This prospectus is part of a shelf registration statement that we filed with the United States Securities and Exchange Commission, or the SEC. By using a shelf registration statement, we may sell up to \$1,000,000,000 aggregate offering price of any combination of the offered securities described in this prospectus from time to time and in one or more offerings. This prospectus only provides you with a general description of the offered securities that we may offer. Each time we sell offered securities, we will provide a supplement to this prospectus that contains specific information about the particular terms of the offered securities being offered at that time. The supplement may also add, update or change information contained in this prospectus. Before purchasing any securities, you should carefully read both this prospectus and the accompanying prospectus supplement, together with the additional information described under the heading **Where You Can Find More Information**.

You should rely only on the information contained or incorporated by reference in this prospectus and in the accompanying prospectus supplement. We have not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We will not make an offer to sell the offered securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus and the accompanying prospectus supplement is accurate only as of the dates on their respective covers. Our business, financial condition, results of operations and prospects may have changed since those dates.

**FORWARD-LOOKING STATEMENTS**

This prospectus, any accompanying prospectus supplement and the documents they incorporate by reference may contain statements that are not historical fact and constitute forward-looking statements. When we use words like *believes*, *expects*, *anticipates*, *intends*, *plans*, *estimates*, *should* or similar expressions, or when we discuss our strategy or plans, we are making forward-looking statements. Forward-looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions. Our future results may differ materially from those expressed in these forward-looking statements. These statements are necessarily based upon various assumptions involving judgments with respect to the future and other risks, including, among others:

local, regional and national economic, competitive, political, legislative and regulatory conditions and developments;

actions by the California Public Utilities Commission, the California State Legislature, the Federal Energy Regulatory Commission and other regulatory bodies in the United States;

capital market conditions, inflation rates, interest rates and exchange rates;

energy and trading markets, including the timing and extent of changes in commodity prices;

the price and availability of natural gas;

weather conditions and conservation efforts;

war and terrorist attacks;

business, regulatory, environmental and legal decisions and requirements;

the status of deregulation of retail natural gas and electricity delivery;

the timing and success of business development efforts;

the resolution of litigation; and

other uncertainties, all of which are difficult to predict and many of which are beyond our control.

You are cautioned not to rely unduly on any forward-looking statements. These risks and uncertainties are discussed in more detail under the captions Business and Risk Factors, Management's Discussion and Analysis of Financial Condition and Results of Operations and elsewhere in our annual report, and in other reports and documents on file with the SEC. You may obtain copies of these reports and documents as described under the caption Where You Can Find More Information in this prospectus.

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**SOUTHERN CALIFORNIA GAS COMPANY**

We are the nation's largest natural gas distribution utility. We own and operate a natural gas distribution, transmission and storage system supplying natural gas throughout a 20,000-square mile service territory comprising most of southern California and part of central California. We provide natural gas service to 19.8 million residential, commercial, industrial, utility electric generation and wholesale consumers through 5.6 million meters. We are an indirect subsidiary of Sempra Energy, a California-based Fortune 500 energy services holding company. For additional information concerning us, you should refer to the information described under the caption "Where You Can Find More Information" in the accompanying prospectus.

Our offices are located at 555 West Fifth Street, Los Angeles, California 90013 and our telephone number is (213) 244-1200.

The terms "we," "our" and "us" are used in this document for purposes of convenience and are intended to refer to Southern California Gas Company and/or its subsidiaries, either individually or collectively, as the context may require.

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**USE OF PROCEEDS**

Unless stated otherwise in the applicable prospectus supplement, we will use the net proceeds from the sale of the offered securities to expand and improve our utility plant, to refund and retire indebtedness, for working capital and other general corporate purposes and to replenish funds previously expended for these purposes.

**RATIO OF EARNINGS TO FIXED CHARGES AND PREFERRED STOCK DIVIDENDS**

The following table sets forth the ratio of our earnings to fixed charges and the ratio of our earnings to combined fixed charges and preferred dividends for each of the five years in the five-year period ended December 31, 2005 and for the three-month period ended March 31, 2006:

	Three Months Ended March 31, 2006	2005	Years Ended December 31,			
			2004	2003	2002	2001
Ratio of Earnings to Fixed Charges	5.30	6.83	10.21	8.20	8.98	6.16
Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends	5.05	6.58	9.75	7.88	8.63	6.00

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### **DESCRIPTION OF OFFERED SECURITIES**

The following is a general description of the terms and provisions of the offered securities. These summaries are not meant to be a complete description of each offered security. This prospectus and any prospectus supplement will contain the material terms and conditions for each offered security. A prospectus supplement may add, update or change the terms and conditions of the offered securities as described in this prospectus. For more information about the offered securities, please refer to:

the indenture between us and U.S. Bank Trust National Association, as trustee, relating to the issuance of each series of senior debt securities by us (the "senior debt indenture");

the first mortgage indenture between us and U.S. Bank National Association, as trustee, together with the applicable supplemental indentures (as so supplemented, the "mortgage indenture"); and

the description of our preferred stock contained in our articles of incorporation.

Forms of these documents are filed as exhibits to the registration statement. The indentures are subject to and governed by the Trust Indenture Act of 1939, as amended, and may be supplemented or amended from time to time following their execution.

### **DESCRIPTION OF SENIOR DEBT SECURITIES**

Unless indicated differently in a prospectus supplement, the following is a general description of the terms and provisions of the senior debt securities we may offer and sell by this prospectus. In this section, references to "indenture" mean the senior debt indenture.

The senior debt securities will be governed by the indenture. The indenture gives us broad authority to set the particular terms of each series of senior debt securities, including the right to modify certain of the terms contained in the indenture. The particular terms of a series of senior debt securities and the extent, if any, to which the particular terms of the issue modify the terms of the indenture will be described in the prospectus supplement relating to such series of senior debt securities.

The indenture contains the full legal text of the matters described in this section. Because this section is a summary, it does not describe every aspect of the senior debt securities or the indenture. This summary is subject to and qualified in its entirety by reference to all the provisions of the indenture, including definitions of terms used in the indenture. We also include references in parentheses to particular sections of the indenture. Whenever we refer to particular sections or defined terms of the indenture in this prospectus or in a prospectus supplement, the sections or defined terms are incorporated by reference into this prospectus or into the prospectus supplement. This summary also is subject to and qualified by reference to the description of the terms of a particular series of senior debt securities described in the applicable prospectus supplement.

#### **General**

We may issue an unlimited amount of senior debt securities under the indenture in one or more series. We are not required to issue all senior debt securities of one series at the same time and, unless otherwise provided in a prospectus supplement, we may reopen a series, without the consent of the holders of the senior debt securities of that series, for issuances of additional senior debt securities of that series. The senior debt securities will be our unsecured obligations.

Prior to the issuance of each series of senior debt securities, the terms of the particular securities will be specified in either a supplemental indenture or a board resolution and one or more officers' certificates. We refer you to the applicable prospectus supplement for a description of the following terms of each series of senior debt securities:

the title of the senior debt securities;



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any limit upon the aggregate principal amount of the senior debt securities;

the date or dates on which principal will be payable or the method of determining such date or dates;

the rate or rates or method of determination of interest; the date or dates from which interest will accrue; the dates on which interest will be payable, which we refer to as the interest payment dates; the manner (if any) of determination of such interest payment dates; and any record dates for the interest payable on the interest payment dates;

any obligation or option we have to redeem or purchase senior debt securities, or any option of the registered holder to require us to redeem or repurchase senior debt securities, and the terms and conditions upon which the senior debt securities will be redeemed or purchased;

the denominations in which the senior debt securities will be issuable, if other than denominations of \$1,000 and any integral multiple thereof;

whether the senior debt securities are to be issued in whole or in part in the form of one or more global debt securities and, if so, the identity of the depositary for the global debt securities; and

any other terms of the senior debt securities that may be different from those described below.

(See Section 301.)

## **Ranking**

The senior debt securities will be our unsecured and unsubordinated obligations. The indebtedness represented by the senior debt securities will rank equally with all our other unsecured and unsubordinated debt. The senior debt securities are our obligations exclusively, and are not the obligations of our subsidiaries or our parent. Although the senior debt securities will be our senior unsubordinated obligations, the outstanding first mortgage bonds will have a claim to the assets securing the first mortgage bonds prior to any claim by holders of the senior debt securities.

## **Payment of Senior Debt Securities Interest**

We will pay interest on the senior debt securities on each interest payment date by check mailed to the person in whose name the senior debt securities are registered as of the close of business on the regular record date relating to the interest payment date.