
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): September 18, 2012

SOUTHERN CALIFORNIA GAS COMPANY

(Exact name of registrant as specified in its charter)

California
**(State or Other Jurisdiction
of Incorporation)**

1-1402
**(Commission
File Number)**

95-1240705
**(I.R.S. Employer
Identification Number)**

555 West Fifth Street
Los Angeles, California 90013
(Address of Principal Executive Offices) (Zip Code)

(213) 244-1200
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 8.01 Other Events

On September 21, 2012, Southern California Gas Company (the “Company”) closed the public offering and sale of \$350,000,000 aggregate principal amount of its 3.75% First Mortgage Bonds, Series NN, due 2042 (the “Bonds”) with proceeds to the Company (after deducting underwriting discounts but before other expenses estimated at approximately \$250,000) of 98.626% of the aggregate principal amount of the Bonds. The sale of the Bonds was registered under the Company’s Registration Statement on Form S-3 (File No. 333-182557). The Bonds were issued pursuant to a Supplemental Indenture, dated as of September 21, 2012, which is attached hereto as Exhibit 4.1. The Bonds will mature on September 15, 2042. Interest on the Bonds accrues from September 21, 2012 and is payable on March 15 and September 15 of each year, beginning on March 15, 2013. The Bonds will be redeemable prior to maturity, at the Company’s option, at the redemption prices and under the circumstances described in the form of Bond, which form is attached hereto in Exhibit 4.2. Further information regarding the sale of the Bonds is contained in the underwriting agreement, dated September 18, 2012, which is attached hereto as Exhibit 1.1.

Item 9.01 Exhibits

(d) *Exhibits.*

<u>Exhibit Number</u>	<u>Description of Exhibit</u>
1.1	Underwriting Agreement, dated September 18, 2012.
4.1	Supplemental Indenture, dated as of September 21, 2012.
4.2	Form of Bond (Included in Exhibit 4.1 hereto).
5.1	Opinion of Latham & Watkins LLP.
23.1	Consent of Latham & Watkins LLP (contained in the opinion filed as Exhibit 5.1 hereto).

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: September 21, 2012

SOUTHERN CALIFORNIA GAS COMPANY

By: /s/ Robert M. Schlax

Robert M. Schlax

Vice President, Chief Financial Officer, Chief
Accounting Officer, Treasurer and Controller

EXHIBIT INDEX

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Southern California Gas Company

3.75% First Mortgage Bonds, Series NN, due 2042

Underwriting Agreement

September 18, 2012

BNP Paribas Securities Corp.
787 Seventh Avenue
New York, New York 10019

Morgan Stanley & Co. LLC
1585 Broadway
New York, New York 10036

U.S. Bancorp Investments, Inc.
214 N. Tryon St. 26th Floor
EX-NC-WSTC
Charlotte, North Carolina 28202

The Williams Capital Group, L.P.
650 Fifth Avenue, 11th Floor
New York, New York 10019

As Representatives of the several Underwriters

Ladies and Gentlemen:

Southern California Gas Company, a California corporation (the “**Company**”), confirms its agreement with each of the Underwriters named in Schedule I hereto (collectively, the “**Underwriters**,” which term shall also include any underwriter substituted as hereinafter provided in Section 9 hereof), for whom BNP Paribas Securities Corp., Morgan Stanley & Co. LLC, U.S. Bancorp Investments, Inc. and The Williams Capital Group, L.P. are acting as representatives (the “**Representatives**”), with respect to the issue and sale by the Company and the purchase by the Underwriters, acting severally and not jointly, of \$350,000,000 aggregate principal amount of the Company’s 3.75% First Mortgage Bonds, Series NN, due 2042 (the “**Bonds**”). The Bonds are to be issued pursuant to a First Mortgage Indenture dated as of October 1, 1940 (the “**Base Indenture**”), as supplemented and amended by the Supplemental Indenture dated as of September 21, 2012 (the “**Current Supplemental Indenture**”) and all other indentures supplemental thereto and amendatory thereof (each, including the Current Supplemental Indenture, a “**Supplemental Indenture**,” the Base Indenture, as amended and supplemented by all Supplemental Indentures, is referred to herein as the “**Indenture**”), each between the Company and U.S. Bank National Association, as successor trustee (the “**Trustee**”).

The Company has filed with the Securities and Exchange Commission (the “**Commission**”) a shelf registration statement on Form S-3 (File No. 333-182557), as amended by Amendment No. 1 thereto, under the Securities Act of 1933, as amended (the “**Act**”) for the registration of the Company’s first mortgage bonds (the “**First Mortgage Bonds**”) (such registration statement, as amended, including the information deemed pursuant to Rule 430B under the rules and regulations of the Commission under the Act (the “**Rules and Regulations**”) to be part of the registration statement at the time of its effectiveness (“**Rule 430B Information**”) the “**Initial Registration Statement**”); the Initial Registration Statement and any post-effective amendments thereto subsequent to the date hereof, each in the form heretofore delivered or to be delivered to the Representatives for each of the other Underwriters and, excluding exhibits to the Initial Registration Statement but including all documents incorporated by reference in the prospectus contained in such Initial Registration Statement, have been declared effective by the Commission in such form; a registration statement, if any, increasing the size of the offering, filed pursuant to Rule 462(b) of the Rules and Regulations is herein referred to as the “**Rule 462(b) Registration Statement**.”

The term “**Registration Statement**” means, collectively, the various parts of the Initial Registration Statement, any post-effective amendments thereto and the Rule 462(b) Registration Statement, if any, including all exhibits thereto and the documents incorporated by reference in the prospectus contained in the Initial Registration Statement at the time such part of the Initial Registration Statement became effective but excluding any Form T-1 (as defined below), each as amended at the time such part of the Initial Registration Statement became effective or such Rule 462(b) Registration Statement, if any, became or hereafter becomes effective. The Company proposes to file with the Commission pursuant to Rule 424(b) of the Rules and Regulations the Prospectus Supplement (as defined in Section 5(h) hereof) relating to the Bonds and the prospectus dated August 16, 2012 (the “**Base Prospectus**”), and has previously advised you of all further information (financial and other) with respect to the Company set forth therein. The Base Prospectus together with the Prospectus Supplement, in their respective forms on the date hereof (being the forms in which they are to be filed with the Commission pursuant to Rule 424(b) of the Rules and Regulations), including all documents incorporated or deemed to be incorporated by reference therein through the date hereof, are hereinafter referred to as, collectively, the “**Prospectus**,” except that if any revised prospectus or prospectus supplement shall be provided to the Underwriters by the Company for use in connection with the offering and sale of the Bonds which differs from the Prospectus (whether or not such revised prospectus or prospectus supplement is required to be filed by the Company pursuant to Rule 424(b) of the Rules and Regulations), the term “Prospectus” shall refer to such revised prospectus or prospectus supplement, as the case may be, from and after the time it is first provided to the Underwriters for such use. The term “**Preliminary Prospectus**,” as used in this Agreement, means the preliminary prospectus supplement dated September 18, 2012 and filed with the Commission on September 18, 2012 pursuant to Rule 424(b) of the Rules and Regulations, together with the Base Prospectus used with such preliminary prospectus supplement in connection with the marketing of the Bonds, in each case as amended or supplemented by the Company, including all documents incorporated or deemed to be incorporated by reference therein through the date thereof. Unless the context otherwise requires, all references in this

Agreement to documents, financial statements and schedules and other information which is “contained,” “included,” “stated,” “described in” or “referred to” in the Registration Statement, the Preliminary Prospectus or the Prospectus (and all other references of like import) shall be deemed to mean and include all such documents, financial statements and schedules and other information which is or is deemed to be incorporated by reference in the Registration Statement, the Preliminary Prospectus or the Prospectus, as the case may be; and all references in this Agreement to amendments or supplements to the Registration Statement, the Preliminary Prospectus or the Prospectus shall be deemed to mean and include the filing of any document under the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), after the date of this Agreement which is or is deemed to be incorporated by reference in the Registration Statement, the Preliminary Prospectus or the Prospectus, as the case may be.

At or prior to 1:30 p.m. (New York City time) on the date hereof, which was the time when sales of the Bonds were first made (such time, the “**Applicable Time**”), the Company had prepared the following information (collectively the “**Pricing Disclosure Package**”): the Preliminary Prospectus and each “free-writing prospectus” (as defined pursuant to Rule 405 of the Rules and Regulations) listed on Schedule II hereto.

1. The Company represents and warrants to each Underwriter as of the date hereof (such date being hereinafter referred to as the “**Representation Date**”), as of the Applicable Time, and as of the Time of Delivery referred to in Section 4 as follows:

(a) No order preventing or suspending the use of the Preliminary Prospectus has been issued by the Commission, and the Preliminary Prospectus, at the time of filing thereof, complied in all material respects with the Act and did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that the representations and warranties in this subsection (a) shall not apply to statements in or omissions from the Preliminary Prospectus made in reliance upon and in conformity with information furnished to the Company in writing by any Underwriter through the Representatives expressly for use in the Preliminary Prospectus;

(b) The Pricing Disclosure Package, at the Applicable Time, did not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that the representations and warranties in this subsection (b) shall not apply to statements in or omissions from the Pricing Disclosure Package made in reliance upon and in conformity with information furnished to the Company in writing by any Underwriter through the Representatives expressly for use in such Pricing Disclosure Package;

(c) The Company (including its agents and representatives, other than the Underwriters in their capacity as such) has not prepared, made, used, approved or referred to and will not prepare, make, use, approve or refer to any “written communication” (as defined in Rule 405 of the Rules and Regulations) that constitutes an offer to sell or solicitation of an offer to buy the Bonds (each such communication by the

Company or its agents and representatives other than the Underwriters in their capacity as such (other than a communication referred to in clauses (i), (ii) and (iii) below) an “**Issuer Free Writing Prospectus**”) other than (i) any document not constituting a prospectus pursuant to Section 2(a)(10)(a) of the Act or Rule 134 of the Rules and Regulations, (ii) the Preliminary Prospectus, (iii) the Prospectus, (iv) the documents listed on Schedule II hereto and (v) any electronic road show or other written communications, in each case approved in writing in advance by the Representatives. Each such Issuer Free Writing Prospectus complied in all material respects with the Act, has been or will be (within the time period specified in Rule 433 of the Rules and Regulations) filed (to the extent required thereby) in accordance with the Act and when taken together with the Preliminary Prospectus accompanying, or delivered prior to delivery of, such Issuer Free Writing Prospectus, did not, and at the Time of Delivery will not, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that the representations and warranties in this subsection (c) shall not apply to statements in or omissions from any Issuer Free Writing Prospectus made in reliance upon and in conformity with information furnished to the Company in writing by any Underwriter through the Representatives expressly for use in any Issuer Free Writing Prospectus. Each Issuer Free Writing Prospectus, as of its issue date and at all subsequent times through the completion of the public offer and sale of the Bonds or until any earlier date that the Company notified or notifies the Representatives as described in Section 5(c) with respect to such Issuer Free Writing Prospectus, did not, does not and will not include any information that conflicted, conflicts or will conflict with the information contained in the Registration Statement, the Prospectus or the Preliminary Prospectus that has not been superseded or modified;

(d) The Registration Statement, at the respective times the Registration Statement and any post-effective amendments thereto became effective, and the Registration Statement and the Prospectus, as of the Representation Date, complied and comply in all material respects with the requirements of the Act and the Rules and Regulations (including Rule 415(a) of the Rules and Regulations), and the Trust Indenture Act of 1939, as amended (the “**Trust Indenture Act**”), and the rules and regulations of the Commission under the Trust Indenture Act, and the Registration Statement did not and as of the Representation Date and at the Time of Delivery does not and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading. No order suspending the effectiveness of the Registration Statement has been issued under the Act and no proceedings for that purpose or pursuant to Section 8A of the Act against the Company or related to the offering of the Bonds have been instituted or are pending or, to the knowledge of the Company, are contemplated by the Commission, and any request on the part of the Commission for additional information has been complied with. The Prospectus, at the Representation Date (unless the term “Prospectus” refers to a prospectus which has been provided to the Underwriters by the Company for use in connection with the offering of the Bonds which differs from the Prospectus filed with the Commission pursuant to Rule 424(b) of the Rules and Regulations, in which case at the time it is first provided to the Underwriters for such use) and at the Time of Delivery, does not and will not include an untrue statement of a material fact or omit to state a

material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that the representations and warranties in this subsection (d) shall not apply to statements in or omissions from the Registration Statement or Prospectus made in reliance upon and in conformity with information furnished to the Company in writing by any Underwriter through the Representatives expressly for use in the Registration Statement or the Prospectus or the information contained in any Statement of Eligibility and Qualification of a trustee under the Trust Indenture Act filed as an exhibit to the Registration Statement (a “**Form T-1**”);

(e) The documents filed by the Company and incorporated or deemed to be incorporated by reference into the Registration Statement, the Prospectus and the Pricing Disclosure Package pursuant to Item 12 of Form S-3 under the Act, at the time they were or hereafter are filed with the Commission, complied and will comply in all material respects with the requirements of the Exchange Act and the rules and regulations of the Commission thereunder (the “**Exchange Act Regulations**”), and, when read together and with the other information in the Registration Statement, the Prospectus and the Pricing Disclosure Package, at the respective times the Registration Statement and any amendments thereto became effective, at the Representation Date, the Applicable Time and at the Time of Delivery, did not, do not and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(f) The Company and its subsidiaries, taken as a whole, have not sustained since the date of the latest audited financial statements included or incorporated by reference in the Prospectus any material loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, otherwise than as set forth or contemplated in the Pricing Disclosure Package and the Prospectus; and, since the date as of which information is given in the Pricing Disclosure Package and the Prospectus, there has not been any material change in the capital stock or long-term debt of the Company or any of its subsidiaries or any material adverse change, or any development involving a prospective material adverse change, in or affecting the general affairs, management, financial position, shareholders’ equity or results of operations of the Company and its subsidiaries, taken as a whole, otherwise than as set forth or contemplated in the Pricing Disclosure Package and the Prospectus;

(g) The Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the State of California, with power and authority (corporate and other) to own its properties and conduct its business as described in the Pricing Disclosure Package and the Prospectus, and has been duly qualified as a foreign corporation for the transaction of business and is in good standing under the laws of each other jurisdiction in which it owns or leases properties or conducts any business so as to require such qualification, except where the failure to be so qualified would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the consolidated financial position, shareholders’ equity or results of operations of the Company and its subsidiaries, taken as a whole; and the subsidiaries of the Company, considered in the aggregate as a single subsidiary, do not constitute a “significant subsidiary” as defined in Rule 1-02 of Regulation S-X;

(h) The Company has an authorized capitalization as set forth in the Pricing Disclosure Package and the Prospectus, and all of the issued shares of capital stock of the Company have been duly and validly authorized and issued and are fully paid and non-assessable and conform to the description thereof contained in the Pricing Disclosure Package and the Prospectus;

(i) The Bonds have been duly authorized for issuance and sale by the Company and, when the Bonds are issued and delivered pursuant to this Agreement, the Bonds will have been duly executed, authenticated, issued and delivered and will constitute valid and legally binding obligations of the Company entitled to the benefits provided by the Indenture and enforceable in accordance with their terms, subject, as to enforcement, to bankruptcy, insolvency, receivership, liquidation, fraudulent conveyance, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles; the Indenture has been duly authorized and duly qualified under the Trust Indenture Act and, at the Time of Delivery, the Indenture will have been duly executed and delivered by, and will constitute a valid and legally binding agreement of, the Company, enforceable in accordance with its terms, subject, as to enforcement, to bankruptcy, insolvency, receivership, liquidation, fraudulent conveyance, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles; and the Indenture conforms, and the Bonds will conform, to the descriptions thereof contained in the Pricing Disclosure Package and the Prospectus, as amended or supplemented;

(j) This Agreement has been duly authorized, executed and delivered by the Company;

(k) The issue and sale of the Bonds and the compliance by the Company with all of the provisions of the Bonds, the Indenture and this Agreement, and the consummation of the transactions herein and therein contemplated will not (i) conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any contract, indenture, mortgage, deed of trust, loan agreement, note, lease or other agreement or instrument to which the Company is a party or by which the Company is bound or to which any of the properties or assets of the Company is subject, (ii) result in any violation of the provisions of the Restated Articles of Incorporation or the Amended and Restated Bylaws of the Company, or (iii) result in any violation of any statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Company or any of its properties, except, solely in the case of clauses (i) and (iii) above, for such conflicts, breaches, violations or defaults that would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the consolidated financial position, shareholders' equity or results of operations of the Company and its subsidiaries, taken as a whole; and no consent, approval, authorization, order, registration or qualification of or with any such court or

governmental agency or body is required for the issue and sale of the Bonds or the consummation by the Company of the transactions contemplated by this Agreement or the Indenture, except such as have been obtained under the Act, the Trust Indenture Act and from the Public Utilities Commission of the State of California and such consents, approvals, authorizations, registrations or qualifications as may be required under state securities or Blue Sky laws in connection with the purchase and distribution of the Bonds by the Underwriters;

(l) The statements set forth in the Pricing Disclosure Package and the Prospectus, as amended or supplemented, under the captions “Description of First Mortgage Bonds” and “Supplemental Description of First Mortgage Bonds,” insofar as they purport to constitute a summary of the terms of the Bonds or the Indenture, and under the captions “Plan of Distribution” and “Underwriting,” insofar as they purport to describe the provisions of the laws and documents referred to therein, are accurate, complete and fair in all material respects;

(m) The Company is not (i) in violation of its Restated Articles of Incorporation or Amended and Restated Bylaws or (ii) in default in the performance or observance of any material obligation, agreement, covenant or condition contained in any contract, indenture, mortgage, deed of trust, loan agreement, note, lease or other agreement or instrument to which it is a party or by which it or any of its properties may be bound, except in the case of clause (ii) for such defaults which, individually or in the aggregate, would not reasonably be expected to have a material adverse effect on the consolidated financial position, shareholders’ equity or results of operations of the Company and its subsidiaries, taken as a whole;

(n) Other than as set forth in the Pricing Disclosure Package and the Prospectus, (i) there are no legal or governmental proceedings pending to which the Company or any of its subsidiaries is a party or of which any property of the Company or any of its subsidiaries is the subject except for such proceedings which, if determined adversely to the Company or any of its subsidiaries, would not reasonably be expected individually or in the aggregate to have a material adverse effect on the consolidated financial position, shareholders’ equity or results of operations of the Company and its subsidiaries, taken as a whole and (ii) to the best of the Company’s knowledge, no such proceedings are threatened or contemplated by governmental authorities or threatened by others;

(o) The Company is not and after giving effect to the offering and sale of the Bonds, will not be, an “investment company,” as such term is defined in the Investment Company Act of 1940, as amended (the “**Investment Company Act**”);

(p) Deloitte & Touche LLP, who have certified certain financial statements of the Company and its subsidiaries, taken as a whole, is an independent registered public accounting firm as required by the Act and the Rules and Regulations and the rules and regulations of the Public Company Accounting Oversight Board;

(q) The financial statements of the Company and its consolidated subsidiaries included or incorporated by reference in the Registration Statement, the Pricing Disclosure Package and Prospectus present fairly in all material respects the consolidated financial position of the Company and its consolidated subsidiaries as of the dates indicated and the consolidated results of their operations for the periods specified; and, except as stated therein, such financial statements have been prepared in conformity with generally accepted accounting principles in the United States applied on a consistent basis;

(r) The Company and each of its consolidated subsidiaries maintains a system of internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with U.S. generally accepted accounting principles and to maintain asset accountability; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any material differences;

(s) The Company and each of its consolidated subsidiaries maintain "disclosure controls and procedures" (as such term is defined in Rule 13a-15(e) under the Exchange Act); such disclosure controls and procedures are effective;

(t) The Company and its subsidiaries possess such certificates, authorities or permits issued by the appropriate state, federal, local or foreign regulatory agencies or bodies necessary to conduct the businesses now operated by them, except where the failure to possess such certificates, authorities or permits, individually or in the aggregate, would not have a material adverse effect on the consolidated financial position, shareholders' equity or results of operations of the Company and its subsidiaries, taken as a whole; and neither the Company nor any of its subsidiaries has received any notice of proceedings relating to the revocation or modification of any such certificate, authority or permit which, individually or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would have a material adverse effect on the consolidated financial position, shareholders' equity or results of operations of the Company and its subsidiaries, taken as a whole;

(u) The Company and its subsidiaries are in compliance with, and conduct their respective businesses in conformity with, all applicable state, federal, local and foreign laws and regulations relating to the operation and ownership of a public utility, including, without limitation, those relating to the distribution and transmission of natural gas, except to the extent that any failure so to comply or conform would not individually or in the aggregate have a material adverse effect on the consolidated financial position, shareholders' equity or results of operations of the Company and its subsidiaries, taken as a whole;

(v) The Public Utilities Commission of the State of California has duly authorized the issuance and sale of the Bonds by the Company on the terms set forth in

the Pricing Disclosure Package and the Prospectus and in this Agreement, such authorization is in full force and effect and no authorization of any other governmental agency having regulatory jurisdiction over the Company is required for such issuance and sale except such as may be required by the securities or blue sky laws of any jurisdiction;

(w) The Company and its subsidiaries hold all franchises, certificates of public convenience and necessity, permits, licenses and easements necessary to own, operate and maintain their properties as described in the Pricing Disclosure Package and the Prospectus except to the extent that such failure, individually or in the aggregate, would not reasonably be expected to have a material adverse effect on the consolidated financial position, shareholders' equity or results of operations of the Company and its subsidiaries, taken as a whole;

(x) The Company and its subsidiaries have good and valid title to all the principal plants and other important units of their property and to all other real estate and fixed property (including plants, machinery and equipment) specifically described in the Indenture as subject to the lien thereof (except property theretofore retired or released from such lien in accordance with the terms of the Indenture) subject only to Permissible Encumbrances (as defined in the Indenture) and other liens and charges permitted by the Indenture and such liens, charges, encumbrances, defects, qualifications, exceptions and other matters affecting title, possession or use as are set forth or referred to in the Pricing Disclosure Package and the Prospectus or which, individually or in the aggregate, would not reasonably be expected to have a material adverse effect on the consolidated financial position, shareholders' equity or results of operations of the Company and its subsidiaries, taken as a whole;

(y) The Base Indenture and each Supplemental Indenture has been duly recorded (or, in the case of the Current Supplemental Indenture, arrangements have been made for the recording thereof as promptly as practicable following the Time of Delivery) in all offices of county recorders or clerks of all counties in the State of California in which any real property subject to the lien of the Indenture is located, appropriate financing statements in respect of personal property and fixtures have been filed in the Office of the Secretary of State of the State of California and no other filing or recordation is necessary for the perfection and preservation of the lien created thereby except for recordations required in respect of after-acquired real property;

(z) The Indenture constitutes, as security for the Bonds, a valid and subsisting lien to the extent that it purports to be such on all the present properties of the Company (including plants, machinery, equipment, real estate and fixed property), rights and franchises of the Company and its subsidiaries (other than those properties excepted or released from the lien of the Indenture by its terms) subject only to Permissible Encumbrances and other liens and charges permitted by the Indenture and such liens, charges and encumbrances, defects, qualifications, exceptions and other matters as are set forth or referred to in the Pricing Disclosure Package and the Prospectus, or which would not reasonably be expected to materially affect the security for the Bonds, and upon acquisition thereafter by the Company of similar properties, the Indenture will, subject to liens existing thereon at the time of acquisition, create such a lien thereon; and

(aa) Except as otherwise described in the Pricing Disclosure Package and the Prospectus and except as would not, singly or in the aggregate, result in a material adverse effect on the consolidated financial position, shareholders' equity or results of operations of the Company and its subsidiaries, taken as a whole, (A) neither the Company nor any of its subsidiaries is in violation of any federal, state, local or foreign statute, law, rule, regulation, ordinance, code, policy or rule of common law or any judicial or administrative interpretation thereof, including any judicial or administrative order, consent, decree or judgment, relating to pollution or protection of human health, the environment (including without limitation, ambient air, surface water, groundwater, land surface or subsurface strata) or wildlife, including, without limitation, laws and regulations relating to the release or threatened release of chemicals, pollutants, contaminants, wastes, toxic substances, hazardous substances, petroleum or petroleum products (collectively, "**Hazardous Materials**") or to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials (collectively, "**Environmental Laws**"), (B) the Company and its subsidiaries have all permits, authorizations and approvals required under any applicable Environmental Laws and are each in compliance with their requirements, (C) there are no pending or threatened administrative, regulatory or judicial actions, suits, demands, demand letters, claims, liens, notices of noncompliance or violations, investigations or proceedings relating to any Environmental Law against the Company or any of its subsidiaries and (D) there are no events or circumstances that might reasonably be expected to form the basis of an order for clean-up or remediation, or an action, suit or proceeding by any private party or governmental body or agency, against or affecting the Company or any of its subsidiaries relating to Hazardous Materials or any Environmental Laws.

2. The Company understands that upon authorization by the Representatives of the release of the Bonds, the several Underwriters propose to offer the Bonds for sale upon the terms and conditions set forth in the Prospectus, as amended or supplemented.

3. On the basis of the representations and warranties herein contained and subject to the terms and conditions herein set forth, the Company agrees to sell to each Underwriter, severally and not jointly, and each Underwriter, severally and not jointly, agrees to purchase from the Company, at 98.626% of the principal amount thereof, the aggregate principal amount of Bonds set forth in Schedule I opposite the name of such Underwriter, plus any additional principal amount of Bonds which such Underwriter may become obligated to purchase pursuant to the provisions of Section 9 hereof.

4. Payment of the purchase price for, and delivery of certificates for, the Bonds shall be made at the office of Latham & Watkins LLP, 885 Third Avenue, New York, New York 10022 or at such other place as shall be agreed upon by the Representatives and the Company, at 10:00 a.m. (New York City time), on September 21, 2012, or such other time not later than ten business days after such date as shall be agreed upon by the Representatives and the Company (such time and date of payment and delivery being herein called the "**Time of Delivery**"). Payment shall be made to the Company by wire transfer of Federal (same day) funds to the account specified by the Company to the Representatives at least forty-eight hours in advance against delivery to the Representatives for the respective accounts of the Underwriters of

certificates for the Bonds to be purchased by them. Certificates for the Bonds shall be in such authorized denominations and registered in such names as the Representatives may request upon at least forty-eight hours prior notice to the Company. It is understood that each Underwriter has authorized the Representatives, for its account, to accept delivery of, receipt for, and make payment of the purchase price for, the Bonds which it has agreed to purchase. Morgan Stanley & Co. LLC, individually and not as representative of the Underwriters, may (but shall not be obligated to) make payment of the purchase price for the Bonds to be purchased by any Underwriter whose check has not been received by the Time of Delivery, but such payment shall not release such Underwriter from its obligations hereunder. The certificates for the Bonds will be made available for examination and packaging by the Representatives not later than 10:00 a.m. (New York City time), on the last business day prior to the Time of Delivery in New York, New York.

5. The Company agrees with each of the Underwriters:

(a) To prepare the Prospectus, as amended or supplemented, in a form approved by the Representatives and to file such Prospectus pursuant to Rule 424(b) under the Act not later than the Commission's close of business on the second business day following the date hereof or, if applicable, such earlier time as may be required by Rule 424(b); to make no further amendment or any supplement to the Registration Statement or Prospectus, as amended or supplemented, after the date hereof and prior to the Time of Delivery which shall be disapproved by the Representatives promptly after reasonable notice thereof; to advise the Representatives promptly of any such amendment or supplement after the Time of Delivery and furnish the Representatives with copies thereof; to file promptly all reports and any definitive proxy or information statements required to be filed by the Company with the Commission pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act for so long as the delivery of a prospectus is required in connection with the offering or sale of the Bonds, and during such same period to advise the Representatives, promptly after it receives notice thereof, of the time when any amendment to the Registration Statement has been filed or becomes effective or any supplement to the Prospectus or any amended Prospectus has been filed with the Commission, of the issuance by the Commission of any stop order or of any order preventing or suspending the use of any prospectus relating to the Bonds, of the suspension of the qualification of the Bonds for offering or sale in any jurisdiction, of the initiation or threatening of any proceeding for any such purpose, or of any examination pursuant to Section 8(e) of the Act concerning the Registration Statement, or of the Company becoming the subject of a proceeding under Section 8A of the Act in connection with the offering of the Bonds, or of any request by the Commission for the amending or supplementing of the Registration Statement or Prospectus or for additional information; and, in the event of the issuance of any such stop order or of any such order preventing or suspending the use of any prospectus relating to the Bonds or suspending any such qualification, to promptly use commercially reasonable efforts to obtain the withdrawal of such order;

(b) To prepare a final term sheet (the "**Final Term Sheet**") reflecting the final terms of the Bonds, in the form of Schedule III hereto (except that the Final Term Sheet may also include information regarding the credit ratings of the Bonds), and file such

Final Term Sheet as an “issuer free writing prospectus” pursuant to Rule 433 prior to the close of business two business days after the date hereof; provided that the Company shall furnish the Representatives with copies of such Final Term Sheet a reasonable amount of time prior to such proposed filing and will not use or file any such document to which the Representatives or counsel to the Underwriters shall reasonably object;

(c) If at any time after the date hereof any events shall have occurred as a result of which any Issuer Free Writing Prospectus, as then amended or supplemented, would conflict with the information in the Registration Statement, the Preliminary Prospectus or the Prospectus or would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, or, if for any other reason it shall be necessary to amend or supplement any Issuer Free Writing Prospectus, to notify the Representatives and, upon their request, to file such document and to prepare and furnish without charge to each Underwriter as many copies as the Representatives may from time to time reasonably request of an amended or supplemented Issuer Free Writing Prospectus that will correct such conflict, statement or omission or effect such compliance;

(d) Promptly from time to time to take such action as the Representatives may reasonably request to qualify the Bonds for offering and sale under the securities laws of such domestic jurisdictions and (with the prior consent of the Company) foreign jurisdictions as the Representatives may request and to comply with such laws so as to permit the continuance of sales and dealings therein in such jurisdictions for as long as may be necessary to complete the distribution of the Bonds, provided that in connection therewith the Company shall not be required to qualify as a foreign corporation or to file a general consent to service of process in any jurisdiction;

(e) Prior to 10:00 a.m., New York City time, on the New York business day next succeeding the date hereof, or such later time or date as agreed to by the Company and the Representatives, and from time to time, to furnish the Underwriters with copies of the Prospectus in New York City, as amended or supplemented, in such quantities as the Representatives may reasonably request, and, if the delivery of a prospectus is required at any time in connection with the offering or sale of the Bonds and if at such time any event shall have occurred as a result of which the Prospectus as then amended or supplemented would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made when such Prospectus is delivered, not misleading, or, if for any other reason it shall be necessary during such same period to amend or supplement the Prospectus or to file under the Exchange Act any document incorporated by reference in the Prospectus in order to comply with the Act, the Exchange Act or the Trust Indenture Act, to notify the Representatives and upon their request to file such document and to prepare and furnish without charge to each Underwriter and to any securities dealer participating in the offering of the Bonds as many copies as the Representatives may from time to time reasonably request of an amended Prospectus or a supplement to the Prospectus which will correct such statement or omission or effect such compliance;

(f) To make generally available to its securityholders as soon as practicable, but in any event not later than fifteen months after the date hereof, an earnings statement of the Company and its consolidated subsidiaries (which need not be audited) complying with Section 11(a) of the Act and the Rules and Regulations (including, at the option of the Company, Rule 158);

(g) During the period beginning from the date hereof and continuing to and including the later of (i) the termination of trading restrictions for the Bonds, as notified to the Company by the Representatives, but only if the Representatives shall have notified the Company in writing at the Time of Delivery that such trading restrictions have not been terminated, and (ii) the Time of Delivery, not to offer, sell, contract to sell or otherwise dispose of any First Mortgage Bonds, without the prior written consent of the Representatives;

(h) Immediately following the execution of this Agreement, the Company will prepare a prospectus supplement, dated the date hereof (the “**Prospectus Supplement**”), containing the terms of the Bonds, the plan of distribution thereof and such other information as may be required by the Act or the Rules and Regulations or as the Representatives and the Company deem appropriate, and will file or transmit for filing with the Commission in accordance with Rule 424(b) of the Rules and Regulations copies of the Prospectus (including such Prospectus Supplement);

(i) To apply the net proceeds from the sale of the Bonds as set forth in the Prospectus;

(j) If the Company elects to rely upon Rule 462(b), the Company shall file a Rule 462(b) Registration Statement with the Commission in compliance with Rule 462(b) by 10:00 P.M., Washington, D.C. time, on the date of this Agreement, and the Company shall at the time of filing pay to the Commission the filing fee for the Rule 462(b) Registration Statement;

(k) The Company represents and agrees that, unless it obtains the prior consent of the Representatives, and each Underwriter represents and agrees that, unless it obtains the prior consent of the Company and the Representatives, it has not made and will not make any offer relating to the Bonds that would constitute an Issuer Free Writing Prospectus, or that would otherwise constitute a “free writing prospectus,” as defined in Rule 405, required to be filed with the Commission; provided, however, that the prior written consent of the Representatives and the Company shall be deemed to have been given in respect of the Final Term Sheet and any other Issuer Free Writing Prospectuses included in Schedule II hereto; and provided further, however, that prior to the preparation of the Final Term Sheet in accordance with Section 5(b), the Underwriters are authorized to use the information with respect to the final terms of the Bonds in communications conveying information relating to the offering to investors. Any such free writing prospectus consented to by the Company and the Representatives or otherwise permitted by the immediately preceding sentence is hereinafter referred to as a “**Permitted Free Writing Prospectus**.” For purposes of clarity, it is understood and agreed that the term Issuer Free Writing Prospectus, as used in this Agreement, includes all Permitted Free Writing Prospectuses; and

(l) As promptly as practicable after the Time of Delivery, the Company will duly record the Current Supplemental Indenture in all offices of county recorders and clerks of all counties in the State of California in which any real property subject to the lien of the Indenture is located.

6. The Company covenants and agrees with the several Underwriters that the Company will pay or cause to be paid the following: (i) the fees, disbursements and expenses of the Company's counsel and accountants in connection with the registration of the Bonds under the Act and all other expenses in connection with the preparation, printing and filing of the Registration Statement, the Preliminary Prospectus, any Permitted Free Writing Prospectus and the Prospectus and amendments and supplements thereto and the mailing and delivering of copies thereof to the Underwriters and dealers; (ii) the cost of printing or producing any Agreement among Underwriters, this Agreement, the Indenture, any Blue Sky and Legal Investment Memoranda, closing documents (including any compilations thereof) and any other documents in connection with the offering, purchase, sale and delivery of the Bonds; (iii) all expenses in connection with the qualification of the Bonds for offering and sale under state securities laws as provided in Section 5(d) hereof, including the reasonable fees and disbursements of counsel for the Underwriters in connection with such qualification and in connection with the Blue Sky and Legal Investment Memoranda; (iv) any fees charged by securities rating services for rating the Bonds; (v) any filing fees incident to, and the reasonable fees and disbursements of counsel for the Underwriters in connection with, any required review by The Financial Industry Regulatory Authority ("**FINRA**") of the terms of the sale of the Bonds; (vi) the cost of preparing the Bonds; (vii) the fees and expenses of the Trustee and any agent of the Trustee and the reasonable fees and disbursements of counsel for the Trustee in connection with the Indenture and the Bonds; (viii) any fees and expenses in connection with listing the Bonds and the cost of registering the Bonds under Section 12 of the Exchange Act; and (ix) all other costs and expenses incident to the performance of its obligations hereunder which are not otherwise specifically provided for in this Section. It is understood, however, that except as provided in this Section, and Sections 8 and 11 hereof, the Underwriters will pay all of their own costs and expenses, including the fees of their counsel, transfer taxes on resale of any of the Bonds by them, and any advertising expenses connected with any offers they may make.

7. The obligations of the Underwriters shall be subject, in the discretion of the Representatives, to the condition that all representations and warranties and other statements of the Company in or incorporated by reference in this Agreement are, at and as of the Time of Delivery, true and correct, the condition that the Company shall have performed all of its obligations hereunder theretofore to be performed, and the following additional conditions:

(a) The Prospectus, as amended or supplemented, shall have been filed with the Commission pursuant to Rule 424(b) within the applicable time period prescribed for such filing (without reliance on Rule 424(b)(8) of the Rules and Regulations and in accordance with Section 5(a) hereof); if the Company has elected to rely upon Rule 462(b), the Rule 462(b) Registration Statement shall have become effective by 10:00 P.M., Washington, D.C. time, on the date hereof; no stop order suspending the

effectiveness of the Registration Statement or any part thereof shall have been issued and no proceeding for that purpose shall have been initiated or threatened by the Commission; and all requests for additional information on the part of the Commission shall have been complied with to the Representatives' reasonable satisfaction.

(b) Counsel for the Underwriters shall have furnished to the Representatives such written opinion or opinions, dated the Time of Delivery, with respect to the Registration Statement and the Prospectus, as amended or supplemented, as well as such other related matters as the Representatives may reasonably request, and such counsel shall have received such papers and information as they may reasonably request to enable them to pass upon such matters.

(c) Erbin B. Keith, Senior Vice President and General Counsel of the Company, shall have furnished to the Representatives a written opinion, dated the Time of Delivery, in form and substance satisfactory to the Representatives, to the effect set forth in Schedule IV hereto.

(d) Latham & Watkins LLP shall have furnished to the Representatives their written opinion or opinions, dated the Time of Delivery, in form and substance satisfactory to the Representatives, to the effect set forth in Schedule V hereto.

(e) On the date hereof at a time prior to the execution of this Agreement, and at the Time of Delivery, Deloitte & Touche LLP shall have furnished to the Representatives a letter, dated the date hereof, in form and substance satisfactory to the Representatives, containing statements and information of the type ordinarily included in accountants' "comfort letters" to underwriters, and a letter dated the Time of Delivery reaffirming the statements made in their letter dated the date hereof, except that the specified date referred to in such letter delivered on the Time of Delivery shall be a date not more than three days prior to the Time of Delivery, and with respect to such letter dated the Time of Delivery, as to such other matters as the Representatives may reasonably request and in form and substance satisfactory to the Representatives.

(f) (i) The Company and its subsidiaries, taken as a whole, shall have not sustained since the date of the latest audited financial statements included or incorporated by reference in the Prospectus, as amended prior to the date hereof, any material loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, otherwise than as set forth or contemplated in the Pricing Disclosure Package and the Prospectus, as amended prior to the date hereof, and (ii) since the respective dates as of which information is given in the Pricing Disclosure Package and the Prospectus, as amended prior to the date hereof, there shall not have been any material change in the capital stock or long-term debt of the Company or any of its subsidiaries or any material adverse change, or any development involving a prospective material adverse change, in or affecting the general affairs, management or consolidated financial position, shareholders' equity or results of operations of the Company and its subsidiaries, taken as a whole, otherwise than as set forth or contemplated in the Pricing Disclosure Package and the Prospectus, as amended prior to the date hereof, the effect of which, in any such

case described in clause (i) or (ii), is in the judgment of the Representatives so material and adverse to the Company and its subsidiaries, taken as a whole, as to make it impracticable or inadvisable to proceed with the public offering or the delivery of the Bonds on the terms and in the manner contemplated in the Pricing Disclosure Package and the Prospectus as first amended or supplemented.

(g) At or after the Applicable Time (i) no downgrading shall have occurred in the rating accorded any of the Company's secured debt securities by any "nationally recognized statistical rating organization," as that term is defined by the Commission for purposes of Section 3(a)(62) under the Exchange Act, and (ii) no such organization shall have publicly announced that it has under surveillance or review, with possible negative implications, its rating of any of the Company's secured debt securities.

(h) On or after the date hereof there shall not have occurred any of the following: (i) a suspension or material limitation in trading in securities generally on the New York Stock Exchange; (ii) a suspension or material limitation in trading in the Company's securities on the New York Stock Exchange; (iii) a general moratorium on commercial banking activities declared by either Federal or New York or California State authorities or a material disruption in commercial banking or securities settlement or clearance services in the United States; or (iv) the outbreak or escalation of hostilities involving the United States or the declaration by the United States of a national emergency or war, or other calamity or crisis or any change or development involving a prospective change in national or international political, financial or economic conditions, if the effect of any such event specified in this clause (iv) in the judgment of the Representatives (A) is material and adverse and (B) makes it impracticable or inadvisable to proceed with the public offering or the delivery of the Bonds on the terms and in the manner contemplated in the Pricing Disclosure Package and the Prospectus as first amended or supplemented.

(i) The Company shall have complied with the provisions of Section 5(e) hereof with respect to the furnishing of prospectuses on the New York business day next succeeding the date hereof.

(j) The Company shall have furnished or caused to be furnished to the Representatives at the Time of Delivery a certificate of officers of the Company satisfactory to the Representatives as to the accuracy of the representations and warranties of the Company herein at and as of the Time of Delivery, as to the performance by the Company of all of its obligations hereunder to be performed at or prior to the Time of Delivery, as to the matters set forth in subsections (a) and (f) of this Section and as to such other matters as the Representatives may reasonably request.

8. (a) The Company will indemnify and hold harmless each Underwriter against any losses, claims, damages or liabilities, joint or several, to which such Underwriter may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in the Preliminary Prospectus, the Registration Statement, any Issuer Free Writing Prospectus, the Prospectus or any other

prospectus relating to the Bonds, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and will reimburse each Underwriter for any legal or other expenses reasonably incurred by such Underwriter in connection with investigating or defending any such action or claim as such expenses are incurred; provided, however, that the Company shall not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in the Preliminary Prospectus, the Registration Statement, any Issuer Free Writing Prospectus, the Prospectus or any other prospectus relating to the Bonds or any amendment or supplement thereto in reliance upon and in conformity with written information furnished to the Company by any Underwriter through the Representatives expressly for use in the Prospectus, as amended or supplemented.

(b) Each Underwriter, severally and not jointly, will indemnify and hold harmless the Company against any losses, claims, damages or liabilities to which the Company may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in the Preliminary Prospectus, the Registration Statement, any Issuer Free Writing Prospectus, the Prospectus or any other prospectus relating to the Bonds, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in the Preliminary Prospectus, the Registration Statement, any Issuer Free Writing Prospectus, the Prospectus or any other prospectus relating to the Bonds or any such amendment or supplement thereto in reliance upon and in conformity with written information furnished to the Company by such Underwriter through the Representatives expressly for use therein, it being understood and agreed that the only such information consists of the following: the information in the third paragraph of text under the caption "Underwriting" in the Preliminary Prospectus and the Prospectus concerning the terms of the offering by the Underwriters; and the information in the third sentence of the fourth paragraph of text, and the fifth, sixth, seventh, and eighth paragraphs of text (solely with respect to the statements attributable to the Underwriters), under the caption "Underwriting" in the Preliminary Prospectus and the Prospectus, insofar as such information relates to market making, stabilization, penalty bids, over-allotment, short positions and purchases to cover short positions by the Underwriters; and will reimburse the Company for any legal or other expenses reasonably incurred by the Company in connection with investigating or defending any such action or claim as such expenses are incurred.

(c) Promptly after receipt by an indemnified party under subsection (a) or (b) above of notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under such subsection, notify the indemnifying party in writing of the commencement thereof; but the omission so to notify the indemnifying party shall not relieve it from any liability

which it may have to any indemnified party under such subsection to the extent it is not materially prejudiced as a result thereof and in any event shall not relieve it from any liability otherwise than under such subsection. In case any such action shall be brought against any indemnified party and it shall notify the indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it shall wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and, after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party under such subsection for any legal expenses of other counsel or any other expenses, in each case subsequently incurred by such indemnified party, in connection with the defense thereof other than reasonable costs of investigation; provided, however, that the Representatives shall have the right to employ counsel to represent jointly the Underwriters and their respective directors, officers, employees, agents and controlling persons who may be subject to liability arising out of any claim in respect of which indemnity may be sought by the Underwriters against the Company under this Section 8, if the Representatives shall have reasonably concluded that there may be one or more legal defenses available to the Underwriters and their respective directors, officers, employees, agents and controlling persons that are different from or additional to those available to the Company and its officers, directors, employees and controlling persons, and the fees and expenses of a single separate counsel (in addition to local counsel) shall be paid by the Company. The indemnifying party shall not be liable for any settlement or compromise of, or the consent to the entry of any judgment with respect to, any pending or threatened action or claim in respect of which indemnification may be sought hereunder effected without the prior written consent of the indemnifying party (which consent shall not be unreasonably withheld), but, if settled or compromised with the indemnifying party's consent, or if judgment shall be entered following consent to the entry of such judgment given with the indemnifying party's consent, or if there shall otherwise be a final judgment for the plaintiff, the indemnifying party agrees to indemnify and hold harmless each indemnified party against any and all losses, claims, damages, liabilities and expenses, joint or several, by reason of such settlement, compromise or judgment, as the case may be. No indemnifying party shall, without the written consent of the indemnified party (which consent shall not be unreasonably withheld), effect the settlement or compromise of, or consent to the entry of any judgment with respect to, any pending or threatened action or claim in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified party is an actual or potential party to such action or claim) unless such settlement, compromise or judgment (i) includes an unconditional release of the indemnified party from all liability arising out of such action or claim and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of any indemnified party.

(d) If the indemnification provided for in this Section 8 is unavailable to or insufficient to hold harmless an indemnified party under subsection (a) or (b) above in respect of any losses, claims, damages or liabilities (or actions in respect thereof) referred to therein, then each indemnifying party shall contribute to the amount paid or payable by

such indemnified party as a result of such losses, claims, damages or liabilities (or actions in respect thereof) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Underwriters on the other from the offering of the Bonds contemplated by this Agreement. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law or if the indemnified party failed to give the notice required under subsection (c) above, then each indemnifying party shall contribute to such amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Company on the one hand and the Underwriters on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities (or actions in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the Underwriters on the other shall be deemed to be in the same proportion as the total net proceeds from the offering of the Bonds contemplated by this Agreement (before deducting expenses) received by the Company bear to the total underwriting discounts and commissions received by the Underwriters. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company on the one hand or the Underwriters on the other and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company and the Underwriters agree that it would not be just and equitable if contribution pursuant to this subsection (d) were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to above in this subsection (d). The amount paid or payable by an indemnified party as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to above in this subsection (d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this subsection (d), no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Bonds underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The obligations of the Underwriters in this subsection (d) to contribute are several in proportion to their respective underwriting obligations with respect to the Bonds and not joint.

(e) The obligations of the Company under this Section 8 shall be in addition to any liability which the Company may otherwise have and shall extend, upon the same terms and conditions, to each director, officer, employee and agent of any Underwriter and each person, if any, who controls any Underwriter within the meaning of the Act; and the obligations of the Underwriters under this Section 8 shall be in addition to any liability which the respective Underwriters may otherwise have and shall extend, upon the same terms and conditions, to each officer, director and employee of the Company and to each person, if any, who controls the Company within the meaning of the Act.

9. (a) If any Underwriter shall default in its obligation to purchase the Bonds which it has agreed to purchase under this Agreement, the Representatives may in their discretion arrange for themselves or another party or other parties to purchase such Bonds on the terms contained herein. If within thirty-six hours after such default by any Underwriter the Representatives do not arrange for the purchase of such Bonds, then the Company shall be entitled to a further period of thirty-six hours within which to procure another party or other parties reasonably satisfactory to the Representatives to purchase such Bonds on such terms. In the event that, within the respective prescribed period, the Representatives notify the Company that they have so arranged for the purchase of such Bonds, or the Company notifies the Representatives that it has so arranged for the purchase of such Bonds, the Representatives or the Company shall have the right to postpone the Time of Delivery for a period of not more than seven days, in order to effect whatever changes may thereby be made necessary in the Registration Statement or the Prospectus, as amended or supplemented, or in any other documents or arrangements, and the Company agrees to file promptly any amendments or supplements to the Registration Statement or the Prospectus which in the opinion of the Representatives may thereby be made necessary. The term "**Underwriter**" as used in this Agreement shall include any person substituted under this Section with like effect as if such person had originally been a party to this Agreement.

(b) If, after giving effect to any arrangements for the purchase of the Bonds of a defaulting Underwriter or Underwriters by the Representatives and the Company as provided in subsection (a) above, the aggregate principal amount of the Bonds which remains unpurchased does not exceed one-eleventh of the aggregate principal amount of the Bonds, then the Company shall have the right to require each non-defaulting Underwriter to purchase the principal amount of Bonds which such Underwriter agreed to purchase under this Agreement and, in addition, to require each non-defaulting Underwriter to purchase its pro rata share (based on the principal amount of Bonds which such Underwriter agreed to purchase under this Agreement) of the Bonds of such defaulting Underwriter or Underwriters for which such arrangements have not been made; but nothing herein shall relieve a defaulting Underwriter from liability for its default.

(c) If, after giving effect to any arrangements for the purchase of the Bonds of a defaulting Underwriter or Underwriters by the Representatives and the Company as provided in subsection (a) above, the aggregate principal amount of Bonds which remains unpurchased exceeds one-eleventh of the aggregate principal amount of the Bonds, as referred to in subsection (b) above, or if the Company shall not exercise the right described in subsection (b) above to require non-defaulting Underwriters to purchase Bonds of a defaulting Underwriter or Underwriters, then this Agreement shall thereupon terminate, without liability on the part of any non-defaulting Underwriter or the Company, except for the expenses to be borne by the Company and the Underwriters as provided in Section 6 hereof and the indemnity and contribution agreements in Section 8 hereof; but nothing herein shall relieve a defaulting Underwriter from liability for its default.

10. The respective indemnities, agreements, representations, warranties and other statements of the Company and the several Underwriters, as set forth in this Agreement or made by or on behalf of them, respectively, pursuant to this Agreement, shall remain in full force and effect, regardless of any investigation (or any statement as to the results thereof) made by or on behalf of any Underwriter or any controlling person of any Underwriter, or the Company or any officer or director or controlling person of the Company, and shall survive delivery of and payment for the Bonds.

11. If this Agreement shall be terminated pursuant to Section 9 hereof, the Company shall not then be under any liability to any Underwriter with respect to the Bonds except as provided in Sections 6 and 8 hereof; but, if for any other reason Bonds are not delivered by or on behalf of the Company as provided herein, the Company will reimburse the Underwriters through the Representatives for all out-of-pocket expenses approved in writing by the Representatives, including fees and disbursements of counsel, reasonably incurred by the Underwriters in making preparations for the purchase, sale and delivery of the Bonds, but the Company shall then be under no further liability to any Underwriter with respect to the Bonds except as provided in Sections 6 and 8 hereof.

12. In all dealings hereunder, the Representatives of the Underwriters shall act on behalf of each of such Underwriters, and the parties hereto shall be entitled to act and rely upon any statement, request, notice or agreement on behalf of any Underwriter made or given by such Representatives jointly or by such of the Representatives, if any, as may be designated for such purpose in this Agreement.

All statements, requests, notices and agreements hereunder shall be in writing, and if to the Underwriters shall be delivered or sent by mail, overnight courier or facsimile transmission to BNP Paribas Securities Corp., 787 Seventh Avenue, New York, New York 10019, Attention: Syndicate desk, facsimile: (212) 841-2140; Morgan Stanley & Co. LLC, 1585 Broadway, 29th Floor, New York, New York 10036, Attention: Investment Banking Division, telephone: (212) 761-6691, facsimile: (212) 507-8999; U.S. Bancorp Investments, Inc., 214 N. Tryon St. 26th Floor, EX-NC-WSTC, Charlotte, North Carolina, Attention: High Grade Fixed Income, facsimile: (704) 335-4672; and The Williams Capital Group, L.P., 650 Fifth Avenue, 11th Floor, New York, New York 10019, Attention: DiAnne Calabrisotto, Chief Compliance Officer, facsimile: 212-830-4561; and if to the Company shall be delivered or sent by mail, overnight courier or facsimile transmission to the address of the Company set forth on the cover page of the Registration Statement, Attention: Secretary, with a copy to the General Counsel; provided, however, that any notice to an Underwriter pursuant to Section 8(c) hereof shall be delivered or sent by mail, overnight courier or facsimile transmission to such Underwriter at its address set forth in its Underwriters' Questionnaire, or email or facsimile transmission constituting such Questionnaire, which address will be supplied to the Company by the Representatives upon request. Any such statements, requests, notices or agreements shall take effect upon receipt thereof.

In accordance with the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)), the Underwriters are required to obtain, verify and record information that identifies their respective clients, including the Company, which information may include the name and address of their respective clients, as well as other information that will allow the Underwriters to properly identify their respective clients.

13. This Agreement shall be binding upon, and inure solely to the benefit of, the Underwriters, the Company and, to the extent provided in Sections 8 and 10 hereof, the directors, officers, employees and agents of each Underwriter, the officers, directors and employees of the Company and each person who controls the Company or any Underwriter, and their respective heirs, executors, administrators, successors and assigns, and no other person shall acquire or have any right under or by virtue of this Agreement. No purchaser of any of the Bonds from any Underwriter shall be deemed a successor or assign by reason merely of such purchase.

14. The Company acknowledges and agrees that the Underwriters are acting solely in the capacity of an arm's length contractual counterparty to the Company with respect to the offering of the Bonds contemplated hereby (including in connection with determining the terms of the offering) and not as a financial advisor or a fiduciary to, or an agent of, the Company or any other person. The Company agrees that it will not claim that the Underwriters have rendered advisory services of any nature or respect, or owe an agency, fiduciary or similar duty to the Company, in connection with the transactions contemplated hereby or the process leading thereto. Additionally, neither the Representatives nor any other Underwriter is advising the Company or any other person as to any legal, tax, investment, accounting or regulatory matters in any jurisdiction. The Company shall consult with its own advisors concerning such matters and shall be responsible for making its own independent investigation and appraisal of the transactions contemplated hereby, and the Underwriters shall have no responsibility or liability to the Company with respect thereto. Any review by the Underwriters of the Company, the transactions contemplated hereby or other matters relating to such transactions will be performed solely for the benefit of the Underwriters and shall not be on behalf of the Company.

15. Time shall be of the essence of this Agreement. As used herein, "**business day**" shall mean, unless otherwise expressly stated, any day when the Commission's office in Washington, D.C. is open for business.

16. This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

17. This Agreement may be executed by any one or more of the parties hereto in any number of counterparts, each of which shall be deemed to be an original, but all such respective counterparts shall together constitute one and the same instrument.

(Signature Page Follows)

If the foregoing is in accordance with your understanding, please sign and return to us one for the Company and for each of the Representatives plus one for each counsel counterparts hereof.

Very truly yours,

Southern California Gas Company

By: /s/ Robert Schlax

Name: Robert Schlax

Title: V.P., Controller, CFO, CAO and Treasurer

Accepted as of the date hereof:

BNP Paribas Securities Corp.

By: /s/ Paul Lange

Name: Paul Lange

Title: Managing Director

Morgan Stanley & Co. LLC

By: /s/ Yuriy Slyz

Name: Yuriy Slyz

Title: Executive Director

U.S. Bancorp Investments, Inc.

By: /s/ Phil Bennett

Name: Phil Bennett

Title: Managing Director

The Williams Capital Group, L.P.

By: /s/ David Finkelstein

Name: David Finkelstein

Title: Assistant Vice President

On behalf of each of the Underwriters

SCHEDULE I

<u>Underwriter</u>	<u>Principal Amount of Bonds to be Purchased</u>
BNP Paribas Securities Corp.	\$ 79,625,000
Morgan Stanley & Co. LLC	79,625,000
U.S. Bancorp Investments, Inc.	79,625,000
The Williams Capital Group, L.P.	79,625,000
Lebenthal & Co., LLC	10,500,000
Loop Capital Markets LLC	10,500,000
MFR Securities, Inc.	10,500,000
Total	<u>\$350,000,000</u>

Schedule I-1

SCHEDULE II

Free Writing Prospectus dated September 18, 2012

Schedule II-1

SCHEDULE III

Free Writing Prospectus
Filed Pursuant to Rule 433
Registration Statement No. 333-182557

Southern California Gas Company

Final Term Sheet
September 18, 2012

3.75% First Mortgage Bonds, Series NN, due 2042

Issuer: Southern California Gas Company

Securities Offered: 3.75% First Mortgage Bonds, Series NN, due 2042

Aggregate Principal Amount Offered: \$350,000,000

Interest Payment Dates: March 15 and September 15, commencing March 15, 2013

Coupon: 3.75%, accruing from September 21, 2012

Maturity: September 15, 2042

Yield to Maturity: 3.778%

Spread to Benchmark Treasury: + 80 basis points

Benchmark Treasury: 3.00% due May 15, 2042

Benchmark Treasury Yield: 2.978%

Optional Redemption Provision: Prior to March 15, 2042, make whole call at Adjusted Treasury Rate + 15 basis points. On and after March 15, 2042, 100% of the principal amount.

Price to Public: 99.501%, plus accrued interest, if any

Trade Date: September 18, 2012

Settlement Date: September 21, 2012 (T+3)

CUSIP: 842434CK6

ISIN: US842434CK62

Joint Book-Running Managers: BNP Paribas Securities Corp.
Morgan Stanley & Co. LLC
U.S. Bancorp Investments, Inc.
The Williams Capital Group, L.P.

Schedule III-1

Co-Managers:

Lebenthal & Co., LLC
Loop Capital Markets LLC
MFR Securities, Inc.

The issuer has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC website at www.sec.gov. Alternatively, the issuer, any underwriter or any dealer participating in the offering will arrange to send you the prospectus if you request it by calling BNP Paribas Securities Corp. at (800) 854-5674, by calling Morgan Stanley & Co. LLC at (866) 718-1649, by calling U.S. Bancorp Investments, Inc. at (877) 558-2607 or by calling The Williams Capital Group, L.P. at (800) 924-1311.

Schedule III-2

SCHEDULE IV

Form of Opinion of Erbin B. Keith

1. The execution and delivery of the Underwriting Agreement and the Supplemental Indenture and the issuance and sale of the Bonds by the Company to the Underwriters pursuant to the Underwriting Agreement do not:

(i) violate on the date of such opinion any federal or California statute, rule or regulation relating to public utilities that is applicable to the Company; or

(ii) require any consents, approvals, orders or authorizations to be obtained by the Company from, or any registrations, declarations or filings to be made by the Company with, any governmental authority on or prior to the date of such opinion under any federal or California statute, rule or regulation relating to public utilities that is applicable to the Company, except such as have been obtained from the Public Utilities Commission of the State of California prior to the date of such opinion and are in full force and effect on the date of such opinion.

2. The Indenture (as supplemented by the Supplemental Indenture) creates a valid lien (with respect to real property) and security interest (with respect to personal property) in favor of the Trustee in and on the assets and properties over which the Company has rights and over which the Indenture (as supplemented by the Supplemental Indenture) purports to create a lien or security interest, as the case may be, pursuant to the granting clause thereof, as security for the obligations under the Indenture (as supplemented by the Supplemental Indenture) purported to be secured thereby, including the payment of principal of and premium, if any, and interest on the Bonds.

3. The following financing statements have been filed with the Office of the Secretary of State of the State of California: (i) the financing statement filed on January 13, 1988 as document number 88001849 (with an amendment thereto filed with the Office of the Secretary of State of State of California on August 20, 1992 as document number 88001849A0) and (ii) the financing statement filed on September [•], 2012 as document number [•] (such financing statements, as so amended (if applicable), the "Financing Statements"). The security interest in favor of the Trustee in the Company's rights in the collateral described in the Financing Statements is perfected to the extent a security interest in such collateral can be perfected under the California UCC by the filing of financing statements in such office.

4. The Indenture has been duly recorded and arrangements have been made for the prompt recording of the Supplemental Indenture in all offices of the county recorders or clerks of all counties in the State of California in which any real property subject to the lien of the Indenture (as supplemented by the Supplemental Indenture) is located and no other filing or recordation is necessary for the perfection and preservation of the lien created thereby except for recordations required in respect of after-acquired real property.

As used herein, the following capitalized terms shall have the meanings set forth as follows:

Schedule IV-1

“Indenture” means the First Mortgage Indenture dated as of October 1, 1940 between the Company and U.S. Bank National Association, as successor trustee, as amended and supplemented to the date of such opinion (but excluding the Supplemental Indenture).

“Supplemental Indenture” means the supplemental indenture dated September 21, 2012 between the Company and the Trustee setting forth the terms of the Bonds as provided by the terms of the Indenture.

“California UCC” means the Uniform Commercial Code as in effect on the date of such opinion in the State of California.

Schedule IV-2

SCHEDULE V

Form of Opinion of Latham & Watkins LLP

1. The Company is a corporation under the general corporation law of the State of California with corporate power and authority to own its properties and to conduct its business as described in the Registration Statement, the Preliminary Prospectus and the Prospectus (in each case including the Incorporated Documents). With your consent, based solely on certificates from public officials, we confirm that the Company is validly existing and in good standing under the laws of the State of California.

2. The Bonds have been duly authorized by all necessary corporate action of the Company and, when executed, issued and authenticated in accordance with the terms of the Indenture and delivered and paid for in accordance with the terms of the Underwriting Agreement, will be legally valid and binding obligations of the Company, enforceable against the Company in accordance with their terms. A registered holder of the Bonds will be a beneficiary under the Indenture, as supplemented by the Supplemental Indenture.

3. The execution, delivery and performance of the Underwriting Agreement have been duly authorized by all necessary corporate action of the Company, and the Underwriting Agreement has been duly executed and delivered by the Company.

4. Each of the Indenture and the Supplemental Indenture has been duly authorized by all necessary corporate action of the Company, has been duly executed and delivered by the Company, and is the legally valid and binding agreement of the Company, enforceable against the Company in accordance with its terms.

5. The Indenture, as supplemented by the Supplemental Indenture, has been qualified under the Trust Indenture Act of 1939, as amended (the "**TIA**").

6. The execution and delivery of the Underwriting Agreement and the Supplemental Indenture and the issuance and sale of the Bonds by the Company to you and the other Underwriters pursuant to the Underwriting Agreement do not on the date of such opinion:

(i) violate the Governing Documents;

(ii) result in the breach of or a default under any of the Specified Agreements;

(iii) violate any federal or California statute, rule or regulation applicable to the Company; or

(iv) require any consents, approvals, or authorizations to be obtained by the Company from, or any registrations, declarations or filings to be made by the Company with, any governmental authority under any federal or California statute, rule or regulation applicable to the Company on or prior to the date of such opinion that have not been obtained or made.

7. The Registration Statement, as of September 18, 2012, and the Prospectus, as of its date, including, in the case of the Registration Statement, the information deemed to be a part of the Registration Statement pursuant to Rule 430B(f) of the Act, each appeared on their face to

be appropriately responsive in all material respects to the applicable form requirements for registration statements on Form S-3 under the Act and the requirements under the TIA and the rules and regulations of the Commission thereunder; it being understood, however, that we express no view with respect to Regulation S-T or the financial statements, schedules or other financial data, included in, incorporated by reference in, or omitted from, the Registration Statement or the Prospectus or with respect to any Form T-1. For purposes of this paragraph, we have assumed that the statements made in the Registration Statement and the Prospectus are correct and complete.

8. Each of the Company's most recent annual report on Form 10-K, its subsequent quarterly reports on Form 10-Q, its current reports on Form 8-K filed subsequent to the last day of the fiscal year covered by the Company's most recent annual report on Form 10-K (other than any such current reports on Form 8-K or portions thereof that are deemed to have been "furnished" to, and not "filed" with, the Commission) and most recent information statement under Regulation 14C, as of its respective filing date, but giving effect to any amendment (together, the "**Specified Filings**"), appeared on its face to be appropriately responsive in all material respects to the applicable requirements for reports on Form 10-K, Form 10-Q and Form 8-K and information statements under Regulation 14C, as the case may be, under the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Commission thereunder; it being understood, however, that we express no opinion with respect to Regulation S-T or the financial statements, schedules, or other financial data, included in, incorporated by reference in, or omitted from such reports and information statement. For purposes of this paragraph, we have assumed that the statements made in the Specified Filings are correct and complete.

9. The Registration Statement has been declared effective under the Act. With your consent, based solely on a telephonic confirmation by a member of the Staff of the Commission on September 21, 2012, we confirm that no stop order suspending the effectiveness of the Registration Statement has been issued under the Act and no proceedings therefor have been initiated by the Commission. The Preliminary Prospectus has been filed in accordance with Rule 424(b) under the Act, the Prospectus has been filed in accordance with Rule 424(b) and 430B under the Act, and the Final Term Sheet has been filed in accordance with Rule 433(d) under the Act.

10. The statements in the Preliminary Prospectus and the Prospectus under the captions "Description of First Mortgage Bonds" and "Supplemental Description of First Mortgage Bonds," insofar as they purport to describe or summarize certain provisions of the Bonds or the Indenture (including the Supplemental Indenture), and under the captions "Plan of Distribution" and "Underwriting," insofar as they purport to describe or summarize the provisions of the laws and documents referred to therein, are accurate summaries or descriptions in all material respects.

11. The Company is not, and immediately after giving effect to the sale of the Bonds in accordance with the Underwriting Agreement and the application of the proceeds as described in the Prospectus under the caption "Use of Proceeds," will not be required to be, registered as an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

In addition, such counsel shall provide a statement to the effect that such counsel has participated in conferences and telephone conversations with officers and other representatives of the Company, the independent public accountants for the Company and representatives of the Underwriters, during which conferences and conversations the contents of the Registration Statement, the Preliminary Prospectus, any Issuer Free Writing Prospectuses and the Prospectus (and portions of certain of the Incorporated Documents), in each case as amended or supplemented if applicable, and related matters were discussed and, although such counsel is not passing upon, and does not assume any responsibility for, the accuracy, completeness or fairness of the statements contained or incorporated by reference in the Registration Statement, the Preliminary Prospectus, the Final Term Sheet or the Prospectus (or the Incorporated Documents) (except to the extent expressly set forth in numbered paragraph 10 above), in each case as amended or supplemented, if applicable, and has not made any independent check or verification thereof during the course of such participation, no facts came to such counsel's attention that caused them to believe that:

(i) the Registration Statement, as of the date of the Prospectus Supplement, including the information deemed to be a part of the Registration Statement pursuant to Rule 430B(f) under the Act (together with the Incorporated Documents at that date), contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, not misleading;

(ii) the Pricing Disclosure Package, at the Applicable Time (together with the Incorporated Documents at that time), contained an untrue statement of a material fact or omitted to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; or

(iii) the Prospectus, as of the date of the Prospectus Supplement or as of the Time of Delivery (together with the Incorporated Documents at those dates), contained or contains an untrue statement of a material fact or omitted or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

it being understood that such counsel expresses no belief with respect to the financial statements, schedules or other financial data included or incorporated by reference in, or omitted from, the Registration Statement, the Preliminary Prospectus, any Issuer Free Writing Prospectus, the Prospectus, any documents incorporated by reference therein or any Form T-1.

As used herein, the following capitalized terms shall have the meanings set forth as follows:

“Governing Documents” means the Restated Articles of Incorporation of the Company and the Amended and Restated Bylaws of the Company.

“Incorporated Documents” means the reports and information statements filed by the Company with the Commission and, in each case giving effect to Rule 412 under the Act, incorporated by reference in the Registration Statement, the Preliminary Prospectus, or the Prospectus, as the case may be.

“**Indenture**” means the First Mortgage Indenture dated as of October 1, 1940 between the Company and U.S. Bank National Association, as successor trustee, as amended and supplemented to the date of such opinion (but excluding the Supplemental Indenture).

“**Specified Agreements**” means the indentures, notes, loan or credit agreements, mortgages, deeds of trust, security agreements and other written agreements or instruments creating, evidencing or securing indebtedness of the Company for borrowed money, and other agreements identified to Latham & Watkins LLP by an officer of the Company, in each case as listed in Exhibit A¹ to such opinion.

“**Supplemental Indenture**” means the supplemental indenture dated September 21, 2012 between the Company and the Trustee setting forth the terms of the Bonds as provided by the terms of the Indenture.

Such opinion may state that such counsel expresses no opinion as to any state or federal laws or regulations applicable to the subject transaction as a result of the Company’s status as a public utility.

¹ To include the Item 4 and Item 10 exhibits applicable to the Company from the Exchange Act filings, excluding compensation items, and to include the Company’s primary bank credit facility.

**SOUTHERN CALIFORNIA GAS
COMPANY**

TO

U.S. BANK NATIONAL ASSOCIATION

(successor by merger to U.S. Bank Trust National Association,
formerly known as First Trust of California, National Association)

TRUSTEE

SUPPLEMENTAL INDENTURE

To Indenture dated October 1, 1940

Dated as of September 21, 2012

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THIS SUPPLEMENTAL INDENTURE, dated as of September 21, 2012 (this "Supplemental Indenture"), is made and entered into in the City of Los Angeles, State of California by and between SOUTHERN CALIFORNIA GAS COMPANY, a corporation duly organized and existing under the laws of the State of California, and having its principal place of business in the City of Los Angeles, State of California (hereinafter sometimes called the "Corporation") and U.S. BANK NATIONAL ASSOCIATION (successor by merger to U.S. Bank Trust National Association, formerly known as First Trust of California, National Association), an association duly organized and existing under the laws of the United States of America and having a corporate trust office in the City and County of Los Angeles, State of California (hereinafter, together with its predecessors as trustees under the Indenture referred to below, sometimes called the "Trustee").

WITNESSETH:

WHEREAS, the Corporation has executed and delivered to the Trustee a certain Indenture (hereinafter referred to as the "Base Indenture") dated October 1, 1940, to secure bonds of the Corporation designated generally as its "First Mortgage Bonds" to be issued from time to time in one or more series, any of which series may vary from any other as to certain particulars specified in Section 2.01 of the Base Indenture, and the Corporation has executed and delivered to the Trustee supplemental indentures dated, respectively, as of July 1, 1947, May 1, 1948, June 1, 1950, April 1, 1952, August 1, 1955, June 1, 1956, December 1, 1956, July 1, 1957, October 1, 1959, July 1, 1963, September 1, 1964, June 1, 1965, December 1, 1966, October 1, 1970, August 1, 1972, September 1, 1972, October 1, 1974, May 1, 1976, October 1, 1977, November 1, 1979, February 1, 1981, September 15, 1981, April 1, 1982, August 15, 1983, May 18, 1984, December 16, 1985, March 1, 1986, November 15, 1986, December 1, 1986, January 15, 1988, June 15, 1988, November 1, 1988, December 1, 1990, October 1, 1991, August 15, 1992, December 15, 1992, March 1, 1993, June 15, 1993, November 1, 1993, November 15, 1993, October 1, 2002, October 17, 2003, December 15, 2003, December 10, 2004, November 18, 2005, November 21, 2008 and November 18, 2010 supplementing and amending the Base Indenture (each, a "Prior Supplemental Indenture," and the Base Indenture together with all Prior Supplemental Indentures and this Supplemental Indenture being herein collectively referred to as the "Indenture"); and

WHEREAS, the Base Indenture and the Prior Supplemental Indentures dated, respectively, as of July 1, 1947, May 1, 1948, June 1, 1950, April 1, 1952 and August 1, 1955, are recorded in the office of the County Recorder of each of the Counties listed below in the Official Records thereof, as stated in the Prior Supplemental Indenture dated as of June 1, 1956; the Prior Supplemental Indentures dated, respectively, as of June 1, 1956 and December 1, 1956, are so recorded as stated in the Prior Supplemental Indenture dated as of July 1, 1957; the Prior Supplemental Indenture dated as of July 1, 1957 and each subsequently dated Prior Supplemental Indenture (other than the Prior Supplemental Indenture dated November 18, 2010) is so recorded as stated in the Prior Supplemental Indenture dated as of the next succeeding date; and the Prior Supplemental Indenture dated as of November 18, 2010 is recorded in the offices of the County Recorders in the Counties of the State of California, as follows:

County	Reference	Date
Fresno	Official Records, Document 2010-0159707	December 1, 2010
Imperial	Official Records, Document 2010-030193	December 1, 2010
Kern	Official Records, Document 166061	December 1, 2010
Kings	Official Records, Document 1021472	December 1, 2010
Los Angeles	Official Records, Document 10-1754962	December 1, 2010
Orange	Official Records, Document 2010000643526	December 1, 2010
Riverside	Official Records, Document 2010-0573648	December 1, 2010
San Bernardino	Official Records, Document 2010-0507948	December 1, 2010
San Diego	Official Records, Document 2010-0660248	December 1, 2010
San Luis Obispo	Official Records, Document 2010061065	December 1, 2010
Santa Barbara	Official Records, Document 2010-0068529	December 1, 2010
Tulare	Official Records, Document 2010-0076931	December 1, 2010
Ventura	Official Records, Document 20101201-00187096-0 1/26	December 1, 2010

WHEREAS, bonds of the Corporation of five (5) series designated, respectively, as its “First Mortgage Bonds, Series GG, due 2012,” “First Mortgage Bonds, Series HH, due 2018,” “First Mortgage Bonds, Series KK, due 2035,” “First Mortgage Bonds, Series LL, due 2014” and “First Mortgage Bonds, Series MM, due 2040” are outstanding as a part of the First Mortgage Bonds referred to in the Indenture, each such series of bonds, unless and until the taking of further appropriate action by the Board of Directors of the Corporation, being without limitation as to aggregate authorized principal amount; and

WHEREAS, pursuant to the provisions of Sections 2.01 and 2.02 of the Indenture, the Board of Directors has, by resolution duly adopted and delivered to the Trustee, authorized the creation, as a part of the First Mortgage Bonds referred to in the Indenture, a new series of bonds designated “First Mortgage Bonds, Series NN, due 2042” (the “Series NN Bonds”), of the form, terms and provisions provided herein, which new series of bonds, unless and until the taking of further appropriate action by the Board of Directors, is to be without limitation as to aggregate authorized principal amount and of which series of bonds in the aggregate principal amount of \$350,000,000 are to be presently issued; and

WHEREAS, under the provisions of Sections 2.02 and 16.01 of the Indenture, the Corporation and the Trustee may execute and deliver a Supplemental Indenture (i) to set forth the particulars, permitted by Section 2.01 of the Indenture, as to which the Series NN Bonds may vary from the bonds of the other series of the First Mortgage Bonds, and (ii) for any purpose not inconsistent with the terms of the Indenture; and

WHEREAS, the making, executing, delivering and recording of this Supplemental Indenture have been duly authorized by proper corporate action of the Corporation; and

WHEREAS, the issuance of the Series NN Bonds and the encumbrance of the Corporation’s property to secure the Series NN Bonds pursuant to this Supplemental Indenture have been authorized by the Public Utilities Commission of the State of California.

NOW, THEREFORE, in consideration of the foregoing premises and of other good and valuable consideration, receipt of which is hereby acknowledged, and in order: (a) to set forth or specify (i) the form of the fully registered Series NN Bonds, and the form of the legend to be endorsed on all Series NN Bonds, and (ii) the terms and provisions of the Series NN Bonds, including the particulars thereof which vary from the bonds of the other series of the First Mortgage Bonds; and (b) further to secure the payment of the principal of and premium, if any, and interest on the bonds of the Corporation now or at any time hereafter outstanding under the Indenture, including specifically, but without limitation, all of the First Mortgage Bonds now outstanding and the \$350,000,000 aggregate principal amount of Series NN Bonds and further to secure the observance and performance of all of the covenants, agreements and conditions contained in the Indenture, and without in any way limiting the generality or effect of the Indenture insofar as by any provision thereof any of the property therein or hereafter described or referred to is now subject or intended to be subject to the lien and operation thereof, but to such extent confirming such lien and operation, the Corporation has executed and delivered this Supplemental Indenture and has granted, bargained, sold, released, conveyed, mortgaged, assigned, transferred, pledged, set over and confirmed, and does hereby grant, bargain, sell, release, convey, mortgage, assign, transfer, pledge, set over and confirm unto U.S. Bank National Association, the Trustee, and to its successors or successors in the trust created by the Indenture, and to its and their assigns, forever, with power of sale, subject, to the extent applicable by the terms of the Indenture to any of the properties hereinafter referred to or described, to the exceptions (other than as expressly provided in the granting clauses of the Prior Supplemental Indentures dated respectively as of June 1, 1956, July 1, 1957, October 1, 1959, July 1, 1963, September 1, 1964 and December 1, 1966 with respect to exception (f) set forth on page 67 of the Base Indenture and reading as follows: "(f) Any gas and/or oil acreage, gas and/or oil wells, gas and/or oil reserves, or gas and/or oil leaseholds hereafter acquired by the Corporation, or any property or equipment now or hereafter owned by the Corporation and used for the development of gas and/or oil acreage or for the drilling for or production of gas and/or oil from such acreage;" which exception (f) is by said granting clauses expressly made inapplicable to certain therein specified parcels of property), reservations, conditions, terms and provisions provided in the Indenture with respect to properties subject or intended to be subject thereto, all of the properties and assets of the Corporation, real, personal and mixed, of every kind and character, whether now or hereafter owned by the Corporation and wheresoever situated, including, without in any way limiting or modifying the generality or effect of the foregoing, all and singular, the following properties:

FIRST: All and singular the plants, properties, equipment, real and personal property, estates, interests, goodwill, generating, transmission, feeding, storing, and distribution systems, and utilities of the Corporation situated in the Counties of Fresno, Imperial, Kern, Kings, Los Angeles, Orange, Riverside, San Bernardino, San Diego, San Luis Obispo, Santa Barbara, Tulare and Ventura, and elsewhere, in the State of California, with all and singular the franchises, ordinances, grants, easements, licenses, powers, immunities, permits, privileges, appurtenances, tenements and other rights and property thereunto appertaining or belonging, as the same now exist and as the same and any and all parts thereof may hereafter exist or be improved, added to, enlarged, extended or acquired in said counties or elsewhere in said state or any other state or states.

SECOND: All other property, real, personal and mixed, of every kind, nature and description (including, without in any way limiting the effect or the generality hereof, all facilities; all stocks, bonds and other securities from time to time conveyed, assigned, transferred, mortgaged or pledged on behalf of the Corporation, or with its consent, to the Trustee in the manner and for the purposes as provided in the Indenture; all gas manufacturing plants, boilers, engines, compressors, motors, pumps, generators, gasholders, tanks, appliances, oil storage facilities, gas storage facilities, wells, buildings, structures, plants, works and other improvements; all gas transmission and distributing lines and systems; all meters and regulators and all other apparatus, machinery, appliances, tools, furniture, fixtures, supplies, facilities and utilities and other personal property; or any right or interest in any thereof; all business and goodwill, rights, consents, franchises, ordinances, licenses, agreements, contracts, permits, easements, rights of way, leases and leasehold interests; all powers, grants, privileges and immunities to construct, operate and maintain lines and other facilities or properties for conveying gas or other commodity or utility for any purpose or purposes through, under and over public streets or highways, or public or private places or property; all reversions, remainders, tolls, incomes, revenues, earnings, rents, issues and profits of any property, real, personal and mixed; and all other classes and types of property described or referred to in the Indenture), now or hereafter owned, held, possessed, acquired or enjoyed by or in any manner conferred upon or appertaining to the Corporation, including the interest of the Corporation in all leases now or hereafter owned by it, together with all and singular the tenements, hereditaments, and appurtenances belonging or in any way appertaining to each and every part of any and all property subject or intended to be subject to the lien and operation of the Indenture, and the reversion and reversions, remainder and remainders, tolls, incomes, revenues, earnings, rents, issues and profits thereof.

SAVING AND EXCEPTING, however, from the property hereby mortgaged, conveyed in trust and/or pledged, all property, whether now owned by the Corporation or hereafter acquired by it, expressly saved and excepted from the lien of the Indenture and therein referred to as the "excepted property" (except as otherwise expressly provided in any Prior Supplemental Indenture hereinabove mentioned with respect to exception (f) of said "excepted property"), unless and until, upon the occurrence of an event of default under the Indenture, the Trustee, or any receiver appointed thereunder, shall take possession of any or all of such excepted property.

TO HAVE AND TO HOLD in trust with power of sale for the equal and proportionate benefit and security of all holders of bonds of the Corporation, now or hereafter outstanding under the Indenture as from time to time in effect, and for the enforcement and payment of said bonds and interest thereon when payable, and the performance of and compliance with the covenants and conditions of the Indenture as from time to time in effect, without any preference, distinction or priority as to lien or otherwise of any of said bonds over any others thereof by reason of the difference in the time of the actual issue, sale or negotiation thereof, or for any other reason whatsoever, except as otherwise expressly provided in the Indenture as from time to time in effect, so that each and every such bond shall have the same lien and so that the principal of and premium, if any, and interest on every such bond shall, subject to the terms thereof, be equally and proportionately secured by said lien, as if such bond had been made, executed, delivered, sold and negotiated simultaneously with the execution and delivery of the Base Indenture.

IT IS HEREBY COVENANTED, DECLARED, AND AGREED by and between the parties hereto that all such bonds are issued, authenticated and delivered, or are to be issued, authenticated and delivered, and that all property subject, or to become subject, to the Indenture is to be held, subject to the covenants, conditions, uses and trusts therein set forth.

ARTICLE I
AMOUNT, FORM, NUMBERING, DENOMINATION,
TRANSFER AND EXCHANGE OF
SERIES NN BONDS, DUE 2042

Section 1.01. The Series NN Bonds may be issued at any time or from time to time upon and subject to the terms and provisions of the Indenture. Unless and until the taking of further appropriate action by the Board of Directors of the Corporation the Series NN Bonds shall be without limitation as to aggregate authorized principal amount.

Section 1.02. The Series NN Bonds shall be issued only as fully registered bonds without coupons. In addition, the Series NN Bonds may be issuable in whole or in part in the form of one or more securities that evidence all or part of the bonds of such series which is issued to a depository or a nominee thereof for such series (a "Global Security") and, in such case, the Board of Directors shall appoint a clearing agency registered under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), designated to act as depository (a "depository") for such Global Securities; the initial depository so appointed is The Depository Trust Company.

Section 1.03. In the event the Series NN Bonds are issued as a Global Security the following provisions, in addition to the provisions of the Indenture, shall apply:

(a) Each Global Security authenticated under the Indenture shall be registered in the name of the depository designated for such Global Security or a nominee thereof and delivered to such depository or a nominee thereof or custodian therefor, and each such Global Security shall constitute a single bond for all purposes of this Supplemental Indenture.

(b) Notwithstanding any other provision in this Supplemental Indenture, no Global Security may be exchanged in whole or in part for bonds registered, and no transfer of a Global Security in whole or in part may be registered, in the name of any person other than the depository for such Global Security or a nominee thereof unless (A) such depository has notified the Corporation that it is unwilling or unable to continue as depository for such Global Security and a successor depository has not been appointed by the Corporation within 90 days of receipt by the Corporation of such notification, (B) if at any time the depository ceases to be a clearing agency registered under the Exchange Act at a time when the depository is required to be so registered to act as such depository and no successor depository shall have been appointed by the Corporation within 90 days after it became aware of such cessation, (C) the Corporation, in its sole discretion, executes and delivers to the Trustee a written order signed in the name of the Corporation by its Chairman of the Board, its President or a Vice President, and by its

Treasurer, an Assistant Treasurer, its Secretary or an Assistant Secretary to the effect that such Global Security, together with all other Global Securities of the same series, shall be exchangeable as described below, or (D) an Event of Default (as defined in Section 1.02 of the Indenture) has occurred and is continuing with respect to the Series NN Bonds. If any of the events described in clauses (A) through (D) of the preceding sentence occur, the beneficial owners of interests in the relevant Global Securities will be entitled to exchange those interests for definitive bonds and, without unnecessary delay but in any event not later than the earliest date on which those interests may be so exchanged, the Corporation will deliver to the Trustee definitive bonds in such form and denominations as are required by or pursuant to this Indenture, and of the same series, containing identical terms and in an aggregate principal amount equal to the principal amount of such Global Securities, such bonds to be duly executed by the Corporation. On or after the earliest date on which such beneficial interests may be so exchanged, such Global Securities shall be surrendered from time to time by the depository as shall be specified in the order from the Corporation with respect thereto (which the Corporation agrees to deliver), and in accordance with any instructions given to the Trustee and the depository (which instructions shall be in writing but need not be contained in or accompanied by an officers' certificate or be accompanied by an opinion of counsel), as shall be specified in the order from the Corporation with respect thereto to the Trustee, as the Corporation's agent for such purpose, to be exchanged, in whole or in part, for definitive bonds as described above without charge. The Trustee shall authenticate and make available for delivery, in exchange for each portion of such surrendered Global Security, a like aggregate principal amount of definitive bonds of the same series of authorized denominations and of like tenor as the portion of such Global Security to be exchanged. Promptly following any such exchange in part, such Global Security shall be returned by the Trustee to such depository or its custodian. If a definitive bond is issued in exchange for any portion of a Global Security after the close of business at the place where such exchange occurs on or after (i) any regular record date for a date the interest is due (an "Interest Payment Date") for such bond and before the opening of business at that place of payment on such Interest Payment Date, or (ii) any special record date for the payment of interest for such bond and before the opening of business at such place of payment on the related proposed date for the payment of the interest which was not punctually paid or duly provided for on any Interest Payment Date ("Defaulted Interest"), as the case may be, interest shall not be payable on such Interest Payment Date or proposed date for payment, as the case may be, in respect of such definitive bond, but shall be payable on the Interest Payment Date or proposed date for payment, as the case may be, only to the person to whom interest in respect of such portion of such Global Security shall be payable in accordance with the provisions of this Indenture.

(c) Subject to Clause (b) above, any exchange or transfer of a Global Security for other bonds may be made in whole or in part, and all bonds issued in exchange for or upon transfer of a Global Security or any portion thereof shall be registered in such names as the depository for such Global Security shall direct.

(d) Every bond authenticated and delivered upon registration of transfer of, or in exchange for or in lieu of, a Global Security or any portion thereof, shall be authenticated and delivered in the form of, and shall be, a Global Security, unless such bond is registered in the name of a person other than the depository for such Global Security or a nominee thereof.

Section 1.04. Unless otherwise specified as contemplated by Section 2.01 for the bonds evidenced thereby, every Global Security authenticated and delivered hereunder shall bear a legend in substantially the following form:

THIS SECURITY IS A GLOBAL SECURITY WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITARY OR A NOMINEE THEREOF. THIS SECURITY MAY NOT BE EXCHANGED IN WHOLE OR IN PART FOR A SECURITY REGISTERED, AND NO TRANSFER OF THIS SECURITY IN WHOLE OR IN PART MAY BE REGISTERED, IN THE NAME OF ANY PERSON OTHER THAN SUCH DEPOSITARY OR A NOMINEE THEREOF, EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE. ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF HAS AN INTEREST HEREIN.

Section 1.05. The fully registered bonds without coupons and the certificate of authentication to be endorsed on all Series NN Bonds shall be substantially in the form set forth on Exhibit A.

Section 1.06. The Series NN Bonds may contain or have imprinted thereon such provisions or specifications not inconsistent with the Indenture as may be required to comply with the rules of any stock exchange or any federal or state authority or commission, or to comply with usage with respect thereto, and may bear such other appropriate endorsements or notations as are authorized or permitted by the Indenture.

Section 1.07. The fully registered Series NN Bonds shall be issuable in denominations of \$1,000, \$5,000, \$10,000, \$25,000 or multiples of \$25,000 and shall be dated as provided in paragraph 1 of Section 2.01 of the Base Indenture. The definitive Series NN Bonds shall be numbered in such manner as the Corporation shall at any time or from time to time determine.

Section 1.08. In the manner and subject to certain conditions and limitations specified herein and in the Indenture, Series NN Bonds may be exchanged without a service charge for a like aggregate principal amount of such Series NN Bonds of other authorized denomination or denominations; provided that the Corporation may require payment of a sum or sums sufficient to reimburse it for any stamp tax or other governmental charge payable in connection therewith.

Section 1.09. The Corporation shall maintain in the City and County of San Francisco, State of California, and in such other place or places as the Corporation may designate at any time or from time to time, an office or agency where Series NN Bonds may be presented for payment, registration, transfer and exchange as provided therein or in the Indenture. Such office or agency in the City and County of San Francisco shall be the corporate trust office of the Trustee unless and until the Corporation shall designate another office or agency by notice in writing delivered to the Trustee. Notwithstanding the foregoing, if and when certificated bonds are issued, the Corporation shall maintain in the Borough of Manhattan, City and County of New York, State of New York, an office or agency where Series NN Bonds may be presented for payment, registration, transfer and exchange as provided therein or in the Indenture.

Section 1.10. No transfer or exchange of any Series NN Bonds pursuant to any of the provisions of this Article I shall be made except upon and in accordance with all of the applicable terms, provisions and conditions of said bonds and of the Indenture.

ARTICLE II
INTEREST, MATURITY DATE, REDEMPTION AND CERTAIN OTHER PROVISIONS OF SERIES NN
BONDS, DUE 2042

Section 2.01. The Series NN Bonds shall bear interest at the rate, shall be expressed to mature as to principal, and shall be payable as to principal, premium, if any, and interest at such place or places and in such money, all as provided in the form of Series NN Bond set forth on Exhibit A hereto and by the applicable provisions of the Indenture. In addition, September 21, 2012 shall be an Interest Payment Date for the Series NN Bonds for purposes of paragraph 1 of Section 2.01 of the Base Indenture (as supplemented by the Prior Supplemental Indentures), provided that no interest shall be payable on such date.

Section 2.02. The Series NN Bonds shall be subject to redemption prior to maturity as set forth in the form of Series NN Bond set forth on Exhibit A, upon notice, in the manner and otherwise upon the terms and conditions and with the effect, as provided therein and by the applicable provisions of the Indenture.

Section 2.03. The Corporation may at any time deliver to the Trustee for cancellation any Series NN Bonds previously authenticated and delivered under the Indenture which the Corporation may have acquired in any manner whatsoever and all Series NN Bonds so delivered shall be promptly cancelled by the Trustee upon the request of the Corporation.

Section 2.04. The Series NN Bonds shall, except as in this Supplemental Indenture otherwise expressly provided, be on the terms and provisions, and shall represent such rights and be entitled to such benefits, as are applicable thereto by the terms of the Indenture.

Section 2.05. The Series NN Bonds shall be entitled to the benefits of the Renewal Fund as provided in the Indenture.

Section 2.06. The following Section 11.01A shall apply to the Series NN Bonds in lieu of Section 11.01 of the Base Indenture:

“Section 11.01A If the Corporation, its successors or assigns, shall

(a) pay or cause to be paid the principal of and interest on the bonds and coupons and claims for interest thereon to become due at the time and in the manner stipulated therein and herein, and/or

(b) provide for the payment of the bonds and interest thereon by depositing in cash with the Trustee or other depository satisfactory to it at any time at or before maturity the entire amount due or to become due thereon for principal and interest to maturity of all the bonds outstanding, and/or

(c) in case of a call of all of the bonds then outstanding for redemption, deposit with the Trustee on or before the date on which all of such bonds (other than those which shall have matured by their terms) shall have been called for redemption, as provided in Article VII, the entire amount of the redemption price thereof, including interest and shall deliver to the Trustee (1) proof satisfactory to the Trustee that notice of redemption as provided in Article VII has been given, or (2) proof satisfactory to the Trustee that arrangements have been made insuring that such notice will be given, or (3) a written instrument executed by the Corporation under its corporate seal, and expressed to be irrevocable, authorizing the Trustee to give such notice for and on behalf of the Corporation, and/or

(d) surrender to the Trustee for cancellation all the bonds and coupons thereto appertaining for which payment is not so provided,

and shall also pay, or satisfactorily provide, all other sums due and payable hereunder by the Corporation, including the compensation and expenses of the Trustee, then and in that case,

(i) at the request of the Corporation all the mortgaged property shall revert to the Corporation and the entire estate, right, title and interest of the Trustee and of the holders and registered owners of the bonds and coupons in respect of the mortgaged property shall thereupon cease, determine and become void; and

(ii) the Trustee in such case, upon the cancellation of all outstanding bonds and coupons for the payment of which cash shall not have been deposited in accordance with the provisions of this Indenture, shall upon request of the Corporation, and at its cost and expense and upon delivery to the Trustee of an opinion of counsel stating that (x) the Corporation has received from, or there has been published by, the Internal Revenue Service a ruling, or (y) since September 21, 2012 there has been a change in applicable federal income tax law, in either case to the effect that, and based thereon such opinion of counsel shall confirm that, the holders of Series NN Bonds will not recognize income, gain or loss for federal income tax purposes as a result of such defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such defeasance had not occurred, (A) execute to the Corporation, or its order, proper instruments acknowledging satisfaction of this Indenture and (B) surrender to the Corporation, or its order, all cash and deposited securities, if any, which shall then be held by it hereunder as a part of the mortgaged property (exclusive of cash held in trust as provided in Section 5.03); provided, however, that if any such property shall have been delivered to the Trustee by any person or corporation other than the Corporation, the same shall be delivered or otherwise disposed of in accordance with any reservations, limitations, conditions or provisions which may have been set forth in the instrument in writing then executed, if any, respecting the use, management or disposition thereof; and provided further that if the Corporation pursuant to clauses (1) or

(2) of subdivision (c) above shall have delivered to the Trustee proof satisfactory to it that notice of redemption as provided in Article VII has been given or that arrangements have been made insuring that such notice will be given, there shall also be delivered to the Trustee an officers' certificate stating that all conditions precedent to the satisfaction and discharge of this Indenture have been complied with and an opinion of counsel stating that in his opinion such conditions precedent have been complied with."

ARTICLE III

SUNDRY PROVISIONS

Section 3.01. The recitals of fact contained herein shall be taken as the statements of the Corporation, and the Trustee assumes no responsibility for the correctness of the same. The Corporation hereby covenants and agrees that it will cause this Supplemental Indenture to be kept recorded and/or filed as may be required by law, in such manner and in such places as may be necessary fully to preserve and protect the security of the bondholders and all of the rights of the Trustee hereunder, and that it will with all reasonable dispatch deposit with the Trustee counterparts of this Supplemental Indenture bearing official notation or endorsements showing such recordation and/or filing, or in case such counterparts are not returned to the Corporation, furnish to the Trustee the best official evidence of such recordation and/or filing reasonably obtainable by the Corporation, or evidence of the taking of such other action, if any, but the Trustee, subject to the provisions of Sections 14.02 and 14.03 of the Indenture, shall in no way be liable for any failure or omission in this regard.

Section 3.02. The date of this Supplemental Indenture and the date of the Series NN Bonds are intended as and for a date for the convenient identification of this Supplemental Indenture and of the Series NN Bonds, and are not intended to indicate that this Supplemental Indenture was executed and delivered or that the Series NN Bonds were executed, delivered or issued on said date; it being hereby provided that this Supplemental Indenture may be executed and delivered, and that the Series NN Bonds may be executed, delivered or issued, either on said date or before or after said date, and that this Supplemental Indenture is in fact executed and delivered by each party hereto on the date of its certificate of acknowledgment hereto attached.

Section 3.03. This Supplemental Indenture shall be deemed to be part of the Indenture, and the Corporation agrees to conform to and comply with all and singular the terms, provisions, conditions and covenants set forth therein and herein. This Supplemental Indenture shall be construed in connection with and as a part of the Indenture.

Section 3.04. It is further agreed that the Trustee accepts the trust imposed upon it by this Supplemental Indenture, upon and subject to the same terms and conditions as are expressed in Article XIV of the Base Indenture.

Section 3.05. In order to facilitate the recording of this Supplemental Indenture, the same may be executed in several counterparts, each of which so executed shall be deemed to be an original, and such counterparts shall collectively constitute one and the same instrument.

Section 3.06. All terms used in this Supplemental Indenture which are defined in the Indenture and not defined herein shall have the meaning assigned to them in the Indenture. As used in the Indenture, Supplemental Indenture and Series NN Bonds, all references to “premium” on the Series NN Bonds shall mean any amounts (other than accrued interest) payable upon the redemption of any Series NN Bonds in excess of 100% of the principal amount of such Series NN Bonds.

Section 3.07. To the extent any provision in this Supplemental Indenture conflicts with any provision in the Indenture, the provisions of this Supplemental Indenture shall govern; provided however, that in the event such conflict would require bondholder consent, the terms and provisions of the Indenture shall govern.

Section 3.08. The Base Indenture, as heretofore amended and supplemented, insofar as it applies to the Series NN Bonds, this Supplemental Indenture and the Series NN Bonds shall be governed by and construed in accordance with the laws of the State of California, without regard (to the extent permitted by applicable law) to conflicts of laws principles thereof.

Section 3.09. To the extent not otherwise addressed in this Supplemental Indenture, this Supplemental Indenture shall be subject to the provisions of Article XVII of the Indenture, the terms of which are hereby incorporated by reference into this Indenture Supplement.

(Signature Page Follows)

IN WITNESS WHEREOF, Southern California Gas Company has caused this Supplemental Indenture to be signed in its corporate name by one of its Vice Presidents or its Controller and its Secretary or an Assistant Secretary and its corporate seal to be hereunto duly affixed, and U.S. Bank National Association, in token of its acceptance of the trust hereby established, has caused this Supplemental Indenture to be signed in its corporate name by one of its Vice Presidents, all as of September 21, 2012.

SOUTHERN CALIFORNIA GAS COMPANY

Attest:

/s/ Jennifer Jett

Name: Jennifer Jett

Title: Corporate Secretary

By /s/ Robert M. Schlax

Name: Robert M. Schlax

Title: Vice President, Chief Financial
Officer, Chief Accounting
Officer, Treasurer and Controller

(SEAL)

U.S. BANK NATIONAL ASSOCIATION

By /s/ Fonda Hall

Name: Fonda Hall

Title: Vice President

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

State of California
County of San Diego

On this September 19, 2012, before me, Annie Victoria Ruiz, Notary Public, personally appeared Robert Schlax, who proved to me on the basis of satisfactory evidence to be one of the persons whose names are subscribed to the within instrument and acknowledged to me that such person executed the same in the person's authorized capacity, and that by the person's signature on the instrument, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

(Seal)

Signature /s/Annie Victoria Ruiz
Signature of Notary Public

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

State of California
County of San Diego

On this September 19, 2012, before me, Mary L. Elliott, Notary Public, personally appeared Jennifer F. Jett, who proved to me on the basis of satisfactory evidence to be one of the persons whose names are subscribed to the within instrument and acknowledged to me that such person executed the same in the person's authorized capacity, and that by the person's signature on the instrument, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

(Seal)

Signature /s/Mary L. Elliott
Signature of Notary Public

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

} ss.:

On this 20th day of September, 2012, before me, Ricardo M. Soares, Notary Public, personally appeared Fonda Hall, who proved to me on the basis of satisfactory evidence to be one of the persons whose names are subscribed to the within instrument and acknowledged to me that such person executed the same in the person's authorized capacity, and that by the person's signature on the instrument, the entity upon behalf of which the person acted executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

/s/ Ricardo M. Soares

Notary Public

My Commission expires 12-6-2015

EXHIBIT A

[FORM OF REGISTERED BOND WITHOUT COUPONS, SERIES NN, DUE 2042]

[If this bond is issued as a global security, insert the following legend: THIS SECURITY IS A GLOBAL SECURITY WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITARY OR A NOMINEE THEREOF. THIS SECURITY MAY NOT BE EXCHANGED IN WHOLE OR IN PART FOR A SECURITY REGISTERED, AND NO TRANSFER OF THIS SECURITY IN WHOLE OR IN PART MAY BE REGISTERED, IN THE NAME OF ANY PERSON OTHER THAN SUCH DEPOSITARY OR A NOMINEE THEREOF, EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE. ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF HAS AN INTEREST HEREIN.]

SOUTHERN CALIFORNIA GAS COMPANY
(Incorporated under the laws of the State of California)

3.75% FIRST MORTGAGE BOND, SERIES NN, DUE 2042

No. ____

\$ _____
CUSIP No. 842434CK6
ISIN No. US842434CK62

SOUTHERN CALIFORNIA GAS COMPANY, a corporation organized and existing under the laws of the State of California (hereinafter called the "Corporation," which term shall include any successor corporation, as defined in the Indenture hereinafter referred to), for value received, hereby promises to pay to _____ [If this bond is issued as a global security, insert "CEDE & CO." in the foregoing space] or registered assigns, the principal sum of _____ DOLLARS in lawful money of the United States of America, on September 15, 2042, and to pay interest thereon from the date of this bond, at the rate of 3.75% per annum in like lawful money, payable semi-annually, on the fifteenth day of March and September in each year (each, an "Interest Payment Date"), to the holder of record of this bond at the close of business on the immediately preceding first day of March and September, respectively, commencing March 15, 2013, until the Corporation's obligation with respect to the payment of such principal shall be discharged as provided in the Indenture hereinafter mentioned. The principal of and premium, if any, and interest on this bond will be paid at the corporate trust office of U.S. Bank National Association, or its successor trustee under said Indenture, in the City and County of San Francisco, State of California [if this bond is a certificated bond, insert: ", or at the office or agency in the Borough of Manhattan, City and County of New York, State of New York, that the Corporation maintains for such purpose"]. Notwithstanding the foregoing, so long as the registered holder of this bond is a depositary, or its

nominee, payment of the principal of and interest on this bond will be made by wire transfer of immediately available funds; and, if this bond is registered in the name of a person other than a depository or its nominee, the Company will have the option of paying interest hereon by checked mailed to the address of the person entitled to payment or by wire transfer to a bank account in the United States designated in writing to the trustee referred to on the reverse hereof at least 15 days before an Interest Payment Date by the person entitled to payment. Interest on this bond shall be computed on the basis of a 360-day year consisting of twelve 30-day months.

The provisions of this bond are continued on the reverse hereof and such continued provisions shall for all purposes have the same effect as though set forth at this place.

IN WITNESS WHEREOF, SOUTHERN CALIFORNIA GAS COMPANY has caused this bond to be signed in its corporate name by the facsimile signature of its authorized officer and its corporate seal to be hereto affixed and attested by its Secretary or an Assistant Secretary.

Dated:

SOUTHERN CALIFORNIA GAS COMPANY

By _____
Name:
Vice President

(CORPORATE SEAL)

Attest:

Name:
Secretary

This bond is one of a duly authorized issue of bonds of the Corporation (herein called the “bonds”), of the series hereinafter specified, all issued and to be issued under and all equally and ratably secured by an indenture dated October 1, 1940, between the Corporation and U.S. Bank National Association, as successor trustee, to which indenture and all indentures supplemental thereto, including Supplemental Indentures dated, respectively, as of July 1, 1947, August 1, 1955, June 1, 1956, December 1, 1956, June 1, 1965, August 1, 1972, May 1, 1976, September 15, 1981, May 18, 1984, November 15, 1986, January 15, 1988, August 15, 1992, October 1, 2002, October 17, 2003, December 15, 2003, December 10, 2004, November 18, 2005, November 21, 2008, November 18, 2010 and September 21, 2012 (herein collectively referred to, and as the same may be further amended or supplemented from time to time, as the “Indenture”), reference is hereby made for a description of the property conveyed in trust, mortgaged and pledged, the nature and extent of the security, the rights of the registered owners of the bonds and of the Trustee or trustees in respect thereof, the terms and conditions upon which the bonds are, and are to be, secured and the circumstances under which additional bonds may be issued. The bonds may be issued for various principal sums, and may be issued in series, which may mature at different times, may bear interest at different times, may bear interest at different rates and may otherwise vary as in the Indenture provided. This bond is one of a series designated as the “First Mortgage Bonds, Series NN, due 2042” (herein called “Series NN Bonds”) of the Corporation, issued under and secured by the Indenture. Terms used but not defined herein shall have the respective meanings assigned thereto in the Indenture.

As provided in the Indenture, by any indenture or indentures supplemental thereto executed by the Corporation and the Trustee and consented to by the holders of not less than two-thirds ($\frac{2}{3}$) in principal amount of the bonds at the time outstanding, and, in case one or more, but less than all, of the series of bonds then outstanding are affected by such supplemental indenture, consented to by the holders of at least two-thirds ($\frac{2}{3}$) in principal amount of the bonds of each series so affected, the Indenture or any indenture supplemental thereto and the rights and obligations of the Corporation and the holders of bonds, may be modified or altered from time to time, as provided in the Indenture; provided, however, (a) that the right of any holder of any bond to receive payment of the principal of and premium, if any, and interest on such bond, on or after the respective due dates expressed in such bond, or to institute suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected by any such supplemental indenture without the consent of such holder, and (b) that no such modification or alteration shall reduce the proportions of bondholders’ consents required as aforesaid; such proportions to be determined in each case as provided in the Indenture.

The Series NN Bonds are entitled to the benefits of the Renewal Fund as provided in the Indenture.

All or a portion of the Series NN Bonds may be redeemed at the Corporation’s option at any time or from time to time.

The price at which the Series NN Bonds will be redeemed (the “Redemption Price”) on any date fixed for such redemption (a “Redemption Date”) will be equal to (A) in the case of any

Redemption Date prior to March 15, 2042, the greater of the following amounts: (a) 100% of the principal amount of the Series NN Bonds being redeemed on the Redemption Date; or (b) the sum of the present values of the remaining scheduled payments of principal and interest on the Series NN 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 15 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, or (B) in the case of any Redemption Date on or after March 15, 2042, 100% of the principal amount of the Series NN Bonds to be redeemed on the Redemption Date, plus accrued and unpaid interest thereon to the Redemption Date. Notwithstanding the foregoing, installments of interest on Series NN Bonds that are due and payable on Interest Payment Dates falling on or prior to a Redemption Date will be payable on such Interest Payment Dates to the registered holders of such Series NN Bonds as of the close of business on the relevant record dates. The Redemption Price will be calculated on the basis of a 360-day year consisting of twelve 30-day months.

Unless the Corporation defaults in payment of the Redemption Price, on and after the Redemption Date interest will cease to accrue on the Series NN Bonds or portions thereof called for redemption.

“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, with respect to any Redemption Date, the United States Treasury security selected by the Independent Investment Banker as having a maturity comparable to the remaining term of the Series NN Bonds to be redeemed on such Redemption Date 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 NN 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, with respect to any Redemption Date, one of the Reference Treasury Dealers appointed by the Corporation to act as the “Independent Investment Banker.”

“Reference Treasury Dealer” means, with respect to any Redemption Date, (A) BNP Paribas Securities Corp., Morgan Stanley & Co. LLC, a Primary Treasury Dealer (as defined below) selected by U.S. Bancorp Investments, Inc. and a Primary Treasury Dealer selected by The Williams Capital Group, L.P. (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 the United States (a “Primary Treasury Dealer”), the Corporation will substitute therefor another Primary Treasury Dealer; and (B) any other Primary Treasury Dealer(s) selected by the Corporation.

“Reference Treasury Dealer Quotation” means, with respect to each Reference Treasury Dealer and any Redemption Date, the average, as determined by the Corporation, 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 the Corporation by such Reference Treasury Dealer at 5:00 p.m. (New York City time) on the third business day preceding such Redemption Date. As used in the preceding sentence, “business day” means any day (other than a Saturday or Sunday) on which banking institutions in The City of New York are not authorized or obligated by law or executive order to remain closed.

In the event of redemption of this bond in part only, one or more new Series NN Bonds of like tenor for the unredeemed portion hereof will be issued in the name of the holder hereof upon the cancellation hereof and without charge.

In the event that the Corporation elects to redeem only a portion of the Series NN 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 lot in such manner as it shall deem fair, in the case of bonds that are not represented by a Global Security.

Notice of any such redemption will be mailed to the registered owners of the Series NN Bonds to be redeemed not less than 30 nor more than 60 days before the Redemption Date. Once notice of redemption is mailed, the Series NN 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. Upon the Corporation’s election to redeem all or a portion of the Series NN Bonds, that redemption will not be conditional upon receipt by the paying agent or the Trustee of monies sufficient to pay the Redemption Price.

In case an event of default, as defined in the Indenture, shall occur, the principal of all bonds then outstanding under the Indenture may be declared or become due and payable upon the conditions and in the manner and with the effect provided in the Indenture.

This bond is transferable by the registered owner hereof at the office or agency of the Corporation in the City and County of San Francisco [if this bond is a definitive bond, insert: “, or at the office or agency in the Borough of Manhattan, City and County of New York, State of New York, that the Corporation maintains for such purpose”] and in such other place or places as the Corporation may designate at any time or from time to time, and thereupon a new fully registered bond or bonds of said series, without coupons, of authorized denomination or denominations, of a like aggregate principal amount, will be issued to the transferee or transferees in exchange for this bond; and at any of said offices or agencies fully registered Series NN Bonds without coupons, are exchangeable for a like aggregate principal amount of other such fully registered bonds of authorized denominations; all in the manner and subject to the conditions as provided in the Indenture.

No recourse shall be had for the payment of the principal of or premium, if any, or the interest on this bond or for any claim based hereon or on the Indenture or any indenture supplemental thereto, against any incorporator, stockholder, director or officer, past, present or future, of the Corporation, or of any predecessor or successor corporation, either directly or through the Corporation, or any such predecessor or successor corporation, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty, or otherwise, all such liability being waived and released by every registered owner hereof by the acceptance of this bond and as part of the consideration for the issue hereof, and being likewise waived and released by the terms of the Indenture.

This bond shall not become valid or obligatory for any purpose or be entitled to any benefit under the Indenture until U.S. Bank National Association, or its successor as Trustee under the Indenture, shall have signed the form of certificate endorsed hereon.

This bond shall be governed by and construed in accordance with the laws of the State of California, without regard (to the extent permitted by applicable law) to conflicts of laws principles thereof.

CERTIFICATE

This bond is one of the bonds, of the series designated therein, described in the within-mentioned Indenture.

U.S. BANK NATIONAL
ASSOCIATION
Trustee

By

Authorized Officer

September 21, 2012

FIRM / AFFILIATE OFFICES

Abu Dhabi	Moscow
Barcelona	Munich
Beijing	New Jersey
Boston	New York
Brussels	Orange County
Chicago	Paris
Doha	Riyadh
Dubai	Rome
Frankfurt	San Diego
Hamburg	San Francisco
Hong Kong	Shanghai
Houston	Silicon Valley
London	Singapore
Los Angeles	Tokyo
Madrid	Washington, D.C.
Milan	

Southern California Gas Company
555 West Fifth Street
Los Angeles, California 90113

Re: Registration Statement No. 333-182557; Issuance of \$350,000,000 Aggregate Principal Amount of 3.75% First Mortgage Bonds, Series NN, due 2042

Ladies and Gentlemen:

We have acted as special counsel to Southern California Gas Company, a California corporation (the "**Company**"), in connection with the Company's issuance of \$350,000,000 aggregate principal amount of 3.75% First Mortgage Bonds, Series NN, due 2042 (the "**Bonds**") under an indenture, dated as of October 1, 1940, between the Company and U.S. Bank National Association, as successor trustee (the "**Trustee**"), as amended and supplemented to date, including as supplemented by the supplemental indenture, dated as of September 21, 2012 (the "**Indenture**"), between the Company and the Trustee, setting forth the terms of the Bonds, and pursuant to a registration statement on Form S-3 under the Securities Act of 1933, as amended (the "**Act**"), filed with the Securities and Exchange Commission (the "**Commission**") on July 6, 2012 (Registration No. 333-182557) (as amended, the "**Registration Statement**"), and an underwriting agreement, dated September 18, 2012, between the underwriters named therein and the Company.

This opinion is being furnished in connection with the requirements of Item 601(b)(5) of Regulation S-K under the Act, and no opinion is expressed herein as to any matter pertaining to the contents of the Registration Statement or related prospectus, other than as expressly stated herein with respect to the issue of the Bonds.

As such counsel, we have examined such matters of fact and questions of law as we have considered appropriate for purposes of this letter. With your consent, we have relied upon certificates and other assurances of officers of the Company and others as to factual matters without having independently verified such factual matters. We are opining herein as to the internal laws of the State of California and we express no opinion with respect to the applicability thereto, or the effect thereon, of the laws of any other jurisdiction or as to any matters of municipal law or the laws of any local agencies within any state.

LATHAM & WATKINS^{LLP}

Subject to the foregoing and the other matters set forth herein, it is our opinion that the Bonds have been duly authorized by all necessary corporate action of the Company and are the legally valid and binding obligations of the Company, enforceable against the Company in accordance with their terms.

Our opinion is subject to: (i) the effect of bankruptcy, insolvency, reorganization, fraudulent transfer, moratorium or other similar laws relating to or affecting the rights and remedies of creditors; (ii) the effect of general principles of equity, whether considered in a proceeding in equity or at law (including the possible unavailability of specific performance or injunctive relief), concepts of materiality, reasonableness, good faith and fair dealing, and the discretion of the court before which a proceeding is brought; (iii) the invalidity under certain circumstances under law or court decisions of provisions providing for the indemnification of or contribution to a party with respect to a liability where such indemnification or contribution is contrary to public policy; and (iv) we express no opinion with respect to (a) any provision for liquidated damages, default interest, late charges, monetary penalties or other economic remedies to the extent such provisions are deemed to constitute a penalty; (b) consents to, or restrictions upon, governing law, jurisdiction, venue, arbitration, remedies, or judicial relief; (c) advance waivers of claims, defenses, rights granted by law, or notice, opportunity for hearing, evidentiary requirements, statutes of limitation, trial by jury or at law, or other procedural rights, including the waiver of rights or defenses contained in Article IX, Section 9.08 of the Indenture; (d) any provision requiring the payment of attorneys' fees, where such payment is contrary to law or public policy, and we call to your attention the provisions of Sections 1717 and 1717.5 of the California Civil Code, which limit and create obligations for the payment of attorneys' fees; (e) any provision permitting, upon acceleration of the Bonds, collection of that portion of the stated principal amount thereof which might be determined to constitute unearned interest thereon; (f) waivers of broadly or vaguely stated rights; (g) provisions prohibiting, restricting, or requiring consent to assignment or transfer of any right or property, or the effect thereon of California Civil Code Section 711; and (h) the severability, if invalid, of provisions to the foregoing effect. We do not render any opinion herein with respect to the creation, validity, perfection or priority of any security interest.

With your consent, we have assumed (a) that the Indenture and the Bonds (collectively, the "**Documents**") have been duly authorized, executed and delivered by the parties thereto other than the Company and that the Indenture has been duly authorized, executed and delivered by the Company, (b) that the Documents constitute legally valid and binding obligations of the parties thereto other than the Company, enforceable against each of them in accordance with their respective terms, and (c) that the status of the Documents as legally valid and binding obligations of the parties is not affected by any (i) breaches of, or defaults under, agreements or instruments, (ii) violations of statutes, rules, regulations or court or governmental orders, or (iii) failures to obtain required consents, approvals or authorizations from, or make required registrations, declarations or filings with, governmental authorities.

LATHAM & WATKINS^{LLP}

This opinion is for your benefit in connection with the Registration Statement and may be relied upon by you and by persons entitled to rely upon it pursuant to the applicable provisions of the Act. We consent to your filing this opinion as an exhibit to the Company's Form 8-K dated September 21, 2012 and to the reference to our firm contained in the prospectus for the offering of the Bonds under the heading "Legal Matters." In giving such consent, we do not thereby admit that we are in the category of persons whose consent is required under Section 7 of the Act or the rules and regulations of the Commission thereunder.

Very truly yours,

/s/ Latham & Watkins LLP