



Lee Schavrien
Director
Regulatory Case Management
and Tariff Administration

101 Ash Street
San Diego, CA 92101-3017

Tel: 619.696.4050
Pager: 800.456.9141
Fax: 619.696.4027

April 20, 2001

Advice No. 3014
U-904-G

Public Utilities Commission of the State of California

Subject: Establishment of the Self-Generation Program Memorandum Account

Southern California Gas Company (SoCalGas) hereby submits for filing revisions to its tariff schedules, applicable throughout its service territory, as shown on Attachment B.

Purpose

This filing revises Preliminary Statement, Part VI, Description of Regulatory Accounts – Memorandum, to establish the Self-Generation Program Memorandum Account (SGPMA) in compliance with Ordering Paragraph 2 of Decision No. (D.) 01-03-073. The SGPMA will record all program costs as authorized by D.01-03-073.

Background

Commission D.01-03-073, originating from the passage of California State Assembly Bill (AB) 970, orders Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), San Diego Gas & Electric Company (SDG&E), and SoCalGas to adopt new utility programs to reduce demand for electricity through load control and distributed generation initiatives. Per Ordering Paragraph 1 of D.01-03-073, SoCalGas' authorized budget is \$17.0 million annually for the Self-Generation Program. As authorized, the program designs, budgets, and annual funding levels for the aforementioned program is approved through December 31, 2004, which is consistent with the sunset period of AB 970.

The Commission's Energy Division defines "self-generation" as "distributed generation" installed on the customer's side of the utility meter, which provides electricity for a portion or all of the customer's electric load. The distributed generation technologies include internal combustion engines, microturbines, small gas turbines, wind turbines, photovoltaics, fuel cells, and combined heat and power (cogeneration).

Accounting Mechanism

In accordance with D.01-03-073, SoCalGas is establishing the SGPMA under its Preliminary Statement, Part VI, Description of Regulatory Accounts – Memorandum, to record the program costs. As directed by Ordering Paragraph 2 of D.01-03-073 SoCalGas shall include the costs of the Self-Generation Program allocated to ratepayers in its next gas rate recovery proceeding, e.g., Biennial Costs Adjustment Proceeding (BCAP).

The mechanism to record the program costs and benefits by customer class will be established when the programs are developed.

Protests

Anyone may protest this advice letter to the California Public Utilities Commission. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. The protest must be made in writing and received within 20 days of the date this advice letter was filed with the Commission. There is no restriction on who may file a protest. The address for mailing or delivering a protest to the Commission is:

Energy Division - IMC Branch
California Public Utilities Commission
505 Van Ness Avenue, 4th Floor
San Francisco, CA 94102

It is also requested that a copy of the protest be sent via electronic mail and facsimile to SoCalGas on the same date it is mailed or delivered to the Commission (at the addresses shown below).

Attn: Sid Newsom
Regulatory Tariff Administration - GT14D6
555 West Fifth Street
Los Angeles, CA 90013-1011
Facsimile No. (213) 244-4957
E-Mail: snewsom@sempra.com

Attn: C. Richard Swanson
Regulatory Tariff Manager - HQ14D
101 Ash Street
San Diego, CA 92101-3017
Facsimile No. (619) 696-4027
E-Mail: rswanson@sempra.com

Effective Date

Ordering Paragraph 1 of D.01-03-073 orders SoCalGas to implement the program and annual budget described in the decision "without delay". To meet this requirement SoCalGas respectfully requests that this advice letter be approved on April 20, 2001, the date filed.

Service List

In accordance with Section III.G of General Order No. 96-A, a copy of this advice letter is being sent to the parties listed on Attachment A, which includes the interested parties in R.98-07-037

LEE SCHAVRIEN
Director -- Regulatory Case Management
and Tariff Administration

Attachments

ATTACHMENT A

Advice No. 3014

See Attached Service Lists

AFBCA/DB March
3430 Bundy Ave., Bldg. 3408
March AFC, CA 92518-1504

Paul Toor
Electric Utilities Director
P. O. Box 998
Banning, CA 92220

CMTA
Dorothy Rothrock
980 Ninth St., #2200
Sacramento, CA 95814

City of Azusa
Light & Power Dept.
215 E. Foothill Blvd.
Azusa, CA 91702

City of Burbank
Fred Fletcher/Ronald Davis
164 West Magnolia Blvd., Box 631
Burbank, CA 91503-0631

City of Colton
Thomas K. Clarke
Electric Utility Director
650 N. La Cadena Drive
Colton, CA 92324

City of Glendale
Larry Silva
141 North Glendale Ave., 4th Level
Glendale, CA 91206-4496

City of Lompoc
H. Paul Jones
100 Civic Center Plaza
Lompoc, CA 93438

City of Long Beach, Gas Dept.
Chris Garner
2400 East Spring Street
Long Beach, CA 90806-2385

City of Los Angeles
City Attorney
1700 City Hall East
Los Angeles, CA 90012

City of Pasadena
Manuel A. Robledo
150 S. Los Robles Ave., #200
Pasadena, CA 91101

City of Riverside
Stephen Aronson, Finance Dept.
3900 Main Street
Riverside, CA 92501

City of Vernon
Kenneth J. DeDario
Light & Power Dept.
4305 Santa Fe Avenue
Vernon, CA 90058

Dir., Public Utility Services Div.
Public Bldgs. Serv., Rm. 7325
General Services Administration
18th and F Streets, N.W.
Washington, D.C. 20405

Edison Source
Usha Kondragunta
955 Overland Ct.
San Dimas, CA 91773-1718

General Services Administration
Facilities Management (9PM-FT)
450 Golden Gate Ave.
San Francisco, CA 94102-3611

Imperial Irrigation District
K. S. Noller, Asst. Gen Mgr., Power
P. O. Box 937
Imperial, CA 92251

LADWP
Randy Howard
P. O. Box 51111, Rm. 956
Los Angeles, CA 90051-0100

Pacific Gas & Electric Co.
John Clarke
Regulatory R77 Beale, B30A B10C
San Francisco, CA 94105

Public Utilities Dept. - Anaheim
Ben Nakayama, Resource Planner
P. O. Box 3222
Anaheim, CA 92803

Questar Southern Trails Pipeline Co
Lenard G. Wright
P. O. Box 45360
Salt Lake City, UT 84145-0360

Southern California Edison Co.
Colin E. Cushnie
2244 Walnut Grove Ave., Quad 1c
Rosemead, CA 91770

Southern California Edison Co.
Kevin R. Cini
P. O. Box 800
Rosemead, CA 91770

Southern California Edison Co.
Peter S. Goeddel
P. O. Box 800
Rosemead, CA 91770

Southwest Gas Corp.
Edward Zub
P. O. Box 98510
Las Vegas, NV 89193-8510

TURN
711 Van Ness Ave., #350
San Francisco, CA 94102

Vandenberg Air Force Base
Ken Padilla
30 CES/CEOEO
1172 Iceland Ave., Bldg. 11439
Vandenberg AFB, CA 93437

Western Division, Naval Facilities
Engineering Code 1642
900 Commodore Dr.
San Bruno, CA 94066-2402

Aglet Consumer Alliance
James Weil
P. O. Box 1599
Foresthill, CA 95631

Alcantar & Elsesser
Phil Vizcarra
1 Embarcadero Center, #2420
San Francisco, CA 94111

Aquila Energy
Cindi Doeschot
2533 North 117 Ave., #200
Omaha, NE 68164-9618

Arter & Hadden
Daniel W. Douglass
5959 Topanga Canyon Blvd., #244
Woodland Hills, CA 91367

BC Gas Utility Ltd.
Gas Purchasing
1111 West Georgia Street
Vancouver, British Columbia
Canada V6E 4M4

BETA Consulting
John Burkholder
2023 Tudor Lane
Fallbrook, CA 92028

BP Amoco, Reg. Affairs
Marianne Jones
WL 14.328
501 West Lake Park Blvd.
Houston, TX 77079

Barkovich & Yap, Inc.
Catherine E. Yap
P. O. Box 11031
Oakland, CA 94611

CEC
Ken Wilcox
1516 Ninth St., MS-20
Sacramento, CA 95814

CPUC
Consumer Affairs Branch
505 Van Ness Ave., #2003
San Francisco, CA 94102

CPUC
Energy Rate Design & Econ.
505 Van Ness Ave., Rm. 4002
San Francisco, CA 94102

CSC Energy Services
Stacy Schlotterbeck
5200 Upper Metro Place North
Dublin, OH 43017-3375

Coral Energy Resources, LP
Walter Cinibulk
909 Fannin, #700
Houston, TX 77010

County of Los Angeles
Otto Radtke
ISD/Energy Mgmt. Div.
1100 Northeastern Ave., Rm. 101
Los Angeles, CA 90063

Crossborder Energy
Thomas Beach
2560 Ninth Street, #316
Berkeley, CA 94710

Davis Wright Tremaine, LLP
Edward W. O'Neill
One Embarcadero Center, #600
San Francisco, CA 94111-3834

Downey, Brand, Seymour & Rohwer
Philip A. Stohr
555 Capitol Mall, #1050
Sacramento, CA 95814

Edson & Modisette
925 L Street, Ste 1490
Sacramento, CA 95814

El Paso Natural Gas Company
Richard O. Baish
P. O. Box 1492
El Paso, TX 79978

Energy Law Group LLP
Andrew J. Skaff
1999 Harrison Street, 27th Floor
Oakland, CA 94612

Enserch Gas Marketing, Inc.
Cathy Hawes
353 Sacramento, St., Suite 400
San Francisco, CA 94111

Goodin, MacBride, Squeri, Schlotz
James D. Squeri
505 Sansome St., Suite 900
San Francisco, CA 94111

JBS Energy, Inc.
Jeff Nahigian
311 D Street, Suite A
West Sacramento, CA 95605

Jeffer, Mangels, Butler & Marmaro
One Sansome Street, 12th Floor
San Francisco, CA 94104-4430

Jones, Day, Reavis, & Pogue
Norman A. Pedersen, Esq.
555 West 5th Street, #4600
Los Angeles, CA 90013-1025

LADWP
Ms. Nevenka Ubavich
P. O. Box 51111, #1519
Los Angeles, CA 90051-0330

Law Offices of William H. Booth
William H. Booth
1500 Newell Ave., #500
Walnut Creek, CA 94596

LeBoeuf, Lamb, Greene & MacRae
Christopher A. Hilten
One Embarcadero Center, 4th floor
San Francisco, CA 94111

Luce, Forward, Hamilton & Scripps
John W. Leslie
600 West Broadway, #2600
San Diego, CA 92101-3391

Matthew V. Brady & Associates
Matthew V. Brady
300 Capitol Mall, Suite 1100
Sacramento, CA 95814

Morse, Richard, Weisenmiller & Asso
Robert B. Weisenmiller
1999 Harrison Street, Ste. 1440
Oakland, CA 94612-3517

National Utility Service, Inc.
Jim Boyle
One Maynard Drive, P. O. Box 712
Park Ridge, NJ 07656-0712

Navigant Consulting Inc.
Katie Elder
3100 Zinfandel Dr., #600
Sacramento, CA 95670

Office of Energy Assessment
Bill Knox
State of California
717 K Street, #409
Sacramento, CA 95814

R. M. Hairston & Co.
Richard Hairston
1112 La Grande Avenue
Napa, CA 94558-2168

Regulatory & Cogen Services, Inc.
Donald W. Schoenbeck
900 Washington Street, #1000
Vancouver, WA 98660

Southern California Edison Co
Fileroom Supervisor
2244 Walnut Grove Ave.
Room 290, GO1
Rosemead, CA 91770

Southern California Edison Co
Karyn Gansecki
601 Van Ness Ave., #2040
San Francisco, CA 94102

Southern California Edison Co.
Alicia Richardson
Rm. 303, GO1
2244 Walnut Grove
Rosemead, CA 91770

Suburban Water System
Bob Kelly, Manager, Reg. Affairs
1211 E. Center Court Drive
Covina, CA 91724

Sutherland, Asbill & Brennan
Keith R. McCrea
1275 Pennsylvania Ave., N.W.
Washington, D.C. 20004-2403

Vastar Power Marketing
David H. Bowdle
15375 Memorial Dr,
Houston, TX 77079-4101

Charles Hahn
611 Anton Blvd., #700
Costa Mesa, CA 92626

Daniel W. Meek, Atty. at Law
10949 S.W. 4th Ave.
Portland, OR 97219

James Hodges
4720 Brand Way
Sacramento, CA 95819

Jeff Schlegel
1167 W. Samalayuca Dr.
Tucson, AZ 85704-3224

John P. Rozsa
Senate Energy Advisor
State Capitol, #408
Sacramento, CA 95814

Lee Riggan
621 Richmond Avenue
Oxnard, CA 93030

Linda K. Williams
10266 S.W. Lancaster Road
Portland, OR 97219

Marc Mihaly, Attorney
396 Hayes St.
San Francisco, CA 94102

Meg Gottstein
21496 National Street
P. O. Box 210
Volcano, CA 95689-0210

Philip M. Vermeulen
3457 Castle Creek Ct.
Roseville, CA 95661-7354

Sara Steck Myers
122 - 28th Avenue
San Francisco, CA 94121

Tim Krause
P. O. Box 519
Cypress, CA 90630

Advocates for Public Interest
Ron Knecht
1465 Marlborough Ave.
Los Altos, CA 94024-5742

Alcantar & Elsesser LLP
Evelyn Elsesser
One Embarcadero Center, #2420
San Francisco, CA 94111

Alcantar & Elsesser LLP
Michael Peter Alcantar
1300 SW Fifth Ave., #1750
Portland, OR 97201

Appliance Recycling Center of Ame.
Glynnis Jones
1823 11th St., Ste. 2A
Sacramento, CA 95814 or
P.O. Box 163125
Sacramento, CA 95816

Arter & Hadden
Daniel W. Douglass
5959 Topanga Canyon Blvd., #244
Woodland Hills, CA 91367

Barkovich & Yap
Barbara R. Barkovich
31 Eucalyptus Lane
San Rafael, CA 94901

Bay Area Poverty Resource Council
William F. Parker, President
930 Brittan Ave.
San Carlos, CA 94070

Brubaker & Associates, Inc.
Maurice Brubaker
P. O. Box 412000
St. Louis, Missouri 63141-2000
1215 Fern Ridge Parkway, #208
St. Louis, Missouri 63141

CA Dept. of Gen. Services
Douglas M. Grandy, Chief
717 K St., #409
Sacramento, CA 95814

CEC
Bruce Cenicerros
1516 Ninth St., MS-42
Sacramento, CA 95814

CEC
David Abelson
1516 Ninth Street, MS-14
Sacramento, CA 95814

CEC
David Hungerford
1516 Ninth St., MS-22
Sacramento, CA 95814

CEC
Fernando de Leon
1516 Ninth St., MS-14
Sacramento, CA 95814

CEC
Michael Messenger
1516 Ninth St., MS-22
Sacramento, CA 95814

CEC
Monica Rudman
1516 Ninth Street, MS-42
Sacramento, CA 95184-5512

CEC
Tim Tutt
1516 Ninth St., MS-22
Sacramento, CA 95814

CPUC
David E. Morse
505 Van Ness Avenue - Rm. 4102
San Francisco, CA 94102

CPUC
Ourania M. Vlahos
505 Van Ness Ave., Rm. 5125
San Francisco, CA 94102-3214

CPUC - ALJ Division
Meg Gottstein
505 Van Ness Avenue, #5044
San Francisco, CA 94102

CPUC - Analysis Branch
Julie A. Fitch
505 Van Ness Ave., Area 4-A
San Francisco, CA 94102-3214

CPUC - Analysis Branch
Zaida Amaya-Pineda
505 Van Ness Ave., Area 4-A
San Francisco, CA 94102-3214

CPUC - CSD
Stephen J. Rutledge
505 Van Ness Avenue, Rm. 2206
San Francisco, CA 94102

CPUC - Energy Division
Ivy Walker
505 Van Ness Ave.
San Francisco, CA 94102-3214

CPUC - Energy Division
John Galloway
505 Van Ness Ave.
San Francisco, CA 94102

CPUC - Energy Division
Judith Ikle
505 Van Ness Ave., Area 4-A
San Francisco, CA 94102

CPUC - Energy Division
Maurice Monson
505 Van Ness Ave., Area 4-A
San Francisco, CA 94102

CPUC - Executive Division
Maria E. Stevens
320 West Fourth St., #500
Los Angeles, CA 90013

CPUC - Info & Mgmt Svcs. Div
Barbara A. Morton
505 Van Ness Ave., Rm. 2004
San Francisco, CA 94102

CPUC - Legal Division
Darwin Farrar
505 Van Ness Ave., Rm. 5032
San Francisco, CA 94102

CPUC - Legal Division
Helen Yee
505 Van Ness Avenue, Rm 5031
San Francisco, CA 94102

CPUC - Legal Division
James E. Scarff
505 Van Ness Avenue - Rm 5121
San Francisco, CA 94102

CPUC - Legal Division
Robert Cagen
505 Van Ness Avenue
San Francisco, CA 94102

CPUC - Market Dev. Branch
Jay Morse
505 Van Ness Ave., Rm. 4102
San Francisco, CA 94102

CPUC - Monopoly Reg Branch
Anthony Fest
505 Van Ness Avenue
San Francisco, CA 94102

CPUC - ORA
Donald K. Schultz
770 L Street, #1050
Sacramento, CA 95814-3610

CPUC - ORA
Randi Greenspan
770 K Street, #1050
Sacramento, CA 95814

CPUC - ORA
Thomas W. Thompson
505 Van Ness Avenue - Rm 4209
San Francisco, CA 94102

CPUC - Utility Perform & Analysis
Jonathan P. Tom
505 Van Ness Avenue
San Francisco, CA 94102

CPUC - Utility Performance&Analysis
Josie Webb
505 Van Ness Ave., #4209
San Francisco, CA 94102

Cal/Neva Community Action Assn.
Christopher S. Taylor
225 30th St., #200
Sacramento, CA 95816-3359

CalNeva Community Action Assn.
Joy Omania
225 30th Street, #200
Sacramento, CA 95816

Calif. Integrated Waste Mgmt Board
Neal A. Johnson
8800 Cal Center Drive
Sacramento, CA 95826

California Farm Bureau Federation
Karen Norene Mills
2300 River Plaza Drive
Sacramento, CA 95833

California Farm Bureau Federation
Ronald Liebert
2300 River Plaza Drive
Sacramento, CA 95833

California Mfrs. Assn
Kevin Smith, Consultant
980 9th Street, Ste. 2200
Sacramento, CA 95814-2742

Calpine Corporation
Eileen Koch
50 W. San Fernando, 5th Fl.
San Jose, CA 95113

Caterpillar, Inc.
Eric Wong, Bus. Dev. Mgr.
980 Ninth St., #2200
Sacramento, CA 95814

Chase Shannon
Richard Shaw
P. O. Box 469
Fillmore, CA 91305

**City of San Jose, Environmental Dep
Rita Norton
777 N. - 1st St., Suite 450
San Jose, CA 95112-6311**

**Consumers for the Public Interest
Ray Czahar
5650 Gravenstein Highway
116 North
Forestville, CA 95436**

**Coudert Brothers
Edward B. Lozowicki
303 Almaden Blvd, Fl 5
San Jose, CA 95110-2721**

**County of LA, Community&Senior
Henry Knawls
3175 W. 6th Street, #200
Los Angeles, CA 90020**

**Davis Energy Group
Mark Berman
123 C Street
Davis, CA 95616**

**Dept. of Community Services
Timothy M. Dayonot
700 North 10th Street, Rm. 258
Sacramento, CA 95814-0338**

**Dept. of Community Svcs.
Ulla Maija Wait
700 North 10th St., #258
Sacramento, CA 95814-0338**

**Dept. of the Navy
Sam De Frawi (Code 00RI)
Bldg. 212, 4th Flr, 901 M St., SE
Washington, DC 20374-5018**

**Duke Energy North America
Carolyn A. Baker
980 Ninth St., 16th Floor
Sacramento, CA 95814**

**Edison Source
Jon Silva
955 Overland Court
San Dimas, CA 91773-1718**

**Electric Power Research Institute
Renee Haman-Guild
3412 Hillview Ave.
Palo Alto, CA 94304-1395**

**Ellison & Schneider
Lynn Haug
2015 H Street
Sacramento, CA 95814**

**Environmental Defense Fund
Daniel Kirshner
5655 College Ave., #304
Oakland, CA 94618**

**Federal Executive Agencies
Norman J. Furuta
900 Commodore Dr Code 09C Bldg.
San Bruno, CA 94066-5006**

**Greenlining Institute
Leslie Abrams
785 Market St.
San Francisco, CA 94103**

**Grueneich Resource Advocates
Irene K. Moosen, Esq.
582 Market Street, #1020
San Francisco, CA 94104-5305**

**Insulation Contractors Assn.
Robert E. Burt
1911 F Street
Sacramento, CA 95814**

**Itron, Inc
Carl R. Aron
2818 N. Sullivan Road
P. O. Box 15288
Spokane, WA 99215**

**Jones, Day, Reavis, & Pogue
Norman A. Pedersen, Esq.
555 West 5th Street, #4600
Los Angeles, CA 90013-1025**

**LADWP
Michael Yamada
Room 1534 GOB
P. O. Box 111
Los Angeles, CA 90051**

**Latino Issues Forum
Luis Arteaga
785 Market St., 3rd Floor
San Francisco, CA 94103**

**Latino Issues Forum
Susan E. Brown
785 Market St., 3rd Fl.
San Francisco, CA 94103**

**Law Offices of William H. Booth
William H. Booth
1500 Newell Ave., #500
Walnut Creek, CA 94596**

**Livingston & Mattesich
Emilio E. Varanini III
1201 K Street, #1100
Sacramento, CA 95814**

**Nat'l. Consumer Law Center
Nancy Brockway
18 Tremon St., #400
Boston, MA 02108**

**Nat. Resources Defense Council
Sheryl Carter
71 Stevenson St., #1825
San Francisco, CA 94105-2939**

**O'Rourke and Company
Thomas J. O'Rourke
44 Montgomery Street, Suite 2100
San Francisco, CA 94104**

**Occidental Analytical
A. Y. Ahmed
1313 Grand, #392
Walnut, CA 91789**

**Onsite Energy Corp
Richard T. Sperberg
701 Palomar Airport Rd., #200
Carlsbad, CA 92009**

**Pacific Gas and Electric Co.
Robert B. McLennan
77 Beale Street, Room 3123
San Francisco, CA 94105**

Power Value, Inc.
Stanley I. Anderson
964 Mojave Ct.
Walnut Creek, CA 94598

Rancho Valley Builders, Inc.
Bruce Patton
647 Aero Way
Escondido, CA 92029

Residential Energy Efficiency
Dennis Dobkowski
19896 Felicia Drive
Yorba Linda, CA 92886

Resource Management Int'l. Inc.
Bryan Griess
P. O. Box 15516
3100 Zinfandel Dr., #600
Sacramento, CA 95852-1516

Richard Heath & Associates
Roxanne Figueroa
1420 Harbor Bay Pkwy., #145
Alameda, CA 94502-7088

Robert Mowris & Associates
Robert Mowris
10 Ridge Lane
Orinda, CA 94563

SESCO, Inc.
Richard Esteves
77 Yacht Club Drive, #1000
Lake Forest, NJ 07849

SMUD
Dana S. Appling, Gen. Counsel
P. O. Box 15830
Sacramento, CA 95852-1830

SPURR
Managing Director
1430 Willow Pass Road, #240
Concord, CA 94520

San Francisco State University
Roberto Haro
Cesar Chavez Inst for Public Policy
1600 Holloway Ave.
San Francisco, CA 94132

Sempra Energy Solutions
Don Wood
4539 Lee Ave.
La Mesa, CA 91941

So. Cal. Tribal Chairmen
Denis Turner
P. O. Box 1470
Valley Center, CA 92082

Southern California Edison Co.
Laura A. Larks
2244 Walnut Grove Ave., Rm. 353
Rosemead, CA 91770

Sutherland, Asbill & Brennan
Keith R. McCrea
1275 Pennsylvania Ave., N.W.
Washington, D.C. 20004-2403

TURN
Regina Costa
711 Van Ness Avenue, #350
San Francisco, CA 94102

TURN
Robert Finkelstein
711 Van Ness Ave., #350
San Francisco, CA 94102

UC - Berkeley, Energy Institute
Carl Blumstein
2539 Channing Way
Berkeley, CA 94720

Winegard Energy
Wallis J. Winegard
1755 E Huntington Dr., #201
Duarte, CA 91010

ATTACHMENT B
Advice No. 3014

<u>Cal. P.U.C. Sheet No.</u>	<u>Title of Sheet</u>	<u>Canceling Cal. P.U.C. Sheet No.</u>
33462-G	Preliminary Statement, Regulatory Accounts - Memorandum, Sheet 1 of 15	32872-G
33463-G	Preliminary Statement, Regulatory Accounts - Memorandum, Sheet 2 of 15	32511-G
33464-G	Preliminary Statement, Regulatory Accounts - Memorandum, Sheet 3 of 15	32512-G
33465-G	Preliminary Statement, Regulatory Accounts - Memorandum, Sheet 4 of 15	32513-G
33466-G	Preliminary Statement, Regulatory Accounts - Memorandum, Sheet 5 of 15	32514-G
33467-G	Preliminary Statement, Regulatory Accounts - Memorandum, Sheet 6 of 15	32515-G
33468-G	Preliminary Statement, Regulatory Accounts - Memorandum, Sheet 7 of 15	32516-G
33469-G	Preliminary Statement, Regulatory Accounts - Memorandum, Sheet 8 of 15	32517-G
33470-G	Preliminary Statement, Regulatory Accounts - Memorandum, Sheet 9 of 15	32518-G
33471-G	Preliminary Statement, Regulatory Accounts - Memorandum, Sheet 10 of 15	32519-G
33472-G	Preliminary Statement, Regulatory Accounts - Memorandum, Sheet 11 of 15	32520-G
33473-G	Preliminary Statement, Regulatory Accounts - Memorandum, Sheet 12 of 15	32521-G*

ATTACHMENT B
Advice No. 3014

<u>Cal. P.U.C. Sheet No.</u>	<u>Title of Sheet</u>	<u>Canceling Cal. P.U.C. Sheet No.</u>
33474-G	Preliminary Statement, Regulatory Accounts - Memorandum, Sheet 13 of 15	32522-G*
33475-G	Preliminary Statement, Regulatory Accounts - Memorandum, Sheet 14 of 15	32873-G
33476-G	Preliminary Statement, Regulatory Accounts - Memorandum, Sheet 15 of 15	
33477-G	Table of Contents, General and Preliminary Statement, Sheet 1 of 2	33448-G

PRELIMINARY STATEMENT
PART VI
DESCRIPTION OF REGULATORY ACCOUNTS - MEMORANDUM

A. GENERAL

Memorandum accounts are special accounts authorized by the Commission for the purpose of tracking certain costs and revenues. Please refer to each individual memorandum account description for the specific accounting treatment applicable to each account.

B. LISTING OF MEMORANDUM ACCOUNTS

- Conservation Expense Account (CEA)
- PCB Expense Account (PCBEA)
- Research Development and Demonstration Expense Account (RDDEA)
- Curtailment Violation Penalty Account (CVPA)
- Economic Practicality Shortfall Memorandum Account (EPSMA)
- Catastrophic Event Memorandum Account (CEMA)
- Interconnect Charge Memorandum Account (ICMA)
- Vernon Avoided Distribution Cost Memorandum Account (VADCMA)
- Noncore Cost/Revenue Memorandum Account (NCRMA)
- Interstate Capacity Step Down Account (ICSDA)
- Vernon Rate Savings Memorandum Account (VRSMA)
- Vernon Negotiated Core Contract Memorandum Account (VNCCMA)
- Earthquake Valve Installation Service Memorandum Account (EVISMA)
- Research Royalty Memorandum Account (RRMA)
- NGV Research Development & Demonstration Memorandum Account (RDDNGV)
- Intervenor Award Memorandum Account (IAMA)
- Z Factor Account (ZFA)
- Tax Interest Account (TIA)
- Energy Efficiency/DSM Memorandum Account (EEDSMMA)
- Applicant Installation Trench Inspection Memorandum Account (AITIMA)
- Wheeler Ridge Firm Access Charge Memorandum Account (WRFACMA)
- Earthquake Valve Installation Memorandum Account (EVIMA)
- Self-Generation Program Memorandum Account (SGPMA)

C. DESCRIPTION OF ACCOUNTS

CONSERVATION EXPENSE ACCOUNT (CEA)

The CEA is an interest bearing memorandum account recorded on SoCalGas' financial statements. The purpose of this account is to track the difference between authorized costs in rates, and actual demand-side management program costs. This account covers regular and low income demand-side management programs.

(continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3014
DECISION NO. 01-03-073

ISSUED BY
William L. Reed
VICE PRESIDENT
CHIEF REGULATORY OFFICER

(TO BE INSERTED BY CAL. P.U.C.)
DATE FILED APR 20,2001
EFFECTIVE _____
RESOLUTION NO. _____

N

PRELIMINARY STATEMENT
PART VI
DESCRIPTION OF REGULATORY ACCOUNTS - MEMORANDUM

(continued)

C. DESCRIPTION OF ACCOUNTS (continued)

CONSERVATION EXPENSE ACCOUNT (CEA) (continued)

SoCalGas maintains this account by making monthly entries as follows: a) debits for actual demand-side management costs, e.g., conservation costs, low income weatherization ("Direct Assistance Program") costs, and other marketing program costs; and for amortization of balances, if any, due to ratepayers from prior program cycles where actual expenses fell short of authorized levels; and b) a credit entry for the authorized costs being collected in rates.

For each BCAP filing, SoCalGas will reconcile this account and adjust rates as needed. If there is a balance due to ratepayers, pursuant to Commission order, SoCalGas will return the balance plus interest to ratepayers via lower rates or will carry the balance forward to offset expenses in future proceedings. Since program spending is limited and over-expenditures may not be recovered from ratepayers, shareholders absorb the balance in the event actual expenses exceed authorized levels.

PCB EXPENSE ACCOUNT (PCBEA)

The PCBEA is a memorandum account recorded on the Utility's financial statements. The purpose of this account is to record all past and future costs associated with the Transwestern PCB arbitration proceeding, including capital costs. These PCB clean-up costs will be considered for rate recovery after arbitration is concluded, following a reasonableness review in an annual hazardous waste review proceeding.

Utility shall maintain the PCBEA by making entries into the account as follows:

- a. Transfer all prior costs and authorized revenues into the account,
- b. Make monthly debit entries equal to recorded PCB clean-up costs paid during the month.

RESEARCH DEVELOPMENT AND DEMONSTRATION EXPENSE ACCOUNT (RDDEA)

The RDDEA is an interest bearing memorandum account recorded on SoCalGas' financial statements. The purpose of this account is to track the difference between authorized costs in rates, and actual costs associated with research, development, and demonstration programs. D.97-07-054 (PBR) authorized SoCalGas to continue using this account through the five-year PBR period, December 31, 2002.

SoCalGas maintains this account by making monthly entries as follows: a) debit entries for actual research, development, and demonstration expenses; and for amortization of balances, if any, due to ratepayers from prior program cycles where actual expenses fell short of authorized levels; and b) a credit entry for authorized costs being collected in rates .

(continued)

(TO BE INSERTED BY UTILITY)

ISSUED BY

(TO BE INSERTED BY CAL. P.U.C.)

ADVICE LETTER NO. 3014

William L. Reed

DATE FILED APR 20,2001

DECISION NO. 01-03-073

VICE PRESIDENT
CHIEF REGULATORY OFFICER

EFFECTIVE _____

RESOLUTION NO. _____

PRELIMINARY STATEMENT
PART VI
DESCRIPTION OF REGULATORY ACCOUNTS - MEMORANDUM

(continued)

C. DESCRIPTION OF ACCOUNTS (continued)

RESEARCH DEVELOPMENT AND DEMONSTRATION EXPENSE ACCOUNT (RDDEA)
(continued)

At the end of the period, SoCalGas will reconcile this account and adjust rates as needed. If there is a balance due to ratepayers, pursuant to Commission order, SoCalGas will return the balance plus interest to ratepayers via lower rates or will carry the balance forward to offset expenses in future proceedings. Since program spending is limited and over-expenditures may not be recovered from ratepayers, shareholders absorb the balance in the event actual expenses exceed authorized levels.

CURTAILMENT VIOLATION PENALTY ACCOUNT (CVPA)

The CVPA is a memorandum account. The purpose of this account is to record actual revenues from the assessment of penalties for violation of curtailment, and expenses associated with installation of electronic metering for curtailment monitoring .

Commencing on August 1, 1991, Utility shall maintain CVPA by making entries at the end of each month as follows:

- a. A credit entry equal to all curtailment penalty charges collected, and
- b. A debit entry equal to recorded expenditures for installation of electronic metering for purpose of curtailment monitoring.

ECONOMIC PRACTICALITY SHORTFALL MEMORANDUM ACCOUNT (EPSMA)

The EPSMA is a memorandum account. The purpose of this account is to record the shortfall in revenue which occurs in the Core Fixed Cost Account (CFCA) as a result of large core customers being transferred from core service to noncore service by way of economic practicality during the period January 1, 1994 through the revision date of the Utility's next cost allocation proceeding.

Utility shall maintain the EPSMA by making entries at the end of each month as follows:

- a. A debit entry equal to the revenue shortfall for the month calculated as the product of (1) all service quantities transferred to noncore service by way of economic practicality during the period of January 1, 1994 and the revision date of the Utility's next cost allocation proceeding and (2) the difference between the otherwise applicable core rate and the applicable noncore rate for such quantities.

(continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3014
DECISION NO. 01-03-073

ISSUED BY
William L. Reed
VICE PRESIDENT
CHIEF REGULATORY OFFICER

(TO BE INSERTED BY CAL. P.U.C.)
DATE FILED APR 20,2001
EFFECTIVE _____
RESOLUTION NO. _____

PRELIMINARY STATEMENT
PART VI
DESCRIPTION OF REGULATORY ACCOUNTS - MEMORANDUM

(continued)

C. DESCRIPTION OF ACCOUNTS (continued)

CATASTROPHIC EVENT MEMORANDUM ACCOUNT (CEMA)

This memorandum account has been established pursuant to CPUC Resolution No. E-3238, dated July 24, 1991. The purpose of CEMA is to allow for the recovery of Utility's costs of restoring Utility services to its customers; repairing, replacing or restoring damaged Utility facilities; and complying with governmental agency orders in connection with events which are officially declared disasters by competent state or federal authorities. The costs recorded in CEMA will be recovered in rates only after request by the Utility and subsequent approval by the Commission as to the reasonableness of such costs.

Should a disaster occur, the Utility shall, if possible, inform the Executive Director of the CPUC by letter within thirty (30) days after the catastrophic event if the Utility has started booking costs in CEMA. Such letter shall specify the declared disaster, date, time, location, service area affected, impact on the Utility's facilities, and an estimate of the extraordinary costs expected to be incurred, with expense and capital items shown separately.

Upon declaration of a disaster or state of emergency, Utility shall maintain CEMA with entries made to this account at the end of each month as follows:

- a. A debit entry equal to the amounts recorded in the Utility's Operations and Maintenance and Administrative and General Expense Accounts that were incurred as a result of the disaster and related events.
- b. A debit/credit entry equal to:
 - 1. depreciation expense on the average of the beginning and end-of-month balance of plant additions installed to restore service to customers, or to replace, repair, or restore any plant or facilities, or to comply with government agency orders, in connection with events declared disasters, at one-twelfth the annual depreciation rates approved by the CPUC for these plant accounts; plus
 - 2. the return on investment on the average of the beginning and the end-of-month balance of plant additions installed to restore service to customers or replace, repair, or restore any plant or facilities, or to comply with government agency orders, in connection with events declared disasters, at one-twelfth of Utility's annual rate of return; plus
 - 3. the return on the allowance for working capital using the calculations most recently adopted by the CPUC and the rate of return applicable in b.2. above; plus

(continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3014
DECISION NO. 01-03-073

ISSUED BY
William L. Reed
VICE PRESIDENT
CHIEF REGULATORY OFFICER

(TO BE INSERTED BY CAL. P.U.C.)
DATE FILED APR 20,2001
EFFECTIVE _____
RESOLUTION NO. _____

PRELIMINARY STATEMENT
PART VI
DESCRIPTION OF REGULATORY ACCOUNTS - MEMORANDUM

(continued)

C. DESCRIPTION OF ACCOUNTS (continued)

CATASTROPHIC EVENT MEMORANDUM ACCOUNT (CEMA) (continued)

- 4. the return on net cost of removal of facilities required as a result of the disaster and related events, using the rate of return applicable in b.2. above; less
- 5. the return on the average of beginning and end-of-month accumulated depreciation, and an average accumulated net deferred taxes on income resulting from the normalization of federal tax depreciation, using the rate of return applicable in b.2. above .
- c. A debit entry equal to federal and state taxes based on in come associated with item b. above, calculated at marginal tax rates currently in effect. This will include all applicable statutory adjustments.

For federal and state taxes, this will conform to normalization requirements as applicable. Interest cost will be at the Utility's most recently adopted percentage of net investment.
- d. A credit entry to transfer all or a portion of the balance in the CEMA to other adjustment clauses for future rate recovery, as may be approved by the CPUC.
- e. An entry equal to interest on the average balance in the account at the beginning of the month and the balance after the entries from a. through c. above, at a rate equal to one-twelfth the interest rate on Commercial Paper (prime, 3-month) for the previous month, as reported in the Federal Reserve Statistical Release, G.13, or its successor.

Entries in Items a. and b. above, shall be made net of the appropriate insurance proceeds.

The Utility shall record the balance in the CEMA as a deferred debit on its balance sheet with entries to the appropriate income statement accounts, as necessary .

INTERCONNECT CHARGE MEMORANDUM ACCOUN T (ICMA)

The ICMA is an interest bearing memorandum account, the balance of which is recorded on the Utility's financial statements. Pursuant to Decision No. 94-01-048, the purpose of the ICMA is to track charges that would have been assessed for access to the Utility's Wheeler Ridge Interconnection facility under original Schedule G-ITC, Pursuant to Decision No. 94-01-048 the allocation of ICMA costs associated with the period January 1, 1994 through April 13, 1994 are to be recovered through the ICMA surcharge as described in Schedule ITC.

(continued)

(TO BE INSERTED BY UTILITY)

ISSUED BY

(TO BE INSERTED BY CAL. P.U.C.)

ADVICE LETTER NO. 3014
DECISION NO. 01-03-073

William L. Reed
VICE PRESIDENT
CHIEF REGULATORY OFFICER

DATE FILED APR 20,2001
EFFECTIVE _____
RESOLUTION NO. _____

PRELIMINARY STATEMENT
PART VI
DESCRIPTION OF REGULATORY ACCOUNTS - MEMORANDUM

(continued)

C. DESCRIPTION OF ACCOUNTS (continued)

INTERCONNECT CHARGE MEMORANDUM ACCOUNT (ICMA) (continued)

The Utility shall maintain the ICMA by making the following entries at the end of each month:

- a. A debit entry equal to the total charges that would have been assessed under Schedule G-ITC between July 13, 1993 (the original date of Schedule No. G-ITC) and December 31, 1993 and were subsequently refunded to customers pursuant to Decision No. 94-01-048.
- b. A debit entry equal to the total charges that would have been assessed under Schedule No. G-ITC between January 1, 1994 and April 13, 1994 (the effective date of revised Schedule No. G-ITC).
- c. A credit entry equal to the charges collected through the ICMA surcharge as described in Schedule G-ITC.
- d. An entry equal to the interest on the average of the balance in the account during the month, calculated in the manner described in Preliminary Statement, Part I, J.

VERNON AVOIDED DISTRIBUTION COST MEMORANDUM ACCOUNT (VADCMA)

The VADCMA is a memorandum account, established pursuant to D.93-05-008, to record utility distribution costs that are identified as avoided by the service provided to Vernon under Schedules G-CS, GT-F, and GT-I. Allocation of avoided costs will be allocated in the Utility's cost allocation proceeding or whenever there is a Commission-authorized change in gas rates.

The Utility shall maintain the VADCMA by making entries to the account at the end of each month, as follows:

- a. A debit entry equal to the value of distribution costs not currently reflected in rates identified as being avoided as a result of service to Vernon under Schedules G-CS, GT-F, and GT-I.

NONCORE COST/REVENUE MEMORANDUM ACCOUNT (NCRMA)

The NCRMA is an interest-bearing memorandum account. The NCRMA balance will only be recorded to the financial statements when the balance exceeds the revenue cap. Pursuant to D. 94-07-064, the variance between forecasted and actual noncore and wholesale revenues, excluding Enhanced Oil Recovery (EOR) and unbundled storage revenues is recorded in the account .

(continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3014
DECISION NO. 01-03-073

ISSUED BY
William L. Reed
VICE PRESIDENT
CHIEF REGULATORY OFFICER

(TO BE INSERTED BY CAL. P.U.C.)
DATE FILED APR 20, 2001
EFFECTIVE _____
RESOLUTION NO. _____

PRELIMINARY STATEMENT
PART VI
DESCRIPTION OF REGULATORY ACCOUNTS - MEMORANDUM

(continued)

C. DESCRIPTION OF ACCOUNTS (continued)

NONCORE COST/REVENUE MEMORANDUM ACCOUNT (NCRMA) (continued)

The Utility will calculate rates for the five-year period, effective August 1, 1994 through July 31, 1999, for noncore cost allocation, based on 1991 actual throughput, subject to the following adjustments:

- a. To reflect normal temperature conditions for the core market;
- b. The transfer of UEG loads from Long Beach wholesale service to retail service;
- c. The addition of Southwest Gas as a wholesale customer;
- d. Core to noncore transfers.

The Utility shall retain 100% of the annual variance applicable only for cases where actual revenues exceed forecasted revenues, up to the annual noncore revenue variance cap, for the period effective August 1, 1994 and through July 31, 1999 as follows:

Year 1: \$11 million
Year 2: \$13 million
Year 3: \$15 million
Year 4: \$17 million
Year 5: \$19 million

If at the end of any year, the variance, as measured pursuant to the above description, exceeds the annual variance cap for that year, the Utility shall retain 12.5% and credit 87.5% of the excess to the cost of service in the following year.

The utility shall maintain the NCRMA by making entries once the revenue cap has been exceeded as follows:

- a. A debit entry equal to one twelfth (1/12) of the authorized annual cost used to develop the effective rates for noncore transportation service (excluding Enhanced Oil Recovery, EOR).
- b. A credit entry equal to the recorded revenue from noncore transportation service less F & U (excluding EOR). In the event that the annual recorded revenues exceed the annual forecasted costs by more than the revenue cap, 87.5% of the excess will be recorded to the financial statements as a credit entry.

(continued)

(TO BE INSERTED BY UTILITY)

ISSUED BY

(TO BE INSERTED BY CAL. P.U.C.)

ADVICE LETTER NO. 3014

William L. Reed

DATE FILED APR 20, 2001

DECISION NO. 01-03-073

VICE PRESIDENT
CHIEF REGULATORY OFFICER

EFFECTIVE _____

RESOLUTION NO. _____

PRELIMINARY STATEMENT

PART VI

DESCRIPTION OF REGULATORY ACCOUNTS - MEMORANDUM

(continued)

C. DESCRIPTION OF ACCOUNTS (continued)NONCORE COST/REVENUE MEMORANDUM ACCOUNT (NCRMA) (continued)

- c. An entry equal to the interest on the average balance in the account during the month calculated in the manner described in Preliminary Statement I, J.

INTERSTATE CAPACITY STEP-DOWN ACCOUNT (ICSDA)

The ICSDA account was established pursuant to D.95-12-037. The purpose of this account is to track all costs and cost savings and any cost surcharges associated with the relinquishment by SoCalGas of 300 MMcf/d on El Paso's system January 1, 1996 and its relinquishment of 450 MMcf/d (457 MMDth/d) on Transwestern's system November 1, 1996. The ICSDA is an interest bearing account and is not recorded on the Utility's financial statements.

- a. Starting in January of 1996 and each month thereafter, the Utility will record to the ICSDA any cost savings associated with relinquishment of firm interstate transportation on El Paso based on the following calculation:

The capacity on El Paso prior to January 1, 1996 of 1,450 MMcf/d times the rate effective on December 31, 1995 minus the capacity at 1,150 MMcf/d multiplied by the current rate. Any adjustment to rates from January 1, 1996, resulting from a decision by the FERC in El Paso's General Rate Case, RP95-363-000, will be recorded to the ICSDA .

- b. Pending a decision by the FERC in El Paso's General Rate Case, RP95-363-000, the Utility will record to the ICSDA any cost surcharges associated with relinquishment of firm interstate transportation on El Paso separate from the base rate.
- c. Starting in November of 1996 and each month thereafter, the Utility will record to the ICSDA any cost savings associated with relinquishment of firm interstate transportation on Transwestern based on the following calculation:

The capacity on Transwestern prior to November 1, 1996 of 750 MMcf/d (763 MMDth/d) times the rate effective on October 31, 1996 minus the capacity at 300 MMcf/d (306 MMDth/d) multiplied by the current rate.

- d. Starting in November of 1996, the Utility will record to the ICSDA any cost surcharges associated with relinquishment of firm interstate transportation on Transwestern separate from the base rate, pursuant to the Transwestern Settlement and Agreement Filing, RP95-271.

(continued)

(TO BE INSERTED BY UTILITY)

ISSUED BY

(TO BE INSERTED BY CAL. P.U.C.)

ADVICE LETTER NO. 3014

William L. ReedDATE FILED APR 20,2001

DECISION NO. 01-03-073

VICE PRESIDENT
CHIEF REGULATORY OFFICER

EFFECTIVE _____

RESOLUTION NO. _____

PRELIMINARY STATEMENT
PART VI
DESCRIPTION OF REGULATORY ACCOUNTS - MEMORANDUM

(continued)

C. DESCRIPTION OF ACCOUNTS (continued)

INTERSTATE CAPACITY STEP-DOWN ACCOUNT (ICSDA) (CONTINUED)

e. An entry equal to the interest on the average of the balance in the account during the month, calculated in the manner described in Preliminary Statement, Part I, J.

VERNON RATE SAVINGS MEMORANDUM ACCOUNT (VRSMA)

The VRSMA was established pursuant to the SoCalGas-Vernon Stipulation and Settlement Agreement approved in D. 96-09-104. The purpose of this account is to track the core rate savings resulting from the Agreement. The initial balance of the VRSMA will be established at \$2.5 million, which is the fixed amount of rate savings afforded to these customers. The VRSMA is a non-interest bearing account and is not recorded on the Utility's financial statements.

- a. The core rate savings shall be computed by (1) taking the difference between the applicable GN-10 and GT-10 "V" Tier II tariff rate and the GN-10 and GT-10 Tier II tariff rate applicable for customers not located in Vernon, and (2) multiplying the result by the applicable GN-10 and GT-10 "V" Tier 2 volumes used by customers in Vernon. The core rate savings will be computed on a monthly basis and will be a reduction to the \$2.5 million balance in the VRSMA.
- b. A corresponding credit adjustment will be made to the CFCA (see Preliminary Statement, Part V, C) for the core rate savings tracked in the VRSMA to ensure that revenue shortfalls are not reallocated to the Utility's core customers. In no event shall the cumulative adjustments made to the CFCA exceed \$2.5 million.

VERNON NEGOTIATED CORE CONTRACT MEMORANDUM ACCOUNT (VNCCMA)

The VNCCMA was established pursuant to the SoCalGas-Vernon Stipulation and Settlement Agreement approved in D. 96-09-104. Pursuant to the Agreement, the Utility shall be at risk for any core negotiated contracts with customers in the City of Vernon. Any revenue shortfall resulting from the new Vernon GN-10 or GT-10 rates and the negotiated contract rate will not be applied against the \$2.5 million balance in the VRSMA. Utility shall record monthly the net difference between the revenue the Utility receives from the G-10/G-20 customers in Vernon that are served under a negotiated contract and the revenue the Utility would have received at the otherwise applicable tariff rates in Vernon. A corresponding adjustment shall be made to the CFCA (see Preliminary Statement, Part V, C) so that Utility's core customers are not affected by the negotiated core contracts with customers in Vernon.

(continued)

(TO BE INSERTED BY UTILITY)

ISSUED BY

(TO BE INSERTED BY CAL. P.U.C.)

ADVICE LETTER NO. 3014

William L. Reed

DATE FILED APR 20,2001

DECISION NO. 01-03-073

VICE PRESIDENT
CHIEF REGULATORY OFFICER

EFFECTIVE _____

RESOLUTION NO. _____

PRELIMINARY STATEMENT
PART VI
DESCRIPTION OF REGULATORY ACCOUNTS - MEMORANDUM

(continued)

C. DESCRIPTION OF ACCOUNTS (continued)

EARTHQUAKE VALVE INSTALLATION SERVICE MEMORANDUM ACCOUNT (EVISMA)

The EVISMA is a memorandum account recorded on SoCalGas' financial statements. Pursuant to D.96-09-044, EVISMA was established to track all costs and revenues associated with implementing the Earthquake Valve Installation Service Program. The Earthquake Valve Installation Service Program is entirely funded by SoCalGas' shareholders.

The SoCalGas maintains the EVISMA by making monthly entries as follows: a) debits for actual costs associated with program, and b) credits for all revenues collected from customers in the program.

RESEARCH ROYALTY MEMORANDUM ACCOUNT (RRMA)

The RRMA is an interest bearing memorandum account recorded on SoCalGas' financial statements. D.93-12-043 (TY94 GRC) authorized SoCalGas to establish this account to track actual revenues from ratepayer-funded research programs. D.97-07-054 (PBR) added the following revenue sharing program: a) ratepayers get 100% of revenues from projects underway or completed prior to 1/1/98, and b) ratepayers and shareholders equally split the revenues from projects that start after 1/1/98.

SoCalGas maintains this account by making monthly entries as follows: a) debits for funds returned to ratepayers in rates, and b) credit entries for ratepayer's portions of actual research royalties, licensing fees, and other revenues.

For each BCAP filing, SoCalGas will reconcile this account and adjust rates as needed. If there is a balance due to ratepayers, pursuant to Commission order, SoCalGas will decrease rates to return the balance plus interest to ratepayers.

NGV RD&D MEMORANDUM ACCOUNT (RDDNGV)

The RDDNGV is an interest bearing memorandum account recorded on SoCalGas' financial statements. The purpose of this account is to track actual NGV-related research, development and demonstration (RD&D) program costs. D.93-12-043 (TY94 GRC) authorized SoCalGas to track NGV-related RD&D expenses separate from other RD&D costs; and D.95-11-035 (LEV) authorized SoCalGas to use this account for the six-year period December 21, 1995, through December 20, 2001.

SoCalGas maintains this account by making monthly entries as follows: a) a debit for actual NGV-related research, development, and demonstration expenses plus interest; and b) a credit for amortization of costs that are being collected in rates, if any.

(continued)

(TO BE INSERTED BY UTILITY)

ISSUED BY

(TO BE INSERTED BY CAL. P.U.C.)

ADVICE LETTER NO. 3014

William L. Reed

DATE FILED APR 20,2001

DECISION NO. 01-03-073

VICE PRESIDENT
CHIEF REGULATORY OFFICER

EFFECTIVE _____

RESOLUTION NO. _____

PRELIMINARY STATEMENT
PART VI
DESCRIPTION OF REGULATORY ACCOUNTS - MEMORANDUM

(continued)

C. DESCRIPTION OF ACCOUNTS (continued)

NGV RD&D MEMORANDUM ACCOUNT (RDDNGV) (continued)

For each BCAP filing, SoCalGas will reconcile this account and adjust rates as needed. If there is a balance due from ratepayers, pursuant to Commission order, SoCalGas will increase rates to recover the balance. However, since program spending is limited for the six-year period and over-expenditures may not be recovered from ratepayers, shareholders absorb the balance in the event actual expenses exceed authorized levels.

INTERVENOR AWARD MEMORANDUM ACCOUNT (IAMA)

The IAMA is a memorandum account, the balance of which is recorded on the Utility's financial statements. The purpose of the IAMA is to track intervenor compensation payments authorized by the Commission. The balance in the IAMA will be addressed in the Utility's Biennial Cost Allocation Proceeding (BCAP).

Each month the Utility will debit the IAMA an amount equal to the intervenor compensation payments authorized by the Commission and recorded during the month.

Z FACTOR ACCOUNT (ZFA)

The ZFA is an interest bearing memorandum account recorded on SoCalGas' financial statements. The purpose of this account is to track costs associated with events that are potential "Z Factors." Z Factors are exogenous and unforeseen events largely beyond SoCalGas' control that have a material impact on SoCalGas' costs. D.97-07-054 (PBR), Conclusion of Law 16, authorized SoCalGas to establish the ZFA to allow Z Factor costs to be handled outside the PBR mechanism. Examples of Z Factors include, but are not limited to, accounting rule changes, new government mandates, and tax law changes. For more detail on Z Factors, see Preliminary Statement Part XI, section E.

SoCalGas maintains the ZFA by adding sub-accounts, and making appropriate accounting entries to each sub-account. When a potential Z Factor event occurs, SoCalGas will promptly advise the Commission of its occurrence, and add a new sub-account to the ZFA. Once the sub-account is established, SoCalGas maintains the sub-account(s) by making monthly entries as follows: debits for actual Z Factor costs related to the corresponding event; and credits for the amortization of prior sub-account balances, as authorized by the Commission, if any.

For each BCAP filing, SoCalGas will reconcile this account and adjust rates as needed, taking into consideration the \$5,000,000 deductible which is applicable to each qualifying Z Factor event.

(continued)

(TO BE INSERTED BY UTILITY)

ISSUED BY

(TO BE INSERTED BY CAL. P.U.C.)

ADVICE LETTER NO. 3014

William L. Reed

DATE FILED APR 20,2001

DECISION NO. 01-03-073

VICE PRESIDENT
CHIEF REGULATORY OFFICER

EFFECTIVE _____

RESOLUTION NO. _____

PRELIMINARY STATEMENT
PART VI
DESCRIPTION OF REGULATORY ACCOUNTS - MEMORANDUM

(continued)

C. DESCRIPTION OF ACCOUNTS (continued)

TAX INTEREST ACCOUNT (TIA)

The TIA is an interest bearing memorandum account recorded on SoCalGas' financial statements. D.93-12-043 (TY 1994 GRC), Ordering Paragraph 5, authorized SoCalGas to establish the TIA for the sole purpose of tracking costs associated with interest and penalties that may arise as a result of the Supreme Court's Indopco decision.

SoCalGas maintains this account by making monthly entries as follows: debit entries for actual interest and penalties imposed by the IRS or FTB; and credit entries for authorized costs being collected in rates, as authorized by the Commission, if any.

For each BCAP filing, SoCalGas will reconcile this account and adjust rates as needed.

ENERGY EFFICIENCY/DSM MEMORANDUM ACCOUNT (EEDSMMA)

The EEDSMMA is established in accordance with Commission Resolution E-3592, dated April 1, 1999. The purpose of the EEDSMMA is to record the transfer of funds to the California Energy Commission (CEC) to conduct certain market assessment and evaluation (MA&E) studies authorized by the California Public Utilities Commission (CPUC). These studies include but are not limited to the: Commercial Building Survey, Non-Residential Remodeling and Renovation and Non-Residential Market Share Tracking Activities and Update of the Database for Energy Efficient Resources. The transfer of funds are expected to occur on or before June 30 and December 31 of each year, however, the scheduling of transfers may occur at different intervals as authorized by the CPUC.

The utility shall maintain the EEDSMMA by making entries at the end of each month as follows:

- a. A debit entry equal to the transfer of funds to the CEC in association with conducting studies authorized by the CPUC.
- b. A credit entry shall be made, if any is required, at the end of the expenditure period to reflect any unspent funds that are returned to the utility.
- c. An entry equal to interest on the average balance in the account at the beginning of the month and the balance after entries a. and b. above, calculated in the manner described in the Preliminary Statement, Part I, J.

Based on Resolution E-3592, the utility will, at the end of each year, transfer the balance in the EEDSMMA to the Conservation Expense Account (CEA) .

(continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3014
DECISION NO. 01-03-073

ISSUED BY
William L. Reed
VICE PRESIDENT
CHIEF REGULATORY OFFICER

(TO BE INSERTED BY CAL. P.U.C.)
DATE FILED APR 20,2001
EFFECTIVE _____
RESOLUTION NO. _____

PRELIMINARY STATEMENT
PART VI
DESCRIPTION OF REGULATORY ACCOUNTS - MEMORANDUM

(continued)

C. DESCRIPTION OF ACCOUNTS (continued)

APPLICANT INSTALLATION TRENCH INSPECTION MEMORANDUM ACCOUNT (AITIMA)

The purpose of the AITIMA is to record all nonrefundable inspection fees charged by the Utility associated with individual applicant-installed projects under the Applicant Installation Option, Section G, Rule No. 20, Gas Main Extensions, and to record amounts subject to future reimbursement by ratepayers, upon final Commission resolution of the Application for Rehearing of Decision No. 99-06-079.

The AITIMA applies to all applicant-installed projects. First inspection fees will be charged by the Utility and paid by the applicant. Such revenues will be tracked by individual applicant-installed project or project segment within the AITIMA.

The actual first inspection fees charged by the Utility will vary by individual applicant installed project. Such first inspection fees shall be based on the Utility's estimate of the applicant-installed project and actual inspection time required.

The Account will consist of two subaccounts. The first subaccount shall be the Ratepayer Subaccount. The second subaccount shall be the Applicant Subaccount.

The Utility shall maintain the AITIMA by making the following entries at the end of each month:

- a. A debit entry will be made to the Ratepayer Subaccount each month for an amount equal to first trench inspection fees paid by applicants during the month.
- b. A credit entry will be made to the Applicant Subaccount each month for an amount equal to first trench inspection fees paid by applicants during the month

The initial disposition of the amounts in the AITIMA will be decided at such time as the Commission issues a decision on the Joint Utility Respondent's request for rehearing of Decision No. 99-06-079. Final disposition of amounts recorded in the AITIMA shall be determined in the BCAP or other proceeding expressly authorized by the Commission.

(continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3014
DECISION NO. 01-03-073

ISSUED BY
William L. Reed
VICE PRESIDENT
CHIEF REGULATORY OFFICER

(TO BE INSERTED BY CAL. P.U.C.)
DATE FILED APR 20,2001
EFFECTIVE _____
RESOLUTION NO. _____

PRELIMINARY STATEMENT
PART VI
DESCRIPTION OF REGULATORY ACCOUNTS - MEMORANDUM

(continued)

C. DESCRIPTION OF ACCOUNTS (continued)

WHEELER RIDGE FIRM ACCESS CHARGE MEMORANDUM ACCOUNT (WRFACMA)

The WRFACMA is an interest-bearing memorandum account recorded on the Utility's financial statements. The purpose of this account is to record the reservation charges for firm access service charged under Schedule G-ITC. The balance in the account will be amortized in accordance with the Utility's cost allocation proceeding.

Utility shall maintain the account by making entries to the account at the end of each month as follows:

- a. A credit entry equal to the billed G-ITC firm access reservation charges less franchise fees and uncollectibles (F&U).
- b. An entry to amortize the forecasted remaining balance in the account.
- c. An entry equal to the interest on the average balance in the account during the month, calculated in the manner described in the Preliminary Statement, Part I, J.

EARTHQUAKE VALVE INSPECTION MEMORANDUM ACCOUNT (EVIMA)

The Earthquake Valve Inspection Memorandum Account (EVIMA) is an interest bearing memorandum account recorded on SoCalGas' financial statements. Pursuant to D.00-06-038, the purpose of this account is to record the cost of inspecting earthquake valves installed by Authorized Independent Contractors pursuant to D.96-09-044 and amended by D.98-08-032, and in accordance with SoCalGas Tariffs. Additional costs may be incurred by SoCalGas to repair improper installations that it discovers during inspections.

Utility shall maintain the account by making entries to the account at the end of each month as follows:

- a) Debit entries for actual costs incurred in the inspection and repair of valves installed by independent contractors and not previously inspected by SoCalGas;
- b) Credit entries for revenues from charges or rates to recover such costs, as authorized by the Commission.
- c) An entry equal to the interest on the average balance in the account during the month, calculated in the manner described in the Preliminary Statement, Part I, J.

(continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3014
DECISION NO. 01-03-073

ISSUED BY
William L. Reed
VICE PRESIDENT
CHIEF REGULATORY OFFICER

(TO BE INSERTED BY CAL. P.U.C.)
DATE FILED APR 20,2001
EFFECTIVE _____
RESOLUTION NO. _____

TABLE OF CONTENT S

The following listed sheets contain all effective Schedules of Rates and Rules affecting service and information relating thereto in effect on the date indicated thereon.

GENERAL

Cal. P.U.C. Sheet No.

Title Page	21888-G
Table of Contents--General and Preliminary Statement	33477-G,33246-G
Table of Contents--Service Area Maps and Descriptions	28516-G
Table of Contents--Rate Schedules	33442-G,33443-G,33447-G
Table of Contents--List of Cities and Communities Served	31694-G
Table of Contents--List of Contracts and Deviations	31694-G
Table of Contents--Rules	33296-G,33306-G
Table of Contents--Sample Forms	32781-G,32782-G,33354-G,32784-G,32785-G

PRELIMINARY STATEMENT

Part I General Service Information	24331-G,24332-G,24333-G,24334-G,24749-G
Part II Summary of Rates and Charges	33418-G,33419-G,33179-G,33180-G,33420-G,33404-G 32491-G,32492-G,33182-G,33421-G,33422-G,33185-G,33186-G
Part III Cost Allocation and Revenue Requirement ..	27024-G,27025-G,27026-G,27027-G,33187-G
Part IV Income Tax Component of Contributions and Advances	24353-G,24354-G
Part V Description of Regulatory Accounts-Balancing	32499-G,32500-G,32501-G,32502-G 32503-G,32504-G,32505-G,32506-G,32507-G,32508-G,32509-G
Part VI Description of Regulatory Accounts-Memorandum	33462-G,33463-G,33464-G 33465-G,33466-G,33467-G,33468-G,33469-G,33470-G 33471-G,33472-G,33473-G,33474-G,33475-G,33476-G
Part VII Description of Regulatory Accounts-Tracking	32524-G,32525-G,32526-G 32527-G,32528-G,32529-G
Part VIII Gas Cost Incentive Mechanism (GCIM)	31776-G,31777-G,31778-G,30523-G,30524-G
Part IX Hazardous Substances Mechanism (HSM)	26199-G,26200-G,26201-G
Part X Global Settlement	32530-G,32531-G,32532-G,32533-G

(continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3014
 DECISION NO. 01-03-073

ISSUED BY
William L. Reed
 VICE PRESIDENT
 CHIEF REGULATORY OFFICER

(TO BE INSERTED BY CAL. P.U.C.)
 DATE FILED APR 20,2001
 EFFECTIVE _____
 RESOLUTION NO. _____

T
|
T