



J. Steve Rahon
Director
Tariffs & Regulatory Accounts

8315 Century Park Ct.
San Diego, CA 92123-1550
Tel: 858.654.1773
Fax 858.654.1788
srahon@SempraUtilities.com

August 1, 2005

Advice No. 3515-A
(U 904 G)

Public Utilities Commission of the State of California

Subject: Supplemental - Implementation of Late Payment Charges

Southern California Gas Company (SoCalGas) hereby submits for filing with the California Public Utilities Commission (Commission) revisions to SoCalGas' tariffs, applicable throughout its service territory, as shown on Attachment B.

Purpose

This supplemental filing modifies SoCalGas' Rule No. 12, "Payment of Bills", to establish a late payment charge applicable to non-residential customers effective January 1, 2006, and to modify SoCalGas' Preliminary Statement, Part VI, "Description of Regulatory Accounts Memorandum," to establish the Late Payment Charge Memorandum Account (LPCMA) to track any late payment charges assessed after January 1, 2006, but prior to the implementation of SoCalGas' next scheduled 2008 Test Year General Rate Case (GRC) application. This supplemental filing replaces in its entirety SoCalGas Advice No. 3515, dated July 15, 2005, in order to address concerns expressed by an interested party relative to the proposed Rule No. 12 language regarding the application of late payment charges to State Agencies.

Background

On December 2, 2004, the Commission issued Decision (D.) 04-12-015 and adopted the Settlement Agreement, with modifications, in SoCalGas' revenue requirements phase (Phase I) of its Cost of Service (COS) application for Test Year 2004. The Settlement Agreement adopted SoCalGas' proposal¹ for a late payment charge for non-residential customers. The charge shall be equal to 1/12 of SoCalGas' authorized rate of return on rate base rounded to the nearest one-tenth of a percent. The adoption of a late payment charge for non-residential customers does not set a precedent for the adoption of such charges for residential customers.

¹ Late payment charge proposal was described in Exhibit No. 7, Patrick Petersilia testimony on behalf of SoCalGas, at pages 203-204.

Modification of SoCalGas' Billing System

Changes to SoCalGas' Billing System will be completed in time to assess late payment charges beginning January 1, 2006. However, because of the complexity involved, late payment charges for Summary Billing accounts (i.e., for customers who have multiple member accounts that are billed under a summary billing arrangement) are scheduled for implementation on April 1, 2006.

Changes to Rule No. 12

SoCalGas herein proposes to modify its Rule No. 12, Payment of Bills, to incorporate a new section (i.e., Section F) for late payment charges as follows:

"F. Late Payment Charges

A monthly late payment charge, equal to SoCalGas' authorized return on rate base divided by 12 and rounded to the nearest one-tenth of one percent, may be assessed on non-residential accounts with billing in arrears if not received by the Utility, or by a duly authorized agent of the Utility, by the "late charge date" as shown on the bill. The "late charge date" will be at least 19 days from the date mailed as indicated on the bill.

Effective January 1, 2006, the Late Payment Charge is 0.7% (seven-tenths of one percent).

If an account is served by or serves a State Agency and payment is not received within the time limits specified pursuant to the California Prompt Payment Act, Government Code Section 927 et seq., then a penalty for late payment shall be imposed upon the State in accordance with the provisions of the California Prompt Payment Act. For purposes of determining the applicability of this section, the phrase "is served by or serves a State Agency", shall include governmental entities where a portion of utility service is provided or arranged for by a State Agency and collection and payment of the particular utility bills is handled by that State Agency. It is the intent of this section not to exceed the requirements and limitations specified by the California Prompt Payment Act.

As provided in the proposal, SoCalGas will promptly notify all affected customers to allow them sufficient time and opportunity to correct any existing arrearages prior to implementation of the late payment charge. In addition, SoCalGas may at its discretion suspend the application of the late payment charge in special circumstances such as a disaster or an unforeseeable event.

Authorized Base Margin Adjustment

Pursuant to SoCalGas' late payment charge proposal adopted in the Settlement Agreement, the adjustment to authorized base margin is described as follows:

"SCG further proposes to make associated adjustments to miscellaneous revenue and its related impact on SCG's authorized base gas margin effective January 1st coincident with or following the implementation of the late payment charge, including an appropriate adjustment for late payment charges that may have been assessed prior to the required adjustment to base gas margin."¹

SoCalGas plans to implement a late payment charge effective January 1, 2006. However, because of the uncertainty of forecasting late payment charges, SoCalGas plans to adjust its authorized base margin for late payment charges in its next GRC application. In the interim, SoCalGas requests authority to record any revenues from late charge payments in a memorandum account prior to the implementation of its next GRC application.

Late Payment Charge Memorandum Account (LPCMA) - The LPCMA is an interest bearing memorandum account that is recorded on the Utility's financial statements. The purpose of this account is to record late payment charges assessed to non-residential customers until the establishment of SoCalGas' authorized base margin in the next GRC proceeding. The LPCMA will be effective upon implementation of late payment charges on January 1, 2006. The disposition of the LPCMA balance shall occur in SoCalGas' annual regulatory account balance update filing. To be consistent with the effect of an incremental change to miscellaneous revenues, SoCalGas proposes the balance in the LPCMA to be allocated to customers on an equal percent of marginal cost basis.

By using this approach, SoCalGas anticipates the historical information will form a sound basis to develop a reasonable forecast of annual late payment charges that would be included in authorized miscellaneous revenues in its next GRC application. Such a forecast will be submitted as part of that proceeding.

This filing will not result in a rate change nor deviate from or conflict with any current rate schedule or rule. In addition, this filing will not cause the withdrawal of any service currently provided by SoCalGas.

Effective Date

SoCalGas believes that this filing is subject to Energy Division disposition and therefore respectfully requests that this filing become effective on January 1, 2006 with the implementation of the late payment charge, which is more than the required thirty (30) calendar days after the date filed.

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:

CPUC Energy Division
Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, CA 94102

Copies of the protest should also be sent via e-mail to the attention of both Jerry Royer (jjr@cpuc.ca.gov) and Honesto Gatchalian (ijnj@cpuc.ca.gov) of the Energy Division. A copy of the protest shall also be sent via both e-mail and facsimile to the address shown below on the same date it is mailed or delivered to the Commission.

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

Notice

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 to this advice letter, which includes interested parties in A.02-12-027.

J. STEVE RAHON
Director
Tariffs and Regulatory Accounts

Attachments

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No. **SOUTHERN CALIFORNIA GAS COMPANY/ U 904 G**

Utility type:

ELC GAS
 PLC HEAT WATER

Contact Person: Sid Newsom

Phone #: (213) 244-2846

E-mail: snewsom@semprautilities.com

EXPLANATION OF UTILITY TYPE

ELC = Electric GAS = Gas
PLC = Pipeline HEAT = Heat WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: 3515-A

Subject of AL: Supplemental - Implementation of Late Payment Charges

Keywords (choose from CPUC listing): Billings, Late Payment Charge

AL filing type: Monthly Quarterly Annual One-Time Other

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #:

D.04-12-015

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL No

Summarize differences between the AL and the prior withdrawn or rejected AL¹:

Resolution Required? Yes No

Requested effective date: 1/1/06

No. of tariff sheets: 5

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: Preliminary Statement Part VI, Rule No. 12 and Table of Contents

Service affected and changes proposed¹: Revise Preliminary Statement Part VI to add Late Payment Charge Memorandum Account and revise Rule No. 12 to add Late Payment Charges section F

Pending advice letters that revise the same tariff sheets: None

Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division

Attention: Tariff Unit

505 Van Ness Avenue

San Francisco, CA 94102

jjr@cpuc.ca.gov and jnj@cpuc.ca.gov

Southern California Gas Company

Attention: Sid Newsom

555 West Fifth Street, ML GT14D6

Los Angeles, CA 90013-4957

snewsom@semprautilities.com

¹ Discuss in AL if more space is needed.

ATTACHMENT A
Advice No. 3515-A

(See Attached Service Lists)

Aglet Consumer Alliance
James Weil
jweil@aglet.org

Alcantar & Kahl
Elizabeth Westby
egw@a-klaw.com

Alcantar & Kahl
Kari Harteloo
klc@a-klaw.com

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

BP EnergyCo.
J. M. Zaiantz
Zaiantj@bp.com

Barkovich & Yap
Catherine E. Yap
ceyap@earthlink.net

Beta Consulting
John Burkholder
burkee@cts.com

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

CPUC - ORA
Galen Dunham
gsd@cpuc.ca.gov

CPUC - ORA
Jacqueline Greig
jnm@cpuc.ca.gov

CPUC - ORA
R. Mark Pocta
rmp@cpuc.ca.gov

California Energy Market
Lulu Weinzimer
luluw@newsdata.com

Calpine Corp
Avis Clark
aclark@calpine.com

City of Anaheim
Ben Nakayama
Public Utilities Dept.
P. O. Box 3222
Anaheim, CA 92803

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

City of Banning
Paul Toor
P. O. Box 998
Banning, CA 92220

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

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

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

City of Los Angeles
City Attorney
200 North Main Street, 800
Los Angeles, CA 90012

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

City of Riverside
Joanne Snowden
jsnowden@riversideca.gov

City of Vernon
Daniel Garcia
dgarcia@ci.vernon.ca.us

Commerce Energy
Gary Morrow
GMorrow@commerceenergy.com

Commerce Energy
Glenn Kinser
gkinser@commerceenergy.com

Commerce Energy
Tony Cusati
TCusati@commerceenergy.com

Commerce Energy
Pat Darish
pdarish@commerceenergy.com

County of Los Angeles
Stephen Crouch
1100 N. Eastern Ave., Room 300
Los Angeles, CA 90063

Crossborder Energy
Tom Beach
tomb@crossborderenergy.com

Davis Wright Tremaine, LLP
Christopher Hilen
chrishilen@dwt.com

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

Davis, Wright, Tremaine
Judy Pau
judypau@dwt.com

Dept. of General Services
Celia Torres
celia.torres@dgs.ca.gov

Douglass & Liddell
Dan Douglass
douglass@energyattorney.com

Douglass & Liddell
Donald C. Liddell
liddell@energyattorney.com

Downey, Brand, Seymour & Rohwer
Ann Trowbridge
atrowbridge@downeybrand.com

Downey, Brand, Seymour & Rohwer
Dan Carroll
dcarroll@downeybrand.com

Duke Energy North America
Melanie Gillette
mlgillette@duke-energy.com

Dynegy
Joseph M. Paul
jmpa@dynegy.com

Gas Purchasing
BC Gas Utility Ltd.
16705 Fraser Highway
Surrey, British Columbia, V3S 2X7

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

Goodin, MacBride, Squeri, Ritchie &
Day, LLP
J. H. Patrick
hpatrick@gmssr.com

Goodin, MacBride, Squeri, Ritchie &
Day, LLP
James D. Squeri
jsqueri@gmssr.com

Hanna & Morton
Norman A. Pedersen, Esq.
npedersen@hanmor.com

Imperial Irrigation District
K. S. Noller
P. O. Box 937
Imperial, CA 92251

JBS Energy
Jeff Nahigian
jeff@jbsenergy.com

Jeffer, Mangels, Butler & Marmaro
2 Embarcadero Center, 5th Floor
San Francisco, CA 94111

Kern River Gas Transmission Company
Janie Nielsen
Janie.Nielsen@KernRiverGas.com

LADWP
Nevenka Ubavich
nevenka.ubavich@ladwp.com

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

Law Offices of Diane I. Fellman
Diane Fellman
diane_fellman@fpl.com

Law Offices of William H. Booth
William Booth
wbooth@booth-law.com

Luce, Forward, Hamilton & Scripps
John Leslie
jleslie@luce.com

MRW & Associates
Robert Weisenmiller
mrw@mrwassoc.com

Manatt, Phelps & Phillips, LLP
David Huard
dhuard@manatt.com

March Joint Powers Authority
Lori Stone
PO Box 7480,
Moreno Valley, CA 92552

Matthew Brady & Associates
Matthew Brady
matt@bradylawus.com

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

PG&E
Anita Smith
aws4@pge.com

PG&E
Sue Shaw
sxs9@pge.com

PG&E
Todd Novak
tsn2@pge.com

Pacific Gas & Electric Co.
John Clarke
jpc2@pge.com

Praxair Inc
Rick Noger
rick_noger@praxair.com

Questar Southern Trails
Lenard Wright
Lenard.Wright@Questar.com

R. W. Beck, Inc.
Catherine Elder
celder@rwbeck.com

Regulatory & Cogen Services, Inc.
Donald W. Schoenbeck
900 Washington Street, #780
Vancouver, WA 98660

Richard Hairston & Co.
Richard Hairston
hairstonco@aol.com

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

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

Southern California Edison Co.
Colin E. Cushnie
Colin.Cushnie@SCE.com

Southern California Edison Co.
Kevin Cini
Kevin.Cini@SCE.com

Southern California Edison Co.
John Quinlan
john.quinlan@sce.com

Southern California Edison Company
Michael Alexander
Michael.Alexander@sce.com

Southwest Gas Corp.
John Hester
P. O. Box 98510
Las Vegas, NV 89193-8510

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

Sutherland, Asbill & Brennan
Keith McCrea
kmccrea@sablaw.com

TURN
Marcel Hawiger
marcel@turn.org

TURN
Mike Florio
mflorio@turn.org

The Mehle Law Firm PLLC
Colette B. Mehle
cmehle@mehlelaw.com

Transwestern Pipeline Co.
Kelly Allen
kelly.allen@enron.com

Vandenberg AFB
Ken Padilla
ken.padilla@vandenberg.af.mil

Western Manufactured Housing
Communities Assoc.
Sheila Day
sheila@wma.org

ADAMS ELECTRICAL SAFETY
CONSULTING
WILLIAM P. ADAMS
716 BRETT AVENUE
ROHNERT PARK, CA 94928-4012

ALCANTAR & KAHL LLP
MICHAEL ALCANTAR
mpa@a-klaw.com

ENDEMAN, LINCOLN, TUREK &
HEATER LLP
JAMES C. ALLEN
jallen@elthlaw.com

CALIF PUBLIC UTILITIES COMMISSION
Joyce Alfton
alf@cpuc.ca.gov

CALIF PUBLIC UTILITIES COMMISSION
Paul Angelopulo
pfa@cpuc.ca.gov

CALIF PUBLIC UTILITIES COMMISSION
Bernard Ayanruoh
ben@cpuc.ca.gov

BARKOVICH & YAP, INC.
BARBARA R. BARKOVICH
brbarkovich@earthlink.net

SAN LUIS OBISPO MOTHERS FOR
PEACE
ROCHELLE BECKER
rochelle489@charter.net

MC CARTHY & BERLIN, LLP
C. SUSIE BERLIN
sberlin@mccarthyllaw.com

MANATT, PHELPS & PHILLIPS, LLP
ROGER A. BERLINER
rberliner@manatt.com

THE GREENLINING INSTITUTE
ITZEL BERRIO
iberrio@greenlining.org

SOUTHWEST GAS COMPANY
ANDREW WILSON BETTWY
andy.bettwy@swgas.com

LAW OFFICE OF WILLIAM H. BOOTH
WILLIAM H. BOOTH
wbooth@booth-law.com

ELLISON, SCHNEIDER & HARRIS, LLP
ANDREW B. BROWN
abb@eslawfirm.com

LATINO ISSUES FORUM
SUSAN E. BROWN
lifcentral@lif.org

MCCRACKEN, BYERS & HAESLOOP,
LLP
DAVID J. BYERS, ESQ.
dbyers@landuselaw.com

CALIF PUBLIC UTILITIES COMMISSION
Valerie Beck
vjb@cpuc.ca.gov

NATURAL RESOURCES DEFENSE
COUNCIL
SHERYL CARTER
scarter@nrdc.org

LOS ANGELES UNIFIED SCHOOL
DISTRICT
ANDREW S. CHEUNG
andrew.cheung@lausd.net

CITY AND COUNTY OF SAN
FRANCISCO
JOSEPH PETER COMO
joe.como@sfgov.org

GOODIN MACBRIDE SQUERI RITCHIE
& DAY LLP
BRIAN T. CRAGG
bcragg@gmsr.com

CALIF PUBLIC UTILITIES COMMISSION
Michael S Campbell
msc@cpuc.ca.gov

WESTERN MANUFACTURED HOUSING
COMMUNITIES
SHEILA DEY
sheila@wma.org

CALIFORNIA PUBLIC UTILITIES
COMMISSION
LOS ANGELES DOCKET OFFICE
LAdocket@cpuc.ca.gov

DOUGLASS & LIDDELL
DANIEL W. DOUGLASS
douglass@energyattorney.com

CALIF PUBLIC UTILITIES COMMISSION
Paul Douglas
psd@cpuc.ca.gov

THE TUILTY REFORM NETWORK
DANIEL EDINGTON
dedington@turn.org

CALIF PUBLIC UTILITIES COMMISSION
Phillip Enis
pje@cpuc.ca.gov

LAW OFFICES OF DIANE I. FELLMAN
DIANE I. FELLMAN
diane_fellman@fpl.com

THE UTILITY REFORM NETWORK
ROBERT FINKELSTEIN
bfinkelstein@turn.org

STEEFEL, LEVITT & WEISS, P.C.
MARK FOGELMAN
mfogelman@steefel.com

THE UTILITY REFORM NETWORK
MATTHEW FREEDMAN
freedman@turn.org

DEPARTMENT OF THE NAVY
NORMAN J. FURUTA
norman.furuta@navy.mil

CALIF PUBLIC UTILITIES COMMISSION
 Julie A Fitch
 jf2@cpuc.ca.gov

LATINO ISSUES FORUM
 ENRIQUE GALLARDO
 enriqueg@lif.org

MANFRED F. GILDNER
 barontramp@aol.com

THE GREENLINING INSTITUTE
 ROBERT GNAIZDA
 robertg@greenlining.org

PACIFIC GAS AND ELECTRIC COMPANY
 PATRICK G. GOLDEN
 pgg4@pge.com

THE UTILITY REFORM NETWORK
 HAYLEY GOODSON
 hayley@turn.org

LOWE'S COMPANIES, INC.
 JEFFREY E. GRAY
 jeff.e.gray@lowes.com

CALIF PUBLIC UTILITIES COMMISSION
 Patrick L. Gileau
 plg@cpuc.ca.gov

CALIF PUBLIC UTILITIES COMMISSION
 Eric Green
 eg1@cpuc.ca.gov

ARNOLD & PORTER
 JAMES I. HAM
 James_Ham@aporter.com

MORRISON & FOERSTER LLP
 PETER W. HANSCHEN
 phansch@mofo.com

UTIL. WORKERS UNION OF AMERICA, AFL-CIO
 MARTA HARRIS
 unionmarti@aol.com

THE UTILITY REFORM NETWORK
 MARCEL HAWIGER
 marcel@turn.org

ASSOCIATION OF CALIFORNIA WATER AGENCIES
 LON W. HOUSE
 lwhouse@innercite.com

MANATT, PHELPS & PHILLIPS, LLP
 DAVID L. HUARD
 PUCservice@manatt.com

CALIF PUBLIC UTILITIES COMMISSION
 Peter Hanson
 pgh@cpuc.ca.gov

CATHOLIC HEALTHCARE WEST
 DAVID JONES
 djones2@chw.edu

ADAMS, BROADWELL, JOSEPH & CARDOZO
 MARC D. JOSEPH
 mdjoseph@adamsbroadwell.com

CALIF PUBLIC UTILITIES COMMISSION
 William Julian li
 bj2@cpuc.ca.gov

ALCANTAR & KAHL, LLP
 EVELYN KAHL
 ek@a-klaw.com

MANATT, PHELPS & PHILLIPS, LLP
 RANDALL W. KEEN
 pucservice@manatt.com

ELLISON, SCHNEIDER & HARRIS LLP
 DOUGLAS K. KERNER
 dkk@eslawfirm.com

DOUGLASS & LIDDELL
 GREGORY S.G. KLATT
 klatt@energyattorney.com

CALIF PUBLIC UTILITIES COMMISSION
 Laura L. Krannawitter
 llk@cpuc.ca.gov

LUCE, FORWARD, HAMILTON & SCRIPPS, LLP
 JOHN W. LESLIE
 jleslie@luce.com

CALIFORNIA FARM BUREAU FEDERATION
 RONALD LIEBERT
 rliebert@cfbf.com

CALIF PUBLIC UTILITIES COMMISSION
 Donald J. Lafrenz
 dlaf@cpuc.ca.gov

CALIF PUBLIC UTILITIES COMMISSION
 Douglas M. Long
 dug@cpuc.ca.gov

GOODIN MACBRIDE SQUERI RITCHIE & DAY LLP
 THOMAS J. MACBRIDE, JR.
 tmacbride@gmssr.com

UTILITY WORKERS UNION OF AMERICA
 JAVIER MANZANO
 javier1@uwua132.org

JBS ENERGY
 BILL MARCUS
 bill@jbsenergy.com

DAVID MARCUS
 dmarcus2@sbcglobal.net

DAVID MARCUS
 dmarcus2@sbcglobal.net

SUTHERLAND, ASBILL & BRENNAN
 KEITH MCCREA
 keith.mccrea@sablaw.com

SOUTHERN CALIFORNIA EDISON
 COMPANY
 FRANK MCNULTY
 francis.mcnulty@sce.com

SEMPRA ENERGY
 KEITH W. MELVILLE
 kmelville@sempra.com

CALIFORNIA FARM BUREAU
 FEDERATION
 KAREN NORENE MILLS
 kmills@cfbf.com

WESTERN MANUFACTURED HOUSING
 COMM. SVCS.
 IRENE K. MOOSEN
 irene@igc.org

SAN FRANCISCO COMMUNITY POWER
 COOP
 STEVEN MOSS
 steven@moss.net

CALIF PUBLIC UTILITIES COMMISSION
 Laura A. Martin
 lra@cpuc.ca.gov

CALIF PUBLIC UTILITIES COMMISSION
 Richard A. Myers
 ram@cpuc.ca.gov

PACIFIC GAS AND ELECTRIC
 COMPANY
 ANDREW L. NIVEN
 aln2@pge.com

SIERRA PACIFIC POWER CO.
 DAVID NORRIS
 dnorris@sppc.com

CA DISABLED VETS BUSNSS ENTERP
 ALLIANCE
 KEVIN K. O'CONNOR
 kkolabs@earthlink.net

HANNA AND MORTON LLP
 NORMAN A. PEDERSEN
 npedersen@hanmor.com

ANDERSON & POOLE
 EDWARD G. POOLE
 epoole@adplaw.com

PATRICK J. POWER
 pjpowerlaw@aol.com

CALIF PUBLIC UTILITIES COMMISSION
 Robert M. Pocta
 rmp@cpuc.ca.gov

CALIF PUBLIC UTILITIES COMMISSION
 Anne W. Premo
 awp@cpuc.ca.gov

CALIF PUBLIC UTILITIES COMMISSION
 Nicolas B Procos
 nbp@cpuc.ca.gov

CALIF PUBLIC UTILITIES COMMISSION
 Terrie D Prosper
 tdp@cpuc.ca.gov

PACIFIC GAS AND ELECTRIC
 COMPANY
 MICHAEL REIDENBACH
 jmrb@pge.com

CALIFORNIA DVBE ALLIANCE
 DANIEL W. ROBERTS
 danielwroberts@hmpage.com

CALIFORNIA CABLE &
 TELECOMMUNICATIONS
 GLENN SEMOW
 gsemow@calcable.org

UTILITY CONSUMERS' ACTION
 NETWORK
 MICHAEL SHAMES
 mshames@ucan.org

ALCANTAR & ELSESSER
 NORA E. SHERIFF
 nes@a-klaw.com

GOODIN MACBRIDE SQUERI RITCHIE
 & DAY LLP
 JAMES D. SQUERI
 jsqueri@gmssr.com

KERN RIVER GAS TRANSMISSION
 COMPANY
 RICHARD N. STAPLER, JR.
 richard.stapler@kernrivergas.com

SEMPRA ENERGY
 GLEN J. SULLIVAN
 gsullivan@sempra.com

CALIF PUBLIC UTILITIES COMMISSION
 Danilo E. Sanchez
 des@cpuc.ca.gov

CALIF PUBLIC UTILITIES COMMISSION
 Laura Lei Strain
 lls@cpuc.ca.gov

CALIFORNIA ENERGY COMMISSION
 JENNIFER TACHERA
 jtachera@energy.state.ca.us

DOWNEY, BRAND, SEYMOUR &
 ROHWER
 ANN L. TROWBRIDGE
 atrowbridge@downeybrand.com

CALIF PUBLIC UTILITIES COMMISSION
Pamela T. Thompson
ptt@cpuc.ca.gov

CALIF PUBLIC UTILITIES COMMISSION
Laura J. Tudisco
ljt@cpuc.ca.gov

SIMPSON PARTNERS, LLP
ANDREW ULMER
andrew@simpsonpartners.com

SEMPRA
RONALD VAN DER LEEDEN
rvanderleeden@semprautilities.com

CALIF PUBLIC UTILITIES COMMISSION
Maria Vanko
mv1@cpuc.ca.gov

**PACIFIC GAS AND ELECTRIC
COMPANY**
CHRISTOPHER J. WARNER
cjw5@pge.com

AGLET CONSUMER ALLIANCE
JAMES WEIL
jweil@aglet.org

ALCANTAR & KAHL, LLP
ELIZABETH WESTBY
egw@a-klaw.com

CALIFORNIA ENERGY COMMISSION
BILL WOOD
bwood@energy.state.ca.us

**CALIFORNIA LEAGUE OF FOOD
PROCESSORS**
ED YATES
ed@clfp.com

LOCAL 483 UTILITY WORKERS UNION
DENNIS ZUKOWSKI
dennis@local483.org

MODESTO IRRIGATION DISTRICT
PO BOX 4060
MODESTO, CA 95352

ATTACHMENT B
Advice No. 3515-A

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 39472-G	PRELIMINARY STATEMENT, PART VI, DESCRIPTION OF REGULATORY ACCOUNTS - MEMORANDUM, Sheet 1	Revised 39427-G
Original 39473-G		Revised 38003-G
	PRELIMINARY STATEMENT, PART VI, DESCRIPTION OF REGULATORY ACCOUNTS - MEMORANDUM, Sheet 18	Original 39428-G
Revised 39474-G	Rule No. 12, PAYMENT OF BILLS, Sheet 2	Revised 39429-G Original 36921-G
Revised 39475-G	TABLE OF CONTENTS	Revised 39430-G Revised 38907-G*
Revised 39476-G	TABLE OF CONTENTS	Revised 39431-G Revised 39328-G

PRELIMINARY STATEMENT

Sheet 1

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

- PCB Expense Account (PCBEA)
- Research Development and Demonstration Expense Account (RDDEA)
- Curtailed Violation Penalty Account (CVPA)
- Economic Practicality Shortfall Memorandum Account (EPSMA)
- Catastrophic Event Memorandum Account (CEMA)
- Vernon Avoided Distribution Cost Memorandum Account (VADCMA)
- 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)
- Wheeler Ridge Firm Access Charge Memorandum Account (WRFACMA)
- Gas Industry Restructuring Memorandum Account (GIRMA)
- Self-Generation Program Memorandum Account (SGPMA)
- Baseline Memorandum Account (BMA)
- Blythe Operational Flow Requirement Memorandum Account (BOFRMA)
- Annual Earnings Assessment Proceeding Memorandum Account (AEAPMA)
- Cost of Service Revenue Requirement Memorandum Account (COSRRMA)
- El Paso Settlement Proceeds Memorandum Account (EPSPMA)
- Interim Call Center Memorandum Account (ICCMA)
- Late Payment Charge Memorandum Account (LPCMA)

N

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3515-A
 DECISION NO. 04-12-015

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Aug 1, 2005
 EFFECTIVE Jan 1, 2006
 RESOLUTION NO. _____

TABLE OF CONTENTS

RULES

<u>Rule Number</u>	<u>Title of Sheet</u>	<u>Cal. P.U.C. Sheet No.</u>
1	Definitions	33478-G,39810-G,39584-G,36706-G,36916-G,36917-G 36918-G,36919-G,36711-G,36712-G,36713-G,36714-G 36715-G,36716-G,36717-G,36718-G
2	Description of Service	35722-G,36011-G,36012-G 36013-G,35726-G,35727-G,35728-G
3	Application for Service	35524-G,35525-G,35526-G
4	Contracts	35529-G,35530-G
5	Special Information Required on Forms	33292-G,24601-G
6	Establishment and Re-Establishment of Credit	28448-G,28449-G
7	Deposits	39811-G
8	Return of Deposit--Interest on Deposit	26214-G
9	Discontinuance of Service	33499-G,26950-G,33500-G,33501-G 26424-G,36035-G,39812-G
10	Service Charges	39813-G,38903-G,38904-G,38905-G,38906-G
11	Disputed Bills	39418-G,39419-G
12	Payment of Bills	39814-G,39474-G
13	Meters and Appliances	24618-G,38338-G
14	Meter Reading	24620-G
15	Meter Tests	36872-G
16	Adjustment of Bills	36873-G,36874-G,36875-G
17	Reading of Separate Meters Not Combined	24626-G
18	Notices	38239-G
19	Rates and Optional Rates	36016-G
20	Gas Main Extensions	31800-G,31801-G,38506-G,38507-G,32375-G,32376-G 31806-G,31807-G,37767-G,37768-G,37769-G,37770-G,37771-G
21	Gas Service Extensions	31813-G,31814-G,31815-G,31816-G,31817-G,31818-G 31819-G,31820-G,38510-G,31822-G,31823-G,31824-G,31825-G
22	Temporary Service	24640-G,30294-G
23	Continuity of Service and Interruption of Delivery	36719-G,37968-G,33041-G,33042-G,34021-G,33044-G 36622-G,33046-G,33047-G,36721-G,37969-G,33050-G
24	Supply to Individual Premises and Resale of Gas	39422-G,39925-G,39926-G
25	Company's Right of Ingress to and Egress from the Consumer's Premises	24655-G

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3515-A
 DECISION NO. 04-12-015

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Aug 1, 2005
 EFFECTIVE Jan 1, 2006
 RESOLUTION NO. _____

TABLE OF CONTENTS

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.

<u>GENERAL</u>	<u>Cal. P.U.C. Sheet No.</u>
Title Page	21888-G
Table of Contents--General and Preliminary Statement	39476-G,39029-G
Table of Contents--Service Area Maps and Descriptions	28516-G
Table of Contents--Rate Schedules	39415-G,39416-G,39364-G
Table of Contents--List of Cities and Communities Served	37398-G
Table of Contents--List of Contracts and Deviations	37894-G
Table of Contents--Rules	39475-G,38771-G
Table of Contents--Sample Forms	39240-G,37017-G,38167-G,39327-G,36796-G

PRELIMINARY STATEMENT

Part I General Service Information	37917-G,24332-G,24333-G,24334-G,24749-G
Part II Summary of Rates and Charges	39397-G,39398-G,39399-G,39249-G,39250-G,39400-G 32491-G,32492-G,38848-G,39370-G,39371-G,39058-G,39059-G
Part III Cost Allocation and Revenue Requirement	27024-G,37920-G,27026-G,27027-G,39060-G
Part IV Income Tax Component of Contributions and Advances	36614-G,24354-G
Part V Description of Regulatory Accounts-Balancing	38681-G,34820-G,37156-G 37004-G,34822-G,36082-G,36083-G,36084-G,36085-G,36086-G 38682-G,38683-G,35874-G,38684-G,38685-G,38686-G,38687-G
Part VI Description of Regulatory Accounts-Memorandum	39472-G,38688-G,38689-G 34281-G,38004-G,38005-G,38006-G,38007-G,38008-G,38009-G 38010-G,38011-G,38012-G,38013-G,38014-G,38015-G,38016-G,39473-G
Part VII Description of Regulatory Accounts-Tracking	38017-G,38018-G,38019-G 38020-G,38021-G,38022-G,38023-G
Part VIII Gas Cost Incentive Mechanism (GCIM)	37921-G,35877-G,37922-G,36869-G 36870-G,35881-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. 3515-A
 DECISION NO. 04-12-015

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Aug 1, 2005
 EFFECTIVE Jan 1, 2006
 RESOLUTION NO. _____

T

T

T

T