



J. Steve Rahon
Director
Tariffs & Regulatory Accounts

8330 Century Park Ct.
San Diego, CA 92123-1548
Tel: 858.654.1773
Fax 858.654.1788
srahon@SempraUtilities.com

February 15, 2006

Advice No. 3594
(U 904 G)

Public Utilities Commission of the State of California

Subject: Establishment of the California Solar Initiative Balancing Account (CSIBA)

Southern California Gas Company (SoCalGas) hereby submits for approval by the California Public Utilities Commission (Commission) revisions to its Preliminary Statement, Part V, Description of Regulatory Accounts - Balancing, as shown on Attachment B.

Purpose

This filing establishes the CSIBA to record the solar program costs beginning on January 1, 2007 and the corresponding authorized revenue requirement associated with the California Solar Initiative (CSI) as adopted pursuant to Decision (D.) 06-01-024, dated January 12, 2006.

Background

The Commission recently underscored its commitment to solar resources for assuring the reliability of the state's electricity system in D. 05-12-044, which increased funding for incentives to solar projects by \$300 million in 2006 for California utilities¹. In D.06-01-024, the Commission, in furthering its commitment in this area, establishes additional policies and program elements designed to promote solar development and provides authorized funding of \$2.5 billion for solar development over the next 10 years. Of the total \$2.8 billion funding for solar development over the 11-year period, \$2.5 billion is for Commission-managed programs and the remainder is related to programs managed by the California Energy Commission (CEC). SoCalGas' allocation of the \$2.5 billion funding is \$225 million over the ten-year period. Of the \$225 million funding, up to 10% (or \$22.5 million) is allocated to administrative costs, which include program evaluation, and marketing and outreach efforts. In addition, a minimum of 10% of program funds will be applied to projects installed by low-

¹ Pursuant to D.05-12-044, the increased 2006 Self Generation Incentive Program (SGIP) allocation authorized for solar projects and the corresponding revenue requirements will be tracked in the existing SGIP memorandum accounts established by each utility. SoCalGas filed Advice Letter 3572 to incorporate the tracking of 2006 CSI program costs and the corresponding authorized \$27 million CSI Program revenue requirement.

income residential customers and affordable housing projects and up to 5% of each year's adopted budget to Research, Development & Demonstration (RD&D) that explores solar technologies and other distributed generation technologies that employ or could employ solar for power generation and storage or to offset natural gas usage, as well as market development strategies. D.06-01-024 also provides for funding flexibility between program years in recognition of actual demand for funding.

California Solar Initiative Balancing Account

Pursuant to Ordering Paragraph (OP) 2 of D.06-01-024, California utilities are required to implement the program described in the staff report and adopted therein. Additionally, on page 8 of the D.06-01-024, the decision provides the following:

“Beginning in 2007, CSI revenue requirements should be tracked in a separate account. We authorize the utilities to collect the funds during the relevant program year, for both programs, rather than requiring them to wait until the end of the funding cycle to collect amounts in the relevant accounts. We emphasize that we retain authority to audit or otherwise review spending and accounting for these programs whether or not the funds have been collected in the relevant period.”

Consistent with D.06-01-024, SoCalGas plans to establish the CSIBA to track solar program expenses and corresponding revenue requirements beginning on January 1, 2007. In addition, consistent with OP 4, SoCalGas plans to collect in connection with its Annual October 15 Regulatory Account Balance Update filing the annual CSI revenue requirement according to the schedule shown on Table 1 of D.06-01-024 for each of the program years unless modified by a subsequent order. If the difference between program expenditures and the amounts collected in rates is substantial, SoCalGas may request adjusting the collection of the revenue requirement. The balance in the CSIBA may be amortized into SoCalGas' transportation rates on a uniform cent per therm basis annually.

Protests

Anyone may protest this Advice Letter to the 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 of this Advice Letter. 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
Attn: 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 to Honesto Gatchalian (jnj@cpuc.ca.gov) of the Energy Division. A copy of the protest should 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

Effective Date

SoCalGas believes that this filing is subject to Energy Division disposition, and therefore respectively requests that this advice letter be approved March 17, 2006, which is 30 calendar days after the date filed.

Notice

A copy of this advice letter is being sent to all parties listed on Attachment A, which includes the interested parties in R.04-03-017 (Distributed Generation OIR).

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: Nena Maralit

Phone #: (213) 244-2822

E-mail: nmaralit@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) #: 3594

Subject of AL: Establishment of California Solar Initiative Balancing Account

Keywords (choose from CPUC listing): Balancing Account, Solar

AL filing type: Monthly Quarterly Annual One-Time Other

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

D06-01-024

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL _____

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

Resolution Required? Yes No

Requested effective date: 3/17/05

No. of tariff sheets: 3

Estimated system annual revenue effect: (%): _____

Estimated system average rate effect (%): _____

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 V, TOC - General

Service affected and changes proposed¹: _____

Pending advice letters that revise the same tariff sheets: _____

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. 3594

(See Attached Service List)

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

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
Pearlie Sabino
pzs@cpuc.ca.gov

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
R. Mark Pocta
rmp@cpuc.ca.gov

CPUC - ORA
Jacqueline Greig
jnm@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 - Water and Power
Dept.
Robert Sherick
rsherick@cityofpasadena.net

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
Pat Darish
pdarish@commerceenergy.com

Commerce Energy
Lynelle Lund
llund@commerceenergy.com

Commerce Energy
Tony Cusati
TCusati@commerceenergy.com

Commerce Energy
Rommel Aganon
RAganon@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

Culver City Utilities
 Heustace Lewis
 Heustace.Lewis@culvercity.org

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
 Randy Keen
 rkeen@manatt.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 Tariffs
Pacific Gas and Electric
PGETariffs@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

Trans Canada
Ben Johnson
Ben_Johnson@transcanada.com

Trans Canada
John Roscher
john_roscher@transcanada.com

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

SOUTHERN CALIFORNIA EDISON
COMPANY
CASE ADMINISTRATION
case.admin@sce.com

CALIF PUBLIC UTILITIES COMMISSION
Philippe Auclair
pha@cpuc.ca.gov

CROSSBORDER ENERGY
TOM BEACH
tomb@crossborderenergy.com

RESOURCES AGENCY
BRIAN BIERING
brian.biering@resources.ca.gov

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

SAN DIEGO GAS & ELECTRIC
COMPANY
LISA BROWY
lbrowy@semprautilities.com

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

CALIF PUBLIC UTILITIES COMMISSION
Werner M. Blumer
wmb@cpuc.ca.gov

ENERGY INNOVATIONS, INC.
STEVE CHADIMA
steve@energyinnovations.com

GOODIN MACBRIDE SQUERI RITCHIE
& DAY LLP
MICHAEL B. DAY
mday@gmssr.com

CALIFORNIA ENERGY COMMISSION
LISA DECARLO
1516 9TH STREET
SACRAMENTO, CA 95814

ENVIRONMENT CALIFORNIA
BERNADETTE DEL CHIARO
bernadette@environmentcalifornia.org

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

CALIF PUBLIC UTILITIES COMMISSION
Regina DeAngelis
rmd@cpuc.ca.gov

ELLISON, SCHNEIDER & HARRIS, LLP
CHRISTOPHER T. ELLISON
cte@eslawfirm.com

SUNLIGHT ELECTRIC, LLC
ROB ERLICHMAN
rob@sunlightelectric.com

CALIF PUBLIC UTILITIES COMMISSION
Shannon Eddy
sed@cpuc.ca.gov

THE UTILITY REFORM NETWORK
MATTHEW FREEDMAN
freedman@turn.org

UNION OF CONCERNED SCIENTISTS
JOHN GALLOWAY
jgalloway@ucsusa.org

S.O.L.I.D. USA, INC.
LORI A. GLOVER
10645 N. TATUM BLVD., SUITE 200-306
PHOENIX, AZ 85028

DISTRIBUTED ENERGY STRATEGIES
STEVEN A. GREENBERG
steveng@destrategies.com

BORREGO SOLAR SYSTEMS
MICHAEL HALL
mike@borregosolar.com

FIRST SOLAR ELECTRIC COMPANY
GLENN HAMER
ghamer@firstsolar.com

EI SOLUTIONS
ARNO HARRIS
arno@energyinnovations.com

ELLISON, SCHNEIDER & HARRIS, LLP
LYNN HAUG
lmh@eslawfirm.com

OAKLAND MAYOR'S OFFICE
RANDY HAYES
ONE FRANK H. OGAWA PLAZA
OAKLAND, CA 94612

CALIF PUBLIC UTILITIES COMMISSION
Martin Homec
mxh@cpuc.ca.gov

GOLDEN SIERRA POWER
MARK JOHNSON
mark@goldensierpower.com

OCCIDENTAL POWER SOLAR AND
COGENERATION
GREG KENNEDY
solar@oxypower.com

MICHAEL KYES
michaelkyes@sbcglobal.net

THELEN REID & PRIEST LLP
 PAUL C. LACOURCIERE
 placourciere@thelenreid.com

CALIFORNIA ENERGY COMMISSION
 TODD LIEBERG
 tlieberg@energy.state.ca.us

CALIFORNIA FARM BUREAU
 FEDERATION
 RONALD LIEBERT
 rliebert@cfbf.com

PACIFIC GAS AND ELECTRIC
 COMPANY
 RANDY LITTENEKER
 rjl9@pge.com

CALIF PUBLIC UTILITIES COMMISSION
 Mark R. Loy
 mrl@cpuc.ca.gov

CALIFORNIA ENERGY COMMISSION
 RACHEL MACDONALD
 rmacdona@energy.state.ca.us

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

RWE SCHOTT SOLAR INC.
 KARLY MCCRORY
 karly.mccrory@rweschottsolar.us

SOUTHERN CALIFORNIA EDISON
 COMPANY
 MICHAEL D. MONTOYA
 mike.montoya@sce.com

CONSULTING ON ENERGY AND
 ENVIRONMENT
 CLYDE MURLEY
 clyde.murley@comcast.net

LAW OFFICES OF SARA STECK
 MYERS
 MEGAN MACNEIL MYERS
 meganmyers@yahoo.com

LAW OFFICES OF SARA STECK
 MYERS
 SARA STECK MYERS
 ssmyers@att.net

CALIF PUBLIC UTILITIES COMMISSION
 Kim Malcolm
 kim@cpuc.ca.gov

CALIFORNIA SOLAR ENERGY
 INDUSTRIES ASSN
 LES NELSON
 lnelson@westernrenewables.com

VP STRATEGY AND GOVERNMENT
 RELATIONS
 CHRISTOPHER O'BRIEN
 obrienc@sharpsec.com

SOLAR HYDROGEN CO.
 THOMAS W. OAKES, PHD
 pairedhelix@cox.net

CITY OF SAN DIEGO
 FREDERICK M. ORTLIEB
 fortlieb@sandiego.gov

TECOGEN, INC.
 ROBERT PANORA
 45 FIRST AVENUE
 WALTHAM, MA 02451

CALIFORNIA SOLAR ENGINEERING,
 INC.
 PETER T. PARRISH
 820 CYNTHIA AVE.
 LOS ANGELES, CA 90065

SOUTHERN CALIFORNIA GAS
 STEVEN D. PATRICK
 spatrick@sempra.com

CALIFORNIA ENERGY COMMISSION
 ANN PETERSON
 apeterso@energy.state.ca.us

CALIF PUBLIC UTILITIES COMMISSION
 Lisa Paulo
 lp1@cpuc.ca.gov

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

ASSEMBLY UTILITIES AND
 COMMERCE COMMITTEE
 EDWARD RANDOLPH
 edward.randolph@asm.ca.gov

CALIFORNIA ENERGY COMMISSION
 MARK RAWSON
 mrawson@energy.state.ca.us

CITY OF SACRAMENTO
 KEITH ROBERTS
 kroberts@cityofsacramento.org

THE VOTE SOLAR INITIATIVE
 JP ROSS
 jpross@votesolar.org

ALCANTAR & KAHL LLP
 NORA SHERIFF
 nes@a-klaw.com

ALOHA SYSTEMS, INC.
 MARK SHIRILAU
 marks@alohasys.com

POWERLIGHT CORPORATION
 KARI SMITH
 ksmith@powerlight.com

CALIF PUBLIC UTILITIES COMMISSION
Don Schultz
dks@cpuc.ca.gov

CALIF PUBLIC UTILITIES COMMISSION
Donald R Smith
dsh@cpuc.ca.gov

CALIF PUBLIC UTILITIES COMMISSION
Merideth Sterkel
mts@cpuc.ca.gov

ALCANTAR & KAHL, LLP
KAREN TERRANOVA
filings@a-klaw.com

**SUN POWER & GEOTHERMAL
ENERGY CO. INC.**
DAN THOMPSON
dan@sunpowergeo.com

DOWNEY BRAND, LLP
ANN L. TROWBRIDGE
atrowbridge@downeybrand.com

SOUTHERN CALIFORNIA EDISON
DANIEL TUNNICLIFF
daniel.tunncliff@sce.com

CALIFORNIA ENERGY COMMISSION
TIM TUTT
ttutt@energy.state.ca.us

**GOODIN MACBRIDE SQUERI RITCHIE
& DAY,LLP**
JOSEPH F. WIEDMAN
jwiedman@gmsr.com

CALIFORNIA ENERGY COMMISSION
JEFF WILSON
jewilson@energy.state.ca.us

ATTACHMENT B
Advice No. 3594

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 40218-G	PRELIMINARY STATEMENT, PART V, DESCRIPTION OF REGULATORY ACCOUNTS - BALANCING, Sheet 1	Revised 38681-G*
Original 40219-G	PRELIMINARY STATEMENT, PART V, DESCRIPTION OF REGULATORY ACCOUNTS - BALANCING, Sheet 21	
Revised 40220-G	TABLE OF CONTENTS	Revised 40213-G

PRELIMINARY STATEMENT

Sheet 1

PART V

DESCRIPTION OF REGULATORY ACCOUNTS - BALANCING

A. GENERAL

Balancing accounts are those regulatory accounts where authorized expenses are compared with revenues from rates designed to recover those expenses. The resulting under or overcollection, plus interest calculated in the manner described in Preliminary Statement, Part I, is recorded on the Utility's financial statements as an asset or liability, which is owed from or due to the ratepayers. Balances in balancing accounts are to be amortized in rates.

B. LISTING OF BALANCING ACCOUNTS

- Purchased Gas Account (PGA)
- Core Fixed Cost Account (CFCA)
- Noncore Fixed Cost Account (NFCA)
- Enhanced Oil Recovery Account (EORA)
- Noncore Storage Balancing Account (NSBA)
- California Alternate Rates for Energy Account (CAREA)
- Brokerage Fee Account (BFA)
- Hazardous Substance Cost Recovery Account (HSCRA)
- Natural Gas Vehicle Account (NGVA)
- El Paso Turned-Back Capacity Balancing Account (EPTCBA)
- Gas Cost Rewards and Penalties Account (GCRPA)
- Pension Balancing Account (PBA)
- Post-Retirement Benefits Other Than Pensions Balancing Account (PBOPBA)
- Conservation Expense Account (CEA)
- Research Development and Demonstration Gas Surcharge Account (RDDGSA)
- Demand Side Management Balancing Account (DSMBA)
- Direct Assistance Program Balancing Account (DAPBA)
- California Solar Initiative Balancing Account (CSIBA)

N

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 3594
 DECISION NO. 06-01-024

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Feb 15, 2006
 EFFECTIVE Mar 17, 2006
 RESOLUTION NO. _____

PRELIMINARY STATEMENT

Sheet 24

T

PART V
DESCRIPTION OF REGULATORY ACCOUNTS - BALANCING

(Continued)

C. DESCRIPTION OF ACCOUNTS (Continued)

CALIFORNIA SOLAR INITIATIVE BALANCING ACCOUNT (CSIBA)

N

The CSIBA is an interest bearing balancing account recorded on SoCalGas' financial statements. The purpose of the CSIBA is to record the program costs beginning on January 1, 2007 and the corresponding revenue requirement associated with the California Solar Initiative (CSI) Program adopted in D.06-01-024, dated January 12, 2006.

The CSIBA shall apply to all customer classes, except for any classes that may be specifically excluded by the Commission. SoCalGas shall maintain the CSIBA by making entries at the end of each month as follows:

- a. A debit entry equal to the incremental CSI program costs incurred by SoCalGas.
- b. A debit entry equal to the administrative costs, including program evaluation, and marketing and outreach efforts associated with the CSI Program.
- c. A debit entry equal to the Research, Development, and Demonstration (RD&D) costs associated with the CSI Program.
- d. A credit entry related to one-twelfth of the authorized CSI revenue requirement.
- e. A credit entry equal to the revenues from amortization rates as authorized by the Commission.
- f. 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.

A separate accounting of costs and benefits, by customer class, will be accomplished.

The total authorized program cost for SoCalGas is \$225 million over a ten-year period beginning on January 1, 2007, and extending through December 31, 2016 as specified in D.06-01-024. Any unused funding can be carried over from one year to the next up to a maximum limit of \$225 million for the ten-year period. SoCalGas is authorized to borrow against the annual budget of a subsequent year if program participation is larger than anticipated in the current year.

SoCalGas will collect in connection with its Annual Regulatory Account Balance Update advice letter filing the revenue requirement according to the schedule shown on Table 1 of D.06-01-024 for each of the program years unless modified by a subsequent order. If the difference between program expenditures and the amounts collected in rates is substantial, SoCalGas may request adjusting the collection of the revenue requirement. The balance in the CSIBA may be amortized into SoCalGas' transportation rates on a uniform cent per therm basis annually.

N

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 3594
DECISION NO. 06-01-024

ISSUED BY
Lee Schavrien
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Feb 15, 2006
EFFECTIVE Mar 17, 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	40220-G,40054-G
Table of Contents--Service Area Maps and Descriptions	28516-G
Table of Contents--Rate Schedules	40211-G,40212-G,40216-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,39865-G
Table of Contents--Sample Forms	39826-G,39748-G,39142-G,39866-G,40128-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	40192-G,40193-G,40194-G,39982-G,39983-G,40195-G 32491-G,32492-G,39790-G,40160-G,40161-G,39987-G,39988-G
Part III Cost Allocation and Revenue Requirement	27024-G,37920-G,27026-G,27027-G,39989-G
Part IV Income Tax Component of Contributions and Advances	36614-G,24354-G
Part V Description of Regulatory Accounts-Balancing	40218-G,34820-G,39670-G,39671-G 34822-G,39506-G,39507-G,39508-G,39509-G,39510-G,39672-G,39673-G,35874-G 38684-G,38685-G,38686-G,38687-G,39860-G,39861-G,39513-G,40219-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,40055-G,40056-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)	39896-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. 3594
 DECISION NO. 06-01-024

ISSUED BY
Lee Schavrien
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Feb 15, 2006
 EFFECTIVE Mar 17, 2006
 RESOLUTION NO. _____