Southern California Gas Company
A Sempra Energy utility®

Ken Deremer
Director
Tariffs & Regulatory Accounts

8330 Century Park Court CP32C
San Diego, CA 92123-1548
Tel: 858.654.1756
Fax 858.654.1788
KDeremer@SempraUtilities.com

August 6, 2007

Advice No. 3642-A
(U 904 G)

Public Utilities Commission of the State of California

Subject: Supplemental Filing: Treatment of the Asset Sales Deferred to the Gain on Sale Rulemaking and Establishment of the Gain/Loss on Sale Mechanism (GLOSM)

Southern California Gas Company (SoCalGas) hereby submits for approval by the California Public Utilities Commission (Commission) revisions to its tariff schedules, applicable throughout its service territory, as shown on Attachment B.

Purpose

SoCalGas files this supplemental advice letter to replace in its entirety Advice No. 3642 filed on June 30, 2006 in compliance with Commission Decision (D).06-12-043 issued on December 14, 2006 and Resolution (Res.) G-3399 issued on July 26, 2007, as explained in detail below. In compliance with Ordering Paragraph (OP) 22 of D. 06-05-041, SoCalGas hereby submits a plan for the allocation of the after tax gains or losses associated with the sale of the 36 lots at Playa del Rey (PdR) and Marina del Rey (MdR). SoCalGas also proposes to modify its Preliminary Statement to include the GLOSM (i.e., Part XII) consistent with D. 06-05-041, modified by D.06-12-043, and Res. G-3399, which includes modifying the Gain on Sale Memorandum Account (GOSMA) to record the ratepayers' allocation of any after tax gains or losses associated with sale of the PdR and MdR properties as well as any future sales of utility assets.

Background

On April 13, 2006 the Commission issued D.06-04-032 which authorized SoCalGas to value and sell 36 lots at PdR and MdR. Pursuant to OP 4 of D. 06-04-032, SoCalGas filed Advice No. 3626 to establish the GOSMA to record any gain on sale from the PdR and MdR properties pending a final Commission decision in Rulemaking (R.) 04-09-003, at which time SoCalGas would then allocate the gain on sale in accordance with the final decision. [1]

On May 25, 2006 the Commission issued D.06-05-041 in R.04-09-003 which adopts a process for allocating gains or losses on sale received by certain electric, gas, telecommunications and water utilities when they sell utility land, assets such as buildings, or other tangible or intangible assets formerly used to serve utility customers. In most cases, utility ratepayers shall be allocated 100% of the after tax gain or loss from depreciable

[1] Advice No. 3626 was approved on May 18, 2006 and made effective on May 26, 2006.

property such as buildings while both utility ratepayers and shareholders shall split equally – 50-50 – the after tax gain or loss from non-depreciable property such as land and water rights. However, in D.06-12-043, the Commission denied the Division of Ratepayer Advocates (DRA) and The Utility Reform Network (TURN) request for rehearing and modified D.06-05-041 changing the 50-50 allocation of gains on non-depreciable property to a 67% ratepayers and 33% shareholders allocation.

Pursuant to D.06-05-041, SoCalGas filed Advice No. 3642 on June 30, 2006 to implement the gain on sale mechanism reflecting the 50-50 sharing and proposed a methodology, consistent with its PBR sharing mechanism, to gross-up the ratepayers' share of the gain to a revenue requirement. In Res. G-3399, OP 1, the Commission ordered SoCalGas (and San Diego Gas & Electric) to file a supplemental advice letter(s) to reflect the DRA's proposed gross-up mechanism for the ratepayers' allocation of gains or losses from the sale of utility assets.

Allocation Plan for the Gains from the Sale of PdR and MdR Properties

The sale of the PdR and MdR properties, as listed in Appendix A of D.06-05-041, is subject to the percentage allocation rule as stated in OP 1 of D. 06-05-041 as modified in D.06-12-043:

> *"Except as noted below, utility ratepayers shall receive 100% of gains on sale of depreciable utility assets. Ratepayers shall receive 67% of gains on sale of non-depreciable utility assets. The utilities' shareholders shall receive the remaining 33% of gains on sale of non-depreciable assets. We will call the allocations in this ordering paragraph the "percentage allocation rule."*

The sale of these properties is not considered an exception (i.e., as defined in D.06-05-041 where the asset sales price exceeds $50 million or the after tax gain or loss exceeds $10 million, sales of assets that are extraordinary in nature, etc.) to the percentage allocation rule which may result in a different allocation of the after tax gains or losses between ratepayers and shareholders as authorized by the Commission. Based on the above, SoCalGas plans to record the ratepayers' 67% allocation of the after tax gains or losses, grossed-up for income taxes, associated with the sale of the PdR and MdR properties in the Gain/Loss on Sale Memorandum Account (GLOSMA), as modified in connection with the establishment of the GLOSM described below. [2]

Establishment of the GLOSM and Modification of the GOSMA

SoCalGas proposes to include as a new section, Preliminary Statement - Part XII, to formally document the GLOSM for the after tax gains or losses associated with the sale of utility assets. The GLOSM shall also include the GOSMA which SoCalGas proposes to modify and rename as the GLOSMA. The GLOSMA shall not only record the ratepayers' allocation of the after tax gains or losses from the sale of the PdR and MdR properties but also the ratepayers' allocation of the after tax gains or losses from any future sales of utility assets. Currently, there is no balance in the GOSMA, as the activity has been recorded in a temporary account pending the outcome of the gross-up issue raised by the DRA. With the resolution of this issue, SoCalGas plans to record the ratepayers' allocation of the after tax gains (i.e., grossed-up to a revenue requirement using the methodology adopted in Res. G-3399) in the GLOSMA

[2] Pursuant to taxation discussion on page 83 of D.06-05-041, Part XV, Comments to Draft Decision, gains and losses should be allocated to ratepayers on a net after-tax basis, grossed-up to a revenue requirement. As such, in addition to amortizing the grossed-up balance in the GLOSMA, transportation rates will be appropriately adjusted for the corresponding franchise fee and uncollectible revenue requirement.

and amortize the account balance in transportation rates on an equal percent of marginal cost (EPMC) basis in connection with its annual regulatory account balance update filing.

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 Maria Salinas (mas@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 should be classified as Tier 2 (effective after staff approval) pursuant to GO 96-B. Consistent with OP 1, of Res. G-3399, SoCalGas respectfully requests that this filing become effective on August 6, 2007, which is 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 A.99-05-029 and R.04-09-003.

Ken Deremer
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:	Contact Person: Sid Newsom
☐ ELC ☒ GAS	Phone #: (213) 244-2846
☐ PLC ☐ HEAT ☐ WATER	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) #: 3642-A

Subject of AL: Treatment of the Asset Sales Deferred to the Gain on Sale Rulemaking and Establishment of the Gain/Loss On Sale Mechanism (GLOSM) - Supplement

Keywords (choose from CPUC listing): Memorandum Account, Compliance

AL filing type: ☐ Monthly ☐ Quarterly ☐ Annual ☐ One-Time ☒ Other

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #:
D.06-05-041; D.06-12-043, G-3399

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 AL[1]: N/A

Does AL request confidential treatment? If so, provide explanation: No

Resolution Required? ☐ Yes ☒ No Tier Designation: ☐ 1 ☒ 2 ☐ 3

Requested effective date: 8/6/07 No. of tariff sheets: 10

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 VI and a new PS XII, TOCs

Service affected and changes proposed[1]: None

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	**Southern California Gas Company**
Attention: Tariff Unit	**Attention: Sid Newsom**
505 Van Ness Ave.	**555 West Fifth Street, GT14D6**
San Francisco, CA 94102	**Los Angeles, CA 90013-1011**
mas@cpuc.ca.gov and jnj@cpuc.ca.gov	**snewsom@semprautilities.com**

[1] Discuss in AL if more space is needed.

ATTACHMENT A

Advice No. 3642-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

Ancillary Services Coalition
Jo Maxwell
jomaxwell@ascoalition.com

Ancillary Services Coalition
Nick Planson
nplanson@ascoalition.com

Ancillary Services Coalition
Terry Rich
TRich@ascoalition.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 - DRA
Galen Dunham
gsd@cpuc.ca.gov

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

CPUC - DRA
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 & Oil Dept.
Chris Garner
2400 East Spring Street
Long Beach, CA 90806

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

City of Pasadena - Water and Power Dept.
G Bawa
GBawa@cityofpasadena.net

City of Riverside
Joanne Snowden
jsnowden@riversideca.gov

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

Commerce Energy
Brian Patrick
BPatrick@commerceenergy.com

Commerce Energy
Tony Cusati
TCusati@commerceenergy.com

Commerce Energy
Glenn Kinser
gkinser@commerceenergy.com

Commerce Energy
Lynelle Lund
llund@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

DGS
Henry Nanjo
Henry.Nanjo@dgs.ca.gov

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

Dynegy
Joseph M. Paul
jmpa@dynegy.com

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

Gas Transmission Northwest Corporation
Bevin Hong
Bevin_Hong@transcanada.com

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 Embarcaero 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

Julie Morris
Julie.Morris@PPMEnergy.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

Sierra Pacific Company
Christopher A. Hilen
chilen@sppc.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

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

CALIF PUBLIC UTILITIES COMMISSION
Andrew Barnsdale
bca@cpuc.ca.gov

CALIF PUBLIC UTILITIES COMMISSION
Carol A. Brown
cab@cpuc.ca.gov

CALIF PUBLIC UTILITIES COMMISSION
Truman L. Burns
txb@cpuc.ca.gov

PARAGON COMMUNITIES
BRIAN CATALDE
bc@paragoncommunities.com

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

CALIF PUBLIC UTILITIES COMMISSION
Fadi Daye
ffd@cpuc.ca.gov

CALIF PUBLIC UTILITIES COMMISSION
Karen A. Degannes
kdg@cpuc.ca.gov

ENDRES CONSULTING
BERNARD ENDRES
patriciamcpherson@earthlink.

SEMPRA ENERGY
DAVID J. GILMORE
dgilmore@sempra.com

WETLANDS ACTION NETWORK
MARCIA HANSCOM
PO BOX 1145
MALIBU, CA 90265

THE UTILITY REFORM NETWORK
MARCEL HAWIGER
marcel@turn.org

BALLONA WETLANDS FOREVER, ET AL.
KATHY KNIGHT
Kathy.knight@verizon.net

CALIF PUBLIC UTILITIES COMMISSION
Dorris Lam
dnl@cpuc.ca.gov

GRASSROOTS COALITION/FRIENDS OF ANIMALS
PATRICIA MC PHERSON
patriciamcpherson@earthlink.

MHA ENVIRONMENTAL CONSULTING, INC.
LAURIE MCCLENAHAN
laurie@mha-inc.com

DAVIS WRIGHT TREMAINE LLP
EDWARD W. O'NEILL
edwardoneill@dwt.com

BRUCE RESNICK
1927 PONTIUS AVENUE
LOS ANGELES, CA 90025

CALIF PUBLIC UTILITIES COMMISSION
Zee Z. Wong
czw@cpuc.ca.gov

CALIF PUBLIC UTILITIES COMMISSION
Sindy J. Yun
sjy@cpuc.ca.gov

GOODIN MACBRIDE SQUERI RITCHIE & DAY LLP
JEANNE B. ARMSTRONG
jarmstrong@gmssr.com

CALIF PUBLIC UTILITIES COMMISSION
Michael C. Amato
mca@cpuc.ca.gov

COOPER, WHITE & COOPER ,L.L.P.
JEFFREY F. BECK
smalllecs@cwclaw.com

COOPER, WHITE & COOPER, LLP
E. GARTH BLACK
gblack@cwclaw.com

AT&T CALIFORNIA
EMERY G. BORSODI
emery.borsodi@att.com

AT&T CALIFORNIA
GREGORY L. CASTLE
gregory.castle@att.com

SOUTHERN CALIFORNIA EDISON
ANN P. COHN
ann.cohn@sce.com

DANIEL M. CONWAY
arizconway@msn.com

CALIF PUBLIC UTILITIES COMMISSION
Charles H. Christiansen
chc@cpuc.ca.gov

CALIF PUBLIC UTILITIES COMMISSION
Fred L. Curry
flc@cpuc.ca.gov

VALENCIA WATER COMPANY
ROBERT J. DIPRIMIO
rdiprimio@valencia.com

STEEFEL LEVITT & WEISS P.C.
LORI ANNE DOLQUEIST
ldolqueist@steefel.com

THE STRANGE LAW FIRM
JAMES B. DRIMMER
drimmer@strangelaw.net

CALIF PUBLIC UTILITIES COMMISSION
Elizabeth Dorman
edd@cpuc.ca.gov

VERIZON
GENE ENG
eugene.eng@verizon.com

CRESTED BUTTE CATALYSTS LLC
PETER G. ESPOSITO
pesposito@cbcatalysts.com

THE UTILITY REFORM NETWORK
MIKE FLORIO
mflorio@turn.org

PACIFICORP
RYAN FLYNN
ryan.flynn@pacificorp.com

CALIF PUBLIC UTILITIES COMMISSION
Brewster Fong
bfs@cpuc.ca.gov

CALIF PUBLIC UTILITIES COMMISSION
Jack Fulcher
jef@cpuc.ca.gov

THE UTILITY REFORM NETWORK
MARCEL HAWIGER
marcel@turn.org

CALIF PUBLIC UTILITIES COMMISSION
Sung Han
sbh@cpuc.ca.gov

SOUTHWEST GAS CORPORATION
BRIDGET A. JENSEN
bridget.branigan@swgas.com

SAN JOSE WATER COMPANY
PALLE JENSEN
palle_jensen@sjwater.com

PARK WATER COMPANY
LEIGH K. JORDAN
leigh@parkwater.com

SUBURBAN WATER SYSTEMS
ROBERT KELLY
bobkelly@bobkelly.com

SAN DIEGO GAS & ELECTRIC
CHARLES MANZUK
cmanzuk@semprautilities.com

NOSSAMAN, GUTHNER, KNOX & ELLIOTT, LLP
MARTIN A. MATTES
mmattes@nossaman.com

CALIFORNIA WATER SERVICE COMPANY
LYNNE P. MCGHEE
lmcghee@calwater.com

THE UTILITY REFORM NETWORK
WILLIAM NUSBAUM
bnusbaum@turn.org

BACALSKI,BAILEY,KOSKA&OTTOSON ,LLP
GARY C. OTTOSON
gottoson@bbko.com

THE STRANGE LAW FIRM
ERINN PUTZI
putzi@strangelaw.net

VERIZON CALIFORNIA INC.
RUDOLPH M. REYES
rudy.reyes@verizon.com

COOPER, WHITE & COOPER, LLP
PATRICK M. ROSVALL
smalllecs@cwclaw.com

SAN GABRIEL VALLEY WATER COMPANY
TIMOTHY J. RYAN
tjryan@sgvwater.com

CALIF PUBLIC UTILITIES COMMISSION
Jonathan J. Reiger
jzr@cpuc.ca.gov

SOUTHWEST GAS CORPORATION
RANDALL W. SABLE
randy.sable@swgas.com

PACIFIC BELL (AT&T CALIFORNIA)
MICHAEL D. SASSER
michael.sasser@att.com

LAW OFFICE OF PATRICIA A. SCHMIEGE
PATRICIA A. SCHMIEGE
pschmiege@schmiegelaw.comr

COOPER, WHITE & COOPER, LLP
MARK P. SCHREIBER
mschreiber@cwclaw.com

THE STRANGE LAW FIRM
PAUL P. STRANGE
strange@strangelaw.net

SOUTHERN CALIFORNIA WATER COMPANY
KEITH SWITZER
kswitzer@gswater.com.

SEMPRA ENERGY
MICHAEL THORP
mthorp@sempra.com

CALIF PUBLIC UTILITIES COMMISSION
Lee-Whei Tan
lwt@cpuc.ca.gov

CALIF PUBLIC UTILITIES COMMISSION
Sarah R. Thomas
srt@cpuc.ca.gov

PACIFIC GAS AND ELECTRIC COMPANY
PETER VAN MIEGHEM
ppv1@pge.com

SOUTHERN CALIFORNIA EDISON COMPANY
JANINE M. WATKINS-IVIE
janine.watkinsivie@sce.com

AGLET CONSUMER ALLIANCE
JAMES WEIL
jweil@aglet.org

GOODIN MACBRIDE SQUERI DAY & LAMPREY LLP
JOSEPH F. WIEDMAN
jwiedman@goodinmacbride.com

CALIF PUBLIC UTILITIES COMMISSION
Sean Wilson
smw@cpuc.ca.gov

ATTACHMENT B
Advice No. 3642-A

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 42132-G	PRELIMINARY STATEMENT - PART VI - MEMORANDUM ACCOUNTS, DESCRIPTION AND LISTING OF MEMORANDUM ACCOUNTS, Sheet 1	Revised 42003-G
Revised 42133-G	PRELIMINARY STATEMENT - PART VI - MEMORANDUM ACCOUNTS, GAIN/LOSS ON SALE MEMORANDUM ACCOUNT (GLOSMA), Sheet 1	Revised 40918-G 40694-G
Revised 42134-G	PRELIMINARY STATEMENT, PART XII, GAIN/LOSS ON SALE MECHANISM (GLOSM), Sheet 1	Original 40695-G
Revised 42135-G	PRELIMINARY STATEMENT, PART XII, GAIN/LOSS ON SALE MECHANISM (GLOSM), Sheet 2	Original 40696-G
Revised 42136-G	PRELIMINARY STATEMENT, PART XII, GAIN/LOSS ON SALE MECHANISM (GLOSM), Sheet 3	Original 40697-G
Revised 42137-G	PRELIMINARY STATEMENT, PART XII, GAIN/LOSS ON SALE MECHANISM (GLOSM), Sheet 4	Original 40698-G
Revised 42138-G	PRELIMINARY STATEMENT, PART XII, GAIN/LOSS ON SALE MECHANISM (GLOSM), Sheet 5	Original 40699-G
Revised 42139-G	TABLE OF CONTENTS	Revised 42131-G
Revised 42140-G	TABLE OF CONTENTS	Revised 42008-G
Revised 42141-G	TABLE OF CONTENTS	Revised 42059-G

PRELIMINARY STATEMENT - PART VI - MEMORANDUM ACCOUNTS Sheet 1

DESCRIPTION AND LISTING OF MEMORANDUM ACCOUNTS

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)
Curtailment Violation Penalty Account (CVPA)
Economic Practicality Shortfall Memorandum Account (EPSMA)
Catastrophic Event Memorandum Account (CEMA)
Vernon Avoided Distribution Cost Memorandum Account (VADCMA)
Vernon Rate Savings Memorandum Account (VRSMA)
Vernon Negotiated Core Contract Memorandum Account (VNCCMA)
Research Royalty Memorandum Account (RRMA)
NGV Research Development & Demonstration Memorandum Account (RDDNGV)
Intervenor Award Memorandum Account (IAMA)
Z Factor Account (ZFA)
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)
Cost of Service Revenue Requirement Memorandum Account (COSRRMA)
FERC Settlement Proceeds Memorandum Account (FSPMA)
Interim Call Center Memorandum Account (ICCMA)
Late Payment Charge Memorandum Account (LPCMA)
San Diego Gas & Electric Storage Memorandum Account (SDGESMA)
Gain/Loss On Sale Memorandum Account (GLOSMA) T
Affiliate Transfer Fee Account (ATFA)
Firm Access Rights Memorandum Account (FARMA)
Otay Mesa System Reliability Memorandum Account (OMSRMA)

(Continued)

PRELIMINARY STATEMENT - PART VI - MEMORANDUM ACCOUNTS Sheet 1 T
GAIN/LOSS ON SALE MEMORANDUM ACCOUNT (GLOSMA) T

The GLOSMA is an interest bearing memorandum account recorded on SoCalGas' financial statements. The purpose of the GLOSMA (formerly known as the Gain on Sale Memorandum Account - GOSMA) was to initially record the gain-on-sale associated with the sale of the 36 lots at Playa del Rey (PdR) and Marina del Rey (MdR), pursuant to Decision (D.) 06-04-032 dated April 13, 2006, pending the outcome of the Gain on Sale Rulemaking (R.) 04-09-003. Pursuant to Advice No. 3642-A, the GLOSMA was modified to record only the ratepayers' allocation of the after tax gains or losses associated with the sale of utility assets pursuant to the mechanism adopted by D. 06-05-041 dated May 25, 2006 and modified by D.06-12-043 dated December 14, 2006, and Resolution G-3399 dated July 26, 2007. T T,N T N | | N

SoCalGas shall maintain the GLOSMA by making entries at the end of each month as follows: T

a. A credit entry equal to the ratepayers' allocation of any after tax gains associated with the sale of utility assets. D,N N

b. A debit entry equal to the ratepayers' allocation of any after tax losses associated with the sale of utility assets. N N

c. An entry equal to amortization as authorized by the Commission. N

d. 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. T

The ratepayers' allocation of the after tax gains or losses described in entries a. and b. shall be grossed-up for income taxes as described in Preliminary Statement, Part XII, Gain/Loss on Sale Mechanism. The balance in the GLOSMA will be amortized into SoCalGas' transportation rates on an equal percent of marginal cost (EPMC) basis in connection with SoCalGas' annual regulatory account balance update filing. D,N N | N

PRELIMINARY STATEMENT Sheet 1 N
PART XII N
GAIN/LOSS ON SALE MECHANISM (GLOSM) N

A. OVERVIEW N

Pursuant to the Gain on Sale (GOS) Decision (D.) 06-05-041, modified by D.06-12-043, and Resolution G-3399, the GLOSM establishes a process for allocating net proceeds received by the Utility for the sale of land, assets such as buildings, or other intangible assets formerly used to serve utility customers. The mechanism applies to the after tax gains or losses associated with the sale of depreciable and non-depreciable assets.

B. EFFECTIVE DATE

The GLOSM shall be effective beginning May 25, 2006. The GLOSM is applicable to past asset sales deferred to D.06-05-041 (modified by D.06-12-043) and listed on Appendix A of that decision.

C. DEFINITION OF GAIN/LOSS ON SALE

Utility receives a gain (loss) on sale when it sells an asset such as land, buildings or other tangible or intangible assets at a price higher (lower) than the acquisition cost of the non-depreciable asset or the depreciated book value of the depreciable asset.

1. Non-depreciable assets include, but are not limited to, land, water rights and goodwill.

2. Depreciable assets include, but are not limited to, buildings, machinery, equipment, materials and vehicles.

D. PERCENTAGE ALLOCATION RULE

Utility ratepayers and shareholders shall be allocated gains (or losses) for routine asset sales where the sale price is $50 million or less and where the after tax gain or loss is $10 million or less as follows:

1. Depreciable Asset Sales - ratepayers shall receive 100% of the gain (or loss) since ratepayers bear the risk associated with owning such property.

2. Non-Depreciable Asset Sales - ratepayers shall receive 67% of the gain (or loss). The Utility's shareholders shall receive 33% of the gain (or loss) on the sale.

The ratepayers' and shareholders' allocation of gains or losses shall be allocated on a net after tax basis. The ratepayers' allocation shall be grossed-up to a revenue requirement (i.e., for income taxes and franchise and uncollectible costs) and the shareholders' allocation shall be an exclusion to the Utility's Performance Based Regulation (PBR) sharing mechanism. N

(Continued)

PRELIMINARY STATEMENT Sheet 2 N
PART XII N
GAIN/LOSS ON SALE MECHANISM (GLOSM) N

(Continued)

D. PERCENTAGE ALLOCATION RULE (Continued) N

Example - Allocation of Gain on Sale of Non-Depreciable Asset

Sales Price (net of costs incurred to sell asset)		$1,400,000
Less:		
Acquisition Cost	$500,000	
Taxes	360,000	
Subtotal – Net Costs		860,000
Net After Tax Gain		$540,000

The ratepayers' share of the gain before gross-up equals:

$540,000 * 67% = $361,800

The ratepayer credit is "grossed-up" to a revenue requirement by using the factor 1/ (1- *t*).

Where: *t* = the income tax (federal and statutory rate) factor

The grossed-up ratepayer credit equals:

$361,800 /(1 – 0.4075[1]) = $610,633

The shareholders' allocation of the net after tax gain equals:

$540,000 * 33% = $178,200[2]

[1] Combined federal and statutory income tax factor.
[2] This amount is an exclusion to SoCalGas PBR sharing mechanism. N

(Continued)

PRELIMINARY STATEMENT Sheet 3 N
PART XII N
GAIN/LOSS ON SALE MECHANISM (GLOSM) N

(Continued)

E. EXCEPTIONS TO THE PERCENTAGE ALLOCATION RULE N

The percentage allocation rule does not apply in the following situations:

1. Sale Price/Gain or Loss Threshold - Asset sales where the sale price exceeds $50 million or the after tax gain or loss exceeds $10 million.

2. Sale of Entire Distribution System – Allocation of gain to shareholders in limited circumstances where the following conditions are met:

   a. a public utility sells a distribution system to a governmental entity,

   b. the distribution system consists of part or all of the utility operating system located within a geographically defined area,

   c. the components of the system are or have been included in rate base of the utility, and

   d. the sale of the system is concurrent with the utility being relieved of, and the governmental entity assuming, the public obligations to the customers within the area served by the system.

   If the above conditions are met, then the gains or losses from the sale of the system should be allocated to utility shareholders, provided that the ratepayers have not contributed capital to the distribution system and the remaining ratepayers are not adversely affected by the transfer of the system.

3. After-Tax Loss Greater Than $50 Million - The Utility shall automatically seek case-by-case determination of how to allocate the loss. In cases involving losses of $50 million or less, the Utility may seek allocation of the loss according to the percentage allocation rule described above. However, if any party, including DRA, contends that the Commission should allocate the loss, in whole or part, to utility shareholders, the party should seek case-by-case treatment in a protest to the Utility's application.

4. Retirements of Minor Utility Assets – The gains and losses associated with the retirement of minor assets such as utility poles, transformers, and vehicles are governed by other Commission depreciation rules and schedules. N

(Continued)

PRELIMINARY STATEMENT Sheet 4 N
PART XII N
GAIN/LOSS ON SALE MECHANISM (GLOSM) N

(Continued)

E. EXCEPTIONS TO THE PERCENTAGE ALLOCATION RULE (Continued) N

5. Other Exclusions - The percentage allocation rule also does not "automatically" apply in the following situations:

   a. utility sales of assets that are extraordinary in character;

   b. sales of nuclear power plants;

   c. where a party alleges the utility engaged in highly risky and non-utility related ventures; or

   d. where a party alleges the utility grossly mismanaged the assets at issue.

In the situations identified, but not intended to be limited thereto, the Utility or other party may request that the Commission exclude the transaction from the 67-33% allocation rule. If the Commission rules that the situation should be an exception, it may evaluate how to allocate gains or losses without applying the general rule.

F. ALLOCATION OF GAINS/LOSSES ASSOCIATED WITH PROPERTY IN AND OUT OF RATE BASE OVER TIME

For the time the property was in rate base, the allocation of the gain/loss shall be subject to the percentage allocation rule. Shareholders shall receive 100% of the allocation of the gain for the time the property was out of rate base. However, if there is evidence that demonstrates that most of the property's appreciation (or depreciation) occurred while the property was in (or out of) rate base, evidence of such variance may be submitted to rebut the presumption. In all cases, the utility bears the burden of proving the assets' time in and out of rate base.

Example – Allocation of Gain Associated with Property In and Out of Rate Base

Using the same example in Section D. and assuming the utility asset (non-depreciable) was in rate base 40% of the time and out of rate base 60% of the time, the allocation of the gain shall be calculated as follows: N

(Continued)

PRELIMINARY STATEMENT Sheet 5 N
PART XII N
GAIN/LOSS ON SALE MECHANISM (GLOSM) N

(Continued)

F. ALLOCATION OF GAINS/LOSSES ASSOCIATED WITH PROPERTY IN AND OUT OF RATE BASE OVER TIME (Continued) N

Example – Allocation of Gain Associated with Property In and Out of Rate Base (Continued)

The ratepayers' share of the gain before gross-up equals:

$540,000 * 40% * 67% = $144,720

The grossed-up ratepayer credit equals:

$144,720 /(1 – 0.4075) = $244,253

The shareholders' allocation of the net after tax gain equals:

For time in rate base -	$540,000 * 40% * 33% =	$ 71,280
For time out of rate base -	$540,000 * 60% * 100% =	$324,000
		$395,280

G. NOTIFICATION OF SALE

The GOS Decision does not change the circumstances under which utilities must file applications seeking Commission approval of asset sales. Utility shall be governed by Section 851 and follow any procedures the Commission adopts to implement Section 851 mandates. However, the Utility may, if appropriate, file by advice letter for Commission approval to sell utility assets under a pilot program adopted by the Commission in Resolution ALJ-186 which was designed to streamline the Commission's review of certain Section 851 transactions.

H. REFUND (RECOVERY) OF RATEPAYERS' ALLOCATION OF GAINS (LOSSES)

The ratepayers' allocation of the after tax gain or loss, grossed-up for income taxes, shall be recorded in the Gain/Loss on Sale Memorandum Account (GLOSMA) as described in Preliminary Statement, Part VI, Description of Regulatory Accounts – Memorandum. The balance in the GLOSMA after gross-up to a revenue requirement (i.e., adjusted for franchise fees and uncollectible costs), shall be amortized in transportation rates on an equal percent of marginal cost (EPMC) basis in connection with the Utility's annual regulatory account balance update filing. N

(Continued)

PRELIMINARY STATEMENT
PART XII
GAIN/LOSS ON SALE MECHANISM (GLOSM)

(Continued)

I. REPORTING REQUIREMENTS – UTILITY ASSETS TAKEN OUT OF SERVICE N

Utility is to report annually to the Commission whenever any portion of an “electric, gas, heat, or water generation or production facility” is out of service, and immediately when a portion of such facility has been out of service for nine consecutive months pursuant to Public Utilities Code Section 455.5. This reporting requirement applies only to major electric, gas, heat or water generation or production facilities. Major facilities are defined in D.07-09-021:

For gas utilities, a “major generation or production facility” for purposes of the requirements of Pub. Util. Code § 455.5 is a facility representing at least 25% of the utility’s storage capacity. A “major generation or production facility” for this purpose includes a gas storage field. A gas storage field is “out of service” if the mechanical equipment used to inject or withdraw gas at the field is not available to inject or withdraw gas at a rate of at least 25% of the capacity of the equipment. A facility is out of service and subject to the reporting requirement irrespective of the cause of the out of service condition. N

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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.

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