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December 9, 2002

Advice No. 3214  
(U 904 G)

Public Utilities Commission of the State of California

**Subject: Revisions to the CARE Balancing Account in Compliance with D.02-07-033**

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**

This advice filing revises Preliminary Statement, Part V, Description of Regulatory Accounts - Balancing, in compliance with Ordering Paragraph (OP) 14 of Commission Decision (D.) 02-07-033.

**Background**

On July 17, 2002, the Commission issued D.02-07-033 in Rulemaking (R.) 01-08-027 which adopts an automatic enrollment process for the California Alternate Rates for Energy (CARE) program. The program guidelines, as set forth in D.02-07-033, will enable customers to become automatically enrolled into the CARE program when they participate in the following partner agency programs: Medi-Cal and Women, Infants and Children administered through the California Department of Health Services; Healthy Families administered by the Managed Risk Medical Insurance Board; or the Energy Assistance Programs administered by the Department of Community Services and Development.

Pursuant to OP 14 of D.02-07-033, the utilities shall track all costs related to the automatic enrollment program in a memorandum account or in an existing CARE balancing account. Accordingly, SoCalGas hereby revises its CARE balancing account to comply with this provision, adding separate line items within the account to track costs associated with the automatic CARE enrollment program.

**Protest**

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:

Energy Division - IMC Branch  
California Public Utilities Commission  
505 Van Ness Avenue, 4<sup>th</sup> Floor  
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](mailto:jjr@cpuc.ca.gov)) and Honesto Gatchalian ([jnj@cpuc.ca.gov](mailto:jnj@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  
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Facsimile No. (213) 244-4957  
E-Mail: [snewsom@semprautilities.com](mailto:snewsom@semprautilities.com)

**Effective Date**

Because this Advice Letter is being filed in accordance with a Commission order SoCalGas requests that the revised tariffs included herein become effective on December 9, 2002, which is the date filed.

**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 the parties on the service list in R.01-08-027.

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Attachments

**ATTACHMENT A**

**Advice No. 3214**

**(See Attached Service Lists)**

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ATTACHMENT B  
Advice No. 3214

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 36082-G	PRELIMINARY STATEMENT, PART V, DESCRIPTION OF REGULATORY ACCOUNTS - BALANCING, Sheet 6	Revised 34823-G
Revised 36083-G	PRELIMINARY STATEMENT, PART V, DESCRIPTION OF REGULATORY ACCOUNTS - BALANCING, Sheet 7	Revised 34823-G Revised 34824-G
Revised 36084-G	PRELIMINARY STATEMENT, PART V, DESCRIPTION OF REGULATORY ACCOUNTS - BALANCING, Sheet 8	Revised 34824-G Revised 34825-G
Revised 36085-G	PRELIMINARY STATEMENT, PART V, DESCRIPTION OF REGULATORY ACCOUNTS - BALANCING, Sheet 9	Revised 34825-G Revised 34826-G
Revised 36086-G	PRELIMINARY STATEMENT, PART V, DESCRIPTION OF REGULATORY ACCOUNTS - BALANCING, Sheet 10	Revised 34826-G Revised 34827-G
Revised 36087-G	TABLE OF CONTENTS	Revised 36081-G

PRELIMINARY STATEMENT

Sheet 6

PART V  
DESCRIPTION OF REGULATORY ACCOUNTS - BALANCING

(Continued)

C. DESCRIPTION OF ACCOUNTS (continued)

NONCORE STORAGE BALANCING ACCOUNT (NSBA) (continued)

- e. An entry equal to the authorization of the forecasted remaining balance less F&U; and,
- f. 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.

The balance of the NSBA shall be allocated in the Utility's cost allocation proceedings to all customers.

CALIFORNIA ALTERNATE RATES FOR ENERGY ACCOUNT (CAREA)

The CAREA is a balancing account. The purpose of this account is to balance California Alternate Rates for Energy (CARE) program expenses incurred against revenues received. Pursuant to Commission Decision 02-07-033 effective July 17, 2002, the utility is also authorized to record all costs related to automatic enrollment, which include the CARE rate subsidy costs, utility administrative costs (including start-up and implementation), and the Commission's clearinghouse costs. These costs will be recorded as separate line items in the CAREA.

Commencing on the effective date of this tariff, Utility shall maintain the CAREA by making entries at the end of each month as follows:

- a. A debit entry equal to recorded administrative costs for the CARE program, excluding costs associated with the automatic enrollment process into the CARE Program.
- b. A debit entry equal to the recorded incremental administrative and general expenses, including Commission's allocated incremental clearinghouse costs, associated with the automatic enrollment process into the CARE Program.
- c. A debit entry equal to the recorded CARE program discounts billed for the month, excluding F&U, to customers who have not been automatically enrolled in the program.
- d. A debit entry equal to the recorded CARE program discounts billed for the month, excluding F&U, to customers who have been automatically enrolled in the program.
- e. A debit entry equal to revenue shortfalls associated with discounts to the service establishment charge adopted in D.97-04-082 and implemented in D.97-07-054 for CARE customers.
- f. A debit entry equal to the revenue shortfall associated with the discounted customer charge adopted for CARE program customers.

(Continued)

(TO BE INSERTED BY UTILITY)  
 ADVICE LETTER NO. 3214  
 DECISION NO. 02-07-033

ISSUED BY  
**Lee Schavrien**  
 Vice President  
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)  
 DATE FILED Dec 9, 2002  
 EFFECTIVE Dec 9, 2002  
 RESOLUTION NO. \_\_\_\_\_

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PRELIMINARY STATEMENT

Sheet 7

PART V  
DESCRIPTION OF REGULATORY ACCOUNTS - BALANCING

(Continued)

C. DESCRIPTION OF ACCOUNTS (Continued)

CALIFORNIA ALTERNATE RATES FOR ENERGY ACCOUNT (CAREA) (Continued)

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g. A credit entry equal to recorded CARE program surcharge billed for the month, excluding F&U.

L,T

h. An entry equal to the amortization of the forecasted revision date CAREA balance.

L,T

i. 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.

L,T  
L

BROKERAGE FEE ACCOUNT (BFA)

The BFA is a balancing account. The purpose of the BFA is to balance authorized noncore brokerage fee costs and recorded actual brokerage fee revenues.

Effective January 1, 1995, the Utility shall maintain the BFA by making entries at the end of each month as follows:

Noncore Subaccount

a. A debit entry equal to one-twelfth of the authorized annual noncore brokerage fee costs;

b. A credit entry equal to the monthly recorded revenues collected from the noncore brokerage fee surcharge; and,

c. An entry equal to the interest on the average of the balance in the account during the month using the interest rate described in Preliminary Statement, Part I, J herein.

HAZARDOUS SUBSTANCE COST RECOVERY ACCOUNT (HSCRA)

The HSCRA is a balancing account, which compares covered hazardous substance and insurance litigation costs related to manufacturing gas plant sites, presently identified federal Superfund sites, and other sites identified by the Utility with recoveries from third parties, insurance carriers, and ratepayers as set forth in D. 94-05-020. The HSCRA consists of five subaccounts:

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(Continued)

(TO BE INSERTED BY UTILITY)  
 ADVICE LETTER NO. 3214  
 DECISION NO. 02-07-033

ISSUED BY  
**Lee Schavrien**  
 Vice President  
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)  
 DATE FILED Dec 9, 2002  
 EFFECTIVE Dec 9, 2002  
 RESOLUTION NO. \_\_\_\_\_



PRELIMINARY STATEMENT

Sheet 9

PART V  
DESCRIPTION OF REGULATORY ACCOUNTS - BALANCING

(Continued)

C. DESCRIPTION OF ACCOUNTS (Continued)

HAZARDOUS SUBSTANCE COST RECOVERY ACCOUNT (Continued)

Insurance Carrier Recovery (Continued)

- j. A credit entry is recorded to Subaccount D equal to the lesser of 30% of insurance recoveries net of contingency fees paid to outside attorneys to obtain recoveries, if any, or the balance in Subaccount D. Subaccount D cannot have a credit balance.
- k. A credit entry is recorded to Subaccount B equal to the lesser of 90% of the remaining insurance recoveries net of contingency fees paid to outside attorneys to obtain recoveries, if any, not applied in entry i. and j. above or the balance in Subaccount B.
- l. A credit entry is recorded to Subaccount A for the lesser of 10% of the remaining insurance recoveries net of contingency fees paid to outside attorneys to obtain recoveries, if any, not applied in entry i. and j. above or 11.111% of the insurance recoveries net of contingency fees paid to attorneys to obtain recoveries, if any, recorded in Subaccount B.
- m. A debit entry is recorded to Subaccount E equal to the sum of insurance recoveries allocated to Subaccount A through D in entries i. through l. above.
- n. A debit entry is recorded to Subaccount E, 72 months after receiving a specific insurance recovery for one-fifth or 20% of the balance for that specific insurance recovery in Subaccount E. The entry is only recorded if the recovery has not been fully allocated to offset covered hazardous substance and insurance litigation costs.
- o. If an entry is recorded for entry n. above, a credit entry is recorded to Subaccount A for 60% of entry n. to recognize the ratepayer's portion of the insurance recovery. The difference between entries n. and o. or 40% of entry n. is the Utility's share of the insurance recovery.
- p. A debit entry is recorded to Subaccount E, 84 months after receiving a specific insurance recovery for one-fourth or 25% of the balance for that specific insurance recovery in Subaccount E. The entry is only recorded if the recovery has not been fully allocated to offset covered hazardous substance and insurance litigation costs.
- q. If an entry is recorded for entry p. above, a credit entry is recorded to Subaccount A for 60% of entry p. to recognize the ratepayer's portion of the insurance recovery. The difference between entries p. and q. or 40% of entry p. is the Utility's share of the insurance recovery.

(Continued)

(TO BE INSERTED BY UTILITY)  
 ADVICE LETTER NO. 3214  
 DECISION NO. 02-07-033

ISSUED BY  
**Lee Schavrien**  
 Vice President  
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(TO BE INSERTED BY CAL. PUC)  
 DATE FILED Dec 9, 2002  
 EFFECTIVE Dec 9, 2002  
 RESOLUTION NO. \_\_\_\_\_

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PRELIMINARY STATEMENT

Sheet 10

PART V  
DESCRIPTION OF REGULATORY ACCOUNTS - BALANCING

(Continued)

C. DESCRIPTION OF ACCOUNTS (continued)

HAZARDOUS SUBSTANCE COST RECOVERY ACCOUNT (continued)

Insurance Carrier Recovery (Continued)

- r. A debit entry is recorded to Subaccount E, 96 months after receiving a specific insurance recovery for one-third or 33.333% of the balance for that specific insurance recovery in Subaccount E. The entry is only recorded if the recovery has not been fully allocated to offset covered hazardous substance and insurance litigation costs.
- s. If any entry is recorded for entry r. above, a credit entry is recorded to Subaccount A for 60% of entry r. to recognize the ratepayer's portion of the insurance recovery. The difference between entries r. and s. or 40% of entry r. is the Utility's share of the insurance recovery.
- t. A debit entry is recorded to Subaccount E, 108 months after receiving a specific insurance recovery for one-half or 50% of the balance for that specific insurance recovery in Subaccount E. The entry is only recorded if the recovery has not been fully allocated to offset covered hazardous substance and insurance litigation costs.
- u. If an entry is recorded for entry t. above, a credit entry is recorded to Subaccount A for 60% of entry t. to recognize the ratepayer's portion of the insurance recovery. The difference between entries t. and u. or 40% of entry t. is the Utility's share of the insurance recovery.
- v. A debit entry is recorded to Subaccount E, 120 months after receiving a specific insurance recovery for any remaining portion of the specific insurance recovery in Subaccount E. The entry is only recorded if the recovery has not been fully allocated to offset covered hazardous substance and insurance litigation costs.
- w. If an entry is recorded for entry v. above, a credit entry is recorded to Subaccount A for 60% of entry v. to recognize the ratepayer's portion of the insurance recovery. The difference between entries v. and w. or 40% of entry v. is the Utility's share of the insurance recovery.
- x. An entry to Subaccounts A through E equal to interest on the average balance in the account during the month, calculated in the manner described in the Preliminary Statement, Part I, J.

Upon final disposition of all covered hazardous substance and insurance litigation costs and related recoveries, any balance remaining in Subaccounts B and D will be the responsibility of the Utility.

(Continued)

(TO BE INSERTED BY UTILITY)  
ADVICE LETTER NO. 3214  
DECISION NO. 02-07-033

ISSUED BY  
**Lee Schavrien**  
Vice President  
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)  
DATE FILED Dec 9, 2002  
EFFECTIVE Dec 9, 2002  
RESOLUTION NO. \_\_\_\_\_

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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 .....	36087-G,35594-G
Table of Contents--Service Area Maps and Descriptions .....	28516-G
Table of Contents--Rate Schedules .....	35999-G,36076-G,36080-G
Table of Contents--List of Cities and Communities Served .....	33771-G
Table of Contents--List of Contracts and Deviations .....	33771-G
Table of Contents--Rules .....	35729-G,33305-G
Table of Contents--Sample Forms .....	35712-G,35713-G,35714-G,35715-G,35716-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 .....	36046-G,36047-G,35539-G,35540-G,36048-G,36041-G 32491-G,32492-G,34203-G,36049-G,36050-G,35544-G,35545-G
Part III Cost Allocation and Revenue Requirement ...	27024-G,27025-G,27026-G,27027-G,34370-G
Part IV Income Tax Component of Contributions and Advances .....	35396-G,24354-G
Part V Description of Regulatory Accounts-Balancing .....	35769-G,34820-G,34371-G 34821-G,34822-G,36082-G,36083-G,36084-G,36085-G,36086-G,34682-G,35770-G
Part VI Description of Regulatory Accounts-Memorandum .....	35357-G,34279-G,34280-G 34281-G,34282-G,34283-G,34284-G,34285-G,34286-G,34683-G 34684-G,34289-G,34290-G,34291-G,34829-G,34830-G,34831-G,35358-G,35359-G
Part VII Description of Regulatory Accounts-Tracking .....	34372-G,34373-G,34374-G 34375-G,34376-G,34377-G,34378-G,34379-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)

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