

J. Steve Rahon
Director
Tariffs & Regulatory Accounts

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November 3, 2005

Advice No. 3524-A (U 904 G)

Public Utilities Commission of the State of California

<u>Subject</u>: Supplemental - Request to Establish New Memorandum Account for Incremental Call Center Costs

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

Purpose

In accordance with Ordering Paragraphs (OP) 5 and 7 of Resolution E-3958, dated October 27, 2005 and OP 19 of Decision (D.) 05-04-052 in Application (A.) 04-07-010, SoCalGas is revising its Preliminary Statement, Part VI - Memorandum Accounts, to establish the Interim Call Center Memorandum Account (ICCMA) to record call center labor costs incurred as a result of the CARE Program. This supplemental filing replaces in its entirety Advice No. 3524 filed on August 29, 2005.

Background

On July 1, 2004, the four major investor-owned utilities filed Low Income Energy Efficiency (LIEE) and CARE applications for 2005 program plans and funding at the request of the Commission. The CARE Program provides income-qualified customers with a 20 percent discount on their energy bills. SoCalGas A.04-07-010 contained funding for CARE call center labor costs and indirect costs as part of the CARE administrative budget. SoCalGas has been recovering CARE call center costs through the authorized 1995 CARE budget.

In D.05-05-019¹, Table 1, the Commission disallowed \$453,000 in CARE call center labor costs from the CARE Outreach budget category. Conclusion of Law 15, in D.05-04-052, finds that call center staff costs should be recovered in a utility's base rates, rather than as part of public purpose program funding.

¹ D.05-05-019 issued May 13, 2005, Order Correcting Errors in D.05-04-052. D.05-07-007 issued July 15, 2005, Order Correcting Error in D.05-05-019, corrected a double disallowance for the call center costs and indirect costs.

In D.05-04-052, the Commission states where a cost is one the utility would have to incur regardless of the presence of the low-income programs, it should be funded in base rates, rather than the earmarked Public Good Charge surcharge. OP 19 states SoCalGas may recover in base rates the call center costs disallowed in this decision. Accordingly, SoCalGas is making the following revisions in its preliminary statement to record and recover such costs since they are not included in SoCalGas' current base rates.

Revisions to Preliminary Statement

SoCalGas is revising its Preliminary Statement to establish the ICCMA. The purpose of the ICCMA is to record and recover the incremental labor and indirect expenses incurred as a result of the CARE related program activities for the period beginning January 1, 2005 as directed by D.05-04-052. Incremental CARE related call center costs will continue to be recorded to the ICCMA until such time they are placed into base margin through SoCalGas' next general rate case, or in a separate proceeding initiated by a formal application.

This filing will not create any deviations from SoCalGas' tariffs, cause withdrawal of service from any present customers, or impose any more or less restrictive conditions.

Protest

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 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 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 (ijr@cpuc.ca.gov) and Honesto Gatchalian (inj@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 Regulatory Tariff Manager - GT14D6 555 West Fifth Street Los Angeles, CA 90013-1011 Facsimile No. (213) 244-4957

E-Mail: snewsom@semprautilities.com

Effective Date

In compliance with OP 7 of Resolution E-3958, this filing is effective October 27, 2005, subject to Energy Division determining that it is in compliance with the Resolution.

Notice

A copy of this advice letter is being sent to the parties listed on Attachment A, including interested parties in R.04-01-006.

J. STEVE RAHON
Director
Tariffs and Regulatory Accounts

Attachments

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLE	ETED BY UTILITY (At	tach additional pages as needed)		
Company name/CPUC Utility No. So	DUTHERN CALIFO	RNIA GAS COMPANY/ U 904 G		
Utility type:	Contact Person: Nena Maralit			
\square ELC \boxtimes GAS	Phone #: (213) 244-2822			
☐ PLC ☐ HEAT ☐ WATER	E-mail: nmaralit@	semprautilities.com		
EXPLANATION OF UTILITY T	YPE	(Date Filed/ Received Stamp by CPUC)		
ELC = Electric GAS = Gas PLC = Pipeline HEAT = Heat	WATER = Water			
Advice Letter (AL) #: 3524-A				
Subject of AL: Request to Establish	New Memorandum	Account for CARE Call Center Costs -		
Supplement				
Keywords (choose from CPUC listing): <u>CARE, Memoran</u>	ndum Account		
AL filing type: Monthly Quarte	erly 🗌 Annual 🔲 C	One-Time 🛛 Other		
If AL filed in compliance with a Com	mission order, indi	cate relevant Decision/Resolution #:		
D.05-04-052, Resolution E-3958				
Does AL replace a withdrawn or reje	cted AL? If so, idea	ntify the prior AL		
-		ithdrawn or rejected AL¹:		
	•			
Resolution Required? \square Yes \boxtimes No		-		
Requested effective date: October 27, 2005 No. of tariff sheets: 3				
Estimated system annual revenue effect: (%):				
Estimated system average rate effect	t (%):			
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, TOCs				
Service affected and changes proposed ¹ :				
Solvino mission min ciraligos propos				
Pending advice letters that revise the same tariff sheets:				
Torium gravitee rectors triat revise the same tarm shoots.				
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		outhern California Gas Company		
Attention: Tariff Unit		ttention: Sid Newsom		
505 Van Ness Avenue San Francisco, CA 94102		55 West Fifth Street, ML GT14D6 os Angeles, CA 90013-4957		
jjr@cpuc.ca.gov and jnj@cpuc.ca.gov		newsom@semprautilities.com		

 $^{^{\}mbox{\tiny 1}}$ Discuss in AL if more space is needed.

ATTACHMENT A

Advice No. 3524-A

(See Attached Service Lists)

Aglet Consumer Alliance James Weil jweil@aglet.org

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San Francisco, CA 94102

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ATTACHMENT B Advice No. 3524-A

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 39828-G	PRELIMINARY STATEMENT, PART VI, DESCRIPTION OF REGULATORY	Revised 39514-G 39502-G
Revised 39829-G	ACCOUNTS - MEMORANDUM, Sheet 1 PRELIMINARY STATEMENT, PART VI, DESCRIPTION OF REGULATORY ACCOUNTS - MEMORANDUM, Sheet 18	Original 39503-G
Revised 39830-G	TABLE OF CONTENTS	Revised 39827-G

39502-G

Sheet 1

PRELIMINARY STATEMENT **PART VI** DESCRIPTION OF REGULATORY ACCOUNTS - MEMORANDUM

A. GENERAL

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

B. LISTING OF MEMORANDUM ACCOUNTS

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)

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)

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(Continued)

(TO BE INSERTED BY UTILITY) 3524-A ADVICE LETTER NO. DECISION NO. 05-04-052

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ISSUED BY Lee Schavrien

Vice President Regulatory Affairs

(TO BE INSERTED BY CAL. PUC) Nov 3, 2005 DATE FILED Oct 27, 2005 EFFECTIVE

RESOLUTION NO. E-3958

Revised Original

CAL. P.U.C. SHEET NO. CAL. P.U.C. SHEET NO.

39829-G 39503-G

Sheet 18

LOS ANGELES, CALIFORNIA CANCELING

PRELIMINARY STATEMENT PART VI

DESCRIPTION OF REGULATORY ACCOUNTS - MEMORANDUM

(Continued)

C. <u>DESCRIPTION OF ACCOUNTS</u> (Continued)

INTERIM CALL CENTER MEMORANDUM ACCOUNT (ICCMA)

The purpose of the Interim Call Center Memorandum Account (ICCMA) is to record and recover the incremental labor and indirect expenses incurred as a result of the CARE related program activities for the period beginning January 1, 2005 as directed by D.05-04-052. The costs recorded to the ICCMA shall reflect those call center expenses that are not currently recovered through base rates authorized in the utility's Cost of Service Decision (D.04-12-015).

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

- a. An entry equal to the utility's incremental costs incurred for labor and indirect call center expenses assigned to the CARE program.
- b. An entry equal to the interest on the average of the balance at the beginning of the month and the balance after the above entry in 4.a. at a rate equal to one-twelfth the interest rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15 or its successor.

CARE related call center costs will be recorded to the ICCMA until such time as they are reviewed by the Commission and authorized for recovery by the Commission through base rates in SoCalGas' next general rate case, or in a separate proceeding initiated by a formal application.

(Continued)

(TO BE INSERTED BY UTILITY) ADVICE LETTER NO. 3524-A DECISION NO. 05-04-052

ISSUED BY
Lee Schavrien
Vice President

Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Nov 3, 2005

EFFECTIVE Oct 27, 2005

RESOLUTION NO. E-3958

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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.

GENERAL Cal. P.U.C. Sheet No.	
Title Page	Т
PRELIMINARY STATEMENT	
Part I General Service Information	
Part II Summary of Rates and Charges 39759-G,39760-G,39761-G,39669-G,39250-G,39762-G 32491-G,32492-G,38848-G,39763-G,39764-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	
Part V Description of Regulatory Accounts-Balancing	
Part VI Description of Regulatory Accounts-Memorandum	T T
Part VII Description of Regulatory Accounts-Tracking	
Part VIII Gas Cost Incentive Mechanism (GCIM)	
Part IX Hazardous Substances Mechanism (HSM)	
Part X Global Settlement	

(Continued)

 $\begin{array}{ll} \text{(TO BE INSERTED BY UTILITY)} \\ \text{ADVICE LETTER NO.} & 3524\text{-}A \\ \text{DECISION NO.} & 05\text{-}04\text{-}052 \\ \end{array}$

ISSUED BY
Lee Schavrien
Vice President

 $\begin{array}{c} \text{(TO BE INSERTED BY CAL. PUC)} \\ \text{DATE FILED} \qquad Nov \ 3, \ 2005 \end{array}$

Vice President EFFECTIVE
Regulatory Affairs RESOLUTIO

RESOLUTION NO. E-3958