

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



September 20, 2007

Advice Letter 3737

Mr. Sid Newsom  
Regulatory Tariff Administration  
Southern California Gas Company – GT14D6  
555 West Fifth Street  
Los Angeles, CA 90013-4957

Subject: Permission to Dispose of Used and Useful Ratepayer-Funded Asset

Dear Mr. Newsom:

Advice Letter 3737 is effective June 21, 2007.

Sincerely,

A handwritten signature in black ink, appearing to read "Sean H. Gallagher".

Sean H. Gallagher, Director  
Energy Division



J. Steve Rahon

Director

Tariffs & Regulatory Accounts

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srahon@SempraUtilities.com

April 27, 2007

Advice No. 3737

(U 904 G)

Public Utilities Commission of the State of California

**Subject: Permission to Dispose of Used and Useful Ratepayer-Funded Asset**

Southern California Gas Company (SoCalGas) hereby submits for filing with the California Public Utilities Commission (Commission) a request for permission to dispose of a used and useful ratepayer-funded asset which SoCalGas believes is pursuant to Resolution ALJ-186.

**Background**

Pursuant to Ordering Paragraph No. 9<sup>1</sup> of Decision 06-08-028 dated August 24, 2006, the Self-Generation Incentive Program (SGIP) working group (WG) undertook an effort to develop a tool that would assist in determining incentive payments for customers. The tool is referred to as the Expected Performance Based Buydown (EPBB) Calculator. The purpose of the tool is to determine the appropriate EPBB rebate amount for customer-owned Photovoltaic (PV) projects taking into account a number of customer-specific parameters relative to an optimal reference system, e.g. geographic location, tilt of solar panels, and shading.

As chair of the SGIP WG, SoCalGas led the contracting effort. This included developing a Request for Proposal (RFP), selecting a vendor, and executing a contract. An RFP was let on September 21, 2006 and a contract for less than \$100,000 was executed on November 2, 2006. The tool was available for use<sup>2</sup> in conjunction with the CSI program commencement on January 1, 2007. While the tool is open to the public for use, the public does not have access to the underlying Visual Basic computer code.

The underlying Visual Basic code is a used and useful utility asset.

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<sup>1</sup> OP No. 9: Within 30 days of this order, the program administrators shall issue a single solicitation for a technical expert to provide a single design factor protocol and initial estimation tool that matches the criteria set forth in this Section III.C of this order. Program administrators shall ensure the design factor protocol and estimation tool are delivered by November 1, 2006 for inclusion in the initial CSI Program Handbook.

<sup>2</sup> The EPBB Calculator is available to the public at the following site: <http://www.csi-epbb.com/>

**CEQA Checklist**

Resolution ALJ-186 requires SoCalGas to address the Resolution's CEQA Checklist, which is designed to identify applicable exemptions and prior CEQA review by lead agencies. Because CEQA exemptions apply to projects that have a potential to result in physical changes to the environment, no exemption appears to apply to the development, use, or disposal of the asset, a computer model. In addition, no prior CEQA review has been conducted. The final step of the Resolution's Checklist states: "If no exemption is applicable, and no prior review has occurred, please identify what applicant believes is the correct level of CEQA review." SoCalGas believes that since disposal of the asset has no potential to result in physical changes to the environment and therefore is not a "project" under CEQA, the correct level of CEQA review in this case is none. As the Commission correctly confirmed in recent decisions, "In order for CEQA to apply, there must be a project." (Decision 06-09-039 at 167; see also Decision 07-02-032.) The term "project" is defined in section 15378(a) of the CEQA Guidelines as "the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment..." (14 Cal. Code Regs. 15378(a).) There are no direct physical changes or reasonably foreseeable indirect physical changes in the environment that could result from disposing of the computer model, therefore no CEQA review is required.

**Effect on the Public Interest**

Resolution ALJ-186 requires<sup>3</sup> that to use its pilot advice letter process, the transaction will not have an adverse effect on the public interest. On April 18, 2007 the Energy Division asked SoCalGas to make the EPBB calculator's Visual Basic computer code public by posting it to the internet. This was discussed and approved at the April 19, 2007 California Solar Initiative (CSI) WG meeting. SoCalGas believes that the proposed transaction is in compliance with a specific Energy Division request and is not adverse to the public interest.

**Request**

To comply with the Energy Division's request, and with the concurrence of the WG's investor owned energy utilities therein, SoCalGas is hereby seeking the Commission's permission to dispose of this used and useful ratepayer-funded asset by making it public on the internet.

**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 must be received within 20 days of the date 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

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<sup>3</sup> See Appendix B, Section II.A.2.

Copies of the protest should also be sent via e-mail to the attention of both Maria Salinas ([mas@cpuc.ca.gov](mailto:mas@cpuc.ca.gov)) and Honesto Gatchalian ([hnj@cpuc.ca.gov](mailto:hnj@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](mailto:snewsom@SempraUtilities.com)

### **Effective Date**

Resolution ALJ-186 states "...that if Industry Division staff takes no action to extend the review period during the first 45 days, the advice letter is deemed approved 45 days from the date of filing." Notwithstanding this requirement, SoCalGas believes that this filing is subject to Energy Division disposition and therefore respectfully requests that this advice letter become effective May 27, 2007, which is 30 calendar days after the date filed.

### **Notice**

A copy of this advice letter is being sent to the parties listed on Attachment A, as well as the parties listed below pursuant to Resolution ALJ-186.

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J. STEVE RAHON  
Director  
Tariffs and Regulatory Accounts

Attachments

Cc: Lynn Carew, CPUC (email only)  
Peter V. Allen, CPUC (email only)

# 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](mailto: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) #: 3737

Subject of AL: Permission to Dispose of Used and Useful Ratepayer-Funded Asset

Keywords (choose from CPUC listing): Self Generation

AL filing type:  Monthly  Quarterly  Annual  One-Time  Other \_\_\_\_\_

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

Decision No. 06-08-028 and Resolution ALJ-186

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<sup>1</sup>: N/A

Resolution Required?  Yes  No

Requested effective date: 5/27/07

No. of tariff sheets: None

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: None

Service affected and changes proposed<sup>1</sup>: None

Pending advice letters that revise the same tariff sheets: N/A

**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](mailto:jjr@cpuc.ca.gov) and [jnj@cpuc.ca.gov](mailto: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](mailto:snewsom@semprautilities.com)**

<sup>1</sup> Discuss in AL if more space is needed.

**ATTACHMENT A**

**Advice No. 3737**

**(See Attached Service List)**

Aglet Consumer Alliance  
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jweil@aglet.org

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