

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



February 24, 2011

**Advice Letter 4186**

Rasha Prince, Director  
Regulatory Affairs  
Southern California Gas  
555 W. Fifth Street, GT14D6  
Los Angeles, CA 90013-1011

**Subject: Request to Establish a Natural Gas Appliance Testing (NGAT)  
Memorandum Account in Compliance with D.08-11-031 and  
D.10-12-002**

Dear Ms. Prince:

Advice Letter 4186 is effective January 21, 2011.

Sincerely,

A handwritten signature in blue ink that reads "Julie A. Fitch".

Julie A. Fitch, Director  
Energy Division



**Rasha Prince**  
Director – Regulatory Affairs

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December 22, 2010

Advice No. 4186  
(U 904 G)

Public Utilities Commission of the State of California

**Subject: Request to Establish a Natural Gas Appliance Testing (NGAT) Memorandum Account in Compliance With Decision (D.) 08-11-031 and D.10-12-002**

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

**Purpose**

This filing requests authority from the Commission to establish a Natural Gas Appliance Testing Memorandum Account (NGATMA) pursuant to D.10-12-002 to track unanticipated and unforeseen NGAT costs associated with implementing D.08-11-031, the 2009-2011 Low Income Energy Efficiency (LIEE) and California Alternate Rates for Energy (CARE) Decision. The function of the NGATMA is to track the LIEE-related NGAT costs that are not currently in base rates until those costs are reviewed by the Commission and authorized for recovery through base rates in SoCalGas' next general rate case (GRC) or in a separate proceeding initiated by a formal application.

**Background**

D.08-11-031 authorized SoCalGas' LIEE program plans and budget consistent with achieving the Commission's programmatic initiative as adopted in D.07-12-051. The Commission, in D.08-11-031, reiterated its intent that the LIEE program "evolve into a resource program that garners significant energy savings in our state while providing an improved quality of life for California's low income population"<sup>1</sup>. In order to promote the strategic direction of the program, D.08-11-031 set aggressive LIEE goals to support its programmatic initiative.

On May 14, 2010, SoCalGas and San Diego Gas & Electric Company (SDG&E) jointly filed a Petition to Modify (PFM) D.08-11-031 which included a request to establish memorandum accounts to track unanticipated natural gas appliance testing costs incurred in excess of the estimated funds forecasted and authorized in the GRC through D.08-07-046. The PFM

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<sup>1</sup> D.08-11-031 (p. 2)

specified the establishment of memorandum accounts based on the “implied authorized level of NGAT funding” from D.08-07-046, which approved SoCalGas’ TY 2008 revenue requirement settlement with the Division of Ratepayer Advocates and The Utility Reform Network. D.08-11-031 was issued only three months after D.08-07-046 and required NGAT testing of significantly more LIEE homes such that these expenditures, not anticipated by SoCalGas at the time of the GRC Decision, must be incurred and therefore should be tracked.

On December 2, 2010, the Commission issued D.10-12-002, finding SoCalGas’ request to modify D.08-11-031 to permit the establishment of memorandum accounts to track unforeseen NGAT costs was “reasonable and therefore granted.” SoCalGas hereby submits this AL in accordance with Ordering Paragraph 1a of D.10-12-002, which states that the “large investor owned utilities are hereby authorized to establish memorandum accounts to track unanticipated and unforeseen natural gas appliance testing costs.”

### **Tariff Changes**

In support of the Commission’s programmatic initiative and in accordance with the orders and decisions noted above, SoCalGas is revising its Preliminary Statement to establish the NGATMA. This account will track incremental NGAT expenses incurred as a result of the pursuit of the aggressive program goals imposed by D.08-11-031. Costs will be tracked in the NGATMA until those costs are reviewed by the Commission and authorized for recovery through base rates in SoCalGas’ GRC or in a separate proceeding initiated by a formal application.

This filing will not increase any rate or charge, cause the withdrawal of service, or conflict with any rate schedule or rule.

### **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 which is January 11, 2011. 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 Maria Salinas ([mas@cpuc.ca.gov](mailto:mas@cpuc.ca.gov)) and Honesto Gatchalian ([inj@cpuc.ca.gov](mailto: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  
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**

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. Therefore, SoCalGas respectfully requests that this advice letter become effective January 21, 2011, 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, which includes the parties in A.08-05-025, SoCalGas' Low-Income Assistance Programs and Budgets for Program Years 2009-2011.

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Rasha Prince  
Director – Regulatory Affairs

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 904G)**

Utility type:

ELC     GAS  
 PLC     HEAT     WATER

Contact Person: Sid Newsom

Phone #: (213) 244-2846

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) #: 4186

Subject of AL: Establishment of Natural Gas Appliance Testing Memorandum Account (NGATMA)

Per D. 08-11-031 and D. 10-12-002

Keywords (choose from CPUC listing): Memorandum Account

AL filing type:  Monthly  Quarterly  Annual  One-Time  Other

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

D.08-11-031 and D.10-12-002

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

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

Resolution Required?  Yes  No

Tier Designation:  1  2  3

Requested effective date: 1/21/11

No. of tariff sheets: 5

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: PS VI and TOCs

Service affected and changes proposed<sup>1</sup>: N/A

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**

**Attention: Tariff Unit**

**505 Van Ness Ave.,**

**San Francisco, CA 94102**

**mas@cpuc.ca.gov and jnj@cpuc.ca.gov**

**Southern California Gas Company**

**Attention: Sid Newsom**

**555 West 5<sup>th</sup> Street, GT14D6**

**Los Angeles, CA 90013-1011**

**SNewsom@semprautilities.com**

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

**ATTACHMENT A**

**Advice No. 4186**

**(See Attached Service Lists)**

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ATTACHMENT B  
Advice No. 4186

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 46699-G	PRELIMINARY STATEMENT - PART VI - MEMORANDUM ACCOUNTS, DESCRIPTION AND LISTING OF MEMORANDUM ACCOUNTS, Sheet 1	Revised 46214-G**
Original 46700-G	PRELIMINARY STATEMENT - PART VI - MEMORANDUM ACCOUNTS, NATURAL GAS APPLIANCE TESTING MEMORANDUM ACCOUNT (NGATMA)	
Revised 46701-G Revised 46702-G Revised 46703-G	TABLE OF CONTENTS TABLE OF CONTENTS TABLE OF CONTENTS	Revised 46698-G Revised 46224-G* Revised 46339-G

PRELIMINARY STATEMENT - PART VI - MEMORANDUM ACCOUNTS  
DESCRIPTION AND LISTING OF MEMORANDUM ACCOUNTS

Sheet 1

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)
- Curtailed Violation Penalty Account (CVPA)
- Economic Practicality Shortfall Memorandum Account (EPSMA)
- Catastrophic Event Memorandum Account (CEMA)
- Vernon Avoided Distribution Cost Memorandum Account (VADCMA)
- Vernon Negotiated Core Contract Memorandum Account (VNCCMA)
- Research Royalty Memorandum Account (RRMA)
- Intervenor Award Memorandum Account (IAMA)
- Z Factor Account (ZFA)
- Self-Generation Program Memorandum Account (SGPMA)
- Blythe Operational Flow Requirement Memorandum Account (BOFRMA)
- FERC Settlement Proceeds Memorandum Account (FSPMA)
- Gain/Loss On Sale Memorandum Account (GLOSMA)
- Affiliate Transfer Fee Account (ATFA)
- Firm Access and Storage Rights Memorandum Account (FASRMA)
- General Rate Case Revenue Requirements Memorandum Account (GRCRRMA)
- System Reliability Memorandum Account (SRMA)
- Fire Hazard Prevention Memorandum Account (FHPMA)
- Disconnect Memorandum Account (DMA)
- California Solar Initiative Thermal Program Memorandum Account (CSITPMA)
- Honor Rancho Storage Memorandum Account (HRSMA)
- Wildfire Expense Memorandum Account (WEMA)
- Environmental Fee Memorandum Account (EFMA)
- Natural Gas Appliance Testing Memorandum Account (NGATMA)

N

(TO BE INSERTED BY UTILITY)  
 ADVICE LETTER NO. 4186  
 DECISION NO. 08-11-031 and 10-12-002  
 1H9

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

(TO BE INSERTED BY CAL. PUC)  
 DATE FILED Dec 22, 2010  
 EFFECTIVE Jan 21, 2011  
 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.

GENERAL

Cal. P.U.C. Sheet No.

Title Page ..... 40864-G  
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