

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



March 12, 2012

Advice Letter 4317

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

Subject: Request to Collect Self-Generation Incentive Program (SGIP) Carryover Funding to Cover Anticipated Expenses for 2010 Projects

Dear Ms. Prince:

Southern California Gas Company Advice Letter 4317 is effective January 29, 2012.

Sincerely,

A handwritten signature in cursive script that reads "Edward Randolph".

Ed Randolph, Director
Energy Division



Rasha Prince
Director
Regulatory Affairs

555 W. Fifth Street, GT14D6
Los Angeles, CA 90013-1011
Tel: 213.244.5141
Fax: 213.244.4957
RPrince@semprautilities.com

December 30, 2011

Advice No. 4317
(U 904 G)

Public Utilities Commission of the State of California

**Subject: Request to Collect Self-Generation Incentive Program (SGIP) Carryover
Funding to Cover Anticipated Expenses for 2010 Projects**

Southern California Gas Company (SoCalGas) hereby submits for approval by the California Public Utilities Commission (Commission) revisions to its revenue requirement and rates effective January 1, 2013.

Purpose

Pursuant to Ordering Paragraph 3(b) of Decision (D.) 09-12-047, SoCalGas requests authorization to collect \$23 million of its total SGIP Carryover Fund¹ in order to recover anticipated expenses to be incurred associated with active SGIP projects from the 2010 program year.

Background

As of December 31, 2011, SoCalGas' total authorized SGIP Carryover Fund was \$41.3 million. In D.09-12-047, OP 3(b) prescribes the process for recovery of this authorized SGIP Carryover Fund:

"Each submit an annual advice letter request in their applicable ratemaking proceeding, until December 31, 2015, for Commission review in order to collect from ratepayers the amount of previously authorized Self-Generation Incentive Program carryover funding committed, reserved, and/or spent in that calendar year, for collection in rates the following calendar year. Each utility shall ensure that notice of any request by advice letter for collection of carryover funding is served on the service list of this rulemaking, or any successor proceeding and that the amount requested does not exceed the Total Authorized Carryover approved pursuant to Ordering Paragraph 3.a above."

Per D.09-12-047, OP 3(a), SoCalGas filed Advice No. (AL) 4071 on February 1, 2010 providing accounting data as of December 31, 2009 for all prior years to aid the Commission in reviewing prior years' unspent SGIP authorized budgets. SoCalGas had to wait for the Commission's review and approval of the SGIP authorized carryover funds before a request can be submitted to collect the carryover fund per D.09-12-047, OP 3(b). The Commission approved AL 4071 on April 21, 2011.

¹ In the context of this advice letter, the total Carryover Fund amount is defined as the total of previously annual authorized budgets not yet collected in rates.

As shown in Attachment B, SoCalGas' SGIP Monthly Budget Report as of October 2011², SoCalGas committed and reserved \$56 million in active SGIP projects for the 2010 program year. Of this total, \$20 million in incentive expenses was paid out leaving \$36 million of active 2010 project costs to be incurred in subsequent years. In addition, \$1 million was expensed in 2011 for general administration, measurement and evaluation of these projects.

SoCalGas' Self-Generation Program Memorandum Account (SGPMA) records the difference between authorized SGIP funding collected in rates and actual SGIP program expenses. As of December 31, 2010, the SGPMA had an overcollected balance of \$8.5 million. In January 2011, in accordance with D.06-12-033, SoCalGas transferred the remaining unused overcollected balance of \$25.5 million in the California Solar Initiative Balancing Account (CSIBA) to the SGPMA to be used for SGIP expenditures³. In adjusting the SGPMA 2010 year-end overcollected balance for the CSIBA transfer and the 2010 SGIP costs incurred in 2011, the SGPMA reflects an overcollected balance of \$13 million (\$8.5 million + \$25.5 million - \$21 million = \$13 million). As a result, the SGPMA overcollected balance of \$13 million will not fully cover the remaining \$36 million of anticipated expenses for SoCalGas' active 2010 SGIP projects. As such, SoCalGas proposes to collect the \$23 million shortfall (\$36 million less \$13 million) in rates to ensure that SoCalGas is fully covered for anticipated costs for its active 2010 SGIP projects.

As SoCalGas is submitting this filing inadvertently too late for inclusion in its annual Consolidated Year-End filing which updates rates effective January 1, 2012⁴, SoCalGas requests that the \$23 million shortfall be included in rates effective January 1, 2013, and the rate impact will be reflected in the consolidated rate update to be filed at least three days prior to the January 1, 2013.

Included in this Advice Letter is Attachment C, Summary of Annual Gas Transportation Revenues, which reflects the details of the \$23 million increase in rates based on current rates as of October 1, 2011.

The table below shows the Revenue Requirement by Class of Service based on current rates, effective October 1, 2011:

Revenue Requirement Impact by Class of Service

<u>Class of Service</u>	<u>Applicable Rate Schedules</u>	<u>Net M\$ Increase/(Decrease)</u>
Core	GR, GS, GM, GO-AC, G-NGVR, GL, G-10, G-AC, G-EN, G-NGV	\$8.5
Noncore	GT-F, GT-I, GT-TLS.....	\$10.5
Wholesale and International	GT-TLS	\$4.0
Unbundled Storage	G-BSS, G-LTS, G-AUC, G-TBS.....	\$0.0
Backbone Transportation Service (BTS)	G-BTS	\$0.0

TOTAL		\$23.0

² The report was submitted to the Energy Division on December 16, 2011.

³ SoCalGas AL 4094-A filed on April 19, 2010 and approved effective January 31, 2011.

⁴ SoCalGas filed AL 4314 on December 28, 2011.

Protests

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 of this Advice Letter, which is January 19, 2012. 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 (jni@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. This filing is consistent with D.09-12-047 and, therefore, SoCalGas respectfully requests that this filing be approved January 29, 2012, which is thirty (30) calendar days after the date filed, for implementation and inclusion in rates effective January 1, 2013.

Notice

A copy of this advice letter is being sent to all parties listed on Attachment A, which includes the parties on the service lists in R.08-03-008.

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) #: 4317

Subject of AL: Request to Collect Self-Generation Incentive Program (SGIP) Carryover Funding to Cover Anticipated Expenses for 2010 Projects

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 #:

D.09-12-047

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 AL¹: N/A

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

Resolution Required? Yes No

Tier Designation: 1 2 3

Requested effective date: AL: 1/29/12 Rates: 1/1/13 No. of tariff sheets: 0

Estimated system annual revenue effect (%): 1.2%

Estimated system average rate effect (%): 1.2%

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 proposed¹: 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 5th Street, GT14D6

Los Angeles, CA 90013-1011

SNewsom@semprautilities.com

¹ Discuss in AL if more space is needed.

ATTACHMENT A

Advice No. 4317

(See Attached Service Lists)

ATTACHMENT B

Advice No. 4317

SoCalGas' SGIP Monthly Budget Report as of October 2011

CPUC Self-Generation Incentive Program

Monthly Budget Report for SoCalGas

Month Ending

October-11

		Level 2 - Renewable ² (Fuel Cells, Wind)	Level 2 - w/AES ⁵	Level 3 - Non-Renewable ² (Fuel Cells)	Level 3 - w/AES ⁵	Total
Budget Overview (\$ millions)						
Original 2010 Budget		\$3.600		\$3.600		\$7.200
Carry-over 2009 Funding		\$42.549		\$14.444		\$56.993
Reallocated 2010 Budget		\$13.055		(\$13.055)		\$0.000
Total Budget 2010³ (Original + 2009 Carry-Over + 2010 Reallocated)		\$59.204		\$4.989		\$64.193
2010 Paid Projects	# of Projects	2	0	8	0	10
	MW	1.9	0.0	0.1	0.0	2.0
	\$(in Millions)	\$9.5	\$0.0	\$0.1	\$0.0	\$9.638
2010 Active Projects	# of Projects	10	3	10	0	23
	MW	9.7	3.0	3.8	0.0	16.5
	\$(in Millions)	\$30.1	\$5.6	\$10.7	\$0.0	\$46.390
Carry-Over 2010 Funding		\$13.979		-\$5.813		\$8.165

2010

		Level 2 - Renewable ² (Fuel Cells, Wind)	Level 2 - w/AES ⁵	Level 3 - Non-Renewable ² (Fuel Cells)	Level 3 - w/AES ⁵	Total
Budget Overview (\$ millions)						
Original 2011 Budget		\$3.600		\$3.600		\$7.200
Carry-over 2010 Funding		\$13.979		(\$5.813)		\$8.165
Reallocated 2011 Budget		(\$2.693)		\$2.693		\$0.000
Total Budget 2011³ (Original + 2010 Carry-Over + 2011 Reallocated)		\$14.886		\$0.479		\$15.365
2011 Allocation of Budget⁶		Renewable and Emerging Technologies (75%)		Non-Renewable (25%)		
		\$11.524		\$3.841		
2011 Paid Projects	# of Projects	0	0	0	0	0
	MW	0.0	0.0	0.0	0.0	0.0
	\$(in Millions)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.000
2011 Active Projects	# of Projects	6	0	1	0	7
	MW	4.1	0.0	1.0	0.0	5.0
	\$(in Millions)	\$7.8	\$0.0	\$0.5	\$0.0	\$8.257
Subtotal 2011 projects (\$ million)		\$3.751		\$3.357		\$7.108
2011 Wait Lists						
2011 Wait List	# of Projects	0	0	0	0	0
	MW	0.0	0.0	0.0	0.0	0.0
	\$(in Millions)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0

2011

Notes:

Level 1 Photovoltaics transitioned into California Solar Initiative (CSI) on January 1, 2007.

¹Per CPUC Decision 06-12-033, each CSI PA was required to pro-rate and reallocate un-used 2006 Level 1 (PV) funds to CSI and SGIP(Level 2). For SoCalGas, Level 1 funds were shifted into Level 2.

²Beginning January 1, 2008, in compliance with Assembly Bill 2778, the Self-Generation Incentive Program (SGIP) shall be limited to Wind and Fuel Cell (both renewable and non-renewable) technologies.

³Any 2008-2009 project under the 1 MW Site limit is eligible for the rollover budget if the original 2008-2009 budget has been exhausted.

⁴Per CPUC Decision 08-04-049, for any 2008-2009 projects that exceed the 1 MW Site limit, the entire incentive is funded out of the budget carried over from previous years, with the incentive capped at 3 MW

⁵Per CPUC Decision 08-11-044, Advanced Energy Storage (AES) is now an eligible technology for the 2009 SGIP Program coupled with a new or existing SGIP funded wind or fuel Cell

⁶Per CPUC Decision 11-09-015, budget allocation will be 75% to renewable and emerging technologies category, 25% to nonrenewable category including any carry-over funds.

ATTACHMENT C

Advice No. 4317

Summary of Annual Gas Transportation Revenues

ATTACHMENT C
Natural Gas Transportation Rate Revenues
Southern California Gas Company
October 2011 Rates

	Present Rates			Proposed Rates			Changes		
	Oct-1-11	Proposed	Oct-1-11	Proposed	Proposed	Proposed	Revenue	Rate	% Rate
	Volumes	Rate	Revenues	Volumes	Rate	Revenues	Change	Change	change
	Mth	\$/therm	\$000's	Mth	\$/therm	\$000's	\$000's	\$/therm	%
	A	B	C	D	E	F	G	H	I
CORE									
Residential	2,483,989	\$0.52526	\$1,304,738	2,483,989	\$0.52761	\$1,310,581	\$5,843	\$0.00235	0.4%
Commercial & Industrial	970,519	\$0.30528	\$296,278	970,519	\$0.30769	\$298,623	\$2,345	\$0.00242	0.8%
NGV - Pre SempraWide	117,231	\$0.08210	\$9,624	117,231	\$0.08455	\$9,912	\$288	\$0.00246	3.0%
SempraWide Adjustment	117,231	(\$0.00217)	(\$254)	117,231	(\$0.00216)	(\$253)	\$1	\$0.00001	-0.4%
NGV - Post SempraWide	117,231	\$0.07993	\$9,370	117,231	\$0.08239	\$9,659	\$289	\$0.00247	3.1%
Gas A/C	1,210	\$0.07512	\$91	1,210	\$0.07758	\$94	\$3	\$0.00246	3.3%
Gas Engine	18,080	\$0.09605	\$1,737	18,080	\$0.09851	\$1,781	\$44	\$0.00245	2.6%
Total Core	3,591,030	\$0.44896	\$1,612,213	3,591,030	\$0.45133	\$1,620,738	\$8,524	\$0.00237	0.5%
NONCORE COMMERCIAL & INDUSTRIAL									
Distribution Level Service	982,465	\$0.06529	\$64,144	982,465	\$0.06775	\$66,561	\$2,417	\$0.00246	3.8%
Transmission Level Service (2)	457,697	\$0.01589	\$7,273	457,697	\$0.01837	\$8,408	\$1,136	\$0.00248	15.6%
Total Noncore C&I	1,440,163	\$0.04959	\$71,417	1,440,163	\$0.05206	\$74,969	\$3,552	\$0.00247	5.0%
NONCORE ELECTRIC GENERATION									
Distribution Level Service									
Pre Sempra Wide	353,995	\$0.02779	\$9,836	353,995	\$0.03025	\$10,709	\$874	\$0.00247	8.9%
Sempra Wide Adjustment	353,995	\$0.00191	\$677	353,995	\$0.00194	\$686	\$8	\$0.00002	1.2%
Distribution Level Post Sempra Wide	353,995	\$0.02970	\$10,513	353,995	\$0.03219	\$11,395	\$882	\$0.00249	8.4%
Transmission Level Service (2)	2,472,969	\$0.01589	\$39,296	2,472,969	\$0.01837	\$45,431	\$6,136	\$0.00248	15.6%
Total Electric Generation	2,826,964	\$0.01762	\$49,809	2,826,964	\$0.02010	\$56,826	\$7,018	\$0.00248	14.1%
TOTAL RETAIL NONCORE	4,267,127	\$0.02841	\$121,226	4,267,127	\$0.03089	\$131,796	\$10,570	\$0.00248	8.7%
WHOLESALE & INTERNATIONAL									
Wholesale Long Beach (2)	117,093	\$0.01589	\$1,861	117,093	\$0.01837	\$2,151	\$291	\$0.00248	15.6%
SDGE Wholesale	1,230,285	\$0.00778	\$9,572	1,230,285	\$0.01025	\$12,606	\$3,034	\$0.00247	31.7%
Wholesale SWG (2)	81,737	\$0.01589	\$1,299	81,737	\$0.01837	\$1,502	\$203	\$0.00248	15.6%
Wholesale Vernon (2)	116,135	\$0.01589	\$1,845	116,135	\$0.01837	\$2,134	\$288	\$0.00248	15.6%
International (2)	53,990	\$0.01589	\$858	53,990	\$0.01837	\$992	\$134	\$0.00248	15.6%
Total Wholesale & International & SDGE	1,599,240	\$0.00965	\$15,434	1,599,240	\$0.01212	\$19,384	\$3,950	\$0.00247	25.6%
TOTAL NONCORE	5,866,366	\$0.02330	\$136,660	5,866,366	\$0.02577	\$151,180	\$14,520	\$0.00248	10.6%
Unbundled Storage			\$26,470			\$26,470	\$0		
Total (excluding FAR)	9,457,396	\$0.18772	\$1,775,344	9,457,396	\$0.19016	\$1,798,388	\$23,044	\$0.00244	1.3%
BTS Amount (3) \$/dth/day	3,100	\$0.10955	\$123,952	3,100	\$0.10955	\$123,952	\$0	\$0.00000	0.0%
SYSTEM TOTALw/SI,FAR,TLS,SW	9,457,396	\$0.20083	\$1,899,296	9,457,396	\$0.20326	\$1,922,340	\$23,044	\$0.00244	1.2%
EOR Revenues	156,187	\$0.02304	\$3,599	156,187	\$0.02553	\$3,987	\$388	\$0.00249	10.8%
Total Throughput w/EOR Mth/yr	9,613,583			9,613,583					

- 1) These rates are for Natural Gas Transportation Service from "Citygate to Meter". The FAR rate is for service from Receipt Point to Citygate.
- 2) These Transmission Level Service "TLS" amounts represent the average transmission rate, see Table 5 or detail list of TLS rates.
- 3) BTS charge is proposed as a separate rate. Core will pay through procurement rate, noncore as a separate charge.

Whole Sale & International (excl SDGE)	368,955	\$0.01589	\$5,863	368,955	\$0.01837	\$6,778	\$915	\$0.00248	15.6%
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