

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



January 14, 2013

**Advice Letter 4437**

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

**Subject: Request to Collect SGIP Carryover Funding to Cover Anticipated Expenses for 2012 Projects**

Dear Ms. Prince:

Advice Letter 4437 is effective January 13, 2013.

Sincerely,

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

Edward F. 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 14, 2012

Advice No. 4437  
(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 2012 Projects**

Southern California Gas Company (SoCalGas) hereby submits for approval with the California Public Utilities Commission (Commission) revisions to its revenue requirement and rates effective January 1, 2014.

**Purpose**

Pursuant to Ordering Paragraph 3(b) of Decision (D.) 09-12-047, SoCalGas requests authorization to collect \$17.7 million of its total SGIP Carryover Fund<sup>1</sup> in order to recover anticipated expenses to be incurred associated with reserved SGIP projects from the 2012 program year.

**Background**

As of October 31, 2012, SoCalGas' total authorized SGIP Carryover Fund was \$18.3 million<sup>2</sup>. 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."*

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

<sup>2</sup> The Carryover Fund amount is reduced for the recovery in 2013 rates of \$23 million as authorized in Advice No. 4317.

In SoCalGas' SGIP Monthly Budget Report as of October 2012<sup>3</sup>, SoCalGas committed and reserved \$25.2 million in active SGIP projects for the 2012 program year. In addition, SoCalGas anticipates \$0.5 million in costs for administrating the SGIP projects in 2012. SoCalGas is collecting its authorized 2012 SGIP funding of \$8 million in 2012 rates, so the committed and reserved SGIP project costs for the 2012 program year including administrative costs will exceed the authorized funding by \$17.7 million (\$25.2 million + \$0.5 million - \$8 million = \$17.7 million).

Pursuant to OP 3(b), SoCalGas requests \$17.7 million of the remaining \$18.3 million of its authorized SGIP Carryover Fund to recover anticipated expenses related to its 2012 program year SGIP projects. To mitigate the rate impact associated with the carryover funds authorized to be included in 2013 rates and the amount of the carryover funds requested herein, SoCalGas requests that this shortfall be included in rates effective January 1, 2014. The rate impact will be reflected in the consolidated rate update to be filed at least three days prior to January 1, 2014.

Included in this Advice Letter is Attachment B, Summary of Annual Gas Transportation Revenues, which reflects the details of the \$17.7 million increase in rates based on current rates as of December 1, 2012.

The table below shows the Revenue Requirement by Class of Service based on current rates, effective December 1, 2012:

**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 ..	\$6.6
Noncore	GT-F, GT-I, GT-TLS ..	\$8.1
Wholesale and International	GT-TLS ..	\$3.0
Unbundled Storage	G-BSS, G-LTS, G-AUC, G-TBS ..	\$0.0
Backbone Transportation Service (BTS)	G-BTS ..	\$0.0
TOTAL		\$17.7

**Protests**

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 must be received within 20 days of the date of this Advice Letter, which is January 3, 2013. There is no restriction on who may file a protest. The address for mailing or delivering a protest to the Commission is:

<sup>3</sup> The report was posted on SoCalGas' website on November 12, 2012.

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 the Energy Division Tariff Unit ([EDTariffUnit@cpuc.ca.gov](mailto:EDTariffUnit@cpuc.ca.gov)). 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**

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 13, 2013, which is thirty (30) calendar days after the date filed, for implementation and inclusion in rates effective January 1, 2014.

### **Notice**

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

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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) #: 4437

Subject of AL: Request to Collect SGIP Carryover Funding to Cover Anticipated Expenses for 2012 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 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: AL: 1/13/13; Rates: 1/1/14    No. of tariff sheets: 0

Estimated system annual revenue effect (%): 0.9%

Estimated system average rate effect (%): 0.9%

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>: 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**  
[EDTariffUnit@cpuc.ca.gov](mailto:EDTariffUnit@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](mailto:SNewsom@semprautilities.com)  
[Tariffs@SoCalGas.com](mailto:Tariffs@SoCalGas.com)

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

**ATTACHMENT A**

**Advice No. 4337**

**(See Attached Service Lists)**

**ATTACHMENT B**

**Advice No. 4437**

**Summary of Annual Gas Transportation Revenues**

**TABLE 1**  
**Natural Gas Transportation Rate Revenues**  
**Southern California Gas Company**  
**Proposed Rates**

	Present Rates			Proposed Rates			Changes		
	Jan-1-12 Volumes Mth	Proposed Rate \$/therm	Jan-1-12 Revenues \$000's	Proposed Volumes Mth	Proposed Rate \$/therm	Proposed Revenues \$000's	Revenue Change \$000's	Rate Change \$/therm	% Rate change
	D	E	F	D	E	F	G	H	I
<b>CORE</b>									
Residential	2,483,989	\$0.54427	\$1,351,948	2,483,989	\$0.54608	\$1,356,445	\$4,497	\$0.00181	0.3%
Commercial & Industrial	970,519	\$0.29905	\$290,234	970,519	\$0.30091	\$292,038	\$1,804	\$0.00186	0.6%
NGV - Pre SempraWide	117,231	\$0.07389	\$8,662	117,231	\$0.07578	\$8,884	\$222	\$0.00189	2.6%
SempraWide Adjustment	117,231	(\$0.00503)	(\$590)	117,231	(\$0.00503)	(\$589)	\$1	\$0.00001	-0.1%
NGV - Post SempraWide	117,231	\$0.06886	\$8,072	117,231	\$0.07075	\$8,295	\$222	\$0.00190	2.8%
Gas A/C	1,210	\$0.06682	\$81	1,210	\$0.06871	\$83	\$2	\$0.00189	2.8%
Gas Engine	18,080	\$0.08848	\$1,600	18,080	\$0.09037	\$1,634	\$34	\$0.00189	2.1%
<b>Total Core</b>	<b>3,591,030</b>	<b>\$0.46002</b>	<b>\$1,651,935</b>	<b>3,591,030</b>	<b>\$0.46184</b>	<b>\$1,658,495</b>	<b>\$6,560</b>	<b>\$0.00183</b>	<b>0.4%</b>
<b>NONCORE COMMERCIAL &amp; INDUSTRIAL</b>									
Distribution Level Service	982,465	\$0.06810	\$66,902	982,465	\$0.06999	\$68,761	\$1,860	\$0.00189	2.8%
Transmission Level Service (2)	457,697	\$0.01783	\$8,162	457,697	\$0.01974	\$9,035	\$874	\$0.00191	10.7%
<b>Total Noncore C&amp;I</b>	<b>1,440,163</b>	<b>\$0.05212</b>	<b>\$75,063</b>	<b>1,440,163</b>	<b>\$0.05402</b>	<b>\$77,797</b>	<b>\$2,734</b>	<b>\$0.00190</b>	<b>3.6%</b>
<b>NONCORE ELECTRIC GENERATION</b>									
Distribution Level Service									
Pre Sempra Wide	353,995	\$0.02981	\$10,551	353,995	\$0.03171	\$11,224	\$672	\$0.00190	6.4%
Sempra Wide Adjustment	353,995	(\$0.00025)	(\$90)	353,995	(\$0.00024)	(\$83)	\$6	\$0.00002	-7.1%
Distribution Level Post Sempra Wide	353,995	\$0.02955	\$10,461	353,995	\$0.03147	\$11,140	\$679	\$0.00192	6.5%
Transmission Level Service (2)	2,472,969	\$0.01719	\$42,507	2,472,969	\$0.01910	\$47,228	\$4,722	\$0.00191	11.1%
<b>Total Electric Generation</b>	<b>2,826,964</b>	<b>\$0.01874</b>	<b>\$52,968</b>	<b>2,826,964</b>	<b>\$0.02065</b>	<b>\$58,369</b>	<b>\$5,401</b>	<b>\$0.00191</b>	<b>10.2%</b>
<b>TOTAL RETAIL NONCORE</b>	<b>4,267,127</b>	<b>\$0.03000</b>	<b>\$128,031</b>	<b>4,267,127</b>	<b>\$0.03191</b>	<b>\$136,165</b>	<b>\$8,134</b>	<b>\$0.00191</b>	<b>6.4%</b>
<b>WHOLESALE &amp; INTERNATIONAL</b>									
Wholesale Long Beach (2)	117,093	\$0.01719	\$2,013	117,093	\$0.01910	\$2,236	\$224	\$0.00191	11.1%
SDGE Wholesale	1,230,285	\$0.01027	\$12,636	1,230,285	\$0.01217	\$14,971	\$2,335	\$0.00190	18.5%
Wholesale SWG (2)	81,737	\$0.01719	\$1,405	81,737	\$0.01910	\$1,561	\$156	\$0.00191	11.1%
Wholesale Vernon (2)	116,135	\$0.01719	\$1,996	116,135	\$0.01910	\$2,218	\$222	\$0.00191	11.1%
International (2)	53,990	\$0.01719	\$928	53,990	\$0.01910	\$1,031	\$103	\$0.00191	11.1%
<b>Total Wholesale &amp; International &amp; SDGE</b>	<b>1,599,240</b>	<b>\$0.01187</b>	<b>\$18,977</b>	<b>1,599,240</b>	<b>\$0.01377</b>	<b>\$22,017</b>	<b>\$3,040</b>	<b>\$0.00190</b>	<b>16.0%</b>
<b>TOTAL NONCORE</b>	<b>5,866,366</b>	<b>\$0.02506</b>	<b>\$147,008</b>	<b>5,866,366</b>	<b>\$0.02696</b>	<b>\$158,182</b>	<b>\$11,174</b>	<b>\$0.00190</b>	<b>7.6%</b>
Unbundled Storage			\$27,530			\$27,530	\$0		
<b>Total (excluding BTS)</b>	<b>9,457,396</b>	<b>\$0.19313</b>	<b>\$1,826,474</b>	<b>9,457,396</b>	<b>\$0.19500</b>	<b>\$1,844,208</b>	<b>\$17,734</b>	<b>\$0.00188</b>	<b>1.0%</b>
BTS Amount (3)	3,100	\$0.11042	\$124,939	3,100	\$0.11042	\$124,939	\$0	\$0.00000	0.0%
<b>SYSTEM TOTAL w/SLFAR,ILS,SW</b>	<b>9,457,396</b>	<b>\$0.20634</b>	<b>\$1,951,413</b>	<b>9,457,396</b>	<b>\$0.20821</b>	<b>\$1,969,147</b>	<b>\$17,734</b>	<b>\$0.00188</b>	<b>0.9%</b>
EOR Revenues	156,187	\$0.02359	\$3,685	156,187	\$0.02550	\$3,983	\$299	\$0.00191	8.1%
<b>Total Throughput w/EOR Mth/yr</b>	<b>9,613,583</b>			<b>9,613,583</b>					

1) These rates are for Natural Gas Transportation Service from "Citygate to Meter". The BTS rate is for service from Receipt Point to Citygate.

2) These Transmission Level Service "ILS" amounts represent the average transmission rate, see Table 5 or detail list of ILS 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	\$0.01719	\$6,342	368,955	\$0.01910	\$7,046	\$704	\$0.00191	11.1%
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**ATTACHMENT**

**Advice No. 4437**

**Self Generation Incentive Program  
Monthly Budget Report  
October 2012**

**CPUC Self-Generation Incentive Program**

**Monthly Budget Report for SoCalGas**

**Month Ending**

October-12

		Level 2 - Renewable <sup>2</sup> (Fuel Cells, Wind)	Level 2 - w/AES <sup>5</sup>	Level 3 - Non-Renewable <sup>2</sup> (Fuel Cells)	Level 3 - w/AES <sup>5</sup>	Total	2011
<b>Budget Overview (\$ millions)</b>							
Original 2011 Budget		\$3.600		\$3.600		\$7.200	
Carry-over 2010 Funding		\$24.439		(\$4.681)		\$19.757	
Reallocated 2011 Budget		(\$2.693)		\$2.693		\$0.000	
<b>Total Budget 2011<sup>3</sup></b> (Original + 2010 Carry-Over + 2011 Reallocated)		\$25.346		\$1.611		\$26.957	
<b>2011 Allocation of Budget<sup>6</sup></b>		<b>Renewable and Emerging Technologies (75%)</b>		<b>Non-Renewable (25%)</b>			
		\$20.218		\$6.739			
2011 Paid Projects	# of Projects	1	0	0	0	1	
	MW	0.005	0.0	0.0	0.0	0.0	
	\$ (in Millions)	\$0.0125	\$0.0	\$0.0	\$0.0	\$0.013	
2011 Active Projects	# of Projects	5	0	1	0	6	
	MW	1.3	0.0	1.0	0.0	2.2	
	\$ (in Millions)	\$3.2	\$0.0	\$0.5	\$0.0	\$3.668	
<b>Carry-Over 2011 Funding</b>		\$17.022		\$6.255		\$23.277	

		Renewable and Emerging Technologies (75%)		Non-Renewable (or Level 3) (25%)		Total	2012
		Fuel Cells, Wind, PRT, ORC, Biogas	AES <sup>5</sup>	Natural Gas Turbines, Engines	AES <sup>5</sup>		
<b>Budget Overview (\$ millions)</b>							
Original 2012 Budget		\$5.580		\$1.860		\$7.440	
Carry-over 2011 Funding		\$17.022		\$6.255		\$23.277	
Reallocated 2012 Budget						\$0.000	
<b>Total Budget 2012</b> (Original + 2011 Carry-Over)		\$22.602		\$8.115		\$30.717	
2012 Paid Projects	# of Projects					0	
	MW					0.0	
	\$ (in Millions)					\$0.000	
2012 Active Projects	# of Projects	12	2	2	1	17	
	MW	7.227	1.028	3.426	4.179	15.860	
	\$ (in Millions)	18.669	1.225	1.728	3.600	25.222	
2012 Available Budget (\$ million)		2.707		2.788		5.495	
<b>2012 Wait Lists</b>							
2012 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	

**Notes:**

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

<sup>1</sup>Per 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.

<sup>2</sup>Beginning 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.

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

<sup>4</sup>Per 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

<sup>5</sup>Per 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

<sup>6</sup>Per 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. AES also eligible as stand alone technology.