

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



February 23, 2015

Advice Letter 4740-G

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

SUBJECT: Establishment of Greenhouse Gas Balancing Account and Greenhouse Gas Memorandum Account and Modification of New Environmental Regulation Balancing Account in Compliance with D. 14-12-040

Dear Ms. Prince:

Advice Letter 4740-G is effective as of December 18, 2014.

Sincerely,

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

Edward 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

January 20, 2015

Advice No. 4740
(U 904 G)

Public Utilities Commission of the State of California

Subject: Establishment of Greenhouse Gas Balancing Account and Greenhouse Gas Memorandum Account and Modification of New Environmental Regulation Balancing Account in Compliance with D.14-12-040

Southern California Gas Company (SoCalGas) hereby submits revisions to its tariffs, applicable throughout its service territory, as shown on Attachment A.

Purpose

This filing complies with Ordering Paragraphs (OP) 6 and 7 of Decision (D.) 14-12-040, *Decision Resolving Phase 1 Issues and Addressing the Motion for Adoption of Settlement Agreement*. OP 6 directs SoCalGas to file a Tier 1 Advice Letter within 30 days of this decision to create a two-way balancing account to track and record costs incurred to comply with the Air Resource Board's (ARB) natural gas supplier Cap-and-Trade (C&T) Program costs and company gas compressor station greenhouse gas compliance costs, as well as the revenues received from consignment of natural gas supplier allowances for auction under the ARB program. OP 6 further directs SoCalGas to create a new memorandum account to track the administrative costs incurred to comply with the ARB's natural gas supplier C&T Program. OP 7 orders SoCalGas to file a Tier 1 Advice Letter within 30 days of the adoption of this decision to modify its existing New Environmental Regulation Balancing Account (NERBA) subaccounts for Facilities and End-Users to no longer record costs associated with C&T compliance.

Background

On March 19, 2014, the Commission issued Rulemaking 14-03-003 to address issues related to Greenhouse Gas (GHG) cost and revenues resulting from the implementation of ARB's GHG C&T Program for natural gas corporations. On

July 25, 2014, SoCalGas was among five Parties¹ who filed a Joint Motion to Adopt Settlement to approve ratemaking standards and mechanisms on cost forecasting, cost recovery, purchasing limits, consignment and proposed 2015 forecast revenue requirements for the utilities' compliance with AB 32 natural gas supplier GHG C&T Program obligations beginning January 1, 2015. D.14-12-040 approved, with modifications, that Settlement Agreement, including the establishment and modification of regulatory accounts.

Establishment/Modification of Regulatory Accounts

Pursuant to OPs 6 and 7 of D.14-12-040, the following regulatory accounts are established or modified, and requested to be made effective December 18, 2014, which is the effective date of D.14-12-040.

- Greenhouse Gas Balancing Account (GHGBA) – The purpose of the GHGBA is to track and record costs and revenues associated with the ARB's C&T Program. The disposition of the GHGBA will be determined by future Commission decisions. The GHGBA will consist of three subaccounts:
 - The Company Facilities GHG Compliance Cost Subaccount will track and record company gas compressor stations greenhouse gas compliance costs;
 - The End Users GHG Compliance Cost Subaccount will track and record the costs associated with SoCalGas' natural gas deliveries to end users to comply with the ARB C&T Program; and
 - The Consignment Revenues Subaccount will track and record revenues received from consignment of natural gas supplier allowances for auction under the ARB program.

- Greenhouse Gas Memorandum Account (GHGMA) - The purpose of the GHGMA is to track administrative costs directly associated with C&T compliance. The GHGMA will consist of three subaccounts:
 - The Company Facilities Cost Subaccount will track and record company gas compressor stations greenhouse gas administrative costs; and
 - The End Users Cost Subaccount will track and record the administrative costs associated with SoCalGas' natural gas deliveries to end users to comply with the ARB C&T Program; and
 - The Consignment Revenues Subaccount will track and record the administrative costs associated with GHG revenues from allowance consignment.

- New Environmental Regulation Balancing Account (NERBA) – The NERBA is being modified to no longer record costs in the C&T Facilities and C&T End User Subaccounts. Per Conclusion of Law (CoL) 8 of D.14-12-040, any

¹ SoCalGas, San Diego Gas & Electric Company, Pacific Gas & Electric Company, Southwest Gas Corporation, and the Office of Ratepayer Advocates.

balances in these subaccounts will be transferred to the new GHG balancing account. The balances in these subaccounts will be transferred to the GHGBA on January 1, 2015.

As noted above, in compliance with CoL 8, the balance in the NERBA C&T Facilities Subaccount will be transferred to the new GHGBA. In Advice No. (AL) 4700, SoCalGas requested and the Commission approved² amortization of the NERBA C&T Facilities Subaccount in 2015 rates. In addition, pursuant to D.13-05-010, SoCalGas' 2012 General Rate Case, SoCalGas included in transportation rates an authorized revenue requirement associated with new GHG requirements. SoCalGas balanced the authorized revenue requirement in the NERBA, a portion of which was allocated to the NERBA C&T Facilities Subaccount. As a result, SoCalGas will record the amortization revenues associated with the transferred balance and the authorized revenue requirement included in rates effective January 1, 2015 to the GHGBA Company Facilities GHG Compliance and Cost Subaccount.

Protest

Anyone may protest this AL 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 AL, which is February 9, 2015. There is no restriction on who may file a protest. The address for mailing or delivering a protest to the Commission is given below.

CPUC Energy Division
Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, CA 94102

A copy of the protest should also be sent via e-mail to the attention of the Energy Division Tariff Unit (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

² AL 4700 was approved as of December 17, 2014 for rates effective January 1, 2015.

Effective Date

Per OPs 6 and 7 of D.14-12-040, this filing is subject to Energy Division disposition and should be classified as Tier 1 (effective pending disposition). SoCalGas respectfully requests that the tariffs be made effective December 18, 2014, which is the effective date of D.14-12-040.

Notice

A copy of this AL is being sent to SoCalGas' General Order (GO) 96-B and the parties to R.14-03-003 service list. Address change requests to the GO 96-B should be directed by electronic mail to tariffs@socalgas.com, or call 213-244-3387. For changes to all other service lists, please contact the Commission's Process Office at 415-703-2021 or by electronic mail at process_office@cpuc.ca.gov.

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) #: 4740

Subject of AL: Establishment of the Greenhouse Gas Balancing Account and Greenhouse Gas Memo Account and Modification of New Environmental Regulation Balancing Account in Compliance with D.14-12-040

Keywords (choose from CPUC listing): Balancing Account, 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.14-12-040

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: 12/18/14

No. of tariff sheets: 11

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 V, NERBA, GHGBA, PS VI, GHGMA, and TOCs Gen

Service affected and changes proposed¹ See Advice Letter

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

Southern California Gas Company
Attention: Sid Newsom
555 West 5th Street, GT14D6
Los Angeles, CA 90013-1011
SNewsom@semprautilities.com
tariffs@socalgas.com

¹ Discuss in AL if more space is needed.

ATTACHMENT A
Advice No. 4740

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 51130-G	PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS, DESCRIPTION AND LISTING OF BALANCING ACCOUNTS, Sheet 1	Revised 50523-G
Revised 51131-G	PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS, NEW ENVIRONMENTAL REGULATION BALANCING ACCOUNT (NERBA), Sheet 1	Original 49345-G
Revised 51132-G	PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS, NEW ENVIRONMENTAL REGULATION BALANCING ACCOUNT (NERBA), Sheet 2	Original 49346-G Original 49347-G
Original 51133-G	PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS, GREENHOUSE GAS BALANCING ACCOUNT (GHGBA), Sheet 1	
Original 51134-G	PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS, GREENHOUSE GAS BALANCING ACCOUNT (GHGBA), Sheet 2	
Revised 51135-G	PRELIMINARY STATEMENT - PART VI - MEMORANDUM ACCOUNTS, DESCRIPTION AND LISTING OF MEMORANDUM ACCOUNTS, Sheet 1	Revised 50531-G*
Original 51136-G	PRELIMINARY STATEMENT - PART VI - MEMORANDUM ACCOUNTS, GREENHOUSE GAS MEMORANDUM ACCOUNT (GHGMA), Sheet 1	
Original 51137-G	PRELIMINARY STATEMENT - PART VI - MEMORANDUM ACCOUNTS, GREENHOUSE GAS MEMORANDUM ACCOUNT (GHGMA), Sheet 2	
Revised 51138-G	TABLE OF CONTENTS	Revised 51129-G
Revised 51139-G	TABLE OF CONTENTS	Revised 50700-G
Revised 51140-G	TABLE OF CONTENTS	Revised 51059-G

PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS
DESCRIPTION AND LISTING OF BALANCING ACCOUNTS

Sheet 1

A. GENERAL

Balancing accounts are those regulatory accounts where authorized expenses are compared with revenues from rates designed to recover those expenses. The resulting under or overcollection, plus interest calculated in the manner described in Preliminary Statement, Part I, is recorded on the Utility's financial statements as an asset or liability, which is owed from or due to the ratepayers. Balances in balancing accounts are to be amortized in rates.

B. LISTING OF BALANCING ACCOUNTS

- Purchased Gas Account (PGA)
- Core Fixed Cost Account (CFCA)
- Noncore Fixed Cost Account (NFCA)
- Enhanced Oil Recovery Account (EORA)
- Noncore Storage Balancing Account (NSBA)
- California Alternate Rates for Energy Account (CAREA)
- Hazardous Substance Cost Recovery Account (HSCRA)
- Gas Cost Rewards and Penalties Account (GCRPA)
- Pension Balancing Account (PBA)
- Post-Retirement Benefits Other Than Pensions Balancing Account (PBOPBA)
- Research Development and Demonstration Gas Surcharge Account (RDDGSA)
- Demand Side Management Balancing Account (DSMBA)
- Direct Assistance Program Balancing Account (DAPBA)
- Integrated Transmission Balancing Account (ITBA)
- Compressor Station Fuel and Power Balancing Account (CFPBA)
- Distribution Integrity Management Program Balancing Account (DIMPBA)
- Rewards and Penalties Balancing Account (RPBA)
- On-Bill Financing Balancing Account (OBFBA)
- Company Use Fuel for Load Balancing Account (CUFLBA)
- Backbone Transmission Balancing Account (BTBA)
- Advanced Metering Infrastructure Balancing Account (AMIBA)
- New Environmental Regulation Balancing Account (NERBA)
- Transmission Integrity Management Program Balancing Account (TIMPBA)
- Post-2011 Distribution Integrity Management Program Balancing Account (POST-2011 DIMPBA)
- Compression Services Balancing Account (CSBA)
- Biogas Conditioning/Upgrading Services Balancing Account (BCSBA)
- Master Meter Balancing Account (MMBA)
- Safety Enhancement Capital Cost Balancing Account (SECCBA)
- Safety Enhancement Expense Balancing Account (SEEBA)
- Greenhouse Gas Balancing Account (GHGBA)

N

(TO BE INSERTED BY UTILITY)
 ADVISE LETTER NO. 4740
 DECISION NO. 14-12-040

ISSUED BY
Lee Schavrien
 Senior Vice President

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Jan 20, 2015
 EFFECTIVE Dec 18, 2014
 RESOLUTION NO. _____

PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS
NEW ENVIRONMENTAL REGULATION BALANCING ACCOUNT (NERBA)

Sheet 1

1. Purpose

The NERBA is an interest bearing two-way balancing account recorded on SoCalGas' financial statements. Pursuant to D.13-05-010, TY 2012 General Rate Case (GRC), effective January 1, 2012, the NERBA will record the difference between actual costs and authorized costs in rates associated with new greenhouse gas (GHG) requirements. Per D.13-05-010, the NERBA is authorized for the four-year GRC period ending December 31, 2015 or until the effective implementation date of SoCalGas' next GRC. Per D.14-12-040, SoCalGas establishes a Greenhouse Gas Balancing Account and Greenhouse Gas Memorandum Account to record Cap-and-Trade Program costs related to GHG emissions associated with SoCalGas' covered facilities and natural gas deliveries to end users. As such, effective January 1, 2015, the NERBA will no longer have subaccounts to track these costs.

The NERBA shall consist of two subaccounts:

- 1) AB 32 Admin Fees Subaccount records actual administrative fees paid to the California Air Resources Board (CARB) and the associated authorized cost in base rates; and
- 2) Subpart W Subaccount records operating and maintenance (O&M) and capital-related costs associated with the monitoring and reporting requirements of Subpart W to the GHG Mandatory Reporting Rule issued by the US Environmental Protection Agency and the associated authorized costs in base rates.

2. Applicability

The NERBA shall apply to gas customers.

3. Rates

The balance in the NERBA will be included in gas transportation rates.

4. AB 32 Admin Fees Subaccount - Accounting Procedures

SoCalGas maintains this account by making monthly entries, net of applicable FF&U, as follows:

- a) A debit entry to record actual O&M costs related to AB 32 admin fees paid to the CARB,
- b) A credit entry equal to one-twelfth of the cost authorized in rates related to SoCalGas' AB 32 administrative fees,
- c) An entry to amortize the prior year's balance, and
- d) An entry equal to interest on the average of the balance in the account during the month, calculated in the manner described in Preliminary Statement, Part I, J.

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(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 4740
 DECISION NO. 14-12-040

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Lee Schavrien
 Senior Vice President

(TO BE INSERTED BY CAL. PUC)
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PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS
NEW ENVIRONMENTAL REGULATION BALANCING ACCOUNT (NERBA)

Sheet 2

(Continued)

5. Subpart W Subaccount - Accounting Procedures

SoCalGas maintains this account by making monthly entries, net of applicable FF&U, as follows:

- a) A debit entry to record O&M costs related to complying with mandatory Subpart W monitoring and reporting regulations,
- b) A debit entry to record capital-related costs (depreciation, return, and income taxes) related to compliance with Subpart W monitoring and reporting regulations,
- c) A credit entry equal to one-twelfth of the cost authorized in rates related to SoCalGas' Subpart W compliance costs,
- d) An entry to amortize the prior year's balance, and
- e) An entry equal to interest on the average of the balance in the account during the month, calculated in the manner described in Preliminary Statement, Part I, J.

6. Disposition

In each annual October regulatory account balance update filing, SoCalGas will amortize the projected year-end balance effective January 1 of the following year. The projected year-end balance in the AB 32 Admin Fees Subaccount will be allocated on an Equal Cents Per Therm (ECPT) basis consistent with the allocation for the CARB fee cost recovery. The projected year-end balance in the Subpart W Subaccount will be allocated on an Equal Percent of Authorized Margin (EPAM) basis consistent with the allocation of current base margin pursuant to D.13-05-010.

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(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 4740
 DECISION NO. 14-12-040

ISSUED BY

Lee Schavrien
 Senior Vice President

(TO BE INSERTED BY CAL. PUC)

DATE FILED Jan 20, 2015
 EFFECTIVE Dec 18, 2014
 RESOLUTION NO. _____

PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS
GREENHOUSE GAS BALANCING ACCOUNT (GHGBA)

Sheet 1

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1. Purpose

N

The GHGBA is an interest bearing two-way balancing account recorded on SoCalGas' financial statements. Pursuant to Decision (D.) 14-12-040, the purpose of the GHGBA is to record costs incurred to comply with the California Cap and Greenhouse Gas (GHG) Emissions and Market-Based Compliance mechanisms (Cap-and-Trade Program) regulations imposed by the Air Resources Board (ARB). The GHGBA will record actual Cap-and-Trade Program costs incurred by SoCalGas as a regulated natural gas supplier that delivers gas to California end-users and as owners and operators of facilities that are classified as covered entities under the Cap-and-Trade Program regulations with the corresponding actual revenues billed to applicable customers to recover such costs as authorized by the Commission. In addition, the GHGBA will record revenues received from consignment of natural gas supplier allowances for auction. The GHGBA is effective December 18, 2014, the effective date of D.14-12-040.

The GHGBA shall consist of three subaccounts:

- 1) End Users GHG Compliance Cost Subaccount records costs and corresponding revenues associated with emission allowances and/or offsets purchases for SoCalGas' natural gas deliveries to end users;
- 2) Company Facilities GHG Compliance Cost Subaccount records costs and corresponding revenues associated with emission allowances and/or offsets purchases for SoCalGas' covered facilities; and
- 3) Consignment Revenues Subaccount records revenues received from consignment of natural gas supplier allowances for auction.

2. Applicability

The GHGBA shall apply to gas customers except for those specifically excluded by the Commission.

3. Rates

The balance in the GHGBA will be included in gas rates upon Commission approval.

4. End Users GHG Compliance Cost Subaccount - Accounting Procedures

SoCalGas maintains this subaccount by making monthly entries, net of applicable FF&U, as follows:

- a) A debit entry to record an allocation of the cost of Cap-and-Trade allowances and/or offsets purchases based on GHG emissions associated with SoCalGas' natural gas deliveries to end users to comply with the Cap-and-Trade Program requirements;
- b) A credit entry equal to actual GHG revenues billed to customers for recovery of Cap-and-Trade Program compliance costs for natural gas deliveries to end users;

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(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 4740
DECISION NO. 14-12-040

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Lee Schavrien
Senior Vice President

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PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS
GREENHOUSE GAS BALANCING ACCOUNT (GHGBA)

Sheet 2

(Continued)

4. End Users GHG Compliance Cost Subaccount - Accounting Procedures (Continued)

- c) An entry to amortize the prior year's balance; and
- d) An entry equal to interest on the average of the balance in the account during the month, calculated in the manner described in Preliminary Statement, Part I, J.

5. Company Facilities GHG Compliance Cost Subaccount - Accounting Procedures

SoCalGas maintains this subaccount by making monthly entries, net of applicable FF&U, as follows:

- a) A debit entry to record an allocation of the cost of Cap-and-Trade allowances and/or offsets purchases based on GHG emissions associated with SoCalGas' covered facilities to comply with the Cap-and-Trade Program requirements;
- b) A credit entry equal to actual GHG revenues billed to customers for recovery of Cap-and-Trade Program compliance costs for SoCalGas' covered facilities;
- c) A credit entry equal to one-twelfth of the cost related to SoCalGas' Cap-and-Trade Facilities Program authorized in rates pursuant to D.13-05-010, SoCalGas' 2012 General Rate Case proceeding;
- d) An entry to amortize the prior year's balance, and
- e) An entry equal to interest on the average of the balance in the account during the month, calculated in the manner described in Preliminary Statement, Part I, J.

6. Consignment Revenues Subaccount – Accounting Procedures

SoCalGas maintains this subaccount by making monthly entries, net of applicable FF&U, as follows:

- a) A credit entry equal to the revenues received from the consignment of natural gas supplier allowances for auction under the Cap-and-Trade Program;
- b) A debit entry equal to the portion of GHG revenues returned to customers; and
- c) An entry equal to interest on the average of the balance in the account during the month, calculated in the manner described in Preliminary Statement, Part I, J.

7. Disposition

Disposition of the balance in the GHGBA shall be addressed in Phase 2 of Rulemaking 14-03-003 or in future Commission proceedings.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 4740
DECISION NO. 14-12-040

ISSUED BY
Lee Schavrien
Senior Vice President

(TO BE INSERTED BY CAL. PUC)
DATE FILED Jan 20, 2015
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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)
- Curtailement 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)
- 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)
- System Reliability Memorandum Account (SRMA)
- Fire Hazard Prevention Memorandum Account (FHPMA)
- California Solar Initiative Thermal Program Memorandum Account (CSITPMA)
- Honor Rancho Storage Memorandum Account (HRSMA)
- Wildfire Expense Memorandum Account (WEMA)
- Natural Gas Appliance Testing Memorandum Account (NGATMA)
- Energy Savings Assistance Programs Memorandum Account (ESAPMA)
- General Rate Case Memorandum Account (GRCMA)
- Pipeline Safety and Reliability Memorandum Account (PSRMA)
- Aliso Canyon Memorandum Account (ACMA)
- Advanced Meter Opt-Out Program Memorandum Account (AMOPMA)
- Energy Data Request Memorandum Account (EDRMA)
- Residential Disconnect Memorandum Account (RDMA)
- Greenhouse Gas Memorandum Account (GHGMA)

N

(TO BE INSERTED BY UTILITY)
 ADVISE LETTER NO. 4740
 DECISION NO. 14-12-040

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Lee Schavrien
 Senior Vice President

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Jan 20, 2015
 EFFECTIVE Dec 18, 2014
 RESOLUTION NO. _____

PRELIMINARY STATEMENT - PART VI - MEMORANDUM ACCOUNTS
GREENHOUSE GAS MEMORANDUM ACCOUNT (GHGMA)

Sheet 1

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1. Purpose

N

The GHGMA is an interest bearing memorandum account recorded on SoCalGas' financial statements. Pursuant to Decision (D.) 14-12-040, the purpose of the GHGMA is to record administrative expenses and other program support costs incurred to comply with the California Cap and Greenhouse Gas (GHG) Emissions and Market-Based Compliance mechanisms (Cap-and-Trade Program) regulations imposed by the Air Resources Board (ARB). The GHGMA is effective December 18, 2014, the effective date of D.14-12-040.

The GHGMA shall consist of three subaccounts to segregate the administrative expenses and other support costs related to the Cap-and-Trade Program requirements for SoCalGas' natural gas deliveries to end users and SoCalGas' covered facilities and consignment of natural gas supplier allowances for auction.

2. Applicability

The GHGMA shall apply to gas customers except for those specifically excluded by the Commission.

3. Rates

The balance in the GHGMA will be included in gas rates upon Commission approval.

4. End Users Cost Subaccount - Accounting Procedures

SoCalGas maintains this subaccount by making monthly entries, net of applicable FF&U, as follows:

- a) A debit entry to record actual administrative expenses and other program support costs associated with SoCalGas' natural gas deliveries to end users;
- b) An entry to amortize the prior year's balance; and
- c) An entry equal to interest on the average of the balance in the account during the month, calculated in the manner described in Preliminary Statement, Part I, J.

5. Company Facilities Cost Subaccount - Accounting Procedures

SoCalGas maintains this subaccount by making monthly entries, net of applicable FF&U, as follows:

- a) A debit entry to record actual administrative expenses and other program support costs associated with SoCalGas' covered facilities;
- b) An entry to amortize the prior year's balance, and
- c) An entry equal to interest on the average of the balance in the account during the month, calculated in the manner described in Preliminary Statement, Part I, J.

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(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 4740
DECISION NO. 14-12-040

ISSUED BY
Lee Schavrien
Senior Vice President

(TO BE INSERTED BY CAL. PUC)
DATE FILED Jan 20, 2015
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PRELIMINARY STATEMENT - PART VI - MEMORANDUM ACCOUNTS
GREENHOUSE GAS MEMORANDUM ACCOUNT (GHGMA)

Sheet 2

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(Continued)

6. Consignment Revenues Subaccount - Accounting Procedures

N

SoCalGas maintains this subaccount by making monthly entries, net of applicable FF&U, as follows:

- a) A debit entry to record actual administrative expenses and other program support costs associated with the consignment of natural gas supplier allowances for auction;
- b) An entry to amortize the prior year's balance; and
- c) An entry equal to interest on the average of the balance in the account during the month, calculated in the manner described in Preliminary Statement, Part I, J.

7. Disposition

Disposition of the balance in the GHGMA shall be addressed in Phase 2 of Rulemaking 14-03-003 or in future Commission proceedings.

N

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 4740
DECISION NO. 14-12-040

ISSUED BY

Lee Schavrien
Senior Vice President

(TO BE INSERTED BY CAL. PUC)

DATE FILED Jan 20, 2015
EFFECTIVE Dec 18, 2014

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.

<u>GENERAL</u>	<u>Cal. P.U.C. Sheet No.</u>
Title Page	40864-G
Table of Contents--General and Preliminary Statement	51138-G,51139-G,51140-G
Table of Contents--Service Area Maps and Descriptions	41970-G
Table of Contents--Rate Schedules	51117-G,51123-G,50857-G
Table of Contents--List of Cities and Communities Served	50356-G
Table of Contents--List of Contracts and Deviations	50356-G
Table of Contents--Rules	50970-G,50971-G
Table of Contents--Sample Forms	50900-G,49608-G,49402-G,50901-G,50598-G

PRELIMINARY STATEMENT

Part I General Service Information	45597-G,24332-G,24333-G,24334-G,48970-G
Part II Summary of Rates and Charges	51101-G,51102-G,51103-G,51024-G,51025-G,51104-G 51061-G,46431-G,46432-G,50855-G,51070-G,51071-G,51072-G,51030-G
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