

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



December 17, 2015

Advice Letters 4756-G, 4756-G-A and 4756-G-B

Ronald van der Leeden
Director, Regulatory Affairs
Southern California Gas
555 W. Fifth Street, GT14D6
Los Angeles, CA 90013-1011

**SUBJECT: Establishment of Preliminary Statement Part V -- Balancing Accounts,
Advanced Meter Opt-Out Program Balancing Account**

Dear Mr. van der Leeden:

Advice Letters 4756-G, 4756-G-A and 4756-G-B are effective as of December 14, 2014, per Resolution E-4723 Ordering Paragraphs.

Sincerely,

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

Edward Randolph
Director, Energy Division



Ronald van der Leeden
Director
Regulatory Affairs

555 W. Fifth Street, GT14D6
Los Angeles, CA 90013-1011
Tel: 213.244.2009
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rvanderleeden@semprautilities.com

September 28, 2015

Advice No. 4756-B
(U 904 G)

Public Utilities Commission of the State of California

Subject: Partial Supplement: Establishment of Preliminary Statement Part V – Balancing Accounts – Advanced Meter Opt-Out Program Balancing Account

Southern California Gas Company (SoCalGas) hereby submits for approval by the California Public Utilities Commission (Commission) this partial supplement to Advice No. (AL) 4756 requesting revisions to the Advanced Meter Opt-Out Program Balancing Account (AMOPBA) under Preliminary Statement Part V, as described below, applicable throughout its service territory as shown on Attachment A.

Purpose

Pursuant to Ordering Paragraphs (OP) 3 and 8 of Resolution E-4723, this partial supplement includes revisions to the AMOPBA to add language that specifically excludes all “exit fee” costs, “turn-off” costs, or “exit” costs from being debited into the AMPOBA, and to establish a sub-account in the AMOPBA to track incremental costs in excess of the authorized opt-out program costs.

Background

In D.10-04-027, the Commission approved SoCalGas’ Advanced Meter Program. In D.14-02-019, the Commission approved the interim fees for residential customers selecting the opt-out option proposed in Application (A.) 12-15-016.¹ Moreover, D.14-02-019 also ordered SoCalGas to establish a new two-way memorandum account to track revenues and costs associated with providing the Advanced Meter Opt-Out Program.

¹ The interim fees were subject to adjustment upon conclusion of the second phase of the consolidated proceedings, A.11-03-014, A.11-03-015, and A.11-07-020.

In D.14-12-078, the Commission adopted permanent opt-out fees for residential customers of SoCalGas who do not wish to have an Advanced Meter. D.14-12-078 further granted SoCalGas authority to recover actual costs associated with providing the opt-out option up to a cap.² D.14-12-078 authorized SoCalGas to transfer the amounts from its Advanced Meter Opt-Out Program Memorandum Account (AMOPMA), originally adopted in D.14-02-019, to the AMOPBA for recovery.

Finally, D.14-12-078 directed that the collection of monthly charges from residential opt-out customers be limited to three years from the date they choose to opt-out and that the opt-out program provides a bi-monthly manual meter read with an estimated bill every other month.

In compliance with Decision (D.) 14-12-078, AL 4756, filed on February 10, 2015, requested the establishment of an AMOPBA under Preliminary Statement Part V and eliminated the AMOPMA.

On June 2, 2015, SoCalGas filed a partial supplement to AL 4756 to include further revisions to Schedule No. G-AMOP and Rule No. 14 to provide that SoCalGas shall collect the monthly charge from residential customers who opt-out of the program for a period of three years from the date the customer chooses to opt-out and shall implement bi-monthly (every two months) meter reading bill plan for customers who elect the Advanced Meter Opt-Out option.

Tariff Revisions

AMOPBA

Pursuant to OP 3 of Resolution E-4723, SoCalGas revises the AMOPBA to add language to Section 1 and Section 4(a) to specifically exclude all “exit fee” costs, “turn-off” costs, or “exit” costs from being debited into the AMPOBA.

Pursuant to OP 8 of Resolution E-4723, SoCalGas revises the AMOPBA to establish a sub-account in the AMOPBA to track incremental costs in excess of the authorized opt-out program costs.

In addition, pursuant to OP 6 of Resolution E-4723, SoCalGas adds language to the AMOPBA to clarify that the AMOPBA will also reflect the transfer of the AMOPMA ending balance, excluding any “exit-fee” costs, “turn off” costs, or “exit” costs.

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 October 18, 2015. There is no

² SoCalGas' cap is \$4.5 million.

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 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

Effective Date

SoCalGas believes that this filing is subject to Energy Division disposition and, as ordered in D.14-12-078, is classified as Tier 1 (effective pending disposition). SoCalGas respectfully requests that this advice letter become effective December 14, 2014, which is the effective date of D.14-12-078.

Notice

A copy of this AL is being sent to SoCalGas' GO 96-B service list and the Commission's service list in A.08-09-023, SoCalGas' AMI, A.12-05-016, AMI Opt-Out Program, and A.11-03-014, A.11-03-015, A.11-07-020, various applications related to smart meters.

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.

Ronald van der Leeden
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) #: 4756-B

Subject of AL Partial Supplement: Establishment of Preliminary Statement Part V – Balancing
Accounts – Advanced Meter Opt-Out Program Balancing Account

Keywords (choose from CPUC listing): Metering

AL filing type: Monthly Quarterly Annual One-Time Other

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

D.14-12-078 and Resolution E-4723

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: 12/14/14

No. of tariff sheets: 4

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: Preliminary Statement V and TOCs

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. 4756-B

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Original 51904-G	PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS, ADVANCED METER OPT-OUT PROGRAM BALANCING ACCOUNT, (AMOPBA)	Original 51261-G
Original 51905-G	PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS, ADVANCED METER OPT-OUT PROGRAM BALANCING ACCOUNT, (AMOPBA)	
Revised 51906-G Revised 51907-G	TABLE OF CONTENTS TABLE OF CONTENTS	Revised 51900-G Revised 51755-G

PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS
ADVANCED METER OPT-OUT PROGRAM BALANCING ACCOUNT
(AMOPBA)

Sheet 1

1. Purpose

The AMOPBA is an interest-bearing balancing account recorded on SoCalGas' financial statements. The purpose of the AMOPBA is to record the incremental costs to implement the Utility's Advanced Meter Opt-Out Program (Program) and the associated revenues from the Program pursuant to Decision (D.) 14-02-019 and D.14-12-078. The AMOPBA also reflects the transfer of the Advanced Meter Opt-Out Memorandum Account (AMOPMA) ending balance, excluding any "exit fee" or "turn off" costs, pursuant to Resolution E-4723. The AMOPBA is effective December 18, 2014, the effective date of D.14-12-078, and modified effective September 17, 2015, pursuant to Resolution E-4723.

The AMOPBA shall consist of two subaccounts:

- 1) Authorized Program Cost (APC) Subaccount records incremental costs up to a maximum of \$4.5 million as authorized in D.14-12-078 and corresponding revenues associated with the Program; and
- 2) Excess Program Cost (EPC) Subaccount records incremental costs above the \$4.5 million program cost cap.

2. Applicability

This account shall apply to gas customers except for those specifically excluded by the Commission.

3. Rates

See Disposition section.

4. Accounting Procedures

SoCalGas shall maintain the AMOPBA by recording entries to the subaccounts at the end of each month, net of applicable FF&U, as follows:

Authorized Program Cost Subaccount

- a) A debit entry equal to the incremental Operating and Maintenance (O&M) and Administrative and General (A&G) expenses (excluding "exit fee" or "turn off" costs) associated with the Program;
- b) A debit entry equal to the incremental capital-related costs (i.e., depreciation, return and taxes) incurred for activities required to implement and run the Program;
- c) A credit entry for actual revenues equal to the initial fees and monthly charges billed to customers who elect to participate in the Program;
- d) An entry to amortize the APC Subaccount balance as authorized by the Commission; and
- e) An entry equal to the interest on the average of the balance in the account during the month, calculated in the manner described in Preliminary Statement, Part I, J.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 4756-B
 DECISION NO. 14-12-078

ISSUED BY
Dan Skopec
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 SUBMITTED Sep 28, 2015
 EFFECTIVE Dec 14, 2014
 RESOLUTION NO. E-4723

PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS
ADVANCED METER OPT-OUT PROGRAM BALANCING ACCOUNT

Sheet 2

(AMOPBA)

(Continued)

4. Accounting Procedures (Continued)

Excess Program Cost Subaccount

- a) A debit entry equal to the incremental O&M and A&G expenses (excluding “exit fee” or “turn off” costs) associated with the Program;
- b) A debit entry equal to the incremental capital-related costs (i.e., depreciation, return and taxes) incurred for activities required to implement and run the Program;
- c) An entry to amortize the EPC Subaccount balance as authorized by the Commission; and
- d) An entry equal to the 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. Disposition

Pursuant to D.14-12-078, SoCalGas shall include a summary of costs incurred and revenues collected associated with providing the Program in its next General Rate Case (GRC). Upon resolution of the GRC proceeding, SoCalGas will amortize the over- or undercollected subaccount balances in the AMOPBA in transportation rates. The AMOPBA balance will be allocated to the residential customer class.

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(TO BE INSERTED BY UTILITY)
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Vice President
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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.

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Table of Contents--Rate Schedules	51890-G,51899-G,51872-G
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(Continued)

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PRELIMINARY STATEMENT (Continued)

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(Continued)

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