

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



Rasha Prince
Director
Regulatory Affairs

555 W. Fifth Street, GT14D6
Los Angeles, CA 90013-1011
Tel: 213.244.2009
Fax: 213.244.3201
rprince@semprautilities.com

February 10, 2015

Advice No. 4756
(U 904 G)

Public Utilities Commission of the State of California

**Subject: 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) establishment of an 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

In compliance with Decision (D.) 14-12-078, this filing establishes the AMOPBA. In addition, since D.14-12-078 authorized SoCalGas to transfer amounts from its Advanced Meter Opt-Out Program Memorandum Account (AMOPMA) originally adopted in D.14-02-019 to the new AMOPBA for recovery, SoCalGas is eliminating the AMOPMA.

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 Finally, D.14-12-078 authorized SoCalGas to transfer the amounts from its AMOPMA originally adopted in D.14-02-019 to the AMOPBA for recovery.

Tariff Revisions

AMOPBA

Pursuant to Ordering Paragraph 23 of D.14-12-078, SoCalGas establishes the AMOPBA to record the amount of revenues collected from opt-out customers as compared to the recorded costs of opt-out service. SoCalGas will exclude from the balancing account all costs in excess of \$4.5 million.

AMOPMA

As described above, this memorandum account is eliminated.

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 March 2, 2015. 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 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 SoCalGas' cap is \$4.5 million.

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 staff approval). SoCalGas respectfully requests that this advice letter be approved effective December 18, 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.

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) #: 4756

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

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.14-12-078

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: 6

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: PS V, PS VI, AMOPBA, AMOPMA TOC General

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

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 51259-G	PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS, DESCRIPTION AND LISTING OF BALANCING ACCOUNTS, Sheet 1	Revised 51130-G
Revised 51260-G	PRELIMINARY STATEMENT - PART VI - MEMORANDUM ACCOUNTS, DESCRIPTION AND LISTING OF MEMORANDUM ACCOUNTS, Sheet 1	Revised 51135-G
Original 51261-G	PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS, ADVANCED METER OPT-OUT PROGRAM BALANCING ACCOUNT, Sheet 1	
Revised 51262-G	TABLE OF CONTENTS	Revised 51234-G
Revised 51263-G	TABLE OF CONTENTS	Revised 51139-G
Revised 51264-G	TABLE OF CONTENTS	Revised 51140-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)
- Advanced Meter Opt-Out Program Balancing Account (AMOPBA)

N

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

ISSUED BY
Lee Schavrien
 Senior Vice President

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Feb 10, 2015
 EFFECTIVE Dec 18, 2014
 RESOLUTION NO. _____

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

N
N
N

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 up to a maximum of \$4.5 million 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 is effective December 18, 2014, the effective date of D.14-12-078.

N

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 at the end of each month, net of applicable FF&U, as follows:

- a) A debit entry equal to the incremental Operating and Maintenance (O&M) and Administrative and General (A&G) expenses 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 AMOPBA 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.

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 balance in the AMOPBA in transportation rates. The AMOPBA balance will be allocated to the residential customer class.

N

(TO BE INSERTED BY UTILITY)
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Senior Vice President

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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)
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)
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)
Energy Data Request Memorandum Account (EDRMA)
Residential Disconnect Memorandum Account (RDMA)
Greenhouse Gas Memorandum Account (GHGMA)

D

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Senior 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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Integrated Transmission Balancing Account (ITBA)	49313-G

(Continued)

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(Continued)

PRELIMINARY STATEMENT (Continued)

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 Aliso Canyon Memorandum Account (ACMA) 49759-G
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