

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



August 3, 2015

**Advice Letter: 4833-G**

Southern California Gas Company  
Attention: Sid Newsom  
555 West Fifth Street, GT14D6  
Los Angeles, CA 90013-1011

**SUBJECT: Establishment of the General Rate Case Memorandum Account 2016**

Dear Mr. Newsom:

Advice Letter 4833-G is effective as of January 1, 2016.

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  
Fax: 213.244.4957  
*RvanderLeeden@semprautilities.com*

July 6, 2015

Advice No. 4833  
(U 904 G)

Public Utilities Commission of the State of California

**Subject: Establishment of the General Rate Case Memorandum Account 2016  
(GRCMA2016)**

Southern California Gas Company (SoCalGas) hereby submits for approval by the California Public Utilities Commission (Commission) revisions to its tariff schedules, applicable throughout its service territory, as shown on Attachment A.

### **Purpose**

This filing revises SoCalGas' Preliminary Statement, Part VI, Description and Listing of Regulatory Memorandum Accounts, and establishes the GRCMA2016. Pursuant to Ordering Paragraph 1 of Decision (D.) 15-05-044, the purpose of the GRCMA2016 is to record the shortfall or overcollection resulting from the difference between (1) the revenue requirement and corresponding rates in effect on January 1, 2016 and (2) the authorized revenue requirement and corresponding rates adopted in SoCalGas' Test Year 2016 GRC.

### **Background**

SoCalGas filed its GRC Application (A.) 14-11-004 on November 14, 2014. The scope of the proceeding is broad, and includes the traditional review of current utility spending and related issues including investment planning, safety and reliability, customer service, and all aspects of utility operations. Recognizing that the schedule of the proceeding precludes its completion in time for rates to be effective on January 1, 2016, SoCalGas and San Diego Gas & Electric Company (SDG&E) filed a Motion on March 13, 2015 to request authority to establish respective memorandum accounts to record

the shortfall or overcollection resulting from the difference between the revenue requirement and corresponding rates currently in effect for utility service and the final revenue requirement and corresponding rates adopted by the Commission, in a Decision for A.14-11-004, which will be retroactive to January 1, 2016. On May 21, 2015, the Commission issued D.15-05-044, granting SoCalGas and SDG&E the authority for each utility to establish the GRCMA2016. The creation of a memorandum account is consistent with the Commission's objectives to leave both SoCalGas' customers and shareholders essentially indifferent to the precise date that a final decision is issued and GRC rates implemented.

### **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 received within 20 days of the date of this Advice Letter, which is July 26, 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  
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 this Advice Letter 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 pursuant to Ordering Paragraph 2 of D.15-05-044. Therefore, SoCalGas respectfully requests that the AL be approved on August 5, 2015, which is 30 days after the date of filing, with the tariff sheets becoming effective for service on and after January 1, 2016.

**Notice**

A copy of this AL is being sent to SoCalGas' GO 96-B service list and the Commission's service list in GRC A.10-12-006. Address change requests to the GO 96-B should be directed by electronic mail to [tariffs@socalgas.com](mailto: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](mailto:process_office@cpuc.ca.gov).

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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) #: 4833

Subject of AL: Establishment of the General Rate Case Memorandum Account 2016 (GRCMA2016)

Keywords (choose from CPUC listing): GRC; 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.15-05-044

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: 1/1/16

No. of tariff sheets: 5

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: None

Service affected and changes proposed<sup>1</sup>: N/A

Pending advice letters that revise the same tariff sheets: N/A

**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 5<sup>th</sup> Street, GT14D6  
Los Angeles, CA 90013-1011  
SNewsom@semprautilities.com  
Tariffs@socalgas.com**

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

ATTACHMENT A  
Advice No. 4833

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 51722-G	PRELIMINARY STATEMENT - PART VI - MEMORANDUM ACCOUNTS, DESCRIPTION AND LISTING OF MEMORANDUM ACCOUNTS, Sheet 1	Revised 51260-G
Original 51723-G	PRELIMINARY STATEMENT - PART VI - MEMORANDUM ACCOUNTS, GENERAL RATE CASE MEMORANDUM ACCOUNT 2016 (GRCMA2016), Sheet 1	
Revised 51724-G Revised 51725-G Revised 51726-G	TABLE OF CONTENTS TABLE OF CONTENTS TABLE OF CONTENTS	Revised 51718-G Revised 51263-G Revised 51527-G

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)
- Energy Data Request Memorandum Account (EDRMA)
- Residential Disconnect Memorandum Account (RDMA)
- Greenhouse Gas Memorandum Account (GHGMA)
- General Rate Case Memorandum Account 2016 (GRCMA2016)

N

(TO BE INSERTED BY UTILITY)  
 ADVICE LETTER NO. 4833  
 DECISION NO. 15-05-044

ISSUED BY  
**Dan Skopec**  
 Vice President  
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)  
 DATE FILED Jul 6, 2015  
 EFFECTIVE Jan 1, 2016  
 RESOLUTION NO. \_\_\_\_\_

PRELIMINARY STATEMENT - PART VI - MEMORANDUM ACCOUNTS  
GENERAL RATE CASE MEMORANDUM ACCOUNT 2016 (GRCMA2016)

Sheet 1

1. Purpose

The GRCMA2016 is an interest bearing memorandum account that is recorded on the Utility's financial statements. Pursuant to Decision (D.) 15-05-044, dated May 21, 2015, the purpose of this account is to record the shortfall or overcollection resulting from the difference between the revenue requirement and corresponding rates in effect on January 1, 2016 for utility service and the final revenue requirement and corresponding rates adopted by the Commission in a decision for Application (A.) 14-11-004. The GRCMA2016 is effective January 1, 2016.

2. Applicability

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

3. Rates

See Disposition Section.

4. Accounting Procedures

Utility shall maintain the GRCMA2016 by making the following entries detailed below.

- a. A debit entry equal to the pro rata allocation of SoCalGas' annual base margin revenue requirement adopted in A.14-11-004 for the period January 1, 2016 until the effective date of rates adopted in a decision for A.14-11-004. This entry will be recorded once the decision is approved.
- b. A credit entry equal to the pro rata allocation of SoCalGas' current annual base margin revenue requirement for each month beginning January 1, 2016 until the effective date of rates adopted in a decision for A.14-11-004. This entry will be recorded once the decision is approved.
- c. An entry equal to the amortization of the GRCMA2016 balance as authorized by the Commission; and
- d. An entry equal to the interest on the average balance in the account during the month, calculated in the manner described in the Preliminary Statement, Part I, J.

5. Disposition

The GRCMA2016 will be amortized in connection with the implementation of GRC rates adopted in a decision for A.14-11-004, SoCalGas' 2016 GRC. The GRCMA2016 balance will be amortized on Equal Percent of Authorized Margin ("EPAM") basis.

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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 .....	51724-G,51725-G,51726-G
Table of Contents--Service Area Maps and Descriptions .....	41970-G
Table of Contents--Rate Schedules .....	51712-G,51713-G,51717-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 .....	51582-G,51388-G
Table of Contents--Sample Forms .....	51497-G,51181-G,49402-G,51720-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 .....	51690-G,51691-G,51692-G,51024-G,51025-G,51693-G 51685-G,46431-G,46432-G,50855-G,51694-G,51695-G,51696-G,51030-G
Part III Cost Allocation and Revenue Requirement .....	51031-G,50447-G,50448-G
Part IV Income Tax Component of Contributions and Advances .....	51095-G,24354-G
Part V Balancing Accounts	
Description and Listing of Balancing Accounts .....	51259-G
Purchased Gas Account (PGA) .....	49671-G,49672-G
Core Fixed Cost Account (CFCA) .....	51352-G,51353-G
Noncore Fixed Cost Account (NFCA) .....	51354-G,51355-G,51356-G
Enhanced Oil Recovery Account (EORA) .....	49712-G
Noncore Storage Balancing Account (NSBA) .....	50450-G,50451-G
California Alternate Rates for Energy Account (CAREA) .....	45882-G,45883-G
Hazardous Substance Cost Recovery Account (HSCRA) .....	40875-G, 40876-G,40877-G
Gas Cost Rewards and Penalties Account (GCRPA) .....	40881-G
Pension Balancing Account (PBA) .....	49309-G,49310-G
Post-Retirement Benefits Other Than Pensions Balancing Account (PBOPBA) .	49311-G,49312-G
Research Development and Demonstration Surcharge Account (RDDGSA).....	40888-G
Demand Side Management Balancing Account (DSMBA).....	45194-G,41153-G
Direct Assistance Program Balancing Account (DAPBA) .....	40890-G
Integrated Transmission Balancing Account (ITBA) .....	49313-G

(Continued)

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TABLE OF CONTENTS

(Continued)

PRELIMINARY STATEMENT (Continued)

Part V Balancing Accounts (Continued)

Compressor Station Fuel and Power Balancing Account (CFPBA) .....	50452-G
Distribution Integrity Management Program Balancing Account (DIMPBA) .....	49314-G
Rewards and Penalties Balancing Account (RPBA) .....	49315-G,49316-G
On-Bill Financing Balancing Account (OBFBA) .....	45195-G
Company Use Fuel for Load Balancing Account (CUFLBA) .....	45279-G
Backbone Transmission Balancing Account (BTBA) .....	50696-G,50697-G,50698-G
Advanced Metering Infrastructure Balancing Account (AMIBA) .....	46058-G,46059-G,46060-G
New Environmental Regulation Balancing Account (NERBA) ) .....	51131-G,51132-G
Transmission Integrity Management Program Balancing Account (TIMPBA) .....	49348-G
Post-2011 Distribution Integrity Management Program Balancing Account (Post-2011 DIMPBA) .....	49349-G
Compression Services Balancing Account (CSBA) .....	48857-G
Biogas Conditioning/Upgrading Services Balancing Account (BCSBA) .....	49864-G
Master Meter Balancing Account (MMBA) .....	50336-G
Safety Enhancement Capital Cost Balancing Account (SECCBA) .....	50524-G
Safety Enhancement Expense Balancing Account (SEEBA) .....	50525-G
Greenhouse Gas Balancing Account (GHGBA) .....	51133-G,51134-G
Advanced Meter Opt-Out Program Balancing Account (AMOPBA).....	51364-G

Part VI Memorandum Accounts

Description and Listing of Memorandum Accounts .....	51722-G
PCB Expense Account (PCBEA) .....	49317-G
Research Development and Demonstration Expense Account (RDDEA).....	49318-G
Curtailed Violation Penalty Account (CVPA) .....	50454-G
Economic Practicality Shortfall Memorandum Account (EPSMA) .....	40896-G
Catastrophic Event Memorandum Account (CEMA) .....	40897-G,40898-G
Vernon Avoided Distribution Cost Memorandum Account (VADCMA) .....	40899-G
Vernon Negotiated Core Contract Memorandum Account (VNCCMA) .....	40901-G
Research Royalty Memorandum Account (RRMA) .....	49319-G
Intervenor Award Memorandum Account (IAMA) .....	40904-G
Z Factor Account (ZFA) .....	40905-G
Self-Generation Program Memorandum Account (SGPMA) .....	41105-G
FERC Settlement Proceeds Memorandum Account (FSPMA) .....	45756-G
Gain/Loss on Sale Memorandum Account (GLOSMA) .....	42133-G
Affiliate Transfer Fee Account (ATFA) .....	40919-G
Firm Access and Storage Rights Memorandum Account (FASRMA) .....	49320-G,49321-G
System Reliability Memorandum Account (SRMA) .....	49673-G

(Continued)

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TABLE OF CONTENTS

(Continued)

PRELIMINARY STATEMENT (Continued)

Part VI Memorandum Accounts (Continued)

Fire Hazard Prevention Memorandum Account (FHPMA) .....	49322-G
Disconnect Memorandum Account (DMA) .....	45738-G
California Solar Initiative Thermal Project Memorandum Account (CSITPMA) .....	45977-G
Honor Rancho Storage Memorandum Account (HRSMA) .....	50455-G,50456-G
Wildfire Expense Memorandum Account (WEMA) .....	46336-G
Natural Gas Appliance Testing Memorandum Account (NGATMA) .....	49323-G
Environmental Fee Memorandum Account (EFMA) .....	49324-G
Energy Savings Assistance Programs Memorandum Account (ESAPMA) .....	48286-G
General Rate Case Memorandum Account (GRCMA) .....	49325-G
Pipeline Safety and Reliability Memorandum Account (PSRMA) .....	50526-G,50527-G
Aliso Canyon Memorandum Account (ACMA) .....	49759-G
Energy Data Request Memorandum Account (EDRMA) .....	50422-G
Residential Disconnect Memorandum Account (RDMA) .....	50532-G
Greenhouse Gas Memorandum Account (GHGMA) .....	51136-G,51137-G
General Rate Case Memorandum Account 2016 (GRCMA2016) .....	51723-G

N

Part VII Tracking Accounts

Description and Listing of Tracking Accounts .....	49865-G
Other Hazardous Substance Tracking Account (OHSTA) .....	40921-G
Vernon Revenue Tracking Account (VRTA) .....	40926-G
Montebello True-Up Tracking Account (MTTA) .....	40927-G
Native Gas Tracking Account (NGTA) .....	42598-G
Compression Services Tracking Account (CSTA) .....	49857-G
Biogas Conditioning/Upgrading Services Tracking Account (BCSTA).....	49866-G
Aliso Canyon True-Up Tracking Account (ACTTA) .....	49761-G,49762-G

Part VIII Gas Cost Incentive Mechanism (GCIM) .....	45890-G,45891-G,42774-G,45892-G 51525-G,42777-G
---	--

Part IX Hazardous Substances Mechanism (HSM) .....	48973-G,26200-G,26201-G
--	-------------------------

Part XI Performance Based Regulation (PBR) .....	49326-G,49327-G,49328-G,49329-G 49330-G,49331-G,51032-G,49333-G,49334-G 49335-G,50458-G,49337-G,49338-G,49339-G,49340-G
--	---

Part XII Gain/Loss On Sale Mechanism .....	42134-G,42135-G,42136-G,42137-G,42138.1-G
--	---

Part XIII Native Gas Program Mechanism (NGPM) .....	42599-G, 42600-G, 42601-G, 42602-G 42603-G, 42604-G, 42605-G
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Part XIV Cost of Capital Mechanism (CCM) .....	49082-G
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