

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



August 10, 2015

**Advice Letter: 4838-G**

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

**SUBJECT: Establishment of the Operational Flow Cost Memorandum Account in  
Compliance with D.15-06-004**

Dear Mr. Newsom:

Advice Letter 4838-G is effective as of June 11, 2015.

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 10, 2015

Advice No. 4838  
(U 904 G)

Public Utilities Commission of the State of California

**Subject: Establishment of the Operational Flow Cost Memorandum Account in Compliance with D.15-06-004**

Southern California Gas Company (SoCalGas) hereby submits revisions to its tariffs, 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 Operational Flow Cost Memorandum Account (OFCMA) in compliance with Ordering Paragraph (OP) 13 of Decision (D.) 15-06-004, *Decision Granting Application of Southern California Gas Company and San Diego Gas & Electric Company for low Operational Flow Order and Emergency Flow Order Requirements*, which states the following:

San Diego Gas & Electric Company and Southern California Gas Company shall file a Tier 2 Advice Letter within 30 days of the effective date of this Decision establishing a memorandum account that records the costs to implement the procedures for the Operational Flow Order and Emergency Flow Order. These costs will be reviewed for reasonableness for recovery in a future General Rate Case (GRC).<sup>1</sup>

**Background**

On June 27, 2014, SoCalGas filed Application (A.) 14-06-021, which requested approval for new low Operational Flow Order (OFO) and Emergency Flow Order (EFO) requirements. D.15-06-004 granted the requested low OFO and EFO

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<sup>1</sup> D.15-06-004, mimeo., at 43-44.

requirements. The new requirements include five low OFO stages and one EFO stage, which, when triggered, would require customers to deliver gas within set tolerances or be assessed noncompliance charges. A low OFO or EFO is triggered when the amount of withdrawal capacity allocated to the storage load balancing function is forecasted to be exhausted. The new low OFO and EFO requirements replace the winter balancing rules and obviate the need for standby procurement service curtailment procedures. In order to implement the new requirements, SoCalGas will need to incur information technology costs to modify its Electronic Bulletin Board (Envoy) and the billing systems.

### **Establishment of the OFCMA**

Pursuant to OP 13 of D.15-06-004, SoCalGas establishes the OFCMA to record costs necessary to implement the procedures for the OFO and EFO. The costs recorded in the OFCMA will be reviewed for reasonableness in a future GRC or other relevant proceeding.

### **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 must be received within 20 days of the date of this AL, which is July 30, 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](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**

Per OP 13 of D.15-06-004, this Advice Letter should be classified as Tier 2 and shall be effective upon approval. SoCalGas respectfully requests that the tariff be made effective June 11, 2015, the effective date of D.15-06-004.

**Notice**

A copy of this Advice Letter is being sent to SoCalGas' GO 96-B service list and the Commission's service list in A.14-06-021. 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) #: 4838

Subject of AL: Establishment of the Operational Flow Cost Memorandum Account in Compliance with D.15-06-004

Keywords (choose from CPUC listing): 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.15-06-004

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: 6/11/15

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: Preliminary Statement, Part VI and TOC's

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. 4838

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 51752-G	PRELIMINARY STATEMENT - PART VI - MEMORANDUM ACCOUNTS, DESCRIPTION AND LISTING OF MEMORANDUM ACCOUNTS, Sheet 1	Revised 51260-G
Original 51753-G	PRELIMINARY STATEMENT - PART VI - MEMORANDUM ACCOUNTS, OPERATIONAL FLOW COST MEMORANDUM ACCOUNT (OFCMA), Sheet 1	
Revised 51754-G Revised 51755-G Revised 51756-G	TABLE OF CONTENTS TABLE OF CONTENTS TABLE OF CONTENTS	Revised 51745-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)
- 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)
- Honor Rancho Cost Recovery Memorandum Account (HRCRMA)
- 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)
- Deductible Tax Repairs Benefits Memorandum Account (DTRBMA)
- Operational Flow Cost Memorandum Account (OFCMA)

N

(TO BE INSERTED BY UTILITY)  
 ADVICE LETTER NO. 4838  
 DECISION NO. 15-06-004

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

(TO BE INSERTED BY CAL. PUC)  
 DATE FILED Jul 10, 2015  
 EFFECTIVE Jun 11, 2015  
 RESOLUTION NO. \_\_\_\_\_

PRELIMINARY STATEMENT - PART VI - MEMORANDUM ACCOUNTS  
OPERATIONAL FLOW COST MEMORANDUM ACCOUNT (OFCMA)

Sheet 1

N  
N

1. Purpose

The OFCMA is an interest-bearing memorandum account recorded on SoCalGas' financial statements. Pursuant to Decision (D.) 15-06-004, the purpose of this account is to record costs related to information system modifications to SoCaGas' Envoy and billing systems to implement the new Low Operational Flow Order (OFO) and Emergency Flow Order (EFO) requirements. The OFCMA is effective June 11, 2015, the date of the decision.

N

2. Applicability

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

3. Rates

See Disposition Section.

4. Accounting Procedures

SoCalGas shall maintain this account by recording entries at the end of each month, net of FF&U, as follows:

- a. A debit entry equal to actual operating and maintenance (O&M) costs and capital-related costs (i.e., depreciation, return, income and property taxes) to enhance SoCalGas' Envoy and billing systems;
- b. An entry to amortize the OFCMA balance as authorized by the Commission; and
- c. An entry equal to interest on the average balance in the subaccount during the month, calculated in the manner described in Preliminary Statement, Part I, J.

5. Disposition

The disposition of this account will be addressed in SoCalGas' next General Rate Case or other applicable proceeding. Pursuant to D.15-06-004, SoCalGas is required to demonstrate the reasonableness of the costs recorded in the OFCMA for recovery in rates. Upon Commission approval, SoCalGas will amortize the OFCMA balance in rates.

N

(TO BE INSERTED BY UTILITY)  
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**Dan Skopec**  
Vice President  
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)  
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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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(Continued)

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(Continued)

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