

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



January 5, 2016

Advice Letter 4895-G

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

**SUBJECT: Modification of the Greenhouse Gas Memorandum Account Pursuant to
D.15-10-032**

Dear Mr. van der Leeden:

Advice Letter 4895-G is approved as of December 23, 2015, with modifications effective as of October 22, 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

November 23, 2015

Advice No. 4895
(U 904 G)

Public Utilities Commission of the State of California

Subject: Modification of the Greenhouse Gas Memorandum Account Pursuant to D.15-10-032

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

Purpose

Per Decision (D.) 15-10-032, this Advice Letter (AL) provides modifications to the Greenhouse Gas Memorandum Account (GHGMA) to provide for the recording of outreach costs related to the California Climate Credit, update the Disposition section, and eliminate the use of subaccounts.

Background

On March 19, 2014, the Commission issued Rulemaking 14-03-003 to address issues related to cost and revenues resulting from the implementation of the California Cap on Greenhouse Gas (GHG) Emissions and Market Based Compliance Mechanisms (Cap-and-Trade program) for natural gas corporations. D.14-12-040 established balancing and memorandum accounts for recording and recovering Cap-and-Trade compliance and administrative costs.

On October 23, 2015, the Commission issued D.15-10-032, which adopted procedures necessary for natural gas corporations to comply with the California Cap-and-Trade program. With respect to administrative costs, D.15-10-032 provides that:

As existing memorandum accounts only allow utilities to track administrative expenses, the utilities are authorized to file a Tier 1 advice letter to update their existing memorandum account preliminary statements to allow the recording of outreach costs in these accounts.¹

D.15-10-032 also clarified that:

At present, all necessary administrative costs to implement the natural gas supplier Cap-and-Trade program should be recovered from GHG allowance proceeds.²

Finally, with respect to disposition of the GHGMA, D.15-10-032 stated that:

Actual administrative costs should be recorded in the authorized GHG memorandum accounts for consideration through the annual natural gas true-up advice letters.³

Modification of Greenhouse Gas Memorandum Account (GHGMA)

Per D.15-10-032, the GHGMA is modified to record outreach expenses related to the California Climate Credit. Further, since D.15-10-032 clarified that all necessary administrative costs should be recovered from GHG allowance proceeds, the three existing subaccounts in the GHGMA are eliminated and the GHGMA will exist as one memorandum account. Also, an accounting entry is added to the GHGMA to allow for the transfer of allowance proceeds from the GHG Balancing Account Consignment Revenues subaccount, as authorized by the Commission. Finally, the Disposition section of the GHGMA is modified to reflect that approval of recorded costs in the GHGMA will take place in the annual regulatory account balance update filing in October. The modified GHGMA is included in Attachment A.

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 December 13, 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.

¹ D.15-10-032 at p. 52.

² D.15-10-032 at p. 15.

³ D.15-10-032 at p. 16.

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

Effective Date

Per D.15-10-032, this filing is subject to Energy Division disposition and is classified as Tier 1 (effective after filing). SoCalGas respectfully requests that this filing be approved on December 23, 2015, which is 30 calendar days from the date filed, with the modifications made effective October 22, 2015, the effective date of D.15-10-032.

Notice

A copy of this AL is being sent to SoCalGas' GO 96-B service list and the Commission's service list for R.14-03-003. 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) #: 4895

Subject of AL: Modification of the Greenhouse Gas Memorandum Account Pursuant to D.15-10-032

Keywords (choose from CPUC listing): Greenhouse Gas

AL filing type: Monthly Quarterly Annual One-Time Other _____

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

D.15-10-032

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: AL 12/23/15, Tariffs 10/22/15 No. of tariff sheets: 3

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 Part VI – Memorandum Accounts – Greenhouse Gas Memorandum Account (GHGMA) and TOC's

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. 4895

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 52054-G	PRELIMINARY STATEMENT - PART VI - MEMORANDUM ACCOUNTS, GREENHOUSE GAS MEMORANDUM ACCOUNT (GHGMA), Sheet 1	Original 51136-G Original 51137-G
Revised 52055-G Revised 52056-G	TABLE OF CONTENTS TABLE OF CONTENTS	Revised 52048-G Revised 51756-G

PRELIMINARY STATEMENT - PART VI - MEMORANDUM ACCOUNTS Sheet 1
GREENHOUSE GAS MEMORANDUM ACCOUNT (GHGMA)

1. Purpose

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. Pursuant to D.15-10-032, the GHGMA also records outreach expenses related to the California Climate Credit, effective October 22, 2015.

2. Applicability

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

3. Rates

See Disposition section below.

4. Accounting Procedures

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

- a) A debit entry to record actual administrative expenses, outreach expenses, and other program support costs associated with SoCalGas' natural gas deliveries to end users, company facilities, and administration of the California Climate Credit Education Campaign;
- b) An annual credit entry to transfer allowance proceeds recorded in the GHG Balancing Account (GHGBA) Consignment Revenues subaccount, as authorized by the Commission; 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. Disposition

In each annual October regulatory account balance update filing, SoCalGas will provide actual recorded costs in the GHGMA to the Commission for approval. Pursuant to D.15-10-032, upon approval of the recorded costs, SoCalGas will transfer allowance proceeds recorded in the GHGBA Consignment Revenues subaccount to the GHGMA to offset the approved recorded costs.

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(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 4895
 DECISION NO. 15-10-032

ISSUED BY
Dan Skopec
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Nov 23, 2015
 EFFECTIVE Oct 22, 2015
 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.

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Table of Contents--Rate Schedules	52032-G,52047-G,52014-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,51747-G
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(Continued)

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T,D

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

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