

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



March 16, 2016

Advice Letter 4922

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

**Subject: Revision to the SECCBA and the SEEBA in Compliance
with D.15-12-020**

Dear Mr. van der Leeden:

Advice Letter 4922 is effective as of March 2, 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

February 1, 2016

Advice No. 4922
(U 904 G)

Public Utilities Commission of the State of California

Subject: Revision to the Safety Enhancement Capital Cost Balancing Account (SECCBA) and the Safety Enhancement Expense Balancing Account (SEEBA) in Compliance with Decision (D.) 15-12-020

Southern California Gas Company (SoCalGas) hereby submits for filing with the California Public Utilities Commission (Commission or CPUC) revisions to its Preliminary Statement Part V, Balancing Accounts, applicable throughout its service territory, as shown in Attachment A.

Purpose

The purpose of this Advice Letter filing is to comply with Decision (D.) 15-12-020, Ordering Paragraph (OP) 2 which states the following:

No later than 45 days after the effective date of this order, Southern California Gas Company and San Diego Gas & Electric Company must file and serve on the Energy Division and all parties a compliance filing, with supporting workpapers, showing that all costs excluded from revenue requirement by Ordering Paragraph 1 have been removed from the Safety Enhancement Capital Cost Balancing Account and the Safety Enhancement Expense Balancing Accounts, and file a Tier 2 Advice Letter that conforms tariff language for such balancing accounts to Ordering Paragraph 1.

Background

On December 17, 2015, the Commission approved in D.15-12-020, among other things, that under the SoCalGas and San Diego Gas & Electric Pipeline Safety Enhancement Plan (PSEP) the utilities' shareholders are responsible for costs of pressure testing pipeline segments installed between 1956 and 1961 where there is no adequate record of a pressure test. Specifically, OP 1 states the following:

Southern California Gas Company and San Diego Gas & Electric Company must exclude from regulated revenue requirement all costs associated with

pressure testing pipeline segments installed between January 1, 1956 and July 1, 1961, where pressure test records are not available that provide the minimum information to demonstrate compliance with the industry or regulatory strength testing and record keeping requirements then applicable; further, where such pipeline segment is replaced rather than pressure tested, the utility must absorb an amount equal to the average cost of pressure testing a similar segment, or where such pipeline segment is abandoned, the utility must absorb the undepreciated plant in service balance.

Revision to SEEBa and SECCBA Preliminary Statements

Pursuant to OP 1 and OP 2 of D.15-12-020, SoCalGas modifies its SEEBa and SECCBA to exclude 1956-1961 costs where pressure tests are not available to demonstrate compliance with the industry or regulatory strength testing and record keeping requirements at the time, as shown in Attachment A.

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 must be received within 20 days of the date of this Advice Letter which is February 21, 2016. 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). 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 should be classified as Tier 2 (effective after staff approval) pursuant to General

Order (GO) 96-B. This filing is consistent with D.15-12-020 and therefore SoCalGas respectfully requests that this filing be approved March 2, 2016, which is thirty (30) calendar days after the date filed.

Notice

A copy of this AL is being sent to SoCalGas' GO 96-B service list and the Commission's service list in A.11-11-002. 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) #: 4922

Subject of AL: Revision to the Safety Enhancement Capital Cost Balancing Account (SECCBA) and the Safety Enhancement Expense Balancing Account (SEEBA)

Keywords (choose from CPUC listing): Balancing Account

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

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

D.15-12-020

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: 3/2/16

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: PS V, Safety Enhancement Capital Cost Balancing Account (SECCBA) and Safety Enhancement Expense Balancing Account (SEEBA), and TOC's

Service affected and changes proposed¹: 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 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. 4922

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 52332-G	PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS, SAFETY ENHANCEMENT CAPITAL COST, BALANCING ACCOUNT (SECCBA), Sheet 1	Original 50524-G
Original 52333-G	PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS, SAFETY ENHANCEMENT CAPITAL COST, BALANCING ACCOUNT (SECCBA), Sheet 2	Original 50524-G
Revised 52334-G	PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS, SAFETY ENHANCEMENT EXPENSE BALANCING ACCOUNT (SEEBBA)	Original 50525-G
Revised 52335-G Revised 52335.1-G	TABLE OF CONTENTS TABLE OF CONTENTS	Revised 52331-G Revised 51896-G

PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS
SAFETY ENHANCEMENT CAPITAL COST
BALANCING ACCOUNT (SECCBA)

Sheet 1

1. Purpose

The SECCBA is an interest bearing balancing account recorded on SoCalGas' financial statements. Pursuant to Decision (D.) 14-06-007, SoCalGas' 2013 Triennial Cost Allocation Proceeding (TCAP), and modified by D.15-12-020, the SECCBA will record the capital-related costs on capital assets associated with SoCalGas' Pipeline Safety Enhancement Plan (PSEP). SoCalGas will begin recording costs effective June 12, 2014, the date of the 2013 TCAP decision.

2. Applicability

See Disposition section.

3. Rates

The balance in the SECCBA will be included in gas rates upon Commission approval.

4. Accounting Procedures

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

- a) A debit entry equal to the capital-related costs (depreciation, return, and income and property taxes) related to SoCalGas' PSEP; the basis of the capital asset will be reduced in accordance with D.14-06-007 and D.15-12-020 by the system average cost of actual pressure testing when replacement of the pipeline installed after 1955 is planned rather than testing existing pipelines "where pressure test records are not available that provide the minimum information to demonstrate compliance with the industry or regulatory strength testing and record keeping requirements then applicable" (See D.15-12-020, at 24; Ordering Paragraph 1);
- b) A credit entry for the revenue requirement associated with the remaining undepreciated book value of any post-1955 pipeline that is abandoned and replaced "where pressure test records are not available that provide the minimum information to demonstrate compliance with the industry or regulatory strength testing and record keeping requirements then applicable" (See D.15-12-020, at 24; Ordering Paragraph 1);
- c) An entry equal to the amortization of the SECCBA balance as authorized by the Commission; and
- d) 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.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 4922
 DECISION NO. 15-12-020

ISSUED BY
Dan Skopec
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 SUBMITTED Feb 1, 2016
 EFFECTIVE Mar 2, 2016
 RESOLUTION NO. _____

T
T
T
T
T
T
L

PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS
SAFETY ENHANCEMENT CAPITAL COST
BALANCING ACCOUNT (SECCBA)

Sheet 2

(Continued)

5. Disposition

Pursuant to D.14-06-007, SoCalGas is required to file cost recovery applications to review the reasonableness of the completed PSEP capital projects and the capital-related costs recorded in the SECCBA. SoCalGas may file annual applications after December 31, 2015 to seek recovery of the SECCBA. Upon Commission approval of the application, SoCalGas will amortize the SECCBA balance in rates.

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 4922
DECISION NO. 15-12-020

2H9

ISSUED BY

Dan Skopec
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Feb 1, 2016
EFFECTIVE Mar 2, 2016

RESOLUTION NO. _____

T
L
L

PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS
SAFETY ENHANCEMENT EXPENSE BALANCING ACCOUNT (SEEBA)

1. Purpose

The SEEBA is an interest bearing balancing account recorded on SoCalGas' financial statements. Pursuant to Decision (D.) 14-06-007, SoCalGas' 2013 Triennial Cost Allocation Proceeding (TCAP), and modified by D.15-12-020, the SEEBA will record incremental operating & maintenance (O&M) costs associated with SoCalGas' Pipeline Safety Enhancement Plan (PSEP). SoCalGas will begin recording costs effective June 12, 2014, the date of the 2013 TCAP decision.

2. Applicability

See Disposition section.

3. Rates

The balance in the SEEBA will be included in gas rates upon Commission approval.

4. Accounting Procedures

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

- a) A debit entry equal to the incremental O&M costs related to SoCalGas' PSEP excluding the cost for pressure testing of pipeline segments installed after 1955 "where pressure test records are not available that provide the minimum information to demonstrate compliance with the industry or regulatory strength testing and record keeping requirements then applicable" (See D.15-12-020, at 24; Ordering Paragraph 1);
- b) An entry equal to the amortization of the SEEBA balance 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

Pursuant to D.14-06-007, SoCalGas is required to file cost recovery applications to review the reasonableness of the PSEP O&M costs recorded in the SEEBA. SoCalGas may file annual applications after December 31, 2015 to seek recovery of the SEEBA. Upon Commission approval of the application, SoCalGas will amortize the SEEBA balance in rates.

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 4922
DECISION NO. 15-12-020

ISSUED BY
Dan Skopec
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED Feb 1, 2016
EFFECTIVE Mar 2, 2016
RESOLUTION NO. _____

T
|
|
|
T

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	52335-G,52335.1-G,52218-G
Table of Contents--Service Area Maps and Descriptions	41970-G
Table of Contents--Rate Schedules	52329-G,52330-G,52252-G
Table of Contents--List of Cities and Communities Served	51971-G
Table of Contents--List of Contracts and Deviations	51971-G
Table of Contents--Rules	51681-G,52143-G
Table of Contents--Sample Forms	51497-G,52178-G,51537-G,51750-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	52307-G,52308-G,52309-G,52183-G,52184-G,52310-G 52302-G,46431-G,46432-G,52164-G,52311-G,52312-G,52313-G,52189-G
Part III Cost Allocation and Revenue Requirement	52190-G,50447-G,50448-G
Part IV Income Tax Component of Contributions and Advances	52273-G,24354-G
Part V Balancing Accounts	
Description and Listing of Balancing Accounts	51893-G
Purchased Gas Account (PGA)	51641-G,49672-G
Core Fixed Cost Account (CFCA)	51352-G,51353-G
Noncore Fixed Cost Account (NFCA)	51354-G,51642-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)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 4922
 DECISION NO. 15-12-020

ISSUED BY
Dan Skopec
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Feb 1, 2016
 EFFECTIVE Mar 2, 2016
 RESOLUTION NO. _____

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)	52332-G, 52333-G
Safety Enhancement Expense Balancing Account (SEEBA)	52334-G
Greenhouse Gas Balancing Account (GHGBA)	51133-G,51134-G
Advanced Meter Opt-Out Program Balancing Account (AMOPBA).....	51904-G,51905-G
Low-Carbon Fuel Standard Balancing Account (LCFSBA)	51364-G
Biomethane Cost Incentive Program Balancing Account (BCIPBA)	51894-G

T
T

Part VI Memorandum Accounts

Description and Listing of Memorandum Accounts	52428-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)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 4922
 DECISION NO. 15-12-020

ISSUED BY
Dan Skopec
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Feb 1, 2016
 EFFECTIVE Mar 2, 2016
 RESOLUTION NO. _____