

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



October 6, 2016

Advice Letter: 5019-G

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

SUBJECT: Modification of SoCalGas' Core Fixed Cost Account (CFCA) in Accordance with Decision (D.) 16-06-046

Dear Mr. Newsom:

Advice Letter 5019-G is effective as of September 30, 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

August 31, 2016

Advice No. 5019
(U 904 G)

Public Utilities Commission of the State of California

Subject: Modification of SoCalGas' Core Fixed Cost Account (CFCA) in Accordance with Decision (D.) 16-06-046

Southern California Gas Company (SoCalGas) hereby requests California Public Utilities Commission (Commission) approval of modifications to its tariff schedules, applicable throughout its service territory, as shown on Attachment A.

Purpose

This advice filing modifies SoCalGas' existing Core Fixed Cost Account (CFCA), Preliminary Statement V-Balancing Accounts, to record the net savings associated with SoCalGas' branch office closures consistent with D.16-06-046.

Background

On June 27, 2016, the Commission issued D.16-06-046 which granted, in part, and denied in part, SoCalGas' request for permission to close six branch offices. D.16-06-046 approved the closure of the Bellflower, Monrovia, and Santa Monica branch offices. Additionally, D.16-06-046 granted SoCalGas request to close the Palm Springs branch office following successful implementation of a process for identification verification consistent with the Fair & Accurate Credit Transaction Act requirements. Furthermore, D.16-06-046 approved SoCalGas' proposal to track and record the ongoing Operation and Maintenance savings after each branch office closure and the costs to achieve such closure, and credit the net savings to SoCalGas' CFCA.¹

¹ D.16-06-046 at p.48.

Requested Tariff Changes

In accordance with Ordering Paragraph (OP) 4 of D.16-06-046, SoCalGas is modifying its CFCA to record the net savings associated with the branch office closures. The net savings will be credited to the CFCA for refunding to customers in connection with SoCalGas' annual regulatory account balance update filings for rates effective January 1 of the following year. SoCalGas will continue to adjust its CFCA until the net savings resulting from the branch office closures are incorporated in SoCalGas' next General Rate Case filing.

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 Advice Letter, which is September 20, 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
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

Effective Date

This filing is subject to Energy Division disposition and is classified as Tier 2 (effective after staff approval) pursuant to General Order (GO) 96-B. Therefore, SoCalGas respectfully requests that this Advice Letter be approved September 30, 2016, which is thirty (30) calendar days after the date filed.

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.13-09-010. 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) #: 5019

Subject of AL: Modification of SoCalGas' Core Fixed Cost Account (CFCA) in Accordance with

Decision (D.) 16-06-046

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.16-06-046

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: 9/30/16

No. of tariff sheets: 0

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: N/A

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

mas@cpuc.ca.gov and jnj@cpuc.ca.gov

Southern California Gas Company

Attention: Sid Newsom

555 West 5th Street, GT14D6

Los Angeles, CA 90013-1011

SNewsom@semprautilities.com

¹ Discuss in AL if more space is needed.

ATTACHMENT A
Advice No. 5019

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 53073-G	PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS, CORE FIXED COST ACCOUNT (CFCA), Sheet 1	Revised 51352-G
Revised 53074-G	PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS, CORE FIXED COST ACCOUNT (CFCA), Sheet 2	Revised 52666-G
Revised 53075-G	PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS, CORE FIXED COST ACCOUNT (CFCA), Sheet 3	Original 52667-G
Revised 53076-G	TABLE OF CONTENTS	Revised 53072-G

PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS
CORE FIXED COST ACCOUNT (CFCA)

Sheet 1

1. Purpose

The CFCA is an interest bearing balancing account recorded on SoCalGas' financial statements. The purpose of this account is to balance the difference between the authorized margin, (excluding the transmission revenue requirements and Backbone Transportation Service (BTS) revenue requirement) and other non-gas costs as detailed below, including funding of SoCalGas' Gas Assistance Fund (GAF) program pursuant to Advice No. 4168, and storage costs associated with the allocation of storage adopted in D.08-12-020 that are not currently reflected in current rates, allocated to the core market with revenues intended to recover these costs. Pursuant to Advice No. 3963, SoCalGas establishes a separate subaccount in the CFCA to track authorized funding by the CPUC and related funds actually used in providing eligible customers with assistance in paying their bills in connection with SoCalGas' Gas Assistance Fund (GAF) program.

In accordance with Advice No. 4177-A, filed pursuant to D.07-08-029, D.10-09-001, and Resolution G-3489, the CFCA will be credited for the core's allocation of the System Modification Fee (SMF) charged to California Producers to offset the system modification costs which have been incorporated in base rates in connection with SoCalGas' 2012 General Rate Case (GRC).

In accordance with Advice No. 4772 filed pursuant to D.13-05-010, the CFCA will be debited for the core's allocation of the revenue requirement adjustments to comply with the normalization requirements of Internal Revenue Code Section 168(i)(9), as interpreted by the Internal Revenue Service in Private Letter Ruling (PLR) 136851-14. These revenue requirement adjustments are associated with SoCalGas' net operating loss carry-forward amounts that should have been used to reduce SoCalGas' accumulated deferred income tax liability balance in determining SoCalGas' authorized rate base in connection with SoCalGas' 2012 GRC.

Pursuant to D.16-06-046, the CFCA will record the net savings associated with the closure of four SoCalGas branch offices. SoCalGas will continue to adjust the CFCA until the net savings resulting from the branch office closures are incorporated in SoCalGas' GRC.

2. Applicability

The CFCA shall apply to all core gas customers.

3. Rates

The projected year-end CFCA balance will be applied to core gas transportation rates.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 5019
 DECISION NO. D.16-06-046

ISSUED BY
Dan Skopec
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Aug 31, 2016
 EFFECTIVE Sep 30, 2016
 RESOLUTION NO. _____

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PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS
CORE FIXED COST ACCOUNT (CFCA)

Sheet 3

(Continued)

4. Accounting Procedures (Continued)

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

- a. A debit entry equal to actual funds provided to customers for paying their gas bills;
- b. A credit entry equal to funds to be used in providing customers with assistance in paying their gas bills; 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

In each annual October regulatory account balance update filing, SoCalGas will amortize the projected year-end CFCA balance effective January 1 of the following year. The projected year-end balance will be allocated on an Equal Cents Per Therm (ECPT) basis.

For the GAF subaccount, the disposition of any unspent funds will be addressed in SoCalGas' next annual regulatory account update filing or other appropriate filing.

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 5019
DECISION NO. D.16-06-046

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ISSUED BY

Dan Skopec
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Aug 31, 2016
EFFECTIVE Sep 30, 2016

RESOLUTION NO. _____

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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)

(TO BE INSERTED BY UTILITY)
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 DECISION NO. D.16-06-046

ISSUED BY
Dan Skopec
 Vice President
 Regulatory Affairs

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