

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



June 13, 2017

**Advice Letter 5100-G**

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

**SUBJECT: Establish Avoided Cost Calculator Update Memorandum Account  
(ACCUMA)**

Dear Mr. van der Leeden:

Advice Letter 5100-G is effective as of June 15, 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](mailto:RvanderLeeden@semprautilities.com)

March 2, 2017

Advice No. 5100  
(U 904 G)

Public Utilities Commission of the State of California

**Subject: Establish Avoided Cost Calculator Update Memorandum Account (ACCUMA)**

**Purpose**

Pursuant to Ordering Paragraph (OP) 8 of Decision (D.) 16-06-007, Southern California Gas Company (SoCalGas) submits this Advice Letter (AL) to establish the Avoided Cost Calculator Update Memorandum Account (ACCUMA) to track and record SoCalGas' portion of costs for ongoing updates to the Avoided Cost Calculator, as shown on Attachment A.

**Background**

On June 15, 2016, the California Public Utilities Commission (Commission) issued D.16-06-007, *Decision to Update Portions of Commission's Current Cost-Effectiveness Framework*. In the decision, the Commission authorized the Executive Director to hire contractors to perform annual updates to the calculator and provide technical assistance or research for the purpose of advancing future refinement of cost-effective methods in the Integrated Distributed Energy Resources (IDER) proceeding in Rulemaking (R.) 14-10-003. The Commission approved \$500,000 annually, for three years beginning in Fiscal Year 2016-17, in reimbursable funds for the Avoided Cost Calculator update process and ongoing technical assistance to support future phases of cost-effectiveness work in this proceeding.<sup>1</sup> Additionally, the Commission approved funding up to \$100,000 annually in reimbursable funds thereafter.

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<sup>1</sup> OP 8, pg. 27.

Unspent funds from the calculator update may be used to supplement technical assistance funds, and vice versa, within an annual cap of \$500,000 for the first three years. Beginning in Fiscal Year 2019-20, the authorization will be \$100,000 per year on a going forward basis until or unless the IDER<sup>2</sup> proceeding or a successor proceeding determines that updates to the Avoided Cost Calculator are no longer needed.

This funding will be reimbursed by the participating utilities based on their portion of the current energy efficiency allocation, as determined in R.13-11-005 (or its successor), and shown in the table below for the present day. This allocation may be updated in the future, if needed, should the allocations change.

<b>TABLE 3 Utility</b>	<b>Allocation</b>
Pacific Gas and Electric Company	0.4325
San Diego Gas and Electric Company	0.1088
Southern California Edison	0.3656
Southern California Gas Company	0.0931

### **Tariff Revisions**

Pursuant to OP 8 of D.16-06-007, SoCalGas is requesting Commission authority to establish the Avoided Cost Calculator Update Memorandum Account (ACCUMA), Preliminary Statement Part VI, to record and track reimbursements to the Commission or the Commission's contracts for SoCalGas' portion of costs related to updating the Avoided Cost Calculator and providing technical assistance or research for the purpose of advancing future refinement of cost-effective methods.

The filing would not increase any current rate or charge, cause the withdrawal of service, or conflict with any rate schedule or rule.

### **Protests**

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 received within 20 days of the date of this AL, which is March 22, 2017. There is no restriction on who may file a protest. The address for mailing or delivering a protest to the Commission is:

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<sup>2</sup> R.14-10-003.

CPUC Energy Division  
Attention: Tariff Unit  
505 Van Ness Avenue,  
San Francisco, CA 94102

Copies of the protest should be sent via e-mail to 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 addresses shown below on the same date it is mailed or delivered to the Commission.

Attn: Ray B. Ortiz  
Tariff Manager - GT14D6  
555 West Fifth Street  
Los Angeles, CA 90013-1011  
Facsimile No.: (213) 244-4957  
E-mail: [ROrtiz@semprautilities.com](mailto:ROrtiz@semprautilities.com)

Attn: Kendra Talley  
Regulatory Case Manager - GT14D6  
555 West Fifth Street  
Los Angeles, CA 90013-1011  
Facsimile No.: (213) 244-3214  
E-mail: [KTalley@semprautilities.com](mailto:KTalley@semprautilities.com)

### **Effective Date**

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.16-06-007. Therefore, SoCalGas respectfully requests that this AL be approved on April 1, 2017, which is 30 calendar days from the date filed.

### **Notice**

A copy of this AL is being sent to SoCalGas' GO 96-B and the Commissions service list in R.14-10-003. 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

# 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: Ray B. Ortiz

Phone #: (213) 244-3837

E-mail: [ROrtiz@semprautilities.com](mailto:ROrtiz@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) #: 5100

Subject of AL: Establish Avoided Cost Calculator Update Memorandum Account (ACCUMA)

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.16-06-007

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: 4/1/17

No. of tariff sheets: 6

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: Part VI Memorandum Accounts – Avoided Cost Calculator Update Memorandum Account (ACCUMA) and TOCs.

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: Ray B. Ortiz  
555 West 5<sup>th</sup> Street, GT14D6  
Los Angeles, CA 90013-1011  
[ROrtiz@semprautilities.com](mailto:ROrtiz@semprautilities.com)  
[Tariffs@socalgas.com](mailto:Tariffs@socalgas.com)

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

ATTACHMENT A  
Advice No. 5100

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 53780-G	PRELIMINARY STATEMENT - PART VI - MEMORANDUM ACCOUNTS, DESCRIPTION AND LISTING OF MEMORANDUM ACCOUNTS, Sheet 2	Revised 53439-G
Original 53781-G	PRELIMINARY STATEMENT - PART VI - MEMORANDUM ACCOUNTS, AVOIDED COST CALCULATOR UPDATE MEMORANDUM ACCOUNT (ACCUMA), Sheet 1	
Original 53782-G	PRELIMINARY STATEMENT - PART VI - MEMORANDUM ACCOUNTS, AVOIDED COST CALCULATOR UPDATE MEMORANDUM ACCOUNT (ACCUMA), Sheet 2	
Revised 53783-G	TABLE OF CONTENTS	Revised 53779-G
Revised 53784-G	TABLE OF CONTENTS	Revised 53477-G
Revised 53785-G	TABLE OF CONTENTS	Revised 53478-G

PRELIMINARY STATEMENT - PART VI - MEMORANDUM ACCOUNTS  
DESCRIPTION AND LISTING OF MEMORANDUM ACCOUNTS

Sheet 2

(Continued)

B. LISTING OF MEMORANDUM ACCOUNTS (Continued)

Pipeline Safety Enhancement Plan – Phase 2 Memorandum Account (PSEP-P2MA)  
Tax Memorandum Account (TMA)  
Officer Compensation Memorandum Account (OCMA)  
Winter Demand Response Memorandum Account (WDRMA)  
System Operator Gas Account (SOGA)  
Avoided Cost Calculator Update Memorandum Account (ACCUMA)  
Injection Enhancement Cost Memorandum Account (IECMA)

N

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 5100  
DECISION NO. 16-06-007

2H10

ISSUED BY

**Dan Skopec**  
Vice President  
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Mar 2, 2017  
EFFECTIVE Jun 15, 2017  
RESOLUTION NO. \_\_\_\_\_

**PRELIMINARY STATEMENT - PART VI - MEMORANDUM ACCOUNTS** Sheet 1  
**AVOIDED COST CALCULATOR UPDATE MEMORANDUM ACCOUNT (ACCUMA)**

1. Purpose

The ACCUMA is an interest bearing memorandum account that is recorded on the Utility's financial statements. Per Decision (D.) 16-06-007, Order Instituting Rulemaking to Create a Consistent Regulatory Framework for the Guidance, Planning, and Evaluation of Integrated Distributed Resources, the ACCUMA tracks the costs allocated to the utilities for contractors hired by the Commission to perform annual Avoided Cost Calculator updates and to provide technical assistance or research for the purpose of advancing future refinement of cost-effective methods. Costs allocated to the utilities shall not exceed a total annual amount of \$500,000 annually for three years beginning Fiscal Year 2016-2017, and \$100,000 annually thereafter. Costs are allocated to the utilities in proportion to the current allocation as determined in the energy efficiency proceeding, R.13-11-005 (or its successor), or as shown in the following table for present-day allocations:

<b>TABLE 3</b>	
<b>Utility</b>	<b>Allocation</b>
Pacific Gas and Electric Company	0.4325
San Diego Gas and Electric Company	0.1088
Southern California Edison	0.3656
Southern California Gas Company	0.0931

2. Applicability

The ACCUMA is effective June 15, 2015 and shall apply to gas customers except for those specifically excluded by the Commission.

3. Rates

See Disposition Section. The balance in the ACCUMA will be included in gas transportation rates upon Commission approval.

4. Accounting Procedure

The Utility shall maintain the ACCUMA by making entries at the end of each month as follows:

- a. A debit entry equal to payments made to the Commission for SoCalGas' allocation of Avoided Cost Calculator updates and other technical and research costs associated with advancing future refinement of cost-effective methods;
- b. An entry to amortize the ACCUMA 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.

(Continued)

(TO BE INSERTED BY UTILITY)  
ADVICE LETTER NO. 5100  
DECISION NO. 16-06-007

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Vice President  
Regulatory Affairs

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N  
N

N

N



PRELIMINARY STATEMENT - PART VI - MEMORANDUM ACCOUNTS Sheet 2  
AVOIDED COST CALCULATOR UPDATE MEMORANDUM ACCOUNT (ACCUMA)

(Continued)

5. Disposition

The ACCUMA balance shall be addressed in SoCalGas' next General Rate Case (GRC) proceeding or other applicable proceeding designated by the Commission.

N  
N  
  
N  
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N

(TO BE INSERTED BY UTILITY)

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Regulatory Affairs

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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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Part III Cost Allocation and Revenue Requirement .....	53582-G,50447-G,53583-G
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(Continued)

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PRELIMINARY STATEMENT (Continued)

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