

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



July 11, 2017

**Advice Letter 5140-G**

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

**SUBJECT: Expedited AL Requesting to Establish the Injection Enhancement Cost Memorandum Acct Pursuant to the 5/8/17 "SoCalGas Summer Reliability & Storage Inventories" Letter from CPUC Executive Dir T. Sullivan**

Dear Mr. van der Leeden:

Advice Letter 5140-G is effective as of May 8, 2017.

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)

May 19, 2017

Advice No. 5140  
(U 904 G)

Public Utilities Commission of the State of California

**Subject: Expedited Advice Letter Requesting to Establish the Injection Enhancement Cost Memorandum Account (IECMA) Pursuant to the May 8, 2017 “SoCalGas Summer Reliability and Storage Inventories” Letter from CPUC Executive Director Timothy Sullivan**

Southern California Gas Company (SoCalGas) hereby submits for approval by the California Public Utilities Commission (Commission or CPUC) proposed revisions to its Preliminary Statement, Part VI., Memorandum Accounts, applicable throughout its service territory, as shown in Attachment A.

### **Purpose**

This filing revises SoCalGas’ Preliminary Statement, Part VI., Memorandum Accounts, and establishes the Injection Enhancement Cost Memorandum Account (IECMA), pursuant to the directive contained in the May 8, 2017 letter from Timothy Sullivan, Executive Director of the CPUC (Executive Director), to Bret Lane, President and Chief Operating Officer of SoCalGas. In that letter, Executive Director Sullivan directs SoCalGas’ Gas Acquisition Department to purchase natural gas to support system reliability. The purpose of the IECMA is to track all incremental costs resulting from that directive.

### **Background**

On May 8, 2017, the Executive Director sent a letter to Bret Lane, President and Chief Operating Officer of SoCalGas, under the Subject “SoCalGas Summer Reliability and Storage Inventories.” The letter notes that “[a]dequate natural gas inventory levels are necessary in order to maintain reliable delivery to customers during peak demand periods for both core and non-core customers” and that “[w]ith the continued unavailability of Aliso Canyon, overall storage inventory remaining in the available storage fields is substantially lower than historical figures. . . .” To support energy reliability for Southern California, the May 8 Letter directs SoCalGas to “take immediate actions to increase storage injection at

the remaining available storage facilities” and “to immediately begin maximizing storage injections using the procurement capabilities of the SoCalGas Acquisition Department to support SoCalGas' storage requirement for system reliability.” (System Reliability Directive). In addition to directing SoCalGas to file a Tier 2 Advice Letter (AL) proposing an Injection Enhancement Plan, the System Reliability Directive authorized SoCalGas to file a separate AL seeking the establishment of a memorandum account to track incremental costs resulting from the Injection Enhancement Plan.<sup>1</sup>

### **Establishment of the IECMA**

Pursuant to the System Reliability Directive, SoCalGas proposes to establish the IECMA to track all incremental costs resulting from the Injection Enhancement Plan presented in AL 5139. The proposed Preliminary Statement is included as Attachment A. Pursuant to the System Reliability Directive, SoCalGas has requested expedited treatment of this advice filing.<sup>2</sup>

### **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. Pursuant to the System Reliability Directive, SoCalGas respectfully requests that the protest must be made in writing and received by May 26, 2017, which is five business days after the date this Expedited AL was filed with the Commission. SoCalGas will submit its response by June 1, which is three business days after the recommended due date for the submission protests and responses. 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](mailto:EDTariffUnit@cpuc.ca.gov)). A copy of the protest shall 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.

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<sup>1</sup> The Injection Enhancement Plan is the subject of a separate advice filing, Advice No. 5139.

<sup>2</sup> While the System Reliability Directive specifically noted that SoCalGas may request “expedited treatment by proposing a shortened protest period and time to reply to the protest” with respect to the Injection Enhancement Plan, this advice filing should also receive expedited treatment so that costs can be recorded in the IECMA commensurate with the approval of the Injection Enhancement Plan.

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)

**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. SoCalGas respectfully requests that this filing be approved and made effective May 8, 2017, which is the date of the System Reliability Directive.

**Notice**

A copy of this AL is being sent to SoCalGas' GO 96-B service list and the Commission's service lists for I.17-02-002, I.17-03-002, and A.15-07-014. Address change requests to the GO 96-B should be directed by electronic mail to [tariffs@socalgas.com](mailto:tariffs@socalgas.com) or call 213-244-2837. 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: 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) #: 5140

Subject of AL: Expedited Advice Letter Requesting to Establish the Injection Enhancement Cost

Memorandum Account (IECMA) Pursuant to the May 8, 2017 "SoCalGas Summer Reliability and Storage Inventories" Letter from CPUC Executive Director Timothy Sullivan

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 #:

N/A

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: 5/8/17

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 - Memorandum Accounts - Injection Enhancement Cost Memorandum Account (IECMA) 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. 5140

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 54003-G	PRELIMINARY STATEMENT - PART VI - MEMORANDUM ACCOUNTS, DESCRIPTION AND LISTING OF MEMORANDUM ACCOUNTS, Sheet 2	Revised 53439-G
Original 54004-G	PRELIMINARY STATEMENT - PART VI - MEMORANDUM ACCOUNTS, INJECTION ENHANCEMENT COST MEMORANDUM ACCOUNT (IECMA), Sheet 1	
Revised 54005-G Revised 54006-G Revised 54007-G	TABLE OF CONTENTS TABLE OF CONTENTS TABLE OF CONTENTS	Revised 53996-G Revised 53844-G 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)  
Injection Enhancement Cost Memorandum Account (IECMA)

N

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 5140  
DECISION NO.

2H7

ISSUED BY

**Dan Skopec**  
Vice President  
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED May 19, 2017  
EFFECTIVE May 8, 2017  
RESOLUTION NO. \_\_\_\_\_

PRELIMINARY STATEMENT - PART VI - MEMORANDUM ACCOUNTS  
INJECTION ENHANCEMENT COST MEMORANDUM ACCOUNT (IECMA)

Sheet 1

1. Purpose

The IECMA is an interest-bearing memorandum account recorded on SoCalGas' financial statements. Pursuant to the May 8, 2017 "SoCalGas Summer Reliability and Storage Inventories" Letter from California Public Utilities (CPUC) Executive Director Timothy Sullivan, SoCalGas establishes the IECMA to record all incremental costs associated with the Injection Enhancement Plan and Injection Enhancement Memorandum between SoCalGas' System Operator and SoCalGas' Gas Acquisition Department, as outlined in Advice No. 5139. The IECMA is effective May 8, 2017.

2. Applicability

This account 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 all incremental costs to support SoCalGas' storage requirements for system reliability associated with the Injection Enhancement Plan;
- b. An entry to amortize the IECMA 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 the IECMA balance will be addressed in SoCalGas' next General Rate Case or other future proceeding.

(Continued)

(TO BE INSERTED BY UTILITY)  
ADVICE LETTER NO. 5140  
DECISION NO.

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**Dan Skopec**  
Vice President  
Regulatory Affairs

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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.

<u>GENERAL</u>	<u>Cal. P.U.C. Sheet No.</u>
Title Page .....	40864-G
Table of Contents--General and Preliminary Statement .....	54005-G,54006-G,54007-G,53612-G
Table of Contents--Service Area Maps and Descriptions .....	53356-G
Table of Contents--Rate Schedules .....	53994-G,53995-G,53962-G
Table of Contents--List of Cities and Communities Served .....	52484-G
Table of Contents--List of Contracts and Deviations .....	52484-G
Table of Contents--Rules .....	53534-G,53842-G
Table of Contents--Sample Forms .....	52558-G,53707-G,51537-G,53794-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 .....	53978-G,53979-G,53980-G,53575-G,53576-G,53981-G 53913-G,46431-G,46432-G,53561-G,53922-G,53923-G,53924-G,53581-G
Part III Cost Allocation and Revenue Requirement .....	53582-G,50447-G,53583-G
Part IV Income Tax Component of Contributions and Advances .....	52273-G,24354-G
Part V Balancing Accounts	
Description and Listing of Balancing Accounts .....	52939-G
Purchased Gas Account (PGA) .....	52769-G,53254-G
Core Fixed Cost Account (CFCA) .....	53433-G,53434-G,53834-G,53436-G
Noncore Fixed Cost Account (NFCA) .....	53255-G,53835-G,53836-G
Enhanced Oil Recovery Account (EORA) .....	49712-G
Noncore Storage Balancing Account (NSBA) .....	52886-G,52887-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) .....	52940-G,52941-G
Post-Retirement Benefits Other Than Pensions Balancing Account (PBOPBA) .	52942-G,52943-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) .....	52583-G,52584-G
Integrated Transmission Balancing Account (ITBA) .....	49313-G

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TABLE OF CONTENTS

(Continued)

PRELIMINARY STATEMENT (Continued)

Part V Balancing Accounts (Continued)

Compressor Station Fuel and Power Balancing Account (CFPBA) ..... 52944-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) .....53837-G,53438-G,  
 Advanced Metering Infrastructure Balancing Account (AMIBA) .....46058-G,46059-G,46060-G  
 New Environmental Regulation Balancing Account (NERBA) ) ..... 52945-G,52946-G,52947-G  
 Transmission Integrity Management Program Balancing Account (TIMPBA) ..... 52948-G  
 Post-2011 Distribution Integrity Management Program  
     Balancing Account (Post-2011 DIMPBA) ..... 52949-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, 53087-G  
 Safety Enhancement Expense Balancing Account (SEEBA) ..... 53088-G  
 Greenhouse Gas Balancing Account (GHGBA) .....52049-G,52950-G,52051-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) .....53709-G,53710-G  
 Storage Integrity Management Program Balancing Account (SIMPBA).....52951-G

Part VI Memorandum Accounts

Description and Listing of Memorandum Accounts ..... 53089-G,54003-G  
 PCB Expense Account (PCBEA) ..... 49317-G  
 Research Development and Demonstration Expense Account (RDDEA) ..... 52952-G,52953-G  
 Curtailment Violation Penalty Account (CVPA) ..... 53440-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) ..... 52954-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

(Continued)

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TABLE OF CONTENTS

(Continued)

PRELIMINARY STATEMENT (Continued)

Part VI Memorandum Accounts (Continued)

System Reliability Memorandum Account (SRMA) .....	52771-G
Fire Hazard Prevention Memorandum Account (FHPMA) .....	49322-G
California Solar Initiative Thermal Project Memorandum Account (CSITPMA) .....	45977-G
Honor Rancho Storage Memorandum Account (HRSMA) .....	52889-G,52890-G
Wildfire Expense Memorandum Account (WEMA) .....	46336-G
Honor Rancho Cost Recovery Memorandum Account (HRCRMA) .....	47613-G
Natural Gas Appliance Testing Memorandum Account (NGATMA) .....	52955-G
Environmental Fee Memorandum Account (EFMA) .....	49324-G
Energy Savings Assistance Programs Memorandum Account (ESAPMA) .....	52735-G
General Rate Case Memorandum Account (GRCMA) .....	49325-G
Pipeline Safety and Reliability Memorandum Account (PSRMA) .....	50526-G,53090-G
Aliso Canyon Memorandum Account (ACMA) .....	49759-G
Energy Data Request Memorandum Account (EDRMA) .....	50422-G
Residential Disconnect Memorandum Account (RDMA) .....	50532-G
Greenhouse Gas Memorandum Account (GHGMA) .....	52054-G
General Rate Case Memorandum Account 2016 (GRCMA2016) .....	52808-G
Operational Flow Cost Memorandum Account (OFCMA) .....	51753-G
Deductible Tax Repairs Benefits Memorandum Account (DTRBMA) .....	52809-G
Aliso Canyon Revenue and Cost Memorandum Account (ACRCMA) .....	52838-G,52839-G
Assembly Bill 802 Memorandum Account (AB802MA) .....	52429-G
Marketing, Education and Outreach Memorandum Account (MEOMA) .....	52510-G
Emergency Energy Savings Assistance Program Memorandum Account (EESAPMA) .....	52586-G
Pipeline Safety Enhancement Plan – Phase 2 Memorandum Account (PSEP-P2MA) .....	53091-G
Officer Compensation Memorandum Account (OCMA) .....	53020-G,53021-G
Winter Demand Response Memorandum Account (WDRMA) .....	53173-G
Winter Demand Response Memorandum Account (WDRMA) .....	53173-G
System Operator Gas Account (SOGA) .....	53441-G
Injection Enhancement Cost Memorandum Account (IECMA) .....	54004-G

N

Part VII Tracking Accounts

Description and Listing of Tracking Accounts .....	49865-G
Other Hazardous Substance Tracking Account (OHSTA) .....	40921-G
Vernon Revenue Tracking Account (VRTA) .....	40926-G
Montebello True-Up Tracking Account (MTTA) .....	40927-G
Native Gas Tracking Account (NGTA) .....	42598-G
Compression Services Tracking Account (CSTA) .....	49857-G
Biogas Conditioning/Upgrading Services Tracking Account (BCSTA).....	49866-G
Aliso Canyon True-Up Tracking Account (ACTTA) .....	49761-G,49762-G

(Continued)

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