

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



December 6, 2017

Advice Letter 5213-A

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

SUBJECT: Establishment of Otay Mesa Pipeline Capacity Memorandum Account

Dear Mr. van der Leeden:

Advice Letter 5213-A is effective as of October 30, 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

November 7, 2017

Advice No. 5213-A
(U 904 G)

Public Utilities Commission of the State of California

**Subject: Supplement - Establishment of Otay Mesa Pipeline Capacity
Memorandum Account**

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

Purpose

This filing establishes within SoCalGas' Preliminary Statement Part VI., Regulatory Accounts – Memorandum Accounts, the Otay Mesa Pipeline Capacity Memorandum Account (OMPCMA). This supplemental filing replaces in its entirety Advice No. (AL) 5213, as described herein.

Background

On October 30, 2017, the Executive Director of the Commission sent a letter to Bret Lane, President and Chief Operating Officer of SoCalGas, entitled "Affiliate Transactions to Support Gas Flows to Otay Mesa" (CPUC Letter). The CPUC Letter grants authority to SoCalGas' Gas Acquisition Department to "acquire up to 210,000 MMBtu/d of pipeline capacity for each of the months of December 2017, January 2018, and February 2018, to meet the needs of SoCalGas' core customers during these months." SoCalGas' Gas Acquisition Department is directed to "make all best efforts to secure the capacity at the lowest cost consistent with the needs of meeting core demand, including, if cost competitive, capacity from SoCalGas' affiliates."

The CPUC letter states that "in order to allow review of the costs of any affiliate contracts, SoCalGas shall within three business days of this letter file a Tier 3 Advice Letter, requesting authority to establish a memorandum account to record all costs incurred to acquire capacity to serve core needs as described above." The CPUC Letter concludes that "this will allow the Commission to consider whether to include these costs in gas rates

at a later date, either in a general rate case or other proceeding.”

Pursuant to the CPUC letter, on November 2, 2017, SoCalGas filed AL 5213 to establish the OMPCMA. This supplemental filing, AL 5213-A, complies with Energy Division’s direction to expedite the protest period due to the time-sensitive nature of the requested relief.

Establishment of the OMPCMA

Pursuant to the CPUC Letter, SoCalGas requests Commission approval to establish the OMPCMA, included as Attachment A. The OMPCMA will record all costs incurred by the SoCalGas Acquisition Department associated with the acquisition of incremental, firm pipeline capacity contracted with affiliates to transport supplies to the Otay Mesa receipt point in order to secure deliveries of natural gas to serve core needs during the months of December 2017 through February 2018. SoCalGas is requesting the OMPCMA to be approved and made effective October 30, 2017, which is the date of the CPUC Letter.

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 six days of the date this Advice Letter with the expedited protest period, which is November 13, 2017. 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 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.

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

Effective Date

SoCalGas believes that this filing is subject to Energy Division disposition, and pursuant to the CPUC Letter, should be classified as Tier 3 (effective after Commission approval). SoCalGas respectfully requests that this filing be approved and made effective October 30, 2017, which is the date of the CPUC Letter.

Notice

Pursuant to the CPUC Letter, a copy of this Advice Letter is being sent to SoCalGas' GO 96-B service list and the Commission's service lists for I.17-03-002, I.17-02-002, A.15-07-014, A.15-06-020, and A.14-12-017. Address change requests to the GO 96-B should be directed by electronic mail to 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.

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

EXPLANATION OF UTILITY TYPE

ELC = Electric GAS = Gas
PLC = Pipeline HEAT = Heat WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: 5213-A

Subject of AL: Supplement - Establishment of Otay Mesa Pipeline Capacity Memorandum Account

Keywords (choose from CPUC listing): Memorandum Accounts

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 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: 10/30/17

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, Otay Mesa Pipeline Capacity Memorandum Account (OMPCMA), Description and Listing of Memorandum Accounts, 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: Ray B. Ortiz
555 West 5th Street, GT14D6
Los Angeles, CA 90013-1011
ROrtiz@semprautilities.com
Tariffs@socalgas.com

¹ Discuss in AL if more space is needed.

ATTACHMENT A
Advice No. 5213-A

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 54452-G	PRELIMINARY STATEMENT - PART VI - MEMORANDUM ACCOUNTS, DESCRIPTION AND LISTING OF MEMORANDUM ACCOUNTS, Sheet 2	Revised 54135-G
Original 54453-G	PRELIMINARY STATEMENT - PART VI - MEMORANDUM ACCOUNTS, OTAY MESA PIPELINE CAPACITY MEMORANDUM ACCOUNT (OMPCMA), Sheet 1	
Revised 54454-G	TABLE OF CONTENTS	Revised 54431-G
Revised 54455-G	TABLE OF CONTENTS	Revised 54432-G
Revised 54456-G	TABLE OF CONTENTS	Revised 54139-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)
Officer Compensation Memorandum Account (OCMA)
Tax Memorandum Account (TMA)
Winter Demand Response Memorandum Account (WDRMA)
System Operator Gas Account (SOGA)
Avoided Cost Calculator Update Memorandum Account (ACCUMA)
Injection Enhancement Cost Memorandum Account (IECMA)
Natural Gas Leak Abatement Program Memorandum Account (NGLAPMA)
Otay Mesa Pipeline Capacity Memorandum Account (OMPCMA)

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(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 5213-A
DECISION NO.

2H7

ISSUED BY

Dan Skopec
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Nov 7, 2017
EFFECTIVE Oct 30, 2017
RESOLUTION NO. _____

PRELIMINARY STATEMENT - PART VI - MEMORANDUM ACCOUNTS
OTAY MESA PIPELINE CAPACITY MEMORANDUM ACCOUNT (OMPCMA)

Sheet 1

1. Purpose

The OMPCMA is an interest bearing account that is recorded on the Utility's financial statements. The purpose of this account is to record all costs incurred by the SoCalGas Gas Acquisition Department associated with the acquisition of incremental, firm pipeline capacity contracted with affiliates to transport supplies to the Otay Mesa receipt point in order to secure deliveries of natural gas to serve core needs during the months of December 2017 through February 2018.

2. Applicability

The OMPCMA shall apply to core customers.

3. Rates

See Disposition Section.

4. Accounting Procedures

SoCalGas maintains the OMPCMA by making entries at the end of each month as follows:

- a. A debit entry for the costs associated with securing incremental, firm natural gas pipeline capacity contracted with affiliates to transport supplies to the Otay Mesa receipt point.
- b. An entry equal to amortization as authorized by the Commission.
- c. An entry equal to the interest on the average balance in the account during the month, calculated in the manner described in the Preliminary Statement, Part I, J.

5. Disposition

The balance in the OMPCMA will be addressed in SoCalGas' next general rate case proceeding or other applicable proceeding designated by the Commission.

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 5213-A
DECISION NO.

ISSUED BY
Dan Skopec
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
SUBMITTED Nov 7, 2017
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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.

<u>GENERAL</u>	<u>Cal. P.U.C. Sheet No.</u>
Title Page	40864-G
Table of Contents--General and Preliminary Statement	54454-G,54455-G,54456-G,54176-G
Table of Contents--Service Area Maps and Descriptions	53356-G
Table of Contents--Rate Schedules	54413-G,54414-G,54427-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	53910-G,54375-G
Table of Contents--Sample Forms	53958-G,53707-G,51537-G,53998-G,54253-G,52292-G

PRELIMINARY STATEMENT

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Part II Summary of Rates and Charges	54391-G,54392-G,54393-G,54148-G,54149-G,54394-G 54386-G,46431-G,46432-G,53561-G,54395-G,54396-G,54397-G,54154-G
Part III Cost Allocation and Revenue Requirement	53582-G,50447-G,53583-G
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Noncore Storage Balancing Account (NSBA)	52886-G,52887-G
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PRELIMINARY STATEMENT (Continued)

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Balancing Account (Post-2011 DIMPBA)	52949-G
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Emergency Energy Savings Assistance Program Memorandum Account (EESAPMA)	52586-G
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Officer Compensation Memorandum Account (OCMA)	53020-G,53021-G
Tax Memorandum Account (TMA)	53178-G,53179-G
Winter Demand Response Memorandum Account (WDRMA)	53173-G
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