

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



December 27, 2017

**Advice Letter 5215-G**

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

**SUBJECT: Revision of Advanced Meter Infrastructure Balancing Account (AMIBA)**

Dear Mr. van der Leeden:

Advice Letter 5215-G is effective as of December 7, 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)

November 7, 2017

Advice No. 5215  
(U 904 G)

Public Utilities Commission of the State of California

**Subject: Revision of Advanced Meter Infrastructure Balancing Account (AMIBA)**

Southern California Gas Company (SoCalGas) hereby submits for approval by the California Public Utilities Commission (Commission or CPUC) revisions to the AMIBA, Preliminary Statement - Part V – Balancing Accounts, as shown on Attachment A.

**Purpose**

Consistent with Ordering Paragraph (OP) 8 of Decision (D.) 16-06-054 and the Commission's prior approval of Advice No. (AL) 5134, SoCalGas revises the AMIBA Preliminary Statement to: 1) reflect that the Deployment Phase Cost Subaccount of the AMIBA will also record costs associated with the installation of Advanced Meter Infrastructure (AMI) communication modules for large commercial and industrial customers and distribution network pressure monitors.

**Background**

On April 8, 2010, the Commission issued D.10-04-027 approving SoCalGas' AMI Application (A.) 08-09-023 with modifications. D.10-04-027 authorized \$1,050.7 million of capital and operating and maintenance (O&M) expenditures for SoCalGas' AMI project over a proposed deployment period of 2009 through 2015. However, due to the delay in obtaining approval of SoCalGas' AMI project, the Commission, in its approval of AL 4110, revised the deployment period to an estimated deployment period of April 2010 through April 2017, which is consistent with the seven-year deployment period as proposed in A.08-09-023.<sup>1</sup> During this period, SoCalGas is

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<sup>1</sup> SoCalGas' AMI revenue requirement for 2017 was approved in AL 5075.

installing nearly six million gas AMI meter modules. Pursuant to OP 8 of D.16-06-054, the Commission authorized the extension of the AMIBA until SoCalGas' next GRC.<sup>2</sup>

Pursuant to OP 8 of D.16-06-054, on May 5, 2017, SoCalGas filed AL 5134 to revise the AMIBA Preliminary Statement to: 1) extend the mechanism at least one year beyond the seven-year deployment period (2010-2017) through 2018, or until the associated costs and benefits are incorporated in a subsequent General Rate Case (GRC); and 2) establish separate subaccounts in the AMIBA to record costs associated with the deployment and post-deployment periods of the AMI project as well as for on-going meter reading costs in areas where the AMI network is not constructed. For the post-deployment period, AL 5134 also proposed to update and extend the AMI revenue requirement to reflect the total costs and benefits which will be collected in rates beginning on January 1, 2018. The Commission approved SoCalGas AL 5134 on June 5, 2017.

### **Proposed Changes to AMIBA**

SoCalGas proposes to revise the Deployment Phase Cost Subaccount in the AMIBA to also record costs associated with the installation of AMI communication modules for large commercial and industrial customers and distribution network pressure monitors.

As part of the AMI project, SoCalGas intends to install AMI communication modules at 3,000 sites encompassing both large commercial and industrial customers and distribution network pressure monitors. The modules for the large commercial and industrial customers and distribution network pressure monitors represent a more sophisticated module than a standard core customer meter.

To date, SoCalGas has installed approximately 1,400 of these modules. SoCalGas' vendor Aclara experienced a supply chain disruption that rendered them incapable of producing the remaining modules required for installation as part of SoCalGas' AMI project. As a result, the modules for the large commercial and industrial customers and distribution network pressure monitors will not be available until early 2018. Due to the delay in availability of these Meter Transmission Units (MTUs), SoCalGas will be unable to complete these installations in 2017 as originally planned. The installation of the remaining large commercial and industrial customer and distribution network pressure monitor modules will instead occur in 2018 as soon as the MTUs are made available.

The current product shortage is not expected to delay the completion of these installations beyond 2018.

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<sup>2</sup> SoCalGas filed its 2019 GRC application with the CPUC on October 6, 2017 requesting a test year 2019 revenue requirement and a post-test year mechanism for years 2020, 2021, and 2022.

The disposition and true up of balances in the Deployment Phase Cost Subaccount will be amortized in connection with SoCalGas' annual regulatory accounts update filing.

This filing does not conflict with any rate schedules or any other rules, or cause the withdrawal of service.

### **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. The protest must be made in writing and must be received within 20 days of the date of this AL, which is November 27, 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](mailto: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: 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. This filing is consistent with D.10-04-027 and D.16-06-054. Therefore, SoCalGas respectfully requests that this filing be approved on December 7, 2017, which is 30 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.14-11-004, SoCalGas' TY 2016 GRC. Address change requests to the GO 96-B service list 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) #: 5215

Subject of AL: Revision of Advanced Meter Infrastructure Balancing Account (AMIBA)

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.10-04-027 & D.16-06-054

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: 12/7/17

No. of tariff sheets: 4

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 Statements - Part V - Balancing Accounts, Advanced Meter

Infrastructure Balancing Account (AMIBA) and TOCs

Service affected and changes proposed<sup>1</sup>: 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](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. 5215

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 54429-G	PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS, ADVANCED METERING INFRASTRUCTURE BALANCING ACCOUNT (AMIBA), Sheet 1	Revised 53971-G
Revised 54430-G	PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS, ADVANCED METERING INFRASTRUCTURE BALANCING ACCOUNT (AMIBA), Sheet 5	Original 53975-G
Revised 54431-G Revised 54432-G	TABLE OF CONTENTS TABLE OF CONTENTS	Revised 54428-G Revised 54377-G

PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS Sheet 1  
ADVANCED METERING INFRASTRUCTURE BALANCING ACCOUNT (AMIBA)

1. Purpose

The AMIBA is an interest bearing balancing account that is recorded on SoCalGas' financial statements. The purpose of the AMIBA is to record the costs and corresponding revenue requirement associated with the Advanced Metering Infrastructure (AMI) project, as outlined in Commission Decision (D.) 10-04-027 dated April 8, 2010. SoCalGas will deploy an AMI system by installing gas AMI meter modules and supporting communication network throughout its service territory. The total authorized gas program cost for SoCalGas is \$1,050.7 million for a seven-year deployment period beginning in 2010 subject to additional costs authorized as described in Section 7 below. Pursuant to D.16-06-054, SoCalGas' 2016 General Rate Case (GRC), Advice No. 5134, and Advice No. 5215, the AMIBA has been extended beyond the seven-year deployment period until the costs and benefits associated with the completion of the AMI Project are incorporated in SoCalGas' next GRC. Pursuant to Advice No. 5134, the AMIBA will consist of the following three subaccounts:

- a) Deployment Phase Cost Subaccount – record costs associated with deployment activities.
- b) Post-Deployment Cost Subaccount – record costs and benefits associated with post-deployment activities.
- c) Escalated Jurisdictions Cost Subaccount – record meter reading costs associated with escalated jurisdictions where the AMI network has not been deployed.

2. Applicability

The AMIBA shall apply to all customer classes, except for any classes that may be specifically excluded by the Commission.

3. Rates

The AMI authorized revenue requirement will be included in gas transportation rates as approved by the Commission.

(Continued)

(TO BE INSERTED BY UTILITY)  
ADVICE LETTER NO. 5215  
DECISION NO. D.10-04-027 & D.16-  
06-054  
1H8

ISSUED BY  
**Dan Skopec**  
Vice President  
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)  
SUBMITTED Nov 7, 2017  
EFFECTIVE Dec 7, 2017  
RESOLUTION NO. \_\_\_\_\_

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PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS Sheet 5  
ADVANCED METERING INFRASTRUCTURE BALANCING ACCOUNT (AMIBA)

(Continued)

8. Disposition

The disposition of the subaccount balances will be addressed as follows:

- Deployment Phase Cost Subaccount – Pursuant to D.10-04-027, SoCalGas will include in rates the authorized revenue requirement for the AMI project over the project period and through the interim period prior to incorporation of the AMI costs and benefits in SoCalGas’ next GRC pursuant to Advice No. 5134 and Advice No. 5215. The subaccount balance remaining, except the shareholder costs noted in Section 7, will be amortized in connection with SoCalGas’ Annual Regulatory Account Balance Update filed in October of each year. Project costs that exceed \$1,150.7 million will be included in rates after they are approved by the Commission following a reasonableness review.
- Post-Deployment Phase Cost Subaccount – The subaccount balance associated with the recording of the ongoing incremental O&M costs/benefits and capital-related costs associated with AMI assets placed in service during the post-deployment period will also be amortized in rates in connection with SoCalGas’ Annual Regulatory Account Balance Update filing until such costs/benefits are incorporated in SoCalGas’ next GRC.
- Escalated Jurisdictions Cost Subaccount – The subaccount balance will be addressed in connection with SoCalGas’ next GRC or other applicable proceeding designated by the Commission.

N

(TO BE INSERTED BY UTILITY)  
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DECISION NO. D.10-04-027 & D.16-  
06-054

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.

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(Continued)

(TO BE INSERTED BY UTILITY)  
 ADVISE LETTER NO. 5215  
 DECISION NO. D.10-04-027 & D.16-06-054  
 1H5

ISSUED BY  
**Dan Skopec**  
 Vice President  
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)  
 DATE FILED Nov 7, 2017  
 EFFECTIVE Dec 7, 2017  
 RESOLUTION NO. \_\_\_\_\_

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(Continued)

(TO BE INSERTED BY UTILITY)  
 ADVICE LETTER NO. 5215  
 DECISION NO. D.10-04-027 & D.16-  
 06-054

ISSUED BY  
**Dan Skopec**  
 Vice President  
 Regulatory Affairs

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