

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



February 15, 2018

**Advice Letter 5241-G**

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

**SUBJECT: Establishment of Memorandum Account to Record Dairy Biomethane Expenditures for Solicitation Development, Pursuant to D.17-12-004**

Dear Mr. van der Leeden:

Advice Letter 5241-G is effective as of February 1, 2018.

Sincerely,

A handwritten signature in black ink 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)

January 2, 2018

Advice No. 5241  
(U 904G)

Public Utilities Commission of the State of California

**Subject: Establishment of Memorandum Account to Record Dairy Biomethane Expenditures for Solicitation Development, Pursuant to Decision (D.) 17-12-004**

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

### **Purpose**

Pursuant to D.17-12-004, this filing establishes SoCalGas' Preliminary Statement – Part VI - Memorandum Accounts - Dairy Biomethane Solicitation Development Memorandum Account (DBSDMA).

### **Background**

On June 15, 2017, the CPUC issued Rulemaking R.17-06-015 (Rulemaking) to develop a framework which will direct gas corporations to implement not less than five dairy biomethane pilot projects to demonstrate interconnection to the common carrier pipeline system and allow for rate recovery of reasonable infrastructure costs pursuant to Senate Bill (SB) 1383. The proposed implementation framework covers four general categories: pilot selection (selection criteria); definition of infrastructure; cost recovery framework (how will reasonableness of the infrastructure be assessed, and cost cap/cost limitations); and data gathering (to support evaluation of the pilots). On December 14, 2017, the Commission adopted Decision D.17-12-004 (Decision) establishing implementation and selection framework to implement the dairy biomethane pilots required by SB 1383. The Decision directed respondents to file a

Tier 2 Advice Letter to establish a memorandum account to record expenditures for solicitation development within 15 days of the effective date of this Decision. SoCalGas is submitting this filing one business day past the required date and has notified Energy Division.

### **Establishment of New Memorandum Account**

Pursuant to D.17-12-004, SoCalGas proposes to establish the DBSDMA. The DBSDMA will record O&M costs for the solicitation development of dairy biomethane projects, as described in the new preliminary statement included in Attachment A.

### **Protests**

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 received within 20 days of the date of this Advice Letter, which is January 22, 2018. 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:

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 pending staff approval) pursuant to General Order (GO) 96-B. SoCalGas respectfully requests that the Preliminary Statement filed herein become effective for service on February 1, 2018, which is 30 days from 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 R.17-06-015. 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) #: 5241

Subject of AL: Establishment of Memorandum Account to Record Dairy Biomethane Expenditures for Solicitation Development, Pursuant to Decision (D.) 17-12-004

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.17-12-004

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: 2/1/18

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 - Dairy Biomethane Solicitation Development Memorandum Account (WCPMA), Description and Listing of Memorandum

Accounts, 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. 5241

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 54634-G	PRELIMINARY STATEMENT - PART VI - MEMORANDUM ACCOUNTS, DESCRIPTION AND LISTING OF MEMORANDUM ACCOUNTS, Sheet 2	Revised 54452-G
Original 54635-G	PRELIMINARY STATEMENT - PART VI - MEMORANDUM ACCOUNTS, DAIRY BIOMETHANE SOLICITATION DEVELOPMENT MEMORANDUM ACCOUNT (DBSDMA), Sheet 1	
Revised 54636-G Revised 54637-G Revised 54638-G	TABLE OF CONTENTS TABLE OF CONTENTS TABLE OF CONTENTS	Revised 54633-G Revised 54549-G Revised 54475-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)  
Dairy Biomethane Solicitation Development Memorandum Account (DBSDMA)  
Wildfires Customer Protection Memorandum Account (WCPMA)

N

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 5241  
DECISION NO. 17-02-004

2H8

ISSUED BY

**Dan Skopec**  
Vice President  
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

SUBMITTED Jan 2, 2018  
EFFECTIVE Feb 1, 2018

RESOLUTION NO. \_\_\_\_\_

PRELIMINARY STATEMENT - PART VI - MEMORANDUM ACCOUNTS  
DAIRY BIOMETHANE SOLICITATION DEVELOPMENT  
MEMORANDUM ACCOUNT (DBSDMA)

Sheet 1

N  
N  
N

1. Purpose

The DBSDMA is an interest-bearing account recorded on SoCalGas' financial statements. Pursuant to Decision (D.) 17-12-004, Order Instituting Rulemaking to Implement Dairy Biomethane Pilot Projects to Demonstrate Interconnection to the Common Carrier Pipeline System in Compliance with Senate Bill (SB) 1383, the DBSDMA will record expenditures for the solicitation of dairy biomethane projects.

N

2. Applicability

The DBSDMA shall apply to gas customers.

3. Rates

See Disposition Section.

4. Accounting Procedures

SoCalGas maintains this account by making monthly entries, net of applicable FF&U, as follows:

- a) A debit entry to record O&M costs for the solicitation development of dairy biomethane projects,
- b) An entry to amortize the prior year's balance 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.

5. Disposition

The balance in the DBSDMA will be addressed in SoCalGas' next GRC or other applicable proceeding.

N

(TO BE INSERTED BY UTILITY)  
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**Dan Skopec**  
Vice President  
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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