

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



May 10, 2018

**REVISED**

**Advice Letter 5276-G**

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

**SUBJECT: Expedited AL Requesting to Modify the Injection Enhancement Cost Memorandum Account (IECMA) Pursuant to the Mar. 13, 2018 Injection Required for SoCalGas Summer Reliability & Storage Inventories Letter from CPUC Exec. Dir. Alice Stebbins.**

Dear Mr. van der Leeden:

Advice Letter 5276-G is effective as of March 13, 2018.

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 30, 2018

Advice No. 5276  
(U 904 G)

Public Utilities Commission of the State of California

**Subject: Expedited Advice Letter Requesting to Modify the Injection Enhancement Cost Memorandum Account (IECMA) Pursuant to the March 13, 2018 “Injection Required for SoCalGas Summer Reliability and Storage Inventories” Letter from CPUC Executive Director Alice Stebbins**

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 submission revises SoCalGas’ Preliminary Statement, Part VI., Memorandum Accounts, Injection Enhancement Cost Memorandum Account (IECMA), pursuant to the directive contained in the March 13, 2018 letter from Alice Stebbins, Executive Director of the CPUC (Executive Director), to Bret Lane, President and Chief Operating Officer of SoCalGas. In that letter, Executive Director Stebbins directs SoCalGas’ Gas Acquisition Department to purchase natural gas to support system reliability. The purpose of the revised IECMA is to track all incremental costs resulting from that directive.

### **Background**

On March 13, 2018, the Executive Director sent a letter to Bret Lane, President and Chief Operating Officer of SoCalGas, under the Subject “Injection Required for SoCalGas Summer Reliability and Storage Inventories.” The letter notes that “[a]dequate natural gas inventory levels are necessary to maintain reliable delivery to both core and noncore customers during 1-in-10-year peak demand periods” and that “[g]iven the withdrawals from all storage fields during winter 2017-18 and the limited availability of the Aliso Canyon storage field due to the Public Utilities Code Section 715 Report requirements adopted December 11, 2017, overall storage inventory is critically low.” To support energy

reliability for Southern California, the March 13 Letter directs SoCalGas to “take immediate action to increase injections at all available storage facilities” and “to immediately begin maximizing storage injections at all storage fields using the procurement capabilities of the SoCalGas Acquisition Department to support SoCalGas’ storage requirement for system reliability” (Second System Reliability Directive). In addition to directing SoCalGas to file a Tier 2 Advice Letter (AL) proposing a Second Injection Enhancement Plan, the Second System Reliability Directive authorized SoCalGas to submit a separate AL seeking the establishment of a memorandum account to track incremental costs resulting from the Second Injection Enhancement Plan.<sup>1</sup>

### **Establishment of the IECMA**

Pursuant to the Second System Reliability Directive, SoCalGas proposes to modify the IECMA to track all incremental costs resulting from the Second Injection Enhancement Plan presented in AL 5275. The proposed Preliminary Statement is included as Attachment A. Pursuant to the Second 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 Executive Director Stebbin’s March 19, 2018 Letter, “Deadline Extended for Submitting Injection Advice Letter,” the Commission has set a five-day protest period and protest must be made in writing and received by April 6, 2018. SoCalGas will submit its response by April 11, 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

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<sup>1</sup> The Second Injection Enhancement Plan is the subject of a separate advice filing, Advice No. 5275.

<sup>2</sup> On May 8, 2017, then CPUC Executive Director Timothy Sullivan sent a similar request to Mr. Lane. SoCalGas complied with the request, filing AL 5140 on May 19, 2017 to establish the IECMA. AL 5140 was approved by disposition letter on July 11, 2017, effective May 8, 2017. Accordingly, the instant Advice Letter seeks only to modify SoCalGas’ already approved IECMA, rather than establish a new account. Further, while the Second 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 Second 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 Second Injection Enhancement Plan.

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 after staff approval) pursuant to General Order (GO) 96-B. SoCalGas respectfully requests that this filing be approved and made effective March 13, 2018, which is the date of the Second 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.14-12-017. 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) #: 5276

Subject of AL: Expedited Advice Letter Requesting to Modify the Injection Enhancement Cost Memorandum Account (IECMA) Pursuant to the March 13, 2018 "Injection Required for SoCalGas Summer Reliability and Storage Inventories" Letter from CPUC Executive Director Alice Stebbins

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: 3/13/18

No. of tariff sheets: 3

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. 5276

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 54886-G	PRELIMINARY STATEMENT - PART VI - MEMORANDUM ACCOUNTS, INJECTION ENHANCEMENT COST MEMORANDUM ACCOUNT (IECMA), Sheet 1	Original 54004-G
Revised 54887-G Revised 54888-G	TABLE OF CONTENTS TABLE OF CONTENTS	Revised 54818-G Revised 54668-G

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. Pursuant to the March 13, 2018 "Injection Required for SoCalGas Summer Reliability and Storage Inventories" Letter from California Public Utilities (CPUC) Executive Director Alice Stebbins, SoCalGas modifies the IECMA to also record all incremental costs associated with the Second Injection Enhancement Plan and Second Injection Enhancement Memorandum between SoCalGas' System Operator and SoCalGas' Gas Acquisition Department, as outlined in Advice No. 5275. The IECMA is effective May 8, 2017.

N  
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|  
|  
|  
N

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 and Second 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.

N  
N

5. Disposition

The disposition of the IECMA balance will be addressed in SoCalGas' next General Rate Case or other future proceeding.

(TO BE INSERTED BY UTILITY)  
 ADVICE LETTER NO. 5276  
 DECISION NO.

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

(TO BE INSERTED BY CAL. PUC)  
 SUBMITTED Mar 30, 2018  
 EFFECTIVE Mar 13, 2018  
 RESOLUTION NO. \_\_\_\_\_

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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)  
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(Continued)

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