

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



July 5, 2018

Advice Letter 5295-G

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

SUBJECT: Balancing Account and Rate Schedule Modifications Supporting a Voluntary Renewable Natural Gas Procurement Pilot

Dear Mr. van der Leeden:

Advice Letter 5295-G is effective as of June 17, 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
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May 18, 2018

Advice No. 5295
(U 904G)

Public Utilities Commission of the State of California

Subject: Balancing Account and Rate Schedule Modifications Supporting a Voluntary Renewable Natural Gas Procurement Pilot

Southern California Gas Company (SoCalGas) hereby submits for approval by the California Public Utilities Commission (CPUC or Commission) revisions to its Preliminary Statement Part V, Low-Carbon Fuel Standard Balancing Account (LCFSBA), and Schedule No. G-NGV, Natural Gas Service for Motor Vehicles, supporting a voluntary renewable natural gas (RNG) procurement pilot, as shown on Attachment A.

Purpose

Consistent with Assembly Bill 1900, Public Utilities Code Section 399.24, Senate Bill 1383, and Rulemaking (R.) 17-06-015, SoCalGas seeks Commission approval to revise Preliminary Statement Part V, LCFSBA and Schedule No. G-NGV to support a Voluntary RNG Procurement pilot (Pilot).

If authorized, this filing will not impact gas procurement for the core portfolio under Gas Preliminary Statement Part VIII, Gas Cost Incentive Mechanism (GCIM), established under Decision (D.) 94-03-076.

Background

As required by SB 1383, R.17-06-015 was instituted to “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.”¹

Importantly, SB 1383 also requires the CPUC to take the following actions:

- Work with the California Energy Commission (CEC) and the California Air Resources Board (ARB) to “consider policies to support the development and use of renewable gas that reduce short-lived climate pollutants (SLCPs) in the state.” (See Health and Safety Code Section 39730.8(d)).
- Work with ARB to “establish energy infrastructure development and procurement policies to encourage dairy biomethane projects to reduce methane emissions from livestock and dairy operations by at least 40 percent below the dairy and livestock sectors’ 2013 level by the year 2030.” (See Health and Safety Code Section 39730.7(d)(1)(A)).
- Work with the CEC and ARB to “develop recommendations surrounding development and use of renewable gas, including biomethane and biogas, as part of its 2017 Integrated Energy Policy Report (IEPR).” (See Health and Safety Code Section 39730.8(b)).²

SoCalGas is supportive of these efforts and the goals of SB 1383.

In addition, the Pilot supports Assembly Bill 1900, CPUC R.13-02-008 (Biomethane OIR Phase II) and Public Utilities Code Section 399.24, which promotes “in-state production and distribution of biomethane.”

The Pilot would encourage further development of RNG sources, avoid more GHG emissions relative to traditional gas, and advance state policies promoting RNG production. Currently, RNG includes feedstocks from landfills, agricultural operations, and wastewater treatment facilities. All such projects that currently produce RNG would be eligible for the Pilot.

Scope of the RNG Procurement Pilot

As part of the Pilot, RNG purchases would be for the transportation sector. Specifically, the RNG procured would be dedicated for use by customers refueling natural gas motor vehicles at SoCalGas- and San Diego Gas & Electric Company (SDG&E)-owned, utility-funded stations and for the use of SoCalGas and SDG&E fleet vehicles. Non-

¹ Order Instituting Rulemaking to Implement Dairy Biomethane Pilot Projects to Demonstrate Interconnection to the Common Carrier Pipeline System in Compliance with Senate Bill 1383 (issued June 22, 2017) (OIR), at 2.

² OIR, at 5.

SoCalGas or SDG&E owned fueling stations would not be within the scope of the contemplated Pilot and Schedule No. G-NGV would continue to be the applicable rate structure. Accordingly, revisions to Schedule No. G-NGV are included as Attachment A.

Currently, SoCalGas uses traditional natural gas to serve compressed natural gas (CNG) customers. As an opt-in entity under ARB's Low Carbon Fuel Standard (LCFS) regulation, SoCalGas generates LCFS credits that it subsequently sells, the proceeds of which are returned to customers as a reduction of the fill station compression surcharge. CPUC D.14-12-083 authorized SoCalGas to return to customers of utility-funded fueling stations the revenue arising from SoCalGas' sale of LCFS credits.

In order to accommodate the rebate of both the existing LCFS credit value associated with the delivery of conventional CNG *and* any environmental credit value resulting from the delivery of RNG, the current "LCFS Rate Credit" would be described more broadly and would be referred to as the "Clean Transportation Rate Credit." The Clean Transportation Rate Credit would be a credit against the G-NGC Compression Surcharge in the same fashion as the existing LCFS Rate Credit.

SoCalGas envisions contracting with one or more RNG suppliers through a competitive process, such as a Request for Offer (RFO), or through bilateral contracts. SoCalGas procurement efforts would begin in 2018 with the goal of contracting enough RNG to meet CNG vehicle fuel demand at SoCalGas- and SDG&E-owned stations. SoCalGas would negotiate a contractual arrangement with an RNG supplier(s) where the proceeds generated from the RNG suppliers' sale of all applicable environmental credits would be shared with SoCalGas. SoCalGas' portion of the environmental credit proceeds would be remitted from the supplier to SoCalGas on a periodic basis. The remittance value would be tracked in a new subaccount within the existing SoCalGas LCFSBA. The remittance value attributable to SDG&E's portion of RNG will be tracked in a new subaccount in its LCFSBA. As mentioned previously, the Pilot program will be designed in a way that it will not impact gas procurement for the core portfolio and the GCIM. SoCalGas expects that CNG customers would receive a Clean Transportation Rate Credit based on more environmental credits than they would receive with traditional CNG.

Environmental Credit Generation for RNG

Under the LCFS program, RNG has a significantly lower carbon intensity (CI) score than traditional CNG fuels and thereby, receives significantly more LCFS credits per unit of traditional energy delivered. RNG is also eligible for Renewable Identification Number (RIN)³ credits under U.S. Environmental Protection Agency's Renewable Fuel Standard (RFS) program and traditional CNG is not. When generating credits for traditional CNG, the CNG dispensing entity is the opt-in regulated party. However, for RNG, the producer/supplier is the opt-in regulated party.

³ RINs are credits under the U.S. Environmental Protection Agency's (US EPA) Renewable Fuels Standard (RFS) [<https://www.epa.gov/renewable-fuel-standard-program>].

As such, the RNG supplier is responsible for generating the LCFS credits and the value from the associated environmental credits cannot be realized by the end consumer. The same point of regulation also applies to RIN credits in the RFS program. Thus, the LCFS programmatic difference between RNG and traditional CNG poses a financial barrier to delivering RNG to SoCalGas CNG customers. The proposed modifications contained herein will remove this barrier. In order for the RNG supplier to obtain these environmental credits, the RNG supplier must have access to certain station data for reporting purposes.⁴

Therefore, SoCalGas envisions a contractual arrangement whereby the RNG supplier would share with SoCalGas the LCFS and RIN credit value (a financial remittance to SoCalGas for its share of the environmental credits). Under this arrangement, the CNG customers would receive a Clean Transportation Rate Credit that corresponds with the environmental credit value remitted to SoCalGas by the RNG supplier. The mechanism for returning value already authorized under SoCalGas Advice No. (AL) 4779 would be modified to accommodate the credit value resulting from RNG purchase and delivery.⁵

Benefits of the Pilot

By providing RNG at SoCalGas- and SDG&E-owned public access stations, it is anticipated that CNG customers will receive more benefits than they would by receiving traditional CNG due to the following:

1. Under the LCFS program, RNG has a significantly lower CI score than traditional CNG fuels and thereby, generates significantly more LCFS credits per unit of traditional energy delivered.
2. RNG is eligible for RIN credits under EPA's RFS program and traditional CNG is not. Therefore, by procuring and providing RNG at SoCalGas refueling stations,

⁴ Specifically, an RNG supplier will need access to station data required to generate LCFS credits including station volumes by vehicle class (light/medium duty, heavy-duty). Accordingly, SoCalGas' Utility Gas Procurement Department will collect and provide that information to its RNG supplier(s). Additionally, station data required for the generation of RIN credits will also be compiled and provided to the RNG supplier(s). No customer-specific data will be shared with the RNG suppliers. SoCalGas' Utility Gas Procurement Department will provide this information on behalf of SoCalGas and SDG&E stations. SoCalGas' Utility Gas Procurement Department is responsible for gas supplies at SDG&E's utility-funded refueling stations and for SDG&E's fleet vehicles, consistent with D.07-12-019, in which the Commission approved the consolidation of SoCalGas' and SDG&E's core procurement functions into one gas portfolio managed by SoCalGas (the Utility Gas Procurement Department). SDG&E is concurrently making a conforming Advice Letter submission, AL 2674-G, modifying its LCFSBA and Schedule G-NGV similar to the modifications proposed in the instant AL by SoCalGas.

⁵ SoCalGas provided its Implementation Plan in AL 4779 filed on March 18, 2015, which was approved by disposition letter effective July 30, 2015. SDG&E provided a largely identical natural gas vehicle Implementation Plan in AL 2370-G filed on March 18, 2015, which was approved by disposition letter effective July 30, 2015,

NGV customers will benefit from the additional value associated with the RIN credits generated.

3. Many customer fleets served at SoCalGas- and SDG&E-owned refueling stations have corporate sustainability goals that include transportation-related greenhouse gas emission reductions. Providing RNG to these customers will support such customer objectives.
4. The enhanced environmental attributes of RNG will also support individual customers who possess aspirations of environmental responsibility and stewardship.

Together, the RIN and LCFS credits generated provide a potential opportunity for SoCalGas to buy RNG for CNG fueling more economically than traditional natural gas.

SoCalGas' Pilot would have the following additional benefits:

- Current market conditions for environmental credits and expected cost profiles for RNG sellers appear favorable for RNG when used for transportation. Such conditions would lead to an enhanced Clean Transportation Rate Credit.
- SoCalGas would gain valuable insights from the Pilot design, namely:
 - How RIN credits get generated under the US EPA's RFS; and
 - Experience from compliance activities under the LCFS and RFS programs, and how they differ from LCFS credits generated under traditional CNG.
- To the extent that SoCalGas fulfills some or all of its CNG load with RNG, it will mitigate its exposure in future years under the LCFS regulation. With a declining LCFS CI compliance curve, SoCalGas faces the eventuality in the future of becoming a mandatory regulated entity instead of an opt-in regulated entity, to the extent it still meets its CNG load with traditional gas.⁶

⁶ On March 6, 2018, the ARB published proposed amendments to the LCFS regulations (<https://www.arb.ca.gov/regact/2018/lcfs18/lcfs18.htm>) that will lead fossil CNG to become "deficit generating" as soon as 2025.

Also, the Pilot will have the following elements:

- As described earlier, the RNG supplier will share with SoCalGas the revenues generated from the supplier's sale of the LCFS and RIN credits or market value (e.g., via referencing an index) of such credits at issuance (a financial remittance to SoCalGas for its share of the environmental credits). All such benefits will be remitted to SoCalGas' and SDG&E's CNG Public Access Station customers at the pump through SoCalGas' and SDG&E's Clean Transportation Rate Credits.
- SoCalGas is not obligated to procure RNG under the Pilot in the event the offers received are uneconomic or undesirable in any other unforeseen manner.
- Any portion of SoCalGas and SDG&E NGV load not served by RNG will continue to be supplied by traditional CNG fuel and will receive the associated LCFS credit value.
- Offers will be sought via a competitive process such as an RFO or through bilateral contracts.
- The competitive process will be open to current producers of RNG under all viable feedstocks, including but not limited to landfills, wastewater treatment facilities, and dairies/livestock producers.
- Consistent with the intent of the Pilot, SoCalGas will report quarterly to the CPUC on Pilot activities such as: RNG volumes procured, credit proceeds received from the suppliers, program administrative costs, and noted learnings and insights. In addition, Pilot activity will be included in the LCFS Program Annual Credit and Revenue Estimates filed via Advice Letter on a yearly basis.⁷

Proposed Modifications to SoCalGas' LCFSBA

SoCalGas requests CPUC approval to create a subaccount within the LCFSBA⁸ and to rename the "LCFS Rate Credit" to "Clean Transportation Rate Credit" to facilitate RNG procurement under the Pilot. SoCalGas proposes to create an "RNG Environmental Credit Proceeds" subaccount in the LCFSBA to track and record SoCalGas' contractual share of the proceeds from the sale of LCFS and RIN credits generated by the RNG

⁷ SoCalGas submits to the CPUC estimates for NGV LCFS credits and revenues on an annual basis in accordance with D.14-2-083, Ordering Paragraph (OP) 5.

⁸ The LCFSBA was authorized under OP 7 of D.14-05-021 and further described in AL 4779 and Preliminary Statement Part V.

supplier, any associated program costs (if any), and the proceeds returned to CNG customers served at utility-owned CNG fueling stations.

The proposed preliminary statement for the LCFSBA and description of the new Clean Transportation Rate Credit is included in Attachment A.

Protests

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 received within 20 days of the date of this AL, which is June 7, 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). 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 this filing is subject to Energy Division disposition and should be classified as a Tier 2 (effective after staff approval) pursuant to General Order (GO) 96-B. Therefore, SoCalGas respectfully requests that this AL become effective for service on June 17, 2018, which is 30 calendar days from the date filed.

Notice

A copy of this AL is being sent to SoCalGas' GO 96-B service list and the Commission's service lists in R.17-06-015, R.13-02-008, and R.15-01-008. Address change requests to the GO 96-B service list 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) #: 5295

Subject of AL: Balancing Account and Rate Schedule Modifications Supporting a Voluntary Renewable Natural Gas Procurement Pilot

Keywords (choose from CPUC listing): Balancing Accounts

AL filing type: Monthly Quarterly Annual One-Time Other _____

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #:

D.94-03-076

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: 6/17/18

No. of tariff sheets: 8

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 V – Low-Carbon Fuel Standard Balancing Account (LCFSBA), Schedule No. G-NGV, and TOCs.

Service affected and changes proposed¹: 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

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. 5295

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 55059-G	PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS, LOW CARBON FUEL STANDARD BALANCING ACCOUNT (LCFSBA)	Original 51364-G
Original 55060-G	PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS, LOW CARBON FUEL STANDARD BALANCING ACCOUNT (LCFSBA)	
Original 55061-G	PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS, LOW CARBON FUEL STANDARD BALANCING ACCOUNT (LCFSBA)	
Revised 55062-G	Schedule No. G-NGV, NATURAL GAS SERVICE FOR MOTOR VEHICLES, (Includes G-NGU, G-NGUC, G-NGC and GT-NGU Rates), Sheet 2	Revised 54986-G
Revised 55063-G	Schedule No. G-NGV, NATURAL GAS SERVICE FOR MOTOR VEHICLES, (Includes G-NGU, G-NGUC, G-NGC and GT-NGU Rates), Sheet 5	Revised 51366-G
Revised 55064-G	TABLE OF CONTENTS	Revised 54989-G
Revised 55065-G	TABLE OF CONTENTS	Revised 54991-G
Revised 55066-G	TABLE OF CONTENTS	Revised 54637-G

PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS
LOW CARBON FUEL STANDARD BALANCING ACCOUNT (LCFSBA)

Sheet 1

1. Purpose

The LCFSBA is an interest bearing balancing account recorded on SoCalGas' financial statements. The purpose of the LCFSBA is to record the revenue and incremental costs associated with the sale of Low Carbon Fuel Standard (LCFS) emissions credits as part of the California Air Resources Board's (ARB) Natural Gas Vehicle (NGV) LCFS program and as authorized by the Commission in D.14-05-021 (modified by D.14-07-003) and D.14-12-083. Additionally, in accordance with Advice No. 5295, the LCFSBA will be used to record SoCalGas' contractual share of proceeds from the sale of consigned LCFS and Renewable Identification Number (RIN) credits generated by suppliers selling Renewable Natural Gas (RNG) to SoCalGas for dispensing at Utility-owned Compressed Natural Gas (CNG) fueling stations. RIN credits are generated under the U.S. Environmental Protection Agency's (US EPA) Renewable Fuels Standard (RFS).

The LCFSBA shall consist of two subaccounts:

- 1) LCFS Credit Proceeds Subaccount records: 1) proceeds received from SoCalGas' sale of LCFS credits generated by traditional natural gas dispensed at SoCalGas Utility-owned CNG fueling stations; 2) associated incremental program costs; and 3) authorized amortizations of the subaccount balance.
- 2) RNG Environmental Credit Proceeds Subaccount records: 1) SoCalGas' contractual share of proceeds from the RNG suppliers' sale of LCFS and RIN credits generated by RNG dispensed at SoCalGas Utility-owned CNG fueling stations; 2) associated incremental program costs; and 3) authorized amortizations of the subaccount balance.

2. Applicability

This account shall apply to all NGV customers of Utility-Owned Compressed Natural Gas (CNG) Refueling Stations.

3. Rates

See Disposition Section.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 5295
DECISION NO. 94-03-076

ISSUED BY
Dan Skopec
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED May 18, 2018
EFFECTIVE Jun 17, 2018
RESOLUTION NO. _____

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PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS
LOW CARBON FUEL STANDARD BALANCING ACCOUNT (LCFSBA)

Sheet 2

(Continued)

4. LCFS Credit Proceeds Subaccount - Accounting Procedures

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SoCalGas maintains this subaccount by recording entries at the end of each month, net of FF&U, as follows:

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- a) A debit entry equal to incremental O&M costs necessary for administering LCFS credit generation and sales;
- b) A credit entry equal to the revenue received from the sale of LCFS credits;
- c) An entry equal to the amortization of the balance as authorized by the Commission; and
- d) 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.

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5. RNG Environmental Credit Proceeds Subaccount – Accounting Procedures

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SoCalGas maintains this subaccount by recording entries at the end of each month, net of FF&U, as follows:

- a) A debit entry equal to incremental O&M costs necessary for administering RNG purchases and related environmental credits;
- b) A credit entry equal to SoCalGas' contractual share of proceeds from the sale of consigned LCFS and RIN credits;
- c) An entry equal to the amortization of the balance as authorized by the Commission; and
- d) 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.

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(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 5295
DECISION NO. 94-03-076

ISSUED BY
Dan Skopec
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
DATE FILED May 18, 2018
EFFECTIVE Jun 17, 2018
RESOLUTION NO. _____

PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS
LOW CARBON FUEL STANDARD BALANCING ACCOUNT (LCFSBA)

Sheet 3

(Continued)

6. Disposition

LCFS Credit Proceeds Subaccount

Per D.14-12-083, SoCalGas will file an Advice Letter by September 30 of each year providing estimates of LCFS credits and revenues for the following year, including the estimated amount of revenues to be distributed to customers through the amortization of the balance in the LCFS Credit Proceeds Subaccount. SoCalGas will amortize the projected year-end LCFS Credit Proceeds Subaccount balance effective January 1 of the following year. The amortization will be accomplished by applying a "Clean Transportation Rate Credit" to reduce the fuel price at the utility-owned CNG stations. If the balance is undercollected, it will be held until such point that the account reaches an overcollection, at which point the balance will then be incorporated in the LCFS credit detailed in Schedule No. G-NGV. SoCalGas will include any authorized amortization of its LCFS Credit Proceeds Subaccount in the Annual Consolidated Rate Filing or other appropriate filing with the Commission.

RNG Environmental Credit Proceeds Subaccount

Per AL 5295, SoCalGas will annually include in the Clean Transportation Rate Credit, an amortization of the projected year-end RNG Environmental Credit Proceeds Subaccount balance, effective January 1 of the following year. This balance will be projected in SoCalGas' annual regulatory account update advice letter.

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(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 5295
DECISION NO. 94-03-076

ISSUED BY

Dan Skopec
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED May 18, 2018
EFFECTIVE Jun 17, 2018

RESOLUTION NO. _____

Schedule No. G-NGV

Sheet 2

NATURAL GAS SERVICE FOR MOTOR VEHICLES
 (Includes G-NGU, G-NGUC, G-NGC and GT-NGU Rates)

(Continued)

RATES (Continued)

Commodity and Transmission Charges (Continued)

Utility-Funded Fueling Station

G-NGC Compression Surcharge, per therm 103.136¢

Clean Transportation Rate Credit, per therm^{4/} 0.000¢

The G-NGC Compression Surcharge will be added to the G-NGU Uncompressed rate per therm, or the G-NGUC Uncompressed rate per therm as applicable, as indicated in the Customer-Funded Fueling Station section above. The resultant total compressed rate is:

G-NGU plus G-NGC and Clean Transportation Rate Credit, compressed per therm139.942¢

G-NGUC plus G-NGC and Clean Transportation Rate Credit, compressed per therm ..139.942¢

Compression of natural gas to the pressure required for its use as motor vehicle fuel will be performed by the Utility from a Utility-funded fueling station.

For billing purposes, the number of therms compressed at a Utility-funded station, will be expressed in gasoline gallon equivalents at the dispenser.

Cap-and-Trade Cost Exemption 0.000¢/therm

The Cap-and-Trade Cost Exemption is applicable to customers who are identified by the California Air Resources Board (CARB) as being Covered Entities for their Greenhouse Gas (GHG) emissions as part of the Cap-and-Trade program. A customer who is supplying fuel to a facility on behalf of the owner (e.g. tolling arrangement) of a facility that has been identified by CARB as a Covered Entity, may receive the Cap-and-Trade Cost Exemption if so authorized by the facility owner and agreed to by the Utility. Applicable Cap-and-Trade Cost Exemptions may be provided from the date CARB identifies a customer as being a Covered Entity, or provided based upon documentation satisfactory to the Utility for the time period for which the customer was a Covered Entity, whichever is earlier.

Minimum Charge

The Minimum Charge shall be the applicable monthly Customer Charge.

4/ As set forth in Special Condition 18.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 5295
 DECISION NO. 94-03-076

ISSUED BY
Dan Skopec
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 SUBMITTED May 18, 2018
 EFFECTIVE Jun 17, 2018
 RESOLUTION NO. _____

Schedule No. G-NGV

Sheet 5

NATURAL GAS SERVICE FOR MOTOR VEHICLES
(Includes G-NGU, G-NGUC, G-NGC and GT-NGU Rates)

(Continued)

SPECIAL CONDITIONS (Continued)

Applicable to Transportation-Only Customers (Continued)

13. Gas Imbalance Service: Transportation Imbalance Service shall be provided to the customer, the customer's ESP or marketer/shipper under Schedule No. G-IMB.
14. Customer Responsible for Billing Under Core Aggregation Transportation: The customer is ultimately responsible for the payment of billing charges assessed to the customer's aggregator for services rendered under this schedule. See Rule No. 32 for further details.
15. Gas Exchange Arrangements: Customers having existing gas exchange arrangements with the Utility must exchange the maximum amount of gas allowable under those arrangements prior to the delivery of customer-owned natural gas to the Utility for transportation, unless otherwise agreed to by the Utility.
16. Core Aggregation Transportation Customer Notices and Billing: SoCalGas shall continue to read customer meters, send customers legally required notices and bill inserts pursuant to Public Utilities Code 454(a), and provide customers with all other regular SoCalGas services. This includes direct billing, unless the customer specifies in the electronic Service Request DASR effective with the implementation of D.98-02-108, that SoCalGas bill the ESP or marketer/shipper for all charges.
17. Disputed Bills: All disputes between customers and their Aggregator shall be resolved solely by customers and the Aggregator, and such disputes shall not be subject to Commission jurisdiction. All disputes between the Utility and customers or between the Utility and Aggregators shall be subject to Commission jurisdiction.
18. Clean Transportation Rate Credit: The Clean Transportation Rate Credit was authorized by the CPUC in D.14-12-083 for returning to customers of Utility-Funded Fueling Stations the revenue arising from SoCalGas' sale of LCFS emissions credits. Additionally, Advice No. 5295 authorized SoCalGas to return to customers of Utility-Funded Fueling Stations contractually-shared net proceeds associated with Renewable Natural Gas (RNG) suppliers' sale of LCFS credits and Renewable Identification Number (RIN) credits generated by dispensing RNG at SoCalGas Utility-owned CNG stations. LCFS and RIN emissions credits are either generated when CNG vehicles refuel at utility owned CNG refueling stations or are assigned to SoCalGas by third-party customers or RNG suppliers. RIN credits are generated under the U.S. Environmental Protection Agency's (US EPA) Renewable Fuels Standard (RFS).

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(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 5295
 DECISION NO. 94-03-076

ISSUED BY
Dan Skopec
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 SUBMITTED May 18, 2018
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TABLE OF CONTENTS

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GR	Residential Service (Includes GR, GR-C and GT-R Rates)	54977-G,54579-G,42978-G,47110-G,42980-G
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