

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



REVISED

September 10, 2018

Advice Letter 5328-G

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

**SUBJECT: Establishment of the Line 1600 Records Audit Memorandum Account
(L1600RAMA) Pursuant to Decision 18-06-028)**

Dear Mr. van der Leeden:

Advice Letter 5328-G is effective as of July 26, 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

July 26, 2018

Advice No. 5328

(U 904 G)

Public Utilities Commission of the State of California

Subject: Establishment of the Line 1600 Records Audit Memorandum Account (L1600RAMA) Pursuant to Decision 18-06-028

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

Purpose

In compliance with Commission Decision (D.) 18-06-028, Ordering Paragraph (OP) 12, SoCalGas proposes to modify Preliminary Statement – Part VI – Memorandum Accounts to establish a Line 1600 Records Audit Memorandum Account (L1600RAMA), which will enable SoCalGas to track the costs associated with the audit of Line 1600 records.

Background

On September 30, 2015, San Diego Gas & Electric Company and SoCalGas (jointly, Utilities) filed Application (A.) 15-09-013 seeking authorization to construct the Pipeline Safety & Reliability Project (PSRP or Proposed Project). The PSRP would construct a new natural gas transmission line and associated facilities in San Diego County (Line 3602) to replace the transmission function of an existing natural gas transmission line (Line 1600). The Utilities proposed the PSRP to achieve three fundamental objectives: 1) to enhance the safety of the Utilities' integrated natural gas transmission system and implement pipeline safety requirements for existing Line 1600; 2) improve the gas system reliability and resiliency in San Diego County by minimizing dependence on a single transmission pipeline; and 3) enhance operational flexibility to manage stress conditions by increasing local capacity in the San Diego region.

The Commission issued D.18-06-028 on June 21, 2018, which denied the Proposed Project. Specifically, the Commission denied the Utilities' request to construct Line

3602 and de-rate (lower the pressure) of existing Line 1600 from a transmission line to a distribution line. Further, the Commission directed its Safety and Enforcement Division (SED) to select an independent auditor at the Utilities' expense and oversee an audit of Line 1600 records to help identify any inconsistencies within Utilities' sources of safety data.

OP 9 of D.18-06-028 directs the Utilities to prepare and submit a selection proposal to the SED including a list of at least three qualified independent auditors/bidders willing to perform the required independent audit of Line 1600 records. The SED is responsible for reviewing the bids, interviewing the short list of independent auditors, selecting the winning bidder, and overseeing the audit. The Utilities are further ordered in OP 11 of D.18-06-028 to enter into a contract with the winning bidder at their expense and submit a Tier 1 Advice Letter with the executed contract and audit budget to the Energy Division no later than five business days after the contract is executed.

Finally, OP 12 of D.18-06-028 requires the Utilities to "file a Tier 1 Advice Letter requesting a memorandum account to record costs associated with the audit of the Line 1600 records."

Establishment of the L1600RAMA

SoCalGas requests establishment of the L1600RAMA to record the costs associated with the audit of Line 1600 records, as described in the new preliminary statement included in Attachment A.

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 20 days of the date of this Advice Letter, which is August 15, 2018. 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 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

Effective Date

SoCalGas believes this Advice Letter is subject to Energy Division disposition and should be classified as Tier 1 (effective pending disposition) pursuant to General Order (GO) 96-B and OP 12 of D.18-06-028. Therefore, SoCalGas respectfully requests that this Advice Letter be made effective July 26, 2018, which is the date of this submittal.

Notice

A copy of this Advice Letter is being sent to SoCalGas' GO 96-B service list and the Commission's service list for A.15-09-013. Address change requests to the GO 96-B service list should be directed by e-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 e-mail at Process_Office@cpuc.ca.gov.

Ronald van der Leeden
Director, Regulatory Affairs

Attachment

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER SUBMITTAL 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 Submitted/ Received Stamp by CPUC)

Advice Letter (AL) #: 5328

Subject of AL: Establishment of the Line 1600 Records Audit Memorandum Account (L1600RAMA)

Pursuant to Decision 18-06-028

Keywords (choose from CPUC listing): Memorandum Accounts

AL type: Monthly Quarterly Annual One-Time Other

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

Decision 18-06-028

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: 7/26/18

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 Statements (PS) – VI – Memorandum Accounts, Line 1600 Records Audit Memorandum Account (L1600RAMA), PS VI – Description and Listing, and TOCs

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 submittal, 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. 5328

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 55318-G	PRELIMINARY STATEMENT - PART VI - MEMORANDUM ACCOUNTS, DESCRIPTION AND LISTING OF MEMORANDUM ACCOUNTS, Sheet 2	Revised 54634-G
Original 55319-G	PRELIMINARY STATEMENT - PART VI - MEMORANDUM ACCOUNTS, LINE 1600 RECORDS AUDIT MEMORANDUM ACCOUNT (L1600RAMA), Sheet 1	
Revised 55320-G	TABLE OF CONTENTS	Revised 55317-G
Revised 55321-G	TABLE OF CONTENTS	Revised 55066-G
Revised 55322-G	TABLE OF CONTENTS	Revised 54888-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)
- Line 1600 Records Audit Memorandum Account (L1600RAMA)

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(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 5328
DECISION NO. 18-06-028

ISSUED BY

Dan Skopec
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

SUBMITTED Jul 26, 2018
EFFECTIVE Jul 26, 2018
RESOLUTION NO. _____

PRELIMINARY STATEMENT - PART VI - MEMORANDUM ACCOUNTS
LINE 1600 RECORDS AUDIT MEMORANDUM ACCOUNT (L1600RAMA)

Sheet 1

1. Purpose

The L1600RAMA is an interest-bearing account recorded on SoCalGas' financial statements. The purpose of the L1600RAMA is to record costs associated with the audit of gas pipeline Line 1600 records. Pursuant to Decision (D.) 18-06-028, Ordering Paragraph (OP) 12, the L1600RAMA will record expenses for the audit of Line 1600 records. The Commission's Safety and Enforcement Division (SED) will select the independent auditor and oversee the audit.

2. Applicability

The L1600RAMA shall apply to all gas customers except those specifically excluded by the Commission.

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 equal to the actual incremental costs associated with the independent audit of Line 1600 records;
- 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 disposition of the L1600RAMA balance will be addressed in SoCalGas' next General Rate Case proceeding or other applicable proceeding.

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 5328
DECISION NO. 18-06-028

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ISSUED BY

Dan Skopec
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

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TABLE OF CONTENTS

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.

GENERAL

Cal. P.U.C. Sheet No.

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Tax Memorandum Account (TMA)	53178-G,53179-G
Winter Demand Response Memorandum Account (WDRMA)	54472-G,54473-G
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