

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



September 27, 2018

**Advice Letter 5338-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 General Rate Case Memorandum Account 2019  
(GRCMA2019) Pursuant to Administrative Law Judge's (ALJ) Ruling  
Regarding Application (A.) 17-10-008**

Dear Mr. van der Leeden:

Advice Letter 5338-G is effective as of January 1, 2019.

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)

August 8, 2018

Advice No. 5338  
(U 904 G)

Public Utilities Commission of the State of California

**Subject: Establishment of the General Rate Case Memorandum Account 2019 (GRCMA2019) Pursuant to Administrative Law Judge's (ALJ) Ruling Regarding Application (A.) 17-10-008**

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**

This submittal revises SoCalGas' Preliminary Statement, Part VI, Description and Listing of Regulatory Memorandum Accounts, in compliance with ALJ Lirag's ruling dated June 7, 2018, which grants SoCalGas the authority to establish the GRCMA2019.

### **Background**

SoCalGas submitted its General Rate Case (GRC) Application (A.)17-10-008 on October 6, 2017, requesting Commission authority to update its Test Year 2019 gas revenue requirement and base rates, effective January 1, 2019. A.17-10-008 was consolidated with San Diego Gas & Electric Company's (SDG&E) Application A.17-10-007 on November 8, 2017.

The scope of A.17-10-007/-008 (cons.) is broad and includes the traditional review of current utility spending and related issues including investment planning, safety and reliability, customer service, and all aspects of utility operations. Recognizing that the schedule of the proceeding precludes its completion in time for rates to be effective on January 1, 2019, SoCalGas and SDG&E submitted a Joint Motion on March 27, 2018,

to request authority to establish respective memorandum accounts to record the shortfall or overcollection resulting from the difference between the revenue requirement and corresponding rates currently in effect for utility service and the final revenue requirement and corresponding rates to be adopted by the Commission (which will be retroactive to January 1, 2019). ALJ Lirag's ruling dated June 7, 2018 granted the authority for each utility to establish the GRCMA2019. The creation of a memorandum account is consistent with the Commission's objectives to leave both SoCalGas' customers and shareholders essentially indifferent to the precise date that a final decision is issued in A.17-10-007/-008 (cons.), and GRC rates implemented.

### **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 August 28, 2018. The address for mailing or delivering a protest to the Commission is:

CPUC Energy Division  
Attn: 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 this Advice Letter is subject to Energy Division disposition and should be classified as Tier 2 (effective after staff approval) pursuant to General Order (GO) 96-B. Therefore, SoCalGas respectfully requests that this submittal be approved on September 7, 2018, which is 30 calendar days from the submittal date with the tariff sheets to be effective January 1, 2019.

**Notice**

A copy of this Advice Letter is being sent to SoCalGas' GO 96-B service list and the Commission's service list in GRC A.17-10-007/-008 (cons.). Address change requests to the GO 96-B service list should be directed by e-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 e-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 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](mailto: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) #: 5338

Subject of AL: Establishment of the General Rate Case Memorandum Account 2019 (GRCMA2019)

Pursuant to Administrative Law Judge's (ALJ) Ruling Regarding Application (A.) 17-10-008

Keywords (choose from CPUC listing): GRC; Memorandum Account

AL type:  Monthly  Quarterly  Annual  One-Time  Other

If AL submitted 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: Advice Letter 9/7/18; Tariffs 1/1/19 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, General Rate Case Memorandum Account 2019 (GRCMA2019) 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 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](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. 5338

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 55370-G	PRELIMINARY STATEMENT - PART VI - MEMORANDUM ACCOUNTS, DESCRIPTION AND LISTING OF MEMORANDUM ACCOUNTS, Sheet 2	Revised 55318-G
Original 55371-G	PRELIMINARY STATEMENT - PART VI - MEMORANDUM ACCOUNTS, GENERAL RATE CASE MEMORANDUM ACCOUNT 2019 (GRCMA2019), Sheet 1	
Revised 55372-G Revised 55373-G Revised 55374-G	TABLE OF CONTENTS TABLE OF CONTENTS TABLE OF CONTENTS	Revised 55369-G Revised 55321-G Revised 55322-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)  
General Rate Case Memorandum Account 2019 (GRCMA2019)

N

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 5338  
DECISION NO.

2H9

ISSUED BY

**Dan Skopec**  
Vice President  
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

SUBMITTED Aug 8, 2018  
EFFECTIVE Jan 1, 2019

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

PRELIMINARY STATEMENT - PART VI - MEMORANDUM ACCOUNTS  
GENERAL RATE CASE MEMORANDUM ACCOUNT 2019 (GRCMA2019)

Sheet 1

N  
N

1. Purpose

The GRCMA2019 is an interest-bearing memorandum account that is recorded on the Utility's financial statements. Pursuant to the Administrative Law Judge's Ruling Granting the Joint Motion by SoCalGas and SDG&E to Establish General Rate Case Memorandum Accounts dated June 7, 2018, the purpose of this account is to record the shortfall or overcollection resulting from the difference between the revenue requirement and corresponding rates in effect on January 1, 2019 for utility service and the final revenue requirement and corresponding rates adopted by the Commission in a decision for Application (A.) 17-10-008. The GRCMA2019 is effective January 1, 2019.

N

2. Applicability

This account shall apply to all gas customers except for those specifically excluded by the Commission.

3. Rates

See Disposition Section. The balance in the GRCMA2019 will be included in gas transportation rates upon Commission approval.

4. Accounting Procedures

Utility shall maintain the GRCMA2019 by making the following entries detailed below.

- a. A debit entry equal to the pro rata allocation of SoCalGas' annual base margin revenue requirement adopted in A.17-10-008 for the period January 1, 2019 until the effective date of rates adopted in a decision for A.17-10-008. This entry will be recorded once the decision is approved.
- b. A credit entry equal to the pro rata allocation of SoCalGas' current annual base margin revenue requirement for each month beginning January 1, 2019 until the effective date of rates adopted in a decision for A.17-10-008. This entry will be recorded once the decision is approved.
- c. An entry equal to the amortization of the GRCMA2019 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.

5. Disposition

The GRCMA2019 will be amortized in connection with the implementation of GRC rates adopted in a decision for A.17-10-008, SoCalGas' 2019 GRC. The GRCMA2019 balance will be amortized on Equal Percent of Authorized Margin ("EPAM") basis.

N

(TO BE INSERTED BY UTILITY)  
ADVICE LETTER NO. 5338  
DECISION NO.

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

(TO BE INSERTED BY CAL. PUC)  
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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)

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