

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



March 11, 2020

**Supplement 5414-G-B &
Supplement 5414-G-C**

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

SUBJECT: Establishment of San Joaquin Valley Disadvantaged Communities Balancing Account Pursuant to D.18-12-015

Dear Mr. van der Leeden:

Supplemental 5414-G-B and Supplemental 5414-G-C are effective as of February 6, 2020 per Resolution E-5055 per Ordering Paragraphs.

Sincerely,

A handwritten signature in cursive script that reads "Edward Randolph".

Edward Randolph
Deputy Executive Director for Energy and Climate Policy/
Director, Energy Division



Ronald van der Leeden
Director
Regulatory Affairs

555 W. Fifth Street, GT14D6
Los Angeles, CA 90013-1011
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RvanderLeeden@socalgas.com

February 13, 2020

Advice No. 5414-C
(U 904G)

Public Utilities Commission of the State of California

**Subject: Partial Supplement - Establishment of San Joaquin Valley
Disadvantaged Communities Balancing Account Pursuant to Decision
(D.) 18-12-015**

Southern California Gas Company (SoCalGas) hereby requests California Public Utilities Commission (Commission) approval of modifications to its Preliminary Statement - Part V, Balancing Accounts, applicable throughout its service territory, as shown on Attachment A.

Purpose

Pursuant to Resolution (Res.) E-5055, SoCalGas submits this Advice Letter (AL) to modify the San Joaquin Valley Disadvantaged Communities Balancing Account (SJV DACBA) to begin tracking the costs identified in AL 5414-B, remove language regarding how the tracked costs are allocated to customers, and note that SoCalGas will not seek cost recovery for these tracked costs until the appropriate cost allocation methodology is determined in its next Triennial Cost Allocation Proceeding (TCAP) cycle.

This submittal partially supplements AL 5414-B, which itself had fully replaced AL 5414-A, submitted on March 8, 2019. AL 5414-B provided updated budget totals and described the type of expenses to be tracked in the SJV DACBA. AL 5414-B was approved by Res. 5055-E, subject to the modifications described herein.

Background

On December 19, 2018, the Commission issued D. 18-12-015 approving the San Joaquin Valley Disadvantaged Communities Pilot Projects. Ordering Paragraph (OP) 24 of D.18-12-015 directed SoCalGas to submit a Tier 1 AL within 45 days of the

issuance date of the decision to establish a one-way balancing account with two subaccounts: one subaccount to record the revenue requirement associated with all to-the-meter (TTM) costs that will be recovered in transportation rates until the TTM costs are rolled into base rates in connection with SoCalGas' General Rate Case; and the second subaccount to track beyond-the-meter, non-leveraged costs that will be recovered in Public Purpose Program surcharge rates. Also, OP 29 of D.18-12-015 directed SoCalGas to recover its costs in the one-way balancing account authorized in OP 24 associated with pilot project process evaluation study, contracting to support development of an economic feasibility framework, and Community Energy Navigator.

On January 11, 2019, SoCalGas submitted AL 5414 to establish the SJVDACBA, including both identified subaccounts. On March 8, 2019, SoCalGas submitted supplemental AL 5414-A in response to a request by the Public Advocates Office to provide a description of the cost-allocation methodology for SJVDACBA. Pursuant to Energy Division's request to provide an updated budget total and description of the type of expenses to be tracked in the SJVDACBA, SoCalGas submitted AL 5414-B on June 25, 2019.

On February 6, 2020, the Commission adopted Res. E-5055, which approved AL 5414-B with specified modifications. OP 2 in Res. E-5055 directed SoCalGas to submit a supplemental Tier 1 AL within 15 days modifying AL 5414-B to: State that SoCalGas will begin tracking costs identified in AL 5414-B; remove language about how the tracked costs will be allocated to customers; and specify that SoCalGas shall not seek cost recovery for these tracked costs until the appropriate cost allocation methodology is determined in its next TCAP cycle.

Authorized Budget and Expense Type

As directed, SoCalGas will begin tracking the costs identified in AL 5414-B in the SJVDACBA.

Rate Design and Cost Allocation Methodology

As directed, the SJVDACBA, included on Attachment A, is revised to remove language about how tracked costs will be allocated to customers and state SoCalGas will not seek cost recovery for tracked costs until the appropriate cost allocation methodology is determined in its next TCAP cycle.

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. Any protests must be made in writing and must be received within 20 days of the date of this AL, which is March 4, 2020. 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@socalgas.com

Effective Date

SoCalGas asserts this AL 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 2 of Res. E-5055. Accordingly, SoCalGas respectfully requests that this AL be made effective for service on January 11, 2019, which is the effective date requested in AL 5414.

Notice

A copy of this AL is being sent to SoCalGas' GO 96-B service list and the Commission's service list in R.15-03-010. Address change requests to the GO 96-B service list should be directed via 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 via e-mail at Process_Office@cpuc.ca.gov.

Ronald van der Leeden
Director - Regulatory Affairs

Attachments



ADVICE LETTER SUMMARY

ENERGY UTILITY



MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No.:

Utility type:

ELC GAS WATER
 PLC HEAT

Contact Person:

Phone #:
E-mail:
E-mail Disposition Notice to:

EXPLANATION OF UTILITY TYPE

ELC = Electric GAS = Gas WATER = Water
PLC = Pipeline HEAT = Heat

(Date Submitted / Received Stamp by CPUC)

Advice Letter (AL) #:

Tier Designation:

Subject of AL:

Keywords (choose from CPUC listing):

AL Type: Monthly Quarterly Annual One-Time Other:

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

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL:

Summarize differences between the AL and the prior withdrawn or rejected AL:

Confidential treatment requested? Yes No

If yes, specification of confidential information:

Confidential information will be made available to appropriate parties who execute a nondisclosure agreement. Name and contact information to request nondisclosure agreement/ access to confidential information:

Resolution required? Yes No

Requested effective date:

No. of tariff sheets:

Estimated system annual revenue effect (%):

Estimated system average rate effect (%):

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:

Service affected and changes proposed¹:

Pending advice letters that revise the same tariff sheets:

¹Discuss in AL if more space is needed.

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 Avenue
San Francisco, CA 94102
Email: EDTariffUnit@cpuc.ca.gov

Name:
Title:
Utility Name:
Address:
City:
State: Zip:
Telephone (xxx) xxx-xxxx:
Facsimile (xxx) xxx-xxxx:
Email:

Name:
Title:
Utility Name:
Address:
City:
State: Zip:
Telephone (xxx) xxx-xxxx:
Facsimile (xxx) xxx-xxxx:
Email:

ATTACHMENT A
Advice No. 5414-C

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Original 57207-G	PRELIMINARY STATEMENT - PART V – BALANCING ACCOUNTS, SAN JOAQUIN VALLEY DISADVANTAGED COMMUNITIES, BALANCING ACCOUNT (SJVDACBA), Sheet 1	Original 55870-G Original 56061-G, 56419- G
Original 57208-G	PRELIMINARY STATEMENT - PART V – BALANCING ACCOUNTS, SAN JOAQUIN VALLEY DISADVANTAGED COMMUNITIES , BALANCING ACCOUNT (SJVDACBA), Sheet 2	Original 55871-G Original 56062-G, 56420- G
Revised 57209-G Revised 57210-G	TABLE OF CONTENTS TABLE OF CONTENTS	Revised 57196-G Revised 56862-G

PRELIMINARY STATEMENT - PART V – BALANCING ACCOUNTS Sheet 1
SAN JOAQUIN VALLEY DISADVANTAGED COMMUNITIES
BALANCING ACCOUNT (SJV DACBA)

1. Purpose

The SJVDACBA is an interest-bearing account recorded on SoCalGas’ financial statements. Pursuant to Decision (D.) 18-12-015, “Decision Approving San Joaquin Valley Disadvantaged Communities (DACs) Pilot Projects,” and Resolution E-5055, the SJVDACBA will record the costs associated with the DACs Pilot Projects in two separate balancing accounts:

- To-the-Meter (TTM) Subaccount; and
- Beyond-the-Meter (BTM) Subaccount.

2. Applicability

The SJVDACBA shall apply to gas customers except those excluded by the Commission.

3. Rates

See Disposition Section.

4. Accounting Procedures – TTM Subaccount

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

- a) A debit entry to record the incremental O&M administrative costs associated with the approved DACs Pilot Projects;
- b) A debit entry to record the incremental TTM capital-related costs (depreciation, return, and income taxes) associated with the approved DACs Pilot Projects;
- c) A credit entry equal to the amortization in gas transportation rates as authorized by Commission; and
- d) 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.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 5414-C
 DECISION NO. 18-12-015

ISSUED BY
Dan Skopec
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 SUBMITTED Feb 13, 2020
 EFFECTIVE Jan 11, 2019
 RESOLUTION NO. E-5055

PRELIMINARY STATEMENT - PART V – BALANCING ACCOUNTS
SAN JOAQUIN VALLEY DISADVANTAGED COMMUNITIES
BALANCING ACCOUNT (SJV DACBA)

Sheet 2

(Continued)

5. Accounting Procedures – BTM Subaccount

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

- a) A debit entry to record the incremental BTM, non-leveraged O&M costs associated with the approved DAC pilot projects;
- b) A debit entry to record costs associated with a pilot project process evaluation, contracting to support development of an economic feasibility framework, and for Community Energy Navigator (CEN) cost sharing detail as provided for in D.18-12-015;
- c) A credit entry equal to the recorded Public Purpose Program (PPP) gas surcharge billed for the month, net of actual bad debt write-offs;
- d) A debit entry equal to the PPP gas surcharge funds, net of any refunds to exempt customers, remitted to the State Board of Equalization (BOE) pursuant to Assembly Bill 1002;
- e) A debit entry equal to refunds to customers that are exempt from the surcharge under Section 896 of the Public Utilities Code and the California Energy Resources Surcharge Regulation Sections 2315 and 2316;
- f) A credit entry equal to the reimbursement of the gas surcharge funds, including actual interest earned in the Gas Consumption Surcharge Fund while the funds were in the possession of the State. The amount reimbursed excludes the funds retained by the BOE/Commission to offset their administration costs and any refunds paid by the BOE to customers that are exempt from the surcharge; and
- g) 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.

6. Disposition

The SJVDACBA balance will be addressed in SoCalGas’ next Triennial Cost Allocation Proceeding (TCAP). Recovery of costs is limited to the allocated budget approved by the Commission, and any over-expenditures may not be recovered from ratepayers. Shareholders absorb the balance in the event that actual costs exceed authorized budget levels allocated to SoCalGas.

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(TO BE INSERTED BY UTILITY)
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Vice President
Regulatory Affairs

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