

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



October 3, 2019

**Advice Letter 5506-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 Core Gas Balancing Memorandum Account (CGBMA)  
Pursuant to Decision (D.) 19-08-002**

Dear Mr. van der Leeden:

Advice Letter 5506-G is effective as of August 1, 2019.

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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Fax: 213.244.4957  
[RvanderLeeden@socalgas.com](mailto:RvanderLeeden@socalgas.com)

August 30, 2019

Advice No. 5506  
(U 904 G)

Public Utilities Commission of the State of California

**Subject: Establishment of the Core Gas Balancing Memorandum Account  
(CGBMA) Pursuant to Decision (D.) 19-08-002**

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

**Purpose**

This submittal complies with Ordering Paragraph (OP) 8 of Commission Decision (D.) 19-08-002, which directs SoCalGas to file a Tier 1 Advice Letter to establish the Core Gas Balancing Memorandum Account (CGBMA) described herein. The CGBMA is created as an interest-bearing account recorded on SoCalGas' financial statements. San Diego Gas & Electric Company (SDG&E) is submitting a similar Advice Letter to establish a CGBMA within its Preliminary Statement.

**Background**

On August 1, 2019, the Commission adopted D.19-08-002, which directs, among other things, SoCalGas to incorporate advanced metering infrastructure data into its scheduling and balancing process. The decision summarizes its requirements as follows:

Today's decision directs [SoCalGas] to incorporate historical Advanced Metering Infrastructure (AMI) data into SoCalGas's Gas Acquisition Department's scheduling and balancing process immediately, within seven days of the effective date of this decision.

We require the Applicants, SoCalGas and San Diego Gas & Electric Company, to balance gas deliveries to their estimated actual consumption, rather than a forecast, beginning April 1, 2020.

We direct Applicants to begin building the AMI Data Aggregation System, including the Scheduled Quantity imbalance trading automation buildout. Applicants shall file an Advice Letter to establish a Memorandum Account to record costs to build the AMI Data Aggregation system which shall include a function to automate Scheduled Quantity trading. We expect the AMI Data Aggregation System to be operational by April 1, 2020 with a review of recorded expenditures in the Applicants' next General Rate Case.<sup>1</sup>

### **Establishment of the CGBMA**

OP 8 of D.19-08-002 instructs SoCalGas to submit a Tier 1 Advice Letter "to establish a Memorandum Account in which Applicants may record costs of the Advanced Metering Infrastructure Data Aggregation System, automation of Scheduled Quantity trading for ENVOY, and other costs associated with requiring Gas Acquisition to balance to estimated actual consumption, for consideration in the next General Rate Case." Therefore, SoCalGas herein requests Commission approval of this Advice Letter to establish the CGBMA, with an effective date of August 1, 2019 (the date the memorandum account was approved), and modifications consistent with its Preliminary Statement, Part VI, Memorandum Accounts, as shown in Attachment A.

The amounts recorded in the CGBMA will be subject to reasonableness review in a future General Rate Case.

### **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 September 19, 2019. 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> D.19-08-002 at 2.

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@socalgas.com](mailto:ROrtiz@socalgas.com)

### **Effective Date**

Pursuant to General Order (GO) 96-B and OP 8 of D.19-08-002, SoCalGas submits this Tier 1 Advice Letter (effective pending disposition) subject to Energy Division disposition, for approval with an effective date of August 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 A.17-10-002. Address change requests to the GO 96-B service list should be directed via 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 via 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



# 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 proposed<sup>1</sup>:

Pending advice letters that revise the same tariff sheets:

<sup>1</sup>Discuss 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](mailto: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. 5506

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 56607-G	PRELIMINARY STATEMENT - PART VI - MEMORANDUM ACCOUNTS, DESCRIPTION AND LISTING OF MEMORANDUM ACCOUNTS, Sheet 2	Revised 55743-G
Original 56608-G	PRELIMINARY STATEMENT - PART VI - MEMORANDUM ACCOUNTS, CORE GAS BALANCING MEMORANDUM ACCOUNT (CGBMA), Sheet 1	
Revised 56609-G Revised 56610-G Revised 56611-G	TABLE OF CONTENTS TABLE OF CONTENTS TABLE OF CONTENTS	Revised 56575-G Revised 56422-G Revised 55759-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)  
Emergency Customer Protections Memorandum Account (ECPMA)  
San Joaquin Valley Data Gathering Plan Memorandum Account (SJVDGPMA)  
Dairy Biomethane Project Memorandum Account (DBPMA)  
Officer Compensation Memorandum Account 2019 (OCMA2019)  
Core Gas Balancing Memorandum Account (CGBMA)

N

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 5506  
DECISION NO. 19-08-002

2H6

ISSUED BY

**Dan Skopec**  
Vice President  
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

SUBMITTED Aug 30, 2019  
EFFECTIVE Aug 1, 2019

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



PRELIMINARY STATEMENT - PART VI - MEMORANDUM ACCOUNTS  
CORE GAS BALANCING MEMORANDUM ACCOUNT (CGBMA)

Sheet 1

N  
N

1. Purpose

The CGBMA is an interest-bearing account recorded on SoCalGas' financial statements. Pursuant to Decision (D.) 19-08-002, Decision Regarding Feasibility of Incorporating Advanced Meter Data into the Core Balancing Process, the CGBMA will record the costs of the Advanced Metering Infrastructure (AMI) Data Aggregation System, automation of Scheduled Quantity trading for ENVOY, and other costs associated with requiring Gas Acquisition to balance to estimated actual consumption.

2. Applicability

See Disposition Section.

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 to record the O&M costs associated with the buildout of the AMI Data Aggregation System, the Scheduled Quantity imbalance trading automation buildout, and other costs associated with requiring Gas Acquisition to balance to estimated actual consumption;
- b) A debit entry to the capital-related costs (depreciation, return and taxes) associated with the buildout of the AMI Data Aggregation System to incorporate AMI data into Gas Acquisition's scheduling and balancing process and the buildout of the Scheduled Quantity trading system to automate scheduled trading;
- c) An entry to amortize the prior year's balance as authorized by the 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.

5. Disposition

The balance in the CGBMA will be addressed in SoCalGas' next GRC or other applicable proceeding.

N

N

(TO BE INSERTED BY UTILITY)  
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**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.

GENERAL

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