

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



November 12, 2019

Advice Letter 5531-G

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

SUBJECT: SoCalGas Advice No. 5531 - Establishment of the Line 235 Memorandum Account (L235MA) Pursuant to Decision (D.) 19-09-051.

Dear Mr. van der Leeden:

Advice Letter 5531-G is effective as of September 26, 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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RvanderLeeden@socalgas.com

October 16, 2019

Advice No. 5531
(U 904G)

Public Utilities Commission of the State of California

**Subject: Establishment of the Line 235 Memorandum Account (L235MA)
Pursuant to Decision (D.) 19-09-051**

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

Purpose

This submittal establishes SoCalGas' Preliminary Statement, Part VI, Memorandum Accounts, L235MA in compliance with Ordering Paragraph (OP) 14 of D.19-09-051.

Background

On October 6, 2017, SoCalGas filed its General Rate Case (GRC) Application (A.) 17-10-008. Effective September 26, 2019, the Commission issued D.19-09-051 adopting, among other things, the authority to establish a memorandum account to record all costs related to Line 235.

Specifically, OP 14 of D.19-09-051 instructs SoCalGas to "establish a memorandum account within 20 days from the effective date of this decision and at that time shall begin to record all costs related to Line 235 West Sections 1 and 2 (i.e., capital costs including rate of return, operations and maintenance costs, repair and replacement costs, or any other costs related to the line)."

Establishment of L235MA

Pursuant to D.19-09-051, SoCalGas proposes to establish the L235MA as described below. The corresponding Preliminary Statement is included as Attachment A.

Line 235 Memorandum Account (L235MA) – The L235MA will record all costs related to Line 235 West Sections 1 and 2, including costs to repair ruptures and leaks to Line 235 that are not requested in the 2019 GRC. For Pipeline Safety Enhancement Program (PSEP) costs related to Line 235, SoCalGas shall seek recovery of these costs in a Tier 2 advice letter submitted at the conclusion of Line 235 West Sections 1 and 2 testing or replacement. The Tier 2 advice letter will provide clear accounting delineations of which costs are subject to the Transmission Integrity Management Program (TIMP) and which costs are subject to the PSEP. Such PSEP costs shall not be placed into rates for recovery and such TIMP costs shall be made subject to refund until the advice letter is approved.

This memorandum account will allow the Commission the future ability to adjust SoCalGas' TY2019 revenue requirement for TY2019 and PTYs 2020 and 2021 should a future inquiry find that Line 235 is no longer used and useful and if costs relating to Line 235 are unreasonable.

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 November 5, 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

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

This submittal is subject to Energy Division disposition and is 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 November 15, 2019, which is 30 calendar days from 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 in R.15-01-008. 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. 5531

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 56740-G	PRELIMINARY STATEMENT - PART VI - MEMORANDUM ACCOUNTS, DESCRIPTION AND LISTING OF MEMORANDUM ACCOUNTS, Sheet 2	Revised 56712-G
Original 56741-G	PRELIMINARY STATEMENT - PART VI - MEMORANDUM ACCOUNTS, LINE 235 MEMORANDUM ACCOUNT (1235ma), Sheet 1	
Original 56742-G	PRELIMINARY STATEMENT - PART VI - MEMORANDUM ACCOUNTS, LINE 235 MEMORANDUM ACCOUNT (1235ma), Sheet 2	
Revised 56743-G	TABLE OF CONTENTS	Revised 56739-G
Revised 56744-G	TABLE OF CONTENTS	Revised 56715-G
Revised 56745-G	TABLE OF CONTENTS	Revised 56716-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)
California Consumer Privacy Act Memorandum Account (CCPAMA)
Line 235 Memorandum Account (L235MA)

N

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 5531
DECISION NO. 19-09-051

ISSUED BY
Dan Skopec
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
SUBMITTED Oct 16, 2019
EFFECTIVE Sep 26, 2019
RESOLUTION NO. _____

PRELIMINARY STATEMENT - PART VI - MEMORANDUM ACCOUNTS
LINE 235 MEMORANDUM ACCOUNT (L235MA)

Sheet 1

1. Purpose

The L235MA is an interest-bearing memorandum account. Pursuant to Decision (D.) 19-09-051, the purpose of the L235MA is to record all costs related to Line 235 West Sections 1 and 2, including costs to repair ruptures and leaks to Line 235 that are not requested in the 2019 GRC. The account consists of two subaccounts:

- Pipeline Safety Enhancement Program (PSEP) Cost Subaccount – The purpose of this subaccount is to record the cost of testing or replacement of Line 235 West Sections 1 and 2. This subaccount is reflected on SoCalGas' financial statements.
- Transmission Integrity Management Program (TIMP)/Other Cost Subaccount – The purpose of this subaccount is to track all costs related to Line 235 other than PSEP costs. This subaccount is not reflected on SoCalGas' financial Statements.

This memorandum account will allow the Commission the future ability to adjust SoCalGas' TY2019 revenue requirement for TY2019 and PTYs 2020 and 2021 should a future inquiry find that Line 235 is no longer used and useful and if costs relating to Line 235 are unreasonable.

2. Applicability

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

3. Rates

See Disposition Section.

4. Accounting Procedures – PSEP Cost Subaccount

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

- a) A debit entry equal to the PSEP O&M and capital-related costs (i.e., depreciation, taxes and return) related to Line 235;
- b) A debit entry equal to the transfer of costs associated with Line 235 recorded in the PSEP-Phase 2 Memorandum Account (PSEP-P2MA), Safety Enhancement Expense Balancing Account (SEEBA), and Safety Enhancement Capital Cost Balancing Account (SECCBA);
- c) An entry to amortize the account 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.

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(TO BE INSERTED BY UTILITY)
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DECISION NO. 19-09-051

ISSUED BY
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Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
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PRELIMINARY STATEMENT - PART VI - MEMORANDUM ACCOUNTS
LINE 235 MEMORANDUM ACCOUNT (L235MA)

Sheet 2

N
N

(Continued)

5. Accounting Procedures – TIMP/Other Cost Subaccount

N

- a) A debit entry equal to non-PSEP O&M and capital-related costs related to Line 235 West Sections 1 and 2 (i.e., capital-related costs including rate of return, operations and maintenance costs, repair and replacement costs, or any other costs related to the line); and
- b) 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

SoCalGas shall seek amortization of PSEP Cost Subaccount balance of the L235MA in a Tier 2 advice letter submitted at the conclusion of Line 235 West Sections 1 and 2 testing or replacement. The Tier 2 advice letter will provide clear accounting delineations of which costs are subject to the TIMP and which costs are subject to the PSEP. Such PSEP costs shall not be placed into rates for recovery and such TIMP costs shall be made subject to refund until the advice letter is approved.

N

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 5531
DECISION NO. 19-09-051

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ISSUED BY

Dan Skopec
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

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