

REVISED

STATE OF CALIFORNIA

GAVIN NEWSOM, *Governor*

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



August 5, 2020

**Advice Letter 5536-G and  
5536-A**

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

**SUBJECT: SoCalGas Advice No. 5536-G & 5536-A - Test Year 2019 General Rate Case  
(GRC) Rate Implementation Submittal, Effective January 1, 2020, and Other  
Applicable Rate Changes.**

Dear Mr. van der Leeden:

Advice Letter 5536-G and 5536-A is effective as of January 1st, 2020

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  
Tel: 213.244.2009  
Fax: 213.244.4957  
[RvanderLeeden@socalgas.com](mailto:RvanderLeeden@socalgas.com)

December 31, 2019

Advice No. 5536-A  
(U 904 G)

Public Utilities Commission of the State of California

**Subject: Partial Supplement - Test Year 2019 General Rate Case (GRC) Rate Implementation Submittal, Effective January 1, 2020, and Other Applicable Rate Changes**

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.

Subsequent review of Advice No. (AL) 5536, Test Year 2019 General Rate Case (GRC) Rate Implementation Submittal, Effective January 1, 2020, and Other Applicable Rate Changes, submitted on October 28, 2019, identified SoCalGas' franchise fees and uncollectibles (FF&U) factors in Schedule No. G-IMB, Transportation Imbalance Service, were not updated with the revised uncollectible expense rate. Therefore, SoCalGas revises Schedule No. G-IMB with the updated FF&U factors.

**Purpose**

Pursuant to Ordering Paragraph (OP) 18 of Decision (D.) 19-09-051 and AL 5536, SoCalGas herein updates its uncollectible expense rate of 0.313% and 0.301% for Post Test Years (PTY) 2020 and 2021, respectively, in its Schedule No. G-IMB. Pursuant to Section 38.1.4.1 of D.19-09-051, SoCalGas' franchise fee factor is updated to 1.3720 percent to calculate the FF&U factors in Schedule No. G-IMB.<sup>1</sup>

**Background**

AL 5536 was submitted in compliance with OP 3 of D.19-09-051, dated September 26, 2019, in SoCalGas' Test Year (TY) 2019 GRC, Application No. (A.) 17-10-008, modified for the timing of amortization of the balance in the General Rate Case Memorandum Account 2019 (GRCMA2019) as approved by the Commission.

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<sup>1</sup> D.19-09-051, at 641.

SoCalGas revises its rates, effective January 1, 2019, to implement the base margin revenue requirement authorized in OPs 1 and 2 in D.19-09-051 and amortize the balance in the GRCMA2019 established in AL 5338. The overall rate change reflects a revenue requirement increase of \$805.4 million. D.19-09-051 also finds the effective date for the change in the revenue requirement to correspond with the effective date of the GRCMA2019 authorized by AL 5338.

### **Revenue Requirement/Base Margin Adjustment**

The TY 2020 revenue requirement adopted in D.19-09-051 provides a gas base margin revenue requirement of \$2.883 billion (including FF&U and net of miscellaneous revenue) for SoCalGas, which is an increase of \$777.9 million relative to TY 2016 GRC margin; \$658 million increase relative to Attrition Year 2018 with Cost of Capital update.<sup>2</sup>

It should be noted that the revenue requirement herein does not include other revenue requirement adjustments (e.g., amortization of Annual Regulatory Accounts Balances) expected to be authorized by the Commission for implementation in transportation rates effective January 1, 2020. On December 27, 2019, SoCalGas submitted AL 5562 consolidating all Commission-authorized changes in its revenue requirement, and the related changes herein to its rates, effective January 1, 2020.

### **Tariff Modifications**

The FF&U factors in Schedule No. G-IMB, Sheet 4, are revised as follows:

| <u>Class of Service</u> | <u>FF&amp;U</u> |
|-------------------------|-----------------|
| Core                    | 1.017094        |
| Noncore                 | 1.017094        |
| Wholesale               | 1.013911        |

Additionally, the symbols pertaining to the updated Transported Gas Municipal Surcharge for Schedule G-MSUR on Preliminary Statement, Part II, Summary of Rates and Charges, Sheet 10, are corrected to reflect a reduction (decrease) in the franchise fee. The revised symbols coincide with the symbols for the rates surcharge percentage reduction in Schedule No. G-MSUR, Transported Gas Municipal Surcharge, related to the decrease in the franchise fee.

### **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 must

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<sup>2</sup> This update also complies with OP 5 of D.19-09-051, which directs SoCalGas to update its PTY revenue requirement two months prior to the beginning of each attrition year, and OP 12, which affirms that officer salaries, bonuses, and benefits are excluded from the revenue requirements for PTY 2020 and 2021.

be received within 20 days of the date of this Advice Letter, which is January 20, 2020. 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 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**

SoCalGas believes this Advice Letter is subject to Energy Division disposition and should be classified as Tier 1 (effective pending staff approval) pursuant to General Order (GO) 96-B and OP 3 of D.19-09-051. Therefore, SoCalGas respectfully requests that this Advice Letter become effective for service on and after January 1, 2020, concurrent with AL 5536 and the January 2020 core monthly pricing Advice Letter.

### **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.17-10-008, TY 2019 GRC. 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. 5536-A

| Cal. P.U.C.<br>Sheet No. | Title of Sheet   | Cancelling Cal.<br>P.U.C. Sheet No. |
|--------------------------|--|-------------------------------------|
| Revised 57076-G          | PRELIMINARY STATEMENT, PART II,<br>SUMMARY OF RATES AND CHARGES, Sheet<br>10 | Revised 56756-G<br>Revised 56070-G  |
| Revised 57077-G          | Schedule No. G-IMB, TRANSPORTATION<br>IMBALANCE SERVICE, Sheet 4             | Revised 54239-G                     |
| Revised 57078-G          | TABLE OF CONTENTS  | Revised 57074-G                     |
| Revised 57079-G          | TABLE OF CONTENTS  | Revised 57075-G                     |

PRELIMINARY STATEMENT  
 PART II  
 SUMMARY OF RATES AND CHARGES

Sheet 10

(Continued)

TAX SURCHARGE TO FUND PUBLIC PURPOSE PROGRAMS

| <u>Schedule G-PPPS</u>                                    | <u>Tax Surcharge</u>                         |                          |
|---|--|--------------------------|
|   | <u>For all service, per meter, per month</u> |                          |
| <u>Customer Served Under the Following Rate Schedules</u> | <u>CARE Customer***</u>                      | <u>Non-CARE Customer</u> |
|   | <u>(¢/therm)</u>                             | <u>(¢/therm)</u>         |
| Core  |  |                          |
| Residential   | 7.423  | 10.252                   |
| Commercial/Industrial                                     | 4.888  | 7.718                    |
| Gas Air Conditioning                                      | 9.051  | 11.880                   |
| Gas Engine  | N/A  | 7.434                    |
| Natural Gas Vehicle                                       | N/A  | 2.829                    |
| Noncore   |  |                          |
| Commercial/Industrial                                     | N/A  | 3.330                    |

SURCHARGE TO FUND PUC UTILITIES REIMBURSEMENT ACCOUNT

Schedule G-SRF

Surcharge, per therm ..... 0.247¢

TRANSPORTED GAS MUNICIPAL SURCHARGE

Schedule G-MSUR

Outside the City of Los Angeles ..... 1.3720% R  
 Within the Cities of San Buenaventura (Ventura), Huntington Beach,  
 Visalia, Bakersfield, and Long Beach ..... 2.3720%\* R  
 Within the City of Los Angeles ..... 2.0000%

\* Includes 1% franchise fee surcharge for City of Ventura customers pursuant to D. 07-10-024, for City of Huntington Beach customers pursuant to Resolution G-3452, City of Visalia pursuant to Advice No. 4418, City of Bakersfield pursuant to Advice No. 4569, and City of Long Beach pursuant to Advice No. 5392.

(Continued)

(TO BE INSERTED BY UTILITY)  
 ADVICE LETTER NO. 5536-A  
 DECISION NO. 19-09-051

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

(TO BE INSERTED BY CAL. PUC)  
 SUBMITTED Dec 31, 2019  
 EFFECTIVE Jan 1, 2020  
 RESOLUTION NO. \_\_\_\_\_



Schedule No. G-IMB  
TRANSPORTATION IMBALANCE SERVICE

Sheet 4

(Continued)

RATES (Continued)

Daily Balancing Standby Rates (Continued)

The daily balancing standby rate shall be equal to NGI's MidDay Price Alert Index for SoCal-Citygate multiplied by FF&U plus brokerage fee (i.e., [(NGI's MidDay Price Alert Index for SoCal-Citygate)\*(FF&U)] + [brokerage fee]), rounded up to the next whole dollar, for each day a Stage 5 Low OFO, EFO, or curtailment is issued. Authorized FF&U will not be added to any daily balancing standby charge for the Utility Gas Procurement Department to the extent that is collected elsewhere.

SoCalGas FF&U Factors and Brokerage Fees

|           | FF&U     | Brokerage Fee (\$/Dth) |
|-----------|----------|------------------------|
| Core      | 1.017094 | 0.0208                 |
| Noncore   | 1.017094 | 0.0266                 |
| Wholesale | 1.013911 | 0.0266                 |

Revision of Rates

The Standby Procurement Charge and the Buy-Back Rate shall be established effective the last day of each month. The Daily Balancing Standby Rate shall be established on NGI's MidDay Price Alert Index.

SPECIAL CONDITIONS

1. Definitions of the principal terms used in this rate schedule are contained in Rule No. 1.
2. Imbalances of customers other than the Utility Gas Procurement Department or ESPs will be calculated by combining all of a customer's meters served under the same order control code, not by account or individual delivery point. The order control code is used by the Utility to group those facilities identified by the customer for determining the customer's imbalances. In the case of the Utility Gas Procurement Department the applicable Daily Forecast Quantity will be used. In the case of ESPs their applicable Daily Contract Quantity (DCQ) will be used.
3. Immediately each month when actual meter usage information becomes available, an adjustment to the Utility Gas Procurement Department's imbalance account will be made to account for any differences between actual consumption of the core customers and the Daily Forecast Quantity, company use and LUAF.

(Continued)

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| G-CP    | Core Procurement Service .....  | 47480-G,57070-G,57071-G,57072-G,37933-G   |
| GT-NC   | Intrastate Transportation Service for<br>Distribution Level Customers ..... | 56220-G,56221-G,56649-G,53323-G,53324-G<br>53325-G,53326-G  |
| GT-TLS  | Intrastate Transportation Service for<br>Transmission Level Customers ..... | 53327-G,56222-G,56223-G,56224-G,56650-G<br>53331-G,53332-G,53333-G,53334-G,53335-G<br>53336-G,53337-G,53338-G                                 |
| GT-SWGX | Wholesale Natural Gas Service .....   | 56412-G,45341-G   |
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| G-OSD   | Off-System Delivery Service .....   | 47345-G*,47346-G,53183-G,47348-G  |
| G-BTS   | Backbone Transportation Service .....                                       | 56477-G,56478-G,56225-G,56678-G<br>47176-G,49399-G,56651-G,47179-G,56652-G,53467-G<br>56653-G,56654-G,53470-G,56655-G,56656-G,56657-G,56658-G |
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| G-BSS   | Basic Storage Service .....   | 43337-G,56065-G,45767-G,45768-G<br>45769-G,45770-G  |
| G-AUC   | Auction Storage Service .....   | 43338-G,32709-G,32710-G,32711-G<br>32712-G,32713-G,36314-G,32715-G  |
| G-LTS   | Long-Term Storage Service .....   | 32716-G,32717-G,56066-G,45771-G<br>45772-G,45773-G  |
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| G-SMT   | Secondary Market Transactions<br>of Storage Rights .....                    | 45359-G,50343-G,45361-G   |
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| G-CCC   | Greenhouse Gas California Climate Credit .....                              | 55988-G   |
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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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(Continued)

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