

PUBLIC UTILITIES COMMISSION
505 Van Ness Avenue
San Francisco CA 94102-3298



Southern California Gas Company
GAS (Corp ID 904)
Status of Advice Letter 5687G
As of October 1, 2020

Subject: Modification of Core Fixed Cost Account and Integrated Transmission Balancing Account Pursuant to Decision (D.) 20-08-044 Triennial Cost Allocation Proceeding (TCAP)

Division Assigned: Energy

Date Filed: 09-03-2020

Date to Calendar: 09-07-2020

Authorizing Documents: None

Disposition:	Accepted
Effective Date:	08-27-2020

Resolution Required: No

Resolution Number: None

Commission Meeting Date: None

CPUC Contact Information:

edtariffunit@cpuc.ca.gov

AL Certificate Contact Information:

Ray B. Ortiz

(213) 244-3837

ROrtiz@socalgas.com

PUBLIC UTILITIES COMMISSION
505 Van Ness Avenue
San Francisco CA 94102-3298



To: Energy Company Filing Advice Letter

From: Energy Division PAL Coordinator

Subject: Your Advice Letter Filing

The Energy Division of the California Public Utilities Commission has processed your recent Advice Letter (AL) filing and is returning an AL status certificate for your records.

The AL status certificate indicates:

- Advice Letter Number
- Name of Filer
- CPUC Corporate ID number of Filer
- Subject of Filing
- Date Filed
- Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)
- Effective Date of Filing
- Other Miscellaneous Information (e.g., Resolution, if applicable, etc.)

The Energy Division has made no changes to your copy of the Advice Letter Filing; please review your Advice Letter Filing with the information contained in the AL status certificate, and update your Advice Letter and tariff records accordingly.

All inquiries to the California Public Utilities Commission on the status of your Advice Letter Filing will be answered by Energy Division staff based on the information contained in the Energy Division's PAL database from which the AL status certificate is generated. If you have any questions on this matter please contact the:

Energy Division's Tariff Unit by e-mail to
edtariffunit@cpuc.ca.gov



Ronald van der Leeden
Director
Regulatory Affairs

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

September 3, 2020

Advice No. 5687
(U 904 G)

Public Utilities Commission of the State of California

Subject: Modification of Core Fixed Cost Account and Integrated Transmission Balancing Account Pursuant to Decision (D.) 20-08-044 – Triennial Cost Allocation Proceeding (TCAP)

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

Purpose

This submission complies with Ordering Paragraph (OP) 3 of D.20-08-044 by modifying SoCalGas' Preliminary Statement - Part V, Core Fixed Cost Account (CFCA). Conforming changes are also made to SoCalGas' Preliminary Statement - Part V, Integrated Transmission Balancing Account (ITBA). The CFCA will continue to track the undercollection that will accrue through December 31, 2020 from deferring the Schedule No. G-10, Core Commercial and Industrial Service, increase that was otherwise scheduled to be implemented on May 1, 2020 as part of SoCalGas' implementation of its final TCAP decision, D.20-02-045.

Background

On March 30, 2020, SoCalGas submitted Advice No. (AL) 5609 in compliance with OP 23 of D.20-02-045, *Decision Addressing San Diego Gas & Electric Company and Southern California Gas Company Triennial Cost Allocation Proceeding Application*. The revisions included in AL 5609 presented the tariff changes necessary to implement D.20-02-045, with the tariff changes requested to be effective May 1, 2020, which was the first of the month following anticipated approval of AL 5609.

On April 3, in response to the COVID-19 pandemic and resulting actions taken by governmental authorities, SoCalGas sent a letter to CPUC Executive Director Stebbins, pursuant to Rule 16.6 of the Commission's Rules of Practice and Procedure, seeking an extension of time to comply with D.20-02-045 with respect to the rate increase that would otherwise occur for small business core customers, who generally take service under Schedule No. G-10.

While recognizing the extension request was not the appropriate procedural vehicle for the request, Executive Director Stebbins nonetheless approved the request through September 1, 2020 and directed SoCalGas to seek relief through a Petition for Modification (PFM) of D.20-02-045 to be filed by May 15, 2020. In compliance with the approval, SoCalGas submitted AL 5609-A as a partial supplement to seek the approved rate implementation deferral for small business customers and to describe the interim accounting treatment for the resulting undercollection, subject to the aforementioned PFM.

In AL 5609-A, SoCalGas stated it would track the undercollection by calculating the difference between the revenue requirement in rates effective April 1, 2020 and the 2020 TCAP authorized revenue requirement for the Core Commercial and Industrial (Core CI) customer class. While the majority of the undercollection would be recorded in SoCalGas' CFCA, the authorized revenue requirement for the Core CI customer class includes an allocation for local transmission costs which would otherwise be recorded in SoCalGas' ITBA. Since the ITBA is amortized in rates to both core and noncore customer classes, SoCalGas proposed in AL 5609-A to true-up the ITBA for any undercollection attributed to local transmission costs by transferring the undercollection to the CFCA so that the ITBA, and therefore noncore rates, would not be impacted by any undercollection.

On April 29, 2020, the Commission's Energy Division issued a Nonstandard Disposition Letter approving ALs 5609 and 5609-A, but directing SoCalGas to: 1) track the undercollection resulting from the rate implementation deferral separately in a new subaccount in SoCalGas' CFCA; and 2) true-up SoCalGas' ITBA for any undercollection attributed to local transmission costs by transferring the undercollection to the new subaccount under the CFCA.

D.20-08-044 continues the rate increase deferral for Schedule No. G-10 through December 31, 2020. The resulting balance in the Core CI Class Subaccount is ordered to be collected over 24 months, beginning on January 1, 2021, only from Core CI customers.

Proposed Modifications

Attachment A includes modifications to SoCalGas' CFCA and ITBA in compliance with D.20-08-044.

SoCalGas' CFCA is modified to clarify that the "Core CI Class Subaccount" will track the difference between the revenue requirement in rates effective April 1, 2020 and the 2020 TCAP authorized revenue requirement for the Core CI customer class, as well as to transfer a portion of the ITBA related to local transmission costs, through December 31, 2020. An accounting entry is added to the "Core CI Class Subaccount" to amortize the balance. Finally, the Disposition section of the CFCA is modified to clarify that the "Core CI Class Subaccount" will be collected only from Core CI class customers.

SoCalGas' ITBA is modified to continue transferring the undercollection for local transmission costs attributed to the deferred rate implementation to the CFCA through December 31, 2020.

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. The protest must be made in writing and must be received within 20 days of the date of this AL, which is September 23, 2020. The address for mailing or delivering a protest to the Commission is given below.

CPUC Energy Division
Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, CA 94102

A copy of the protest should also be sent via e-mail to the attention of the Energy Division Tariff Unit (EDTariffUnit@cpuc.ca.gov). Due to the COVID-19 pandemic and the shelter at home orders, SoCalGas is currently unable to receive protests or comments to this AL via U.S. mail or fax. Please submit protests or comments to this AL via e-mail to the address shown below on the same date it is mailed or e-mailed 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 believes that this submittal is subject to Energy Division disposition, and pursuant to OP 3 of D.20-08-044, should be classified as Tier 1 (effective pending staff approval) pursuant to General Order (GO) 96-B. SoCalGas respectfully requests that this submittal become effective on August 27, 2020, the effective date of D.20-08-044.

Notice

A copy of this AL is being sent to SoCalGas' GO 96-B service list and the Commission's service list in A.18-07-024. 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.

/s/ Ronald van der Leeden

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. 5687

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 57977-G	PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS, CORE FIXED COST ACCOUNT (CFCA), Sheet 2	Revised 57636-G
Revised 57978-G	PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS, CORE FIXED COST ACCOUNT (CFCA), Sheet 4	Revised 57638-G
Revised 57979-G	PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS, INTEGRATED TRANSMISSION BALANCING ACCOUNT (ITBA), Sheet 1	Revised 57640-G
Revised 57980-G	TABLE OF CONTENTS	Revised 57976-G

PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS
CORE FIXED COST ACCOUNT (CFCA)

Sheet 2

(Continued)

1. Purpose (Continued)

In compliance with the approval of Advice No. 5609-A, SoCalGas establishes the Core CI Class Subaccount within the CFCA to record the undercollection resulting from the rate implementation deferral of the Core Commercial and Industrial, Schedule G-10 customer class. In addition, SoCalGas will true-up its Integrated Transmission Balancing Account (ITBA) for any undercollection attributed to local transmission costs by transferring the undercollection to the Core CI Class Subaccount. In compliance with D.20-08-044, SoCalGas will record activity in the Core CI Class Subaccount for the period beginning May 1, 2020 through December 31, 2020. The Core CI Class Subaccount will be amortized over 24 months starting January 1, 2021, as described in the disposition section below, after which the Core CI Class Subaccount will be closed.

In addition, as described in detail in Section 9. below, D.16-10-004 authorizes SoCalGas to implement a true-up mechanism to amortize in rates the additional unamortized over- or under-collection that remains in the CFCA at the end of each year.

2. Applicability

The CFCA shall apply to all core gas customers.

3. Rates

The projected year-end CFCA balance will be applied to core gas transportation rates.

4. Accounting Procedures – NGV Class Subaccount

SoCalGas shall maintain the NGV Class Subaccount within the CFCA by recording entries at the end of each month, net of FF&U, as follows:

- a. A debit entry equal to the seasonalized monthly amount of the authorized margin allocated to the NGV customer class;
- b. A debit entry equal to the recorded cost of the core portion of company-use fuel (excluding transmission and load balancing company-use fuel) allocated to the NGV customer class;
- c. A debit entry equal to the recorded cost for the core portion of unaccounted for gas allocated to the NGV customer class;
- d. A debit entry equal to the record cost for the core portion of well incidents and surface leaks allocated to the NGV customer class;
- e. A credit entry equal to the following recorded revenues: transportation revenues from deliveries to NGV customers; revenues from the sale of core storage capacity rights to NGV customers; base revenues that would have been collected from NGV customers absent the core pricing flexibility program, and other revenues that the Commission has directed SoCalGas to allocate to the NGV customer class;
- f. An entry to amortize the previous year’s subaccount balance;

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 5687
DECISION NO. 20-08-044

ISSUED BY
Dan Skopec
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
SUBMITTED Sep 3, 2020
EFFECTIVE Aug 27, 2020
RESOLUTION NO. _____

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PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS
CORE FIXED COST ACCOUNT (CFCA)

Sheet 4

(Continued)

5. Accounting Procedures – non-NGV Core Subaccount (Continued)

- j. An entry to amortize the previous year’s subaccount balance;
- k. A credit entry equal to the core’s allocation excluding the NGV customer class of the SMF charged to California Producers;
- l. A credit entry equal to any refunds received from vendors related to AMI module failures; and
- m. An entry equal to interest on the average balance in the subaccount during the month, calculated in the manner described in Preliminary Statement, Part I, J.

6. Accounting Procedures – Core CI Class Subaccount

- a. A debit entry equal to the seasonalized monthly amount of the annual revenue requirement as authorized in SoCalGas’ 2020 TCAP for the Core Commercial and Industrial customer class;
- b. A credit entry equal to the seasonalized monthly amount of the annual revenue requirement in rates effective April 1, 2020 for the Core Commercial and Industrial customer class;
- c. A debit entry to transfer the undercollection from the ITBA associated with local transmission costs;
- d. An entry to amortize the subaccount’s balance; and
- e. An entry equal to interest on the average balance in the subaccount during the month, calculated in the manner described in Preliminary Statement, Part I, J.

7. Accounting Procedures – GAF Subaccount

SoCalGas shall maintain the GAF Subaccount by recording entries at the end of each month, net of FF&U, as follows:

- a. A debit entry equal to actual funds provided to customers for paying their gas bills;
- b. A credit entry equal to funds to be used in providing customers with assistance in paying their gas bills; and
- c. An entry equal to interest on the average balance in the subaccount during the month, calculated in the manner described in Preliminary Statement, Part I, J.

8. Disposition

In each annual October regulatory account balance update filing, SoCalGas will amortize the projected year-end CFCA balance effective January 1 of the following year. The projected year-end balance for the non-NGV Core Subaccount will be allocated to all non-NGV core customer classes on an Equal Cents Per Therm (ECPT) basis. The NGV Class Subaccount will be allocated only to the NGV customer class. The Core CI Class Subaccount will be allocated only to the Core CI customer.

For the GAF Subaccount, the disposition of any unspent funds will be addressed in SoCalGas’ next annual regulatory account update filing or other appropriate filing.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 5687
DECISION NO. 20-08-044

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Dan Skopec
Vice President
Regulatory Affairs

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PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS
INTEGRATED TRANSMISSION BALANCING ACCOUNT (ITBA)

Sheet 1

1. Purpose

The ITBA is an interest-bearing balancing account that is recorded on the Utility's financial statements pursuant to D.06-04-033, D.06-12-031, Resolution G-3407, and D.11-04-032. The purpose of the ITBA is to record the difference between the authorized transmission system revenue requirements and the corresponding transmission revenues that are not reflected in the Backbone Transmission Balancing Account (BTBA). In addition, pursuant to D.13-05-010, SoCalGas' TY 2012 General Rate Case, the ITBA is authorized to record costs associated with the testing, management, removal, and disposal of PCBs existing in SoCalGas' natural gas system, including capital-related costs. Under the prior arbitration agreement with Transwestern Pipeline Company (Transwestern), which Transwestern terminated on December 31, 2009, Transwestern reimbursed SoCalGas for 86% of PCB clean-up costs.

As approved in Advice No. 5609-A, SoCalGas deferred implementation of the rate increase for customers who take service under Schedule No. G-10 effective May 1, 2020. In compliance with D.20-08-044, the undercollection resulting from the rate implementation deferral will be recorded in the Core Fixed Cost Account (CFCA) and the ITBA will be trued-up for any undercollection attributed to local transmission costs by transferring the undercollection to the CFCA during the period from May 1, 2020 through December 31, 2020.

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2. Applicability

The ITBA shall apply to all gas customers.

3. Rates

The projected year-end ITBA balance will be applied to gas rates as described in item 5 below.

4. Accounting Procedures

SoCalGas shall maintain the ITBA by recording entries at the end of each month, net of FF&U, as follows:

- a. A debit entry equal to the seasonalized monthly amount of the authorized transmission revenue requirement which excludes the BTS revenue requirement;
- b. A credit entry equal to the recorded transmission revenues;
- c. A debit entry equal to recorded operating and maintenance (O&M) costs and capital-related costs (i.e., depreciation, return, taxes) related to the testing, management, removal, and disposal of PCBs existing in SoCalGas' natural gas system;
- d. A credit entry equal to any reimbursement of PCB clean-up costs paid by Transwestern;

(Continued)

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ISSUED BY
Dan Skopec
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
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(Continued)

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Dan Skopec
 Vice President
 Regulatory Affairs

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