

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



Southern California Gas Company
GAS (Corp ID 904)
Status of Advice Letter 5892G
As of December 2, 2021

Subject: Revenue Requirement Effective January 1, 2022, in Compliance with Decision (D.) 21-05-003 and Uncollectible Expense Rate Update for Post-Test Year 2022 in Compliance with D.19-09-051

Division Assigned: Energy

Date Filed: 11-01-2021

Date to Calendar: 11-03-2021

Authorizing Documents: D1909051

Disposition:	Accepted
Effective Date:	01-01-2022

Resolution Required: No

Resolution Number: None

Commission Meeting Date: None

CPUC Contact Information:

edtariffunit@cpuc.ca.gov

AL Certificate Contact Information:

Ray 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- Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)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



Joseph Mock
Director
Regulatory Affairs

555 W. Fifth Street, GT14D6
Los Angeles, CA 90013-1011
Tel: 213.244.3718
Fax: 213.244.4957
JMock@socalgas.com

November 1, 2021

Advice No. 5892
(U 904 G)

Subject: Revenue Requirement Effective January 1, 2022, in Compliance with Decision (D.) 21-05-003 and Uncollectible Expense Rate Update for Post-Test Year 2022 in Compliance with D.19-09-051

Purpose

Southern California Gas Company (SoCalGas) hereby submits for approval with the California Public Utilities Commission (Commission or CPUC) this Tier 1 Advice Letter (AL) to adjust the revenue requirement for Post-Test Year (PTY) 2022 pursuant to the 2019 General Rate Case (GRC) Petition for Modification (PFM), D.21-05-003, and to update the uncollectable expense rate for PTY 2022 pursuant to the GRC Test Year (TY) 2019 Decision, D.19-09-051.

Background

On October 6, 2017, SoCalGas filed its GRC Application (A.) 17-10-007.¹ The Commission issued D.19-09-051 on October 1, 2019, adopting, among other things, SoCalGas' revenue requirements to establish rates to provide natural gas services for the TY period beginning January 1, 2019 through December 31, 2019, and the PTY attrition adjustments for 2020 through 2021.

Pursuant to Ordering Paragraph (OP) 5 of D.19-09-051, SoCalGas and San Diego Gas and Electric Company (SDG&E) shall each submit respective Tier 1 ALs with updates to their PTY revenue requirements. OP 5 specifically states:

¹ Proceedings A.17-10-007 (Application of San Diego Gas & Electric Company for Authority, Among Other Things, to Update its Electric and Gas Revenue Requirement and Base Rates Effective on January 1, 2019) and A.17-10-008 (Application of Southern California Gas Company for Authority, Among Other Things, to Update its Gas Revenue Requirement and Base Rates Effective on January 1, 2019) were consolidated by Ruling of November 8, 2017.

...Tier 1 Advice Letters are to be [submitted] on November 1, 2020 to adjust the revenue requirement for 2021 beginning on January 1, 2021.

Pursuant to Finding of Fact (FOF) 150 of D.19-09-051, SDG&E and SoCalGas are to provide a 10-year rolling average of historical uncollectible rates annually. FOF 150 specifically states:

A 10-year rolling average of historical uncollectible rates starting from 2007 to 2016 with adjustments to occur annually by advice letter is reasonable.

Pursuant to OP 6 of D.21-05-003, SoCalGas is required to:

...adjust the revenue requirement for 2022, SoCalGas shall [submit] a Tier 1 advice letter on or before November 1, 2021 to update its revenue requirement for January 1, 2022 through December 31, 2022. Similarly, SoCalGas shall [submit] a Tier 1 advice letter on or before November 1, 2022 to update its revenue requirement for January 1, 2023 through December 31, 2023.

Additionally, and included herein, pursuant to OP 18 of D.19-09-051, SoCalGas is required to:

...update their respective uncollectible expense rate for Post-Test Years 2020 and 2021 by [submitting] respective annual Tier 1 Advice Letters to the Commission's Energy Division.²

Revenue Requirement

The PTY 2022 revenue requirement adopted in D.21-05-003 provides a gas base margin revenue requirement of \$3,170 million³ with franchise fees and uncollectibles (FF&U) and net of miscellaneous revenue for SoCalGas. The uncollectible rate for PTY 2022 is reflected in the FF&U. The revenue requirement is also updated to reflect a cost of capital adjustment per the Decision on TY 2020 Cost of Capital for the Major Energy Utilities, D.19-12-056.

² Although D.19-09-051 orders an update of the Uncollectable Rate for PTY 2020 and 2021 specifically, the Decision adopts a 10-year rolling average of historical uncollectable rates "with adjustments to occur annually by advice letter. . . as opposed to a single uncollectable rate set for the entire GRC period." D.19-09-051 at 336.

³ SoCalGas herein updates its PTY 2022 revenue requirement per OP 5 of D.19-09.051 and affirms that officer salaries, bonuses, and benefits are excluded from the PTY 2022 revenue requirement (OP 12). In addition, the 2022 updated revenue requirement includes reductions authorized in the Application for Rehearing (AFR) decision, D.20-07-038 per D.21-05-003 (FOF 2).

Ten-Year Historical Data

SoCalGas updated its uncollectible expense rate to 0.301% for PTY 2021 in AL 5536, submitted on October 28, 2019, and AL 5536-A, submitted on December 31, 2019.⁴ The 10-year average of historical uncollectible expense data to calculate the PTY 2022 uncollectible rate is as follows:

SoCalGas Operational Uncollectible Rate - 2022			
Year	Recorded Uncollectible Expense	Sales Revenue	Uncollectible Rate
	(a)	(b)	(a) / (b)
2010	\$9,418,528	\$3,277,810,531	0.287%
2011	\$9,899,908	\$3,313,858,762	0.299%
2012	\$9,967,611	\$3,074,494,564	0.324%
2013	\$8,204,155	\$3,033,684,781	0.270%
2014	\$9,870,998	\$3,237,327,756	0.305%
2015	\$11,071,552	\$2,999,535,710	0.369%
2016	\$9,637,602	\$3,064,338,794	0.315%
2017	\$8,509,287	\$3,427,035,703	0.248%
2018	\$6,874,609	\$3,112,794,964	0.221%
2019	\$6,763,198	\$3,889,104,999	0.174%
10-year average rate	\$90,217,449	\$32,429,986,565	0.278%

Protest

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 November 21, 2021. 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, SoCalGas is currently unable to receive protests or comments to this AL via U.S. mail or

⁴ AL 5536 and AL 5536-A were approved by the Commission on August 5, 2020 and effective January 1, 2020.

fax. Please submit protests or comments to this AL via e-mail to the addresses 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
E-mail: Tariffs@socalgas.com

Effective Date

This submittal 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 5 of D.19-09-051. Therefore, SoCalGas respectfully requests that this submittal be approved and made effective November 1, 2021, the date submitted.

Notice

A copy of this AL is being sent to SoCalGas' GO 96-B service list and the Commission's service list in A.17-10-007. 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/ Joseph Mock
Joseph Mock
Director – Regulatory Affairs



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: