

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



**Southern California Gas Company**  
**GAS (Corp ID 904)**  
**Status of Advice Letter 5899G**  
**As of December 20, 2021**

Subject: Modification of Preliminary Statement Part VIII, Gas Cost Incentive Mechanism, Pursuant to Decision (D.) 20-02-045 and D.21-11-008

Division Assigned: Energy

Date Filed: 11-12-2021

Date to Calendar: 11-17-2021

Authorizing Documents: D2002045

Authorizing Documents: D2111008

<b>Disposition:</b>	<b>Accepted</b>
<b>Effective Date:</b>	<b>11-12-2021</b>

Resolution Required: No

Resolution Number: None

Commission Meeting Date: None

CPUC Contact Information:

[edtariffunit@cpuc.ca.gov](mailto:edtariffunit@cpuc.ca.gov)

AL Certificate Contact Information:

Grisel Juarez Velazquez

213-244-2822

[GJuarezVelazquez@socalgas.com](mailto:GJuarezVelazquez@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- Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)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](mailto:edtariffunit@cpuc.ca.gov)**



**Joseph Mock**  
Director  
Regulatory Affairs

555 W. Fifth Street, GT14D6  
Los Angeles, CA 90013-1011  
Tel: 213.244.3718  
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[JMock@socalgas.com](mailto:JMock@socalgas.com)

November 12, 2021

Advice No. 5899  
(U 904 G)

Public Utilities Commission of the State of California

**Subject: Modification of Preliminary Statement Part VIII, Gas Cost Incentive Mechanism, Pursuant to Decision (D.) 20-02-045 and D.21-11-008**

Southern California Gas Company (SoCalGas) hereby submits for approval by the California Public Utilities Commission (CPUC or Commission) modifications to its Preliminary Statement Part VIII, Gas Cost Incentive Mechanism (GCIM), as shown on Attachment A.

### **Purpose**

Ordering Paragraph (OP) 2 of D.21-11-008 requires SoCalGas to submit a Tier 1 Advice Letter (AL) to modify Sheet 5 of the GCIM Preliminary Statement to change the GCIM core storage targets to be consistent with the additional inventory capacity allocated to core customers. This AL is submitted in compliance with this requirement.

### **Background**

In D.20-02-045, the Commission addressed SoCalGas' 2020 Triennial Cost Allocation Proceeding (TCAP) Application, A.18-07-024. Among other things, D.20-02-045 adopted an Energy Division Staff Proposal on Storage Capacity Allocation (with certain modifications).<sup>1</sup> The Storage Capacity Allocations included in the TCAP Energy Division Staff Proposal assumed 34 Bcf of inventory capacity at the Aliso Canyon Natural Gas Storage Facility, but direction was also included on how SoCalGas should modify its storage capacity allocations should the Commission modify Aliso Canyon capacity in the future.<sup>2</sup>

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<sup>1</sup> D.20-02-045 at 103, OP 5. See also, *id.* at Appendix A, Table 1.

<sup>2</sup> *Id.* at Appendix A, Table 3 and Table 4.

On November 4, 2021, the Commission adopted D.21-11-008, whereby SoCalGas was authorized to utilize working gas at Aliso Canyon between zero and 41.16 billion cubic feet.<sup>3</sup> This effectively represented a 7.16 Bcf increase in the maximum working capacity at Aliso Canyon. The following table depicts the resulting impact on storage inventory allocations, as provided for by D.20-02-045.

<b>STORAGE INVENTORY ALLOCATION</b>	<b>Aliso @ 34 Bcf</b>	<b>Aliso @ 41.16 Bcf</b>
Core	76.90	82.50
Load Balancing	8.00	9.56
Unbundled Storage Program	0.00	0.00
<b>Total</b>	<b>84.90</b>	<b>92.06</b>

### **Proposed Tariff Changes**

As described above, D.20-02-045 and D.21-11-008 allocate 82.5 Bcf to core customers (including wholesale core customers).<sup>4</sup> Of the 82.5 Bcf, 3% is allocated to wholesale core customers. Therefore, as shown on Attachment A, SoCalGas proposes to update the November 1 GCIM storage target for core customers (excluding wholesale core) to be 80.025 Bcf.

### **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 December 2, 2021. 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

<sup>3</sup> D.21-11-008 at 22, OP 1.

<sup>4</sup> See D.20-02-045 at Appendix A, pg. 7 (“In the last TCAP, wholesale customers were allocated a portion of storage from the Unbundled Storage Program. Since there is insufficient storage capacity to support the Unbundled Storage Program when Aliso is at 34 Bcf, wholesale customers shall be allocated a portion of all core storage assets. Southwest Gas Corporation will be allocated storage capacities (inventory, injection, and withdrawal) equal to 2% of the store capacities allocated to core customers. The City of Long Beach will be allocated storage capacities (inventory, injection, and withdrawal) equal to 1% of the storage capacities allocated to core customers.”)

Copies of the protest should also be sent via e-mail to the Energy Division Tariff Unit ([EDTariffUnit@cpuc.ca.gov](mailto: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 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: Grisel Juarez Velazquez  
Sr. Tariff Administrator - GT14D6  
555 West Fifth Street  
Los Angeles, CA 90013-1011  
Facsimile No.: (213) 244-4957  
E-mail: [GJuarezVelazquez@socalgas.com](mailto:GJuarezVelazquez@socalgas.com)  
E-mail: [Tariffs@socalgas.com](mailto:Tariffs@socalgas.com)

### **Effective Date**

SoCalGas believes this AL 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 2 of D.21-11-008. Therefore, SoCalGas respectfully requests that this AL become effective on November 12, 2021, which is the date submitted.

### **Notice**

A copy of this AL is being sent to SoCalGas' GO 96-B service list and the Commission's service lists for A.18-07-024 and I.17-02-002. 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).

*/s/ Joseph Mock*  
Joseph Mock  
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. 5899

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 59297-G	PRELIMINARY STATEMENT, PART VIII, GAS COST INCENTIVE MECHANISM, Sheet 5	Revised 57367-G
Revised 59298-G	TABLE OF CONTENTS	Revised 59296-G
Revised 59299-G	TABLE OF CONTENTS	Revised 59173-G



PRELIMINARY STATEMENT  
PART VIII  
GAS COST INCENTIVE MECHANISM

Sheet 5

(Continued)

C. GAS COST INCENTIVE MECHANISM (GCIM) METHODOLOGY (Continued)

- k. Pursuant to Preliminary Statement, Part VI, Description of Regulatory Accounts - Memorandum, the Blythe Operational Flow Requirement Memorandum Account (BOFRMA) will record charges associated with the Utility Gas Procurement Department's purchasing and delivery of gas to sustain operational flows at Blythe. GCIM actual cost will be adjusted for charges or credits to the BOFRMA. Entries to this account, except for interest and amortization, along with related GCIM adjustments, ceased on April 1, 2009, the date the responsibility for managing minimum flow requirements for system reliability was transferred from the Utility Gas Procurement Department to the System Operator pursuant to D.07-12-019.
7. SoCalGas must confer with the Office of Ratepayer Advocates in the event that SoCalGas anticipates that its mid-season core storage inventory will be less than 47 Bcf on July 31 of each calendar year. SoCalGas shall provide written notification of its mid-season (July 31) and annual (November 1) core purchased storage inventory targets to the Commission's Energy Division. The Annual Storage Inventory target on November 1 is 80.025 Bcf of the physical gas supply, with an accepted variance of +0/-2 Bcf. This target does not include any park or net loan positions. Pursuant to D.20-02-045, this target is calculated as the total amount of storage inventory capacity allocated to the core, less capacity set-aside for identified wholesale customers. If the November 1 target is not attained, deliveries must be made to ensure that a minimum of 69 Bcf of actual physical gas in the core's inventory is reached by December 1. SoCalGas' share of the January, February and March minimum month-end targets (equivalent to peak day minimums necessary for serving the core) must be met. Any deviation from these winter storage targets should be explained in SoCalGas' annual GCIM filing. These targets may be modified (increased or decreased) if there are changes to the authorized inventory available for use at the Aliso Canyon storage field.
8. Tolerance. To determine GCIM rewards or penalties, tolerance bands above or below the benchmark budget are used. Tolerance bands are calculated as a percentage of the monthly gas commodity portion of the benchmark budget and is added to or subtracted from the benchmark budget as "upper tolerance band" or "lower tolerance band" (sharing bands), respectively. The specific percentages are approved by the CPUC and may be redetermined in subsequent CPUC decisions (See Section 9).
9. Calculation of Rewards and Penalties Under GCIM
- a. On an annual basis, actual total purchased gas costs are compared to the annual benchmark budget to determine if a reward/savings or penalty applies.

D,N

(Continued)

(TO BE INSERTED BY UTILITY)  
ADVICE LETTER NO. 5899  
DECISION NO. 20-02-045 & 21-11-008

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

(TO BE INSERTED BY CAL. PUC)  
SUBMITTED Nov 12, 2021  
EFFECTIVE Nov 12, 2021  
RESOLUTION NO. \_\_\_\_\_

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(Continued)

(TO BE INSERTED BY UTILITY)  
 ADVICE LETTER NO. 5899  
 DECISION NO. 20-02-045 & 21-11-008

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

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

ADVICE LETTER NO. 5899  
 DECISION NO. 20-02-045 & 21-11-008

ISSUED BY

**Dan Skopec**  
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