

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



**Southern California Gas Company**  
**GAS (Corp ID 904)**  
**Status of Advice Letter 6023G**  
**As of October 7, 2022**

Subject: Revenue Requirement Implementation Pursuant to Decision (D.) 22-08-011 (Storage Integrity Management Program)

Division Assigned: Energy

Date Filed: 08-24-2022

Date to Calendar: 08-26-2022

Authorizing Documents: D2208011

<b>Disposition:</b>	<b>Accepted</b>
<b>Effective Date:</b>	<b>08-24-2022</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:

Gary Lenart

(213) 244-2424

[GLenart@socalgas.com](mailto:GLenart@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- Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)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

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August 24, 2022

Advice No. 6023  
(U 904 G)

Public Utilities Commission of the State of California

**Subject: Revenue Requirement Implementation Pursuant to Decision  
(D.) 22-08-011 (Storage Integrity Management Program)**

Southern California Gas Company (SoCalGas) hereby submits for approval by the California Public Utilities Commission (CPUC or Commission) implementation of the revenue requirements approved by the decisions noted herein, as shown on Attachment A.

**Purpose**

This submittal complies with Ordering Paragraph (OP) 2 of D.22-08-011, which authorizes SoCalGas to submit a Tier 1 Advice Letter (AL) to recover revenue requirements, including an update of the revenue requirements for adjustments of the on-going capital-related costs for the Storage Integrity Management Program (SIMP) capital projects approved and regulatory account interest.

OP 2 authorizes SoCalGas to incorporate the updated revenue requirements into rates on the first day of the month following AL submission or in connection with other authorized rate change. Accordingly, SoCalGas will include this revenue requirement in its year-end consolidated rate update submission for rates effective January 1, 2023.

**Background**

Pursuant to OP 8 of D.16-06-054, SoCalGas established a two-way balancing account to record and track the actual costs of implementing the SIMP, effective January 1, 2016. Under D.16-06-054, SoCalGas is authorized to seek recovery of up to 35

percent above the authorized revenue requirement via Tier 3 AL filing and authorized to request recovery of amounts above 35 percent through an application.<sup>1</sup>

On January 28, 2021, SoCalGas filed Application 21-01-016 (Application), requesting review of capital and operations and maintenance (O&M) expenditures it incurred for activities undertaken to execute its SIMP. The Application sought recovery of \$34.4 million in associated revenue requirement recorded in the SIMP balancing account from January 1, 2016 through December 31, 2018, which is the amount above 35 percent of the \$19.5 million authorized revenue requirement in D.16-06-054.

#### Summary of Joint Motion and Settlement Provisions Addressing Scope

On September 8, 2021, SoCalGas and the Public Advocates Office (Cal Advocates) filed a Joint Motion to request approval of their Settlement Agreement resolving all items in scope for the proceeding. The parties agreed that recovery of \$34.419 million in revenue by SoCalGas is reasonable and appropriate, and that SoCalGas should use the equal percentage of authorized margin cost allocation methodology pursuant to D.20-02-045 for cost recovery of the \$34.419 million in the SIMP balancing account, which is the amount after being reduced by the \$26.278 million that ratepayers have already paid for 2018 SIMP O&M and capital expenditures. The Settlement Agreement specifies that SoCalGas must submit a Tier 1 AL within 30 days of the effective date of the decision authorizing recovery to incorporate the updated revenue requirements into rates on the first day of the month following AL submission or in connection with other authorized rate changes implemented by SoCalGas.

The CPUC adopted D.22-08-011 on August 4, 2022, approving the Settlement Agreement as filed. This AL submission complies with that decision.

#### **Revenue Requirement Impact by Class of Service**

Pursuant to D.22-08-011, SoCalGas is authorized to update the revenue requirement for additional interest accrued. An additional \$0.609 million in interest has been applied to the balancing account since filing the Settlement Agreement. Accordingly, the revenue requirement that will be implemented on January 1, 2023, is \$35.028 million. The SIMP balancing account amount will be amortized in gas transportation rates on an Equal Percent of Authorized Margin basis. According to the Equal Percent Authorized Margin method, the balance in this account will be allocated across customer classes based on each customer class's share of total General Rate Case (GRC) base margin allocated to that customer class.

After amortization of the 2016-2018 program cycle of the SIMP balancing account, SoCalGas proposes to transfer any residual balance to the Core Fixed Cost Account

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<sup>1</sup> See D.16-06-054. The Commission approved the SIMP in SoCalGas's general rate case for test year 2016. The SIMP is a proactive program of SoCalGas to ensure the integrity of SoCalGas' underground gas storage facilities, and to detect and repair problems before they occur.

(CFCA) and Noncore Fixed Cost Account (NFCA) and eliminate the 2016-2018 program cycle within the SIMP balancing account.

The rate impacts that result are detailed in Attachment A. The following table provides a summary of the revenue requirement impacts by class of service. These revenue requirements will be incorporated into the year-end consolidated rate update submission for rates effective January 1, 2023.

<u>Class of Service</u>	<u>Applicable Rate Schedules</u>	<u>Net M\$ (with FF&amp;U) Increase/(Decrease)</u>
Core	GR, GS, GM, GO-AC, G-NGVR, GL, G-10, G-AC, G-EN, G-NGV, GO-CEG .....	\$32.9
Noncore	GT-NC, GT-TLS .....	\$2.1
Backbone Transportation Services and Other Services	G-BTS .....	\$0.4
<b>TOTAL</b>		<b>\$35.4</b>

### **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 submitted electronically and must be received within 20 days after the date of this AL, which is September 13, 2022. Protests should be submitted to the attention of the Energy Division Tariff Unit at:

E-mail: [EDTariffUnit@cpuc.ca.gov](mailto:EDTariffUnit@cpuc.ca.gov)

In addition, protests and all other correspondence regarding this AL should also be sent electronically to the attention of:

Attn: Gary Lenart  
Regulatory Tariff Manager  
E-mail: [GLenart@socalgas.com](mailto:GLenart@socalgas.com)  
E-mail: [Tariffs@socalgas.com](mailto: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. This submittal is in compliance with D.22-08-011. Accordingly, SoCalGas respectfully requests that this AL become effective for service on August 24, 2022, which is the date this AL was 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.21-01-016. 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. 6023**

**Southern California Gas Company  
Natural Gas Transportation Rate Revenues**

**Attachment A**  
**Advice No. 6023**  
**Natural Gas Transportation Rate Revenues**  
**Southern California Gas Company**  
**SIMPBA**

	Present Rates			Proposed Rates			Changes			
	Mar-1-22 Volumes Mth	Average Rate \$/therm	Mar-1-22 Revenues \$000's	Jan-1-23 Volumes Mth	Proposed Rate \$/therm	Jan-1-23 Revenues \$000's	Revenue Change \$000's	Rate Change \$/therm	% Rate change %	
	A	B	C	D	E	F	G	H	I	
1	<b>CORE</b>									
2	Residential	2,346,353	\$1.09046	\$2,558,598	2,346,353	\$1.10203	\$2,585,751	\$27,152	\$0.01157	1.1%
3	Commercial & Industrial	992,706	\$0.63128	\$626,673	992,706	\$0.63674	\$632,092	\$5,419	\$0.00546	0.9%
4										
5	NGV - Pre SempraWide	178,769	\$0.36605	\$65,438	178,769	\$0.36808	\$65,801	\$363	\$0.00203	0.6%
6	SempraWide Adjustment	178,769	(\$0.01196)	(\$2,138)	178,769	(\$0.01217)	(\$2,175)	(\$37)	(\$0.00021)	1.7%
7	NGV - Post SempraWide	178,769	\$0.35409	\$63,300	178,769	\$0.35591	\$63,626	\$326	\$0.00182	0.5%
8										
9	Gas A/C	416	\$0.27022	\$112	416	\$0.27188	\$113	\$1	\$0.00166	0.6%
10	Gas Engine	22,302	\$0.25948	\$5,787	22,302	\$0.25948	\$5,787	\$0	\$0.00000	0.0%
11	<b>Total Core</b>	<b>3,540,545</b>	<b>\$0.91920</b>	<b>\$3,254,471</b>	<b>3,540,545</b>	<b>\$0.92849</b>	<b>\$3,287,368</b>	<b>\$32,897</b>	<b>\$0.00929</b>	<b>1.0%</b>
12	<b>NONCORE COMMERCIAL &amp; INDUSTRIAL</b>									
13	Distribution Level Service	919,735	\$0.18162	\$167,045	919,735	\$0.18282	\$168,145	\$1,100	\$0.00120	0.7%
14	Transmission Level Service (2)	626,080	\$0.03353	\$20,994	626,080	\$0.03376	\$21,137	\$143	\$0.00023	0.7%
15										
16	<b>Total Noncore C&amp;I</b>	<b>1,545,814</b>	<b>\$0.12164</b>	<b>\$188,039</b>	<b>1,545,814</b>	<b>\$0.12245</b>	<b>\$189,281</b>	<b>\$1,243</b>	<b>\$0.00080</b>	<b>0.7%</b>
17	<b>NONCORE ELECTRIC GENERATION</b>									
18	Distribution Level Service									
19	Pre Sempra Wide	331,442	\$0.16782	\$55,623	331,442	\$0.16901	\$56,017	\$394	\$0.00119	0.7%
20	Sempra Wide Adjustment	331,442	(\$0.01191)	(\$3,949)	331,442	(\$0.01208)	(\$4,005)	(\$56)	(\$0.00017)	1.4%
21										
22	Distribution Level Post Sempra Wide	331,442	\$0.15591	\$51,675	331,442	\$0.15693	\$52,013	\$338	\$0.00102	0.7%
23	Transmission Level Service (2)	2,246,336	\$0.03273	\$73,532	2,246,336	\$0.03296	\$74,044	\$512	\$0.00023	0.7%
24	<b>Total Electric Generation</b>	<b>2,577,778</b>	<b>\$0.04857</b>	<b>\$125,206</b>	<b>2,577,778</b>	<b>\$0.04890</b>	<b>\$126,057</b>	<b>\$850</b>	<b>\$0.00033</b>	<b>0.7%</b>
25										
26	<b>TOTAL RETAIL NONCORE</b>	<b>4,123,593</b>	<b>\$0.07596</b>	<b>\$313,245</b>	<b>4,123,593</b>	<b>\$0.07647</b>	<b>\$315,338</b>	<b>\$2,093</b>	<b>\$0.00051</b>	<b>0.7%</b>
27										
28	WHOLESALE & INTERNATIONAL (excluding SDG&E)	359,267	\$0.02859	\$10,273	359,267	\$0.02882	\$10,355	\$82	\$0.00023	0.8%
29										
30	OTHER SERVICES (SDG&E, UBS, & BTS)	1,118,614		\$372,946	1,118,614		\$373,252	\$306		
31	<b>SYSTEM TOTAL w/BTS</b>	<b>9,142,019</b>	<b>\$0.43217</b>	<b>\$3,950,935</b>	<b>9,142,019</b>	<b>\$0.43604</b>	<b>\$3,986,314</b>	<b>\$35,379</b>	<b>\$0.00387</b>	<b>0.9%</b>
32										
33	EOR Revenues	208,941	\$0.09427	\$19,696	208,941	\$0.09507	\$19,864	\$168	\$0.00080	0.9%
34	<b>Total Throughput w/EOR Mth/yr</b>	<b>9,350,960</b>			<b>9,350,960</b>					

1) These rates are for Natural Gas Transportation Service from "Citygate to Meter." The BTS rate is for service from Receipt Point to Citygate.  
2) All rates include Franchise Fees & Uncollectible charges.