

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



**Southern California Gas Company**  
**GAS (Corp ID 904)**  
**Status of Advice Letter 6044G**  
**As of November 14, 2022**

Subject: Revenue Requirement Effective January 1, 2023, in Compliance with Decision (D.) 21-05-003 and Uncollectible Expense Rate Update for Post-Test Year 2023 in Compliance with D.19-09-051

Division Assigned: Energy

Date Filed: 10-11-2022

Date to Calendar: 10-14-2022

Authorizing Documents: D1909051

Authorizing Documents: D2105003

<b>Disposition:</b>	<b>Accepted</b>
<b>Effective Date:</b>	<b>10-11-2022</b>



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- Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)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

October 11, 2022

Advice No. 6044  
(U 904 G)

Public Utilities Commission of the State of California

**Subject: Revenue Requirement Effective January 1, 2023, in Compliance with Decision (D.) 21-05-003 and Uncollectible Expense Rate Update for Post-Test Year 2023 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) 2023 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 2023 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.<sup>1</sup> The Commission issued D.19-09-051 on October 1, 2019, adopting, among other things, SoCalGas's 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 & Electric Company (SDG&E) are required to each submit respective Tier 1 ALs with

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<sup>1</sup> 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.

updates to their PTY revenue requirements. OP 5 specifically states: “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:

[A]djust 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.”<sup>2</sup>

### **Revenue Requirement**

The PTY 2023 revenue requirement adopted in D.21-05-003 provides a gas base margin revenue requirement of \$3,300 million<sup>3</sup> with franchise fees and uncollectibles (FF&U) and net of miscellaneous revenue for SoCalGas. The uncollectible rate for PTY 2023 is reflected in the FF&U. The revenue requirement is also updated to reflect a cost of capital adjustment per the Decision on Test Year 2020 Cost of Capital for the Major Energy Utilities, D.19-12-056.

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<sup>2</sup> 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.

<sup>3</sup> SoCalGas herein updates its PTY 2023 revenue requirement per OP 5 of D.19-09-051 and affirms that officer salaries, bonuses, and benefits are excluded from the PTY 2023 revenue requirement (OP 12). In addition, the 2023 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 0.278% for PTY 2022 in AL 5892, submitted on November 1, 2021.<sup>4</sup> The 10-year average of historical uncollectible expense data to calculate the PTY 2023 uncollectible rate is as follows:

<b>SoCalGas Operational Uncollectibles Rate - 2023</b>			
<b>Year</b>	<b>Recorded Uncollectible Expense (a)</b>	<b>Sales Revenue (b)</b>	<b>Uncollectible Rate (a) / (b)</b>
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%
2020	\$5,848,758	\$4,061,712,776	0.144%
<b>10-year average rate</b>	<b>\$86,647,678</b>	<b>\$33,213,888,810</b>	<b>0.261%</b>

### 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 submitted electronically and must be received within 20 days after the date of this AL, which is October 31, 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)

<sup>4</sup> AL 5892 was approved by the Commission on December 2, 2021, and effective January 1, 2022.

**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 October 11, 2022, 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@socialgas.com](mailto:tariffs@socialgas.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





# 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: