

Decision 16-01-028 January 19, 2016

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Address Natural Gas Distribution Utility Cost and Revenue Issues Associated with Greenhouse Gas Emissions.

Rulemaking 14-03-003
(Filed March 13, 2014)

ORDER CORRECTING ERRORS IN DECISION 15-10-032

The Commission has been informed of certain non-substantive errors in Decision (D.) 15-10-032 entitled “Decision Adopting Procedures Necessary for Natural Gas Corporations to comply with the California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms (Cap-And-Trade- Program).”

First, the decision gives two different dates for the dates of the introduction of greenhouse gas (GHG) costs and allowance proceeds into rates. On page 20, D.15-10-032 states that the utilities are required to file a one-time Tier 1 Advice Letter *no later than* April 1, 2016, to include forecast 2015 and 2016 GHG costs into rates. On the same page, the decision states that the utilities should begin introducing GHG costs and allowance proceeds into rates *on April 1, 2016*, so that 2016 forecast GHG costs and 50% of forecast 2015 GHG costs are included in rates for the remaining months of 2016. Conclusions of Law 21 and 23 also state that “the utilities should file a one-time Tier 1 Advice Letter no later than April 1, 2016,” and “the utilities should begin introducing

GHG costs into rates “no later than April 1, 2016,” respectively. Ordering Paragraph 8 also inadvertently directed the utilities to begin introducing costs into rates “no later than April 1, 2016” instead of “on April 1, 2016.” Since Tier 1 Advice Letters normally go into effect when filed, to avoid confusion, Conclusions of Law 21 and 23 and Ordering Paragraphs 7 and 8 should be revised to clarify that the utilities may file Tier 1 Advice Letters no later than April 1, 2016, for GHG costs and allowance proceeds to go into rates on April 1, 2106. No changes should be made to the numbering of the Conclusions of Law or Ordering Paragraphs.

Second, the “GHG Confidential Information Matrix” in Appendix B to the decision should be updated to be consistent with the methodologies described in Table A of Appendix A. In the GHG Confidential Information Matrix, the Treatment of “Forecast Throughput to Covered Entities (million cubic feet per day)” should be listed as “Public” rather than “Confidential, unless subject to disclosure in another Commission proceeding.”

Therefore, pursuant to Resolution A-4661, the following changes are made to Decision (D.) 15-10-032.

1. The first sentence of Conclusion of Law 21 is revised to read: “The utilities should file a one-time Tier 1 Advice Letter no later than April 1, 2016, to include forecast 2015 and 2016 GHG costs and allowance proceeds approved in this decision into rates on April 1, 2016.”
2. Conclusion of Law 23 is revised to read: “The utilities should begin introducing GHG costs into rates on April 1, 2016, so that 2016 forecast GHG costs and 50% of forecast 2015 GHG costs are included in rates for the remaining months of 2016.”
3. Ordering Paragraph 7 should be revised to read: “Pacific Gas and Electric Company, Southern California Gas Company, San Diego Gas & Electric Company and Southwest Gas Company shall file a one-time Tier 1 Advice Letter no later than April 1, 2016, to include forecast GHG costs into rates on April 1, 2016.”

4. The second sentence of Ordering Paragraph 8 should be revised to read: “The utilities shall begin introducing GHG costs into rates on April 1, 2016, so that forecast GHG costs and 50% of forecast 2015 GHG costs are included in rates for the remaining months of 2016.”
5. The GHG Confidential Information Matrix in Appendix B is revised and adopted as follows:

| Information | Treatment |
|--|--|
| Forecast Proxy GHG Allowance Price (\$/MTCO _{2e}) | Public |
| Forecast Gross Throughput (MMcf) | Public, if a utility can rely on a public source of data, such as the California Gas Report. Confidential, if a utility must rely on a confidential internal forecast |
| Forecast Throughput to Covered Entities (MMcf) | Public, unless a utility has only one covered entity customer |
| Forecast Net Compliance Obligation (MTCO _{2e}) | Public |
| Covered Entity Rate Impact (\$/therm) | Public |
| Non-Covered Entity Rate Impact (\$/therm) | Public |
| Weighted Average Cost (WAC) of compliance instruments, and the calculation of WAC (\$) | Confidential |
| Verified Natural Gas Fuel Supplier Compliance Obligation (MTCO _{2e}) | Public |
| Verified Company Facility Compliance Obligation (MTCO _{2e}) | Public |

IT IS ORDERED that:

1. Decision 15-10-032 is corrected as indicated above.
2. Rulemaking 14-03-003 is closed.

This order is effective today.

Dated January 19, 2016, at San Francisco, California.

/s/ MICHELLE COOKE for

 TIMOTHY SULLIVAN
 Executive Director