PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE SAN FRANCISCO, CA 94102-3298

August 20, 2010



Advice Letter 4136

Rasha Prince, Director Regulatory Affairs 555 W. Fifth Street, GT14D6 Los Angeles, CA 90013-1011

Subject: Monthly Minimum Charge for a New Bypass Customer Under Schedule No. GT-TLS

Dear Ms. Prince:

Advice Letter 4136 is effective August 18, 2010.

Sincerely,

Julie A. Fitch, Director Energy Division



Rasha Prince Director Regulatory Affairs

555 W. Fifth Street, GT14D6 Los Angeles, CA 90013-1011 Tel: 213.244.5141 Fax: 213.244.4957

RPrince @semprautilities.com

July 19, 2010

Advice No.4136 (U 904 G)

Public Utilities Commission of the State of California

Subject: Monthly Minimum Charge for a New Bypass Customer under

Schedule No. GT-TLS

Southern California Gas Company (SoCalGas) hereby submits the customer-specific Monthly Minimum Charge, as shown in Attachment B, for approval by the California Public Utilities Commission (Commission).

Purpose

In compliance with the requirements for Bypass customers under Schedule No. GT-TLS (GT-TLS), Intrastate Transportation Service for Transmission Level Customers, SoCalGas has computed the Monthly Minimum Charge for a new Bypass customer.

Background

On November 20, 2009, the Commission issued Decision (D.) 09-11-006 approving and adopting, with certain modifications, the terms and conditions of the Settlement Agreement in Phase 2 of the Biennial Cost Allocation Proceeding for SoCalGas (Settlement).¹

Among other things, the Settlement proposed a new Intrastate Transportation Service for Transmission Level Customers (TLS) which requires the Utility to calculate a Monthly Minimum Charge for each Bypass customer taking service under GT-TLS and to seek approval of these charges by Advice Letter.² Bypass customers are customers who take

¹ See Application (A.) 08-02-001, which was filed jointly with San Diego Gas & Electric Company (SDG&E).

² Schedule No. GT-TLS specifies, "The Monthly Minimum Charge shall apply to a Bypass customer only. The Monthly Minimum Charge shall recover the Utility's actual Customer-related service costs. Customer-related service costs shall be limited to actual operations and maintenance costs of the metering equipment and other related facilities at the Customer's meter(s) that are owned and operated by the Utility necessary to deliver gas in accordance with the Utility's rules and procedures, good industry practice, and governmental regulations. The Utility shall determine actual Customer related service costs for each eligible Customer not later than 30 days following a request by the Customer and shall seek CPUC approval of the resulting Monthly Minimum Charge by Advice Letter. The approved Monthly Minimum Charge for each

service from both SoCalGas and an alternate gas transportation service provider, i.e., customers who partially bypass utility service.

On January 20, 2010, SoCalGas filed Advice No. (AL) 4062 requesting approval of the calculated Monthly Minimum Charges for three Bypass customers. AL 4062 was approved and made effective on February 1, 2010.

Requested Change

One of the three Bypass customers for whom SoCalGas established a Monthly Minimum Charge, has been purchased by a new legal entity, who, on June 18, 2010, requested to maintain service from SoCalGas while maintaining its Bypass transportation provider as well. Because SoCalGas evaluated the Monthly Minimum Charge for this customer's facility within the last six months, SoCalGas is not proposing any changes to the charge at this time. SoCalGas proposes to have a new contract signed by the new customer and use the same Monthly Minimum Charge as was approved by the Commission pursuant to AL 4062. SoCalGas requests Commission approval of this charge applicable to the new customer. Attachment B is not available to the public because it contains confidential information specific to this new customer.

According to the Settlement, the purpose of the Monthly Minimum Charge is "to recover customer specific service costs (e.g., metering, regulation, billing, etc.)." These charges are to be based on actual operations and maintenance costs of the metering equipment and other related facilities at each individual customer's meter(s) that are owned and operated by SoCalGas. The charges cover activities that are necessary to deliver gas in accordance with SoCalGas' rules and procedures, good industry practice, and governmental regulations.

The Monthly Minimum Charge for each customer does not include replacement of major components of SoCalGas' measurement and regulation equipment. In the event that such replacement is required in the future in order to continue to provide gas service, SoCalGas shall install the necessary equipment at the customer's expense, or, if requested by the customer, discontinue service.⁴

SoCalGas shall file for approval updates to these Monthly Minimum Charges as necessary to recover actual costs as they may increase from time to time.

Protest

Anyone may protest this Advice Letter to the Commission. The protest must state the grounds upon which it is based, including such items as financial and service impact, and

Customer shall apply only when the charge exceeds the total reservation and volumetric transportation charges for GT-TLS service and shall be applied in lieu of the total reservation and volumetric transportation charges."

A.08-02-001, Settlement, Attachment 1, TLS Customer Class Rate Design, Section 4.e., p. 3.
 A.08-02-001, Settlement, Attachment 2, Uncontested Proposals, Section 33 states, "Adopt SDG&E/SoCalGas' proposal that, to the extent a bypass customer requests a new service line or meter from SDG&E or SoCalGas for standby service, SDG&E or SoCalGas will install the service line or meter at the customer's expense, and the customer will be subject to the previously described 24-month usage evaluation."

should be submitted expeditiously. The protest must be made in writing and received within 20 days of the date of this Advice Letter, which is August 8, 2010. There is no restriction on who may file a protest. The address for mailing or delivering a protest to the Commission is:

CPUC Energy Division Attention: Tariff Unit 505 Van Ness Avenue San Francisco, CA 94102

Copies of the protest should also be sent via e-mail to the attention of both Maria Salinas (mas@cpuc.ca.gov) and Honesto Gatchalian (inj@cpuc.ca.gov) of the Energy Division. A copy of the protest shall also be sent via both e-mail and facsimile to the address shown below on the same date it is mailed or delivered to the Commission.

Attn: Sid Newsom Regulatory Tariff Manager - GT14D6 555 West Fifth Street Los Angeles, CA 90013-1011 Facsimile No. (213) 244-4957

E-Mail: snewsom@semprautilities.com

Effective Date

SoCalGas believes this Advice Letter is subject to Energy Division disposition and should be classified as Tier 2 (effective after staff approval) pursuant to G.O. 96-B, and therefore respectfully requests that this filing become effective for service on and after August 18, 2010, which is 30 days after the date filed.

Notice

A copy of this Advice Letter is being sent to the parties shown on Attachment A, which includes the service list for A.08-02-001.

| Rasha Prince | |
|-------------------------------|--|
| Director – Regulatory Affairs | |

Attachments

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING SUMMARY ENERGY UTILITY

| MUST BE COMPLETED BY UTILITY (Attach additional pages as needed) | | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|------------------------------------------------------------------|--|
| Company name/CPUC Utility No. SOUTHERN CALIFORNIA GAS COMPANY (U 904G) | | | |
| Utility type: | Contact Person: <u>Sid Newsom</u> | | |
| ☐ ELC ☐ GAS | Phone #: (213) <u>244-2846</u> | | |
| ☐ PLC ☐ HEAT ☐ WATER | E-mail: SNewsom@semprautilities.com | | |
| EXPLANATION OF UTILITY TYPE (Date Filed/ Received Stamp by CPUC) | | | |
| ELC = Electric GAS = Gas PLC = Pipeline HEAT = Heat V | VATER = Water | | |
| Advice Letter (AL) #: 4136 | | | |
| Subject of AL: Monthly Minimum Charge for a New Bypass Customer under Schedule No. GT-TLS | | | |
| Keywords (choose from CPUC listing): Transportation Rates | | | |
| AL filing type: Monthly Quarterly Annual One-Time Other | | | |
| If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: | | | |
| N/A – But the AL complies with the provision of Schedule GT-TLS. | | | |
| Does AL replace a withdrawn or rejected AL? If so, identify the prior AL No | | | |
| Summarize differences between the AL and the prior withdrawn or rejected AL¹: N/A | | | |
| | | | |
| Does AL request confidential treatment? If so, provide explanation: Yes, Attachment B is confidential | | | |
| because it contains customer specific information. | | | |
| solution Required? \square Yes \boxtimes No Tier Designation: \square 1 \boxtimes 2 \square 3 | | | |
| Requested effective date: 8/18/10 No. of tariff sheets: 0 | | | |
| Estimated system annual revenue effect: (%): N/A | | | |
| Estimated system average rate effect (%): N/A | | | |
| 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: N/A | | | |
| Service affected and changes proposed ¹ : | | | |
| Pending advice letters that revise the same tariff sheets: None | | | |
| Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to: | | | |
| CPUC, Energy Division | | Southern California Gas Company | |
| Attention: Tariff Unit 505 Van Ness Ave., | | Attention: Sid Newsom 555 West 5 th Street, GT14D6 | |
| San Francisco, CA 94102 | | Los Angeles, CA 90013-1011 | |
| mas@cpuc.ca.gov and jnj@cpuc.ca.gov | | SNewsom@semprautilities.com | |

 $^{^{\}mbox{\tiny 1}}$ Discuss in AL if more space is needed.

ATTACHMENT A

Advice No. 4136

(See Attached Service Lists)

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ATTACHMENT B

Advice No. 4136

MONTHLY MINIMUM CHARGE FOR A NEW BYPASS CUSTOMER UNDER SCHEDULE NO. GT-TLS

Provided Only to the Commission under the Confidentiality Provisions of General Order 66-C and Section 583 of the California Public Utilities

Code