PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE SAN FRANCISCO, CA 94102-3298

December 28, 2011

Edmund G. Brown Jr., Governor



Advice Letter 4284

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

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

Dear Ms. Prince:

Advice Letter 4284 is effective December 1, 2011.

Sincerely,

Edward Ramloph

Edward F. Randolph, 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

October 7, 2011

Advice No. 4284 (U 904 G)

Public Utilities Commission of the State of California

<u>Subject</u>: Monthly Minimum Charge for a 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).

<u>Purpose</u>

In compliance with the requirements for Bypass customers under Schedule No. GT-TLS (GT-TLS), Intrastate Transportation Service for Transmission Level Customers, SoCalGas has determined the Monthly Minimum Charge for a Bypass customer and hereby requests Commission approval of the resulting Monthly Minimum Charge.¹

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).²

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.³ Bypass customers are customers who take

¹ The customer's name is being provided confidentially to the Commission under the provisions of General Order 66-C and Section 583 of the Public Utilities Code.

² See Application (A.) 08-02-001, which was filed jointly with San Diego Gas & Electric Company (SDG&E).

³ 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

service from both SoCalGas and an alternate gas transportation service provider, i.e., customers who partially bypass utility service. SoCalGas currently has three customers with Commission-approved Monthly Minimum Charges.⁴

Monthly Minimum Charge Requested

SoCalGas and the customer recently completed a review of operating changes at the customer's facility. The review revealed that the customer was taking partial gas service from another gas transportation service provider; therefore, effective September 1, 2011, SoCalGas placed the customer on the bypass service provision provided in SoCalGas Tariff Schedule GT-TLS. SoCalGas' analysis and determination of the Minimum Monthly Charge for this customer's gas meter is provided in Attachment B. Attachment B is being submitted under the provisions of General Order 66-C and Section 583 of the Public Utilities Code.

According to the Settlement, the purpose of the Monthly Minimum Charge is "to recover customer specific service costs (e.g., metering, regulation, billing, etc.)."⁵ 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 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.⁶

SoCalGas will file for approval updates to this Monthly Minimum Charge 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 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 October 27, 2011. There is no

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 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."

⁴ See Advice Nos. 4062 and 4136, approved on March 3, 2010 and August 20, 2010, respectively.

⁵ A.08-02-001, Settlement, Attachment 1, TLS Customer Class Rate Design, Section 4.e., p. 3.

⁶ 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."

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 (<u>mas@cpuc.ca.gov</u>) and Honesto Gatchalian (<u>inj@cpuc.ca.gov</u>) 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: <u>snewsom@semprautilities.com</u>

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 December 1, 2011, which is more than 30 days after the date filed.

<u>Notice</u>

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: | ility type: Contact Person: <u>Sid Newsom</u> | | | |
| \Box ELC \boxtimes GAS | Phone #: (213) <u>244-2846</u> | | | |
| PLC HEAT WATER E-mail: SNewsom@semprautilities.com | | | | |
| EXPLANATION OF UTILITY TY | PE | (Date Filed/ Received Stamp by CPUC) | | |
| ELC = ElectricGAS = GasPLC = PipelineHEAT = HeatWATER = Water | | | | |
| Advice Letter (AL) #: 4284 | | | | |
| Subject of AL: <u>Monthly Minimum Charge for a Bypass Customer under Schedule No. GT TLS</u> | | | | |
| Sasjoor of the <u>internet of the source of the source and the source and the source and the source of the source of</u> | | | | |
| Keywords (choose from CPUC listing): Contracts | | | | |
| AL filing type: 🗌 Monthly 🗌 Quarterly 🗌 Annual 🖾 One-Time 🗌 Other | | | | |
| If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: | | | | |
| D09-11-006 | | | | |
| Does AL replace a withdrawn or rejected AL? If so, identify the prior AL <u>No</u> | | | | |
| Summarize differences between the A | AL and the prior w | ithdrawn or rejected AL ¹ : <u>N/A</u> | | |
| | | | | |
| Does AL request confidential treatment? If so, provide explanation: <u>Yes. Attachment B is</u> confidential. | | | | |
| Resolution Required? \Box Yes \boxtimes No | | Tier Designation: $\Box 1 \boxtimes 2 \Box 3$ | | |
| Requested effective date: <u>December 1, 2011</u> No. of tariff sheets: <u>0</u> | | | | |
| Estimated system annual revenue effect: (%): <u>N/A</u> | | | | |
| Estimated system average rate effect (%): <u>N/A</u> | | | | |
| 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: <u>None</u> | | | | |
| Service affected and changes proposed ¹ : | | | | |
| | | | | |
| Pending advice letters that revise the same tariff sheets: <u>None</u> | | | | |
| 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 | | |
| 505 van Ness Ave., San Francisco, CA 94102 | | Los Angeles, CA 90013-1011 | | |
| mas@cpuc.ca.gov and jnj@cpuc.ca.gov | | SNewsom@semprautilities.com | | |
| | | | | |

¹ Discuss in AL if more space is needed.

ATTACHMENT A

Advice No. 4284

(See Attached Service List)

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ATTACHMENT B

Advice No. 4284

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

Adopted by D.09-11-006

(Provided to the Commission under the Confidentiality Provisions of General Order 66-C and Section 583 of the Public Utilities Code)

Monthly Minimum Charge for a Southern California Gas Company Bypass Customer Tables 1 and 2

- Table 1:
 Monthly Minimum Charge for a Southern California Gas Company Bypass

 Customer Summary
 Summary
- Table 2:
 Monthly Minimum Charge for a Southern California Gas Company Bypass

 Customer Details
 Customer Details