

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



May 3, 2012

**Advice Letter 4350G**

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

**Subject: Requests to Continue SoCalGas Interstate Pipeline Capacity Acquisition  
Procedures for an Additional Three Years**

Dear Ms. Prince:

Advice Letter 4350G is effective April 29, 2012.

Sincerely,

A handwritten signature in cursive script that reads "Edward F. Randolph".

Edward F. Randolph, Director  
Energy Division



**Rasha Prince**  
Director  
Regulatory Affairs

555 W. Fifth Street, GT14D6  
Los Angeles, CA 90013-1011  
Tel: 213.244.2009  
Fax: 213.244.3201  
*rprince@semprautilities.com*

March 30, 2012

Advice No. 4350  
(U 904 G)

**Subject: Request to Continue SoCalGas Interstate Pipeline Capacity Acquisition Procedures for an Additional Three Years**

**Purpose**

In compliance with California Public Utilities Commission (Commission) Decision No. (D.) 04-09-022, Southern California Gas Company (SoCalGas) and San Diego Gas & Electric Company (SDG&E) hereby request continuation of the interstate pipeline capacity contract acquisition procedures adopted in D.04-09-022, as modified by the Commission in response to Advice No. (AL) 3969, for an additional three years.

**Background**

In D.04-09-022, the Commission established interstate pipeline contract acquisition procedures for SoCalGas, SDG&E, and Pacific Gas and Electric Company (PG&E) for an initial period of five years. These procedures include authorized capacity planning ranges, and consultation, review, and approval processes for new interstate capacity commitments.<sup>1</sup> The interstate pipeline contract acquisition procedures established in D.04-09-022 have created a more efficient and cost-effective capacity acquisition process while preserving reliability of service. Moreover, the procedures have resulted in significant savings for SoCalGas and SDG&E core customers through, among other things, the negotiation of discounted contracts for interstate pipeline capacity.

In D.04-09-022, the Commission authorized the utilities to file an advice letter requesting the continuation or modification of these interstate pipeline contract acquisition procedures. In March of 2009, SoCalGas filed AL 3969 seeking to continue the procedures for an additional three years, with one minor change to the authorized capacity planning ranges that are part of the procedures.<sup>2</sup> Specifically, SoCalGas asked the Commission to eliminate the annual average minimum firm

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<sup>1</sup> See D.04-09-022, mimeo., at 21-35.

<sup>2</sup> As with this current request, SoCalGas filed AL 3969 on behalf of itself and SDG&E. Pursuant to D.07-12-019, the core procurement portfolios of SoCalGas and SDG&E have been combined and are now managed by SoCalGas.

interstate pipeline capacity requirement, and instead require SoCalGas and SDG&E to hold firm interstate pipeline capacity that during the spring and summer months is no less than 90% of their forecasted core procurement annual average daily load, and during the fall and winter months is no less than 100% of their forecasted core procurement annual average daily load. SoCalGas did not propose changing the existing annual average maximum of 120%. SoCalGas also asked for the ability to seek a further continuation of the procedures through another advice filing.

The Commission approved AL 3969 on April 3, 2009. Pursuant to this 2009 approval, the interstate pipeline contract acquisition procedures established in D.04-09-022 have now been in place for over seven years.

### **Proposal**

SoCalGas believes that the interstate pipeline contract acquisition procedures established in D.04-09-022, with the one minor change to the authorized capacity planning ranges adopted by the Commission in response to AL 3969, continue to be very beneficial for SoCalGas and SDG&E core customers. Accordingly, SoCalGas respectfully requests that the Commission authorize the continuation of these existing interstate pipeline contract acquisition procedures for SoCalGas and SDG&E for an additional three years. SoCalGas is not seeking any changes to the current procedures, just a continuation. SoCalGas also requests that it be authorized to file an advice letter before the end of this additional three-year period requesting the continuation or modification of these interstate pipeline contract acquisition procedures.

This filing will not create any deviations from SoCalGas' tariffs, cause withdrawal of service from any present customer, or impose any more or less restrictive conditions.

### **Protests**

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 April 19, 2012. 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 the Energy Division Tariff Unit ([EDTariffUnit@cpuc.ca.gov](mailto:EDTariffUnit@cpuc.ca.gov)). A copy of the protest shall also be sent via both email and facsimile to the address shown below on the same date it is mailed or delivered to the Commission:

Attn: Sid Newsom  
Tariff Manager - GT14D6  
555 West Fifth Street  
Los Angeles, CA 90013-1011  
Facsimile No. (213) 244-4957  
E-mail: [snewsom@SempraUtilities.com](mailto:snewsom@SempraUtilities.com)

Attn: Steve Hruby  
Regulatory Case Manager – GT14D6  
555 West Fifth Street  
Los Angeles, CA 90013-1011  
Facsimile No. (213) 244-4957  
E-Mail: [shruby@semprautilities.com](mailto:shruby@semprautilities.com)

**Effective Date**

SoCalGas believes that this filing is subject to Energy Division disposition and should be classified as Tier 2 (effective after staff approval) and respectfully requests that this compliance filing become effective on April 29, 2012, which is 30 calendar days after the date filed.

**Notice**

A copy of this advice letter is being sent to the parties listed on Attachment A, which includes interested parties in R.04-01-025, Gas Market OIR proceeding.

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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:

ELC     GAS  
 PLC     HEAT     WATER

Contact Person: Sid Newsom

Phone #: (213) 244-2846

E-mail: SNewsom@semprautilities.com

### EXPLANATION OF UTILITY TYPE

ELC = Electric                      GAS = Gas  
PLC = Pipeline                     HEAT = Heat    WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: 4350

Subject of AL: Request to Continue SoCalGas Interstate Pipeline Capacity Acquisition Procedures for a Second Three-Year Period

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 #:

D.04-09-022

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 AL<sup>1</sup>: N/A

Does AL request confidential treatment? If so, provide explanation: No

Resolution Required?  Yes  No

Tier Designation:  1  2  3

Requested effective date: 4/29/12

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: None

Service affected and changes proposed<sup>1</sup>: N/A

Pending advice letters that revise the same tariff sheets: \_\_\_\_\_

**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  
Attention: Tariff Unit  
505 Van Ness Ave.,  
San Francisco, CA 94102  
EDTariffUnit@cpuc.ca.gov**

**Southern California Gas Company  
Attention: Sid Newsom  
555 West 5<sup>th</sup> Street, GT14D6  
Los Angeles, CA 90013-1011  
SNewsom@semprautilities.com**

<sup>1</sup> Discuss in AL if more space is needed.

**ATTACHMENT A**

**Advice No. 4350**

**(See Attached Service Lists)**

ALCANTAR & KAHL, LLP  
 MICHAEL P. ALCANTAR  
 mpa@a-klaw.com

GOODIN MACBRIDE SQUERI RITCHIE  
 & DAY LLP  
 JEANNE B. ARMSTRONG  
 jarmstrong@gmssr.com

CALIF PUBLIC UTILITIES COMMISSION  
 Wendy Al-Mukdad  
 wmp@cpuc.ca.gov

CALIF PUBLIC UTILITIES COMMISSION  
 Joyce Alfton  
 alf@cpuc.ca.gov

CALIF PUBLIC UTILITIES COMMISSION  
 Nilgun Atamturk  
 nil@cpuc.ca.gov

SEMPRA ENERGY  
 GEORGETTA J. BAKER  
 GBaker@SempraUtilities.com

CROSSBORDER ENERGY  
 R. THOMAS BEACH  
 tomb@crossborderenergy.com

MC CARTHY & BERLIN, LLP  
 C. SUSIE BERLIN  
 sberlin@mccarthyllaw.com

BERLINER LAW PLLC  
 ROGER BERLINER  
 roger@berlinerlawpllc.com

SOUTHWEST GAS CORPORATION  
 ANDY BETTWY  
 andy.bettwy@swgas.com

FERRIS & BRITTON  
 W. LEE BIDDLE  
 lbiddle@ferrisbritton.com

ALCANTAR & KAHL  
 WILLIAM H. BOOTH  
 whb@a-klaw.com

BRIGGS LAW CORPORATION  
 CORY J. BRIGGS  
 cory@briggslawcorp.com

EXXON MOBIL CORP.  
 DANIEL J. BRINK  
 daniel.j.brink@exxonmobil.com

ENERGY MINERALS & NATURAL  
 RESOURCES DEPT  
 DAVID K. BROOKS  
 david.brooks@state.nm.us

BETA CONSULTING  
 JOHN BURKHOLDER  
 burkee@cts.com

TECHNICAL SERVICES MANAGER  
 JIM CAMPION  
 Jim.Campion@conservation.ca.gov

DOWNEY BRAND, LLP  
 DAN L. CARROLL  
 dcarroll@downeybrand.com

NATURAL RESOURCES DEFENSE  
 COUNCIL  
 SHERYL CARTER  
 scarter@nrdc.org

COUNTY OF LOS ANGELES  
 HOWARD CHOY  
 hchoy@isd.co.la.ca.us

COGENERATION CONTRACT  
 SERVICES  
 MARSHALL D. CLARK  
 Marshall.Clark@dgs.ca.gov

GOODIN, MACBRIDE, SQUERI, DAY &  
 LAMPREY  
 BRIAN T. CRAGG  
 bcragg@goodinmacbride.com

TRANSCANADA PIPELINES LIMITED  
 MARGARET CROSSEN  
 margaret\_crossen@transcanada.com

CALIF PUBLIC UTILITIES COMMISSION  
 Eugene Cadenasso  
 cpe@cpuc.ca.gov

GOODIN MACBRIDE SQUERI DAY &  
 LAMPREY LLP  
 MICHAEL B. DAY  
 mday@goodinmacbride.com

DOUGLASS & LIDDELL  
 DANIEL W. DOUGLASS  
 douglass@energyattorney.com

SEMPRA ENERGY  
 JOHN R. ELLIS  
 JEllis@SempraUtilities.com

CALIF PUBLIC UTILITIES COMMISSION  
 Roy Evans  
 rle@cpuc.ca.gov

REED SMITH LLP  
 MARK FOGELMAN  
 mfogelman@reedsmith.com

KERN RIVER GAS TRANSMISSION  
 COMPANY  
 PATRICIA FRENCH  
 2755 EAST COTTONWOOD PARKWAY,  
 SUITE 300  
 SALT LAKE CITY, UT 84121

<p><b>CALIF PUBLIC UTILITIES COMMISSION</b>                  David K. Fukutome                  dkf@cpuc.ca.gov</p>	<p><b>SOUTHWEST GAS CORPORATION</b>                  RANDALL P. GABE                  randy.gabe@swgas.com</p>	<p><b>ENERGY SERVICES &amp; INVESTMENTS, LLC</b>                  WILLIAM S. GARRETT, JR.                  wgarrettesi@aol.com</p>
<p><b>CALIF. DEPT OF WATER RESOURCES</b>                  JACQUELINE GEORGE                  jgeorge@water.ca.gov</p>	<p><b>SOUTHERN CALIFORNIA GAS COMPANY/SDG&amp;E</b>                  DAVID J. GILMORE                  DGilmore@SempraUtilities.com</p>	<p><b>CORAL ENERGY RESOURCES, L.P.</b>                  AMY GOLD                  agold@coral-energy.com</p>
<p><b>DYNEGY, INC.</b>                  MICHELLE GRANT                  michelle.d.grant@dynegy.com</p>	<p><b>DISTRIBUTED ENERGY STRATEGIES</b>                  STEVEN A. GREENBERG                  steveng@destrategies.com</p>	<p><b>CALIF PUBLIC UTILITIES COMMISSION</b>                  Belinda Gatti                  beg@cpuc.ca.gov</p>
<p><b>CALIF PUBLIC UTILITIES COMMISSION</b>                  Jacqueline Greig                  jnm@cpuc.ca.gov</p>	<p><b>SOUTHWEST GAS CORPORATION</b>                  ANITA HART                  anita.hart@swgas.com</p>	<p><b>THE UTILITY REFORM NETWORK</b>                  MARCEL HAWIGER                  marcel@turn.org</p>
<p><b>SIERRA PACIFIC POWER COMPANY</b>                  CHRISTOPHER HILEN                  chilen@sppc.com</p>	<p><b>STOEL RIVES</b>                  SETH HILTON                  sdhilton@stoel.com</p>	<p><b>MANATT, PHELPS &amp; PHILLIPS, LLP</b>                  DAVID L. HUARD                  dhuard@manatt.com</p>
<p><b>SOUTHERN CALIFORNIA EDISON COMPANY</b>                  GLORIA M. ING                  gloria.ing@sce.com</p>	<p><b>ADAMS BROADWELL JOSEPH &amp; CARDOZO</b>                  MARC D. JOSEPH                  mdjoseph@adamsbroadwell.com</p>	<p><b>OFFICE OF STATE SENATOR MARTHA ESCUTIA</b>                  BILL JULIAN                  billjulian@sbcglobal.net</p>
<p><b>ALCANTAR &amp; KAHL, LLP</b>                  EVELYN KAHL                  ek@a-klaw.com</p>	<p><b>WINSTON &amp; STRAWN LLP</b>                  JOSEPH M. KARP                  jkarp@winston.com</p>	<p><b>MANATT PHELPS &amp; PHILLIPS, LLP</b>                  RANDALL W. KEEN                  rkeen@manatt.com</p>
<p><b>SHUTE, MIHALY &amp; WEINBERGER LLP</b>                  DEBORAH L. KEETH                  keeth@smwlaw.com</p>	<p><b>ELLISON, SCHNEIDER &amp; HARRIS, LLP</b>                  DOUGLAS K. KERNER                  dkk@eslawfirm.com</p>	<p><b>MODESTO IRRIGATION DISTRICT</b>                  THOMAS S KIMBALL                  tomk@mid.org</p>
<p><b>DOUGLASS &amp; LIDDELL</b>                  GREGORY S.G. KLATT                  klatt@energyattorney.com</p>	<p><b>PACIFIC GAS AND ELECTRIC COMPANY</b>                  KERRY C. KLEIN                  kck5@pge.com</p>	<p><b>EL PASO CORPORATION - WESTERN PIPELINES</b>                  STEPHEN G. KOERNER                  steve.koerner@elpaso.com</p>
<p><b>CALPINE CORPORATION</b>                  AVIS KOWALEWSKI                  kowalewskia@calpine.com</p>	<p><b>CALIF PUBLIC UTILITIES COMMISSION</b>                  Sepideh Khosrowjah                  skh@cpuc.ca.gov</p>	<p><b>MCKENNA LONG &amp; ELDRIDGE LLP</b>                  JOHN W. LESLIE, ESQ.                  JLeslie@McKennaLong.com</p>
<p><b>DOUGLASS &amp; LIDDELL</b>                  DONALD C. LIDDELL                  liddell@energyattorney.com</p>	<p><b>CALIF PUBLIC UTILITIES COMMISSION</b>                  Diana L. Lee                  dil@cpuc.ca.gov</p>	<p><b>CALIF PUBLIC UTILITIES COMMISSION</b>                  Kelly C. Lee                  kcl@cpuc.ca.gov</p>



CITY OF PALO ALTO  
RAVEEN MAAN  
raveen\_maan@city.palo-alto.ca.us

SOUTHERN CALIFORNIA EDISON  
COMPANY  
WALKER A. MATTHEWS, III  
walker.matthews@sce.com

PACIFIC GAS AND ELECTRIC  
COMPANY  
ROBERT B. MC LENNAN  
rbm4@pge.com

SUTHERLAND, ASBILL & BRENNAN  
KEITH MCCREA  
keith.mccrea@sablaw.com

DUANE MORRIS, LLP  
JAMES W. MCTARNAGHAN  
jwmctarnaghan@duanemorris.com

SEMPRA ENERGY UTILITIES  
BETH MUSICH  
BMusich@SempraUtilities.com

CALIF PUBLIC UTILITIES COMMISSION  
Harvey Y. Morris  
hym@cpuc.ca.gov

CALIF PUBLIC UTILITIES COMMISSION  
Richard A. Myers  
ram@cpuc.ca.gov

JBS ENERGY, INC.  
JEFF NAHIGIAN  
jeff@jbsenergy.com

CALIFORNIA LEAGUE OF FOOD  
PROCESSORS  
ROB NEENAN  
rob@clfp.com

SEMPRA ENERGY  
STEVEN C. NELSON  
SNelson@Sempra.com

JOHN PACHECO  
jpacheco@water.ca.gov

HANNA AND MORTON, LLP  
NORMAN A. PEDERSEN  
npedersen@hanmor.com

PACIFIC GAS AND ELECTRIC  
COMPANY  
JONATHAN D. PENDLETON  
j1pc@pge.com

ASPEN ENVIRONMENTAL GROUP  
SUSANNE PHINNEY, D.ENV.  
Sphinney@aspeneg.com

CANADIAN ASSN. OF PETROLEUM  
PRODUCERS  
MARK PINNEY  
pinney@capp.ca

ANDERSON & POOLE  
EDWARD G. POOLE  
epoole@adplaw.com

SOUTHERN CALIFORNIA EDISON  
COMPANY  
DOUGLAS PORTER  
douglas.porter@sce.com

CALIF PUBLIC UTILITIES COMMISSION  
Robert M. Pocta  
rmp@cpuc.ca.gov

SAN DIEGO GAS & ELECTRIC  
COMPANY (902)  
STEVE RAHON  
SRahon@SempraUtilities.com

SEMPRA LNG  
WILLIAM D. RAPP  
WRapp@Sempraglobal.com

WESTERN STATES PETROLEUM  
ASSOCIATION  
CATHY REHEIS-BOYD  
creheis@wspa.org

SPURR  
MICHAEL ROCHMAN  
Service@spurr.org

REGULATORY & COGENERATION  
SERVICES, INC.  
JAMES ROSS  
jimross@r-c-s-inc.com

PACIFIC GAS AND ELECTRIC  
COMPANY  
KEITH T. SAMPSON  
kts1@pge.com

BERNARDINO COUNTY  
CHARLES SCOLASTICO  
cscolastico@cc.sbcounty.gov

DANIEL P. SELMI  
dselmi@aol.com

AIR RESOURCES BOARD  
DEAN SIMEROTH  
dsimerot@arb.ca.gov

SEMPRA ENERGY  
AIMEE M. SMITH  
AMSmith@SempraUtilities.com

HANNA AND MORTON, LLP  
ALANA STEELE  
444 SOUTH FLOWER STREET, SUITE  
1500  
LOS ANGELES, CA 90071-2916

SEMPRA ENERGY  
MICHAEL THORP  
MThorp@SempraUtilities.com

ARCLIGHT ENERGY PARTNERS FUND  
I, LP  
JOHN TISDALE  
jtisdale@arclightcapital.com

CALIF PUBLIC UTILITIES COMMISSION  
Laura J. Tudio  
ljt@cpuc.ca.gov

ELLISON, SCHNEIDER & HARRIS, LLP  
GREGGORY L. WHEATLAND  
glw@eslawfirm.com

SOUTH COAST AIR QUALITY  
MANAGEMENT DISTR  
KURT R. WIESE  
kwiese@aqmd.gov

DEFENSE ENERGY SUPPORT CENTER  
SHYLETHA A. WILLIAMS  
swilliams@desc.dla.mil

CALIF PUBLIC UTILITIES COMMISSION  
Steven A. Weissman  
saw@cpuc.ca.gov

CALIF PUBLIC UTILITIES COMMISSION  
John S. Wong  
jsw@cpuc.ca.gov

CALIFORNIA AIR RESOURCES BOARD  
GARY M. YEE  
1001 I STREET, PO BOX 2815  
SACRAMENTO, CA 95812

PACIFIC GAS AND ELECTRIC  
COMPANY  
PO BOX 7442  
SAN FRANCISCO, CA 94120-7442