

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



September 10, 2012

Advice Letter 4389

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

**Subject: Revision to Clarify Tariffs Filed in AL Nos. 4258 and 4258-A
Expansion of Off-System Delivery, D.11-03-029**

Dear Ms. Prince:

Advice Letter 4389 is effective August 24, 2012.¹

Sincerely,

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

Edward F. Randolph, Director
Energy Division

¹ SoCalGas made the sheets effective October 1, 2012 to coincide with the effective date of the OSD tariffs filed in AL 4258 and 4258-A.



Rasha Prince
Director
Regulatory Affairs

555 W. Fifth Street, GT14D6
Los Angeles, CA 90013-1011
Tel: 213.244.5141
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July 25, 2012

Advice No. 4389
(U 904 G)

Public Utilities Commission of the State of California

Subject: Revision to Clarify Tariffs Filed in Advice Nos. 4258 and 4258-A - Expansion of Off-System Delivery, Decision (D.)11-03-029

Southern California Gas Company (SoCalGas) hereby submits for filing the revisions to its tariffs as shown on Attachment B. The red-lined revisions are shown in Attachment C.

Purpose

This advice letter (AL) seeks approval to revise SoCalGas Rule No. 41, Utility System Operation, and Schedule No. G-OSD, Off-System Delivery Service, to clarify its procedures for: (1) the input of off-system delivery (OSD) service scheduled quantities in the calculation of Forecasted System Capacity, and (2) clearing of OSD imbalances, before the implementation of its expanded interruptible OSD service, which SoCalGas estimates will begin on or about September 1, 2012.

Background

On July 15, 2011, SoCalGas filed AL 4258 in compliance with D.11-03-029, which authorized the expansion of OSD services, and Ordering Paragraph (OP) 38 of D.11-04-032. AL 4258 contained revisions to multiple tariffs, including Schedule No. G-OSD. On August 4, 2011, Indicated Producers (IP) filed a protest to AL 4258. IP's protest asserted that SoCalGas' filed tariffs did not accurately reflect balancing rules that apply to OSD shippers, and proposed certain changes to Special Condition 13 of Schedule No. G-OSD. There were no other protests. In response to IP's protest, on August 17, 2011, SoCalGas filed AL 4258-A to modify Special Condition 13 of Schedule No. G-OSD to incorporate the language mutually agreed upon by SoCalGas and IP. On October 6, 2011 the Commission approved ALs 4258 and 4258-A.

On June 6, 2012, SoCalGas informed the Energy Division that it was ready to expand its Interruptible OSD service to all of its interconnection points with interstate and international pipelines effective July 1, 2012. At that time SoCalGas also submitted substitute tariff sheets (to be effective July 1, 2012) consistent with those filed in ALs 4258 and 4258-A. On June 27, 2012, SoCalGas informed the Energy Division that due to programming issues, the implementation of the expanded Interruptible OSD service would be delayed; and that the revised implementation date for the expanded Interruptible OSD service was expected to be on or about September 1, 2012.

Revisions to Rule No. 41

Section 4 of Rule No. 41 describes the procedure used to determine whether SoCalGas needs to issue an Operational Flow Order (OFO). One input in the procedure is the quantity of OSD service in a scheduling cycle:

An OFO is issued if Forecasted System Capacity < Scheduled Quantities.

Where,

Forecasted System Capacity = Forecasted Sendout
 + Physical Storage Injection Capacity
 + Available Off-System Nominations

In the existing Rule No. 41 procedure, the term "Nominations" has been used loosely to mean "Scheduled Quantities." Strictly speaking, nominations are the quantities that are requested by customers, but may not necessarily be scheduled. On-system scheduled quantities are the quantities that are scheduled to be delivered to SoCalGas by the upstream pipelines. Off-system scheduled quantities are the quantities to be delivered by SoCalGas by displacement to the upstream pipelines. The forecast of the system capacity must be based on off-system scheduled quantities rather than off-system nominations. Therefore, SoCalGas is clarifying the procedure to replace the term "Available Off-System Nominations" with "Off-System Scheduled Quantities," in the formula for the Forecasted System Capacity calculations. The proposed revisions to Section 4 of Rule No. 41 are shown below in a ***bold italic*** font.

4. The Gas Control Department will fully utilize storage injection capacity prior to issuing an OFO. The Gas Control Department is responsible for calculating forecasted sendout and physical storage injection capacity. For every nomination cycle, the Gas Scheduling Department shall calculate the system capacity as the sum of forecasted sendout, physical storage injection capacity, and ~~available~~ off-system ***scheduled quantities. nominations.*** ~~***"Available" off-system nominations are the nominations that have been made by customers and in the SoCalGas scheduling system.***~~ The forecasted system capacity shall then be compared to the latest ***on-system*** scheduled quantities. The following table summarizes which ***scheduled*** quantities are used in each cycle for the OFO calculation ***for both on-system and off-system volumes:***

<u>Cycle</u>	<u>Quantity Used for OFO Calculation</u>
1) Timely	Prior Flow Day - Evening Cycle Scheduled Quantity
2) Evening*	Current Flow Day - Timely Cycle Scheduled Quantity
3) Intraday 1	Current Flow Day - Evening Cycle Scheduled Quantity
4) Intraday 2	Current Flow Day - Intraday 1 Cycle Scheduled Quantity

An OFO may be issued only if the level of quantities, from the table above, exceeds the forecasted system capacity. System linepack will not be part of the formula used to determine when an OFO shall be issued. The conditions for issuing an OFO are summarized below.

An OFO is issued if Forecasted System Capacity < ***On-system*** Scheduled Quantities.

Where,

Forecasted System Capacity = Forecasted Sendout
+ Physical Storage Injection Capacity
+ ~~Available~~ Off-System **Scheduled Quantities**
Nominations

- * The Utility will provide a minimum one-hour notice prior to the Evening Cycle nomination deadline when calling an Evening Cycle OFO.

Revisions to Schedule No. G-OSD

Before the implementation of its expanded Interruptible OSD service, SoCalGas would like to clarify that customers' OSD imbalances that are not cured within three business days will be resolved in the same manner regardless of their on-system customer classification (i.e., core retail, noncore retail, or wholesale). Therefore, SoCalGas proposes the following revisions (marked in a ***bold italic*** font) to Special Condition 13 of Schedule No. G-OSD:

13. A Customer's OSD imbalance is defined as the difference between the quantity of gas scheduled into its OSD Contract and the quantity of gas scheduled out of its OSD Contract following Cycle 4 on any given flow day. A Customer can clear its OSD imbalance by nominating gas into or out of its OSD imbalance account. If a Customer's OSD imbalance is not cleared by the end of three (3) business days after the flow day when the OSD imbalance occurred, then such OSD imbalance shall be resolved in accordance with the terms of Schedule No. G-IMB. Specifically, the Buy-Back Rate ***for noncore retail service (BR-R)*** shall be applied to resolve a positive OSD imbalance and the Standby Procurement Charge ***for noncore retail service (SP-NR)*** shall be applied to resolve a negative OSD imbalance. OSD Customers shall not be allowed to trade their OSD imbalances with other OSD customers or on-system customers.

SoCalGas believes that this revision would avoid any confusion customers may have regarding the resolution of their uncured OSD imbalances.

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 this advice letter was filed with the Commission which is August 14, 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). 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
Tariff Manager - GT14D6
555 West Fifth Street
Los Angeles, CA 90013-1011
Facsimile No. (213) 244-4957
E-Mail: snewsom@semprautilities.com

Effective Date

OP 3 of D.11-03-029 authorized SoCalGas to file a Tier 1 AL for interruptible OSD service. The System Modifications section of AL 4258 stated that the necessary system modifications would not be ready until some time in 2012. As discussed in the Background Section above, the tentative implementation date for the expanded Interruptible OSD service is on or about September 1, 2012.

Therefore, SoCalGas respectfully requests that this filing be approved on August 24, 2012, which is thirty (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 parties in A.08-06-006 and A.10-03-028.

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) #: 4389

Subject of AL: Revision to Clarify Tariffs Filed in Advice Nos. 4258 and 4258-A - Expansion of Off-System Delivery, D.11-03-029

Keywords (choose from CPUC listing): _____

AL filing type: Monthly Quarterly Annual One-Time Other _____

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #:

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: No

Resolution Required? Yes No

Tier Designation: 1 2 3

Requested effective date: 8/24/12

No. of tariff sheets: 6

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: Schedule No. G-OSD, Rule No. 41 and TOCs

Service affected and changes proposed¹: NA

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

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

¹ Discuss in AL if more space is needed.

ATTACHMENT A

Advice No. 4389

(See Attached Service Lists)

ATTACHMENT B
Advice No. 4389

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 48315-G	Schedule No. G-OSD, OFF-SYSTEM DELIVERY SERVICE, Sheet 3	Revised 47452-G
Revised 48316-G	Rule No. 41, UTILITY SYSTEM OPERATION, Sheet 1	Revised 46410-G
Revised 48317-G	Rule No. 41, UTILITY SYSTEM OPERATION, Sheet 2	Revised 46272-G
Revised 48318-G	TABLE OF CONTENTS	Revised 48313-G
Revised 48319-G	TABLE OF CONTENTS	Revised 48309-G
Revised 48320-G	TABLE OF CONTENTS	Revised 48314-G

Schedule No. G-OSD
OFF-SYSTEM DELIVERY SERVICE

Sheet 3

(Continued)

SPECIAL CONDITIONS (Continued)

NOMINATIONS AND BALANCING (Continued)

10. The Utility will make available physical displacement capability at the Delivery Points on an interruptible basis at the applicable G-OSDI rate as shown above.
11. The Utility shall post, on its Electronic Bulletin Board (EBB), the daily G-OSDI rate for each Delivery Point before the deadline for Cycle 1 nominations for the flow day. No interruptible OSD service shall be charged without the G-OSDI rate first being posted on the EBB. All interruptible OSD service used by Customers at any Delivery Point during any flow day shall be charged the same G-OSDI rate posted for that particular Delivery Point for that particular flow day.
12. If any discount, rebate, or other waiver of G-OSDI is provided to an affiliate of the Utility, then the Utility shall: 1) offer the same discount, rebate, or waiver to all similarly situated Customers, i.e., other Customers using the same Delivery Point for that particular flow day; and 2) file an affiliate discount report as required by section III.F. of the Utility's affiliate transaction rules.
13. A Customer's OSD imbalance is defined as the difference between the quantity of gas scheduled into its OSD Contract and the quantity of gas scheduled out of its OSD Contract following Cycle 4 on any given flow day. A Customer can clear its OSD imbalance by nominating gas into or out of its OSD imbalance account. If a Customer's OSD imbalance is not cleared by the end of three (3) business days after the flow day when the OSD imbalance occurred, then such OSD imbalance shall be resolved in accordance with the terms of Schedule No. G-IMB. Specifically, the Buy-Back Rate for noncore retail service (BR-R) shall be applied to resolve a positive OSD imbalance and the Standby Procurement Charge for noncore retail service (SP-NR) shall be applied to resolve a negative OSD imbalance. OSD Customers shall not be allowed to trade their OSD imbalances with other OSD customers or on-system customers.
14. On any given flow day the net revenues from the interruptible and firm* OSD services in the Southern System shall first be credited to the System Reliability Memorandum Account (SRMA) to offset the costs of the fixed deliveries into the Southern System for that particular flow day. The remainder, if any, of the above-mentioned interruptible and firm OSD service revenues plus the net interruptible and firm OSD service revenues from the Southern System for the remaining flow days plus the net interruptible and firm OSD service revenues from the Utility's other transmission systems shall then be credited to the Firm Access and Storage Rights Memorandum Account (FASRMA) to offset the costs of the system modification for providing the OSD services. Finally, any remaining interruptible and firm OSD service revenues shall be credited to the Backbone Transmission Balancing Account (BTBA), consistent with the requirements of D.11-04-032.

* For firm OSD services net revenues from the volumetric charge only

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 4389
 DECISION NO.

ISSUED BY
Lee Schavrien
 Senior Vice President

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Jul 25, 2012
 EFFECTIVE Oct 1, 2012
 RESOLUTION NO. _____

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Rule No. 41
UTILITY SYSTEM OPERATION

Sheet 1

The Utility’s operational organization, procedures, and reporting requirements are described herein.

STRUCTURE, PROCEDURES, AND PROTOCOLS

1. The mission of the Utility System Operator is to maintain system reliability and integrity while minimizing costs at all times.
2. The term “Utility System Operator” as defined in Rule No.1 denotes all of the applicable departments within Southern California Gas Company and San Diego Gas & Electric Company responsible for the physical and commercial operation of the pipeline and storage systems specifically excluding the Utility Gas Procurement Department. The Utility System Operator’s organizational structure is described below.

The daily overall physical transmission and storage system reliability operations within the Utility System Operator are conducted by the Transmission & System Operations Department, which is located in the Field Services organization. The Transmission & System Operations Department contains the Gas Control Department and the Gas Scheduling Department. The activities involved in meeting any physical flowing gas supply requirements as determined by the Gas Control Department are conducted by the Operational Hub, which is located in the Storage and Hub Products Department within the Energy Markets and Capacity Products Department. The Energy Markets and Capacity Products Department is located in the Engineering & Operations Staff organization. The Field Services and Engineering & Operations Staff organizations report to different Vice Presidents.

3. The Gas Control Department is the sole authority for: operating the pipeline and storage system, developing the system sendout (i.e., demand) forecasts to be used for purposes of determining on a daily basis Southern System minimum flow requirements, and for issuing Operational Flow Orders (“OFOs”).
4. The Gas Control Department will fully utilize storage injection capacity prior to issuing an OFO. The Gas Control Department is responsible for calculating forecasted sendout and physical storage injection capacity. For every nomination cycle, the Gas Scheduling Department shall calculate the system capacity as the sum of forecasted sendout, physical storage injection capacity, and off-system scheduled quantities. The forecasted system capacity shall then be compared to the latest on-system scheduled quantities. The following table summarizes which scheduled quantities are used in each cycle for the OFO calculation for both on-system and off-system volumes:

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(TO BE INSERTED BY UTILITY)
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 Senior Vice President

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Rule No. 41
UTILITY SYSTEM OPERATION

Sheet 2

(Continued)

STRUCTURE, PROCEDURES, AND PROTOCOLS (Continued)

4. (Continued)

<u>Cycle</u>	<u>Quantity Used for OFO Calculation</u>
1) Timely	Prior Flow Day - Evening Cycle Scheduled Quantity
2) Evening*	Current Flow Day - Timely Cycle Scheduled Quantity
3) Intraday 1	Current Flow Day - Evening Cycle Scheduled Quantity
4) Intraday 2	Current Flow Day - Intraday 1 Cycle Scheduled Quantity

An OFO may be issued only if the level of quantities, from the table above, exceeds the forecasted system capacity. System linepack will not be part of the formula used to determine when an OFO shall be issued. The conditions for issuing an OFO are summarized below.

An OFO is issued if Forecasted System Capacity < On-system Scheduled Quantities.

Where,

$$\begin{aligned} \text{Forecasted System Capacity} = & \text{Forecasted Sendout} \\ & + \text{Physical Storage Injection Capacity} \\ & + \text{Off-System Scheduled Quantities} \end{aligned}$$

* The Utility will provide a minimum one-hour notice prior to the Evening Cycle nomination deadline when calling an Evening Cycle OFO.

5. The minimum flowing supply for the Southern System is a function of the forecasted gas demand for the Southern System, including SDG&E demand, less the capability to provide additional supplies to the Southern System from the Northern System or storage via the Chino and Prado crossovers, and other factors, such as but not limited to: the state of the Southern System, demand and supply available on the remainder of the Utility system, and expectations of changing demand patterns. The Gas Control Department estimates the level of demand and the Chino/Prado crossover capability each day. The Utility System Operator will use all of its available transmission facilities to move gas from the Northern System to the Southern System.

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(Continued)

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The following listed sheets contain all effective Schedules of Rates and Rules affecting service and information relating thereto in effect on the date indicated thereon.

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ATTACHMENT C

Advice No. 4389

Redlined Revisions of
Rule No. 41 and Schedule No. G-OSD

Schedule No. G-OSD [7-19-12 Draft]
OFF-SYSTEM DELIVERY SERVICE

Sheet 3

(Continued)

SPECIAL CONDITIONS (Continued)

NOMINATIONS AND BALANCING (Continued)

10. The Utility will make available physical displacement capability at the Delivery Points on an interruptible basis at the applicable G-OSDI rate as shown above.
11. The Utility shall post, on its Electronic Bulletin Board (EBB), the daily G-OSDI rate for each Delivery Point before the deadline for Cycle 1 nominations for the flow day. No interruptible OSD service shall be charged without the G-OSDI rate first being posted on the EBB. All interruptible OSD service used by Customers at any Delivery Point during any flow day shall be charged the same G-OSDI rate posted for that particular Delivery Point for that particular flow day.
12. If any discount, rebate, or other waiver of G-OSDI is provided to an affiliate of the Utility, then the Utility shall: 1) offer the same discount, rebate, or waiver to all similarly situated Customers, i.e., other Customers using the same Delivery Point for that particular flow day; and 2) file an affiliate discount report as required by section III.F. of the Utility's affiliate transaction rules.
13. A Customer's OSD imbalance is defined as the difference between the quantity of gas scheduled into its OSD Contract and the quantity of gas scheduled out of its OSD Contract following Cycle 4 on any given flow day. A Customer can clear its OSD imbalance by nominating gas into or out of its OSD imbalance account. If a Customer's OSD imbalance is not cleared by the end of three (3) business days after the flow day when the OSD imbalance occurred, then such OSD imbalance shall be resolved in accordance with the terms of Schedule No. G-IMB. Specifically, the Buy-Back Rate for noncore retail service (BR-R) shall be applied to resolve a positive OSD imbalance and the Standby Procurement Charge for noncore retail service (SP-NR) shall be applied to resolve a negative OSD imbalance. OSD Customers shall not be allowed to trade their OSD imbalances with other OSD customers or on-system customers.
14. On any given flow day the net revenues from the interruptible and firm* OSD services in the Southern System shall first be credited to the System Reliability Memorandum Account (SRMA) to offset the costs of the fixed deliveries into the Southern System for that particular flow day. The remainder, if any, of the above-mentioned interruptible and firm OSD service revenues plus the net interruptible and firm OSD service revenues from the Southern System for the remaining flow days plus the net interruptible and firm OSD service revenues from the Utility's other transmission systems shall then be credited to the Firm Access and Storage Rights Memorandum Account (FASRMA) to offset the costs of the system modification for providing the OSD services. Finally, any remaining interruptible and firm OSD service revenues shall be credited to the Backbone Transmission Balancing Account (BTBA), consistent with the requirements of D.11-04-032.

* For firm OSD services net revenues from the volumetric charge only

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Rule No. 41 [7-23-12 Draft]
UTILITY SYSTEM OPERATION

Sheet 1

The Utility’s operational organization, procedures, and reporting requirements are described herein.

STRUCTURE, PROCEDURES, AND PROTOCOLS

1. The mission of the Utility System Operator is to maintain system reliability and integrity while minimizing costs at all times.
2. The term “Utility System Operator” as defined in Rule No.1 denotes all of the applicable departments within Southern California Gas Company and San Diego Gas & Electric Company responsible for the physical and commercial operation of the pipeline and storage systems specifically excluding the Utility Gas Procurement Department. The Utility System Operator’s organizational structure is described below.

The daily overall physical transmission and storage system reliability operations within the Utility System Operator are conducted by the Transmission & System Operations Department, which is located in the Field Services organization. The Transmission & System Operations Department contains the Gas Control Department and the Gas Scheduling Department. The activities involved in meeting any physical flowing gas supply requirements as determined by the Gas Control Department are conducted by the Operational Hub, which is located in the Storage and Hub Products Department within the Energy Markets and Capacity Products Department. The Energy Markets and Capacity Products Department is located in the Engineering & Operations Staff organization. The Field Services and Engineering & Operations Staff organizations report to different Vice Presidents.

3. The Gas Control Department is the sole authority for: operating the pipeline and storage system, developing the system sendout (i.e., demand) forecasts to be used for purposes of determining on a daily basis Southern System minimum flow requirements, and for issuing Operational Flow Orders (“OFOs”).
4. The Gas Control Department will fully utilize storage injection capacity prior to issuing an OFO. The Gas Control Department is responsible for calculating forecasted sendout and physical storage injection capacity. For every nomination cycle, the Gas Scheduling Department shall calculate the system capacity as the sum of forecasted sendout, physical storage injection capacity, and available off-system scheduled quantities nominations. ~~“Available” off-system nominations are the nominations that have been made by customers and in the SoCalGas scheduling system.~~ The forecasted system capacity shall then be compared to the latest on-system scheduled quantities. The following table summarizes which scheduled quantities are used in each cycle for the OFO calculation for both on-system and off-system volumes:

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Rule No. 41 [7-23-12 Draft]
UTILITY SYSTEM OPERATION

Sheet 2

(Continued)

STRUCTURE, PROCEDURES, AND PROTOCOLS (Continued)

4. (Continued)

<u>Cycle</u>	<u>Quantity Used for OFO Calculation</u>
1) Timely	Prior Flow Day - Evening Cycle Scheduled Quantity
2) Evening*	Current Flow Day - Timely Cycle Scheduled Quantity
3) Intraday 1	Current Flow Day - Evening Cycle Scheduled Quantity
4) Intraday 2	Current Flow Day - Intraday 1 Cycle Scheduled Quantity

An OFO may be issued only if the level of quantities, from the table above, exceeds the forecasted system capacity. System linepack will not be part of the formula used to determine when an OFO shall be issued. The conditions for issuing an OFO are summarized below.

An OFO is issued if Forecasted System Capacity < On-system Scheduled Quantities.

Where,

$$\begin{aligned} \text{Forecasted System Capacity} = & \text{Forecasted Sendout} \\ & + \text{Physical Storage Injection Capacity} \\ & + \text{Available-Off-System } \underline{\text{Scheduled Quantities Nominations}} \end{aligned}$$

* The Utility will provide a minimum one-hour notice prior to the Evening Cycle nomination deadline when calling an Evening Cycle OFO.

5. The minimum flowing supply for the Southern System is a function of the forecasted gas demand for the Southern System, including SDG&E demand, less the capability to provide additional supplies to the Southern System from the Northern System or storage via the Chino and Prado crossovers, and other factors, such as but not limited to: the state of the Southern System, demand and supply available on the remainder of the Utility system, and expectations of changing demand patterns. The Gas Control Department estimates the level of demand and the Chino/Prado crossover capability each day. The Utility System Operator will use all of its available transmission facilities to move gas from the Northern System to the Southern System.

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