

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



January 15, 2013

Advice Letter 4424-G

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

**Subject: Implementation of a Credit Fee Associated with the Recovery of AB 32
Implementation Fee Pursuant to D.12-10-044**

Dear Ms. Prince:

Advice Letter 4424-G is effective as of December 15, 2012 with AL 4424-G Tariffs effective as of January 1, 2013.

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

November 15, 2012

Advice No. 4424
(U 904 G)

Public Utilities Commission of the State of California

**Subject: Implementation of a Fee Credit Associated with the Recovery of AB 32
Implementation Fee**

Southern California Gas Company (SoCalGas) hereby submits for approval by the California Public Utilities Commission (Commission) revisions to its tariff schedules, applicable throughout its service territory, as shown on Attachment B.

Purpose

This Advice Letter proposes to implement a fee credit for end-use customers who pay Assembly Bill (AB) 32 administrative fees (AB 32 Implementation Fees) directly to the California Air Resources Board (CARB) and are also billed for these costs embedded in SoCalGas' transportation rates. For natural gas utilities, the AB 32 Implementation Fee is based on gas therms delivered to customers, excluding wholesale volumes and deliveries to end-use customers who are directly billed by the CARB.

Background

On September 27, 2006, Governor Schwarzenegger signed AB 32, which authorized the CARB to adopt measures necessary to reduce California's greenhouse gas (GHG) emissions to the 1990 level by 2020. AB 32 provides that CARB may adopt a schedule of fees to be paid for by the sources of GHG emissions to fund its administrative costs associated with the implementation of AB 32. CARB adopted the AB 32 Implementation Fee on September 25, 2009, and the final version was approved by the Office of Administrative Law on June 17, 2010.

In Application (A.) 10-08-002, SoCalGas, San Diego Gas & Electric (SDG&E), Pacific Gas & Electric Company (PG&E), and Southern California Edison Company (SCE) (collectively, Joint Applicants), jointly requested authority to increase their electric and gas rates to recover the costs of the CARB AB 32 Implementation Fees from their respective end-use gas transportation and bundled electric generation customers.

In Decision (D.) 10-12-026, the Commission authorized the creation of memorandum accounts for each of the Joint Applicants to record costs associated with the CARB AB 32 Implementation

Fee. D.12-10-044, adopted on October 25, 2012, granted the Joint Applicants authorization to recover the reasonable costs recorded in the memorandum account for AB 32 Implementation Fees from ratepayers. D.12-10-044 also granted the utilities authority to request recovery in rates of any further fees expected to be incurred as a forecast cost in a general rate case proceeding. The credit calculated herein is based on the recovery of costs recorded in SoCalGas' Environmental Fee Memorandum Account (EFMA). Should SoCalGas also recover these costs on a forecast basis in connection with the implementation of its pending 2012 General Rate Case or amortization of the balance in a regulatory account mechanism that may be approved in connection with that proceeding, the credit will be updated accordingly.

Requested Tariff Revisions

The following language is added as a separate section before "Monthly Minimum Charge" to Schedule No. GT-F, Firm Intrastate Transportation Service for Distribution Customers, Sheet 2; GT-I, Interruptible Intrastate Transportation Service for Distribution Level Customers Sheet 2; and GT-TLS, Intrastate Transportation Service for Transmission Level Customers, Sheet 5.

California Air Resources Board (CARB) Fee Credit (0.302) cents/therm

The CARB Fee Credit is applicable to Commercial/Industrial, Enhanced Oil Recovery and Electric Generation customers who are identified by CARB as being billed directly for CARB administrative fees.

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 December 5, 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 should 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

SoCalGas believes that this filing is subject to Energy Division disposition and should be classified as Tier 2 (effective after staff approval) pursuant to GO-96-B. SoCalGas respectfully requests that this advice letter be approved December 15, 2012, which is 30 calendar days after the date filed, with the tariffs to become effective January 1, 2013.

Notice

A copy of this advice letter is being sent to the parties listed on Attachment A, which includes the parties in A.10-08-002.

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) #: 4424

Subject of AL: Implementation of a Credit Fee Associated with the Recovery of AB 32
Implementation Fee Pursuant to D.12-10-044

Keywords (choose from CPUC listing): Compliance

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

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

D.12-10-044

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: 12/15/12, AL; 1/1/13, Tariffs No. of tariff sheets: 5

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: GT-F, GT-I, GT-TLS and TOCs

Service affected and changes proposed¹: N/A

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. 4424

(See Attached Service Lists)

ATTACHMENT B
Advice No. 4424

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 48570-G	Schedule No. GT-F, FIRM INTRASTATE TRANSPORTATION SERVICE, FOR DISTRIBUTION CUSTOMERS, Sheet 2	Revised 47803-G
Revised 48571-G	Schedule No. GT-I, INTERRUPTIBLE INTRASTATE TRANSPORTATION SERVICE, FOR DISTRIBUTION LEVEL CUSTOMERS, Sheet 2	Revised 47805-G
Revised 48572-G	Schedule No. GT-TLS, INTRASTATE TRANSPORTATION SERVICE, FOR TRANSMISSION LEVEL CUSTOMERS, Sheet 5	Original 45325-G
Revised 48573-G	TABLE OF CONTENTS	Revised 48556-G
Revised 48574-G	TABLE OF CONTENTS	Revised 48557-G

Schedule No. GT-TLS

Sheet 5

INTRASTATE TRANSPORTATION SERVICE
 FOR TRANSMISSION LEVEL CUSTOMERS

(Continued)

RATES (Continued)

Reservation Rate Option (Continued)

Additional Charges

Rates may be adjusted to reflect any applicable taxes, franchise or other fees or regulatory surcharges approved or directed by the CPUC.

California Air Resources Board (CARB) Fee Credit (0.302)¢/therm

The CARB Fee Credit is applicable to Commercial/Industrial, Enhanced Oil Recovery and Electric Generation customers who are identified by CARB as being billed directly for CARB administrative fees.

Monthly Minimum Charge

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 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.

SPECIAL CONDITIONS

GENERAL

1. Definitions: The definitions of principal terms used in this schedule are found either herein or in Rule No. 1, Definitions.
2. Number of Therms: The number of therms to be billed shall be determined in accordance with Rule No. 2.
3. Bypass Customers: Bypass is defined in Rule No. 1.

A customer who has Bypassed the Utility may elect to resume tariff service under one of the non-Bypass rate options under this schedule, as described below, if the following conditions are met: (a) Customer must cease to receive service from an alternate gas supply source or an Alternate Gas Transportation Service Provider and (b) Customer must physically disconnect from the alternate gas supply source or the Alternate Gas Transportation Service Provider.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 4424
 DECISION NO. 12-10-044

ISSUED BY
Lee Schavrien
 Senior Vice President

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Nov 15, 2012
 EFFECTIVE Jan 1, 2013
 RESOLUTION NO. _____

N
|
|
|
N

Schedule No. GT-F
FIRM INTRASTATE TRANSPORTATION SERVICE
FOR DISTRIBUTION CUSTOMERS

Sheet 2

(Continued)

RATES (Continued)

Transportation Charges (Continued)

GT-F4D, Enhanced Oil Recovery
 Rate, per therm 2.851¢

GT-F5D, Electric Generation*

For customers using less than 3 million therms per year
 Rate, per therm 5.470¢

For customers using 3 million therms or more per year
 Rate, per therm 2.410¢

The applicable GT-F5D transmission charge shall be determined on the basis of the customer's GT-F5D usage (combined with GT-I5D usage, if applicable) for the most recent twelve-month period. For customers with less than twelve months of historical usage, the transportation charge shall be determined on a pro rata basis using the months for which usage is available.

* The amount of gas applicable under the electric generation rate is determined in accordance with the provisions stated in Special Condition 22 herein.

California Air Resources Board (CARB) Fee Credit (0.302)¢/therm

The CARB Fee Credit is applicable to Commercial/Industrial, Enhanced Oil Recovery and Electric Generation customers who are identified by CARB as being billed directly for CARB administrative fees.

Minimum Charge

For commercial/industrial, enhanced oil recovery and electric generation using less than 3 million therms per year service, the minimum monthly charge shall be the applicable monthly customer charge. For electric generation customers using 3 million therms or more per year, the minimum monthly charge shall be the GT-F3D customer charge.

Additional Charges

Rates may be adjusted to reflect any applicable taxes, franchise or other fees, regulatory surcharges, and interstate or intrastate pipeline charges that may occur.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 4424
 DECISION NO. 12-10-044

ISSUED BY
Lee Schavrien
 Senior Vice President

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Nov 15, 2012
 EFFECTIVE _____
 RESOLUTION NO. _____

N
 |
 |
 |
 N

Schedule No. GT-I

Sheet 2

INTERRUPTIBLE INTRASTATE TRANSPORTATION SERVICE
FOR DISTRIBUTION LEVEL CUSTOMERS

(Continued)

RATES (Continued)

Transportation Charges (Continued)

GT-I4D, Enhanced Oil Recovery
 Rate, per therm 2.851¢

GT-I5D, Electric Generation*

For customers using less than 3 million therms per year
 Rate, per therm 5.470¢

For customers using 3 million therms or more per year
 Rate, per therm 2.410¢

The applicable GT-I5D transmission charge shall be determined on the basis of the customer's GT-I5D usage (combined with GT-F5D usage, if applicable) for the most recent twelve-month period. For customers with less than twelve months of historical usage, the transportation charge shall be determined on a pro rata basis using the months for which usage is available.

* The amount of gas applicable under the electric generation rate is determined in accordance with the provisions stated in Special Condition 16 herein.

California Air Resources Board (CARB) Fee Credit (0.302)¢/therm

The CARB Fee Credit is applicable to Commercial/Industrial, Enhanced Oil Recovery and Electric Generation customers who are identified by CARB as being billed directly for CARB administrative fees.

Minimum Charge

For commercial/industrial, enhanced oil recovery and electric generation using less than 3 million therms per year service, the minimum monthly charge shall be the applicable monthly customer charge. For electric generation customers using 3 million therms or more per year, the minimum monthly charge shall be the GT-I3D customer charge.

Additional Charges

Rates may be adjusted to reflect any applicable taxes, franchise or other fees, regulatory surcharges, and interstate or intrastate pipeline charges that may occur.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 4424
 DECISION NO. 12-10-044

ISSUED BY
Lee Schavrien
 Senior Vice President

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Nov 15, 2012
 EFFECTIVE _____
 RESOLUTION NO. _____

N
|
|
|
N

TABLE OF CONTENTS

(Continued)

G-CP	Core Procurement Service	47480-G,48524-G,48525-G,48526-G,37933-G	
GT-F	Firm Intrastate Transportation Service	47802-G,48570-G,45304-G,45305-G	T
	for Distribution Level Customers	45306-G,45307-G,45308-G,47167-G	
		45310-G,45311-G,45312-G,45313-G	
GT-I	Interruptible Intrastate Transportation Service	47804-G,48571-G,45316-G	T
	for Distribution Level Customers	45317-G,47168-G,45319-G,45320-G	
GT-TLS	Intrastate Transportation Service for		
	Transmission Level Customers	45321-G,47806-G,47807-G,47808-G,48572-G	T
		45326-G,45327-G,47169-G,45329-G,45330-G	
		45331-G,45332-G,47170-G, 45334-G,45335-G	
		45336-G,45337-G,45338-G,45339-G	
GT-SWGX	Wholesale Natural Gas Service	47960-G,45341-G	
G-IMB	Transportation Imbalance Service	43318-G,48501-G 48502-G,48553-G	
		48554-G,48555-G,43324-G,43325-G,47880-G	
G-OSD	Off-System Delivery Service	47345-G*,47346-G,48315-G,47348-G	
G-BTS	Backbone Transportation Service	48084-G,47349-G,47809-G,48380-G	
		47176-G,47177-G**,47178-G,47179-G,47180-G,47181-G	
		47182-G,47183-G,47184-G,47185-G,47186-G,47187-G	
		43333-G,43334-G,43335-G,43336-G	
G-POOL	Pooling Service	42276-G,47350-G*,42278-G	
G-BSS	Basic Storage Service	43337-G,47926-G,45767-G,45768-G	
		45769-G,45770-G,43051-G	
G-AUC	Auction Storage Service	43338-G,32709-G,32710-G,32711-G	
		32712-G,32713-G,36314-G,32715-G	
G-LTS	Long-Term Storage Service	32716-G,32717-G,47927-G,45771-G	
		45772-G,45773-G,43055-G	
G-TBS	Transaction Based Storage Service	45355-G,43340-G,47928-G,45775-G	
		45776-G,44933-G	
G-CBS	UDC Consolidated Billing Service	34071-G,34072-G,34073-G,33095-G	
G-SMT	Secondary Market Transactions		
	of Storage Rights	45359-G,45360-G,45361-G	
G-TCA	Transportation Charge Adjustment	46780-G	

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 4424
 DECISION NO. 12-10-044

ISSUED BY
Lee Schavrien
 Senior Vice President

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Nov 15, 2012
 EFFECTIVE _____
 RESOLUTION NO. _____

TABLE OF CONTENTS

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.

GENERAL

Cal. P.U.C. Sheet No.

Title Page	40864-G	
Table of Contents--General and Preliminary Statement	48574-G,47379-G,48200-G	T
Table of Contents--Service Area Maps and Descriptions	41970-G	
Table of Contents--Rate Schedules	48527-G, 48573-G,47678-G	T
Table of Contents--List of Cities and Communities Served	47970.1-G	
Table of Contents--List of Contracts and Deviations	47970.1-G	
Table of Contents--Rules	47374-G,47375-G	
Table of Contents--Sample Forms	48189-G,47376-G,47377-G,47449-G,48153-G	

PRELIMINARY STATEMENT

Part I General Service Information	45597-G,24332-G,24333-G,24334-G,24749-G
Part II Summary of Rates and Charges	48505-G,48506-G,48507-G,47779-G,47780-G,48508-G 48500-G,46431-G,46432-G,47676-G,48509-G,48510-G,48511-G,47785-G
Part III Cost Allocation and Revenue Requirement	45267-G,45268-G,45269-G,47786-G,47787-G
Part IV Income Tax Component of Contributions and Advances	47868-G,24354-G
Part V Balancing Accounts	
Description and Listing of Balancing Accounts	47157-G
Purchased Gas Account (PGA)	45754-G,45755-G
Core Fixed Cost Account (CFCA)	47158-G,47104-G
Noncore Fixed Cost Account (NFCA)	47159-G,47106-G
Enhanced Oil Recovery Account (EORA)	47160-G
Noncore Storage Balancing Account (NSBA)	46962-G,46963-G
California Alternate Rates for Energy Account (CAREA)	45882-G,45883-G
Hazardous Substance Cost Recovery Account (HSCRA)	40875-G, 40876-G,40877-G
Gas Cost Rewards and Penalties Account (GCRPA)	40881-G
Pension Balancing Account (PBA)	45013-G,45014-G
Post-Retirement Benefits Other Than Pensions Balancing Account (PBOPBA) .	45015-G,45016-G

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 4424
 DECISION NO. 12-10-044

ISSUED BY
Lee Schavrien
 Senior Vice President

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Nov 15, 2012
 EFFECTIVE _____
 RESOLUTION NO. _____