

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



January 7, 2013

Advice Letter 4430

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

Subject: Update of Schedule G-MSUR: Transported Gas Municipal Surcharge

Dear Ms. Prince:

Advice Letter 4430 is effective 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: 213.244.5141
Fax: 213.244.4957
RPrince@semprautilities.com

November 30, 2012

Advice No. 4430
(U 904 G)

Public Utilities Commission of the State of California

Subject: Update of Schedule G-MSUR: Transported Gas Municipal Surcharge

Southern California Gas Company (SoCalGas) hereby submits for filing revisions to its tariff schedules, applicable throughout its service territory, as shown on Attachment B.

Purpose

The purpose of this filing is to update SoCalGas' Schedule G-MSUR, Transported Gas Municipal surcharge as a consequence of SoCalGas' Advice No. (AL) 4418, 1% Franchise Surcharge for Gas Customers within the City of Visalia.

Background

In 1937, the California State Legislature passed "The Franchise Act of 1937" (the Act). Among other subjects, the Act established a formula whereby a utility would pay a fee to a general law city or general law county (hereinafter collectively referred to as "municipality") for the use of the streets and right-of-way in its jurisdiction.

The State Legislature attempted to establish what it believed was a fair and adequate compensation level for the use of the public right of way for general law municipalities. The Act sets out that, for gas franchises, municipalities will be compensated through a formula whereby they will receive two percent (2%) of gross annual receipts derived from the use, operation or possession of the franchise (also known as the Broughton Act formula), or a minimum of one percent (1%) of gross annual receipts from the sale, transmission, or distribution of gas within the limits of the municipality (otherwise known as the "2%/1%" formula). The 2%/1% formula or the Broughton Act formula is the only option provided to general law municipalities. Charter cities and counties are not limited to this formula by statutory law.

The City of Visalia (Visalia) officials proposed that, as a charter city, Visalia should get an increase to a 2%/2% formula. Agreement was reached on a 1% increase in the franchise fee that would be effective for the 30-year term of the new franchise agreement on the condition that subject to prior Commission approval, SoCalGas would surcharge only its customers living within Visalia, rather than spreading the additional franchise fee among

all of SoCalGas' customers. The additional 1% surcharge would be applied to monthly billings for all Visalia customers and would appear as a separate line item on bills rendered to Visalia customers. SoCalGas and Visalia reached agreement on the franchise terms and this franchise was unanimously adopted by the Visalia City Council. In addition, SoCalGas agreed to notify customers prior to the first bill being rendered.

SoCalGas' AL 4418, filed on October 31, 2012 and approved on November 30, 2012, approved SoCalGas' request for a franchise fee surcharge on the bills of customers in the City of Visalia. It finds that the surcharge is a reasonable way to cover increased franchise fees imposed by the Visalia without unduly burdening other SoCalGas customers.

Requested Revision to Schedule G-MSUR

Schedule G-MSUR sets forth the methodology by which the municipal surcharge is calculated pursuant to Chapter 2.5 of Division 3 (sections 6350, et al.) of the Public Utilities Code as enacted by Senate Bill 278/Beverly (municipal Surcharge Law), to be applied to all transportation volumes of gas on the Utility system to customers outside the City of Los Angeles, except for those listed under Special Condition No. 1, and to transportation volumes of gas delivered to customers within the City of Los Angeles pursuant to Section 6.1 of Los Angeles City Ordinance No. 168164. Pursuant to Public Utilities Code section 6353(d), the applicable municipal surcharge percentage is the sum of the franchise fee factor (currently 1.4620%) plus any franchise fee surcharge authorized for the energy transporter as approved by the Commission. Therefore, the municipal surcharge percentage applicable to customers within Visalia is increased by 1% resulting in a total municipal surcharge percentage of 2.4620%. A new Surcharge Percentage entry and footnote have been added to the Rates section of Schedule G-MSUR to reflect the applicable municipal surcharge percentage for the City of Visalia customers.

Protest

Anyone may protest this Advice Letter to the California Public Utilities 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 must be received within 20 days of the date this Advice Letter, which is December 20, 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
Attn: Tariff Unit
505 Van Ness Avenue
San Francisco, CA 94102

A copy 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 this Advice Letter 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 January 1, 2013, which is 32 days after the date filed, for rates to become effective January 1, 2013.

Notice

A copy of this advice letter is being sent to the parties listed on Attachment A.

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) #: 4430

Subject of AL: Update of Schedule G-MSUR: Transported Gas Municipal Surcharge

Keywords (choose from CPUC listing): Surcharge

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: 1/1/13

No. of tariff sheets: 3

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 G-MSUR, TOCs

Service affected and changes proposed¹: 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 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. 4430

(See Attached Service List)

ATTACHMENT B
Advice No. 4430

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 48617-G	Schedule No. G-MSUR, TRANSPORTED GAS MUNICIPAL SURCHARGE, Sheet 1	Revised 46682-G
Revised 48618-G	TABLE OF CONTENTS	Revised 47373-G*
Revised 48619-G	TABLE OF CONTENTS	Revised 48616-G

Schedule No. G-MSUR
TRANSPORTED GAS MUNICIPAL SURCHARGE

Sheet 1

APPLICABILITY

Applicable pursuant to Chapter 2.5 of Division 3 (sections 6350, et al.) of the Public Utilities Code as enacted by Senate Bill 278/Beverly (municipal Surcharge Law), to all transportation volumes of gas on the Utility system to customers outside the City of Los Angeles, except for those listed under Special Condition No. 1, and to transportation volumes of gas delivered to customers within the City of Los Angeles pursuant to Section 6.1 of Los Angeles City Ordinance No. 168164.

TERRITORY

Applicable throughout the service territory.

RATES

Surcharge Percentage:

Outside the City of Los Angeles	1.4620%
Within the Cities of San Buenaventura (Ventura), Huntington Beach, and Visalia	2.4620%*
Within the City of Los Angeles	2.0000%

* Includes 1% franchise fee surcharge for City of Ventura customers pursuant to D. 07-10-024, for City of Huntington Beach customers pursuant to Resolution G-3452, and City of Visalia pursuant to Advice No. 4418.

The municipal surcharge is calculated as the product of the following:

Applicable surcharge percentage,
 Adjusted Core Procurement Charge, G-CPA, set forth in Schedule No. G-CP,
 Imputed franchise fee factor of 98.5380% (to remove franchise fees included in rate G-CPA), and
 Terms of gas transported during the billing period.

SPECIAL CONDITIONS

1. The following customers located outside the City of Los Angeles are exempt from Schedule G-MSUR pursuant to the terms of SB 278:
 - a. The State of California or a political subdivision (county) thereof.
 - b. Interutility gas service, where gas is transported through the Utility service territory for consumption outside the Utility's service territory.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 4430
 DECISION NO.

ISSUED BY
Lee Schavrien
 Senior Vice President

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Nov 30, 2012
 EFFECTIVE Jan 1, 2013
 RESOLUTION NO. _____

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G-MHPS	Surcharge to Fund Public Utilities Commission	
	Master Metered Mobile Home Park Gas Safety	
	Inspection and Enforcement Program	32828-G
G-MSUR	Transported Gas Municipal Surcharge	48617-G,25006-G
G-PAL	Operational Hub Services	45363-G,45364-G,45365-G

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(TO BE INSERTED BY UTILITY)

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 Senior Vice President

(TO BE INSERTED BY CAL. PUC)

DATE FILED Nov 30, 2012
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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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(Continued)

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