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Regulatory Affairs

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December 3, 2012

Advice No.4431
(U 904 G)

Public Utilities Commission of the State of California

Subject: Revisions to Rule No. 41, Utility System Operation

Southern California Gas Company (SoCalGas) hereby submits for approval by the California Public Utilities Commission (Commission) revisions to its tariff Rule No. 41 (Utility System Operation), applicable throughout its service territory, as shown on Attachment B.

Purpose

This filing requests Commission approval to revise Sections 2 and 5 of Rule No. 41 to reflect the organizational and operational changes described below.

Proposed Revisions to Rule No. 41

A. Streamlining of the Description of the System Operator Organizational Structure in Section 2

Section 2 of Rule No. 41 provides a description of the organizational structure of the SoCalGas System Operator. This description currently contains substantial detail regarding the organizational structure at SoCalGas that various divisions and departments are located in. As a result of recent organizational changes at SoCalGas, the current description of the System Operator's organizational structure is no longer valid and needs to be updated. Rather than just revise department and organization names and titles, however, SoCalGas proposes to streamline this discussion so that it does not need to be revised with every major organizational re-shuffle at SoCalGas. The deleted organization chart information does not affect the substance of the System Operator's operations. Section 8 of Rule No. 41 continues to limit Gas Control Department's communications with departments that engage in marketing/sales activities. Attachment C is a redline of the relevant portions of Rule No. 41 affected by the proposed changes in this advice filing.

B. Deletion of Reference to Chino and Prado Crossovers in Section 5

Section 5 of Rule No. 41 describes how SoCalGas calculates minimum flowing supply on its Southern System. One element of this calculation is "the capability to provide additional supplies to the Southern System from the Northern System or storage *via the Chino and Prado crossovers...*"¹ With Line 6916 being placed in service soon, SoCalGas will be able to transport gas supplies

¹ Rule No. 41(5), (emphasis added). This section also refers to "the Chino/Prado crossover capability".

between its Northern and Southern Transmission Systems by means other than just the Chino and Prado crossovers. SoCalGas is therefore deleting the references to Chino and Prado crossovers in Section 5 of Rule No. 41 to reflect this new capability. Note that the substance of our minimum flowing supply calculation is not affected by this change.

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 December 23, 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

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 filing be approved on January 2, 2013, 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 the 2009 BCAP Proceeding, A.08-02-001 and 2013 TCAP Proceeding, A.11-11-002.

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) #: 4431

Subject of AL: Revisions to Rule No. 41, Utility System Operation

Keywords (choose from CPUC listing): Rules

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: 1/2/13 No. of tariff sheets: 4

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: Rules 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. 4431

(See Attached Service Lists)

ATTACHMENT B
Advice No. 4431

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 48620-G	Rule No. 41, UTILITY SYSTEM OPERATION, Sheet 1	Revised 48316-G
Revised 48621-G	Rule No. 41, UTILITY SYSTEM OPERATION, Sheet 2	Revised 48317-G
Revised 48622-G	TABLE OF CONTENTS	Revised 47375-G*
Revised 48623-G	TABLE OF CONTENTS	Revised 48619-G

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 activities involved in meeting any physical flowing gas supply requirements as determined by the Gas Control Department are conducted by the Operational Hub.

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:

D
D
D

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 4431
DECISION NO.

ISSUED BY
Lee Schavrien
Senior Vice President

(TO BE INSERTED BY CAL. PUC)
DATE FILED Dec 3, 2012
EFFECTIVE Jan 2, 2013
RESOLUTION NO. _____

Rule No. 41

Sheet 2

UTILITY SYSTEM OPERATION

(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, 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 capability to transport supply from the Northern System or storage 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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27	Service Connections Made by Company's Employees	24657-G
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29	Change of Consumer's Apparatus or Equipment	24659-G
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33	Electronic Bulletin Board (EBB)	47202-G,43389-G,45392-G,47203-G 45394-G,45395-G,45396-G,45397-G,45398-G
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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. 4431

Rule No. 41 - Redline

UTILITY SYSTEM OPERATION

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

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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”).
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Lee Schavrien
 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>
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