

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



June 4, 2013

Advice Letter 4489

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

**Subject: Core Pricing Flexibility and Noncore Competitive Load Growth Opportunities
Programs Filing (Formerly the PBR Safety Performance Filing)**

Dear Ms. Prince:

Advice Letter 4489 is effective June 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

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May 1, 2013

Advice No. 4489
(U 904 G)

Public Utilities Commission of the State of California

Subject: Core Pricing Flexibility and Noncore Competitive Load Growth Opportunities Programs Filing (formerly the PBR Safety Performance filing)

Southern California Gas Company (SoCalGas) hereby submits for filing with the California Public Utilities Commission (Commission) its Core Pricing Flexibility and Noncore Competitive Load Growth Opportunities Program information for 2012. This filing is made in compliance with Decision (D.) 97-07-054, SoCalGas' Performance Based Regulation, and D.00-04-060, SoCalGas' 1999 Biennial Cost Allocation Proceeding.

Background

In the prior year's filing¹, SoCalGas submitted results on its Employee Safety Performance Indicator for 2011 in compliance with D.08-07-046, SoCalGas' 2008 General Rate Case (GRC). In addition, SoCalGas provided results on its Core Pricing Flexibility and Noncore Competitive Load Growth Opportunities programs. On December 15, 2010, SoCalGas filed Application (A.) 10-12-006 for its 2012 GRC which did not include a request to continue its performance incentive for employee safety for the proposed GRC period of 2012 through 2015. On March 29, 2013, the Commission issued a proposed decision for A.10-12-006. Although a final decision has not been issued at the time of this filing, SoCalGas expects that its Employee Safety Performance Indicator will be discontinued effective with the implementation of its 2012 GRC that is eventually adopted by the Commission.

Purpose

With the expected end of SoCalGas' Employee Safety Performance Indicator in 2011, the purpose of this filing is to report the 2012 results of the Core Pricing Flexibility Program and Noncore Competitive Load Growth Opportunity Program as adopted in D.97-07-054 and D.00-04-060, respectively, for informational purposes only.

¹ Advice No. 4364 was approved on August 2, 2012 and made effective June 1, 2012.

Core Pricing Flexibility Program

In D.97-07-054 and D.98-01-040, the Commission authorized a Core Pricing Flexibility program for SoCalGas as detailed in Section K.2 of Advice No. 2687-A. This program remained unchanged with the approval of the 2008 GRC proceeding. Under this arrangement, SoCalGas' shareholders are responsible for any reduction in core revenues that may occur due to discounting, and likewise receive the benefit of any resulting gains. The Commission has authorized SoCalGas to adjust its Core Fixed Cost Account to reflect this arrangement. The Core Pricing Flexibility program produced incremental net revenues in the amount of \$454,243 for 2012.

Noncore Competitive Load Growth Opportunities Program

In D.00-04-060, the Commission authorized SoCalGas' revenue treatment for new negotiated contracts that are part of a California Red Team economic development effort and contracts where Rule No. 38 shareholder funding has been used. This program remained unchanged with the approval of the 2008 GRC proceeding. Under this arrangement, SoCalGas' shareholders are responsible for any reduction in noncore revenues that may occur due to discounting, and likewise receive the benefit of any resulting gains. The Commission has authorized SoCalGas to adjust its Noncore Fixed Cost Account to reflect this arrangement. The Noncore Competitive Load Growth Opportunities program produced incremental net revenues in the amount of \$857,448 for 2012.

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 must be received within 20 days of the date of this Advice Letter which is May 21, 2013. 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

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 filing be approved June 1, 2013, which is more than 30 calendar days after the date filed.

Notice

A copy of this advice letter is being sent to all parties listed on Attachment A, which includes parties on the service list in A.10-12-006.

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) #: 4489

Subject of AL: Core Pricing Flexibility and Noncore Competitive Load Growth Opportunities Programs Filing (formerly the PBR Safety Performance filing)

Keywords (choose from CPUC listing): Core, Non-Core, GRC

AL filing type: Monthly Quarterly Annual One-Time Other

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

D.97-07-054, D.00-04-060

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: June 1, 2013

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 proposed¹: N/A

Pending advice letters that revise the same tariff sheets: N/A

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. 4489

(See Attached Service List)

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