

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



December 12, 2013

Advice Letter 4515-G

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

Subject: Revisions to Rule No. 30, Transportation of Customer-Owned Gas

Dear Ms. Prince:

Advice Letter 4515-G is effective December 5, 2013, per Resolution G-3486.

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

July 1, 2013

Advice No. 4515
(U 904 G)

Public Utilities Commission of the State of California

Subject: Revisions to Rule No. 30, Transportation of Customer-Owned Gas

Southern California Gas Company (SoCalGas) hereby submits for approval by the California Public Utilities Commission (Commission) proposed revisions to its Rule No. 30, Transportation of Customer-Owned Gas, applicable throughout its service territory, as shown on Attachment B.

Purpose

SoCalGas requests authorization to revise Rule No. 30 to prioritize flows to maintain Southern System minimum flow requirements ahead of other confirmations during Operational Flow Order (OFO) events.

Background

OFO Procedures

In the early 1990s, as part of the implementation of capacity brokering on the SoCalGas system, SoCalGas instituted procedures that required transportation customers to reduce their nominations on days when SoCalGas determined that its system was overnominated. In Decision (D.) 06-12-031, the Commission replaced SoCalGas' overnomination procedures with OFO procedures, as part of the implementation of a system of firm access rights. These OFO procedures, set forth in Section F of SoCalGas' Rule No. 30, authorize SoCalGas to cut confirmed receipt point access nominations on a pro rata basis across the system according to the scheduling priorities adopted for receipt point access. In D.09-11-006, the Commission adopted OFO protocols for SoCalGas that are set forth in SoCalGas' Rule No. 41.

SoCalGas declares OFOs during Cycles 1-3 in accordance with the procedures described in Rule No. 41.¹ Due to the short time between Cycle 3 and 4 nominating and scheduling deadlines, SoCalGas does not formally declare OFOs in Cycle 4. But SoCalGas still limits confirmations to total system capacity, and follows the OFO protocols for pro rationing set forth in Rule No. 41, when Cycle 3 scheduled quantities exceed Forecasted System Capacity for Cycle 4.

Southern System Minimum Flow Requirements

Pursuant to D.07-12-019, the SoCalGas System Operator is responsible for maintaining minimum flows on the SoCalGas Southern System, with the cost paid for by all customers.² SoCalGas needs a certain minimum amount (which can vary depending upon conditions) of flowing supplies on its Southern System for the system to operate effectively.³ The amount of this minimum flow requirement is equal to the entire demand on the SoCalGas Southern System, which includes both core and noncore customer demand, less gas supply that is flowed from the Northern System to the South.⁴ The process that the SoCalGas System Operator follows for maintaining minimum flows on the Southern System is laid out in SoCalGas Rule No. 41.

The System Operator has occasionally been required to maintain minimum flows on the Southern System on OFO days.⁵ In such instances, the system as a whole is overnominated (i.e., scheduled deliveries exceed forecasted burn and storage injections) but the Southern System is undernominated and needs additional supplies. In order to avoid an interruption of service to Southern System customers, in each of these instances, SoCalGas maintained interruptible Backbone Transmission Service (BTS) nominations for necessary Southern System supplies and reduced higher priority nominations at other receipt points in order to keep total scheduled quantities from exceeding forecasted system capacity.

Requested Authorization

SoCalGas has a broad ability to avoid interruption of service to its customers,⁶ but the treatment of supplies needed to provide minimum flows on the Southern System on days when its system is overnominated is currently not specifically addressed in its rules. SoCalGas believes that it should be, in order to help its customers better understand the process.

SoCalGas also believes that the existing procedure should be expanded to include a 10% margin for error in case supplies do not materialize in later cycles. It has been its experience that supply delivery in later cycles is not certain, particularly on overnomination days. Adding

¹ Cycle 1 (timely) has a nomination deadline of 9:30 AM the day before flow day; Cycle 2 (evening) has a nomination deadline of 4:00 P.M. the day before flow day; Cycle 3 (Intraday 1) has a nomination deadline of 8:00 AM on flow day; and Cycle 4 (Intraday 2) has a nomination deadline of 3:00 P.M. on flow day.

² D.07-12-019, mimeo., at 116 (Ordering Paragraph No. 15). The System Operator is "broadly defined to constitute the SoCalGas departments responsible for the operation of its transmission system, including storage, hub services, pooling services receipt point access, offsystem deliveries, and system reliability. The System Operator functions explicitly exclude the Gas Procurement Department which will not be involved in any of the system-related operational activities." D.07-12-019, mimeo., at 58.

³ Resolution G-3476 at p. 2.

⁴ Resolution G-3476 at p. 2.

⁵ This has occurred nine times since October of 2012.

⁶ See, e.g., Rule 23.E.

a 10% margin of error would help ensure that the System Operator is able to provide minimum flows on the Southern System on days when its system is overnominated, while at the same time limiting additional prorations at receipt points outside the Southern System. It is SoCalGas' belief that a margin of error of less than 10% will not provide the supply certainty it needs, while a margin of error of more than 10% does not appear to be necessary, at least at this time.

Accordingly, SoCalGas respectfully requests that the Commission authorize the addition of the following bullet point to the "Confirmation Order" discussion in Section D.3 of Rule No. 30:

- Southern Transmission Receipt Points will not be reduced in any cycle below 110% of the Southern System minimum flowing supply requirement established by the Gas Control Department.

If this rule revision is adopted, the process that SoCalGas uses to ensure adequate Southern System supplies on days when the system as a whole is overnominated will be clearer to its customers, and the System Operator will obtain a small, but important, additional margin of error to work with in case not all Southern System nominations actually materialize.

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 July 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
Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, CA 94102

Copies of the protest should also be sent via email 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). SoCalGas respectfully requests that this advice letter be approved and the tariffs made effective on July 31, 2013, which is 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 interested parties in the 2009 BCAP, A.08-02-001, and the 2013 TCAP, 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) #: 4515

Subject of AL: Revisions to Rule No. 30, Transportation of Customer-Owned Gas

Keywords (choose from CPUC listing): Capacity, Reliability, Transportation

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: 7/31/13 No. of tariff sheets: 3

Estimated system annual revenue effect (%): _____

Estimated system average rate effect (%): _____

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: Rule No. 30, TOCs

Service affected and changes proposed¹ See Advice Letter

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. 4515

(See Attached Service Lists)

ATTACHMENT B
Advice No. 4515

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 49388-G	Rule No. 30, TRANSPORTATION OF CUSTOMER-OWNED GAS, Sheet 4	Revised 47195-G
Revised 49389-G	TABLE OF CONTENTS	Revised 48988-G
Revised 49390-G	TABLE OF CONTENTS	Revised 49382-G

TRANSPORTATION OF CUSTOMER-OWNED GAS

(Continued)

D. Operational Requirements (Continued)

3. Backbone Transmission Capacity (Continued)

Each day, the Utility will use the following rules to confirm nominations to the Receipt Point and Backbone Transmission Zone maximum operating capacities. The Utility will also use the following rules to confirm nominations to the system capacity limitation as defined in Section F for OFO events during the Intraday 1 cycle.

Confirmation Order:

- Nominations using Firm Primary backbone transportation rights will be first; pro-rated if over-nominated*.
- Nominations using Firm Alternate backbone transportation rights within the associated transmission zone will be second (“Firm Alternate Within-the-Zone”); pro-rated if over-nominated.
- Nominations using Firm Alternate backbone transportation rights outside the associated transmission zone will be third (“Firm Alternate Outside-the-Zone”); pro-rated if over-nominated.
- Nominations using Interruptible backbone transportation rights will be fourth, pro-rated if over-nominated.
- Southern Transmission Receipt Points will not be reduced in any cycle below 110% of the Southern System minimum flowing supply requirement established by the Gas Control Department.

Bumping Rules:

- Firm Primary rights can “bump” any Firm Alternate scheduled quantities through the Evening Cycle.
- Firm Alternate Within-the-Zone rights can “bump” Firm Alternate Outside-the-Zone scheduled quantities through the Evening Cycle.
- Firm Primary and any Firm Alternate can “bump” interruptible scheduled quantities through the Intraday 1 Cycle subject to the NAESB elapsed pro-rata rules.
- Bumping will not be allowed in the Intraday 2 Cycle.

* If the available firm capacity at a particular receipt point or within a particular transmission zone is less than the firm capacity figures stated in Schedule No. G-BTS, scheduling of firm backbone transportation capacity nominations will be pro rata within each scheduling cycle. Any nominations of firm backbone transportation rights acquired through the addition of Displacement Backbone Transmission Capacity facilities will be reduced pro rata to zero at the applicable receipt point or within the applicable transmission zone prior to other firm backbone transportation rights nominations being reduced.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 4515
 DECISION NO.

ISSUED BY
Lee Schavrien
 Senior Vice President

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Jul 1, 2013
 EFFECTIVE Dec 5, 2013
 RESOLUTION NO. _____

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(Continued)

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