

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



November 25, 2013

**Advice Letters:**

**4516-G**  
**4516-G-A**

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

**SUBJECT: Revisions to Rule No. 41, Utility System Operation**

Dear Ms. Prince:

Advice Letters 4516-G and 4516-G-A are effective November 21, 2013, per Resolution G-3487 Ordering Paragraph.

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*

October 22, 2013

Advice No. 4516-A  
(U 904 G)

Public Utilities Commission of the State of California

**Subject: Partial Supplement - Revisions to Rule No. 41, Utility System Operation**

Southern California Gas Company (SoCalGas) hereby submits for approval by the California Public Utilities Commission (Commission) proposed revisions to its Rule No. 41, Utility System Operation, in compliance with Resolution G-3487, applicable throughout its service territory, as shown on Attachment B.

**Purpose**

On October 3, 2013, the Commission adopted Resolution G-3487, which approved, with two modifications, SoCalGas Advice No. (AL) 4516 dated July 1, 2013, which requested authorization to revise Rule No. 41 to enable SoCalGas to enter into baseload contracts for Southern System support that meet the criteria recently established by the Commission in Resolution G-3477.

This filing complies with Ordering Paragraph (OP) 2 of Resolution G-3487 which directs:

SoCalGas shall, within 30 days, file a supplement to Advice Letter 4516: (1) modifying the language proposed for Section 18 of Rule No. 41 to state that the provision will "expire on March 31, 2016, unless extended by the Commission;" and (2) adding language to Rule No. 41 that contracts can only be made for one season at a time and only within the nine month period directly preceding that season.

SoCalGas submits the following proposed tariff changes in compliance with Resolution G-3487.

**Requested Tariff Changes**

Pursuant to OP 2 of Resolution G-3487, SoCalGas proposes the following revisions to Section 18 of Rule No. 41:

18. Should the Operational Hub deem it necessary or advisable to enter into baseload contracts for Southern System support at one or more of the Southern System receipt points, the Operational Hub shall be deemed to have made reasonable baseload purchases if: (1) the total cumulative baseload volumes at any time are less than or equal to 255,000 Dth/day; (2) the price is less than or equal to NGL's Bidweek average for "Southern Cal. Bdr. Avg." plus 8.2 cents/Dth for the relevant baseload month(s); (3) the term is for the December - March period, or any subset of that period; **and (4) the baseload contracts can only be made for one season at a time and only within the nine month period directly preceding that season.** The Operational Hub shall be deemed to have made reasonable sales of such baseload gas if: (1) for baseload sales, the sale price is greater than or equal to 90% of NGL's Bidweek average for "SoCal Citygate" for the relevant baseload month(s); and (2) for spot sales, the sale price is greater than or equal to 90% of the ICE Wtd Avg Index for the relevant trading point and trading period. This provision shall expire on March 31, **2016** ~~2018~~, unless extended by the Commission. SoCalGas may seek extension or modification of this provision by standard advice filing or application.

### **Protest**

Anyone may protest this AL 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 November 11, 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 e-mail to the attention of the Energy Division Tariff Unit ([EDTariffUnit@cpuc.ca.gov](mailto: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](mailto:snewsom@semprautilities.com)

**Effective Date**

SoCalGas believes that this filing is subject to Energy Division disposition, and as verbally directed by Energy Division, is classified as Tier 1 (effective pending staff approval) pursuant to GO 96-B. This filing is consistent with Resolution G-3487 and therefore SoCalGas respectfully requests that this partial supplemental filing be approved on November 21, 2013, which is 30 days from the date of filing.

**Notice**

A copy of this AL is being sent to the parties listed on Attachment A, which includes parties in the 2013 TCAP, A.11-11-002.

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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) #: 4516-A

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

Keywords (choose from CPUC listing): Capacity, Reliability

AL filing type:  Monthly  Quarterly  Annual  One-Time  Other

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

G-3487 and G-3477

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 AL<sup>1</sup>:

N/A

Does AL request confidential treatment? If so, provide explanation:

No

Resolution Required?  Yes  No

Tier Designation:  1  2  3

Requested effective date: 11/21/13

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. 41 and TOCs

Service affected and changes proposed<sup>1</sup> 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](mailto:EDTariffUnit@cpuc.ca.gov)

**Southern California Gas Company**

**Attention: Sid Newsom**

**555 West 5<sup>th</sup> Street, GT14D6**

**Los Angeles, CA 90013-1011**

[SNewsom@semprautilities.com](mailto:SNewsom@semprautilities.com)

[tariffs@socalgas.com](mailto:tariffs@socalgas.com)

<sup>1</sup> Discuss in AL if more space is needed.

**ATTACHMENT A**  
**Advice No. 4516-A**

**(See Attached Service Lists)**

ATTACHMENT B  
Advice No. 4516-A

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 49633-G	Rule No. 41, UTILITY SYSTEM OPERATION, Sheet 7	Revised 49394-G Revised 48080-G, 48308- G
Revised 49634-G	TABLE OF CONTENTS	Revised 48641-G
Revised 49635-G	TABLE OF CONTENTS	Revised 49632-G

Rule No. 41  
UTILITY SYSTEM OPERATION

Sheet 7

(Continued)

PURCHASES AND SALES TO MANAGE MINIMUM FLOW SUPPLIES (Continued)

18. (Continued)

NGI's Bidweek average for "Southern Cal. Bdr. Avg." plus 8.2 cents/Dth for the relevant baseload month(s); (3) the term is for the December - March period, or any subset of that period; and (4) the baseload contracts can only be made for one season at a time and only within the nine month period directly preceding that season. The Operational Hub shall be deemed to have made reasonable sales of such baseload gas if: (1) for baseload sales, the sale price is greater than or equal to 90% of NGI's Bidweek average for "SoCal Citygate" for the relevant baseload month(s); and (2) for spot sales, the sale price is greater than or equal to 90% of the ICE Wtd Avg Index for the relevant trading point and trading period. This provision shall expire on March 31, 2016, unless extended by the Commission. SoCalGas may seek extension or modification of this provision by standard advice filing or application.

19. The Utility shall seek CPUC authority for any additional tools (other than system modifications that can be completed without an application under current rules) necessary to meet the Southern System minimum flow requirement through an application. Any contracts that are not obtained through an RFO process relating to already-approved tools (i.e., gas purchases, gas exchanges) will be submitted to the CPUC for approval by Advice Letter. Advice Letters seeking approval of the Operational Hub contractual arrangements shall identify the order in which contracts will be implemented to ensure system reliability and integrity at least cost.

ACCOUNTING TREATMENT

20. The cost and revenues of Operational Hub transactions (e.g., natural gas purchases, sales, or exchanges resulting from approved contracts) that are necessary to meet minimum flow requirements shall be recorded in the System Reliability Memorandum Account (SRMA). Prospective changes to the types of the Operational Hub natural gas transactions ("tools") to meet minimum flow requirements shall be considered in conjunction with the annual Utility Customer Forum described below.

UTILITY CUSTOMER FORUM

21. The Utility shall hold an annual Utility Customer Forum (the "Forum"), which shall be held around April - May. The Forum will provide an opportunity for the Utility to provide information on, and to address, the following matters with interested parties:

- i. Review of the timing, method, formulas, and all inputs to formulas by which OFO events are triggered;
- ii. Review of requests for the Operational Hub to acquire additional supplies to meet minimum flow requirements;

(Continued)

(TO BE INSERTED BY UTILITY)  
 ADVICE LETTER NO. 4516-A  
 DECISION NO.

ISSUED BY  
**Lee Schavrien**  
 Senior Vice President

(TO BE INSERTED BY CAL. PUC)  
 DATE FILED Oct 22, 2013  
 EFFECTIVE Nov 21, 2013  
 RESOLUTION NO. G-3487, G-3477

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(Continued)

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