

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



October 3, 2014

Advice Letters 4517-G and 4517-G-A

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

SUBJECT: Revisions to Schedule No. G-BTS, Backbone Transportation Service

Dear Ms. Prince:

Advice Letters 4517-G and 4517-G-A are effective as of September 4, 2014.

Sincerely,

A handwritten signature in black ink 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

September 4, 2014

Advice No. 4517-A
(U 904 G)

Public Utilities Commission of the State of California

Subject: Partial Supplement: Revisions to Schedule No. G-BTS, Backbone Transportation Service

Southern California Gas Company (SoCalGas) hereby submits for approval by the California Public Utilities Commission (Commission) proposed revisions to its Preliminary Statement – Part V – Balancing Accounts, Backbone Transmission Balancing Account (BTBA), applicable throughout its service territory, as shown on Attachment A.

Purpose

This partial supplement complies with Ordering Paragraph (OP) 5 of Resolution G-3488, which directs SoCalGas to file a Tier 1 Advice Letter (AL) within 30 days of this resolution that includes the following tariff changes:

[R]evisions for discounts to firm Backbone Transportation Service without alternate receipt point rights and incorporating for discounts to both interruptible and firm Backbone Transportation Service a description of where discount costs will be recorded and how and when such costs will be allocated.¹

Background

SoCalGas filed Advice No. 4517 on July 2, 2013, which included proposed revisions to its Schedule G-BTS and its Master Services Contract (MSC) – Schedule L. On August 28, 2014, the Commission issued Resolution G-3488, in which OP 1 approved the request of SoCalGas to revise Schedule No. G-BTS and MSC – Schedule L. In addition to approving the requested revisions, OP 4 of the Resolution

¹ Resolution G-3488, page 11

orders the costs resulting from the new firm BTS discounts to be recorded on an interim basis in the BTBA, but to address the allocation of the firm BTS discount costs in the next Triennial Cost Allocation Proceeding (TCAP).²

Tariff Revisions

In compliance with OP 4 of the Resolution, SoCalGas submits revisions to the Backbone Transmission Balancing Account (BTBA) as shown in Attachment A. A new subaccount called the Discount Cost Subaccount will be added to the BTBA. The purpose of this subaccount will be to track the costs of offering discounts to firm BTS without alternate receipt point rights. The disposition section was also updated to clarify that the Discount Cost Subaccount will not be recovered in rates until the allocation of these costs is addressed in the next TCAP or other applicable proceeding. The costs of providing discounts to interruptible BTS are recovered through the BTBA subaccount.

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 must be received within 20 days of the date of this Advice Letter or September 24, 2014. 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

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

² The text of the Resolution notes that SoCalGas might also address the allocation of firm BTS discounts via a petition for modification. See Resolution G-3488, page 8.

Effective Date

Per OP 5 of Resolution G-3488, this filing is classified as Tier 1. SoCalGas respectfully requests that this filing become effective on September 4, 2014, the date filed.

Notice

A copy of this advice letter is being sent to SoCalGas' General Order (GO) 96-B service list and the Commission's service lists in A.11-11-002, 2013 TCAP and A.08-02-001, 2009 BCAP. Address change requests to the GO 96-B should be directed by electronic mail to tariffs@socalgas.com or call 213-244-3387. For changes to all other service lists, please contact the Commission's Process Office at 415-703-2021 or by electronic mail at Process_Office@cpuc.ca.gov.

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) #: 4517-A

Subject of AL: Partial Supplement: Revisions to Schedule No. G-BTS, Backbone Transportation Service

Keywords (choose from CPUC listing): Capacity, Reliability, Backbone 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: 9/4 /14

No. of tariff sheets: 5

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: PS V and TOC - General

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. 4517-A

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 50696-G	PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS, BACKBONE TRANSMISSION BALANCING ACCOUNT (BTBA), Sheet 1	Revised 47342-G
Revised 50697-G	PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS, BACKBONE TRANSMISSION BALANCING ACCOUNT (BTBA), Sheet 2	Original 47163-G Revised 47342-G
Original 50698-G	PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS, BACKBONE TRANSMISSION BALANCING ACCOUNT (BTBA), Sheet 3	Original 47163-G
Revised 50699-G Revised 50700-G	TABLE OF CONTENTS TABLE OF CONTENTS	Revised 50695-G Revised 50548-G

PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS
BACKBONE TRANSMISSION BALANCING ACCOUNT (BTBA)

Sheet 1

1. Purpose

The BTBA is an interest-bearing balancing account that is recorded on the Utility's financial statements pursuant to D.06-04-033, D.06-12-031, Resolution G-3407, and D.11-04-032. The BTBA consists of three subaccounts: the BTBA Subaccount, IT Cost Subaccount, and Discount Cost Subaccount. The purpose of the BTBA Subaccount is to record the difference between the authorized Backbone Transportation Service (BTS) revenue requirement and the actual BTS revenues from firm and interruptible access to SoCalGas' transmission system. Pursuant to D. 11-03-029, the BTBA Subaccount will also record interruptible and firm off-system deliveries in excess of any applicable system reliability costs and system implementation costs associated with providing off-system delivery service. Pursuant to D.11-04-032, SoCalGas establishes the IT Cost Subaccount to record and recover information technology costs incurred to enhance Backbone Transportation Service. The costs of providing discounts to interruptible BTS and firm BTS with alternate receipt point rights are recovered in the BTBA subaccount, and pursuant to Resolution G-3488, the costs of providing discounts to firm BTS without alternate receipt point rights are recorded in the Discount Cost Subaccount.

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2. Applicability

The BTBA shall apply to all customers with firm or interruptible Backbone Transportation Service rights.

3. Rates

The projected year-end BTBA balance will be applied as described in item 5 below.

4. Accounting Procedures

BTBA Subaccount

SoCalGas shall maintain the BTBA Subaccount by recording entries at the end of each month, net of FF&U, as follows:

- a. A debit entry equal to one-twelfth of the BTS revenue requirement;
- b. A credit entry equal to the recorded BTS revenues, including an adjustment for any discounts provided to firm BTS without alternate receipt point rights which are recorded in the Discount Cost Subaccount;
- c. An entry to amortize the previous year's balance;

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(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 4517-A
 DECISION NO.

ISSUED BY
Lee Schavrien
 Senior Vice President

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Sep 4, 2014
 EFFECTIVE Sep 4, 2014
 RESOLUTION NO. G-3488

PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS
BACKBONE TRANSMISSION BALANCING ACCOUNT (BTBA)

Sheet 2

(Continued)

4. Accounting Procedures (Continued)

- d. A credit entry equal to any net revenues from off-system delivery services (i.e., that were made available in the Southern System for the flow days where fixed deliveries were made into the Southern System to maintain system reliability) in excess of system reliability costs for these flow days and system implementation costs associated with providing off-system delivery service;
- e. A credit entry equal to 100% of the recorded revenues from interruptible and firm off-system delivery services not reflected in entry "d" and in excess of system implementation costs associated with providing off-system delivery service; and
- f. An entry equal to interest on the average of the balance in the BTBA Subaccount during the month, calculated in the manner described in Preliminary Statement, Part I, J.

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IT Cost Subaccount

SoCalGas shall maintain the IT Cost Subaccount by recording entries at the end of each month, net of FF&U, as follows:

- a. A debit entry equal to the capital-related costs (such as depreciation, return on investment, and related taxes) associated with information technology costs;
- b. A debit entry equal to incremental O&M expenses associated with information technology enhancements;
- c. An entry to amortize the previous year's balance; and
- d. An entry equal to interest on the average of the balance in the subaccount during the month, calculated in the manner described in Preliminary Statement, Part I, J.

Discount Cost Subaccount

SoCalGas shall maintain the Discount Cost Subaccount by recording entries at the end of each month, net of FF&U, as follows:

- a. A debit entry equal to the cost of discounts to firm BTS without alternate receipt points;
- b. An entry to amortize the previous year's balance as authorized by the Commission; and
- c. An entry equal to interest on the average of the balance in the subaccount during the month, calculated in the manner described in Preliminary Statement, Part I, J.

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5. Disposition

The revenue requirement associated with firm and interruptible Backbone Transportation Service is excluded from the revenue requirement underlying the Utility's gas transportation rates and is recovered separately through BTS charges under Schedule No. G-BTS, Backbone Transportation Service. In each annual October regulatory account balance update filing, SoCalGas will amortize the projected year-end BTBA and IT Cost Subaccount balances in all BTS rates effective January 1 of the following year. The Discount Cost Subaccount balance

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(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 4517-A
DECISION NO.

ISSUED BY
Lee Schavrien
Senior Vice President

(TO BE INSERTED BY CAL. PUC)
DATE FILED Sep 4, 2014
EFFECTIVE Sep 4, 2014
RESOLUTION NO. G-3488

PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS
BACKBONE TRANSMISSION BALANCING ACCOUNT (BTBA)

Sheet 3

(Continued)

5. Disposition (Continued)

resulting from offering discounts to firm BTS without alternate receipt point rights will not be allocated to the BTS rate, per Commission Resolution G-3488, pending the disposition of these costs in the next Triennial Cost Allocation Proceeding or other applicable proceeding.

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(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 4517-A
DECISION NO.

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ISSUED BY

Lee Schavrien
Senior Vice President

(TO BE INSERTED BY CAL. PUC)

DATE FILED Sep 4, 2014
EFFECTIVE Sep 4, 2014
RESOLUTION NO. G-3488

TABLE OF CONTENTS

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.

<u>GENERAL</u>	<u>Cal. P.U.C. Sheet No.</u>
Title Page	40864-G
Table of Contents--General and Preliminary Statement	50699-G,50700-G,50549-G
Table of Contents--Service Area Maps and Descriptions	41970-G
Table of Contents--Rate Schedules	50689-G,50690-G,50694-G
Table of Contents--List of Cities and Communities Served	50356-G
Table of Contents--List of Contracts and Deviations	50356-G
Table of Contents--Rules	50546-G,50490-G
Table of Contents--Sample Forms	50307-G,49608-G,49738-G,50358-G,49299-G

PRELIMINARY STATEMENT

Part I General Service Information	45597-G,24332-G,24333-G,24334-G,48970-G
Part II Summary of Rates and Charges	50667-G,50668-G,50669-G,50439-G,50440-G,50670-G 50662-G,46431-G,46432-G,50342-G,50671-G,50672-G,50673-G,50445-G
Part III Cost Allocation and Revenue Requirement	50446-G,50447-G,50448-G
Part IV Income Tax Component of Contributions and Advances	49749-G,24354-G
Part V Balancing Accounts	
Description and Listing of Balancing Accounts	50335-G
Purchased Gas Account (PGA)	49671-G,49672-G
Core Fixed Cost Account (CFCA)	50449-G,49710-G
Noncore Fixed Cost Account (NFCA)	49711-G,49308-G
Enhanced Oil Recovery Account (EORA)	49712-G
Noncore Storage Balancing Account (NSBA)	50450-G,50451-G
California Alternate Rates for Energy Account (CAREA)	45882-G,45883-G
Hazardous Substance Cost Recovery Account (HSCRA)	40875-G, 40876-G,40877-G
Gas Cost Rewards and Penalties Account (GCRPA)	40881-G
Pension Balancing Account (PBA)	49309-G,49310-G
Post-Retirement Benefits Other Than Pensions Balancing Account (PBOPBA) .	49311-G,49312-G

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TABLE OF CONTENTS

(Continued)

PRELIMINARY STATEMENT (Continued)

Part V Balancing Accounts (Continued)

Research Development and Demonstration Gas Surcharge Account (RDDGSA)	40888-G
Demand Side Management Balancing Account (DSMBA)	45194-G,41153-G
Direct Assistance Program Balancing Account (DAPBA)	40890-G
Integrated Transmission Balancing Account (ITBA)	49313-G
Compressor Station Fuel and Power Balancing Account (CFPBA)	50452-G
Distribution Integrity Management Program Balancing Account (DIMPBA)	49314-G
Rewards and Penalties Balancing Account (RPBA)	49315-G,49316-G
On-Bill Financing Balancing Account (OBFBA)	45195-G
Company Use Fuel for Load Balancing Account (CUFLBA)	45279-G
Backbone Transmission Balancing Account (BTBA)	50696-G,50697-G,50698-G
Advanced Metering Infrastructure Balancing Account (AMIBA)	46058-G,46059-G,46060-G
New Environmental Regulation Balancing Account (NERBA))	49345-G,49346-G,49347-G
Transmission Integrity Management Program Balancing Account (TIMPBA)	49348-G
Post-2011 Distribution Integrity Management Program Balancing Account (Post-2011 DIMPBA)	49349-G
Compression Services Balancing Account (CSBA)	48857-G
Biogas Conditioning/Upgrading Services Balancing Account (BCSBA)	49864-G
Master Meter Balancing Account (MMBA)	50336-G
Safety Enhancement Capital Cost Balancing Account (SECCBA)	50524-G
Safety Enhancement Expense Balancing Account (SEEBA)	50525-G

Part VI Memorandum Accounts

Description and Listing of Memorandum Accounts	50531-G
PCB Expense Account (PCBEA)	49317-G
Research Development and Demonstration Expense Account (RDDEA)	49318-G
Curtailment Violation Penalty Account (CVPA)	50454-G
Economic Practicality Shortfall Memorandum Account (EPSMA)	40896-G
Catastrophic Event Memorandum Account (CEMA)	40897-G,40898-G
Vernon Avoided Distribution Cost Memorandum Account (VADCMA)	40899-G
Vernon Negotiated Core Contract Memorandum Account (VNCCMA)	40901-G
Research Royalty Memorandum Account (RRMA)	49319-G
Intervenor Award Memorandum Account (IAMA)	40904-G
Z Factor Account (ZFA)	40905-G
Self-Generation Program Memorandum Account (SGPMA)	41105-G
FERC Settlement Proceeds Memorandum Account (FSPMA)	45756-G
Gain/Loss on Sale Memorandum Account (GLOSMA)	42133-G
Affiliate Transfer Fee Account (ATFA)	40919-G
Firm Access and Storage Rights Memorandum Account (FASRMA)	49320-G,49321-G
System Reliability Memorandum Account (SRMA)	49673-G
Fire Hazard Prevention Memorandum Account (FHPMA)	49322-G

(Continued)

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