

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



December 19, 2013

Advice Letter 4556-G

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

Subject: Modification of Tariff Rule No.30 to Implement D.13-09-002

Dear Ms. Prince:

Advice Letter 4556 is effective December 4, 2013.

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

November 4, 2013

Advice No. 4556
(U 904 G)

Public Utilities Commission of the State of California

Subject: Modification of Tariff Rule No. 30 to Implement Decision (D.) 13-09-002

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

Purpose

In compliance with Ordering Paragraph (OP) 2 of Decision (D.) 13-09-002, SoCalGas hereby submits this filing to delete Section I.5 of its tariff Rule No. 30 to permit the elimination of the Historical California Production exemption when contractually permitted.

Background

On September 2, 2011, SoCalGas filed Application (A.) 11-09-004 in response to the directive in D.10-09-001 that an application be filed concerning the non-hydrogen sulfide limits set forth in Section I of its Rule No. 30.¹

D.10-09-001 directed SoCalGas to:

[F]ile an application within one year from the effective date of this decision to determine whether any of the current non-hydrogen sulfide limits set forth in the "Gas Delivery Specifications" in section I of SoCalGas' Rule No. 30 should be changed and whether these current non-hydrogen sulfide limits are too restrictive or redundant in light of the current Rule No. 30 Wobbe specification and Lifting Index.²

Consistent with this Commission direction, SoCalGas conducted research and appliance testing to evaluate the current non-hydrogen sulfide limits. In A.11-09-004 and in written testimonies, SoCalGas submitted evidence demonstrating that its current Rule No. 30's non-hydrogen sulfide limits help reduce safety issues and prevent combustion issues,

¹ In D.10-09-001, the Commission determined that the non-hydrogen sulfide constituents at issue include carbon dioxide, oxygen, total inerts, and heating value, even though, heating value is not a gas constituent, but rather a gas property. D.10-09-001, p. 29, n.13.

² D.10-09-001 at OP 4.

address the risks of pipeline corrosion, and are consistent with industry standards. Based on this evidence, SoCalGas requested to retain its current Rule No. 30 gas delivery specifications, and requested that, where contractually permissible, the Commission should eliminate the California producer “grandfathering” exception to protect SoCalGas’ customers, employees, pipeline system, and the public at-large.

On September 10, 2013, the Commission issued D.13-09-002 granting SoCalGas’ Application to retain its current natural gas delivery specifications that are contained in Rule No. 30 of its tariffs. The decision concludes that SoCalGas’ Rule No. 30 limits for heating value, carbon dioxide, oxygen, and inerts shall remain unchanged. D.13-09-002 also authorized SoCalGas to modify Rule No. 30 to eliminate the Historical California Production exemption for natural gas produced in California when contractually permissible.

Modification to Tariff Rule No. 30

Pursuant to OP 2 of D.13-09-002, SoCalGas hereby submits this advice letter to delete Section I.5 of Rule No. 30 and to renumber the succeeding sub-sections under Section I. In addition, the underlined text in I.6 is deleted since it refers to I.5. Furthermore, I.7 is also deleted because the 12-month period referenced therein has elapsed.

For ease of review, a redlined version of the modifications to Rule No. 30 is included as Attachment C.

Protest

Anyone may protest this joint 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 November 25, 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). 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

As ordered in OP 2 of D.13-09-002, this advice filing is subject to Energy Division disposition and is classified as Tier 2 (effective after staff approval). SoCalGas respectfully requests that this filing be approved on December 4, 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 parties to A.11-09-004.

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) #: 4556

Subject of AL: Modification to Tariff Rule No. 30

Keywords (choose from CPUC listing): Rules; Gas Quality; Customer Owned Gas

AL filing type: Monthly Quarterly Annual One-Time Other

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

D.13-09-004

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: 12/4/13

No. of tariff sheets: 4

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 and 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. 4556

(See Attached Service Lists)

ATTACHMENT B
Advice No. 4556

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 49676-G	Rule No. 30, TRANSPORTATION OF CUSTOMER-OWNED GAS, Sheet 18	Revised 47368-G
Revised 49677-G	Rule No. 30, TRANSPORTATION OF CUSTOMER-OWNED GAS, Sheet 19	Revised 47369-G
Revised 49678-G	TABLE OF CONTENTS	Revised 49634-G
Revised 49679-G	TABLE OF CONTENTS	Revised 49670-G

TRANSPORTATION OF CUSTOMER-OWNED GAS

(Continued)

I. Gas Delivery Specifications (Continued)

- 4. The Utility, at its option, may refuse to accept any gas tendered for transportation by the customer or on his behalf if such gas does not meet the specifications at the time of delivery as set out in I. 2 and I. 3 above, as applicable.
- 5. The Utility will grant specific deviations to California production from the gas quality specifications defined in Paragraph I.3 above, if such gas will not have a negative impact on system operations. Any such deviation will be required to be filed through Advice Letter for approval prior to gas actually flowing in the Utility system.
- 6. The Utility will post on its EBB and/or general website information regarding the available real-time Wobbe Number of gas at identified operational locations on its system.

J. Termination or Modification

- 1. If the customer breaches any terms and conditions of service of the customer's service agreement or the applicable tariff schedules and does not correct the situation within thirty (30) days of notice, the Utility shall have the right to cease service and immediately terminate the customer's applicable service agreement.
- 2. If the contract is terminated, either party has the right to collect any quantities of gas or money due them for transportation service provided prior to the termination.

K. Regulatory Requirements

- 1. Any gas transported by the Utility for the customer which was first transported outside the State of California shall have first been authorized under Federal Energy Regulatory Commission (FERC) regulations, as amended. Both parties recognize that such regulations only apply to pipelines subject to FERC jurisdiction, and do not apply to the Utility. The customer shall not take any action which would subject the Utility to the jurisdiction of the FERC, the Economic Regulatory Administration or any succeeding agency. Any such action shall be cause for immediate termination of the service arrangement between the customer and the Utility.
- 2. Transportation service shall not begin until both parties have received and accepted any and all regulatory authorizations necessary for such service.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 4556
DECISION NO. 13-09-004

ISSUED BY
Lee Schavrien
Senior Vice President

(TO BE INSERTED BY CAL. PUC)
DATE FILED Nov 4, 2013
EFFECTIVE Dec 4, 2013
RESOLUTION NO. _____

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TRANSPORTATION OF CUSTOMER-OWNED GAS

(Continued)

L. Warranty and Indemnification

1. The customer warrants to the Utility that the customer has the right to deliver gas hereunder and that such gas is free from all liens and adverse claims of every kind. Customer will indemnify, defend and save the Utility harmless against all loss, damage, injury, liability and expense of any character where such loss, damage, injury, liability or expense arises directly or indirectly out of any demand, claim, action, cause of action or suit brought by any person, association or entity asserting ownership of or any interest in the gas tendered for transportation hereunder, or on account of royalties, payments or other charges applicable before or upon delivery of gas hereunder.
2. The customer shall indemnify, defend and save harmless the Utility, its officers, agents, and employees from and against any and all loss, costs (including reasonable attorneys' fees), damage, injury, liability, and claims for injury or death of persons (including any employee of the customer or the Utility), or for loss or damage to property (including the property of the customer or the Utility), which occurs or is based upon an act or acts which occur while the gas is deemed to be in the customer's control and possession or which results directly or indirectly from the customer's performance of its obligations arising pursuant to the provisions of its service agreement and the Utility's applicable tariff schedules, or occurs based on the customer-owned gas not meeting the specifications of Section I of this rule.

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 4556
DECISION NO. 13-09-004

ISSUED BY

Lee Schavrien
Senior Vice President

(TO BE INSERTED BY CAL. PUC)

DATE FILED Nov 4, 2013
EFFECTIVE Dec 4, 2013

RESOLUTION NO. _____

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(Continued)

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(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 4556
 DECISION NO. 13-09-004

ISSUED BY

Lee Schavrien
 Senior Vice President

(TO BE INSERTED BY CAL. PUC)

DATE FILED Nov 4, 2013
 EFFECTIVE Dec 4, 2013
 RESOLUTION NO. _____

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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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(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 4556
 DECISION NO. 13-09-004

ISSUED BY
Lee Schavrien
 Senior Vice President

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Nov 4, 2013
 EFFECTIVE Dec 4, 2013
 RESOLUTION NO. _____

ATTACHMENT C

Advice No. 4556

Revisions to Rule No. 30 (Redlined)

Rule No. 30

Sheet 18

T

TRANSPORTATION OF CUSTOMER-OWNED GAS

(Continued)

I. Gas Delivery Specifications (Continued)

4. The Utility, at its option, may refuse to accept any gas tendered for transportation by the customer or on his behalf if such gas does not meet the specifications at the time of delivery as set out in I. 2 and I. 3 above, as applicable.
- ~~5. A generic deviation from the minimum gas quality specifications set forth in Paragraph I.3 is granted for "Historical California Production." Quality specifications for Historical California Production will be governed by SoCalGas Rule No. 30 in effect as of September 21, 2006, or, to the extent that production had a deviation in place at that time, pursuant to the agreement governing that deviation. "Historical California Production" is defined as follows: Onshore or offshore California-produced natural gas delivered at points of interconnection existing as of January 1, 2006, up to the maximum historical deliveries or Maximum Daily Volume effective on that date as specified in any agreement permitting supply delivery at those points. If a producer moves its deliveries of Historical California Production from a point of interconnection existing as of January 1, 2006, to another existing or a new point on the system, or if one or more producers consolidate two or more existing points of interconnection existing as of January 1, 2006, to another existing or a new point on the system, the deviation granted under this provision will follow the Historical California Production provided that (a) the Utility has required or approved the change in receipt point location and (b) the continuing deviation shall not exceed the Maximum Daily Volume stated in the access agreement(s) governing deliveries at the producer's original point of interconnection and (c) specifically, the quality of the gas should not lessen to the point that it falls outside the grandfathered Rule No. 30 specifications.~~
6. ~~In addition to the generic deviation provided in paragraph 5,~~ the Utility will grant other specific deviations to California production from the gas quality specifications defined in Paragraph I.3 above, if such gas will not have a negative impact on system operations. Any such deviation will be required to be filed through Advice Letter for approval prior to gas actually flowing in the Utility system.
7. ~~The Utility will grant a deviation to existing interstate supplies consistent with prior gas quality specifications if requested by the interconnecting interstate pipeline for a period of not more than 12 months from the date of D.06-09-039.~~
58. The Utility will post on its EBB and/or general website information regarding the available real-time Wobbe Number of gas at identified operational locations on its system.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 4258
DECISION NO. 11-03-029

ISSUED BY
Lee Schavrien
Senior Vice President

(TO BE INSERTED BY CAL. PUC)
DATE FILED Jul 15, 2011
EFFECTIVE Oct 1, 2012
RESOLUTION NO. _____