

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



April 10, 2015

**Advice Letters: 4689-G
4689-G-A**

Southern California Gas Company
Attention: Sid Newsom
555 West Fifth Street, GT14D6
Los Angeles, CA 90013-1011

SUBJECT: Revision of Appliance Connection Charges in Rule No. 10 - Service Charges

Dear Mr. Newsom:

Advice Letters 4689-G and 4689-G-A are effective as of March 26, 2015, per Resolution G-3501 Ordering Paragraphs.

Sincerely,

A handwritten signature in cursive script that reads "Edward Randolph".

Edward 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

December 5, 2014

Advice No. 4689-A
(U 904 G)

Public Utilities Commission of the State of California

Subject: Supplement: Revision of Appliance Connection Charges in Rule No. 10 - Service Charges

Southern California Gas Company (SoCalGas) hereby submits to the California Public Utilities Commission (Commission) revisions to its Rule No. 10, Service Charges, applicable throughout its service territory, as shown on Attachment A.

Purpose

This filing replaces in its entirety Advice No. (AL) 4689, filed on September 10, 2014, proposing to revise the Appliance Connection Charges in SoCalGas' Rule No. 10. It updates the charges filed in AL 4689 to reflect the actual costs of providing appliance connection services and prevent ratepayers from subsidizing appliance connection services.

Background

Supplemental Advice No. (AL) 2078-A was filed on July 20, 1992 to comply with Commission Resolution (Res.) G-2972, dated November 20, 1991.¹ Res. G-2972 approved SoCalGas' request to offer various appliance connections for a fee and granted SoCalGas authority to seek subsequent changes to appliance connection charges by advice letter.

¹ SoCalGas' AL 2078-A, Establishes Fixed Rates for its Water Heating Wrapping and Strapping and Appliances Service, was approved on July 20, 1992 and effective on November 20, 1991. AL 2078-A revised SoCalGas' Rule No. 10.

Supplemental AL 3995-A was filed on February 1, 2010 to comply with Commission Res. G-3438, dated January 21, 2010.² Res. G-3438 approved SoCalGas' request to increase its charges for appliance connection services and expand the list of charges for certain pieces of equipment needed for these services.

Although SoCalGas requested an effective date of April 25, 2010 for the tariffs filed in AL 3995-A, SoCalGas filed AL 4194 on April 23, 2010 to change the effective date of AL 3995-A to May 23, 2010 in order to allow time for Information Technology to make the necessary system changes to implement the changes.³

SoCalGas initially filed AL 4689 with increases in charges for eight parts and services. After a thorough review of the supporting documents, it was determined that only three parts and services warranted increases in charges. These updated charges are shown in the table below.

SoCalGas' charges for appliance connection services have not changed since 2010. SoCalGas' proposed increases for these charges requested herein will compensate for increases in labor, gasoline, administrative costs, modifications of manufacturers' standards, and technology advances.

Tariff Revisions

The current and proposed rates for the affected Appliance Connection Charges in Rule No. 10 are shown in the table below:

Parts and Service	Current Rate	Proposed Rate	Proposed Increase
Labor Charge for connection of residential gas appliance (such as range, dryer, or gas barbeque)	\$86.00	\$88.00	\$2.00
Added cost of valve	\$16.00	\$20.00	\$4.00
Added cost of connector	\$19.00	\$20.00	\$1.00

Protest

Anyone may protest this Advice Letter to the California Public Utilities Commission. The protest must state the grounds upon which it is based, including such items as financial and

² SoCalGas' AL 3995-A, Supplemental: Revision of Rule No. 10 - Service Charges in Compliance with Resolution G-3438, was approved on March 17, 2010 and effective on April 25, 2010.

³ SoCalGas' AL 4104, Request to Revise the Effective Date of Approved Advice No. 3995-A, Revision of Rule No. 10 - Service Charges in Compliance with Resolution G-3438, was approved on May 28, 2010 and effective May 23, 2010.

service impact, and should be submitted expeditiously. The protest must be made in writing and must be received within 20 days of the date this Advice Letter, which is December 25, 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
Attn: 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

Effective Date

SoCalGas believes that this Advice Letter should be classified as Tier 3 and, as such, requires a resolution to be issued by the Commission. SoCalGas respectfully requests such a resolution be placed on the agenda for the January 29, 2015 meeting, or on such later date the Commission may direct by resolution.

Notice

A copy of this advice letter is being sent to SoCalGas' GO 96-B service list. Address change requests to the GO 96-B should be directed by electronic mail to tariffs@ocalgas.com or call 213-244-3387.

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) #: 4689-A

Subject of AL: Supplement: Revision of Appliance Connection Charges in Rule No. 10 - Service Charges

Keywords (choose from CPUC listing): Rules

AL filing type: Monthly Quarterly Annual One-Time Other

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

Res. G-2972

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: 1/29/15 Meeting 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. 10 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. 4689-A

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 51000-G	Rule No. 10, SERVICE CHARGES, Sheet 3	Revised 45987-G
Revised 51001-G	TABLE OF CONTENTS	Revised 50970-G
Revised 51002-G	TABLE OF CONTENTS	Revised 50999-G

Rule No. 10
SERVICE CHARGES

Sheet 3

(Continued)

E. APPLIANCE CONNECTION CHARGE

1. General. The Utility, for a charge, shall connect and/or install residential gas appliances (such as gas ranges, dryers, barbecues and gas logs) for customers, provided all of the following conditions can be met:
 - a. Service can be performed safely and without damaging the customers' facilities.
 - b. Service can be performed without loosening fittings in the wall.
 - c. The houseline need not be extended more than seventy-two (72) inches or six (6) feet, or installed through walls or cabinets.
 - d. The appliance will not present a hazardous or unsatisfactory condition after connection.
 - e. Taps (added outlets to existing appliance stubs) are not made from stubs currently supplying gas to other appliances.
2. Charges. If the conditions referenced above are met, the charge(s) shall be as follows:

Labor charge for connection of residential gas appliance – (such as range, dryer or gas barbecue)	\$88.00	I
Labor charge for Installation of a residential gas appliance – (such as gas logs)	\$128.00	
Added cost of valve	\$20.00*	I
Added cost of connector	\$20.00*	I
Added cost of 3/8" gas barbecue kit - includes connector, hose and fittings	\$77.00*	
Added cost of Appliance Regulator	\$20.00*	
Added cost of 1/2" IPT Ball Valve (BBQ)	\$14.00*	
Added cost of 3/8" Barbecue Quick Disconnect	\$39.00*	
Added cost of 1/2" Barbecue Quick Disconnect	\$71.00*	
Added cost of 3/8" Barbecue Hose	\$29.00*	
Added cost of 1/2" Barbecue Hose	\$54.00*	
Added cost Dryer Vent Duct	\$15.00*	
Added cost Dryer Vent Clamps	\$5.00*	

* The applicable Retail Sales Tax will be applied to all parts costs.

Charges for connection of additional appliances will be limited to parts and materials.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 4689-A
 DECISION NO.

ISSUED BY
Lee Schavrien
 Senior Vice President

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Dec 5, 2014
 EFFECTIVE Mar 26, 2015
 RESOLUTION NO. G-2972

TABLE OF CONTENTS

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<u>Rule Number</u>	<u>Title of Sheet</u>	<u>Cal. P.U.C. Sheet No.</u>
1	Definitions	43351-G,49722-G,45820-G,50950-G,45822-G,45368-G 45369-G,45370-G,45371-G,45372-G,45823-G,45824-G 45825-G,45826-G,45827-G,45828-G,45829-G,47192-G,45831-G
2	Description of Service	45832-G,45833-G,45834-G,45835-G 45836-G,45837-G,45838-G,49480-G,45840-G
3	Application for Service	35524-G,35525-G,35526-G
4	Contracts	35529-G,43366-G
5	Special Information Required on Forms	43456-G,43457-G
6	Establishment and Re-Establishment of Credit	50533-G,50534-G
7	Deposits	50535-G
9	Discontinuance of Service	41229-G,50536-G,50537-G,50538-G 50539-G,50540-G,50541-G,50542-G
10	Service Charges	39813-G,38903-G,51000-G,49741-G,49742-G
11	Disputed Bills	39418-G,39419-G
12	Rendering and Payment of Bills	50543-G,50544-G,50545-G,42089-G
13	Meters and Equipment	45841-G,45842-G
14	Meter Reading	42614-G,46061-G
15	Meter Tests	36872-G
16	Adjustment of Bills	42615-G,36874-G,36875-G
18	Notices	38239-G
19	Rates and Optional Rates	40825-G
20	Gas Main Extensions	47441-G,31801-G,38506-G,50096-G,32375-G,32376-G 42766-G,31807-G,37767-G,47442-G,37769-G,50097-G,49483-G
21	Gas Service Extensions	47443-G,31814-G,31815-G,31816-G,31817-G,31818-G 31819-G,31820-G,38510-G,31822-G,31823-G,31824-G,31825-G
22	Temporary Service	43783-G,43784-G
23	Continuity of Service and Interruption of Delivery	47351-G,47352-G,33041-G,33042-G,34021-G,33044-G 36622-G,33046-G,44940-G,44941-G,47353-G,50163-G
24	Supply to Individual Premises and Resale of Gas	39422-G,39925-G,39926-G
25	Company's Right of Ingress to and Egress from the Consumer's Premises	24655-G

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(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 4689-A
 DECISION NO.

ISSUED BY
Lee Schavrien
 Senior Vice President

(TO BE INSERTED BY CAL. PUC)
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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>
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Table of Contents--Rate Schedules	50997-G,50998-G,50979-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	51001-G,50971-G
Table of Contents--Sample Forms	50307-G,49608-G,49402-G,50805-G,50598-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	50981-G,50982-G,50983-G,50439-G,50440-G,50984-G 50920-G,46431-G,46432-G,50342-G,50929-G,50930-G,50931-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	
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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

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 4689-A
 DECISION NO.

ISSUED BY
Lee Schavrien
 Senior Vice President

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Dec 5, 2014
 EFFECTIVE Mar 26, 2015
 RESOLUTION NO. G-2972

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ENERGY DIVISION

**RESOLUTION G-3501
March 26, 2015**

RESOLUTION

Resolution G-3501. Southern California Gas Company (SoCalGas) requests an increase to the charges for appliance connections services in revisions to its Rule 10 – Service Charges.

PROPOSED OUTCOME:

- Approves SoCalGas' request to increase the charges for appliance connections services.

SAFETY CONSIDERATIONS:

- It is the utility's responsibility to adhere to all Commission rules, decisions, General Orders, and statues including Public Utility Code Section 451 to take all actions "...necessary to promote the safety, health, comfort, and convenience of its patrons, employees and the public."

ESTIMATED COST:

- Cost is paid by customers requesting appliance connection services; as a result, there is no cost impact on ratepayers.

By Advice Letter 4689 filed September 10, 2014 and Supplemental Advice Letter 4689-A filed December 5, 2014.

SUMMARY

This Resolution approves SoCalGas' request to increase its Appliance Connection Charge in Rule 10 proposed in Advice Letter (AL) 4689 and Supplemental Advice Letter 4689-A as summarized below. Charges are directly billed only to customers who request such services.

Parts and Service	Current Rate	Proposed Rate	Proposed Increase
Labor Charge for Connection of Residential Gas Appliance (such as range, dryer or gas barbeque)	\$86.00	\$88.00	\$2.00
Added Cost of Valve	\$16.00	\$20.00	\$4.00
Added Cost of Connector	\$19.00	\$20.00	\$1.00

BACKGROUND

Resolution G-2972, dated November 20, 1991, approved SoCalGas' request to charge a fee for connecting its customers' gas appliances. Customers who request such services are billed directly from SoCalGas. Customers have the option to obtain this service from non-utility providers such as plumbers and contractors.

Resolution G-2972 (which addressed appliance connections and set-timed appointments) provided that SoCalGas "...may seek rate relief if these rates are not compensatory over time" and that SoCalGas may request rate relief for these services by an advice letter. SoCalGas submitted AL 4689 as a Tier 3 advice letter under GO 96-B, Energy Industry Rule 5.3.

By AL 4689 filed September 10, 2014, SoCalGas initially proposed to increase the charges for eight parts and services associated with appliance connections. On December 5, 2014, SoCalGas filed Supplemental AL 4689-A replacing in its entirety AL 4689. In Supplemental AL 4689-A, SoCalGas states that after further review, only three parts and services warranted increases in charges.

SoCalGas claims that these charges reflect the actual cost of providing these services in order to prevent ratepayers from subsidizing appliance connection services. According to SoCalGas, the proposed increases in these charges are needed to reflect increases in labor, gasoline, administrative costs, modifications of manufacturers' standards, and technology advances. The charges for appliance connections were last changed by SoCalGas Advice Letter 3995, approved by Commission Resolution G-4338 on January 21, 2010.

NOTICE

Notice of AL 4689 and Supplemental AL 4689-A was made by publication in the Commission's Daily Calendar. SoCalGas states that a copy of the Advice Letter and the Supplemental Advice Letter was mailed and distributed in accordance with Section 3.14 of General Order 96-B.

PROTESTS

Advice Letter 4689 and Supplemental Advice Letter 4689-A were not protested.

DISCUSSION

SoCalGas' proposed increases in appliance connection charges are necessary to reflect cost increases due to inflation of its Appliance Connection Program costs which includes appliances and parts installations brought on by modifications of manufacturer's standards, technology advances, and greater customer needs. SoCalGas' charges reflect its costs for the appliance connection services. SoCalGas workpapers and invoices provided with the Advice Letter and Supplemental Advice Letter verify the need for the proposed increases. SoCalGas has not increased these fees since 2010. SoCalGas' request to increase appliance connection fees and charge fees for specific pieces of appliance connection equipment is approved.

SoCalGas is not the sole provider of the appliance connection services for which the increases in charges are requested in this advice letter. Customers can obtain these services from other providers as well. Appliance connections are services which customers can obtain from other competitive sources, if they so desire. SoCalGas is not the monopoly provider of these services. The current and proposed tariffs state that "The Utility shall advise the customer that appliance services are also provided by plumbers and contractors."

General Order (GO) 96-B does not allow utilities to seek approval for rate increases by advice letter except when that method has been specifically authorized by the Commission or statute. Resolution G-2972, which initially approved the fees for certain appliance connection services and set-timed appointments, authorized SoCalGas to seek subsequent rate changes related to these services by advice letter.

The table below shows current and proposed rates for Appliance Connection:

Parts and Service	Current Rate	Proposed Rate
Labor Charge for Connection of Residential Gas Appliance	\$86.00	\$88.00
Added Cost of Valve	\$16.00	\$20.00
Added Cost of Connector	\$19.00	\$20.00

In addition, the applicable Retail Sales Tax will be applied to all parts costs.

COMMENTS

This is an uncontested matter in which the resolution grants the relief requested. Accordingly, pursuant to PU Code 311(g)(2), the otherwise applicable 30-day period for public review and comment is being waived.

FINDINGS

1. SoCalGas AL 4689 requested increases in charges for eight parts and services associated with gas appliance connection services.
2. SoCalGas filed Supplemental AL 4689-A replacing AL 4689 in its entirety.
3. Supplemental AL 4689-A requests increases in the Labor Charge for connection of a residential appliance, cost of valve and cost of connector, reducing SoCalGas' original request from eight to three charge increases.
4. The charges for these appliance services were last changed by Commission Resolution G-4338 on January 21, 2010.
5. SoCalGas' proposed increases for these charges will compensate for increases in labor, gasoline, administrative costs, modifications of manufacturers' standards and technology advances.

6. SoCalGas' proposed fees for appliance connection services and pieces of equipment needed for appliance connections reflect actual costs and are reasonable.
7. General Order 96-B does not allow utilities to seek approval for rate increases by advice letter except when authorized by Commission order or statute.
8. Resolution G-2972 authorized SoCalGas to seek approval for increases in appliance connection fees and set-timed appointment by advice letter.

THEREFORE IT IS ORDERED THAT:

1. Southern California Gas Company's proposals to increase the fees for appliance connection services and new charges for pieces of equipment needed in providing such services are approved as follows:

Parts and Service	Current Rate	Proposed Rate
Labor Charge for Connection of Residential Gas Appliance	\$86.00	\$88.00
Added Cost of Valve	\$16.00	\$20.00
Added Cost of Connector	\$19.00	\$20.00

This Resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed and adopted at a conference of the Public Utilities Commission of the State of California held on March 26, 2015; the following Commissioners voting favorably thereon:

/s/ TIMOTHY J. SULLIVAN
TIMOTHY J. SULLIVAN
Executive Director

MICHAEL PICKER
President

MICHEL PETER FLORIO
CATHERINE J.K. SANDOVAL
CARLA J. PETERMAN
LIANE M. RANDOLPH
Commissioners