

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



December 10, 2014

Advice Letter 4710

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

Subject: Schedule No. GT-SWGX – Exchange Wholesale Natural Gas Service

Dear Ms. Prince:

Advice Letter 4710 is effective October 1, 2014.

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

November 14, 2014

Advice No. 4710
(U 904 G)

Public Utilities Commission of the State of California

Subject: Schedule No. GT-SWGX – Exchange Wholesale Natural Gas Service

Southern California Gas Company (“SoCalGas”) hereby submits for filing with the California Public Utilities Commission (“Commission”) revisions to its Schedule No. GT-SWGX (“GT-SWGX”), Exchange Wholesale Natural Gas Service applicable to Southwest Gas Corporation (“Southwest”), as shown on Attachment A.

Purpose

This filing revises the rate (“Exchange Rate”) SoCalGas charges Southwest for exchange transportation service pursuant to GT-SWGX. The Exchange Rate recovers certain exchange fees charged by Pacific Gas and Electric Company (“PG&E”) to SoCalGas plus SoCalGas’ system balancing costs, and applies only to gas quantities delivered to Southwest through delivery points served by PG&E.

Background

In Decision (D.) 09-10-036 the Commission adopted two contracts governing the service SoCalGas provides to Southwest and the rates for that service, namely an exchange contract between SoCalGas and PG&E and a transportation contract between SoCalGas and Southwest.

The transportation contract between SoCalGas and Southwest includes an exchange rate for any gas that Southwest receives directly from PG&E. It provides that whenever there is a change to either the PG&E exchange fee or the SoCalGas system balancing cost adder (SBCA), the two components of the Exchange Rate, SoCalGas will calculate a new Exchange Rate. The new Exchange Rate will be

charged to Southwest beginning “on the first day of the second month following CPUC approval of the applicable changes.”¹

The SBCA changed when SoCalGas implemented its 2013 Triennial Cost Allocation Proceeding rates filed in Advice No. (AL) 4657. The Commission issued its disposition letter approving the TCAP implementation rates on August 11, 2014. It has just now come to SoCalGas’ attention that an AL to change the Exchange Rate it charges Southwest needs to be filed. As provided in the transportation contract with Southwest, the new Exchange Rate should be effective October 1, 2014. SoCalGas believes that no party will be harmed if the Exchange Rate is made effective retroactive to October 1, 2014; it is a reduction from the current rate and the impact is de minimis.

Requested Revision

This filing decreases the Exchange Rate in GT-SWGX from 5.900 ¢/therm to 5.882 ¢/therm, which is the sum of the current PG&E exchange fee of 5.765 ¢/therm and the newly calculated SoCalGas system balancing cost adder of 0.117 ¢/therm. See the work paper in Attachment B showing the calculation of this new system balancing cost adder.

Protest

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 December 4, 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

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.

¹ D.09-10-036, mimeo., Attachment B – Master Services Contract, Schedule A, Intrastate Transmission Service, Section 7.E.4(b).

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 this Advice Letter is subject to Energy Division disposition and should be classified as Tier 1 (effective pending disposition) pursuant to GO 96-B, Section 7.3.1. SoCalGas believes that the tariff sheets filed herein are to be effective on October 1, 2014, in compliance with the two contracts governing SoCalGas' service to Southwest and Section 7.3.1 of GO 96-B which provides that this AL could go into effect on a date different from that otherwise provided by GO 96-B. In addition, SoCalGas also notes that no rebilling will be required as a result of making this change effective on October 1, 2014, as no bills for October usage have yet been rendered to any of the parties.

Notice

A copy of this advice letter is being sent to SoCalGas' GO 96-B service list and the Commission's service list in A.08-12-006, SoCalGas/P&G&E/Southwest Wholesale Transportation and Exchange Agreements. 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) #: 4710

Subject of AL: Schedule No. GT-SWGX – Exchange Wholesale Natural Gas Service – Exchange Rate

Keywords (choose from CPUC listing): Agreements; Contracts

AL filing type: Monthly Quarterly Annual One-Time Other Periodic

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

D.09-10-036

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: 10/1/14

No. of tariff sheets: 3

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

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: GT-SWGX, TOCs

Service affected and changes proposed¹: N/A

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. 4710

| Cal. P.U.C. Sheet No. | Title of Sheet | Cancelling Cal. P.U.C. Sheet No. |
|--------------------------|---|-------------------------------------|
| Revised 50887-G | Schedule No. GT-SWGX, EXCHANGE WHOLESALE NATURAL GAS SERVICE, Sheet 1 | Revised 50186-G |
| Revised 50888-G | TABLE OF CONTENTS | Revised 50880-G |
| Revised 50889-G | TABLE OF CONTENTS | Revised 50881-G |

Schedule No. GT-SWGX
EXCHANGE WHOLESALE NATURAL GAS SERVICE

Sheet 1

APPLICABILITY

Applicable for exchange transportation service exchange with Pacific Gas and Electric Company ("PG&E") in order to serve Southwest Gas Corporation's ("Customer") PG&E Points of Delivery located in Customer's service territory in southern California.

TERRITORY

Delivery points shall be as specified in the executed Master Services Contract, Schedule A, Intrastate Transmission Service, dated December 10, 2008 ("Contract").

RATES

Exchange Fee Charges

Exchange Rate, per therm 5.882¢

As specified in the Contract, the Exchange Rate recovers certain exchange fees charged by PG&E to Utility plus Utility's system balancing costs, and applies only to gas quantities delivered through Points of Delivery served by PG&E. Pursuant to the Contract, the Exchange Rate shall automatically change if the Commission approves modification to any of the tariffed components of the formula used to determine the exchange fee.

Pisgah Meter Station Charges

Pisgah Meter Station Charge, per month \$27,505

As specified in the Contract, Pisgah Meter Station Charges are monthly charges associated with the Pisgah Meter Station Upgrade.

One-Time Lump-Sum True Up Charge\$238,523

As specified in the Contract, a one-time lump-sum charge will be paid to enable SoCalGas to recover actual Pisgah Meter Station Upgrade costs during the months before the Pisgah Meter Station Charges are trued up. This charge will cover August 2011 through August 2013.

Billing Adjustments

Billing adjustments may be necessary to reflect changes in quantities used in developing prior periods' exchange charges.

Rates may be adjusted to reflect any applicable taxes, franchise or other fees, regulatory surcharges, and interstate or intrastate pipeline charges that may occur.

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(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 4710
 DECISION NO. 09-10-036

ISSUED BY
Lee Schavrien
 Senior Vice President

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Nov 14, 2014
 EFFECTIVE Oct 1, 2014
 RESOLUTION NO. _____

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| G-CP | Core Procurement Service | 47480-G,50877-G,50878-G,50851-G,37933-G |
| GT-F | Firm Intrastate Transportation Service | 50474-G,50475-G,49427-G,49428-G |
| | for Distribution Level Customers | 49429-G,49430-G,45308-G,47167-G |
| | | 45310-G,45311-G,45312-G,45313-G |
| GT-I | Interruptible Intrastate Transportation Service | 50476-G,50477-G,49432-G |
| | for Distribution Level Customers | 45317-G,47168-G,45319-G,45320-G |
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| | Transmission Level Customers | 45321-G,50478-G,50479-G,50480-G,50481-G |
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| | | 45331-G,45332-G,47170-G,45334-G,45335-G |
| | | 45336-G,45337-G,45338-G,45339-G |
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| G-IMB | Transportation Imbalance Service | 45342-G,50826-G,50827-G,50882-G |
| | | 50883-G,50884-G,45344-G,43325-G,47880-G |
| G-OSD | Off-System Delivery Service | 47345-G*,47346-G,48315-G,47348-G |
| G-BTS | Backbone Transportation Service | 48084-G,47349-G,50483-G,50658-G |
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| | | 47182-G,47183-G,47184-G,47185-G,50484-G,50485-G,50486-G |
| G-POOL | Pooling Service | 47188-G,47189-G,42278-G |
| G-BSS | Basic Storage Service | 43337-G,48817-G,45767-G,45768-G |
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| G-TBS | Transaction Based Storage Service | 45355-G,43340-G,48819-G,45775-G |
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| G-SMT | Secondary Market Transactions | |
| | of Storage Rights | 45359-G,50343-G,45361-G |
| G-TCA | Transportation Charge Adjustment | 49925-G |

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(TO BE INSERTED BY UTILITY)
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ISSUED BY
Lee Schavrien
 Senior Vice President

(TO BE INSERTED BY CAL. PUC)
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 EFFECTIVE Oct 1, 2014
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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.

| <u>GENERAL</u> | <u>Cal. P.U.C. Sheet No.</u> |
|--|---|
| Title Page | 40864-G |
| Table of Contents--General and Preliminary Statement | 50889-G,50700-G,50549-G |
| Table of Contents--Service Area Maps and Descriptions | 41970-G |
| Table of Contents--Rate Schedules | 50879-G,50888-G,50861-G |
| Table of Contents--List of Cities and Communities Served | 50356-G |
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| 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 | 50523-G |
| Purchased Gas Account (PGA) | 49671-G,49672-G |
| Core Fixed Cost Account (CFCA) | 50449-G,49710-G |
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| 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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Advice No. 4710

Attachment B

Calculation of System Balancing Cost Adder (SBCA) Pursuant to
Southwest Gas Contract with Southern California Gas Company

| | <u>Prior Rate</u> | <u>Updated Rate</u> | <u>Difference</u> |
|---|-------------------|---------------------|--------------------|
| Storage - Load Balancing \$000 | \$11,467 | \$10,260 | (\$1,207) |
| Company Use Gas: Storage Load Balancing \$000 | \$1,451 | \$1,160 | (\$292) |
| FF&U Rate | 1.76% | 1.76% | |
| | <u>\$26</u> | <u>\$20</u> | <u>(\$5)</u> |
| Total Storage Load Balance Cost \$000 | \$12,944 | \$11,440 | (\$1,504) |
| Average Year Throughput w/EOR/ Mth/yr | 9,613,583 | 9,748,592 | 135,010 |
| System Balancing Cost Adder (SBCA) \$/th | <u>\$0.00135</u> | <u>\$0.00117</u> | <u>(\$0.00017)</u> |