

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



March 5, 2015

Advice Letter 4749-G

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

SUBJECT: Update to System Modification Fee in Schedule No. G-CPS and Notification of Completion of EBB Modifications

Dear Ms. Prince:

Advice Letter 4749-G is effective as of March 1, 2015.

Sincerely,

A handwritten signature in black ink 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@semptrautilities.com

January 30, 2015

Advice No. 4749
(U 904 G)

Public Utilities Commission of the State of California

Subject: Update to System Modification Fee in Schedule No. G-CPS

Purpose

Southern California Gas Company (SoCalGas) hereby submits to the California Public Utilities Commission (Commission) a revision to its Schedule No. G-CPS, California Producer Service, to update the System Modification Fee (SMF). The revised schedule is shown in Attachment A.

Background

In compliance with Resolution G-3489, SoCalGas filed Advice No. (AL) 4177-A on November 18, 2013 to incorporate modifications to certain pro forma contracts and tariffs governing the terms and conditions of access by California (CA) Producers to the SoCalGas gas pipeline system. On February 11, 2014, the Commission approved AL 4177-A.

In AL 4177-A, SoCalGas stated that the SMF was based on the updated capital estimate of \$1.3 million, which will be ratebased and then amortized over three years. The SMF, charged to each CA Producer, recovers the cost of modifications to SoCalGas' Electronic Bulletin Board (EBB) necessary to implement the balancing requirements of the California Producer Operational Balancing Agreement (CPOBA).

The Commission's Energy Division, in its disposition letter dated February 11, 2014 approving AL 4177-A, ordered that the pro forma agreements submitted with AL 4177-A

“...will be made effective no earlier than the first day of the month following the day when SoCalGas Electronic Bulletin Board (EBB) modifications are deemed complete by SoCalGas. SoCalGas shall notify the Commission's Energy Division Tariff Unit upon completion of

the EBB modifications so that these pro forma agreements become effective then.”

SoCalGas notified the Commission’s Energy Division by overnight and electronic mail on January 26, 2015, that the EBB modifications were deemed complete.

G-CPS was originally filed with the SMF set with a placeholder of \$0 per MMcfd of Interconnect Capacity, per Month. This rate must be updated so SoCalGas can recover its EBB modification costs from CA Producers now that the modifications are complete and have been placed in service.

System Modification Fee

The methodology for the SMF calculation, shown below, is the same as was filed in AL 4177-A. The calculation was adjusted for actual costs and the actual dates and timing of expenditures to complete the modifications. In addition, the Total Contract Interconnect Capacity increased by approximately 5 MMcfd, reflecting changes to the number of CA Producers accessing the gas system and their Interconnect Capacity quantities. The monthly SMF is \$117.00 per MMcfd of contracted Interconnect Capacity.

Calculation of Monthly System Modification Fee.

	<u>Total</u>
Present Value of Revenue Requirement	\$ 1,333,444
Contract Term In Years	3
Annual Discount Rate	8.02%
Monthly Discount Rate	0.67%
Term in Months	36
Annual Payment	\$ 501,571
Monthly Payment	\$ 41,798
Total Contract Interconnect Capacity (MMcfd)	358
Monthly Payment per MMcfd Interconnect Capacity	\$ 117

Notes:

1. Capital Costs (nominal dollars) = \$1.33 million.
2. Present Value of Revenue Requirement = present value of annual revenue requirements for modification to information systems needed to implement CA Producer balancing requirements.
3. Annual Discount Rate = authorized rate of return percent.
4. Cost Recovery Term is the term over which the payments will be made.
5. Capital costs are fully loaded.
6. Total Contract Interconnect Capacity excludes ExxonMobil and Oxy at Gosford.

The disposition letter dated February 11, 2014 approved AL 4177-A, which states that if actual system modification costs exceed the estimated amount used to establish the SMF by more than 20%, SoCalGas will update the SMF fee in connection with its annual regulatory account balance update filing for rates effective January 1 of the following year. At the end of the initial amortization period, the SMF will be revised as necessary to true-up to actual costs. Similarly, SoCalGas plans to record the SMF as a credit to its fixed cost balancing accounts to ensure these costs are not double recovered (i.e., from both CA Producers and other general ratepayers).

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 AL was filed with the Commission which is February 19, 2015. 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 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

Effective Date

SoCalGas believes that this filing is subject to Energy Division disposition, and should be classified as Tier 2 (effective after staff approval) pursuant to GO 96-B. Therefore, SoCalGas respectfully requests that this filing be approved and the tariffs made effective on March 1, 2015, which is thirty (30) calendar days after the date filed.

Notice

A copy of this AL is being sent to SoCalGas' GO 96-B service list and the Commission's service list in A.04-08-018, California Producer Access. 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) #: 4749

Subject of AL : Update to System Modification Fee in Schedule No. G-CPS and Notification of Completion of EBB Modifications

Keywords (choose from CPUC listing): Pipeline Access

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

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

G-3489

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: 3/1/15

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: Schedule G-CPS, 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. 4749

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 51219-G	Schedule No. G-CPS, CALIFORNIA PRODUCER SERVICE, Sheet 2	Original 49714-G
Revised 51220-G	TABLE OF CONTENTS	Revised 50857-G
Revised 51221-G	TABLE OF CONTENTS	Revised 51218-G

Schedule No. G-CPS
CALIFORNIA PRODUCER SERVICE

Sheet 2

(Continued)

FEES (Continued)

Summary of Rates and Fees (Continued)

Gas Quality Monitoring and Enforcement Fees (For Individual Interconnection)

- | | |
|--|--------------|
| 1. One-Time Fee | \$1,860 |
| 2. New Data Collection System, per month | \$ 538 |
| 3. PLC/RTU Modification | \$8,937 |
| 4. New PLC/RTU Installation | Actual Costs |

System Modification Fees

- | | |
|---|---|
| 1. System Modification Fee (SMF), | \$117.00 per MMcfd
of Interconnect Capacity, per month |
|---|---|

Operation and Maintenance Fee Basis

Contained within the cost component are the following:

1. Meter Set Assembly – Routine Maintenance – The charge shown above represents all labor associated with tasks necessary for maintaining the meter, including, but not limited to, routine calibrations, inspections, and gas sampling. The calculation utilizes the fully loaded current labor rates, shown above, and includes 40 hours of unscheduled visits per calendar year.
2. Odorant – The fee, shown above, shall be included on a volumetric basis, and shall be derived from the previous year’s receipts at the meter, unless special circumstances (e.g. new production) warrant otherwise. The fee is based upon the actual cost of odorant and then current design odorant usage rate. The current cost of Scentinel® T-50 Gas Odorant, shown above, is \$3.48/lb and \$5.48/lb for large and small truck deliveries, respectively. The current design T-50 odorant usage is 0.40 lb/MMcf of gas delivered. The current cost of Scentinel® THT Gas Odorant, shown above, is \$5.39/lb and \$7.39/lb for large and small truck deliveries, respectively. The current design THT odorant usage is 0.75 lb/MMcf of gas delivered.
3. Interconnection-Specific – The actual interconnection-specific costs shall be charged back to individual meters. Typical interconnection-specific costs include telephone and communication expenses, replacement parts for existing equipment, permits for certain air districts, special calibration requirements, costs associated with providing CARB waivers, etc.
4. H₂S Monitoring – Interconnections with lead acetate tape monitors shall pay an additional monthly base fee, shown above, for each monitor.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 4749
 DECISION NO.

ISSUED BY
Lee Schavrien
 Senior Vice President

(TO BE INSERTED BY CAL. PUC)
 SUBMITTED Jan 30, 2015
 EFFECTIVE Mar 1, 2015
 RESOLUTION NO. G-3489

TABLE OF CONTENTS

(Continued)

G-PPPS	Public Purpose Programs Surcharge	50856-G,39517-G,39518-G
G-SRF	Surcharge to Fund Public Utilities Commission	
	Utilities Reimbursement Account	45362-G
G-MHPS	Surcharge to Fund Public Utilities Commission	
	Master Metered Mobile Home Park Gas Safety	
	Inspection and Enforcement Program	32828-G
G-MSUR	Transported Gas Municipal Surcharge	49989-G,25006-G
G-PAL	Operational Hub Services	45363-G,45364-G,45365-G
G-CPS	California Producer Service	49713-G,51219-G,49715-G,49716-G
		49717-G,49718-G,51097-G,51098-G,49721-G

(TO BE INSERTED BY UTILITY)

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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>
Title Page	40864-G
Table of Contents--General and Preliminary Statement	51221-G,51139-G,51140-G
Table of Contents--Service Area Maps and Descriptions	41970-G
Table of Contents--Rate Schedules	51216-G,51217-G,51220-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	50970-G,50971-G
Table of Contents--Sample Forms	50900-G,49608-G,49402-G,50901-G,50598-G

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PRELIMINARY STATEMENT

Part I General Service Information	45597-G,24332-G,24333-G,24334-G,48970-G
Part II Summary of Rates and Charges	51194-G,51195-G,51196-G,51024-G,51025-G,51197-G 51189-G,46431-G,46432-G,50855-G,51198-G,51199-G,51200-G,51030-G
Part III Cost Allocation and Revenue Requirement	51031-G,50447-G,50448-G
Part IV Income Tax Component of Contributions and Advances	51095-G,24354-G
Part V Balancing Accounts	
Description and Listing of Balancing Accounts	51130-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

(Continued)

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