

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



February 27, 2015

Advice Letter 4750

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

**Subject: Revisions to the In-Kind Energy Charge in Schedule
Nos. G-BSS, G-LTS, and G-TBS Pursuant to D.09-11-006**

Dear Ms. Prince:

Advice Letter 4750 is effective April 1, 2015.

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: 213.244.2009
Fax: 213.244.3201
rprince@semprautilities.com

January 30, 2015

Advice No. 4750
(U 904 G)

Public Utilities Commission of the State of California

Subject: Revisions to the In-Kind Energy Charge in Schedule Nos. G-BSS, G-LTS, and G-TBS Pursuant to Decision (D.) 09-11-006

Southern California Gas Company (SoCalGas) hereby submits revisions to its tariff Schedule Nos. G-BSS (Basic Storage Service), G-LTS (Long-Term Storage Service), and G-TBS (Transaction Based Storage Service) as shown on Attachment A.

Purpose

This compliance filing seeks approval of the California Public Utilities Commission (Commission) to revise Schedule Nos. G-BSS, G-LTS, and G-TBS to decrease the In-Kind Energy Charge from 2.40% to 2.33%, effective April 1, 2015.

Background

In D.09-11-006, the Commission approved San Diego Gas & Electric Company's and SoCalGas' 2009 Biennial Cost Allocation Proceeding (BCAP) Phase Two Settlement Agreement (SA).¹ Section II.B.2.G (page 10) of the SA states, "...**The initial injection fuel rate shall be set at 2.4% for the first full storage year under this settlement commencing on April 1, 2010, and shall be adjusted for each subsequent storage year under this settlement on the basis of a three-year rolling average.**" The term "initial injection fuel rate," used in the SA, is synonymous with the term "In-Kind Energy Charge," which has been used in Schedule Nos. G-BSS, G-LTS, and G-TBS.

On December 8, 2009, SoCalGas filed revisions to its tariffs (including Schedule Nos. G-BSS, G-LTS, and G-TBS) with Advice No. (AL) 4047 to comply with Ordering Paragraph 4 of D.09-11-006 to implement and carry out the terms and conditions of the

¹ Appendix A to D.09-11-006.

SA and to present the necessary tariff revisions. The revisions to Schedule Nos. G-BSS, G-LTS, and G-TBS, which also reflected the initial In-Kind Energy Charge of 2.40%, were approved by the Energy Division on January 19, 2010 and made effective April 1, 2010 for the 2010 storage year (April 1, 2010 through March 31, 2011). AL 4205, AL 4330 and AL 4454 used the same Commission-approved methodology of three-year rolling average for the calculation of In-Kind Energy Charges for the 2011, 2012 and 2013 storage years, respectively. AL 4205, AL 4330 and AL 4454 were approved by the Commission on March 17, 2011, March 15, 2012 and March 6, 2013, respectively.

SoCalGas has determined that, on the basis of three-year rolling average, the In-Kind Energy Charge for the 2015 storage year (April 1, 2015 through March 31, 2016) should be **2.33%**. The back-up calculations for the In-Kind Energy Charge for the 2015 storage year are shown on Attachment B. SoCalGas believes that the tariff revisions shown on Attachment A are necessary to implement the Commission's decision.

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 received within 20 days of the date this advice letter 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. This filing is consistent with D.09-11-006 and therefore SoCalGas respectfully requests that this filing be approved on March 1, 2015, which is thirty (30) calendar days after the date filed, but made effective April 1, 2015 (see the Background section above).

If this filing is not approved by Friday, March 27, 2015, SoCalGas respectfully requests the revised tariffs be made effective at least two days after verbal or electronic notification of the approval is communicated to SoCalGas. The requested minimum two-day time lag between the approval date and the effective date is based on the time that is needed to reflect the new In-Kind Energy Charge in Envoy and allow shippers/customers to adjust their gas deliveries and meet nomination deadlines.

Notice

A copy of this advice letter is being sent to SoCalGas' General Order (GO) 96-B and the parties to A.11-11-002, 2013 TCAP service list. 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) #: 4750

Subject of AL Revisions to the In-Kind Energy Charge in Schedule Nos. G-BSS, G-LTS, and G-TBS
Pursuant to D.09-11-006

Keywords (choose from CPUC listing): Storage

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

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

D.09-11-006

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 AL; 4/1/15, Tariffs

No. of tariff sheets: 5

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: G-BSS, G-LTS, G-TBS, 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. 4750

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 51222-G	Schedule No. G-BSS, BASIC STORAGE SERVICE, Sheet 2	Revised 48817-G
Revised 51223-G	Schedule No. G-LTS, LONG-TERM STORAGE SERVICE, Sheet 3	Revised 48818-G
Revised 51224-G	Schedule No. G-TBS, TRANSACTION BASED STORAGE SERVICE, Sheet 3	Revised 48819-G
Revised 51225-G	TABLE OF CONTENTS	Revised 51217-G
Revised 51226-G	TABLE OF CONTENTS	Revised 51218-G

Schedule No. G-BSS
BASIC STORAGE SERVICE

Sheet 2

(Continued)

RATES (Continued)

Reservation Charges (Continued)

Annual Firm Withdrawal

Reservation Charge for withdrawal capacity reserved for year

Rate, per decatherm/day \$11.584

The above reservation charge shall apply to the customer's reserved basic storage annual withdrawal capacity and shall be billed in twelve equal monthly installments during the storage year.

All reservation charges for firm basic storage service are applicable whether the storage service is used or not and shall not be prorated under any circumstances.

In-Kind Energy Charges

In-Kind Energy Charge for quantity delivered for injection during the year

Rate, percent reduction 2.33%

The In-Kind Energy Charge shall be adjusted as necessary on the basis of a three-year rolling average of actual fuel use.

Billing Adjustments

Billing adjustments may be necessary to reflect changes in quantities applicable under this schedule or changes in costs used in prior period's storage charges.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 4750
DECISION NO. 09-11-006

ISSUED BY
Lee Schavrien
Senior Vice President

(TO BE INSERTED BY CAL. PUC)
DATE FILED Jan 30, 2015
EFFECTIVE Apr 1, 2015
RESOLUTION NO. _____

Schedule No. G-LTS
LONG-TERM STORAGE SERVICE

Sheet 3

(Continued)

RATES (Continued)

In-Kind Energy Charges

In-Kind Energy Charge for quantity delivered for injection during the year

Rate, percent reduction 2.33%

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The In-Kind Energy Charge shall be adjusted as necessary on the basis of a three-year rolling average of actual fuel use.

Billing Adjustments

Billing adjustments may be necessary to reflect changes in quantities applicable under this schedule or changes in costs used in prior period's storage charges.

SPECIAL CONDITIONS

General

1. The definitions of the principal terms used in the Utility's tariff schedules are contained in Rule No. 1.
2. Storage service under this schedule shall be curtailed in accordance with the provisions of Rule No. 23.
3. All terms and conditions of Rule No. 30 and Schedule No. G-IMB shall apply to the transportation of customer-owned gas in conjunction with the storage services provided under this schedule.
4. As a condition precedent to service under this schedule, an executed Master Services Contract, Schedule F, Long-Term Storage Service (Form Nos. 6597 and 6597-6) is required. All contracts, rates and conditions are subject to revision and modification as a result of Commission order.
5. The minimum contract term for service under this schedule shall be three years and the maximum contract term shall be fifteen years.
6. The storage year for long-term contract service shall begin on April 1 and continue thereafter for a twelve month period. Eligible customers may contract for long-term storage service anytime during this period but the annual reservation charges applicable for the initial storage year shall not be prorated unless otherwise agreed to by the Utility.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 4750
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ISSUED BY
Lee Schavrien
 Senior Vice President

(TO BE INSERTED BY CAL. PUC)
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Schedule No. G-TBS
TRANSACTION BASED STORAGE SERVICE

Sheet 3

(Continued)

RATES (Continued)

In-Kind Energy Charges

In-Kind Energy Charge, applied to all quantities delivered for injection during the year

Rate, percent reduction 2.33%

The In-Kind Energy Charge shall be the same for all core and noncore injections and be adjusted as necessary on the basis of a three-year rolling average of actual fuel use.

SPECIAL CONDITIONS

General

1. The definitions of the principal terms used in this rate schedule and the Utility's other tariff schedules are contained in Rule No. 1.
2. Service under this schedule shall be curtailed in accordance with the provisions of Rule No. 23.
3. All terms and conditions of Rule No. 30 and Schedule No. G-IMB shall apply to the transportation of customer-owned gas in conjunction with the storage services provided under this schedule.
4. As a condition precedent to service under this schedule, an executed Master Services Contract (Form No. 6597) and an executed Master Services Contract, Schedule I, Transaction Based Storage Service (Form No. 6597-11) are required (referred to in this schedule collectively as the "Contract"). All contracts, rates and conditions are subject to revision and modification as a result of Commission order.
5. The contract term for service under this schedule shall be set forth in the customer's Contract.
6. Any quantity of storage gas that is in excess of the inventory rights remaining after: a) the customer's storage Contract term expires; or b) the customer trades away some or all of its inventory rights; or c) the customer's storage Contract is terminated, for whatever reason, prior to the completion of the term of such Contract shall be immediately purchased by the Utility at the applicable Buy-Back Rate stated in Schedule No. G-IMB. The Buy-Back purchase amount paid to the customer may be reduced by any outstanding amounts owed by the customer for any other services provided by the Utility.

(Continued)

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 EFFECTIVE Apr 1, 2015
 RESOLUTION NO. _____

R

TABLE OF CONTENTS

(Continued)

G-AMOP	Residential Advanced Meter Opt-Out Program	50168-G,50169-G
G-CP	Core Procurement Service	47480-G,51213-G,51214-G,51215-G,37933-G
GT-F	Firm Intrastate Transportation Service	51046-G,51047-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	51048-G,51049-G,49432-G
	for Distribution Level Customers	45317-G,47168-G,45319-G,45320-G
GT-TLS	Intrastate Transportation Service for Transmission Level Customers	45321-G,51050-G,51051-G,51052-G,51053-G
		49434-G,49435-G,49436-G,45329-G,45330-G
		45331-G,45332-G,47170-G,45334-G,45335-G
		45336-G,45337-G,45338-G,45339-G
GT-SWGX	Wholesale Natural Gas Service	50887-G,45341-G
G-IMB	Transportation Imbalance Service	45342-G,51190-G,51191-G,51125-G
		51184-G,51185-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,51054-G,50916-G
		47176-G,49399-G,47178-G,47179-G,47180-G,47181-G
		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,51222-G,45767-G,45768-G
		45769-G,45770-G
G-AUC	Auction Storage Service	43338-G,32709-G,32710-G,32711-G
		32712-G,32713-G,36314-G,32715-G
G-LTS	Long-Term Storage Service	32716-G,32717-G,51223-G,45771-G
		45772-G,45773-G
G-TBS	Transaction Based Storage Service	45355-G,43340-G,51224-G,45775-G
		45776-G
G-CBS	UDC Consolidated Billing Service	34071-G,34072-G,34073-G,33095-G
G-SMT	Secondary Market Transactions of Storage Rights	45359-G,50343-G,45361-G
G-TCA	Transportation Charge Adjustment	51055-G

T
T
T

(Continued)

(TO BE INSERTED BY UTILITY)
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 Senior Vice President

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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	51226-G,51139-G,51140-G
Table of Contents--Service Area Maps and Descriptions	41970-G
Table of Contents--Rate Schedules	51216-G,51225-G,50857-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

T
T

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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Attachment B - In-Kind Energy Charge Calculation

2012 - 2014	
<u>Total Storage Fuel Usage</u> (Mcf)	<u>Official Storage Injection Total</u> (Mcf)
3 Yr Total: 6,990,583	292,638,522

$$\text{In-Kind Energy, \%} = \frac{\text{Fuel}}{\text{(Fuel + Injections)}} = \frac{6,990,583}{(6,990,583 + 292,638,522)}$$

$$\text{In-Kind Energy Charge for 2015 Storage Year} = \mathbf{2.33\%}$$