

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



July 1, 2015

Advice Letter: 4814-G

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

SUBJECT: Revision to Schedule No. G-BTS Pursuant to D.11-04-032

Dear Mr. Newsom:

Advice Letter 4814-G is effective as of June 29, 2015 with corresponding Tariffs effective as of July 1, 2015.

Sincerely,

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

Edward Randolph
Director, Energy Division



Ronald van der Leeden
Director
Regulatory Affairs

555 W. Fifth Street, GT14D6
Los Angeles, CA 90013-1011
Tel: 213.244.2009
Fax: 213.244.4957
RvanderLeeden@semprautilities.com

May 29, 2015

Advice No. 4814
(U 904 G)

Public Utilities Commission of the State of California

Subject: Revision to Schedule No. G-BTS Pursuant to Decision (D.) 11-04-032

Southern California Gas Company (SoCalGas) hereby submits for approval by the California Public Utilities Commission (Commission) revision to its tariff Schedule No. G-BTS (Backbone Transportation Service), applicable throughout its service territory, as shown on Attachment A.

Purpose

This filing is made in compliance with Ordering Paragraph (OP) No. 12 of D.11-04-032, to revise Schedule No. G-BTS to decrease the In-Kind Energy Charge from 0.158% to 0.146%, effective July 1, 2015.

Background

In OP 12 of D.11-04-032, the Commission directed San Diego Gas & Electric Company and SoCalGas to:

[E]stablish an in-kind fuel factor, initially set at 0.22% of the total volume of natural gas to be delivered at the receipt point and updated quarterly based on the fuel factor determined from the prior quarter data.

To comply with D.11-04-032, SoCalGas filed Advice No. (AL) 4240 to revise Schedule No. G-BTS to incorporate the In-Kind Energy Charge of 0.22% effective October 1, 2011.¹ AL 4240 was approved by the Energy Division on July 1, 2011.

On November 30, 2011, SoCalGas filed AL 4304 to revise Schedule G-BTS to decrease the In-Kind Energy Charge from 0.22% (effective during the fourth quarter 2011) to 0.174% for the first quarter 2012. Ideally, SoCalGas would have liked to use its fourth quarter 2011 operations data to determine the In-Kind Energy Charge for the first quarter 2012. However, due to a time lag of approximately 25 days in obtaining operations data and at least 30 days needed to obtain Commission approval, SoCalGas used the most recent three-month operations data available (August 1, 2011, through October 31, 2011) to calculate the In-Kind Energy Charge for the first quarter 2012. In AL 4304 SoCalGas also proposed using the same methodology for future quarterly updates (i.e., use November 1, 2011, through January 31, 2012, operations data to calculate In-Kind Energy Charge for the second quarter 2012). AL 4304 was approved by the Energy Division on December 28, 2011, with the revision to Schedule No. G-BTS made effective January 1, 2012. All of SoCalGas' subsequent ALs to update the In-Kind Energy Charge have used this same methodology.

Requested New In-Kind Energy Charge and Change to Calculation

In order to reduce volatility from quarter to quarter in the calculation, SoCalGas proposes that, beginning July 1, 2015, we limit the "adjustment" factor for cumulative over/underdeliveries to 25% of the lagged quarterly actual amount. Any amounts over this 25% figure would be included in the following quarter's adjustment.

The proposed 25% limit would create more rate stability and would prevent large overcollections followed by large undercollections. For example, if SoCalGas were to use the full cumulative overcollection fuel amount (392,370 mcf) in the adjustment this quarter, the resulting fuel factor would be .017%, an amount approximately 1/10 of our normal In-Kind Energy Charge. Such a low charge would basically guarantee a large undercollection next quarter, which in turn would require a large adjustment the other way for the following quarter. The current 392,370 mcf overcollection is significantly larger than what has been previously observed. Extensive maintenance on the compressor-intensive North Desert System led to an unusually low actual in-kind fuel rate. Over the last 14 filings, the median absolute value of the cumulative over/undercollection of fuel has been 102,000 mcf as shown on Attachment C. The proposed 25% limit would keep future fuel adjustments close to this median figure. The backup calculations for this proposed In-Kind Energy Charge of 0.146% are shown on Attachment B.

¹ The term "In-Kind Energy Charge" used in SoCalGas Schedule No. G-BTS is synonymous with the term "in-kind fuel factor" used in D.11-04-032.

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 June 18, 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.11-04-032, and therefore, SoCalGas respectfully requests that this filing be approved on June 29, 2015 which is thirty (31) calendar days after the date filed, but with the tariff to be made effective July 1, 2015 (see the Background section above).

If this filing is not approved by Monday, June 29, 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 AL is being sent to SoCalGas' GO 96-B service list and the Commission's service list in A. 10-03-028, Firm Access Rights Update Proceeding. 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

Ron Van Der Leeden
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) #: 4814

Subject of AL: Revision to Schedule No. G-BTS Pursuant to D.11-04-032 (In-Kind Energy Charge)

Keywords (choose from CPUC listing): Transportation Rates

AL filing type: Monthly Quarterly Annual One-Time Other

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

D.11-04-032

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: AL 6/29/15; Tariffs 7/1/15

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: G-BTS, 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. 4814

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 51570-G	Schedule No. G-BTS, BACKBONE TRANSPORTATION SERVICE, Sheet 4	Revised 51281-G
Revised 51571-G	TABLE OF CONTENTS	Revised 51568-G
Revised 51572-G	TABLE OF CONTENTS	Revised 51569-G

Schedule No. G-BTS
BACKBONE TRANSPORTATION SERVICE

Sheet 4

(Continued)

RATES (Continued)

BILLING CALCULATION

Monthly Reservation Charge:

The Monthly Reservation Charge is payable each month regardless of the quantity of gas scheduled during the billing period. The Reservation Charge for each billing period shall be calculated using the applicable reservation rate and the DCQ as specified in Customer's Backbone Transportation Service Contract (BTSC).

Monthly Reservation Charge = Applicable Reservation Rate * DCQ * number of days in the billing period (or, if less than one month, number of days in term of contract).

Monthly Volumetric Charge:

The Monthly Volumetric Charge for each billing period shall be calculated using the applicable volumetric rate multiplied by the scheduled quantities on the Customer's BTSC.

Monthly Volumetric Charge = Applicable Volumetric Rate * Quantities of Gas Scheduled during the billing period.

In-Kind Energy Charges:

Customers transporting gas over the backbone transmission system shall deliver each day for each billing period at the receipt point an additional in-kind quantity of natural gas equal to a percent of the total quantity delivered at the receipt point. The quantity received by the Utility at the receipt point shall equal the quantity delivered by the Utility to the delivery point divided by (1 - x) where x is the decimal equivalent of the backbone transmission system in-kind fuel factor percentage.

Rate, percent reduction 0.146%

Any applicable volumetric charges shall be charged on scheduled volumes net of shrinkage.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 4814
 DECISION NO. 11-04-032

ISSUED BY
Lee Schavrien
 Senior Vice President

(TO BE INSERTED BY CAL. PUC)
 DATE FILED May 29, 2015
 EFFECTIVE Jul 1, 2015
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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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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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Advice Letter 4814

Attachment B - In-Kind Energy Charge Calculation

July 1st 2015 through September 30th 2015

	<u>Transmission Compression Fuel Usage</u> (Mcf)	<u>Official MCS Receipts *</u> (Mcf)	
3 Month Total:	428,780	221,457,336	
In-Kind Charge, %	= $\frac{\text{Actual Fuel}}{\text{Total Receipts}^*}$	= $\frac{428,780}{221,457,336}$	= 0.194%
	Minus	Minus	Minus
Adjustment **	= $\frac{(\text{Fuel Collections minus Actual Fuel})}{\text{Total Receipts}^*}$	= $\frac{107,195}{221,457,336}$	= 0.048%
In-Kind Energy Update Charge for 3rd Qtr 2015	=		0.146%

* Total Quantity Received by the Utility at all of its Receipt Points.

** minimum of: Cumulative Fuel Over/(under) Collections or 25% of previous quarter's actual fuel

Advice No. 4814

Attachment C

Cumulative Under/Over Collections in Previous Filings

Effective

QTR	(Mcf)	Absolute
Q1-12	24,591	24,591
Q2-12	(96,277)	96,277
Q3-12	(270,690)	270,690
Q4-12	(107,239)	107,239
Q1-13	(17,803)	17,803
Q2-13	48,982	48,982
Q3-13	163,063	163,063
Q4-13	38,664	38,664
Q1-14	(114,043)	114,043
Q2-14	45,080	45,080
Q3-14	187,486	187,486
Q4-14	(167,224)	167,224
Q1-15	(291,323)	291,323
Q2-15	31,979	31,979
Median		101,758
Q3-15	392,370	392,370