

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



July 29, 2015

**Advice Letter 4829-G**

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

**SUBJECT: Publication of Open Season Results for the Rainbow Corridor**

Dear Ms. Prince:

Advice Letter 4829-G is effective as of July 31, 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*

July 1, 2015

Advice No. 4829  
(U 904 G)

Public Utilities Commission of the State of California

**Subject: Publication of Open Season Results for the Rainbow Corridor**

The Southern California Gas Company (SoCalGas) hereby submits for filing with the California Public Utilities Commission (Commission) this publication of the results of the Open Season held for firm service contracts commencing on June 1, 2015 for customers served off the Rainbow Corridor, which consists of several pipelines that run from Moreno Station south to Rainbow Station.

**Background**

The Rainbow Corridor has been determined to be a potentially capacity constrained area. The first open season for the Rainbow Corridor, pursuant to D.06-09-039, was held for firm service contracts commencing or renewing after May 31, 2007, with subsequent open seasons held in 2009, 2011, 2013, and 2015. The 2015 Rainbow Corridor Open Season was held for firm service contracts commencing on June 1, 2015, with use-or-pay obligations.

**Rainbow Corridor Open Season Results**

SoCalGas sent bid packages to the 23 customers that are either currently noncore, noncore eligible, or expected to be noncore eligible within the term of this Open Season. Eight customers bid for firm noncore service, seven elected or remained on core service, eight elected or defaulted to interruptible noncore service, and no customers switched from noncore to core service. Two customers were considered large and therefore were required to bid a five-year term. One of the seven customers that participated in the Open Season was San Diego Gas & Electric (SDG&E).<sup>1</sup> SoCalGas was able to award all customer bids for firm noncore service. Based on these results and SoCalGas' analysis of likely firm demand, SoCalGas has determined that no additional facilities are needed at this time; however, there may still be a risk of interruptible service curtailment.

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<sup>1</sup> SDG&E is a wholesale customer of SoCalGas.

In accordance with Special Condition 37 of Schedule No. GT-F, SoCalGas will reduce the commitment for the Rainbow Corridor's large customers from five years to two years, consistent with the term for small customers. Schedule No. GT-F Special Condition 37 states as follows:

Term: For large noncore customers, the term for firm service shall be the earlier of (a) two (2) years beyond the in-service date of facilities associated with the expansion of local transmission service or the commencement of service on interstate and/or foreign pipelines or other arrangements that alleviate the need for expanding local transmission facilities, limited to the contractual commitments approval in D.07-05-022 or (b) five (5) years. For small noncore customers, the term is two years. In the event all requests for firm noncore capacity can be awarded without proration and the Utility does not plan to expand the local transmission system within the five-year contract period, the Utility will inform the Commission. Upon Commission agreement that there is no need to construct additional facilities within the five-year contract period, the Utility shall amend the five-year contracts to expire after two-years, consistent with the term for small customers.

Current capacity of the Rainbow Corridor and the SDG&E system is dependent upon the location of the customer demand on both systems. Based on the level of core demand in the Rainbow Corridor and on the SDG&E system, the current capacity of the SDG&E/Rainbow Corridor system is 760 MMcfd in the winter operating season and 740 MMcfd in the summer. This capacity was made available to both SoCalGas Rainbow Corridor customers and SDG&E customers during the Open Seasons. The solicitations result in peak firm demand (core and noncore) of 672 MMcfd in the winter (551 MMcfd on the SDG&E system, 121 MMcfd in the Rainbow Corridor) and 450 MMcfd in the summer (373 MMcfd on the SDG&E system, 77 MMcfd in the Rainbow Corridor), resulting in excess capacity in both operating seasons.

According to the policy established by the Commission in D.06-09-039 that capacity additions are to be considered in response to long-term firm commitments from customers, the results of this open season do not demonstrate a need for additional facilities or equivalent contractual arrangements at this time. However, SoCalGas and SDG&E are strongly concerned that this existing standard for capacity additions, which has served customers, the utilities, and the Commission well for a number of years, may now be causing us to reach the wrong conclusions with respect to the need for capacity additions. As such, SoCalGas and SDG&E are considering a proposal for a capacity improvement in the San Diego portion of our integrated service territory.

### **Protests**

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 July

21, 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  
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](mailto: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](mailto: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. SoCalGas respectfully requests that this filing be approved July 31, 2015, which is thirty calendar days after the date filed.

### **Notice**

A copy of this Advice Letter is being sent to SoCalGas' GO 96-B service list and the Commission's service list in the Gas Market OIR (R.) 04-01-025. Address change requests to the GO 96-B should be directed by electronic mail to [tariffs@socalgas.com](mailto: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](mailto:Process_Office@cpuc.ca.gov).

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Ronald van der Leeden  
Director – Regulatory Affairs

Attachment

# 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) #: 4829

Subject of AL: Publication of Open Season Results for the Rainbow Corridor

Keywords (choose from CPUC listing): Noncore, Contracts

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

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

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 AL<sup>1</sup>: N/A

Does AL request confidential treatment? If so, provide explanation: No \_\_\_\_\_

Resolution Required?  Yes  No

Tier Designation:  1  2  3

Requested effective date: July 31, 2015

No. of tariff sheets: 0

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: None

Service affected and changes proposed<sup>1</sup>: N/A

Pending advice letters that revise the same tariff sheets: N/A

**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 5<sup>th</sup> Street, GT14D6  
Los Angeles, CA 90013-1011  
SNewsom@semprautilities.com  
Tariffs@socalgas.com**

<sup>1</sup> Discuss in AL if more space is needed.