

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE

SAN FRANCISCO, CA 94102-3298



December 22, 2015

Advice Letter: 4898-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 Decision (D.) 11-04-032

Dear Mr. Newsom:

Advice Letter 4898-G is effective as of January 1, 2016.

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

November 25, 2015

Advice No. 4898
(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 increase the In-Kind Energy Charge from 0.185% to 0.325%, effective January 1, 2016.

Background

In OP No. 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. 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.

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 advice letters to update the In-Kind Energy Charge used this same methodology up until the May 29, 2015 third quarter filing.

On May 29, 2015, in order to reduce the current quarter to quarter rate volatility experienced, SoCalGas filed AL 4814 to modify its current In-kind rate methodology to implement a new rate adjustment limit. SoCalGas proposed that, beginning with the scheduled July 1, 2015 rate adjustment, the "adjustment" factor for cumulative over/under-deliveries be limited to 25% of the latest lagged quarter's actual fuel consumption. This modification stabilizes the rate and prevents large over-collections followed by large under-collections.

AL 4814 was approved by the Energy Division on June 29, 2015, effective July 1, 2015, with the new limit revision in place to adjust its Schedule No. G-BTS tariff. All of SoCalGas' subsequent advice letters to update the In-Kind Energy Charge will now use this methodology.

Requested Change

Consistent with the methodology used in the AL 4814, and based on August 1, 2015, through October 31, 2015 operations data, SoCalGas proposes that the In-Kind Energy Charge for the first quarter 2016 be revised from 0.185% to 0.325%. The backup calculations for this new proposed In-Kind Energy Charge of 0.325% are shown on Attachment B.

In addition, SoCalGas requests authorization from the Commission to submit this update and future updates to the In-Kind Energy Charge via a Tier 1 advice letter. This change will enable SoCalGas to use more current data in its future In-Kind Energy Charge updates by eliminating the time lag associated with the Tier 2 process. This treatment would be consistent with D.11-04-032, which simply states

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.

that our In-Kind Energy Charge is to be “updated quarterly based on the fuel factor determined from the prior quarter data.”² This treatment would also be consistent with General Order (GO) 96-B, Industry Rule 5.1(3), which provides for Tier 1 treatment of changes in a rate or charge pursuant to an index or formula that the Commission has approved for use in an advice letter by the Utility, not including the first time the Utility uses that index or formula.

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 December 15, 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 this advice letter is subject to Energy Division disposition and should be classified as Tier 1 (effective pending disposition) pursuant to GO 96-B. Therefore, SoCalGas respectfully requests that this filing be approved on December 25, 2015, which is thirty (30) calendar days after the date filed, but with the tariff to be made effective January 1, 2016.

² D.11-04-032, mimeo., at 83 (OP No. 12).

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. 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

Ronald 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) #: 4898

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 12/25/15; Tariffs 1/1/16

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. 4898

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 52100-G	Schedule No. G-BTS, BACKBONE TRANSPORTATION SERVICE, Sheet 4	Revised 51901-G
Revised 52101-G	TABLE OF CONTENTS	Revised 52098-G
Revised 52102-G	TABLE OF CONTENTS	Revised 52099-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 0.325%

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

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 4898
 DECISION NO. 11-04-032

ISSUED BY
Dan Skopec
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Nov 25, 2015
 EFFECTIVE Jan 1, 2016
 RESOLUTION NO. _____

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(TO BE INSERTED BY UTILITY)
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ISSUED BY
Dan Skopec
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
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Advice Letter 4898

Attachment B - In-Kind Energy Charge Calculation

January 1st 2016 through March 31st 2016

	<u>Transmission Compression Fuel Usage</u> (Mcf)		<u>Official MCS Receipts *</u> (Mcf)	
3 Month Total:	683,092		250,599,655	
In-Kind Charge, %	= $\frac{\text{Actual Fuel}}{\text{Total Receipts}^*}$	=	$\frac{683,092}{250,599,655}$	= 0.273%
	Plus		Plus	Plus
Adjustment **	$\frac{\text{(Fuel Collections minus Actual Fuel)}}{\text{Total Receipts}^*}$	=	$\frac{-131,077}{250,599,655}$	= 0.052%
In-Kind Energy Update Charge for 1st Qtr 2016		=	0.325%	

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

** Lessor of, Absolute value of : Cumulative Fuel Over/(under) Collections [-131,077] OR, 25% of previous quarter's actual fuel consumption [170,773]