

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



August 25, 2016

Advice Letter: 4976-G

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

SUBJECT: Off-System Delivery Service Imbalances on High OFO Days

Dear Mr. Newsom:

Advice Letter 4976-G is effective as of August 18, 2016, per approved Resolution G-3518 Ordering Paragraphs.

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

June 13, 2016

Advice No. 4976
(U 904 G)

Public Utilities Commission of the State of California

Subject: Off-System Delivery Service Imbalances on High OFO Days

Southern California Gas Company (SoCalGas) hereby submits for approval by the California Public Utilities Commission (Commission) proposed revisions to its Schedule No. G-OSD applicable throughout its service territory, as shown on Attachment A.

Purpose

SoCalGas requests authorization to revise Schedule No. G-OSD, Off-System Delivery Service, to apply Buy-Back charges from Schedule No. G-IMB, Transportation Imbalance Service, for Off-System Delivery (OSD) contract imbalances incurred on gas flow days on which a High Operational Flow Order (High OFO) has been declared.

Background

In Decision (D.) 11-03-029, the Commission authorized SoCalGas and San Diego Gas & Electric Company (SDG&E) to offer interruptible OSD service to their customers. SoCalGas' Schedule No. G-OSD currently provides OSD customers with three business days to clear imbalances by nominating gas into or out of their OSD imbalance account. Uncleared positive OSD imbalances are subject to Schedule G-IMB Buy-Back Charges, and uncleared negative OSD imbalances are subject to the Standby Procurement Charge for noncore retail service (SP-NR).

It has come to the attention of SoCalGas that OSD positive imbalances have the potential to exacerbate overdeliveries on High OFO days by allowing shippers to nominate excess gas to OSD without a corresponding nomination on an upstream pipeline, and then clear the positive imbalance within three days to avoid buy-back charges. OSD service was not intended to undercut High OFO requirements, and the tariff change proposed herein is designed to close this potential loophole in the Schedule No. G-OSD tariff.

Requested Tariff Revision

SoCalGas proposes that OSD overdeliveries on High OFO days would need to be cleared by the end of the flow day, or subjected to the same Buy-Back Rate as High OFO imbalances. That way there would be no customer avoidance of High OFO charges—and resulting overdeliveries—as a result of nominations to OSD on High OFO days. The proposed change to Schedule No. G-OSD to achieve this result is set forth in Attachment A.

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, which is July 3, 2016. 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 General Order (GO) 96-B. Therefore, SoCalGas respectfully requests that this filing be approved on July 13, 2016, which is thirty (30) 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 lists in A.08-06-006 and A.15-06-020. 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 904-G)**

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) #: 4976

Subject of AL: Off-System Delivery Service Imbalances on High OFO Days

Keywords (choose from CPUC listing): Imbalances, Reliability

AL filing type: Monthly Quarterly Annual One-Time Other

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 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: 7/13/16

No. of tariff sheets: 3

Estimated system annual revenue effect (%): None

Estimated system average rate effect (%): None

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 No. G-OSD and 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 Fifth 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. G-OSD

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 52708-G	Schedule No. G-OSD, OFF-SYSTEM DELIVERY SERVICE, Sheet 3	Revised 48315-G
Revised 52709-G	TABLE OF CONTENTS	Revised 52706-G
Revised 52710-G	TABLE OF CONTENTS	Revised 52707-G

Schedule No. G-OSD
OFF-SYSTEM DELIVERY SERVICE

(Continued)

SPECIAL CONDITIONS (Continued)

NOMINATIONS AND BALANCING (Continued)

- 10. The Utility will make available physical displacement capability at the Delivery Points on an interruptible basis at the applicable G-OSDI rate as shown above.
- 11. The Utility shall post, on its Electronic Bulletin Board (EBB), the daily G-OSDI rate for each Delivery Point before the deadline for Cycle 1 nominations for the flow day. No interruptible OSD service shall be charged without the G-OSDI rate first being posted on the EBB. All interruptible OSD service used by Customers at any Delivery Point during any flow day shall be charged the same G-OSDI rate posted for that particular Delivery Point for that particular flow day.
- 12. If any discount, rebate, or other waiver of G-OSDI is provided to an affiliate of the Utility, then the Utility shall: 1) offer the same discount, rebate, or waiver to all similarly situated Customers, i.e., other Customers using the same Delivery Point for that particular flow day; and 2) file an affiliate discount report as required by section III.F. of the Utility's affiliate transaction rules.
- 13. A Customer's OSD imbalance is defined as the difference between the quantity of gas scheduled into its OSD Contract and the quantity of gas scheduled out of its OSD Contract following Cycle 4 on any given flow day. A Customer can clear its OSD imbalance by nominating gas into or out of its OSD imbalance account. OSD imbalances shall be resolved in accordance with the terms of Schedule No. G-IMB if they are not cleared by the following deadlines: (1) end of the flow day for positive OSD imbalances on gas flow days in which a High OFO has been declared; and (2) three (3) business days after the flow day when the OSD imbalance occurred for all other imbalances. Specifically, the Buy-Back Rate for noncore retail service (BR-R) shall be applied to resolve a positive OSD imbalance and the Standby Procurement Charge for noncore retail service (SP-NR) shall be applied to resolve a negative OSD imbalance. OSD Customers shall not be allowed to trade their OSD imbalances with other OSD customers or on-system customers.
- 14. On any given flow day the net revenues from the interruptible and firm* OSD services in the Southern System shall first be credited to the System Reliability Memorandum Account (SRMA) to offset the costs of the fixed deliveries into the Southern System for that particular flow day. The remainder, if any, of the above-mentioned interruptible and firm OSD service revenues plus the net interruptible and firm OSD service revenues from the Southern System for the remaining flow days plus the net interruptible and firm OSD service revenues from the Utility's other transmission systems shall then be credited to the Firm Access and Storage Rights Memorandum Account (FASRMA) to offset the costs of the system modification for providing the OSD services. Finally, any remaining interruptible and firm OSD service revenues shall be credited to the Backbone Transmission Balancing Account (BTBA), consistent with the requirements of D.11-04-032.

* For firm OSD services net revenues from the volumetric charge only

(Continued)

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 4976
DECISION NO.

3H11

ISSUED BY

Dan Skopec
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Jun 13, 2016
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(TO BE INSERTED BY UTILITY)

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 DECISION NO.

ISSUED BY

Dan Skopec
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Jun 13, 2016
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