

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



January 29, 2018

**Advice Letter 5133-G**

Ronald van der Leeden  
Director, Regulatory Affairs  
Southern California Gas  
555 W. Fifth Street, GT14D6  
Los Angeles, CA 90013-1011

**SUBJECT: Core Pricing Flexibility and NonCore Competitive Load Growth Opportunities Programs**

Dear Mr. van der Leeden:

Advice Letter 5133-G is effective as of June 2, 2017.

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: 213.244.3201

[RvanderLeeden@semprautilities.com](mailto:RvanderLeeden@semprautilities.com)

May 3, 2017

Advice No. 5133  
(U 904G)

Public Utilities Commission of the State of California

**Subject: Core Pricing Flexibility and Noncore Competitive Load Growth Opportunities Programs**

Southern California Gas Company (SoCalGas) hereby submits for filing with the California Public Utilities Commission (Commission) its Core Pricing Flexibility and Noncore Competitive Load Growth Opportunities Program information for 2016. This filing is made in compliance with Decision (D.) 97-07-054 (SoCalGas' Performance Based Regulation), D.00-04-060 (SoCalGas' 1999 Biennial Cost Allocation Proceeding), and Resolution G-3515 (Southern California Gas Company Report on Core Pricing Flexibility and Noncore Competitive Load Growth Opportunities Programs).

**Purpose**

Consistent with the prior year's filing,<sup>1</sup> the purpose of this filing is to report the 2016 results of the Core Pricing Flexibility Program and Noncore Competitive Load Growth Opportunities Program as adopted in D.97-07-054 and D.00-04-060, respectively, for informational purposes only.

Additionally, SoCalGas submits the confidential Attachment A and appendices referenced therein to this advice letter in compliance with Resolution G-3515, Ordering Paragraph 5:

In its 2017 Advice Letter filing, SoCalGas shall explain how new contracts improved energy efficiency.

- a. For the Core Pricing Flexibility Program, the report should include:  
customer name, technology installed, projected energy savings, whether

---

<sup>1</sup> Advice No. (AL) 4961, filed on April 29, 2016 and effective on June 1, 2016, was approved on November 9, 2016.

the customer was existing or new, the baseload quantity, the minimum incremental quantity, the contract term, the tariff used, the set of qualifications each customer was required to meet to receive that tariff, whether the customer received a volumetric discount or an upfront billing credit, the value of that incentive or discount, and a copy of the contract.

- b. For the Noncore Competitive Load Growth Opportunities Program, the report should include: customer name, technology installed, projected energy savings, whether the customer was existing or new, contract type, minimum annual quantity, incentive(s), contract term, and a copy of the contract.

### **Core Pricing Flexibility Program**

In D.97-07-054 and D.98-01-040, the Commission authorized a Core Pricing Flexibility program for SoCalGas as detailed in Section K.2 of AL 2687-A. This program remains unchanged with the approval of the 2013 Triennial Cost Allocation Proceeding (TCAP). Under this arrangement, SoCalGas' shareholders are responsible for any reduction in core revenues that may occur due to discounting, and likewise, receive the benefit of any resulting gains. The Commission has authorized SoCalGas to adjust its Core Fixed Cost Account to reflect this arrangement. The Core Pricing Flexibility Program produced incremental net revenues in the amount of \$1,361,419 for 2016.

### **Noncore Competitive Load Growth Opportunities Program**

In D.00-04-060, the Commission authorized SoCalGas' revenue treatment for new negotiated contracts that are part of a California Red Team economic development effort and contracts where Rule No. 38 shareholder funding has been used. This program remains unchanged with the approval of the 2013 TCAP. Under this arrangement, SoCalGas' shareholders are responsible for any reduction in noncore revenues that may occur due to discounting, and likewise, receive the benefit of any resulting gains. The Commission has authorized SoCalGas to adjust its Noncore Fixed Cost Account to reflect this arrangement. The Noncore Competitive Load Growth Opportunities Program produced incremental net revenues in the amount of \$622,764 for 2016.

### **Confidentiality**

Due to the confidential nature of Attachment A and the appendices referenced therein, a declaration requesting confidential treatment is included. Attachment A is only being provided to Energy Division under the confidentiality provisions of California Public Utilities Code § 583, General Order (G.O.) 66-C, and D.16-08-024.

**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 of this advice letter, which is May 23, 2017. 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 email 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 addresses shown below on the same date it is mailed or delivered to the Commission.

Attn: Ray B. Ortiz  
Tariff Manager - GT14D6  
555 West Fifth Street  
Los Angeles, CA 90013-1011  
Facsimile No.: (213) 244-4957  
E-Mail: [rortiz@semprautilities.com](mailto:rortiz@semprautilities.com)

Attn: Yvonne Mejia  
Regulatory Case Manager - GT14D6  
555 West Fifth Street  
Los Angeles, CA 90013-1011  
Facsimile No.: (213) 244-3214  
E-Mail: [ymejia@semprautilities.com](mailto:ymejia@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 G.O. 96-B. SoCalGas respectfully requests that this filing become effective on June 2, 2017, which is 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 list in A.16-12-010. Address change requests to the GO 96-B service list should be directed by electronic mail to [tariffs@socalgas.com](mailto:tariffs@socalgas.com) or call 213-244-2837. 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).

---

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: Ray B. Ortiz

Phone #: (213) 244-3837

E-mail: [ROrtiz@semprautilities.com](mailto:ROrtiz@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) #: 5133

Subject of AL: Core Pricing Flexibility and Noncore Competitive Load Growth Opportunities Programs

Keywords (choose from CPUC listing): Core, Non-Core, GRC

AL filing type:  Monthly  Quarterly  Annual  One-Time  Other

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

D.97-07-054 and D.00-04-060

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: Yes. See the Declaration of Confidentiality.

Resolution Required?  Yes  No

Tier Designation:  1  2  3

Requested effective date: 6/2/17

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: 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](mailto:EDTariffUnit@cpuc.ca.gov)

Southern California Gas Company  
Attention: Ray B. Ortiz  
555 West 5<sup>th</sup> Street, GT14D6  
Los Angeles, CA 90013-1011  
[ROrtiz@semprautilities.com](mailto:ROrtiz@semprautilities.com)  
[Tariffs@socalgas.com](mailto:Tariffs@socalgas.com)

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

**ATTACHMENT A**

**Advice No. 5133**

**Noncore and Core Agreements**

**Appendices A.1, A.2, A.3, A.4, A.5,  
B.1, B.2, B.3, B.4, B.5, B.6, and B.7**

**Confidential and Protected Materials Pursuant to Public Utilities  
Code Section 583, General Order 66-C, and D.16-08-024**

**BEFORE THE PUBLIC UTILITIES  
COMMISSION OF THE STATE OF CALIFORNIA**

**DECLARATION OF RASHA PRINCE  
REGARDING CONFIDENTIALITY OF CERTAIN DATA/DOCUMENTS  
PURSUANT TO D.16-08-024**

I, Rasha Prince, do declare as follows:

1. I am the Director of Commercial/Industrial Services for Southern California Gas Company ("SoCalGas"). I have been delegated authority to sign this declaration by Lisa M. Alexander, Vice President of Customer Solutions and Communications for SoCalGas. I have reviewed the Advice Letter (AL) 5133 and attachments referenced therein. I am personally familiar with the facts and representations in this Declaration and, if called upon to testify, I could and would testify to the following based upon my personal knowledge and/or belief.

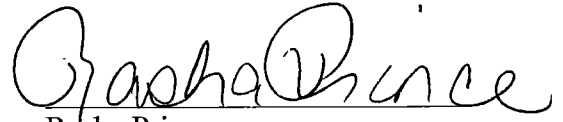
2. I hereby provide this Declaration in accordance with Decision ("D.") 16-08-024 to demonstrate that the confidential information ("Protected Information") provided in AL 5133 and attachments submitted concurrently herewith, is within the scope of data protected as confidential under applicable law, and pursuant to California Public Utilities Code ("P.U. Code") § 583 and General Order ("GO") 66-C, as described in Attachment A hereto.

3. In accordance with the legal authority described herein, the Protected Information should be protected from public disclosure.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct to the best of my knowledge.

Executed this 3<sup>rd</sup> day of May, 2017, at Los Angeles, California.



A handwritten signature in black ink that reads "Rasha Prince". The signature is written in a cursive style with a large initial "R".

Rasha Prince  
Director of Commercial/Industrial  
Services  
Southern California Gas Company

# ATTACHMENT A

## SoCalGas Request for Confidentiality on the following Protected Information in AL 5133 and Attachments thereto

Location of Data	Description of Data	Applicable Confidentiality Provisions	Basis for Confidentiality
AL 5133, Attachment A	Attachment A of AL 5133 – “Core”- Column B “Customer Name”; Column C “Technology Installed”; Column D “Projected Energy Savings”; Column F “Baseload Quantity”; Column G “Incremental Load”; and Column H “Contract Term”; Column J “Qualifications”; Column K “Volumetric Discount or Upfront Billing Credit”; Column L “Value”	GO 66-C Section 2.2(b) (“unfair business advantage”) Gov’t Code §§ 6254(k), 6254.7(d); Evid. Code §1060; Civil Code §3426 <i>et seq.</i>	Data is market sensitive information that, if revealed, would place customers at an unfair business disadvantage because it provides market sensitive information regarding customer gas usage, competitive data, customer and vendor proprietary information and contract terms (see justification for Appendix A and B below).
AL 5133, Attachment A	Attachment A of AL 5133 – “Noncore” - Column B “Customer Name”; Column C “Technology Installed”; Column D “Projected Energy Savings”; Column G “Incremental Load”; and Column H “Incentive”; Column I “Contract Term”; Column J “Qualifications”;	GO 66-C Section 2.2(b) (“unfair business advantage”) Gov’t Code §§ 6254(k), 6254.7(d); Evid. Code §1060; Civil Code §3426 <i>et seq.</i>	Data is market sensitive information that, if revealed, would place customers at an unfair business disadvantage because it provides market sensitive information regarding customer gas usage, competitive data, equipment used and contract terms (see justification for Appendix A and B below).
AL 5133, Attachment A, Appendix A (in its entirety)	Contracts for Core Pricing Flexibility and Noncore Competitive Load Growth Opportunities	<i>See, e.g.</i> , D.11-01-036, 2011 WL 660568 (2011) (agreeing that confidential prices and contract terms specifically negotiated with a program	Contracts between the utility and third party vendors that contain customer and vendor proprietary information, are

<p>AL 5133, Attachment A, Appendix B (in its entirety)</p>	<p>Programs are provided in their entirety.</p>	<p>vendor is proprietary and commercially sensitive and should remain confidential).</p> <p>GO 66-C Sections 2.2(b) (“unfair business advantage”), 2.8 (“Information obtained in confidence from other than a business regulated by this Commission where the disclosure would be against the public interest.”)</p>	<p>commercially sensitive, and are subject to non-disclosure or confidentiality agreements.</p>
--	---	--	---